

ANNUAL REPORT CHECKLIST

FISCAL YEAR ENDED: 12/31/23

PROVIDER(S):

ACSR, LLC dba Camarillo Senior Living

CCRC(S):

Camarillo Senior Living (Alta Camarillo Healthcare Center)

PROVIDER CONTACT PERSON:

Frank Jurado

TELEPHONE NUMBER:

949-347-7100

E-MAIL ADDRESS:

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: \$11,498
 - 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.
- N/A Form 9-1, “Calculation of Refund Reserve Amount”, if applicable.
- 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.

FORM 1-1

<u>Line</u>	<u>Continuing Care Residents</u>	<u>TOTAL</u>
[1]	Number at beginning of fiscal year	69
[2]	Number at end of fiscal year	66
[3]	Total Lines 1 and 2	135
[4]	Multiply Line 3 by ".50" and enter result on Line 5.	x .50
[5]	Mean number of continuing care residents	67.5
All Residents		
[6]	Number at beginning of fiscal year	89
[7]	Number at end of fiscal year	111
[8]	Total Lines 6 and 7	200
[9]	Multiply Line 8 by ".50" and enter result on Line 10.	x .50
[10]	Mean number of <i>all</i> residents	100
[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).	67.50%

**FORM 1-2
ANNUAL PROVIDER FEE**

<u>Line</u>	<u>TOTAL</u>
[1]	\$17,078,455
[a]	\$44,028
[b]	\$0
[2]	\$44,028
[3]	\$17,034,427
[4]	68%
[5]	11,498,238.23
	x .001
[6]	\$11,498

PROVIDER: ACSR, LLC
COMMUNITY: Camarillo Senior Living

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

Wells Fargo Bank, N.A. 56-382/412
 San Francisco, CA

Apr 29, 2024	216047
DATE	CHECK NO.

Pay Eleven Thousand Four Hundred Ninety Eight Dollars and 00 Cents

\$11,498.00

to the Order of:

Continuing Care Provider Fee Fund
CALIFORNIA DEPARTMENT OF SOCIAL SERVICES
 744 P STREET, M.S. 9-14-91
 Account #84130
 SACRAMENTO, CALIFORNIA 95814

Helen Frady

SECURITY FEATURES INCLUDED. DETAILS ON BACK

⑈ 2 1604 7 ⑈ ⑆ 04 1 2038 24 ⑆ 9683451778 ⑈

Vendor ID	Vendor	Vendor Account Number	Payment Number	Date	Check Number
127-0173	Continuing Care Provider Fee Ft	Camarillo Senior Liv	100-359390	04/29/2024	216047
Invoice Number	Date	Description	Amount	Discount	Paid Amount
	04/29/2024		\$0.00	\$0.00	\$11,498.00

RESOURCE CENTER

TOTALS: \$0.00 \$0.00 \$11,498.00

Vendor	Vendor ID	Payment Number	Date	Check Number
Continuing Care Provider Fee Ft	127-0173	100-359390	04/29/2024	216047

Invoice Number	Date	Description	Amount	Discount	Paid Amount
	04/29/2024		\$0.00	\$0.00	\$11,498.00

TOTALS: \$0.00 \$0.00 \$11,498.00

CERTIFICATE

ACSR, LLC dba Camarillo Senior Living

April 29, 2024

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 ACSR, LLC dba Camarillo Senior Living for the period ending December 31, 2023.

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, ACSR, LLC is maintaining the required liquid reserve, and, if applicable, the required refund reserve.

Sincerely,



Jeffrey Bradshaw
CEO



EVIDENCE OF COMMERCIAL PROPERTY INSURANCE

DATE (MM/DD/YYYY)
8/31/2023

THIS EVIDENCE OF COMMERCIAL PROPERTY INSURANCE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE ADDITIONAL INTEREST NAMED BELOW. THIS EVIDENCE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS EVIDENCE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE ADDITIONAL INTEREST.

PRODUCER NAME, CONTACT PERSON AND ADDRESS Shomer Insurance Services, an Alera Group Agency, LLC 5805 Sepulveda Blvd., Ste 500 Sherman Oaks, CA 91411		PHONE (A/C, No, Ext): (323) 934-8160	COMPANY NAME AND ADDRESS Philadelphia Insurance Cos 27101 Puerta Real #200 Mission Viejo, CA 92691	NAIC NO:
Contact name:		IF MULTIPLE COMPANIES, COMPLETE SEPARATE FORM FOR EACH		
FAX (A/C, No): (323) 934-8170	E-MAIL ADDRESS:			
CODE: AGENCY CUSTOMER ID # ASFPLLC-01	SUB CODE: License # 0M81972	POLICY TYPE Property incl Auto		
NAMED INSURED AND ADDRESS ACSR, LLC dba Camarillo Senior Living 6000 Santa Rosa Road Camarillo, CA 93012		LOAN NUMBER	POLICY NUMBER PHPK2598861	
ADDITIONAL NAMED INSURED(S)		EFFECTIVE DATE 8/31/2023	EXPIRATION DATE 8/31/2024	<input type="checkbox"/> CONTINUED UNTIL TERMINATED IF CHECKED
		THIS REPLACES PRIOR EVIDENCE DATED:		

PROPERTY INFORMATION (ACORD 101 may be attached if more space is required) BUILDING OR BUSINESS PERSONAL PROPERTY

