Senior Services for Northern California

(a supporting organization of Sequoia Living, Inc.)
Financial Statements
December 31, 2018 and 2017

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Report of Independent Auditors

To the Board of Directors of
Sequoia Living, Inc.

We have audited the accompanying financial statements of Senior Services for Northern California ("SSNC"), which comprise the statements of financial position of December 31, 2018 and December 31, 2017, and the related statements of activities and changes in net assets and of cash flows for the years then ended.

Management's Responsibility 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; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Senior Services for Northern California as of December 31, 2018 and December 31, 2017, 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.

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pwc

Emphasis of Matter

As discussed in Note 2 to the financial statements, SSNC has changed the manner in which it presents net assets and reports certain aspects of its financial statements as a not-for-profit entity in 2018. Our opinion is not modified with respect to this matter.

PricewaterhouseCoopers LLP

San Francisco, California
May 30, 2019

Senior Services for Northern California
Statements of Financial Position
December 31, 2018 and 2017
(dollars in thousands)

	2018	2017
Assets		
Current assets		
Cash and cash equivalents	$ 624	$ 1,067
Marketable securities	24,589	25,516
Accounts receivables	4	-
Pledges receivable, net of allowance	-	380
Total current assets	25,217	26,963
Investments held in trust	13,429	13,776
Trust contributions receivable	978	620
Pledges receivable, net of allowance, less current portion	235	233
Other assets - land (see note 8)	-	11,211
	14,642	25,840
Total assets	$ 39,859	$ 52,803
Liabilities and Net Assets		
Current liabilities		
Accounts payable	$ 57	$ 52
Related party payables	65	90
Notes payable - current portion	-	-
Advance from related party (see note 8)	-	11,211
Total current liabilities	122	11,353
Liability for payments to trust beneficiaries	6,177	6,288
Other long-term liabilities	1,279	1,329
	7,456	7,617
Total liabilities	7,578	18,970
Net assets		
Net assets without donor restrictions	4,826	5,439
Net assets with donor restrictions	27,455	28,394
Total net assets	32,281	33,833
Total liabilities and net assets	$ 39,859	$ 52,803

The accompanying notes are an integral part of these financial statements.

Senior Services for Northern California
Statements of Activities and Changes in Net Assets
December 31, 2018 and 2017
(dollars in thousands)

	2018	2017
Net Assets without donor restrictions:		
Revenues and gains		
Contributions	$ 319	$ 392
Investment income including net realized gains and losses on investments	345	318
Unrealized gains (losses) on investments, net	(526)	548
Administrative service fees	121	125
	259	1,383
Net assets released from restrictions		
Satisfaction of program restrictions	1,379	977
Matured trust agreements	194	282
	1,573	1,259
Total revenues and gains	1,832	2,642
Expenses		
Support provided to Sequoia Living, Inc. programs	(2,445)	(2,611)
Other - settlement of bargain sale	-	(500)
Change in net assets without donor restrictions	(613)	(469)
Net Assets with donor restrictions:		
Contributions	1,907	1,787
Investment income including net realized gains on investments	1,458	1,059
Change in value of split-interest agreements	(515)	267
Unrealized gain (loss) from investments held in trust	(2,215)	1,110
Net assets released from restrictions	(1,574)	(1,259)
Change in net assets with donor restrictions	(939)	2,964
Change in net assets	(1,552)	2,495
Net assets at beginning of year	33,833	31,338
Net assets at end of year	$ 32,281	$ 33,833

The accompanying notes are an integral part of these financial statements.

