



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

**American Baptist Homes of the West and Affiliates
(a Member of HumanGood)**

As of and for the year ended December 31, 2017

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Report of Independent Auditors

To the Members of the Board of Directors
American Baptist Homes of the West and Affiliates
(a Member of HumanGood)

Report on the Financial Statements

We have audited the accompanying financial statements of American Baptist Homes of the West (“ABHOW”) and Affiliates (a Member of HumanGood), which comprise the continuing care liquid reserve schedules, Form 5-1 through Form 5-5, as of and for the year ended December 31, 2017.

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 reserves of American Baptist Homes of the West and Affiliates as of and for the year ended December 31, 2017, in conformity with the liquid reserve requirements of California Health and Safety Code Section 1792.

Basis of Accounting

We draw attention to the basis of accounting used to prepare the financial statements. The financial statements are prepared by 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 III to Form 5-3: Facility Leasehold or Rental Payments, Attachment IV to Form 5-4: Operating Expenses From Financial Statements, Attachment V to Form 5-4: Deductions From Operating Expenses, Attachment VI 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.



San Francisco, California
April 30, 2018

Continuing Care Liquid Reserve Schedules

**American Baptist Homes of the West and Affiliates
(a Member of HumanGood)**

Form 5-1

**Long-Term Debt Incurred in a Prior Fiscal Year
(Including Balloon Debt)**

For the Year Ended December 31, 2017

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	\$ 1,910,000	\$ 2,432,964		\$ 4,342,964
2	02/16/10	\$ 895,000	\$ 6,282,363		\$ 7,177,363
3	01/05/12	\$ 600,000	\$ 347,349		\$ 947,349
4	02/01/13	-	\$ 1,405,692		\$ 1,405,692
5	02/02/13	\$ 435,000	\$ 25,842		\$ 460,842
6	12/01/16	\$ 461,000	\$ 91,958		\$ 552,958
7	Other	\$ 200,000	\$ 81,000		\$ 281,000
8					
TOTAL:			\$ 10,667,168	\$ -	\$ 15,168,168

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

NOTE: Principal paid for debt instrument on line 4 does not include an optional payment of \$51,250,000 as per the instructions of form 5-1. Interest paid in line items 1 and 2 does not include offsetting interest payments received from Affiliate on subordinated debt for amounts accrued from prior years in the amount of \$4,183,397.

**American Baptist Homes of the West and Affiliates
(a Member of HumanGood)**

Form 5-2

**Long-Term Debt Incurred During Fiscal Year
(Including Balloon Debt)**

For the Year Ended December 31, 2017

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					\$ -
2					\$ -
3					\$ -
4					\$ -
5					\$ -
6					\$ -
TOTAL:		\$ -	\$ -	\$ -	\$ -

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

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

**American Baptist Homes of the West and Affiliates
(a Member of HumanGood)**

Form 5-3

**Calculation of Long-Term Debt Reserve Amount
For the Year Ended December 31, 2017**

Line		TOTAL
1	Total from Form 5-1 bottom of Column (e)	<u>\$ 15,168,168</u>
2	Total from Form 5-2 bottom of Column (e)	<u>\$ -</u>
3	Facility leasehold or rental payment paid by provider during fiscal year (including related payments such as lease insurance)	<u>\$ 583,000</u>
4	TOTAL AMOUNT REQUIRED FOR LONG-TERM DEBT RESERVE:	<u><u>\$ 15,751,168</u></u>

American Baptist Homes of the West and Affiliates
(a Member of HumanGood)
Form 5-4
Calculation of Net Operating Expenses (Terraces At Los Altos)
For the Year Ended December 31, 2017

