

**Continuing Care Retirement Community
Disclosure Statement**

Date Prepared: 04/20/23

FACILITY NAME: Freedom Village
 ADDRESS: 23442 El Toro Road, Lake Forest, CA ZIP CODE: 92630 PHONE: (949) 472-4700
 PROVIDER NAME: Casa Pacifica FACILITY OPERATOR: Freedom Management Company
 RELATED FACILITIES: The Village RELIGIOUS AFFILIATION: None
 YEAR # OF SINGLE MULTI- MILES TO SHOPPING CTR: 1
 OPENED: 1987 ACRES: 8.8 STORY STORY OTHER: MILES TO HOSPITAL: 2.5

NUMBER OF UNITS:

RESIDENTIAL LIVING	HEALTH CARE
APARTMENTS — STUDIO: <u>7</u>	ASSISTED LIVING: <u>58</u>
APARTMENTS — 1 BDRM: <u>127</u>	SKILLED NURSING: <u>52</u>
APARTMENTS — 2 BDRM: <u>121</u>	SPECIAL CARE: <u>6</u>
COTTAGES/HOUSES: <u>0</u>	DESCRIPTION: > <u>Extended Care</u>
RLU OCCUPANCY (%) AT YEAR END: <u>90.2%</u>	

TYPE OF OWNERSHIP: NOT-FOR-PROFIT FOR-PROFIT ACCREDITED?: YES NO BY:

FORM OF CONTRACT: CONTINUING CARE LIFE CARE ENTRANCE FEE FEE FOR SERVICE
(Check all that apply) ASSIGNMENT OF ASSETS EQUITY MEMBERSHIP RENTAL

REFUND PROVISIONS: *(Check all that apply)* Refundable Repayable 90% 75% 50% OTHER: Fully Amortized

RANGE OF ENTRANCE FEES: \$ 106,000 - \$ 284,000 **LONG-TERM CARE INSURANCE REQUIRED?** YES NO

HEALTH CARE BENEFITS INCLUDED IN CONTRACT: 25% Discount

ENTRY REQUIREMENTS: MIN. AGE: 60 PRIOR PROFESSION: None OTHER:

RESIDENT REPRESENTATIVE(S) TO, AND RESIDENT MEMBER(S) ON, THE BOARD:
 (briefly describe provider's compliance and residents' roles) > One resident, nominated by the residents' council,
 > joins the table at each partnership meeting to offer feedback, advice and resident perspective on all agenda items.

FACILITY SERVICES AND AMENITIES					
<u>COMMON AREA AMENITIES</u>	<u>AVAILABLE</u>	<u>FEE FOR SERVICE</u>	<u>SERVICES AVAILABLE</u>	<u>INCLUDED IN FEE</u>	<u>FOR EXTRA CHARGE</u>
BEAUTY/BARBER SHOP	<input type="checkbox"/>	<input checked="" type="checkbox"/>	HOUSEKEEPING (<u>4</u> TIMES/MONTH)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BILLIARD ROOM	<input checked="" type="checkbox"/>	<input type="checkbox"/>	MEALS (<u>1</u> /DAY)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BOWLING GREEN	<input type="checkbox"/>	<input type="checkbox"/>	SPECIAL DIETS AVAILABLE	<input checked="" type="checkbox"/>	<input type="checkbox"/>
CARD ROOMS	<input checked="" type="checkbox"/>	<input type="checkbox"/>			
CHAPEL	<input checked="" type="checkbox"/>	<input type="checkbox"/>	24-HOUR EMERGENCY RESPONSE	<input checked="" type="checkbox"/>	<input type="checkbox"/>
COFFEE SHOP	<input type="checkbox"/>	<input checked="" type="checkbox"/>	ACTIVITIES PROGRAM	<input checked="" type="checkbox"/>	<input type="checkbox"/>
CRAFT ROOMS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	ALL UTILITIES EXCEPT PHONE	<input checked="" type="checkbox"/>	<input type="checkbox"/>
EXERCISE ROOM	<input checked="" type="checkbox"/>	<input type="checkbox"/>	APARTMENT MAINTENANCE	<input checked="" type="checkbox"/>	<input type="checkbox"/>
GOLF COURSE ACCESS	<input type="checkbox"/>	<input type="checkbox"/>	CABLE TV	<input checked="" type="checkbox"/>	<input type="checkbox"/>
LIBRARY	<input checked="" type="checkbox"/>	<input type="checkbox"/>	LINENS FURNISHED	<input checked="" type="checkbox"/>	<input type="checkbox"/>
PUTTING GREEN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	LINENS LAUNDERED	<input checked="" type="checkbox"/>	<input type="checkbox"/>
SHUFFLEBOARD	<input type="checkbox"/>	<input type="checkbox"/>	MEDICATION MANAGEMENT	<input type="checkbox"/>	<input checked="" type="checkbox"/>
SPA	<input checked="" type="checkbox"/>	<input type="checkbox"/>	NURSING/WELLNESS CLINIC	<input checked="" type="checkbox"/>	<input type="checkbox"/>
SWIMMING POOL-INDOOR	<input type="checkbox"/>	<input type="checkbox"/>	PERSONAL HOME CARE	<input type="checkbox"/>	<input checked="" type="checkbox"/>
SWIMMING POOL-OUTDOOR	<input checked="" type="checkbox"/>	<input type="checkbox"/>	TRANSPORTATION-PERSONAL	<input checked="" type="checkbox"/>	<input type="checkbox"/>
TENNIS COURT	<input type="checkbox"/>	<input type="checkbox"/>	TRANSPORTATION-PREARRANGED	<input checked="" type="checkbox"/>	<input type="checkbox"/>
WORKSHOP	<input type="checkbox"/>	<input type="checkbox"/>	OTHER <u>Extended Transportation</u>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
OTHER <u> </u>	<input type="checkbox"/>	<input type="checkbox"/>			

