



*Reports of Independent Auditors on Supplementary Information and  
Continuing Care Liquid Reserve Schedules with Supplementary  
Schedules*

**Sequoia Living, Inc.**

*For the Year Ended December 31, 2019*



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## Table of Contents

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<b>REPORT OF INDEPENDENT AUDITORS ON SUPPLEMENTARY INFORMATION .....</b>	<b>1</b>
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### **FINANCIAL STATEMENTS**

Details of Operations Sequoias – San Francisco .....	3
Details of Operations Sequoias – Portola Valley .....	4
Details of Operations Sequoias - Tamalpais.....	5

<b>REPORT OF INDEPENDENT AUDITORS .....</b>	<b>6</b>
---	----------

Form 5-1 Long-Term Debt Incurred In A Prior Fiscal Year (Including Balloon Debt) .....	8
Form 5-2 Long-Term Debt Incurred During Fiscal Year (Including Balloon Debt).....	9
Form 5-3 Calculation of Long-Term Debt Reserve Amount .....	10
Form 5-4 Calculation of Net Operating Expenses .....	11
Form 5-5 Annual Reserve Certification.....	14

### **SUPPLEMENTARY SCHEDULES**

Supplementary Schedule to Form 5-1: Reconciliation to Audit Report .....	16
Supplementary Schedule to Form 5-5: Reconciliation to Audit Report .....	17
Additional Disclosures (Unaudited).....	18
Note 1 to the Continuing Care Reserve Report .....	20

## **Report of Independent Auditors on Supplementary Information**

To the Board of Directors  
Sequoia Living, Inc.

We have audited the consolidated financial statements of Sequoia Living, Inc. (the “Organization”), not presented herein, as of and for the year ended December 31, 2019, and issued our report thereon dated April 29, 2020, which included a paragraph describing a changes in the manner in which the Organization presents and reports leases, financial instruments, and restricted cash flows, and in which we indicated the extent of our reliance on the report of other auditors.

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



San Francisco, California  
April 29, 2020

## **Financial Statements**

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**Sequoia Living, Inc.**  
**Details of Operations Sequoias – San Francisco**  
**For the Year Ended December 31, 2019 (dollars in thousands)**

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	2019
Operating revenues and other income	
Resident fees	\$ 20,647
Amortization of entrance fees	6,743
Fees for services and other income	4,550
	<hr/>
Total operating revenues and other income	31,940
	<hr/>
Expenses	
Program expenses	
Housing	
Program	5,244
Interest expense	949
Depreciation	4,428
Food service	5,965
Health care	9,375
Other program services	3,840
	<hr/>
	29,801
	<hr/>
Program support expense	
Administration	2,417
	<hr/>
Total expenses	32,218
	<hr/>
Deficiency of operating revenues and other income over expenses	(278)
	<hr/>
Other Changes	
Grants used for programs and facilities	680
	<hr/>
Change in net assets without donor restrictions	\$ 402
	<hr/>

**Sequoia Living, Inc.**  
**Details of Operations Sequoias – Portola Valley**  
**For the Year Ended December 31, 2019 (dollars in thousands)**

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	2019
Operating revenues and other income	
Resident fees	\$ 17,523
Amortization of entrance fees	5,602
Fees for services and other income	6,734
	<hr/>
Total operating revenues and other income	29,859
	<hr/>
Expenses	
Program expenses	
Housing	
Program	5,158
Interest expense	605
Depreciation	3,053
Food service	5,443
Health care	8,824
Other program services	3,491
	<hr/>
	26,574
	<hr/>
Program support expense	
Administration	2,282
	<hr/>
Total expenses	28,856
	<hr/>
Excess of operating revenues and other income over expenses	1,003
	<hr/>
Other Changes	
Grants used for programs and facilities	122
	<hr/>
Change in net assets without donor restrictions	\$ 1,125
	<hr/> <hr/>

**Sequoia Living, Inc.**  
**Details of Operations Sequoias - Tamalpais**  
**For the Year Ended December 31, 2019 (dollars in thousands)**

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	2019
Operating revenues and other income	
Resident fees	\$ 18,354
Amortization of entrance fees	5,368
Fees for services and other income	3,732
	<hr/>
Total operating revenues and other income	27,454
	<hr/>
Expenses	
Program expenses	
Housing	
Program	4,293
Interest expense	729
Depreciation	3,155
Food service	5,438
Health care	9,192
Other program services	3,553
	<hr/>
	26,360
	<hr/>
Program support expense	
Administration	2,279
	<hr/>
Total expenses	28,639
	<hr/>
Deficiency of operating revenues and other income over expenses	(1,185)
	<hr/>
Other Changes	
Grants used for programs and facilities	322
	<hr/>
Change in net assets without donor restrictions	\$ (863)
	<hr/>

## **Report of Independent Auditors**

To the Board of Directors  
Sequoia Living, Inc.

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Sequoia Living, Inc., which comprise the continuing care liquid reserve schedules, Form 5-1 through Form 5-5, as of and for the year ended December 31, 2019 and the related note to the financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the liquid reserve requirements of California Health and Safety Code Section 1792. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the 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 the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of 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 continuing care liquid reserve schedules Form 5-1 through Form 5-5 of Sequoia Living, Inc. as of and for the year ended December 31, 2019, in conformity with the liquid reserve requirements of California Health and Safety Code Section 1792.

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

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

### ***Other Matter***

Our audit was conducted for the purpose of forming an opinion on the financial statements, as a whole. The accompanying Supplementary Schedule to Form 5-1: Reconciliation to Audit Report and Supplementary Schedule to Form 5-5: Reconciliation to Audit Report, presented as supplementary schedules, are presented for the purpose of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of financial statements, and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements, or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements, taken as a whole.

The Supplementary Schedule – Additional Disclosures for the year ended December 31, 2019 is presented for the purposes of additional analysis and is not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audits of the financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

### ***Restriction on Use***

This report is intended solely for the information and use of the Board of Directors and management of Sequoia Living, Inc. and the California Department of Social Services, and is not intended to be, and should be, used by anyone other than these specified parties.

A handwritten signature in blue ink that reads "Moss Adams LLP". The signature is written in a cursive, flowing style.

San Francisco, California  
April 29, 2020

## Long-Term Debt Incurred In A Prior Fiscal Year (Including Balloon Debt)

Year Ended December 31, 2019

	(a)	(b)	(c)	(d)	(e)
Long-Term Debt Obligation	Date Incurred	Principal Paid During Fiscal Year	Interest Paid During Fiscal Year	Credit Enhancement Premiums Paid in Fiscal Year	Total Paid (columns (b) + (c) + (d))
1	3/1/1980	\$689,206	\$29,985	\$0	\$719,191
2	4/15/2015	\$1,245,000	\$2,793,175	\$0	\$4,038,175
3	6/12/2015	\$168,916	\$863,843	\$0	\$1,032,759
4	10/1/2017	\$270,991	\$841,478	\$0	\$1,112,469
5	8/7/2018	\$0	\$6,195,125	\$0	\$6,195,125
6					
7					
8					
TOTAL:		\$2,374,113	\$10,723,606	\$0	\$13,097,719

(Transfer this amount to  
Form 5-3, Line 1)**NOTE:** For column (b), do not include voluntary payments made to pay down principal.

**Sequoia Living, Inc.****Form 5-2****Long-Term Debt Incurred During Fiscal Year (Including Balloon Debt)****Year Ended December 31, 2019**

	(a)	(b)	(c)	(d)	(e)
Long-Term Debt Obligation	Date Incurred	Total Interest Paid During Fiscal Year	Amount of Most Recent Payment on the Debt	Number of Payments over next 12 months	Reserve Requirement (see instruction 5) (columns (c) x (d))
1	12/19/2019	\$0	\$0	0	\$0
2					
3					
4					
5					
6					
7					
8					
TOTAL:					\$0

(Transfer this amount to  
Form 5-3, Line 2)**NOTE: For column (b), do not include voluntary payments made to pay down principal.**

**Sequoia Living, Inc.****Form 5-3****Calculation of Long-Term Debt Reserve Amount****Year Ended December 31, 2019**

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Line		TOTAL
1	Total from Form 5-1 bottom of Column (e)	\$ 13,097,719
2	Total from Form 5-2 bottom of Column (e)	\$ -
3	Facility leasehold or rental payment paid by provider during fiscal year (including related payments such as lease insurance)	\$ -
4	TOTAL AMOUNT REQUIRED FOR LONG-TERM DEBT RESERVE:	\$ 13,097,719

