

ANNUAL REPORT CHECKLIST

PROVIDER(S): THE BRITISH HOME IN CALIFORNIA, LTD.CCRC(S): THE BRITISH HOME IN CALIFORNIA, LTD.RECEIVED
APR 29 2014CONTACT PERSON: MARLENE RAINENCONTINUING CARE
CONTRACTS BRANCHTELEPHONE NO.: (626) 355-7240EMAIL: marlene@britishhome-ca.usA complete annual report must consist of 3 copies of all of the following:

- Annual Report Checklist.
- Annual Provider Fee in the amount of: \$ 195.00
- 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.
- Provider's "Continuing Care Retirement Community Disclosure Statement" and Form 7-1 "Report on CCRC Monthly Service Fees" for **each** community.
- N/A** Provider's Refund Reserve Calculation(s) – Form 9-1 and/or Form 9-2, if applicable.

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

THE BRITISH HOME IN CALIFORNIA, LTD.
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APR 29 2014

CONTINUING CARE
CONTRACTS BRANCH

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The British Home in California, Ltd.

647 Manzanita Avenue, Sierra Madre, California 91024

License 191501668 COA 064

Tel: (626) 355-7240 Fax: (626) 355-7267 www.britishhome-ca.us info@britishhome-ca.us

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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: _____

Susan Masters
Susan Masters, President

Dated: _____

4/9/14



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
11/28/2014

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).

PRODUCER Church & Casualty Ins Agency Inc 3440 Irvine Ave Newport Beach CA 92660	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
INSURED THE BRITISH HOME IN CALIFORNIA LTD 647 MANZANITA AVE SIERRA MADRE CA 91024-2217	INSURER(S) AFFORDING COVERAGE
	INSURER A: Church Mutual Insurance Co NAIC # 18767
	INSURER B: Developers Surety & Indemnity
	INSURER C:
	INSURER D:
	INSURER E:

COVERAGES CERTIFICATE NUMBER: CL144801086 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 INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY			0257414-02-628836	11/23/2013	11/23/2014	EACH OCCURRENCE \$ 1,000,000
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY						DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 300,000
	<input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR						MED EXP (Any one person) \$ 10,000
	<input checked="" type="checkbox"/>						PERSONAL & ADV INJURY \$ 1,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER:						GENERAL AGGREGATE \$ 3,000,000
	<input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC						PRODUCTS - COMP/OP AGG \$ 1,000,000
A	AUTOMOBILE LIABILITY			0257414-09-629856	11/23/2013	11/23/2014	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000
	<input checked="" type="checkbox"/> ANY AUTO						BODILY INJURY (Per person) \$
	<input checked="" type="checkbox"/> ALL OWNED AUTOS	<input type="checkbox"/> SCHEDULED AUTOS					BODILY INJURY (Per accident) \$
	<input type="checkbox"/> HIRED AUTOS	<input type="checkbox"/> NON-OWNED AUTOS					PROPERTY DAMAGE (Per accident) \$
							Waiver of Collision Deductible \$
A	<input checked="" type="checkbox"/> UMBRELLA LIAB			0257414-81-626937	11/23/2013	11/23/2014	EACH OCCURRENCE \$ 3,000,000
	<input type="checkbox"/> EXCESS LIAB	<input checked="" type="checkbox"/> OCCUR					AGGREGATE \$ 3,000,000
	<input type="checkbox"/> DED <input checked="" type="checkbox"/> RETENTION \$ 10,000	<input type="checkbox"/> CLAIMS-MADE					
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY			0257414-07-652552	1/1/2014	1/1/2015	WC STATUTORY LIMITS
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)	Y/N	N/A				E.L. EACH ACCIDENT \$ 1,000,000
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE - EA EMPLOYEE \$ 1,000,000
B	Surety Bond			350896C	6/23/2013	6/23/2014	LIMIT 5,000

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

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>

R E C E I V E D
APR 29 2014
CONTINUING CARE
CONTRACTS BRANCH

THE BRITISH HOME IN CALIFORNIA, LTD.

AUDITED FINANCIAL STATEMENTS

NOVEMBER 30, 2013

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

THE BRITISH HOME IN CALIFORNIA, LTD.