LOCATION / DESCRIPTION
6000 Santa Rosa Road, Camarillo, CA 93012

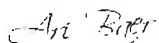
THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS EVIDENCE OF PROPERTY INSURANCE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

COVERAGE INFORMATION	PERILS INSURED	BASIC	BROAD	<input checked="" type="checkbox"/> SPECIAL		
COMMERCIAL PROPERTY COVERAGE AMOUNT OF INSURANCE: \$ 67,354,886		DED: 10,000				
<input checked="" type="checkbox"/> BUSINESS INCOME	<input type="checkbox"/> RENTAL VALUE	<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO	<input type="checkbox"/> N/A	If YES, LIMIT: 27,633,100	Actual Loss Sustained; # of months:
BLANKET COVERAGE		<input checked="" type="checkbox"/>			If YES, indicate value(s) reported on property identified above: \$	
TERRORISM COVERAGE		<input checked="" type="checkbox"/>			Attach Disclosure Notice / DEC	
IS THERE A TERRORISM-SPECIFIC EXCLUSION?			<input checked="" type="checkbox"/>			
IS DOMESTIC TERRORISM EXCLUDED?			<input checked="" type="checkbox"/>			
LIMITED FUNGUS COVERAGE		<input checked="" type="checkbox"/>			If YES, LIMIT:	DED:
FUNGUS EXCLUSION (If "YES", specify organization's form used)		<input checked="" type="checkbox"/>				
REPLACEMENT COST		<input checked="" type="checkbox"/>				
AGREED VALUE		<input checked="" type="checkbox"/>				
COINSURANCE			<input checked="" type="checkbox"/>		If YES, %	
EQUIPMENT BREAKDOWN (If Applicable)		<input checked="" type="checkbox"/>			If YES, LIMIT: 91,941,302	DED: 10,000
ORDINANCE OR LAW - Coverage for loss to undamaged portion of bldg		<input checked="" type="checkbox"/>			If YES, LIMIT: 17,386,000	DED: 10,000
- Demolition Costs		<input checked="" type="checkbox"/>			If YES, LIMIT: 1,000,000	DED: 10,000
- Incr. Cost of Construction		<input checked="" type="checkbox"/>			If YES, LIMIT: 1,000,000	DED: 10,000
EARTH MOVEMENT (If Applicable)			<input checked="" type="checkbox"/>		If YES, LIMIT:	DED:
FLOOD (If Applicable)			<input checked="" type="checkbox"/>		If YES, LIMIT:	DED:
WIND / HAIL INCL	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO Subject to Different Provisions:	<input checked="" type="checkbox"/>			If YES, LIMIT:	DED:
NAMED STORM INCL	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO Subject to Different Provisions:	<input checked="" type="checkbox"/>			If YES, LIMIT:	DED:
PERMISSION TO WAIVE SUBROGATION IN FAVOR OF MORTGAGE HOLDER PRIOR TO LOSS		<input checked="" type="checkbox"/>				

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

ADDITIONAL INTEREST

<input type="checkbox"/> CONTRACT OF SALE <input type="checkbox"/> MORTGAGEE	<input type="checkbox"/> LENDER'S LOSS PAYABLE <input type="checkbox"/> LOSS PAYEE	LENDER SERVICING AGENT NAME AND ADDRESS
NAME AND ADDRESS Insured Copy		AUTHORIZED REPRESENTATIVE 

**ADDITIONAL REMARKS SCHEDULE**

AGENCY Shomer Insurance Services, an Alera Group Agency , LLC	License # 0M81972	NAMED INSURED ACSR, LLC dba Camarillo Senior Living 6000 Santa Rosa Road Camarillo, CA 93012
POLICY NUMBER PHPK2598861		
CARRIER Philadelphia Insurance Cos	NAIC CODE	EFFECTIVE DATE: 08/31/2023

ADDITIONAL REMARKS

THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM,
FORM NUMBER: ACORD 28 FORM TITLE: EVIDENCE OF COMMERCIAL PROPERTY INSURANCE

Special Conditions:
Business Income Deductible = 24Hr Waiting Period
Extended Period of Indemnity = 360 Days
EQSL Only Limit: \$2,000,000 DED: 2%
***10 day notice of cancellation for non-payment of premium, 30 day all others.**

**ADDITIONAL REMARKS SCHEDULE**

AGENCY AssuredPartners of Oregon, LLC		NAMED INSURED Aspen Skilled Healthcare, Inc. 2802 Cabot Road Suite 412 Laguna Niguel, CA 92677	
POLICY NUMBER SEE PAGE 1			
CARRIER SEE PAGE 1	NAIC CODE SEE P 1	EFFECTIVE DATE: SEE PAGE 1	

ADDITIONAL REMARKS

**THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM,
FORM NUMBER: ACORD 25 FORM TITLE: Certificate of Liability Insurance**

Description of Operations/Locations/Vehicles:

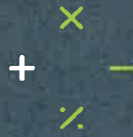
Subject to all policy terms, conditions and exclusions. 30 days NOC except for non-payment of premium.