Line		Amounts	TOTAL
1	Total operating expenses from financial statements		\$ 20,484,000
2	Deductions:		
	a. Interest paid on long-term debt (see instructions)	\$ 2,295,000	
	b. Credit enhancement premiums paid for long-term debt (see instructions)	\$ -	
	c. Depreciation	\$ 3,303,000	
	d. Amortization	\$ -	
	e. Revenues received during the fiscal year for services to persons who did not have a continuing care contract	\$ 2,155,128	
	f. Extraordinary expenses approved by the Department	\$ -	
3	Total deductions		\$ 7,753,128
4	Net operating expenses		\$ 12,730,872
5	Divide line 4 by 365 and enter the result.		\$ 34,879
6	Multiply line 5 by 75 and enter the result. This is the provider's operating expense reserve amount.		\$ 2,615,933

PROVIDER: American Baptist Homes of the West and Affiliates

COMMUNITY: Terraces at Los Altos

American Baptist Homes of the West and Affiliates
(a Member of HumanGood)
Form 5-4
Calculation of Net Operating Expenses (Grand Lake Gardens)
For the Year Ended December 31, 2017

Line		Amounts	TOTAL
1	Total operating expenses from financial statements		\$ 4,613,000
2	Deductions:		
	a. Interest paid on long-term debt (see instructions)	\$ 187,000	
	b. Credit enhancement premiums paid for long-term debt (see instructions)	\$ -	
	c. Depreciation	\$ 635,000	
	d. Amortization	\$ -	
	e. Revenues received during the fiscal year for services to persons who did not have a continuing care contract	\$ 435,819	
	f. Extraordinary expenses approved by the Department	\$ -	
3	Total deductions		\$ 1,257,819
4	Net operating expenses		\$ 3,355,181
5	Divide line 4 by 365 and enter the result.		\$ 9,192
6	Multiply line 5 by 75 and enter the result. This is the provider's operating expense reserve amount.		<u>\$ 689,421</u>

PROVIDER: American Baptist Homes of the West and Affiliates

COMMUNITY: Grand Lake Gardens

American Baptist Homes of the West and Affiliates
(a Member of HumanGood)
Form 5-4
Calculation of Net Operating Expenses (Piedmont Gardens)
For the Year Ended December 31, 2017

Line	Amounts	TOTAL
1	Total operating expenses from financial statements	\$ 25,835,000
2	Deductions:	
a.	Interest paid on long-term debt (see instructions)	\$ 570,000
b.	Credit enhancement premiums paid for long-term debt (see instructions)	\$ -
c.	Depreciation	\$ 1,590,000
d.	Amortization	\$ -
e.	Revenues received during the fiscal year for services to persons who did not have a continuing care contract	\$ 3,825,564
f.	Extraordinary expenses approved by the Department	\$ -
3	Total deductions	\$ 5,985,564
4	Net operating expenses	\$ 19,849,436
5	Divide line 4 by 365 and enter the result.	\$ 54,382
6	Multiply line 5 by 75 and enter the result. This is the provider's operating expense reserve amount.	<u>\$ 4,078,651</u>

PROVIDER: American Baptist Homes of the West and Affiliates

COMMUNITY: Piedmont Gardens

American Baptist Homes of the West and Affiliates
(a Member of HumanGood)
Form 5-4
Calculation of Net Operating Expenses (Plymouth Village)
For the Year Ended December 31, 2017

Line	Amounts	TOTAL
1	Total operating expenses from financial statements	\$ 15,586,000
2	Deductions:	
a.	Interest paid on long-term debt (see instructions)	\$ 397,000
b.	Credit enhancement premiums paid for long-term debt (see instructions)	\$ -
c.	Depreciation	\$ 2,207,000
d.	Amortization	\$ -
e.	Revenues received during the fiscal year for services to persons who did not have a continuing care contract	\$ 744,896
f.	Extraordinary expenses approved by the Department	\$ -
3	Total deductions	\$ 3,348,896
4	Net operating expenses	\$ 12,237,104
5	Divide line 4 by 365 and enter the result.	\$ 33,526
6	Multiply line 5 by 75 and enter the result. This is the provider's operating expense reserve amount.	\$ 2,514,473

