

FISCAL YEAR ENDED:

12/31/21

ANNUAL REPORT CHECKLIST

PROVIDER(S): ASRV, LLC dba Mission Capistrano Healthcare Center

CCRC(S): Mission Capistrano Healthcare Center

PROVIDER CONTACT PERSON: Frank Jurado

TELEPHONE NO.: (949) 347-7100 EMAIL: Accounting@aspenhealth.com

A complete annual report must consist of 3 copies of all of the following:

- ☒ Annual Report Checklist.
- ☒ Annual Provider Fee in the amount of: \$ 10,630
  - ☐ If applicable, late fee in the amount of: \$ \_\_\_\_\_
- ☒ Certification by the provider's **Chief Executive Officer** that:
  - ☒ The reports are correct to the best of his/her knowledge.
  - ☒ Each continuing care contract form in use or offered to new residents has been approved by the Department.
  - ☒ The provider is maintaining the required *liquid* reserves and, *when applicable*, the required refund reserve.
- ☒ Evidence of the provider's fidelity bond, as required by H&SC section 1789.8.
- ☒ Provider's audited financial statements, with an accompanying certified public accountant's opinion thereon.
- ☒ Provider's audited reserve reports (prepared on Department forms), with an accompanying certified public accountant's opinion thereon. (NOTE: Form 5-5 must be signed and have the required disclosures attached (H&SC section 1790(a)(2) and (3)).
- ☒ "Continuing Care Retirement Community Disclosure Statement" for *each* community.
- ☒ Form 7-1, "Report on CCRC Monthly Service Fees" for *each* community.
- ☐ Form 9-1, "Calculation of Refund Reserve Amount", if applicable. N/A.
- ☐ Key Indicators Report (signed by CEO or CFO (or by the authorized person who signed the provider's annual report)). The KIR may be submitted along with the annual report, but is not required until 30 days later.

Apr 29, 2022

167066

DATE

CHECK NO.

**ASPEN SKILLED HEALTHCARE INC**  
 28202 CABOT ROAD, STE 412  
 LAGUNA NIGUEL, CA 92677

**Wells Fargo Bank, N.A.**  
 San Francisco, CA

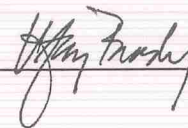
56-382/412

Pay Ten Thousand Six Hundred Thirty Dollars and 00 Cents

\$10,630.00

to the Order of:

**Continuing Care Provider Fee Fund**  
 Account #84130



SECURITY LOCKS WILL DISAPPEAR WHEN COPIED OR WITH NORMAL BODY HEAT

⑈ 167066 ⑈ ⑆041203824⑆ 9683451778⑈

Vendor ID	Vendor	Vendor Account Number	Payment Number	Date	Check Number
126-0191	Continuing Care Provider Fee F	Capistrano Senior Li	100-257127	04/29/2022	167066
Invoice Number	Date	Description	Amount	Discount	Paid Amount
	04/29/2022		\$0.00	\$0.00	\$10,630.00

## RESOURCE CENTER

TOTALS: \$0.00 \$0.00 \$10,630.00

Vendor	Vendor ID	Payment Number	Date	Check Number
Continuing Care Provider Fee F	126-0191	100-257127	04/29/2022	167066

Invoice Number	Date	Description	Amount	Discount	Paid Amount
	04/29/2022		\$0.00	\$0.00	\$10,630.00

TOTALS: \$0.00 \$0.00 \$10,630.00

FORM 1-1

Line	Continuing Care Residents	TOTAL
[1]	Number at beginning of fiscal year	75
[2]	Number at end of fiscal year	72
[3]	Total Lines 1 and 2	147
[4]	Multiply Line 3 by ".50" and enter result on Line 5.	x .50
[5]	Mean number of continuing care residents	73.5
<b>All Residents</b>		
[6]	Number at beginning of fiscal year	92
[7]	Number at end of fiscal year	104
[8]	Total Lines 6 and 7	196
[9]	Multiply Line 8 by ".50" and enter result on Line 10.	x .50
[10]	Mean number of <i>all</i> residents	98
[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).	75.00%

FORM 1-2  
ANNUAL PROVIDER FEE

Line		TOTAL
[1]	Total Operating Expenses (including depreciation and debt service - interest only)	\$14,211,189
[a]	Depreciation	\$37,850
[b]	Debt Service (Interest Only)	\$0
[2]	Subtotal (add Line 1a and 1b)	\$37,850
[3]	Subtract Line 2 from Line 1 and enter result.	\$14,173,339
[4]	Percentage allocated to continuing care residents (Form 1-1, Line 11)	75%
[5]	Total Operating Expense for Continuing Care Residents (multiply Line 3 by Line 4)	10,630,004
		x .001
[6]	Total Amount Due (multiply Line 5 by .001)	\$10,630

PROVIDER: ASRV, LLC  
COMMUNITY: Mission Capistrano Health Center

CERTIFICATE

ASRV, LLC dba Mission Capistrano Health Center

April 29, 2022

Continuing Care Contracts Branch  
California Department of Social Services  
744 P Street, M.S. 9-14-91  
Sacramento, CA 95814

Please accept the enclosed annual reports and attachments for ASRV, LLC dba Mission Capistrano Health Center for the period ending December 31, 2021.

I, Jeffrey Bradshaw, certify that:

- The annual report and any amendments thereto are correct to the best of my knowledge and belief.
- Each continuing care contract form in use or offered to new residents at have been approved by the Department.
- As of the date of this certification, ASRV, LLC is maintaining the required liquid reserve, and, if applicable, the required refund reserve.

Sincerely,



Jeffrey Bradshaw  
CEO

## SURETY BOND VERIFICATION

BOND NO.: 810009547  
PERMIUM: \$100.00/PER ANNUMReply to: California Department of Public Health  
Licensing and Certification Program  
Centralized Applications Unit  
P.O. Box 997377, MS 3207  
Sacramento, CA 95899-7377

California Health and Safety Code, Section 1318, Chapter 2, Division 2, requires that licensed health facilities that handle money in excess of \$25 per patient or over \$500 for all patients in any month, be bonded for not less than \$1,000. This is to serve as a guarantee for the faithful and honest handling of the money of such patients.

**INSTRUCTIONS:** This form is to be completed by the bonding agency. In addition, attach an *original copy of the bond*. In the event of cancellation of the bond, please send notice to the above licensing office.

## BE IT KNOWN THAT:

Facility name ASRV, LLC dba Mission Capistrano Healthcare CenterFacility address 31741 Rancho Viejo Rd City San Juan Capistrano County Orange ZIP code 926756722State of California, as *Principal*, andBonding agency Atlantic Specialty Insurance CompanyAgency address One State Street Plaza, 31st Floor City New York County New York ZIP code 10004

State of, New York as *Surety*, are held and firmly bound unto the STATE OF CALIFORNIA in the full and just sum of One Thousand and 00/100 DOLLARS (\$ 1,000.00 ), for the payment of which the said Principal and said Surety bind themselves, their respective heirs, successors, and assigns, jointly and severally, firmly by these presents.

