



# Freedom Village at Brandywine

Managed by Life Care Services®

## Disclosure Statement April 2024

Equal Housing Opportunity



## **Freedom Village at Brandywine**

April 2024

Our mission at Freedom Village at Brandywine is people serving people. Each day, our employees are inspired to deliver exceptional service and care for the seniors that are part of our community.

Our community offers its residents superior accommodations, care, services, and dining experiences. Exceptional programs and activities further enhance the amazing lifestyle the community offers to its residents. Freedom Village at Brandywine provides great value while continually striving to exceed the expectations of our residents and their families. Our objective remains constant innovation of new methods for delivering better services, and healthy, fulfilling lifestyles to those who call Freedom Village at Brandywine their home.

Freedom Village at Brandywine provides a full range of living and service options, including Independent Living, Personal Care, Skilled Nursing, with a specialty orthopedic rehabilitation wing, along with Alzheimer's and Memory Care services. Those who choose Freedom Village at Brandywine understand that they are selecting much more than a comfortable living environment to call home. They have made a lifestyle decision that will enhance their opportunity to pursue health and life fulfillment.

Freedom Village at Brandywine's success continues to be rooted in the expertise of our employees who are dedicated to enriching the lives of our residents every day. We want our residents to feel perfectly at home. That is why the entire community is an extension of your own living space for relaxing, socializing, or pursuing your hobbies. All the amenities of our community are yours to enjoy as you entertain family and friends.



# **Freedom Village at Brandywine**

Managed by Life Care Services®

## **Disclosure Statement Under Pennsylvania Act 82 April 2024**

Issuance of a certificate of authority does not constitute approval, recommendation or endorsement of the facility by the Insurance Department, nor is it evidence of, nor does it attest to, the accuracy or completeness of the information set out in the Disclosure Statement.

The disclosure statement is not complete unless copies of the standard Continuing Care agreement forms are attached.

# Table of Contents

## Information Summary

- 1. Community Location and Mailing Address ..... 1
- 2. Licensed Provider ..... 1
- 3. Contact Person for Admissions ..... 1
- 4. Community Description ..... 1
- 5. Minimum Age for Admissions..... 2
- 6. Affiliation..... 2
- 7. Current Resident Population ..... 3
- 8. Sample of Fees Charged ..... 3

## Responses to Section 7 Of PA Act 82

- I. Licensed Provider..... 4
- II. Corporate Officers ..... 4
- III. Manager ..... 5
- IV. Community Background..... 8
- V. Affiliation with Other Organizations ..... 8
- VI. Description of Freedom Village at Brandywine..... 9
- VII. Services Provided Under Continuing Care Contract ..... 10
- VIII. Fees and Historical Rate Increases ..... 10
- IX. Required Reserve Funds ..... 14
- X. Certified Financial Statements ..... 15
- XI. Pro Forma Budget Income Statement..... 15
- XII. Exhibit “A” – Product and Service Definitions..... 16
- XIII. Exhibit “B” – Audited Financial Statements ..... 17
- XIV. Exhibit “C” – List of Communities Managed by LCS ..... 18

---

# Information Summary

## **1. Community Location and Mailing Address**

---

Freedom Village at Brandywine  
15 Freedom Boulevard  
West Brandywine, PA 19320-1549

## **2. Licensed Provider**

---

CCRC-Brandywine, LLC (the "Provider")  
1920 Main Street, Suite 1200  
Irvine, CA 92614

## **3. Contact Person for Admissions**

---

Mary Main, Marketing Director  
Freedom Village at Brandywine  
15 Freedom Boulevard  
West Brandywine, PA 19320-1549  
(610) 383-5100

## **4. Description of the Community**

---

Freedom Village at Brandywine is an existing, for-profit, full service residential continuing care retirement community situated on 30.5 acres of land in the West Brandywine Township, Chester County. The Community contains two hundred and eighty-nine (289) residential condominiums in a five-story structure ("The Village") and an additional twenty-eight (28) residential condominiums in two, three-story buildings ("Terrace Homes") for a total of three hundred and seventeen (317) condominiums. All are constructed of poured-in-place concrete and completely sprinkled for fire protection.

There are nine types of living arrangements available in 29 different floor plans, including:

<b># of Condos</b>	<b>Description</b>	<b>Square Footage</b>
3	Studio	565 sq. ft.
77	1 bedroom, 1 bath	851 – 1,150 sq. ft.
18	1 bedroom, 1 ½ bath	1,127 – 1,193 sq. ft.
40	1 bedroom, 1 ½ bath, study	1,282 – 1,398 sq. ft.
111	2 bedroom, 2 baths	1,395 – 1,710 sq. ft.
40	2 bedroom, 2 bath, family room	2,020 – 2,207 sq. ft.
8	Terrace Home 2 bedroom, 2 baths	1,285 sq. ft.
12	Terrace Home 2 bedroom, 2 baths	1,558 sq. ft.
8	Terrace Home 2 bedroom, 2 baths	1,785 sq. ft.

Freedom Village at Brandywine also provides three additional levels of living should the health of a resident require additional care.

The Inn at Freedom Village is a 60 bed Medicare licensed skilled nursing center currently utilizing 50 licensed beds. The Inn provides Skilled Nursing and Rehabilitative Services.

The Gardens is our Personal Care Home licensed for 60 apartments, and currently with a capacity of 56. Our secure Memory Care unit is licensed for 24 beds, and currently 21 beds are utilized.

Private and semi-private accommodations are available in all levels of care.

## **5. Minimum Age for Admissions**

---

Each condominium must be occupied by one (1) or more persons who are fifty-five (55) years of age or older. No person under the age of fifty-five (55) years is allowed to be an owner of a unit or occupy a unit for more than thirty (30) days in any six (6) month period. On a case-by-case basis, the Executive Board of the Freedom Village at Brandywine Condominium Association, Inc. may adopt rules and regulations by which the residents may have one (1) live-in companion under the age of fifty-five (55) years.

## **6. Affiliation**

---

The Provider is a for-profit entity and is not affiliated with any religious, fraternal, charitable, or other non-profit organization.

## 7. Current Resident Population

---

As of March 31, 2024, 291 of 317 independent living condominiums were occupied; 53 of the 56 personal care apartments with 5 second persons were occupied; 47 of the 50 skilled nursing beds were occupied; and 15 of the 21 memory care beds were occupied. Both independent living condominiums and personal care apartments allow for second person occupancy. The total current resident population is as follows:

Living in residential condominiums .....	393
Living in skilled nursing beds.....	47
Living in memory care residences .....	15
Living in personal care apartments.....	58
<b>Total residents living at Freedom Village at Brandywine .....</b>	<b>513</b>

## 8. Sample of Fees Charged

---

<b>Type of Apartment</b>	<b>Size of Apartment</b>	<b>One Time Entry Fee</b>		<b>Monthly Fee</b>	
		<i>Single</i>	<i>Double</i>	<i>Single</i>	<i>Double</i>
One bedroom w/one full bath	851 sq. ft.	\$ 229,000	\$ 254,000	\$3,660	\$5,110

# Responses to Section 7 of Pennsylvania Act 82

## I. Licensed Provider Name and Address

---

CCRC-Brandywine, LLC, d/b/a Freedom Village at Brandywine  
1920 Main Street, Suite 1200  
Irvine, CA 92614

**CCRC-Brandywine, LLC, d/b/a Freedom Village at Brandywine is a wholly owned subsidiary of:**

Brandywine GP, LLC  
1920 Main Street, Suite 1200  
Irvine, CA 92614

**Brandywine GP, LLC, is a wholly owned subsidiary of:**

CCRC-OpCo Ventures, LLC  
1920 Main Street, Suite 1200  
Irvine, CA 92614

**CCRC-OpCo Ventures, LLC is a wholly owned subsidiary of:**

S-H 2014 OpCo TRS, Inc.  
1920 Main Street, Suite 1200  
Irvine, CA 92614.

**One hundred percent (100%) of the common stock of S-H 2014 OpCo TRS, Inc. is owned by:**

HCP S-H 2014 Member, LLC  
1920 Main Street, Suite 1200  
Irvine, CA 92614

**HCP S-H 2014 Member, LLC is a wholly owned subsidiary of:**

Healthpeak OP, LLC  
5050 South Syracuse Street, Suite 800  
Denver, CO 80237

**Healthpeak OP, LLC is a wholly owner subsidiary of:**

Healthpeak Properties, Inc.  
5050 South Syracuse Street, Suite 800  
Denver, CO 80237

## II. Corporate Officers

---

**Frank Russo** became a Corporate Officer in February of 2022. Mr. Russo has been the Senior Vice President - Risk Management of Healthpeak since January 2020. Prior to joining Healthpeak, he was the Senior Vice President of Risk & Legal Affairs, Compliance Officer, and Privacy Officer for Silverado Senior Living from July 2005 to January 2020. He was a key member of Silverado's Executive Team, overseeing Silverado's Corporate



Risk Management, Legal, Compliance/Ethics, Governance and Safety departments. Mr. Russo currently co-chairs several Risk and Legal Healthcare committees and is a frequent speaker and commentator at Insurance, Compliance, Risk and Legal educational seminars and conferences. He is an active participant and mentor in both internal and external Senior Leadership forums. Mr. Russo received a Bachelor of Science in Interdisciplinary Studies (Justice Studies & Psychology) from Arizona State University and earned a Master of Business Administration from Webster University.

**Patrick M. Cheng** became a Corporate Officer in February of 2022. Mr. Cheng has been the Vice President – CCRC Team Leader of Healthpeak since December 2021. He joined Healthpeak in 2013 as Senior Associate – Financial Operations, and he also held the positions of Director of Asset Management and Vice President – Business Improvement. Prior to joining Healthpeak, Mr. Cheng served as Senior Auditor for Deloitte from August 2011 to September 2013. He also worked in the Business Planning and Financial Management segment of Southern California Edison from June 2010 to June 2011. From December 2009 to June 2010, he was an accountant for Sully-Miller Contracting. Mr. Cheng is currently a Certified Public Accountant and Chartered Financial Analyst.

