

FISCAL YEAR ENDED:

12 / 31 / 2017

ANNUAL REPORT CHECKLIST

PROVIDER(S): Inland Christian Home, Inc.

CCRC(S): Inland Christian Home, Inc.

PROVIDER CONTACT PERSON: David Stienstra, Executive Director

TELEPHONE NO.: (909) 983-0084 EMAIL:  Davids@ichome.org

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

- Annual Report Checklist.
- Annual Provider Fee in the amount of: \$ 4,663.00
  - 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. (NOTE: Form 5-5 must be signed and have the required disclosures attached (H&SC section 1790(a)(2) and (3)).
- "Continuing Care Retirement Community Disclosure Statement" for **each** community.
- Form 7-1, "Report on CCRC Monthly Service Fees" for **each** community.
- Form 9-1, "Calculation of Refund Reserve Amount", *if applicable*.
- Key Indicators Report (signed by CEO or CFO (or by the authorized person who signed the provider's annual report)). The KIR may be submitted along with the annual report, but is not required until 30 days later.

INLAND CHRISTIAN HOME, INC.

CONTINUING CARE CONTRACTS BRANCH

PROVIDER FEE

\$4663.00

#1098-PL

THE FACE OF THIS DOCUMENT HAS A COLORED BACKGROUND • PADLOCK ICON DISAPPEARS WITH HEAT • FLUORESCENT FIBERS AND OTHER SECURITY FEATURES

Inland Christian Home, Inc.  
1950 SOUTH MOUNTAIN AVENUE  
ONTARIO, CALIFORNIA 91762  
(909) 983-0084

CITIZENS BUSINESS BANK  
12808 CENTRAL AVE.  
CHINO, CALIFORNIA 91710

90-3414 / 1222

69644

PAY: FOUR THOUSAND SIX HUNDRED SIXTY THREE DOLLARS  
AND NO/100

REGISTER NO.	DATE	AMOUNT
69644	04/26/18	**\$4663.00

PAY  
TO THE  
ORDER OF

CONTINUING CARE CONTRACTS BRANCH  
CALIFORNIA DEPARTMENT OF SOCIAL SERVICES  
744 P STREET, M.S. 8-16-91  
SACRAMENTO, CA 95814

VOID 6 MONTHS AFTER ISSUE DATE

*David St...*  
BY  
*Mary Waff*  
BY



⑈69644⑈ ⑆122234149⑆ 231⑈129782⑈

**FORM 1-1**  
**RESIDENT POPULATION**

<u>Line</u>	<b>Continuing Care Residents</b>	<u>TOTAL</u>
[1]	Number at beginning of fiscal year	106
[2]	Number at end of fiscal year	140
[3]	Total Lines 1 and 2	246
[4]	Multiply Line 3 by ".50" and enter result on Line 5.	x .50
[5]	Mean number of continuing care residents	123
<b>All Residents</b>		
[6]	Number at beginning of fiscal year	237
[7]	Number at end of fiscal year	239
[8]	Total Lines 6 and 7	476
[9]	Multiply Line 8 by ".50" and enter result on Line 10.	x .50
[10]	Mean number of <i>all</i> residents	238
[11]	Divide the mean number of continuing care residents (Line 5) by the mean number of <i>all</i> residents (Line 10) and enter the result (round to two decimal places).	0.52

**FORM 1-2**  
**ANNUAL PROVIDER FEE**

<u>Line</u>	<u>TOTAL</u>
[1]	\$10,798,795
[a]	\$1,235,527
[b]	\$541,106
[2]	\$1,776,633
[3]	\$9,022,162
[4]	52%
[5]	\$4,662,714
	x .001
[6]	\$4,663

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



1950 S. Mountain Ave.  
Ontario, CA 91762

909-983-0084  
909-983-0431 FAX  
WWW.ICHOME.ORG

April 26, 2018

Continuing Care Contracts Branch  
California Department of Social Services  
744 P Street, M.S. 8-16-91  
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

*"PROVIDING QUALITY, AFFORDABLE, INDIVIDUALIZED CARE IN A CHRISTIAN ENVIRONMENT"*



# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

3/7/2018

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

**IMPORTANT:** If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER (WC) Heffernan Insurance Brokers 1350 Carback Avenue Walnut Creek, CA 94596	CONTACT NAME: Stacey Okimoto	
	PHONE (A/C, No, Ext): 925-934-8500	FAX (A/C, No): 925-934-8278
	E-MAIL ADDRESS: StaceyO@heffins.com	
	INSURER(S) AFFORDING COVERAGE	NAIC #
	INSURER A : Nationwide Mutual Fire Insurance Company	23779
	INSURER B : Depositors Insurance Company	42587
	INSURER C : AMCO Insurance Company	19100
	INSURER D :	
	INSURER E :	
	INSURER F :	

INSURED INLACHR-01  
Inland Christian Home  
Inland Christian Home Foundation, Inc.  
1950 South Mountain Ave  
Ontario, CA 91762

**COVERAGES** **CERTIFICATE NUMBER:** 1782583246 **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR  GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:			ACP3036885716	12/1/2017	12/1/2018	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 300,000 MED EXP (Any one person) \$ 10,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 3,000,000 PRODUCTS - COMP/OP AGG \$ 3,000,000 \$
B	<input type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input checked="" type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS ONLY	Y		ACP3036885716	12/1/2017	12/1/2018	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
C	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED RETENTION \$			ACP3036885716	12/1/2017	12/1/2018	EACH OCCURRENCE \$ 2,000,000 AGGREGATE \$ 2,000,000 \$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? <input type="checkbox"/> N/A If yes, describe under DESCRIPTION OF OPERATIONS below						PER STATUTE OTH-ER E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$
A	PROFESSIONAL LIABILITY			ACP3036885716	12/1/2017	12/1/2018	AGGREGATE \$ 3,000,000

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

Comp./Collision Deductibles: each \$500.

