

ANNUAL REPORT CHECKLIST

PROVIDER(S): Inland Christian Home, Inc.

CCRC(S): Inland Christian Home, Inc.

RECEIVED  
MAY 01 2015

CONTACT PERSON: David Stienstra

TELEPHONE NO.: ( 909 ) 983-0084

EMAIL: Dauids@ichome.org

STATEWIDE PROFESSIONAL OFFICE  
FOR ADULT AND SENIOR CARE LICENSING

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

- Annual Report Checklist.
- Annual Provider Fee in the amount of: \$ 79.55
  - If applicable, late fee in the amount of: \$ \_\_\_\_\_
- Certification by the provider's **Chief Executive Officer** that:
  - The reports are correct to the best of his/her knowledge.
  - Each continuing care contract form in use or offered to new residents has been approved by the Department.
  - The provider is maintaining the required *liquid* reserves and, when applicable, the required refund reserve.
- Evidence of the provider's fidelity bond, as required by H&SC section 1789.8.
- Provider's audited financial statements, with an accompanying certified public accountant's opinion thereon.
- Provider's audited reserve reports (prepared on Department forms), with an accompanying certified public accountant's opinion thereon.
- Provider's "Continuing Care Retirement Community Disclosure Statement" and Form 7-1 "Report on CCRC Monthly Service Fees" for **each** community.
- Provider's Refund Reserve Calculation(s) – Form 9-1 and/or Form 9-2, if applicable.

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

**FORM 1-1  
RESIDENT POPULATION**

<u>Line</u>	<b>Continuing Care Residents</b>	<u>TOTAL</u>	
[1]	Number at beginning of fiscal year	<u>0</u>	
[2]	Number at end of fiscal year	<u>7</u>	
[3]	Total Lines 1 and 2	<u>7</u>	
[4]	Multiply Line 3 by “.50” and enter result on Line 5.	x .50	
[5]	Mean number of continuing care residents	<table border="1" style="display: inline-table;"><tr><td style="text-align: center;">3.5</td></tr></table>	3.5
3.5			
<b>All Residents</b>			
[6]	Number at beginning of fiscal year	<u>236</u>	
[7]	Number at end of fiscal year	<u>235</u>	
[8]	Total Lines 6 and 7	<u>471</u>	
[9]	Multiply Line 8 by “.50” and enter result on Line 10.	x .50	
[10]	Mean number of <i>all</i> residents	<table border="1" style="display: inline-table;"><tr><td style="text-align: center;">235.5</td></tr></table>	235.5
235.5			
[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).	<table border="1" style="display: inline-table;"><tr><td style="text-align: center;">0.01</td></tr></table>	0.01
0.01			

**FORM 1-2  
ANNUAL PROVIDER FEE**

<u>Line</u>		<u>TOTAL</u>
[1]	Total Operating Expenses (including depreciation and debt service – interest only)	<u>\$9,726,766</u>
[a]	Depreciation	<u>\$1,118,492</u>
[b]	Debt Service (Interest Only)	<u>653,145</u>
[2]	Subtotal (add Line 1a and 1b)	<u>1,771,637</u>
[3]	Subtract Line 2 from Line 1 and enter result.	<u>7,955,129</u>
[4]	Percentage allocated to continuing care residents (Form 1-1, Line 11)	<u>0.01</u>
[5]	Total Operating Expense for Continuing Care Residents (multiply Line 3 by Line 4)	<u>\$79,551</u>
[6]	Total Amount Due (multiply Line 5 by .001)	x .001 <u>\$79.55</u>

**PROVIDER:** Inland Christian Home, Inc.

**COMMUNITY:** Inland Christian Home, Inc.



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STATEWIDE PROGRAM OFFICE  
FOR ADULT AND SENIOR CARE LICENSING

April 30, 2015

Continuing Care Contracts Branch  
California Department of Social Services  
744 P Street, M.S. 8-3-90  
Sacramento, CA 95814

I, David Stienstra, certify that:

- The annual report and amendments thereto are correct to the best of my knowledge.
- Each continuing care contract form in use or offered to new residents has been approved by the Department.
- As of the date of this certification, Inland Christian Home, Inc. is maintaining the required liquid reserves and, if applicable, refund reserve.

Sincerely,

David Stienstra  
Executive Director



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MAY 01 2015

STATEWIDE PROGRAM OFFICE  
FOR ADULT AND SENIOR CARE LICENSING

**INLAND CHRISTIAN HOME, INC.**  
**FINANCIAL STATEMENTS**  
**AND**  
**INDEPENDENT AUDITORS' REPORT**  
**DECEMBER 31, 2014**

INLAND CHRISTIAN HOME, INC.

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December 31, 2014

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# V&A Van Dyk & Associates

An Accountancy Corporation

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MAY 01 2015

INDEPENDENT AUDITORS' REPORT

STATEWIDE PROGRAM OFFICE  
FOR ADULT AND SENIOR CARE LICENSING

April 2, 2015

Board of Directors  
Inland Christian Home, Inc.

