

MEADOWBROOK VILLAGE
CHRISTIAN RETIREMENT COMMUNITY

April 29, 2015

Allison Nakatomi
CDSS-Continuing Care Contracts Branch
744 P. Street, MS 8-3-90
Sacramento, CA 95814

RECEIVED
MAY 0 2015

CONTINUING CARE
CONTRACTS BRANCH

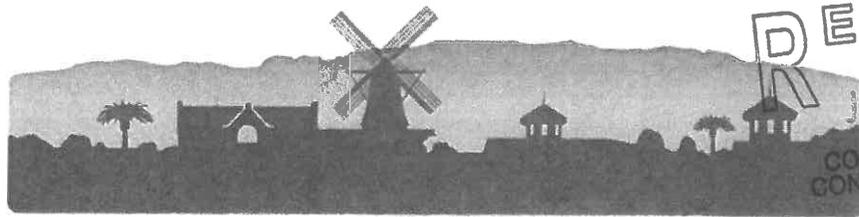
Dear Ms. Nakatomi:

Enclosed please find three copies of our Annual Report for 2014 as well as a check for \$1,533.00 for the Provider Fee. Part 8, the Key Indicator's Report, will be completed and sent by May 31, 2015. Please feel free to contact me if you have any questions.

Sincerely,

Mark Memmelaar
Director

enclosures



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JUN 02 2015
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MEADOWBROOK VILLAGE

CHRISTIAN RETIREMENT COMMUNITY

Annual Report, Part 2 Certification by Chief Executive Officer

I hereby certify that:

- The annual report and any amendments 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, and
- As of the date below, Meadowbrook Village is maintaining the required liquid reserve and, if applicable, the required refund reserve.

Meadowbrook Village Christian Retirement Community

By: _____

Name: Jacob Brouwer

Title: President and Chief Executive Officer

Date: _____

4-29-15

FORM 1-1
RESIDENT POPULATION

<u>Line</u>	Continuing Care Residents	<u>TOTAL</u>
[1]	Number at beginning of fiscal year	122
[2]	Number at end of fiscal year	126
[3]	Total Lines 1 and 2	248
[4]	Multiply Line 3 by ".50" and enter result on Line 5.	x .50
[5]	Mean number of continuing care residents	124
All Residents		
[6]	Number at beginning of fiscal year	136
[7]	Number at end of fiscal year	144
[8]	Total Lines 6 and 7	280
[9]	Multiply Line 8 by ".50" and enter result on Line 10.	x .50
[10]	Mean number of <i>all</i> residents	140
[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).	0.89

FORM 1-2
ANNUAL PROVIDER FEE

<u>Line</u>	<u>TOTAL</u>
[1] Total Operating Expenses (including depreciation and debt service - interest only)	\$1,208,698
[a] Depreciation	\$1,967,970
[b] Debt Service (Interest Only)	\$509,754
[2] Subtotal (add Line 1a and 1b)	\$2,477,724
[3] Subtract Line 2 from Line 1 and enter result.	\$1,730,974
[4] Percentage allocated to continuing care residents (Form 1-1, Line 11)	89%
[5] Total Operating Expense for Continuing Care Residents (multiply Line 3 by Line 4)	\$1,533,148
[6] Total Amount Due (multiply Line 5 by .001)	x .001 \$1,533

PROVIDER Meadowbrook Village Christian Retirement Community
COMMUNITY Meadowbrook Village Christian Retirement Community



Nationwide Mutual Insurance Company
 AMCO Insurance Company
 Bond Department
 1100 Locust Street
 Des Moines, Iowa 50391-2006

Bond Transaction Summary

AGENCY **BROUWER INSURANCE**
 ADDRESS **725 E VALLEY PKWY**
ESCONDIDO CA

92025-3009

AGENCY NO. **06162**
 AGENCY STATE **84**

BOND NUMBER **BD 79 0 0663963**

PRODUCER CODE

TYPE OF TRANSACTION **RENEWAL**

NAME OF PRINCIPAL OR INSURED **MEADOWBROOK VILLAGE CHRISTIAN RETIREMENT COMMUNITY**

ADDRESS **100 HOLLAND GLEN**
ESCONDIDO CA 92026

NAME OF OBLIGEE **SAME AS INSURED**
 DESCRIPTION OF BOND **FORM A BLANKET**

THE BOND IS EFFECTIVE FROM **08/01/14** TO **U/C**
 THE BILLING COVERS THE PERIOD FROM **08/01/14** TO **08/01/15** TERM **12**

RECEIVED JUN 23 2014

AMOUNT OF COVERAGE	PREMIUM	COMM. RATE	LINE AND COVERAGE	CLASS CODE	OBLIGEE STATE	COV. LIMIT	STAT PLAN
50,000.00	184.00	.1500	710	1590	CA		A

Handwritten: Plsd copy of Bond Trans Summ to Mark @ Meadowbrook 7/10/14

RENEWAL PROCEDURE

A BILLING ONLY, THE BOND IS CONTINUOUS IN FORM AND REMAINS IN FULL FORCE AND EFFECT UNTIL CANCELLED IN ACCORDANCE WITH TERMS OF THE BOND.

Original Date: **08/01/07**
DIRECT BILLED

ARS

File: **Y**
 Account Number: **994800401**
 ACCOUNTING DATE **05/05/14**

Handwritten: JNW file

This Policy consists of this Declarations Form, the Common Policy Conditions, the Crime General Provisions Form and the Coverage Forms indicated as applicable.

IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS POLICY, WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THE POLICY.

POLICY NO. Bd 7900663963

NATIONWIDE MUTUAL INSURANCE COMPANY AGENCY: Brouwer Insurance

- 1. NAMED INSURED Meadowbrook Village Christian Care Center
- 2. MAILING ADDRESS 1508 W. Mission Road
Escondido, CA
- 3. POLICY PERIOD: From August 1, 2007 To Continuous until cancelled
(12:01 A.M. Standard Time at your mailing address shown above)
- 4. COVERAGE, LIMITS OF INSURANCE AND DEDUCTIBLE

Coverage Forms Forming Part of This Policy	Limit of Insurance	Deductible Amount
Form A Blanket Bd 501 (02-97) 00 Bd 502 (02-97) 00	\$50,000.00	Nil

- 5. ENDORSEMENTS FORMING PART OF THIS POLICY WHEN ISSUED:
Bd 529 (10-90) 00
- 6. CANCELLATION OF PRIOR INSURANCE: By acceptance of this Policy you give us notice canceling prior policy or bond Nos. N/A
the cancellation to be effective at the time this Policy becomes effective.

