

ANNUAL REPORT CHECKLIST

FISCAL YEAR ENDED:
10/31/2014

PROVIDER(S): Villa Marin Homeowners Association

RECEIVED
FEB 27 2015

CCRC(S): Villa Marin Homeowners Association

CONTINUING CARE
CONTRACTS BRANCH

PROVIDER CONTACT PERSON: Daniel Walker, Executive Director

TELEPHONE NO.: (415) 492-2637 EMAIL: danw@villa-marin.com

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

- Annual Report Checklist.
- Annual Provider Fee in the amount of: \$ 10,856
 - If applicable, late fee in the amount of: \$ N/A
- 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. (NOTE: Form 5-5 must be signed and have the required disclosures attached (H&SC section 1790(a)(2) and (3)).
- "Continuing Care Retirement Community Disclosure Statement" for *each* community.
- Form 7-1, "Report on CCRC Monthly Service Fees" for *each* community.
- Form 9-1, "Calculation of Refund Reserve Amount", *if applicable*.
- Key Indicators Report (signed by CEO or CFO (or by the authorized person who signed the provider's annual report)). The KIR may be submitted along with the annual report, but is not required until 30 days later.

N/A

SEE ENCLOSED

R E C E I V E D
FEB 27 2015

CONTINUING CARE
CONTRACTS BRANCH

To: Department of Social Services

I certify to the best of my knowledge that Villa Marin Homeowners' Association's Annual Reserve Report for the fiscal year ended October 31, 2014 is correct.

I also certify that each continuing care contract form in use or offered to new residents has been approved by the Department of Social Services, and the provider had the required liquid reserve and refund reserve as of October 31, 2014.

Signed: _____


Executive Director

Date: _____

2-25-15

Signed: _____


Director of Finance

Date: _____

2-25-15



VILLMAR-01

RKANEN

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

8/6/2014

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 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 Vantreo Insurance Brokerage 100 Stony Point Rd, Suite 160 Santa Rosa, CA 95401	CONTACT NAME: Rebecca Rountree	FAX (A/C, No): (707) 546-2915	
	PHONE (A/C, No, Ext): (707) 546-2300	E-MAIL ADDRESS: rroundree@vantreo.com	
INSURED Villa Marin Homeowners Association 100 Thorndale Drive San Rafael, CA 94903	INSURER(S) AFFORDING COVERAGE		NAIC #
	INSURER A : Travelers Casualty & Surety Company		19038
	INSURER B :		
	INSURER C :		
	INSURER D :		
	INSURER E :		
INSURER F :			

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	ADDL INSD	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 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) \$ \$
	UMBRELLA LIAB <input type="checkbox"/> OCCUR EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED <input type="checkbox"/> RETENTION \$						EACH OCCURRENCE \$ AGGREGATE \$ \$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	N/A				PER STATUTE <input type="checkbox"/> OTH-ER <input type="checkbox"/> E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$
A	Crime (Includes Burg			105818540	08/01/2014	08/01/2015	\$1000 Ded; Limit 1,000,000
A	Crime (Includes Burg			105818540	08/01/2014	08/01/2015	see description

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

RE: 100 Thorndale Dr, San Rafael, CA

Fiduciary Liability also includes: \$100,000 Settlement Program; \$25,000 HIPPA; January 15 1999 Pending & Prior Proceeding and Continuity Date

Crime Includes: \$500,000 Employee Theft (\$5,000 Ded); \$500,000 ERISA (\$0 Ded); \$500,000 Employee Theft of Client Property (\$10,000 Ded); \$500,000 Forgery or Alteration (\$5,000 Ded); On Premises and In Transit \$10,000 each (\$5,000 Ded each); Money Orders \$50,000 (\$5,000 Ded); Computer Fraud \$500,000 (\$5,000 Ded); Claim Expense \$5,000 (\$0 Ded)

CERTIFICATE HOLDER

CANCELLATION

State of California Continuing Care Contracts Branch
744 P St., MS10-90
Sacramento, CA 95814

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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CERTIFICATE OF LIABILITY INSURANCE

VILLMAR-01 KDEDECKER

DATE (MM/DD/YYYY)
2/11/2014

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PRODUCER Vantreo Insurance Brokerage 100 Stony Point Rd, Suite 160 Santa Rosa, CA 95401	CONTACT NAME:	
	PHONE (A/C. No. Ext): (707) 546-2300	FAX (A/C. No.): (707) 546-2915
	E-MAIL ADDRESS:	
	INSURER(S) AFFORDING COVERAGE	NAIC #
	INSURER A: Travelers Casualty & Surety Company	19038
INSURED Villa Marin Homeowners Association 100 Thorndale Drive San Rafael, CA 94903	INSURER B:	
	INSURER C:	
	INSURER D:	
	INSURER E:	
	INSURER F:	

COVERAGES CERTIFICATE NUMBER: REVISION NUMBER:

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INSR LTR	TYPE OF INSURANCE	ADOL	SUBR	INSQ	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								EACH OCCURRENCE \$ DAMAGE TO RENTED PREMISES (Ea occurrence) \$ MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ GENERAL AGGREGATE \$ PRODUCTS - COMP/OP AGG \$ \$
	GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:								
	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) \$ \$
	UMBRELLA LIAB <input type="checkbox"/> OCCUR EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED RETENTION \$								EACH OCCURRENCE \$ AGGREGATE \$ \$
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A	Fiduciary Liability					105818540	08/01/2013	08/01/2014	\$1000 Ded; Limit 1,000,000
A	Crime					105818540	08/01/2013	08/01/2014	see description

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
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CERTIFICATE HOLDER State of California Continuing Care Contracts Branch 744 P St., MS10-80 Sacramento, CA 95814	CANCELLATION 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 <i>Robert [Signature]</i>

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R E C E I V E D
FEB 27 2015

CONTINUING CARE
CONTRACTS BRANCH

VILLA MARIN HOMEOWNERS' ASSOCIATION

**FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS' REPORT**

YEARS ENDED OCTOBER 31, 2014 AND 2013

LEVY, ERLANGER & COMPANY
Certified Public Accountants
San Francisco, California

VILLA MARIN HOMEOWNERS' ASSOCIATION

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YEARS ENDED OCTOBER 31, 2014 AND 2013**

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LEVY, ERLANGER & COMPANY
Certified Public Accountants

290 King Street, Suite 12
San Francisco, CA 94107

R E C E I V E D
FEB 27 2015

CONTINUING CARE
CONTRACTS BRANCH

INDEPENDENT AUDITORS' REPORT

Board Of Directors
Villa Marin Homeowners' Association
San Rafael, California

We have audited the accompanying financial statements of **Villa Marin Homeowners' Association** (the Association), which comprise the balance sheets as of October 31, 2014 and 2013, and the related statements of revenues, expenses and changes in fund balances, and cash flows, for the years then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **Villa Marin Homeowners' Association** as of October 31, 2014 and 2013, and the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

As further discussed in the notes to the financial statements, the Association has completed a study of its common area major components sufficient to assist the Board in planning for future major repairs and replacements. The reasonableness of the resulting replacement reserve funding plan is a function of the completeness of the major component list and the accuracy of the estimated quantity, useful and remaining lives, and replacement costs of those components.

Funds are being accumulated in the replacement fund based on estimated future costs for repair and replacement of common area property. Actual expenditures and investment income may vary from the estimated amounts, and the variations may be material. Therefore, amounts accumulated in the replacement fund may or may not be adequate to meet all future component repair and replacement costs. The ability of the Association to fund its future requirements is dependent upon annual increases in that portion of the assessment which is allocated to the replacement fund, and/or special assessments. In the event that funds are not available when needed, the Board may, subject to the constraints of California law and the Association's governing documents, increase regular assessments, levy special assessments, and/or delay repair and replacement of common area major components until sufficient funds are available.

Disclaimer of Opinion on Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the information on future major repairs and replacements of common property be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Financial Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Levy. Erlanger & Company

January 9, 2015

VILLA MARIN HOMEOWNERS' ASSOCIATION

**BALANCE SHEET
OCTOBER 31, 2014**

	Operations	General	Property	Gifts &	Total
	Fund	Reserve	Replacement	Bequests	Funds
	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Funds</u>
ASSETS					
Cash and cash equivalents (Note 2)	\$ 1,147,356	\$ 33,690	\$ 818,049	\$ 23,033	2,022,128
Investment in certificates of deposit (Note 2)		626,000	780,000	70,000	1,476,000
Assessments receivable (Note 2)	38,917				38,917
Healthcare accounts receivable, less allowance for doubtful accounts of \$20,000	66,261				66,261
Interest receivable	2,286		28,031	95	30,412
Prepaid insurance	155,087				155,087
Prepaid income taxes	1,958		2,425	280	4,663
Deposits	43,554				43,554
Prepaid expenses	99,204				99,204
Other assets	547				547
Due from general reserve fund	5				5
Furniture, equipment, vehicles and artwork, net of accumulated depreciation of \$3,254,843	1,541,316				1,541,316
Total assets	<u>\$ 3,096,491</u>	<u>\$ 659,690</u>	<u>\$ 1,628,505</u>	<u>\$ 93,408</u>	<u>\$ 5,478,094</u>
LIABILITIES					
Accounts payable	\$ 208,818	\$ -	\$ 23,460	\$ -	\$ 232,278
Accrued salaries and benefits payable	654,848				654,848
Due to operations fund		5			5
Future major repairs and replacements (Note 3)	-	-	-	-	-
Total liabilities	<u>863,666</u>	<u>5</u>	<u>23,460</u>	<u>-</u>	<u>887,131</u>
COMMITMENTS (NOTE 4)	-	-	-	-	-
FUND BALANCE (DEFICIT)	<u>2,232,825</u>	<u>659,685</u>	<u>1,605,045</u>	<u>93,408</u>	<u>4,590,963</u>
Total liabilities and fund balance	<u>\$ 3,096,491</u>	<u>\$ 659,690</u>	<u>\$ 1,628,505</u>	<u>\$ 93,408</u>	<u>\$ 5,478,094</u>

See independent auditors' report and accompanying notes.

VILLA MARIN HOMEOWNERS' ASSOCIATION

**BALANCE SHEET
OCTOBER 31, 2013**

	Operations	General	Property	Gifts &	Total
	Fund	Reserve	Replacement	Bequests	Funds
	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Funds</u>
ASSETS					
Cash and cash equivalents	\$ 1,017,665	\$ 233,689	\$ 259,395	\$ 3,343	\$ 1,514,092
Investment in certificates of deposit		826,000	1,005,000	100,000	1,931,000
Assessments receivable	62,473				62,473
Healthcare accounts receivable, less allowance for doubtful accounts of \$20,000	68,758				68,758
Interest receivable	2,616		23,008	59	25,683
Prepaid insurance	160,245				160,245
Prepaid income taxes	961		743	31	1,735
Prepaid expenses	190,073				190,073
Other assets	1,414				1,414
Due from general reserve fund	5				5
Furniture, equipment, vehicles and artwork, net of accumulated depreciation of \$3,061,023	1,645,050				1,645,050
Total assets	<u>3,149,260</u>	<u>1,059,689</u>	<u>1,288,146</u>	<u>103,433</u>	<u>5,600,528</u>
LIABILITIES					
Accounts payable	\$ 221,173	\$ -	\$ 36,269	\$ -	\$ 257,442
Accrued salaries and benefits payable	670,679				670,679
Due to operations fund		5			5
Future major repairs and replacements	-	-	-	-	-
Total liabilities	<u>891,852</u>	<u>5</u>	<u>36,269</u>	<u>-</u>	<u>928,126</u>
COMMITMENTS					
FUND BALANCE (DEFICIT)	<u>2,257,408</u>	<u>1,059,684</u>	<u>1,251,877</u>	<u>103,433</u>	<u>4,672,402</u>
Total liabilities and fund balance	<u>\$ 3,149,260</u>	<u>\$ 1,059,689</u>	<u>\$ 1,288,146</u>	<u>\$ 103,433</u>	<u>\$ 5,600,528</u>

See independent auditors' report and accompanying notes.

VILLA MARIN HOMEOWNERS' ASSOCIATION

**STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND BALANCES
YEAR ENDED OCTOBER 31, 2014**

	Operations Fund	General Reserve Fund	Property Replacement Fund	Gifts & Bequests Fund	Total Funds
REVENUES					
Assessments	\$ 8,576,109	\$ -	\$ 725,000	\$ -	\$ 9,301,109
Donation			208,891		208,891
Resident medical income	1,830,697				1,830,697
Nonresident services	220,800				220,800
License fee revenue	213,623				213,623
Interest income (Note 2)	6,268		8,332	365	14,965
Other revenue	234,555			9,950	244,505
Total revenues	11,082,052	-	942,223	10,315	12,034,590
EXPENSES					
Administration					
Bad debt expense	65,161	-	-	-	65,161
General administration	1,151,648		300		1,151,948
Human resources	216,101				216,101
Income tax provision (Note 2)	576		713	83	1,372
Insurance	222,160				222,160
Marketing	98,240				98,240
Workers' compensation insurance	158,731				158,731
Total administration	1,912,617	-	1,013	83	1,913,713
Maintenance and operations					
Activities	113,558	-	-	-	113,558
Depreciation	316,588				316,588
Housekeeping	1,261,815				1,261,815
Maintenance services	694,860				694,860
Meals and food preparation	2,334,733				2,334,733
Medical	3,394,927				3,394,927
Reception	257,499				257,499
Security services	171,593				171,593
Transportation	138,545				138,545
Total maintenance and operations	8,684,118	-	-	-	8,684,118
Utilities					
Cable television	94,588	-	-	-	94,588
Garbage collection	66,114				66,114
Gas and electricity	352,789				352,789
Telephone	92,976				92,976
Water and sewer	49,370				49,370
Total utilities	655,837	-	-	-	655,837

See independent auditors' report and accompanying notes.

