

ANNUAL REPORT CHECKLIST
FOR
FISCAL YEAR ENDED: September 30, 2021

PROVIDER: Bay Area Senior Services, Inc

FACILITY(IES): The Peninsula Regent

CONTACT PERSON: Lynn Acklin

TELEPHONE NO.: (888) 724-6424

EMAIL: lacklin@retirement.org

Your complete annual report must consist of 2 copies and an electronic copy of the following:

- This cover sheet.
- Annual Provider Fee in the amount of: 14,545.46
- Certification by the provider's chief executive officer that:
 - The reports are correct to the best of his/her knowledge.
 - Each continuing care contract form in use or offered to new residents has been approved by the Department.
 - The Provider is maintaining the required liquid reserve and, when applicable, the required refund reserve.
- Evidence of the provider's fidelity bond, as required by H&SC section 1789.8.
- Provider's audited financial statements, with an accompanying certified public accountant's opinion thereon.
- Provider's audited reserve reports (prepared on Department forms), with an accompanying certified public accountant's opinion thereon.
- Provider's "Continuing Care Retirement Community Disclosure Statement" and Form 7-1
- Provider's Refund Reserve Calculation(s) - Form 9-1 abd/or 9-2, if applicable.

The Key Indicators Report is required to be submitted within 30 days of the due date of the submission of the annual report, but may be submitted at the same time as the annual report.

**FORM 1-1
RESIDENT POPULATION**

<u>Line</u>	<u>Continuing Care Residents</u>	<u>TOTAL</u>
[1]	Number at beginning of fiscal year	218
[2]	Number at end of fiscal year	212
[3]	Total Lines 1 and 2	430
[4]	Multiply Line 3 by ".50" and enter result on Line 5.	x 0.50
[5]	Mean number of continuing care residents	215
All Residents		
[6]	Number at beginning of fiscal year	222
[7]	Number at end of fiscal year	215
[8]	Total Lines 6 and 7	437
[9]	Multiply Line 8 by ".50" and enter result on Line 10.	x 0.50
[10]	Mean number of all residents	216.5
[11]	Divide the mean number of continuing care residents (Line 5) by the mean number of all residents (Line 10) and enter the result (round to two decimal places).	0.99

**FORM 1-2
ANNUAL PROVIDER FEE**

<u>Line</u>	<u>TOTAL</u>
[1] Total Operating Expenses (including depreciation and debt service - interest only)	17,433,281
[a] Depreciation	1,257,383
[b] Debt Service (Interest Only)	1,528,954
[2] Subtotal (add Line 1a and 1b)	2,786,337
[3] Subtract Line 2 from Line 1 and enter result.	14,646,944
[4] Percentage allocated to continuing care residents (Form 1-1, Line 11)	0.99
[5] Total Operating Expense of Continuing Care Residents (multiply Line 3 by Line 4)	14,545,464
[6] Total Amount Due (multiply Line 5 by .001)	14,545.46

Provider: Bay Area Senior Services, Inc
Community: The Peninsula Regent

FORM 1-1 AND FORM 1-2



THE PENINSULA REGENT
Your Life. Your Way.

February 2, 2022

Allison Nakatomi
Department of Social Services
744 "P" Street, M. S. 9-14-91
Sacramento, CA 95814

Re: Annual Report of Bay Area Senior Services,
dba The Peninsula Regent
Certification by Chief Executive Officer

The annual report and any amendments thereto are correct to the best of my knowledge.

To the best of my knowledge every continuing care contract form in use or offered to new residents has been approved by the Department of Social Services.

As of January 31, 2022 Bay Area Senior Services is maintaining the required liquid reserve and refund reserve.

Sincerely,

Eric Sholty, CEO
Pacific Retirement Services, Inc
Bay Area Senior Services



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
12/21/2021

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

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Caring Communities Shared Services LTD 1850 W. Winchester Road Suite 109 Libertyville IL 60048	CONTACT NAME: Underwriting Associate	
	PHONE (A/C, No, Ext): 847-549-8225 FAX (A/C, No): 847-549-8095 E-MAIL ADDRESS: Certificates@caringcomm.org	
INSURED Pacific Retirement Services Inc. Pacific Retirement Services Inc. One West Main St. Suite 303 Medford OR 97501	INSURER(S) AFFORDING COVERAGE	NAIC #
	INSURER A: Caring Communities Insurance Company	
	INSURER B:	
	INSURER C:	
	INSURER D:	

COVERAGES**CERTIFICATE NUMBER:****REVISION NUMBER:**

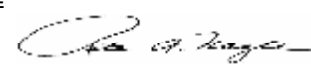
THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE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

INSR LTR	TYPE OF INSURANCE	ADD'L INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
	COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> OCCUR _____ GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC <input type="checkbox"/> OTHER:						EACH OCCURRENCE	\$
							DAMAGE TO RENTED PREMISES (Ea occurrence)	\$
							MED EXP (Any one person)	\$
							PERSONAL & ADV INJURY	\$
							GENERAL AGGREGATE	\$
							PRODUCTS - COMP/OP AGG	\$
								\$
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> NON-OWNED AUTOS						COMBINED SINGLE LIMIT (Ea accident)	\$
							BODILY INJURY (Per person)	\$
							BODILY INJURY (Per accident)	\$
							PROPERTY DAMAGE (Per accident)	\$
								\$
								\$
	<input type="checkbox"/> UMBRELLA LIAB <input type="checkbox"/> <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> <input type="checkbox"/> DEDUCTIBLE <input type="checkbox"/> RETENTION \$						EACH OCCURRENCE	\$
							AGGREGATE	\$
								\$
								\$
								\$
								\$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? <input type="checkbox"/> Y/N (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below						PER STATUTE	OTHER
							E.L. EACH ACCIDENT	\$
							E.L. DISEASE - EA EMPLOYEE	\$
							E.L. DISEASE - POLICY LIMIT	\$
A	OTHER Commercial Crime			CCIC-0015-22	01/01/2022	01/01/2023	Single Loss Limit	\$1,000,000
							Retention	\$10,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

12/21/2021 10:35:54
 Named Insured includes: The Peninsula Regent
 Evidence of coverage

CERTIFICATE HOLDER**CANCELLATION**

The Peninsula Regent One Baldwin Avenue San Mateo CA 94401	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE 
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**BAY AREA SENIOR SERVICES, INC. AND
UNIVERSITY RETIREMENT COMMUNITY AT DAVIS
AND AFFILIATE**

**COMBINED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

YEARS ENDED SEPTEMBER 30, 2021 AND 2020



WEALTH ADVISORY | OUTSOURCING
AUDIT, TAX, AND CONSULTING

CLAcconnect.com

**BAY AREA SENIOR SERVICES, INC. AND
UNIVERSITY RETIREMENT COMMUNITY AT DAVIS AND AFFILIATE
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INDEPENDENT AUDITORS' REPORT

Board of Directors
Bay Area Senior Services, Inc. and
University Retirement Community at Davis and Affiliate
San Mateo and Davis, California

Report on the Financial Statements

We have audited the accompanying combined financial statements of Bay Area Senior Services, Inc. and University Retirement Community at Davis and Affiliate (the Corporation), which comprise the combined statements of financial position as of September 30, 2021 and 2020, and the related combined statements of activities and changes in net assets, and cash flows for the years then ended, and the related notes to the combined financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these combined 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 combined financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these combined 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 combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the combined 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 combined 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 combined financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

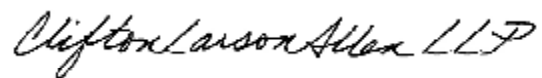
Board of Directors
Bay Area Senior Services, Inc. and
University Retirement Community at Davis and Affiliate

Opinion

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of Bay Area Senior Services, Inc. and University Retirement Community at Davis and Affiliate as of September 30, 2021 and 2020, and the results of their operations, changes in their net assets, and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the combined financial statements as a whole. The combining statements of financial position, activities and changes in net assets, cash flows, and statements of cash flows – direct method are presented for purposes of additional analysis and are not a required part of the combined 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 combined financial statements. The information has been subjected to the auditing procedures applied in the audits of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined 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 combined financial statements as a whole.



CliftonLarsonAllen LLP

Bellevue, Washington
December 22, 2021

**BAY AREA SENIOR SERVICES, INC. AND
UNIVERSITY RETIREMENT COMMUNITY AT DAVIS AND AFFILIATE
COMBINED STATEMENTS OF FINANCIAL POSITION
SEPTEMBER 30, 2021 AND 2020**

ASSETS	2021	2020
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 10,310,760	\$ 7,717,315
Investments	48,338,536	28,343,062
Accounts Receivable, Net	1,406,004	2,038,537
Supplies and Prepaid Expenses	1,004,507	750,966
Assets Restricted Under Bond Indenture Agreements	139,812	144,564
Total Current Assets	61,199,619	38,994,444
PROPERTY AND EQUIPMENT, NET	105,468,215	104,076,137
OTHER ASSETS		
Gift Annuities	4,848	4,872
Receivables from Members, Noncurrent	591,803	449,929
Noncurrent Investments	2,392,021	833,839
Total Other Assets	2,988,672	1,288,640
Total Assets	\$ 169,656,506	\$ 144,359,221
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable and Accrued Expenses	\$ 3,954,478	\$ 3,724,568
Accrued Interest	123,037	181,904
Other Current Liabilities	215,225	157,113
Refundable Advance	605,157	-
Due to Affiliates, Net	305,878	238,615
Refundable Deposits, Nonmember	365,820	274,240
Refundable Deposits, Member	70,849	82,591
Current Portion of Long-Term Debt	1,753,996	1,849,889
Total Current Liabilities	7,394,440	6,508,920
OTHER LIABILITIES		
Long-Term Debt, Net of Current Portion	65,678,338	46,396,274
Less: Unamortized Debt Issuance Costs	(919,208)	(583,417)
Long-Term Debt, Net	64,759,130	45,812,857
Deferred Revenue from Entrance Fees	44,091,281	42,940,275
Interest Rate Swap Agreement	3,036,124	4,370,052
Total Other Liabilities	111,886,535	93,123,184
Total Liabilities	119,280,975	99,632,104
NET ASSETS		
Without Donor Restriction	50,252,105	44,640,110
With Donor Restriction	123,426	87,007
Total Net Assets	50,375,531	44,727,117
Total Liabilities and Net Assets	\$ 169,656,506	\$ 144,359,221

See accompanying Notes to Combined Financial Statements.

**BAY AREA SENIOR SERVICES, INC. AND
UNIVERSITY RETIREMENT COMMUNITY AT DAVIS AND AFFILIATE
COMBINED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
YEARS ENDED SEPTEMBER 30, 2021 AND 2020**

	2021	2020
OPERATING REVENUES		
Service Fees	\$ 30,325,428	\$ 29,050,763
Health Center Revenue, Net	5,665,532	3,537,145
Entrance Fees Earned	6,176,411	5,921,679
Transfer Fees	757,973	935,050
Contributions	117,804	296,044
Investment Income	1,071,430	454,841
Other Revenue	1,860,798	3,339,758
Subtotal	45,975,376	43,535,280
Net Assets Released from Restrictions	296,056	281,691
Total Operating Revenues	46,271,432	43,816,971
OPERATING EXPENSES		
Program Expenses:		
Dietary	7,745,170	7,588,638
Facility Services and Utilities	9,101,928	9,080,203
Health and Social Services	5,170,019	4,546,104
Memory Care	557,419	580,556
Assisted Living	2,526,865	2,479,634
General and Administrative Expenses:		
Administrative and Marketing	5,952,338	5,761,330
Interest Expense and Financing Fees	2,741,018	1,790,533
Net Settlements Associated with Interest Rate Swap Agreement	745,400	620,209
Depreciation	5,597,315	5,309,657
Disbursement of Contributed Funds	338,934	464,422
Loss on Disposal of Property and Equipment	502,954	181,978
Other Expenses	1,200,463	1,103,292
Fees to Affiliates	2,174,732	1,955,856
Total Operating Expenses	44,354,555	41,462,412
OPERATING INCOME	1,916,877	2,354,559
NONOPERATING INCOME (LOSS)		
Unrealized Change in Value of Investments	2,601,692	1,106,216
Loss on Extinguishment of Debt	(240,502)	-
Change in Value of Interest Rate Swap Agreement	1,333,928	(747,914)
Total Nonoperating Income	3,695,118	358,302
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTION	5,611,995	2,712,861
NET ASSETS WITH DONOR RESTRICTION		
Contributions	332,499	304,826
Change in Value of Gift Annuities Receivable	(24)	49
Net Assets Released from Restrictions	(296,056)	(281,691)
Change in Net Assets with Donor Restrictions	36,419	23,184
CHANGE IN NET ASSETS	5,648,414	2,736,045
Net Assets - Beginning of Year	44,727,117	41,991,072
NET ASSETS - END OF YEAR	\$ 50,375,531	\$ 44,727,117

See accompanying Notes to Combined Financial Statements.

**BAY AREA SENIOR SERVICES, INC. AND
UNIVERSITY RETIREMENT COMMUNITY AT DAVIS AND AFFILIATE
COMBINED STATEMENTS OF CASH FLOWS
YEARS ENDED SEPTEMBER 30, 2021 AND 2020**

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 5,648,414	\$ 2,736,045
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	5,597,315	5,309,657
Capital Contributions	(997)	(23,754)
Amortization of Debt Issuance Costs	164,836	158,351
Change in Value of Interest Rate Swap Agreement	(1,333,928)	747,914
Nonrepayable Entrance Fees Received	7,837,200	5,650,960
Nonrepayable Entrance Fees Repaid	(509,783)	(582,974)
Entrance Fees Earned	(6,176,411)	(5,921,679)
Unrealized Change in Value of Investments	(2,601,692)	(1,106,216)
Realized (Gain) Loss and Reinvested Income	(1,051,964)	(437,106)
Loss on Disposal of Property and Equipment	502,954	181,978
Loss on Extinguishment of Debt	240,502	-
Net Change in:		
Accounts Receivable, Net	632,533	(1,189,641)
Supplies and Prepaid Expenses	(253,541)	(207,706)
Accounts Payable and Accrued Expenses	547,875	101,864
Accrued Interest	(58,867)	1,763
Gift Annuities	24	(49)
Due to Affiliates	67,263	(39,529)
Refundable Deposits	79,838	(8,940)
Refundable Advance	605,157	-
Other Current Liabilities	58,112	19,889
Net Cash Provided by Operating Activities	9,994,840	5,390,827
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Property and Equipment	(7,849,572)	(8,645,040)
Proceeds from Sale of Property and Equipment	40,257	349,742
Purchases of Investments	(19,261,276)	(5,309,003)
Proceeds from Sale of Investments	6,048,181	5,448,866
Change in Receivables from Members, Noncurrent	(141,874)	(270,058)
Net Cash Used by Investing Activities	(21,164,284)	(8,425,427)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of Long-Term Debt	(24,313,828)	(1,763,654)
Proceeds from Issuance of Long-Term Debt	43,500,000	-
Bond Issuance Costs Paid	(741,130)	-
Net Cash Provided (Used) by Financing Activities	18,445,042	(1,763,654)
NET INCREASE (DECREASE) IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	7,275,598	(4,798,254)
Cash, Cash Equivalents, and Restricted Cash - Beginning of Year	8,275,001	13,073,255
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH - END OF YEAR	\$ 15,550,599	\$ 8,275,001

See accompanying Notes to Combined Financial Statements.

**BAY AREA SENIOR SERVICES, INC. AND
UNIVERSITY RETIREMENT COMMUNITY AT DAVIS AND AFFILIATE
COMBINED STATEMENTS OF CASH FLOWS (CONTINUED)
YEARS ENDED SEPTEMBER 30, 2021 AND 2020**

	2021	2020
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash and Cash Equivalents	\$ 10,310,760	\$ 7,717,315
Investments	5,100,027	413,122
Assets Restricted Under Bond Indenture Agreements	139,812	144,564
Cash, Cash Equivalents, and Restricted Cash	\$ 15,550,599	\$ 8,275,001
 SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash Paid During the Year for Interest	\$ 1,572,549	\$ 2,478,615
 SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING AND FINANCING ACTIVITIES		
Property and Equipment Financed with Accounts Payable and Accrued Expenses	\$ 1,292,159	\$ 1,610,124

See accompanying Notes to Combined Financial Statements.