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Garibian & Associates
ACCOUNTANCY CORPORATION

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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of The British Home in California, Ltd. (a nonprofit organization), which comprise the statement of financial position as of November 30, 2013, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of 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 The British Home in California, Ltd. as of November 30, 2013, 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
April 7, 2014

THE BRITISH HOME IN CALIFORNIA, LTD.
STATEMENT OF FINANCIAL POSITION
NOVEMBER 30, 2013

ASSETS

Current assets	
Cash and cash equivalents	\$ 584,880
Investment income receivable	167,460
Employee loan receivable	5,627
Prepaid expenses	17,136
Total current assets	775,103
Investments	17,544,577
Land, building, furniture and fixtures, net of accumulated depreciation	2,324,634
TOTAL ASSETS	\$ 20,644,314

LIABILITIES AND NET ASSETS

Liabilities	
Current liabilities	
Accounts payable	\$ 50,491
Accrued salaries and payroll taxes	52,200
Monthly resident deposits	53,978
Total current liabilities	156,669
Non-current liabilities	
Non-refundable advances	2,143
Refundable advances	56,096
Estimated obligation to provide future services and the use of the facilities in excess of amounts received or to be received for such services	200,785
Total non-current liabilities	259,024
Total liabilities	415,693
Net assets	
Unrestricted	20,228,621
Total net assets	20,228,621
TOTAL LIABILITIES AND NET ASSETS	\$ 20,644,314

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, 2013

Public support	
Contributions - chapter	\$ 103,269
Contributions - other	36,753
Special events	38,547
Less: direct cost of events	<u>(8,578)</u>
Net revenues from special events	<u>29,969</u>
Total public support	<u>169,991</u>
Revenue	
Rental income	19,116
Investment income	607,853
Residents' income and dues	907,092
Interest income	88
Other income	4,623
Unrealized gain on investments	279,027
Realized gain on sale of investments	952,400
Amortization of refundable advances	54,916
Amortization of non-refundable advances	2,261
Change in the obligation to provide future services	<u>(21,085)</u>
Total revenue	<u>2,806,291</u>
Total public support and revenue	<u>2,976,282</u>
Expenses	
Home administration	395,770
Resident care	<u>1,178,060</u>
Total expenses	<u>1,573,830</u>
Change in net assets, unrestricted	1,402,452
Net assets, beginning of year, unrestricted	<u>18,826,169</u>
Net assets, end of year, unrestricted	<u><u>\$ 20,228,621</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, 2013

Cash flows from operating activities	
Resident income and dues	\$ 907,092
Contributions	140,022
Investment income	577,689
Special events	38,547
Other income	4,623
Interest income	88
Rental income	19,116
Cash paid to suppliers and employees	(1,437,744)
Net cash provided by operating activities	<u>249,433</u>
Cash flows from investing activities	
Purchases of fixed assets	(301,818)
Purchases of investments	(11,160,243)
Proceeds from sale of investments	10,371,705
Net cash used by investing activities	<u>(1,090,356)</u>
Net decrease in cash and cash equivalents	(840,923)
Cash and cash equivalents at beginning of year	<u>1,425,803</u>
Cash and cash equivalents at end of year	<u><u>\$ 584,880</u></u>
Reconciliation of change in net assets to net cash provided by operating activities	
Change in net assets	\$ 1,402,452
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	127,077
Unrealized gain on investments	(279,027)
Realized gain on sale of investments	(952,400)
Amortization of refundable advances	(54,916)
Amortization of non-refundable advances	(2,261)
Increase 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	21,085
Changes in operating assets and liabilities:	
Increase in investment income receivable	(30,164)
Increase in employee loan receivable	(1,126)
Increase in prepaid expenses	(1,000)
Increase in accounts payable	11,652
Increase in accrued salaries and payroll taxes	1,561
Increase in resident deposits	6,500
Net cash provided by operating activities	<u><u>\$ 249,433</u></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, 2013