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

**American Baptist Homes of the West and Affiliates
(a Member of HumanGood)**

Form 5-4

**Calculation of Net Operating Expenses (Valle Verde)
For the Year Ended December 31, 2017**

Line	Amounts	TOTAL
1 Total operating expenses from financial statements		\$ 28,041,000
2 Deductions:		
a. Interest paid on long-term debt (see instructions)	\$ 1,214,000	
b. Credit enhancement premiums paid for long-term debt (see instructions)	\$ -	
c. Depreciation	\$ 4,460,000	
d. Amortization	\$ 154,000	
e. Revenues received during the fiscal year for services to persons who did not have a continuing care contract	\$ 1,607,452	
f. Extraordinary expenses approved by the Department	\$ -	
3 Total deductions		\$ 7,435,452
4 Net operating expenses		\$ 20,605,548
5 Divide line 4 by 365 and enter the result.		\$ 56,454
6 Multiply line 5 by 75 and enter the result. This is the provider's operating expense reserve amount.		\$ 4,234,017

PROVIDER: American Baptist Homes of the West and Affiliates

COMMUNITY: Valle Verde

**American Baptist Homes of the West and Affiliates
(a Member of HumanGood)**

Form 5-4

**Calculation of Net Operating Expenses (Rosewood)
For the Year Ended December 31, 2017**

Line	Amounts	TOTAL
1 Total operating expenses from financial statements		\$ 19,536,000
2 Deductions:		
a. Interest paid on long-term debt (see instructions)	\$ 575,000	
b. Credit enhancement premiums paid for long-term debt (see instructions)	\$ -	
c. Depreciation	\$ 1,328,000	
d. Amortization	\$ -	
e. Revenues received during the fiscal year for services to persons who did not have a continuing care contract	\$ 3,437,229	
f. Extraordinary expenses approved by the Department	\$ -	
3 Total deductions		\$ 5,340,229
4 Net operating expenses		\$ 14,195,771
5 Divide line 4 by 365 and enter the result.		\$ 38,893
6 Multiply line 5 by 75 and enter the result. This is the provider's operating expense reserve amount.		\$ 2,916,939

PROVIDER: American Baptist Homes of the West and Affiliates

COMMUNITY: Rosewood

American Baptist Homes of the West and Affiliates
(a Member of HumanGood)
Form 5-4
Calculation of Net Operating Expenses (Terraces of Los Gatos)
For the Year Ended December 31, 2017

FORM 5-4
CALCULATION OF NET OPERATING EXPENSES

Line		Amounts	TOTAL
1	Total operating expenses from financial statements		\$ 25,944,000
2	Deductions:		
a.	Interest paid on long-term debt (see instructions)	\$ 2,159,000	
b.	Credit enhancement premiums paid for long-term debt (see instructions)	\$ -	
c.	Depreciation	\$ 3,386,000	
d.	Amortization	\$ -	
e.	Revenues received during the fiscal year for services to persons who did not have a continuing care contract	\$ 2,855,620	
f.	Extraordinary expenses approved by the Department	\$ -	
3	Total deductions		\$ 8,400,620
4	Net operating expenses		\$ 17,543,380
5	Divide line 4 by 365 and enter the result.		\$ 48,064
6	Multiply line 5 by 75 and enter the result. This is the provider's operating expense reserve amount.		<u>\$ 3,604,804</u>

PROVIDER: American Baptist Homes of the West and Affiliates

COMMUNITY: Terraces of Los Gatos

American Baptist Homes of the West and Affiliates
(a Member of HumanGood)
Form 5-5
Annual Reserve Certification
December 31, 2017

Provider Name: American Baptist Homes of the West and Affiliates
 Fiscal Year Ended: 12/31/2017

We have reviewed our debt service reserve and operating expense reserve requirements as of, and for the period ended 12/31/2017 and are in compliance with those requirements.