**BAY AREA SENIOR SERVICES, INC. AND
UNIVERSITY RETIREMENT COMMUNITY AT DAVIS AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Bay Area Senior Services, Inc. (BASS), is the owner and operator of The Peninsula Regent (TPR), a retirement community providing housing and other related services in San Mateo, California. BASS is a tax-exempt, nonprofit corporation incorporated under the laws of the state of California on July 1, 1986. Each resident (Member) of TPR becomes a Member of the Continuing Care Members Association and the Home Owners' Association.

On September 4, 2018, BASS created BASS Real Estate Holdings, LLC (BASS LLC), a wholly owned limited liability corporation incorporated under the laws of the state of California for the purpose of purchasing the land and common areas of TPR.

University Retirement Community at Davis (URCAD), was founded as a California nonprofit public benefit corporation to provide residential facilities, health and welfare programs, and various services and sponsor programs for the elderly and operates a life plan community in Davis, California.

University Retirement Community at Davis Foundation, Inc. (the Foundation or URCADF), was established by the board of directors and residents of URCAD to acquire, hold, and use gifts from donors for the needs of URCAD and other related programs. Contributions to the Foundation are tax deductible by the donor as provided by the Internal Revenue Code (IRC). URCAD is the sole corporate member of the Foundation.

On October 29, 2018, BASS, together with BASS LLC and URCAD (collectively, The Obligated Group) formed a group jointly obligated to the long-term debt agreement entered into on October 29, 2018 and the Series 2013 Variable Rate Demand Revenue Bonds (see Note 5).

Collectively, BASS, BASS LLC, URCAD, and URCADF are defined as "the Corporation." The Corporation is an affiliate of Pacific Retirement Services, Inc. (PRS). PRS includes the following organizations:

- Rogue Valley Manor (RVM) (including Rogue Valley Manor Foundation, Inc.);
- The Cumberland Rest, Inc. dba: Trinity Terrace (Trinity Terrace);
- Cascade Manor, Inc. (Cascade) (including Cascade Manor Foundation, Inc.);
- Holladay Park Plaza, Inc. (HPP);
- Mirabella (Mirabella Seattle) (including Mirabella Washington Foundation, dba: Mirabella Seattle Foundation);
- Capitol Lakes, Inc. (Capitol Lakes) (including Capitol Lakes Foundation, Inc., Middleton Glen, Inc., and Senior Housing of Middleton, Inc.);
- Mirabella at South Waterfront (Mirabella Portland) (including Mirabella Portland Foundation, Inc.);
- Mirabella at ASU, Inc. (Mirabella ASU)
- 25 Affordable Housing Corporations under various corporate names (AHC);

**BAY AREA SENIOR SERVICES, INC. AND
UNIVERSITY RETIREMENT COMMUNITY AT DAVIS AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Organization (Continued)

- Community Volunteer Network (CVN);
- PRS Property Holdings, LLC (included in PRS);
- Crest Park, Incorporated (Crest Park);
- Pacific Retirement Services Foundation (PRSF) (included in PRS);
- PRS Management, Inc. (PRS MI) (including and The Centennial, Inc.).

Basis of Presentation

The accompanying combined financial statements include the accounts of BASS, URCAD, and the Foundation. The combined financial statements are prepared on the accrual basis of accounting and all significant intercompany balances and transactions have been eliminated.

Performance Indicator

Change in net assets without donor restrictions as reflected in the accompanying combined statements of activities and changes in net assets, is the performance indicator. Change in net assets without donor restrictions includes all changes in net assets without donor restrictions, including unrealized change in value of trading investments, change in value of interest rate swap agreement, excluding receipt of restricted contributions, change in value of gift annuities, and investment returns restricted by donors or law.

Cash and Cash Equivalents

Cash and cash equivalents include cash, money market accounts, commercial paper, and other securities with maturities of three months or less at date of acquisition that are not otherwise held by an investment advisor or restricted under bond indenture agreements.

Investments

Investments are stated at fair value based on quoted market prices. Investments acquired by gift are recorded at fair value on the date received. Investments in marketable securities are adjusted to fair value through recognition of unrealized gains and losses in the performance indicator as they are classified as trading securities. Gains or losses are calculated based on specific identification of the investments. Dividend, interest, and other investment income are recorded net of related custodial and advisory fees.

Accounts Receivable

The Corporation provides services to members and residents even though they may lack adequate funds or may participate in programs that do not pay full charges. The Corporation receives payment for health services from residents, insurance companies, Medicare, and other third-party payors. As a result, the Corporation is exposed to certain credit risks. The Corporation manages its risk by regularly reviewing its accounts, by providing appropriate allowances for uncollectible accounts, and by having secured the accounts through a lien on the condominiums and its Residence and Care Agreements with the residents of the community.

**BAY AREA SENIOR SERVICES, INC. AND
UNIVERSITY RETIREMENT COMMUNITY AT DAVIS AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounts Receivable (Continued)

Accounts receivable are stated at the amount management expects to collect. If necessary, management provides for possible uncollectible amounts through a charge to revenues and a credit to a valuation allowance based on its assessment of historical collectibility. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and credit to resident accounts receivable.

Assets Restricted Under Bond Indenture Agreements

Under the terms of the bond indenture agreements between the California Statewide Communities Development Authority (the Authority), the Corporation, and U.S. Bank as Trustee, the Corporation established a Debt Service Fund for the payment of interest and principal on outstanding bonds. Periodic deposits are made to cover the principal and interest payments of the debt. At September 30, 2021 and 2020, the Corporation had a total of \$139,812 and \$144,564, respectively, in assets restricted under bond indenture agreements.

Property and Equipment

Purchased property and equipment are recorded at cost, or fair value when received, if donated. The cost basis includes any interest, finance charges, major replacements and improvements, and other related costs capitalized during construction. The Corporation capitalizes fixed assets with a cost greater than \$2,000. Maintenance, repairs, and minor replacements are charged to expense when incurred.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets, which range from 5 to 50 years. When assets are retired or otherwise disposed of, the cost of the asset and its related accumulated depreciation are removed from the accounts, and any resulting gain or loss is recognized in income or expense for the period.

The Corporation, using its best estimates based on reasonable and supportable assumptions and projections, reviews for impairment of long-lived assets when indicators of impairment are identified. The review addresses the estimated recoverability of the assets' carrying value, which is principally determined based on projected undiscounted cash flows generated by the underlying tangible assets. When the carrying value of an asset exceeds estimated recoverability, an asset impairment is recognized. No impairment losses were present for the years ended September 30, 2021 and 2020.

Refundable Deposits

Applicants for residency pay waitlist and entrance fee deposits, which vary in amount, prior to occupancy. Generally, depositors may cancel their reservation agreements at any time prior to admission and receive partial to full repayment of their deposits, in accordance with their reservation agreements.

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NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Revenue from Entrance Fees

Fees paid by a resident upon entering into a continuing care life plan contract are recorded as deferred revenue and are amortized to income over the estimated remaining actuarial life expectancy of the resident. Included in such deferred revenue are amounts expected to be repaid to residents, as actuarially determined. For the years ended September 30, 2021 and 2020, \$509,783 and \$582,974 were repaid, respectively. Amounts amortized to income relating to this type of contract were \$6,176,411 and \$5,921,679 for the years ended September 30, 2021 and 2020, respectively, and are included in entrance fees earned in the combined statements of activities and changes in net assets. At September 30, 2021 and 2020, the Corporation had nonrepayable entrance fees of \$44,091,281 and \$42,940,275, respectively, related to entrance fees received that will be recognized as revenue in future years.

Future Services Obligation

The Corporation regularly calculates the present value of the net cost of future services and the use of facilities to be provided to current residents and compares that amount with the balance of deferred revenue from entrance fees. If the present value of the net cost of future services and the use of facilities exceeds the deferred revenue from entrance fees, a liability is recorded (future services obligation) with the corresponding charge to expense. At September 30, 2021 and 2020 there was no future services obligation.

Interest Rate Swap Agreement

The Corporation has a derivative instrument which is an interest rate swap agreement (see Note 6), which is recorded on the combined statements of financial position at fair value. As this derivative does not qualify as an effective hedge, the changes in fair value of the derivative are recognized in nonoperating income (loss) on the combined statements of activities and changes in net assets in accordance with Accounting Standards Codification (ASC) 815, *Derivatives and Hedging*. In addition, there is a collateral posting requirement if either the Corporation or Merrill Lynch (the Counterparty) exceeds a certain dollar threshold in terms of the market value. The Corporation reports any collateral posted as an other asset on the combined statements of financial position. The collateral posting level is also contingent on the credit rating of the Corporation. If the Corporation were to experience a downgrade in its credit rating, the posting threshold would increase. The organization had no collateral posting requirements at September 30, 2021 and 2020.

Receivables from Members, Noncurrent

Receivables from Members represent interest-bearing notes executed between the Corporation and certain Members who have deferred a portion of their monthly fee. The loan is secured by the Member's interest in their condominium and is to be repaid upon the sale of the condominium, along with interest. It is possible that the advances could exceed the sales value of the condominium. Management believes that none of the current advances outstanding, which total \$591,803 and \$449,929 as of September 30, 2021 and 2020, respectively, exceed the sales value of the Members' condominiums.

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NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Assets

The Corporation reports two classifications of net assets. A description of each classification of net assets is as follows:

Net Assets Without Donor Restrictions – Represent unrestricted resources available to support the Corporation's operations and restricted resources which have become available for use by the Corporation in accordance with the intention of the donor.

Net Assets With Donor Restrictions – Net assets with donor restrictions represent net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other purposes specified by the donor. Other donor restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

All donor-restricted contributions are reported as increase in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions. Income earned on net assets with donor restrictions, including capital appreciation, is recognized in the period earned.

Charity Care

The Corporation provides care without charge or at amounts less than its established rates to residents who meet certain criteria under its charity care policy. Because the Corporation does not normally pursue collection of amounts determined to qualify as benevolence, they are not reported as revenue. Amounts provided as charity care for the years ended September 30, 2021 and 2020 were \$76,496 and \$111,030, respectively.

Contributions

The Corporation reports unconditional contributions of cash and other assets at fair value at the date the contribution is made. Conditional contributions are reported at fair value at the date the conditions are substantially met. The gifts are reported as support in net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets.

Transfer Fees

Upon the resale of a condominium, BASS is entitled to a transfer fee equal to 10% of the seller's purchase price plus 75% of any realized appreciation. Revenue is recognized in the period in which the condominium sale takes place.

Tax-Exempt Status

BASS, URCAD and the Foundation have been recognized by the Internal Revenue Service as nonprofit corporations as described in Section 501(c)(3) of the IRC and are exempt from federal and state income taxes on related activities. No tax provision has been made in the accompanying combined statements of activities and changes in net assets.

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NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Tax-Exempt Status (Continued)

The Corporation recognizes the tax benefit from uncertain tax positions only if it is more likely than not that the tax positions will be sustained on examination by the tax authorities, based on the technical merits of the position. The tax benefit is measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. The Corporation recognizes interest and penalties related to income tax matters in operating expenses. At September 30, 2021 and 2020, there were no such uncertain tax positions.

Concentration of Risks

The Corporation's cash, cash equivalents, unrestricted investments, and assets restricted under bond indenture consist of various financial instruments. These financial instruments may subject the Corporation to concentrations of risk as, from time to time, cash and investment balances may exceed amounts insured by the Federal Deposit Insurance Corporation (FDIC) and the Securities Investor Protection Corporation (SIPC), the fair value of securities is dependent on the ability of the issuer to honor its contractual commitments, and the fair value of investments is subject to change. Management monitors the financial condition of these institutions on an ongoing basis and does not believe significant credit risk exists at this time.

Concentration of credit risk results from the Corporation granting credit without collateral to its residents and patients, most of whom are local residents and may be insured under third-party payor agreements. See Note 3 for the mix of receivables from residents, members, and third-party payors as of September 30, 2021 and 2020.

Workers' Compensation Insurance

The Corporation is insured for workers' compensation claims under a guaranteed cost policy. Under the policy, premiums are paid based on estimated annual payroll amounts, which are trueed up at each year-end. All claims are covered under the policy. Should the claims made policy not be renewed, or replaced with equivalent insurance, claims related to occurrences during their terms but reported subsequent to their termination would be covered by the insurance policy. Accounting principles generally accepted in the United States of America require that a healthcare organization disclose the estimated costs of claims in the period of the incident, if it is reasonably possible that liabilities may be incurred and losses can be reasonably estimated. Because this is a guaranteed cost policy, and all claims are covered, there is no estimated liability to record.

Professional and General Liability Insurance

The Corporation, on its behalf, has secured claims-made professional liability and general liability insurance policies with self-insured retentions of \$50,000 per claim, with coverage limits of \$1,000,000 per claim, and \$3,000,000 in aggregate per policy period (January 1, 2020 to January 1, 2021 and January 1, 2021 to January 1, 2022). The Corporation, on its behalf, has also secured an excess professional and general liability insurance policy with limits of \$20,000,000 per claim and \$30,000,000 aggregate per policy period (January 1, 2020 to January 1, 2021 and January 1, 2021 to January 1, 2022).

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NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 period. Actual results could differ from those estimates.

Financial Instruments

The Corporation's policy is to recognize transfers in and transfers out of Level 1 and Level 2 as of the end of the reporting period. See Note 12 for fair value hierarchy disclosures.

Advertising

The Corporation expenses advertising costs as incurred. The Corporation's advertising expense for the years ended September 30, 2021 and 2020 was \$447,985 and \$220,100, respectively.

NOTE 2 LIQUIDITY AND AVAILABILITY

As of September 30, 2021 and 2020, the Corporation had working capital of \$53,776,324 and \$32,485,524, respectively.

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

	<u>2021</u>	<u>2020</u>
Cash and Cash Equivalents	\$ 10,310,760	\$ 7,717,315
Investments	48,338,536	28,343,062
Accounts Receivable, Net	1,406,004	2,038,537
Total Financial Assets	<u>\$ 60,055,300</u>	<u>\$ 38,098,914</u>

As part of the Corporation's liquidity management plan, cash in excess of daily requirements are invested in accordance with its investment policy.

As of September 30, 2021, management believes the Corporation was in compliance with debt covenants (see Note 5).

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NOTE 3 ACCOUNTS RECEIVABLE

Accounts receivable at September 30 consisted of the following:

	2021		2020	
	Amount	Percentage	Amount	Percentage
Medicare	\$ 565,113	39 %	\$ 292,467	14 %
Resident and Member Monthly Fees	336,845	23	251,261	12
Insurance	279,006	19	80,414	4
Other	261,732	19	1,425,338	70
Total Accounts Receivable	<u>1,442,696</u>	<u>100 %</u>	<u>2,049,480</u>	<u>100 %</u>
Less: Allowance for Doubtful Accounts	(36,692)		(10,943)	
Accounts Receivable, Net	<u>\$ 1,406,004</u>		<u>\$ 2,038,537</u>	

NOTE 4 PROPERTY AND EQUIPMENT

Property and equipment at September 30 consisted of the following:

	2021	2020
Land	\$ 26,942,132	\$ 26,942,132
Buildings and Land Improvements	117,153,978	111,454,148
Equipment and Furnishings	15,105,705	14,280,151
Subtotal	<u>159,201,815</u>	<u>152,676,431</u>
Less: Accumulated Depreciation	(56,599,248)	(51,457,044)
Subtotal	<u>102,602,567</u>	<u>101,219,387</u>
Construction in Progress	2,865,648	2,856,750
Property and Equipment, Net	<u>\$ 105,468,215</u>	<u>\$ 104,076,137</u>

Construction in progress for 2021 primarily consists of various ongoing renovations to the properties such as, lighting, carpets, exterior improvements. These projects are anticipated to be completed in the next fiscal year and are being funded by operations.