**Sequoia Living, Inc.**  
**Form 5-4**  
**Calculation of Net Operating Expenses**  
**Year Ended December 31, 2019**

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

Line		Amounts	TOTAL
1	Total operating expenses from financial statements		<u>\$ 32,217,349</u>
2	Deductions:		
	a. Interest paid on long-term debt (see instructions)	<u>\$ 948,657</u>	
	b. Credit enhancement premiums paid for long-term debt (see instructions)	<u>\$ -</u>	
	c. Depreciation	<u>\$ 4,427,604</u>	
	d. Amortization	<u>\$ -</u>	
	e. Revenues received during the fiscal year for services to persons who did not have a continuing care contract	<u>\$ -</u>	
	f. Extraordinary expenses approved by the Department	<u>\$ -</u>	
3	Total Deductions		<u>\$ 5,376,261</u>
4	Net Operating Expenses		<u>\$ 26,841,088</u>
5	Divide Line 4 by 365 and enter the result.		<u>\$ 73,537</u>
6	Multiply Line 5 by 75 and enter the result. This is the provider's operating expense reserve amount.		<u><u>\$ 5,515,275</u></u>

**PROVIDER:** Sequoia Living, Inc.  
**COMMUNITY:** Sequoias - San Francisco

**Sequoia Living, Inc.**  
**Form 5-4**  
**Calculation of Net Operating Expenses**  
**Year Ended December 31, 2019**

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

Line		Amounts	TOTAL
1	Total operating expenses from financial statements		<u>\$ 28,855,647</u>
2	Deductions:		
a.	Interest paid on long-term debt (see instructions)	<u>\$ 605,552</u>	
b.	Credit enhancement premiums paid for long-term debt (see instructions)	<u>\$ -</u>	
c.	Depreciation	<u>\$ 3,052,638</u>	
d.	Amortization	<u>\$ -</u>	
e.	Revenues received during the fiscal year for services to persons who did not have a continuing care contract	<u>\$ -</u>	
f.	Extraordinary expenses approved by the Department	<u>\$ -</u>	
3	Total Deductions		<u>\$ 3,658,190</u>
4	Net Operating Expenses		<u>\$ 25,197,457</u>
5	Divide Line 4 by 365 and enter the result.		<u>\$ 69,034</u>
6	Multiply Line 5 by 75 and enter the result. This is the provider's operating expense reserve amount.		<u><u>\$ 5,177,550</u></u>

**PROVIDER:** Sequoia Living, Inc.

**COMMUNITY:** Sequoias - Portola Valley

**Sequoia Living, Inc.**  
**Form 5-4**  
**Calculation of Net Operating Expenses**  
**Year Ended December 31, 2019**

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

Line		Amounts	TOTAL
1	Total operating expenses from financial statements		<u>\$ 28,638,772</u>
2	Deductions:		
a.	Interest paid on long-term debt (see instructions)	<u>\$ 729,198</u>	
b.	Credit enhancement premiums paid for long-term debt (see instructions)	<u>\$ -</u>	
c.	Depreciation	<u>\$ 3,154,602</u>	
d.	Amortization	<u>\$ -</u>	
e.	Revenues received during the fiscal year for services to persons who did not have a continuing care contract	<u>\$ -</u>	
f.	Extraordinary expenses approved by the Department	<u>\$ -</u>	
3	Total Deductions		<u>\$ 3,883,800</u>
4	Net Operating Expenses		<u>\$ 24,754,972</u>
5	Divide Line 4 by 365 and enter the result.		<u>\$ 67,822</u>
6	Multiply Line 5 by 75 and enter the result. This is the provider's operating expense reserve amount.		<u><u>\$ 5,086,650</u></u>

**PROVIDER:** Sequoia Living, Inc.  
**COMMUNITY:** Tamalpais

**Sequoia Living, Inc.**  
**Form 5-5**  
**Annual Reserve Certification**  
**Year Ended December 31, 2019**

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FORM 5-5  
ANNUAL RESERVE CERTIFICATION

Provider Name: Sequoia Living, Inc.  
Fiscal Year Ended: 12/31/2019

We have reviewed our debt service reserve and operating expense reserve requirements as of, and for the period ended 12/31/2019 and are in compliance with those requirements.

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

	<u>Amount</u>
[1] Debt Service Reserve Amount	\$ 13,097,719
[2] Operating Expense Reserve Amount	\$ 15,779,475
[3] Total Liquid Reserve Amount:	\$ 28,877,194

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

<u>Qualifying Asset Description</u>	<u>Debt Service Reserve</u>	<u>Operating Reserve</u>
[4] Cash and Cash Equivalents	\$ 19,877,000	\$ 25,090,000
[5] Investment Securities		\$ 3,195,000
[6] Equity Securities		\$ 89,754,000
[7] Unused/Available Lines of Credit		
[8] Unused/Available Letters of Credit		
[9] Debt Service Reserve (not applicable)		
[10] Other: Investment in Real Estate Fund  (describe qualifying asset)		
Listed for Reserve Obligation: [11]	\$ 19,877,000 [12]	\$ 118,039,000
Reserve Obligation Amount: [13]	\$ 13,097,719 [14]	\$ 15,779,475
Surplus/(Deficiency): [15]	\$ 6,779,281 [16]	\$ 102,259,525

Signature:   
\_\_\_\_\_  
(Authorized Representative)

Date: 4/29/2020

CFO  
\_\_\_\_\_  
(Title)



## **Supplementary Schedules**

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**Sequoia Living, Inc.**  
**Supplementary Schedule to Form 5-1: Reconciliation to Audit Report**  
**Year Ended December 31, 2019**

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**Form 5-1 Reconciliation**

Column (c) INTEREST PAID DURING FISCAL YEAR

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Interest paid, net of amount capitalized per audited financials		\$ 4,528,481
Capitalized interest paid per audited financial statements	7,506,621	
Less: deferred financing costs included in capitalized interest	<u>(1,311,496)</u>	
Total capitalized interest expense		<u>6,195,125</u>
Total interest paid during fiscal year - Form 5-1 column c		<u><u>\$ 10,723,606</u></u>

**Sequoia Living, Inc.**  
**Supplementary Schedule to Form 5-5: Reconciliation to Audit Report**  
**Year Ended December 31, 2019**

<b>Financial Statements and Footnotes Description</b>		<b>Qualifying Asset Description (Form 5-5)</b>
Cash and cash equivalents	\$ 19,704,000	
Marketable securities - money market funds	5,386,000	
	25,090,000	Cash and cash equivalents
Marketable securities - U.S. government securities	954,000	
Marketable securities - corporate fixed income securities	2,241,000	
	3,195,000	Investment securities
Marketable securities - common stocks	12,761,000	
Marketable securities - equity mutual funds	42,180,000	
Marketable securities - fixed income mutual funds	34,813,000	
	89,754,000	Equity securities
Total qualifying assets as filed for operating reserve	\$118,039,000	
Limited use assets - debt service reserve fund - Revenue Bond Series 2015	\$ 4,040,000	
Limited use assets - debt service reserve fund - Revenue Bond Series 2018	5,908,000	
Limited use assets - principal and interest fund - Revenue Bond Series 2015	2,021,000	
Limited use assets - principal and interest fund - Revenue Bond Series 2018	7,908,000	
Total qualifying assets as filed for debt service reserve	\$ 19,877,000	Debt service reserves
<b>Reconciliation to Audited Financial Statements</b>		
Cash and cash equivalents	\$ 19,704,000	
Marketable securities	98,335,000	
Limited use assets, current	35,967,000	
Limited use assets, noncurrent	76,631,000	
	230,637,000	
Less:		
Limited use assets - project fund - Revenue Bond Series 2015	(417,000)	
Limited use assets - revenue fund - Revenue Bond Series 2015	(324,000)	
Limited use assets - project fund - Revenue Bond Series 2018	(91,980,000)	
	\$137,916,000	
Total qualifying assets as filed for operating reserve	\$118,039,000	
Total qualifying assets as filed for debt service reserve	19,877,000	
	\$137,916,000	

**Sequoia Living, Inc.**  
**Additional Disclosures (Unaudited)**  
**Year Ended December 31, 2019**

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**Status Description and Amount of Reserves:**

Sequoia Living's reserves consist of marketable securities, net of amounts designated for Foundation investments (restricted) of \$92,796,751. Sequoia Living invests approximately 59% of its reserves in equity investments.

**Per capita costs**

The per capita cash cost of care excluding interest and depreciation expense for Sequoia Living's facilities for 2019 was as follows:

Sequoias San Francisco	\$	79,961
Sequoias Portola Valley	\$	88,109
Tamalpais	\$	80,682

**Funds accumulated for specific projects and/or contingencies**

Sequoia Living's reserves have not been designated for specific needs or projects. They are available to respond to contingencies; provide funding for projects which are internally financed and support Sequoia Living's efforts to grow and serve more seniors consistent with its tax-exempt purpose.

