

ANNUAL REPORT CHECKLIST

for
FISCAL YEAR ENDED:
NOVEMBER 30, 2012

PROVIDER: THE BRITISH HOME IN CALIFORNIA, LTD.

FACILITY(IES): 647 MANZANITA AVENUE, SIERRA MADRE, CA 91024

CONTACT PERSON: MARLENE RAINEN

TELEPHONE NO.: (626) 355-7240

✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓

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

- ✓ This cover sheet.
- ✓ Annual Provider Fee in the amount of: \$ 207.00
 - ✓ 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 reserve* and refund reserve, if applicable.
- ✓ Evidence of the provider's fidelity bond.
- ✓ The provider's audited financial statements, with an accompanying certified public accountant's opinion thereon.
- ✓ The provider's audited reserve reports (prepared on Department forms), with an accompanying certified public accountant's opinion thereon.
- ✓ The provider's "Continuing Care Retirement Community Disclosure Statement" for **each** community. (4 copies total)

The Key Indicators Report is required to be submitted within 30 days of the due date of the submission of the annual report. (4 copies total)

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CONTINUING CARE
CONTRACTS BRANCH

THE BRITISH HOME IN CALIFORNIA, LTD.

CONTINUING CARE RESERVE REPORT

**FOR THE YEAR ENDED
NOVEMBER 30, 2012**

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CONTRACTS BRANCH

**THE BRITISH HOME IN CALIFORNIA, LTD.
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**CONTINUING CARE
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PART 1

ANNUAL PROVIDER FEES

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**FORM 1-1
RESIDENT POPULATION**

CONTINUING CARE
CONTRACTS BRANCH

Line	Continuing Care Residents	TOTAL
[1]	Number at beginning of fiscal year	5
[2]	Number at end of fiscal year	5
[3]	Total Lines 1 and 2	10
[4]	Multiply Line 3 by ".50" and enter result on Line 5.	x .50
[5]	Mean number of continuing care residents	5
All Residents		
[6]	Number at beginning of fiscal year	31
[7]	Number at end of fiscal year	33
[8]	Total Lines 6 and 7	64
[9]	Multiply Line 8 by ".50" and enter result on Line 10.	x .50
[10]	Mean number of <i>all</i> residents	32
[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).	0.1563

**FORM 1-2
ANNUAL PROVIDER FEE**

Line		TOTAL
[1]	Total Operating Expenses (including depreciation and debt service - interest only)	\$1,448,767
[a]	Depreciation	\$121,590
[b]	Debt Service (Interest Only)	\$0
[2]	Subtotal (add Line 1a and 1b)	\$121,590
[3]	Subtract Line 2 from Line 1 and enter result.	\$1,327,177
[4]	Percentage allocated to continuing care residents (Form 1-1, Line 11)	15.63%
[5]	Total Operating Expense for Continuing Care Residents (multiply Line 3 by Line 4)	\$207,438
[6]	Total Amount Due (multiply Line 5 by .001)	\$207

PROVIDER: THE BRITISH HOME IN CALIFORNIA, LTD.
COMMUNITY: 647 MANZANITA AVENUE, SIERRA MADRE, CA 91204

THE BRITISH HOME IN CALIFORNIA, LTD.
NOTE FOR FORM 1-2
NOVEMBER 30, 2012

For purposes of calculating Total Operating Expenses used on Form 1-2, we considered the following amounts:

Resident care	\$ 1,063,292
Home administration	375,397
Cost of direct benefits to donors for special events	10,078
Total Operating Expenses	<u>\$ 1,448,767</u>

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CONTINUING CARE
CONTRACTS BRANCH

PART 2
CERTIFICATION BY
CHIEF EXECUTIVE OFFICER

PART 3
EVIDENCE OF FIDELITY BOND

PART 4
AUDITED FINANCIAL STATEMENTS

The British Home in California, Ltd.

647 MANZANITA AVENUE
SIERRA MADRE, CALIFORNIA 91024

LICENSE 191501668

*Under the Auspices of the Daughters of the
British Empire in the Western States*

Tel: (626) 355-7240 Fax: (626) 355-7267

Website: www.britishhome.org Email: bhadmin@earthlink.net

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CERTIFICATION BY CHIEF EXECUTIVE OFFICER

Continuing Care Contracts Branch
California Department of Social Services
744 P Street, M.S. 10-90
Sacramento, CA 95814

I certify to the best of my knowledge and belief that the Continuing Care Reserve Report including financial statements and the various reports relating to the reserve requirements of The British Home in California, Ltd. are correct, and that there are no known misstatements or material errors.

I certify that the Continuing Care Contract Form currently in use has been approved by the Department of Social Services.

I certify that the British Home in California, Ltd. is maintaining the required liquid reserve and refund reserve as of today.

Signed: Margaret Jenkins
Margaret Jenkins, President

Dated: 04/10/13



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
3/25/2013

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

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

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PRODUCER Church & Casualty 3440 Irvine Ave Newport Beach CA 92660 INSURED THE BRITISH HOME IN CALIFORNIA LTD 647 MANZANITA AVE SIERRA MADRE CA 91024-2217	CONTACT NAME: Sherry Selleck CIC PHONE (A/C No. Ext): (800) 995-7525 FAX (A/C No.): (800) 995-7521 E-MAIL ADDRESS: Sherry@churchandcasualty.com <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th style="width: 80%;">INSURER(S) AFFORDING COVERAGE</th> <th style="width: 20%;">NAIC #</th> </tr> <tr> <td>INSURER A: Church Mutual Insurance Co</td> <td>18767</td> </tr> <tr> <td>INSURER B:</td> <td></td> </tr> <tr> <td>INSURER C:</td> <td></td> </tr> <tr> <td>INSURER D:</td> <td></td> </tr> <tr> <td>INSURER E:</td> <td></td> </tr> <tr> <td>INSURER F:</td> <td></td> </tr> </table>	INSURER(S) AFFORDING COVERAGE	NAIC #	INSURER A: Church Mutual Insurance Co	18767	INSURER B:		INSURER C:		INSURER D:		INSURER E:		INSURER F:	
INSURER(S) AFFORDING COVERAGE	NAIC #														
INSURER A: Church Mutual Insurance Co	18767														
INSURER B:															
INSURER C:															
INSURER D:															
INSURER E:															
INSURER F:															

