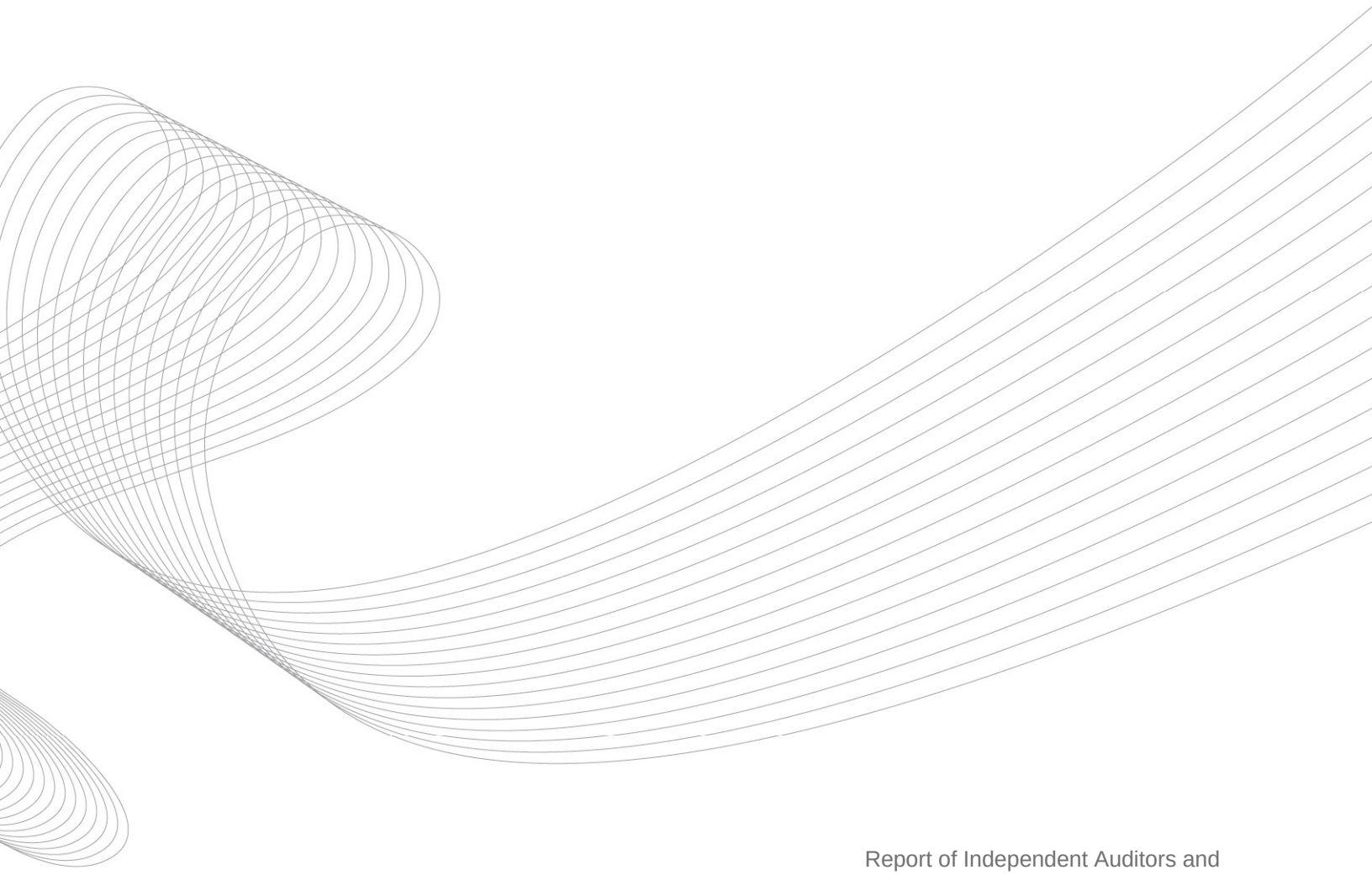


Report of Independent Auditors and
Continuing Care Liquid Reserve Schedules with
Supplementary Schedules

American Baptist Homes of the West and Affiliates

As of and for the year ended December 31, 2016

MOSS-ADAMS LLP

Certified Public Accountants | Business Consultants

CONTENTS

PAGE

REPORT OF INDEPENDENT AUDITORS 1

CONTINUING CARE LIQUID RESERVE SCHEDULES

Form 5-1, Long-Term Debt Incurred in a Prior Fiscal Year (including Balloon Debt) 3