We have audited the accompanying financial statements of Inland Christian Home, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2014, and the related statements of activities, cash flows and functional expenses for the year 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.

**Auditor's Responsibility**

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

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

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

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**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Inland Christian Home, Inc. as of December 31, 2014, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matter**

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

A handwritten signature in black ink, appearing to read "Van Dyk & Associates", is written in a cursive style.

VAN DYK & ASSOCIATES

INLAND CHRISTIAN HOME, INC.  
STATEMENT OF FINANCIAL POSITION

December 31, 2014

ASSETS

CURRENT ASSETS:		
Cash in Bank	\$ 1,025,901	
Investments	40,668	
Accounts Receivable, Net	698,625	
Inventories	26,700	
Prepaid Expenses	<u>34,776</u>	\$ 1,826,670
PROPERTY, PLANT AND EQUIPMENT		
		20,382,682
OTHER ASSETS		
Loan Fees	\$ 150,091	
Deposits	<u>1,000</u>	<u>151,091</u>
TOTAL ASSETS		<u>\$ 22,360,443</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:		
Current Portion of Long-Term Liabilities	\$ 711,644	
Accounts Payable	158,772	
Deposits	107,695	
Current Portion of Annuity Payable	42,900	
Accrued Expenses	<u>382,300</u>	\$ 1,403,311
LONG-TERM DEBT		
		13,619,821
OTHER LIABILITIES:		
Long-Term Portion of Annuities Payable	\$ 8,920	
Unearned Portion of Rents Paid	<u>2,247,397</u>	<u>2,256,317</u>
TOTAL LIABILITIES		\$ 17,279,449
NET ASSETS:		
Unrestricted		<u>5,080,994</u>
TOTAL LIABILITIES AND NET ASSETS		<u>\$ 22,360,443</u>

## INLAND CHRISTIAN HOME, INC.

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2014

UNRESTRICTED NET ASSETS:	
Unrestricted Revenue, Gains and Contributions	
Skilled Nursing Fees	\$ 4,902,741
Assisted Living Fees	1,100,597
Inland Haven Fees	1,010,000
Cottage and Apartment Rent Earned	1,964,270
Custodial Home Care Fees	677,284
Foundation Fund Donations	30,826
Meals Sold	75,818
Laundry	2,100
Interest and Dividend Income	1,130
Other Revenue	90,104
Contributions	<u>383,091</u>
Total Unrestricted Revenues, Gains and Contributions	<u>\$ 10,237,961</u>
OPERATING EXPENSES:	
Skilled Nursing Service	\$ 2,463,640
Assisted Living	354,162
Inland Haven	513,994
Custodial Home Care	579,801
Administration	1,101,153
Dietary	938,684
Plant Operation and Maintenance	836,199
Housekeeping Service	235,120
Therapy	267,180
Activities and Social Services	296,350
Laundry and Linen	140,465
Cottage and Apartments	40,320
Depreciation	1,118,492
Interest	679,632
Insurance	141,570
Bad Debt	<u>20,004</u>
Total Operating Expenses	<u>\$ 9,726,766</u>
INCREASE IN UNRESTRICTED NET ASSETS FROM OPERATIONS	\$ 511,195
NON-OPERATING INCOME (EXPENSE):	
Unrealized Gain/(Loss) on Investment	<u>(2,461)</u>
CHANGE IN NET ASSETS	\$ 508,734
NET ASSETS AT BEGINNING OF THE YEAR	<u>4,572,260</u>
NET ASSETS AT END OF THE YEAR	<u>\$ 5,080,994</u>

INLAND CHRISTIAN HOME, INC.

STATEMENT OF CHANGES IN NET ASSETS

For the Year Ended December 31, 2014

UNRESTRICTED NET ASSETS - JANUARY 1, 2014	\$ 4,572,260
Excess of Revenues Over Expenses - <u>Exhibit B</u>	<u>508,734</u>
UNRESTRICTED NET ASSETS - DECEMBER 31, 2014 - <u>Exhibit A</u>	<u>\$ 5,080,994</u>

INLAND CHRISTIAN HOME, INC.

STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2014

CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash Received from Residents and Donors	\$ 9,514,117	
Cash Paid to Employees and Suppliers	(7,944,828)	
Interest and Dividend Income	1,130	
Interest Paid	<u>(636,661)</u>	
Net Cash Provided by Operating Activities		\$ 933,758
CASH FLOWS FROM INVESTING ACTIVITIES:		
Investment Purchases	\$ (42,047)	
Property, Plant and Equipment Purchases	<u>(534,236)</u>	
Net Cash Used in Investing Activities		(576,283)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from Notes Payable	\$ 326,000	
Principle Payments on Notes Payable	(827,372)	
Annuity Payments	<u>(42,900)</u>	
Net Cash Used In Financing Activities		<u>(544,272)</u>
NET DECREASE IN CASH		\$ (186,797)
CASH BALANCE AT BEGINNING OF THE YEAR		<u>1,212,698</u>
CASH BALANCE AT DECEMBER 31, 2014		<u>\$ 1,025,901</u>

INLAND CHRISTIAN HOME, INC.