COVERAGES **CERTIFICATE NUMBER: CL1332584619** **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	ADDITIONAL INSURANCE	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS								
A	GENERAL LIABILITY		0257414-02-529122	11/23/2012	11/23/2013	EACH OCCURRENCE \$ 1,000,000								
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/>					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 - COM/OP AGG \$ 1,000,000								
A	AUTOMOBILE LIABILITY		0257414-09-506357	11/23/2012	11/23/2013	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000								
	<input checked="" type="checkbox"/> ANY AUTO <input checked="" type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> NON-OWNED AUTOS					BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ Waiver of Collision Deductible \$								
A	UMBRELLA LIAB		0257414-81-529123	11/23/2012	11/23/2013	EACH OCCURRENCE \$ 3,000,000								
	<input checked="" type="checkbox"/> EXCESS LIAB <input checked="" type="checkbox"/> RETENTION \$ 10,000	<input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS-MADE				AGGREGATE \$ 3,000,000								
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY	N/A	0257414-07-523833	1/1/2013	1/1/2014	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>WC STATUTORY LIMITS</td> <td>OTHER</td> </tr> <tr> <td>E.L. EACH ACCIDENT \$ 1,000,000</td> <td></td> </tr> <tr> <td>E.L. DISEASE - EA EMPLOYEE \$ 1,000,000</td> <td></td> </tr> <tr> <td>E.L. DISEASE - POLICY LIMIT \$ 1,000,000</td> <td></td> </tr> </table>	WC STATUTORY LIMITS	OTHER	E.L. EACH ACCIDENT \$ 1,000,000		E.L. DISEASE - EA EMPLOYEE \$ 1,000,000		E.L. DISEASE - POLICY LIMIT \$ 1,000,000	
WC STATUTORY LIMITS	OTHER													
E.L. EACH ACCIDENT \$ 1,000,000														
E.L. DISEASE - EA EMPLOYEE \$ 1,000,000														
E.L. DISEASE - POLICY LIMIT \$ 1,000,000														

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)
 Proof of insurance.

CERTIFICATE HOLDER TO WHOM IT MAY CONCERN	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE S Selleck CIC/SHERRY <i>Sherry Selleck</i>
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CONTINUING CARE
CONTRACTS BRANCH

THE BRITISH HOME IN CALIFORNIA, LTD.

AUDITED FINANCIAL STATEMENTS

NOVEMBER 30, 2012

GARIBIAN & ASSOCIATES
ACCOUNTANCY CORPORATION
417 S. FIRST AVE.
ARCADIA, CA 91006

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CONTINUING CARE
CONTRACTS BRANCH

THE BRITISH HOME IN CALIFORNIA, LTD.

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Garibian & Associates
ACCOUNTANCY CORPORATION
INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
The British Home in California, Ltd.

We have audited the accompanying statement of financial position of The British Home in California, Ltd. (a nonprofit organization) as of November 30, 2012, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The British Home in California, Ltd. as of November 30, 2012, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Garibian & Associates

GARIBIAN & ASSOCIATES
ACCOUNTANCY CORPORATION

Arcadia, California
March 20, 2013

THE BRITISH HOME IN CALIFORNIA, LTD.
STATEMENT OF FINANCIAL POSITION
NOVEMBER 30, 2012

R E C E I V E D
APR 12 2013

CONTINUING CARE
CONTRACTS BRANCH

ASSETS

Current assets	
Cash and cash equivalents	\$ 1,425,803
Investment income receivable	137,296
Employee loan receivable	4,500
Prepaid expenses	16,136
Total current assets	<u>1,583,735</u>
Investments	15,524,612
Land, building, furniture and fixtures, net of accumulated depreciation	<u>2,149,893</u>
TOTAL ASSETS	<u><u>\$ 19,258,240</u></u>

LIABILITIES AND NET ASSETS

Liabilities	
Current liabilities	
Accounts payable	\$ 38,839
Accrued salaries and payroll taxes	50,639
Monthly resident deposits	47,478
Total current liabilities	<u>136,956</u>
Non-current liabilities	
Non-refundable advances	4,404
Refundable advances	111,012
Estimated obligation to provide future services and the use of the facilities in excess of amounts received or to be received for such services	<u>179,700</u>
Total non-current liabilities	<u>295,116</u>
Total liabilities	<u>432,072</u>
Net assets	
Unrestricted	<u>18,826,168</u>
Total net assets	<u>18,826,168</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 19,258,240</u></u>

See accompanying independent auditors' report
and notes to the financial statements.

**THE BRITISH HOME IN CALIFORNIA, LTD.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED NOVEMBER 30, 2012**

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CONTINUING CARE
CONTRACTS BRANCH

Public support	
Contributions - chapter	\$ 96,737
Contributions - other	49,238
Bequest	222,000
Special events	38,529
Less: direct cost of events	(10,078)
Net revenues from special events	<u>28,451</u>
Total public support	<u>396,426</u>
Revenue	
Rental income	20,637
Investment income	658,478
Residents' income and dues	893,745
Interest income	92
Other income	3,245
Unrealized gain on investments	878,812
Realized loss on sale of investments	(651,092)
Amortization of refundable advances	25,827
Amortization of non-refundable advances	1,017
Change in the obligation to provide future services	22,639
Total revenue	<u>1,853,400</u>
Total public support and revenue	<u>2,249,826</u>
Expenses	
Resident care	1,063,292
Home administration	375,397
Total expenses	<u>1,438,689</u>
Change in net assets, unrestricted	811,137
Net assets, beginning of year, unrestricted	<u>18,015,031</u>
Net assets, end of year, unrestricted	<u><u>\$ 18,826,168</u></u>

See accompanying independent auditors' report
and notes to the financial statements.

