



Phone: (559) 638-9226
Fax: (559) 638-6857
1155 E. Springfield Ave.
Reedley, CA 93654
www.sierraview.org

February 27, 2017

California Department of Social Services
Community Care Licensing division
Continuing Care Contracts Branch
744 "P" Street, M.S. 10-90
Sacramento, CA 95814


Re: Certification by Chief Executive Officer

To Whom It May Concern,

This letter is to certify the following,

- The annual report and any amendments thereto are correct to the best of my knowledge.
- Each continuing care contract form in use or offered to new residents has been approved by the department.
- Sierra View Homes maintains the required liquid reserve.

Sincerely,


Vito Genna
Chief Executive Officer

rl

ANNUAL REPORT CHECKLIST

PROVIDER(S): Sierra View Homes

CCRC(S): Sierra View Homes

CONTACT PERSON: R. Linscheid

TELEPHONE NO.: (559) 638-9226 EMAIL: rlinscheid@sierraview.org

A complete annual report must consist of 3 copies of all of the following:

- Annual Report Checklist.
- Annual Provider Fee in the amount of: \$ 3,676
 - If applicable, late fee in the amount of: \$ 0
- Certification by the provider's **Chief Executive Officer** that:
 - The reports are correct to the best of his/her knowledge.
 - Each continuing care contract form in use or offered to new residents has been approved by the Department.
 - The provider is maintaining the required *liquid* reserves and, when applicable, the required refund reserve.
- Evidence of the provider's fidelity bond, as required by H&SC section 1789.8.
- Provider's audited financial statements, with an accompanying certified public accountant's opinion thereon.
- Provider's audited reserve reports (prepared on Department forms), with an accompanying certified public accountant's opinion thereon.
- Provider's "Continuing Care Retirement Community Disclosure Statement" and Form 7-1 "Report on CCRC Monthly Service Fees" for **each** community.
- Provider's Refund Reserve Calculation(s) – Form 9-1 and/or Form 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	126
[2]	Number at end of fiscal year	137
[3]	Total Lines 1 and 2	263
[4]	Multiply Line 3 by ".50" and enter result on Line 5.	x .50
[5]	Mean number of continuing care residents	131.5
All Residents		
[6]	Number at beginning of fiscal year	230
[7]	Number at end of fiscal year	234
[8]	Total Lines 6 and 7	464
[9]	Multiply Line 8 by ".50" and enter result on Line 10.	x .50
[10]	Mean number of <i>all</i> residents	232
[11]	Divide the mean number of continuing care residents (Line 5) by the mean number of <i>all</i> residents (Line 10) and enter the result (round to two decimal places).	0.57

**FORM 1-2
ANNUAL PROVIDER FEE**

<u>Line</u>	<u>TOTAL</u>
[1]	Total Operating Expenses (including depreciation and debt service - interest only) <u>\$7,641,010</u>
[a]	Depreciation <u>\$673,826</u>
[b]	Debt Service (Interest Only) <u>\$481,105</u>
[2]	Subtotal (add Line 1a and 1b) <u>\$1,154,931</u>
[3]	Subtract Line 2 from Line 1 and enter result. <u>\$6,486,079</u>
[4]	Percentage allocated to continuing care residents (Form 1-1, Line 11) <u>57%</u>
[5]	Total Operating Expense for Continuing Care Residents (multiply Line 3 by Line 4) <u>\$3,676,377</u>
[6]	Total Amount Due (multiply Line 5 by .001) <u>\$3,676</u>

PROVIDER SIERRA VIEW HOMES (December 31, 2016)
COMMUNITY SIERRA VIEW HOMES (December 31, 2016)

FORM 7-1
REPORT ON CCRC MONTHLY SERVICE FEES

	<u>RESIDENTIAL LIVING</u>	<u>ASSISTED LIVING</u>	<u>SKILLED NURSING</u>
[1] Monthly Service Fees at beginning of reporting period: (indicate range, if applicable)	<u>0</u>	<u>3,264</u>	<u>215</u>
[2] Indicate percentage of increase in fees imposed during reporting period: (indicate range, if applicable)	<u></u>	<u>2%</u>	<u>2%</u>

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

[3] Indicate the date the fee increase was implemented: January 1, 2014
(If more than 1 increase was implemented, indicate the dates for each increase.)