The CONDITION of this obligation is such that

WHEREAS, the Principal has applied for or has been issued a license by the California Department of Public Health to maintain or conduct a health facility pursuant to Chapter 2, Division 2, of the Health and Safety Code of the State of California; and

WHEREAS, by the terms of Section 1318 of said code, the Principal is required to file with the California Department of Public Health, Licensing and Certification, the bond running to the State of California.

NOW, THEREFORE, if the above bounden Principal shall faithfully and honestly handle money of patients in the care of said Principal, then this obligation shall be null and void; otherwise to remain in full force and effect.

Every patient injured as a result of any improper or unlawful handling of the money of a patient of a health facility may bring an action in a proper court on the bond required to be posted by the licensee pursuant to this section for the amount of damage he/she suffered as a result thereof to the extent covered by the bond.

This bond may be canceled by the Surety in accordance with the provisions of Section 996.310 et seq. of the Code of Civil Procedure. This bond is effective August 11, 2021 and continuous.

Date

IN WITNESS WHEREOF, we have subscribed our names and impressed our seal this 11th August, 2021  
Day Month Year

Jennifer Ochs

, Attorney-In-Fact

Bonding agent name (please print)

Bonding agent signature

BONDING AGENCY SEAL

**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**

CIVIL CODE § 1189

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California )

County of LOS ANGELES )

On AUG 11 2021 before me, RHONDA LARSON, NOTARY PUBLIC

Date

Here Insert Name and Title of the Officer

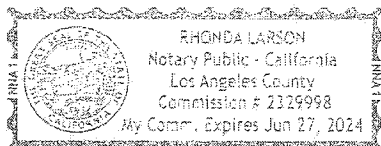
personally appeared JENNIFER OCHS

Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Signature [Signature]  
Signature of Notary Public  
RHONDA LARSON, NOTARY PUBLIC

Place Notary Seal Above

**OPTIONAL**

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

**Description of Attached Document**

Title or Type of Document: \_\_\_\_\_ Document Date: \_\_\_\_\_

Number of Pages: \_\_\_\_\_ Signer(s) Other Than Named Above: \_\_\_\_\_

**Capacity(ies) Claimed by Signer(s)**

Signer's Name: \_\_\_\_\_

☐ Corporate Officer — Title(s): \_\_\_\_\_

☐ Partner — ☐ Limited ☐ General

☐ Individual ☐ Attorney in Fact

☐ Trustee ☐ Guardian or Conservator

☐ Other: \_\_\_\_\_

Signer Is Representing: \_\_\_\_\_

Signer's Name: \_\_\_\_\_

☐ Corporate Officer — Title(s): \_\_\_\_\_

☐ Partner — ☐ Limited ☐ General

☐ Individual ☐ Attorney in Fact

☐ Trustee ☐ Guardian or Conservator

☐ Other: \_\_\_\_\_

Signer Is Representing: \_\_\_\_\_



## Power of Attorney

KNOW ALL MEN BY THESE PRESENTS, that ATLANTIC SPECIALTY INSURANCE COMPANY, a New York corporation with its principal office in Plymouth, Minnesota, does hereby constitute and appoint: Timothy J. Noonan, Janina Monroe, Paul Boucher, Dennis Langer, Michelle Haase, Jennifer Ochs, Adriana Valezuela, each individually if there be more than one named, its true and lawful Attorney-in-Fact, to make, execute, seal and deliver, for and on its behalf as surety, any and all bonds, recognizances, contracts of indemnity, and all other writings obligatory in the nature thereof; provided that no bond or undertaking executed under this authority shall exceed in amount the sum of: **unlimited** and the execution of such bonds, recognizances, contracts of indemnity, and all other writings obligatory in the nature thereof in pursuance of these presents, shall be as binding upon said Company as if they had been fully signed by an authorized officer of the Company and sealed with the Company seal. This Power of Attorney is made and executed by authority of the following resolutions adopted by the Board of Directors of ATLANTIC SPECIALTY INSURANCE COMPANY on the twenty-fifth day of September, 2012:

Resolved: That the President, any Senior Vice President or Vice-President (each an "Authorized Officer") may execute for and in behalf of the Company any and all bonds, recognizances, contracts of indemnity, and all other writings obligatory in the nature thereof, and affix the seal of the Company thereto; and that the Authorized Officer may appoint and authorize an Attorney-in-Fact to execute on behalf of the Company any and all such instruments and to affix the Company seal thereto; and that the Authorized Officer may at any time remove any such Attorney-in-Fact and revoke all power and authority given to any such Attorney-in-Fact.

Resolved: That the Attorney-in-Fact may be given full power and authority to execute for and in the name and on behalf of the Company any and all bonds, recognizances, contracts of indemnity, and all other writings obligatory in the nature thereof, and any such instrument executed by any such Attorney-in-Fact shall be as binding upon the Company as if signed and sealed by an Authorized Officer and, further, the Attorney-in-Fact is hereby authorized to verify any affidavit required to be attached to bonds, recognizances, contracts of indemnity, and all other writings obligatory in the nature thereof.

This power of attorney is signed and sealed by facsimile under the authority of the following Resolution adopted by the Board of Directors of ATLANTIC SPECIALTY INSURANCE COMPANY on the twenty-fifth day of September, 2012:

Resolved: That the signature of an Authorized Officer, the signature of the Secretary or the Assistant Secretary, and the Company seal may be affixed by facsimile to any power of attorney or to any certificate relating thereto appointing an Attorney-in-Fact for purposes only of executing and sealing any bond, undertaking, recognizance or other written obligation in the nature thereof, and any such signature and seal where so used, being hereby adopted by the Company as the original signature of such officer and the original seal of the Company, to be valid and binding upon the Company with the same force and effect as though manually affixed.

IN WITNESS WHEREOF, ATLANTIC SPECIALTY INSURANCE COMPANY has caused these presents to be signed by an Authorized Officer and the seal of the Company to be affixed this twenty-seventh day of April, 2020.

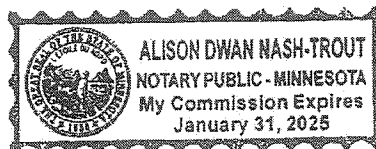
STATE OF MINNESOTA  
HENNEPIN COUNTY



By

Paul J. Brehm, Senior Vice President

On this twenty-seventh day of April, 2020, before me personally came Paul J. Brehm, Senior Vice President of ATLANTIC SPECIALTY INSURANCE COMPANY, to me personally known to be the individual and officer described in and who executed the preceding instrument, and he acknowledged the execution of the same, and being by me duly sworn, that he is the said officer of the Company aforesaid, and that the seal affixed to the preceding instrument is the seal of said Company and that the said seal and the signature as such officer was duly affixed and subscribed to the said instrument by the authority and at the direction of the Company.



Notary Public

I, the undersigned, Secretary of ATLANTIC SPECIALTY INSURANCE COMPANY, a New York Corporation, do hereby certify that the foregoing power of attorney is in full force and has not been revoked, and the resolutions set forth above are now in force.