In 2019, Sequoia Living's cash flow from operations including entrance fees was not sufficient to cover its activities so accumulated cash and marketable securities were required to fund projects. Projects in excess of \$250,000 completed in 2019 were as follows:

**Sequoias San Francisco:**

Cogen System AC	\$	255,301
Gym & Storage	\$	394,799
HC Refresh & Common Area	\$	502,455
Apartment Renovations	\$	455,519

**Sequoias Portola Valley:**

Landscape	\$	341,780
Master Plan	\$	775,970
Main Bldg. Construction	\$	4,151,100
Apartment renovations	\$	2,741,886

**Tamalpais:**

Walk-in Freezer/Cooler	\$	448,211
Apartment renovations	\$	888,976
SNF Improv Costs	\$	301,875
MC/AL Construction costs	\$	1,381,805

**Sequoia Living, Inc.**  
**Additional Disclosures (Unaudited)**  
**Year Ended December 31, 2019**

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Projects included in the 2020 capital budget which are greater than \$250,000 include the following:

Sequoias San Francisco:

Apartment renovations (23 units)	\$ 1,750,000
HVAC for kitchen area	\$ 1,707,974
Fire Alarm annunciators	\$ 700,000
Gym and storage project	\$ 1,202,334
1481 Post Mitigation	\$ 564,000

Sequoias Portola Valley:

Main Building Remodel	\$ 6,000,649
Apartment Renovations New Program	\$ 1,900,205
Installation of Sheetrock Wall in HC	\$ 342,142
HC Elevator- Passenger Upgrade	\$ 294,687
Sprinkler System for Duplex	\$ 364,000

Tamalpais:

Residential Apartments Renovation	\$ 1,976,213
Continuation of Elevator Modernization	\$ 697,560
2nd Floor Redevelopment	\$ 800,000
Nurse Call and Wander Guard system	\$ 750,000
SNF Enhancements	\$ 550,000

**Sequoia Living, Inc.**  
**Note 1 to the Continuing Care Reserve Report**  
**For the Year Ended December 31, 2019**

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The continuing care reserve report included in Part 5, has been prepared in accordance with the report preparation provisions of the California Health and Welfare Code (the Code), Section 1792.

Section 1792 of the Code indicates that Sequoia Living, Inc. should maintain at all times qualifying assets as a liquid reserve in an amount that equals or exceeds the sum of the following:

- The amount the provider is required to hold as a debt service reserve under Section 1792.3
- The amount the provider must hold as an operating expense reserve under Section 1792.4.

In accordance with the Code, Sequoia Living, Inc. has computed its liquid reserve requirement as of and for the year ended December 31, 2019, Sequoia Living, Inc.'s most recent fiscal year end, and the reserve is based on audited financial statements for the period.



**FORM 1-1**  
**RESIDENT POPULATION**

<u>Line</u>	<u>Continuing Care Residents</u>	<u>TOTAL</u>
[1]	Number at beginning of fiscal year	281
[2]	Number at end of fiscal year	292
[3]	Total Lines 1 and 2	573
[4]	Multiply Line 3 by “.50” and enter result on Line 5.	573x .50
[5]	Mean number of continuing care residents	286.50
<b>All Residents</b>		
[6]	Number at beginning of fiscal year	281
[7]	Number at end of fiscal year	292
[8]	Total Lines 6 and 7	573
[9]	Multiply Line 8 by “.50” and enter result on Line 10.	573x .50
[10]	Mean number of <i>all</i> residents	286.50
[11]	Divide the mean number of continuing care residents (Line 5) by the mean number of <i>all</i> residents (Line 10) and enter the result (round to two decimal places).	286.50

**FORM 1-2**  
**ANNUAL PROVIDER FEE**

<u>Line</u>	<u>TOTAL</u>
[1] Total Operating Expenses (including depreciation and debt service-interest only)	28,945,503
[a] Depreciation	3,052,639
[b] Debt Service (Interest Only)	605,552
[2] Subtotal (add Line 1a and 1b)	5,376,270
[3] Subtract Line 2 from Line 1 and enter result.	23,569,233
[4] Percentage allocated to continuing care residents (Form 1-1, Line 11)	100%
[5] Total Operating Expense for Continuing Care Residents (multiply Line 3 by Line 4)	23,569,233
[6] <b>Total Amount Due</b> (multiply Line 5 by .001)	23,569,233 x .001 23,569.00

**PROVIDER:** Sequoia Living, Inc  
**COMMUNITY:** Sequoias – Portola Valley

**FORM 1-1 and FORM 1-2**



**FORM 1-1**  
**RESIDENT POPULATION**

<u>Line</u>	<u>Continuing Care Residents</u>	<u>TOTAL</u>
[1]	Number at beginning of fiscal year	336
[2]	Number at end of fiscal year	337
[3]	Total Lines 1 and 2	673
[4]	Multiply Line 3 by “.50” and enter result on Line 5.	673x .50
[5]	Mean number of continuing care residents	336.50
<b>All Residents</b>		
[6]	Number at beginning of fiscal year	336
[7]	Number at end of fiscal year	337
[8]	Total Lines 6 and 7	673
[9]	Multiply Line 8 by “.50” and enter result on Line 10.	673x .50
[10]	Mean number of <i>all</i> residents	336.50
[11]	Divide the mean number of continuing care residents (Line 5) by the mean number of <i>all</i> residents (Line 10) and enter the result (round to two decimal places).	336.50

**FORM 1-2**  
**ANNUAL PROVIDER FEE**

<u>Line</u>	<u>TOTAL</u>
[1] Total Operating Expenses (including depreciation and debt service-interest only)	32,323,235
[a] Depreciation	4,427,603
[b] Debt Service (Interest Only)	948,667
[2] Subtotal (add Line 1a and 1b)	5,376,270
[3] Subtract Line 2 from Line 1 and enter result.	26,946,965
[4] Percentage allocated to continuing care residents (Form 1-1, Line 11)	100%
[5] Total Operating Expense for Continuing Care Residents (multiply Line 3 by Line 4)	26,946,965
[6] <b>Total Amount Due</b> (multiply Line 5 by .001)	26,946,965 x .001 26,947.00

**PROVIDER:** Sequoia Living, Inc  
**COMMUNITY:** Sequoias - San Francisco

**FORM 1-1 and FORM 1-2**

**FORM 1-1**  
**RESIDENT POPULATION**

<u>Line</u>	<u>Continuing Care Residents</u>	<u>TOTAL</u>
[1]	Number at beginning of fiscal year	307
[2]	Number at end of fiscal year	305
[3]	Total Lines 1 and 2	612
[4]	Multiply Line 3 by “.50” and enter result on Line 5.	612x .50
[5]	Mean number of continuing care residents	306
<b>All Residents</b>		
[6]	Number at beginning of fiscal year	307
[7]	Number at end of fiscal year	305
[8]	Total Lines 6 and 7	612
[9]	Multiply Line 8 by “.50” and enter result on Line 10.	612x .50
[10]	Mean number of <i>all</i> residents	306
[11]	Divide the mean number of continuing care residents (Line 5) by the mean number of <i>all</i> residents (Line 10) and enter the result (round to two decimal places).	306

**FORM 1-2**  
**ANNUAL PROVIDER FEE**

<u>Line</u>	<u>TOTAL</u>
[1] Total Operating Expenses (including depreciation and debt service-interest only)	28,612,725
[a] Depreciation	3,154,602
[b] Debt Service (Interest Only)	729,198
[2] Subtotal (add Line 1a and 1b)	3,883,800
[3] Subtract Line 2 from Line 1 and enter result.	24,728,925
[4] Percentage allocated to continuing care residents (Form 1-1, Line 11)	100%
[5] Total Operating Expense for Continuing Care Residents (multiply Line 3 by Line 4)	24,728,925
[6] <b>Total Amount Due</b> (multiply Line 5 by .001)	24,728,925 x .001 24,729.00

**PROVIDER:** Sequoia Living, Inc  
**COMMUNITY:** Tamalpais

**FORM 1-1 and FORM 1-2**

## **Part 2**

**SEQUOIA LIVING, INC.  
CERTIFICATION BY CHIEF EXECUTIVE OFFICER**

**December 31, 2019**

I hereby certify to the best of my knowledge and belief that:

1. The information included within this annual report is correct.
2. Each continuing care contract form now in use for new residents has been approved by the Department.
3. As of the date of this certification Sequoia Living is maintaining the required liquid reserve and refund reserve.

\_\_\_\_\_  
Sara McVey

\_\_\_\_\_  
President & CEO  
Title

\_\_\_\_\_  
April 29, 2020  
Date

## **Part 3**

**SEQUOIA LIVING, INC.  
EVIDENCE OF FIDELITY BOND**

**December 31, 2019**

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The annual report shall include evidence that a fidelity bond or insurance policy is in force for any agent or employee, who, in the course of his or her agency or employment, has access to any substantial amount of funds. This requirement is separate from the bonding requirements of the residential care facility for the elderly regulations.