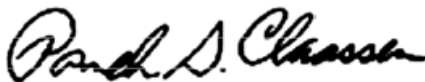
Our liquid reserve requirements, computed using the audited financial statements for the fiscal year are as follows:

	<u>Amount</u>
[1] Debt Service Reserve Amount	\$ <u>15,751,168</u>
[2] Operating Expense Reserve Amount	\$ <u>20,654,238</u>
[3] Total Liquid Reserve Amount:	\$ <u>36,405,406</u>

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

<u>Qualifying Asset Description</u>	<u>(market value at end of quarter)</u>	
	<u>Debt Service Reserve</u>	<u>Operating Reserve</u>
[4] Cash and Cash Equivalents	\$ -	\$ 18,822,000
[5] Investment Securities	\$ 35,138,958	\$ 36,611,798
[6] Equity Securities	\$ -	\$ 77,990,787
[7] Unused/Available Lines of Credit	\$ -	\$ -
[8] Unused/Available Letters of Credit	\$ -	\$ -
[9] Debt Service Reserve	\$ 11,082,042	(not applicable)
[10] Other:		
<hr/>		
<hr/>		
(describe qualifying asset)		
Listed for Reserve Obligation: [11]	\$ 46,221,000	[12] \$ 133,424,585
Reserve Obligation Amount: [13]	\$ 15,751,168	[14] \$ 20,654,238
Surplus/(Deficiency): [15]	\$ 30,469,832	[16] \$ 112,770,347

Signature:



(Authorized Representative)

Date: April 28, 2018

SVP Finance/Chief Financial Officer
 (Title)

Supplementary Schedules

**American Baptist Homes of the West and Affiliates
(a Member of HumanGood)
Attachment I to Form 5-1
Interest Paid During Fiscal Year
State of California – Department of Social Services
For the Year Ended December 31, 2017**

Description	ABHOW Obligated Group
Total interest paid, net of amounts capitalized, from financial statements	\$ 6,434,307
Subtract:	
Letter of credit fees	4,558
Amortization of bond premium and discounts 2015	37,936
Add:	
Interest payments received from affiliate on subordinated debt	4,183,397
Capitalized interest - Piedmont Gardens Loan	<u>91,958</u>
Total interest paid during fiscal year per form 5-1	<u><u>\$ 10,667,168</u></u>

**American Baptist Homes of the West and Affiliates
(a Member of HumanGood)
Attachment II to Form 5-1
Principal Paid During Fiscal Year
State of California – Department of Social Services
For the Year Ended December 31, 2017**

Description	ABHOW Obligated Group
Total principal paid, from financial statements	<u>\$ 55,751,000</u>
Total principal paid during fiscal year per Form 5-1	
Long-term debt obligation #1	\$ 1,910,000
Long-term debt obligation #2	895,000
Long-term debt obligation #3	600,000
Long-term debt obligation #5	435,000
Long-term debt obligation #6	461,000
Other	<u>200,000</u>
	4,501,000
Other - Optional payments on debt obligation #4	<u>51,250,000</u>
Total principal paid during fiscal year	<u><u>\$ 55,751,000</u></u>

**American Baptist Homes of the West and Affiliates
(a Member of HumanGood)
Attachment III to Form 5-3
Facility Leasehold or Rental Payments
State of California – Department of Social Services
For the Year Ended December 31, 2017**

Description	ABHOW Obligated Group
Total facility leasehold or rental payments paid by provider during fiscal year	<u>\$ 583,000</u>
Leases and rents per financial statement:	
Grand Lake Gardens	\$ 13,000
Piedmont Gardens	206,000
Terraces at Los Altos	40,000
Plymouth Village	53,000
Rosewood	69,000
Valle Verde	111,000
Terraces of Los Gatos	<u>91,000</u>
	<u>\$ 583,000</u>

**American Baptist Homes of the West and Affiliates
(a Member of HumanGood)
Attachment IV to Form 5-4
Operating Expenses from Financial Statements
State of California – Department of Social Services
For the Year Ended December 31, 2017**