Signed and sealed. Dated August 11, 2020 day of August

This Power of Attorney expires  
January 31, 2025



Kara Barrow, Secretary





REPORT OF INDEPENDENT AUDITORS  
AND FINANCIAL STATEMENTS

ASRV, LLC DBA MISSION CAPISTRANO HEALTH CENTER

December 31, 2021



MOSSADAMS



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## **Report of Independent Auditors**

The Member  
ASRV, LLC dba Mission Capistrano Health Center

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the financial statements of ASRV, LLC dba Mission Capistrano Health Center, which comprise the balance sheet as of December 31, 2021, and the related statements of operations, changes in member's deficit, and cash flows for the period June 1, 2021 to December 31, 2021, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of ASRV, LLC dba Mission Capistrano Health Center as of December 31, 2021, and the results of its operations and its cash flows for the period June 1, 2021 to December 31, 2021, in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of ASRV, LLC dba Mission Capistrano Health Center and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about ASRV, LLC dba Mission Capistrano Health Center's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 ASRV, LLC dba Mission Capistrano Health Center's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about ASRV, LLC dba Mission Capistrano Health Center's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Other Information***

Management is responsible for the other information included in the California Department of Social Services Annual Report. The other information comprises the Forms 1-1, 1-2, 7-1, and 9-1, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

*Moss Adams LLP*

Irvine, California  
April 29, 2022

**ASRV, LLC dba Mission Capistrano Health Center**  
**Balance Sheet**

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<b>ASSETS</b>		December 31,
		2021
<b>CURRENT ASSETS</b>		
Cash	\$	5,000,000
Accounts receivable, net		1,009,058
Prepaid expenses and other current assets		570,434
Total current assets		6,579,492
PROPERTY AND EQUIPMENT		469,865
DEPOSITS		392,000
Total assets	\$	<u>7,441,357</u>
<b>LIABILITIES AND MEMBER'S DEFICIT</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$	181,591
Accrued payroll and related expenses		341,256
Resident refunds		83,991
Due to Member		6,271,254
Other accrued expenses		21,000
Total current liabilities		6,899,092
DEFERRED RENT		681,727
DEFERRED REVENUE		1,328,476
Total liabilities		8,909,295
MEMBER'S DEFICIT		<u>(1,467,938)</u>
Total liabilities and member's deficit	\$	<u>7,441,357</u>



**ASRV, LLC dba Mission Capistrano Health Center**  
**Statement of Operations**

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	Period June 1, 2021 to December 31, 2021
REVENUES	
Resident services, net	\$ 6,009,835
Nursing center and other revenue	747,868
Total revenues	<u>6,757,703</u>
OPERATING EXPENSES	
Wages	3,162,449
Rent	2,139,729
General and administrative	486,339
Benefits	484,806
Purchased services	458,209
Management fees	399,396
Supplies	358,629
Utilities	263,808
Food and supplements	213,862
Property taxes	185,610
Bad debt	89,811
Equipment rental	25,133
Depreciation	<u>22,079</u>
Total operating expenses	<u>8,289,860</u>
LOSS FROM OPERATIONS	(1,532,157)
OTHER INCOME	<u>64,219</u>
NET LOSS	<u><u>\$ (1,467,938)</u></u>

**ASRV, LLC dba Mission Capistrano Health Center**  
**Statement of Changes in Member's Deficit**

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	Common Stock		Accumulated	
	Shares	Amount	Deficit	Total
BALANCE, June 1, 2021	-	\$ -	\$ -	\$ -
Net loss	-	-	(1,467,938)	(1,467,938)
BALANCE, December 31, 2021	-	\$ -	\$ (1,467,938)	\$ (1,467,938)

**ASRV, LLC dba Mission Capistrano Health Center**  
**Statement of Cash Flows**

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	Period June 1, 2021 to December 31, 2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash received from residents	\$ 5,748,645
Cash paid to vendors and employees	(5,069,953)
Cash paid for facility lease	(1,458,002)
Net cash used in operating activities	(779,310)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Purchase of property and equipment	(491,944)
Net cash used in investing activities	(491,944)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
Proceeds from loan issued by Member	6,271,254
Net cash provided by financing activities	6,271,254
<b>NET CHANGE IN CASH</b>	<b>5,000,000</b>
CASH, beginning of period	-
CASH, end of period	<u><u>\$ 5,000,000</u></u>
<b>Reconciliation of net loss to net cash used in operating activities</b>	
Net loss	\$ (1,467,938)
Adjustment to reconcile net loss to net cash provided by operating activities	
Depreciation	22,079
Changes in operating assets and liabilities	
Accounts receivable, net	(1,009,058)
Prepaid expenses and other current assets	(570,434)
Deposits	(392,000)
Accounts payable	181,591
Accrued payroll and related expenses	341,256
Resident refunds	83,991
Deferred rent	681,727
Deferred revenue	1,328,476
Other accrued expenses	21,000
Net cash used in operating activities	<u><u>\$ (779,310)</u></u>

## ASRV, LLC dba Mission Capistrano Health Center

### Notes to Financial Statements

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#### **Note 1 – Organization**

ASRV, LLC dba Mission Capistrano Health Center (the "Company") is an operator of a senior living community (the "Community") in San Juan Capistrano, California, and is operated by Aspen Skilled Healthcare, Inc. (the "Member"). The Company is committed to providing senior living solutions through a property that is designed, purpose-built, and operated to provide the highest quality service, care, and living accommodations for residents. The Community offers a variety of living arrangements and services to accommodate all levels of physical ability and health. The Community has 25 memory care units, 90 assisted living units, and 45 skilled nursing beds on one campus.

#### **Note 2 – Summary of Significant Accounting Policies**

**Basis of presentation** – The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The significant accounting policies have been summarized below.

The State of California (the "State"), under Health and Safety Code Chapter 10, requires the Company to provide financial statements, which include cash flows presented using the direct method. In accordance with this requirement, the Company has presented cash flows and related reconciliations of net loss to cash flows used in operating activities using the direct method for the period June 1, 2021 to December 31, 2021.

**Use of estimates** – The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant items subject to such estimates and assumptions include the useful lives of fixed assets and explicit and implicit price concessions on patient accounts receivable.

**Accounts receivable, net** – The Company has agreements with third-party payors that provide for payments at amounts different from the Company's established rates. The Company determines the transaction price based on established billing rates reduced by explicit price concessions provided to third-party payors. The Company determines its estimates of contractual adjustments and discounts based on contractual agreements, discount policies, and historical experience. The Company considers the patient's ability and intent to pay the amount of consideration upon admission. The Company determines its estimate of implicit price concessions based on its historical collection experience with this class of patients.

**Concentrations** – Financial instruments that potentially subject the Company to significant concentrations of credit risk consist principally of cash and cash equivalents. Although its cash and cash equivalents accounts may exceed the federally insured deposit amount, management does not anticipate the nonperformance by the financial institution and reviews the financial viability of this institution on a periodic basis.



## ASRV, LLC dba Mission Capistrano Health Center

### Notes to Financial Statements

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#### Note 2 – Summary of Significant Accounting Policies (continued)

The Company has significant patient accounts receivable whose collectability is dependent on governmental programs, primarily Medicare. Medicare accounted for approximately 61% of the patient accounts receivable as of December 31, 2021. The Company does not believe there are significant credit risks associated with these governmental programs and believes that an adequate provision has been made for the possibility of these receivables proving uncollectible, and they continually monitor and adjust expected amounts receivable as necessary.