VILLA MARIN HOMEOWNERS' ASSOCIATION

**STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND BALANCES
YEAR ENDED OCTOBER 31, 2014**

	Operations Fund	General Reserve Fund	Property Replacement Fund	Gifts & Bequests Fund	Total Funds
EXPENSES (CONTINUED)					
<u>Major repairs and replacements</u>					
Garage and pool leak project	\$ -	\$ -	\$ 236,935	\$ -	\$ 236,935
Painting			374,427		374,427
Pool			78,101		78,101
Other major repairs and replacements			172,898		172,898
Total major repairs and replacements	-	-	862,361	-	862,361
Total expenses	11,252,572	-	863,374	83	12,116,029
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	(170,520)	-	78,849	10,232	(81,439)
BOARD-APPROVED INTERFUND RECLASSIFICATIONS AND TRANSFERS	145,937	(399,999)	274,319	(20,257)	-
FUND BALANCE (DEFICIT), BEGINNING OF YEAR	<u>2,257,408</u>	<u>1,059,684</u>	<u>1,251,877</u>	<u>103,433</u>	<u>4,672,402</u>
FUND BALANCE (DEFICIT), END OF YEAR	<u>\$ 2,232,825</u>	<u>\$ 659,685</u>	<u>\$ 1,605,045</u>	<u>\$ 93,408</u>	<u>\$ 4,590,963</u>

See independent auditors' report and accompanying notes.

VILLA MARIN HOMEOWNERS' ASSOCIATION

**STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND BALANCES
YEAR ENDED OCTOBER 31, 2013**

	Operations Fund	General Reserve Fund	Property Replacement Fund	Gifts & Bequests Fund	Total Funds
REVENUES					
Assessments	\$ 8,384,679	\$ -	\$ 650,000	\$ -	\$ 9,034,679
Resident medical income	1,570,094				1,570,094
Nonresident services	200,750				200,750
License fee revenue	219,722				219,722
Interest income (Note 2)	12,577		15,562	658	28,797
Other revenue	233,875			4,300	238,175
Total revenues	10,621,697	-	665,562	4,958	11,292,217
EXPENSES					
<u>Administration</u>					
Bad debt expense	24,991	-	-	-	24,991
General administration	1,060,181		300		1,060,481
Human resources	204,991				204,991
Income tax provision (Note 2)	3,248		2,509	105	5,862
Insurance	230,108				230,108
Marketing	122,898				122,898
Workers' compensation insurance	136,793				136,793
Total administration	1,783,210	-	2,809	105	1,786,124
<u>Maintenance and operations</u>					
Activities	133,809	-	-	-	133,809
Depreciation	323,152				323,152
Housekeeping	1,214,342				1,214,342
Maintenance services	655,246				655,246
Meals and food preparation	2,326,635				2,326,635
Medical	3,353,245				3,353,245
Reception	240,291				240,291
Security services	183,755				183,755
Transportation	131,815				131,815
Total maintenance and operations	8,562,290	-	-	-	8,562,290
<u>Utilities</u>					
Cable television	89,538	-	-	-	89,538
Garbage collection	63,573				63,573
Gas and electricity	334,204				334,204
Telephone	70,555				70,555
Water and sewer	53,505				53,505
Total utilities	611,375	-	-	-	611,375

See independent auditors' report and accompanying notes.

VILLA MARIN HOMEOWNERS' ASSOCIATION

**STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND BALANCES
YEAR ENDED OCTOBER 31, 2013**

	<u>Operations</u>	<u>General</u>	<u>Property</u>	<u>Gifts &</u>	<u>Total</u>
	<u>Fund</u>	<u>Reserve</u>	<u>Replacement</u>	<u>Bequests</u>	<u>Funds</u>
	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Funds</u>
EXPENSES (CONTINUED)					
<u>Major repairs and replacements</u>					
Decks	\$ -	\$ -	\$ 52,959	\$ -	\$ 52,959
Painting			347,977		347,977
Garage and pool leak project			131,033		131,033
Other major repairs and replacements			204,468		204,468
	<u>-</u>	<u>-</u>	<u>736,437</u>	<u>-</u>	<u>736,437</u>
Total major repairs and replacements					
	-	-	736,437	-	736,437
	<u>-</u>	<u>-</u>	<u>736,437</u>	<u>-</u>	<u>736,437</u>
Total expenses	10,956,875	-	739,246	105	11,696,226
	<u>10,956,875</u>	<u>-</u>	<u>739,246</u>	<u>105</u>	<u>11,696,226</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	(335,178)	-	(73,684)	4,853	(404,009)
	<u>(335,178)</u>	<u>-</u>	<u>(73,684)</u>	<u>4,853</u>	<u>(404,009)</u>
BOARD-APPROVED INTERFUND RECLASSIFICATIONS AND TRANSFERS	292,419	(1)	(254,551)	(37,867)	-
	<u>292,419</u>	<u>(1)</u>	<u>(254,551)</u>	<u>(37,867)</u>	<u>-</u>
FUND BALANCE (DEFICIT), BEGINNING OF YEAR	2,300,167	1,059,685	1,580,112	136,447	5,076,411
	<u>2,300,167</u>	<u>1,059,685</u>	<u>1,580,112</u>	<u>136,447</u>	<u>5,076,411</u>
FUND BALANCE (DEFICIT), END OF YEAR	\$ 2,257,408	\$ 1,059,684	\$ 1,251,877	\$ 103,433	\$ 4,672,402
	<u>\$ 2,257,408</u>	<u>\$ 1,059,684</u>	<u>\$ 1,251,877</u>	<u>\$ 103,433</u>	<u>\$ 4,672,402</u>

See independent auditors' report and accompanying notes.

VILLA MARIN HOMEOWNERS' ASSOCIATION

**STATEMENT OF CASH FLOWS
YEAR ENDED OCTOBER 31, 2014**

	<u>Operations Fund</u>	<u>General Reserve Fund</u>	<u>Property Replacement Fund</u>	<u>Gifts & Bequests Fund</u>	<u>Total Funds</u>
OPERATING ACTIVITIES					
Excess (deficiency) of revenues over expenses	\$ (170,520)	\$ -	\$ 78,849	\$ 10,232	\$ (81,439)
Adjustments to reconcile excess (deficiency) of revenues over expenses to net cash provided by operating activities:					
Bad debt expense	65,161	-	-	-	65,161
Depreciation	316,588	-	-	-	316,588
Decrease (increase) in assets:					
Assessments receivable	(41,605)	-	-	-	(41,605)
Healthcare accounts receivable	2,497	-	-	-	2,497
Interest receivable	330	-	(5,023)	(36)	(4,729)
Prepaid insurance	5,158	-	-	-	5,158
Prepaid income taxes	(997)	-	(1,682)	(249)	(2,928)
Deposits	(43,554)	-	-	-	(43,554)
Prepaid expenses	90,869	-	-	-	90,869
Other assets	867	-	-	-	867
Increase (decrease) in liabilities:					
Accounts payable	(12,355)	-	(12,809)	-	(25,164)
Accrued salaries and other expenses	(15,831)	-	-	-	(15,831)
Total adjustments	367,128	-	(19,514)	(285)	347,329
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	<u>196,608</u>	<u>-</u>	<u>59,335</u>	<u>9,947</u>	<u>265,890</u>
INVESTING ACTIVITIES					
Net (purchase) sale of certificates of deposit	-	200,000	225,000	30,000	455,000
Net (purchase) sale of fixed assets	(212,854)	-	-	-	(212,854)
NET CASH PROVIDED BY (USED FOR) INVESTING ACTIVITIES	<u>(212,854)</u>	<u>200,000</u>	<u>225,000</u>	<u>30,000</u>	<u>242,146</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(16,246)	200,000	284,335	39,947	508,036
BOARD-APPROVED INTERFUND RECLASSIFICATIONS AND TRANSFERS	145,937	(399,999)	274,319	(20,257)	-
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>1,017,665</u>	<u>233,689</u>	<u>259,395</u>	<u>3,343</u>	<u>1,514,092</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 1,147,356</u>	<u>\$ 33,690</u>	<u>\$ 818,049</u>	<u>\$ 23,033</u>	<u>\$ 2,022,128</u>

See independent auditors' report and accompanying notes.

VILLA MARIN HOMEOWNERS' ASSOCIATION

**STATEMENT OF CASH FLOWS
YEAR ENDED OCTOBER 31, 2014**

	<u>Operations Fund</u>	<u>General Reserve Fund</u>	<u>Property Replacement Fund</u>	<u>Gifts & Bequests Fund</u>	<u>Total Funds</u>
<u>Supplemental Disclosures</u>					
Interest paid	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Income taxes paid	<u>\$ 1,573</u>	<u>\$ -</u>	<u>\$ 2,395</u>	<u>\$ 332</u>	<u>\$ 4,300</u>

See independent auditors' report and accompanying notes.

VILLA MARIN HOMEOWNERS' ASSOCIATION

STATEMENT OF CASH FLOWS YEAR ENDED OCTOBER 31, 2013

	Operations Fund	General Reserve Fund	Property Replacement Fund	Gifts & Bequests Fund	Total Funds
OPERATING ACTIVITIES					
Excess (deficiency) of revenues over expenses	\$ (335,178)	\$ -	\$ (73,684)	\$ 4,853	\$ (404,009)
Adjustments to reconcile excess (deficiency) of revenues over expenses to net cash provided by operating activities:					
Bad debt expense	24,991	-	-	-	24,991
Depreciation	323,152				323,152
Decrease (increase) in assets:					
Assessments receivable	(25,095)				(25,095)
Healthcare accounts receivable	40,242				40,242
Interest receivable	1,282		(5,487)		(4,205)
Prepaid insurance	8,110				8,110
Prepaid expenses	(24,452)				(24,452)
Prepaid income taxes	1,342		2,451	(31)	3,762
Due from general and property replacement fund	32,277				32,277
Other assets	3,018				3,018
Increase (decrease) in liabilities:					
Accounts payable	(2,902)		20,003		17,101
Accrued salaries and other expenses	23,171				23,171
Due to operations fund		(19,917)	(12,360)		(32,277)
Total adjustments	405,136	(19,917)	4,607	(31)	389,795
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	69,958	(19,917)	(69,077)	4,822	(14,214)
INVESTING ACTIVITIES					
Net (purchase) sale of certificates of deposit	-	159,000	75,000	-	234,000
Net (purchase) sale of fixed assets	(287,699)				(287,699)
NET CASH PROVIDED BY (USED FOR) INVESTING ACTIVITIES	(287,699)	159,000	75,000	-	(53,699)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(217,741)	139,083	5,923	4,822	(67,913)
BOARD-APPROVED INTERFUND RECLASSIFICATIONS AND TRANSFERS					
	292,419	(1)	(254,551)	(37,867)	-
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	942,987	94,607	508,023	36,388	1,582,005
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 1,017,665	\$ 233,689	\$ 259,395	\$ 3,343	\$ 1,514,092

See independent auditors' report and accompanying notes.

VILLA MARIN HOMEOWNERS' ASSOCIATION

**STATEMENT OF CASH FLOWS
YEAR ENDED OCTOBER 31, 2013**

	<u>Operations Fund</u>	<u>General Reserve Fund</u>	<u>Property Replacement Fund</u>	<u>Gifts & Bequests Fund</u>	<u>Total Funds</u>
Supplemental Disclosures					
Interest paid	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Income taxes paid	<u>\$ 1,906</u>	<u>\$ -</u>	<u>\$ 58</u>	<u>\$ 136</u>	<u>\$ 2,100</u>

See independent auditors' report and accompanying notes.

VILLA MARIN HOMEOWNERS' ASSOCIATION

NOTES TO FINANCIAL STATEMENTS YEARS ENDED OCTOBER 31, 2014 AND 2013

1. THE ASSOCIATION

Villa Marin Homeowners' Association (the Association) is a common interest development located in San Rafael, California which consists of 224 residential units and certain common area property. The Association was organized as a nonprofit mutual-benefit corporation in September 1983 to provide for management, maintenance and architectural control of the individual units and the common area property. The Association is governed by a member-elected Board of Directors which is responsible for enforcing provisions of the governing documents, which include covenants, conditions and restrictions (CC&Rs), by laws, and rules and regulations. Major decisions, as determined by the CC&Rs, are referred to the Association's Board of Directors.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Assessments. Association members are subject to annual assessments, usually payable in equal monthly installments, to provide funds for operating expenses and major repairs and replacements. In addition to regular annual assessments, special and/or emergency assessments may be imposed by the Association's Board Of Directors, under certain circumstances without member approval. Any excess assessments at year end are retained by the Association for use in the succeeding year. Revenues and expenses and information about future major repairs and replacements are explained in greater detail in the annually-distributed pro forma operating budget (pursuant to California Civil Code Section 5300).