[4] Check each of the appropriate boxes:

- Each fee increase is based on the provider's projected costs, prior year per capita costs, and economic indicators.
- All affected residents were given written notice of this fee increase at least ⁶⁰~~30~~ days prior to its implementation.
- At least 30 days prior to the increase in monthly service fees, the designated representative of the provider convened a meeting that all residents were invited to attend.
- At the meeting with residents, the provider discussed and explained the reasons for the increase, the basis for determining the amount of the increase, and the data used for calculating the increase.
- The provider provided residents with at least 14 days advance notice of each meeting held to discuss the fee increases.
- 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.

[5] On an attached page, provide a concise explanation for the increase in monthly service fees including the amount of the increase. *Payroll costs with the increase of minimum wage, cost increase of supplies, utilities and food.*

PROVIDER: Sierra View Homes
COMMUNITY: Sierra View Homes

FORM 7-1

**Continuing Care Retirement Community
Disclosure Statement
General Information**

Date Prepared: 2/27/2017

FACILITY NAME: Sierra View Homes
 ADDRESS: 1155 E Springfield Ave, Reedley, CA ZIP CODE: 93654 PHONE: 559-638-9226
 PROVIDER NAME: Sierra View Homes FACILITY OPERATOR: Vito Genna
 RELATED FACILITIES: None RELIGIOUS AFFILIATION: Mennonite
 YEAR # OF SINGLE MULTI- MILES TO SHOPPING CTR: .5
 OPENED: 1968 ACRES: 13 STORY STORY OTHER: MILES TO HOSPITAL: 2

NUMBER OF UNITS:

RESIDENTIAL LIVING	HEALTH CARE
APARTMENTS — STUDIO: <u>2</u>	ASSISTED LIVING: <u>78</u>
APARTMENTS — 1 BDRM: <u>64</u>	SKILLED NURSING: <u>59</u>
APARTMENTS — 2 BDRM: <u>49</u>	SPECIAL CARE: _____
COTTAGES/HOUSES: <u>0</u>	DESCRIPTION: > <u>CCRC consists only of AL and SNF. Residential Living is contracted with the CCRC.</u>
RLU OCCUPANCY (%) AT YEAR END: <u>100%</u>	> _____

TYPE OF OWNERSHIP: NOT-FOR-PROFIT FOR-PROFIT ACCREDITED?: YES NO BY: _____

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

REFUND PROVISIONS: (Check all that apply) 90% 75% 50% FULLY AMORTIZED OTHER: Care Fee is refunded 100% if the resident uses AL or SNF

RANGE OF ENTRANCE FEES: \$ 0 - \$ 0 LONG-TERM CARE INSURANCE REQUIRED? YES NO

HEALTH CARE BENEFITS INCLUDED IN CONTRACT: Care Fee is used to offset cost of Assisted Living or Skilled Nursing with 5% discount of current rate

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

RESIDENT REPRESENTATIVE(S) TO, AND RESIDENT MEMBER(S) ON, THE BOARD (briefly describe provider's compliance and residents' role): >
 > Two residents sit on the Strategic Planning Committee. One resident sits on the board as a full voting board member

FACILITY SERVICES AND AMENITIES					
COMMON AREA AMENITIES	AVAILABLE	FEE FOR SERVICE	SERVICES AVAILABLE	INCLUDED IN FEE	FOR EXTRA CHARGE
BEAUTY/BARBER SHOP	<input type="checkbox"/>	<input checked="" type="checkbox"/>	HOUSEKEEPING (<u>4</u> TIMES/MONTH)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
BILLIARD ROOM	<input checked="" type="checkbox"/>	<input type="checkbox"/>	MEALS (<u>3</u> /DAY)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
BOWLING GREEN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	SPECIAL DIETS AVAILABLE	<input type="checkbox"/>	<input checked="" type="checkbox"/>
CARD ROOMS	<input type="checkbox"/>	<input type="checkbox"/>			
CHAPEL	<input checked="" type="checkbox"/>	<input type="checkbox"/>	24-HOUR EMERGENCY RESPONSE	<input checked="" type="checkbox"/>	<input type="checkbox"/>
COFFEE SHOP	<input checked="" type="checkbox"/>	<input type="checkbox"/>	ACTIVITIES PROGRAM	<input checked="" type="checkbox"/>	<input type="checkbox"/>
CRAFT ROOMS	<input 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 type="checkbox"/>
SHUFFLEBOARD	<input type="checkbox"/>	<input type="checkbox"/>	MEDICATION MANAGEMENT	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
SPA	<input checked="" type="checkbox"/>	<input type="checkbox"/>	NURSING/WELLNESS CLINIC	<input type="checkbox"/>	<input type="checkbox"/>
SWIMMING POOL-INDOOR	<input checked="" type="checkbox"/>	<input type="checkbox"/>	PERSONAL HOME CARE	<input type="checkbox"/>	<input type="checkbox"/>
SWIMMING POOL-OUTDOOR	<input type="checkbox"/>	<input type="checkbox"/>	TRANSPORTATION-PERSONAL	<input type="checkbox"/>	<input checked="" type="checkbox"/>
TENNIS COURT	<input type="checkbox"/>	<input type="checkbox"/>	TRANSPORTATION-PREARRANGED	<input type="checkbox"/>	<input checked="" type="checkbox"/>
WORKSHOP	<input type="checkbox"/>	<input type="checkbox"/>	OTHER _____	<input type="checkbox"/>	<input type="checkbox"/>
OTHER _____	<input type="checkbox"/>	<input type="checkbox"/>			