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	\$ 14,886,000	\$ 3,791,000	\$ 23,675,000	\$ 12,982,000	\$ 22,213,000	\$ 17,633,000	\$ 20,399,000	\$ 115,579,000
Add:								
Depreciation and amortization	3,303,000	635,000	1,590,000	2,207,000	4,614,000	1,328,000	3,386,000	17,063,000
Mortgage interest	2,295,000	187,000	570,000	397,000	1,214,000	575,000	2,159,000	7,397,000
Total for Line 1	\$ 20,484,000	\$ 4,613,000	\$ 25,835,000	\$ 15,586,000	\$ 28,041,000	\$ 19,536,000	\$ 25,944,000	\$ 140,039,000

American Baptist Homes of the West and Affiliates
(a Member of HumanGood)
Attachment V to Form 5-4:
Deductions from Operating Expense
State of California – Department of Social Services
For the Year Ended December 31, 2017

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)	\$ 2,139,061	\$ 435,819	\$ 3,794,961	\$ 740,867	\$ 1,593,103	\$ 3,409,210	\$ 2,831,616	\$ 14,944,637
{F}	Monthly Fees - Wellness - Private (Noncontract)	753	-	-	-	-	-	-	753
{G}	Physical Therapy – Private (Noncontract)	655	-	4,730	1,359	-	8,722	142	15,608
{H}	Occupational Therapy – Private (Noncontract)	495	-	2,886	-	2,727	3,170	(404)	8,874
{I}	Speech Therapy – Private (Noncontract)	-	-	1,840	-	-	1,540	-	3,380
sum of {E}	Chargeable Supplies – Private (Noncontract)	12,999	-	18,474	2,405	11,446	14,643	23,239	83,206
sum of {C}	Drugs – Private (Noncontract)	1,165	-	1,812	265	38	(56)	967	4,191
{J}	Oxygen – Private (Noncontract)	-	-	861	-	138	-	60	1,059
	Total for Line 2e	\$ 2,155,128	\$ 435,819	\$ 3,825,564	\$ 744,896	\$ 1,607,452	\$ 3,437,229	\$ 2,855,620	\$ 15,061,708
	Residential Living Fees Reconciliations								
{A}	Monthly Fees – Private (Noncontract)	\$ -	\$ 435,819	\$ -	\$ 201,557	\$ -	\$ 1,255,241	\$ -	\$ 1,892,617
	Total (Noncontract)	-	435,819	-	201,557	-	1,255,241	-	1,892,617
	Contract	4,728,476	2,639,283	7,734,221	6,268,804	11,943,467	2,477,229	10,007,908	45,799,389
	Total Residential Living Fees	\$ 4,728,476	\$ 3,075,102	\$ 7,734,221	\$ 6,470,361	\$ 11,943,467	\$ 3,732,470	\$ 10,007,908	\$ 47,692,005
	Assisted Living Fees Reconciliation								
{A}	Monthly Fees – Private (Noncontract)	\$ 459,841	\$ -	\$ 1,606,830	\$ 205,183	\$ 168,918	\$ 1,071,362	\$ 947,085	\$ 4,459,219
{E}	Chargeable Supplies – Private (Noncontract)	-	-	-	432	-	49	-	481
{C}	Drugs - Private (Noncontract)	-	-	-	265	-	-	630	895
	Total (Noncontract)	459,841	-	1,606,830	205,880	168,918	1,071,411	947,715	4,460,595
	Contract	1,660,316	-	1,810,487	1,738,136	1,781,327	757,346	2,290,759	10,038,371
	Total Assisted Living Fees	\$ 2,120,157	\$ -	\$ 3,417,317	\$ 1,944,016	\$ 1,950,245	\$ 1,828,757	\$ 3,238,474	\$ 14,498,966
	Health Center Fees Reconciliation								
{A}	Monthly Fees – Private (Noncontract)	\$ 858,245	\$ -	\$ 1,569,179	\$ 227,816	\$ 1,134,309	\$ 432,628	\$ 1,428,945	\$ 5,651,122
{F}	Physical Therapy – Private (Noncontract)	655	-	4,730	1,359	-	8,722	142	15,608
{G}	Occupational Therapy – Private (Noncontract)	495	-	2,886	-	2,727	3,170	(404)	8,874
{H}	Speech Therapy – Private (Noncontract)	-	-	1,840	-	-	1,540	-	3,380
{E}	Chargeable Supplies – Private (Noncontract)	12,999	-	18,474	1,638	11,446	14,533	19,705	78,795
{C}	Drugs – Private (Noncontract)	1,165	-	1,812	-	38	(56)	337	3,296
{J}	Oxygen – Private (Noncontract)	-	-	861	-	138	-	60	1,059
	Total (Noncontract)	873,559	-	1,599,782	230,813	1,148,658	460,537	1,448,785	5,762,134
	Contract	5,740,409	-	9,874,438	4,169,484	7,472,542	10,363,131	9,159,134	46,779,138
	Total Health Center Fees Reconciliation	\$ 6,613,968	\$ -	\$ 11,474,220	\$ 4,400,297	\$ 8,621,200	\$ 10,823,668	\$ 10,607,919	\$ 52,541,272
	Memory Support Reconciliation								
{A}	Monthly Fees – Private (Noncontract)	\$ 820,975	\$ -	\$ 618,952	\$ 106,311	\$ 289,876	\$ 649,979	\$ 455,586	\$ 2,941,679
{D}	Monthly Fees – Wellness - Private (Noncontract)	753	-	-	-	-	-	-	753
{E}	Chargeable Supplies – Private (Noncontract)	-	-	-	335	-	61	3,534	3,930
	Total (Noncontract)	821,728	-	618,952	106,646	289,876	650,040	459,120	2,946,362
	Contract	914,387	-	586,531	265,042	1,427,331	628,508	1,157,744	4,979,543
	Total Memory Support Fees	\$ 1,736,115	\$ -	\$ 1,205,483	\$ 371,688	\$ 1,717,207	\$ 1,278,548	\$ 1,616,864	\$ 7,925,905
	Other Resident Services Reconciliation								
	Contract	\$ 96,954	\$ 118,587	\$ 582,718	\$ 102,827	\$ 279,379	\$ 218,469	\$ 113,409	\$ 1,512,343
	Total Other Residential Services Revenue	\$ 96,954	\$ 118,587	\$ 582,718	\$ 102,827	\$ 279,379	\$ 218,469	\$ 113,409	\$ 1,512,343