Re: 2015 Ford Transit VIN #1FBAX2XV5FKA15835. Citizens Bank is included as an additional insured on Automobile Liability policy and also included as Loss Payee on Auto Physical Damage, per the attached endorsements, if required. This Certificate replaces and supersedes all previously issued certificates.

**CERTIFICATE HOLDER****CANCELLATION**

Citizens Bank  
1201 East Katella Avenue, 2nd Floor  
Orange, CA 92867

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

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**INLAND CHRISTIAN HOME**

**FINANCIAL STATEMENTS**

**AND**

**INDEPENDENT AUDITOR'S REPORT**

**DECEMBER 31, 2017 AND 2016**

INLAND CHRISTIAN HOME

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**GENSKE, MULDER & COMPANY, LLP**  
**CERTIFIED PUBLIC ACCOUNTANTS**

4150 E. CONCOURS ST., STE 250, ONTARIO, CALIFORNIA 91764

TEL: 909-483-2100 | FAX: 909-483-2109

www.genskemulder.com

**Independent Auditors' Report**

The Board of Directors  
Inland Christian Home  
Ontario, California

We have audited the accompanying financial statements of Inland Christian Home, Inc. (a non-profit organization), which comprise the statements of financial position as of December 31, 2017 and 2016 and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

**Management's Responsibility for the Financial Statements**

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 risk 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 account estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Inland Christian Home as of December 31, 2017 and 2016, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

April 16, 2018  
Ontario, California

*Genske, Mulder & Co., LLP*

**GENSKE, MULDER & CO., LLP**  
**Certified Public Accountants**



**INLAND CHRISTIAN HOME**  
**STATEMENTS OF FINANCIAL POSITION**  
**DECEMBER 31, 2017 AND 2016**

**ASSETS**

	2017	2016
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 1,518,837	\$ 1,699,589
Investments	67,142	64,007
Accounts receivable, net of \$36,577 and \$24,844 allowance for doubtful accounts	714,453	752,967
Inventories	26,700	26,700
Prepays	36,177	47,325
Total current assets	2,363,309	2,590,588
 <b>NON-CURRENT ASSETS:</b>		
Property & equipment	19,544,177	19,946,655
Deposits	1,000	1,000
Total non-current asset	19,545,177	19,947,655
Total assets	\$ 21,908,486	\$ 22,538,243

**LIABILITIES AND NET ASSETS**

<b>CURRENT LIABILITIES:</b>		
Accounts payable	\$ 172,695	\$ 201,305
Security deposits	64,665	79,695
Accrued expenses	490,728	429,985
Deferred revenue	96,124	287,164
Current portion of annuity payable	77,596	77,596
Current portion of notes payable	919,000	465,000
Total current liabilities	1,820,808	1,540,745
 <b>LONG-TERM LIABILITIES:</b>		
Notes payable, net	12,227,088	12,893,650
Annuity payable	342,089	364,379
Unearned rent	705,668	1,207,343
Total long-term liabilities	13,274,845	14,465,372
 <b>NET ASSETS:</b>		
Net assets without donor restrictions	6,640,424	6,356,527
Net assets with donor restrictions	172,409	175,599
Total net assets	6,812,833	6,532,126
Total liabilities and net assets	\$ 21,908,486	\$ 22,538,243

See accompanying notes and independent auditor's report.

**INLAND CHRISTIAN HOME**  
**STATEMENTS OF ACTIVITIES**  
**FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016**

	2017	2016
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS:		
REVENUES AND OTHER SUPPORT:		
Revenues and other support:		
Skilled nursing fees	\$ 5,201,099	\$ 5,175,672
Assisted living fees	1,151,649	1,117,186
Inland Haven fees	1,060,923	1,005,422
Cottage and apartment rents	2,407,141	2,274,266
Custodial home care fees	743,831	705,308
Foundation Fund donations	49,534	33,626
Meals sold	102,173	118,377
Laundry	2,025	2,575
Interest and dividends	4,281	18,633
Contributions	230,144	218,929
Other revenue	88,439	100,121
Total revenues and other support	11,041,239	10,770,115
Net assets released from restrictions:		
Satisfaction of program restrictions	41,452	35,775
Total revenues and other support without donor restrictions	11,082,691	10,805,890
Expenses:		
Program services	7,551,098	7,172,385
Management and general	3,239,470	3,098,510
Fundraising	8,227	8,128
Total expenses	10,798,795	10,279,023
Increase in net assets without donor restrictions	283,896	526,867
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS:		
Contributions, C.A.R.E. Fund	38,263	49,116
Net assets released from restrictions	(41,452)	(35,775)
Increase (decrease) in net assets with donor restrictions	(3,189)	13,341
INCREASE IN NET ASSETS	280,707	540,208
NET ASSETS, BEGINNING OF YEAR	6,532,126	6,433,893
PRIOR PERIOD ADJUSTMENT	-	(441,975)
NET ASSETS, END OF YEAR	\$ 6,812,833	\$ 6,532,126

See accompanying notes and independent auditor's report.

