

**Continuing Care Retirement Community
Disclosure Statement
General Information**

Date Prepared: _____

FACILITY NAME: _____
 ADDRESS: _____ ZIP CODE: _____ PHONE: _____
 PROVIDER NAME: _____ FACILITY OPERATOR: _____
 RELATED FACILITIES: _____ RELIGIOUS AFFILIATION: _____
 YEAR OPENED: _____ # OF ACRES: _____ SINGLE STORY MULTI-STORY OTHER: _____
 MILES TO SHOPPING CTR: _____
 MILES TO HOSPITAL: _____

NUMBER OF UNITS:

RESIDENTIAL LIVING	HEALTH CARE
APARTMENTS — STUDIO: _____	ASSISTED LIVING: _____
APARTMENTS — 1 BDRM: _____	SKILLED NURSING: _____
APARTMENTS — 2 BDRM: _____	SPECIAL CARE: _____
COTTAGES/HOUSES: _____	DESCRIPTION: > _____
RLU OCCUPANCY (%) AT YEAR END: _____	> _____

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) 90% 75% 50% FULLY AMORTIZED OTHER: _____

RANGE OF ENTRANCE FEES: \$ _____ - \$ _____ **LONG-TERM CARE INSURANCE REQUIRED?** YES NO

HEALTH CARE BENEFITS INCLUDED IN CONTRACT: _____

ENTRY REQUIREMENTS: MIN. AGE: _____ PRIOR PROFESSION: _____ OTHER: _____

RESIDENT REPRESENTATIVE(S) TO, AND RESIDENT MEMBER(S) ON, THE BOARD (briefly describe provider's compliance and residents' role): > _____

> _____

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 type="checkbox"/>	HOUSEKEEPING (____ TIMES/MONTH)	<input type="checkbox"/>	<input type="checkbox"/>
BILLIARD ROOM	<input type="checkbox"/>	<input type="checkbox"/>	MEALS (____/DAY)	<input type="checkbox"/>	<input type="checkbox"/>
BOWLING GREEN	<input type="checkbox"/>	<input type="checkbox"/>	SPECIAL DIETS AVAILABLE	<input type="checkbox"/>	<input type="checkbox"/>
CARD ROOMS	<input type="checkbox"/>	<input type="checkbox"/>			
CHAPEL	<input type="checkbox"/>	<input type="checkbox"/>	24-HOUR EMERGENCY RESPONSE	<input type="checkbox"/>	<input type="checkbox"/>
COFFEE SHOP	<input type="checkbox"/>	<input type="checkbox"/>	ACTIVITIES PROGRAM	<input type="checkbox"/>	<input type="checkbox"/>
CRAFT ROOMS	<input type="checkbox"/>	<input type="checkbox"/>	ALL UTILITIES EXCEPT PHONE	<input type="checkbox"/>	<input type="checkbox"/>
EXERCISE ROOM	<input type="checkbox"/>	<input type="checkbox"/>	APARTMENT MAINTENANCE	<input type="checkbox"/>	<input type="checkbox"/>
GOLF COURSE ACCESS	<input type="checkbox"/>	<input type="checkbox"/>	CABLE TV	<input type="checkbox"/>	<input type="checkbox"/>
LIBRARY	<input type="checkbox"/>	<input type="checkbox"/>	LINENS FURNISHED	<input type="checkbox"/>	<input type="checkbox"/>
PUTTING GREEN	<input type="checkbox"/>	<input type="checkbox"/>	LINENS LAUNDERED	<input type="checkbox"/>	<input type="checkbox"/>
SHUFFLEBOARD	<input type="checkbox"/>	<input type="checkbox"/>	MEDICATION MANAGEMENT	<input type="checkbox"/>	<input type="checkbox"/>
SPA	<input type="checkbox"/>	<input type="checkbox"/>	NURSING/WELLNESS CLINIC	<input type="checkbox"/>	<input type="checkbox"/>
SWIMMING POOL-INDOOR	<input type="checkbox"/>	<input type="checkbox"/>	PERSONAL HOME CARE	<input type="checkbox"/>	<input type="checkbox"/>
SWIMMING POOL-OUTDOOR	<input type="checkbox"/>	<input type="checkbox"/>	TRANSPORTATION-PERSONAL	<input type="checkbox"/>	<input type="checkbox"/>
TENNIS COURT	<input type="checkbox"/>	<input type="checkbox"/>	TRANSPORTATION-PREARRANGED	<input type="checkbox"/>	<input type="checkbox"/>
WORKSHOP	<input type="checkbox"/>	<input type="checkbox"/>	OTHER _____	<input type="checkbox"/>	<input 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.