**THE BRITISH HOME IN CALIFORNIA, LTD.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED NOVEMBER 30, 2012**

R E C E I V E D
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CONTINUING CARE CONTRACTS BRANCH	
Cash flows from operating activities	
Resident income and dues	\$ 893,745
Contributions and bequests	367,975
Investment income	670,122
Special events	38,529
Other income	3,245
Interest income	92
Rental income	20,637
Cash paid to suppliers and employees	(1,284,412)
Net cash provided by operating activities	<u>709,933</u>
 Cash flows from investing activities	
Purchases of fixed assets	(991,407)
Purchases of investments	(7,361,597)
Proceeds from sale of investments	8,317,264
Net cash used by investing activities	<u>(35,740)</u>
 Net increase in cash and cash equivalents	674,193
 Cash and cash equivalents at beginning of year	<u>751,610</u>
 Cash and cash equivalents at end of year	<u>\$ 1,425,803</u>
 Reconciliation of change in net assets to net cash provided by operating activities	
Change in net assets	\$ 811,137
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	121,590
Unrealized gain on investments	(878,812)
Realized loss on sale of investments	651,092
Amortization of refundable advances	(25,827)
Amortization of non-refundable advances	(1,017)
Decrease in estimated obligation to provide future services and the use of the facilities in excess of amounts received or to be received for such services	(22,639)
Changes in operating assets and liabilities:	
Decrease in investment income receivable	11,644
Decrease in employee loan receivable	7,587
Decrease in prepaid expenses	6,462
Increase in accounts payable	2,613
Increase in accrued salaries and payroll taxes	7,375
Increase in resident deposits	18,728
Net cash provided by operating activities	<u>\$ 709,933</u>

See accompanying independent auditors' report
and notes to the financial statements

**THE BRITISH HOME IN CALIFORNIA, LTD.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED NOVEMBER 30, 2012**

R E C E I V E D
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CONTINUING CARE
CONTRACTS BRANCH

	<u>Resident Care</u>	<u>Home Administration</u>	<u>Total</u>
Salaries	\$ 591,094	\$ 116,602	\$ 707,696
Payroll taxes	52,017	10,261	62,278
Employee health insurance	5,805	1,145	6,950
Employee training expense	193	37	230
Administrator conference	-	3,753	3,753
401K administrative expenses	-	275	275
Uniforms	925	-	925
Insurance expense	75,706	14,934	90,640
Taxes and licenses	-	19,827	19,827
Food	66,469	-	66,469
Entertainment	5,048	-	5,048
Household furnishings	7,064	-	7,064
Household supplies	703	-	703
General supplies	7,899	-	7,899
Kitchen supplies	10,290	1,715	12,005
Utilities	55,109	9,185	64,294
Telephone	5,849	5,849	11,698
Repairs and maintenance	24,853	4,142	28,995
Garden maintenance	18,778	3,129	21,907
Gifts and donations	-	1,475	1,475
Advertising	-	4,511	4,511
Dues and subscriptions	3,701	-	3,701
Auto expenses	3,631	3,632	7,263
Residents' allowances	6,611	-	6,611
Medical expenses	17,639	-	17,639
Miscellaneous	-	937	937
Office expense	-	8,624	8,624
Flowers	-	674	674
Accounting fees	-	5,700	5,700
Auditing fees	-	20,500	20,500
Bank service charges	-	321	321
Legal and professional	-	285	285
Investment advisor fees	-	97,010	97,010
Internet services	-	1,151	1,151
Resident craft classes	1,949	-	1,949
Travel	-	3,444	3,444
Postage and printing	-	997	997
Payroll processing fees	3,195	630	3,825
Friendship circle	-	2,392	2,392
Property rental expenses	-	9,434	9,434
Depreciation rental	-	6,360	6,360
Depreciation	98,764	16,466	115,230
Total Functional Expenses	\$ 1,063,292	\$ 375,397	\$ 1,438,689

See accompanying independent auditors' report
and notes to the financial statements.

THE BRITISH HOME IN CALIFORNIA, LTD.
NOTES TO FINANCIAL STATEMENTS
NOVEMBER 30, 2012

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CONTINUING CARE
CONTRACTS BRANCH

NOTE 1 – ORGANIZATION AND SUMMARY OF ACCOUNTING POLICIES

Organization – The British Home in California, Ltd. (“Home”) was incorporated under the not-for-profit corporation laws of the State of California and has been granted tax exempt status under provisions of the Internal Revenue Code Section 501(c)(3).

The Home operates a State of California licensed retirement facility in Southern California, accommodating a maximum of 41 residents. The facility provides both ongoing continuing life care and assisted living services. Continuing life care is provided to residents who enter into a contractual agreement with the Home to advance their assets and future revenue to provide such care, which includes assisted living services, medical services, and convalescent care as may be required throughout the life of the resident. Assisted living services are also provided to residents who enter into monthly contractual agreements with the Home. Such monthly contracts do not provide life long medical and convalescent care nor require a commitment of assets and future revenue.

Continuing Care Contracts and Residential Contracts – Continuing life care residents enter into contracts whereby individual assets and ongoing future revenue is transferred to the Home for use in the resident’s care. The continuing care contract may be cancelled by a resident with 90 days notice. The refund of transferred assets is subject to a 1.67% deduction for each month of residence (20% per year) or a deduction based upon a calculated monthly service cost, whichever is greater. The continuing care contract may be cancelled by the Home without cause during the initial 90 day period subject to the refund of transferred assets as described above and with 90 days notice thereafter with cause. Month to month residential contracts require monthly payments for residential care (and a deposit) based upon level of service and may be cancelled by either the resident or Home upon notice as described in the contract. The Home is no longer accepting continuing life care residents.

Financial Statement Presentation – The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. The Home is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted net assets. The Home’s net assets were unrestricted at November 30, 2012.

Contributions and Promises to Give – Contributions are recognized when the donor makes a promise to give to the Home that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets. If determined applicable, an allowance is recorded related to uncollectible amounts. No promises to give were recorded at November 30, 2012.

Cash and Cash Equivalents – All highly liquid instruments (not specifically earmarked solely as investments), with an original maturity of three months or less are considered to be cash equivalents.