Dated this 1st day of August, 2007.

Patricia A. Hatter

SENIOR VICE PRESIDENT,
GENERAL COUNSEL AND SECRETARY

NATIONWIDE MUTUAL INSURANCE COMPANY



PRESIDENT

COUNTERSIGNED _____ BY _____
(Date) (Authorized Representative)

All Coverage Parts included in this Policy are subject to the following conditions.

A. CANCELLATION

1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
 - a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
 - b. 30 days before the effective date of cancellation if we cancel for any other reason.
3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
5. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
6. If notice is mailed, proof of mailing will be sufficient proof of notice.

B. CHANGES

This policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Declarations is authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.

C. EXAMINATION OF YOUR BOOKS AND RECORDS

We may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years afterward.

D. INSPECTIONS AND SURVEYS

We have the right but are not obligated to:

1. Make inspections and surveys at any time;
2. Give you reports on the conditions we find; and
3. Recommend changes.

Any inspections, surveys, reports or recommendations relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:

1. Are safe or healthful; or
2. Comply with laws, regulations, codes or standards.

This condition applies not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

E. PREMIUMS

The first Named Insured shown in the Declarations:

1. Is responsible for the payment of all premiums; and
2. Will be the payee for any return premiums we pay.

F. TRANSFER OF YOUR RIGHTS AND DUTIES UNDER THIS POLICY

Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual named insured.

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

CRIME GENERAL PROVISIONS

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is or is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured showing in the Declarations. The words "we", "us" and "our" refer to the Company providing this insurance.

Words and phrases in quotation marks are defined in the policy.

Unless stated otherwise in any Crime Coverage Form, Declarations or endorsement, the following General Exclusions, General Conditions and General Definitions Apply to all Crime Coverage Forms forming part of this policy.

A. GENERAL EXCLUSIONS

We will not pay for loss as specified below:

1. **Acts Committed by You or Your Partners:** Loss resulting from any dishonest or criminal act committed by you or any of your partners whether acting alone or in collusion with other persons.
 2. **Governmental Action:** Loss resulting from seizure or destruction of property by order of governmental authority.
 3. **Indirect Loss:** Loss that is an indirect result of any act or "occurrence" covered by this insurance including, but not limited to, loss resulting from:
 - a. Your inability to realize income that you would have realized had there been no loss of, or loss from damage to, Covered Property.
 - b. Payment of damages of any type for which you are legally liable. But, we will pay compensatory damages arising directly from a loss covered under this insurance.
 - c. Payment of costs, fees or other expenses you incur in establishing either the existence or the amount of loss under this insurance.
 4. **Legal Expenses:** Expenses related to any legal action.
 5. **Nuclear:** Loss resulting from nuclear reaction, nuclear radiation or radioactive contamination, or any related act or incident.
 6. **War and Similar Actions:** Loss resulting from war, whether or not declared, warlike action, insurrection, rebellion or revolution, or any related act or incident.
- a. This insurance;
 - b. The Covered Property;
 - c. Your interest in the Covered Property; or
 - d. A claim under this insurance.
2. **Consolidation-Merger:** If through consolidation or merger with, or purchase of assets of, some other entity:
 - a. Any additional persons become "employees"; or
 - b. You acquire the use and control of any additional "premises";
 any insurance afforded for "employees" or "premises" also applies to those additional "employees" and "premises", but only if you:
 - a. Give us written notice within 30 days thereafter; and
 - b. Pay us an additional premium.
 3. **Coverage Extensions:** Unless stated otherwise in the Coverage Form, our liability under any Coverage Extension is part of, not in addition to, the Limit of Insurance applying to the Coverage or Coverage Section.
 4. **Discovery Period for Loss:** We will pay only for covered loss discovered no later than one year from the end of the policy period.
 5. **Duties in the Event of Loss:** After you discover a loss or a situation that may result in loss of, or loss from damage to, Covered Property you must:
 - a. Notify us as soon as possible.
 - b. Submit to examination under oath at our request and give us a signed statement of your answers.
 - c. Give us a detailed, sworn proof of loss within 120 days.
 - d. Cooperate with us in the investigation and settlement of any claim.
 6. **Joint Insured**
 - a. If more than one Insured is named in the Declarations, the first named Insured will act for itself and for every other Insured for all purposes of this insurance. If the first named Insured ceases to be covered, then the next

B. GENERAL CONDITIONS

1. **Concealment, Misrepresentation or Fraud:**

This insurance is void in any case of fraud by you as it relates to this insurance at any time. It is also void if you or any other Insured, at any time, intentionally conceal or misrepresent a material fact concerning:

named insured will be the first named Insured.

- b. If any Insured or partner or officer of that Insured has knowledge of any information relevant to this insurance, that knowledge is considered knowledge of every Insured.
- c. An "employee" of any Insured is considered to be an "employee" of every Insured.
- d. If this insurance or any of its coverages is cancelled or terminated as to any Insured, loss sustained by that Insured is covered only if discovered no later than one year from the date of that cancellation or termination.
- e. We will not pay more for loss sustained by more than one Insured than the amount we would pay if all the loss had been sustained by one Insured.

7. Legal Action Against Us: You may not bring any legal action against us involving loss:

- a. Unless you have complied with all the terms of this insurance; and
- b. Until 90 days after you have filed proof of loss with us; and
- c. Unless brought within 2 years from the date you discover the loss.

8. Liberalization: If we adopt any revision that would broaden the coverage under this insurance without additional premium within 45 days prior to or during the policy period, the broadened coverage will immediately apply to this insurance.