**INLAND CHRISTIAN HOME**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**DECEMBER 31, 2017**

	Program Services										Supporting Services				
	Skilled nursing	Assisted living	Inland Haven	Cottages and apartments	Custodial home care	Dietary	Plant operations and maintenance	Housekeeping	Therapy	Activities and social services	Laundry and linen	Total Program Services	Management and General	Fundraising	Total Expenses
<b>FUNCTIONAL EXPENSES</b>															
Compensation	\$ 2,016,556	\$ 245,508	\$ 354,699	\$ -	\$ 536,334	\$ 501,229	\$ 272,491	\$ 193,758	\$ 211,912	\$ 266,659	\$ 79,819	\$ 4,678,965	\$ 575,597	\$ -	\$ 5,254,562
Payroll taxes and employee benefits	350,772	57,344	85,472	-	92,893	96,063	33,105	47,390	27,655	48,083	11,724	850,501	70,405	-	920,906
Total compensation	2,367,328	302,852	440,171	-	629,227	597,292	305,596	241,148	239,567	314,742	91,543	5,529,466	646,002	-	6,175,468
Charity care	-	-	-	41,452	-	-	-	-	-	-	-	41,452	-	-	41,452
Contract labor	77,444	-	-	-	-	-	-	-	33,839	-	-	111,303	-	-	111,303
Dues and subscriptions	-	-	-	-	-	-	-	-	-	-	-	-	21,801	-	21,801
Employee relations and seminars	-	379	482	-	35	1,149	-	-	-	-	-	2,045	32,518	-	34,563
Food and staples	-	-	-	-	-	311,555	-	-	-	-	-	311,555	-	-	311,555
Insurance	-	-	-	-	-	-	-	-	-	-	-	-	124,011	-	124,011
Licenses	-	-	-	-	-	-	-	-	-	-	-	-	41,544	-	41,544
Linens	-	-	-	-	-	-	-	-	-	25,802	-	25,802	-	-	25,802
Marketing	-	-	-	-	-	-	-	-	-	-	-	-	59,501	-	59,501
Office	-	-	-	-	-	-	-	-	-	-	-	-	298,760	-	298,760
Professional fees	-	-	-	-	-	27,328	-	-	-	3,161	-	30,489	63,585	-	94,074
Property taxes	-	-	-	-	-	-	-	-	-	-	-	-	114	-	114
Purchased services	11,819	1,910	39,263	185,000	-	14,244	97,473	-	3,458	-	-	353,167	9,328	-	362,495
Repairs and maintenance	-	-	-	-	-	-	36,841	-	-	-	5,358	42,199	-	-	42,199
State QA fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Supplies	105,855	7,472	20,703	-	206	65,748	115,224	35,712	467	14,361	20,185	385,933	23,643	8,227	417,803
Travel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	9,600
Utilities	-	-	-	-	-	-	379,427	-	-	-	-	379,427	32,188	-	411,615
Workers compensation insurance	117,251	34,283	42,866	-	39,591	33,475	16,504	15,531	14,391	19,330	5,038	338,260	2,154	-	340,414
Bad debt	-	-	-	-	-	-	-	-	-	-	-	-	30,003	-	30,003
Depreciation	-	-	-	-	-	-	-	-	-	-	-	-	1,235,527	-	1,235,527
Amortization	-	-	-	-	-	-	-	-	-	-	-	-	7,200	-	7,200
Interest	-	-	-	-	-	-	-	-	-	-	-	-	541,106	-	541,106
Change in estimate of annuities payable	-	-	-	-	-	-	-	-	-	-	-	-	55,306	-	55,306
<b>Total</b>	\$ 2,679,697	\$ 346,896	\$ 543,485	\$ 226,452	\$ 669,059	\$ 1,050,791	\$ 951,065	\$ 292,391	\$ 291,742	\$ 351,594	\$ 147,926	\$ 7,551,098	\$ 3,259,470	\$ 8,227	\$ 10,798,795

See accompanying notes and independent auditor's report.

**INLAND CHRISTIAN HOME**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**DECEMBER 31, 2016**

	Program Services										Supporting Services				
	Skilled nursing	Assisted living	Inland Haven	Cottages and apartments	Custodial home care	Dietary	Plant operations and maintenance	Housekeeping	Therapy	Activities and social services	Laundry and linen	Program Services	Management and General	Fundraising	Total Expenses
<b>FUNCTIONAL EXPENSES</b>															
Compensation	\$ 1,938,712	\$ 220,841	\$ 339,525	\$ -	\$ 515,433	\$ 490,446	\$ 236,093	\$ 182,030	\$ 192,123	\$ 253,350	\$ 75,669	\$ 4,444,222	\$ 503,577	\$ -	\$ 4,948,799
Payroll taxes and employee benefits	345,704	55,548	82,138	-	85,187	77,123	33,980	45,883	25,315	39,294	13,336	803,508	61,090	-	864,598
Total compensation	2,284,416	276,389	421,663	-	600,620	567,569	270,073	227,913	217,438	292,644	89,005	5,247,730	566,667	-	5,814,397
Charity care	-	-	-	35,775	-	-	-	-	-	-	-	35,775	-	-	35,775
Contract labor	53,469	-	-	-	-	-	-	-	75,965	-	-	129,434	-	-	129,434
Dues and subscriptions	-	-	-	-	-	-	-	-	-	-	-	22,636	-	-	22,636
Employee relations and seminars	-	405	47	-	40	-	-	-	-	-	-	492	26,293	-	26,785
Food and staples	-	-	-	-	-	317,496	-	-	-	-	-	317,496	-	-	317,496
Insurance	-	-	-	-	-	-	-	-	-	-	-	122,572	-	-	122,572
Licenses	-	-	-	-	-	-	-	-	-	-	23,209	31,767	-	-	31,767
Linens	-	-	-	-	-	-	-	-	-	-	-	-	-	-	31,767
Marketing	-	-	-	-	-	-	-	-	-	-	-	35,073	-	-	35,073
Office	-	-	-	-	-	-	-	-	-	-	-	294,206	-	-	294,206
Professional fees	-	-	-	-	-	19,968	-	-	-	4,075	-	47,790	-	-	71,833
Property taxes	-	-	-	-	-	-	-	-	-	-	-	114	-	-	114
Purchased services	3,529	3,404	3,983	149,000	-	15,313	113,686	-	4,257	-	383	293,555	13,023	-	306,578
Repairs and maintenance	-	-	-	-	-	-	22,510	-	-	-	1,805	24,315	-	-	24,315
State QA fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	9,850
Supplies	121,539	5,725	15,805	-	159	65,895	115,246	32,329	1,225	12,984	12,762	383,667	27,288	8,128	419,083
Travel	-	-	-	-	-	-	-	-	-	-	-	2,130	-	-	2,130
Utilities	-	-	-	-	-	-	358,265	-	-	-	-	358,265	25,713	-	383,978
Workers compensation insurance	-	-	-	-	42,779	33,110	14,796	13,980	13,023	19,823	4,998	334,404	(31,197)	-	303,207
Bad debt	-	-	-	-	-	-	-	-	-	-	-	20,004	-	-	20,004
Depreciation	-	-	-	-	-	-	-	-	-	-	-	-	1,158,449	-	1,158,449
Amortization	-	-	-	-	-	-	-	-	-	-	-	-	7,200	-	7,200
Interest	-	-	-	-	-	-	-	-	-	-	-	-	718,932	-	718,932
Change in estimate of annuities payable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>\$ 2,580,941</b>	<b>\$ 317,119</b>	<b>\$ 484,207</b>	<b>\$ 184,775</b>	<b>\$ 643,598</b>	<b>\$ 1,019,351</b>	<b>\$ 894,376</b>	<b>\$ 274,222</b>	<b>\$ 311,908</b>	<b>\$ 329,526</b>	<b>\$ 132,162</b>	<b>\$ 7,172,385</b>	<b>\$ 3,098,510</b>	<b>\$ 8,128</b>	<b>\$ 10,279,023</b>