PROVIDER NAME: Sierra View Homes

OTHER CCRCs

LOCATION (City, State)

PHONE (with area code)

None

MULTI-LEVEL RETIREMENT COMMUNITIES

LOCATION (City, State)

PHONE (with area code)

FREE-STANDING SKILLED NURSING

LOCATION (City, State)

PHONE (with area code)

SUBSIDIZED SENIOR HOUSING

LOCATION (City, State)

PHONE (with area code)

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

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
INCOME FROM ONGOING OPERATIONS				
OPERATING INCOME				
(Excluding amortization of entrance fee income)	7,346,118	7,533,523	7,558,941	7,795,722
LESS OPERATING EXPENSES				
(Excluding depreciation, amortization, and interest)	6,025,545	6,103,420	6,200,901	6,486,079
NET INCOME FROM OPERATIONS	<u>1,319,573</u>	<u>1,403,103</u>	<u>1,358,040</u>	<u>1,309,643</u>
LESS INTEREST EXPENSE	616,919	610,544	599,688	481,105
PLUS CONTRIBUTIONS	75,199	75,811	71,350	74,246
PLUS NON-OPERATING INCOME (EXPENSES)				
(excluding extraordinary items)	113,038	143,923	34,414	84,195
NET INCOME (LOSS) BEFORE ENTRANCE FEES, DEPRECIATION AND AMORTIZATION	<u>890,891</u>	<u>683,920</u>	<u>870,116</u>	<u>986,979</u>
NET CASH FLOW FROM ENTRANCE FEES				
(Total Deposits Less Refunds) ^{CARE}	<u>98,289 Care Fee</u>	<u>42,936 Care Fee</u>	<u>29,200 Care Fee</u>	<u>29,490 Care Fee</u>

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

<u>LENDER</u>	<u>OUTSTANDING BALANCE</u>	<u>INTEREST RATE</u>	<u>DATE OF ORIGINATION</u>	<u>DATE OF MATURITY</u>	<u>AMORTIZATION PERIOD</u>
BNY Cert. of Debt Series A	9,750,000	2.98	2016	2040	24
BNY Cert. of Debt Series B	2,190,000	2.08	2016	2023	7
CA Health Facilities Financing Authority	363,075	3.00	2009	2024	15

FINANCIAL RATIOS (see next page for ratio formulas)

	2015 CCAC Medians 50th Percentile <i>(optional)</i>	<u>2014</u>	<u>2015</u>	<u>2016</u>
DEBT TO ASSET RATIO		0.6267	0.6135	0.6676
OPERATING RATIO		0.8823	0.8865	0.8215
DEBT SERVICE COVERAGE RATIO		1.6754	1.5080	1.5982
DAYS CASH ON HAND RATIO		150.921	177.188	211.464

HISTORICAL MONTHLY SERVICE FEES (Average Fee and Change Percentage)

	<u>2013</u>	<u>%</u>	<u>2014</u>	<u>%</u>	<u>2015</u>	<u>%</u>	<u>2016</u>
STUDIO	750	0	750	4	780	2	796
ONE BEDROOM	717	2	732	2	750	2	796
TWO BEDROOM	771	2	787	2	800	2	816
COTTAGE/HOUSE	0	0	0	0	0	0	0
ASSISTED LIVING	3090	2	3150	2	3200	2	3264
SKILLED NURSING	200	3	206	2	211	2	215
SPECIAL CARE							

COMMENTS FROM PROVIDER: > The CCRC consists of only Assisted Living and Skilled Nursing. The apartments tenants sign a CCRC agreement > when they sign the apartment contract. The apartments are under Sierra View Residences, LLC and are wholly owned by Sierra View Homes.
 >

Jeffrey L. Carter
Certified Public Accountant
1355 11th Street
Reedley, California 93654
Telephone (559) 637-1675

Independent Auditor's Report

To the Board of Directors, Sierra View Homes
Reedley, California

Report on the Continuing Care Reserve Report

I have audited the accompanying continuing care reserve report (Report) of Sierra View Homes, which comprises the continuing care liquid reserve schedules (Forms 5-1 through 5-5 and related supporting schedules) as of and for the year ended December 31, 2016.

