



April 30, 2025

Department of Social Service
Continuing Care Contracts Branch
744 P Street M/S 10-90
Sacramento, CA 95814

Re: Certification by Chief Executive Officer

Dear Sir or Madam:

This letter is to serve as certification concerning the annual report for Palm Village Retirement Community.

The annual report and any amendments thereto are correct to the best of my knowledge.

Each continuing care contract form in use or offered to new residents has been approved by the department.

As of the date of the CEO's certification, Palm Village Retirement Community is maintaining the required liquid reserve.

Sincerely,

Jim Higbee
President and Chief Executive Officer

ANNUAL REPORT CHECKLIST

FISCAL YEAR ENDED: 12/31/2024

PROVIDER(S):

Mennonite Brethren Homes, Inc
dba Palm Village Retirement Community

CCRC(S):

Mennonite Brethren Homes, Inc
dba Palm Village Retirement Community

PROVIDER CONTACT PERSON:

Jim Higbee

TELEPHONE NUMBER:

559-638-6933

E-MAIL ADDRESS:

jimhigbee@palmvillage.com

A complete annual report must consist of 3 copies of all of the following:

- ☒ Annual Report Checklist.
- ☒ Annual Provider Fee in the amount of: \$9,448.29
 - ☐ If applicable, late fee in the amount of: \$ _____
- ☒ Certification by the provider's **Chief Executive Officer** that:
 - ☒ The reports are correct to the best of his/her knowledge.
 - ☒ Each continuing care contract form in use or offered to new residents has been approved by the Department.
 - ☒ The provider is maintaining the required liquid reserves and, when applicable, the required refund reserve.
- ☒ Evidence of the provider's fidelity bond, as required by H&SC section 1789.8.
- ☒ Provider's audited financial statements, with an accompanying certified public accountant's opinion thereon.
- ☒ Provider's audited reserve reports (prepared on Department forms), with an accompanying certified public accountant's opinion thereon. (NOTE: Form 5-5 must be signed and have the required disclosures attached (H&SC section 1790(a)(2) and (3)).
- ☒ "Continuing Care Retirement Community Disclosure Statement" for **each** community.
- ☒ Form 7-1, "Report on CCRC Monthly Service Fees" for **each** community.
- ☐ Form 9-1, "Calculation of Refund Reserve Amount", if applicable.
- ☐ Key Indicators Report (signed by CEO or CFO (or by the authorized person who signed the provider's annual report)). The KIR may be submitted along with the annual report, but is not required until 30 days later.

FORM 1-1: RESIDENT POPULATION

Line	Continuing Care Residents	TOTAL
[1]	Number at beginning of fiscal year	142
[2]	Number at end of fiscal year	163
[3]	Total Lines 1 and 2	305
		x.50
[4]	Multiply Line 3 by ".50" and enter result on Line 5.	
[5]	Mean number of continuing care residents Please allow decimal points for Line [5]	152.50
All Residents		
[6]	Number at beginning of fiscal year	279
[7]	Number at end of fiscal year	294
[8]	Total Lines 6 and 7	573
		x.05
[9]	Multiply Line 8 by ".50" and enter result on Line 10.	
[10]	Mean number of <i>all</i> residents	286.50
[11]	Divide the mean number of continuing care residents (Line 5) by the mean number of <i>all</i> residents (Line 10) and enter the result (round to two decimal places).	0.53

Please allow decimal points in Line [11]

FORM 1-2: ANNUAL PROVIDER FEE

Line	TOTAL
[1] Total Operating Expenses (including depreciation and debt service - interest only)	18,822,116.00
[a] Depreciation	926,655.00
[b] Debt Service (Interest Only)	68,500.00
[2] Subtotal (add Line 1a and 1b)	995,155.00
[3] Subtract Line 2 from Line 1 and enter result.	17,826,961.00
[4] Percentage allocated to continuing care residents (Form 1-1, Line 11)	0.53
[5] Total Operating Expense for Continuing Care Residents (multiply Line 3 by Line 4)	9,448,289.33
[6] Total Amount Due (multiply Line 5 by .001)	\$ 9,448.29

PROVIDER: Mennonite Brethren Homes, IncCOMMUNITY: Palm Village Retirement Community