Form 5-2, Long-Term Debt Incurred During Fiscal Year (including Balloon Debt) 4

Form 5-3, Calculation of Long-Term Debt Reserve Amount 5

Form 5-4, Calculation of Net Operating Expenses (Terraces at Los Altos) 6

Form 5-4, Calculation of Net Operating Expenses (Grand Lake Gardens) 7

Form 5-4, Calculation of Net Operating Expenses (Piedmont Gardens) 8

Form 5-4, Calculation of Net Operating Expenses (Plymouth Village) 9

Form 5-4, Calculation of Net Operating Expenses (Valle Verde) 10

Form 5-4, Calculation of Net Operating Expenses (Rosewood) 11

Form 5-4, Calculation of Net Operating Expenses (Terraces of Los Gatos) 12

Form 5-5, Annual Reserve Certification 13

SUPPLEMENTARY SCHEDULES

Attachment I to Form 5-1: Interest Paid During Fiscal Year 14

Attachment II to Form 5-1: Principal Paid During Fiscal Year 15

Attachment I to Form 5-3: Facility Leasehold or Rental Payments 16

Attachment III to Form 5-4: Operating Expenses From Financial Statements 17

Attachment IV to Form 5-4: Deductions From Operating Expenses 18

Attachment V to Form 5-5: Schedule of Qualifying Assets – Investments and Debt Service Reserve 19

Description of Reserves Under SB 1212 20

Supplemental Schedule: Reconciliation of Reserves Under SB 1212 21

Per Capita Cost of Operations 22

Notes to Reserve Reports 23

MOSS-ADAMS LLP
Certified Public Accountants | Business Consultants

REPORT OF INDEPENDENT AUDITORS

To the Members of the Board of Directors
American Baptist Homes of the West and Affiliates

Report on the Financial Statements

We have audited the accompanying financial statements of American Baptist Homes of the West and Affiliates, which comprise the continuing care liquid reserve schedules, Form 5-1 through Form 5-5, as of and for the year ended December 31, 2016.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the continuing care reserve of American Baptist Homes of the West and Affiliates as of and for the year ended December 31, 2016, in conformity with the liquid reserve requirements of California Health and Safety Code Section 1792.

Praxity MEMBER GLOBAL ALLIANCE OF INDEPENDENT FIRMS

Basis of Accounting

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

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements, as a whole. The accompanying supplementary schedules of Attachment I to Form 5-1: Interest Paid During Fiscal Year, Attachment II to Form 5-1: Principal Paid During Fiscal Year, Attachment I to Form 5-3: Facility Leasehold or Rental Payments, Attachment III to Form 5-4: Operating Expenses From Financial Statements, Attachment IV to Form 5-4: Deductions From Operating Expenses, Attachment V to Form 5-5: Schedule of Qualifying Assets – Investments and Debt Service Reserve, Description of Reserves Under SB 1212, Supplemental Schedule: Reconciliation of Reserves Under SB 1212, and Per Capita Cost of Operations, presented as supplementary schedules, are presented for the purpose of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of financial statements, and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements, or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements, taken as a whole.

Restriction on Use

Our report is intended solely for the information and use of American Baptist Homes of the West and Affiliates and the California Department of Social Services and is not intended to be, and should not be, used by anyone other than these specified parties.

Moss Adams LLP

San Francisco, California
April 28, 2017

CONTINUING CARE LIQUID RESERVE 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	05/28/15	$1,885,000	$2,741,430	$0	$4,626,430
2	02/16/10	$1,665,000	$6,346,233	$176,745	$8,187,978
3	01/05/12	$1,130,000	$342,679		$1,472,679
4	02/01/13	$0	$2,469,480		$2,469,480
5	02/02/13	$533,000	$34,011		$567,011
6	12/01/16	$0			$0
7	Certs. Of Part	$44,000	$4,350		$48,350
8	Other	$200,000	-$448,291		-$248,291
	TOTAL:		$11,489,892	$176,745	$17,123,637

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

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

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

Long-Term Debt Obligation	(a) Date Incurred	(b) Total Interest Paid During Fiscal Year	(c) Amount of Most Recent Payment on the Debt	(d) Number of Payments over next 12 months	(e) Reserve Requirement (see instruction 5) (columns (c) x (d))
1	12/30/16	$0	$7,937	12	$95,244
2					$0
3					$0
4					$0
5					$0
6					$0
	TOTAL:	$0	$7,937	12	$95,244