### **III. Manager**

---

The Provider has retained Life Care Services LLC to manage the Community. Life Care Services is a wholly-owned subsidiary of Life Care Companies LLC, an Iowa limited liability company. Life Care Companies is a nationally recognized leader in the development and management of quality senior living communities throughout the United States. Since 1971, Life Care Companies has been instrumental in the planning, development, and management of senior living communities. As the nation's third largest operator of senior living communities, Life Care Services serves more than 40,000 seniors in 140+ communities (see Exhibit C). With over 50 years of service, Life Care Services has developed expertise in nearly every facet of senior living management. For more information, visit Life Care Services' website: <https://www.lcsnet.com/management-services/management-services-overview>.

Life Care Services supervises the management and operation of Freedom Village at Brandywine on behalf of the Provider. In general, management services include recruiting and training administrative personnel; supervising the licensing, equipping, and staffing of the Community; preparing annual budgets; establishing and operating a system of financial controls for Freedom Village at Brandywine including comparative analyses with other projects; supervising health care services; supervising food services; supervising the services relating to the residences; and providing the highest possible level of services to residents consistent with the approved budget. The Provider retains the ultimate responsibility for monitoring the operating costs, wages, salaries, expenses, and overall fiscal viability of Freedom Village at Brandywine. Life Care Services does not assume or guarantee the obligations of the Provider under the Residency Agreements.

Life Care Services is entitled to full reimbursement for certain costs incurred by it in connection with providing management services to the Provider, including full reimbursement of the Executive Director's and the Administrator's salaries, and is paid a

Monthly Management Fee, an Incentive Fee for performance, and a Corporate Services Fee for IT services.

Principal officers of Life Care Services include:

Joel Nelson, Chief Executive Officer, and Manager  
Chris Bird, President, Chief Operating Officer, and Manager  
Diane Bridgewater, Executive Vice President, Chief Financial and Administrative Officer, and Manager  
Jason Victor, Senior Vice President, Contoller, Treasurer, and Manager  
Jill Sorenson, Senior Vice President, and Manager

Joel Nelson: As chief executive officer of LCS, Joel Nelson is responsible for executing the business strategy across all business lines in the LCS Family of Companies. Joel provides leadership and direction for business growth, service excellence, and enhancing the company's stability and value among financial partners, property owners, and other stakeholders in the senior living field. Joel joined LCS in 1986 and has held several executive roles during his long tenured career with LCS. Today, he is responsible for the oversight of serving nearly 40,000+ seniors and 27,000 employees.

Joel serves as Chairman of the Board of Directors of LCS Holding Company, LLC, is a member of the compensation committee and is a trustee of the Company's 401(k) benefits program. Outside LCS, Joel serves on various industry and community boards. Within the industry, Joel is the current chairman of the Argentum Board of Directors, and a member of the National Investment Center operator advisory board and an executive member of the American Senior Housing Association. Joel is active in the Des Moines community and serves as a trustee for ChildServe. As a past board member, he remains active with the Alzheimer's Association and the Central Iowa United Way Board of Directors.

Chris Bird: Capitalizing on his reputation as a change agent, Chris Bird brings his expertise to the communities LCS serves. By leading operations, building community occupancy, fostering capital partner relationships, and developing new business, Chris implements strategies to deliver on the expectations of owners and shareholders. As president, chief operating officer, Chris oversees Life Care Services, CPS, asset management, procurement, and onboarding operations. His ability to analyze issues, devise continuous process improvements, and incorporate business process initiatives drives performance improvement for the overall operation.

At LCS, Chris mentors future leaders by providing guidance, expertise and resources to develop professional skills in the senior living industry. In addition, he is a member of the Board of Directors of LCS Holding Company, LLC. Chris is a member of the Argentum Advisory Council and the Argentum Chief Operating Officer Roundtable. He holds a bachelor's degree in history from the University of Memphis, Tennessee.

Diane Bridgewater: As a high energy, results-driven executive, Diane Bridgewater directs all financial aspects and operating infrastructure at LCS to ensure corporate, field and community team members have the resources necessary to provide exceptional customer satisfaction to residents. Serving as executive vice president/chief financial and administrative officer at LCS, Diane is responsible for directing all financial and business

operations in addition to overseeing the company's insurance business line, information technology, compliance, regulatory and legal matters. In her executive leadership role, Diane helps to drive strategy development and execution resulting in strong financial performance and growth.

At LCS, Diane serves on the Board of Directors of LCS Holding Company, LLC and its related audit committee, compensation committee, retirement fiduciary committee, investment committee, and enterprise risk management committee. Outside the organization, she is a member of Argentum. In addition, Diane sits on the Casey's General Stores board and audit committee.

She is also a member of the board and chair of the audit committee at Guide One Insurance. Diane holds bachelor's degrees in accounting and French from the University of Northern Iowa.

Jason Victor: Jason Victor is senior vice president, controller and treasurer for LCS. In this role, he provides oversight and direction for the organization's financial matters, ensuring its consistent and efficient fiscal performance. Jason has responsibility for the organization's corporate accounting, corporate payroll, community payroll, treasury and tax departments. He oversees all aspects of general accounting, cash management, billing and receivables, accounts payable, payroll, consolidations, and financial reporting. In addition, Jason provides oversight and guidance related to audits, internal controls, technical accounting, tax and financial management systems.

At LCS, Jason serves on the insurance captive, Hexagon, board of directors. Jason holds a bachelor's degree in accounting from the University of Northern Iowa. He is a certified public accountant with an active license in the state of Iowa.

Jill Sorenson: Jill Sorenson is senior vice president for LCS. Leaning on her expertise to foster and maintain meaningful relationships, Jill leads the regional team serving a portfolio of 13 Life Plan communities. Following her passion for serving seniors, Jill's responsibilities have grown during her career at LCS. From roles in accounting, information technology, and corporate resource development to receiving her nursing home administrator license, Jill is committed to serving others. Prior to her current position, Jill provided leadership to 22 Life Plan communities where she was successful in delivering on occupancy goals and achieving 4- and 5-star ratings from the Centers for Medicare and Medicaid Services.

To ensure Life Care Services is serving the customer first and foremost, Jill initiated client satisfaction surveys with client boards and owners to build stronger and more strategic relationships. Outside LCS, Jill has served on the San Diego Region for Aging Services of California and the Aging Services of California Board. She is a frequent presenter at national and state industry conferences on topics affecting the senior living industry. Jill holds a bachelor's in business administration from Simpson College and an MBA from the University of Phoenix.

#### **IV. Community Background**

---

Freedom Village Brandywine (“FVB”) was opened in July 1998 by the Freedom Group, Inc. and managed by American Retirement Corporation (“ARC”). In that same month, ARC acquired Freedom Group, Inc. and obtained an option to purchase the Community. On March 1, 2000, ARC assigned the purchase option to Freedom Valley Brandywine, DBT (“DBT”), a non-related Delaware Business Trust owned by a wholly owned subsidiary of a bank, established to acquire the Community. DBT exercised the purchase option, thus acquiring the Community at the close of business on May 31, 2000. On May 1, 2000, ARC Brandywine, LLC became the licensed provider by the Pennsylvania Insurance Department. Effective June 1, 2000, FVB leased the Community from DBT for a five-year term, with an option to renew for five one-year additional renewal terms.

On September 24, 2002, ARC exercised its termination rights under the operating lease for the Community. Upon the termination of the operating lease with DBT, ARC became the direct owner of the Community, through its wholly owned subsidiary ARC Brandywine Real Estate Holdings, LLC (“BREH”). Following the termination of the lease with DBT, BREH owned the Community and leased the Community to FVB. BREH subsequently was renamed to ARC Brandywine, L.P.

Effective July 25, 2006, ARC was acquired by Brookdale Senior Living, Inc. (“BSL”). At that time, BSL was the largest operator of senior living communities in the United States based on total capacity, with 649 facilities in 36 states and the ability to serve approximately 67,000 residents. On August 16, 2006, ARC Brandywine, L.P. became the licensee of FVB.

On August 29, 2014, BSL and HCP, Inc. completed a joint venture transaction whereby BSL had 51% ownership and Healthpeak Properties, Inc. (f/k/a HCP, Inc.) had 49% ownership of FVB. As part of that transaction, ARC Brandywine, L.P. changed its form of organization from a limited partnership to a limited liability company called CCRC - Brandywine, LLC. The sole member changed from American Retirement Corporation to Brandywine GP, LLC, which is wholly owned by CCRC OpCo Ventures, LLC. CCRC OpCo Ventures, LLC was a joint venture between BKD CCRC OpCo HoldCo Member, LLC (“BSL Member”) (51% ownership) and S-H 2014 OpCo TRS, Inc. (“Healthpeak Member”) (49% ownership). BSL Member is a wholly owned subsidiary of American Retirement Corporation, which is a wholly owned subsidiary of BSL. Healthpeak Member is a wholly owned subsidiary of HCP S-H 2014 Member, LLC, which is a wholly owned subsidiary of Healthpeak Properties, Inc. Effective January 31, 2020, Healthpeak Member acquired Brookdale Member’s 51% ownership interest and became the 100% owner of CCRC OpCo Ventures, LLC, and, as a result, the 100% indirect owner of the Provider. BSL is no longer affiliated with the Community.

#### **V. Affiliation with Other Organizations**

---

The provider is not and has never been affiliated with a religious, charitable or other non-profit organization.

## **VI. Description of Freedom Village at Brandywine**

---

Freedom Village at Brandywine was developed on 30.5 acres of wooded countryside, located at 15 Freedom Boulevard in West Brandywine, PA. Freedom Village at Brandywine lies in the western side of beautiful and historic Chester County.

Construction of the facility was completed in July of 1998. Freedom Village at Brandywine is composed of two hundred and eighty-nine (289) residential condominiums in a five-story structure (“The Village”), and an additional twenty-eight (28) residential condominiums constructed in two, three-story buildings (the “Terrace Homes”). The campus contains a total of three hundred and seventeen (317) Independent Living condominiums. The buildings are constructed using poured-in-place concrete and are completely sprinkled for fire protection.

The focal point of the Community’s common areas is a three-story atrium that includes lounges, a full-service bank, post office, beauty salon, business center with computers for resident use, woodshop, billiards room, Wii game room, art studio, learning center, card and game room, an extensive library, wellness clinic and administrative offices.