9. Non-Cumulation of Limit of Insurance: Regardless of the number of years this insurance remains in force or the number of premiums paid and regardless that previous policies were in effect, whether issued by our company, any affiliated company or issued by another non affiliated company, the coverage shall not be cumulative from year to year or period to period and the maximum limit of insurance applicable for loss in any one "occurrence" shall be no greater than the limit of insurance shown in the Declarations page of this policy, provided:

a. Loss Covered Under More Than One Coverage of This Insurance: If 2 or more coverages of this insurance apply to the same loss, we will pay the lesser of:

- (1) The Actual amount of loss; or
- (2) The sum of the limits of insurance applicable to those coverages.

b. Loss Sustained During Prior Insurance

- (1) If you, or any predecessor in interest, sustained loss during the period of any prior insurance that you or the predecessor in interest that could have been recovered

under that insurance except that the time within which to discover loss had expired, we will pay for it under this insurance; provided:

- (a) This insurance became effective at the time of cancellation or termination of the prior insurance; and
- (b) The loss would have been covered by this insurance had it been in effect when the acts or events causing the loss were committed or occurred.

(2) The insurance under this Condition is part of, not in addition to, the Limits of Insurance applying to this insurance and is limited to the lesser of the amount recoverable under:

- (a) This insurance as of its effective date; or
- (b) The prior insurance had it remained in effect.

c. Loss Covered Under This Insurance and Prior Insurance Issued by Us or Any Affiliate if any loss is covered:

- (1) Partly by this insurance; and
- (2) Partly by any prior cancelled or terminated insurance that we or any affiliate had issued to you or any predecessor in interest;

the most we will pay is the larger of the amount recoverable under this insurance or the prior insurance.

d. Other Insurance: This insurance does not apply to loss recoverable or recovered under other insurance or indemnity. However, if the limit of the other insurance or indemnity is insufficient to cover the entire amount of the loss, this insurance will apply to that part of the loss, other than that falling within any Deductible Amount, not recoverable or recovered under the other insurance or indemnity. However, this insurance will not apply to the amount of loss that is more than the applicable Limit of Insurance shown in the Declarations.

10. Ownership of Property; Interests Covered: The property covered under this insurance is limited to property:

- a. That you own or hold; or
- b. For which you are legally liable.

However, this insurance is for your benefit only. It provides no rights or benefits to any other person or organization.

11. Policy Period

- a. The Policy Period is shown in the Declarations.
- b. Subject to the Loss Sustained During Prior Insurance condition, we will pay only for loss that you sustain through acts committed or events occurring during the Policy Period.

12. **Records:** You must keep records of all Covered Property so we can verify the amount of any loss.

13. Recoveries

- a. Any recoveries, less the cost of obtaining them, made after settlement of loss covered by this insurance will be distributed as follows:

- (1) To you, until you are reimbursed for any loss that you sustain that exceeds the Limit of Insurance and the Deductible Amount, if any;
- (2) Then to us, until we are reimbursed for the settlement made;
- (3) Then to you, until you are reimbursed for that part of the loss equal to the Deductible Amount, if any.

- b. Recoveries do not include any recovery:

- (1) From insurance, suretyship, reinsurance, security or indemnity taken for our benefit; or
- (2) Of original "securities" after duplicates of them have been issued.

14. **Territory:** This insurance covers only acts committed or events occurring within the United States of America, U.S. Virgin Islands, Puerto Rico, Canal Zone, or Canada.

15. Transfer of Your Rights of Recovery Against Others to us:

You must transfer to us all your rights of recovery against any person or organization for any loss you sustained and for which we have paid or settled. You must also do everything necessary to secure those rights and do nothing after loss to impair them.

16. Valuation - Settlement

- a. Subject to the applicable Limit of Insurance provision we will pay for:

- (1) Loss of "money" but only up to and including its face value. We may, at our option, pay for loss of "money" issued by any country other than the United States of America:

- (a) At face value in the "money" issued by that country; or

- (b) In the United States of America dollar equivalent determined by the rate of exchange on the day the loss was discovered.

(2) Loss of "securities" but only up to and including their value at the close of business on the day the loss was discovered. We may, at our option:

- (a) Pay the value of such "securities" or replace them in kind, in which event you must assign to us all your rights, title and interest in and to those "securities"; or

- (b) Pay the cost of any Lost Securities Bond required in connection with issuing duplicates of the "securities". However, we will be liable only for the payment of so much of the cost of the bond as would be charged for a bond having a penalty not exceeding the lesser of the:

- i. Value of the "securities" at the close of business on the day the loss was discovered; or

- ii. Limit of Insurance.

(3) Loss of, loss from damage to, "property other than money and securities" or loss from damage to the "premises" for not more than the:

- (a) Actual cash value of the property on the day the loss was discovered; or

- (b) Cost of repairing the property or "premises"; or

- (c) Cost of replacing the property with property of like kind and quality.

We may, at our option, pay the actual cash value of the property or repair or replace it.

If we cannot agree with you upon the actual cash value or the cost of repair or replacement, the value or cost will be determined by arbitration.

- b. We may, at our option, pay for loss of, or loss from damage to, property other than "money";

- (1) In the "money" of the country in which the loss occurred; or

- (2) In the United States of America dollar

equivalent of the "money" of the country in which the loss occurred determined by the rate of exchange on the day the loss was discovered.

- c. Any property that we pay for or replace becomes our property.

C. GENERAL DEFINITIONS

1. "Employee" means:

a. Any natural person:

- (1) While in your service (and for 30 days after termination of service); and
- (2) Whom you compensate directly by salary, wages or commissions; and
- (3) Whom you have the right to direct and control while performing services for you; or

- b. Any natural person employed by an employment contractor while that person is subject to your direction and control and performing services for you excluding, however, any such person while having care and custody of property outside the "premises".

But "employee" does not mean any:

- (1) Agent, broker, factor, commission merchant, consignee, independent

Contractor or representative of the same general character; or

- (2) Director or trustee except while performing acts coming within the scope of the usual duties of an employee.

2. "Money" means:

- a. Currency, coins and bank notes in current use and having a face value; and
- b. Travelers checks, register checks and money orders held for sale to the public.

- 3. "Property Other Than Money and Securities" means any tangible property other than "money" and "securities" that has intrinsic value but does not include any property listed in any Crime Coverage Form as Property Not Covered.

- 4. "Securities" means negotiable and nonnegotiable instruments or contracts representing either "money" or other property and includes:

- a. Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and
- b. Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you;

but does not include "money".

EMPLOYEE DISHONESTY COVERAGE FORM

A. COVERAGE

We will pay for loss of, and loss from damage to, Covered Property resulting directly from the Covered Cause of Loss.

1. **Covered Property:** "Money", "securities", and "property other than money and securities".
2. **Covered Cause of Loss:** "Employee dishonesty".
3. **Coverage Extension:**

Employees Temporarily Outside Coverage Territory: We will pay for loss caused by any "employee" while temporarily outside the territory specified in the Territory General Condition for a period not more than 90 days.