STATEMENT OF CASH FLOWS (Continued)

For the Year Ended December 31, 2014

RECONCILIATION OF INCREASE IN NET ASSETS TO NET CASH  
PROVIDED BY OPERATING ACTIVITIES

Increase in Net Assets- Exhibit B \$ 508,734

ADJUSTMENTS TO RECONCILE INCREASE IN NET ASSETS TO  
NET CASH PROVIDED BY OPERATING ACTIVITIES

Depreciation	\$ 1,118,492
Bad Debt Expense	20,004
Amortization of Loan Fees	26,487
Unrealized Loss on Investments	2,461
Donated Investments	(1,082)
Accounts Receivable Increase	(27,908)
Prepaid Increase	(7,537)
Accounts Payable Decrease	(37,202)
Accrued Expenses Increase	20,887
Patient Account Decrease	(22,965)
Unearned Revenue Decrease	<u>(666,613)</u>

Total Adjustments 425,024

NET CASH PROVIDED BY OPERATING ACTIVITIES \$ 933,758

NON-CASH INVESTING AND FINANCING ACTIVITIES

Donated Investments \$ 1,082

INLAND CHRISTIAN HOME, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

NATURE OF ACTIVITIES

Inland Christian Home, Inc. is a non-profit organization operating in San Bernardino County which provides skilled nursing care, assisted living including independent cottage and apartment care, custodial care, and an Alzheimer care facility. In 2014, Inland Christian Home was granted provision by the State of California to operate as a continuing care retirement community. This allows the organization to enter into continuing care contracts, which provide varying levels of care based on need. As of 2014, seven residents were under continuing care contracts.

BASIS OF ACCOUNTING

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

BASIS OF PRESENTATION

Inland Christian Home, Inc. reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets.

Unrestricted - these generally result from revenues generated by receiving unrestricted contributions, providing services, and receiving interest from investments less expenses incurred in provided program related services, raising contributions, and performing administrative functions.

Temporarily Restricted - Gifts of cash and other assets are reported as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is when a stipulated time restriction ends or the purpose of the restriction is accomplished, temporarily restricted net assets are classified to unrestricted net assets and reported in the Statement of Activities as net assets released from program or capital restrictions.

Permanently Restricted - These net assets are received from donors who stipulate that resources are to be maintained permanently, but permit the Organization to expend all of the income, or other economic benefits, derived from the donated assets.

INLAND CHRISTIAN HOME, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd):

CASH AND CASH EQUIVALENTS

For purposes of the statement of cash flows, the Organization considers all liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

No formal restrictions have been placed on cash by either the organization's charter or by-laws.

INVESTMENTS

Equity Securities carried at fair market value that is readily determinable. Securities are valued at the closing market price on the last day of the fiscal year. Gains and losses that result from market fluctuations are recognized in the period such fluctuations occur as part of unrestricted net assets. Dividend and interest income are accrued when earned.

ACCOUNTS RECEIVABLE

Accounts receivable are stated at unpaid balances. The Organization provides for an allowance for doubtful accounts based on management's estimate of the collectability of accounts receivable. Receivables are considered impaired if full principal payments are not received in accordance with the contractual terms. It is the Organization's policy to charge off uncollectible accounts receivable when management determines the receivable will not be collected.

At December 31, 2014, the allowance for doubtful accounts amounted to \$17,945.

CONTRIBUTIONS

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a temporary restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Inland Christian Home, Inc. had no temporarily or permanently restricted net assets in 2014.

INLAND CHRISTIAN HOME, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd):

INVENTORIES

Inventories at December 31, 2014 are stated at lower of cost or market using the first-in, first-out (FIFO) method, and based on estimated quantities.

Inventory:	
Nursing Station	\$ 3,500
Dietary	12,000
Plant and Operations	600
Linen	10,600
	<u>\$ 26,700</u>

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is carried at historical cost. Donations of property, plant and equipment are recorded at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Depreciation is computed on the straight-line method over the assets' estimated useful lives as follows:

Building and Improvements	3 to 40 years
Equipment and Furniture	3 to 14 years
Vehicles	7 years

USE OF ESTIMATES

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

INCOME TAXES

Inland Christian Home, Inc. is exempt from Federal income taxes under Section 501(c) (3) of the Internal Revenue Service and exempt from State income taxes under Section 23701d of the Franchise Tax Board. Management has determined that all income tax positions are more likely than not of being sustained upon potential audit or examination; therefor, no disclosures of uncertain income tax positions are required.

Inland Christian Home, Inc. files informational returns in the U.S. federal jurisdiction and the State of California. With few exceptions, Inland Christian Home is no longer subject to U.S. federal and state examinations by tax authorities for generally three and four years, respectively.

INLAND CHRISTIAN HOME, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd):

FUNCTIONAL ALLOCATION OF EXPENSE

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities and in the statement of functional expense. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

CAPITALIZED FEES

Amounts paid for fees and underwriting costs associated with long-term debt are capitalized and amortized to interest expense over the expected life of the liability. These costs are amortized using the straight-line method.