**Property and equipment** – Property and equipment are recorded at cost and are depreciated over the estimated useful lives of the associated assets. Depreciation is computed over the estimated useful life of each class of depreciable asset, ranging from three to fifteen years, using the straight-line method. Total depreciation expense recognized for the period June 1, 2021 to December 31, 2021, was \$22,079.

**Long-lived assets** – The Company evaluates the carrying value of long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset, or related group of assets, may not be recoverable. When such circumstances arise, the Company records impairment losses on long-lived assets to the extent that undiscounted cash flows estimated to be generated by those assets are less than the carrying amount of those assets. No impairment was identified or recorded for the period June 1, 2021 to December 31, 2021.

**Rent and utilities deposits** – In accordance with the terms of various leases, and agreements with the various utility companies, each facility is required to deposit amounts for repairs and utilities. These deposits totaled \$392,000 as of December 31, 2021.

**Deferred revenue** – The Member entered into a Post-Closing Escrow Agreement with the former operator under a management agreement with Alta Camarillo Healthcare Center (“Camarillo”), a sister company, and the Company. If the gross revenue for these facilities, as defined in the agreement, is less than the set threshold in the periods between June 2021 and May 2023, the shortfall from the set threshold is earned by the Member, but not to exceed the deposited escrow funds. However, if there is an excess in gross revenue from the set threshold, the Member will owe the funds to the former operator. The agreed gross revenue threshold attributable to both the Company and Camarillo is \$64,936,112 and the maximum recognizable escrow fund is \$3,540,000. During the period June 1, 2021 to December 31, 2021, the gross revenue for both facilities is tracking at a shortfall compared to the set threshold.

The Member allocated the deferred revenue based on the Company's and Camarillo's revenues; \$1,595,877 was allocated to Camarillo and \$1,328,476 to the Company as of December 31, 2021. The calculation is subject to final reconciliation between the Member and former operator no later than 45 days after May 31, 2023.

**Due to Member** – The Company receives administrative and operational support from the Member in the form of an unsecured loan. The Company pays the Member back for such support on a monthly basis with collections on accounts receivable. The Member intends to continue to provide administrative and operational support to the Company as needed. \$6,271,254 was due to the Member as of December 31, 2021.

## ASRV, LLC dba Mission Capistrano Health Center

### Notes to Financial Statements

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#### Note 2 – Summary of Significant Accounting Policies (continued)

**Revenue recognition** – The Company's revenue streams are as follows:

*Residential services revenue* – Residential services revenue is reported at the amount that reflects the consideration to which the Company expects to be entitled to in exchange for the services provided. Under the Company's resident services agreement, the Company provides senior living services to residents for a stated monthly fee. The Company recognizes revenue for senior living services under the residential services agreement for independent living and assisted living in accordance with the provision of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 842, *Leases* (ASC 842).

*Nursing center revenue* – Nursing center revenue is derived from services rendered to patients for skilled nursing and rehabilitation therapy. Nursing center revenue is reported at the amount that reflects the consideration to which the Company expects to be entitled in exchange for providing patient services. These amounts are due from patients, governmental programs, and other third-party payors and include variable consideration for retroactive revenue adjustments due to settlement of audits, reviews, and investigations.

The Company recognizes revenue as its performance obligations are completed. Routine services are treated as a single performance obligation satisfied over time as services are rendered. These routine services represent a bundle of services that are not capable of being distinct. The performance obligations are satisfied over time as the patient simultaneously receives and consumes the benefits of the health care services provided. Additionally, there may be ancillary services which are not included in the daily rates for routine services, but instead are treated as separate performance obligations satisfied at a point in time when those services are rendered.

The Company determines the transaction price based on established billing rates reduced by explicit price concessions provided to third-party payors. Explicit price concessions are based on contractual agreements and historical experience. The Company considers the patient's ability and intent to pay the amount of consideration upon admission. Subsequent changes resulting from a patient's ability to pay are recorded as bad debt expense, which is included as a component of other operating expenses in the statement of operations.

Agreements with third-party payors provide for payments at amounts less than established charges. A summary of the payment arrangements with major third-party payors follows:

*Medicare* – Medicare pays for inpatient skilled nursing facility services under the prospective payment system. The prospective payment for each beneficiary is based upon the medical condition of and care needed by the patient.

*Other* – Payment agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations provide for payment using prospectively determined rates per discharge, discounts from established charges, and prospectively determined daily rates.

## ASRV, LLC dba Mission Capistrano Health Center

### Notes to Financial Statements

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#### Note 2 – Summary of Significant Accounting Policies (continued)

Laws and regulations governing the Medicare program are complex and subject to varying interpretation as well as significant regulatory action, and in the normal course of business, the Company is subject to contractual reviews and audits. The Company believes it is in compliance with applicable laws and regulations governing the Medicare program and is not aware of any pending or threatened investigations involving allegations of potential wrongdoing. While no such regulatory inquiries have been made, compliance with such laws and regulations can be subject to future government review and interpretation, as well as regulatory actions unknown or unasserted at this time. In addition, the contracts that the Company has with its commercial payors also provide for retroactive audit and review of claims.

**Income taxes** – The Company is treated as a limited liability company for tax purposes. Generally, no provision for federal and state income taxes has been recorded as payment for income taxes is the responsibility of the individual member.

**Going concern** – In connection with the preparation of the financial statements for the period June 1, 2021 to December 31, 2021, management conducted an evaluation as to whether there were conditions or events, considered in the aggregate, which raised substantial doubt as to the Company's ability to continue as a going concern within one year after the date the financial statements are available to be issued, noting there did not appear to be evidence of substantial doubt of the entity's ability to continue as a going concern.

**Fair value of financial instruments** – The Company determines fair value of its assets and liabilities based on the price that would be received to sell an asset or paid to transfer a liability in the principal or most advantageous market in an orderly transaction between market participants at the measurement date. The carrying amount of financial assets and liabilities approximates fair value due to the short maturity of those instruments.

**Recent accounting pronouncements** – In February 2016 the FASB issued Accounting Standards Update (ASU) No. 2016-02, *Leases (Topic 842)*, which increases transparency and comparability among entities by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements in the financial statements of lessees. This update is effective for fiscal years beginning after December 15, 2021, with early adoption permitted. Management anticipates the adoption of the provisions of ASU 2016-02 to have a significant impact on the financial statements as the Company has large outstanding leases (see Note 5).

**Subsequent events** – Subsequent events are events or transactions that occur after the balance sheet date but before the financial statements are available to be issued. The Company recognizes in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the balance sheet, including the estimates inherent in the process of preparing the financial statements. The Company's financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the balance sheet, but arose after the balance sheet date and before the financial statements are available to be issued.

Subsequent events have been evaluated through April 29, 2022, which is the date the financial statements were available to be issued.

**ASRV, LLC dba Mission Capistrano Health Center**  
**Notes to Financial Statements**

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**Note 3 – Property and Equipment**

Net property and equipment as of December 31, 2021, consisted of the following:

Leasehold improvements	\$ 345,951
Furniture and equipment	85,191
Construction in progress	<u>60,802</u>
	491,944
Accumulated depreciation	<u>(22,079)</u>
Property and equipment, net	<u><u>\$ 469,865</u></u>

**Note 4 – COVID-19 Pandemic**

In March 2020, the World Health Organization declared COVID-19 a global pandemic and recommended containment and mitigation measures worldwide. The related adverse public health developments, including orders to shelter-in-place, travel restrictions, and mandated business closures, have adversely affected workforces, organizations, patients, customers, economies, and financial markets globally, leading to increased market volatility and disruptions in normal business operations.