Type:	Employee Fidelity
Coverage:	\$1,500,000
Carrier:	Federal Insurance Company

March 12, 2019

**RE: Confirmation of Binding for**

To:

Account Number:	35191
Account:	Sequoia Living, Inc.
	1525 Post Street
	San Francisco, CA 94109

Product:	<b>Health Care Portfolio</b>
----------	------------------------------

Writing Company:	Federal Insurance Company
------------------	---------------------------

Policy Form:	14-02-9523 (Ed. 08/2004)
--------------	--------------------------

Assigned Policy Number:	8167-4988
-------------------------	-----------

Policy Period:	From: March 5, 2019
	To: March 5, 2020
	At 12:01 A.M. local time at the address in Item 1.

**Important**

Term of Binder:

From: 12:01 a.m. on Feb-11-2019

To: 12:01 a.m. on Mar-13-2019

This Binder shall terminate automatically upon the expiration shown above, or upon the issuance of the policy, whichever occurs first. A short rate premium charge will be made for this Binder unless the Policy is issued by the Company and accepted by the entity referred to above.

The foregoing Binder for coverage is subject to modification or withdrawal by the Company if, before the proposed inception date, any new, corrected or updated information becomes known which relates to any proposed Insured's claims history or risk exposure or which could otherwise change the underwriting evaluation of any proposed Insured and the Company, in its sole discretion, determines that the terms of this Binder are no longer appropriate.

This binder does not apply to the extent that trade or economic sanctions or other laws or regulations prohibit us from offering or providing insurance. To the extent any such prohibitions apply, this binder is void ab initio

We appreciate the opportunity to be of service to you, and we look forward to receiving payment of the premium by the due date. Once coverage becomes effective, cancellation for non payment will be on a pro-rata basis.

If you have any questions, please call me.

Sincerely,

A handwritten signature in black ink, appearing to read "Curtis Storkmeier", enclosed within a faint, light-colored oval border.



## Part 6

**Continuing Care Retirement Community  
Disclosure Statement**

Date Prepared: 4/28/2020

FACILITY NAME: The Sequoias - Portola Valley  
 ADDRESS: 501 Portola Road, Portola Valley, California ZIP CODE: 94028 PHONE: 650-851-1501  
 PROVIDER NAME: Sequoia Living, Inc. FACILITY OPERATOR: Sequoia Living, Inc.  
 RELATED FACILITIES: Six related facilities RELIGIOUS AFFILIATION: None  
 YEAR 1961 # OF 42 ☒ SINGLE ☐ MULTI-  
 OPENED: 1961 ACRES: 42 STORY 4 STORY 6.2 OTHER:   
 MILES TO SHOPPING CTR: 4  
 MILES TO HOSPITAL: 6.2

**NUMBER OF UNITS:**

<b>RESIDENTIAL LIVING</b>	<b>HEALTH CARE</b>
APARTMENTS — STUDIO: <u>21</u>	ASSISTED LIVING: <u>26</u>
APARTMENTS — 1 BDRM: <u>108</u>	SKILLED NURSING: <u>40</u>
APARTMENTS — 2 BDRM: <u>68</u>	SPECIAL CARE: <u>18</u>
COTTAGES/HOUSES: <u>2</u>	DESCRIPTION: > <u>Memory Care.</u>

RLU OCCUPANCY (%) AT YEAR END: 96.5%

**TYPE OF OWNERSHIP:** ☒ NOT-FOR-PROFIT ☐ FOR-PROFIT ACCREDITED?: ☒ YES ☐ NO BY: CARF-CCAC

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

**REFUND PROVISIONS:** *(Check all that apply)* ☒ Refundable ☐ Repayable ☒ 90% ☒ 75% ☐ 50% ☒ OTHER: Fully Amortized

**RANGE OF ENTRANCE FEES:** \$ 102,800 - \$ 1,687,200 **LONG-TERM CARE INSURANCE REQUIRED?** ☐ YES ☒ NO

**HEALTH CARE BENEFITS INCLUDED IN CONTRACT:** For Lifecare contracts, exclusions include Rx, dental, glasses, podiatry, psychiatry, and specified others, for Continuing care contracts health care benefits are available for an additional fee, onsite clinic is included in monthly fee.

**ENTRY REQUIREMENTS:** MIN. AGE: 65 PRIOR PROFESSION: N/A OTHER: N/A

**RESIDENT REPRESENTATIVE(S) TO, AND RESIDENT MEMBER(S) ON, THE BOARD:** *(briefly describe provider's compliance and residents' roles)*  
 In accordance with the requirements of AB 1751, the Resident Association Boards of the three CCRCs recommend to the Sequoia Living board a resident to serve as a full voting Board member.  
 For the 2018-2021 Board term, the resident association nominated and the Board appointed Neal McNamara, a TAM resident to serve on the board.

COMMON AREA AMENITIES		FACILITY SERVICES AND AMENITIES			
	AVAILABLE	FEE FOR SERVICE	SERVICES AVAILABLE	INCLUDED IN FEE	FOR EXTRA CHARGE
BEAUTY/BARBER SHOP	<input type="checkbox"/>	<input checked="" type="checkbox"/>	HOUSEKEEPING ( <u>4</u> TIMES/MONTH)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
BILLIARD ROOM	<input checked="" type="checkbox"/>	<input type="checkbox"/>	MEALS ( <u>1-3</u> /DAY)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BOWLING GREEN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	SPECIAL DIETS AVAILABLE	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
CARD ROOMS	<input checked="" type="checkbox"/>	<input type="checkbox"/>			
CHAPEL	<input type="checkbox"/>	<input type="checkbox"/>	24-HOUR EMERGENCY RESPONSE	<input checked="" type="checkbox"/>	<input type="checkbox"/>
COFFEE SHOP	<input type="checkbox"/>	<input checked="" type="checkbox"/>	ACTIVITIES PROGRAM	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
CRAFT ROOMS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	ALL UTILITIES EXCEPT PHONE	<input checked="" type="checkbox"/>	<input type="checkbox"/>
EXERCISE ROOM	<input checked="" type="checkbox"/>	<input type="checkbox"/>	APARTMENT MAINTENANCE	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
GOLF COURSE ACCESS	<input type="checkbox"/>	<input type="checkbox"/>	CABLE TV	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
LIBRARY	<input checked="" type="checkbox"/>	<input type="checkbox"/>	LINENS FURNISHED	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
PUTTING GREEN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	LINENS LAUNDERED	<input checked="" type="checkbox"/>	<input type="checkbox"/>
SHUFFLEBOARD	<input checked="" type="checkbox"/>	<input type="checkbox"/>	MEDICATION MANAGEMENT	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
SPA	<input checked="" type="checkbox"/>	<input type="checkbox"/>	NURSING/WELLNESS CLINIC	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
SWIMMING POOL-INDOOR	<input checked="" type="checkbox"/>	<input type="checkbox"/>	PERSONAL HOME CARE	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
SWIMMING POOL-OUTDOOR	<input type="checkbox"/>	<input type="checkbox"/>	TRANSPORTATION-PERSONAL	<input type="checkbox"/>	<input checked="" type="checkbox"/>
TENNIS COURT	<input type="checkbox"/>	<input type="checkbox"/>	TRANSPORTATION-PREARRANGED	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
WORKSHOP	<input checked="" type="checkbox"/>	<input type="checkbox"/>	OTHER <u>Medical Supplies</u>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
OTHER <u>Resident Garden</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>			

All providers are required by Health and Safety Code section 1789.1 to provide this report to prospective residents before executing a deposit agreement or continuing care contract, or receiving any payment. Many communities are part of multi-facility operations which may influence financial reporting. Consumers are encouraged to ask questions of the continuing care retirement community that they are considering and to seek advice from professional advisors.

PROVIDER NAME: Sequoia Living, Inc.