NATIONWIDE MUTUAL INSURANCE COMPANY

COMMERCIAL PROPERTY FORMS AND ENDORSEMENTS

Policy Number: **ACP CPP 3039912318**

Policy Period: From **03/01/24** To **03/01/25**

Named Insured: **MENNONITE BRETHREN HOMES INC**

Form	Date	Title
CP0010	1012	BUILDING AND PERSONAL PROPERTY COVERAGE FORM
CP0030	1012	BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM
CP0140	0706	EXCLUSION OF LOSS DUE TO VIRUS OR BACTERIA
CP0299	0607	CANCELLATION CHANGES
CP0449	0220	CALIFORNIA CHANGES - REPLACEMENT COST
CP1030	1012	CAUSES OF LOSS - SPECIAL FORM
CP1034	1012	EXCLUSION OF LOSS DUE TO BY-PRODUCTS OF PRODUCTION OR PROCESSING OPERATIONS
CP1040	1012	EARTHQUAKE AND VOLCANIC ERUPTION ENDORSEMENT
CP1270	0996	JOINT OR DISPUTED LOSS AGREEMENT
CP1510	1012	PAYROLL LIMITATION OR EXCLUSION
CP1540	0607	CALIFORNIA - CIVIL AUTHORITY CHANGES
CP7067	0194	COMMERCIAL PROPERTY CONDITIONS
CP7100	0405	PROPERTY AMENDATORY ENDORSEMENT
CP7117	0917	EQUIPMENT BREAKDOWN COVERAGE
CP7118	0917	EQUIPMENT BREAKDOWN COVERAGE SCHEDULE
CP7189	0416	SENIOR LIVING COMMUNITIES PLATINUM PROTECTION PLUS ENDORSEMENT
CP7301	0917	PROTECTIVE SAFEGUARDS
CP9903	1219	CANNABIS EXCLUSION ENDORSEMENT
IL0017	1198	COMMON POLICY CONDITIONS
IL0102	0220	CALIFORNIA CHANGES - ACTUAL CASH VALUE
IL0104	0720	CALIFORNIA CHANGES
IL0241	0116	CALIFORNIA - DESIGNATED ADDITIONAL PERSON TO RECEIVE NOTICE CANCELLATION OR NON
IL0270	0720	CALIFORNIA CHANGES - CANCELLATION AND NONRENEWAL
IL0935	0702	EXCLUSION OF CERTAIN COMPUTER-RELATED LOSSES
IL0952	0115	CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM
IL0985	0115	DISCLOSURE PURSUANT TO TERRORISM RISK INSURANCE ACT
IN0001	0416	CONSUMER COMPLAINTS AND INFORMATION
IN5017	0593	IMPORTANT NOTICE FOR RENEWAL POLICIES
IN7406	0107	IMPORTANT FLOOD INSURANCE NOTICE
IN7636	1211	IMPORTANT EARTHQUAKE INSURANCE NOTICE - ONE TO FOUR FAMILY DWELLINGS
IN7809	1115	DATA BREACH & IDENTITY RECOVERY SERVICES

NATIONWIDE MUTUAL INSURANCE COMPANY

COMMERCIAL PROPERTY FORMS AND ENDORSEMENTS

Policy Number: ACP CPP 3039912318

Policy Period: From 03/01/24 To 03/01/25

Named Insured: MENNONITE BRETHREN HOMES INC

Form	Date	Title
IN7854	0917	PROTECTIVE SAFEGUARD ENDORSEMENT ADVISORY NOTICE TO POLICYHOLDERS
IN8028	0220	NOTICE TO POLICYHOLDERS CANNABIS EXCLUSIONS
LI0995	0107	CONDITIONAL EXCLUSION OF TERRORISM
10940	0789	CA INSURANCE GUARANTEE ASSN

COVERAGE	PLATINUM	DIAMOND
Fire and Security Alarm System Upgrade	25% of the cost to upgrade per regulation up to \$25,000	25% of the cost to upgrade per regulation up to \$25,000
Fire Department Service Charge	Actual Cost	Actual Cost
Fire Extinguisher Recharge	- \$50,000 for Recharge - \$5,000 for Clean-up Expenses - \$5,000 Business Income	- \$50,000 for Recharge - \$5,000 for Clean-up Expenses - \$5,000 Business Income
Flood	N/A	\$100,000
	- \$100,000 for Business Income and Extra Expense	- \$100,000 for Business Income and Extra Expense
Food Contamination Including Communicable Disease	- \$50,000 for Additional Advertising and Inoculation Expense	- \$50,000 for Additional Advertising and Inoculation Expense
Forgery or Alteration	\$100,000	\$100,000
Key Person Replacement Expense Coverage	\$25,000	\$25,000
Limited Business Income	\$250,000	\$250,000
Limited Extra Expense	\$250,000	\$250,000
Ordinance or Law Coverage - Coverage A - Coverages B & C	Coverage A - Building limit Coverages B & C - Shared \$1,000,000	Coverage A - Building limit Coverages B & C - Shared \$1,000,000
Pollutant Clean Up and Removal	\$100,000	\$100,000
Preservation of Property	90 days	90 days
Spoilage of Perishable Goods	\$50,000	\$50,000
Unauthorized Business Card Use	\$25,000	\$25,000
Utility Services – Direct Damage	\$100,000	\$100,000
Utility Services – Time Element	\$100,000	\$100,000