Senior Services for Northern California
Statements of Cash Flows
December 31, 2018 and 2017
(dollars in thousands)

	2018	2017
Cash flows from operating activities		
Cash received from contributions	$ 3,243	$ 1,794
Cash paid for grants to Sequoia Living	(2,482)	(2,588)
Investment income including net realized gains and losses on investments	1,802	1,377
Cash provided by operating activities	2,563	583
Cash flows from investing activities		
Proceeds from sale of investments	3,649	3,469
Purchase of investments	(7,536)	(5,338)
Proceeds from pending land transfer	-	11,211
Cash provided by (used in) investing activities	(3,887)	9,342
Cash flows from financing activities		
Proceeds from endowment contributions	299	146
Proceeds from contributions held in trust	545	672
Payments on notes payable	-	(10,000)
Payments on related party payables	-	(1,024)
Payments to trust beneficiaries	(881)	(787)
Investment income from marketable securities held in trust	918	915
Cash provided by (used in) financing activities	881	(10,078)
Net decrease in cash	(443)	(153)
Cash and cash equivalents:		
Beginning of year	1,067	1,220
End of year	$ 624	$ 1,067

The accompanying notes are an integral part of these financial statements.

1. Organization and Summary of Significant Accounting Policies

Senior Services for Northern California ("SSNC") was incorporated in 1987 as a supporting organization of Sequoia Living, Inc., ("Sequoia Living") formerly known as Northern California Presbyterian Homes and Services, Inc. The purpose of SSNC is to receive, account for, hold and distribute gifts to Sequoia Living. SSNC qualifies for exemption from income and franchise taxes under Section 501(c) (3) and 23701(d) of the respective federal and state revenue codes.

Recent Pronouncements
The Financial Accounting Standards Board ("FASB") Codification ("ASC") is the sole source of authoritative non-governmental U.S. generally accepted accounting principles.

In August 2016, the FASB issued ASU 2016-14, Presentation of Financial Statements for Not-for-Profit Entities, an update to the ASC regarding presentation of financial statements of not-for-profit organizations. This guidance is effective for fiscal years beginning after December 15, 2017. The existing three category classification of net assets (i.e., unrestricted, temporarily restricted, and permanently restricted) will be replaced. Temporarily restricted and permanently restricted is classified into a single category called "net assets with donor restrictions." The standard requires Sequoia Living to reclassify its net assets thus into two categories: net assets without donor imposed restrictions and net assets with donor imposed restrictions. This guidance also removed the requirement to disclose the reconciliation to the indirect method in the statement of cash flows for entities to present the direct method in the statement of cash flows and requires additional disclosures regarding the classification of expenses and the liquidity and availability of funds. SSNC has adopted ASU 2016-14 and the changes in classification within the statement of cash flows were applied retrospectively to all periods presented.

In August 2016, the FASB issued ASU 2016-15, Classification of Certain Cash Receipts and Cash Payments. The guidance is effective for not-for-profit entities for annual periods beginning after December 15, 2018. SSNC has evaluated the standard and has concluded that this standard will not have on its financial statements and disclosures.

In November 2016, the FASB issued ASU 2016-18, Statement of Cash Flows - Restricted Cash. The guidance requires that the statement of cash flows explain the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. The guidance is effective for not-for-profit entities for annual periods beginning after December 15, 2018. SSNC is evaluating the impact this standard may have on its financial statements and disclosures.

In June 2018, the FASB issued ASU 2018-08, Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made. The standard is intended to clarify and improve the scope and the accounting guidance for contributions received and made. The guidance is effective for not-for-profit entities for annual periods beginning after June 15, 2018. SSNC is evaluating the impact this standard may have on its financial statements and disclosures.

Basis of Presentation
SSNC's financial statements are prepared on the accrual basis of accounting and are presented in accordance with accounting principles generally accepted in the United States of America as applicable to not-for-profit organizations. Under these principles, net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of SSNC and changes therein are classified and reported as follows:

Net Assets without Donor Restrictions
Net assets that are not subject to donor-imposed restrictions are classified as net assets without donor restrictions. Net assets without donor restrictions may be designated for specific purposes by action of the Board of Directors or otherwise limited by contractual arrangements with outside parties.

