

**Continuing Care Retirement Community
Disclosure Statement**

Date Prepared: 04/26/22

FACILITY NAME: The Village
 ADDRESS: 2200 W. Acacia Avenue, Hemet, CA ZIP CODE: 92545 PHONE: (951) 658-3369
 PROVIDER NAME: Freedom Properties - Hemet, LLC FACILITY OPERATOR: Freedom Management Company
 RELATED FACILITIES: Freedom Village RELIGIOUS AFFILIATION: None
 YEAR 1989 # OF 12 SINGLE MULTI- MILES TO SHOPPING CTR: 1/8
 ACRES: 12 STORY 1 STORY OTHER: HC is Single Story MILES TO HOSPITAL: 3

NUMBER OF UNITS:	RESIDENTIAL LIVING	HEALTH CARE
	APARTMENTS — STUDIO: <u>8</u>	ASSISTED LIVING: <u>52</u>
	APARTMENTS — 1 BDRM: <u>122</u>	SKILLED NURSING: <u>52</u>
	APARTMENTS — 2 BDRM: <u>112</u>	SPECIAL CARE: _____
	COTTAGES/HOUSES: <u>0</u>	DESCRIPTION: > _____
	RLU OCCUPANCY (%) AT YEAR END: <u>82%</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: \$ 95,000 - \$ 336,000 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					
COMMON AREA AMENITIES	AVAILABLE	FEE FOR SERVICE	SERVICES AVAILABLE	INCLUDED IN FEE	FOR EXTRA CHARGE
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 checked="" 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 checked="" type="checkbox"/>	<input type="checkbox"/>	OTHER <u>Transportation-Special</u>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
OTHER _____	<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)	12,213,580	11,271,302	11,585,437	12,643,649
LESS OPERATING EXPENSES (Excluding depreciation, amortization, and interest)	-13,429,978	-13,591,147	-14,645,552	-15,373,930
NET INCOME FROM OPERATIONS	<u>1,216,398</u>	<u>-2,319,845</u>	<u>-3,060,115</u>	<u>-2,730,281</u>
LESS INTEREST EXPENSE	0	12,996	-33,330	-68,088
PLUS CONTRIBUTIONS				
PLUS NON-OPERATING INCOME (EXPENSES) (excluding extraordinary items)	-12,590	-589,155	2,406,824	-5,498
NET INCOME (LOSS) BEFORE ENTRANCE FEES, DEPRECIATION AND AMORTIZATION	<u>1,228,988</u>	<u>-1,743,686</u>	<u>-686,621</u>	<u>-2,803,867</u>
NET CASH FLOW FROM ENTRANCE FEES (Total Deposits Less Refunds)	<u>2,322,111</u>	<u>2,056,304</u>	<u>2,051,505</u>	<u>2,605,320</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 ORIGATION</u>	<u>DATE OF MATURITY</u>	<u>AMORTIZATION PERIOD</u>
TV of CA Master Trust	7,770,000	0%	01/01/1989	03/31/2038	40 yrs.

FINANCIAL RATIOS (see next page for ratio formulas)

	<u>2015 CCAC Medians 50th Percentile (optional)</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
DEBT TO ASSET RATIO		57%	52%	56%
OPERATING RATIO		121%	127%	122%
DEBT SERVICE COVERAGE RATIO		65%	266%	-25%
DAYS CASH ON HAND RATIO		111	84	76

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	1,934	3.9	2,009	0.0	2,009	4.9	2,108
ONE BEDROOM	2,539	3.9	2,638	0.0	2,638	4.9	2,767
TWO BEDROOM	3,149	3.9	3,272	0.0	3,272	4.9	3,432
COTTAGE/HOUSE							
ASSISTED LIVING	4,467	5.0	4,467	0.0	4,467	4.9	4,920
SKILLED NURSING	8,285	5.0	8,699	0.0	8,699	4.9	9,125
SPECIAL CARE							

COMMENTS FROM PROVIDER: 1. The Village's Resident Master Trust holds a first trust deed against the Retirement Center. Of the \$8MM note, approx. \$1.1MM is refundable to residents. Therefore, the true liabilities represent a debt to asset ratio of 18%. 2. Non-Operating Income during 2020 and 2021 included financial support from the federal Provider Relief Program and the Payroll Protection Program.

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.