B. LIMIT OF INSURANCE

The most we will pay for loss in any one "occurrence" is the applicable Limit of Insurance shown in the DECLARATIONS.

C. DEDUCTIBLE

1. We will not pay for loss in any one "occurrence" unless the amount of loss exceeds the Deductible Amount shown in the DECLARATIONS. We will then pay the amount of loss in excess of the Deductible Amount, up to the Limit of Insurance.
2. You must:
 - a. Give us notice as soon as possible of any loss of the type insured under this Coverage Form even though it falls entirely within the Deductible Amount.
 - b. Upon our request, give us a statement describing the loss.

D. ADDITIONAL EXCLUSIONS, CONDITION AND DEFINITIONS: In addition to the provisions in the Crime General Provision Form, this Coverage Form is subject to the following:

1. **Additional Exclusions:** We will not pay for loss as specified below:
 - a. **Employee Cancelled Under Prior Insurance:** loss caused by any "employee" of yours, or predecessor in interest of yours, for whom similar prior insurance has been cancelled and not reinstated since the last such cancellation.

b. **Inventory Shortages:** loss, or that part of any loss, the proof of which as to its existence or amount is dependent upon:

- (1) An inventory computation; or
- (2) A profit and loss computation.

2. Additional Condition

Cancellation As To Any Employee: This insurance is cancelled as to any "employee":

- a. Immediately upon discovery by:
 - (1) You; or
 - (2) Any of your partners, officers, or directors not in collusion with the "employee";of any dishonest act committed by that "employee" whether before or after becoming employed by you.
- b. On the date specified in a notice mailed to you. That date will be at least 30 days after the date of mailing.

The mailing of notice to you at the last mailing address known to us will be sufficient proof of notice. Delivery of notice is the same as mailing.

3. Additional Definitions

- a. **"Employee Dishonesty"** in paragraph A.2. means only dishonest acts committed by an "employee", whether identified or not, acting alone or in collusion with other persons, except you or a partner, with the manifest intent to:
 - (1) Cause you to sustain loss; and also
 - (2) Obtain financial benefit (other than employee benefits earned in the normal course of employment, including: salaries, commissions, fees, bonuses, promotions, awards, profit sharing or pensions) for:
 - (a) The "employee"; or
 - (b) Any person or organization intended by the "employee" to receive that benefit.
- b. **"Occurrence"** means all loss caused by or involving, one or more "employees", whether the result of a single act or series of acts and whether occurring during the current policy of insurance or during the policy period of any prior policy of insurance or continuation thereof or during both the current policy and prior policy terms.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

INCLUDE SPECIFIED NON-COMPENSATED OFFICERS AS EMPLOYEES

This endorsement applies to the CRIME GENERAL PROVISIONS FORM and all Crime Coverage Forms forming part of the policy.

A. SCHEDULE

Names or Titles of Non-Compensated Officers

Include 5 Board Members

B. PROVISIONS

"Employee" also includes your non-compensated officers shown in the SCHEDULE.

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**Meadowbrook Village Christian
Retirement Community**

Financial Statements

Years Ended December 31, 2014 and 2013

Meadowbrook Village Christian Retirement Community
Financial Statements
Years Ended December 31, 2014 and 2013

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Meadowbrook Village Christian Retirement Community

We have audited the accompanying financial statements of Meadowbrook Village Christian Retirement Community (a nonprofit organization), which comprise the statements of financial position as of December 31, 2014 and 2013, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Members of American Institute
of Certified Public Accountants
and California Society of
Certified Public Accountants*

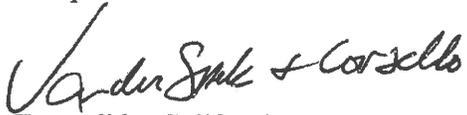
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Fax 760-743-7428

12631 E. Imperial Hwy., Suite 117E
Santa Fe Springs, California 90670
Voice 562-864-2504
Fax 562-864-1109

www.VanderSpekCPAs.com

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Meadowbrook Village Christian Retirement Community as of December 31, 2014 and 2013, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

A handwritten signature in cursive script, appearing to read "Vander Spink & Corsello".

Escondido, California
April 7, 2015

Meadowbrook Village Christian Retirement Community
Statements of Financial Position
December 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
ASSETS		
Current Assets:		
Cash	\$ 642,096	\$ 390,306
Accounts receivable	36,887	30,328
Receivable - entrance fee	631,287	532,787
Prepaid expenses	<u>8,484</u>	<u>8,484</u>
Total Current Assets	1,318,754	961,905
Property and Equipment,		
Net of accumulated depreciation	<u>57,592,042</u>	<u>54,293,824</u>
Total Assets	<u><u>\$ 58,910,796</u></u>	<u><u>\$ 55,255,729</u></u>
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts payable and accrued expenses	\$ 816,324	\$ 490,433
Note payable to related party	28,100,000	24,100,000
Deferred revenue - entrance fees (current portion)	<u>1,314,918</u>	<u>1,253,937</u>
Total Current Liabilities	<u>30,231,242</u>	<u>25,844,370</u>
Other Liabilities:		
Deferred revenue - entrance fees	7,207,458	8,038,461
Refundable entrance fees	<u>13,629,295</u>	<u>13,191,668</u>
Total Other Liabilities	<u>20,836,753</u>	<u>21,230,129</u>
Total Liabilities	51,067,995	47,074,499
Net Assets, Unrestricted	<u>7,842,801</u>	<u>8,181,230</u>
Total Liabilities and Net Assets	<u><u>\$ 58,910,796</u></u>	<u><u>\$ 55,255,729</u></u>

See accompanying notes to financial statements

Meadowbrook Village Christian Retirement Community
Statements of Activities
Years Ended December 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Unrestricted Support and Revenue:		
Entrance fees	\$ 1,277,711	\$ 1,249,727
Fees for services	1,402,880	1,220,236
Contributions	606,385	717,762
Rental fees	447,403	387,010
In-kind rent	125,000	125,000
Interest and other income	<u>10,890</u>	<u>65,443</u>
Total Unrestricted Support and Revenue	<u>3,870,269</u>	<u>3,765,178</u>
Expenses:		
Program services	4,119,218	3,441,477
Supporting services		
General and administrative	<u>89,480</u>	<u>79,350</u>
Total Expenses	<u>4,208,698</u>	<u>3,520,827</u>
(Decrease) Increase in Net Assets	(338,429)	244,351
Net Assets, beginning	<u>8,181,230</u>	<u>7,936,879</u>
Net Assets, ending	<u><u>\$ 7,842,801</u></u>	<u><u>\$ 8,181,230</u></u>