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.

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
INCOME FROM ONGOING OPERATIONS				
OPERATING INCOME (Excluding amortization of entrance fee income)	18,968,715	19,043,536	18,211,324	20,146,529
LESS OPERATING EXPENSES (Excluding depreciation, amortization, and interest)	-17,440,716	-17,346,930	-17,261,576	-19,287,238
NET INCOME FROM OPERATIONS	<u>1,527,999</u>	<u>1,696,606</u>	<u>949,748</u>	<u>859,291</u>
LESS INTEREST EXPENSE	0	-10,101	-30,224	-35,200
PLUS CONTRIBUTIONS				
PLUS NON-OPERATING INCOME (EXPENSES) (excluding extraordinary items)	28,835	504,761	2,316,775	47,005
NET INCOME (LOSS) BEFORE ENTRANCE FEES, DEPRECIATION AND AMORTIZATION	<u>1,554,834</u>	<u>2,191,266</u>	<u>3,236,299</u>	<u>871,096</u>
NET CASH FLOW FROM ENTRANCE FEES (Total Deposits Less Refunds)	<u>4,859,525</u>	<u>2,839,314</u>	<u>3,892,853</u>	<u>4,828,080</u>

DESCRIPTION OF SECURED DEBT *(as of most recent fiscal year end)*

<u>LENDER</u>	<u>OUTSTANDING BALANCE</u>	<u>INTEREST RATE</u>	<u>DATE OF ORIGINATION</u>	<u>DATE OF MATURITY</u>	<u>AMORTIZATION PERIOD</u>
FV of CA Master Trust	16,910,000	0%	01/01/1989	03/31/2038	40 yrs.

FINANCIAL RATIOS (see next page for ratio formulas)

	<u>2017 CCAC Medians 50th Percentile (optional)</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
DEBT TO ASSET RATIO		72%	74%	74%
OPERATING RATIO		91%	95%	96%
DEBT SERVICE COVERAGE RATIO		531%	734%	546%
DAYS CASH ON HAND RATIO		112	84	63

HISTORICAL MONTHLY SERVICE FEES (Average Fee and Change Percentage)

	<u>2019</u>	<u>%</u>	<u>2020</u>	<u>%</u>	<u>2021</u>	<u>%</u>	<u>2022</u>
STUDIO	2,241	3.7	2,324	0	2,324	4.9	2,438
ONE BEDROOM	3,075	3.7	3,188	0	3,188	4.9	3,345
TWO BEDROOM	4,190	3.7	4,345	0	4,345	4.9	4,558
COTTAGE/HOUSE							
ASSISTED LIVING	6,600	4.0	6,864	0	6,864	6.6	7,320
SKILLED NURSING	350	4.0	364	0	364	6.6	388
SPECIAL CARE							

COMMENTS FROM PROVIDER: > 1. Freedom Village's Resident Master Trust holds a first trust deed against the Retirement Center. Of the \$16.9 MM

> Note Payable, approximately \$4.1 MM is refundable to residents. Therefore, the true liabilities represent a debt to asset ratio of 23%.
 >

FINANCIAL RATIO FORMULAS

LONG-TERM DEBT TO TOTAL ASSETS RATIO

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

OPERATING RATIO

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

DEBT SERVICE COVERAGE RATIO

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

DAYS CASH ON HAND RATIO

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

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.