NOTE 5 LONG-TERM DEBT

Long-term debt at September 30 consisted of the following:

	2021	2020
Series 2013 Revenue Refunding Bonds	\$ 23,974,000	\$ 25,423,000
2018 Loan	-	22,823,163
2021 Loan	43,458,334	-
Subtotal	<u>67,432,334</u>	<u>48,246,163</u>
Less: Unamortized Debt Issuance Costs	(919,208)	(583,417)
Less: Current Portion	(1,753,996)	(1,849,889)
Long-Term Debt, Net	<u>\$ 64,759,130</u>	<u>\$ 45,812,857</u>

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NOTE 5 LONG-TERM DEBT (CONTINUED)

The terms of the Corporation's outstanding long-term debt at September 30 are as described in the paragraphs below.

Series 2013 Revenue Refunding Bonds

On August 29, 2013 the California Statewide Communities Development Authority, issued \$33,708,000 of revenue refunding bonds directly placed with Bank of America. The bonds bear interest at 67% of London Interbank Offered Rate (LIBOR) plus a spread of 1.27%. The bonds were issued to refinance the 2008 and 2010 bonds and other capital improvements. The bonds are subject to redemptions as scheduled prior to final maturity in November 2033. The bonds are subject to a mandatory put on August 29, 2023, the put is anticipated to be extended or debt refinanced prior to this date. On July 1, 2021, a new agreement was entered into lowering the interest rate to 80% of LIBOR plus a spread of .85%. The new agreement extended the put date to July 1, 2031.

2018 Loan

On October 29, 2018, the Corporation entered into a loan agreement with Bank of America for the amount of \$23,500,000. The debt bears interest at 4.61%. The proceeds of the loan were used to purchase Parcel A, which includes among other things, land and common areas. The debt is subject to redemption as scheduled prior to final maturity in August 2023.

2021 Loan

On July 1, 2021, the Corporation refinanced the loan with Bank of America for the amount of \$43,500,000. The debt bears interest at LIBOR plus a spread of 1.08%. The proceeds of the loan were used to refinance the 2018 loan, pay off a promissory note and other capital improvements. The debt is subject to final maturity on July 1, 2031.

Debt

The Corporation has granted a security interest and lien on certain real property, improvements, and tangible personal property in connection with the bonds described above. The security interest and lien are described in the Master Trust Indenture entered into with U.S. Bank National Association, as master trustee, and the associated deed of trust.

Aggregate maturities of long-term debt are as follows:

<u>Year Ending September 30,</u>	<u>Amount</u>
2022	\$ 1,753,996
2023	1,955,780
2024	2,654,594
2025	2,765,887
2026	2,876,249
Thereafter	55,425,828
Total	<u>\$ 67,432,334</u>

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NOTE 5 LONG-TERM DEBT (CONTINUED)

The Corporation is subject to financial covenants on long-term debt which include a debt service coverage ratio and minimum days of cash-on-hand requirement. Management believes that the Corporation was in compliance with all provisions as of September 30, 2021 and 2020.

Unamortized Debt Issuance Costs

Issue costs relating to the 2013 bond issue in the amount of \$495,378, and the 2019 Bank of America loan in the amount of \$596,340, and the 2021 Bank of America loan in the amount of \$741,130 were reported as a direct reduction of the carrying amount of the debt. Total gross debt issuance costs were \$1,236,508 and \$1,091,718 for the years ended September 30, 2021 and 2020. Unamortized debt issuance costs are amortized over the term of the bonds. For the years ended September 30, 2021 and 2020, amortization expense was \$164,836 and \$158,351, respectively, and as of September 30, 2021 and 2020, accumulated amortization was \$317,300 and \$508,301, respectively.

NOTE 6 INTEREST RATE SWAP AGREEMENT

On November 1, 2005, University Retirement Community entered into a contract with Merrill Lynch (counterparty) for a fixed-pay interest rate swap. The interest rate swap has a trade date of September 7, 2005, an effective date of November 1, 2005, and a termination date of November 15, 2030. It was entered into for the benefit of University Retirement Community to manage interest rate risk on the variable rate bonds, however, it is not being accounted for as an effective hedge.

Under the interest rate swap agreement, which had a \$45,085,000 original notional amount, agrees with the other party to pay, at specified intervals, the fixed rate of 3.21%, while receiving the variable rate of 67% of three-month LIBOR. The outstanding notional principal amount decreases ratably with the original scheduled principal payments. The outstanding notional amounts under the interest rate swap agreement was \$23,900,000 and \$25,595,000 at September 30, 2021 and September 30, 2020, respectively.

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NOTE 7 NET ASSETS WITH DONOR RESTRICTIONS

The Corporation classifies net asset funds/trusts with donor restrictions that are restricted by time and purpose.

Net assets with donor restrictions at September 30 consisted of the following:

Net Assets with Temporary Donor Restrictions:	2021	2020
Employee Appreciation	\$ 85,299	\$ 63,481
Employee Scholarship	12,912	4,432
Resident Assistance	10,661	4,872
B Nelson Transportation	5,350	5,150
Piano Restoration	2,157	2,157
Equipment	2,070	2,070
Capital Improvements	1,241	1,241
Miscellaneous Other	3,736	3,604
Total Net Assets with Donor Restrictions	\$ 123,426	\$ 87,007

Net assets released from donor restrictions for the years ended September 30 were released for the following purposes:

	2021	2020
Employee Appreciation	\$ 222,496	\$ 233,718
Employee Scholarship	49,000	47,293
Resident Assistance	24,392	680
Miscellaneous Other	168	-
Total Net Assets Released from Donor Restrictions	\$ 296,056	\$ 281,691

NOTE 8 SERVICE FEES AND HEALTH CENTER REVENUE

Resident service fees and patient health center revenue is reported at the amount that reflects the consideration to which the Corporation expects to be entitled in exchange for services provided. These amounts are due from residents, third-party payors (including health insurers and government programs), and include variable consideration for retroactive revenue adjustments due to settlement of audits, reviews, and investigations. For the years ended September 30, 2021 and 2020, approximately 48% and 27%, respectively, of health center revenue was derived under federal third-party reimbursement programs.

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NOTE 8 SERVICE FEES AND HEALTH CENTER REVENUE

Performance obligations are determined based on the nature of the services provided by the Corporation. Revenue for performance obligations satisfied over time is recognized based on actual charges incurred in relation to total expected (or actual) charges. The Corporation believes that this method provides a faithful depiction of the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligation. Generally, performance obligations satisfied over time relate to residents in the facility receiving skilled nursing services or housing residents receiving services in the facility. The Corporation considers daily services provided to residents of the skilled nursing facility, and monthly rental for housing services as a separate performance obligation and measures this on a monthly basis, or upon move-out within the month, whichever is shorter. The continuing care agreement creates a performance obligation to be satisfied over the resident's life at the Corporation. The Corporation recognizes the revenue associated with the nonrepayable portion of the entrance fee ratably in future periods using a time based measurement.

Revenue for performance obligations satisfied at a point in time is generally recognized when goods or services are provided to the residents and customers in a retail setting (for example, gift shop, salon, transportation, and cafeteria meals) and the Corporation does not believe it is required to provide additional goods or services related to that sale.

The Corporation determines the transaction price based on standard charges for goods and services provided, reduced by contractual adjustments provided to third-party payors, discounts provided to patients in accordance with the Corporation's policy and/or implicit price concessions provided to residents. The Corporation determines its estimates of contractual adjustments based on contractual agreements, its policies, and historical experience.

Generally, residents who are covered by third-party payors are responsible for related deductibles and coinsurance, which vary in amount. The Corporation estimates the transaction price for residents with deductibles and coinsurance based on historical experience and current market conditions. The initial estimate of the transaction price is determined by adjusting the standard charge by any contractual adjustments, discounts, and implicit price concessions. Subsequent charges to the estimate of the transaction price are generally recorded as adjustments to resident and client services revenue in the period of the change. Additional revenue recognized due to changes in its estimates of implicit price concessions, discounts, and contractual adjustments were not considered material for the years ended September 30, 2021 or 2020. Subsequent changes that are determined to be the result of an adverse change in the resident's ability to pay are recorded as provision for uncollectible accounts and were not considered material for the years ended September 30, 2021 and 2020.

The Corporation has determined that the nature, amount, timing, and uncertainty of revenue and cash flows are affected by the following factors: payors, geography, service lines, method of reimbursement, and timing of when revenue is recognized.

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NOTE 8 SERVICE FEES AND HEALTH CENTER REVENUE (CONTINUED)

The composition of service fees and health center revenue by primary payor for the years ended September 30 consisted of the following:

	<u>2021</u>	<u>2020</u>
Private Pay	\$ 32,685,256	\$ 31,388,550
Insurance	595,193	250,181
Medicare	2,710,511	949,177
Total	<u>\$ 35,990,960</u>	<u>\$ 32,587,908</u>

Revenue from resident and patient's deductibles and coinsurance are included in the categories presented above based on the primary payor.

The opening and closing contract balances were as follows:

	<u>Receivable</u>
Balance as of October 1, 2019	\$ 848,896
Balance as of September 30, 2020	2,038,537
Balance as of September 30, 2021	1,406,004

Contract Costs

The Corporation has applied the practical expedient provided by FASB ASC 340-40-25-4 and all incremental customer contract acquisition costs are expensed as they are incurred as the amortization period of the asset that the Corporation otherwise would have recognized is one year or less in duration.

NOTE 9 OTHER REVENUE

Other revenue for the years ended September 30 consisted of the following:

	<u>2021</u>	<u>2020</u>
Miscellaneous Other	\$ 555,345	\$ 1,737,942
Lease and Rental	483,124	477,681
Private Duty	375,812	445,111
Food and Beverage	177,305	308,317
Facility Services	147,080	217,043
Garage and Carport	87,469	85,625
Application Fees	25,000	20,500
Guest Room	8,280	24,850
Recreation and Activities	1,383	22,689
Total Other Revenue	<u>\$ 1,860,798</u>	<u>\$ 3,339,758</u>

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NOTE 9 OTHER REVENUE (CONTINUED)

Due to the Coronavirus pandemic, the U.S. Department of Health and Human Services (HHS) made available emergency relief grant funds to health care providers through the CARES Act Provider Relief Fund (PRF). Total grant funds approved and received by Corporation were \$69,850 and \$600,986 for the years ended September 30, 2021 and 2020, respectively. The PRF's are subject to certain restrictions on eligible expenses or uses, reporting requirements, and will be subject to audit. At September 30, 2021 and 2020, the Corporation recognized \$69,850 and \$600,986 as miscellaneous other in the statement of activities and changes in net assets. Management believes the amounts have been recognized appropriately as of September 30, 2021 and 2020.

NOTE 10 RELATED PARTY TRANSACTIONS

PRS provides various general, administrative, and marketing services to the Corporation. The total fees included in the combined statements of activities and changes in net assets were \$1,955,856 and \$2,673,086 for the years ended September 30, 2021 and 2020, respectively.

In addition, the Corporation, PRS MI, and other Affiliates are charged or reimbursed for salaries, benefits, and direct expenses as services are provided.

Due to affiliates at September 30 consisted of the following:

	<u>2021</u>	<u>2020</u>
Due to PRS	\$ 241,252	\$ 223,304
Due to PRS MI	51,589	15,311
Due to Affiliates	13,037	-
Total Due to Affiliates, Net	<u>\$ 305,878</u>	<u>\$ 238,615</u>

NOTE 11 INVESTMENT INCOME

Income from investments, assets restricted under bond indenture agreements, and cash and cash equivalents for the years ended September 30 consisted of the following:

	<u>2021</u>	<u>2020</u>
Realized Gain (Loss) on Investments	\$ 539,676	\$ (179,841)
Dividends and Interest, Net of Investment Expense	531,754	634,682
Total Investment Income	<u>\$ 1,071,430</u>	<u>\$ 454,841</u>

Investment income is reported net of investment expenses of \$43,366 and \$53,652 for the years ended September 30, 2021 and 2020, respectively.

The total unrealized change in value on investments was \$2,601,692 and \$1,106,216 for the years ended September 30, 2021 and 2020, respectively.

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NOTE 12 FINANCIAL INSTRUMENTS

FASB ASC 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. FASB ASC 820 also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

Level 1 – Quoted prices in active markets for identical assets or liabilities.

Level 2 – Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in active markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities; or net assets value per share (or its equivalent) with the ability to redeem the investment in the near term.

Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

Following is a description of the valuation methodologies used for instruments measured at fair value on a recurring basis and recognized in the combined statements of financial position at September 30, 2021 and 2020, as well as the general classification of such instruments pursuant to the valuation hierarchy.

Cash and Cash Equivalents – Level 1 securities include cash and cash equivalents, including those held in bond sinking funds and held for refundable deposits.

Investments and Assets Restricted Under Bond Indenture Agreements – Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. Level 1 securities include cash and cash equivalents held for investment, exchange traded equities and mutual funds, debt securities, and fixed income securities. If quoted market prices are not available, then fair values are estimated by using pricing models, quoted prices of securities with identical characteristics, discounted cash flows, or net asset values. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the fair value hierarchy.

Gift Annuities – The gift annuities receivable value is based on life expectancy tables and an assumed rate of return of 4%.

Interest Rate Swap Agreement – The interest rate swap agreement fair value is based upon current settlement values, quoted market prices of comparable instruments, or, if there are no relevant comparables, on pricing models or formulas using current assumptions.

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NOTE 12 FINANCIAL INSTRUMENTS (CONTINUED)

Investments at NAV – These assets consist of investments in private equity companies which are carried at estimated fair value as a practical expedient by using net asset value (NAV). Investments carried at NAV are evaluated on an investment by investment basis annually by management through review of partner’s capital statements of activity from the fund, and fund audited financial statements when available.

The Corporation has an investment committee that meets at least quarterly with management and the investment advisors to review the strategy and ongoing performance of all investments, including analyzing changes in fair value measurements from period to period.

The following tables present the fair value hierarchy for those assets and liabilities measured at fair value on a recurring basis at September 30:

	2021			Total
	Level 1	Level 2	Level 3	
Assets:				
Cash and Cash Equivalents	\$ 5,239,839	\$ -	\$ -	\$ 5,239,839
Domestic Equity:				
Large Cap	11,877,679	-	-	11,877,679
Mid Cap	2,325,930	-	-	2,325,930
International Equity:				
EAFE Equity	2,852,150	-	-	2,852,150
Asia Ex-Japan Equity	471,592	-	-	471,592
Japanese Large Cap Equity	1,315,053	-	-	1,315,053
Emerging Markets Equity	2,596,537	-	-	2,596,537
Global Equity	80,766	-	-	80,766
European Large Cap Equity	1,449,325	-	-	1,449,325
Fixed Income:				
U.S. Fixed Income	20,269,477	-	-	20,269,477
Alternative Assets:				
Gift Annuities	-	4,848	-	4,848
Total at Fair Value	<u>\$ 48,478,348</u>	<u>\$ 4,848</u>	<u>\$ -</u>	48,483,196
Investments Carried at NAV				<u>2,392,021</u>
Total Assets				<u>\$ 50,875,217</u>
Liabilities:				
Interest Rate Swap Agreement	<u>\$ -</u>	<u>\$ 3,036,124</u>	<u>\$ -</u>	<u>\$ 3,036,124</u>

**BAY AREA SENIOR SERVICES, INC. AND
UNIVERSITY RETIREMENT COMMUNITY AT DAVIS AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
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NOTE 12 FINANCIAL INSTRUMENTS (CONTINUED)

	2020			
	Level 1	Level 2	Level 3	Total
Assets:				
Cash and Cash Equivalents	\$ 557,686	\$ -	\$ -	\$ 557,686
Domestic Equity:				
Large Cap	6,361,946	-	-	6,361,946
Mid Cap	1,029,535	-	-	1,029,535
International Equity:				
EAFE Equity	1,576,057	-	-	1,576,057
Asia Ex-Japan Equity	653,187	-	-	653,187
Japanese Large Cap Equity	686,240	-	-	686,240
Emerging Markets Equity	1,327,142	-	-	1,327,142
Global Equity	401,463	-	-	401,463
Fixed Income:				
U.S. Fixed Income	15,760,207	-	-	15,760,207
Alternative Assets:				
Real Estate	17,394	-	-	17,394
Hedge Funds	88,239	-	-	88,239
Hard Assets	28,530	-	-	28,530
Gift Annuities	-	4,872	-	4,872
Total at Fair Value	<u>\$ 28,487,626</u>	<u>\$ 4,872</u>	<u>\$ -</u>	<u>28,492,498</u>
Investments Carried at NAV				833,839
Total Assets				<u>\$ 29,326,337</u>
Liabilities:				
Interest Rate Swap Agreement	<u>\$ -</u>	<u>\$ 4,370,052</u>	<u>\$ -</u>	<u>\$ 4,370,052</u>

The financial instruments are classified in the combined statements of financial position at September 30:

	2021	2020
Investments	\$ 50,730,557	\$ 29,176,901
Assets Restricted Under Bond Indenture Agreements	139,812	144,564
Gift Annuities	4,848	4,872
Total	<u>\$ 50,875,217</u>	<u>\$ 29,326,337</u>

NOTE 13 RETIREMENT PLANS

The Corporation is a participating employer in the Pacific Retirement Services, Inc. 401(k) Plan. All employees of the Corporation are able to participate in the 401(k) plan by deferring funds from their compensation into the plan. As well, safe harbor matching funds are provided by the employer to eligible employees based on the employee contributions up to a maximum of 4% of the employee's eligible annual compensation. Nonelective profit sharing contributions are also provided at the election of the employer and are based on a percentage of the qualified employee's annual eligible compensation, as defined by the plan.