See accompanying notes and independent auditor's report.

INLAND CHRISTIAN HOME

STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

	2017	2016
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Cash received from residents	\$ 10,108,015	\$ 10,136,102
Cash received from donors	268,407	267,007
Cash received in interest and dividends	2,436	1,993
Cash paid to employees and suppliers	(8,883,054)	(8,271,313)
Cash paid for interest	(544,317)	(564,468)
Net cash provided by operating activities	951,487	1,569,321
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of property and equipment	(579,036)	(957,725)
Purchases in construction in process	(35,431)	-
Purchase of investments	(1,290)	(1,353)
Net cash used in investing activities	(615,757)	(959,078)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Repayment of long-term debt	(438,886)	(675,852)
Repayment of gift annuities	(77,596)	(77,596)
Net cash used in financing activities	(516,482)	(753,448)
Decrease in cash and cash equivalents	(180,752)	(143,205)
Cash and cash equivalents balance, beginning	1,699,589	1,842,794
Cash and cash equivalents balance, ending	\$ 1,518,837	\$ 1,699,589
<b>NON-CASH INVESTING AND FINANCING ACTIVITIES:</b>		
Donated investments	\$ -	\$ 1,037
Proceeds from borrowing to fund construction in process	\$ 218,580	\$ -
Transfers to property and equipment from construction in process	\$ 225,194	\$ 203,782

See accompanying notes and independent auditor's report.

## INLAND CHRISTIAN HOME

### NOTES TO THE FINANCIAL STATEMENTS

#### 1. Nature of activities

Inland Christian Home, Inc. (the Organization) is a non-profit organization operating in San Bernardino County. The Organization provides skilled nursing care, assisted living including independent cottage and apartment care, custodial care, and memory care facilities. Inland Christian Home has been 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. Residents under continuing care contracts as of December 31, 2017 and 2016 were 140 and 106, respectively.

#### 2. Summary of significant accounting policies

##### Change in accounting policy

During 2017, the Organization elected to early adopt Accounting Standards Update 2016-14. The Organization reports information regarding its financial positions and activities according to two classes of net assets. *Net assets with donor restrictions* include those resources subject to donor-imposed restrictions. *Net assets without donor restrictions* include resources that are not restricted by donor-imposed restrictions and are available for operations of the Organization without limitation.

##### Reclassifications

Reclassification of prior year information was made to conform to current year presentation.

##### Basis of accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Revenues and gains are recognized when earned, and expenses and losses are recognized when incurred.

##### Cash and cash equivalents

The Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents. Cash and cash equivalents limited for long-term purposes by donor imposed restrictions are presented as restricted cash. The Organization, at times, in the ordinary course of business, maintains cash balances at financial institutions in excess of federally insured amounts. No losses are anticipated thereon. There is no restricted cash for each of the years ended December 31, 2017 and 2016.

##### Investments

Investments in marketable securities with readily determinable fair values are reported at their fair values in the statements of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by donors, if any, are reported as increases in net assets without donor restrictions if the restrictions are met, either by passage of time or by use, in the reported period in which the income and gains are recognized.

##### Accounts receivable

The Organization reviews its accounts receivable periodically for collectability and provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of past due accounts, including historical collection information and existing economic conditions. Balances still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable.

**INLAND CHRISTIAN HOME**  
**NOTES TO THE FINANCIAL STATEMENTS**

**2. Summary of significant accounting policies (continued)**

**Inventories**

Inventories consist of expendable supplies and are stated at lower of cost or market using the first-in first-out method based on estimated quantities.

**Property and equipment**

The Organization capitalizes property and equipment over \$500. Lesser amounts are expensed as incurred. Purchased property is capitalized at cost. Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as contributions without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as contributions with donor restrictions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed into service. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

Property and equipment are depreciated using the straight-line method of estimated useful lives as follows:

Buildings and improvements	3-40 years
Equipment and furniture	3-14 years
Vehicles	7 years

**Fair value of financial instruments**

The Organization's financial instruments consist of cash and cash equivalents, investments, accounts receivable, accounts payable and long-term debt. The recorded values of cash and cash equivalents, accounts receivable and accounts payable approximate their fair values based on their short-term nature. The recorded values of long-term debt approximate fair value and interest rates approximate market rates. Investments are recorded at fair value (see Note 3).

**Income tax status**

The Organization is a not-for-profit organization that is exempt from income taxes under Internal Revenue Code Section 501(c)(3) and California Revenue and Taxation Code Section 23701(d). The organization has been classified by the Internal Revenue Service as other than a private foundation.