PROVIDER NAME: _____

OTHER 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: _____

	2016	2017	2018	2019
INCOME FROM ONGOING OPERATIONS				
OPERATING INCOME (Excluding amortization of entrance fee income)				
LESS OPERATING EXPENSES (Excluding depreciation, amortization, and interest)				
NET INCOME FROM OPERATIONS				
LESS INTEREST EXPENSE				
PLUS CONTRIBUTIONS				
PLUS NON-OPERATING INCOME (EXPENSES) (excluding extraordinary items)				
NET INCOME (LOSS) BEFORE ENTRANCE FEES, DEPRECIATION AND AMORTIZATION				
NET CASH FLOW FROM ENTRANCE FEES (Total Deposits Less Refunds)				

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

LENDER	OUTSTANDING BALANCE	INTEREST RATE	DATE OF ORIGINATION	DATE OF MATURITY	AMORTIZATION PERIOD

FINANCIAL RATIOS (see next page for ratio formulas)

**2017 CCAC Medians
50th Percentile
(optional)**

	2017	2018	2019
DEBT TO ASSET RATIO			
OPERATING RATIO			
DEBT SERVICE COVERAGE RATIO			
DAYS CASH ON HAND RATIO			

HISTORICAL MONTHLY SERVICE FEES (Average Fee and Change Percentage)

	2016	%	2017	%	2018	%	2019	%
STUDIO								
ONE BEDROOM								
TWO BEDROOM								
COTTAGE/HOUSE								
ASSISTED LIVING								
SKILLED NURSING								
SPECIAL CARE								

COMMENTS FROM PROVIDER: > _____
 > _____
 > _____

PROVIDER NAME: _____

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.



MORNINGSIDE

EXPECT MORE FROM RETIREMENT

May 25, 2021

Key Indicator Report

CoreCare III dba Morningside of Fullerton CCRC LLC

2020 Trends and Variances



E. Justin Wilson, III
Manager



KEY INDICATORS REPORT

Date Prepared: 5/25/2021

CoreCare III dba Morningside of Fullerton

Date Printed: 5/25/2021

Please attach an explanatory memo that summarizes significant trends or variances in the key operational indicators.

[Handwritten Signature]
 Manager

	2016	2017	2018	2019	2020	Projected 2021	Forecast 2022	2023	2024	2025	Preferred Trend Indicator
OPERATIONAL STATISTICS											
1. Average Annual Occupancy by Site (%)	94.80%	94.41%	96.93%	97.85%	98.20%	97.75%	98.00%	98.00%	98.00%	98.00%	N/A
MARGIN (PROFITABILITY) INDICATORS											
2. Net Operating Margin (%)	9.48%	11.83%	20.41%	17.29%	10.50%	12.29%	12.66%	13.01%	13.35%	13.69%	↑
3. Net Operating Margin - Adjusted (%)	24.94%	40.90%	27.34%	38.74%	22.47%	36.60%	35.44%	35.18%	35.95%	37.35%	↓
LIQUIDITY INDICATORS											
4. Unrestricted Cash and Investments (\$000)	\$13,414	\$13,657	\$11,072	\$12,244	\$11,845	\$8,200	\$9,808	\$12,566	\$14,083	\$14,084	↑
5. Days Cash on Hand (Unrestricted)	246.14	247.85	184.73	217.31	180.6	127.87	148.02	183.64	199.26	192.87	↑
CAPITAL STRUCTURE INDICATORS											
6. Deferred Revenue from Entrance Fees (\$000)	\$3,604	\$3,671	\$3,641	\$3,908	\$3,879	\$4,178	\$4,345	\$4,518	\$4,699	\$4,699	N/A
7. Net Annual E/F proceeds (\$000)	\$4,524	\$11,221	\$2,788	\$8,706	\$3,946	\$10,176	\$9,769	\$9,818	\$10,505	\$11,661	N/A
8. Unrestricted Net Assets (\$000)	\$72,695	\$73,134	\$74,715	\$76,716	\$77,306	\$78,000	\$79,000	\$79,000	\$79,000	\$79,000	N/A
9. Annual Capital Asset Expenditure (\$000)	\$1,664	\$1,780	\$4,407	\$3,330	\$4,622	\$2,471	\$2,542	\$1,656	\$1,780	\$1,015	N/A
10. Annual Debt Service Coverage Revenue Basis (x)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	↑
11. Annual Debt Service Coverage (x)	0	0	0	0	0	0.03	0	0	0	0	↑
12. Annual Debt Service/Revenue (%)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	↓
13. Average Annual Effective Interest Rate (%)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	↓
14. Unrestricted Cash & Investments/ Long-Term Debt (%)	9.43%	9.11%	7.39%	7.69%	7.63%	5.16%	6.14%	7.79%	8.64%	8.56%	↑
15. Average Age of Facility (years)	20.05	19.97	20.55	20.00	20.14	20.31	20.50	20.71	20.94	21.19	↓

FORM 7-1
REPORT ON CCRC MONTHLY SERVICE FEES
Supporting Explanation for Line 5

The monthly fee increase for 2020 is reflected at 4.0%. The cost drivers for this increase are: minimum wage, raw food cost – 6%, Employee Health Insurance Increase – 4%; General Insurance Increase – 11% for GL/PL, property, auto, cyber, crime; Workers Comp; Ancillary Expenses – ranges of 4%; Purchased Health Care (driven by 5.0% increase in cost). These figures were arrived at by using economic indicators and estimating future cost increases, which information was derived from suppliers, government mandate, and industry periodicals. The budgeted NOI, which is basically flat with the prior year's budget, does not include capital expenditures, which are estimated at \$2.6 million. Economic indicators driving these capital projects include the updating of residences that turnover in order to keep current with market expectations. Other capital projects include: HVAC Boilers, Replace roof of Mountainside, Unit refurbishment of older units, Elevator refurbishment, Clubhouse Furniture, Swimming pool repair, Purchase of new fitness equipment. These projects, and future projects that economic indicators may require, will be paid from future cash flow. NOI surplus will also be used as a return to owners for the risk of operating the community.