Net Assets with Donor Restrictions
Net assets that are subject to donor-imposed restrictions are classified as net assets with donor restrictions. Net assets with donor restrictions include permanent endowment funds and net assets with donor restrictions that can be fulfilled either by actions of SSNC pursuant to those restrictions and/or that expire by the passage of time. Net assets with donor restrictions consist of charitable remainder trusts, other life income funds, and permanent endowment funds.
Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains or losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of donor-imposed restrictions on net assets (i.e., the donor stipulated purpose has been fulfilled, and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

Fair Value of Financial Instruments
The FASB statement on fair value measurements establishes a framework for measuring fair value in conformity with generally accepted accounting principles and expands disclosures about fair value measurements. This authoritative guidance clarifies that fair value is an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. As such, fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or liability. As a basis for considering assumptions, this authoritative guidance establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value as follows:

- *Level 1* – Observable inputs such as quoted prices in active markets;
- *Level 2* – Inputs, other than the quoted prices in active markets, that are observable either directly or indirectly; and
- *Level 3* – Unobservable inputs in which there is little or no market data, which require the reporting entity to develop its own assumptions.

Assets and liabilities measured at fair value are based on one or more of three valuation techniques. The three valuation techniques are as follows:

- *Market approach* – Prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities;
- *Cost approach* – Amount that would be required to replace the service capacity of an asset (i.e., replacement cost); and
- *Income approach* – Techniques to convert future amounts to a single present amount based on market expectations (including present value techniques, option-pricing models, and lattice models).

The carrying values reported on the statement of financial position for current financial assets and liabilities approximate fair value. Investments held in trust, and trust contribution receivables are carried at fair value. See Note 5 for fair value of SSNC's financial assets and liabilities.

Cash and Cash Equivalents
Cash and cash equivalents, which consist of deposits and money market funds, include money market funds purchased with a maturity, at purchase date, of three months or less, with the exception of cash and cash equivalents held as investments or whose use is limited or designated.

Marketable Securities and Investments Held in Trust
Equity and debt securities are carried at fair value with realized and unrealized gains and losses included in the statements of activities and changes in net assets. Realized gains or losses on the sale of investments represent the difference between cost, on a first-in first-out basis, and the related market price at the sale date. A decline in the fair value of an investment in equity and debt securities that is other than temporary is accounted for as a realized loss, whereby the cost basis of the security is written down to fair value. Cash and cash equivalents, which consist of deposits and money market funds are carried at cost, which approximates fair value because of the short-term nature of these investments.

Investments Held in Trust and Liability for Payments to Trust Beneficiaries
Investments held in trust represent charitable remainder trusts and other deferred funds in which the donor, or stated beneficiary, has a life interest in the trust income and for which SSNC is trustee and remainderman. Trust assets are carried at fair value remeasured on a recurring basis. The related liabilities for payments to trust beneficiaries are estimated at fair value at the time the related trust assets are received based on the present value of estimated future payments over the expected life of income beneficiaries using an appropriate credit risk-adjusted rate determined at the inception of each agreement. The liabilities are adjusted during the terms of the agreements for changes in the fair value of the assets, accretion of discounts, and other changes in the estimates of future benefits. As of December 31, 2018, the valuation technique utilizes published actuarial life expectancies ranging from 2.7 to 17.5 years, and discount rates ranging from 1.63% to 6.8%. As of December 31, 2017, the valuation technique utilizes published actuarial life expectancies ranging from 2.0 to 18.2 years, and discount rates ranging from 1.63% to 6.8%.

Pledges Receivable
Pledges receivable are recorded initially at fair value and consist of unconditional promises to give that are expected to be collected in future years. Such receivables are recognized at fair value based on the present value of their estimated cash flows using the discount rate technique. Subsequent to the initial recording pledges are recorded at net realizable value. The discounts on these amounts are computed using rates applicable in the years in which those promises are received. As of December 31, 2018, the valuation technique utilizes published actuarial life expectancies ranging from 0 to 5.9 years, and discount rates ranging from 1.6% to 6.8%. As of December 31, 2017, the valuation technique utilizes published actuarial life expectancies ranging from 0 to 6.3 years, and discount rates ranging from 1.6% to 6.8%. Pledges receivable are reviewed for collectability and reserves for uncollectible amounts are established when needed. Conditional promises to give are not included as support until the conditions are substantially met.