COVERAGE EXTENSIONS	PLATINUM	DIAMOND
Accounts Receivable	\$250,000 Policy Blanket Limit	\$250,000 Policy Blanket Limit
Artificially Generated Electrical Current Damage	\$50,000	\$50,000
Computers and Media	\$250,000 Policy Blanket Limit	\$250,000 Policy Blanket Limit
Computers and Media – Laptop and Off-Premises Coverage	\$10,000	\$10,000
Employee Dishonesty	\$100,000 per occurrence \$5,000 per resident client	\$100,000 per occurrence \$5,000 per resident client
Foundations and Underground Pipes	Building Limit	Building Limit
In Transit	\$50,000	\$50,000
Liability for Resident's Property	\$25,000 per occurrence \$5,000 per resident client	\$25,000 per occurrence \$5,000 per resident client

CONTINUING CARE RETIREMENT COMMUNITY DISCLOSURE STATEMENT

Date Prepared:

Facility Name: Palm Village Retirement Community

Address: 703 W. Herbert Avenue

Zip Code: 93654

Phone: 559-638-6933

Provider Name:

Mennonite Brethren Homes, Inc

Facility Operator: Mennonite Brethren Homes, Inc

Religious Affiliation: Mennonite Brethren

Year Opened: 1942

of Acres: 17

Miles to Shopping Center: 1

Miles to Hospital: 2-5

☒ Single Story☒ Multi-Story☐ Other:**Number of Units:**

Residential Living	Number of Units	Health Care	Number of Units
Apartments – Studio:		Assisted Living:	69 suites
Apartments – 1 Bdrm:		Skilled Nursing:	105 beds
Apartments – 2 Bdrm:		Special Care:	15 beds
Cottages/Houses:	81 units	Description:	Alzheimers/Dementia

RLU Occupancy (%) at Year End: 98.46%

Type of Ownership: ☒ Not for Profit
☐ For Profit

Accredited? ☐ Yes By:
☒ No

Form of Contact: ☒ Continuing Care ☐ Life Care ☒ Entrance Fee ☒ Fee for Service
 (Check all that apply) ☐ Assignment of Assets ☐ Equity ☐ Membership ☒ Rental

Refund Provisions: ☐ Refundable ☐ 90% ☐ 50%
 (Check all that apply) ☐ Repayable ☐ 75% ☒ Other:

Range of Entrance Fees: \$77,000 - \$179,000

Long-Term Care Insurance Required? ☐ Yes ☒ No

Health Care Benefits Included in Contract: 14 days respite care each year for IL

Entry Requirements: Min Age: Prior Profession: Other:

Resident Representative(s) to, and Resident Members on, the Board:

(briefly describe provider's compliance and residents' roles): Residents nominate and select resident rep to the board annually. Resident rep is a non-voting member, resident member is a voting member, nominated by resident council then selected to the board for a 1 year term

All providers are required by Health and Safety Code section 1789.1 to provide this report to prospective residents before executing a deposit agreement or continuing care contract or receiving any payment. Many communities are part of multi-facility operations which may influence financial reporting. Consumers are encouraged to ask questions of the continuing care retirement community that they are considering and to seek advice from professional advisors.