Receivables – Receivables consist of investment income and employee loan receivables. Management believes both receivables are fully collectible. Therefore, no allowance for doubtful accounts exists at November 30, 2012.

THE BRITISH HOME IN CALIFORNIA, LTD.
NOTES TO FINANCIAL STATEMENTS
NOVEMBER 30, 2012

R E C E I V E D
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CONTINUING CARE
CONTRACTS BRANCH

Functional Expenses – Expenses are charged to the resident care (program) and home administration (administrative) functions based on the direct expenditures incurred. Other functional expenses have been allocated between categories based on space utilized for related activities. With the exception of minimal special event activity, the Home does not engage in fundraising activities.

NOTE 1 – ORGANIZATION AND SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

Special Events – The Home's annual fundraising event consists of selling crafts and other articles made by the residents.

Advertising – Advertising costs are expensed as they are incurred. Advertising expense for the year ended November 30, 2012 was \$4,511.

Buildings, Improvements, Furniture and Fixtures – Buildings, improvements, and furniture and fixtures are stated at cost. Donations are recorded at fair value and reported as unrestricted support unless the donor has restricted the donated asset for a specific purpose. The Home does not imply a time restriction that expires over the useful life of donated assets if those long-lived assets are received without stipulations. The Home capitalizes expenditures for equipment in excess of \$1,000. Depreciation is computed on a straight-line basis over the estimated useful lives of 3 to 30 years. Depreciation expense was \$121,590 for the year ended November 30, 2012.

An adjacent single-family home was purchased by the Home during 2012 for future use as residential units. Pending construction for such purpose, the building is occupied by tenants.

Long-lived Assets – Long-lived assets, including buildings, improvements, and furniture and fixtures, are reviewed for impairment whenever events or changes in circumstances indicate that the stated amount of an asset might not be recoverable. Recoverability is measured by a comparison of the stated amount of an asset to estimated undiscounted future cash flows expected to be generated by the asset. If the stated amount of an asset exceeds its estimated undiscounted future cash flows, an impairment charge, equal to the amount by which the asset's stated amount exceeds its fair value, is recognized. No impairment losses were recognized for the year ended November 30, 2012.

Contributed Materials and Services – The Home has not recognized amounts of contributed materials or services in the accompanying statement of activities. The criteria for recognition of such amounts in accordance with generally accepted accounting principles have not been satisfied.

Income Taxes – The Home is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and related California Franchise Tax Law. The Home has evaluated its tax positions and concluded that its tax exempt status has been maintained and that it has no uncertain tax positions requiring adjustments to the financial statements. Certain short-term rental income has been determined to not result in unrelated business income. As a result no provision for income taxes has been recorded. Exempt organization tax filings for both federal and state purposes may be subject to examination during a subsequent 3-4 year period.

Estimates – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported accounts and disclosures. Accordingly, actual results could differ from those estimates.

THE BRITISH HOME IN CALIFORNIA, LTD.
NOTES TO FINANCIAL STATEMENTS
NOVEMBER 30, 2012

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CONTINUING CARE
CONTRACTS BRANCH

NOTE 1 – ORGANIZATION AND SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

Investment Securities – The Home values all investments in marketable securities at fair value.

401K Plan – The Home has a 401K plan available to all employees meeting certain minimum age and service requirements. No matching contributions were applicable during the year ended November 30, 2012.

Concentration of Credit Risk – Financial instruments that potentially subject the Home to concentration of credit risk consist principally of significant securities held in a brokerage firm. FDIC insured limits (bank accounts) were exceeded by approximately \$410,000 at November 30, 2012.

The Home has significant investments in securities and is therefore subject to concentrations of credit risk. Investments are managed by third party investment managers and are monitored by the Home. Although the market value of investments is subject to fluctuation on a year-to-year basis, the Home believes their investment policy is prudent for the long-term welfare of the Home and its beneficiaries. (See Note 2)

Concentration of Market Risk – The Home has invested in California issued (state and local) municipal bonds of approximately \$5 million which represents a concentration of market risk.

Policies on Refundable/Non-Refundable Advances – Assets advanced to the Home by the residents in accordance with signed contractual agreements are recorded as liabilities and are amortized to income using the straight-line method over the estimated remaining life expectancy of the resident. After ninety (90) days, a non-refundable entrance fee is charged. (See Note 5)

Fair Value of Financial Instruments – The stated amount reported in the statement of financial position for cash, cash equivalents, investment income receivable, employee loan receivable, accounts payable, and other accrued liabilities are stated at cost which approximates their fair value, due to the short term nature of these assets and liabilities.

Subsequent Events – The Home has evaluated subsequent events through March 20, 2013, the date which the financial statements were available to be issued, and has concluded that no events occurred to change the financial statements or disclosures.

NOTE 2 – INVESTMENTS

Investments consist of debt (governmental obligations), equity (common stock and partnership interests) and mutual fund securities recorded at fair value (see note 3). Interest and dividend revenue are recorded when earned. Realized and unrealized gains and losses (including changes in fair value) are recorded when they occur. All investments are considered long-term in nature and are in the custody of one major brokerage firm.

Investments at November 30, 2012 consist of the following:

THE BRITISH HOME IN CALIFORNIA, LTD.
NOTES TO FINANCIAL STATEMENTS
NOVEMBER 30, 2012

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CONTRACTS BRANCH

NOTE 2 – INVESTMENTS (CONTINUED)

	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Fair Value</u>
U.S. Treasury and other			
U.S. government obligations	12/1/12 – 10/1/30	4.748% - 8.5%	\$ 308,629
Municipal bonds	9/13/13 – 4/1/31	5.25% - 7%	8,528,976
Equities			6,419,298
Mutual funds			267,709
			<u>\$ 15,524,612</u>

NOTE 3 – FAIR VALUE MEASUREMENT

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A three level fair value hierarchy prioritizes the inputs used to measure fair value. The hierarchy requires entities to maximize the use of observable inputs and minimize the use of unobservable inputs. Transfers occur between the hierarchy when the Home has determined that such change in investments has occurred by transaction or intent. The three levels of input used to measure fair values are as follows:

Level 1 – Inputs to the valuation methodology are quoted market prices for identical assets and liabilities in active markets.