Assessments receivable at the balance sheet date represents the aggregate amount of assessments due from unit owners. The Association's policy is to retain a collection service and/or legal counsel and place liens on the properties of owners whose assessments are delinquent. In certain instances, foreclosure may be necessary. The collection process is explained in greater detail in the annually distributed annual statement of collection procedure (pursuant to California Civil Code Section 5730). Because of these collection procedures, the Board believes that, subject to a reasonable allowance for doubtful accounts, if any, all assessments are collectible. The estimate of allowance for doubtful accounts, if any, is based, generally, on amounts past due greater than 90 to 120 days.

See independent auditors' report.

VILLA MARIN HOMEOWNERS' ASSOCIATION

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED OCTOBER 31, 2014 AND 2013**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of presentation. The accompanying financial statements, and the Association's corporate income tax returns, have been prepared on the accrual basis of accounting, in accordance with accounting principles generally accepted in the United States of America, whereby revenues are recognized when earned and expenses are recognized when incurred.

Cash and cash equivalents. For purposes of the statement of cash flows, the Association considers all short-term investments with a maturity at date of purchase of three months or less to be cash equivalents. Cash equivalents are classified with cash in the balance sheet.

Concentrations of credit risk. Financial instruments which potentially subject the Association to concentrations of credit risk consist principally of cash, cash equivalents and investments. The Association maintains its financial instruments with what management believes to be high credit quality financial institutions and limits the amount of credit exposure to any one particular institution. Cash, cash equivalents and investments in excess of federal deposit insurance (FDIC) coverage limits as of October 31, 2014 totaled approximately \$1,037,000.

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. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Fund accounting. The Association's governing documents provide certain guidelines for governing its financial activities. To ensure the observance of limitations and restrictions on the use of financial resources, the Association maintains its accounts using fund accounting. Financial resources are classified for accounting and reporting purposes in four funds established according to their nature and purpose. The operations fund is used to account for the financial resources available for the general day-to-day operations of the Association. The property replacement fund is used to accumulate financial resources designated for future major repairs and replacements.

See independent auditors' report.

VILLA MARIN HOMEOWNERS' ASSOCIATION

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED OCTOBER 31, 2014 AND 2013**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income taxes are paid on income from sources which are not related to the nonprofit, membership purposes of the Association. Nonmembership income, less related nonmembership expenses, subject to federal and California income taxes includes interest earned on cash and investments.

For federal purposes, the Association is taxed as a regular corporation at graduated rates from 15% to 39% on net nonmember income. California income taxes approximate 9% of taxable income.

The Association's tax filings are subject to audit by various taxing authorities: federal income tax returns for the previous three years remain open to examination by the Internal Revenue Service and California income tax returns for the previous four years remain open to examination by the Franchise Tax Board. In evaluating the Association's tax provisions and accruals, the Association believes that its estimates are appropriate based on current facts and circumstances.

Interest earned on operations, property replacement and gifts and bequests funds, net of related income taxes, is retained in said respective funds. Interest income, net of related income taxes, earned by the general reserve fund, is retained in the operations fund. Income taxes on interest earned by the gifts and bequests fund are paid from the operations fund.

Investments consist of federally-insured certificates of deposit stated at cost which approximates market value.

Membership in the Association is mandatory by virtue of unit ownership.

Real and personal common property acquired by the original owners from the developer is not recognized in the Association's financial statements, in accordance with prevalent industry practice, because it is commonly owned by the individual Association members and its disposition by the Board of Directors is restricted. Similarly, major repairs, replacements and improvements to real property are not recognized. Personal property and equipment acquired by the Association is recorded at cost. Depreciation is recorded on the straight-line basis over estimated useful lives from 5-25 years.

See independent auditors' report.

VILLA MARIN HOMEOWNERS' ASSOCIATION

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED OCTOBER 31, 2014 AND 2013**

3. FUTURE MAJOR REPAIRS AND REPLACEMENTS

The Association's governing documents, and California state law (Civil Code Section 5300), require that the Board of Directors provide for the repair and replacement of Association common area major components. Accordingly, funds which comprise the replacement fund are not generally available for the payment of day-to-day operating expenses. The gift and bequests fund is used to account for the financial resources made available from gifts and bequests.

The Association has completed a study of its common area major components sufficient to assist the Board in planning for future major repairs and replacements. The reasonableness of the resulting reserve funding plan is a function of the completeness of the major component list, the accuracy of the estimated quantity, useful and remaining lives and current replacement costs of those components, and the reasonableness of significant funding assumptions, including but not limited to the projected cost increase (aka inflation) and interest earning rates.

Funds are being accumulated in the replacement fund based on estimated future costs for repair and replacement of common area property. Actual expenditures and investment income may vary from the estimated amounts, and the variations may be material.

Therefore, amounts accumulated in the replacement fund may not be adequate to meet all future component repair and replacement costs. The ability of the Association to fund its future requirements is dependent upon annual increases in that portion of the assessment which is allocated to the replacement fund, and/or special assessments. In the event that funds are not available when needed, the Board may, subject to the constraints of California law and the Association's governing documents, increase regular assessments, levy special assessments, and/or delay repair and replacement until funds are available.

Additional information about future major repairs and replacements may be found in the annually-distributed assessment and reserve funding disclosure summary (pursuant to California Civil Code Section 5300).

See independent auditors' report.

VILLA MARIN HOMEOWNERS' ASSOCIATION

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED OCTOBER 31, 2014 AND 2013**

4. COMMITMENTS

The Association enters into contracts for maintenance services in the normal course of its business operations. These contracts are generally cancelable on thirty to ninety days' notice. The Association also has entered into employment agreements with two of its executives. The contracts are generally cancelable by either party and, under certain circumstances, one of the parties may be obligated to pay the other party as liquidated damages six months compensation.

In addition to management and maintenance of the common area property and meals, the Association provides its members with both assisted living non-medical care and skilled nursing long-term care. Skilled nursing care and assisted living care are also provided to members that elect to sell their unit after they have physically moved into the long-term care facilities and assisted living care facilities, respectively. Such services are provided under contract and require a certain monthly payment from the former member. While the Association has an obligation to provide assisted living and skilled nursing care to members and some former members, no liability has been recorded in the financial statements for the present value of these future services. In the opinion of Association management, the monthly assessment paid by the members, and the monthly contract payments made by former members, is sufficient to meet these obligations.

5. DATE OF MANAGEMENT'S REVIEW

In preparing the financial statements, the Association has evaluated events and transactions for potential recognition or disclosure through January 9, 2015, the date that the financial statements were available to be issued.

See independent auditors' report.

VILLA MARIN HOMEOWNERS' ASSOCIATION

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED OCTOBER 31, 2014 AND 2013**

6. FURNITURE, EQUIPMENT, VEHICLES AND ARTWORK

Furniture, equipment, vehicles and artwork as of October 31, 2014 and 2013 consists of the following:

	<u>2014</u>	<u>2013</u>
Furniture and fixtures	\$ 1,665,188	\$ 1,697,777
Equipment	2,896,730	2,778,982
Vehicles and artwork	<u>234,241</u>	<u>229,314</u>
	4,796,159	4,706,073
Accumulated depreciation	<u>(3,254,843)</u>	<u>(3,061,023)</u>
Net furniture and equipment	<u>\$ 1,541,316</u>	<u>\$ 1,645,050</u>

7. BANK LINES OF CREDIT

The Association has a \$500,000 unused line of credit with Bank of Marin which is limited to the amount(s) the Association has in its cash account(s) with Bank of Marin. Such limitation as of October 31, 2014 was approximately \$300,000. Any advances under the line of credit are secured by an interest in a Bank of Marin bank account(s). Interest on amounts borrowed is payable monthly at prime. The Association also has a \$500,000 unused line of credit with Westamerica Bank. Any advances under the line of credit are secured by an interest in the Association's equipment. Interest on amounts borrowed is payable monthly at the rate of prime plus 1-1/4% per annum.

8. EMPLOYEE PENSION PLAN

The Association has established a 401(k) retirement plan (the Plan). The Plan covers full-time employees over the age of 21 who have at least one year of service. Employee salary deferrals are allowed. The Board annually determines the contribution rate which currently is 3-1/4% of compensation. The contribution expense for the years ended October 31, 2014 and 2013 was \$151,171 and \$146,245, respectively.

See independent auditors' report.

VILLA MARIN HOMEOWNERS' ASSOCIATION

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED OCTOBER 31, 2014 AND 2013**

9. CALIFORNIA DEPARTMENT OF SOCIAL SERVICES

The Association is required to have 75 days of operating liquidity in accordance with California Department of Social Services regulations. For the years ended October 31, 2014 and 2013, the Association has been in compliance with this regulation.

10. RELATED PARTIES AND CONCENTRATION OF VENDORS

The Association has a contract with an outside party to provide food and the related personnel oversight of the food preparation. The contract renews annually and requires a fixed payment per week. For the years ended October 31, 2014 and 2013, the vendor was paid \$1,073,016 and \$1,069,621, respectively.

See independent auditors' report.

VILLA MARIN HOMEOWNERS' ASSOCIATION

**SUPPLEMENTARY INFORMATION ON FUTURE
MAJOR REPAIRS AND REPLACEMENTS
OCTOBER 31, 2014
(UNAUDITED)**

The following information on common area major components was compiled by Reserve Analysis Consulting, L.L.C. of Sausalito, California as of May 2014 and has served as the basis for the current estimates of replacement reserve funding:

Code #	Component Description	2013/14 End Req'd in Bank	Year New	Useful Life	Remng. (14/15)	Total Cost	Annual Allocation
1.000	ROOFING						
1.001	Built Up Roofing	\$64,000	2011	10	7	\$320,000	\$32,000
1.002	Skylights - North & South	\$13,596	2002	15	3	\$18,540	\$1,236
1.008	Chimney Caps/Spark Arrestors	\$1,181	2008	40	34	\$9,450	\$236
1.009	Chimney Sheetmetal Wind Shrouds	\$7,830	1984	50	20	\$13,500	\$270
1.010	Metal Flashing Repair & Replacement	\$8,700	1984	50	20	\$15,000	\$300
1.012	Little Villa Skylight	\$133	2011	30	27	\$2,000	\$67
2.000	BUILDING EXTERIOR						
2.001	Exterior Caulking - Base	\$24,000	2007	20	13	\$80,000	\$4,000
2.002	Wall Joint Tape, Awnings & Professional Services	\$190,962	2001	25	12	\$397,838	\$15,914
2.003	Exterior & Interior Structural Repair Allowance	\$30,000	2013	1	0	\$30,000	\$30,000
2.019	Railing Wall Repair & Concrete Work Allowance	\$2,781	2004	10	0	\$3,090	\$309
2.023	Exterior Painting - Unit 100 / Little Villa	\$2,250	2010	20	16	\$15,600	\$750
2.024	Front 1/2 Main Building Exterior - Paint/Waterproofing	\$24,000	2012	15	13	\$360,000	\$24,000
2.025	Back 1/2 Main Building Exterior - Paint/Waterproofing	\$0	2013	15	14	\$360,000	\$24,000
2.026	Backside Walls Under Promenade Deck	\$66,286	1984	35	5	\$80,000	\$2,286
3.000	CONCRETE BLOCKS						
3.002	Concrete Garage "Ventilation Block" Replace Allowance	\$2,000	2009	5	0	\$2,500	\$500
4.000	AWNINGS						
4.001	Blue Awnings (6)	\$600	2012	10	8	\$6,000	\$600
4.007	Window Replacement Allowance	\$5,150	2013	1	0	\$5,150	\$5,150
4.008	Yellow Awnings Front 1/2 Building (153)	\$5,000	2012	10	8	\$50,000	\$5,000
4.011	Yellow Awnings Back 1/2 Building (25)	\$0	2013	10	9	\$15,000	\$1,500
4.012	Yellow Awnings Back 1/2 Main Building (168)	\$21,000	2010	10	6	\$70,000	\$7,000
4.013	Yellow Awnings- Reoccurring Repair/Replace Allowance	\$5,000	2013	1	0	\$5,000	\$5,000
5.000	ELECTRIC GATES						
5.001	All Parking Garage Gates (4) -Repair/Replace Allowance	\$4,000	2013	1	0	\$4,000	\$4,000
5.005	All Parking Gates Controllers - Repair/Replace Allowance	\$5,300	2013	1	0	\$5,300	\$5,300
5.009	Loading Dock Door & Controller	\$416	2009	25	20	\$2,600	\$104
5.010	Central Trash Controller	\$343	2012	6	4	\$2,060	\$343
5.011	Card Access System	\$7,210	2006	20	12	\$20,600	\$1,030
5.012	Garage Doors - Lower Level (Non Electric)	\$5,377	1984	50	20	\$9,270	\$183
5.013	Security Cameras	\$72,116	2002	20	8	\$131,120	\$6,556
5.014	TV Video Camera	\$2,122	2001	15	2	\$2,652	\$177
6.000	WALL COVERING						
6.001	PCU Corridors & Rooms	\$13,596	2002	25	13	\$30,900	\$1,236
6.004	SNF Corridors & Rooms	\$16,480	2005	15	6	\$30,900	\$2,060
6.006	SNF Dining Room	\$5,650	2005	15	6	\$10,609	\$707
6.007	PCU Dining Room	\$4,668	2002	25	13	\$10,609	\$424
6.008	Beauty Shop	\$4,074	2001	25	12	\$8,487	\$339
7.000	ELEVATORS						
7.001	Hydraulic Cylinder - 4000 lb Capacity - Freight	\$33,330	1984	60	30	\$68,959	\$1,149
7.002	Hydraulic Cylinder - 2500 lb Capacity - North	\$23,075	1984	60	30	\$47,741	\$796

See independent auditors' report and accompanying notes.