Trust Contributions Receivable
Trust contributions receivable consist of gifts made to SSNC through split-interest agreements in which SSNC is a remainderman or has a perpetual income interest as beneficiary and for which there is an external trustee. These assets are carried at fair value based upon the present value of amounts anticipated to be received, using discount rates commensurate with the expected term to receipt of the assets. The change in the fair value of trust contributions receivable is reflected in the change in value of split-interest agreements for net assets with donor restrictions in the consolidated statements of changes in net assets. As of December 31, 2018, the valuation technique utilizes published actuarial life expectancies ranging from 3.96 to 13.19 years, and discount rates ranging from 4.4% to 4.6%. As of December 31, 2017, the valuation technique utilizes published actuarial life expectancies ranging from 3.87 to 13.19 years, and discount rates ranging from 4.3% to 4.9%.

Contributions
Contributions, which may include unconditional promises to give (pledges), are recognized at fair value as revenues in the period received or unconditionally pledged. Contributions with donor-imposed restrictions that are met in the same year as received are reported as donor restricted and reclassified to net assets without donor restrictions to reflect the expiration of such restrictions. Donated securities, real property and contributions in kind are recorded at fair value at the date of contribution. Contributions are derived primarily from donors in Northern California.
Contributions of trust interests in which SSNC serves as the trustee are recognized at fair value in the period of receipt. Fair value is determined based upon the difference between the fair value of the assets received and the fair value of the estimated liability to beneficiaries. Contributions of trust interests in which the assets are invested and administered by outside trustees are recorded at fair value when notice of the interest is received.

The Woods Gift Transfer
In December 1992, SSNC received a gift of real property with a fair market value of $1,000 known as The Woods, a senior manufactured home park in the Mendocino area. This property was received by SSNC in 1992. Forty percent of the property was given to SSNC in part as a bargain sale and in part as an outright gift. The bargain sale was created by the establishment of a wealth replacement trust, funded by SSNC, at the direction of the donors. The asset purchased to fund the Wealth Replacement Trust is no longer sufficient to cover the requirement of the bargain sale agreement. SSNC estimates that an additional $500 will be required to fund the Wealth Replacement Trust.

Administrative Service Fees
SSNC manages its split interest agreements internally and assess a fee of 1% of trust assets per year.

Change in Value of Split-Interest Agreements
Changes in the value of split-interest agreements are the result of the following transactions and events related to SSNC's deferred gifts:

- Accretion of the discounts on previously received deferred gifts.
- Revaluations of expected future benefits to be received, net of income earned and market changes on deferred gift assets.
- Revaluations of expected future payments to beneficiaries, net of payments made, based on changes in life expectancy and other actuarial assumptions.

(dollars in thousands)

Use of Estimates
The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Significant estimates include pledges and contributions receivable and the liability for payments to trust beneficiaries. Actual results may differ from those estimates.

2. Pledges Receivable

Pledges receivable were due as follows as of December 31:

	2018	2017
Current portion	$ -	$ 400
Less: allowance	-	(20)
Total current portion	$ -	$ 380
One year to five years	$ 255	$ 255
More than five years	25	25
	280	280
Less: allowance	(14)	(14)
Less: unamortized discount	(31)	(33)
Total non-current portion	$ 235	$ 233

3. Marketable Securities

The composition of marketable securities is set forth in the following table. The majority of these are held with two investment firms:

	2018	2017
Money market funds	$ 424	$ 376
Equity mutual funds	12,501	14,368
Fixed income mutual funds	11,664	10,772
	$ 24,589	$ 25,516

Operating investment income is comprised of the following for the years ended December 31:

	2018	2017
Interest Income	$ 122	$ 354
Net realized gains (loss) on sales of investments	223	(36)
	$ 345	$ 318

(dollars in thousands)

4. Investments Held in Trust

Investments held in trust at fair value are summarized below. The majority of these are held with one investment firm.