Level 2 – Inputs to the valuation methodology include quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for the full term of the asset or liability.

Level 3 – Inputs to the valuation methodology are based estimated future expenditures over an identified period of time using historical cost information and adjusting for reasonable projected increases. Such valuation techniques are generally unobservable.

Assets and Liabilities Measured at Fair Value on a Recurring Basis

The following tables provide information as of November 30, 2012 about the Home’ assets and liabilities measured at fair value on a recurring basis and indicates the fair value hierarchy of the valuation techniques utilized to determine such fair value.

<u>Assets Description</u>	<u>Fair Value Measurements</u>			
	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
U.S. Treasury bonds	\$ 200,023	\$ 200,023		
Other U.S. government obligations	108,606	108,606		
Municipal bonds	8,528,976		\$ 8,528,976	
Equities	6,419,298	6,419,298		
Mutual funds	267,709	267,709		
Total	<u>\$ 15,524,612</u>	<u>\$ 6,995,636</u>	<u>\$ 8,528,976</u>	<u>\$ -</u>

THE BRITISH HOME IN CALIFORNIA, LTD.
NOTES TO FINANCIAL STATEMENTS
NOVEMBER 30, 2012

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NOTE 3 – FAIR VALUE MEASUREMENT (CONTINUED)

Assets and Liabilities Measured at Fair Value on a Recurring Basis (Continued)

Liabilities Description	Total	Fair Value Measurements		
		Level 1	Level 2	Level 3
Estimated obligation to provide future services	\$ 179,700			\$ 179,700
Total	\$ 179,700	\$ -	\$ -	\$ 179,700

**Fair Value Measurement Using
Significant Unobservable Inputs
Level 3:**

	<u>Estimated obligation to provide future services</u>
Balance at November 30, 2011	\$ 202,339
Change in estimate (included in change in net assets)	<u>(22,639)</u>
Balance at November 30, 2012	<u>\$ 179,700</u>

The Home classifies estimated obligations to provide future services at level 3. The Home used unobservable inputs and a present value technique for the fair value measurement of this obligation. The change in estimate was recognized as a result of a decrease in the overall estimated obligation to provide future services (see note 7).

NOTE 4 – LAND, BUILDINGS, FURNITURE AND FIXTURES

Land	\$ 648,881
Automobiles	106,388
Equipment	1,501
Buildings & improvements	2,702,459
Generators	139,042
Furniture & fixtures	<u>413,123</u>
	4,011,394
Less accumulated depreciation and amortization	<u>(1,861,501)</u>
	<u>\$ 2,149,893</u>

NOTE 5 – NON-REFUNDABLE ADVANCES

Non-refundable advances represent a \$2,500 - \$5,000 per (continuing life care) resident entrance fee, determined by financial ability to pay. The fee becomes non-refundable after a three-month probationary period. The Home amortizes the non-refundable advances as income using a straight-line method over the resident's life expectancy. The amount amortized during the fiscal year ended November 30, 2012 was \$1,017 with the balance remaining of \$4,404.

THE BRITISH HOME IN CALIFORNIA, LTD.
NOTES TO FINANCIAL STATEMENTS
NOVEMBER 30, 2012

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NOTE 6 – REFUNDABLE ADVANCES

Refundable advances represent the value of the assets (cash and securities) each continuing life care resident advances to the Home. Individual refundable advance accounts are reduced annually by a yearly amount based on the estimated life expectancy of each resident. The advance accounts are refundable to the resident upon leaving the facility (under certain circumstances), after deducting a cost associated with care during the year to date and a reasonable processing fee.

Resident advance accounts become the Home's revenue upon the resident's death. Refundable advances of \$25,827 were recognized as revenue in the current year. The refundable advance balance was \$111,012 at November 30, 2012. The interest earned on the advances is used by the Home for general operating expenses.

NOTE 7 – ESTIMATED OBLIGATION TO PROVIDE FUTURE SERVICES

The Home records an obligation to provide services to the continuing life care residents representing the excess of the present value of estimated future resident care expenses (assuming certain annually increasing expenses) over future revenues (net cash outflows) further adjusted by the remaining non-refundable and refundable advances and use of facility (depreciation) charges.

The amount calculated at November 30, 2012 is as follows:

Present value of net cash outflows	\$ 269,867
Less remaining non-refundable advances	(4,404)
Less remaining refundable advances	(111,012)
Add use of facility depreciation	<u>25,249</u>
Estimated obligation to provide future services and use of the facility	<u>\$ 179,700</u>

The amount of net cash outflow of \$293,147 at November 30, 2012, was recorded at present value in the amount of \$269,867. The discount rate used to calculate the present value was 2.3% (4.1% less a 1.8% rate of inflation) over an approximate 5 year period.

The obligation is subject to certain assumptions used to estimate such amount. The change in obligation is affected by the number of life care residents which may vary from year to year.

NOTE 8 – DONATIONS FROM THE DAUGHTERS OF THE BRITISH EMPIRE

The Home was opened in 1931 under the auspices of the Daughters of the British Empire, Inc. (D.B.E.). The D.B.E. chapters are volunteer organizations that raise money to help support the Home. There are nine states in the western district whose presidents are directors on the Home's Board of Directors. As stated in the Home's Continuing Care Agreement, the D.B.E. chapters have no financial or legal liability for the operation of the Home or for the promises and obligations to residents. During the fiscal year ended November 30, 2012, the chapters donated \$96,737 to the Home. No fundraising expenses were incurred by the Home related to this donation.

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PART 5
LIQUID RESERVES



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ACCOUNTANCY CORPORATION

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
The British Home in California, Ltd.

We have audited the accompanying continuing care reserve report ("Reports") of The British Home in California, Ltd (the "Home") as of November 30, 2012. These Reports are the responsibility of the Home's management. Our responsibility is to express an opinion on the Reports based on our audit.