Total contributions charged to expense for the plans were \$607,071 and \$549,802 for the years ended September 30, 2021 and 2020, respectively.

**BAY AREA SENIOR SERVICES, INC. AND
UNIVERSITY RETIREMENT COMMUNITY AT DAVIS AND AFFILIATE
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SEPTEMBER 30, 2021 AND 2020**

NOTE 14 STATUTORY RESERVES

BASS and URCAD are certified as a Life Plan Community by the State of California Department of Social Services. California Code Chapter 10, Article 6, Section 1792 requires Life Plan Community's to establish "liquid reserves" (cash, marketable securities, etc.) equal to, or greater than, the annual principal and interest payments on long-term obligations plus 75 days of the Life Plan Community's adjusted operating expenses. BASS and URCAD's liquid reserves at September 30, 2021 and 2020 were sufficient to meet this requirement.

NOTE 15 COMMITMENTS AND CONTINGENCIES

Litigation

The Corporation is party to various claims and legal actions in the normal course of business. In the opinion of management, the Corporation has substantial meritorious defenses to pending or threatened litigation and, based upon current facts and circumstances, the resolution of these matters is not expected to have a material adverse effect on the financial position of the Corporation.

COVID-19 Pandemic

In March 2020, the World Health Organization declared the spread of the Coronavirus Disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic is having significant effects on global markets, supply chains, business, and communities. Specific to the Corporation, COVID-19 may impact various parts of its fiscal year 2022 operations and financial results including but not limited to additional costs for emergency preparedness, disease control and containment, potential shortages of health care personnel, or loss of revenue due to reductions in certain revenue streams. Management believes the Corporation is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as of September 30, 2021.

NOTE 16 FUNCTIONAL EXPENSES

The financial statements report certain expense categories that are attributable to more than one life plan service or support function. Therefore, these expenses require an allocation on a reasonable basis that is consistently applied. Costs not directly attributable to a function, including depreciation, interest, and other occupancy costs, are allocated to a function based on the departmental applicability within that function.

**BAY AREA SENIOR SERVICES, INC. AND
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SEPTEMBER 30, 2021 AND 2020**

NOTE 16 FUNCTIONAL EXPENSES (CONTINUED)

Functional expenses at September 30 consisted of the following:

	2021		
	Program Services	Management and General	Total
Salaries and Benefits	\$ 13,254,273	\$ 2,518,339	\$ 15,772,612
Depreciation and Loss on Disposal or Property and Equipment	6,100,269	-	6,100,269
Interest and Financing	3,486,418	-	3,486,418
Services	7,333,644	2,606,060	9,939,704
Supplies	4,024,534	181,328	4,205,862
Other	1,059,351	1,555,503	2,614,854
Utilities	2,234,836	-	2,234,836
Total Expenses	<u>\$ 37,493,325</u>	<u>\$ 6,861,230</u>	<u>\$ 44,354,555</u>

	2020		
	Program Services	Management and General	Total
Salaries and Benefits	\$ 12,808,228	\$ 2,455,449	\$ 15,263,677
Depreciation and Loss on Disposal or Property and Equipment	5,491,635	-	5,491,635
Interest and Financing	2,410,742	-	2,410,742
Services	8,027,140	2,357,128	10,384,268
Supplies	2,885,322	158,247	3,043,569
Other	949,056	1,724,081	2,673,137
Utilities	2,195,384	-	2,195,384
Total Expenses	<u>\$ 34,767,507</u>	<u>\$ 6,694,905</u>	<u>\$ 41,462,412</u>

NOTE 17 REFUNDABLE ADVANCE - PAYCHECK PROTECTION PROGRAM

On April 16, 2021, the Corporation received proceeds in the amount of \$605,157 to fund payroll. The PPP Loan bears interest at a fixed rate of 1.00% per annum, has a term of five years, and is guaranteed by the U.S. Small Business Administration (SBA). Payment of principal and interest is deferred until the date on which the amount of forgiveness is remitted by the SBA to the lender or, if the Corporation fails to apply for forgiveness within 10 months after the covered period, then payment of principal and interest shall begin on that date. These amounts are subject to forgiveness based on compliance with program requirements and approval by the SBA, which are outlined in the loan agreement and the American Rescue Plan Act (ARP Act).

The Corporation is following ASC 958-605, Contributions, to account for the proceeds related to the PPP Loan. Initially, proceeds from the PPP Loan will be classified as a refundable advance on the balance sheets. The Corporation recognized no income related to this agreement during the year ended September 30, 2021, as no portion of the PPP Loan has met the performance barriers.

**BAY AREA SENIOR SERVICES, INC. AND
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NOTES TO COMBINED FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020**

NOTE 18 SUBSEQUENT EVENTS

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

The Corporation evaluated all events or transactions that occurred after September 30, 2021, up through December 22, 2021, the date the combined financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

**BAY AREA SENIOR SERVICES, INC. AND
UNIVERSITY RETIREMENT COMMUNITY AT DAVIS AND AFFILIATE
COMBINING STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2021
(SEE INDEPENDENT AUDITORS' REPORT)**

	University Retirement Community at Davis, Inc.	Bay Area Senior Services, Inc.	Eliminations	Obligated Group Subtotal	University Retirement Community at Davis Foundation, Inc.	Eliminations	Total
ASSETS							
CURRENT ASSETS							
Cash and Cash Equivalents	\$ 8,235,071	\$ 2,031,109	\$ -	\$ 10,266,180	\$ 44,580	\$ -	\$ 10,310,760
Investments	35,528,493	11,029,997	-	46,558,490	1,780,046	-	48,338,536
Accounts Receivable, Net	1,006,353	399,651	-	1,406,004	-	-	1,406,004
Supplies and Prepaid Expenses	606,962	397,545	-	1,004,507	-	-	1,004,507
Assets Restricted Under Bond Indenture Agreements	139,812	-	-	139,812	-	-	139,812
Total Current Assets	<u>45,516,691</u>	<u>13,858,302</u>	<u>-</u>	<u>59,374,993</u>	<u>1,824,626</u>	<u>-</u>	<u>61,199,619</u>
PROPERTY AND EQUIPMENT, NET	63,670,292	41,797,923	-	105,468,215	-	-	105,468,215
OTHER ASSETS							
Gift Annuities	-	-	-	-	4,848	-	4,848
Receivables from Members, Noncurrent	-	591,803	-	591,803	-	-	591,803
Noncurrent Investments	2,392,021	-	-	2,392,021	-	-	2,392,021
Beneficial Interest in Net Assets of Foundation	21,783	-	-	21,783	-	(21,783)	-
Total Other Assets	<u>2,413,804</u>	<u>591,803</u>	<u>-</u>	<u>3,005,607</u>	<u>4,848</u>	<u>(21,783)</u>	<u>2,988,672</u>
Total Assets	<u>\$ 111,600,787</u>	<u>\$ 56,248,028</u>	<u>\$ -</u>	<u>\$ 167,848,815</u>	<u>\$ 1,829,474</u>	<u>\$ (21,783)</u>	<u>\$ 169,656,506</u>

**BAY AREA SENIOR SERVICES, INC. AND
UNIVERSITY RETIREMENT COMMUNITY AT DAVIS AND AFFILIATE
COMBINING STATEMENT OF FINANCIAL POSITION (CONTINUED)
SEPTEMBER 30, 2021
(SEE INDEPENDENT AUDITORS' REPORT)**

	University Retirement Community at Davis, Inc.	Bay Area Senior Services, Inc.	Eliminations	Obligated Group Subtotal	University Retirement Community at Davis Foundation, Inc.	Eliminations	Total
LIABILITIES AND NET ASSETS							
CURRENT LIABILITIES							
Accounts Payable and Accrued Expenses	\$ 3,348,360	\$ 605,808	\$ -	\$ 3,954,168	\$ 310	\$ -	\$ 3,954,478
Accrued Interest	80,810	42,227	-	123,037	-	-	123,037
Other Current Liabilities	56,201	159,024	-	215,225	-	-	215,225
Refundable Advance	-	605,157	-	605,157	-	-	605,157
Due to Affiliates, Net	231,290	68,383	-	299,673	6,205	-	305,878
Refundable Deposits, Nonmember	365,820	-	-	365,820	-	-	365,820
Refundable Deposits, Member	-	70,849	-	70,849	-	-	70,849
Current Portion of Long-Term Debt	1,504,000	249,996	-	1,753,996	-	-	1,753,996
Total Current Liabilities	<u>5,586,481</u>	<u>1,801,444</u>	<u>-</u>	<u>7,387,925</u>	<u>6,515</u>	<u>-</u>	<u>7,394,440</u>
OTHER LIABILITIES							
Long-Term Debt, Net of Current Portion	22,470,000	43,208,338	-	65,678,338	-	-	65,678,338
Less: Unamortized Debt Issuance Costs	<u>(633,841)</u>	<u>(285,367)</u>	<u>-</u>	<u>(919,208)</u>	<u>-</u>	<u>-</u>	<u>(919,208)</u>
Long-Term Debt, Net	21,836,159	42,922,971	-	64,759,130	-	-	64,759,130
Deferred Revenue from Entrance Fees	44,091,281	-	-	44,091,281	-	-	44,091,281
Interest Rate Swap Agreements	3,036,124	-	-	3,036,124	-	-	3,036,124
Total Other Liabilities	<u>68,963,564</u>	<u>42,922,971</u>	<u>-</u>	<u>111,886,535</u>	<u>-</u>	<u>-</u>	<u>111,886,535</u>
Total Liabilities	74,550,045	44,724,415	-	119,274,460	6,515	-	119,280,975
NET ASSETS							
Without Donor Restriction	36,943,660	11,520,013	-	48,463,673	1,788,432	-	50,252,105
With Donor Restriction	<u>107,082</u>	<u>3,600</u>	<u>-</u>	<u>110,682</u>	<u>34,527</u>	<u>(21,783)</u>	<u>123,426</u>
Total Net Assets	<u>37,050,742</u>	<u>11,523,613</u>	<u>-</u>	<u>48,574,355</u>	<u>1,822,959</u>	<u>(21,783)</u>	<u>50,375,531</u>
Total Liabilities and Net Assets	<u>\$ 111,600,787</u>	<u>\$ 56,248,028</u>	<u>\$ -</u>	<u>\$ 167,848,815</u>	<u>\$ 1,829,474</u>	<u>\$ (21,783)</u>	<u>\$ 169,656,506</u>

**BAY AREA SENIOR SERVICES, INC. AND
UNIVERSITY RETIREMENT COMMUNITY AT DAVIS AND AFFILIATE
COMBINING STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2020
(SEE INDEPENDENT AUDITORS' REPORT)**

ASSETS	University Retirement Community at Davis, Inc.	Bay Area Senior Services, Inc.	Eliminations	Obligated Group Subtotal	University Retirement Community at Davis Foundation, Inc.	Eliminations	Total
CURRENT ASSETS							
Cash and Cash Equivalents	\$ 5,058,222	\$ 2,634,475	\$ -	\$ 7,692,697	\$ 24,618	\$ -	\$ 7,717,315
Investments	22,007,847	4,792,639	-	26,800,486	1,542,576	-	28,343,062
Accounts Receivable, Net	1,827,922	210,615	-	2,038,537	-	-	2,038,537
Note Receivable Due From Affiliate, Current	256,667	-	(256,667)	-	-	-	-
Supplies and Prepaid Expenses	361,385	389,581	-	750,966	-	-	750,966
Assets Restricted Under Bond Indenture Agreements	144,564	-	-	144,564	-	-	144,564
Total Current Assets	<u>29,656,607</u>	<u>8,027,310</u>	<u>(256,667)</u>	<u>37,427,250</u>	<u>1,567,194</u>	<u>-</u>	<u>38,994,444</u>
PROPERTY AND EQUIPMENT, NET	62,043,749	42,032,388	-	104,076,137	-	-	104,076,137
OTHER ASSETS							
Gift Annuities	-	-	-	-	4,872	-	4,872
Receivables from Members, Noncurrent	-	449,929	-	449,929	-	-	449,929
Note Receivable Due From Affiliate	14,000,000	-	(14,000,000)	-	-	-	-
Noncurrent Investments	833,839	-	-	833,839	-	-	833,839
Beneficial Interest in Net Assets of Foundation	67,599	-	-	67,599	-	(67,599)	-
Total Other Assets	<u>14,901,438</u>	<u>449,929</u>	<u>(14,000,000)</u>	<u>1,351,367</u>	<u>4,872</u>	<u>(67,599)</u>	<u>1,288,640</u>
Total Assets	<u>\$ 106,601,794</u>	<u>\$ 50,509,627</u>	<u>\$ (14,256,667)</u>	<u>\$ 142,854,754</u>	<u>\$ 1,572,066</u>	<u>\$ (67,599)</u>	<u>\$ 144,359,221</u>

**BAY AREA SENIOR SERVICES, INC. AND
UNIVERSITY RETIREMENT COMMUNITY AT DAVIS AND AFFILIATE
COMBINING STATEMENT OF FINANCIAL POSITION (CONTINUED)
SEPTEMBER 30, 2020
(SEE INDEPENDENT AUDITORS' REPORT)**

	University Retirement Community at Davis, Inc.	Bay Area Senior Services, Inc.	Eliminations	Obligated Group Subtotal	University Retirement Community at Davis Foundation, Inc.	Eliminations	Total
LIABILITIES AND NET ASSETS							
CURRENT LIABILITIES							
Accounts Payable and Accrued Expenses	\$ 3,140,897	\$ 582,742	\$ -	\$ 3,723,639	\$ 929	\$ -	\$ 3,724,568
Accrued Interest	94,225	344,346	(256,667)	181,904	-	-	181,904
Other Current Liabilities	49,874	107,239	-	157,113	-	-	157,113
Due to Affiliates, Net	201,508	25,860	-	227,368	11,247	-	238,615
Refundable Deposits, Nonmember	274,240	-	-	274,240	-	-	274,240
Refundable Deposits, Member	-	82,591	-	82,591	-	-	82,591
Current Portion of Long-Term Debt	1,449,000	400,889	-	1,849,889	-	-	1,849,889
Total Current Liabilities	<u>5,209,744</u>	<u>1,543,667</u>	<u>(256,667)</u>	<u>6,496,744</u>	<u>12,176</u>	<u>-</u>	<u>6,508,920</u>
OTHER LIABILITIES							
Long-Term Debt, Net of Current Portion	23,974,000	22,422,274	-	46,396,274	-	-	46,396,274
Less: Unamortized Debt Issuance Costs	<u>(229,637)</u>	<u>(353,780)</u>	<u>-</u>	<u>(583,417)</u>	<u>-</u>	<u>-</u>	<u>(583,417)</u>
Long-Term Debt, Net	23,744,363	22,068,494	-	45,812,857	-	-	45,812,857
Note Payable Due to Affiliate	-	14,000,000	(14,000,000)	-	-	-	-
Deferred Revenue from Entrance Fees	42,940,275	-	-	42,940,275	-	-	42,940,275
Interest Rate Swap Agreements	4,370,052	-	-	4,370,052	-	-	4,370,052
Total Other Liabilities	<u>71,054,690</u>	<u>36,068,494</u>	<u>(14,000,000)</u>	<u>93,123,184</u>	<u>-</u>	<u>-</u>	<u>93,123,184</u>
Total Liabilities	76,264,434	37,612,161	(14,256,667)	99,619,928	12,176	-	99,632,104
NET ASSETS							
Without Donor Restriction	30,258,385	12,893,866	-	43,152,251	1,539,964	(52,105)	44,640,110
With Donor Restriction	78,975	3,600	-	82,575	19,926	(15,494)	87,007
Total Net Assets	<u>30,337,360</u>	<u>12,897,466</u>	<u>-</u>	<u>43,234,826</u>	<u>1,559,890</u>	<u>(67,599)</u>	<u>44,727,117</u>
Total Liabilities and Net Assets	<u>\$ 106,601,794</u>	<u>\$ 50,509,627</u>	<u>\$ (14,256,667)</u>	<u>\$ 142,854,754</u>	<u>\$ 1,572,066</u>	<u>\$ (67,599)</u>	<u>\$ 144,359,221</u>