VILLA MARIN HOMEOWNERS' ASSOCIATION

**SUPPLEMENTARY INFORMATION ON FUTURE
MAJOR REPAIRS AND REPLACEMENTS
OCTOBER 31, 2014
(UNAUDITED)**

Code #	Component Description	2013/14 End Req'd in Bank	Year New	Useful Life	Remaining (14/15)	Total Cost	Annual Allocation
7.003	Hydraulic Cylinder - 2500 lb Capacity - South	\$23,075	1984	60	30	\$47,741	\$796
7.004	Hydraulic Cylinder - 2500 lb Capacity - Central	\$23,075	1984	60	30	\$47,741	\$796
7.005	Hydraulic Cylinder - 2500 lb Capacity - Kitchen	\$23,075	1984	60	30	\$47,741	\$796
7.006	Elevator Door Infrared (?)	\$4,635	2004	20	10	\$10,300	\$515
7.007	Elevator Pump Unit - Kitchen	\$20,581	1984	31	1	\$22,000	\$710
7.008	Elevator Pump Unit - Freight	\$19,938	1984	32	2	\$22,000	\$688
7.009	Elevator Pump Unit - Central	\$19,333	1984	33	3	\$22,000	\$667
7.010	Elevator Pump Unit - North	\$18,765	1984	34	4	\$22,000	\$647
7.011	Elevator Pump Unit - South	\$18,229	1984	35	5	\$22,000	\$629
7.012	Condo Gym Door Automatic Opener	\$600	2011	20	17	\$6,000	\$300
7.014	Elevator Pit Sump Pumps (5) - Replacement Allowance	\$1,030	2013	1	0	\$1,030	\$1,030
7.015	Central Elevator Cabin Refurbishment	\$16,433	1984	30	0	\$17,000	\$567
7.016	North Elevator Cabin Refurbishment	\$16,433	1984	30	0	\$17,000	\$567
7.017	South Elevator Cabin Refurbishment	\$15,903	1984	31	1	\$17,000	\$548
8.000	ROAD AREA REPLACEMENT						
8.001	Seal Coat, Stripe @ South Fire Access & Tennis Court	\$1,819	2011	7	4	\$6,365	\$909
8.002	Overlay @ South Fire Access	\$2,853	1984	35	5	\$63,788	\$1,823
8.003	Striping & Repair Thorndale Drive	\$1,289	2012	10	8	\$12,890	\$1,289
8.004	Overlay @ Thorndale Drive	\$162,839	1984	33	3	\$185,300	\$5,615
8.005	Repair Thorndale Drive/Sidewalk & Curb	\$2,400	2011	5	2	\$6,000	\$1,200
8.006	Concrete	\$5,000	2013	1	0	\$5,000	\$5,000
8.007	Renovation @ South Fire Access & Tennis Court	\$12,360	2005	20	11	\$30,900	\$1,545
8.008	Asphalt Replacement - South Fire Road	\$26,426	1984	70	40	\$63,788	\$911
8.009	Asphalt Base Replacement - Thorndale Drive	\$79,649	1984	66	36	\$181,271	\$2,747
8.010	Roadway Guard Rail Repair & Replace Allowance	\$0	2013	10	9	\$2,480	\$240
9.000	MECHANICAL						
9.001	Boiler System - Domestic Hot Water - Roof (6) (Small)	\$81,563	1984	32	2	\$90,000	\$2,813
9.004	Boiler System - Heating Water - Roof (2) (Large)	\$34,116	1984	34	4	\$40,000	\$1,176
9.006	Boiler System - Heating Water - SNF (4) (Large)	\$66,286	1984	35	5	\$80,000	\$2,286
9.007	Air Handlers (6)	\$39,557	1984	35	5	\$47,741	\$1,364
9.008	Variable Volume Controllers (60)-Replacement Allowance	\$1,000	2013	1	0	\$1,000	\$1,000
9.010	Fan Coils (4)	\$2,122	2010	30	26	\$21,218	\$707
9.011	A/C Unit - DX @ SNF	\$29,000	1984	30	0	\$30,000	\$1,000
9.012	Exhaust Fans - Smoke	\$0	2013	30	29	\$2,000	\$67
9.013	Domestic Water Booster System	\$6,560	2009	25	20	\$41,000	\$1,640
9.014	PCU Laundry Exhaust Fan	\$6,727	2000	25	11	\$12,937	\$517
9.015	Return Air Fan @ SNF (1)	\$9,265	1984	30	0	\$9,584	\$319
9.016	Package A/C Units - Common Areas (4)	\$19,339	1984	35	5	\$23,340	\$667
9.018	Kitchen Range - Exhaust Fans (Roof)	\$640	2011	25	22	\$8,000	\$320
9.019	A/C Unit - Ambulatory Care (2)	\$26,371	1984	35	5	\$31,827	\$909
9.020	A/C Unit - Promenade/Employee/Business Areas	\$19,778	1984	35	5	\$23,870	\$687
9.021	Filtration System Beauty Shop	\$1,421	1988	28	2	\$1,591	\$57
9.023	Fuel Transfer Pumps (2)	\$1,128	1984	30	0	\$1,167	\$39
9.025	Exhaust Fans - Smoke (4)	\$43,952	1984	35	5	\$53,045	\$1,516
9.026	Residential Thermostats (224) - Replacement Allowance	\$2,000	2013	1	0	\$2,000	\$2,000
9.031	Residential Heat Pumps - Roof - Replacement Allowance	\$40,000	2013	1	0	\$40,000	\$40,000
9.035	Liquid Chiller	\$33,750	2008	20	14	\$135,000	\$6,750
9.037	Return Air Heating Pump	\$2,700	2007	20	13	\$9,000	\$450
9.038	Water Backflow Valve - SNF	\$500	2011	30	27	\$7,500	\$250
9.039	Water Backflow Valve - Common Area	\$500	2011	30	27	\$7,500	\$250
9.040	Portable Generators (3)	\$0	2013	16	15	\$5,900	\$313
11.000	CONCRETE (EXPANSION JOINTS)						
11.001	Seismic Joints - Front North	\$31,243	2006	30	23	\$133,900	\$4,463
11.002	Vertical Seismic Joints - Front North	\$15,000	2007	40	33	\$100,000	\$2,500
11.003	Horizontal Seismic Joint - Gym (60")	\$7,931	2006	30	22	\$33,990	\$1,133
11.004	Horizontal Seismic Joint Beauty Shop (40")	\$3,845	2006	30	22	\$16,480	\$549
11.005	Vertical Systems Joint Repair	\$8,333	2008	30	24	\$50,000	\$1,667
11.006	Horizontal Seismic Joint over PLV - North	\$10,000	2008	30	24	\$60,000	\$2,000
11.007	Vertical Seismic Joint - South Rear	\$3,333	2009	30	25	\$25,000	\$833
11.008	Vertical Seismic Joints - Front North	\$4,000	2007	30	23	\$20,000	\$667
11.009	Vertical Seismic Joints - Front South	\$4,667	2006	30	22	\$20,000	\$667
11.010	Vertical Seismic Joints - Back North	\$4,667	2006	30	22	\$20,000	\$667

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11.011	Vertical Seismic Joints - Back South	\$2,000	2010	30	26	\$20,000	\$667
11.012	Horizontal Seismic Joint - Front North	\$4,500	2006	30	22	\$21,000	\$700
11.013	Horizontal Seismic Joint - Back North	\$6,667	2008	30	24	\$40,000	\$1,333
11.014	Horizontal Seismic Joint - Front South	\$1,800	2008	30	24	\$9,000	\$300
11.015	Horizontal Seismic Joint - Back South	\$13,333	2008	30	24	\$80,000	\$2,667
11.016	Horizontal Seismic Joint - Back South	\$10,000	2010	30	26	\$100,000	\$3,333
11.017	Horizontal Seismic Joint - Back South	\$7,000	2008	30	24	\$42,000	\$1,400
11.018	Horizontal Seismic Joint - Back South	\$4,667	2011	30	27	\$70,000	\$2,333
11.019	Horizontal Seismic Joint - Back South	\$58,935	1984	31	1	\$63,000	\$2,032
12.000	LIFE SAFETY						
12.001	Life Safety System - Phase 1	\$69,868	2002	30	18	\$190,550	\$6,352
12.002	Life Safety System - Phase 2	\$63,517	2003	30	19	\$190,550	\$6,352
12.003	Life Safety System - Phase 3	\$50,813	2005	30	21	\$190,550	\$6,352
12.005	Patient Warden System - All Medical Units	\$6,200	2009	20	15	\$31,000	\$1,650
12.005	Emergency Generator - Rebuild	\$37,338	1984	32	2	\$41,200	\$1,288
12.007	Transfer Switches @ Emergency Generator Room	\$7,692	1984	30	0	\$7,957	\$265
12.008	Transfer Switches @ SNF Battery Room	\$6,993	1984	33	3	\$7,957	\$241
12.009	Tamper Switches (#51)	\$0	2013	2	1	\$2,000	\$1,000
12.010	SNF Emergency Lighting and Power	\$1,600	2009	25	20	\$10,000	\$400
12.011	SNF Emergency Batteries	\$1,061	2010	15	11	\$5,305	\$354
12.012	Telephone System Replacement	\$141,453	1997	18	1	\$159,135	\$8,841
12.013	Professional Services - Life Safety System	\$2,653	2003	20	9	\$5,305	\$265
12.014	Two Way Emergency Radios & Base Station	\$2,000	2009	10	5	\$5,000	\$500
12.015	Telephone System UPS Batteries	\$708	2012	5	3	\$3,500	\$700
12.016	Emergency Fire Pump @ Garden Area - LL Garage	\$79,596	1984	31	1	\$84,872	\$2,738
12.017	Auxiliary Fire Jockey Pump @ Fire Pump Room	\$1,501	2002	20	8	\$6,365	\$318
12.018	Fire Extinguishers	\$1,591	2003	30	19	\$4,774	\$159
12.019	Fire Extinguishers	\$1,114	1992	30	8	\$1,591	\$53
12.020	Emergency Generator - Radiator	\$467	2012	15	13	\$7,000	\$467
12.021	Reception Intercom System	\$3,819	2004	20	10	\$8,487	\$424
12.022	Emergency Generator - 500 Gl. Diesel Tank (@Front)	\$6,896	2000	50	36	\$26,523	\$530
14.000	SWIMMING POOL						
14.001	Swimming Pool & Spa Area Refurb	\$0	2013	20	19	\$50,000	\$2,500
14.005	Pool Heater	\$3,600	2004	18	8	\$4,000	\$400
14.006	Gas Duct Heater	\$4,944	2004	15	5	\$8,240	\$549
14.007	Return Air Handler	\$7,692	1984	30	0	\$7,957	\$265
14.008	Supply Air Handler	\$7,692	1984	30	0	\$7,957	\$265
14.009	Pool Filter	\$1,425	1994	20	0	\$1,500	\$75
14.010	Pool Pump	\$212	2011	10	7	\$1,061	\$106
14.012	Pool Lift	\$375	2012	20	18	\$7,500	\$375
14.013	Pool Ozone Generator	\$937	2006	10	2	\$1,339	\$134
14.014	Pool Room Exhaust Fans	\$833	2006	15	7	\$2,000	\$133
14.015	Pool Solar	\$5,000	2010	20	16	\$20,000	\$1,000
15.000	SPA						
15.004	Spa Heater	\$400	2012	10	8	\$4,000	\$400
15.005	Spa Filter	\$125	2012	20	18	\$2,500	\$125
15.008	Jet Blower Fan	\$1,273	2005	10	1	\$1,591	\$159
15.010	Spa Ozone Generator	\$937	2006	10	2	\$1,339	\$134
16.000	FENCES/GATES/RAILS						
16.001	Fencing @ SE Corner by Paddle Tennis Court	\$3,296	2005	20	11	\$8,240	\$412
16.002	Redwood Fence - North Promenade	\$3,048	1984	30	0	\$3,150	\$105
16.003	Promenade Steel Gates	\$2,308	1984	40	10	\$3,183	\$80
16.004	Bottom Vineyard Fencing - Metal	\$200	2012	40	38	\$8,000	\$200
17.000	DOORS						
17.001	Bi-Fold Doors	\$7,178	1984	30	0	\$7,426	\$248
17.002	Accordion Doors - Auditorium (Rear)	\$3,979	1998	20	4	\$5,305	\$265
17.003	Accordion Doors - Auditorium (Front)	\$4,244	1997	20	3	\$5,305	\$265
17.004	Trash Chute Doors (incl. Kitchen)	\$8,876	1984	40	10	\$11,139	\$278
17.005	Lower Level Garage Entry Door	\$722	1997	30	13	\$1,353	\$45
17.006	Promenade North & South - Automatic (4)	\$14,400	1995	25	6	\$20,000	\$800
17.007	LL Clinic - Automatic - Garage	\$3,820	1995	25	6	\$5,305	\$212
17.008	PCU - Automatic - Garden Area	\$2,961	1995	25	6	\$4,112	\$164