Facility Services and Amenities

Common Area Amenities	Available	Fee for Service	Services Available	Included in Fee	For Extra Charge
Beauty/Barber Shop	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Housekeeping (<u>3</u> Times/	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Billiard Room	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Month at \$_____ each)		
Bowling Green	<input type="checkbox"/>	<input type="checkbox"/>	Meals (<u>3</u> /Day)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Card Rooms	<input type="checkbox"/>	<input type="checkbox"/>	Special Diets Available	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Chapel	<input checked="" type="checkbox"/>	<input type="checkbox"/>			
Coffee Shop	<input checked="" type="checkbox"/>	<input type="checkbox"/>	24-Hour Emergency Response	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Craft Rooms	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Activities Program	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Exercise Room	<input checked="" type="checkbox"/>	<input type="checkbox"/>	All Utilities Except Phone	<input type="checkbox"/>	<input type="checkbox"/>
Golf Course Access	<input type="checkbox"/>	<input type="checkbox"/>	Apartment Maintenance	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Library	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Cable TV	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Putting Green	<input type="checkbox"/>	<input type="checkbox"/>	Linens Furnished	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Shuffleboard	<input type="checkbox"/>	<input type="checkbox"/>	Linens Laundered	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Spa	<input type="checkbox"/>	<input type="checkbox"/>	Medication Management	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Swimming Pool –	<input type="checkbox"/>	<input type="checkbox"/>	Nursing/Wellness Clinic	<input type="checkbox"/>	<input type="checkbox"/>
Indoor			Personal Home Care	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Swimming Pool –	<input type="checkbox"/>	<input type="checkbox"/>	Transportation – Personal	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Outdoor			Transportation – Prearranged	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Tennis Court	<input type="checkbox"/>	<input type="checkbox"/>	Other: _____	<input type="checkbox"/>	<input type="checkbox"/>
Workshop	<input type="checkbox"/>	<input type="checkbox"/>			
Other: _____	<input type="checkbox"/>	<input type="checkbox"/>			

Provider Name: Mennonite Brethren Homes, Inc.

Affiliated CCRCs	Location (city, state)	Phone (with area code)

Multi-Level Retirement Communities	Location (city, state)	Phone (with area code)

Free-Standing Skilled Nursing	Location (city, state)	Phone (with area code)

Subsidized Senior Housing	Location (city, state)	Phone (with area code)

NOTE: Please indicate if the facility is a life care facility.

Provider Name: Mennonite Brethren Homes, Inc

Income and Expenses [Year]	2021	2022	2023	2024
Income from Ongoing Operations				
Operating Income (Excluding amortization of entrance fee income)	14,092,093	14,864,572	16,403,498	16,955,424
Less Operating Expenses (Excluding depreciation, amortization, and interest)	15,478,587	16,238,233	17,299,553	17,783,687
Net Income From Operations	(1,386,494)	(1,373,661)	(896,055)	(828,263)
Less Interest Expense	(72,368)	(117,469)	(128,091)	(111,774)
Plus Contributions	145,323	137,761	159,845	226,500
Plus Non-Operating Income (Expenses) (Excluding extraordinary items)	2,136,642	35,963	3,553,140	1,510,609
Net Income (Loss) Before Entrance Fees, Depreciation And Amortization	823,103	(1,317,406)	2,688,839	708,846
Net Cash Flow From Entrance Fees (Total Deposits Less Refunds)	798,458	749,706	1,317,837	1,581,747

Description of Secured Debt (as of most recent fiscal year end)

Lender	Outstanding Balance	Interest Rate	Date of Origination	Date of Maturity	Amortization Period
Certificate of Participation	1,510,000	0.2%	2005	8/1/2026	21 years

Financial Ratios (see last page for ratio formulas)

Financial Ratios [Year]	CCAC Medians 50th Percentile (optional)	2022	2023	2024
Debt to Asset Ratio		14.55	8.56	37.45
Operating Ratio		110.03	106.24	105.54
Debt Service Coverage Ratio		1.66	7.88	1.59
Days Cash On Hand Ratio		35.46	6.08	37.25

Provider Name: Mennonite Brethren Homes, Inc

Historical Monthly Service Fees (Average Fee and Change Percentage)

Residence/Service [Year]	2021	%	2022	%	2023	%	2024	%
Studio								
One Bedroom	807	2.00	839	4.00	873	8.00	942	4.00
Two Bedroom								
Cottage/House	873	2.00	908	4.00	942	8.00	1020	4.00
Assisted Living	131	2.00	136	4.00	141	3.00	160	4.00
Skilled Living	291	1.00	303	4.00	315	3.00	324	4.00
Special Care	291	1.00	303	4.00	315	3.00	324	4.00

Comments from Provider:

Financial Ratio Formulas

Long-Term Debt to Total Assets Ratio

$$\frac{\text{Long Term Debt, less Current portion}}{\text{Total Assets}}$$

Operating Ratio

$$\frac{\text{Total Operating Expenses - Depreciation Expense - Amortization Expense}}{\text{Total Operating Revenues - Amortization of Deferred Revenue}}$$

Debt Service Coverage Ratio

$$\frac{\text{Total Excess of Revenues Over Expenses + Interest, Depreciation, and Amortization Expenses + Amortization of Deferred Revenue + Net Proceeds from Entrance Fees}}{\text{Annual Debt Service}}$$

Days Cash On Hand Ratio

$$\frac{\text{Unrestricted Current Cash \& Investments + Unrestricted Non-Current Cash and Investments}}{(\text{Operating Expenses - Depreciation - Amortization})/365}$$

NOTE: These formulas are also used by the Continuing Care Accreditation Commission. For each formula, that organization also publishes annual median figures for certain continuing care retirement communities.