**Security deposits**

The Organization required security deposits on apartments and cottages through the year ended December 31, 2015. Remaining deposits collected through that date will be returned to the resident upon termination of the lease or applied against future resident expenses.

**Deferred revenue**

Deferred revenue represents rent received from residents in advance of billing.

**Unearned rent**

As of December 31, 2017, approximately one quarter of the cottages and apartments were leased for a period of twelve to fifteen years. The terms of the leases call for all rent for the period under lease to be paid at the beginning of the lease term. These prepaid amounts are amortized using the straight-line method over the life of the lease and may be refundable to the lessee subject to the cottage or apartment being leased to a new resident. The Organization no longer requires long-term leases by prepaid.

## INLAND CHRISTIAN HOME

### NOTES TO THE FINANCIAL STATEMENTS

#### 2. Summary of significant accounting policies (continued)

##### Net patient service revenue

Net patient service revenue and accounts receivable from patients and third-party payers are reported at estimated net realizable amounts, including estimated retroactive adjustments under reimbursement agreements with third-party payers. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and are adjusted in future periods as final settlements are determined.

##### Contributions

Contributions received are recorded as net assets with donor restrictions or net assets without donor restrictions depending on the existence or nature of any donor restrictions.

##### Contributed services

No amounts have been reflected in the financial statements for donated services. The Organization generally pays for services requiring specific expertise. However, individuals may volunteer their time and perform a variety of tasks that assist the Organization at the residents' facilities, but these services do not meet the criteria for recognition as contributed services.

##### Charity care

The Organization provides care without charge or at amounts less than established rates to patients who meet certain criteria under its charity care policy. The Organization maintains records to identify the amount of charges forgone for goods and services furnished under its charity care policy. The value of charity care provided to patients during 2017 and 2016 was \$41,452 and \$35,775, respectively.

##### Functional allocation of expenses

Expenses are allocated on a functional basis among the various program and support services benefited. Expenses that can be identified with a specific program or support service are charge directly to that service. Expenses that are common to several services are allocated based on methods relevant to the function.

##### Debt issuance costs

Costs associated with the issuance of long-term debt are presented as a reduction of the carrying amount of the debt. Amortization of debt issuance costs is reported as interest expense on the statements of activities.

##### Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those reported estimates.



**INLAND CHRISTIAN HOME**

**NOTES TO THE FINANCIAL STATEMENTS**

**3. Investments and fair value measurements**

The Organization's short-term investments are investments of excess operating cash.

The Organization's investments are reported as Level 1 inputs within the fair value hierarchy. Level 1 inputs represent adjusted quoted prices for identical assets in active markets. Investments reported at fair value (Level 1) on a recurring basis were \$67,142 and \$64,007, respectively, at December 31, 2017 and 2016.

**4. Property and equipment**

Property and equipment consists of the following as of December 31:

	2017	2016
Buildings and improvements	\$ 26,640,358	\$ 26,614,162
Equipment and furniture	6,303,959	5,653,728
Vehicles	186,096	139,472
Depreciable assets	33,130,413	32,407,362
Less accumulated depreciation	14,214,435	13,060,089
Depreciable assets, net	18,915,978	19,347,273
Land	549,186	549,186
Construction in Progress	79,013	50,196
Property and equipment, net	\$ 19,544,177	\$ 19,946,655

**5. Liquidity and availability of financial assets**

The Organization's financial assets available within one year of the statement of financial position for general expenditure are as follows:

	2017	2016
Cash and cash equivalents	\$ 1,518,837	\$ 1,699,589
Investments	67,142	64,007
Accounts receivable	714,453	752,967
	\$ 2,300,432	\$ 2,516,563

**6. Line of credit**

The Organization has a \$750,000 line of credit with Citizens Business Bank. The line is unsecured, bears interest at the bank's Prime Rate (4.25% at December 31, 2017) and matures on November 30, 2019. As of December 31, 2017 and 2016, there was no balance outstanding on the line.

**7. Annuities payable**

During 2017 and 2016, the Organization administered gift annuity agreements. Under the terms of the agreements, donors are paid designated annual sums until the death of one or both of the donors. The total amounts gifted by donors was \$1,089,186. As of December 31, 2017, donor obligations paid by the Organization totaled \$1,169,069. The accrued amount of annuities payable at December 31, 2017 and 2016 is based on the remaining life expectancy of the donors.

**INLAND CHRISTIAN HOME**  
**NOTES TO THE FINANCIAL STATEMENTS**

**8. Notes payable**

Notes payable consist of the following as of December 31:

	2017	2016
Private party notes (35 agreements), unsecured, interest-only payments, bearing interest at rates ranging from 2.00% to 4.25% per annum, maturing through 2027	\$ 2,103,000	\$ 2,183,000
Citizens Business Bank:		
Secured by vehicle, monthly payments of \$1,159 including interest at 3.75% per annum, maturing November 2020	37,064	49,316
Secured by inventory and equipment, monthly payments of \$4,119 including interest at 3.75% per annum, maturing April 2022	197,163	-
Secured by real estate, monthly payments of \$65,400 including interest at 4.125% per annum, balloon payment of \$8,709,109 due at maturity in August 2023	10,828,068	11,152,741
Long-term debt	13,165,295	13,385,057
Less current portion of long-term debt	(919,000)	(465,000)
Less unamortized debt issuance costs, net of accumulated amortization of \$31,200 and \$24,000	(19,207)	(26,407)
Long-term debt, net	\$ 12,227,088	\$ 12,893,650

Future amortization of debt issuance costs is \$7,200 per year through maturity of the related debt.