**American Baptist Homes of the West and Affiliates
(a Member of HumanGood)
Attachment VI 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, 2017**

Line Description

Total cash and cash equivalents from financial statements		
	Cash and cash equivalents, ABHOW obligated Group	\$ 17,905,000
	Cash and cash equivalents, Foundation	917,000
4	Total operating reserve, cash, and cash equivalents	<u>\$ 18,822,000</u>
Total investments from financial statements		
	Investments, ABHOW obligated Group	\$ 73,193,000
	Investments, Foundation	45,724,000
	Subtract:	
	Securities collateral required to back letters of credit (Note 10)	<u>4,314,415</u>
	Total investments from financial statements	<u>\$ 114,602,585</u>
Total Investments securities and equity securities from Form 5-5		
5	Investment securities	\$ 36,611,798
6	Equity securities	<u>77,990,787</u>
	Total investments securities and equity securities from Form 5-5	<u>\$ 114,602,585</u>
Operating reserve reconciliation		
4	Total operating reserve, cash, and cash equivalents	\$ 18,822,000
	Total investments from financial statements	<u>114,602,585</u>
12	Total listed for operating reserve obligation	<u>\$ 133,424,585</u>
Debt service reserve reconciliation		
5	Investment securities Form 5-5	\$ 35,138,958
9	Debt service reserve Form 5-5	<u>11,082,042</u>
11	Total listed for debt service reserve obligation	<u>\$ 46,221,000</u>
	ABHOW obligated group - restricted investments from financial statements	<u>\$ 46,221,000</u>