REVENUE RECOGNITION

Fees and service revenue are recognized as performed. Payments are received from residents, insurance companies, Medicare and other third-party payers.

FAIR MARKET VALUE

Fair market value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Inland Christian Home, Inc. also follows the fair value hierarchy which requires an entry to maximize the use of observable inputs that may be used to measure fair value:

Level 1 - Observable prices in active markets for identical assets or liabilities.

Level 2 - Observable inputs other than level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable data for substantially the full-term of the assets or liabilities.

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

As of December 31, 2014 all assets were considered Level 1 assets.

INLAND CHRISTIAN HOME, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2014

NOTE 2 - UNEARNED PORTION OF PAID RENTS:

As of December 31, 2014, approximately half of the cottages and apartments were leased for a period of twelve to fifteen years. The terms of all leases call for all rent for the period be payable at the beginning of the lease term. This prepaid rent is amortized under the straight-line method to cottage and apartment rent income at the rate of one-one hundred forty four (1/144) or one-one hundred eighty (1/180) per month. The prepaid rent is refundable to the lessee subject to the cottage and apartment being re-leased.

NOTE 3 - INVESTMENTS:

Investments held at year end were as follows:

	12/31/14	
	Cost	Fair Value
Cash (Level 1)	\$ 1,025,901	\$ 1,025,901
Investments		
Equity Securities (Level 1)	<u>\$ 4,746</u>	<u>\$ 40,668</u>
Total Investments	\$ 1,030,647	\$ 1,066,569
Net realized and unrealized gains/ (losses) were \$0 and \$(2,461), respectively.		

NOTE 4 - PROPERTY AND EQUIPMENT

Total depreciation expense for the year ended December 31, 2014 is \$1,118,492.

Repairs and Maintenance are charged to expense in the period incurred. Major improvements and assets are capitalized and depreciated.

Buildings and Improvements	\$ 26,536,673
Equipment and Furniture	4,801,389
Vehicles	73,010
Construction in Progress	34,771
Land	549,186
Less Accumulated Depreciation	<u>(11,612,347)</u>
Totals	<u>\$ 20,382,682</u>

NOTE 5 - LINE OF CREDIT:

The Organization has an unused line of credit with Citizens Business Bank for \$1,500,000 at 3.25% interest which is renewed annually.

INLAND CHRISTIAN HOME, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2014

NOTE 6 - NOTES PAYABLE:

The notes payable as of December 31, 2014 are as follows:

Private Party Notes

The Organization has entered into Forty Three unsecured notes payable with various individuals, with balances on December 31, 2014 ranging from \$2,000 to \$328,000 and interest rates from 2.0% to 5.00%. Amounts mature at various dates through June 2024.

\$ 2,536,000

Citizens Business Bank

In August 2013, the Organization entered into a note payable agreement in the amount of \$12,153,500, bearing 4.125% interest, with Citizens Business Bank. Payments are due in monthly installments of \$66,849 through August 2023, at which time a final payment, estimated to be \$8,825,819, is due and payable. The note is secured by real estate.

11,761,569

Verizon

In December 2010, the Organization entered into a finance agreement with Verizon in the amount of \$153,888, with an imputed interest rate of 6.25%. Payments are due in monthly installments of \$2,543 for the first twelve months and \$3,179 for months thirteen through sixty. The note is secured by the financed equipment.

33,896

Total Notes Payable

\$ 14,331,465

Less Current Portion of Notes Payable

711,644

Long-term Portion of Notes Payable

\$ 13,619,821

Future maturities of long-term notes payable are as follows:

Period Ending December 31,	Amount
2015	\$ 711,644
2016	908,668
2017	478,822
2018	860,570
2019	380,938
Thereafter	10,990,823

INLAND CHRISTIAN HOME, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2014

NOTE 7 - CONCENTRATION OF CREDIT RISK:

A substantial portion of the Organization's accounts receivables are with health insurance companies.

The Organization has concentrated its credit risk for cash by maintaining deposits in a bank located in the same geographic region as the Organization and in excess of the amounts that would have been covered by federal insurance. As of balance sheet date, the Organization carried cash balances of \$869,542 in excess of federally insured limits.

NOTE 8 - MAJOR CUSTOMER:

A material portion of the Organization's business is done with Medicare and Medi-Cal which accounted for approximately 30% of total revenue.

NOTE 9 - RETIREMENT PLAN:

The Organization offers a tax deferred annuity program under Internal Revenue Code Section 403(b). The voluntary program allows participants to contribute a percentage of their salary, to be placed in the individual's specific account. The Organization matches the employees personal contribution up to 3% of the employees gross wages after one year of employment. After seven years of employment, the Organization will match up to 5% of the employees total gross wages.