See accompanying notes to financial statements

Meadowbrook Village Christian Retirement Community
Statements of Functional Expenses
Years Ended December 31, 2014 and 2013

	2014		2013			
	Program Services	General and Administrative	Total	Program Services	General and Administrative	Total
Depreciation	\$ 1,967,970		\$ 1,967,970	\$ 1,968,216		\$ 1,968,216
Payroll	744,462	69,007	813,469	634,047	67,043	701,090
Interest	509,754		509,754	-		-
Utilities	250,154		250,154	203,581		203,581
Kitchen	227,031		227,031	139,171		139,171
In-kind rent	125,000		125,000	125,000		125,000
Landscaping	96,819		96,819	92,730		92,730
Insurance	73,814		73,814	56,709		56,709
Repair and maintenance	65,245		65,245	167,514		167,514
Office expenses	15,128	5,042	20,170	8,764	2,921	11,685
Professional fees	7,907	7,908	15,815	3,570	3,570	7,140
License and fees	7,895		7,895	7,200		7,200
Marketing and advertising	-	5,121	5,121	-	4,507	4,507
Other	28,039	2,402	30,441	34,975	1,309	36,284
Total Expenses	\$ 4,119,218	\$ 89,480	\$ 4,208,698	\$ 3,441,477	\$ 79,350	\$ 3,520,827

See accompanying notes to financial statements

Meadowbrook Village Christian Retirement Community
Statements of Cash Flows
Years Ended December 31, 2014 and 2013

	2014	2013
Cash Flows from Operating Activities:		
Change in net assets	\$ (338,429)	\$ 244,351
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	1,967,970	1,968,216
(Increase) decrease in operating assets:		
Accounts receivable	(105,059)	255,258
Prepaid expenses and other current assets	-	(3,892)
Increase (decrease) in operating liabilities:		
Accounts payable	325,891	246,803
Deferred revenue - entrance fees	(770,023)	1,578,423
Refundable entrance fees	437,627	2,254,374
	1,517,977	6,543,533
Net Cash Provided by Operating Activities		
Cash Flows Used by Investing Activities:		
Purchases of property and equipment	(5,266,187)	(856,104)
Payments on note receivable	-	70,761
	(5,266,187)	(785,343)
Net Cash Used by Investing Activities		
Cash Flows Used by Financing Activities:		
Proceeds from (payments of) notes payable to related parties	4,000,000	(5,775,000)
	251,790	(16,810)
Net Increase (Decrease) in Cash		
Cash, beginning	390,306	407,116
Cash, ending	\$ 642,096	\$ 390,306
Supplemental Data:		
Interest paid	\$ 509,754	-

See accompanying notes to financial statements

Meadowbrook Village Christian Retirement Community
Notes to Financial Statements
Years Ended December 31, 2014 and 2013

Note 1 – Organization and Summary of Significant Accounting Policies

Nature of Activities

Meadowbrook Village Christian Retirement Community (Organization) was incorporated in 2004 in the State of California as a nonprofit public benefit corporation. The purpose of the Organization is to develop and operate housing specifically designed for the elderly with arrangements for residents' health care and financial security, and otherwise to promote the interests and serve the needs of the elderly. The Organization completed the majority of its construction and began operations in 2009.

In 2010 the Organization received a continuing care license for its facilities from the State of California, Department of Social Services. Since then the Organization has been able to enter into Continuing Care Contracts with its residents and collect entrance fees.

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables and other liabilities.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Financial Statement Presentation

The Organization reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

- Unrestricted net assets represent expendable funds available for operations, which are not otherwise limited by donor restrictions.
- Temporarily restricted net assets consist of contributed funds subject to donor-imposed restrictions contingent upon specific performance of a future event or specific passage of time before the Organization may spend the funds.

Meadowbrook Village Christian Retirement Community
Notes to Financial Statements
Years Ended December 31, 2014 and 2013

Note 1 – Organization and Summary of Significant Accounting Policies (continued)

- Permanently restricted net assets are subject to irrevocable donor restrictions requiring that the assets be maintained in perpetuity usually for the purpose of generating investment income to fund current operations.

The Organization had no temporarily and permanently restricted net assets during the years ended December 31, 2014 and 2013.

Comparative Information

Certain amounts in the prior year financial statements have been reclassified to conform to the current year presentation.

Accounts Receivable

The accounts receivable arise in the normal course of operations. It is the policy of management to review the outstanding accounts receivable at year-end and establish an allowance for doubtful accounts for uncollectible amounts. No allowance is considered necessary at December 31, 2014 because management believes all amounts are collectible.

Property and Equipment

Acquisitions of property and equipment of \$1,000 or more are capitalized. Property and equipment is stated at cost, or if donated, at the approximate fair market value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets of three to forty years.

Deferred Revenue and Entrance Fees

Monthly rent and service fees that are collected in advance are recorded as deferred revenue.

The entrance fees that are collected upon entering into a continuing care contract are recorded as a liability, and a portion is recognized as revenue as it is earned.

Meadowbrook Village Christian Retirement Community
Notes to Financial Statements
Years Ended December 31, 2014 and 2013

Note 1 – Organization and Summary of Significant Accounting Policies (continued)

Revenue and Support

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. All donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction.

When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions. Contributions received with donor-imposed restrictions that are satisfied within the same reporting period are reported as unrestricted support in that period.

In-Kind Revenue and Expense

In-kind revenue and expense has been recorded in the statements of activities for contributed rent. Contributed rent has been recognized at the estimated fair value for use of the facilities' land.

Advertising

Advertising costs are expensed as they are incurred. Advertising expenses were \$3,366 and \$1,230 during the years ended December 31, 2014 and 2013, respectively.

Income Taxes

The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and Sections 214 and 23701(d) of the California Revenue and Taxation Code. This exemption is for all income taxes except for those assessed on unrelated business income, if any. For the years ended December 31, 2014 and 2013, no such unrelated business taxable income was reported and, therefore, no provision for income taxes has been made. The Organization is not a private foundation.