Named Insured and Location Includes:

**ACSR, LLC dba Alta Healthcare Center of Camarillo
6000 Santa Rosa Rd. Camarillo, CA 93012**

Retroactive date: 6/1/2021

GL & PL SIR: \$250,000



Report of Independent Auditors and
Financial Statements

ACSR, LLC dba Alta Camarillo Healthcare Center

December 31, 2023



MOSSADAMS

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Report of Independent Auditors

The Member
ACSR, LLC dba Alta Camarillo Healthcare Center

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of ACSR, LLC dba Alta Camarillo Healthcare Center, which comprise the balance sheet as of December 31, 2023, and the related statements of operations, changes in member's deficit, and cash flows for the year then ended, 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 ACSR, LLC dba Alta Camarillo Healthcare Center as of December 31, 2023, and the results of its operations and its cash flows for the year then ended, 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 ACSR, LLC dba Alta Camarillo Healthcare 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 ACSR, LLC dba Alta Camarillo Healthcare 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 ACSR, LLC dba Alta Camarillo Healthcare 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 ACSR, LLC dba Alta Camarillo Healthcare 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.

Moss Adams LLP

Irvine, California
April 26, 2024

Financial Statements

ACSR, LLC dba Alta Camarillo Healthcare Center
Balance Sheet
December 31, 2023

ASSETS

CURRENT ASSETS	
Cash	\$ 5,502,000
Accounts receivable, net	1,799,330
Prepaid expenses and other current assets	<u>1,945,309</u>
Total current assets	9,246,639
PROPERTY AND EQUIPMENT, net	286,556
RIGHT-OF-USE OPERATING LEASE ASSET	67,091,472
RIGHT-OF-USE FINANCE LEASE ASSETS	23,415
DEPOSITS	<u>739,141</u>
Total assets	<u><u>\$ 77,387,223</u></u>

LIABILITIES AND MEMBER'S DEFICIT

CURRENT LIABILITIES	
Accounts payable	\$ 378,340
Accrued payroll and related expenses	488,012
Resident refunds	203,325
Accrued expenses	112,300
Current portion of operating lease liabilities	1,590,786
Current portion of finance lease liabilities	9,088
Due to member	<u>12,293,522</u>
Total current liabilities	15,075,373
OPERATING LEASE LIABILITIES, net of current portion	68,113,588
FINANCE LEASE LIABILITIES, net of current portion	14,647
DEFERRED REVENUE	<u>28,983</u>
Total liabilities	83,232,591
MEMBER'S DEFICIT	<u>(5,845,368)</u>
Total liabilities and member's deficit	<u><u>\$ 77,387,223</u></u>

See accompanying notes.

ACSR, LLC dba Alta Camarillo Healthcare Center
Statement of Operations
Year Ended December 31, 2023

REVENUES	
Nursing center and other revenue	\$ 10,049,194
Resident services, net	<u>4,143,100</u>
Total revenues	<u>14,192,294</u>
OPERATING EXPENSES	
Wages	6,144,433
Rent	3,860,674
Professional services	1,486,217
Benefits	1,026,413
Supplies	919,305
Management fees	854,972
General and administrative	763,587
Purchased services	594,035
Utilities	521,955
Property taxes	410,773
Food and supplements	374,123
Equipment rental	77,940
Depreciation and amortization	<u>44,028</u>
Total operating expenses	<u>17,078,455</u>
LOSS FROM OPERATIONS	(2,886,161)
OTHER EXPENSE	<u>(71,890)</u>
NET LOSS	<u><u>\$ (2,958,051)</u></u>

See accompanying notes.

ACSR, LLC dba Alta Camarillo Healthcare Center
Statement of Changes in Member's Deficit
Year Ended December 31, 2023

	Common Stock		Accumulated Deficit	Total
	Shares	Amount		
BALANCE, January 1, 2023	-	\$ -	\$ (2,887,317)	\$ (2,887,317)
Net loss	-	-	(2,958,051)	(2,958,051)
BALANCE, December 31, 2023	-	\$ -	\$ (5,845,368)	\$ (5,845,368)

See accompanying notes.

ACSR, LLC dba Alta Camarillo Healthcare Center
Statement of Cash Flows
Year Ended December 31, 2023

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from residents	\$ 13,639,781
Cash paid to vendors and employees	(13,680,554)
Cash paid for facility lease	<u>(2,937,731)</u>
Net cash used in operating activities	<u>(2,978,504)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of property and equipment	<u>(222,674)</u>
Net cash used in investing activities	<u>(222,674)</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Proceeds from loan issued by Member	3,206,642
Principal repayments on finance lease liabilities	<u>(8,965)</u>
Net cash provided by financing activities	<u>3,197,677</u>
NET CHANGE IN CASH	(3,501)
CASH, beginning of period	<u>5,505,501</u>
CASH, end of period	<u><u>\$ 5,502,000</u></u>
RECONCILIATION OF NET LOSS TO NET CASH USED IN OPERATING ACTIVITIES	
Net loss	\$ (2,958,051)
Adjustment to reconcile net loss to net cash used in operating activities	
Depreciation and amortization	44,028
Amortization of finance right-of-use assets	9,064
Changes in operating assets and liabilities	
Accounts receivable, net	(543,511)
Prepaid expenses and other current assets	(574,377)
Operating lease right-of-use assets and lease liabilities, net	913,879
Deposits	(17,977)
Accounts payable	(84,571)
Accrued payroll and related expenses	153,650
Resident refunds	16,064
Accrued expenses	72,300
Deferred revenue	<u>(9,002)</u>
Net cash used in operating activities	<u><u>\$ (2,978,504)</u></u>

See accompanying notes.