**BAY AREA SENIOR SERVICES, INC. AND
UNIVERSITY RETIREMENT COMMUNITY AT DAVIS AND AFFILIATE
COMBINING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED SEPTEMBER 30, 2021
(SEE INDEPENDENT AUDITORS' REPORT)**

	University Retirement Community at Davis, Inc.	Bay Area Senior Services, Inc.	Eliminations	Obligated Group Subtotal	University Retirement Community at Davis Foundation, Inc.	Eliminations	Total
OPERATING REVENUES							
Service Fees	\$ 16,087,858	\$ 14,237,570	\$ -	\$ 30,325,428	\$ -	\$ -	\$ 30,325,428
Health Center Revenue, Net	5,665,532	-	-	5,665,532	-	-	5,665,532
Entrance Fees Earned	6,176,411	-	-	6,176,411	-	-	6,176,411
Transfer Fees	-	757,973	-	757,973	-	-	757,973
Contributions	82,485	21,100	-	103,585	33,430	(19,211)	117,804
Investment Income	1,409,074	194,701	(594,611)	1,009,164	62,266	-	1,071,430
Other Revenue	934,255	926,543	-	1,860,798	-	-	1,860,798
Subtotal	<u>30,355,615</u>	<u>16,137,887</u>	<u>(594,611)</u>	<u>45,898,891</u>	<u>95,696</u>	<u>(19,211)</u>	<u>45,975,376</u>
Net Assets Released from Restrictions	222,496	-	-	222,496	73,560	-	296,056
Total Operating Revenue	<u>30,578,111</u>	<u>16,137,887</u>	<u>(594,611)</u>	<u>46,121,387</u>	<u>169,256</u>	<u>(19,211)</u>	<u>46,271,432</u>
OPERATING EXPENSES							
Program Expenses:							
Dietary	3,872,454	3,872,716	-	7,745,170	-	-	7,745,170
Facility Services and Utilities	5,372,736	3,729,192	-	9,101,928	-	-	9,101,928
Health and Social Services	5,170,019	-	-	5,170,019	-	-	5,170,019
Memory Care	557,419	-	-	557,419	-	-	557,419
Assisted Living	838,117	1,688,748	-	2,526,865	-	-	2,526,865
General and Administrative Expenses:							
Administrative and Marketing	2,774,414	3,167,503	-	5,941,917	20,406	(9,985)	5,952,338
Interest Expense and Financing Fees	386,003	2,949,626	(594,611)	2,741,018	-	-	2,741,018
Net Settlements Associated with Interest Rate Swap Agreement	745,400	-	-	745,400	-	-	745,400
Depreciation	4,339,932	1,257,383	-	5,597,315	-	-	5,597,315
Disbursement of Contributed Funds	222,496	-	-	222,496	125,664	(9,226)	338,934
Loss on Disposal of Property and Equipment	392,501	110,453	-	502,954	-	-	502,954
Other Expenses	887,517	312,946	-	1,200,463	-	-	1,200,463
Fees to Affiliates	1,830,018	344,714	-	2,174,732	-	-	2,174,732
Total Operating Expenses	<u>27,389,026</u>	<u>17,433,281</u>	<u>(594,611)</u>	<u>44,227,696</u>	<u>146,070</u>	<u>(19,211)</u>	<u>44,354,555</u>
OPERATING INCOME (LOSS)	3,189,085	(1,295,394)	-	1,893,691	23,186	-	1,916,877

**BAY AREA SENIOR SERVICES, INC. AND
UNIVERSITY RETIREMENT COMMUNITY AT DAVIS AND AFFILIATE
COMBINING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2021
(SEE INDEPENDENT AUDITORS' REPORT)**

	University Retirement Community at Davis, Inc.	Bay Area Senior Services, Inc.	Eliminations	Obligated Group Subtotal	University Retirement Community at Davis Foundation, Inc.	Eliminations	Total
NONOPERATING INCOME (LOSS)							
Unrealized Change in Value of Investments	\$ 2,214,367	\$ 162,043	\$ -	\$ 2,376,410	\$ 225,282	\$ -	\$ 2,601,692
Loss on Extinguishment of Debt	-	(240,502)	-	(240,502)	-	-	(240,502)
Change in Beneficial Interest in the Net Assets of University Retirement at Davis Foundation, Inc.	(52,105)	-	-	(52,105)	-	52,105	-
Change in Value of Interest Rate Swap Agreement	1,333,928	-	-	1,333,928	-	-	1,333,928
Total Nonoperating Income (Loss)	<u>3,496,190</u>	<u>(78,459)</u>	<u>-</u>	<u>3,417,731</u>	<u>225,282</u>	<u>52,105</u>	<u>3,695,118</u>
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTION	6,685,275	(1,373,853)	-	5,311,422	248,468	52,105	5,611,995
NET ASSETS WITH DONOR RESTRICTIONS							
Contributions	244,314	-	-	244,314	88,185	-	332,499
Actuarial Gain on Gift Annuities Receivable	-	-	-	-	(24)	-	(24)
Change in Beneficial Interest in the Net Assets of University Retirement at Davis Foundation, Inc.	6,289	-	-	6,289	-	(6,289)	-
Net Assets Released from Restrictions	(222,496)	-	-	(222,496)	(73,560)	-	(296,056)
Change in Net Assets With Donor Restrictions	<u>28,107</u>	<u>-</u>	<u>-</u>	<u>28,107</u>	<u>14,601</u>	<u>(6,289)</u>	<u>36,419</u>
CHANGE IN NET ASSETS	6,713,382	(1,373,853)	-	5,339,529	263,069	45,816	5,648,414
Net Assets - Beginning of Year	30,337,360	12,897,466	-	43,234,826	1,559,890	(67,599)	44,727,117
NET ASSETS - END OF YEAR	<u>\$ 37,050,742</u>	<u>\$ 11,523,613</u>	<u>\$ -</u>	<u>\$ 48,574,355</u>	<u>\$ 1,822,959</u>	<u>\$ (21,783)</u>	<u>\$ 50,375,531</u>

**BAY AREA SENIOR SERVICES, INC. AND
UNIVERSITY RETIREMENT COMMUNITY AT DAVIS AND AFFILIATE
COMBINING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED SEPTEMBER 30, 2020
(SEE INDEPENDENT AUDITORS' REPORT)**

	University Retirement Community at Davis, Inc.	Bay Area Senior Services, Inc.	Eliminations	Obligated Group Subtotal	University Retirement Community at Davis Foundation, Inc.	Eliminations	Total
OPERATING REVENUES							
Service Fees	\$ 15,282,717	\$ 13,768,046	\$ -	\$ 29,050,763	\$ -	\$ -	\$ 29,050,763
Health Center Revenue, Net	3,537,145	-	-	3,537,145	-	-	3,537,145
Entrance Fees Earned	5,921,679	-	-	5,921,679	-	-	5,921,679
Transfer Fees	-	935,050	-	935,050	-	-	935,050
Contributions	139,744	40,000	-	179,744	157,471	(41,171)	296,044
Investment Income	1,292,436	(83,925)	(770,000)	438,511	16,330	-	454,841
Other Revenue	2,450,037	889,721	-	3,339,758	-	-	3,339,758
Subtotal	28,623,758	15,548,892	(770,000)	43,402,650	173,801	(41,171)	43,535,280
Net Assets Released from Restrictions	233,718	-	-	233,718	47,973	-	281,691
Total Operating Revenue	28,857,476	15,548,892	(770,000)	43,636,368	221,774	(41,171)	43,816,971
OPERATING EXPENSES							
Program Expenses:							
Dietary	3,763,164	3,825,474	-	7,588,638	-	-	7,588,638
Facility Services and Utilities	5,110,560	3,969,643	-	9,080,203	-	-	9,080,203
Health and Social Services	4,546,104	-	-	4,546,104	-	-	4,546,104
Memory Care	580,556	-	-	580,556	-	-	580,556
Assisted Living	893,590	1,586,044	-	2,479,634	-	-	2,479,634
General and Administrative Expenses:							
Administrative and Marketing	3,184,299	2,555,741	-	5,740,040	26,250	(4,960)	5,761,330
Interest Expense and Financing Fees	586,951	1,973,582	(770,000)	1,790,533	-	-	1,790,533
Net Settlements Associated with Interest Rate Swap Agreement	620,209	-	-	620,209	-	-	620,209
Depreciation	4,093,643	1,216,014	-	5,309,657	-	-	5,309,657
Disbursement of Contributed Funds	342,310	-	-	342,310	158,323	(36,211)	464,422
Loss on Disposal of Property and Equipment	123,740	58,238	-	181,978	-	-	181,978
Other Expense	819,408	283,884	-	1,103,292	-	-	1,103,292
Fees to Affiliates	1,571,925	383,930	-	1,955,855	1	-	1,955,856
Total Operating Expenses	26,236,459	15,852,550	(770,000)	41,319,009	184,574	(41,171)	41,462,412
OPERATING INCOME	2,621,017	(303,658)	-	2,317,359	37,200	-	2,354,559

**BAY AREA SENIOR SERVICES, INC. AND
UNIVERSITY RETIREMENT COMMUNITY AT DAVIS AND AFFILIATE
COMBINING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2020
(SEE INDEPENDENT AUDITORS' REPORT)**

	University Retirement Community at Davis, Inc.	Bay Area Senior Services, Inc.	Eliminations	Obligated Group Subtotal	University Retirement Community at Davis Foundation, Inc.	Eliminations	Total
NONOPERATING INCOME (LOSS)							
Unrealized Change in Value of Investments	\$ 835,546	\$ 194,042	\$ -	\$ 1,029,588	\$ 76,628	\$ -	\$ 1,106,216
Change in Beneficial Interest in the Net Assets of University Retirement at Davis Foundation, Inc.	52,105	-	-	52,105	-	(52,105)	-
Change in Value of Interest Rate Swap Agreement	(747,914)	-	-	(747,914)	-	-	(747,914)
Total Nonoperating Income (Loss)	<u>139,737</u>	<u>194,042</u>	<u>-</u>	<u>333,779</u>	<u>76,628</u>	<u>(52,105)</u>	<u>358,302</u>
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTION	2,760,754	(109,616)	-	2,651,138	113,828	(52,105)	2,712,861
NET ASSETS WITH DONOR RESTRICTION							
Contributions	257,656	3,600	-	261,256	43,570	-	304,826
Actuarial Loss on Gift Annuities Receivable	-	-	-	-	49	-	49
Change in Beneficial Interest in the Net Assets of University Retirement at Davis Foundation, Inc.	49	-	-	49	-	(49)	-
Net Assets Released from Restrictions	(233,718)	-	-	(233,718)	(47,973)	-	(281,691)
Change in Net Assets With Donor Restrictions	<u>23,987</u>	<u>3,600</u>	<u>-</u>	<u>27,587</u>	<u>(4,354)</u>	<u>(49)</u>	<u>23,184</u>
CHANGE IN NET ASSETS	2,784,741	(106,016)	-	2,678,725	109,474	(52,154)	2,736,045
Net Assets - Beginning of Year	<u>27,552,619</u>	<u>13,003,482</u>	<u>-</u>	<u>40,556,101</u>	<u>1,450,416</u>	<u>(15,445)</u>	<u>41,991,072</u>
NET ASSETS - END OF YEAR	<u>\$ 30,337,360</u>	<u>\$ 12,897,466</u>	<u>\$ -</u>	<u>\$ 43,234,826</u>	<u>\$ 1,559,890</u>	<u>\$ (67,599)</u>	<u>\$ 44,727,117</u>

**BAY AREA SENIOR SERVICES, INC. AND
UNIVERSITY RETIREMENT COMMUNITY AT DAVIS AND AFFILIATE
COMBINING STATEMENT OF CASH FLOWS
YEAR ENDED SEPTEMBER 30, 2021
(SEE INDEPENDENT AUDITORS' REPORT)**

	University Retirement Community at Davis, Inc.	Bay Area Senior Services, Inc.	Eliminations	Obligated Group Subtotal	University Retirement Community at Davis Foundation, Inc.	Eliminations	Total
CASH FLOWS FROM OPERATING ACTIVITIES							
Change in Net Assets	\$ 6,713,382	\$ (1,373,853)	\$ -	\$ 5,339,529	\$ 263,069	\$ 45,816	\$ 5,648,414
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:							
Depreciation	4,339,932	1,257,383	-	5,597,315	-	-	5,597,315
Capital Contributions	(997)	-	-	(997)	-	-	(997)
Amortization of Debt Issuance Costs	47,490	117,346	-	164,836	-	-	164,836
Change in Value of Interest Rate Swap Agreement	(1,333,928)	-	-	(1,333,928)	-	-	(1,333,928)
Nonrepayable Entrance Fees Received	7,837,200	-	-	7,837,200	-	-	7,837,200
Nonrepayable Entrance Fees Repaid	(509,783)	-	-	(509,783)	-	-	(509,783)
Entrance Fees Earned	(6,176,411)	-	-	(6,176,411)	-	-	(6,176,411)
Unrealized Change in Value of Investments	(2,214,367)	(162,043)	-	(2,376,410)	(225,282)	-	(2,601,692)
Realized (Gain) Loss and Reinvested Income on Investments	(814,461)	(175,315)	-	(989,776)	(62,188)	-	(1,051,964)
Loss on Disposal of Property and Equipment	392,501	110,453	-	502,954	-	-	502,954
Loss on Extinguishment of Debt	-	240,502	-	240,502	-	-	240,502
Net Change in:							
Accounts Receivable, Net	821,569	(189,036)	-	632,533	-	-	632,533
Supplies and Prepaid Expenses	(245,577)	(7,964)	-	(253,541)	-	-	(253,541)
Gift Annuities	-	-	-	-	24	-	24
Change in Beneficial Interest in the Net Assets of University Retirement Community at Davis Foundation, Inc.	45,816	-	-	45,816	-	(45,816)	-
Accounts Payable and Accrued Expenses	564,401	(15,907)	-	548,494	(619)	-	547,875
Accrued Interest	(13,415)	(302,119)	256,667	(58,867)	-	-	(58,867)
Due to Affiliates	29,782	42,523	-	72,305	(5,042)	-	67,263
Refundable Deposits	91,580	(11,742)	-	79,838	-	-	79,838
Refundable Advance	-	605,157	-	605,157	-	-	605,157
Other Current Liabilities	6,327	51,785	-	58,112	-	-	58,112
Net Cash Provided by Operating Activities	9,581,041	187,170	256,667	10,024,878	(30,038)	-	9,994,840

**BAY AREA SENIOR SERVICES, INC. AND
UNIVERSITY RETIREMENT COMMUNITY AT DAVIS AND AFFILIATE
COMBINING STATEMENT OF CASH FLOWS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2021
(SEE INDEPENDENT AUDITORS' REPORT)**