The Company cannot predict with reasonable certainty the impacts that COVID-19 ultimately will have on the business, results of operations, cash flow, and liquidity, and the response efforts may continue to delay or negatively impact the strategic initiatives, including plans for future growth. The ultimate impacts of COVID-19 will depend on many factors, some of which cannot be foreseen.

**Note 5 – Commitments and Contingencies**

**Leases** – The Company has entered into various leases for the use of the facilities which expire in 2046. Future minimum commitments under operating leases as of December 31, 2021, are as follows:

2022	\$ 2,727,200
2023	2,795,380
2024	2,865,265
2025	2,936,896
2026	3,010,319
Thereafter	<u>75,913,010</u>
	<u><u>\$ 90,248,070</u></u>

Total rent expense incurred from operating leases for the period June 1, 2021 to December 31, 2021, was \$2,13,729.



## ASRV, LLC dba Mission Capistrano Health Center

### Notes to Financial Statements

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#### Note 5 – Commitments and Contingencies (continued)

**Worker's compensation and employers' liability insurance** – The Company participates in the Member's insurance programs. The Member maintains insurance on an occurrence basis, which covers claims incurred during the policy period regardless of when they are reported. Under the current primary policy, the Member is covered for statutory limits (\$1,000,000 per accident, per incident). This policy is Guaranteed Cost and not subject to any deductible.

**General and professional liability insurance** – The Company participates in the Member's insurance programs. The Member maintains insurance on a claims-made basis, which covers claims made and reported during the policy period. Under the current primary policy, the Member is covered up to \$1,000,000 each claim. This policy is subject to a \$100,000 self-insured retention for each claim.

**Legal and compliance** – The Company is subject to various claims and legal proceedings covering a wide range of matters that arise in the ordinary course of its business activities.

The health care industry is subject to numerous laws and regulations of federal, state, and local governments. Compliance with these laws and regulations can be subject to government review and interpretation, as well as regulatory actions unknown and unasserted at this time. Government activity has continued with respect to investigations and allegations concerning possible violations of regulations by health care providers that could result in the imposition of significant fines and penalties, as well as significant repayment of previously billed and collected revenue for patient services.

#### Note 6 – Defined Contribution Plan

The employees of the Company are allowed to participate in the Aspen Skilled Healthcare, Inc. 401(k) Plan (the "DC Plan") after they meet the minimum service requirements. Under the DC Plan, employees can make annual voluntary contributions not to exceed limits established by the Internal Revenue Code. The Company matches participant contributions at the discretion of the Board, subject to specified limits for the period. For the period June 1, 2021 to December 31, 2021, the employees of the Company did not meet the minimum requirements; therefore, no contributions were made to the DC Plan.



REPORT OF INDEPENDENT AUDITORS AND  
CONTINUING CARE LIQUID RESERVE SCHEDULES WITH  
SUPPLEMENTARY SCHEDULES

ASRV, LLC DBA MISSION CAPISTRANO HEALTH CENTER

December 31, 2021



MOSSADAMS

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## **Report of Independent Auditors**

To the Member  
ASRV, LLC dba Mission Capistrano Health Center

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the accompanying financial statements of ASRV, LLC dba Mission Capistrano Health Center (the "Company"), which comprise the continuing care liquid reserve schedules, Form 5-1 through Form 5-5 for the period June 1, 2021 to December 31, 2021.

In our opinion, the financial statements referred to above present fairly, in all material respects, the continuing care reserve of the Company as of December 31, 2021, and for the period June 1, 2021 to December 31, 2021, in conformity with the liquid reserve requirements of California Health and Safety Code Section 1792.

#### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of ASRV, LLC dba Mission Capistrano Health Center and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### ***Basis of Accounting***

We draw attention to the basis of accounting used to prepare the financial statements. The financial statements are prepared by the Company on the basis of the liquid reserve requirements of California Health and Safety Code Section 1792, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of California Health and Safety Code Section 1792. Our opinion is not modified with respect to this matter.

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the liquid reserve requirements of California Health and Safety Code Section 1792, and for 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 Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may include collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for purpose of expressing an opinion on the effectiveness of ASRV, LLC dba Mission Capistrano Health Center's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about ASRV, LLC dba Mission Capistrano Health Center's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

### ***Other Matter***

Our audit was conducted for the purpose of forming an opinion on the financial statements, as a whole. The accompanying supplementary schedules of Supplementary Form 5-3, Reconciliation to Audit Report, Supplementary Form 5-4, Reconciliation to Audit Report, and Supplementary Form 5-5, Reconciliation to Audit Report are presented for the purpose of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of financial statements, and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements, or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements, taken as a whole.

***Other Information***

Management is responsible for the other information included in the California Department of Social Services Annual Report. The other information comprises the Forms 1-1, 1-2, 7-1, and 9-1, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

***Restriction on Use***

Our report is intended solely for the information and use of the Member and management of the Company and the California Department of Social Services, and is not intended to be and should not be used by anyone other than these specified parties.

*Moss Adams LLP*

Irvine, California  
April 29, 2022

## **Continuing Care Reserve Schedules**

**ASRV, LLC dba Mission Capistrano Health Center**  
**Form 5-1, Long-Term Debt Incurred in a Prior Fiscal Year (Including Balloon Debt)**  
**For the Year Ended December 31, 2021**

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					\$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 1)

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

**PROVIDER:** ASRV, LLC dba Mission Capistrano Health Center

**ASRV, LLC dba Mission Capistrano Health Center**  
**Form 5-2, Long-Term Debt Incurred During Fiscal Year (Including Balloon Debt)**  
**For the Year Ended December 31, 2021**

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
2					\$0
3					\$0
4					\$0
5					\$0
6					\$0
7					\$0
8					\$0
<b>TOTAL:</b>		\$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:** ASRV, LLC dba Mission Capistrano Health Center

ASRV, LLC dba Mission Capistrano Health Center  
Form 5-3, Calculation of Long-Term Debt Reserve Amount  
For the Year Ended December 31, 2021

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

Line		TOTAL
1	Total from Form 5-1 bottom of Column (e)	\$ -
2	Total from Form 5-2 bottom of Column (e)	\$ -
3	Facility leasehold or rental payment paid by provider during fiscal year (including related payments such as lease insurance)	\$ 2,499,432
4	TOTAL AMOUNT REQUIRED FOR LONG-TERM DEBT RESERVE:	\$ 2,499,432

PROVIDER: ASRV, LLC dba Mission Capistrano Health Center

**ASRV, LLC dba Mission Capistrano Health Center**  
**Form 5-4, Calculation of Net Operating Expenses**  
**For The Year Ended December 31, 2021**