<u>OTHER CCRCs</u>	<u>LOCATION (City, State)</u>	<u>PHONE (with area code)</u>
<u>The Sequoias - San Francisco</u>	<u>San Francisco, California</u>	<u>415-922-9700</u>
<u>The Sequoias - Portola Valley</u>	<u>Portola Valley, California</u>	<u>650-851-1501</u>
<u>The Tamalpais</u>	<u>Greenbrae, California</u>	<u>415-461-2300</u>
<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>

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

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

<u>SUBSIDIZED SENIOR HOUSING</u>	<u>LOCATION (City, State)</u>	<u>PHONE (with area code)</u>
<u>Western Park Apartments</u>	<u>San Francisco, California</u>	<u>415-922-5436</u>
<u>Eastern Park Apartments</u>	<u>San Francisco, California</u>	<u>415-776-0114</u>
<u>Town Park Towers</u>	<u>San Jose, California</u>	<u>408-288-8750</u>
<u> </u>	<u> </u>	<u> </u>

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

	2016	2017	2018	2019
<b>INCOME FROM ONGOING OPERATIONS</b>				
<b>OPERATING INCOME</b>				
(Excluding amortization of entrance fee income)	\$79,891	83,087	90,840	100,697
<b>LESS OPERATING EXPENSES</b>				
(Excluding depreciation, amortization, and interest)	79,527	83,879	87,518	93,779
<b>NET INCOME FROM OPERATIONS</b>	364	(792)	3,322	6,918
<b>LESS INTEREST EXPENSE</b>	4,502	5,049	9,699	4,531
<b>PLUS CONTRIBUTIONS</b>	1,887	2,611	1,907	2,479
<b>PLUS NON-OPERATING INCOME (EXPENSES)</b>				
(excluding extraordinary items)	309	8,549	(11,474)	11,083
<b>NET INCOME (LOSS) BEFORE ENTRANCE FEES, DEPRECIATION AND AMORTIZATION</b>	(1,942)	5,319	(15,944)	13,562
<b>NET CASH FLOW FROM ENTRANCE FEES</b>				
(Total Deposits Less Refunds)	21,571	22,898	16,374	19,821

\*\*\*\*\*

**DESCRIPTION OF SECURED DEBT** *(as of most recent fiscal year end)*

LENDER	OUTSTANDING BALANCE	INTEREST RATE	DATE OF ORIGINATION	DATE OF MATURITY	AMORTIZATION PERIOD
CHFFA	61,719,877	2.00-5.00%	2015	2044	30 years
Citibank	14,137,435	5.81%	2015	2045	30 years
Citibank	21,880,448	4.41%	2017	2034	15 years
CSCDA	184,307,829	3.66%	2018	2047	30 years
JP Morgan Chase	33,735,307	3.47%	2019	2048	30 years

\*\*\*\*\*

**FINANCIAL RATIOS** (see next page for ratio formulas)

	2017 CCAC Medians 50 <sup>th</sup> Percentile <i>(optional)</i>	2017	2018	2019
<b>DEBT TO ASSET RATIO</b>		32.30%	52.17 %	51.11%
<b>OPERATING RATIO</b>		99.34%	104.84%	95.76%
<b>DEBT SERVICE COVERAGE RATIO</b>		4.08	4.71	4.89
<b>DAYS CASH ON HAND RATIO</b>		442	412	436

\*\*\*\*\*

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

	2016	%	2017	%	2018	%	2019	%
STUDIO	\$3,779	4.2%	\$3,941	4.3%	4,117	4.5%	\$4,319	4.9%
ONE BEDROOM	\$4,638	4.2%	\$4,838	4.3%	\$5,054	4.5%	\$5,302	4.9%
TWO BEDROOM	\$7,853	4.3%	\$8,87	4.3%	\$8,914	4.4%	\$9,360	5.0%
COTTAGE/HOUSE	\$10,515	4.3%	\$10,967	4.3%	\$10,967	0.0%	\$11,519	5.0%
ASSISTED LIVING								
SKILLED NURSING								
SPECIAL CARE								

**COMMENTS FROM PROVIDER:** > \_\_\_\_\_  
> \_\_\_\_\_  
> \_\_\_\_\_

## **FINANCIAL RATIO FORMULAS**

### **LONG-TERM DEBT TO TOTAL ASSETS RATIO**

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

### **OPERATING RATIO**

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

### **DEBT SERVICE COVERAGE RATIO**

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

### **DAYS CASH ON HAND RATIO**

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

**NOTE: These formulas are also used by the Continuing Care Accreditation Commission. For each formula, that organization also publishes annual median figures for certain continuing care retirement communities.**

**Continuing Care Retirement Community  
Disclosure Statement**

Date Prepared: 4/28/2020

FACILITY NAME: The Sequoias - San Francisco

ADDRESS: 1400 Geary Boulevard, San Francisco, California

ZIP CODE: 94109

PHONE: 415-922-9700

PROVIDER NAME: Sequoia Living, Inc.

FACILITY OPERATOR: Sequoia Living, Inc.

RELATED FACILITIES: Six related facilities

RELIGIOUS AFFILIATION: None

YEAR # OF ☐ SINGLE ☒ MULTI-  
OPENED: 1969 ACRES: 5 STORY STORY ☐ OTHER: \_\_\_\_\_

MILES TO SHOPPING CTR: <1

MILES TO HOSPITAL: 1

**NUMBER OF UNITS:**

**RESIDENTIAL LIVING**

APARTMENTS — STUDIO: 53

APARTMENTS — 1 BDRM: 143

APARTMENTS — 2 BDRM: 65

COTTAGES/HOUSES: 3

RLU OCCUPANCY (%) AT YEAR END: 96.2%

**HEALTH CARE**

ASSISTED LIVING: 18

SKILLED NURSING: 46

SPECIAL CARE: 19

DESCRIPTION: > Memory Care

**TYPE OF OWNERSHIP:**

☒ NOT-FOR-PROFIT

☐ FOR-PROFIT

ACCREDITED?: ☒ YES ☐ NO BY: CARF-CCAC

**FORM OF CONTRACT:**

☒ CONTINUING CARE

☒ LIFE CARE

☒ ENTRANCE FEE

☒ FEE FOR SERVICE

*(Check all that apply)*

☐ ASSIGNMENT OF ASSETS

☐ EQUITY

☐ MEMBERSHIP

☐ RENTAL

**REFUND PROVISIONS: (Check all that apply)**

☒ Refundable ☐ Repayable

☒ 90% ☒ 75% ☐ 50%

☐ OTHER: Fully Amortized

RANGE OF ENTRANCE FEES: \$ 140,300.00 - \$ 1,531,800

LONG-TERM CARE INSURANCE REQUIRED? ☐ YES ☒ NO

**HEALTH CARE BENEFITS INCLUDED IN CONTRACT:** For Lifecare contracts, exclusions include Rx, dental, glasses, podiatry, and specified others, for Continuing care contracts health care benefits are available for an additional fee, onsite clinic is included in monthly fee.

**ENTRY REQUIREMENTS:** MIN. AGE: 65

PRIOR PROFESSION: N/A

OTHER: N/A

**RESIDENT REPRESENTATIVE(S) TO, AND RESIDENT MEMBER(S) ON, THE BOARD:**

(briefly describe provider's compliance and residents' roles) > In accordance with the requirements of AB 1751, the Resident Association Boards of the three CCRCs recommend to the Sequoia Living board a resident to serve as a full voting Board member. For the 2018-2021 Board term, the resident association nominated and the Board appointed Neal McNamara, a TAM resident to serve on the board.

**FACILITY SERVICES AND AMENITIES**

<b><u>COMMON AREA AMENITIES</u></b>	<b><u>AVAILABLE</u></b>	<b><u>FEE FOR SERVICE</u></b>	<b><u>SERVICES AVAILABLE</u></b>	<b><u>INCLUDED IN FEE</u></b>	<b><u>FOR EXTRA CHARGE</u></b>
BEAUTY/BARBER SHOP	<input type="checkbox"/>	<input type="checkbox"/>	HOUSEKEEPING ( <u>4</u> TIMES/MONTH)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
BILLIARD ROOM	<input checked="" type="checkbox"/>	<input type="checkbox"/>	MEALS (____/DAY)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BOWLING GREEN	<input type="checkbox"/>	<input type="checkbox"/>	SPECIAL DIETS AVAILABLE	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
CARD ROOMS	<input checked="" type="checkbox"/>	<input type="checkbox"/>			
CHAPEL	<input checked="" type="checkbox"/>	<input type="checkbox"/>	24-HOUR EMERGENCY RESPONSE	<input checked="" type="checkbox"/>	<input type="checkbox"/>
COFFEE SHOP	<input checked="" type="checkbox"/>	<input type="checkbox"/>	ACTIVITIES PROGRAM	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
CRAFT ROOMS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	ALL UTILITIES EXCEPT PHONE	<input checked="" type="checkbox"/>	<input type="checkbox"/>
EXERCISE ROOM	<input checked="" type="checkbox"/>	<input type="checkbox"/>	APARTMENT MAINTENANCE	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
GOLF COURSE ACCESS	<input type="checkbox"/>	<input type="checkbox"/>	CABLE TV	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
LIBRARY	<input checked="" type="checkbox"/>	<input type="checkbox"/>	LINENS FURNISHED	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
PUTTING GREEN	<input type="checkbox"/>	<input type="checkbox"/>	LINENS LAUNDERED	<input checked="" type="checkbox"/>	<input type="checkbox"/>
SHUFFLEBOARD	<input type="checkbox"/>	<input type="checkbox"/>	MEDICATION MANAGEMENT	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
SPA	<input type="checkbox"/>	<input type="checkbox"/>	NURSING/WELLNESS CLINIC	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
SWIMMING POOL-INDOOR	<input type="checkbox"/>	<input type="checkbox"/>	PERSONAL HOME CARE	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
SWIMMING POOL-OUTDOOR	<input type="checkbox"/>	<input type="checkbox"/>	TRANSPORTATION-PERSONAL	<input type="checkbox"/>	<input checked="" type="checkbox"/>
TENNIS COURT	<input type="checkbox"/>	<input type="checkbox"/>	TRANSPORTATION-PREARRANGED	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
WORKSHOP	<input checked="" type="checkbox"/>	<input type="checkbox"/>	OTHER <u>Medical Supplies</u>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<u>OTHER</u> <u>Library, Art Gallery</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>			

All providers are required by Health and Safety Code section 1789.1 to provide this report to prospective residents before executing a deposit agreement or continuing care contract, or receiving any payment. Many communities are part of multi-facility operations which may influence financial reporting. Consumers are encouraged to ask questions of the continuing care retirement community that they are considering and to seek advice from professional advisors.