Management's Responsibility for the Report

Management is responsible for the preparation and fair presentation of the Report 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 Report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the Report based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the Report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Report, 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 Report 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, I 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 Report.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my audit opinion.

To the Board of Directors, Sierra View Homes
Reedley, California
Page 2

Opinion

In my opinion, the Report referred to above presents fairly, in all material respects, the liquid reserve requirements of Sierra View Homes as of and for the year ended December 31, 2016, in conformity with the report preparation provisions of California Health and Safety Code 1792.

Basis of Accounting

I draw attention to the basis of accounting used to prepare the Report. The Report is prepared on the basis of the liquid reserve requirements of California Health and Safety Code 1792 and also in accordance with the *Annual Report Instructions (January 1, 2007)* issued by the State of California Department of Social Services. This is a basis of accounting other than accounting principles generally accepted in the United States of America, and it is used to meet the requirements of California Health and Safety Code Section 1792. My opinion is not modified with respect to this matter.

Restriction on Use

My report is intended solely for the information and use of the board of directors and management of Sierra View Homes and the California Department of Social Services. It is not intended to be and should not be used by anyone other than these specified parties.



January 31, 2017

**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	06/01/09	\$50,962	\$14,125	\$0	\$65,087
2					\$0
3					\$0
4					\$0
5					\$0
6					\$0
7					\$0
8					\$0
TOTAL:			\$14,125	\$0	\$65,087

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

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

PROVIDER: SIERRA VIEW HOMES (December 31, 2016)

SIERRA VIEW HOMES

**December 31, 2016 Annual Report for the California Department of Social Services
Support Schedule for Form 5-1 and Form 5-2, Interest Paid (two-way reconciliation)**

Interest expense on the Statement of Activities and Changes in Net Assets from the audited financial statement (accrual basis) \$481,105

Adjustments to convert from accrual expense to total paid amount:

Add accrued interest payable at the beginning of the year	193,942
Deduct accrued interest payable at the end of the year	(125,781)
Add back debt issuance premium amortization in interest expense	22,290
Deduct debt issuance cost amortization in interest expense	<u>(21,784)</u>
TOTAL INTEREST PAID ON LONG-TERM DEBT (NOTE 1 below)	549,772
Less paid interest on debt that was refinanced (NOTE 2 below)	(449,701)
TOTAL INTEREST PAID AND ALLOCATED TO FORMS 5-1 AND 5-2	<u>\$100,071</u>

Above interest paid is split between Forms 5-1 and 5-2 as follows:

FORM 5-1 14,125

FORM 5-2 85,946

NOTE 1: This amount agrees to the audited financial statement, statement of cash flows, *cash flows from operating activities* section of the cash flow statement.

NOTE 2: Debt incurred in 2010 (see 2015 Form 5-1, obligation number 1) was paid off via a refinance with debt listed on Form 5-2, obligation number 1. The instructions on page 11 indicate a 12 month rule. In order to calculate the correct reserve for remaining debt, the interest paid on the debt paid off during the year must be eliminated from total interest paid.

**FORM 5-2
LONG-TERM DEBT INCURRED
DURING FISCAL YEAR
(Including Balloon Debt)**

	(a) Date Incurred	(b) Total Interest Paid During Fiscal Year	(c) Amount of Most Recent Payment on the Debt	(d) Number of Payments over next 12 months	(e) Reserve Requirement (see instruction 5) (columns (c) x (d))
Long-Term Debt Obligation	06/09/16	\$85,946	\$62,277	12	\$747,324
1					\$0
2					\$0
3					\$0
4					\$0
5					\$0
6					\$0
7					\$0
8					\$0
TOTAL:		\$85,946	\$62,277	12	\$747,324

*(Transfer this amount to
Form 5-3, Line 2)*

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

PROVIDER: SIERRA VIEW HOMES (December 31, 2016)

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

Line		TOTAL
1	Total from Form 5-1 bottom of Column (e)	\$65,087
2	Total from Form 5-2 bottom of Column (e)	\$747,324
3	Facility leasehold or rental payment paid by provider during fiscal year (including related payments such as lease insurance)	\$0
4	TOTAL AMOUNT REQUIRED FOR LONG-TERM DEBT RESERVE:	\$812,411

PROVIDER: SIERRA VIEW HOMES (December 31, 2016)