

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

Date Prepared: 03/31/2019

FACILITY NAME: Northern California Congregational Retirement Homes Inc.
 ADDRESS: 8545 Carmel Valley Rd. ZIP CODE: 93923 PHONE: 831-624-1281
 PROVIDER NAME: Carmel Valley Manor FACILITY OPERATOR: SAME
 RELATED FACILITIES: NONE RELIGIOUS AFFILIATION: NONE
 YEAR # OF SINGLE MULTI- MILES TO SHOPPING CTR: 5
 OPENED: 1963 ACRES: 28 STORY STORY OTHER: _____ MILES TO HOSPITAL: 6

NUMBER OF UNITS:

RESIDENTIAL LIVING	HEALTH CARE
APARTMENTS — STUDIO: <u>8</u>	ASSISTED LIVING: <u>24</u>
APARTMENTS — 1 BDRM: <u>70</u>	SKILLED NURSING: <u>36</u>
APARTMENTS — 2 BDRM: <u>43</u>	SPECIAL CARE: <u>NONE</u>
COTTAGES/HOUSES: <u>27</u>	DESCRIPTION: > _____
RLU OCCUPANCY (%) AT YEAR END: <u>87.9%</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)* 90% 75% 50% FULLY AMORTIZED OTHER: Refundable up to 5th year

RANGE OF ENTRANCE FEES: \$ 151,991 - \$ 989,900 **LONG-TERM CARE INSURANCE REQUIRED?** YES NO

HEALTH CARE BENEFITS INCLUDED IN CONTRACT: SKILLED NURSING, ASSISTED LIVING, OUTPATIENT/INPATIENT MEDICAL CARE

ENTRY REQUIREMENTS: MIN. AGE: 65 PRIOR PROFESSION: N/A OTHER: _____

RESIDENT REPRESENTATIVE(S) TO, AND RESIDENT MEMBER(S) ON, THE BOARD (briefly describe provider's compliance and residents' role): >
Bob Lindsey, Resident and Voting Board Member,
 > Mary Seiersen Resident Non-voting member, and 3 Emeritus Board members Non-voting, Russ Haisley, Mary Kay Crockett, Ramona Smith

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 type="checkbox"/>	HOUSEKEEPING (4 _____ TIMES/MONTH)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BILLIARD ROOM	<input checked="" type="checkbox"/>	<input type="checkbox"/>	MEALS (3 _____/DAY)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BOWLING GREEN	<input checked="" 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 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 checked="" type="checkbox"/>	<input type="checkbox"/>	CABLE TV	<input 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 checked="" type="checkbox"/>	<input 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 checked="" type="checkbox"/>	<input type="checkbox"/>
SWIMMING POOL-OUTDOOR	<input checked="" type="checkbox"/>	<input type="checkbox"/>	TRANSPORTATION-PERSONAL	<input 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>Sewing Room</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
OTHER <u>Computer Center</u>	<input checked="" 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: Carmel Valley Manor

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: Carmel Valley Manor

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
INCOME FROM ONGOING OPERATIONS				
OPERATING INCOME				
(Excluding amortization of entrance fee income)	10,721,738	11,253,254	11,479,688	11,835,494
LESS OPERATING EXPENSES				
(Excluding depreciation, amortization, and interest)	12,720,358	12,587,549	13,513,946	14,081,155
NET INCOME FROM OPERATIONS	-1,998,620	-1,334,295	-2,034,258	-2,245,661
LESS INTEREST EXPENSE	199,682	174,541	187,382	175,402
PLUS CONTRIBUTIONS	910,912	49,755	310,655	880,343
PLUS NON-OPERATING INCOME (EXPENSES)				
(excluding extraordinary items)	-581,086	-58,899	13,740	8,651
NET INCOME (LOSS) BEFORE ENTRANCE FEES, DEPRECIATION AND AMORTIZATION	-1,449,112	-1,517,980	-1,897,245	-1,532,069
NET CASH FLOW FROM ENTRANCE FEES				
(Total Deposits Less Refunds)	5,759,795	6,872,208	4,315,182	5,259,715

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>
1st CAPITAL BANK	3,604,804	4.6%	02/05/2012	01/05/2022	120 Months

FINANCIAL RATIOS (see next page for ratio formulas)

	2017 CCAC Medians 50th Percentile	<u>2016</u>	<u>2017</u>	<u>2018</u>
DEBT TO ASSET RATIO	<i>(optional)</i>	7.24%	6.56%	5.09%
OPERATING RATIO		89.91%	117.81%	118.27%
DEBT SERVICE COVERAGE RATIO		22.25	12.12	17.66
DAYS CASH ON HAND RATIO		522.41	610.25	530.85

HISTORICAL MONTHLY SERVICE FEES (Average Fee and Change Percentage)

	<u>2015</u>	<u>%</u>	<u>2016</u>	<u>%</u>	<u>2017</u>	<u>%</u>	<u>2018</u>
STUDIO	\$3,340	2.75	\$3,432	3.00	\$3,535	4.40	\$3,690
ONE BEDROOM	\$4,080	2.75	\$4,192	3.00	\$4,317	4.40	\$4,507
TWO BEDROOM	\$6,740	2.75	\$6,925	3.00	\$7,133	4.40	\$7,447
COTTAGE/HOUSE	\$7,160	2.75	\$7,357	3.00	\$7,798	4.40	\$8,141
ASSISTED LIVING							
SKILLED NURSING							
SPECIAL CARE							

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

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

DEBT SERVICE COVERAGE RATIO

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

DAYS CASH ON HAND RATIO

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

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.