NOTE 10 - GIFT ANNUITY PAYABLE:

The Organization administers gift annuity agreements. Under terms of the gift annuity agreement, donors are paid designated annual sums. The Organization receives a lump sum payment at the beginning of the agreement and discharged from the obligation upon the death of one or both of the donors. Based on donor life expectancy and the use of the applicable federal rate, the present value of the future obligations expected to be paid by the Organization as of December 31, 2014 are as follows:

Donor gifted \$650,000	
With annual payments of \$42,900, Payable	
in quarterly payments of \$10,725 with an	
original present value of obligation	
of \$377,955 on December 22, 2006.	<u>\$ 51,820</u>

INLAND CHRISTIAN HOME, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2014

NOTE 11 - CONTRIBUTIONS:

The Organization received the following unrestricted contributions as of December 31, 2014:

Churches	\$ 14,494
Fundraisers	11,177
Auxiliary	45,786
Friendship Center	1,115
Thrift Store	135,000
Fall Drive	22,955
CARE Fund, net of distributions	5,630
Other Donations	146,934
	<u>\$ 383,091</u>

NOTE 12 - FUTURE GIFT:

The Organization is a 10% beneficiary of a charitable remainder trust whose assets total \$9,145,125.

NOTE 13 - SUBSEQUENT EVENTS:

Management has evaluated subsequent events through April 2, 2015, the date the Organization's financial statements were available for issuance, and has determined that there are no additional events which require disclosure or recognition in the financial statements.

SUPPLEMENTAL INFORMATION

INLAND CHRISTIAN HOME, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
For the Year Ended December 31, 2014

	Skilled Nursing	Assisted Living	Inland Haven	Custodial Home Care	Dietary	Plant Operations	Housekeeping	Therapy	Social Services	Laundry & Linen	Total Program	Administration	Total
Compensation	\$ 1,854,959	\$ 260,560	\$ 370,094	\$ 476,670	\$ 424,657	\$ 159,695	\$ 147,884	\$ 176,509	\$ 226,435	\$ 73,423	4,169,876	\$ 425,876	\$ 4,595,752
Payroll Taxes & Employee Benefits	536,233	54,353	84,266	64,807	75,063	23,493	41,048	24,252	39,043	22,296	764,844	89,441	854,285
Total	\$ 2,191,192	\$ 314,913	\$ 454,360	\$ 541,477	\$ 499,710	\$ 183,178	\$ 188,932	\$ 200,761	\$ 265,478	\$ 95,719	4,934,720	\$ 515,317	\$ 5,450,037
Contract Labor	30,179							49,473			79,652		79,652
Dues & Subscriptions													
Employee Relations & Seminars	717	691	627		367	300					2,702	23,809	23,809
Food & Staples					327,819						327,819		327,819
Licenses													
Linen										20,552	20,552		20,552
Marketing													
Office												54,427	54,427
Professional Services												67,594	67,594
Purchased Services	1,080	2,468	3,238		19,882	122,248		4,590	600		20,462	212,430	232,892
Repairs & Maintenance						77,421					145,714	7,941	153,655
State QA Fees										2,396	79,817		79,817
Supplies & Equipment	137,811	10,106	17,735		54,137	58,211	35,138	1,344	12,546	17,493	344,521	82,568	427,089
Property Taxes												47,717	47,717
Travel												114	114
Workers' Comp	102,661	25,984	38,034	38,324	24,689	10,442	11,050	11,022	17,726	4,305	284,237	3,196	287,433
Utilities						385,399					385,399	18,302	403,701
Total Functional Expenses	\$ 2,463,640	\$ 354,162	\$ 513,994	\$ 579,801	\$ 938,684	\$ 896,199	\$ 235,120	\$ 267,180	\$ 296,350	\$ 140,465	\$ 6,625,595	\$ 1,101,153	\$ 7,726,748

See Accompanying Notes

**RECEIVED**

MAY 01 2015

STATEWIDE PROGRAM OFFICE  
FOR ADULT AND SENIOR CARE LICENSING

**INLAND CHRISTIAN HOME, INC.**

**STATE OF CALIFORNIA  
CONTINUING CARE RESERVE REPORT**

**For the Fiscal Year Ended December 31, 2014**

**And**

**Independent Auditor's Report**

INLAND CHRISTIAN HOME, INC.

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December 31, 2014

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INDEPENDENT AUDITORS' REPORT

STATEWIDE PROGRAM OFFICE  
FOR ADULT AND SENIOR CARE LICENSING

April 2, 2015

Board of Directors  
Inland Christian Home, Inc.

We have audited the accompanying continuing care reserve report for Inland Christian Home, Inc. a California Not-For-Profit Corporation, as of and for the year ended December, 31 2014.

**Management's Responsibility for the Continuing Care Reserve Report**

Management is responsible for the preparation and fair presentation of the continuing care reserve report in accordance with the reporting provisions of California Health and Safety Code Section 1792. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the continuing care reserve report that is free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the continuing care reserve report 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 continuing care reserve report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the continuing care reserve report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the continuing care reserve report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the continuing care reserve report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, 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 continuing care reserve report.