Future scheduled maturities of notes payable are as follows for the years ending December 31:

2018	\$	919,000
2019		496,000
2020		567,000
2021		554,000
2022		422,000
Thereafter		10,207,295
Total	\$	13,165,295

**9. Employee benefit 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 salary to be placed in the individuals' specific accounts. After one year of employment, the Organization matches participant contributions up to 3% of the participants' eligible wages. After seven years of employment, the Organization matches up to 5% of the participants' eligible wages. For the years ended December 31, 2017 and 2016, the Organization contributed \$137,230 and \$130,832, respectively.

## INLAND CHRISTIAN HOME

### NOTES TO THE FINANCIAL STATEMENTS

#### 10. Professional liability insurance

The Organization is insured for professional liability claims under an occurrence-based policy. The policy provides \$1,000,000 maximum coverage per incident with a \$3,000,000 aggregate limit. Insurance premiums were \$48,409 and \$47,525, respectively, in 2017 and 2016.

#### 11. Deferred gifts

The Organization is a 10% beneficiary of 75% of an irrevocable charitable remainder trust. Collection is dependent on sale of the 36.95 acres of land held within the trust. As of December 31, 2017, the land was in escrow with a potential buyer for a price of \$330,000 per acre. It is unknown and undeterminable when the sale will be complete. Accordingly, no receivable has been accrued for this gift.

#### 12. Commitments and contingencies

Amounts received or receivable from third-party payers are subject to review by the third-party payers. Any disallowed claims, including amounts already collected, may constitute a liability of the Organization. The amount, if any, which may be disallowed by third-party payers is not determinable. However, management records a valuation allowance based on estimated adjustments.

The Organization is self-insured for unemployment insurance. Each quarter, the State of California invoices the Organization for its estimated share of state unemployment liability based on experience. The Organization records the expense when invoiced.

#### 13. Concentrations of risk

The Organization maintains cash deposits at one financial institution. At times, the deposits may exceed the amount covered by the Federal Depository Insurance Corporation. Management does not anticipate any losses based on this risk.

A substantial portion of the Organization's skilled nursing revenue and accounts receivable is from federal Medicare and state Medi-Cal programs.

	<u>2017</u>	<u>2016</u>
Medicare		
Skilled nursing revenue	14.9%	15.8%
Accounts receivable	4.0%	25.4%
Medi-Cal		
Skilled nursing revenue	42.8%	34.8%
Accounts receivable	40.9%	60.9%

#### 14. Restatement

The Organization has restated the prior year to correct for annuities payable unrecorded in prior years.

#### 15. Subsequent events

Management has evaluated subsequent events through April 16, 2018, the date which these financial statements were available to be issued.

**INLAND CHRISTIAN HOME, INC.**

**STATE OF CALIFORNIA  
CONTINUING CARE RESERVE REPORT**

**AND**

**INDEPENDENT AUDITOR'S REPORT**

**DECEMBER 31, 2017**

INLAND CHRISTIAN HOME, INC.

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**GENSKE, MULDER & COMPANY, LLP**  
**CERTIFIED PUBLIC ACCOUNTANTS**

4150 E. CONCOURS ST., STE 250, ONTARIO, CALIFORNIA 91764

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**Independent Auditor's Report**

Board of Directors  
Inland Christian Home, Inc.

We have audited the accompanying continuing care reserve report Forms 5-1 through 5-5 of Inland Christian Home, Inc. (a non-profit organization), as of and for the year ended December 31, 2017.

**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 of 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 risk of material misstatement of the continuing care reserve report, whether due to fraud or error. In making those risk assessments, we consider 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 account 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.

**Opinion**

In our opinion, the 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. as of December 31, 2017, 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, Inc.'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 on Use**

Our report is intended solely for the information and use of the board of directors and management of Inland Christian Home, Inc. and 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.

April 16, 2018  
Ontario, California

*Genske, Mulder & Co., LLP*

GENSKE, MULDER & CO., LLP  
Certified Public Accountants

**INLAND CHRISTIAN HOME, INC.**  
**FORM 5-1, LONG-TERM DEBT INCURRED IN A PRIOR FISCAL YEAR**  
**INCLUDING BALLOON DEBT**  
**For The Year Ended December 31, 2017**

<b>FORM 5-1</b>					
<b>LONG-TERM DEBT INCURRED</b>					
<b>IN A PRIOR FISCAL YEAR</b>					
<b>(Including Balloon Debt)</b>					
	(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	Various	\$ 80,000	\$ 76,783		\$ 156,783
2	Aug-13	324,673	460,122		784,795
3	Oct-15	12,252	1,311		13,563
4	Various	77,596			77,596
5					
6					
7					
8					
<b>TOTAL:</b>		<b>\$ 494,521</b>	<b>\$ 538,216</b>	<b>\$ -</b>	<b>\$ 1,032,737</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**  
**For The Year Ended December 31, 2017**

<b>FORM 5-2</b>					
<b>LONG-TERM DEBT INCURRED</b>					
<b>DURING FISCAL YEAR</b>					
<b>(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	(e) Reserve Requirement (see instruction 5) (columns (c) x (d))
1	Apr-17	\$ 6,101	\$ 4,119	12	\$ 49,428
2					
3					
4					
5					
6					
7					
8					
<b>TOTAL:</b>		<b>\$ 6,101</b>	<b>\$ 4,119</b>	<b>12</b>	<b>\$ 49,428</b>

(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 5-3, CALCULATION OF LONG-TERM DEBT RESERVE AMOUNT**  
 For The Year Ended December 31, 2017

<b>FORM 5-3</b>	
<b>CALCULATION OF LONG-TERM DEBT RESERVE AMOUNT</b>	
<b>LINE</b>	<b>TOTAL</b>
1	Total from Form 5-1 bottom of Column (e) \$ 1,032,737
2	Total from Form 5-2 bottom of Column (e) 49,428
3	Facility leasehold or rental payment paid by provider during fiscal year. (including related payments such as lease insurance) -
4	<b>TOTAL AMOUNT REQUIRED FOR LONG-TERM DEBT RESERVE: \$ 1,082,165</b>
<b>PROVIDER: INLAND CHRISTIAN HOME, INC.</b>	
<b>FORM 5-3</b>	