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17.009	Double Slider - Closet - SNF	\$800	2012	15	13	\$12,000	\$800
17.010	Accordion - Closet - SNF	\$186	2012	10	8	\$1,857	\$186
17.011	Accordion - Bath - SNF	\$1,103	2012	10	8	\$11,033	\$1,103
17.012	Double Slider - Closet - PCU	\$1,508	2005	9	0	\$1,697	\$189
17.013	Accordion - Closet - PCU	\$4,582	2005	9	0	\$5,155	\$573
17.014	Accordion - Bath - PCU	\$9,195	2005	9	0	\$10,344	\$1,149
17.015	Interior & Exterior Steel Doors	\$1,545	2011	4	1	\$3,090	\$773
17.017	Door Lock Sets Repair & Replacement Allowance	\$6,000	2013	1	0	\$6,000	\$6,000
18.000	LANDSCAPING						
18.003	Lined Flower Beds adjoining Building	\$258	2012	20	18	\$5,150	\$258
18.009	Common Area Exterior Personal Property	\$800	2011	5	2	\$2,000	\$400
18.016	Tree Removal & Replacement Allowance	\$4,800	2013	1	0	\$4,800	\$4,800
18.017	Upgrade Grounds Allowance	\$1,600	2009	25	20	\$10,000	\$480
19.000	VEHICLES						
19.002	Forklift - Kamatsu	\$7,691	2005	15	6	\$14,420	\$961
19.004	Chevy Large Bus	\$70,345	1996	29	11	\$120,000	\$4,158
19.006	Honda Van	\$24,720	2005	10	1	\$38,980	\$3,898
19.008	Grounds Cart - Electric	\$4,668	1997	20	3	\$5,835	\$292
19.009	Ford Small Bus	\$47,741	1998	20	4	\$63,654	\$3,183
19.010	Ford Flex Crossover	\$10,500	2010	10	6	\$35,000	\$3,500
20.000	FLOOR COVERINGS						
20.001	Dining Room Refurbishment	\$56,250	2008	20	14	\$225,000	\$11,250
20.002	Carpeting - 2/3 1st Floor Refurbish	\$0	2013	8	7	\$60,000	\$7,500
20.003	Carpeting - 1/3 1st Floor Corridors Refurbish	\$7,067	2011	15	12	\$53,000	\$3,533
20.004	Carpeting - Administration	\$6,345	2005	10	1	\$7,931	\$793
20.005	Flooring - SNF Common Area	\$1,351	2012	10	8	\$13,513	\$1,351
20.006	SNF Patient Rooms - Replacement Allowance	\$2,000	2013	1	0	\$2,000	\$2,000
20.007	Carpeting - 2nd Floor & Landing Refurbishment	\$13,333	2011	15	12	\$100,000	\$6,667
20.008	PCU Patient Rooms Replacement Allowance	\$2,000	2013	1	0	\$2,000	\$2,000
20.009	Flooring - PCU Common Area	\$1,591	2012	10	8	\$15,914	\$1,591
20.010	Carpeting - Other Common Areas	\$13,519	2006	8	0	\$15,450	\$1,931
20.011	Lobby - Refurbishment	\$30,000	2010	15	11	\$150,000	\$10,000
20.012	Carpeting - Auditorium	\$0	2013	12	11	\$5,706	\$476
20.013	Card Room & Gift Shop Refurbishment	\$2,800	2010	15	11	\$10,000	\$667
20.014	Kitchen Flooring	\$13,485	1984	60	30	\$27,900	\$465
20.015	Kitchen Flooring Base & Wall	\$9,667	1984	30	0	\$10,800	\$333
20.018	Sheet Vinyl Flooring @ Lunchroom/Corridors	\$5,646	1996	20	2	\$6,643	\$332
20.019	Sheet Vinyl Flooring @ Locker Rooms	\$2,540	1997	20	3	\$3,175	\$159
20.020	Vinyl Tile Flooring @ All Areas	\$3,978	2004	20	10	\$8,340	\$442
20.021	Stair Treads - Art Corridor to OPS	\$0	2013	15	14	\$3,000	\$200
20.022	Floor Covering - 1st Floor Ramps	\$3,819	2001	20	7	\$6,365	\$318
20.023	Baseboard Refurbishing	\$4,395	2005	15	6	\$8,240	\$549
20.024	Beauty Shop Refurbishment	\$1,800	2007	20	13	\$6,000	\$300
20.025	Auditorium - Wood Floor & Baseboard	\$0	2013	15	14	\$6,153	\$410
20.026	Carpeting - 3rd Floor refurbish	\$52,500	2006	12	4	\$98,000	\$7,500
20.027	Carpeting 4th Floor Refurbish	\$61,818	2005	11	2	\$85,000	\$7,727
20.028	Library Refurbish	\$12,978	2006	25	17	\$46,350	\$1,854
20.029	PCU Nursing Station Floor	\$2,500	2008	20	14	\$10,000	\$500
21.000	WINDOW COVERINGS						
21.003	Window Coverings - Lobby	\$1,600	2010	15	11	\$8,000	\$533
21.004	Mini Blinds @ Common Area	\$392	2005	21	12	\$1,030	\$49
21.005	Sun Block Shades	\$2,122	2007	15	8	\$5,305	\$354
21.006	Auditorium Blinds/Dividers	\$0	2013	20	19	\$4,244	\$212
21.007	PCU Patient Room Mini Blinds	\$7,247	1997	17	0	\$7,700	\$453
21.008	PCU Room Cube Curtains, Window Treatments & Bedding	\$0	2013	20	19	\$20,000	\$1,000
21.009	SNF Patient Room Mini Blinds	\$8,282	1997	17	0	\$8,800	\$518
21.010	SNF Patient Room Window Curtains	\$7,639	2001	20	7	\$12,731	\$637
21.011	Mini Blinds - Dining Room	\$646	2007	20	13	\$2,154	\$108
22.000	DOOR CLOSERS						
22.001	Door Closers, Hydraulic - Various Locations - Allowance	\$1,000	2013	1	0	\$1,000	\$1,000
22.002	Electric Door Operators (5)	\$15,200	1994	25	5	\$20,000	\$800
22.003	Electric Fire Door Releaser Allowance	\$2,000	2013	1	0	\$2,000	\$2,000

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22.004	Main Door Electric Opener	\$300	2012	20	18	\$6,000	\$300
2.005	Front Door Automation	\$0	2013	20	19	\$6,000	\$300
23.000	HOUSEKEEPING TOOLS & EQUIPMENT						
23.001	Washer - HC Laundry Room	\$637	2007	10	3	\$1,061	\$106
23.003	PCU - HD Washing Machine	\$4,951	1999	15	0	\$5,305	\$354
23.004	Common Area Washers & Dryers Replacement Allowance	\$1,000	2013	1	0	\$1,000	\$1,000
23.005	Dryer - HC Laundry Room	\$2,334	2002	15	3	\$3,183	\$212
23.008	Teri-Towel System Repair & Replacement Allowance	\$1,000	2013	1	0	\$1,000	\$1,000
23.009	Standard Vacuum Cleaners (#17) - Replacement Allowance	\$2,000	2013	1	0	\$2,000	\$2,000
23.012	Steam Machine	\$2,839	2005	15	6	\$5,385	\$354
23.013	Pullman Holt 19" Scrubber	\$0	2013	25	24	\$1,500	\$60
23.014	Castex Challenger Steamer	\$1,595	1984	30	0	\$1,630	\$55
23.015	Advance Whirmatic Buffer	\$2,314	1986	28	0	\$2,490	\$86
23.016	Pullman Holt 17" Buffer	\$531	2004	18	8	\$1,061	\$59
23.018	Housekeeping Carts (#16)	\$1,000	2013	1	0	\$1,000	\$1,000
23.022	Wet or Dry Vacuums	\$1,236	2005	10	1	\$1,545	\$155
24.000	PCU FURNITURE & EQUIPMENT						
24.001	Swimming Pool/Gymnasium Equipment Replace Allowance	\$1,232	2013	1	0	\$1,232	\$1,232
24.002	PCU Common Area Replacement Allowance	\$4,410	2013	1	0	\$4,410	\$4,410
24.004	3rd Floor Housekeeping Bathrooms	\$300	2010	60	56	\$6,000	\$100
24.006	1st Floor Art Hall Bathrooms	\$29,000	1984	30	0	\$30,000	\$1,000
24.007	Pool Bathroom	\$967	1984	30	0	\$1,000	\$33
24.008	Dining Room Area Bathroom	\$1,667	2008	15	9	\$5,000	\$333
24.009	Employee Break Room Bathrooms	\$32	2012	31	29	\$1,000	\$32
24.010	Medical Unit Hospital Beds & Mattresses (#59) Allowance	\$4,000	2013	1	0	\$4,000	\$4,000
24.020	PCU Overbed Tables	\$2,751	2007	20	13	\$9,171	\$459
24.030	PCU Bathroom Cabinets	\$668	2007	20	13	\$2,228	\$111
24.050	PCU Side Chairs	\$2,451	2007	20	13	\$8,169	\$408
24.060	PCU Side Tables	\$4,901	2007	20	13	\$16,338	\$817
24.091	PCU Refrigerators	\$600	2009	10	5	\$1,500	\$150
24.092	PCU Nurses Station Refurbish	\$4,600	2007	30	23	\$23,000	\$767
24.100	CLINIC EXAM ROOM #1						
24.101	Hewlett-Packard EKG	\$1,042	2008	24	18	\$5,000	\$208
24.102	Clinic Exam Table # 1	\$3,000	1995	30	11	\$5,000	\$167
24.103	Defibrillator & Battery Case	\$1,566	2005	10	1	\$1,957	\$196
24.110	CLINIC EXAM ROOM #2						
24.111	Clinic Exam Table #2	\$750	2010	20	16	\$5,000	\$250
24.120	PHYSICAL THERAPY						
24.130	X-RAY ROOM						
24.140	HSK LINEN ROOM						
24.141	Built In Shelving	\$1,363	2001	30	17	\$3,408	\$114
25.000	SNF FURNITURE & EQUIPMENT						
25.001	SNF Common Area Replacement Allowance	\$4,680	2013	1	0	\$4,680	\$4,680
25.016	Arrow Low Bed - (Kneeling Bed)	\$4,120	2005	12	3	\$6,180	\$515
25.030	SNF Overbed Tables	\$5,136	2000	20	6	\$7,982	\$399
25.040	SNF Bathroom Cabinets	\$1,018	2005	20	11	\$2,546	\$127
25.060	SNF Suction Machines	\$584	2003	20	9	\$1,167	\$58
25.080	SNF Closet Organizers - SNF & PCU	\$594	2005	20	11	\$1,485	\$74
25.090	SNF Side Chairs	\$470	2012	15	13	\$7,055	\$470
25.100	SNF Bedside Stands	\$14,251	2000	15	1	\$16,444	\$1,096
25.120	SNF Patient Room Television Stands	\$1,207	2006	20	12	\$3,450	\$172
25.130	SNF Patient Room Divider Curtains	\$7,893	2001	20	7	\$13,155	\$658
25.140	Waste Baskets - Fire Resistant SNF & PCU	\$671	2011	7	4	\$2,350	\$336
25.150	Blanket Warmers	\$902	1996	20	2	\$1,061	\$53
25.160	Blankets & Bedspreads (50)	\$500	2012	2	0	\$1,000	\$500
25.061	Dinamap Pro	\$2,884	2003	11	0	\$3,172	\$288
25.162	Digital Chair Scale (#2)	\$1,833	2003	12	1	\$2,200	\$183
25.163	Golvo Lift	\$6,000	2003	12	1	\$7,210	\$601
25.164	Alarm Mats (13)	\$800	2009	5	0	\$1,000	\$200
25.165	Enclosed Display Cases (2)	\$500	2003	20	9	\$1,000	\$50
25.166	SNF Refrigerators (2)	\$1,200	2007	10	3	\$2,000	\$200
25.200	SNF DINING ROOM						