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

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Fax (559) 688-3740

**Opinion**

In our opinion, such continuing care reserve report Forms 5-1 through 5-5 present fairly, in all material respects, the liquid reserve requirements of Inland Christian Home, Inc. at December 31, 2014, in conformity with the report preparation provisions of California Health and Safety Code Section 1792.

**Basis of Accounting**

The continuing care reserve report is prepared for the purpose of complying with the California Health and Safety Code Section 1792 and is not intended to be a complete presentation of Inland Christian Home's assets, liabilities, revenues and expenses and as such is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

**Restriction of Use**

This report is intended solely for the information and use of the board of directors and management of Inland Christian Home, Inc. and for filing with the California Department of Social Services and is not intended to be and should not be used for any other purpose. However, this report is a matter of public record and its distribution is not limited.

A handwritten signature in cursive script that reads "Van Dyk & Associates". The signature is written in dark ink and is centered on the page.

VAN DYK & ASSOCIATES

**INLAND CHRISTIAN HOME, INC.**  
**FORM 5-1, LONG-TERM DEBT INCURRED IN A PRIOR FISCAL YEAR**  
**INCLUDING BALLOON DEBT**

<b>FORM 5-1</b>					
<b>LONG-TERM DEBT INCURRED</b>					
<b>IN A PRIOR FISCAL YEAR</b>					
<b>(Including Balloon Debt)</b>					
	(a)	(b)	(c)	(d)	(e)
Long-Term Debt Obligation	Date Incurred	Principal Paid During Fiscal Year	Interest Paid During Fiscal Year	Credit Enhancement Premiums Paid In Fiscal Year	Total Paid (columns (b) + (c) + (d))
1	Dec-10	34,834	2,119	0	36,953
2	Various	0	125,821	0	125,821
3	Aug-13	286,539	498,256	0	784,795
4					
5					
6					
7					
8					
<b>TOTAL:</b>		<b>321,373</b>	<b>626,196</b>	<b>0</b>	<b>947,569</b>

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

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

PROVIDER: INLAND CHRISTIAN HOME, INC

FORM 5-1

**INLAND CHRISTIAN HOME, INC.  
FORM 5-2, LONG-TERM DEBT INCURRED DURING FISCAL YEAR  
INCLUDING BALLOON DEBT**

<b>FORM 5-2 LONG-TERM DEBT INCURRED DURING FISCAL YEAR (Including Balloon Debt)</b>				
Long-Term Debt Obligation	(a) Date Incurred	(b) Total Interest Paid During Fiscal Year	(c) Amount of Most Recent Payment on the Debt	(d) Number of Payments over next 12 months
1	Various	10,466	3,464	4
2				
3				
4				
5				
6				
7				
8				
<b>TOTAL:</b>		<b>10,466</b>	<b>3,464</b>	<b>4</b>

13,856

(see instruction 5)  
(columns (c) x (d))

13,856

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

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

**PROVIDER: INLAND CHRISTIAN HOME, INC**

**FORM 5-2**



INLAND CHRISTIAN HOME, INC.  
FORM 5-4, CALCULATION OF LONG-TERM DEBT RESERVE AMOUNT

LINE	FORM 5-4 CALCULATION OF LONG-TERM DEBT RESERVE AMOUNT	AMOUNTS	TOTAL
1	Total operating expenses from financial statements		9,726,766
2	Deductions		
	a Interest paid on long-term debt	636,662	
	b Credit enhancement premiums paid for long-term debt	0	
	c Depreciation	1,118,492	
	d Amortization	26,487	
	e Revenues received during the fiscal year for services to persons who did not have a continuing care contract		
	f Extraordinary expenses approved by the Department	9,668,619	
3	Total Deductions	0	
4	Net Operating Expenses		11,450,260
5	Divide Line 4 by 365 and enter the result.		0
6	Multiply Line 5 by 75 and enter the result. This is the provider's operating expense reserve amount.		0

PROVIDER: INLAND CHRISTIAN HOME, INC  
COMMUNITY: SAME AS ABOVE

FORM 5-4

FORM 5-5  
ANNUAL RESERVE CERTIFICATION

Provider Name: Inland Christian Home, Inc  
Fiscal Year Ended: 12/31/14

We have reviewed our debt service reserve and operating expense reserve requirements as of, and for the period ended 12/31/14, and are in compliance with those requirements

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

[1] Debt Service Reserve Amount	961,425
[2] Operating Expense Reserve Amount	0
[3] Total Liquid Reserve Amount	961,425

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

<u>Qualifying Asset Description</u>	<u>AMOUNT</u> (Market Value at end of year)	
	<u>Debt Service Reserve</u>	<u>Operating Reserve</u>
[4] Cash and Cash Equivalents	925,901	100,000
[5] Investment Securities		
[6] Equity Securities	40,668	
[7] Unused/Available Lines of Credit		
[8] Unused/Available Letters of Credit		
[9] Debt Service Reserve		Not Applicable
[10] Other: (Describe)		
<b>Total Amount of Qualifying Assets Listed for Liquid Reserve:</b>	[11] <u>966,569</u>	[12] <u>100,000</u>
<b>Total Amount Required:</b>	[13] <u>961,425</u>	[14] <u>0</u>
<b>Surplus / (Deficiency):</b>	[15] <u>5,144</u>	[16] <u>100,000</u>