	2018	2017
Money market funds	$ 1,144	$ 385
Equity mutual funds	7,741	8,673
Fixed income mutual funds	4,524	4,683
Corporate and government bonds	20	35
	$ 13,429	$ 13,776

(dollars in thousands)

5. Fair Value of Financial Instruments

The fair value of financial assets and liabilities that are measured on a recurring basis are as follows as of December 31, 2018 and 2017:

2018	Total Fair Value	Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Un-observable Inputs (Level 3)
Assets Measured at Fair Value on a Recurring Basis (1)				
Marketable Securities (2)				
Money Market Funds	$ 424	$ 424	$ -	$ -
Mutual Funds Equity	12,501	12,501	-	-
Mutual Funds Fixed	11,664	11,664	-	-
Investments held in trust				
Money Market Funds	1,144	1,144	-	-
Mutual Funds Equity	7,741	7,741	-	-
Mutual Funds Fixed	4,524	4,524	-	-
Corporate Obligations	20	20	-	-
Trust Contributions Receivable (3)	978	-	-	978
	$ 38,996	$ 38,018	$ -	$ 978

2017	Total Fair Value	Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Un-observable Inputs (Level 3)
Assets Measured at Fair Value on a Recurring Basis (1)				
Marketable Securities (2)				
Money Market Funds	$ 376	$ 376	$ -	$ -
Mutual Funds Equity	14,368	14,368	-	-
Mutual Funds Fixed	10,772	10,772	-	-
Investments held in trust				
Money Market Funds	385	385	-	-
Mutual Funds Equity	8,673	8,673	-	-
Mutual Funds Fixed	4,683	4,683	-	-
Corporate Obligations	35	35	-	-
Trust Contributions Receivable (3)	620	-	-	620
	$ 39,912	$ 39,292	$ -	$ 620

(dollars in thousands)

(1) For cash and cash equivalents the net carrying value approximates fair value at period end.

(2) The fair values of marketable securities which are included in the statement of financial position are determined based on quoted market prices in active markets. The marketable securities consist of cash equivalents, U.S. government securities, corporate fixed income securities, equity mutual funds, and fixed income mutual funds as detailed in Note 3.

(3) The fair value of trust contributions receivable which is included in the statement of financial position is determined using a present value calculation of expected future cash flows with assumptions for the risk-adjusted interest rate, inherent risk, mortality risk, and the expected term of cash flows using the discount rate adjustment technique.

There were no transfers of assets or liabilities between levels during the years ended December 31, 2018 and 2017.

The change in value of the trust contributions receivable valued using significant unobservable inputs (Level 3) is shown below:

Fair value at January 1, 2018	$	620
New contributions		161
Maturities		(4)
Total net unrealized gains included in changes in net assets		1,309
Total net realized losses included in changes in net assets		(1,108)
Fair value at December 31, 2018	$	978
Total gains (losses) for the year included in changes in net assets attributable to the change in unrealized gains or losses relating to assets still held at December 31, 2018	$	(100)
Fair value at January 1, 2017	$	643
New contributions		450
Maturities		(195)
Total net unrealized gains included in changes in net assets		(118)
Total net realized losses included in changes in net assets		(160)
Fair value at December 31, 2017	$	620
Total gains (losses) for the year included in changes in net assets attributable to the change in unrealized gains or losses relating to assets still held at December 31, 2017	$	(365)

6. Endowments

SSNC's endowment consists of donor-restricted funds established for a variety of purposes. The purpose restrictions consist of financial assistance, meal subsidies, improvements to the quality of life to residents of certain Sequoia Living facilities and maintenance of a resident garden. As required by accounting principles generally accepted in the United States, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

(dollars in thousands)

Interpretation of Relevant Law

The Board of Trustees of SSNC has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date absent explicit donor stipulations to the contrary. As a result of this interpretation, Sequoia Living classifies as donor-restricted endowment (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment and the appropriation of all investment income on the endowment funds for expenditure.
The net asset composition for donor restricted endowment funds by type of fund as of December 31 is as follows:

Donor-restricted endowment funds	**2018**	**2017**
Tomorrow Fund	$ 10,651	$ 10,630
Other	643	643
	11,294	11,273

Changes in endowment net assets for the years ended December 31, 2018 and 2017 are as follows:

	2018	**2017**
Endowment net assets with donor restrictions, January 1	$ 11,273	$ 10,443
Investment return:		
Investment income	526	513
Net appreciation (realized and unrealized)	(798)	177
Total investment return	(272)	690
Contributions	299	146
Appropriation of endowment assets for expenditure	(6)	(6)
Endowment net assets with donor restrictions, December 31	$ 11,294	$ 11,273

The amounts contributed to SSNC endowment funds have been retained permanently by explicit donor stipulation and the fair values of the original gifts have been preserved in accordance with UPMIFA. SSNC does not hold term endowment funds or perpetual endowment funds subject to time restrictions.