Branching off of the atrium on the first floor is the dining center, containing five exquisitely decorated dining rooms, two intimate private dining rooms, a casual bistro cafe (the “Bistro”); and the kitchen facilities. Other common amenities include an indoor heated salt-water pool and spa, fitness center, auditorium, and an indoor walking track. Outdoors is located a bocce ball court, Village green common area; putting green; outdoor gazebos and sitting areas; and sidewalks. A greenhouse connects the main building to skilled nursing building (“The Inn”).

Standard features in each condominium include a fully equipped kitchen with refrigerator, microwave oven, oven/range, dishwasher, and garbage disposal, full-size washer and dryer, wood or ceramic floors in the entryways, bathrooms, and the kitchens. Other rooms have wall-to-wall carpeting. Many of the condominiums in the village have a bright and sunny Florida Room, also known as a four seasons room or sunroom. All windows come with mini blinds. Many of the condominiums have improved stainless steel appliances and granite countertops. The Community also offers a two-tier parking garage, with one indoor parking level located below ground with a passage and an elevator connecting it to the main building. The Terrace Homes come equipped with a one car enclosed garage with storage.

The Terrace Homes were constructed and opened in June 2008. Each building contains 14 condominiums. The Terrace Homes condominium residences consist of 4 floor plans, each having beautiful views of the surrounding woodlands. It is not unusual to spot deer, foxes, and other wildlife from your Terrace Home. The Inn at Freedom Village is an integral part of the campus. The Inn is a 60 bed Medicare licensed skilled nursing center currently utilizing 50 licensed beds. The Inn provides Skilled Nursing and Rehabilitative Services. Private and semi-private accommodations are available in all levels of care.

The Gardens at Freedom Village, the Community's Personal Care Facility, opened in December 2006. The Gardens is licensed for 60 apartments, and currently with a capacity of 56. Heartfelt Connections is our secure Memory Care Home, licensed for 24 beds, and currently utilizing 21 beds.

Our residents are actively involved in our community at Freedom Village at Brandywine and participate in many committees that advise and enhance the quality of life at Freedom Village at Brandywine. A few of the committees include the Resident Advisory Council, the Freedom Village Condominium Board, activity committee, landscape & grounds committee, interior design committee, dining committee, outreach committee, resident ambassadors, in-house television (Channel 1970) committee, and finance committee. Activities include aqua therapy in our heated indoor salt-water swimming pool and spa, putting green, bocce ball court, Red & Black Hatters, watercolor class, handcrafts, Tai Chi, Sit and Fit exercise classes, book club, billiards and shuffleboard group, bridge, Mah Jongg, poker, Wii games, greenhouse workers, bible study, darts, photography club, ping pong, nature trail, and the senior learning programs. At Freedom Village at Brandywine there is always something for residents to do. The schedule includes fabulous entertainment and numerous parties and social events. Freedom Village at Brandywine encourages a lifestyle where you can be as social, or as private as you like.

**“It is a great day at Freedom Village.”**

## **VII. Services Provided Under Continuing Care Contract**

---

See Products & Services Definitions attached as “Exhibit A”.

## **VIII. Fees and Historical Rate Increases**

---

Freedom Village at Brandywine provides various fee options to meet resident's needs.

The Traditional Plan contract is our life care option that provides affordable long-term care in exchange for a non-refundable entry fee. A full description of each plan is included in the Continuing Care Agreements. Prospective residents may choose the plan which they believe is most advantageous to their circumstances.

The Freedom Plan contract is our fee for service option that provides the resident with the option to receive a refund of 90% of their initial entrance fee upon termination of their agreement, conditioned up the resale and re-occupancy of the condominium. If a Freedom Plan resident utilizes healthcare services within the community, they pay the prevailing market rates as published annually.

Annual pricing for Entrance Fees and Monthly Service Fees is revised in January of each year.

The tables on the following pages outline the Traditional and Freedom Plan entrance fees and monthly service fees for first and second occupants, effective January 1, 2024.

## Traditional Plan Pricing- January 1, 2024

Traditional Plan Condominium Type	Square Footage	First Occupant		Second Occupant	
		Entrance Fee	Monthly Service Fee	Entrance Fee	Monthly Service Fee
Studio	565	\$207,000	\$2,410	\$25,000	\$1,450
1 BR / 1 Bath	851 – 1,150	\$229,000 - \$314,000	\$3,660 - \$4,390	\$25,000	\$1,450
1 BR / 1½ Bath	1,127 – 1,193	\$302,000 - \$324,000	\$4,380 - \$4,600	\$25,000	\$1,450
1 BR / 1½ Bath with study	1,282 – 1,398	\$331,000 - \$368,000	\$4,800 - \$5,080	\$25,000	\$1,450
2 BR / 2 Bath	1,395 – 1,710	\$389,000 - \$484,000	\$5,320 - \$6,030	\$25,000	\$1,450
2 BR / 2 Bath with family room	2,020 – 2,207	\$484,000 - \$532,000	\$6,820 - \$7,170	\$25,000	\$1,450
Terrace Home	1,285 – 1,785	\$399,000 - \$466,000	\$4,750 - \$6,040	\$25,000	\$1,450



## Freedom Plan Pricing- January 1, 2024

Freedom Plan Condominium Type	Square Footage	First Occupant		Second Occupant	
		Entrance Fee	Monthly Service Fee	Entrance Fee	Monthly Service Fee
Studio – No longer selling	565	\$188,000	\$2,550	\$0	\$1,450
1 BR / 1 Bath	851 – 1,150	\$222,000 - \$295,000	\$3,110 - \$3,930	\$0	\$1,450
1 BR / 1½ Bath	1,127 – 1,193	\$293,000 - \$315,000	\$3,880 - \$3,970	\$0	\$1,450
1 BR / 1½ Bath with study	1,282 – 1,398	\$336,000 - \$372,000	\$4,210 - \$4,580	\$0	\$1,450
2 BR / 2 Bath	1,395 – 1,710	\$401,000 - \$486,000	\$4,850 - \$5,450	\$0	\$1,450
2 BR / 2 Bath with family room	2,020 – 2,207	\$542,000 - \$583,000	\$5,970 - \$6,340	\$0	\$1,450
Terrace Home	1,285 – 1,785	\$405,000 - \$460,000	\$4,320 - \$5,480	\$0	\$1,450

As outlined in the Continuing Care Agreement, rate increase information and limitations are as follows: The maximum annual increase shall not be greater than the percentage increase in the Consumer Price Index for all urban consumers (all items) for class A areas of the Eastern Region, as published by the Bureau of Labor Statistics, U.S. Department of Labor, Washington, D.C., or the successor to that index, or if developed by the U.S. Government, the index that applies directly to senior citizens, for the most recent twelve (12) month period where figures are available (prior to a sixty day notice), plus two percent (2%), plus any other incremental increase caused by a governmental action. Below is the previous five-year rate increase history for residents of Freedom Village at Brandywine. Rate increases are effective January 1st of each calendar year.

	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Percentage Increase	3.49%	3.02%	5.2%	8.99%	5.58%
Average dollar value increase for an 851 square foot, one bedroom w/one full bath condominium	\$100	\$92	\$159	\$293	\$195

Below is the previous five year rate increase history for prospects of Freedom Village at Brandywine. Rate increases are effective January 1<sup>st</sup> of each calendar year.

	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Percentage	3.42%	2.9%	5.23%	4.46%	4.55%
Dollar value for one bedroom w/one full bath (as listed above)	\$103	\$90	\$170	\$150	\$160

## **IX. Required Reserve Funds**

---

Freedom Village at Brandywine has set aside \$2.786 million from operating cash flow to establish a Minimum Liquid Reserve Fund. Adjustments to this reserve amount are made annually from operating revenues in accordance with Pennsylvania insurance regulations. Within the operating budget, the provider has made provisions to establish a reserve of the greater of one year annual debt service (principal and interest) or ten percent (10%) of operating expenses for the facility. The reserves will be maintained in a cash escrow account.

---

## **X. Certified Financial Statements**

---

The provider's audited financial statements as of December 31, 2023, are shown in the accompanying audited financial statements. The statements are attached as "Exhibit B".

## **XI. Pro Forma Budget Income Statement for 2023**

---

The pro forma budget income statement for 2023 is shown below. The assumptions used for this analysis include the following: Inflation assumptions for revenues and expenses are estimated to be between 0% and 5.0%.

### **Operating Revenue**

Resident Rent Revenue	\$32,077,967
Food Revenue	(\$220,533)
Other Revenue	(\$3,749,495)
Personalized Living Revenues	\$1,580,345
Skilled Therapy Revenue	\$728,951
Total Operating Revenue	<u>\$30,417,235</u>

### **Operating Expenses**

Labor Expenses	\$15,946,540
Supplies – General	\$115,218
Food Expenses	\$1,932,539
Facility Expenses	\$1,024,729
Communications & Telephone	\$341,722
Public Relations & Advertising	\$695,278
Utilities	\$1,068,185
Property & Liability Insurance	\$553,912
Property Taxes	\$1,716,048
Other Expenses	\$2,172,040
Total Operating Expense	<u>\$25,566,211</u>

### **Net Operating Income before**

<b>Property Management Fees</b>	<u>\$4,851,024</u>
---------------------------------	--------------------

Property Management Fees	<u>\$1,064,603</u>
--------------------------	--------------------

<b>Net Operating Income after Management Fees</b>	<u>\$3,786,421</u>
---	--------------------

Non-operating income	<u>\$5,945,342</u>
----------------------	--------------------

Non-operating expenses	<u>\$11,980,365</u>
------------------------	---------------------

<b>Income Before Taxes</b>	<u><u>(\$2,248,602)</u></u>
----------------------------	-----------------------------