	<u>Home Administration</u>	<u>Resident Care</u>	<u>Total</u>
Salaries	\$ 129,411	\$ 652,586	\$ 781,997
Payroll taxes	10,819	54,556	65,375
Employee health insurance	1,407	7,093	8,500
Employee training expense	491	2,477	2,968
401K administrative expenses	1,400	-	1,400
Uniforms	-	735	735
Insurance expense	15,320	77,254	92,574
Taxes and licenses	24,531	-	24,531
Food	-	67,428	67,428
Entertainment	-	3,555	3,555
Household furnishings	-	12,463	12,463
Household supplies	-	1,925	1,925
General supplies	-	7,123	7,123
Kitchen supplies	1,185	7,108	8,293
Utilities	8,947	53,683	62,630
Telephone	2,499	2,499	4,998
Repairs and maintenance	11,192	67,154	78,346
Garden maintenance	3,289	19,733	23,022
Gifts and donations	2,696	-	2,696
Advertising	2,505	-	2,505
Dues and subscriptions	-	3,868	3,868
Auto expenses	5,606	5,606	11,212
Residents' allowances	-	5,193	5,193
Medical expenses	-	17,098	17,098
Miscellaneous	1,109	-	1,109
Office expense	8,705	-	8,705
Flowers	665	-	665
Accounting fees	5,700	-	5,700
Auditing fees	20,500	-	20,500
Investment advisor fees	97,791	-	97,791
Internet services	1,922	-	1,922
Resident activities and crafts	-	4,972	4,972
Travel	3,356	-	3,356
Postage and printing	765	-	765
Payroll processing fees	631	3,183	3,814
Friendship circle activity	-	44	44
Property rental expenses	6,975	-	6,975
Depreciation rental	9,566	-	9,566
Depreciation	16,787	100,724	117,511
Total Functional Expenses	<u>\$ 395,770</u>	<u>\$ 1,178,060</u>	<u>\$ 1,573,830</u>

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

THE BRITISH HOME IN CALIFORNIA, LTD.
NOTES TO FINANCIAL STATEMENTS
NOVEMBER 30, 2013

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, 2013.

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, 2013.

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, 2013.

THE BRITISH HOME IN CALIFORNIA, LTD.
NOTES TO FINANCIAL STATEMENTS
NOVEMBER 30, 2013

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

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.

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, 2013 was \$2,505.

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 \$127,077 for the year ended November 30, 2013.

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 was occupied by tenants during 2012 and part of 2013.

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, 2013.

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, 2013

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, 2013.

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 consisting of \$17,544,577 and \$147,103 (included in cash and cash equivalents). Cash in bank accounts of \$436,976 included in cash and cash equivalents exceeded FDIC insured limits by \$12,490 at November 30, 2013.

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 \$3.9 million which represents a concentration of market risk. Additionally, total investments are comprised of 51% equities, 46% municipal bonds and 3% other.

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 April 7, 2014, 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.

THE BRITISH HOME IN CALIFORNIA, LTD.
NOTES TO FINANCIAL STATEMENTS
NOVEMBER 30, 2013

NOTE 2 – INVESTMENTS (CONTINUED)

Investments at November 30, 2013 consist of the following:

	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Fair Value</u>
U.S. Treasury and other			
U.S. government obligations	May 2016	5.125% - 7.25%	\$ 192,996
Municipal bonds	Years 2015-2026	4.3% - 8.5%	7,834,895
Equities			8,949,265
Mutual fund			567,421
			<u>\$ 17,544,577</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, 2013 about the Home's 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>Total</u>	<u>Fair Value Measurements</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
U.S. Treasury bonds	\$ 190,044	\$ 190,044		
Other U.S. government obligations	2,952	2,952		
Municipal bonds	7,834,895		\$ 7,834,895	
Equities	8,949,265	8,949,265		
Mutual fund	567,421	567,421		
Total	<u>\$ 17,544,577</u>	<u>\$ 9,709,682</u>	<u>\$ 7,834,895</u>	<u>\$ -</u>

THE BRITISH HOME IN CALIFORNIA, LTD.
NOTES TO FINANCIAL STATEMENTS
NOVEMBER 30, 2013

NOTE 3 – FAIR VALUE MEASUREMENT (CONTINUED)

Liabilities Description	Total	Fair Value Measurements		
		Level 1	Level 2	Level 3
Estimated obligation to provide future services	\$ 200,785			\$ 200,785
Total	\$ 200,785	\$ -	\$ -	\$ 200,785