ACSR, LLC dba Alta Camarillo Healthcare Center Notes to Financial Statements

Note 1 – Organization

ACSR, LLC dba Alta Camarillo Healthcare Center (the Company) is an operator of a senior living community (the Community) in Camarillo, California, and is held 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 24 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 generally accepted accounting principles in the United States of America (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 year ended December 31, 2023.

Use of estimates – The preparation of financial statements in conformity with 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, allowances for credit losses, explicit and implicit price concessions on accounts receivable, estimation of Right-of-Use (ROU) assets and liabilities for leases, and determination of the discount rate used in measuring lease liabilities.

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.

In June 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-13, *Financial Instruments – Credit Losses (Topic 326)*, which significantly changed how entities will measure credit losses for most financial assets and certain other instruments that are not measured at fair value through net income. The most significant change in this standard is a shift from the incurred loss model to the expected loss model. Under Topic 326, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. Financial assets held by the Company that are subject to the guidance in Topic 326 were patient accounts receivable.

ACSR, LLC dba Alta Camarillo Healthcare Center

Notes to Financial Statements

The Company adopted the standard effective January 1, 2023, using the modified retrospective method. The impact of the adoption was not considered material to the financial statements and primarily resulted in enhanced disclosures only. There was no risk of credit losses based upon management's assessment of collectability as of December 31, 2023.

Concentrations – Financial instruments that potentially subject the Company to significant concentrations of credit risk consist principally of cash and cash equivalents. As of December 31, 2023, the Company's cash and cash equivalents accounts were maintained with one financial institution. While the amount of cash and cash equivalents 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.

The Company has significant patient accounts receivable whose collectability is dependent on governmental programs, primarily Medicare. Medicare accounted for approximately 60% of the patient accounts receivable as of December 31, 2023. 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 the Company continually monitors and adjusts 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 ten years, using the straight-line method. For the year ended December 31, 2023, the total depreciation expense recognized was \$44,028.

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 year ended December 31, 2023.

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. As of December 31, 2023, rent and utilities deposits totaled \$739,141.

Leases – The Company recognizes a ROU asset for operating and finance leases in accordance with FASB ASU 2016-02, *Leases (Topic 842)*, which represents the Company's right to use the underlying asset for the lease term. The Company also recognizes operating and finance lease liabilities based on the net present value of lease payments over the lease term at the commencement date of the lease and are reduced by payments made on each lease on a straight-line basis. The ROU asset is recognized at the lease commencement date and is initially measured at the amount of the lease liability, adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred by the Company.

The Company elected to use a risk-free rate as the discount rate for all leases for a period comparable to the lease term as it cannot determine the interest rate implicit in the lease. Leases with an initial term of 12 months or less are not recorded on the balance sheet; rather, rent expense for these leases is recognized on a straight-line basis over the lease term, or when incurred if a month-to-month lease.

ACSR, LLC dba Alta Camarillo Healthcare Center Notes to Financial Statements

If a lease contains a renewal option at the commencement date and it is considered reasonably certain that the renewal option will be exercised by management to renew the lease, the renewal option payments are included in the Company's net minimum lease payments used to determine the lease liabilities and related lease assets. All other renewal options are included in lease liabilities and related lease assets when they are reasonably certain to be exercised.

Variable lease cost includes escalating rent payments that are not fixed at commencement but are based on an index that is determined in future periods over the lease term based on changes in the Consumer Price Index or other measure of cost inflation. Variable lease payments associated with the Company's leases are recognized when the event, activity, or circumstance in the lease agreement on which those payments are assessed occurs. Variable lease payments are presented in equipment rental expenses in the statement of income.

The Company elected the practical expedient to not separate lease components from non-lease components related to its real estate leases.

Management revenue – The Member entered into a Post-Closing Escrow Agreement with the former operator under a management agreement with San Juan Hills Healthcare Center ("Capistrano"), 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 Capistrano is \$64,936,112 and the maximum recognizable escrow fund is \$3,540,000. During the year ended December 31, 2023, a reconciliation between the Company, Capistrano, and former operator was finalized, resulting in no additional revenue recognition by the Company.

Due to Member – The Company receives administrative and operational support from the Member in the form of an unsecured loan. The Company makes payment to the Member 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. As of December 31, 2023, \$12,293,522 was due to the Member.

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 Topic 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.

ACSR, LLC dba Alta Camarillo Healthcare Center

Notes to Financial Statements

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 that 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 operating expenses when recognized 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.

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.

The beginning and ending contract balances were as follows as of December 31:

	2023	2022
Accounts receivable, net	\$ 1,799,330	\$ 1,255,819
Deferred revenue	28,983	37,985

For the year ended December 31, 2023, revenue recognized that was included in the deferred revenue balance at the beginning of the year was \$37,985.

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.

ACSR, LLC dba Alta Camarillo Healthcare Center

Notes to Financial Statements

Liquidity – For the year ended December 31, 2023, the Company incurred a net loss from operations of \$2,886,161. As of December 31, 2023, the Company had negative working capital of \$5,828,734. The Member intends to continue to support the operations of the Company until such time the Company can support its own operations.

Going concern – In connection with the preparation of the financial statements for the year ended December 31, 2023, 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.