**INLAND CHRISTIAN HOME, INC.**  
**FORM 5-4, CALCULATION OF LONG-TERM DEBT RESERVE AMOUNT**  
 For The Year Ended December 31, 2017

LINE	AMOUNTS	TOTAL
1	Total operating expenses from financial statements	\$ 10,798,795
2	Deductions	
a	Interest paid on long-term debt	\$ 544,317
b	Credit enhancement premiums paid for long-term debt	-
c	Depreciation	1,235,527
d	Amortization	7,200
e	Revenues received during the fiscal year for services to persons who did not have a continuing care contract	7,562,098
f	Extraordinary expenses approved by the Department	-
3	Total Deductions	9,349,142
4	Net Operating Expenses	1,449,653
5	Divide Line 4 by 365 and enter the result.	3,972
6	<b>Multiply Line 5 by 75 and enter the result. This is the provider's operating expense reserve amount.</b>	<b>\$ 297,900</b>

PROVIDER: INLAND CHRISTIAN HOME, INC.

FORM 5-4

**FORM 5-5  
 ANNUAL RESERVE CERTIFICATION**

**Provider Name: INLAND CHRISTIAN HOME, INC.**  
**Fiscal Year Ended: 12/31/17**

We have reviewed our debt service reserve and operating expense reserve requirements as of, and for the period ended 12/31/17, 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	\$ 1,082,165
[2]	Operating Expense Reserve Amount	297,900
[3]	<b>Total Liquid Reserve Amount</b>	<b>\$ 1,380,065</b>

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 quarter)	
	<u>Debt Service Reserve</u>	<u>Operating Reserve</u>
[4] Cash and Cash Equivalents	\$ 1,120,937	\$ 397,900
[5] Investment Securities		
[6] Equity Securities	67,142	
[7] Unused/Available Lines of Credit		
[8] Unused/Available Letters of Credit		
[9] Debt Service Reserve		Not Applicable
[10] Other: _____		
(describe qualifying asset)		
<b>Total Amount of Qualifying Assets Listed for Liquid Reserve:</b>	[11] 1,188,079	[12] 397,900
<b>Total Amount Required:</b>	[13] 1,082,165	[14] 297,900
<b>Surplus / (Deficiency):</b>	[15] \$ 105,914	[16] \$ 100,000

Signature:   
 (Authorized Representative)

Date: 4/27/18

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

**SUPPLEMENTARY INFORMATION**

**INLAND CHRISTIAN HOME, INC.**  
**Attachment to Forms 5-1, 5-2**  
**Reconciliation of Principal and Interest Paid**  
**For The Year Ended December 31, 2017**

Audited Statements of Cash Flows:	
2017 Repayment of long-term debt	\$ 438,886
2017 Repayment of gift annuities	77,596
Total repayment from financing activities during fiscal year	<u>\$ 516,482</u>
Total principal paid during fiscal year per Form 5-1, Part (b)	\$ 494,521
Principal paid during fiscal year on Form 5-2, Long-Term Debt Obligation #1	21,961
Total principal paid during fiscal year	<u>\$ 516,482</u>
Audited Statements of Cash Flows:	
2017 Cash paid for interest	\$ 544,317
Total interest paid during fiscal year	<u>\$ 544,317</u>
Total interest paid during fiscal year per Forms 5-1 and 5-2:	
Total part (c) of Form 5-1	\$ 538,216
Total part (b) of Form 5-2	6,101
Total interest paid during fiscal year	<u>\$ 544,317</u>

**INLAND CHRISTIAN HOME, INC.**  
**Attachment to Forms 5-4**  
**Reconciliation of Revenues Received During the Year**  
**For Services to Persons Who Did Not Have a Continuing Care Contract**  
**For The Year Ended December 31, 2017**

---

Audited Statements of Cash Flows:	
Cash received from residents	<u>\$ 10,108,015</u>
Reconciliation of revenues received for services:	
Revenues received for services provided to individuals who did not have a continuing care contract per Form 5-4, Line 2 (e)	\$ 7,562,098
Revenues received for services provided to individuals under a continuing care contract	<u>2,545,917</u>
Revenues received for services	<u>\$ 10,108,015</u>

**INLAND CHRISTIAN HOME, INC.**  
**Attachment to Form 5-5**  
**Reconciliation of Operating and Debt Service Reserves**  
**For The Year Ended December 31, 2017**

<b>Total Cash and Investments per Audited Statement of Financial Position:</b>	
Cash	\$ 1,518,837
Investments	67,142
Total cash and Investments	<u>\$ 1,585,979</u>
<b>Qualifying Assets per Form 5-5:</b>	
Debt Service Reserve (Line 11)	\$ 1,188,079
Operating Reserve (Line 12)	397,900
Total qualifying assets	<u>\$ 1,585,979</u>
<b>Per Capita Cost of Operations:</b>	
Operating Expenses (Form 5-4, Line 1)	\$ 10,798,795
Mean # of All Residents (Form 1-1, Line 10)	238
Per Capita Cost of Operations	<u>\$ 45,373</u>



**Inland Christian Home, Inc.**  
**December 31, 2017**

**Plan for refinancing or paying balloon debt obligations (Private Promissory Notes):**

Our experience with private promissory notes is that a high percentage of notes are renewed on maturity. We will continue to renew promissory notes if the note holder desires.

When a note holder calls their note at maturity we will pay the note out of our excess cash reserve. If there is no excess cash reserve, we will add a new promissory note from our promissory note waiting list or borrow against our \$750,000 line of credit to pay the note.

Our goal is to continue to pay private promissory notes from our excess cash reserve when called and not replace any promissory notes with new ones. Our long range goal is to completely eliminate private promissory notes.