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25.201	Large Screen TV (2)	\$1,500	2008	10	4	\$3,000	\$300
25.202	SNF Piano	\$4,230	1984	40	10	\$5,835	\$146
25.203	All Medical Unit TV's (#59) Replacement Allowance	\$0	2013	2	1	\$3,000	\$1,500
25.225	Nurses Station - SNF Refurbish	\$3,369	2006	30	22	\$14,420	\$481
25.226	Medical Cart	\$4,159	1999	15	0	\$4,456	\$297
25.227	Upper & Lower Cabinets - Nurses SNF	\$3,832	2005	20	11	\$9,579	\$479
25.228	Upper & Lower Cabinets - Clinic	\$720	2007	25	18	\$3,000	\$120
25.250	SHOWER ROOM						
25.251	Whirlpool	\$13,877	1996	50	32	\$40,814	\$816
25.252	Blankets	\$1,250	2009	8	3	\$2,500	\$313
26.000	FOOD SERV. EQUIP. & APPL. - GARDEN AREA						
26.010	Lower Level Walk-In Refrigerator Compressors (2)	\$1,867	2006	15	7	\$4,000	\$267
26.011	Lower Level Walk-In Freezer Compressor	\$2,403	2006	15	7	\$5,150	\$343
26.012	Kitchen Walk-In refrigerator Compressors	\$2,403	2006	15	7	\$5,150	\$343
26.100	FOOD SERV. EQUIP. & APPL. - KITCHEN						
26.101	Grease Traps	\$1,500	2009	15	10	\$6,000	\$400
26.104	Steam Tables - FS Kitchen	\$900	2010	30	26	\$9,000	\$300
26.105	Gas Range - (3 Piece) FS Kitchen	\$12,978	2004	10	0	\$14,420	\$1,442
26.106	Reach-In-Freezer - FS Kitchen	\$1,200	2010	15	11	\$6,000	\$400
26.107	Fryer - FS Kitchen	\$6,153	1984	30	0	\$6,365	\$212
26.108	Mixer - FS Kitchen	\$4,179	1996	20	2	\$4,917	\$246
26.109	Tilt Skillet	\$4,120	2005	20	11	\$10,300	\$515
26.110	Gas Convection Oven (Double) - FS Kitchen	\$14,342	1999	16	1	\$16,391	\$1,024
26.111	Food Warmers - FS Kitchen	\$3,329	2002	15	3	\$4,635	\$309
26.112	Ice Cream Freezer - FS Kitchen	\$583	2009	15	10	\$2,185	\$146
26.114	Steamer	\$3,848	2006	11	3	\$6,047	\$550
26.116	CO2 Hood Fire Extinguisher System - Kitchen	\$4,333	2000	30	16	\$10,000	\$333
26.117	Unitized Base Dispenser	\$2,920	2004	20	10	\$6,556	\$328
26.120	Slicer - Kitchen	\$2,528	2000	15	1	\$2,917	\$194
26.123	Stainless Steel Shelving Units - Kitchen	\$9,667	1984	60	30	\$20,000	\$333
26.125	Stainless Steel Work Tables - Kitchen	\$2,900	1984	70	40	\$7,000	\$100
26.126	Stainless Steel Serving Racks - Kitchen	\$255	2011	15	12	\$1,913	\$128
26.127	Stove - Small One Burner - Kitchen	\$1,494	1984	33	3	\$1,700	\$52
26.128	Dish Dollie & Racks	\$186	2011	15	12	\$1,394	\$93
26.129	Charcoal Grille - FS Kitchen	\$3,734	1984	40	10	\$5,150	\$129
26.130	Replacement Shelving - Lower Freezer	\$450	2010	20	16	\$3,000	\$150
26.131	Reach In Refrigerator # 1	\$750	2007	20	13	\$2,500	\$125
26.132	Reach In Refrigerator # 2	\$1,082	2006	20	12	\$3,090	\$155
26.133	Pellet Warmer	\$1,030	2005	20	11	\$2,575	\$129
26.134	Bread Warmers (2)	\$0	2013	10	9	\$3,000	\$300
26.135	Kitchen Suspended Ceiling & Lights	\$14,500	1984	30	0	\$15,000	\$500
26.200	FOOD SERV. EQUIP. & APPL. - DINING ROOM						
26.202	3 Soup Warmers - Dining Room	\$2,600	1987	30	3	\$3,000	\$100
26.203	Faucets - Kitchen & Dining Room	\$2,500	2007	7	0	\$2,917	\$417
26.204	Buffet Table w/ Guard	\$12,875	2003	20	9	\$25,750	\$1,288
26.205	Tables & Chairs	\$16,960	2009	25	20	\$106,000	\$4,240
26.206	Cabinets/Countertops - South Wait Station	\$1,671	2007	20	13	\$5,570	\$279
26.207	Cabinets/Countertops - Other	\$322	2012	8	6	\$2,575	\$322
26.208	Plate Warmers	\$1,200	2009	10	5	\$3,000	\$300
26.300	FOOD SERV. EQUIP. & APPL. - ROOF						
26.301	Hood Exhaust Fan Motor - Roof	\$320	2009	25	20	\$2,000	\$80
26.400	FOOD SERV. EQUIP. & APPL. - LOADING DOCK						
26.401	Ice Machine - LL Freight Dock	\$1,945	2009	12	7	\$5,835	\$486
26.402	Steel Lockers	\$829	1984	70	40	\$2,000	\$29
26.403	Lower Level Walk-In Freezer and Refrigerator	\$4,000	2011	25	22	\$50,000	\$2,000
26.404	Waite Station Ice Cream Freezer	\$400	2007	25	18	\$2,000	\$80
26.405	PCU Ice Maker	\$600	2007	20	13	\$2,000	\$100
26.406	Walk In Fridge Kitchen	\$600	2012	25	23	\$15,000	\$600
27.000	OFFICE EQUIPMENT						
27.001	Administration Office Furniture & Cabinets	\$0	2013	2	1	\$3,000	\$1,500
27.007	Computer - Hard Duty (9) & Computers	\$10,500	2011	3	0	\$15,750	\$5,250
27.008	Computer - Medium/Hard Duty (9) & Computers	\$5,250	2012	3	1	\$15,750	\$5,250

See independent auditors' report and accompanying notes.

VILLA MARIN HOMEOWNERS' ASSOCIATION

**SUPPLEMENTARY INFORMATION ON FUTURE
MAJOR REPAIRS AND REPLACEMENTS
OCTOBER 31, 2014
(UNAUDITED)**

Code #	Component Description	2013/14 End Req'd in Bank	Year New	Useful Life	Range (14/15)	Total Cost	Annual Allocation
27.009	Computer - Medium Duty (9) Memo	\$0	2013	3	2	\$0	\$0
1.010	Computer - Light Duty (9) Memo	\$0	2013	3	2	\$0	\$0
27.028	Software - Medical/ Keane - Re-Occurring Allowance	\$5,000	2013	1	0	\$5,000	\$5,000
27.029	Software - Financial - Re-Occurring Allowance	\$4,000	2013	1	0	\$4,000	\$4,000
27.030	Operating System Software, etc.	\$6,667	2011	6	3	\$20,000	\$3,333
27.031	Time Clocks & Programming	\$667	2011	12	9	\$4,000	\$333
27.032	File Server	\$10,000	2011	4	1	\$20,000	\$5,000
27.033	Network Cable	\$0	2013	7	6	\$2,000	\$286
27.034	In-House Network Back Up System	\$1,000	2012	5	3	\$5,000	\$1,000
27.037	Computer Switches (2)	\$2,657	2008	7	1	\$4,000	\$571
27.038	Computer Hub (2)	\$1,250	2008	8	2	\$2,000	\$250
27.039	Computer/Telephone Room Improvements	\$875	2006	8	0	\$1,000	\$125
27.040	HP Printer 4000 TN Network	\$214	2012	7	5	\$1,500	\$214
27.043	Laptop Art Committee Computer	\$500	2011	6	3	\$1,500	\$250
27.044	Software - GL, FS, AP	\$52,941	1998	17	1	\$60,000	\$3,529
27.045	Software - Healthcare	\$37,500	1998	16	0	\$40,000	\$2,500
27.047	Mac Laptop Computer & Printer	\$417	2012	6	4	\$2,500	\$417
27.048	Offsite Network Backup	\$1,250	2012	8	6	\$10,000	\$1,250
27.049	Community WiFi System	\$0	2013	15	14	\$50,000	\$3,333
30.000	COMMON AREAS						
30.001	Mail Boxes	\$11,760	1992	60	38	\$33,600	\$560
30.002	Common Area Furniture Replacement Allowance	\$16,578	2013	1	0	\$16,578	\$16,578
30.003	Piping & Fixtures & Painting Allowance	\$10,000	2013	1	0	\$10,000	\$10,000
30.007	Server Room Fire Suppression System	\$19,333	1984	30	0	\$20,000	\$667
30.008	Commercial Treadmills (2)	\$1,000	2012	7	5	\$7,000	\$1,000
30.010	LOBBY						
30.013	Counter Tops & Cabinets	\$2,060	2013	1	0	\$2,060	\$2,060
30.014	Main Lobby Holiday Tree	\$500	2011	10	7	\$2,500	\$250
30.020	AUDITORIUM						
30.021	Auditorium Sound System	\$13,867	2005	15	6	\$26,000	\$1,733
30.022	Grand Piano/Bench	\$8,790	1984	70	40	\$21,218	\$303
30.023	Auditorium Chairs & Walls	\$2,000	2012	15	13	\$36,000	\$2,400
30.024	Auditorium Projection Equipment	\$0	2013	8	7	\$2,000	\$250
30.030	LIBRARY						
30.031	Furniture	\$637	2007	30	23	\$3,183	\$106
30.040	FIRST FLOOR ATRIUM NORTH						
30.041	Grand Piano/Bench	\$8,790	1984	70	40	\$21,218	\$303
30.050	THIRD FLOOR CENTRAL LOUNGE						
30.051	Upright Piano	\$2,417	1984	70	40	\$5,835	\$83
30.060	HOUSEKEEPING MANAGERS OFFICE						
30.061	Built In File Cabinet	\$955	1995	60	41	\$3,183	\$53
30.070	MAINTENANCE MANAGERS OFFICE						
30.072	Engraving Machine	\$2,513	1998	20	4	\$3,350	\$168
31.000	PA SYSTEM						
31.001	PA System & Associated Cabinets & Microphones	\$12,360	2005	20	11	\$30,900	\$1,545
31.002	Two Channel Portable Sound System	\$206	2011	10	7	\$1,030	\$103
31.003	Auditorium Podium with Amplification System	\$200	2011	10	7	\$1,000	\$100
31.100	Health Center Portable Sound	\$150	2010	20	16	\$1,000	\$50
31.101	PA System for Card Room	\$150	2012	10	8	\$1,500	\$150
33.000	LIGHTING & ELECTRICAL						
33.001	Interior Lighting Replacement Allowance	\$3,207	2013	1	0	\$3,207	\$3,207
33.003	Fire Alarm/Exit Lights/Etc. Replacement Allowance	\$1,147	2013	1	0	\$1,147	\$1,147
33.004	Exterior Lighting Replacement	\$13,349	2007	25	18	\$55,620	\$2,225
33.005	Load Centers & Panel Boards Replacement Allowance	\$1,030	2013	1	0	\$1,030	\$1,030
33.006	Circuit Breakers - Disconnects Replacement Allowance	\$3,000	2013	1	0	\$3,000	\$3,000
Total Value of Components:						\$8,711,466	
Annual Straight-Line Allocation:							\$619,275
		2013/14 End					
Total Dollars Necessary to be 100% Funded:		\$3,643,499					

See independent auditors' report and accompanying notes.

VILLA MARIN HOMEOWNERS' ASSOCIATION

**SUPPLEMENTARY INFORMATION ON FUTURE
MAJOR REPAIRS AND REPLACEMENTS
OCTOBER 31, 2014
(UNAUDITED)**

The Association has conducted a study to estimate the useful and remaining lives and current replacement costs of common property major components. Funding requirements consider an estimated **after-tax interest rate** of **2-1/2%** on replacement fund cash balances and an annual **inflation rate** of **1-1/2%** on major component replacement costs. The replacement fund **cash** and investment balances at October 31, 2014 totaled **\$1,598,049**. The estimated **liability** for major repairs and replacements at this date totaled approximately **\$3,643,000**. The portion of **2015** regular **assessments** budgeted to be allocated to the replacement fund totals **\$800,000**.

See independent auditors' report and accompanying notes.

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LEVY, ERLANGER & COMPANY
Certified Public Accountants

290 King Street, Suite 12
San Francisco, CA 94107

INDEPENDENT AUDITORS' REPORT

Board Of Directors
Villa Marin Homeowners' Association
San Rafael, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the financial statements of **Villa Marin Homeowners' Association** (the Association) as of October 31, 2014, and have issued our report thereon dated January 9, 2015. We have also audited the accompanying statement of cash flows-direct method of **Villa Marin Homeowners' Association** for the year ended October 31, 2014. This statement is the responsibility of the Association's management. Our responsibility is to express an opinion on this statement based on our audit.

We conducted our audit of the statement of cash flows-direct method 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 statement of cash flows-direct method is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the statement. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the statement of cash flows-direct method referred to above presents fairly, in all material respects, the cash flows of **Villa Marin Homeowners' Association** for the year ended October 31, 2014 in conformity with accounting principles generally accepted in the United States of America.

This report is intended solely for the information and use of the Association 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.