	University Retirement Community at Davis, Inc.	Bay Area Senior Services, Inc.	Eliminations	Obligated Group Subtotal	University Retirement Community at Davis Foundation, Inc.	Eliminations	Total
CASH FLOWS FROM INVESTING ACTIVITIES							
Purchases of Property and Equipment	\$ (6,719,252)	\$ (1,130,320)	\$ -	\$ (7,849,572)	\$ -	\$ -	\$ (7,849,572)
Proceeds from Sale of Property and Equipment	4,335	35,922	-	40,257	-	-	40,257
Purchases of Investments	(13,361,276)	(5,900,000)	-	(19,261,276)	-	-	(19,261,276)
Proceeds from Sale of Investments	2,930,374	3,078,238	-	6,008,612	39,569	-	6,048,181
Change in Receivables from Members, Noncurrent	-	(141,874)	-	(141,874)	-	-	(141,874)
Change in Note Receivable due from Affiliate	14,256,667	-	(14,256,667)	-	-	-	-
Net Cash Provided (Used) by Investing Activities	(2,889,152)	(4,058,034)	(14,256,667)	(21,203,853)	39,569	-	(21,164,284)
CASH FLOWS FROM FINANCING ACTIVITIES							
Repayment of Long-Term Debt	(1,448,999)	(22,864,829)	-	(24,313,828)	-	-	(24,313,828)
Proceeds from Issuance of Long-Term Debt	-	43,500,000	-	43,500,000	-	-	43,500,000
Payments for Bond issuance costs	(451,695)	(289,435)	-	(741,130)	-	-	(741,130)
Payment for Note from Affiliate	-	(14,000,000)	14,000,000	-	-	-	-
Net Cash Provided (Used) by Financing Activities	(1,900,694)	6,345,736	14,000,000	18,445,042	-	-	18,445,042
NET INCREASE (DECREASE) IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	4,791,195	2,474,872	-	7,266,067	9,531	-	7,275,598
Cash, Cash Equivalents, and Restricted Cash - Beginning of Year	5,521,285	2,700,026	-	8,221,311	53,690	-	8,275,001
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH - END OF YEAR	<u>\$ 10,312,480</u>	<u>\$ 5,174,898</u>	<u>\$ -</u>	<u>\$ 15,487,378</u>	<u>\$ 63,221</u>	<u>\$ -</u>	<u>\$ 15,550,599</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION							
Cash and Cash Equivalents	\$ 8,235,071	\$ 2,031,109	\$ -	\$ 10,266,180	\$ 44,580	\$ -	\$ 10,310,760
Investments	1,937,597	3,143,789	-	5,081,386	18,641	-	5,100,027
Assets Restricted Under Bond Indenture Agreements	139,812	-	-	139,812	-	-	139,812
Cash, Cash Equivalents, and Restricted Cash	<u>\$ 10,312,480</u>	<u>\$ 5,174,898</u>	<u>\$ -</u>	<u>\$ 15,487,378</u>	<u>\$ 63,221</u>	<u>\$ -</u>	<u>\$ 15,550,599</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION							
Cash Paid During the Year for Interest	<u>\$ 333,800</u>	<u>\$ 1,833,360</u>	<u>\$ (594,611)</u>	<u>\$ 1,572,549</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,572,549</u>
SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING AND FINANCING ACTIVITIES							
Property and Equipment Financed with Accounts Payable and Accrued Expenses	<u>\$ 1,219,670</u>	<u>\$ 72,489</u>	<u>\$ -</u>	<u>\$ 1,292,159</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,292,159</u>

**BAY AREA SENIOR SERVICES, INC. AND
UNIVERSITY RETIREMENT COMMUNITY AT DAVIS AND AFFILIATE
COMBINING STATEMENT OF CASH FLOWS
YEAR ENDED SEPTEMBER 30, 2020
(SEE INDEPENDENT AUDITORS' REPORT)**

	University Retirement Community at Davis, Inc.	Bay Area Senior Services, Inc.	Eliminations	Obligated Group Subtotal	University Retirement Community at Davis Foundation, Inc.	Eliminations	Total
CASH FLOWS FROM OPERATING ACTIVITIES							
Change in Net Assets	\$ 2,784,741	\$ (106,016)	\$ -	\$ 2,678,725	\$ 109,474	\$ (52,154)	\$ 2,736,045
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:							
Depreciation	4,093,643	1,216,014	-	5,309,657	-	-	5,309,657
Capital Contributions	(23,754)	-	-	(23,754)	-	-	(23,754)
Amortization of Debt Issuance Costs	32,731	125,620	-	158,351	-	-	158,351
Change in Value of Interest Rate Swap Agreement	747,914	-	-	747,914	-	-	747,914
Nonrepayable Entrance Fees Received	5,650,960	-	-	5,650,960	-	-	5,650,960
Nonrepayable Entrance Fees Repaid	(582,974)	-	-	(582,974)	-	-	(582,974)
Entrance Fees Earned	(5,921,679)	-	-	(5,921,679)	-	-	(5,921,679)
Unrealized Change in Value of Investments	(835,546)	(194,042)	-	(1,029,588)	(76,628)	-	(1,106,216)
Realized Gain and Reinvested Income on Investments	(522,436)	101,403	-	(421,033)	(16,073)	-	(437,106)
Loss on Disposal of Property and Equipment	123,740	58,238	-	181,978	-	-	181,978
Net Change in:							
Accounts Receivable, Net	(1,150,310)	(39,331)	-	(1,189,641)	-	-	(1,189,641)
Supplies and Prepaid Expenses	(62,876)	(144,830)	-	(207,706)	-	-	(207,706)
Gift Annuities	-	-	-	-	(49)	-	(49)
Change in Beneficial Interest in the Net Assets of University Retirement Community at Davis Foundation, Inc.	(52,154)	-	-	(52,154)	-	52,154	-
Accounts Payable and Accrued Expenses Due to Lessor	85,785	15,854	-	101,639	225	-	101,864
Accrued Interest	(2,699)	4,462	-	1,763	-	-	1,763
Due to Affiliates	18,998	(44,712)	-	(25,714)	(13,815)	-	(39,529)
Refundable Deposits	(7,460)	(1,480)	-	(8,940)	-	-	(8,940)
Other Current Liabilities	8,864	11,025	-	19,889	-	-	19,889
Net Cash Provided by Operating Activities	4,385,488	1,002,205	-	5,387,693	3,134	-	5,390,827

**BAY AREA SENIOR SERVICES, INC. AND
UNIVERSITY RETIREMENT COMMUNITY AT DAVIS AND AFFILIATE
COMBINING STATEMENT OF CASH FLOWS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2020
(SEE INDEPENDENT AUDITORS' REPORT)**

	University Retirement Community at Davis, Inc.	Bay Area Senior Services, Inc.	Eliminations	Obligated Group Subtotal	University Retirement Community at Davis Foundation, Inc.	Eliminations	Total
CASH FLOWS FROM INVESTING ACTIVITIES							
Purchases of Property and Equipment	\$ (7,381,577)	\$ (1,263,463)	\$ -	\$ (8,645,040)	\$ -	\$ -	\$ (8,645,040)
Proceeds from Sale of Property and Equipment	349,742	-	-	349,742	-	-	349,742
Purchases of Investments	(474,003)	(4,700,000)	-	(5,174,003)	(135,000)	-	(5,309,003)
Proceeds from Sale of Investments	5,383,107	65,551	-	5,448,658	208	-	5,448,866
Change in of Assets Restricted under Bond Indenture Agreements, Net	66	-	-	66	-	-	66
Change in Receivables from Members, Noncurrent	-	(270,058)	-	(270,058)	-	-	(270,058)
Net Cash Used by Investing Activities	<u>(2,122,665)</u>	<u>(6,167,970)</u>	<u>-</u>	<u>(8,290,635)</u>	<u>(134,792)</u>	<u>-</u>	<u>(8,425,427)</u>
CASH FLOWS FROM FINANCING ACTIVITIES							
Repayment of Long-Term Debt	(1,378,000)	(385,654)	-	(1,763,654)	-	-	(1,763,654)
Net Cash Provided (Used) by Financing Activities	<u>(1,378,000)</u>	<u>(385,654)</u>	<u>-</u>	<u>(1,763,654)</u>	<u>-</u>	<u>-</u>	<u>(1,763,654)</u>
NET INCREASE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	884,823	(5,551,419)	-	(4,666,596)	(131,658)	-	(4,798,254)
Cash, Cash Equivalents, and Restricted Cash - Beginning of Year	4,636,462	8,251,445	-	12,887,907	185,348	-	13,073,255
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH - END OF YEAR	<u>\$ 5,521,285</u>	<u>\$ 2,700,026</u>	<u>\$ -</u>	<u>\$ 8,221,311</u>	<u>\$ 53,690</u>	<u>\$ -</u>	<u>\$ 8,275,001</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION							
Cash and Cash Equivalents	\$ 5,058,222	\$ 2,634,475	\$ -	\$ 7,692,697	\$ 24,618	\$ -	\$ 7,717,315
Investments	318,499	65,551	-	384,050	29,072	-	413,122
Assets Restricted Under Bond Indenture Agreements	144,564	-	-	144,564	-	-	144,564
Cash, Cash Equivalents, and Restricted Cash	<u>\$ 5,521,285</u>	<u>\$ 2,700,026</u>	<u>\$ -</u>	<u>\$ 8,221,311</u>	<u>\$ 53,690</u>	<u>\$ -</u>	<u>\$ 8,275,001</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION							
Cash Paid During the Year for Interest	<u>\$ 1,148,719</u>	<u>\$ 1,843,229</u>	<u>\$ (513,333)</u>	<u>\$ 2,478,615</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,478,615</u>
SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING AND FINANCING ACTIVITIES							
Property and Equipment Financed with Accounts Payable and Accrued Expenses	<u>\$ 1,576,608</u>	<u>\$ 33,516</u>	<u>\$ -</u>	<u>\$ 1,610,124</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,610,124</u>

**BAY AREA SENIOR SERVICES, INC. AND
UNIVERSITY RETIREMENT COMMUNITY AT DAVIS AND AFFILIATE
COMBINING STATEMENTS OF CASH FLOWS – DIRECT METHOD
YEAR ENDED SEPTEMBER 30, 2021
(SEE INDEPENDENT AUDITORS' REPORT)**

	University Retirement Community at Davis, Inc.	Bay Area Senior Services, Inc.	Eliminations	Obligated Group Subtotal	University Retirement Community at Davis Foundation, Inc.	Eliminations	Total
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts from Services Fees	\$ 16,909,427	\$ -	\$ -	\$ 16,909,427	\$ -	\$ -	\$ 16,909,427
Receipts from Health Center	5,665,532	-	-	5,665,532	-	-	5,665,532
Net Receipts from Nonrepayable Entrance Fees	7,327,417	-	-	7,327,417	-	-	7,327,417
Cash Received from Members - Monthly Fees	-	14,048,534	-	14,048,534	-	-	14,048,534
Cash Received from Members - Transfer Fees	-	757,973	-	757,973	-	-	757,973
Interest Paid	(1,097,328)	(3,134,399)	594,611	(3,637,116)	-	-	(3,637,116)
Receipts from Other Operating Activities	1,489,839	1,552,800	-	3,042,639	(4,049)	-	3,038,590
Cash Expended for Operating Activities	(21,079,674)	(13,057,124)	-	(34,136,798)	(26,067)	-	(34,162,865)
Investment and Interest Income	365,828	19,386	(337,944)	47,270	78	-	47,348
Net Cash Provided (Used) by Operating Activities	9,581,041	187,170	256,667	10,024,878	(30,038)	-	9,994,840
CASH FLOWS FROM INVESTING ACTIVITIES							
Purchases of Property and Equipment	(6,719,252)	(1,130,320)	-	(7,849,572)	-	-	(7,849,572)
Proceeds from Sale of Property and Equipment	4,335	35,922	-	40,257	-	-	40,257
Purchases of Investments	(13,361,276)	(5,900,000)	-	(19,261,276)	-	-	(19,261,276)
Proceeds from Sale of Investments	2,930,374	3,078,238	-	6,008,612	39,569	-	6,048,181
Change in Receivables from Members, Noncurrent	-	(141,874)	-	(141,874)	-	-	(141,874)
Change in Note Receivable due from Affiliate	14,256,667	-	(14,256,667)	-	-	-	-
Net Cash Provided (Used) by Investing Activities	(2,889,152)	(4,058,034)	(14,256,667)	(21,203,853)	39,569	-	(21,164,284)
CASH FLOWS FROM FINANCING ACTIVITIES							
Repayment of Long-Term Debt	(1,448,999)	(22,864,829)	-	(24,313,828)	-	-	(24,313,828)
Proceeds from Issuance of Long-Term Debt	-	43,500,000	-	43,500,000	-	-	43,500,000
Payments for Bond issuance costs	(451,695)	(289,435)	-	(741,130)	-	-	(741,130)
Payments for Note from Affiliate	-	(14,000,000)	14,000,000	-	-	-	-
Net Cash Provided (Used) by Financing Activities	(1,900,694)	6,345,736	14,000,000	18,445,042	-	-	18,445,042
NET INCREASE (DECREASE) IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	4,791,195	2,474,872	-	7,266,067	9,531	-	7,275,598
Cash, Cash Equivalents, and Restricted Cash - Beginning of Year	5,521,285	2,700,026	-	8,221,311	53,690	-	8,275,001
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH - END OF YEAR	<u>\$ 10,312,480</u>	<u>\$ 5,174,898</u>	<u>\$ -</u>	<u>\$ 15,487,378</u>	<u>\$ 63,221</u>	<u>\$ -</u>	<u>\$ 15,550,599</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION							
Cash Paid During the Year for Interest	<u>\$ 333,800</u>	<u>\$ 1,833,360</u>	<u>\$ (594,611)</u>	<u>\$ 1,572,549</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,572,549</u>

**BAY AREA SENIOR SERVICES, INC. AND
UNIVERSITY RETIREMENT COMMUNITY AT DAVIS AND AFFILIATE
COMBINING STATEMENTS OF CASH FLOWS – DIRECT METHOD (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2021
(SEE INDEPENDENT AUDITORS' REPORT)**

	University Retirement Community at Davis, Inc.	Bay Area Senior Services, Inc.	Eliminations	Obligated Group Subtotal	University Retirement Community at Davis Foundation, Inc.	Eliminations	Total
RECONCILIATION OF CHANGE IN NET ASSETS TO CASH PROVIDED BY OPERATING ACTIVITIES							
Change in Net Assets	\$ 6,713,382	\$ (1,373,853)	\$ -	\$ 5,339,529	\$ 263,069	\$ 45,816	\$ 5,648,414
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:							
Depreciation	4,339,932	1,257,383	-	5,597,315	-	-	5,597,315
Capital Contributions	(997)	-	-	(997)	-	-	(997)
Amortization of Debt Issuance Costs	47,490	117,346	-	164,836	-	-	164,836
Change in Value of Interest Rate Swap Agreement	(1,333,928)	-	-	(1,333,928)	-	-	(1,333,928)
Nonrepayable Entrance Fees Received	7,837,200	-	-	7,837,200	-	-	7,837,200
Nonrepayable Entrance Fees Repaid	(509,783)	-	-	(509,783)	-	-	(509,783)
Entrance Fees Earned	(6,176,411)	-	-	(6,176,411)	-	-	(6,176,411)
Unrealized Change in Value of Investments	(2,214,367)	(162,043)	-	(2,376,410)	(225,282)	-	(2,601,692)
Realized (Gain) Loss and Reinvested Income on Investments	(814,461)	(175,315)	-	(989,776)	(62,188)	-	(1,051,964)
Loss on Disposal of Property and Equipment	392,501	110,453	-	502,954	-	-	502,954
Loss on Extinguishment of Debt	-	240,502	-	240,502	-	-	240,502
Net Change in:							
Accounts Receivable, Net	821,569	(189,036)	-	632,533	-	-	632,533
Supplies and Prepaid Expenses	(245,577)	(7,964)	-	(253,541)	-	-	(253,541)
Gift Annuities	-	-	-	-	24	-	24
Change in Beneficial Interest in the Net Assets of University Retirement Community at Davis Foundation, Inc.	45,816	-	-	45,816	-	(45,816)	-
Other Current Assets	-	-	-	-	-	-	-
Accounts Payable and Accrued Expenses	564,401	(15,907)	-	548,494	(619)	-	547,875
Accrued Interest	(13,415)	(302,119)	256,667	(58,867)	-	-	(58,867)
Due to Affiliates	29,782	42,523	-	72,305	(5,042)	-	67,263
Refundable Deposits	91,580	(11,742)	-	79,838	-	-	79,838
Refundable Advance	-	605,157	-	605,157	-	-	605,157
Other Current Liabilities	6,327	51,785	-	58,112	-	-	58,112
Net Cash Provided (Used) by Operating Activities	<u>\$ 9,581,041</u>	<u>\$ 187,170</u>	<u>\$ 256,667</u>	<u>\$ 10,024,878</u>	<u>\$ (30,038)</u>	<u>\$ -</u>	<u>\$ 9,994,840</u>