Signature:

  
\_\_\_\_\_  
(Authorized Representative)

Date:

4/27/15

Executive Director  
\_\_\_\_\_  
(Title)

FORM 5-5

**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)	\$1,515 to \$2,340	\$89/day to \$130/day (includes memory care)	\$240/day to \$275/day
[2] Indicate percentage of increase in fees imposed during reporting period: (indicate range, if applicable)	<u>23% to 40%</u>	<u>3.0% to 4.0%</u>	<u>2.5% to 3.0%</u>

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

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

[4] Check each of the appropriate boxes:

- Each fee increase is based on the provider's projected costs, prior year per capita costs, and economic indicators.
- All affected residents were given written notice of this fee increase at least 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: Inland Christian Home, Inc.

COMMUNITY: Inland Christian Home, Inc.

## **Form 7-1**

### **Report on CCRC Monthly Service Fees**

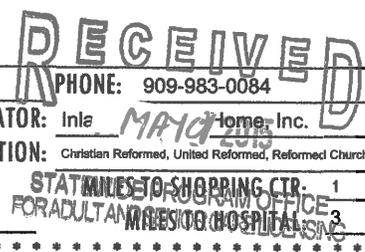
#### **Attachment to Item [5]:**

Rate increases on monthly fees were approved within the annual budget by the Board of Directors. The amount of the increases are determined based on projected operating costs of the continuing care retirement community, economic indicators, community census information, current market rates and other factors. Beginning January 1, 2014, there was a significant increase in apartment and cottage rates for new residents as a result of a market study which indicated rates were well below average. The increase for new residents in apartments and cottages from 2013 to 2014 was between 24% and 40%, depending on the type of unit. Residents who moved in prior to 2014 had a more modest increase, which was around 7%. Assisted Living, Memory Care and Skilled Nursing each increased from 2.5% to 4% from 2013 to 2014.

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

Date Prepared: 4/21/2015

FACILITY NAME: Inland Christian Home, Inc.  
 ADDRESS: 1950 S. Mountain Ave. Ontario, CA ZIP CODE: 91762 PHONE: 909-983-0084  
 PROVIDER NAME: Inland Christian Home, Inc. FACILITY OPERATOR: Inla Home, Inc.  
 RELATED FACILITIES: None RELIGIOUS AFFILIATION: Christian Reformed, United Reformed, Reformed Church of America  
 YEAR # OF  SINGLE  MULTI-  
 OPENED: 1978 ACRES: 12 STORY STORY  OTHER: \_\_\_\_\_



**NUMBER OF UNITS:**

<b>RESIDENTIAL LIVING</b>	<b>HEALTH CARE</b>
APARTMENTS — STUDIO: <u>2</u>	ASSISTED LIVING: <u>32</u>
APARTMENTS — 1 BDRM: <u>16</u>	SKILLED NURSING: <u>59</u>
APARTMENTS — 2 BDRM: <u>53</u>	SPECIAL CARE: <u>18</u>
COTTAGES/HOUSES: <u>41</u>	DESCRIPTION: > <u>Memory Care</u>
RLU OCCUPANCY (%) AT YEAR END: <u>95.5%</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: \_\_\_\_\_

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

HEALTH CARE BENEFITS INCLUDED IN CONTRACT: No

ENTRY REQUIREMENTS: MIN. AGE: 65 PRIOR PROFESSION: None OTHER: None

RESIDENT REPRESENTATIVE(S) TO THE BOARD (briefly describe their involvement): > None. One resident will be elected as a representative  
 > during May 2015.