Levy, Erlanger & Company

January 9, 2015

VILLA MARIN HOMEOWNERS' ASSOCIATION
STATEMENT OF CASH FLOWS - DIRECT METHOD
YEAR ENDED OCTOBER 31, 2014

	Operating Fund	General Reserve Fund	Property Replacement Fund	Gifts & Bequests Fund	Total Funds
OPERATING ACTIVITIES					
Cash received from residents	\$ 8,599,665	\$ -	\$ 933,891	\$ -	\$ 9,533,556
Cash from resident medical income	1,833,200				1,833,200
Cash from non-resident medical income	220,794				220,794
Cash received from license fee revenue	213,623				213,623
Interest received for operations	6,598				6,598
Interest received for property reserve			3,309		3,309
Interest received for gifts & bequests				329	329
Cash received from other revenue	234,555			9,950	244,505
Cash paid to suppliers and employees	(10,911,827)		(877,865)	(332)	(11,790,024)
Net cash provided by (used in) operating activities	196,608	-	59,335	9,947	265,890
INVESTING ACTIVITIES					
Net (purchase) sale of certificates of deposit	-	200,000	225,000	30,000	455,000
Net (purchase) sale of fixed assets	(212,854)				(212,854)
	<u>(212,854)</u>	<u>200,000</u>	<u>225,000</u>	<u>30,000</u>	<u>242,146</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(16,246)	200,000	284,335	39,947	508,036
BOARD-APPROVED INTERFUND RECLASSIFICATIONS AND TRANSFERS	145,937	(399,999)	274,319	(20,257)	-
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	1,017,665	233,689	259,395	3,343	1,514,092
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 1,147,356	\$ 33,690	\$ 818,049	\$ 23,033	\$ 2,022,128

See independent auditors' report

R E C E I V E D
FEB 27 2015

CONTINUING CARE
CONTRACTS BRANCH

VILLA MARIN HOMEOWNERS' ASSOCIATION

**INDEPENDENT AUDITORS' REPORT AND CONTINUING CARE
RESERVE REPORT SCHEDULES**

YEAR ENDED OCTOBER 31, 2014

VILLA MARIN HOMEOWNERS' ASSOCIATION

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LEVY, ERLANGER & COMPANY
Certified Public Accountants

290 King Street, Suite 12
San Francisco, CA 94107

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INDEPENDENT AUDITORS' REPORT

Board Of Directors
Villa Marin Homeowners' Association
San Rafael, California

We have audited the accompanying continuing care reserve report schedules, Forms 1-1 through 5-5 (including Form 5-5 Attachments) (the Schedules) of **Villa Marin Homeowners' Association** (the Association) as of October 31, 2014. These Schedules are the responsibility of the Association's management. Our responsibility is to express an opinion on these Schedules 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 Schedules are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Schedules. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the Schedules. We believe that our audit provides a reasonable basis for our opinion.

The accompanying Schedules were prepared for the purpose of complying with California Health and Safety Code Section 1790(a) as described in Note 2, in accordance with the instructions provided by the State of California Department of Social Services and are not intended to be a complete presentation of the Association's assets, liabilities, revenues and expenses.

In our opinion, the Schedules referred to above present fairly, in all material respects, the liquid reserve requirements of **Villa Marin Homeowners' Association** as of October 31, 2014 in conformity with accounting principles generally accepted in the United States of America and the report preparation provision of California Health and Safety Code Section 1790(a).

This report is intended solely for the use of the Association 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.

Levy, Erlanger & Company

January 9, 2015

**FORM 1-1
RESIDENT POPULATION**

Line	Continuing Care Residents	TOTAL
[1]	Number at beginning of fiscal year	269
[2]	Number at end of fiscal year	275
[3]	Total Lines 1 and 2	544
[4]	Multiply Line 3 by ".50" and enter result on Line 5.	x .50
[5]	Mean number of continuing care residents	272
All Residents		
[6]	Number at beginning of fiscal year	271
[7]	Number at end of fiscal year	277
[8]	Total Lines 6 and 7	548
[9]	Multiply Line 8 by ".50" and enter result on Line 10.	x .50
[10]	Mean number of <i>all</i> residents	274
[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).	0.99

**FORM 1-2
ANNUAL PROVIDER FEE**

Line		TOTAL
[1]	Total Operating Expenses (including depreciation and debt service - interest only)	\$11,252,655
[a]	Depreciation	\$316,588
[b]	Debt Service (Interest Only)	
[2]	Subtotal (add Line 1a and 1b)	\$316,588
[3]	Subtract Line 2 from Line 1 and enter result.	\$10,936,067
[4]	Percentage allocated to continuing care residents (Form 1-1, Line 11)	99%
[5]	Total Operating Expense for Continuing Care Residents (multiply Line 3 by Line 4)	\$10,856,242
[6]	Total Amount Due (multiply Line 5 by .001)	\$10,856

PROVIDER: Villa Marin Homeowners Association
 COMMUN: Villa Marin Homeowners Association

See independent auditors' report and accompanying notes to schedules

**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					\$0
2					\$0
3					\$0
4					\$0
5					\$0
6					\$0
7					\$0
8					\$0
TOTAL:					\$0

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

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

PROVIDER: Villa Marin Homeowners Association

See independent auditors' report and accompanying notes to schedules

**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					
1					\$0
2					\$0
3					\$0
4					\$0
5					\$0
6					\$0
7					\$0
8					\$0
TOTAL:		\$0	\$0	0	\$0

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

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

PROVIDER: Villa Marin Homeowners Association

See independent auditors' report and accompanying notes to schedules

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

Line		TOTAL
1	Total from Form 5-1 bottom of Column (e)	\$0
2	Total from Form 5-2 bottom of Column (e)	\$0
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:	\$0

PROVIDER: Villa Marin Homeowners Association

See independent auditors' report and accompanying notes to schedules

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

Line	Amounts	TOTAL
1	Total operating expenses from financial statements	\$11,252,655
2	Deductions:	
	a. Interest paid on long-term debt (see instructions)	
	b. Credit enhancement premiums paid for long-term debt (see instructions)	
	c. Depreciation	\$316,588
	d. Amortization	
	e. Revenues received during the fiscal year for services to persons who did not have a continuing care contract	\$220,800
	f. Extraordinary expenses approved by the Department	
3	Total Deductions	\$537,388
4	Net Operating Expenses	\$10,715,267
5	Divide Line 4 by 365 and enter the result.	\$29,357
6	Multiply Line 5 by 75 and enter the result. This is the provider's operating expense reserve amount.	\$2,201,767

PROVIDER: Villa Marin Homeowners Association
COMMUNITY: Villa Marin Homeowners Association

See independent auditors' report and accompanying notes to schedules

**FORM 5-5
ANNUAL RESERVE CERTIFICATION**

Provider Name: Villa Marin Homeowners Association

Fiscal Year Ended: 10/31/2014

We have reviewed our debt service reserve and operating expense reserve requirements as of, and for the period ended 10/31/2014 and are in compliance with those requirements.

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

	<u>Amount</u>
[1] Debt Service Reserve Amount	<u>\$0</u>
[2] Operating Expense Reserve Amount	<u>\$2,201,767</u>
[3] Total Liquid Reserve Amount:	<u>\$2,201,767</u>

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

<u>Qualifying Asset Description</u>	<u>Amount</u> <u>(market value at end of quarter)</u>	
	<u>Debt Service Reserve</u>	<u>Operating Reserve</u>
[4] Cash and Cash Equivalents	<u>\$1,204,079</u>	<u>\$1,204,079</u>
[5] Investment Securities		<u>\$696,000</u>
[6] Equity Securities		
[7] Unused/Available Lines of Credit		<u>\$800,000</u>
[8] Unused/Available Letters of Credit		
[9] Debt Service Reserve		(not applicable)
[10] Other: <u>(describe qualifying asset)</u>		
Total Amount of Qualifying Assets Listed for Reserve Obligation: [11]	<u>\$0 [12]</u>	<u>\$2,700,079</u>
Reserve Obligation Amount: [13]	<u>\$0 [14]</u>	<u>\$2,201,767</u>
Surplus/(Deficiency): [15]	<u>\$0 [16]</u>	<u>\$498,312</u>

Signature: 

(Authorized Representative)

Date: 2/15/15

(Title) Granting Director

See independent auditors' report and accompanying notes to schedules

Villa Marin
 Department of Social Services
 Detail of Reserves - Operating
 Health & Safety Code Section 1790(a)(2)
 Attachment to Form 5-5
 Fiscal Year Ended 10-31-2014

QUALIFYING ASSET DESCRIPTION - OPERATING ACCOUNT LIQUIDITY:

	Operating Liquidity	Operating Investments	Total Operating Liquidity
Cash	\$1,009,008		\$1,009,008
Cash on Hand - Petty	\$1,500		\$1,500
Cash in Savings	\$136,848		\$136,848
Cash in Savings	\$23,033	\$70,000	\$93,033
Cash in General Reserve Account	\$33,690	\$626,000	\$659,690
	<u>\$1,204,079</u>	<u>\$696,000</u>	<u>\$1,900,079</u>

Status of Assets Qualifying for Operating Reserves - Designated for Operational needs. General Reserve Accounts are Villa Marin Board of Director Designated.

PER CAPITA COSTS OF OPERATIONS:

Total Annual Operating Expenses (Per Form 5-4 Line 4)	\$10,715,267
Less: Medicare Revenue	(\$390,744)
Less: Interest Income Operating	(\$6,633)
Total Annual Operating Expenses less other Non Resident Revenue	<u>\$10,317,890</u>
Divided by Average Number of Continuing Care Residents (Per Form 1-1 Line 5)	P 272
Average Per Capita Costs Annual	<u>\$37,933</u>
Divided by Days Per Year	365
Average Per Capita Costs Daily	<u>\$104</u>

See independent auditors' report and accompanying notes to schedules



**Villa Marin
Department of Social Services
Detail of Reserves - Property
Health & Safety Code Section 1790(a)(2)
Attachment to Form 5-5
Fiscal Year Ended 10-31-2014**

PROPERTY RESERVE LIQUIDITY:
(see note 4 Property Reserve Disclosures)

Property
Reserves
Liquidity
\$1,598,049

Cash in Property Reserve Accounts Morgan Stanley CD's, Money Markets, etc

See independent auditors' report and accompanying notes to schedules

VILLA MARIN HOMEOWNERS' ASSOCIATION

NOTES TO CONTINUING CARE RESERVE REPORT SCHEDULES YEAR ENDED OCTOBER 31, 2014

NOTE 1 - THE ASSOCIATION

Villa Marin Homeowners' Association (the Association) is a common interest development located in San Rafael, California which consists of 224 residential units and certain common area property. The Association was organized as a nonprofit mutual benefit corporation in September 1983 to provide for management, maintenance and architectural control of the individual units and the common area property. The Association is governed by a member-elected Board of Directors which is responsible for enforcing provisions of the governing documents, which include covenants, conditions and restrictions (CC&Rs), by laws, and rules and regulations. Major decisions, as determined by the CC&Rs, are referred to the Association's Board of Directors.

NOTE 2 - CONTINUING CARE RESERVE REPORT SCHEDULES

The California Health and Safety Code Section 1790 requires continuing care contract providers to establish and maintain statutory and refund reserves to ensure financial resources will be available to fulfill contractual obligations to residents. The continuing care reserve report schedules (Schedules), which calculate reserve requirements, are prepared in accordance with Annual Report Instructions provided by the State of California Department of Social Services. The Schedules are required to be submitted annually to the California Department of Social Services within four months of year-end.

NOTE 3 - EVIDENCE OF FIDELITY BOND

The Association is in compliance with the fidelity bond requirement through their commercial crime insurance policy purchased through a commercial insurance carrier.

See independent auditors' report.

VILLA MARIN HOMEOWNERS' ASSOCIATION

**NOTES TO CONTINUING CARE RESERVE REPORT SCHEDULES
YEAR ENDED OCTOBER 31, 2014
(CONTINUED)**

NOTE 4 - PROPERTY RESERVE DISCLOSURES

The following disclosures are in accordance with Health and Safety Code Section 1790(a)(3):

Cash and investments in property reserve fund at October 31, 2014 were \$1,598,049.

The Association maintains a property reserve fund for the purposes of maintaining and/or replacing its fixed assets in compliance with the Association's non-profit mutual benefit corporation status. All property reserve amount are designated for future projects consistent with the Association's non-profit mutual benefit corporation status. An annual study is performed projecting cash requirements and project expenditures over an ongoing 30 year basis. The Association utilizes a threshold funding method to project adequate property reserve funding be available each year over the next 30 years. The current property reserve study dated May 19, 2014 by Reserve Analysis Consulting, LLC shows adequate property reserve funding over each of the next 30 years with projected annual deposits, disbursements, rate of inflation, and return on investments to meet the threshold funding requirements of the next 30 years.

The following are the Association's major property reserve fund projects designated to be performed during the year ending October 31, 2014 as permitted by and in accordance with the Association's non-profit mutual benefit corporation status:

Heating and air conditioners replacement	\$70,000
Software replacement	40,000
1 st floor bathrooms	30,000
Exterior structural repairs	30,000
Unscheduled replacement items	26,285
Sever room fire suppression system upgrade	20,000

See independent auditors' report.

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)	\$ 2,618 To \$ 6,216	Same	Same
[2] Indicate percentage of increase in fees imposed during reporting period: (indicate range, if applicable)	1.77% To 2.92%	Same	Same

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: 11-1-2013
(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 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.

PROVIDER: Villa Marin Homeowners Association
COMMUNITY: Villa Marin Homeowners Association

Villa Marin Homeowners Association
DSS Form 7-1
Report on CCRC Monthly Service Fees

Line (5) "Explanation for the increase in monthly service fees including the amount of the increase"

For Fiscal Year Ending 10-31-2014, Villa Marin HOA Fees increased an average of from 1.77% to 2.92%. FYE 10-31-2014 Monthly Homeowners' fees range from \$2,618 to \$6,216 depending on size of condo owned. These fees were increased to accommodate increase in operational fees including but not limited to labor increases, utility increases, food cost increases, Health Care cost increases, building maintenance, insurance, etc.

A handwritten signature in black ink, appearing to read "D. Walker", written in a cursive style.