**BAY AREA SENIOR SERVICES, INC. AND
UNIVERSITY RETIREMENT COMMUNITY AT DAVIS AND AFFILIATE
COMBINING STATEMENTS OF CASH FLOWS – DIRECT METHOD
YEAR ENDED SEPTEMBER 30, 2020
(SEE INDEPENDENT AUDITORS' REPORT)**

	University Retirement Community at Davis, Inc.	Bay Area Senior Services, Inc.	Eliminations	Obligated Group Subtotal	University Retirement Community at Davis Foundation, Inc.	Eliminations	Total
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts from Services Fees	\$ 14,132,407	\$ -	\$ -	\$ 14,132,407	\$ -	\$ -	\$ 14,132,407
Receipts from Health Center	3,537,145	-	-	3,537,145	-	-	3,537,145
Net Receipts from Nonrepayable Entrance Fees	5,067,986	-	-	5,067,986	-	-	5,067,986
Cash Received from Members - Monthly Fees	-	13,675,116	-	13,675,116	-	-	13,675,116
Cash Received from Members - Transfer Fees	-	935,050	-	935,050	-	-	935,050
Interest Paid	(1,177,128)	(1,843,500)	513,333	(2,507,295)	-	-	(2,507,295)
Receipts from Other Operating Activities	3,081,204	1,002,473	-	4,083,677	42,718	-	4,126,395
Cash Expended for Operating Activities	(20,792,359)	(12,767,379)	-	(33,559,738)	(39,840)	-	(33,599,578)
Investment and Interest Income	536,233	445	(513,333)	23,345	256	-	23,601
Net Cash Provided by Operating Activities	4,385,488	1,002,205	-	5,387,693	3,134	-	5,390,827
CASH FLOWS FROM INVESTING ACTIVITIES							
Purchases of Property and Equipment	(7,381,577)	(1,263,463)	-	(8,645,040)	-	-	(8,645,040)
Proceeds from Sale of Property and Equipment	349,742	-	-	349,742	-	-	349,742
Purchases of Investments	(474,003)	(4,700,000)	-	(5,174,003)	(135,000)	-	(5,309,003)
Proceeds from Sale of Investments	5,383,107	65,551	-	5,448,658	208	-	5,448,866
Change in of Assets Restricted under Bond Indenture Agreements, Net	66	-	-	66	-	-	66
Change in Receivables from Members, Noncurrent	-	(270,058)	-	(270,058)	-	-	(270,058)
Net Cash Used by Investing Activities	(2,122,665)	(6,167,970)	-	(8,290,635)	(134,792)	-	(8,425,427)
CASH FLOWS FROM FINANCING ACTIVITIES							
Repayment of Long-Term Debt	(1,378,000)	(385,654)	-	(1,763,654)	-	-	(1,763,654)
Net Cash Provided (Used) by Financing Activities	(1,378,000)	(385,654)	-	(1,763,654)	-	-	(1,763,654)
NET INCREASE (DECREASE) IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	884,823	(5,551,419)	-	(4,666,596)	(131,658)	-	(4,798,254)
Cash, Cash Equivalents, and Restricted Cash - Beginning of Year	4,636,462	8,251,445	-	12,887,907	185,348	-	13,073,255
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH - END OF YEAR	<u>\$ 5,521,285</u>	<u>\$ 2,700,026</u>	<u>\$ -</u>	<u>\$ 8,221,311</u>	<u>\$ 53,690</u>	<u>\$ -</u>	<u>\$ 8,275,001</u>

**BAY AREA SENIOR SERVICES, INC. AND
UNIVERSITY RETIREMENT COMMUNITY AT DAVIS AND AFFILIATE
COMBINING STATEMENTS OF CASH FLOWS – DIRECT METHOD (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2020
(SEE INDEPENDENT AUDITORS' REPORT)**

	University Retirement Community at Davis, Inc.	Bay Area Senior Services, Inc.	Eliminations	Obligated Group Subtotal	University Retirement Community at Davis Foundation, Inc.	Eliminations	Total
RECONCILIATION OF CHANGE IN NET ASSETS TO CASH PROVIDED BY OPERATING ACTIVITIES							
Change in Net Assets	\$ 2,784,741	\$ (106,016)	\$ -	\$ 2,678,725	\$ 109,474	\$ (52,154)	\$ 2,736,045
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:							
Depreciation	4,093,643	1,216,014	-	5,309,657	-	-	5,309,657
Capital Contributions	(23,754)	-	-	(23,754)	-	-	(23,754)
Amortization of Debt Issuance Costs	32,731	125,620	-	158,351	-	-	158,351
Change in Value of Interest Rate Swap Agreement	747,914	-	-	747,914	-	-	747,914
Nonrepayable Entrance Fees Received	5,650,960	-	-	5,650,960	-	-	5,650,960
Nonrepayable Entrance Fees Repaid	(582,974)	-	-	(582,974)	-	-	(582,974)
Entrance Fees Earned	(5,921,679)	-	-	(5,921,679)	-	-	(5,921,679)
Unrealized Change in Value of Investments	(835,546)	(194,042)	-	(1,029,588)	(76,628)	-	(1,106,216)
Realized (Gain) Loss and Reinvested Income on Investments	(522,436)	101,403	-	(421,033)	(16,073)	-	(437,106)
Loss on Disposal of Property and Equipment	123,740	58,238	-	181,978	-	-	181,978
Net Change in:							
Accounts Receivable, Net	(1,150,310)	(39,331)	-	(1,189,641)	-	-	(1,189,641)
Supplies and Prepaid Expenses	(62,876)	(144,830)	-	(207,706)	-	-	(207,706)
Gift Annuities	-	-	-	-	(49)	-	(49)
Change in Beneficial Interest in the Net Assets of University Retirement Community at Davis Foundation, Inc.	(52,154)	-	-	(52,154)	-	52,154	-
Accounts Payable and Accrued Expenses	85,785	15,854	-	101,639	225	-	101,864
Due to Lessor	-	-	-	-	-	-	-
Accrued Interest	(2,699)	4,462	-	1,763	-	-	1,763
Due to Affiliates	18,998	(44,712)	-	(25,714)	(13,815)	-	(39,529)
Refundable Deposits	(7,460)	(1,480)	-	(8,940)	-	-	(8,940)
Other Current Liabilities	8,864	11,025	-	19,889	-	-	19,889
Net Cash Provided by Operating Activities	<u>\$ 4,385,488</u>	<u>\$ 1,002,205</u>	<u>\$ -</u>	<u>\$ 5,387,693</u>	<u>\$ 3,134</u>	<u>\$ -</u>	<u>\$ 5,390,827</u>

Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor. C/LA is an independent member of Nexia International, a leading, global network of independent accounting and consulting firms. See nexia.com/member-firm-disclaimer for details. CliftonLarsonAllen LLP



BAY AREA SENIOR SERVICES, INC.
CONTINUING CARE LIQUID RESERVE SCHEDULES
YEAR ENDED SEPTEMBER 30, 2021



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**BAY AREA SENIOR SERVICES, INC.
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YEAR ENDED SEPTEMBER 30, 2021**

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Bay Area Senior Services, Inc.
Medford, Oregon

Report on the Financial Statements

We have audited the accompanying financial statements of Bay Area Senior Services, Inc. (BASS), which comprise the continuing care liquid reserve schedules, Form 5-1 through Form 5-5, as of and for the year ended September 30, 2021.

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.

Auditors' 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 of 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 auditors' 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.

Board of Directors
Bay Area Senior Services, Inc.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the continuing care reserves of Bay Area Senior Services, Inc. as of and for the year ended September 30, 2021, in conformity with the liquid reserve requirements of California Health and Safety Code Section 1792.

Basis of Accounting

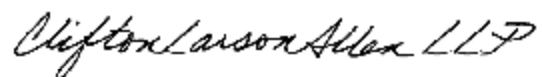
We draw attention to the basis of accounting used to prepare the financial statements. The financial statements are prepared by BASS on the basis of the liquid reserve requirements of California Health and Safety Code Section 1792, which is a basis of accounting other than accounting principles generally 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.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements, as a whole. The accompanying supplementary schedules of Part of Form 5-5, Description of Reserves and Additional Disclosures (Section 1790), Schedule of Interest, Credit Enhancements (letter of credit fees and other fees), Reconciliation to Audit Report, Part of Form 5-4, Non-CCRC Revenue Reconciliation, 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.

Restriction on Use

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



CliftonLarsonAllen LLP

Bellevue, Washington
January 31, 2022

BAY AREA SENIOR SERVICES, INC.
FORM 5-1, LONG-TERM DEBT INCURRED IN A PRIOR FISCAL YEAR
YEAR ENDED SEPTEMBER 30, 2021

FORM 5-1
LONG-TERM DEBT INCURRED
IN A PRIOR FISCAL YEAR
(Including Balloon Debt)

Long-Term Debt Obligation	(a) Date Incurred	(b) Principal Paid During Fiscal Year	(c) Interest Paid During Fiscal Year	(d) Credit Enhancement Premiums Paid in Fiscal Year	(e) Total Paid (columns (b) + (c) + (d))
1	10/29/2018	\$ 336,105	\$ 902,892	\$ -	\$ 1,238,997
2	10/29/2018	-	851,278	-	851,278
3					
4					
5					
6					
7					
8					
TOTAL		\$ 336,105	\$ 1,754,170	\$ -	\$ 2,090,275

(Transfer this amount to
Form 5-3, Line 1)

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

Principal paid per column (b) \$ 336,105

Repayment of long term debt per cash flow \$ 336,105

PROVIDER: Bay Area Senior Services, Inc.

See accompanying Note to Reserve Reports.

**BAY AREA SENIOR SERVICES, INC.
FORM 5-2, LONG-TERM DEBT INCURRED DURING FISCAL YEAR
YEAR ENDED SEPTEMBER 30, 2021**

**FORM 5-2
LONG-TERM DEBT INCURRED
During Fiscal Year
(Including Balloon Debt)**

Long-Term Debt Obligation	(a) Date Incurred	(b) Total Interest Paid During Fiscal Year	(c) Amount of Most Recent Payment on the Debt	(d) Number of Payments next 12 months	(e) Reserve Requirement (see instruction 5) (columns (c) x (d))
1	7/28/2021	\$ 76,903	\$ 20,833	\$ 12	\$ 249,996
2					
3					
4					
5					
6					
7					
8					
TOTAL		\$ 76,903	\$ 20,833	\$ 12	\$ 249,996

[Transfer this amount to
Form 5-3, Line 2]

PROVIDER: Bay Area Senior Services, Inc.

See accompanying Note to Reserve Reports.

BAY AREA SENIOR SERVICES, INC.
FORM 5-3, CALCULATION OF LONG-TERM DEBT RESERVE AMOUNT
YEAR ENDED SEPTEMBER 30, 2021

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

LINE		TOTAL
1	Total from Form 5-1 bottom of column (e)	<u>\$ 2,090,275</u>
2	Total from Form 5-2 bottom of Column (e)	<u>249,996</u>
3	Facility leasehold or rental payment paid by provider during fiscal year. (including related payments such as lease insurance)	<u>13,500</u>
4	TOTAL AMOUNT REQUIRED FOR LONG-TERM DEBT RESERVE:	<u><u>\$ 2,353,771</u></u>

PROVIDER: Bay Area Senior Services, Inc.

See accompanying Note to Reserve Reports.

**BAY AREA SENIOR SERVICES, INC.
FORM 5-4, CALCULATION OF NET OPERATING EXPENSES
YEAR ENDED SEPTEMBER 30, 2021**

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

		Amounts	TOTAL
1	Total operating expenses from financial statements		\$ 17,433,281
2	Deductions		
	a Interest paid on long-term debt (see instructions)	3,134,399	
	b Credit enhancement premiums paid for long-term debt (see instructions)	-	
	c Depreciation	1,257,383	
	d Amortization	117,345	
	e Revenues received during the fiscal year for services to residents who did not have continuing care contract	359,478	
	f Extraordinary expenses approved by the Department	-	
3	Total Deductions	-	4,868,605
4	Net Operating Expenses		12,564,676
5	Divide Line 4 by 365 and enter the result.		34,424
6	Multiply Line 5 by 75 and enter the result. This is the provider's operating expense reserve amount for this community.		\$ 2,581,800

PROVIDER: Bay Area Senior Services, Inc.

COMMUNITY: The Peninsula Regent

See accompanying Note to Reserve Reports.

**BAY AREA SENIOR SERVICES, INC.
FORM 5-5, NOTE TO RESERVE REPORTS
YEAR ENDED SEPTEMBER 30, 2021**

**FORM 5-5
ANNUAL RESERVE CERTIFICATION**

Provider Name: Bay Area Senior Services, Inc.
Fiscal Year Ended: September 30, 2021

We have reviewed our debt service reserve and operating expense reserve requirements as of, and for the fiscal year ended September 30, 2021 and are in compliance with those requirements.

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

	Amount
[1] Debt Service Reserve Amount	\$ 2,353,771
[2] Operating Expense Reserve Amount	2,581,800
[3] Total Liquid Reserve Amount:	\$ 4,935,571

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

Qualifying Asset Description	Amount	
	(market value at end of quarter)	
	Debt Service Reserve	Operating Reserve
[4] Cash and Cash Equivalents	\$ 2,353,771	\$ 2,821,127
[5] Investment Securities	-	-
[6] Equity Securities	-	2,303,512
[7] Unused/Available Lines of Credit	-	-
[8] Unused/Available Letters of Credit	-	-
[9] Debt Service Reserve	-	-
[10] Other:		
Fixed Income Securities	-	5,582,696
Large/Mid/Small Cap Growth/Value	-	-
Deposit Account	-	-
(describe qualify asset)		
Total Amount of Qualifying Assets Listed for Reserve Obligation:	[11] \$ 2,353,771	[12] \$ 10,707,335
Reserve Obligation Amount:	[13] \$ 2,353,771	[14] \$ 2,581,800
Surplus/(Deficiency):	[15] \$ -	[16] \$ 8,125,535

Signature:

Ryan Schnobrich
(Authorized Representative)

VP of Accounting
(Title)

**BAY AREA SENIOR SERVICES, INC.
FORM 5-5, NOTE TO RESERVE REPORTS
YEAR ENDED SEPTEMBER 30, 2021**

NOTE 1 BASIS OF ACCOUNTING

The accompanying reserve reports have been prepared in accordance with the provisions of Health and Safety Code Section 1792 administered by the state of California Department of Social Services and are not intended to be a complete presentation of Bass Area Senior Services, Inc.'s assets, liabilities, revenues, and expenses.

BAY AREA SENIOR SERVICES, INC.
PART OF FORM 5-5, DESCRIPTION OF RESERVES AND ADDITIONAL DISCLOSURES
(SECTION 1790)
YEAR ENDED SEPTEMBER 30, 2021

Bay Area Senior Services, Inc.
DSS - Reserve Report - Part of Form 5-5
Description of Reserves and Additional Disclosures (Section 1790)

	BASS
Commercial Paper Sweep	\$ 2,029,202
Cash	1,907
	<u><u>\$ 2,031,109</u></u>
Cash & Cash Equivalents	\$ 3,143,789
Fixed Income	5,582,696
Mutual Funds	-
Equity	2,303,512
	<u><u>\$ 11,029,997</u></u>

Per the September 2021 audit, the BASS Reserves listed above are liquid and available for use as needed. There are no restrictions on the funds listed above.