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 26, 2024, which is the date the financial statements were available to be issued.

Note 3 – Property and Equipment

Net property and equipment as of December 31, 2023, consisted of the following:

Leasehold improvements	\$ 167,028
Furniture and equipment	<u>221,618</u>
	388,646
Less: accumulated depreciation	<u>(102,090)</u>
Property and equipment, net	<u><u>\$ 286,556</u></u>

ACSR, LLC dba Alta Camarillo Healthcare Center
Notes to Financial Statements

Note 4 – Contingencies

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, meaning the Company pays a fixed premium, and the insurance covers all claims up to the policy limits without being 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.

ACSR, LLC dba Alta Camarillo Healthcare Center
Notes to Financial Statements

Note 5 – Leases

The Company has entered into various leases for the use of the facilities which expire between 2026 and 2046. The components of lease cost and other information related to leases as of and for the year ended December 31, 2023, was as follows:

Finance lease cost	
Amortization of right-of-use asset	\$ 9,064
Interest on lease liabilities	381
Operating lease expense	<u>3,851,229</u>
 Total lease cost	 <u><u>\$ 3,860,674</u></u>

Cash paid for amounts included in the measurement of lease liabilities:	
Operating cash flows from finance leases (i.e. interest)	<u>\$ 391</u>

Financing cash flows from finance leases (i.e. principal portion)	<u>\$ 8,965</u>
---	-----------------

Operating cash flows from operating leases	<u>\$ 2,937,731</u>
--	---------------------

Weighted-average remaining lease term in years for finance leases	2.58
---	------

Weighted-average remaining lease term in years for operating leases	22.42
---	-------

Weighted-average discount rate for finance leases	1.37%
---	-------

Weighted-average discount rate for operating leases	2.05%
---	-------

Maturities of lease liabilities under noncancelable leases are as follows:

Years Ended,	<u>Finance Leases</u>	<u>Operating Leases</u>
2024	\$ 9,346	\$ 2,999,894
2025	9,346	3,074,891
2026	5,451	3,151,763
2027	-	3,230,557
2028	-	3,311,321
Thereafter	<u>-</u>	<u>72,938,027</u>
 Total undiscounted cash flows	 24,143	 88,706,453
Less: present value discount	(408)	(19,002,079)
Less: current portion	<u>(9,088)</u>	<u>(1,590,786)</u>
 Total	 <u><u>\$ 14,647</u></u>	 <u><u>\$ 68,113,588</u></u>

ACSR, LLC dba Alta Camarillo Healthcare Center

Notes to Financial Statements

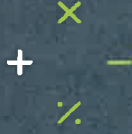
Note 6 – Defined Contribution Plan

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 year ended December 31, 2023, the Company contributed \$7,314 to the DC Plan.

Note 7 – Coronavirus Aid, Relief, and Economic Security Act

On March 27, 2020, the United States Congress passed the Corona Aid, Relief, and Economic Security Act (CARES Act). This legislation included multiple programs and funding intended to provide relief from the COVID-19 pandemic. Key provisions of the CARES Act applicable to the Company included:

Employee Retention Tax Credit – The Company claimed the Employee Retention Tax Credit (ERTC) during the year ended December 31, 2023. The ERTC is a refundable tax credit against certain employment taxes equal to 50% of qualified wages an eligible employer pays to employees after March 12, 2020 through December 31, 2020. The Taxpayer Certainty and Disaster Tax Relief Act of 2020 and American Rescue Plan Act of 2021 extended and expanded the ERTC through September 30, 2021. The Company claimed \$28,983 of ERTC for qualified wages paid during the year ended December 31, 2023, and has recorded the balance as deferred revenue as of December 31, 2023. Management has evaluated its ERTC claims and believes the Company qualifies for the amounts claimed. However, the ERTC claims are subject to review by the IRS for compliance with the program rules and therefore amounts recognized are subject to change.



Report of Independent Auditors and Continuing Care Liquid Reserve
Schedules with Supplementary Schedules

ACSR, LLC dba Alta Camarillo Healthcare Center

December 31, 2023



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Report of Independent Auditors

The Member
ACSR, LLC dba Alta Camarillo Healthcare Center

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of ACSR, LLC dba Alta Camarillo Healthcare Center, which comprise the continuing care liquid reserve schedules, Form 5-1 through Form 5-5, and the related note to the financial statements, for the year ended December 31, 2023.

In our opinion, the financial statements referred to above present fairly, in all material respects, the continuing care liquid reserve of ACSR, LLC dba Alta Camarillo Healthcare Center as of December 31, 2023, 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 ACSR, LLC dba Alta Camarillo Healthcare 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 ACSR, LLC dba Alta Camarillo Healthcare Center 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 the purpose of expressing an opinion on the effectiveness of ACSR, LLC dba Alta Camarillo Healthcare 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 ACSR, LLC dba Alta Camarillo Healthcare 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 5-4, Reconciliation to Audit Report, and of 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.

Restriction on Use

Our report is intended solely for the information and use of the Member and management of ACSR, LLC dba Alta Camarillo Healthcare Center 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 26, 2024

Continuing Care Liquid Reserve Schedules

ACSR, LLC dba Alta Camarillo Healthcare Center
Form 5-1, Long-Term Debt Incurred in a Prior Fiscal Year (Including Balloon Debt)
For the Year Ended December 31, 2023

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: ACSR, LLC dba Alta Camarillo Healthcare Center

COMMUNITY: Camarillo Senior Living

See accompanying note.