# **Freedom Village at Brandywine**

## **Exhibit A – Product and Services Definitions**

**PRODUCT/SERVICES DEFINITIONS  
EXHIBIT A**

		RETIREMENT CENTER	PERSONAL CARE	SKILLED NURSING	COMMENTS
<b>HOUSEKEEPING</b>	Individual Unit Housekeeping Services	Weekly Plan Included in Monthly Service Fee	Daily Included in Fee	Daily Included in Fee	All Plans: Vacuum, clean uncarpeted floors, clean bathrooms and kitchen Extra cleaning service for heavy cleaning done by our housekeeping department.
	Extra Touch Housekeeping in Unit	At additional charge			
	Carpet Cleaning in Unit	At additional charge			
	Trash Removal	Same day as housekeeping Daily from trash rooms	Daily Included in Fee	Daily Included in Fee	
	Recycling Program	Included in Monthly Service Fee			
	Additional Services	Available upon request			
<b>LAUNDRY</b>	Supply Linens/Towels	N/A	Linens - weekly or as needed	Linens - weekly or as needed	
	Launder Linens/Towels	Washed in resident's washer & dryer on the same day housekeeping service is provided.	Towels - daily Washer/dryer is available free of charge.	Towels - daily	
	Personal Laundry	No	As needed - Additional Fee	As needed - Additional Fee	
	Dry Cleaning	No	No	No	Pick Up/Drop Off Service Available
<b>UTILITIES</b>	Water & Sewer	Included in Monthly Service Fee	Included in Fee	Included in Fee	
	Trash Collection	Included in Monthly Service Fee	Included in Fee	Included in Fee	
	Electricity	Included in Monthly Service Fee	Included in Fee	Included in Fee	
	Heat and Air-Conditioning	Included in Monthly Service Fee	Included in Fee	Included in Fee	
	Emergency Call System	Included in Monthly Service Fee	Included in Fee	Included in Fee	
	Television/Cable	Basic cable 2 boxes included in Monthly Service Fee	Basic cable included in Basic Service Rate	Basic cable included in Basic Service Rate	Additional boxes or additional services such as Recording DVR and/or Premium Channels, sports packages will be billed directly to the resident from Comcast.
	Telephone	Services at additional charge.	Services at additional charge.	Included in Basic Service Rate.	All units contain wiring for landline telephone service; wireless internet available; wi-fi access throughout community.
	Internet Service	Services at additional charge.	Services at additional charge.	Included in Basic Service Rate.	All units contain wiring for landline telephone service; wireless internet available; wi-fi access throughout community.
<b>FURNISHINGS</b>	Window Coverings	Mini-blinds on all windows are standard in the purchase price	Mini-Blinds	Mini-Blinds	Min-Blinds maintained by manager
	Sheet Vinyl/Tile/Wood	Bathrooms & Kitchen			All flooring/carpeting owned by manager; no replacement is included in fees.
	Tile/Wood	Entry Way			
	Wall to Wall Carpeting	All other areas	All areas	All areas	
	Kitchen Appliances: Refrigerator with Icemaker Oven/Range Microwave Oven Dishwasher	Included in purchase price Included in purchase price Included in purchase price Included in purchase price	Included in price (no ice maker)  Included		Manager maintains and replaces as necessary all kitchen appliances
	Washer/Dryer in Unit	Included in purchase price	Available on each Floor	Available on 2nd Floor	Manager maintains and replaces as necessary all washer and dryer units.

**PRODUCT/SERVICES DEFINITIONS  
EXHIBIT A**

	RETIREMENT CENTER	PERSONAL CARE	SKILLED NURSING	COMMENTS
Fireplace in Unit	Optional on 5th floor; standard in the Terrace Homes			
Vaulted Ceilings in Unit	Standard on 5th floor			Only available on the 5th floor
Whirlpool Tub in Unit	Optional through building			Limited to same size as standard tub
Crown Molding in Unit	Optional through building			
Four Seasons Room	Included in purchase price. Not available in "J" style units.			Windows and screens
Tub/Shower or Shower	Included in purchase price	Shower	Shower	After start of selection the standard selection is a shower
Lighting Fixtures	Included in purchase price	Lighting above the bed	Lighting above the bed	Choice from standard selection
Ceiling Fans	Optional			
Furniture	No	Bed, bedside table, dresser and chair	Bed, bedside table, dresser and chair	
<b>MAINTENANCE</b>				
Common Area Property including appliances, blinds	Included in standard fee	Included in Fee	Included in Fee	
Resident Property Maintenance	At additional charge			
Resident Computer Repairs	At additional charge			
Preventive Work Order System	Included in Monthly Service Fee			Includes maintenance items such as changing air conditioning filters and refrigerator water filters.
Additional Services - Hourly	At additional charge			
<b>PARKING</b>				
Uncovered Surface Parking	One space included in purchase price \$1,000 for additional space	N/A	N/A	Use of space waived for 1-car family if garaged parking purchased. Current prices are subject to change without notice. Additional parking fees are non-refundable. Spaces cannot be sublet or sold.
Indoor Garage Parking	One space included with two bedroom units Spaces may be purchased: \$10,000 for 1st space \$ 9,000 for 2nd space  One enclosed garage space included in the Terrace homes	N/A	N/A	May or may not be available.  Parking Fee is non-refundable Current prices subject to change without notice Spaces cannot be sublet or sold
<b>STORAGE</b>				
Space Provided in Purchase Price	One space as available - 4' wide by 8' deep by 6' high	Space available per regulatory requirement	Space available per regulatory requirement	Construction metal chain link or similar - located adjacent to garage
<b>TRANSPORTATION</b>				
Regularly Scheduled Transportation within Service Area of 10 miles	Included in Monthly Service Fee	Included in Fee Escort fee additional charge	Included in Fee Escort fee additional charge	Transportation scheduled thru Customer Service Escorts scheduled thru Innovative Home Services
Personal Transportation	Additional charge per mile	Additional charges for trip	Additional charges for trip	Escorts scheduled thru Innovative Home Services

**PRODUCT/SERVICES DEFINITIONS  
EXHIBIT A**

		<b>RETIREMENT CENTER</b>	<b>PERSONAL CARE</b>	<b>SKILLED NURSING</b>	<b>COMMENTS</b>
	Outside Service Area		and escort	and escort	
	Parking Assistance	As requested	N/A	N/A	
<b>ACTIVITIES</b>					
	Staff co-ordinates scheduled activities; planned social events/entertainment	Included in Monthly Service Fee Some at additional charge	Included in Fee	Included in Fee	Educational, Healthcare, Social and Recreational, Celebrations, Spiritual, Exercise classes, Cooking demonstrations by our in-house chef
	Newsletters	Included in Monthly Service Fee	Included in Fee	Included in Fee	Monthly calendar of events
	Amenities Provided for Resident Use	Full-service bank			
		Beauty/barber shop salon	Beauty/barber salon	Beauty/barber on site	
		Fitness center	Outdoor recreation area	Outdoor recreation area	
		Indoor heated pool/spa	Great room (multi purpose room) with piano	Greenhouse	
		Auditorium/theater	Library		Piano in auditorium
		Post office/postal services	Sitting/lounge areas	Sitting/lounge areas	
		Fireplaces in atrium lobby	Fireplace in main lounge area		Piano in atrium lobby
		Woodworking shop			Display cases & vented clean room
		Greenhouse			
		Wellness Center/Clinic			
		Library			
		Business Center w computers			
		Card Room			
	Additional Amenities Provided for Resident Use	The Bistro Café (bistro/deli) with covered outdoor patio			
		Conference rooms			
		Creative Arts Center/Arts & Crafts Studio			With sink
		Indoor walking track			
		Wii Game Room			
		Billiards Rooms			One with sink
		Quiet Room			
		Outdoor bocce ball court			Outdoor gazebo sitting areas
		Outdoor putting green			
		Outdoor recreation area/courtyard and garden/landscaped grounds			Outdoor sidewalks and walking paths; Fenced garden area for resident individual flower and vegetable garden plots.
<b>DINING SERVICES</b>					
	Meal Plans	1) Village Condo Plan: 1 meal per day per month, or credit if select plan for 21 meals per month  2) Terrace Homes Plan: 21 meals per month, or 1 meal per day for addl. chg.	Three meals per day  Included in Fee	Three meals per day  Included in Fee	The charge for meals in excess of the meals offered under each plan will be \$9.00.
	Dining Room Hours Mon-Sun Breakfast Mon-Sat Lunch	None - See bistro café deli below 11:30 am to 2 pm	Hours as posted and	Hours as posted and	Independent living has 6 dining rooms.

**PRODUCT/SERVICES DEFINITIONS  
EXHIBIT A**

	RETIREMENT CENTER	PERSONAL CARE	SKILLED NURSING	COMMENTS	
Mon-Sat Dinner Sunday Lunch Sunday Dinner	4:30 pm to 7 pm 11 am to 2 pm None	adjusted as necessary for the benefit of residents	adjusted as necessary for the benefit of residents	Hydration (coffee, tea, water) stations, no charge, located in independent living atrium; Assisted Living/Personal Care; and SNF	
<b>Bistro Café Deli (The Bistro) Hours</b> Mon-Sat Breakfast Mon-Sat Lunch Closed on Sundays	7:30 am to 11:00 am 11:00 am to 2:30 pm				
Meal Delivery to Unit	Additional nominal Charge				Dinner delivery hours as posted
Meal Pick-Ups	No charge				Dinner Only - dinner pickup times as posted
Catering Special Functions	As Requested - At additional charge	As Requested - At additional charge	As Requested - At additional charge		Fees according to function
Private Dining Rooms	Included in Monthly Service Fee	Available on 1st Floor	Available on 1st Floor		Available through reservation
Salad Bar	Included in Monthly Service Fee				
Guest Meals	At additional charge	At additional charge	At additional charge		Pursuant to current menu prices
<b>PETS</b>					
Dogs	Allowed*	Allowed *	No		
Cats	Allowed*	Allowed*	No		
Bird	Allowed*	Allowed*	No		
Fish	Allowed*	Allowed*	No		
*Pets permitted, with executive director approval.					
<b>HEALTHCARE</b>					
Healthcare Plans	Choice of 2 health care plans: 1) <u>Freedom Plan</u> . Provides personal care and skilled nursing at the prevailing rate. Entrance fee 90% refundable. 2) <u>Traditional Plan</u> . Provides personal care and skilled nursing for the same rate as independent living. 30 day deductible applies to skilled nursing only. Entrance fee is non-refundable after 48 months.			* Please refer to documents for plan specifics	
Skilled Nursing/Assisted Living Facility		Initial daily rate: Semi-private: \$210 Private: \$232 to \$350	Initial daily rate: Semi-private: \$437 Private: \$501 to \$513	Limited Memory Unit - Initial daily rate: Semi-private: \$263 Private: \$334 to \$359	
Emergency Call System	Included in Monthly Service Fee	Included in Fee	Included in Fee	Calls in bathroom(s)	
Assurance System	Included in Monthly Service Fee	Included in Fee	Included in Fee	Daily assurance check	
24-Hour Staffing	Included in Monthly Service Fee	Included in Fee	Included in Fee	Emergency response personnel are on site 24 hours per day	
Medical Director/Consultant			Included		