We conducted our audit in accordance with generally accepted auditing standards in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether Reports are free of material misstatement. An audit includes consideration of internal control, over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Home's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the Reports, assessing the accounting principles used and significant estimates made by the Company's management, as well as evaluating the overall presentation of the Reports. We believe that our audit provides a reasonable basis for our opinion.

The accompanying Reports were prepared for the purpose of complying with California Health and Safety Code section 1792 and are not intended to be a complete presentation of the Home's assets, liabilities, revenues and expenses.

In our opinion, the Reports present fairly, in all material respects, the liquid reserve requirements of the Home as of November 30, 2011, in conformity with the report preparation provisions of California Health and Safety Code section 1792.

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

Garibian & Associates
GARIBIAN & ASSOCIATES

Arcadia, California
March 20, 2013

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

	(a) Date Incurred	(b) Total Interest Paid During Fiscal Year	(c) Amount of Most Recent Payment on the Debt	(d) Number of Payments over next 12 months	(e) Reserve Requirement (see instruction 5) (columns (c) x (d))
Long-Term Debt Obligation					
1					\$0
2					\$0
3					\$0
4					\$0
5					\$0
6					\$0
7					\$0
8					\$0
TOTAL:		\$0	\$0	0	\$0

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

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

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

Line	TOTAL
1 Total from Form 5-1 bottom of Column (e)	\$0
2 Total from Form 5-2 bottom of Column (e)	\$0
3 Facility leasehold or rental payment paid by provider during fiscal year (including related payments such as lease insurance)	\$0
4 TOTAL AMOUNT REQUIRED FOR LONG-TERM DEBT RESERVE:	\$0

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FORM 5-4
CALCULATION OF NET OPERATING EXPENSES

CONTINUING CARE
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Amounts

Line	Description	Amount	TOTAL
1	Total operating expenses from financial statements		\$1,448,767
2	Deductions:		
	a. Interest paid on long-term debt (see instructions)	\$0	
	b. Credit enhancement premiums paid for long-term debt (see instructions)	\$0	
	c. Depreciation	\$121,590	
	d. Amortization	\$0	
	e. Revenues received during the fiscal year for services to persons who did not have a continuing care contract	\$796,294	
	f. Extraordinary expenses approved by the Department		
3	Total Deductions		\$917,884
4	Net Operating Expenses		\$530,883
5	Divide Line 4 by 365 and enter the result.		\$1,454
6	Multiply Line 5 by 75 and enter the result. This is the provider's operating expense reserve amount.		\$109,050

PROVIDER: THE BRITISH HOME IN CALIFORNIA, LTD.
COMMUNITY: 647 MANZANITA AVENUE, SIERRA MADRE, CA 91204

THE BRITISH HOME IN CALIFORNIA, LTD.

NOTE FOR FORM 5-4

NOVEMBER 30, 2012

The amount of \$796,294 reported on Form 5-4 Line 2 (e) is part of the residents' income and dues that is allocated from the Statement of Activities and consists of the following:

Monthly dues received from non-continuing care residents	\$ 796,294
Pension and continuing care residents' other income	51,517
Social Security benefits	<u>45,934</u>
Total residents income per Statement of Activities	<u>\$ 893,745</u>

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THE BRITISH HOME IN CALIFORNIA, LTD
PER CAPITA COST CALCULATION
NOVEMBER 30, 2012

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Total Expenses	\$	1,448,767
Additions:		
No direct allocations		
Deductions:		
Depreciation	\$	121,590
Total Deductions	\$	<u>121,590</u>
Adjusted Operating Costs	\$	1,327,177
Average Number of Residents		<u>32.00</u>
Annual per Capita Cost	\$	<u><u>.41,474</u></u>

Note:

This calculation is consistent with the definition of "Per capita cost" defined on P.7 of Continuing Care Contract Statutes dated January 1, 2012.

THE BRITISH HOME IN CALIFORNIA, LTD
DESCRIPTION OF RESERVES UNDER SB 1212
NOVEMBER 30, 2012

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Total Qualifying Assets as Filed:

Additional Comments

Cash and Cash Equivalents	\$ 1,425,803	
Investments	<u>15,524,612</u>	Investments are comprised of about 43% equities and 57% fixed income
Total Qualifying Assets as Filed	16,950,415	

Reservations and Designations:

Reserved for Refundable Entrance Fees	<u>111,012</u>	Refundable entrance fees received and subject to refund provisions under section 1792.6 of CCC Statutes.
Total Reservations and Designations	<u>111,012</u>	
Remaining Liquid Reserves	<u>\$ 16,839,403</u>	

No additional amounts were accumulated for identified projects or purposes other than to provide care to residents.

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The British Home of California, Ltd.
Note to the Reserve Schedules, Forms 5-1 through 5-5
NOVEMBER 30, 2012

Note A - Basis of Accounting Other Than Generally Accepted Accounting Principles

The reserve schedules have been presented in accordance with a basis of accounting per the California Health and Safety Code Section 1792.2 in so far as it relates to accounting and reporting matters. The liquid reserve is a statutory requirement of assets to be maintained as available by the continuing care organization.

The basis of accounting for the liquid reserve involves two calculations; a debt service reserve and an operating expense reserve. The debt service reserve is calculated on Forms 5-1 through 5-3 by combining principal and interest payments during the current year on debts existing at the beginning of the fiscal year with principal and interest payments to be made in the next twelve months on debts incurred during the current year. The operating expense reserve is calculated on Form 5-4 by reducing net operating expenses by certain allowable deductions and determining the amount allocable to 75 days. Form 5-5 combines the debt service reserve with the operating expense reserve to determine the total liquid reserve amount.

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PART 6
CONTINUING CARE
RETIREMENT COMMUNITY
DISCLOSURE STATEMENT

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

04/09/2013

FACILITY NAME: THE BRITISH HOME IN CALIFORNIA, LTD.