**FORM 5-4**

Line		Amounts	TOTAL
1	Total operating expenses from financial statements		\$ 14,211,189
2	Deductions:		
	a. Interest paid on long-term debt (see instructions)	\$ -	
	b. Credit enhancement premiums paid for long-term debt (see instructions)	\$ -	
	c. Depreciation	\$ 37,850	
	d. Amortization	\$ -	
	e. Revenues received during the fiscal year for services to persons who did not have a continuing care contract	\$ 9,854,820	
	f. Extraordinary expenses approved by the Department	\$ -	
3	Total deductions		\$ 9,892,670
4	Net operating expenses		\$ 4,318,519
5	Divide line 4 by 365 and enter the result.		\$ 11,832
6	<b>Multiply line 5 by 75 and enter the result.</b> This is the provider's operating expense reserve amount.		\$ 887,367
<b>PROVIDER:</b>		ASRV, LLC dba Mission Capistrano Health Center	

**ASRV, LLC dba Mission Capistrano Health Center**  
**Form 5-5, Annual Reserve Certification**  
**For the Year Ended December 31, 2021**

**FORM 5-5**  
**ANNUAL RESERVE CERTIFICATION**

Provider Name: ASRV, LLC dba Mission Capistrano Health Center

Fiscal Year Ended: 12/31/2021

We have reviewed our debt service reserve and operating expense reserve requirements as of, and for the period ended 12/31/2021 and are in compliance with those requirements.

Our liquid reserve requirements, computed using the audited financial statements for the fiscal year are as follows:

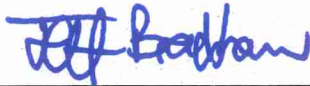
	<u>Amount</u>
[1] Debt Service Reserve Amount	\$ 2,499,432
[2] Operating Expense Reserve Amount	\$ 887,367
[3] Total Liquid Reserve Amount:	<span style="border: 1px solid black;">\$ 3,386,799</span>

Qualifying assets sufficient to fulfill the above requirements are held as follows:

<u>Qualifying Asset Description</u>	<u>Amount</u> <u>(market value at end of quarter)</u>	
	<u>Debt Service Reserve</u>	<u>Operating Reserve</u>
[4] Cash and Cash Equivalents	\$ 4,112,633	\$ 887,367
[5] Investment Securities	\$ -	\$ -
[6] Equity Securities	\$ -	\$ -
[7] Unused/Available Lines of Credit	\$ -	\$ -
[8] Unused/Available Letters of Credit	\$ -	\$ -
[9] Debt Service Reserve	\$ -	(not applicable)
[10] Other:	\$ -	\$ -
<u>CD as short term investments</u>		
<u>(describe qualifying asset)</u>		

Listed for Reserve Obligation:	[11] \$ 4,112,633	[12] \$ 887,367
Reserve Obligation Amount:	[13] \$ 2,499,432	[14] \$ 887,367
Surplus/(Deficiency):	[15] \$ 1,613,201	[16] \$ 0

Signature: \_\_\_\_\_



(Authorized Representative)

Date: \_\_\_\_\_

4-29-22

Chief Executive Officer \_\_\_\_\_

(Title)



**ASRV, LLC dba Mission Capistrano Health Center**  
**Note to Continuing Care Reserve Schedules**

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**Note 1 – Basis of Accounting**

The accompanying supplementary schedules have been prepared in accordance with the provisions of Health and Safety Code Section 1792 administered by the State of California Department of Social Services and are not intended to be a complete presentation of ASRV, LLC dba Mission Capistrano Health Center' assets, liabilities, revenues, and expenses.

In accordance with provisions of Health and Safety Code Section 1792 administered by the State of California Department of Social Services, the amounts included on Forms 5-3 and 5-4 have been annualized based on results from June 1, 2021 (date acquired) through December 31, 2021.

## **Supplementary Schedules**

**ASRV, LLC dba Mission Capistrano Health Center**  
**Supplementary Form 5-3, Reconciliation to Audit Report**  
**For the Year Ended December 31, 2021**

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	Per Audited Financial Statements for the period June 1 2021 to December 31, 2021	Annualized 12-months Per Form 5-3
Calculation of Long-Term Debt Reserve Amount		
Cash paid for facility lease	<u>\$ 1,458,002</u>	<u>\$ 2,499,432</u>

**ASRV, LLC dba Mission Capistrano Health Center**  
**Supplementary Form 5-4, Reconciliation to Audit Report**  
**For the Year Ended December 31, 2021**

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	Per Audited Financial Statements for the period June 1 2021 to December 31, 2021	Annualized 12-months Per Form 5-4
Total operating expenses from financial statements	<u>\$ 8,289,860</u>	<u>\$ 14,211,189</u>
Depreciation	<u>\$ 22,079</u>	<u>\$ 37,850</u>
Revenues received during the fiscal year for services to persons who did not have a continuing care contract	<u>\$ 5,748,645</u>	<u>\$ 9,854,820</u>

**ASRV, LLC dba Mission Capistrano Health Center**  
**Supplementary Form 5-5, Reconciliation to Audit Report**  
**For the Year Ended December 31, 2021**

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**Total cash and investments per audited statement of financial position**

Cash and cash equivalents	\$ 5,000,000
Total cash and investments	<u>\$ 5,000,000</u>

**Qualifying Assets per Form 5-5**

Operating reserve	\$ 887,367
Debt service reserve	<u>4,112,633</u>
Total qualifying assets	<u>\$ 5,000,000</u>

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

Date Prepared: 04/29/22

FACILITY NAME: Mission Capistrano Healthcare Center  
 ADDRESS: 31741 Rancho Viejo Road, San Juan Capistrano, CA ZIP CODE: 92675 PHONE: 949-248-8855  
 PROVIDER NAME: ASRV, LLC FACILITY OPERATOR: Aspen Skilled Healthcare, Inc  
 RELATED FACILITIES: ACSR, LLC dba Alta Camarillo Healthcare Center RELIGIOUS AFFILIATION: None  
 YEAR # OF ☐ SINGLE ☒ MULTI- MILES TO SHOPPING CTR: .1  
 OPENED: ACQ 6/1/21 ACRES: 4.63 STORY STORY ☐ OTHER: MILES TO HOSPITAL: 5

**NUMBER OF UNITS:**

**RESIDENTIAL LIVING**

APARTMENTS — STUDIO: 0  
 APARTMENTS — 1 BDRM: 0  
 APARTMENTS — 2 BDRM: 0  
 COTTAGES/HOUSES: 0  
 RLU OCCUPANCY (%) AT YEAR END: 0

**HEALTH CARE**

ASSISTED LIVING: 90 beds  
 SKILLED NURSING: 45 beds  
 SPECIAL CARE: 25 beds  
 DESCRIPTION: > Memory care

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: \$0 - \$0 LONG-TERM CARE INSURANCE REQUIRED? ☐ YES ☒ NO