Per Capita Cost of Operations

Operating Expenses (Form 5-4 line # 1)	\$ 17,433,281
Mean # of all residents (Form 1-1 line 10)	217
Per Capita Cost of Operations	\$ 80,523

See accompanying Note to Reserve Reports.

**BAY AREA SENIOR SERVICES, INC.
PART OF FORM 5-4, NON-CCRC REVENUE RECONCILIATION
YEAR ENDED SEPTEMBER 30, 2021**

**Bay Area Senior Services, Inc.
Calculation of Net Operating Expenses - Form 5-4
Reconciliation to 2021 Audited Financial Statements
October 2020 - September 2021**

<u>LOC Type</u>	<u>Daily Rate</u>	<u># of Days</u>	<u>Estimated Annual Revenue</u>
ALP1			\$ 301,955
	Total Non-CCRC service fees		<u>\$ 301,955</u>
 Support and revenue for TPR			
Resident fees and services			\$ 14,003,682
Transfer fees			757,973
Non CCRC revenue *			359,478
Services not covered by monthly service fees			822,053
Subtotal			<u>15,943,186</u>
Investment and interest income			<u>194,701</u>
	Total operating revenues		<u>\$ 16,137,887</u>
 Expenses for TPR			
Total operating expenses			\$ 17,433,281
Lease expense			-
Total operating expenses Form 5-4 line 1			<u>17,433,281</u>
Depreciation			1,257,383

BAY AREA SENIOR SERVICES, INC.
PART OF FORM 5-4, NON-CCRC REVENUE RECONCILIATION (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2021

<u>Non-CCRC revenue *</u>	
Non-CCRC monthly fees	\$ 301,955
Catering	13,421
Guest Rooms	450
Guest Meals	4,670
HOA Management fee	31,296
Other	7,686
Total Non-CCRC other revenue	\$ 359,478

* YTD actual revenue

Reconciliation to audited financial statements

Total CCRC Service fees	\$ 13,746,579
Transfer fees	757,973
Total CCRC Other revenue	1,495,277
	<u>15,999,829</u>
Per audited financial statements:	
Total CCRC service fees	14,048,534
Transfer fees	757,973
Total CCRC other revenue	1,552,800
<i>Total CCRC/Non-CCRC Revenue</i>	<u>16,359,307</u>
Less CCRC Revenue	<u>(15,999,829)</u>
Total Non-CCRC Revenue	\$ 359,478

See accompanying Note to Reserve Reports.

Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor. C/LA is an independent member of Nexia International, a leading, global network of independent accounting and consulting firms. See nexia.com/member-firm-disclaimer for details. CliftonLarsonAllen LLP



**CONTINUING CARE RETIREMENT COMMUNITY
DISCLOSURE STATEMENT
GENERAL INFORMATION**

Date Prepared: 01/31/22

FACILITY NAME: The Peninsula Regent
 ADDRESS: 1 Baldwin Ave San Mateo, CA ZIP CODE: 94401 PHONE: (650) 579-5500
 FACILITY OWNER: Bay Area Senior Services, Inc FACILITY OPERATOR: Pacific Retirement Services
 RELATED FACILITIES: See Attached RELIGIOUS AFFILIATION: _____
 YEAR OPENED: 1988 NO. OF ACRES: 2 SINGLE STORY MULTI-STORY OTHER: _____ MILES TO SHOPPING CTR: 2.5
 MILES TO HOSPITAL: 4

NUMBER OF UNITS:	INDEPENDENT LIVING	HEALTH CARE
	APARTMENTS -STUDIO <u>0</u>	ASSISTED LIVING <u>20</u>
	APARTMENTS -1 BDRM <u>99</u>	SKILLED NURSING <u>0</u>
	APARTMENTS - 2 BDRM <u>108</u>	SPECIAL CARE <u>0</u>
	COTTAGES/HOUSES <u>0</u>	DESCRIPTION: > _____
	% OCCUPANCY AT YEAR END <u>94.2%</u>	

TYPE OF OWNERSHIP: NOT FOR PROFIT FOR PROFIT ACCREDITED: Y N BY: _____
 FORM OF CONTRACT: CONTINUING CARE LIFE CARE ENTRANCE FEE FEE FOR SERVICE
 ASSIGN ASSETS EQUITY MEMBERSHIP RENTAL

REFUND PROVISIONS (CHECK ALL THAT APPLY): Refundable Repayable 90% 75% 50% OTHER: No entrance fee

RANGE OF ENTRANCE FEES: 0 TO 0 LONG -TERM CARE INSURANCE REQUIRED? Y N

HEALTH CARE BENEFITS INCLUDED IN CONTRACT: Access to assisted living apartments and home care visits

ENTRY REQUIREMENTS: MIN. AGE: 60 PRIOR PROFESSION: _____ OTHER: _____

RESIDENT REPRESENTATIVE ON THE BOARD (briefly describe their involvement): See attachment to page 1 of the CCRC Disclosure Stmt

FACILITY SERVICES AND AMENITIES

COMMON AREA AMENITIES

SERVICES AVAILABLE

	AVAILABLE	FEE FOR SERVICE		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 type="checkbox"/>
BILLIARD ROOM	<input checked="" type="checkbox"/>	<input type="checkbox"/>	MEALS (<u>3</u> /DAY)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
BOWLING GREEN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	SPECIAL DIETS AVAILABLE	<input checked="" type="checkbox"/>	<input 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 type="checkbox"/>	ACTIVITIES PROGRAM	<input checked="" type="checkbox"/>	<input type="checkbox"/>
CRAFT ROOMS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	ALL UTILITIES EXCEPT PHONE	<input type="checkbox"/>	<input checked="" type="checkbox"/>
EXERCISE ROOM	<input checked="" type="checkbox"/>	<input type="checkbox"/>	APARTMENT MAINTENANCE	<input checked="" type="checkbox"/>	<input type="checkbox"/>
GOLF COURSE ACCESS	<input type="checkbox"/>	<input type="checkbox"/>	CABLE TV	<input checked="" type="checkbox"/>	<input type="checkbox"/>
LIBRARY	<input checked="" type="checkbox"/>	<input type="checkbox"/>	LINENS FURNISHED	<input checked="" type="checkbox"/>	<input type="checkbox"/>
PUTTING GREEN	<input type="checkbox"/>	<input type="checkbox"/>	LINENS LAUNDERED	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
SHUFFLEBOARD	<input type="checkbox"/>	<input type="checkbox"/>	MEDICATION MANAGEMENT	<input type="checkbox"/>	<input type="checkbox"/>
SPA	<input checked="" type="checkbox"/>	<input type="checkbox"/>	NURSING/WELLNESS CLINIC	<input checked="" type="checkbox"/>	<input type="checkbox"/>
SWIMMING POOL-INDOOR	<input checked="" type="checkbox"/>	<input type="checkbox"/>	PERSONAL NURSING/HOME CARE	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
SWIMMING POOL-OUTDOOR	<input type="checkbox"/>	<input type="checkbox"/>	TRANSPORTATION-PERSONAL	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
TENNIS COURT	<input type="checkbox"/>	<input type="checkbox"/>	TRANSPORTATION-PREARRANGED	<input checked="" type="checkbox"/>	<input type="checkbox"/>
WORKSHOP	<input checked="" type="checkbox"/>	<input type="checkbox"/>	OTHER _____	<input type="checkbox"/>	<input type="checkbox"/>
OTHER	<input type="checkbox"/>	<input type="checkbox"/>			

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

**Bay Area Senior Services, Inc
The Peninsula Regent
Disclosure Statement General Information
Supplemental Schedule - Resident Representative to and
Resident Member on the Board**

BASS BOARD VOTING MEMBER AND REPRESENTATIVE

Voting Resident (Member) Director of BASS Board

The Resident Council shall nominate and vote on a Member to participate as a voting Member of the BASS Board of Directors. Any such nomination shall be subject to the approval of the BASS Board of Directors. The person so nominated shall first have served at least three years as a Member of the Resident Council. The appointment shall be for three years. Such person may be reappointed for successive terms. If the person so appointed is not a current Member of the Council, he or she shall sit with the Council ex officio as a non-voting Member and report to the Council on matters of interest to the Council.

Non-Voting Resident (Member) Representative BASS Board

In addition to the representative nominated as a voting member of the Board, the Council shall appoint the then current Council Chair to represent the Association as a non-voting resident representative to the BASS Board of Directors. In case of the inability of the representative to attend a meeting of the BASS Board, the Council may provide for a person otherwise qualified to serve during the period of inability.

PROVIDER NAME: Bay Area Senior Services, Inc

CCRCs

LOCATION (City, State)

PHONE (with area code)

MULTI-LEVEL RETIREMENT COMMUNITIES

FREE-STANDING SKILLED NURSING

SUBSIDIZED SENIOR HOUSING

***PLEASE INDICATE IF THE FACILITY IS LIFE CARE.**

FINANCIAL DISCLOSURE STATEMENT
PROVIDER NAME: Bay Area Senior Services, Inc

	2018	2019	2020	2021
INCOME FROM ONGOING OPERATIONS				
OPERATING INCOME (excluding amortization of entrance fee income)	14,770,889	17,502,188	15,508,892	16,116,787
LESS OPERATING EXPENSES (excluding depreciation, amortization, & interest)	13,483,613	13,057,896	12,662,954	14,646,944
NET INCOME FROM OPERATIONS	1,287,276	4,444,292	2,845,938	1,469,843
LESS INTEREST EXPENSE		1,718,222	1,847,962	1,528,954
PLUS CONTRIBUTIONS		-	40,000	21,100
PLUS NON-OPERATING INCOME (EXPENSES) (excluding extraordinary items)		-	-	(240,502)
NET INCOME (LOSS) BEFORE ENTRANCE FEES, DEPRECIATION AND AMORTIZATION	1,287,276	2,726,070	1,037,976	(278,513)
NET CASH FLOW FROM ENTRANCE FEES (Total Deposits Less Refunds)	-	-	-	-

DESCRIPTION OF SECURED DEBT AS OF MOST RECENT FISCAL YEAR END

LENDER	OUTSTANDING BALANCE	INTEREST RATE	DATE OF ORIGINATION	DATE OF MATURITY	AMORTIZATION PERIOD
Bank of America	43,458,334	Libor + 1.08%	7/28/2021	1/1/2051	30 years

FINANCIAL RATIOS (see next page for ratio formulas)

	2019	2020	2021
DEBT TO ASSET RATIO	0.72	0.72	0.77
OPERATING RATIO	0.84	0.94	1.00
DEBT SERVICE COVERAGE RATIO	2.21	1.62	0.70
DAYS CASH-ON-HAND RATIO	204	59	295

HISTORICAL MONTHLY SERVICE FEES

AVERAGE FEE AND PERCENT CHANGE

	2018	%	2019	%	2020	%	2021	%
STUDIO								
ONE BEDROOM	\$ 3,523.00	4.54%	\$ 3,830.00	8.71%	\$ 4,041.00	5.51%	\$ 4,219.00	4.40%
TWO BEDROOM	\$ 4,536.00	4.54%	\$ 4,932.00	8.73%	\$ 5,203.00	5.49%	\$ 5,432.00	4.40%
COTTAGE/HOUSE								
ASSISTED LIVING	\$ 5,119.00	4.53%	\$ 5,565.00	8.71%	\$ 5,871.00	5.50%	\$ 6,129.00	4.39%
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

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

DEBT SERVICE COVERAGE RATIO

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

DAYS CASH ON HAND RATIO

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

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

FORM 7-1
REPORT ON CCRC MONTHLY SERVICE FEES

	<u>INDEPENDENT LIVING</u>	<u>ASSISTED LIVING</u>	<u>SKILLED NURSING</u>
[1] Monthly Service Fees at beginning of reporting period:	<u>\$3,794 - \$5,843</u>	<u>\$ 6,129</u>	<u>N/A</u>
[2] Indicate percentage of increase in fees imposed during reporting period:	<u>4.40%</u>	<u>4.40%</u>	<u>0.00%</u>

- [] Check here if monthly service fees at this community were not increased during the reporting period.
- [3] Indicate the date the fee increase was implemented: October 1, 2020
- [4] Check each of the appropriate boxes:
- [X] Each fee increase is based on the provider's projected costs, prior year per capita costs, and economic indicators.
 - [X] All affected residents were given written notice of this fee increase at least 30 days prior to its implementation. **Date of Notice:** 7/31/2020 **Method of Notice:** distributed / mailed
 - [X] 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:** 7/29/2020
 - [X] The provider provided residents with at least 14 days advance notice of each meeting held to discuss the fee increases. **Date of Notice:** 7/15/2020
 - [X] 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:** 7/15/2020
Location of Posting: Elevator lobby on 1st floor; In-house Channel 998; Community app
- [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 NAME: Bay Area Senior Services, Inc.
COMMUNITY NAME: The Peninsula Regent

Provider Name: Bay Area Senior Services, Inc

**FORM 7-1 MONTHLY CARE FEE INCREASE (MCFI)
ANNUAL AREPORTING FISCAL YEAR (F/Y) 2021**

dollar amounts in thousands

Line	Fiscal Years	2019	2020	2021
1	F/Y 2019 Operating Expenses	(16,085)		
2	F/Y 2020 Operating Expenses (Adjustment if any, explained below)		(13,530)	
3	Projected F/Y 2021 Results of operations (adjustments explained below)			(14,083)
4	F/Y 2021 Anticipated MCF Revenues based on current and projected occupancy and other without a MCFI			15,146
5	Projected F/Y 2021 (Net) operating results without a MCFI (Line 3 plus Line 4)			1,063
6	Projected F/Y 2021 Anticipated revenue based on current and projected occupancy and other with MCFI 4.4%			15,163
7	Grand Total - Projected F/Y 2021 Net Operating Activity after 4.4% MCFI (Line 3 plus Line 6)			1,080

A

Overall Expense % Increase: 4.09%
Independent Living Monthly % Fee Increase: 4.40%
Assisted Living Monthly Fee % Increase: 4.40%

Notes:

A Total projected increase in expenses is estimated at \$553K, or 4.09% compared to prior year.

Attachment to Form 7-1
REPORT ON CCRC MONTHLY SERVICE FEES
EXPLANATION FOR INCREASE IN MONTHLY SERVICE FEES

The purpose of Bay Area Senior Services Inc's annual budgeting and rate setting process is to establish a financial plan that is sufficient to meet the needs of its residents, attracting and retaining qualified staff, and to support the mission of the organization.

Monthly service fees were increased in 2021 by 4.4% for all levels of care. The rate increase was derived from a process that considers the increased cost of providing services and reasonable operating margins necessary to ensure the continuation of the organizational mission. Anticipated cost increases included higher labor costs and normal inflationary cost increases related to purchases of supplies and services.

Total revenues were expected to increase by 5.7% or \$821K in fiscal year ended 9/30/21 to \$15.1M. Change in revenues was a result of projected census, projected changes in non-service fee revenue and monthly service fee rate increases. Independent Living revenues were projected to increase \$886k and Assisted Living revenues were projected to increase \$137k.

Expenses were expected to increase by 3.2% or \$553K in fiscal year ended 9/30/21 to \$14.1M. Labor related cost increases composed a significant portion of the increase due to a rising cost to attract and retain staff, a California mandated increase in minimum wage and the related wage compression related to this increase in minimum wage. Labor costs were expected to increase in excess of 6.3%, or \$164k, while employee health benefit costs were expected to increase 6.6%. Other significant cost increases include supplies and purchased services by 3.8%.

The projected 2021 net operating income allows the community to reinvest in the physical plant, thereby ensuring quality facilities for existing residents and continued marketability for prospective residents. Additionally, the projected net operating income ensures that the community is positioned to weather unexpected costs or capital needs, and is able to continue its mission.