Daniel V. Walker, Executive Director

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

Date Prepared: 2/11/15



FACILITY NAME: Villa Marin Homeowners Association
 ADDRESS: 100 Thorndale Drive, San Rafael, CA ZIP CODE: 94903 PHONE: 415-499-8711
 PROVIDER NAME: Villa Marin H/O Assoc. FACILITY OPERATOR: CONTINUING CARE
 RELATED FACILITIES: None RELIGIOUS AFFILIATION: None CONTRACTS BRANCH
 YEAR # OF SINGLE MULTI-
 OPENED: 1985 ACRES: 16 STORY STORY OTHER: _____
 MILES TO SHOPPING CTR: 1/4 Mile
 MILES TO HOSPITAL: 1/2 Mile

NUMBER OF UNITS:

RESIDENTIAL LIVING	HEALTH CARE
APARTMENTS — STUDIO: <u>34</u>	ASSISTED LIVING: <u>28</u>
APARTMENTS — 1 BDRM: <u>135</u>	SKILLED NURSING: <u>31</u>
APARTMENTS — 2 BDRM: <u>34 + 20 (3bdr)</u>	SPECIAL CARE: _____
COTTAGES/HOUSES: <u>1</u>	DESCRIPTION: > _____
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: Ownership

RANGE OF ENTRANCE FEES: \$ (no entrance fees) - \$ _____ LONG-TERM CARE INSURANCE REQUIRED? YES NO

HEALTH CARE BENEFITS INCLUDED IN CONTRACT: _____

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

RESIDENT REPRESENTATIVE(S) TO THE BOARD (briefly describe their involvement): > All 7 Board Members are Resident/Owners

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 checked="" type="checkbox"/>	<input type="checkbox"/>
BILLIARD ROOM	<input type="checkbox"/>	<input type="checkbox"/>	MEALS (<u>3</u> /DAY)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
BOWLING GREEN	<input 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 type="checkbox"/>	<input checked="" 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 checked="" type="checkbox"/>	<input type="checkbox"/>	MEDICATION MANAGEMENT	<input checked="" 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 HOME CARE	<input checked="" 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 checked="" type="checkbox"/>	<input type="checkbox"/>	TRANSPORTATION-PREARRANGED	<input checked="" type="checkbox"/>	<input type="checkbox"/>
WORKSHOP	<input checked="" type="checkbox"/>	<input type="checkbox"/>	OTHER <u>Phone</u>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
OTHER <u>Private Dining</u>	<input type="checkbox"/>	<input checked="" type="checkbox"/>			

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

PROVIDER NAME: Villa Marin Homeowners Association

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
INCOME FROM ONGOING OPERATIONS				
OPERATING INCOME (Excluding amortization of entrance fee income)	\$10,544,583	\$10,907,864	\$10,626,655	\$11,092,367
LESS OPERATING EXPENSES (Excluding depreciation, amortization, and interest)	10,344,118	\$10,568,188	\$10,633,828	\$10,936,067
NET INCOME FROM OPERATIONS	\$200,465	\$339,676	\$(7,173)	\$156,300.00
LESS INTEREST EXPENSE				
PLUS CONTRIBUTIONS				
PLUS NON-OPERATING INCOME (EXPENSES) (excluding extraordinary items)				
NET INCOME (LOSS) BEFORE ENTRANCE FEES, DEPRECIATION AND AMORTIZATION	\$200,465	\$339,676	\$(7,173)	\$156,300
NET CASH FLOW FROM ENTRANCE FEES (Total Deposits Less Refunds)	0.00	0.00	0.00	0.00

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>

FINANCIAL RATIOS (see next page for ratio formulas)

	<u>2013 CCAC Medians 50th Percentile (optional)</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
DEBT TO ASSET RATIO		N/A	N/A	N/A
OPERATING RATIO		.97	1.00	.99
DEBT SERVICE COVERAGE RATIO		N/A	N/A	N/A
DAYS CASH ON HAND RATIO		74.57	74.85	63.42

HISTORICAL MONTHLY SERVICE FEES (Average Fee and Change Percentage)

	<u>2011</u>	<u>%</u>	<u>2012</u>	<u>%</u>	<u>2013</u>	<u>%</u>	<u>2014</u>
STUDIO	\$2,472	2.6	\$2,535	.4	\$2,544	2.9	2,618
ONE BEDROOM	\$2,616	2.7	\$2,687	.7	\$2,706	2.8	2,782
TWO BEDROOM	\$3,232	3.3	\$3,337	1.9	\$3,399	2.4	3,482
COTTAGE/HOUSE	\$5,639	4.2	\$5,877	3.9	\$6,108	1.8	6,216
ASSISTED LIVING	\$2,995	3.1	\$3,087	1.5	\$3,132	2.6	3,212
SKILLED NURSING	\$2,995	3.1	\$3,087	1.5	\$3,132	2.6	3,212
SPECIAL CARE							

COMMENTS FROM PROVIDER: >

> _____
 > _____
 > _____

FINANCIAL RATIO FORMULAS

LONG-TERM DEBT TO TOTAL ASSETS RATIO

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

OPERATING RATIO

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

DEBT SERVICE COVERAGE RATIO

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

DAYS CASH ON HAND RATIO

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

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

Villa Marin HOA
Form 8-1 (lines 1 & 2)
FYE 10-31-2014

Line 1:
"Occupied" Unit means = If we are receiving
fees for the unit it is considered "Occupied" (tele call 3-14-2006)
Therefore all years are 100% Occupied.

Line 2:

RESIDENT REVENUE:

	fye 2009	fye 2010	fye 2011	fye 2012	fye 2013	fye 2014	fye 2015	fye 2016	fye 2017	fye 2018	fye 2019
Operating Revenue per Audit	\$9,868,282	\$10,332,598	\$10,544,583	\$10,907,864	\$10,626,655	\$11,092,367	\$11,425,138	\$11,767,892	\$12,120,929	\$12,484,557	\$12,859,093
Less Interest Income	(\$52,368)	(\$47,069)	(\$29,742)	(\$18,482)	(\$13,235)	(\$6,633)	(\$6,832)	(\$7,037)	(\$7,248)	(\$7,465)	(\$7,689)
Total Operating Revenue per DSS	\$9,815,914	\$10,285,529	\$10,514,841	\$10,889,382	\$10,613,420	\$11,085,734	\$11,418,306	\$11,760,855	\$12,113,681	\$12,477,091	\$12,851,404
Less Non-Resident Revenue	(\$174,168)	(\$312,466)	(\$227,590)	(\$207,625)	(\$200,750)	(\$220,800)	(\$227,424)	(\$234,247)	(\$241,274)	(\$248,512)	(\$255,968)
Resident Revenue	\$9,641,746	\$9,973,063	\$10,287,251	\$10,681,757	\$10,412,670	\$10,864,934	\$11,190,882	\$11,526,608	\$11,872,407	\$12,228,579	\$12,595,436

RESIDENT EXPENSE:

	fye 2009	fye 2010	fye 2011	fye 2012	fye 2013	fye 2014	fye 2015	fye 2016	fye 2017	fye 2018	fye 2019
Operating Expense per Audit (before inc tax)	\$10,232,576	\$10,455,178	\$10,646,355	\$10,892,327	\$10,953,627	\$11,251,996	\$11,589,556	\$11,937,243	\$12,295,360	\$12,664,221	\$13,044,147
Less Interest Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Less Depreciation Expense	(\$275,938)	(\$294,394)	(\$309,483)	(\$327,232)	(\$323,152)	(\$316,588)	(\$326,086)	(\$335,868)	(\$345,944)	(\$356,323)	(\$367,012)
Total Operating Expense	\$9,956,638	\$10,160,784	\$10,336,872	\$10,565,095	\$10,630,475	\$10,935,408	\$11,263,470	\$11,601,374	\$11,949,416	\$12,307,898	\$12,677,135
Less Non-Resident Expenses	(\$174,416)	(\$275,140)	(\$209,745)	(\$176,671)	(\$173,944)	(\$166,586)	(\$171,583)	(\$176,731)	(\$182,033)	(\$187,494)	(\$193,119)
Resident Expenses	\$9,782,222	\$9,885,644	\$10,127,127	\$10,388,424	\$10,456,531	\$10,768,822	\$11,091,887	\$11,424,643	\$11,767,383	\$12,120,404	\$12,484,016

ANSWER:

	2009	2010	2011	2012	2013	Projected 2014	Projected 2015	Projected 2016	Projected 2017	Projected 2018	Projected 2019
Resident Revenue - Resident Expenses	(\$140,476)	\$87,419	\$160,124	\$293,333	(\$43,861)	\$96,112	\$98,995	\$101,965	\$105,024	\$108,175	\$111,420
divided by Resident Revenue	\$9,641,746	\$9,973,063	\$10,287,251	\$10,681,757	\$10,412,670	\$10,864,934	\$11,190,882	\$11,526,608	\$11,872,407	\$12,228,579	\$12,595,436
Result - Net Operating Margin	-1.46%	0.88%	1.56%	2.75%	-0.42%	0.88%	0.88%	0.88%	0.88%	0.88%	0.88%

NON-RESIDENTS EXPENSES:

	2009	2010	2011	2012	2013	Projected 2014	Projected 2015	Projected 2016	Projected 2017	Projected 2018	Projected 2019
Medical Expenses	3,168,978	3,278,059	3,405,315	3,462,475	3,353,245	3,394,927	3,496,775	3,601,678	3,709,728	3,821,020	3,935,651
divided by Total Health Center Days	11,501	13,737	13,443	14,836	13,880	14,877	15,323	15,783	16,256	16,744	17,247
Cost per Patient Days	276	239	253	233	242	228	228	228	228	228	228
Times Number of Non Resident Days	633	1,153	828	757	720	730	752	774	798	822	846
Non Resident Expenses	174,416	275,140	209,745	176,671	173,944	166,586	171,583	176,731	182,033	187,494	193,119

Villa Marin HOA
Form 8-1 (lines 6 thru 15)
FYE 10-31-2014

	fye 2009	fye 2010	fye 2011	fye 2012	fye 2013	fye 2014	fye 2015	fye 2016	fye 2017	fye 2018	fye 2019
	2009	2010	2011	2012	2013	2014	Projected 2015	Projected 2016	Projected 2017	Projected 2018	Projected 2019

Line 6: Deferred Revenue from Entrance Fees \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0

Line 7: Net Annual Entrance Fees \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0

Line 8: Unrestricted net Assets \$4,581,216 \$4,766,779 \$4,965,174 \$5,076,411 \$4,672,402 \$4,590,963 \$4,659,827 \$4,729,725 \$4,800,571 \$4,872,681 \$4,945,771
Unrestricted net Assets(\$000) \$4,581 \$4,767 \$4,965 \$5,076 \$4,672 \$4,591 \$4,660 \$4,730 \$4,801 \$4,873 \$4,946

Line 9: Annual Capital Asset Expenditure:

Fixed Assets Beginning of year \$4,160,863 \$4,592,652 \$4,568,048 \$4,328,344 \$4,612,114 \$4,706,073 \$4,796,159 \$4,940,044 \$5,089,245 \$5,240,892 \$5,398,119
Fixed Assets End of year \$4,592,652 \$4,568,048 \$4,328,344 \$4,612,114 \$4,706,073 \$4,796,159 \$4,940,044 \$5,088,245 \$5,240,892 \$5,398,119 \$5,560,063
Subtotal \$431,789 (\$24,604) (\$239,704) \$283,770 \$93,959 \$90,086 \$143,885 \$148,201 \$152,647 \$157,227 \$161,944
Add Deletions of Fixed Assets \$0 \$306,598 \$646,326 \$103,646 \$193,740 \$122,768 \$0 \$0 \$0 \$0 \$0
Capital Purchases \$431,789 \$281,994 \$406,622 \$387,416 \$287,699 \$212,855 \$143,885 \$148,201 \$152,647 \$157,227 \$161,944
Add: Property Reserve Fund Expensed \$297,829 \$232,302 \$215,864 \$496,280 \$736,437 \$862,361 \$408,093 \$626,341 \$333,665 \$406,019 \$326,354

ANSWER: Annual Capital Asset Expenditure \$729,618 \$514,296 \$622,486 \$883,696 \$1,024,136 \$1,075,216 \$551,978 \$774,542 \$486,312 \$563,246 \$488,298
Annual Capital Asset Expend (\$000) \$730 \$514 \$622 \$884 \$1,024 \$1,075 \$552 \$775 \$486 \$563 \$488

Line 10: Annual Debt Service Cover. Rev Basis no debt no debt

Line 11: Annual Debt Service Coverage no debt no debt

Line 12: Annual Debt Service to Revenue ratio no debt no debt

Line 13: Average Annual Effective Interest Rate no debt no debt

Line 14: Unrestricted Cash & Investments to LTI no debt no debt

Line 15: Average Age of Facility ratio: \$3,057,072 \$3,044,868 \$2,708,026 \$2,931,611 \$3,061,023 \$3,254,843 \$3,352,488 \$3,453,063 \$3,556,655 \$3,663,354 \$3,773,255
Accumulated Depreciation divided by annual Depreciation Exp \$275,938 \$294,394 \$309,483 \$327,232 \$323,152 \$316,588 \$326,086 \$335,868 \$345,944 \$356,323 \$367,012

ANSWER: Average Age of Facility ratio 11.08 10.34 8.75 8.96 9.47 10.28 10.28 10.28 10.28 10.28 10.28