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires SSNC to retain as a fund of perpetual duration. The organization had no deficiencies of this nature in its endowment funds, as of December 31, 2018 and 2017.

Return Objectives and Risk Parameters

SSNC has adopted an investment policy for endowment assets that attempts to provide a predictable stream of funding to programs supported by its endowment funds while seeking to maintain the original gift value of the endowment assets. Endowment assets include those assets of donor-restricted funds that the organization must hold in perpetuity. Under this policy, as approved by the Board of Trustees, the endowment assets are invested in a manner that is intended to produce results that exceed the Consumer Price Index by 3.25% annually, on average, while assuming a moderate level of investment risk. SSNC expects its endowment funds, over time, to provide an average rate of return of at least 6.25% annually. Actual returns in any given year may vary from this amount.

(dollars in thousands)

Strategies Employed for Achieving Objectives
To satisfy its long-term rate-of-return objectives, SSNC relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The organization targets a diversified asset allocation that places a greater emphasis on fixed income investments to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy
SSNC has a policy of appropriating the endowment fund's investment income for expenditure as the income is earned. In establishing this policy, the organization considered the long-term expected return on its endowment. This is consistent with the organization's objective to maintain the original gift value of the endowment assets held in perpetuity as well as to provide additional real growth through new gifts and investment returns.

7. Net Assets

SSNC's net assets with donor restrictions include endowments and other donor-restricted funds established for a variety of purposes as described under endowments. The composition for net assets with donor restrictions is as follows:

	2018	2017
Tommorrow Fund	$ 14,487	$ 14,938
Other Funds	6,765	7,370
Planned Gifts	6,203	6,086
Total net assets with donor restrictions	$ 27,455	$ 28,394

There are no Board designated net assets without donor restrictions.

8. Liquidity and Availability of Financial Assets

SSNC financial assets available within one year of the balance sheet date for general expenditures are as follows:

Cash and cash equivalents	$ 624
Marketable securities	24,589
Accounts, notes and interest receivable	4
	$ 25,217

Of these financial assets, $20,391 are related to marketable securities with donor restrictions. SSNC's liquidity management has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. The supporting organization's available financial assets can help manage unanticipated liquidity needs.

9. Related Party Transactions

SSNC supports Sequoia Living's projects and programs based upon Sequoia Living's requests for such support. All operating, administrative and fund-raising expenses including an allocation of costs for employees performing SSNC activities are incurred by Sequoia Living, Inc. on behalf of SSNC. Sequoia Living estimates that the cost of employee services provided to SSNC was approximately $936 and $919 in 2018 and 2017, respectively. SSNC reimburses Sequoia Living for these costs SSNC borrowed $10 million from a third party in 2015 in connection with the purchase of a parcel of land in Walnut Creek, California on behalf of Sequoia Living, as a site for the development of a new continuing care retirement community. Sequoia Living agreed to reimburse SSNC for any costs incurred by SSNC to acquire and hold the land.

In 2016 Sequoia Living formed a new not for profit corporation, Viamonte Senior Living 1 ("VSL"), for which Sequoia Living is the sole corporate member, to develop, construct and operate the new community.

In 2017, VSL paid SSNC $11.2 million to acquire the land under a purchase and sale agreement with SSNC, Sequoia Living and VSL. Although SSNC received the payment in 2017, title to the land was not transferred to VSL and settlement of the 'advance from related party' did not occur until March 2018.

10. Subsequent Events

SSNC has performed an evaluation of subsequent events through May 30, 2019, which is the date the financial statements were available to be issued, and has identified the following subsequent event:

On February 6, 2019, amendments to the articles of incorporation of Northern California Presbyterian Homes and Services, Inc. took effect and the supporting organization's corporation name was changed to Sequoia Living, Inc.