**PRODUCT/SERVICES DEFINITIONS  
EXHIBIT A**

	RETIREMENT CENTER	PERSONAL CARE	SKILLED NURSING	COMMENTS
Healthcare Committee	Decision making on resident relocations for health reasons	Decision making on resident relocations for health reasons	Decision making on resident relocations for health reasons	Healthcare Committee is comprised of the Executive Director, Finance Director, Resident Services Director, Wellness Director, Healthcare Services Director, Innovative Home Services Mgr. and Healthcare Administrator
Help in Obtaining Outside Health Services	Included in Monthly Service Fee	Included in Fee	Included in Fee	Through Wellness & Social Services Dept.
Home Health Service	At additional charge***			In-house Home Health Agency
Companion Service	At additional charge***	At additional charge***	At additional charge***	Through Innovative Home Services Dept.
Dental Service on Site	At additional charge***			* Outside Contract Services
Escorts to Offsite Medical Appointments	At additional charge***	At additional charge***	At additional charge***	Through Innovative Home Services Dept. Companion Services
Physical Therapy	At additional charge***	At additional charge***	At additional charge***	In-house therapy provider
Occupational Therapy	At additional charge***	At additional charge***	At additional charge***	In-house therapy provider
Speech Therapy	At additional charge***	At additional charge***	At additional charge***	In-house therapy provider
Laboratory Services	At additional charge***	At additional charge***	At additional charge***	Outside Contract Services
General Diagnostic / X-ray/Mammo	At additional charge***	At additional charge***	At additional charge***	Outside Contract Services
Innovative Home Services:				Available through Companion Program (Innovative Home Services Program), located in Village building, 3rd floor.
Ambulation	At additional charge***	Included in Fee	Included in Fee	
Bathing	At additional charge***	Included in Fee	Included in Fee	
Dressing	At additional charge***	Included in Fee	Included in Fee	
Grooming	At additional charge***	Included in Fee	Included in Fee	
Personal Supervision	At additional charge***	Included in Fee	Included in Fee	
Shopping/Errands	At additional charge***	At additional charge***	At additional charge***	No driving of residents; can only transport residents in company vehicles with CDL drivers.
Supervision of Medications	At additional charge***	Included in Fee	Included in Fee	
Pet Care	At additional charge	At additional charge	Not applicable	We are a pet friendly community.
Wellness Center	Included in Fee			Available to residents for blood pressure and education. Staffed by an LPN.
Admittance Policy for Lifecare Residents		Priority admissions for Lifecare purchasers	Priority admissions for Lifecare purchasers	Semi-private accommodation in base fee Private Room available at additional charge
Admission of Non-Lifecare Residents		As allowed pursuant to a sheltered license	As allowed pursuant to a sheltered license	
<b>OTHER</b>				
Move-In Coordination	Included in purchase			Moving arrangements, hanging of pictures, campus orientation
Photocopying & Fax	No charge	No charge	No charge	A copier and fax machine is provided.
Notary	No charge	No charge	No charge	By appointment only
Receiving Packages/Deliveries	No charge			Front Desk Concierge will call/hold.
Guest Rooms/Guest Suites	At additional charge	At additional charge	At additional charge	Rooms available through reservations at Front Desk in Independent Living Village building. Room charge at \$90/night, no charge for cots.

**PRODUCT/SERVICES DEFINITIONS  
EXHIBIT A**

	<b>RETIREMENT CENTER</b>	<b>PERSONAL CARE</b>	<b>SKILLED NURSING</b>	<b>COMMENTS</b>
Assistance with Medications	At additional charge	Included in Fee	Included in Fee	Available through Companion Program (Innovative Home Services Program), located in Village building, 3rd floor.
24 - Hour Security/Reception	Included in Monthly Service Fee	Included in Fee	Included in Fee	
Maintenance of Medical Emergency Records	Forms provided	Yes	Yes	Information to be kept in the resident condominium
Tipping	No	No	No	An employee appreciation fund has been organized in lieu of tipping by the Resident Council. There is no required contribution - voluntary participation.
In-house Mailboxes	Provided	Provided	Provided	Independent living resident mail boxes are located in the Village next to the atrium lobby. USPS outgoing mail box is located in the Village atrium.  Personal Care mailboxes are located at the Hospitality Center.  Skilled Nursing mail boxes are located at each resident room.
Resident Council	Yes	Yes	Yes	Resident Councils are established for each level of care at FVB. Quarterly/monthly meetings are held as scheduled in each area.
Resident Committees	Yes	Yes	Yes	Committees subordinate to the Resident Council will be requested.
Management on Site	Yes	Yes	Yes	
Detailed Monthly Billing	Included in Monthly Service Fee	Included in Fee	Included in Fee	
Real Estate Taxes	Included in Monthly Service Fee			Condominium residents receive yearly deductibility letter
Medical Deductibility Verification	Applies only to the Traditional Plan, 37% of Monthly Service Fee for 1st and 2nd persons, 45% of Entrance Fee allowable for 2023 for 1st persons; 100% for 2nd persons.	100% of Fees allowable for 2023	100% of Fees Allowable for 2023	Provided annually, CPA Calculated
Personal Property Insurance	Responsibility of resident			
Monthly Service Fee & Daily Fee Increase Basis	Max. annual increase will be CPI plus 2%, plus any other incremental increase caused by a privilege or excise tax imposed by any governmental body.	Needs of the Business and Market Conditions	Needs of the Business and Market Conditions	CPI is defined as the Consumer Price Index as published by the Bureau of Labor Statistics, U.S. Dept. of Labor, for all urban consumers (all items) for class A areas of the Eastern Region.

\*\*\* Charges may be covered Medicare or other 3rd parties. Ultimate responsibility remains with the resident



# Freedom Village at Brandywine

## Exhibit B – Audited Financial Statements

**CCRC – BRANDYWINE, LLC**  
**FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2023 AND 2022**



CPAs | CONSULTANTS | WEALTH ADVISORS

[CLAcconnect.com](http://CLAcconnect.com)

**CCRC – BRANDYWINE, LLC  
TABLE OF CONTENTS  
YEARS ENDED DECEMBER 31, 2023 AND 2022**

<b>INDEPENDENT AUDITORS' REPORT</b>	<b>1</b>
<b>FINANCIAL STATEMENTS</b>	
<b>BALANCE SHEETS</b>	<b>3</b>
<b>STATEMENTS OF OPERATIONS</b>	<b>4</b>
<b>STATEMENTS OF CHANGES IN MEMBER'S EQUITY</b>	<b>5</b>
<b>STATEMENTS OF CASH FLOWS</b>	<b>6</b>
<b>NOTES TO FINANCIAL STATEMENTS</b>	<b>8</b>



## INDEPENDENT AUDITORS' REPORT

Member  
CCRC – Brandywine, LLC

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

#### ***Opinion***

We have audited the accompanying financial statements of CCRC – Brandywine, LLC (the Company), which comprise the balance sheets as of December 31, 2023 and 2022, and the related statements of operations, changes in member's equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

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

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 the Company's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

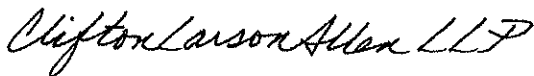
***Auditors' Responsibilities for the Audit of the Financial Statements***

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 auditors' 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 the Company'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 the Company'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.



**CliftonLarsonAllen LLP**

West Des Moines, Iowa  
April 30, 2024

**CCRC – BRANDYWINE, LLC**  
**BALANCE SHEETS**  
**DECEMBER 31, 2023 AND 2022**  
**(IN THOUSANDS)**

<b>ASSETS</b>	<b>2023</b>	<b>2022</b>
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	\$ 32	\$ 32
Restricted Cash and Escrow Deposits	110	49
Accounts Receivable	5,403	2,899
Allowance for Credit Losses	(88)	(18)
Due from Member, Net	3,399	-
Other Current Assets	1,588	1,436
Total Current Assets	10,444	4,398
<b>RESTRICTED CASH</b>	2,726	4,999
<b>PROPERTY AND EQUIPMENT, NET</b>	130,250	131,531
<b>RIGHT-OF-USE ASSETS</b>	91	133
<b>OTHER ASSETS</b>	1,352	702
Total Assets	\$ 144,863	\$ 141,763
<b>LIABILITIES AND MEMBER'S EQUITY</b>		
<b>CURRENT LIABILITIES</b>		
Current Portion of Lease Obligations	\$ 41	\$ 41
Current Portion of Deferred Entrance Fees	3,773	4,285
Accounts Payable	586	932
Due to Member, Net	-	4,155
Accrued Expenses	1,782	1,400
Refundable Entrance Fees	34,176	34,180
Tenant Deposits	112	129
Total Current Liabilities	40,470	45,122
<b>LEASE OBLIGATIONS, LESS CURRENT PORTION</b>	51	92
<b>DEFERRED ENTRANCE FEES, LESS CURRENT PORTION</b>	35,232	30,223
Total Liabilities	75,753	75,437
<b>MEMBER'S EQUITY</b>	69,110	66,326
Total Liabilities and Member's Equity	\$ 144,863	\$ 141,763

See accompanying Notes to Financial Statements.



**CCRC – BRANDYWINE, LLC**  
**STATEMENTS OF OPERATIONS**  
**YEARS ENDED DECEMBER 31, 2023 AND 2022**  
**(IN THOUSANDS)**

	<u>2023</u>	<u>2022</u>
<b>REVENUE</b>		
Net Resident Services, Including Amortization of Entrance Fees (2023, \$5,864; 2022, \$5,248)	\$ 37,330	\$ 34,126
<b>EXPENSES</b>		
Community Operating Expense	26,362	25,367
Depreciation and Amortization	6,842	7,180
Management Fee Expense	949	723
Interest Expense	-	2,670
Other Expense	102	79
Total Expenses	<u>34,255</u>	<u>36,019</u>
<b>OPERATING INCOME (LOSS)</b>	3,075	(1,893)
<b>OTHER INCOME</b>	204	530
<b>OTHER EXPENSES</b>	<u>(495)</u>	<u>(4)</u>
<b>NET INCOME (LOSS)</b>	<u>\$ 2,784</u>	<u>\$ (1,367)</u>

See accompanying Notes to Financial Statements.