Subsequent Events

The Organization has evaluated subsequent events through April 7, 2015 which is the date the financial statements were available to be issued.

Meadowbrook Village Christian Retirement Community
Notes to Financial Statements
Years Ended December 31, 2014 and 2013

Note 2 – Concentration of Credit Risk

The Organization maintains its cash balances at a financial institution where the balances are insured by the Federal Deposit Insurance Corporation (FDIC). At December 31, 2014, the Organization's cash balance in excess of \$250,000 was not insured.

Note 3 – Receivable-Entrance Fees

When the Organization enters into a residence and care agreement, a receivable for the entrance fee is recorded. Ten percent of the fee is due before the new resident moves in. The residents have up to one year to pay the balance that is due under the agreement.

Note 4 – Property and Equipment

Property and equipment consist of the following:

	<u>2014</u>	<u>2013</u>
Software and equipment	\$ 134,965	\$ 134,965
Furniture and appliances	1,529,794	1,529,794
Buildings and structures	47,099,598	47,099,598
Land improvements	12,243,135	12,239,550
	<u>61,007,492</u>	<u>61,003,907</u>
Less accumulated depreciation	<u>(10,082,353)</u>	<u>(8,114,383)</u>
	50,925,139	52,889,524
Construction in progress	<u>6,666,903</u>	<u>1,404,300</u>
	<u>\$ 57,592,042</u>	<u>\$ 54,293,824</u>

The construction in progress consists of costs that are related to the expansion of the elderly housing facilities including a skilled nursing facility and additional apartments. Other projects may be started in future years. Depreciation expense for the years ended December 31, 2014 and 2013 was \$1,967,970 and \$1,968,216, respectively.

Meadowbrook Village Christian Retirement Community

Notes to Financial Statements

Years Ended December 31, 2014 and 2013

Note 5 – Entrance Fees

The Organization receives an entrance fee when it enters into a residence and care agreement. In exchange for the entrance fee, the Organization agrees to provide residency, care and services. The entrance fee is refundable if the agreement is terminated within the first 90 days. After the 90-day period, the Organization is generally entitled to retain and recognize as revenue five per cent of the entrance fee for each portion of a year the contract is in effect up to a maximum of 50 percent. The unearned portion of the entrance fee is recorded as a deferred revenue liability. The other 50 per cent which eventually will be repaid is recorded as a long-term liability.

A breakdown of the deferred revenue - entrance fees liability is presented in the table below. The current portion represents the amount the Organization will be able to recognize as revenue in the next twelve months.

	<u>2014</u>	<u>2013</u>
Deferred revenue - entrance fees	\$ 8,522,376	\$ 9,292,398
Current portion	<u>(1,314,918)</u>	<u>(1,253,937)</u>
Long-term	<u>\$ 7,207,458</u>	<u>\$ 8,038,461</u>

Note 6 – Related Party Transactions

Note Payable

The Organization has a note payable to the Stewardship Foundation in the amount of \$28,100,000 and \$24,100,000 at December 31, 2014 and 2013, respectively. The Organization and the Stewardship Foundation share common Board members. The loan is unsecured and due on demand. Effective January 1, 2014 the loan agreement was modified to allow for the payment of interest at the annual rate of 2.25% for the non-construction portion of the loan. The construction portion of the loan remains interest-free. Interest expense was \$509,754 for the year ended December 31, 2014.

Facilities Land

The elderly housing facilities are being constructed on land owned by the Stewardship Foundation. The Organization and the Stewardship Foundation have entered into a lease agreement for use of the land for \$1 for the term of the initial lease. The lease will expire when the Organization completes the construction of the site improvements and buildings for the senior residential care facilities. The Organization has recorded the fair market value of rent in the amount of \$125,000 for the years ended December 31, 2014 and 2013 as in-kind rent revenue and expense.

Meadowbrook Village Christian Retirement Community
Notes to Financial Statements
Years Ended December 31, 2014 and 2013

Note 6 – Related Party Transactions (continued)

Property and Personnel

The Organization purchased construction services, materials and personnel services from various entities that are controlled by the Organization's president totaling approximately \$2,072,500 and \$962,400 during the years ended December 31, 2014 and 2013, respectively. As of December 31, 2014 and 2013, amounts due to those entities included in accounts payable were \$266,700 and \$223,800, respectively. The Board of Directors, excluding the interested directors, has reviewed and approved these related party transactions.

Contributions

During the years ended December 31, 2014 and 2013, the Organization received contributions of \$600,000 and \$700,000, respectively, from various related parties including the Stewardship Foundation.

Note 7 – Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited based on time and usage.

Note 8 – Continuing Care Provider's Obligation for Future Services

The Organization is a Type C continuing care provider, which means that virtually all of its medical and assisted living services are provided on a fee-for-service basis. The Organization's remaining obligations for future services are covered by monthly fees. Therefore, no liability has been recorded other than the repayable portions of entrance fees.

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CONTINUING CARE
CONTRACTS BRANCH

**Meadowbrook Village Christian
Retirement Community**

Reserve Report

Year Ended December 31, 2014

Meadowbrook Village Christian Retirement Community
Reserve Report
Year Ended December 31, 2014

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Meadowbrook Village Christian Retirement Community

We have audited the accompanying continuing care reserve report ("Reports") of Meadowbrook Village Christian Retirement Community (the "Organization") as of December 31, 2014. These Reports are the responsibility of the Organization's management. Our responsibility is to express an opinion on the Reports based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Reports are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the Reports, assessing the accounting principles used and significant estimates made by the Organization's management, as well as evaluating the overall presentation of the Reports. We believe that our audit provides a reasonable basis for our opinion.

The accompanying Reports were prepared for the purpose of complying with California Health and Safety Code section 1792 and are not intended to be a complete presentation of the Organization's assets, liabilities, revenues and expenses.

In our opinion, the Reports present fairly, in all material respects, the liquid reserve requirements of the Organization as of December 31, 2014, in conformity with the report preparation provisions of California Health and Safety Code section 1792.

The report is intended solely for the use of the Organization and for filing with the California Department of Social Services and is not intended to be and should not be used for any other purpose. However, this report is a matter of public record and its distribution is not limited.