ACSR, LLC dba Alta Camarillo Healthcare Center
Form 5-2, Long-Term Debt Incurred During Fiscal Year (Including Balloon Debt)
For the Year Ended December 31, 2023

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
TOTAL:			\$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: ACSR, LLC dba Alta Camarillo Healthcare Center

COMMUNITY: Camarillo Senior Living

See accompanying note.

ACSR, LLC dba Alta Camarillo Healthcare Center
Form 5-3, Calculation of Long-Term Debt Reserve Amount
For the Year Ended December 31, 2023

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)	\$ 2,937,350
4	TOTAL AMOUNT REQUIRED FOR LONG-TERM DEBT RESERVE:	\$ 2,937,350

PROVIDER: ACSR, LLC dba Alta Camarillo Healthcare Center

COMMUNITY: Camarillo Senior Living

See accompanying note.

ACSR, LLC dba Alta Camarillo Healthcare Center
Form 5-4, Calculation of Net Operating Expenses
For the Year Ended December 31, 2023

FORM 5-4

Line	Amounts	TOTAL
1	Total operating expenses from financial statements	\$ 17,078,455
2	Deductions:	
	a. Interest paid on long-term debt (see instructions)	\$ -
	b. Credit enhancement premiums paid for long-term debt (see instructions)	\$ -
	c. Depreciation	\$ 44,028
	d. Amortization	\$ -
	e. Revenues received during the fiscal year for services to persons who did not have a continuing care contract	\$ 8,293,004
	f. Extraordinary expenses approved by the Department	\$ -
3	Total deductions	\$ 8,337,032
4	Net operating expenses	\$ 8,741,423
5	Divide line 4 by 365 and enter the result.	\$ 23,949
6	Multiply line 5 by 75 and enter the result. This is the provider's operating expense reserve amount.	\$ 1,796,183

PROVIDER: ACSR, LLC dba Alta Camarillo Healthcare Center

COMMUNITY: Camarillo Senior Living

See accompanying note.

ACSR, LLC dba Alta Camarillo Healthcare Center
Form 5-5, Annual Reserve Certification
For the Year Ended December 31, 2023

FORM 5-5
ANNUAL RESERVE CERTIFICATION

Provider Name: ACSR, LLC dba Alta Camarillo Healthcare Center
 Community: Camarillo Senior Living
 Fiscal Year Ended: 12/31/2023

We have reviewed our debt service reserve and operating expense reserve requirements as of and for the period ended 12/31/2023 and are in compliance with those requirements.

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

	Amount
[1] Debt Service Reserve Amount	\$ 2,937,350
[2] Operating Expense Reserve Amount	\$ 1,796,183
[3] Total Liquid Reserve Amount:	\$ 4,733,533

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

Qualifying Asset Description	Amount (market value at end of quarter)	
	Debt Service Reserve	Operating Reserve
[4] Cash and Cash Equivalents	\$ 3,705,817	\$ 1,796,183
[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> (describe qualifying asset)		
Listed for Reserve Obligation:	[11] \$ 3,705,817	[12] \$ 1,796,183
Reserve Obligation Amount:	[13] \$ 2,937,350	[14] \$ 1,796,183
Surplus/(Deficiency):	[15] \$ 768,467	[16] \$ -

Signature: 
 (Authorized Representative)

Date: 4-29-24

Chief Executive Officer
 (Title)

See accompanying note.

ACSR, LLC dba Alta Camarillo Healthcare Center
Note to Continuing Care Liquid Reserve Schedules

Note 1 – Basis of Accounting

The accompanying 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 ACSR, LLC dba Alta Camarillo Healthcare Center's assets, liabilities, revenues, and expenses.

W. Michael J. J. J.

Supplementary Schedules

ACSR, LLC dba Alta Camarillo Healthcare Center
Supplementary Form 5-4, Reconciliation to Audit Report
For the Year Ended December 31, 2023

Revenues received during the fiscal year for services to persons who did not have a continuing care contract

Cash received from residents per audited statement of cash flows	\$ 13,639,781
Change in deferred revenue, net per audited statement of cash flows	9,002
Revenues received during the fiscal year for services to persons who had a continuing care contract	<u>(5,355,779)</u>
Total per Form 5-4	<u><u>\$ 8,293,004</u></u>

See accompanying note.

ACSR, LLC dba Alta Camarillo Healthcare Center
Supplementary Form 5-5, Reconciliation to Audit Report
For the Year Ended December 31, 2023

Total cash and cash equivalents per audited balance sheet

Cash per audited balance sheet \$ 5,502,000

Total cash and cash equivalents per Form 5-5 \$ 5,502,000

Qualifying assets per Form 5-5

Operating reserve \$ 1,796,183

Debt service reserve 3,705,817

Total qualifying assets \$ 5,502,000

See accompanying note.