FORM 7-1
REPORT ON CCRC MONTHLY SERVICE FEES

	<u>RESIDENTIAL LIVING</u>	<u>ASSISTED LIVING</u>	<u>SKILLED NURSING</u>
[1] Monthly Service Fees at beginning of reporting period: (indicate range, if applicable)	<u>\$3,837 to \$8,848</u>	<u>\$3,837 to \$8,848</u>	<u>\$3,837 to \$8,848</u>
[2] Indicate percentage of increase in fees imposed during reporting period: (indicate range, if applicable)	<u>3.50%</u>	<u>3.50%</u>	<u>3.50%</u>

Check here if monthly service fees at this community were not increased during the reporting period. (If you checked this box, please skip down to the bottom of this form and specify the names of the provider and community.)

[3] Indicate the date the fee increase was implemented: 01/01/2018
(If more than 1 increase was implemented, indicate the dates for each increase.)

[4] Check each of the appropriate boxes:

- Each fee increase is based on the provider's projected costs, prior year per capita costs, and economic indicators.
- All affected residents were given written notice of this fee increase at least 30 days prior to its implementation.
- At least 30 days prior to the increase in monthly service fees, the designated representative of the provider convened a meeting that all residents were invited to attend.
- At the meeting with residents, the provider discussed and explained the reasons for the increase, the basis for determining the amount of the increase, and the data used for calculating the increase.
- The provider provided residents with at least 14 days advance notice of each meeting held to discuss the fee increases.
- The governing body of the provider, or the designated representative of the provider posted the notice of, and the agenda for, the meeting in a conspicuous place in the community at least 14 days prior to the meeting.

[5] On an attached page, provide a concise explanation for the increase in monthly service fees including the amount of the increase.

PROVIDER: NORTHERN CALIFORNIA CONGREGATIONAL RETIREMENT HOMES INC.
COMMUNITY: CARMEL VALLEY MANOR

KEY INDICATORS REPORT

Northern California Congregational Retirement Homes, Inc.

Date Prepared: 4/19/2019

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

Chief Executive Officer Signature

	2014	2015	2016	2017	2018	Projected 2019	Forecast			Preferred Trend Indicator	
	2020	2021	2022	2023							
OPERATIONAL STATISTICS											
1. Average Annual Occupancy by Site (%)	90.54%	91.89%	88.46%	88.46%	87.90%	92.00%	95.00%	95.00%	95.00%	95.00%	N/A
MARGIN (PROFITABILITY) INDICATORS											
2. Net Operating Margin (%)	-20.63%	-18.99%	-11.73%	-11.73%	-19.22%	-10.83%	-9.00%	-7.80%	-6.80%	-6.80%	↑
3. Net Operating Margin - Adjusted (%)	20.84%	15.86%	30.12%	30.12%	26.40%	4.02%	4.00%	4.00%	4.00%	4.00%	↓
LIQUIDITY INDICATORS											
4. Unrestricted Cash and Investments (\$000)	\$19,021	\$22,232	\$18,266	\$18,266	\$23,140	\$22,200	\$22,755	\$23,324	\$23,907	\$24,505	↑
5. Days Cash on Hand (Unrestricted)	571	636	523	523	596	559	600	600	600	600	↑
CAPITAL STRUCTURE INDICATORS											
6. Deferred Revenue from Entrance Fees (\$000)	\$26,129	\$27,202	\$29,840	\$29,840	\$30,216	\$32,500	\$33,313	\$34,145	\$34,999	\$35,874	N/A
7. Net Annual E/F proceeds (\$000)	\$5,281	\$4,441	\$6,746	\$6,746	\$7,321	\$6,124	\$6,277	\$6,434	\$6,595	\$6,760	N/A
8. Unrestricted Net Assets (\$000)	\$21,359	\$21,556	\$21,153	\$21,153	\$24,817	\$22,000	\$22,550	\$23,114	\$23,692	\$24,284	N/A
9. Annual Capital Asset Expenditure (\$000)	\$1,633	\$1,645	\$2,025	\$2,025	\$3,589	\$2,964	\$2,777	\$2,564	\$2,301	\$2,301	N/A
10. Annual Debt Service Coverage Revenue Basis (x)	-382.53%	-6.48	0.12%	0.12%	-11.32%	2.33%	4%	4%	4%	4%	↑
11. Annual Debt Service Coverage (x)	8.29	4.74	22.25	22.25	11.56	21.44	8.5	8.8	9	9	↑
12. Annual Debt Service/Revenue (%)	2.91%	2.83%	1.82%	1.82%	1.97%	1.76%	2.00%	2.00%	2.00%	2.00%	↓
13. Average Annual Effective Interest Rate (%)	7.20%	7.35%	4.23%	4.23%	4.87%	4.49%	4.50%	4.50%	4.50%	4.50%	↓
14. Unrestricted Cash & Investments/ Long-Term Debt (%)	479.46	577.21	474%	474%	651%	624.33	600.00	600.00	600.00	600.00	↑
15. Average Age of Facility (years)	11.88	12.43	13.06	13.06	13.5	14.12	13	13	13	13	↓