ADDRESS: 647 MANZANITA AVE., SIERRA MADRE, CA ZIP CODE: 91024 PHONE: 626-355-7240

PROVIDER NAME: THE BRITISH HOME FACILITY OPERATOR: THE BRITISH HOME

RELATED FACILITIES: N/A RELIGIOUS AFFILIATION: N/A

YEAR OPENED: 1931 NO. OF ACRES: 4.5 MULTI-STORY: SINGLE STORY: BOTH:

MILES TO SHOPPING CTR: 1/3 OF MILE MILES TO HOSPITAL: 2.5 MILES

NUMBER OF UNITS:

INDEPENDENT LIVING

HEALTH CARE

APARTMENTS - STUDIO _____
APARTMENTS - 1 BDRM _____
APARTMENTS - 2 BDRM _____
COTTAGES/HOUSES 28 UNITS
% OCCUPANCY AT YEAR END 80%

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ASSISTED LIVING 13 UNITS
SKILLED NURSING _____
SPECIAL CARE _____
DESCRIBE SPECIAL CARE: _____

TYPE OF OWNERSHIP: NOT FOR PROFIT FOR PROFIT ACCREDITED: Y N BY: _____

FORM OF CONTRACT: LIFE CARE CONTINUING CARE FEE FOR SERVICE
 ASSIGN ASSETS EQUITY ENTRY FEE RENTAL

REFUND PROVISIONS (Check all that apply): 90% 75% 50% PRORATED TO 0% OTHER: _____

RANGE OF ENTRANCE FEES: \$ 2,500 TO \$ 5,000 LONG-TERM CARE INSURANCE REQUIRED? Y N

HEALTH CARE BENEFITS INCLUDED IN CONTRACT: ALL REQUIRED

ENTRY REQUIREMENTS: MIN. AGE: 65 PRIOR PROFESSION: NONE OTHER: AMULATORY

FACILITY SERVICES AND AMENITIES

COMMON AREA AMENITIES

SERVICES AVAILABLE

	AVAILABLE	FEE FOR SERVICE		INCLUDED IN FEE WEEK	FOR EXTRA CHARGE
BEAUTY/BARBER SHOP	<input checked="" type="checkbox"/>	<input type="checkbox"/>	HOUSEKEEPING TIMES/MONTH	<u>3</u>	_____
BILLIARD ROOM	<input checked="" type="checkbox"/>	<input type="checkbox"/>	NUMBER OF MEALS/DAY	<u>3</u>	_____
BOWLING GREEN	<input type="checkbox"/>	<input type="checkbox"/>	SPECIAL DIETS AVAILABLE	<u>YES</u>	_____
CARD ROOMS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	24-HOUR EMERGENCY RESPONSE	<input checked="" type="checkbox"/>	<input type="checkbox"/>
CHAPEL	<input type="checkbox"/>	<input type="checkbox"/>	ACTIVITIES PROGRAM	<input checked="" type="checkbox"/>	<input type="checkbox"/>
COFFEE SHOP	<input type="checkbox"/>	<input type="checkbox"/>	ALL UTILITIES EXCEPT PHONE	<input checked="" type="checkbox"/>	<input type="checkbox"/>
CRAFT ROOMS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	APARTMENT MAINTENANCE	<input checked="" type="checkbox"/>	<input type="checkbox"/>
EXERCISE ROOM	<input checked="" type="checkbox"/>	<input type="checkbox"/>	CABLE TV	<input checked="" type="checkbox"/>	<input type="checkbox"/>
GOLF COURSE ACCESS	<input type="checkbox"/>	<input type="checkbox"/>	LINENS FURNISHED	<input checked="" type="checkbox"/>	<input type="checkbox"/>
LIBRARY	<input type="checkbox"/>	<input type="checkbox"/>	LINENS LAUNDERED	<input checked="" type="checkbox"/>	<input type="checkbox"/>
PUTTING GREEN	<input type="checkbox"/>	<input type="checkbox"/>	MEDICATION MANAGEMENT	<input checked="" type="checkbox"/>	<input type="checkbox"/>
SHUFFLEBOARD	<input type="checkbox"/>	<input type="checkbox"/>	NURSING/WELLNESS CLINIC	<input checked="" type="checkbox"/>	<input type="checkbox"/>
SPA	<input type="checkbox"/>	<input type="checkbox"/>	PERSONAL NURSING/HOME CARE	<input type="checkbox"/>	<input checked="" type="checkbox"/>
SWIMMING POOL-INDOOR	<input type="checkbox"/>	<input type="checkbox"/>	TRANSPORTATION-PERSONAL	<input checked="" type="checkbox"/>	<input type="checkbox"/>
SWIMMING POOL-OUTDOOR	<input type="checkbox"/>	<input type="checkbox"/>	TRANSPORTATION-PREARRANGED	<input checked="" type="checkbox"/>	<input type="checkbox"/>
TENNIS COURT	<input type="checkbox"/>	<input type="checkbox"/>	OTHER _____	<input type="checkbox"/>	<input type="checkbox"/>
WORKSHOP	<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.

	2009	2010	2011	2012
INCOME FROM ONGOING OPERATIONS				
OPERATING INCOME (excluding amortization of entrance fee income)	\$409,059	\$404,797	\$684,163	\$893,745
LESS OPERATING EXPENSES (excluding depreciation, amortization, & interest)	\$986,377	\$1,020,747	\$1,171,340	\$1,327,177
NET INCOME FROM OPERATIONS	<u>-\$577,318</u>	<u>-\$615,950</u>	<u>-\$487,177</u>	<u>-\$433,432</u>
LESS INTEREST EXPENSE	\$0	\$0	\$0	\$0
PLUS CONTRIBUTIONS	\$169,571	\$195,250	\$187,542	\$406,504
PLUS NON-OPERATING INCOME (EXPENSES) (excluding extraordinary items)	\$2,045,452	\$1,031,088	\$928,226	\$932,811
NET INCOME (LOSS) BEFORE ENTRANCE FEES, DEPRECIATION AND AMORTIZATION	<u>\$1,637,705</u>	<u>\$610,388</u>	<u>\$628,591</u>	<u>\$905,833</u>
NET CASH FLOW FROM ENTRANCE FEES (Total Deposits Less Refunds)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