**CCRC – BRANDYWINE, LLC**  
**STATEMENTS OF CHANGES IN MEMBER'S EQUITY**  
**YEARS ENDED DECEMBER 31, 2023 AND 2022**  
**(IN THOUSANDS)**

	<u>2023</u>	<u>2022</u>
<b>BALANCE - BEGINNING OF YEAR</b>	\$ 66,326	\$ (10,812)
Member Contributions	-	78,505
Net Income (Loss)	<u>2,784</u>	<u>(1,367)</u>
<b>BALANCE - END OF YEAR</b>	<u>\$ 69,110</u>	<u>\$ 66,326</u>

*See accompanying Notes to Financial Statements.*

**CCRC – BRANDYWINE, LLC**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED DECEMBER 31, 2023 AND 2022**  
**(IN THOUSANDS)**

	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net Income (Loss)	\$ 2,784	\$ (1,367)
Adjustments to Reconcile Net Income (Loss) to Net Cash		
Provided by Operating Activities:		
Depreciation and Amortization	6,842	7,180
Amortization of Entrance Fees	(5,864)	(5,248)
Proceeds from Deferred Entrance Fee Revenue	10,361	5,817
Changes in Operating Assets and Liabilities:		
Accounts Receivable, Net	(146)	(190)
Other Assets	(890)	(468)
Accounts Payable, Accrued Expenses, and Other Liabilities	(5)	189
Tenant Deposits	(17)	(5)
Net Cash Provided by Operating Activities	13,065	5,908
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of Property and Equipment	(5,431)	(3,747)
Net Cash Used by Investing Activities	(5,431)	(3,747)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Member Contributions	-	78,505
Advances from (Payments to) Member	(7,554)	1,158
Repayment of Notes Payable to Related Party - Unrestricted	-	(78,820)
Refundable Entrance Fees:		
Proceeds from Refundable Entrance Fees	(401)	1,123
Refunds of Entrance Fees	(1,891)	(4,417)
Net Cash Used by Financing Activities	(9,846)	(2,451)
<b>NET CHANGE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH</b>	(2,212)	(290)
Cash, Cash Equivalents, and Restricted Cash - Beginning of Year	5,080	5,370
<b>CASH, CASH EQUIVALENTS, AND RESTRICTED CASH - END OF YEAR</b>	\$ 2,868	\$ 5,080

See accompanying Notes to Financial Statements.

**CCRC – BRANDYWINE, LLC**  
**STATEMENTS OF CASH FLOWS (CONTINUED)**  
**YEARS ENDED DECEMBER 31, 2023 AND 2022**  
**(IN THOUSANDS)**

	2023	2022
<b>SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION</b>		
Cash Paid During the Year for Interest	\$ -	\$ 2,670
<b>SUPPLEMENTAL DISCLOSURES OF NONCASH INVESTING AND FINANCING ACTIVITIES</b>		
Refundable Entrance Fees Received in Accounts Receivable	\$ (2,288)	\$ (1,276)
Increase in Right-of-Use Asset in Exchange for New Lease Liability Related to Operating Leases	\$ -	\$ 68
<b>CASH RECONCILIATION</b>		
Cash and Cash Equivalents	\$ 32	\$ 32
Restricted Cash and Escrow Deposits	110	49
Restricted Cash	2,726	4,999
Total Cash, Cash Equivalents, and Restricted Cash	\$ 2,868	\$ 5,080

*See accompanying Notes to Financial Statements.*

**CCRC – BRANDYWINE, LLC**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023 AND 2022**  
(DOLLARS IN THOUSANDS EXCEPT AS WHERE OTHERWISE STATED)

**NOTE 1 ORGANIZATION**

CCRC – Brandywine, LLC (the Company), is an operator and owner of a senior living community (the Community) in West Brandywine, Pennsylvania. Healthpeak Properties, Inc. (Healthpeak) is the sole Member of the Company. 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 317 independent living units, 56 assisted living units, 14 memory care units, and 49 skilled nursing beds on one campus.

The Community allows for residents in the independent living apartment units to pay a one-time upfront entrance fee, which is partially refundable in certain circumstances. The amount of the entrance fee varies depending upon the type and size of the dwelling unit, the type of contract plan selected, whether the contract contains a lifecare benefit for the resident, the amount refundable, and other variables. In addition to the initial entrance fee, residents under all entrance fee agreements also pay a monthly service fee, which entitles them to the use of certain amenities and services. Since entrance fees are received upon initial occupancy, the monthly fees are generally less than fees at a comparable rental community.

**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).

**Use of Estimates**

The preparation of the financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect amounts reported and disclosures of contingent assets and liabilities in the financial statements and accompanying notes. Although these estimates are based on management's best knowledge of current events and actions that the Company may undertake in the future, actual results may be different from the estimates.

**Revenue Recognition**

**Resident Services**

Resident services revenue is reported at the amount that reflects the consideration to which the Company expects to be entitled in exchange for providing resident services. These amounts are due from residents, third-party payors (including health insurers and government programs), and others and includes variable consideration for retroactive revenue adjustments due to settlement of audits, reviews, and investigations. Revenue is recognized as performance obligations are satisfied, and the resident receives and controls the good or service.

**CCRC – BRANDYWINE, LLC**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023 AND 2022**  
(DOLLARS IN THOUSANDS EXCEPT AS WHERE OTHERWISE STATED)

Performance obligations are determined based on the nature of the services provided by the Company. Revenue for performance obligations satisfied over time is recognized based on actual services incurred in relation to total expected (or actual) services. The Company believes that this method provides a faithful depiction of the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligation. Generally, performance obligations satisfied over time relate to the residents in the Community. The Company measures the performance obligation from admission into the Community, to the point when it is no longer required to provide services to the resident, which is generally at the time of death or move-out.

The Company receives payment for services under various third-party payor programs which include Medicare, Medicaid, and other third-party payors. Estimates for settlements with third-party payors for retroactive adjustments from estimated reimbursements due to audits, reviews, or investigations are included in the determination of the estimated transaction price for providing services. The Company estimates the transaction price based on the terms of the contract with the payor, correspondence with the payor, and historical payment trends. Changes to these estimates for retroactive adjustments are recognized in the period the change or adjustment becomes known or when final settlements are determined.

Resident service revenue is recorded when services are rendered and consists of fees for basic housing, support services, and fees associated with additional services such as personalized health and assisted living care. Residency agreements are generally for a term of 30 days to one year, with resident fees billed monthly in advance. Revenues are recognized for certain skilled nursing services and ancillary charges is recognized as services are provided, and such fees are billed monthly in arrears.

In cases of free rent or rent holidays, the Company recognizes the total rent billed in the first year on a straight-line basis over the resident's first year of occupancy, including the rent holiday period.

The Community has residency agreements which require the resident to pay an upfront fee prior to occupying the Community. The nonrefundable portion of the entrance fee is recorded as deferred revenue and amortized over the estimated stay of the resident. The Company utilizes third-party actuarial experts in its determination of the estimated stay of residents.

The refundable portion of a resident's entrance fee is generally refundable within a certain number of months or days following contract termination or upon the resale of the unit. The refundable portion of the fee is not amortized and is included in refundable entrance fees. All refundable amounts due to residents at any time in the future are classified as current liabilities.

The opening and closing balances were as follows:

	Accounts Receivable, Net	Deferred Revenue
Balance as of January 1, 2022	\$ 1,415	\$ 33,939
Balance as of December 31, 2022	2,881	34,508
Balance as of December 31, 2023	5,315	39,005

**CCRC – BRANDYWINE, LLC**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023 AND 2022**  
(DOLLARS IN THOUSANDS EXCEPT AS WHERE OTHERWISE STATED)

**Cash and Cash Equivalents**

The Company defines cash and cash equivalents as cash and investments with maturities of three months or less when purchased.

**Restricted Cash and Escrow Deposits**

Restricted cash and escrow deposits consist principally of deposits required by the state licensing authority and by certain lenders pursuant to the applicable agreement.

At December 31, 2023 and 2022, restricted cash and escrow deposits generally include a minimum liquid reserve (MLR) required by the Pennsylvania state licensing authority and escrow deposits held for resident fees, entrance fees, and lender requirements.

**Accounts Receivable and Allowance for Credit Losses**

Accounts receivable are reported net of an allowance for credit losses to represent the Company's estimate of expected losses at the balance sheet date. The adequacy of the Company's allowance for credit losses is reviewed on an ongoing basis, using historical payment trends, write-off experience, analyses of receivable portfolios by payor source and aging of receivables, a review of specific accounts, as well as expected future economic conditions and market trends, and adjustments are made to the allowance as necessary. At December 31, 2023 and 2022, the allowance for credit losses was \$88 and \$18, respectively.

Billings for services under third-party payor programs are recorded net of estimated retroactive adjustments, if any, under reimbursement programs. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods or as final settlements are determined. Contractual or cost related adjustments from Medicare or Medicaid are accrued when assessed (without regard to when the assessment is paid or withheld). Subsequent adjustments to these accrued amounts are recorded in net revenues when known. At December 31, 2023 and 2022, approximately 8%, of the Company's accounts receivable was covered by various third-party payor programs, including Medicare and Medicaid. Approximately 6% and 5%, respectively, of the Company's resident services revenue for the years ended December 31, 2023 and 2022, was attributable to various third-party payor programs, including Medicare and Medicaid programs.

**Property and Equipment**

Property and equipment are recorded at cost or at fair value on the date of contribution. Renovations and improvements, which improve and/or extend the life of an asset, are generally capitalized and depreciated over their estimated useful lives. Maintenance and repair expenditures that do not improve or extend the life of assets are expensed as incurred. Depreciation is computed using the straight-line method using the following estimated useful lives:

Buildings and Improvements	5 to 40 Years
Furniture and Equipment	3 to 10 Years

**CCRC – BRANDYWINE, LLC**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023 AND 2022**  
(DOLLARS IN THOUSANDS EXCEPT AS WHERE OTHERWISE STATED)

Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of long-lived assets held for use are assessed by a comparison of the carrying amount of the asset to the estimated future undiscounted net cash flows expected to be generated by the asset. If estimated future undiscounted net cash flows are less than the carrying amount of the asset, an impairment loss will be recognized to the extent that the carrying value of the real estate assets exceeds their fair value. Undiscounted cash flow projections and estimates of fair value amounts are based on a number of assumptions such as revenue and expense growth rates, estimated holding periods and estimated capitalization rates.