CONTINUING CARE RETIREMENT COMMUNITY DISCLOSURE STATEMENT

Date Prepared: 04/24/2024

Facility Name: Camarillo Senior Living

Address: 6000 Santa Rosa Road

Zip Code: 93012

Phone: 805-388-8086

Provider Name:

ACSR, LLC

Facility Operator: ACSR, LLC

Religious Affiliation:

Year Opened: 2021

of Acres: 4.3

Miles to Shopping Center: 6

Miles to Hospital: 6

Single Story

Multi-Story

Other:

Number of Units: 159 beds in total

Residential Living	Number of Units	Health Care	Number of Units
Apartments – Studio:	0	Assisted Living:	90 Beds
Apartments – 1 Bdrm:	0	Skilled Nursing:	45 Beds
Apartments – 2 Bdrm:	0	Special Care:	24 Beds
Cottages/Houses:	0	Description:	

RLU Occupancy (%) at Year End: 0

Type of Ownership: Not for Profit
 For Profit

Accredited? Yes By:
 No

Form of Contact: Continuing Care Life Care Entrance Fee Fee for Service
(Check all that apply) Assignment of Assets Equity Membership Rental

Refund Provisions: Refundable 90% 50%
(Check all that apply) Repayable 75% 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:

Resident Representative(s) to, and Resident Members on, the Board:

(briefly describe provider’s compliance and residents’ roles):

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.

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/	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Billiard Room	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Month at \$_____each)		
Bowling Green	<input type="checkbox"/>	<input type="checkbox"/>	Meals (___/Day)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Card Rooms	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Special Diets Available	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Chapel	<input type="checkbox"/>	<input type="checkbox"/>			
Coffee Shop	<input type="checkbox"/>	<input type="checkbox"/>	24-Hour Emergency Response	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Craft Rooms	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Activities Program	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Exercise Room	<input type="checkbox"/>	<input type="checkbox"/>	All Utilities Except Phone	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Golf Course Access	<input type="checkbox"/>	<input type="checkbox"/>	Apartment Maintenance	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Library	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Cable TV	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Putting Green	<input type="checkbox"/>	<input type="checkbox"/>	Linens Furnished	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Shuffleboard	<input type="checkbox"/>	<input type="checkbox"/>	Linens Laundered	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Spa	<input type="checkbox"/>	<input type="checkbox"/>	Medication Management	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Swimming Pool – Indoor	<input type="checkbox"/>	<input type="checkbox"/>	Nursing/Wellness Clinic	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Swimming Pool – Outdoor	<input type="checkbox"/>	<input type="checkbox"/>	Personal Home Care	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Tennis Court	<input type="checkbox"/>	<input type="checkbox"/>	Transportation – Personal	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Workshop	<input type="checkbox"/>	<input type="checkbox"/>	Transportation – Prearranged	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Other: _____	<input type="checkbox"/>	<input type="checkbox"/>	Other: _____	<input type="checkbox"/>	<input type="checkbox"/>

Provider Name: ACSR, LLC

Affiliated CCRCs	Location (city, state)	Phone (with area code)
ASRV, LLC dba San Juan Capist	San Juan Capistrano, CA	949-248-8855

Multi-Level Retirement Communities	Location (city, state)	Phone (with area code)

Free-Standing Skilled Nursing	Location (city, state)	Phone (with area code)

Subsidized Senior Housing	Location (city, state)	Phone (with area code)

NOTE: Please indicate if the facility is a life care facility.

Provider Name: ACSR, LLC

Income and Expenses [Year]	2020	2021	2022	2023
Income from Ongoing Operations				
Operating Income (Excluding amortization of entrance fee income)		8,118,532	13,636,477	14,192,294
Less Operating Expenses (Excluding depreciation, amortization, and interest)		9,392,320	17,087,392	17,078,455
Net Income From Operations		(1,273,968)	(3,450,915)	(2,842,133)
Less Interest Expense		0	0	0
Plus Contributions		0	0	0
Plus Non-Operating Income (Expenses) (Excluding extraordinary items)		6,274	1,888,904	(71,890)
Net Income (Loss) Before Entrance Fees, Depreciation And Amortization		(1,267,244)	(1,562,011)	(2,914,023)
Net Cash Flow From Entrance Fees (Total Deposits Less Refunds)		0	0	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 last page for ratio formulas)

Financial Ratios [Year]	CCAC Medians 50th Percentile (optional)	2021	2022	2023
Debt to Asset Ratio		0	0	0
Operating Ratio		1.2	1.3	1.2
Debt Service Coverage Ratio		0	0	0
Days Cash On Hand Ratio		212.5	117.6	117.9

Provider Name: ACSR, LLC

Historical Monthly Service Fees (Average Fee and Change Percentage)

Residence/Service [Year]	2020	%	2021	%	2022	%	2023	%
Studio								
One Bedroom								
Two Bedroom								
Cottage/House								
Assisted Living			6,442	0%	6,262	-3%	6,363	2%
Skilled Living			22,374	15%	23,342	16%	22,811	-2%
Special Care								

Comments from Provider:

Financial Ratio Formulas

Long-Term Debt to Total Assets Ratio

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

Operating Ratio

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

Debt Service Coverage Ratio

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

Days Cash On Hand Ratio

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

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 LIVING</u>
[1] Monthly Care Fees at beginning of reporting period: (indicate range, if applicable)	N/A	6,262	23,342
[2] Indicate percentage of increase in fees imposed during reporting period: (indicate range, if applicable)	N/A	2%	0%

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: 02/01/2023
(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:** 12/09/2022 **Method of Notice:** Email/Letter
- 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:** 09/15/2022
- 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:** N/A
- 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:** N/A
Location of Posting: N/A

[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 Health and Safety Code. See **PART 7 REPORT ON CCRC MONTHLY CARE FEE** in the **Annual Report Instruction** booklet for further instructions.