PROVIDER NAME: Sequoia Living, Inc.

[illegible]

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

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

<u>SUBSIDIZED SENIOR HOUSING</u>	<u>LOCATION (City, State)</u>	<u>PHONE (with area code)</u>
<u>Western Park Apartments</u>	<u>San Francisco, California</u>	<u>415-922-5436</u>
<u>Eastern Park Apartments</u>	<u>San Francisco, California</u>	<u>415-776-0114</u>
<u>Town Park Towers</u>	<u>San Jose, California</u>	<u>408-288-8750</u>

**NOTE:** PLEASE INDICATE IF THE FACILITY IS A LIFE CARE FACILITY. Page 2 of 4

	2016	2017	2018	2019
<b>INCOME FROM ONGOING OPERATIONS</b>				
<b>OPERATING INCOME</b>				
(Excluding amortization of entrance fee income)	\$79,891	83,087	90,840	100,697
<b>LESS OPERATING EXPENSES</b>				
(Excluding depreciation, amortization, and interest)	79,527	83,879	87,518	93,779
<b>NET INCOME FROM OPERATIONS</b>	364	(792)	3,322	6,918
<b>LESS INTEREST EXPENSE</b>	4,502	5,049	9,699	4,531
<b>PLUS CONTRIBUTIONS</b>	1,887	2,611	1,907	2,479
<b>PLUS NON-OPERATING INCOME (EXPENSES)</b>				
(excluding extraordinary items)	309	8,549	(11,474)	11,083
<b>NET INCOME (LOSS) BEFORE ENTRANCE FEES, DEPRECIATION AND AMORTIZATION</b>	(1,942)	5,319	(15,944)	13,562
<b>NET CASH FLOW FROM ENTRANCE FEES</b>				
(Total Deposits Less Refunds)	21,571	22,898	16,374	19,821

\*\*\*\*\*

**DESCRIPTION OF SECURED DEBT** *(as of most recent fiscal year end)*

LENDER	OUTSTANDING BALANCE	INTEREST RATE	DATE OF ORIGINATION	DATE OF MATURITY	AMORTIZATION PERIOD
CHFFA	61,719,877	2.00-5.00%	2015	2044	30 years
Citibank	14,137,435	5.81%	2015	2045	30 years
Citibank	21,880,448	4.41%	2017	2034	15 years
CSCDA	184,307,829	3.66%	2018	2047	30 years
JP Morgan Chase	33,735,307	3.47%	2019	2048	30 years

\*\*\*\*\*

**FINANCIAL RATIOS** (see next page for ratio formulas)

	2017 CCAC Medians 50 <sup>th</sup> Percentile <i>(optional)</i>	2017	2018	2019
<b>DEBT TO ASSET RATIO</b>		32.30%	52.17 %	51.11%
<b>OPERATING RATIO</b>		99.34%	104.84%	95.76%
<b>DEBT SERVICE COVERAGE RATIO</b>		4.08	4.71	4.89
<b>DAYS CASH ON HAND RATIO</b>		442	412	436

\*\*\*\*\*

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

	2016	%	2017	%	2018	%	2019	%
STUDIO	\$4,164	4.6%	\$4,355	3.4%	\$4,501	3.7%	\$4,668	3.7%
ONE BEDROOM	\$4,687	4.6%	\$4,903	3.3%	\$5,063	3.8%	\$5,255	3.8%
TWO BEDROOM	\$7,894	4.5%	\$8,252	3.5%	\$8,540	3.8%	\$8,866	3.8%
COTTAGE/HOUSE	\$9,805	4.6%	\$10,253	3.6%	\$10,624	3.8%	\$11,033	3.8%
ASSISTED LIVING								
SKILLED NURSING								
SPECIAL CARE								

**COMMENTS FROM PROVIDER:** > \_\_\_\_\_  
> \_\_\_\_\_  
> \_\_\_\_\_



## **FINANCIAL RATIO FORMULAS**

### **LONG-TERM DEBT TO TOTAL ASSETS RATIO**

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

### **OPERATING RATIO**

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

### **DEBT SERVICE COVERAGE RATIO**

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

### **DAYS CASH ON HAND RATIO**

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

**NOTE: These formulas are also used by the Continuing Care Accreditation Commission. For each formula, that organization also publishes annual median figures for certain continuing care retirement communities.**

**Continuing Care Retirement Community  
Disclosure Statement**

Date Prepared: 4/28/2020

FACILITY NAME: The Tamalpais

ADDRESS: 501 Via Casitas, Greenbrae, California

ZIP CODE: 94904

PHONE: 415-461-2300

PROVIDER NAME: Sequoia Living, Inc.

FACILITY OPERATOR: Sequoia Living, Inc.

RELATED FACILITIES: Six related facilities

RELIGIOUS AFFILIATION: None

YEAR # OF ☐ SINGLE ☒ MULTI-  
OPENED: 1969 ACRES: 6 STORY STORY ☐ OTHER: \_\_\_\_\_

MILES TO SHOPPING CTR: <1

MILES TO HOSPITAL: <1

**NUMBER OF UNITS:**

**RESIDENTIAL LIVING**

APARTMENTS — STUDIO: 42

APARTMENTS — 1 BDRM: 148

APARTMENTS — 2 BDRM: 34

COTTAGES/HOUSES: 0

RLU OCCUPANCY (%) AT YEAR END: 96.4%

**HEALTH CARE**

ASSISTED LIVING: 22

SKILLED NURSING: 48

SPECIAL CARE: 0

DESCRIPTION: > N/A

**TYPE OF OWNERSHIP:**

☒ NOT-FOR-PROFIT

☐ FOR-  
PROFIT

ACCREDITED?: ☒ YES ☐ NO BY: CARF-CCAC

**FORM OF CONTRACT:**

☒ CONTINUING CARE

☒ LIFE CARE

☒ ENTRANCE FEE

☒ FEE FOR SERVICE

*(Check all that apply)*

☐ ASSIGNMENT OF ASSETS

☐ EQUITY

☐ MEMBERSHIP

☐ RENTAL

**REFUND PROVISIONS: (Check all that apply)**

☒ Refundable ☐ Repayable

☒ 90% ☒ 75% ☐ 50%

☒ OTHER: Fully Amortized

RANGE OF ENTRANCE FEES: \$ 96,700 - \$ 1,573,100

LONG-TERM CARE INSURANCE REQUIRED? ☐ YES ☒ NO

HEALTH CARE BENEFITS INCLUDED IN CONTRACT: For Lifecare contracts, exclusions include Rx, dental, glasses, podiatry, psychiatry, and specified others, for Continuing care contracts health care benefits are available for an additional fee, onsite clinic is included in monthly fee.

ENTRY REQUIREMENTS: MIN. AGE: 65 PRIOR PROFESSION: N/A OTHER: N/A

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

> In accordance with the requirements of AB 1751, the Resident Association Boards of the three CCRCs recommend to the Sequoia Living board a resident to serve as a full voting Board member. For the 2018-2021 Board term, the resident association nominated and the Board appointed Neal McNamara, a TAM resident to serve on the board.