Escondido, California
April 7, 2015

Members of American Institute
of Certified Public Accountants
and California Society of
Certified Public Accountants

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**FORM 5-1
LONG-TERM DEBT INCURRED
IN A PRIOR FISCAL YEAR
(Including Balloon Debt)**

Long-Term Debt Obligation	(a) Date Incurred	(b) Principal Paid During Fiscal Year	(c) Interest Paid During Fiscal Year	(d) Credit Enhancement Premiums Paid in Fiscal Year	(e) Total Paid (columns (b) + (c) + (d))
1	12/31/09		\$509,754	\$0	\$509,754
2					\$0
3					\$0
4					\$0
5					\$0
6					\$0
7					\$0
8					\$0
		TOTAL:	\$509,754	\$0	\$509,754

(Transfer this amount to Form 5-3, Line 1)

NOTE: For column (b), do not include voluntary payments made to pay down principal.

PROVIDER: Meadowbrook Village Christian Retirement Community

**FORM 5-2
LONG-TERM DEBT INCURRED
DURING FISCAL YEAR
(Including Balloon Debt)**

Long-Term Debt Obligation	(a) Date Incurred	(b) Total Interest Paid During Fiscal Year	(c) Amount of Most Recent Payment on the Debt	(d) Number of Payments over next 12 months	(e) Reserve Requirement (see instruction 5) (columns (c) x (d))
1				0	\$0
2					\$0
3					\$0
4					\$0
5					\$0
6					\$0
7					\$0
8					\$0
TOTAL:		\$0	\$0	0	\$0

(Transfer this amount to Form 5-3, Line 2)

NOTE: For column (b), do not include voluntary payments made to pay down principal.

PROVIDER: Meadowbrook Village Christian Retirement Community

**FORM 5-3
CALCULATION OF LONG-TERM DEBT RESERVE AMOUNT**

Line	TOTAL
1 Total from Form 5-1 bottom of Column (e)	\$509,754
2 Total from Form 5-2 bottom of Column (e)	\$0
3 Facility leasehold or rental payment paid by provider during fiscal year (including related payments such as lease insurance)	[REDACTED]
4 TOTAL AMOUNT REQUIRED FOR LONG-TERM DEBT RESERVE:	\$509,754

PROVIDER: Meadowbrook Village Christian Retirement Community

**FORM 5-4
CALCULATION OF NET OPERATING EXPENSES**

Line	Amounts	TOTAL
1	Total operating expenses from financial statements	\$4,208,698
2	Deductions:	
	a. Interest paid on long-term debt (see instructions)	\$509,754
	b. Credit enhancement premiums paid for long-term debt (see instructions)	
	c. Depreciation	\$1,967,970
	d. Amortization	
	e. Revenues received during the fiscal year for services to persons who did not have a continuing care contract	
	f. Extraordinary expenses approved by the Department	
3	Total Deductions	\$2,477,724
4	Net Operating Expenses	\$1,730,974
5	Divide Line 4 by 365 and enter the result.	\$4,742
6	Multiply Line 5 by 75 and enter the result. This is the provider's operating expense reserve amount.	\$355,680

PROVIDER: Meadowbrook Village Christian Retirement Community
COMMUNITY: Meadowbrook Village Christian Retirement Community

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)	\$651/\$971	\$18.50/Hour	
[2] Indicate percentage of increase in fees imposed during reporting period: (indicate range, if applicable)	3.17%-3.19%	0%	

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: August 1, 2014
 (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: Meadowbrook Village Christian Retirement Community
COMMUNITY: Meadowbrook Village Christian Retirement Community

(5) Explanation for increase in Monthly Service Fees

Meadowbrook increased its monthly fees for singles by \$20 per month and couples by \$30 per month on August 1, 2014. At the end of the reporting period, the monthly cost is \$651.00 for single residents and \$971.00 for couples.

The reasons for the fee increase include regular increases in employment and benefit costs, increases in utility costs and increases in maintenance costs.

Part 8

Key Indicators Report

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

Date Prepared: 4-27-15
RECEIVED
JUN 02 2015
**CONTINUING CARE
CONTRACTS BRANCH**

FACILITY NAME: Meadowbrook Village Christian Retirement Community
 ADDRESS: 100 Holland Glen, Escondido Ca ZIP CODE: 92026 PHONE: 760-746-2500
 PROVIDER NAME: Meadowbrook Village FACILITY OPERATOR: Meadowbrook Village
 RELATED FACILITIES: None RELIGIOUS AFFILIATION: Christian (Protestant)
 YEAR OPENED: '09 # OF ACRES: 25 SINGLE STORY MULTI-STORY OTHER: Both MILES TO SHOPPING CTR: 1.6
 MILES TO HOSPITAL: 4.2

NUMBER OF UNITS:	RESIDENTIAL LIVING	HEALTH CARE
APARTMENTS — STUDIO:	<u>0</u>	ASSISTED LIVING: <u>All units</u>
APARTMENTS — 1 BDRM:	<u>22</u>	SKILLED NURSING: _____
APARTMENTS — 2 BDRM:	<u>32</u>	SPECIAL CARE: _____
COTTAGES/HOUSES:	<u>50</u>	DESCRIBE SPECIAL CARE: _____
RLU OCCUPANCY (%) AT YEAR END:	<u>98.00</u>	

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

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

REFUND PROVISIONS: (check all that apply) 90% 75% 50% PRORATED TO 0% OTHER: Prorated to 25%

RANGE OF ENTRANCE FEES: \$ 170,350 TO \$ 397,650 LONG-TERM CARE INSURANCE REQUIRED? YES NO

HEALTH CARE BENEFITS INCLUDED IN CONTRACT: Monitoring, activities, access to assisted living services

ENTRY REQUIREMENTS: MIN. AGE: 60 PRIOR PROFESSION: N/A OTHER: _____

RESIDENT REPRESENTATIVE TO THE BOARD (briefly describe their involvement): Resident representative is a non-voting member of the volunteer Board of Directors, receiving all information and attending and participating in all meetings of the Board.