DESCRIPTION OF SECURED DEBT AS OF MOST RECENT FISCAL YEAR END

LENDER	OUTSTANDING BALANCE	INTEREST RATE	DATE OF ORIGINATION	DATE OF MATURITY	AMORTIZATION PERIOD

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FINANCIAL RATIOS (see next page for ratio formulas)

	2009 CCAC Medians 50 th Percentile (optional)	2010	2011	2012
DEBT TO ASSET RATIO				
OPERATING RATIO		2.52	1.71	1.48
DEBT SERVICE COVERAGE RATIO				
DAYS CASH-ON-HAND RATIO		6,094	5,299	4,662

**HISTORICAL MONTHLY SERVICE FEES
AVERAGE FEE AND PERCENT CHANGE**

	2009	%	2010	%	2011	%	2012
STUDIO		0.0%		0.0%		0.0%	
ONE BEDROOM		0.0%		0.0%		0.0%	
TWO BEDROOM		0.0%		0.0%		0.0%	
COTTAGE/HOUSE	\$1,696	0.0%	\$1,850	0.0%	\$2,274	0.0%	\$2,280
ASSISTED LIVING	\$2,883	0.0%	\$2,698	0.0%	\$2,837	0.0%	\$2,642
SKILLED NURSING		0.0%		0.0%		0.0%	
SPECIAL CARE		0.0%		0.0%		0.0%	

COMMENTS FROM PROVIDER: THE HISTORICAL MONTHLY SERVICE FEES REPRESENT ONLY
NON-CONTINUING CARE RESIDENTS WITH MONTHLY CONTRACTS. A SECOND PAGE 3
WILL SHOW CONTINUING CARE RESIDENTS.

	2009	2010	2011	2012
INCOME FROM ONGOING OPERATIONS				
OPERATING INCOME (excluding amortization of entrance fee income)	\$409,059	\$404,797	\$684,163	\$893,745
LESS OPERATING EXPENSES (excluding depreciation, amortization, & interest)	\$986,377	\$1,020,747	\$1,171,340	\$1,327,177
NET INCOME FROM OPERATIONS	-\$577,318	-\$615,950	-\$487,177	-\$433,432
LESS INTEREST EXPENSE	\$0	\$0	\$0	\$0
PLUS CONTRIBUTIONS	\$169,571	\$195,250	\$187,542	\$406,504
PLUS NON-OPERATING INCOME (EXPENSES) (excluding extraordinary items)	\$2,045,452	\$1,031,088	\$928,226	\$932,811
NET INCOME (LOSS) BEFORE ENTRANCE FEES, DEPRECIATION AND AMORTIZATION	\$1,637,705	\$610,388	\$628,591	\$905,833
NET CASH FLOW FROM ENTRANCE FEES (Total Deposits Less Refunds)	\$0	\$0	\$0	\$0

DESCRIPTION OF SECURED DEBT AS OF MOST RECENT FISCAL YEAR END

LENDER	OUTSTANDING BALANCE	INTEREST RATE	DATE OF ORIGINATION	DATE OF MATURITY	AMORTIZATION PERIOD
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

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FINANCIAL RATIOS (see next page for ratio formulas)

	2009 CCAC Medians 50 th Percentile (optional)	2010	2011	2012
DEBT TO ASSET RATIO				
OPERATING RATIO		2.52	1.71	1.48
DEBT SERVICE COVERAGE RATIO				
DAYS CASH-ON-HAND RATIO		6,094	5,299	4,662

HISTORICAL MONTHLY SERVICE FEES

AVERAGE FEE AND PERCENT CHANGE	2009	%	2010	%	2011	%	2012
STUDIO		0.0%		0.0%		0.0%	
ONE BEDROOM		0.0%		0.0%		0.0%	
TWO BEDROOM		0.0%		0.0%		0.0%	
COTTAGE/HOUSE	\$1,696	0.0%	\$1,850	0.0%	\$2,274	0.0%	\$1,482
ASSISTED LIVING	\$2,883	0.0%	\$2,698	0.0%	\$2,837	0.0%	\$919
SKILLED NURSING		0.0%		0.0%		0.0%	
SPECIAL CARE		0.0%		0.0%		0.0%	

COMMENTS FROM PROVIDER: THE HISTORICAL MONTHLY SERVICE FEES REPRESENT ONLY CONTINUING CARE RESIDENTS. ALTHOUGH NO MONTHLY FEES ARE ACTUALLY CHARGED TO CONTINUING CARE RESIDENTS, THE MONTHLY AVERAGE WAS CALCULATED USING PENSION & SOCIAL SECURITY BENEFITS.

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PART 7
REPORT ON CCRC MONTHLY SERVICE FEES

**THE BRITISH HOME IN CALIFORNIA, LTD.
NOTE FOR FORM 7-1
NOVEMBER 30, 2012**

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APR 12 2013

CONTINUING CARE
CONTRACTS BRANCH

Per communication with the Continuing Care Contracts Branch, The British Home is now reporting two copies of Form 7-1 and Page 3 of the Disclosure Statement to distinguish between monthly revenue from continuing care residents and non-continuing care residents.

The British Home does not charge continuing care residents a monthly service fee. The amounts reported on Form 7-1 and Page 3 are derived from the Pension and Social Security Benefits received for each continuing care resident.

No monthly service fees were increased for any non-continuing care residents.

CONTINUING CARE RESIDENTS
FORM 7-1
REPORT ON CCRC MONTHLY SERVICE FEES

	RESIDENTIAL LIVING	ASSISTED LIVING	SKILLED NURSING
[1] Monthly Service Fees at beginning of reporting period: (indicate range, if applicable)	\$995-\$2,217	\$1,398-\$2,288	

[2] Indicate percentage of increase in fees imposed during reporting period: (indicate range, if applicable)

R E C E I V E D

APR 12 2013

CONTINUING CARE
CONTRACTS BRANCH

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: _____
 (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: THE BRITISH HOME IN CALIFORNIA, LTD.
COMMUNITY: 647 MANZANITA AVE., SIERRA MADRE, CA 91024

R E C E I V E D

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CONTINUING CARE
CONTRACTS BRANCH

PART 8
KEY INDICATORS REPORT