FACILITY SERVICES AND AMENITIES					
COMMON AREA AMENITIES	AVAILABLE	FEE FOR SERVICE	SERVICES AVAILABLE	INCLUDED IN FEE	FOR EXTRA CHARGE
BEAUTY/BARBER SHOP	<input checked="" type="checkbox"/>	<input type="checkbox"/>	HOUSEKEEPING (2 TIMES/MONTH)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BILLIARD ROOM	<input checked="" type="checkbox"/>	<input type="checkbox"/>	MEALS (___/DAY)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
BOWLING GREEN	<input type="checkbox"/>	<input type="checkbox"/>	SPECIAL DIETS AVAILABLE	<input type="checkbox"/>	<input checked="" type="checkbox"/>
CARD ROOMS	<input checked="" type="checkbox"/>	<input type="checkbox"/>			
CHAPEL	<input type="checkbox"/>	<input type="checkbox"/>	24-HOUR EMERGENCY RESPONSE	<input checked="" type="checkbox"/>	<input type="checkbox"/>
COFFEE SHOP	<input type="checkbox"/>	<input 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 checked="" type="checkbox"/>	<input type="checkbox"/>
EXERCISE ROOM	<input type="checkbox"/>	<input type="checkbox"/>	APARTMENT MAINTENANCE	<input checked="" type="checkbox"/>	<input type="checkbox"/>
GOLF COURSE ACCESS	<input type="checkbox"/>	<input type="checkbox"/>	CABLE TV	<input checked="" type="checkbox"/>	<input type="checkbox"/>
LIBRARY	<input checked="" type="checkbox"/>	<input type="checkbox"/>	LINENS FURNISHED	<input type="checkbox"/>	<input checked="" type="checkbox"/>
PUTTING GREEN	<input type="checkbox"/>	<input type="checkbox"/>	LINENS LAUNDERED	<input type="checkbox"/>	<input checked="" type="checkbox"/>
SHUFFLEBOARD	<input checked="" type="checkbox"/>	<input type="checkbox"/>	MEDICATION MANAGEMENT	<input type="checkbox"/>	<input checked="" type="checkbox"/>
SPA	<input type="checkbox"/>	<input type="checkbox"/>	NURSING/WELLNESS CLINIC	<input checked="" type="checkbox"/>	<input type="checkbox"/>
SWIMMING POOL-INDOOR	<input type="checkbox"/>	<input type="checkbox"/>	PERSONAL HOME CARE	<input type="checkbox"/>	<input checked="" type="checkbox"/>
SWIMMING POOL-OUTDOOR	<input type="checkbox"/>	<input type="checkbox"/>	TRANSPORTATION-PERSONAL	<input type="checkbox"/>	<input checked="" type="checkbox"/>
TENNIS COURT	<input type="checkbox"/>	<input type="checkbox"/>	TRANSPORTATION-PREARRANGED	<input type="checkbox"/>	<input checked="" type="checkbox"/>
WORKSHOP	<input type="checkbox"/>	<input type="checkbox"/>	OTHER _____	<input type="checkbox"/>	<input type="checkbox"/>
OTHER _____	<input type="checkbox"/>	<input type="checkbox"/>			

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: Inland Christian Home, Inc.

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
<b>INCOME FROM ONGOING OPERATIONS</b>				
<b>OPERATING INCOME</b>				
(Excluding amortization of entrance fee income)	\$7,615,000	\$7,922,000	\$9,391,182	\$9,824,044
<b>LESS OPERATING EXPENSES</b>				
(Excluding depreciation, amortization, and interest)	-\$6,734,000	-\$7,028,000	-\$7,971,731	-\$7,928,642
<b>NET INCOME FROM OPERATIONS</b>	\$881,000	\$894,000	\$1,418,451	\$1,895,402
<b>LESS INTEREST EXPENSE</b>	-\$834,000	-\$818,000	-\$772,997	-\$653,145
<b>PLUS CONTRIBUTIONS</b>	\$482,000	\$315,000	\$420,743	\$413,917
<b>PLUS NON-OPERATING INCOME (EXPENSES)</b>				
(excluding extraordinary items)	\$433,000	\$0	\$16,030	-\$2,461
<b>NET INCOME (LOSS) BEFORE ENTRANCE FEES, DEPRECIATION AND AMORTIZATION</b>	\$962,000	\$391,000	\$1,083,227	\$1,653,713
<b>NET CASH FLOW FROM ENTRANCE FEES</b>				
(Total Deposits Less Refunds)	\$0	\$0	\$0	\$0

\*\*\*\*\*  
**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 ORIGATION</u>	<u>DATE OF MATURITY</u>	<u>AMORTIZATION PERIOD</u>
Citizens Business Bank	\$11,761,569	4.13%	8/23/13	8/23/23	20 years
Verizon	\$33,896	6.25%	12/7/10	12/7/15	5 years

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

	<u>2013 CCAC Medians 50<sup>th</sup> Percentile (optional)</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
<b>DEBT TO ASSET RATIO</b>		73.4%	73.03%	61%
<b>OPERATING RATIO</b>		99.4%	89.16%	92%
<b>DEBT SERVICE COVERAGE RATIO</b>		1.84	2.1	2.6
<b>DAYS CASH ON HAND RATIO</b>		68	56	45

\*\*\*\*\*  
**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	\$1,035	1.9	\$1,055	3.3	\$1,090	39	\$1,515
ONE BEDROOM	\$1,293	1.9	\$1,318	3.0	\$1,358	38	\$1,868
TWO BEDROOM	\$1,761	2.0	\$1,796	2.9	\$1,848	24	\$2,290
COTTAGE/HOUSE	\$1,189	2.5	\$1,219	3.1	\$1,256	35	\$1,699
ASSISTED LIVING	\$80/day	2.5	\$82/day	3.5	\$85/day	4.7	\$89/day
SKILLED NURSING	\$215/day	4.7	\$225/day	3.6	\$233/day	3.0	\$240/day
SPECIAL CARE	\$140/day	-13	\$122/day	3.3	\$126/day	4.0	\$130/day

\*\*\*\*\*  
**COMMENTS FROM PROVIDER:** > A new level of care program was started the special care (memory care) unit in 2012.

- > After a study was completed, rates were determined to be below market and rates were significantly increased in 2014 for new residents in apartments and
- > cottages to be in line with the market.

**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.