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

	<u>Estimated obligation to provide future services</u>
Balance at November 30, 2012	\$ 179,700
Change in estimate (included in change in net assets)	<u>21,085</u>
Balance at November 30, 2013	<u>\$ 200,785</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	110,387
Equipment	1,501
Buildings & improvements	3,000,278
Generators	139,042
Furniture & fixtures	<u>413,123</u>
	4,313,212
Less accumulated depreciation and amortization	<u>(1,988,578)</u>
	<u>\$ 2,324,634</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, 2013 was \$2,261 with the balance remaining of \$2,143.

THE BRITISH HOME IN CALIFORNIA, LTD.
NOTES TO FINANCIAL STATEMENTS
NOVEMBER 30, 2013

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 \$54,916 were recognized as revenue in the current year. The refundable advance balance was \$56,096 at November 30, 2013. 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, 2013 is as follows:

Present value of net cash outflows	\$ 237,379
Less: remaining non-refundable advances	(2,143)
Less: remaining refundable advances	(56,096)
Add: use of facility depreciation	<u>21,645</u>
Estimated obligation to provide future services and use of the facility	<u>\$ 200,785</u>

The amount of net cash outflow of \$256,330 at November 30, 2013, was recorded at present value in the amount of \$237,379. The discount rate used to calculate the present value was 2.2% (3.4% less a 1.2% rate of inflation) over an approximate 4 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, 2013, the chapters donated \$103,269 to the Home. No fundraising expenses were incurred by the Home related to this donation.

R E C E I V E D
APR 29 2014

CONTINUING CARE
CONTRACTS BRANCH

THE BRITISH HOME IN CALIFORNIA, LTD.

CONTINUING CARE RESERVE REPORT

**FOR THE YEAR ENDED
NOVEMBER 30, 2013**



Garibian & Associates
ACCOUNTANCY CORPORATION

R E C E I V E D
APR 29 2014

CONTINUING CARE
CONTRACTS BRANCH

INDEPENDENT AUDITOR'S REPORT

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

Report on the Reports

We have audited the accompanying continuing care reserve report ("Reports") of The British Home in California, Ltd. ("Home") as of November 30, 2013 and the related note.

Management's Responsibility for the Reports

Management is responsible for the preparation and fair presentation of the Reports in accordance with the financial reporting provisions of California Department of Social Services, Continuing Care Licensing Division for the purpose of complying with 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 Reports that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the Reports 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 schedule is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Reports. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Reports, 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 Reports in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the schedule.

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 Reports referred to above, present fairly, in all material respects, the liquid reserve requirements of the Home as of November 30, 2013 in accordance with the basis of accounting in accordance with the financial reporting provisions of the California Department of Social Services, Continuing Care Licensing Division for the purpose of complying with California Health and Safety Code section 1792.

Other Matter

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of the Home as of and for the year ended November 30, 2013 and our report thereon, dated April 7, 2014 expressed an unmodified opinion on those financial statements.

Basis of Accounting

We draw attention to Note A to the Reports, which describes the basis of accounting. The reports were prepared by the Home on the basis of the financial reporting provision of the California Department of Social Services, Continuing Care Licensing Division, Continuing Care Reserve Report requirements which is a basis of accounting other than accounting principles generally accepted in the United States of America, to comply with the California Health and Safety Code section 1792 as notes above. Our opinion is not modified with respect to this matter.

Restriction on Use

Our report is intended solely for the information and use of the Home and the California Department of Social Services and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.



GARIBIAN & ASSOCIATES

Arcadia, California

April 7, 2014

**FORM 5-1
LONG-TERM DEBT INCURRED
IN A PRIOR FISCAL YEAR
(Including Balloon Debt)**

Long-Term Debt Obligation	(a) Date Incurred	(b) Principal Paid During Fiscal Year	(c) Interest Paid During Fiscal Year	(d) Credit Enhancement Premiums Paid in Fiscal Year	(e) Total Paid (columns (b) + (c) + (d))
1					\$0
2					\$0
3					\$0
4					\$0
5					\$0
6					\$0
7					\$0
8					\$0
TOTAL:					\$0

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

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

PROVIDER: THE BRITISH HOME IN CALIFORNIA, LTD.