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

	<u>2011</u> <u>-2010-</u>	<u>2012</u> <u>-2011-</u>	<u>2013</u> <u>-2012-</u>	<u>2014</u> <u>-2013-</u>
INCOME FROM ONGOING OPERATIONS				
OPERATING INCOME (excluding amortization of entrance fee income)	\$690,594	\$1,284,178	\$1,672,689	\$1,861,173
LESS OPERATING EXPENSES (excluding depreciation, amortization, and interest)	-\$934,372	-\$1,195,684	-\$1,552,611	\$1,730,974
NET INCOME FROM OPERATIONS	-\$243,778	\$88,494	\$120,078	\$130,199
LESS INTEREST EXPENSE	-\$151,585	-\$61,171	\$0	-\$509,754
PLUS CONTRIBUTIONS	\$335,383	\$1,531,269	\$717,762	\$606,385
PLUS NON-OPERATING INCOME (EXPENSES) (excluding extraordinary items)	-\$100,000	-\$125,000	-\$125,000	-\$125,000
NET INCOME (LOSS) BEFORE ENTRANCE FEES, DEPRECIATION AND AMORTIZATION	-\$403,758	\$1,433,592	\$712,840	\$101,830
NET CASH FLOW FROM ENTRANCE FEES (Total Deposits Less Refunds)	\$943,184	\$972,565	\$1,249,727	\$1,277,711

DESCRIPTION OF SECURED DEBT (AS OF MOST RECENT FISCAL YEAR END)

LENDER	OUTSTANDING BALANCE	INTEREST RATE	DATE OF ORIGATION	DATE OF MATURITY	AMORTIZATION PERIOD
Stewardship Foundation	\$28,100,000	2.25	06/01/05		Varies

FINANCIAL RATIOS

(see next page for ratio formulas)

2012 CCAC Medians
50th Percentile
(optional)

	<u>2012</u> <u>-2011-</u>	<u>2013</u> <u>-2012-</u>	<u>2014</u> <u>-2013-</u>
DEBT TO ASSET RATIO	53.0	44.0	48.0
OPERATING RATIO	169.0	216.0	250.0
DEBT SERVICE COVERAGE RATIO			3.36
DAYS CASH-ON-HAND RATIO	129	108	154

HISTORICAL MONTHLY SERVICE FEES

(AVERAGE FEE AND PERCENT CHANGE)

	<u>2011</u> <u>-2010-</u>	%	<u>2012</u> <u>-2011-</u>	%	<u>2013</u> <u>-2012-</u>	%	<u>2014</u> <u>-2013-</u>
STUDIO							
ONE BEDROOM	\$734	3.4	\$759	3.4	\$786	3.1	\$810.0
TWO BEDROOM	\$734	3.4	\$759	3.4	\$786	3.1	\$810
COTTAGE/HOUSE	\$734	3.4	\$759	3.4	\$786	3.1	\$810
ASSISTED LIVING	\$734	3.4	\$759	3.4	\$786	3.1	\$810
SKILLED NURSING							
SPECIAL CARE							

COMMENTS FROM PROVIDER:

and \$971 for a couple.

Through the end of 2014, the Base Monthly Fees for all units were \$651 per month for a single

FINANCIAL RATIO FORMULAS

LONG-TERM DEBT TO TOTAL ASSETS RATIO

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

OPERATING RATIO

$$\frac{\begin{aligned} &\text{Total Operating Expenses} \\ &\quad - \text{Depreciation Expense} \\ &\quad - \text{Amortization Expense} \end{aligned}}{\begin{aligned} &\text{Total Operating Revenues} \\ &\quad - \text{Amortization of Deferred Revenue} \end{aligned}}$$

DEBT SERVICE COVERAGE RATIO

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

DAYS CASH ON HAND RATIO

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

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.

Part 7

Report on CCRC Monthly Service Fees

Date Prepared: 5/30/2015

KEY INDICATORS REPORT

Meadowbrook Village

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

Mark M...

Chief Executive Officer Signature



	2012	2013	2014	2015	2016	2017	2018	2019	Trend
OPERATIONAL STATISTICS									
1. Average Annual Occupancy by Site (%)	68.50%	86.05%	95.20%	99.00%	99.00%	99.00%	99.00%	99.00%	↑
MARGIN (PROFITABILITY) INDICATORS									
2. Net Operating Margin (%)	4.60%	7.18%	12.85%	12.87%	12.90%	12.92%	12.94%	12.96%	↑
3. Net Operating Margin - Adjusted (%)	80.28%	78.25%	38.45%	25.47%	29.07%	32.80%	35.13%	35.33%	↓
LIQUIDITY INDICATORS									
4. Unrestricted Cash and Investments (\$000)	\$407,116	\$390,306	\$642,096	\$674,201	\$707,911	\$743,306	\$780,472	\$819,495	↑
5. Days Cash on Hand (Unrestricted)	108	92	105	107	109	111	114	116	↑
CAPITAL STRUCTURE INDICATORS									
6. Deferred Revenue from Entrance Fees (\$000)	\$972,565	\$1,249,727	\$1,277,711	\$1,316,042	\$1,355,524	\$1,396,189	\$1,438,075	\$1,481,217	↑
7. Net Annual E/F proceeds (\$000)	\$4,808,500	\$5,464,875	\$826,000	\$345,150	\$478,608	\$638,782	\$759,238	\$789,608	↑
8. Unrestricted Net Assets (\$000)	\$7,936,879	\$8,181,230	\$7,842,801	\$8,553,358	\$8,983,113	\$9,412,814	\$9,843,686	\$10,276,871	↑
9. Annual Capital Asset Expenditure (\$000)	\$1,668,410	\$785,343	\$5,266,187	\$1,500,000	\$25,000	\$25,000	\$25,000	\$25,000	↓
10. Annual Debt Service Coverage Revenue Basis (x)	27.48	100.00	1.69	1.45	1.43	1.39	1.37	1.35	↓
11. Annual Debt Service Coverage (x)	106.09	100.00	3.31	2.11	2.31	2.54	2.70	2.68	↑
12. Annual Debt Service/Revenue (%)	1.54%	0.00%	13.17%	13.61%	13.67%	13.74%	13.80%	13.86%	↑
13. Average Annual Effective Interest Rate (%)	0.20%	0.00%	1.81%	1.94%	2.07%	2.22%	2.38%	2.56%	↑
14. Unrestricted Cash & Investments/ Long-Term Debt (%)	4.35%	3.99%	4.69%	4.92%	5.31%	5.75%	6.23%	6.76%	↑
15. Average Age of Facility (years)	3	3.69	4.69	5.73	6.79	7.86	8.94	10.03	↑