**Leases**

The Company determines if an arrangement is a lease at inception. Operating leases are included in Right-of-Use (ROU) Assets and Lease Obligations in the Balance Sheets.

ROU assets represent the Company's right to use an underlying asset for the lease term and lease obligations represent the Company's obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As most leases do not provide an implicit rate, the Company uses a risk-free rate based on the information available at commencement date in determining the present value of lease payments. Lease terms may include options to extend or terminate the lease when it is reasonably certain the Company will exercise that option. Lease expense for operating lease payments is recognized on a straight-line basis over the lease term.

**Intangible Asset**

The fair value of the contributed lease-related intangible asset is associated with the estimated value of in-place leases as represented by the cost to obtain residents and an estimated absorption period to reflect the value of the rent and recovery costs foregone during a reasonable lease-up period as if the space was vacant. The Company amortizes the acquired in-place lease intangible asset to amortization expense over the average remaining length of stay of the residents of approximately 87 months. The gross value of the intangible asset was \$8,521 as of December 31, 2023 and 2022. Accumulated amortization was \$8,521 at December 31, 2023 and 2022. Amortization expense was \$0 and \$458 for the years ended December 31, 2023 and 2022, respectively.

**Obligation to Provide Future Services**

Under the terms of certain of the residency and care agreements, the Company is obligated to provide future services to its residents. The Company calculates the present value of the net cost of future services and use of facilities annually and compares that amount with the balance of deferred entrance fees and the present value of future cash flows. If the present value of the net cost of future services and use of facilities exceeds discounted future cash inflows and the balance of deferred entrance fees, an additional liability is recorded (obligation to provide future services and use of facilities) with a corresponding charge to income. The obligation is discounted, based on the expected long-term rate of return on government obligations. At December 31, 2023 and 2022, the Company did not record an additional liability associated with its obligation to provide future services and use of the Community.



**CCRC – BRANDYWINE, LLC**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023 AND 2022**  
(DOLLARS IN THOUSANDS EXCEPT AS WHERE OTHERWISE STATED)

**Income Taxes**

The Company is treated as a limited liability company for tax purposes. No provision for federal and state income taxes has been recorded, as payment for income taxes is the responsibility of the Member.

**Other Income**

Due to the Coronavirus pandemic, the U.S. Department of Health and Human Services (HHS) made available emergency relief grant funds to health care providers through the CARES Act Provider Relief Fund (PRF). The PRF's are subject to certain restrictions on eligible expenses or uses, reporting requirements, and will be subject to audit. For the years ended December 31, 2023 and 2022, the Company recognized \$41 and \$464 as Other Income on the Statements of Operations. Management believes it has met and will continue to comply with the requirements of the PRF's.

**NOTE 3 PROPERTY AND EQUIPMENT**

Net property and equipment as of December 31, 2023 and 2022, consisted of the following:

	2023	2022
Land and Improvements	\$ 8,018	\$ 8,018
Buildings and Improvements, Including Construction in Progress	160,792	155,833
Furniture and Equipment	16,101	15,629
Total	184,911	179,480
Less: Accumulated Depreciation	(54,661)	(47,949)
Property and Equipment, Net	<u>\$ 130,250</u>	<u>\$ 131,531</u>

For the years ended December 31, 2023 and 2022, the Company evaluated property and equipment for impairment and no charge was recorded.

**NOTE 4 RELATED PARTY TRANSACTIONS**

At December 31, 2023, the Company had amounts due from Member or subsidiaries of Healthpeak for \$3,399. At December 31, 2022, the Company had amounts due to Member or subsidiaries of Healthpeak for \$4,155. Interest is not being charged on these balances that are due on demand.

**Notes Payable - Unrestricted**

On January 31, 2020, the mortgage loan outstanding at December 31, 2019 was settled in full and a new promissory note was issued by Healthpeak. The balance of the promissory note at December 31, 2023 and 2022, was \$0. Monthly principal and interest payments of \$411 commenced on March 1, 2020. The interest rate was 4.5%. During the years ended December 31, 2023 and 2022, interest incurred was \$0 and \$2,670, respectively, included in Interest Expense on the Statements of Operations. The promissory note was paid off on September 30, 2022.

**CCRC – BRANDYWINE, LLC**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023 AND 2022**  
(DOLLARS IN THOUSANDS EXCEPT AS WHERE OTHERWISE STATED)

**NOTE 5 LEASES**

The Company leases equipment for various terms under long-term agreements all of which were considered operating leases. The leases expire at various dates through 2027 and provide renewal options. In the normal course of business, it is expected that these leases will be renewed or replaced with similar leases.

The following table provides quantitative information concerning the Company's leases:

	2023	2022
Lease Expense Information:		
Total Lease Expense	\$ 46	\$ 31
Other Information:		
Weighted-Average Remaining Lease Term	2.90 Years	3.67 Years
Weighted-Average Discount Rate	1.66%	1.59%

A maturity analysis of annual undiscounted cash flows for lease liabilities is as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2024	\$ 45
2025	27
2026	15
2027	14
Total Lease Payments	101
Less: Interest and Sales Tax	(9)
Present Value of Lease Liabilities	\$ 92

**NOTE 6 COMMITMENTS AND CONTINGENCIES**

**Minimum Liquid Reserve**

The Pennsylvania Insurance Department (PID), under Pennsylvania Statute, requires the Company to maintain an MLR balance in an escrow account based upon certain financial calculations. The reserve balance required by the PID at December 31, 2023 and 2022, was \$2,663 and \$4,999, respectively, which was met through cash held in escrow. The reserve balance expected to be required by the PID as of June 30, 2024, is approximately \$2,786. As such, additional funding of \$60 is estimated to be required for 2024.

**Credit Risk**

The Company generally maintains cash on deposit at banks in excess of federally insured amounts. The Company has not experienced any losses in such accounts and management believes the Company is not exposed to any significant credit risk related to cash.

**CCRC – BRANDYWINE, LLC**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023 AND 2022**  
(DOLLARS IN THOUSANDS EXCEPT AS WHERE OTHERWISE STATED)

**Litigation**

The Company is subject to legal proceedings and claims that arise in the ordinary course of business. The Company is not aware of any legal proceedings or claims that it believes may have, individually or taken together, a material adverse effect on the Company's financial condition, results of operations, or cash flows.

**Management Agreement**

On February 1, 2020, the Company entered into a long-term management agreement with Life Care Services LLC (Manager). Under the terms of the agreement, the years ended December 31, 2023 and 2022, the Manager receives a management fee of 3.0% and 2.5% of total gross revenues, respectively. Out-of-pocket expenses (as defined under the agreement) incurred on behalf of Company by the Manager are subject to reimbursement from the Company. For the years ended December 31, 2023 and 2022, Company incurred management fees of \$949 and \$723, respectively. At December 31, 2023 and 2022, the Company had a payable to the Manager of \$20 and \$26, respectively. This is recorded on the Balance Sheets under Accounts Payable.

**Health Care Regulations**

The health care industry is subject to numerous laws and regulations of federal, state, and local governments. These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, government health care program participation requirements, reimbursement for patient services, and Medicare and Medicaid, or other state programs, fraud, and abuse. Recently, government activity has increased with respect to investigations and allegations concerning possible violations of fraud and abuse statutes and regulations by health care providers. Violations of these laws and regulations could result in expulsion from government health care programs together with the imposition of significant fines and penalties, as well as significant repayments for patient services previously billed. Management believes that the Company is in compliance with fraud and abuse statutes as well as other applicable government laws and regulations. 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.

As a result of the Company's participation in the Medicare and Medicaid programs, the Company is subject to various government reviews, audits, and investigations to verify the Company's compliance with these programs and applicable laws and regulations. Centers for Medicare & Medicaid Services (CMS) has engaged a number of third-party firms, including Recovery Audit Contractors (RAC), Zone Program Integrity Contractors (ZPIC), and Unified Program Integrity Contractors (UPIC) to conduct extensive reviews of claims data to evaluate the appropriateness of billings submitted for payment. Audit contractors may identify overpayments based on coverage requirements, billing, and coding rules or other risk areas. In addition to identifying overpayments, audit contractors can refer suspected violations of law to government enforcement authorities.

**CCRC – BRANDYWINE, LLC**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023 AND 2022**  
**(DOLLARS IN THOUSANDS EXCEPT AS WHERE OTHERWISE STATED)**

An adverse determination of government reviews, audits, and investigations may result in citations, sanctions, and other criminal or civil fines and penalties, the refund of overpayments, payment suspensions, or termination of participation in Medicare and Medicaid programs. The Company's costs to respond to and defend any such audits, reviews, and investigations may be significant and are likely to increase in the current enforcement environment, and any resulting sanctions or criminal, civil, or regulatory penalties could have a material adverse effect on the Company's business, financial condition, results of operations, and cash flow. While management believes all billings are proper and support is maintained, certain aspects of billing, coding, and support are subject to interpretation and may be viewed differently by audit contractors. As the amount of any recovery is unknown, management has not recorded any reserves related to audits and investigations at this time.

**Health Care Reform**

The health care industry in the United States is subject to fundamental changes due to ongoing health care reform efforts and related political, economic, and regulatory influences. Notably, the Patient Protection and Affordable Care Act and the Health Care and Education Reconciliation Act of 2010 (collectively, the Affordable Care Act) resulted in expanded health care coverage to millions of previously uninsured people beginning in 2014 and has resulted in significant changes to the United States health care system. To help fund this expansion, the Affordable Care Act outlines certain reductions for Medicare reimbursed services, including skilled nursing, home health, hospice, and outpatient therapy services, as well as certain other changes to Medicare payment methodologies.

This comprehensive health care legislation has resulted and will continue to result in extensive rulemaking by regulatory authorities, and also may be altered, amended, repealed, or replaced. It is difficult to predict the full impact of the Affordable Care Act due to the complexity of the law and implementing regulations, as well as the Company's inability to foresee how CMS and other participants in the health care industry will respond to the choices available to them under the law. The Company also cannot accurately predict whether any new or pending legislative proposals will be adopted or, if adopted, what effect, if any, these proposals would have on the Company's business. Similarly, while the Company can anticipate that some of the rulemaking that will be promulgated by regulatory authorities will affect the Company's business and the manner in which the Company is reimbursed by the federal reimbursements programs, the Company cannot accurately predict today the impact of those regulations on the Company's business. The provisions of the legislation and other regulations implementing the provisions of the Affordable Care Act or any amended or replacement legislation may increase costs, decrease revenues, expose the Company to expanded liability, or require the Company to revise the ways in which it conducts business.