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

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

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

Line		TOTAL
1	Total from Form 5-1 bottom of Column (e)	$17,123,637
2	Total from Form 5-2 bottom of Column (e)	$95,244
3	Facility leasehold or rental payment paid by provider during fiscal year (including related payments such as lease insurance)	$733,000
4	**TOTAL AMOUNT REQUIRED FOR LONG-TERM DEBT RESERVE:**	$17,951,881

FORM 5-4
CALCULATION OF NET OPERATING EXPENSES

Line			Amounts	TOTAL
1		Total operating expenses from financial statements		$14,396,000
2		Deductions:		
	a.	Interest paid on long-term debt (see instructions)	$927,660	
	b.	Credit enhancement premiums paid for long-term debt (see instructions)	$2,340	
	c.	Depreciation	$1,412,000	
	d.	Amortization	$0	
	e.	Revenues received during the fiscal year for services to persons who did not have a continuing care contract	$2,220,667	
	f.	Extraordinary expenses approved by the Department	$0	
3		Total deductions		$4,562,667
4		Net operating expenses		$9,833,333
5		Divide line 4 by 365 and enter the result.		$26,941
6		**Multiply line 5 by 75 and enter the result.** This is the provider's operating expense reserve amount.		$2,020,575

PROVIDER: American Baptist Homes of the West and Affiliates
COMMUNITY: Terraces at Los Altos

FORM 5-4
CALCULATION OF NET OPERATING EXPENSES

Line			Amounts	TOTAL
1		Total operating expenses from financial statements		$4,590,000
2		Deductions:		
	a.	Interest paid on long-term debt (see instructions)	$165,218	
	b.	Credit enhancement premiums paid for long-term debt (see instructions)	$782	
	c.	Depreciation	$609,000	
	d.	Amortization	$0	
	e.	Revenues received during the fiscal year for services to persons who did not have a continuing care contract	$533,900	
	f.	Extraordinary expenses approved by the Department	$0	
3		Total deductions		$1,308,900
4		Net operating expenses		$3,281,100
5		Divide line 4 by 365 and enter the result.		$8,989
6		**Multiply line 5 by 75 and enter the result.** This is the provider's operating expense reserve amount.		$674,175

PROVIDER: American Baptist Homes of the West and Affiliates
COMMUNITY: Grand Lake Gardens

FORM 5-4
CALCULATION OF NET OPERATING EXPENSES

Line			Amounts	TOTAL
1		Total operating expenses from financial statements		$26,830,000
2		Deductions:		
	a.	Interest paid on long-term debt (see instructions)	$501,770	
	b.	Credit enhancement premiums paid for long-term debt (see instructions)	$2,230	
	c.	Depreciation	$1,690,000	
	d.	Amortization	$0	
	e.	Revenues received during the fiscal year for services to persons who did not have a continuing care contract	$4,134,787	
	f.	Extraordinary expenses approved by the Department	$0	
3		Total deductions		$6,328,787
4		Net operating expenses		$20,501,213
5		Divide line 4 by 365 and enter the result.		$56,168
6		**Multiply line 5 by 75 and enter the result.** This is the provider's operating expense reserve amount.		$4,212,600

PROVIDER: American Baptist Homes of the West and Affiliates
COMMUNITY: Piedmont Gardens

FORM 5-4
CALCULATION OF NET OPERATING EXPENSES

Line			Amounts	TOTAL
1		Total operating expenses from financial statements		$16,243,000
2		Deductions:		
	a.	Interest paid on long-term debt (see instructions)	$383,351	
	b.	Credit enhancement premiums paid for long-term debt (see instructions)	$1,649	
	c.	Depreciation	$2,319,000	
	d.	Amortization	$0	
	e.	Revenues received during the fiscal year for services to persons who did not have a continuing care contract	$775,785	
	f.	Extraordinary expenses approved by the Department	$0	
3		Total deductions		$3,479,785
4		Net operating expenses		$12,763,215
5		Divide line 4 by 365 and enter the result.		$34,968
6		**Multiply line 5 by 75 and enter the result.** This is the provider's operating expense reserve amount.		$2,622,600

PROVIDER: American Baptist Homes of the West and Affiliates
COMMUNITY: Plymouth Village