American Baptist Homes of the West and Affiliates
(a Member of HumanGood)

Form 5-5

Supplementary Schedule: Description of Reserves Under SB 1212
For the Year Ended December 31, 2017

Total Qualifying Assets as Filed:	Comments in Consistency with Tax Exempt Status Under AB 1169
Cash and Cash Equivalents	\$ 18,822,000
Unrestricted Investment Securities	<u>118,917,000</u>
Total Cash & Unrestricted Investment Securities	137,739,000
Reserved for Workers Compensation	<u>(4,314,415)</u>
Total Qualifying Assets	<u>133,424,585</u>
Reservations and Designations:	
Designated for Endowment	45,944,000 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 6 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) Plan	6,289,000 Assets included in non-qualified retirement plan that is subject to the claims of creditors as discussed in Note 9 to the audited financial statements.
Designated for Claims	1,904,000 Claims and legal actions in the ordinary course of business as described in Note 2 to the audited financial statements.
Designated for Corporate Reserves	16,200,000 Per Executive Limitation #5 of the Board, a minimum of 45 days cash on hand must be maintained for working capital.
Designated for Affordable Housing Guarantees	1,000,000 As discussed in Note 14 to the audited financial statements, ABHOW has provided temporary guarantys for a number of affordable housing communities as provided for in its master trust indenture. Given ABHOW's history of these guarantys never having been drawn upon coupled with Beacon Communities now supporting more of its own guarantys, only \$1 million is deemed necessary to be designated at this time.
Designated for Commitments and Contingencies	5,500,000 Unfunded credit support for bond offerings at Terraces of Phoenix (\$3,500,000) and Las Ventanas Retirement Community (\$2,000,000).
Designated for Campus Redevelopment	5,000,000 Approximately half of anticipated funds to be utilized for various campus redevelopment initiatives.
Designated for Innovation	<u>5,000,000</u> Approximately half of anticipated funds to be utilized to fund innovation initiatives at HumanGood.
Total Reservations and Designations	<u>86,837,000</u>
Remaining Liquid Reserves	<u>\$ 46,587,585</u> 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
(a Member of HumanGood)
Supplemental Schedule: Reconciliation of Reserves Under SB 1212
State of California – Department Of Social Services
For The Year Ended December 31, 2017**

Line Description

Total qualifying assets as filed

Cash and cash equivalents, ABHOW obligated Group	\$ 17,905,000
Cash and cash equivalents, Foundation	917,000
Investments, ABHOW obligated group	73,193,000
Investments, Foundation	45,724,000
Subtract:	
Securities collateral required to back letters of credit	4,314,415

Total qualifying assets as filed	<u>\$ 133,424,585</u>
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Reservations and designations

Designated for Endowment - Note 15	45,944,000
Designated for 457(f) plan - Note 15	6,289,000
Designated for claims - Note 15	1,904,000
Designated for corporate reserves - Note 15	16,200,000
Designated for affordable housing guarantees - Note 15	1,000,000
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	<u>\$ 46,587,585</u>
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American Baptist Homes of the West and Affiliates
(a Member of HumanGood)
Form 5-5
Supplementary Schedule – Per Capita Cost of Operations
For the Year Ended December 31, 2017

Per Capita Cost of Operations

Operating Expenses (Form 5-4 line 1)	\$ 140,039,000
Mean Number of CCRC Residents (Form 1-1 line 10)	1,421
Per Capita Cost of Operations	\$ 98,550

**American Baptist Homes of the West and Affiliates
(a Member of HumanGood)**

Form 5-5

Notes to Reserve Reports

For the Year Ended December 31, 2017

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.