In addition to its impact on the delivery and payment for health care, the Affordable Care Act and the implementing regulations have resulted in and may continue to result in increases to the Company's costs to provide health care benefits to its employees. The Company also may be required to make additional employee-related changes to its business as a result of provisions in the Affordable Care Act or any amended or replacement legislation impacting the provision of health insurance by employers, which could result in additional expense and adversely affect the Company's results of operations and cash flow.

**CCRC – BRANDYWINE, LLC**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023 AND 2022**  
(DOLLARS IN THOUSANDS EXCEPT AS WHERE OTHERWISE STATED)

**Insurance**

The Company currently maintains single incident and aggregate liability protection in the amount of \$3,000 and \$10,000, respectively, with self-insured retentions of \$500 per claim for general liability and professional liability. The Company participates in a self-insured workers' compensation program, with excess of loss coverage provided by third-party carriers. The Company's coverage for workers' compensation and related programs included a shared loss workers' compensation program and a large deductible policy with a current deductible of \$1,000. Through the shared workers' compensation program, claims costs are allocated between all participants based on community type. Each participant is assigned a loss factor that is applied to budgeted payroll to accrue claims expense under the program to each participant. The Company participates in a self-insurance program for employee medical coverage. Loss reserves for employee medical coverage are recorded as liabilities by the Company.

Estimated claims reserves related to this self-insurance program are accrued for the ultimate cost of unpaid reported and unreported claims incurred. The reserves are adjusted regularly based on experience. The Company performs a continuing review of its claims and claim adjustment expense reserves, including its reserving techniques, through the engagement of an external actuarial firm. Since the reserves are based on estimates, the ultimate liability may be more or less than such reserves. The effects of changes in such estimated reserves are included in the results of operations in the period in which the estimates are changed.

Such changes in estimates could occur in a future period and may be material to the Company's results of operations and financial position in such period. Accrued insurance reserves were \$607 and \$682 and are included in Accrued Expenses within the Company's Balance Sheets as of December 31, 2023 and 2022, respectively.

**NOTE 7 SUBSEQUENT EVENTS**

Subsequent events have been evaluated through April 30, 2024, the date financial statements were available to be issued. There were no subsequent events requiring accrual or disclosure.



CLA (CliftonLarsonAllen LLP) is a network member of CLA Global. See [CLAGlobal.com/disclosure](http://CLAGlobal.com/disclosure). Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor.



# **Freedom Village at Brandywine**

## **Exhibit C – List of Communities Managed by LCS**

**EXHIBIT C**  
**SENIOR LIVING COMMUNITIES MANAGED**  
**BY LIFE CARE SERVICES**  
**AS OF 3/21/2024**

Alabama, Birmingham – Galleria Woods  
Alabama, Hoover – Danberry at Inverness  
Arizona, Chandler – Clarendale of Chandler  
Arizona, Fountain Hills – Fountain View Village  
Arizona, Phoenix – Clarendale of Arcadia  
Arizona, Phoenix – Sagewood  
Arizona, Tempe (Phoenix) – Friendship Village of Tempe  
California, Cupertino – Forum at Rancho San Antonio, The  
California, Palo Alto – Moldaw Residences  
California, San Diego – Casa de las Campanas  
California, San Rafael – Aldersly  
California, Santa Rosa – Arbol Residences of Santa Rosa  
California, Santa Rosa – Oakmont Gardens  
Connecticut, Essex – Essex Meadows  
Connecticut, Mystic – StoneRidge  
Connecticut, Southbury – Pomperaug Woods  
Delaware, Newark – Millcroft Living  
Delaware, Wilmington – Foulk Living  
Delaware, Wilmington – Shipley Living  
Florida, Aventura – Sterling Aventura  
Florida, Bradenton – Freedom Village of Bradenton  
Florida, Celebration – Windsor at Celebration  
Florida, Clearwater – Regency Oaks  
Florida, Hollywood – Presidential Place  
Florida, Jacksonville – Cypress Village  
Florida, Leesburg – Lake Port Square  
Florida, Naples – The Glenview at Pelican Bay  
Florida, Naples – The Arlington of Naples  
Florida, Palm City – Sandhill Cove  
Florida, Port Charlotte – South Port Square  
Florida, Seminole – Freedom Square of Seminole  
Florida, Seminole – Lake Seminole Square  
Florida, Sun City Center – Freedom Plaza  
Florida, The Villages – Freedom Point at The Villages  
Georgia, Evans – Brandon Wilde  
Georgia, Savannah – Marshes of Skidaway Island, The  
Illinois, Addison – Clarendale of Addison  
Illinois, Algonquin – Clarendale of Algonquin  
Illinois, Chicago – Clare, The  
Illinois, Chicago – Clarendale Six Corners  
Illinois, Godfrey – Asbury Village  
Illinois, Lincolnshire – Sedgebrook  
Illinois, Mokena – Clarendale of Mokena  
Illinois, Naperville – Monarch Landing  
Illinois, Wheaton – Wyndemere



Indiana, Carmel – Magnolia Springs at Bridgewater  
Indiana, Carmel – Rose Senior Living – Carmel  
Indiana, Greenwood (Indianapolis) – Greenwood Village South  
Indiana, Indianapolis – Magnolia Springs Southpointe  
Indiana, Indianapolis – Marquette  
Indiana, West Lafayette – Westminster Village West Lafayette  
Iowa, Ames – Green Hills Community  
Iowa, Cedar Rapids – Cottage Grove Place  
Kansas, Atchison – Dooley Center  
Kentucky, Florence – Magnolia Springs Florence  
Kentucky, Lexington – Magnolia Springs Lexington  
Kentucky, Lexington – Richmond Place Senior Living  
Kentucky, Louisville – Magnolia Springs East  
Maryland, Columbia – Residences at Vantage Point  
Maryland, Timonium – Mercy Ridge  
Maryland, Towson (Baltimore) – Blakehurst  
Massachusetts, Woburn – The Delaney at The Vale  
Michigan, Auburn Hills – The Avalon of Auburn Hills  
Michigan, Battle Creek – NorthPointe Woods  
Michigan, Bloomfield Township – The Avalon of Bloomfield Township  
Michigan, Clinton Township – Rose Senior Living – Clinton Township  
Michigan, East Lansing – Burcham Hills  
Michigan, Holland – Freedom Village  
Michigan, Kalamazoo – Friendship Village  
Michigan, Novi – Rose Senior Living at Providence Park  
Michigan, Auburn Hills – The Avalon of Auburn Hills  
Michigan, Commerce Township – The Avalon of Commerce Township  
Minnesota, Buffalo – Havenwood of Buffalo  
Minnesota, Burnsville – Havenwood of Burnsville  
Minnesota, Maple Grove – Havenwood of Maple Grove  
Minnesota, Minnetonka – Havenwood of Minnetonka  
Minnesota, Richfield – Havenwood of Richfield  
Minnesota, Plymouth – Trillium Woods  
Minnesota, Vadnais Heights – Gable Pines  
Missouri, St. Peters – Clarendale of St. Peters  
New Jersey, Bridgewater – Delaney of Bridgewater, The  
New Jersey, Bridgewater – Laurel Circle  
New Jersey, Burlington – Masonic Village at Burlington  
New Jersey, Florham Park – The Delaney at The Green  
New York, Rye Brook – Broadview Senior Living at Purchase College  
New York, Staten Island – Brielle at Seaview, The  
North Carolina, Chapel Hill – Cedars of Chapel Hill, The  
North Carolina, Charlotte – Cypress of Charlotte, The  
North Carolina, Durham – Croasdaile Village  
North Carolina, Greensboro – WhiteStone  
North Carolina, Greenville – Cypress Glen  
North Carolina, Lumberton – Wesley Pines  
North Carolina, Raleigh – Cypress of Raleigh, The  
North Carolina, Wilmington – Porters Neck Village  
Ohio, Avon – Rose Senior Living – Avon  
Ohio, Beachwood – Rose Senior Living – Beachwood

Ohio, Lewis Center – The Avalon of Lewis Center  
Ohio, New Albany – The Avalon of New Albany  
Ohio, Mason – Magnolia Springs Loveland  
Oklahoma, Bartlesville – Green Country Village  
Oregon, Dallas – Dallas Retirement Village  
Oregon, Salem – Capital Manor  
Pennsylvania, Coatesville – Freedom Village at Brandywine  
Pennsylvania, Warrington – Solana Doylestown, The  
South Carolina, Greenville – Rolling Green Village  
South Carolina, Hilton Head Island – Bayshore on Hilton Head Island  
South Carolina, Hilton Head Island – Cypress of Hilton Head, The  
Tennessee, Brentwood – Heritage at Brentwood, The  
Tennessee, Hendersonville – Clarendale at Indian Lake  
Tennessee, Memphis – Heritage at Irene Woods  
Tennessee, Nashville – Clarendale at Bellevue Place  
Texas, Austin – Westminster  
Texas, Bedford – Parkwood Healthcare  
Texas, Bedford – Parkwood Retirement  
Texas, Dallas – Autumn Leaves  
Texas, Dallas – Monticello West  
Texas, Dallas – Signature Pointe  
Texas, Dallas – Walnut Place  
Texas, Georgetown – Delaney at Georgetown Village, The  
Texas, League City – Delaney at South Shore, The  
Texas, Lubbock – Carillon  
Texas, Richmond – Delaney at Parkway Lakes, The  
Texas, Spring – Village at Gleannloch Farms, The  
Texas, The Woodlands – Village at the Woodlands Waterway, The  
Texas, Waco – Delaney at Lake Waco, The  
Vermont, White River – Village at White River Junction, The  
Virginia, Fairfax – Virginian, The  
Virginia, Gainesville – Heritage Village Assisted Living and Memory Care  
Virginia, Virginia Beach – Atlantic Shores  
Washington, Issaquah – Timber Ridge at Talus  
Wisconsin, Greendale – Harbour Village  
Wisconsin, Milwaukee – Eastcastle Place