FORM 5-4
CALCULATION OF NET OPERATING EXPENSES

Line			Amounts	TOTAL
1		Total operating expenses from financial statements		$28,236,000
2		Deductions:		
	a.	Interest paid on long-term debt (see instructions)	$1,202,459	
	b.	Credit enhancement premiums paid for long-term debt (see instructions)	$4,541	
	c.	Depreciation	$4,155,790	
	d.	Amortization	$151,210	
	e.	Revenues received during the fiscal year for services to persons who did not have a continuing care contract	$2,120,817	
	f.	Extraordinary expenses approved by the Department	$0	
3		Total deductions		$7,634,817
4		Net operating expenses		$20,601,183
5		Divide line 4 by 365 and enter the result.		$56,442
6		**Multiply line 5 by 75 and enter the result.** This is the provider's operating expense reserve amount.		$4,233,150

PROVIDER: American Baptist Homes of the West and Affiliates
COMMUNITY: Valle Verde

FORM 5-4
CALCULATION OF NET OPERATING EXPENSES

Line			Amounts	TOTAL
1		Total operating expenses from financial statements		$19,603,000
2		Deductions:		
	a.	Interest paid on long-term debt (see instructions)	$502,775	
	b.	Credit enhancement premiums paid for long-term debt (see instructions)	$2,225	
	c.	Depreciation	$1,285,000	
	d.	Amortization	$0	
	e.	Revenues received during the fiscal year for services to persons who did not have a continuing care contract	$3,910,148	
	f.	Extraordinary expenses approved by the Department	$0	
3		Total deductions		$5,700,148
4		Net operating expenses		$13,902,852
5		Divide line 4 by 365 and enter the result.		$38,090
6		**Multiply line 5 by 75 and enter the result.** This is the provider's operating expense reserve amount.		$2,856,750

PROVIDER: American Baptist Homes of the West and Affiliates
COMMUNITY: Rosewood

FORM 5-4
CALCULATION OF NET OPERATING EXPENSES

Line			Amounts	TOTAL
1		Total operating expenses from financial statements		$25,308,000
2		Deductions:		
	a.	Interest paid on long-term debt (see instructions)	$2,158,841	
	b.	Credit enhancement premiums paid for long-term debt (see instructions)	$9,159	
	c.	Depreciation	$3,159,000	
	d.	Amortization	$0	
	e.	Revenues received during the fiscal year for services to persons who did not have a continuing care contract	$2,906,100	
	f.	Extraordinary expenses approved by the Department	$0	
3		Total deductions		$8,233,100
4		Net operating expenses		$17,074,900
5		Divide line 4 by 365 and enter the result.		$46,781
6		**Multiply line 5 by 75 and enter the result.** This is the provider's operating expense reserve amount.		$3,508,575

PROVIDER: American Baptist Homes of the West and Affiliates
COMMUNITY: Terraces of Los Gatos

FORM 5-5
ANNUAL RESERVE CERTIFICATION

Provider Name: American Baptist Homes of the West and Affiliates
Fiscal Year Ended: 12/31/2016

We have reviewed our debt service reserve and operating expense reserve requirements as of, and for the period ended 12/31/2016 and are in compliance with those requirements.

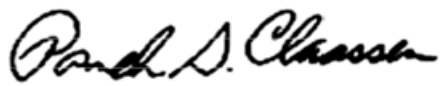
Our liquid reserve requirements, computed using the audited financial statements for the fiscal year are as follows:

		Amount
[1]	Debt Service Reserve Amount	$17,951,881
[2]	Operating Expense Reserve Amount	$20,128,425
[3]	**Total Liquid Reserve Amount:**	$38,080,306

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

	Qualifying Asset Description	Amount: Debt Service Reserve		Amount: Operating Reserve
[4]	Cash and Cash Equivalents	$0		$22,913,000
[5]	Investment Securities	$26,379,053		$28,097,313
[6]	Equity Securities	$0		$63,552,651
[7]	Unused/Available Lines of Credit	$0		$0
[8]	Unused/Available Letters of Credit	$0		$0
[9]	Debt Service Reserve	$12,158,947		(not applicable)
[10]	Other:			
	(describe qualifying asset)			
	Listed for Reserve Obligation: [11]	$38,538,000	[12]	$114,562,964
	Reserve Obligation Amount: [13]	$17,951,881	[14]	$20,128,425
	Surplus/(Deficiency): [15]	$20,586,119	[16]	$94,434,539

Signature:



Date: April 28, 2017

(Authorized Representative)

SVP Finance/Chief Financial Officer
(Title)

SUPPLEMENTARY SCHEDULES

_____

AMERICAN BAPTIST HOMES OF THE WEST AND AFFILIATES
ATTACHMENT I TO FORM 5-1
INTEREST PAID DURING FISCAL YEAR
STATE OF CALIFORNIA – DEPARTMENT OF SOCIAL SERVICES
FOR THE YEAR ENDED DECEMBER 31, 2016

Description	ABHOW Obligated Group
Total interest paid, net of amounts capitalized, from financial statements	$ 9,936,000
Subtract:	
Letter of credit fees	28,138
Prepaid finance fees	80,178
Amortization of bond premium and discounts	85,924
Add:	
Capitalized interest - Series 2015	183,834
Capitalized interest - Series 2010 TLA Redevelopment	180,891
Capitalized interest - Series 2013	1,383,407
Total interest paid during fiscal year per form 5-1	$ 11,489,892

AMERICAN BAPTIST HOMES OF THE WEST AND AFFILIATES
ATTACHMENT II TO FORM 5-1
PRINCIPAL PAID DURING FISCAL YEAR
STATE OF CALIFORNIA – DEPARTMENT OF SOCIAL SERVICES
FOR THE YEAR ENDED DECEMBER 31, 2016

Description	ABHOW Obligated Group
Total principal paid, from financial statements	$ 5,317,000
Total principal paid during fiscal year per Form 5-1	
Long-term debt obligation #1	$ 1,885,000
Long-term debt obligation #2	1,665,000
Long-term debt obligation #3	1,130,000
Long-term debt obligation #4	533,000
Certificates of Participation	44,000
Other	200,000
	5,457,000
Other adjustments - other financing costs	(140,000)
Total principal paid during fiscal year	$ 5,317,000

AMERICAN BAPTIST HOMES OF THE WEST AND AFFILIATES
ATTACHMENT I TO FORM 5-3
FACILITY LEASEHOLD OR RENTAL PAYMENTS
STATE OF CALIFORNIA – DEPARTMENT OF SOCIAL SERVICES
FOR THE YEAR ENDED DECEMBER 31, 2016

Description		ABHOW Obligated Group
Total facility leasehold or rental payments paid by provider during fiscal year	$	733,000
Leases and rents per financial statement:		
Grand Lake Gardens	$	18,000
Piedmont Gardens		195,000
Terraces at Los Altos		58,000
Plymouth Village		79,000
Rosewood		108,000
Valle Verde		173,000
Terraces of Los Gatos		102,000
	$	733,000

AMERICAN BAPTIST HOMES OF THE WEST AND AFFILIATES
ATTACHMENT III TO FORM 5-4
OPERATING EXPENSES FROM FINANCIAL STATEMENTS
STATE OF CALIFORNIA – DEPARTMENT OF SOCIAL SERVICES
FOR THE YEAR ENDED DECEMBER 31, 2016

Line	Description	Terraces at Los Altos	Grand Lake Gardens	Piedmont Gardens	Plymouth Village	Valle Verde	Rosewood	Terraces of Los Gatos	Total
1	Total operating expenses from financial statements								
	Total operating expenses from financial statements as reported	$ 12,054,000	$ 3,815,000	$ 24,636,000	$ 13,539,000	$ 22,722,000	$ 17,813,000	$ 19,981,000	$ 114,560,000
	Add:								
	Depreciation and amortization	1,412,000	609,000	1,690,000	2,319,000	4,307,000	1,285,000	3,159,000	14,781,000
	Mortgage interest	930,000	166,000	504,000	385,000	1,207,000	505,000	2,168,000	5,865,000
	Total for Line 1	$ 14,396,000	$ 4,590,000	$ 26,830,000	$ 16,243,000	$ 28,236,000	$ 19,603,000	$ 25,308,000	$ 135,206,000

AMERICAN BAPTIST HOMES OF THE WEST AND AFFILIATES
ATTACHMENT IV TO FORM 5-4: DEDUCTIONS FROM OPERATING EXPENSE
STATE OF CALIFORNIA – DEPARTMENT OF SOCIAL SERVICES
FOR THE YEAR ENDED DECEMBER 31, 2016