PROVIDER: ACSR, LLC
COMMUNITY: Camarillo Senior Living

Form 7-1 Note

[5] Monthly service fees increased overall due to rate changes from annual increases from both billing and market rate adjustments of 2%. The annual budget process drives the decision for any rate increases needed. The budget methodology utilizes historical rates and costs on a per patient basis to project expected performance.

ACSR, LLC DBA CAMARILLO SENIOR LIVING
FORM 7-1 ATTACHMENT
MONTHLY CARE FEE INCREASE

Line	Fiscal Years	2021	2022	2023
1	FY 2021 Operating Expenses A-1	(16,101,120)		
2	FY 2022 Operating Expenses A-2		(17,115,481)	
3	Projected FY 2023 Operating Expenses A-2			(16,397,679)
4	FY 2023 Anticipated MCF Revenue Based on Current and Projected Occupancy and Other without a MCFI			16,377,721
5	Projected FY 2023 (Net) Operating Results without a MCFI (Line 3 plus Line 4)			(19,958)
6	Projected FY 2023 Anticipated Revenue Based on Current and Projected Occupancy with MCFI 2.0%			16,463,425
7	Grand Total - Projected FY 2023 Net Operating Activity after 2.0% MCFI (Line 3 plus Line 6)			65,746

Monthly Care Fee Increase 2.0%

Adjustments Explained:

A-1 Annualized 2021 Operating expenses per audited financials (operations began June 1, 2021). Amounts exclude depreciation and amortization

A-2 Amounts exclude depreciation and amortization

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	\$ 5,502,000
Investment Securities	-
Total Qualifying Assets as Filed:	<u>\$ 5,502,000</u>

Reservations and Designations

Reserved for Debt Service	\$ 2,937,350
Reserved for Operating Expenses	<u>1,796,183</u>
Total Reservations and Designations:	\$ 4,733,533
Remaining Liquid Reserves	\$ 768,467

Per Capita Cost of Operations

Operating Expenses (Form 5-4 line 1)	\$ 17,078,455
Mean # of CCRC Residents (Form 1-1 line 10)	100
Per Capita Cost of Operations	\$ 170,785

Provider: ACSR, LLC

Community: Camarillo Senior Living

KEY INDICATORS REPORT

Date Prepared: 04/29/2024

Provider Name: ACSR, LLC


Chief Executive Officer Signature

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

OPERATIONAL STATISTICS

1. Average Annual Occupancy by Site (%)

	2019*	2020*	2021	2022	2023	Projected 2024	Forecast 2025	Forecast 2026	Forecast 2027	Forecast 2028	Preferred Trend Indicator
1. Average Annual Occupancy by Site (%)			63.34%	57.54%	76.12%	85.31%	85.31%	85.31%	85.31%	85.31%	N/A

2. Net Operating Margin (%)

2. Net Operating Margin (%)			-28.8%	-25.3%	-20.0%	-10.4%	-9.8%	-9.3%	-8.8%	-8.3%	↑
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3. Net Operating Margin - Adjusted (%)

3. Net Operating Margin - Adjusted (%)			N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	↓
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LIQUIDITY INDICATORS

4. Unrestricted Cash and Investments (\$000)

4. Unrestricted Cash and Investments (\$000)			5,469	5,505	5,502	5,500	5,500	5,500	5,500	5,500	↑
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5. Days Cash on Hand (Unrestricted)

5. Days Cash on Hand (Unrestricted)			212.55	117.60	117.89	114.42	111.08	107.85	104.71	101.66	↑
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CAPITAL STRUCTURE INDICATORS

6. Deferred Revenue from Entrance Fees (\$000)

6. Deferred Revenue from Entrance Fees (\$000)			N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
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7. Net Annual E/F proceeds (\$000)

7. Net Annual E/F proceeds (\$000)			N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
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8. Unrestricted Net Assets (\$000)

8. Unrestricted Net Assets (\$000)			-1,294	-2,887	-5,845	-5,845	-5,845	-5,845	-5,845	-5,845	N/A
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9. Annual Capital Asset Expenditure (\$000)

9. Annual Capital Asset Expenditure (\$000)			100	100	100	100	100	100	100	100	N/A
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10. Annual Debt Service Coverage Revenue Basis (X)

10. Annual Debt Service Coverage Revenue Basis (X)			N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	↑
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11. Annual Debt Service Coverage (X)

11. Annual Debt Service Coverage (X)			N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	↑
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12. Annual Debt Service/Revenue (%)

12. Annual Debt Service/Revenue (%)			N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	↓
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13. Average Annual Effective Interest Rate (%)

13. Average Annual Effective Interest Rate (%)			N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	↓
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14. Unrestricted Cash & Investments/ Long-Term Debt (%)

14. Unrestricted Cash & Investments/ Long-Term Debt (%)			N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	↑
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15. Average Age of Facility (Years)

15. Average Age of Facility (Years)			.58	1.58	2.58	3.58	4.58	5.58	6.58	7.58	↓
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*The Community was acquired 6/1/2021
N/A: Please note the Community does not hold debt.