HEALTH CARE BENEFITS INCLUDED IN CONTRACT: None

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

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

>

**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 (____ TIMES/MONTH)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BILLIARD ROOM	<input type="checkbox"/>	<input type="checkbox"/>	MEALS (____/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 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 type="checkbox"/>
CRAFT ROOMS	<input 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 type="checkbox"/>	<input type="checkbox"/>
PUTTING GREEN	<input type="checkbox"/>	<input type="checkbox"/>	LINENS LAUNDERED	<input checked="" type="checkbox"/>	<input type="checkbox"/>
SHUFFLEBOARD	<input type="checkbox"/>	<input type="checkbox"/>	MEDICATION MANAGEMENT	<input type="checkbox"/>	<input checked="" type="checkbox"/>
SPA	<input 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 type="checkbox"/>	<input type="checkbox"/>	TRANSPORTATION-PERSONAL	<input checked="" type="checkbox"/>	<input type="checkbox"/>
TENNIS COURT	<input type="checkbox"/>	<input type="checkbox"/>	TRANSPORTATION-PREARRANGED	<input checked="" type="checkbox"/>	<input type="checkbox"/>
WORKSHOP	<input type="checkbox"/>	<input type="checkbox"/>	OTHER _____	<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: ASRV, LLC

<u>OTHER CCRCs</u>	<u>LOCATION (City, State)</u>	<u>PHONE (with area code)</u>
ACSR, LLC dba Alta Camarillo Healthcare Center	Camarillo, CA	805-388-8086

<u>MULTI-LEVEL RETIREMENT COMMUNITIES</u>	<u>LOCATION (City, State)</u>	<u>PHONE (with area code)</u>
N/A		

<u>FREE-STANDING SKILLED NURSING</u>	<u>LOCATION (City, State)</u>	<u>PHONE (with area code)</u>
N/A		

<u>SUBSIDIZED SENIOR HOUSING</u>	<u>LOCATION (City, State)</u>	<u>PHONE (with area code)</u>
N/A		

**NOTE:** PLEASE INDICATE IF THE FACILITY IS A LIFE CARE FACILITY.

PROVIDER NAME: ASRV, LLC

	2018	2019	2020	2021
<b>INCOME FROM ONGOING OPERATIONS</b>				
<b>OPERATING INCOME</b>				
(Excluding amortization of entrance fee income)				6,757,703
<b>LESS OPERATING EXPENSES</b>				
(Excluding depreciation, amortization, and interest)				8,267,781
<b>NET INCOME FROM OPERATIONS</b>				(1,510,078)
<b>LESS INTEREST EXPENSE</b>				0
<b>PLUS CONTRIBUTIONS</b>				0
<b>PLUS NON-OPERATING INCOME (EXPENSES)</b>				
(excluding extraordinary items)				64,219
<b>NET INCOME (LOSS) BEFORE ENTRANCE FEES, DEPRECIATION AND AMORTIZATION</b>				(1,445,859)
<b>NET CASH FLOW FROM ENTRANCE FEES</b>				
(Total Deposits Less Refunds)				0

\*\*\*\*\*  
**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 50 <sup>th</sup> Percentile <i>(optional)</i>	2019	2020	2021
<b>DEBT TO ASSET RATIO</b>				0
<b>OPERATING RATIO</b>				1.2
<b>DEBT SERVICE COVERAGE RATIO</b>				0
<b>DAYS CASH ON HAND RATIO</b>				220.7

\*\*\*\*\*  
**HISTORICAL MONTHLY SERVICE FEES** (Average Fee and Change Percentage)

	2018	%	2019	%	2020	%	2021	%
STUDIO								
ONE BEDROOM								
TWO BEDROOM								
COTTAGE/HOUSE								
ASSISTED LIVING							18,523	
SKILLED NURSING							5,525	
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**

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

**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.

**FORM 7-1**  
**REPORT ON CCRC MONTHLY CARE FEES**

	<u>RESIDENTIAL LIVING</u>	<u>ASSISTED LIVING</u>	<u>SKILLED NURSING</u>
[1] Monthly Care Fees at beginning of reporting period: (indicate range, if applicable)	<u>N/A</u>	<u>\$5,525</u>	<u>20,084</u>
[2] Indicate percentage of increase in fees imposed during reporting period: (indicate range, if applicable)	<u></u>	<u>0%</u>	<u>8%</u>

☒ Check here if monthly care 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: \_\_\_\_\_  
(If more than one (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. **Date of Notice:** \_\_\_\_\_ **Method of Notice:** \_\_\_\_\_
- ☐ At least 30 days prior to the increase in fees, the designated representative of the provider convened a meeting that all residents were invited to attend. **Date of Meeting:** \_\_\_\_\_
- ☐ 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. **Date of Notice:** \_\_\_\_\_
- ☐ 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. **Date of Posting:** \_\_\_\_\_ **Location of Posting:** \_\_\_\_\_

[5] On an attached page, provide a concise explanation for the increase in monthly care fees including the amount of the increase and compliance with the applicable Health and Safety Code sections. See **PART 7 REPORT ON CCRC MONTHLY CARE FEE** in the **Annual Report Instruction** booklet for further instructions.

**PROVIDER:** ASRV, LLC  
**COMMUNITY:** Mission Capistrano Healthcare Center

**FORM 7-1**

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

Date Prepared: 04/29/22

Revised 6/10/22

FACILITY NAME: San Juan Capistrano Senior Living  
ADDRESS: 31741 Rancho Viejo Road, San Juan Capistrano, CA ZIP CODE: 92675 PHONE: 949-248-8855  
PROVIDER NAME: ASRV, LLC FACILITY OPERATOR: Aspen Skilled Healthcare, Inc  
RELATED FACILITIES: ACSR, LLC dba Camarillo Senior Living RELIGIOUS AFFILIATION: None  
YEAR # OF ☐ SINGLE ☒ MULTI- MILES TO SHOPPING CTR: .1  
OPENED: ACQ 6/1/20 ACRES: 4.63 STORY STORY ☐ OTHER: MILES TO HOSPITAL: 5

**NUMBER OF UNITS:**

**RESIDENTIAL LIVING**

**HEALTH CARE**

APARTMENTS — STUDIO: 0

ASSISTED LIVING: 90 beds

APARTMENTS — 1 BDRM: 0

SKILLED NURSING: 45 beds

APARTMENTS — 2 BDRM: 0

SPECIAL CARE: 25 beds

COTTAGES/HOUSES: 0

DESCRIPTION: >

RLU OCCUPANCY (%) AT YEAR END: 0

>

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: \$0 - \$0 LONG-TERM CARE INSURANCE REQUIRED? ☐ YES ☒ NO

HEALTH CARE BENEFITS INCLUDED IN CONTRACT: None

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

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

>

**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 (___ TIMES/MONTH)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BILLIARD ROOM	<input type="checkbox"/>	<input type="checkbox"/>	MEALS (___/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 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 type="checkbox"/>
CRAFT ROOMS	<input 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 type="checkbox"/>	<input type="checkbox"/>
PUTTING GREEN	<input type="checkbox"/>	<input type="checkbox"/>	LINENS LAUNDERED	<input checked="" type="checkbox"/>	<input type="checkbox"/>
SHUFFLEBOARD	<input type="checkbox"/>	<input type="checkbox"/>	MEDICATION MANAGEMENT	<input type="checkbox"/>	<input checked="" type="checkbox"/>
SPA	<input 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 type="checkbox"/>	<input type="checkbox"/>	TRANSPORTATION-PERSONAL	<input checked="" type="checkbox"/>	<input type="checkbox"/>
TENNIS COURT	<input type="checkbox"/>	<input type="checkbox"/>	TRANSPORTATION-PREARRANGED	<input checked="" type="checkbox"/>	<input type="checkbox"/>
WORKSHOP	<input type="checkbox"/>	<input type="checkbox"/>	OTHER	<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: ASRV, LLC