Line	Description	Terraces at Los Altos	Grand Lake Gardens	Piedmont Gardens	Plymouth Village	Valle Verde	Rosewood	Terraces of Los Gatos	ABHOW Obligated Group
2e	Total Revenues received during the fiscal year for services to resident who did not have a continuing care contract								
sum of {A}	Monthly Fees – Private (Noncontract)	$ 2,192,152	$ 510,116	$ 4,112,877	$ 759,775	$ 2,098,943	$ 3,828,971	$ 2,843,077	$ 16,345,911
sum of {B}	Second Person Fee - PP	-	23,784	-	10,677	-	49,616	22,538	106,615
sum of {D}	Monthly Fees - Wellness - Private (Noncontract)	1,426	-	-	-	-	14,932	-	16,358
{I}	Laboratory – Private (Noncontract)	-	-	18	-	-	44	-	62
{F}	Physical Therapy – Private (Noncontract)	1,490	-	7,896	133	-	3,206	4,345	17,070
{G}	Occupational Therapy – Private (Noncontract)	1,890	-	-	-	4,521	398	1,195	8,004
{H}	Speech Therapy – Private (Noncontract)	-	-	-	-	1,040	360	400	1,800
sum of {E}	Chargeable Supplies – Private (Noncontract)	20,678	-	11,854	4,660	15,215	12,134	31,842	96,383
sum of {C}	Drugs – Private (Noncontract)	3,031	-	1,600	540	-	487	1,705	7,363
{J}	Oxygen – Private (Noncontract)	-	-	542	-	1,098	-	998	2,638
	Total for Line 2e	$ 2,220,667	$ 533,900	$ 4,134,787	$ 775,785	$ 2,120,817	$ 3,910,148	$ 2,906,100	$ 16,602,204
	Residential Living Fees Reconciliations								
{A}	Monthly Fees – Private (Noncontract)	$ -	$ 510,116	$ -	$ 222,150	$ -	$ 1,356,736	$ -	$ 2,089,002
{B}	Second Person Fee - PP	-	23,784	-	10,677	-	30,920	-	65,381
{C}	Drugs - Private (Noncontract)	-	-	-	-	-	-	-	-
	Total (Noncontract)	-	533,900	-	232,827	-	1,387,656	-	2,154,383
	Contract	1,193,618	2,642,873	7,399,044	5,862,185	11,837,802	2,290,999	9,634,397	40,860,918
	Total Residential Living Fees	$ 1,193,618	$ 3,176,773	$ 7,399,044	$ 6,095,012	$ 11,837,802	$ 3,678,655	$ 9,634,397	$ 43,015,301
	Assisted Living Fees Reconciliation								
{A}	Monthly Fees – Private (Noncontract)	$ -	$ -	$ 1,761,565	$ 285,341	$ 188,276	$ 1,179,307	$ 579,500	$ 3,993,989
{B}	Second Person Fee - PP	-	-	-	-	-	18,696	22,538	41,234
{D}	Monthly Fees - Wellness - Private (Noncontract)	-	-	-	-	-	14,529	-	14,529
{E}	Chargeable Supplies - Private (Noncontract)	-	-	-	384	-	196	-	580
{C}	Drugs - Private (Noncontract)	-	-	-	-	-	38	420	458
	Total (Noncontract)	-	-	1,761,565	285,725	188,276	1,212,766	602,458	4,050,790
	Contract	1,941,768	-	1,893,307	1,625,907	1,688,717	487,356	2,389,680	10,026,735
	Total Assisted Living Fees	$ 1,941,768	$ -	$ 3,654,872	$ 1,911,632	$ 1,876,993	$ 1,700,122	$ 2,992,138	$ 14,077,525
	Health Center Fees Reconciliation								
{A}	Monthly Fees – Private (Noncontract)	$ 1,273,780	$ -	$ 1,832,374	$ 226,671	$ 1,652,085	$ 626,342	$ 1,938,291	$ 7,549,543
{I}	Laboratory – Private (Noncontract)	-	-	18	-	-	44	-	62
{F}	Physical Therapy – Private (Noncontract)	1,490	-	7,896	133	-	3,206	4,345	17,070
{G}	Occupational Therapy – Private (Noncontract)	1,890	-	-	-	4,521	398	1,195	8,004
{H}	Speech Therapy – Private (Noncontract)	-	-	-	-	1,040	360	400	1,800
{E}	Chargeable Supplies – Private (Noncontract)	20,678	-	11,854	4,276	15,215	11,635	31,842	95,500
{C}	Drugs – Private (Noncontract)	3,031	-	1,600	540	-	449	1,285	6,905
{J}	Oxygen – Private (Noncontract)	-	-	542	-	1,098	-	998	2,638
	Total (Noncontract)	1,300,869	-	1,854,284	231,620	1,673,959	642,434	1,978,356	7,681,522
	Contract	4,774,607	-	10,551,465	4,292,012	6,917,581	9,293,112	7,130,873	42,959,650
	Total Health Center Fees Reconciliation	$ 6,075,476	$ -	$ 12,405,749	$ 4,523,632	$ 8,591,540	$ 9,935,546	$ 9,109,229	$ 50,641,172
	Memory Support Reconciliation								
{A}	Monthly Fees – Private (Noncontract)	$ 918,372	$ -	$ 518,938	$ 25,613	$ 258,582	$ 666,586	$ 325,286	$ 2,713,377
{D}	Monthly Fees – Wellness - Private (Noncontract)	1,426	-	-	-	-	-	-	1,426
{E}	Chargeable Supplies – Private (Noncontract)	-	-	-	-	-	303	-	303
	Total (Noncontract)	919,798	-	518,938	25,613	258,582	666,889	325,286	2,715,106
	Contract	729,636	-	705,459	521,630	1,357,592	586,270	1,341,090	5,241,677
	Total Memory Support Fees	$ 1,649,434	$ -	$ 1,224,397	$ 547,243	$ 1,616,174	$ 1,253,159	$ 1,666,376	$ 7,956,783
	Other Resident Services Reconciliation								
{D}	Monthly Fees - Wellness - Private (Noncontract)	$ -	$ -	$ -	$ -	$ -	$ 403	$ -	$ 403
	Total (Noncontract)	-	-	-	-	-	403	-	403
	Contract	48,236	146,116	447,222	60,437	228,843	212,185	84,333	1,227,372
	Total Other Residential Services Revenue	$ 48,236	$ 146,116	$ 447,222	$ 60,437	$ 228,843	$ 212,588	$ 84,333	$ 1,227,775