\*\*\*\*\*

**FACILITY SERVICES AND AMENITIES**

<b><u>COMMON AREA AMENITIES</u></b>	<b><u>AVAILABLE</u></b>	<b><u>FEE FOR SERVICE</u></b>	<b><u>SERVICES AVAILABLE</u></b>	<b><u>INCLUDED IN FEE</u></b>	<b><u>FOR EXTRA CHARGE</u></b>
BEAUTY/BARBER SHOP	<input type="checkbox"/>	<input checked="" type="checkbox"/>	HOUSEKEEPING ( <u>4</u> TIMES/MONTH)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
BILLIARD ROOM	<input checked="" type="checkbox"/>	<input type="checkbox"/>	MEALS ( <u>1-3</u> /DAY)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BOWLING GREEN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	SPECIAL DIETS AVAILABLE	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
CARD ROOMS	<input checked="" type="checkbox"/>	<input type="checkbox"/>			
CHAPEL	<input type="checkbox"/>	<input type="checkbox"/>	24-HOUR EMERGENCY RESPONSE	<input checked="" type="checkbox"/>	<input type="checkbox"/>
COFFEE SHOP	<input type="checkbox"/>	<input checked="" type="checkbox"/>	ACTIVITIES PROGRAM	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
CRAFT ROOMS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	ALL UTILITIES EXCEPT PHONE	<input checked="" type="checkbox"/>	<input type="checkbox"/>
EXERCISE ROOM	<input checked="" type="checkbox"/>	<input type="checkbox"/>	APARTMENT MAINTENANCE	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
GOLF COURSE ACCESS	<input type="checkbox"/>	<input type="checkbox"/>	CABLE TV	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
LIBRARY	<input checked="" type="checkbox"/>	<input type="checkbox"/>	LINENS FURNISHED	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
PUTTING GREEN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	LINENS LAUNDERED	<input checked="" type="checkbox"/>	<input type="checkbox"/>
SHUFFLEBOARD	<input checked="" type="checkbox"/>	<input type="checkbox"/>	MEDICATION MANAGEMENT	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
SPA	<input checked="" type="checkbox"/>	<input type="checkbox"/>	NURSING/WELLNESS CLINIC	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
SWIMMING POOL-INDOOR	<input checked="" type="checkbox"/>	<input type="checkbox"/>	PERSONAL HOME CARE	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
SWIMMING POOL-OUTDOOR	<input type="checkbox"/>	<input type="checkbox"/>	TRANSPORTATION-PERSONAL	<input type="checkbox"/>	<input checked="" type="checkbox"/>
TENNIS COURT	<input type="checkbox"/>	<input type="checkbox"/>	TRANSPORTATION-PREARRANGED	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
WORKSHOP	<input checked="" type="checkbox"/>	<input type="checkbox"/>	OTHER <u>Medical Supplies</u>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
OTHER <u>Resident Garden</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>			

All providers are required by Health and Safety Code section 1789.1 to provide this report to prospective residents before executing a deposit agreement or continuing care contract or receiving any payment. Many communities are part of multi-facility operations which may influence financial reporting. Consumers are encouraged to ask questions of the continuing care retirement community that they are considering and to seek advice from professional advisors.

Page 1 of 4

PROVIDER NAME: Sequoia Living, Inc.

<u>OTHER CCRCs</u>	<u>LOCATION (City, State)</u>	<u>PHONE (with area code)</u>
<u>The Sequoias - San Francisco</u>	<u>San Francisco, California</u>	<u>415-922-9700</u>
<u>The Sequoias - Portola Valley</u>	<u>Portola Valley, California</u>	<u>650-851-1501</u>
<u>The Tamalpais</u>	<u>Greenbrae, California</u>	<u>415-461-2300</u>
<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>

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

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

<u>SUBSIDIZED SENIOR HOUSING</u>	<u>LOCATION (City, State)</u>	<u>PHONE (with area code)</u>
<u>Western Park Apartments</u>	<u>San Francisco, California</u>	<u>415-922-5436</u>
<u>Eastern Park Apartments</u>	<u>San Francisco, California</u>	<u>415-776-0114</u>
<u>Town Park Towers</u>	<u>San Jose, California</u>	<u>408-288-8750</u>
<u> </u>	<u> </u>	<u> </u>

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

	2016	2017	2018	2019
<b>INCOME FROM ONGOING OPERATIONS</b>				
<b>OPERATING INCOME</b>				
(Excluding amortization of entrance fee income)	\$79,891	83,087	90,840	100,697
<b>LESS OPERATING EXPENSES</b>				
(Excluding depreciation, amortization, and interest)	79,527	83,879	87,518	93,779
<b>NET INCOME FROM OPERATIONS</b>	364	(792)	3,322	6,918
<b>LESS INTEREST EXPENSE</b>	4,502	5,049	9,699	4,531
<b>PLUS CONTRIBUTIONS</b>	1,887	2,611	1,907	2,479
<b>PLUS NON-OPERATING INCOME (EXPENSES)</b>				
(excluding extraordinary items)	309	8,549	(11,474)	11,083
<b>NET INCOME (LOSS) BEFORE ENTRANCE FEES, DEPRECIATION AND AMORTIZATION</b>	(1,942)	5,319	(15,944)	13,562
<b>NET CASH FLOW FROM ENTRANCE FEES</b>				
(Total Deposits Less Refunds)	21,571	22,898	16,374	19,821

\*\*\*\*\*

**DESCRIPTION OF SECURED DEBT** *(as of most recent fiscal year end)*

LENDER	OUTSTANDING BALANCE	INTEREST RATE	DATE OF ORIGINATION	DATE OF MATURITY	AMORTIZATION PERIOD
CHFFA	61,719,877	2.00-5.00%	2015	2044	30 years
Citibank	14,137,435	5.81%	2015	2045	30 years
Citibank	21,880,448	4.41%	2017	2034	15 years
CSCDA	184,307,829	3.66%	2018	2047	30 years
JP Morgan Chase	33,735,307	3.47%	2019	2048	30 years

\*\*\*\*\*

**FINANCIAL RATIOS** (see next page for ratio formulas)

	2017 CCAC Medians 50 <sup>th</sup> Percentile <i>(optional)</i>	2017	2018	2019
<b>DEBT TO ASSET RATIO</b>		32.30%	52.17 %	51.11%
<b>OPERATING RATIO</b>		99.34%	104.84%	95.76%
<b>DEBT SERVICE COVERAGE RATIO</b>		4.08	4.71	4.89
<b>DAYS CASH ON HAND RATIO</b>		442	412	436

\*\*\*\*\*

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

	2016	%	2017	%	2018	%	2019	%
STUDIO	\$3,767	4.8%	\$3,938	4.5%	\$4,074	3.5%	\$4,249	4.3%
ONE BEDROOM	\$4,845	4.8%	\$5,066	4.6%	\$5,249	3.6%	\$5,485	4.3%
TWO BEDROOM	\$8,367	4.9%	\$8,738	4.4%	\$9,059	3.7%	\$9,464	4.5%
COTTAGE/HOUSE								
ASSISTED LIVING								
SKILLED NURSING								
SPECIAL CARE								

**COMMENTS FROM PROVIDER:** > \_\_\_\_\_  
> \_\_\_\_\_  
> \_\_\_\_\_

## **FINANCIAL RATIO FORMULAS**

### **LONG-TERM DEBT TO TOTAL ASSETS RATIO**

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

### **OPERATING RATIO**

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

### **DEBT SERVICE COVERAGE RATIO**

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

### **DAYS CASH ON HAND RATIO**

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

**NOTE: These formulas are also used by the Continuing Care Accreditation Commission. For each formula, that organization also publishes annual median figures for certain continuing care retirement communities.**

# Part 7

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

	<u>RESIDENTIAL LIVING</u>	<u>ASSISTED LIVING</u>	<u>SKILLED NURSING</u>
[1] Monthly Care Fees at beginning of reporting period: (indicate range, if applicable)	<u>\$4,319 - \$11,518</u>	<u>\$4,319 - \$11,518</u>	<u>\$4,319 - \$11,518</u>

[2] Indicate percentage of increase in fees imposed during reporting period: (indicate range, if applicable)	<u>5.0%</u>	<u>5.0%</u>	<u>5.0%</u>
--	-------------	-------------	-------------

☐ Check here if monthly care fees at this community were not increased during the reporting period. (If you checked this box, please skip down to the bottom of this form and specify the names of the provider and community.)

[3] Indicate the date the fee increase was implemented: April 1, 2019  
 (If more than one (1) increase was implemented, indicate the dates for each increase.)

[4] Check each of the appropriate boxes:

- ☒ Each fee increase is based on the provider's projected costs, prior year per capita costs, and economic indicators.
- ☒ All affected residents were given written notice of this fee increase at least 30 days prior to its implementation. **Date of Notice:** 2/15/19  
**Method of Notice:** mailed with monthly care fee statements
- ☒ At least 30 days prior to the increase in fees, the designated representative of the provider convened a meeting that all residents were invited to attend. **Date of Meeting:** Feb. 14, 2019
- ☒ At the meeting with residents, the provider discussed and explained the reasons for the increase, the basis for determining the amount of the increase, and the data used for calculating the increase.
- ☒ The provider provided residents with at least 14 days advance notice of each meeting held to discuss the fee increases. **Date of Notice:** 2/4/19
- ☒ The governing body of the provider, or the designated representative of the provider posted the notice of, and the agenda for, the meeting in a conspicuous place in the community at least 14 days prior to the meeting. **Date of Posting:** 2/4/19      **Location of Posting:** resident bulletin board

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

**PROVIDER:** Sequoia Living, Inc.  
**COMMUNITY:** Sequoia – Portola Valley

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

	<u>RESIDENTIAL LIVING</u>	<u>ASSISTED LIVING</u>	<u>SKILLED NURSING</u>
[1] Monthly Care Fees at beginning of reporting period: (indicate range, if applicable)	<u>\$4,086 - \$11,982</u>	<u>\$4,086 - \$11,982</u>	<u>\$4,086 - \$11,982</u>
[2] Indicate percentage of increase in fees imposed during reporting period: (indicate range, if applicable)	<u>3.8%</u>	<u>3.8%</u>	<u>3.8%</u>

☐ Check here if monthly care fees at this community were not increased during the reporting period. (If you checked this box, please skip down to the bottom of this form and specify the names of the provider and community.)