<u>OTHER CCRCs</u>	<u>LOCATION (City, State)</u>	<u>PHONE (with area code)</u>
ACSR, LLC dba Camarillo Senior Living	Camarillo, CA	805-388-8086

<u>MULTI-LEVEL RETIREMENT COMMUNITIES</u>	<u>LOCATION (City, State)</u>	<u>PHONE (with area code)</u>
N/A		

<u>FREE-STANDING SKILLED NURSING</u>	<u>LOCATION (City, State)</u>	<u>PHONE (with area code)</u>
N/A		

<u>SUBSIDIZED SENIOR HOUSING</u>	<u>LOCATION (City, State)</u>	<u>PHONE (with area code)</u>
N/A		

**NOTE:** PLEASE INDICATE IF THE FACILITY IS A LIFE CARE FACILITY.

PROVIDER NAME: ASRV, LLC

	2018	2019	2020	2021
<b>INCOME FROM ONGOING OPERATIONS</b>				
<b>OPERATING INCOME</b>				
(Excluding amortization of entrance fee income)				6,757,703
<b>LESS OPERATING EXPENSES</b>				
(Excluding depreciation, amortization, and interest)				8,267,781
<b>NET INCOME FROM OPERATIONS</b>				(1,510,078)
<b>LESS INTEREST EXPENSE</b>				0
<b>PLUS CONTRIBUTIONS</b>				0
<b>PLUS NON-OPERATING INCOME (EXPENSES)</b>				
(excluding extraordinary items)				64,219
<b>NET INCOME (LOSS) BEFORE ENTRANCE FEES, DEPRECIATION AND AMORTIZATION</b>				(1,445,859)
<b>NET CASH FLOW FROM ENTRANCE FEES</b>				
(Total Deposits Less Refunds)				0

\*\*\*\*\*

**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 50 <sup>th</sup> Percentile (optional)	2019	2020	2021
<b>DEBT TO ASSET RATIO</b>				0
<b>OPERATING RATIO</b>				1.2
<b>DEBT SERVICE COVERAGE RATIO</b>				0
<b>DAYS CASH ON HAND RATIO</b>				220.7

\*\*\*\*\*

**HISTORICAL MONTHLY SERVICE FEES** (Average Fee and Change Percentage)

	2018	%	2019	%	2020	%	2021	%
STUDIO								
ONE BEDROOM								
TWO BEDROOM								
COTTAGE/HOUSE								
ASSISTED LIVING							18,523	
SKILLED NURSING							5,525	
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**

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

**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.

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

Line		Amounts	TOTAL
1	Total operating expenses from financial statements		\$14,211,189
2	Deductions:		
	a. Interest paid on long-term debt (see instructions)	\$0	
	b. Credit enhancement premiums paid for long-term debt (see instructions)	\$0	
	c. Depreciation	\$37,850	
	d. Amortization	\$0	
	e. Revenues received during the fiscal year for services to persons who did not have a continuing care contract	\$4,461,767	
	f. Extraordinary expenses approved by the Department	\$0	
3	Total Deductions		\$4,499,617
4	Net Operating Expenses		\$9,711,572
5	Divide Line 4 by 365 and enter the result.		\$26,607
6	Multiply Line 5 by 75 and enter the result. This is the provider's operating expense reserve amount.		\$1,995,525

**PROVIDER:** ASRV, LLC  
**COMMUNITY:** San Juan Capistrano Senior Living

**FORM 5-4**  
**CALCULATION OF NET OPERATING EXPENSES RECONCILIATION OF LINE 2e**

	Period June 1, 2021 to December 31, 2021	Annualized for 12 months
Total revenue, per statement of operations	\$ 6,757,703	\$ 11,584,634
Net change in accounts receivable, per cash flow	\$ (1,009,058)	\$ (1,729,814)
Cash received from residents, per cash flow	<u>\$ 5,748,645</u>	<u>\$ 9,854,820</u>
Revenue received during fiscal year for non-CCRC (line 2e)	\$ 2,602,698	\$ 4,461,767
Revenue received during fiscal year for CCRC	\$ 3,145,947	\$ 5,393,053
Total Revenue (cash received from residents)	<u>\$ 5,748,645</u>	<u>\$ 9,854,820</u>



**FORM 5-5**  
**ANNUAL RESERVE CERTIFICATION**

Provider Name: ASRV, LLC  
Fiscal Year Ended: 12/31/2021

We have reviewed our debt service reserve and operating expense reserve requirements as of, and for the period ended 12/31/2021 and are in compliance with those requirements.

Our liquid reserve requirements, computed using the audited financial statements for the fiscal year are as follows:

	<u>Amount</u>
[1] Debt Service Reserve Amount	<u>\$2,499,432</u>
[2] Operating Expense Reserve Amount	<u>\$1,995,525</u>
[3] Total Liquid Reserve Amount:	<u>\$4,494,957</u>

Qualifying assets sufficient to fulfill the above requirements are held as follows:

<u>Qualifying Asset Description</u>	<u>Amount</u> (market value at end of quarter)	
	<u>Debt Service Reserve</u>	<u>Operating Reserve</u>
[4] Cash and Cash Equivalents	<u>\$3,004,475</u>	<u>\$1,995,525</u>
[5] Investment Securities	<u>\$0</u>	<u>\$0</u>
[6] Equity Securities	<u>\$0</u>	<u>\$0</u>
[7] Unused/Available Lines of Credit	<u>\$0</u>	<u>\$0</u>
[8] Unused/Available Letters of Credit	<u>\$0</u>	<u>\$0</u>
[9] Debt Service Reserve	<u>\$0</u>	(not applicable)
[10] Other:	<u>\$0</u>	<u>\$0</u>
<u>(describe qualifying asset)</u>		
Total Amount of Qualifying Assets Listed for Reserve Obligation: [11]	<u>\$3,004,475</u> [12]	<u>\$1,995,525</u>
Reserve Obligation Amount: [13]	<u>\$2,499,432</u> [14]	<u>\$1,995,525</u>
Surplus/(Deficiency): [15]	<u>\$505,043</u> [16]	<u>\$0</u>

Signature:

  
(Authorized Representative)

Date: 6/10/2022

Chief Financial Officer  
(Title)

FORM 5-5  
H&SC SECTION 1790(A)(2) AND (3) DISCLOSURE  
Description of all Reserves Maintained

**Total Qualifying Assets as Filed:**

Cash and cash equivalents	\$	5,000,000
Investment Securities	\$	-
Total Qualifying Assets as Filed:	\$	5,000,000

**Reservations and Designations:**

Reserved for Debt Service	\$	2,499,432
Reserved for Operating Expenses	\$	1,995,525
Total Reservations and Designations:	\$	4,494,957
Remaining Liquid Reserves	\$	505,043

---

**Per Capita Cost of Operations**

Operating Expenses (Form 5-4 line 1)	\$	14,211,189
Mean # of CCRC Residents (Form 1-1 line 10)		98.0
Per Capita Cost of Operations	\$	145,012

Provider: ASRV, LLC

Community: San Juan Capistrano Senior Living