AMERICAN BAPTIST HOMES OF THE WEST AND AFFILIATES
ATTACHMENT V TO FORM 5-5: SCHEDULE OF QUALIFYING ASSETS – INVESTMENTS AND DEBT SERVICE RESERVE
STATE OF CALIFORNIA – DEPARTMENT OF SOCIAL SERVICES
FOR THE YEAR ENDED DECEMBER 31, 2016

Line	Description	
	Total cash and cash equivalents from financial statements	
	Cash and cash equivalents, ABHOW obligated Group	$ 22,265,000
	Cash and cash equivalents, Foundation	648,000
4	Total operating reserve, cash and cash equivalents	$ 22,913,000
	Total investments from financial statements	
	Investments, ABHOW obligated Group	$ 54,944,000
	Investments, Foundation	41,029,000
	Subtract:	
	Securities collateral required to back letters of credit	4,323,036
	Total investments from financial statements	$ 91,649,964
	Total Investments securities and equity securities from Form 5-5	
5	Investment securities	$ 28,097,313
6	Equity securities	63,552,651
	Total investments securities and equity securities from Form 5-5	$ 91,649,964
	Operating reserve reconciliation	
4	Total operating reserve, cash and cash equivalents	$ 22,913,000
	Total investments from financial statements	91,649,964
12	Total listed for operating reserve obligation	$ 114,562,964
	Debt service reserve reconciliation	
5	Investment securities Form 5-5	$ 26,379,053
9	Debt service reserve Form 5-5	12,158,947
11	Total listed for debt service reserve obligation	$ 38,538,000
	ABHOW obligated group - restricted investments from financial statements	$ 38,538,000

AMERICAN BAPTIST HOMES OF THE WEST AND AFFILIATES
FORM 5-5
SUPPLEMENTARY SCHEDULE: DESCRIPTION OF RESERVES UNDER SB 1212
FOR THE YEAR ENDED DECEMBER 31, 2016