FORM 7-1 REPORT ON CCRC MONTHLY CARE FEES

Complete **Form 7-1** to report the monthly care fee increase (MCFI) for **each** community operated by the Provider. If fee increases were made during the reporting period for a community, indicate by checking the box below **Line [2]**. Provider must submit a separate Form 7-1 for each of their continuing care retirement communities.

1. On **Line 1**, enter the amount of monthly care fees for each level of care at the *beginning* of the reporting period.
2. On **Line 2**, indicate the percentage(s) of increase in fees implemented during the *reporting* period.
3. On **Line 3**, indicate the date the fee increase was implemented. If more than one (1) increase was implemented, indicate date(s) for each increase.
4. Check *each* of the appropriate boxes.
5. Provide a detailed explanation for the increase in monthly care fees including the total dollar amount for each level of care and corresponding percentage increase for each level of care in compliance with the Health and Safety Code. The explanation shall set forth the reasons, by department cost centers, for any increase in monthly care fee. It must include a statement that the increase in monthly care fees is due to any actual or projected costs related to any other CCRC community or enterprise owned by the provider or parent company.

The methodology used to budget future costs should align with one or more of the following factors: "projected future costs, projected per capita costs and economic indicators." Describe the methodology used for single or multiple communities. If the increase is in percentages, i.e., by level of care, a separate explanation for each MCFI will be required.

Also, if there is a positive result of operations, the provider will need to explain how the funds will be used and how they are consistent with disclosures made in the applicable sections of the Continuing Care Contract.

This attachment should include the data used in the Monthly Care Fee Increase meeting presentation to residents, which will also include actual results and an explanation of any variances.

NOTE: Providers shall retain all documents related to the development of adjusted fees at their respective offices for a period of at least three years, i.e., budgets, statements of operations, cost reports, used near the end of the prior reporting period adjustments implemented in the current reporting period. These documents must be available for review upon request by the Department.

THLY CARE FEES

	RESIDENTIAL LIVING	ASSISTED LIVING	MEMORY CARE	SKILLED NURSING
beginning of reporting period: (indicate	\$942-\$1,485	\$4866-\$6478	\$5322-\$5830	\$324-\$411
f increase in fees imposed during ate range, if applicable)	4%	4%	4%	4%

thly care fees at this community were not increased during the reporting period. (If you checked this box,
o the bottom of this form and specify the names of the provider and community.)

ee increase was implemented: 1/1/2024
ncrease was implemented, indicate the dates for each increase.)

ropriate boxes:

ase is based on the Provider's projected costs, prior year per capita costs, and economic indicators.

idents were given written notice of this fee increase at least 30 days prior to its implementation.

.; 10/28/2023 Method of Notice: USPS and Hand Delivery

s prior to the increase in fees, the designated representative of the Provider convened a meeting that all
invited to attend. Date of Meeting: 10/25/2023

with residents, the Provider discussed and explained the reasons for the increase, the basis for determining
he increase, and the data used for calculating the increase.

istributed the documents to all residents by [Optional - check all that apply]:

the documents to those residents for whom the provider had email addresses on file

ard copies in resident cubby

ard copies at designated locations

d hard copies to residents upon request, and/or

lease describe] _____

Notice: 10/28/2023

- ☒ The Provider provided residents with at least 14 days advance notice of each meeting held to discuss the budget for the meeting in a conspicuous place in the community at least 14 days prior to the meeting.
Date of Notice: 10/10/2023

- ☒ The governing body of the Provider, or the designated representative of the Provider posted the notice for the meeting in a conspicuous place in the community at least 14 days prior to the meeting.
Date of Posting: 10/10/2023 Location of Posting: RCC Main Lobby

- ☐ Providers evaluated the effectiveness of consultations during the annual budget planning process every two years by the continuing care retirement community administration. The evaluation, including a statement relating to cooperation with residents was made available to the resident association or its governing body, if it exists, to a committee of residents at least 14 days prior to the next semiannual meeting of the resident governing body and posted a copy of that evaluation in a conspicuous location at each facility.

Date of Posting: _____ Location of Posting: _____

5. On an attached page, provide a detailed explanation for the increase in monthly care fees including the impact on residents and compliance with the Health and Safety Code.

PROVIDER: Menonite Brethren Homes, Inc COMMUNITY: Palm Village Retirement Community