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

Date Prepared: 4/12/18

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: Inland Christian Home, Inc.  
 RELATED FACILITIES: None RELIGIOUS AFFILIATION: Christian Reformed, United Reformed, Reformed Church of America  
 YEAR OPENED: 1978 # OF ACRES: 12  SINGLE STORY  MULTI-STORY  OTHER: Multiple Buildings from 1 to 3 stories  
 MILES TO SHOPPING CTR: 1  
 MILES TO HOSPITAL: 3

**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>&gt; Memory Care</u>
RLU OCCUPANCY (%) AT YEAR END: <u>&gt;</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: N/A

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, AND RESIDENT MEMBER(S) ON, THE BOARD (briefly describe provider's compliance and residents' role): > One resident is elected to serve as a voting member of the Board of Directors and one resident is elected to serve as a non-voting resident representative to the Board of Directors.

FACILITY SERVICES AND AMENITIES					
COMMON AREA AMENITIES	AVAILABLE	FEE FOR SERVICE	SERVICES AVAILABLE	INCLUDED IN FEE	FOR EXTRA CHARGE
BEAUTY/BARBER SHOP	<input type="checkbox"/>	<input checked="" type="checkbox"/>	HOUSEKEEPING ( <u>2</u> TIMES/MONTH)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BILLIARD ROOM	<input checked="" type="checkbox"/>	<input type="checkbox"/>	MEALS ( <u>3</u> /DAY)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
BOWLING GREEN	<input 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.  
 Page 1 of 4

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

**OTHER CCRCs**

**LOCATION (City, State)**

**PHONE (with area code)**

None


**MULTI-LEVEL RETIREMENT COMMUNITIES**

**LOCATION (City, State)**

**PHONE (with area code)**


**FREE-STANDING SKILLED NURSING**

**LOCATION (City, State)**

**PHONE (with area code)**


**SUBSIDIZED SENIOR HOUSING**

**LOCATION (City, State)**

**PHONE (with area code)**


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

PROVIDER NAME: Inland Christian Home, Inc.

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<b>INCOME FROM ONGOING OPERATIONS</b>				
<b>OPERATING INCOME</b> (Excluding amortization of entrance fee income)	\$9,824,044	\$10,345,251	\$10,500,918	\$10,807,356
<b>LESS OPERATING EXPENSES</b> (Excluding depreciation, amortization, and interest)	-\$7,928,642	-\$7,930,492	-\$8,261,467	-\$8,959,656
<b>NET INCOME FROM OPERATIONS</b>	\$1,895,402	\$2,414,759	\$2,239,451	\$1,847,700
<b>LESS INTEREST EXPENSE</b>	-\$653,145	-\$617,965	-\$628,934	-\$541,106
<b>PLUS CONTRIBUTIONS</b>	\$413,917	\$701,209	\$265,896	\$268,407
<b>PLUS NON-OPERATING INCOME (EXPENSES)</b> (excluding extraordinary items)	-\$2,461	\$2,244	\$16,640	-\$51,567
<b>NET INCOME (LOSS) BEFORE ENTRANCE FEES, DEPRECIATION AND AMORTIZATION</b>	\$1,653,713	\$2,500,247	\$1,893,053	\$1,523,434
<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	\$10,828,068	4.13%	8/30/13	8/23/23	10 years
Citizens Business Bank	\$37,064	3.75%	10/9/15	11/1/20	5 years
Citizens Business Bank	\$197,163	3.75%	4/5/17	4/5/22	5 years

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

	<b>2015 CCAC Medians 50<sup>th</sup> Percentile</b> <i>(optional)</i>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<b>DEBT TO ASSET RATIO</b>		57.4%	62.6%	55.8%
<b>OPERATING RATIO</b>		86.3%	88.7%	90.3%
<b>DEBT SERVICE COVERAGE RATIO</b>		3.1	4.6	1.9
<b>DAYS CASH ON HAND RATIO</b>		81	69	61

\*\*\*\*\*  
**HISTORICAL MONTHLY SERVICE FEES** (Average Fee and Change Percentage)

	<u>2014</u>	<u>%</u>	<u>2015</u>	<u>%</u>	<u>2016</u>	<u>%</u>	<u>2017</u>
STUDIO	\$1,515	2.0	\$1,545	2.3	\$1,580	2.5	\$1,620
ONE BEDROOM	\$1,868	1.9	\$1,903	2.4	\$1,948	2.5	\$1,997
TWO BEDROOM	\$2,290	2.5	\$2,348	2.0	\$2,394	2.4	\$2,452
COTTAGE/HOUSE	\$1,699	1.9	\$1,731	2.5	\$1,774	2.5	\$1,819
ASSISTED LIVING	\$89/day	0.0	\$89/day	3.4	\$92/day	4.3	\$96/day
SKILLED NURSING	\$240/day	2.1	\$245/day	2.0	\$250/day	3.2	\$258/day
SPECIAL CARE	\$130/day	0.0	\$130/day	3.1	\$134/day	3.0	\$138/day

\*\*\*\*\*  
**COMMENTS FROM PROVIDER:** >

> \_\_\_\_\_  
 > \_\_\_\_\_  
 > \_\_\_\_\_

PROVIDER NAME: Inland Christian Home, Inc.

### **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.

**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)	\$1,620 to \$2,445	\$96/day to \$172/day	\$258/day to \$299/day
[2] Indicate percentage of increase in fees imposed during reporting period: (indicate range, if applicable)	2.5% to 2.6%	4.5% to 6.9%	3.2% to 3.3%

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, 2017  
(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, 2017, there was an increase ranging from 2.3% - 4.4% for apartments, cottages, Skilled Nursing, Assisted Living, and Memory Care base rates. The additional rates for higher levels of care for Assisted Living and Memory Care had increases ranging from 0.0% - 11.11% as rates were not increased the prior year.