[3] Indicate the date the fee increase was implemented: April 1, 2019  
(If more than one (1) increase was implemented, indicate the dates for each increase.)

[4] Check each of the appropriate boxes:

- ☒ Each fee increase is based on the provider's projected costs, prior year per capita costs, and economic indicators.
- ☒ All affected residents were given written notice of this fee increase at least 30 days prior to its implementation. **Date of Notice:** 2/15/19  
**Method of Notice:** Placed in inboxes, mailed or emailed to DPOAs for higher level of care.
- ☒ At least 30 days prior to the increase in fees, the designated representative of the provider convened a meeting that all residents were invited to attend. **Date of Meeting:** 2/19/2019
- ☒ At the meeting with residents, the provider discussed and explained the reasons for the increase, the basis for determining the amount of the increase, and the data used for calculating the increase.
- ☒ The provider provided residents with at least 14 days advance notice of each meeting held to discuss the fee increases. **Date of Notice:** 2/2/19
- ☒ The governing body of the provider, or the designated representative of the provider posted the notice of, and the agenda for, the meeting in a conspicuous place in the community at least 14 days prior to the meeting. **Date of Posting:** 2/2/19 **Location of Posting:** A level wall outside of the resident mail room, memo to residents and in Sequoian newsletter

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

**PROVIDER:** Sequoia Living, Inc.  
**COMMUNITY:** Sequoia San Francisco



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

- |  | <u>RESIDENTIAL<br/>LIVING</u> | <u>ASSISTED<br/>LIVING</u> | <u>SKILLED<br/>NURSING</u> |
|--|-------------------------------|----------------------------|----------------------------|
| [1] Monthly Care Fees at beginning of reporting period:  |                               |                            |                            |
| (indicate range, if applicable)  | <u>\$4,249 - \$11,850</u>     | <u>\$4,249 - \$11,850</u>  | <u>\$4,249 - \$11,850</u>  |
| [2] Indicate percentage of increase in fees imposed during reporting period: (indicate range, if applicable)   | <u>4.5%</u>                   | <u>4.5%</u>                | <u>4.5%</u>                |
| <input type="checkbox"/> Check here if monthly care fees at this community were <u>not</u> increased during the reporting period. (If you checked this box, please skip down to the bottom of this form and specify the names of the provider and community.)  |                               |                            |                            |
| [3] Indicate the date the fee increase was implemented: <u>April 1, 2019</u><br>(If more than one (1) increase was implemented, indicate the dates for each increase.)   |                               |                            |                            |
| [4] Check each of the appropriate boxes:   |                               |                            |                            |
| <input checked="" type="checkbox"/> Each fee increase is based on the provider's projected costs, prior year per capita costs, and economic indicators.  |                               |                            |                            |
| <input checked="" type="checkbox"/> All affected residents were given written notice of this fee increase at least 30 days prior to its implementation. <b>Date of Notice:</b> <u>3/1/2019</u><br><b>Method of Notice:</b> <u>letter to residents</u>  |                               |                            |                            |
| <input checked="" type="checkbox"/> At least 30 days prior to the increase in fees, the designated representative of the provider convened a meeting that all residents were invited to attend. <b>Date of Meeting:</b> <u>Feb. 15, 2019</u>   |                               |                            |                            |
| <input checked="" type="checkbox"/> At the meeting with residents, the provider discussed and explained the reasons for the increase, the basis for determining the amount of the increase, and the data used for calculating the increase.  |                               |                            |                            |
| <input checked="" type="checkbox"/> The provider provided residents with at least 14 days advance notice of each meeting held to discuss the fee increases. <b>Date of Notice:</b> <u>1/15/19</u>  |                               |                            |                            |
| <input checked="" type="checkbox"/> The governing body of the provider, or the designated representative of the provider posted the notice of, and the agenda for, the meeting in a conspicuous place in the community at least 14 days prior to the meeting. <b>Date of Posting:</b> <u>1/15/19</u> <b>Location of Posting:</b> <u>resident communication board</u> |                               |                            |                            |
| [5] On an attached page, provide a concise explanation for the increase in monthly care fees including the amount of the increase and compliance with the applicable Health and Safety Code sections. See <b><u>PART 7 REPORT ON CCRC MONTHLY CARE FEE</u></b> in the <b>Annual Report Instruction</b> booklet for further instructions.                             |                               |                            |                            |

**PROVIDER:** Sequoia Living, Inc.  
**COMMUNITY:** The Tamalpais

## Part 8

# KEY INDICATORS REPORT

*Sara McKay*

Chief Executive Officer Signature

Date Prepared: 4/29/2020

## Sequoia Living

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

### OPERATIONAL STATISTICS

#### 1. Average Annual Occupancy by Site (%)

					Projected	Forecast				Preferred Trend Indicator
2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	
See next page										N/A

### MARGIN (PROFITABILITY) INDICATORS

#### 2. Net Operating Margin (%)

-9.64%	-4.98%	-5.40%	-4.70%	-6.07%	-3.49%	-0.43%	0.57%	0.86%	0.87%	↑
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#### 3. Net Operating Margin - Adjusted (%)

16.15%	18.79%	17.66%	17.26%	14.39%	13.65%	17.55%	18.32%	18.54%	18.57%	↑
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### LIQUIDITY INDICATORS

#### 4. Unrestricted Cash and Investments (\$000)

\$98,102	\$106,320	\$109,180	\$109,638	\$117,496	\$105,871	\$91,067	\$106,522	\$111,158	\$116,027	↑
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#### 5. Days Cash on Hand (Unrestricted)

425	453	442	412	436	391	355	403	408	414	↑
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### CAPITAL STRUCTURE INDICATORS

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

\$128,151	\$134,856	\$141,053	\$141,480	\$141,480	\$142,895	\$144,324	\$145,767	\$147,225	\$148,697	N/A
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#### 7. Net Annual E/F proceeds (\$000)

\$22,344	\$22,641	\$21,485	\$17,964	\$17,964	\$18,503	\$19,058	\$19,630	\$20,219	\$20,826	N/A
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#### 8. Unrestricted Net Assets (\$000)

\$5,380	-\$277	\$32,811	\$24,870	\$24,870	\$24,845	\$24,820	\$24,795	\$24,771	\$24,746	N/A
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#### 9. Annual Capital Asset Expenditure (\$000)

\$15,008	\$29,274	\$33,590	\$40,031	\$79,224	\$39,612	\$39,216	\$38,824	\$38,435	\$38,051	N/A
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#### 10. Annual Debt Service Coverage Revenue Basis (x)

-0.04	0.74	2.04	0.07	1.27	0.45	0.77	0.71	0.63	0.72	↑
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#### 11. Annual Debt Service Coverage (x)

3.04	4.11	4.08	4.71	4.89	4.94	4.99	5.04	5.09	5.14	↑
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#### 12. Annual Debt Service/Revenue (%)

5.71%	5.19%	4.89%	4.83%	4.41%	4.60%	4.74%	4.61%	4.46%	4.33%	↓
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#### 13. Average Annual Effective Interest Rate (%)

3.97%	3.51%	4.92%	3.43%	3.23%	3.25%	3.14%	3.10%	3.07%	2.81%	↓
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#### 14. Unrestricted Cash & Investments/ Long-Term Debt (%)

85.42%	85.36%	108.92%	111.99%	73.27%	71.37%	99.30%	104.91%	107.08%	109.43%	↑
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#### 15. Average Age of Facility (years)

14.29	13.34	13.23	11.41	13.27	13.97	11.88	12.09	12.13	12.65	↓
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# KEY INDICATORS REPORT

## Sequoia Living

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

### OPERATIONAL STATISTICS

#### 1. Average Annual Occupancy by Site (%)

					Projected	Forecast				Preferred Trend Indicator
2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	
										N/A
86%	94%	93%	97%	96%	95%	95%	95%	95%	95%	
88%	98%	99%	97%	96%	95%	95%	95%	95%	95%	
92%	94%	91%	94%	96%	95%	95%	95%	95%	95%	