DSS - Reserve Report - Part of Form 5-5
Description of Reserves under SB 1212

Total Qualifying Assets as Filed:		**Comments in Consistency with Tax Exempt Status Under AB 1169**
Cash and Cash Equivalents	$ 22,913,000	
Unrestricted Investment Securities	95,973,000	
Subtotal Cash and Unrestricted Investment Securities	118,886,000	
Reserved for Workers Compensation	(4,323,036)	Securities collateral required to back letters of credit supporting partially self-insured workers compensation program as described in Note 10 to the audited financial statements.
Total Qualifying Assets as Filed:	114,562,964	
Reservations and Designations:		
Reserved for Refundable Entrance Fees - Terraces of Los Gatos	164,489	Refundable entrance fees received during 1990's on this campus and subject to refund provisions under Section 1792.6 of CC Statutes.
Designated for Endowment	40,418,000	Foundation unrestricted endowment funds that qualify for liquid reserves but are not available for operations. The Foundation does provide a guarantee for debt service as described in Note 1 to the audited financial statements. Earnings from the endowment funds are distributed to the communities for assistance with benevolence needs of residents.
Designated for 457(f)	5,880,000	Assets included in nonqualified retirement plan that is subject to the claims of creditors as discussed in Note 9 to the audited financial statements.
Designated for Claims	1,342,000	Claims and legal actions in the ordinary course of business as described in Note 14 to the audited financial statements.
Designated for Corporate Reserves	14,937,000	Per Executive Limitation #5 of the Board, a minimum of 45 days cash on hand must be maintained for working capital
Designated for Guarantees	2,000,000	As discussed in Note 15 to the audited financial statements, ABHOW has provided temporary guarantees for a number of affordable housing communities as provided for in its master trust indenture. While ABHOW does not anticipate having to fund the guarantees, a designation of $2,000,000 of the maximum $30,000,000 is reflected as an estimate. Expanding affordable housing is consistent with ABHOW's mission statement and the Board's strategic objectives.
Designated for Commitments and Contingencies	5,500,000	
Designated for Campus Redevelopment	5,000,000	ABHOW's Terraces at Los Altos campus has embarked on a major redevelopment for the benefit of current and future residents. While certain borrowings have been restricted for this purpose, it is anticipated that unrestricted cash for this as well as future anticipated projects on other campuses will likely have to be utilized for a portion of those development projects to help manage the aggregate financing costs.
Designated for Innovation	5,000,000	
Total Reservations and Designations	80,241,489	
Remaining Liquid Reserves	$ 34,321,475	Reserves needed for general liquidity consistent with maintaining a credit rating of BBB with a positive effect on aggregate capital costs.

AMERICAN BAPTIST HOMES OF THE WEST AND AFFILIATES
SUPPLEMENTAL SCHEDULE: RECONCILIATION OF RESERVES UNDER SB 1212
STATE OF CALIFORNIA – DEPARTMENT OF SOCIAL SERVICES
FOR THE YEAR ENDED DECEMBER 31, 2016

Line Description	
Total qualifying assets as filed	
Cash and cash equivalents, ABHOW obligated Group	$ 22,265,000
Cash and cash equivalents, Foundation	648,000
Investments, ABHOW obligated group	54,944,000
Investments, Foundation	41,029,000
Subtract:	
Securities collateral required to back letters of credit	4,323,036
Total qualifying assets as filed	$ 114,562,964
Reservations and designations	
Reserved for Refundable Entrance Fees - Terraces of Los Gatos	$ 164,489
Designated for Endowment - Note 15	40,418,000
Designated for 457(f) plan - Note 15	5,880,000
Designated for claims - Note 15	1,342,000
Designated for corporate reserves - Note 15	14,937,000
Designated for affordable housing guarantees - Note 15	2,000,000
Designated for commitments and contingencies - Note 15	5,500,000
Designated for campus redevelopment - Note 15	5,000,000
Designated for innovation - Note 15	5,000,000
Remaining liquid reserves	$ 34,321,475

AMERICAN BAPTIST HOMES OF THE WEST AND AFFILIATES
FORM 5-5
SUPPLEMENTARY SCHEDULE – PER CAPITA COST OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2016

Per Capita Cost of Operations		
Operating Expenses (Form 5-4 line 1)	$	135,206,000
Mean Number of CCRC Residents (Form 1-1 line 10)	$	1,859
Per Capita Cost of Operations	$	72,731

AMERICAN BAPTIST HOMES OF THE WEST AND AFFILIATES
FORM 5-5
NOTE TO RESERVE REPORTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 1 – BASIS OF ACCOUNTING

The accompanying reserve reports have been prepared in accordance with the provisions of Health and Safety Code Section 1792 administered by the State of California Department of Social Services and are not intended to be a complete presentation of American Baptist Homes of the West and Affiliates' assets, liabilities, revenues, and expenses.