FORM 1-1
RESIDENT POPULATION

<u>Line</u>	Continuing Care Residents	<u>TOTAL</u>
[1]	Number at beginning of fiscal year	5
[2]	Number at end of fiscal year	4
[3]	Total Lines 1 and 2	9
[4]	Multiply Line 3 by ".50" and enter result on Line 5.	x .50
[5]	Mean number of continuing care residents	4.5
All Residents		
[6]	Number at beginning of fiscal year	33
[7]	Number at end of fiscal year	34
[8]	Total Lines 6 and 7	67
[9]	Multiply Line 8 by ".50" and enter result on Line 10.	x .50
[10]	Mean number of <i>all</i> residents	33.5
[11]	Divide the mean number of continuing care residents (Line 5) by the mean number of <i>all</i> residents (Line 10) and enter the result (round to two decimal places).	0.1343

FORM 1-2
ANNUAL PROVIDER FEE

<u>Line</u>		<u>TOTAL</u>
[1]	Total Operating Expenses (including depreciation and debt service - interest only)	\$1,582,408
[a]	Depreciation	\$127,077
[b]	Debt Service (Interest Only)	\$0
[2]	Subtotal (add Line 1a and 1b)	\$127,077
[3]	Subtract Line 2 from Line 1 and enter result.	\$1,455,331
[4]	Percentage allocated to continuing care residents (Form 1-1, Line 11)	13.43%
[5]	Total Operating Expense for Continuing Care Residents (multiply Line 3 by Line 4)	\$195,451
[6]	Total Amount Due (multiply Line 5 by .001)	x .001 \$195

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, 2013

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

Resident care	\$ 1,178,060
Home administration	395,770
Cost of direct benefits to donors for special events	8,578
Total Operating Expenses	<u>\$ 1,582,408</u>

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

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

PROVIDER: THE BRITISH HOME IN CALIFORNIA, LTD.

**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

PROVIDER: THE BRITISH HOME IN CALIFORNIA, LTD.

**FORM 5-4
CALCULATION OF NET OPERATING EXPENSES**

Line	Amounts	TOTAL
1	Total operating expenses from financial statements	\$1,582,408
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	\$127,077
	d. Amortization	\$0
	e. Revenues received during the fiscal year for services to persons who did not have a continuing care contract	\$828,027
	f. Extraordinary expenses approved by the Department	\$0
3	Total Deductions	\$955,104
4	Net Operating Expenses	\$627,304
5	Divide Line 4 by 365 and enter the result.	\$1,719
6	Multiply Line 5 by 75 and enter the result. This is the provider's operating expense reserve amount.	<u>\$128,925</u>

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, 2013

The amount of \$828,027 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	\$ 828,027
Pension and continuing care residents' other income	42,379
Social Security benefits	<u>36,686</u>
Total residents income per Statement of Activities	<u><u>\$ 907,092</u></u>

**FORM 5-5
ANNUAL RESERVE CERTIFICATION**

Provider Name: THE BRITISH HOME IN CALIFORNIA, LTD.
 Fiscal Year Ended: 30-Nov-13

We have reviewed our debt service reserve and operating expense reserve requirements as of, and for the period ended 30-Nov-13 and are in compliance with those requirements.

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

	<u>Amount</u>
[1] Debt Service Reserve Amount	<u>\$0</u>
[2] Operating Expense Reserve Amount	<u>\$128,925</u>
[3] Total Liquid Reserve Amount:	<u>\$128,925</u>

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

<u>Qualifying Asset Description</u>	<u>Amount</u> <u>(market value at end of quarter)</u>	
	<u>Debt Service Reserve</u>	<u>Operating Reserve</u>
[4] Cash and Cash Equivalents	<u>\$0</u>	<u>\$584,880</u>
[5] Investment Securities	<u>\$0</u>	<u>\$8,027,891</u>
[6] Equity Securities	<u>\$0</u>	<u>\$9,516,686</u>
[7] Unused/Available Lines of Credit	<u>\$0</u>	<u>\$0</u>
[8] Unused/Available Letters of Credit	<u>\$0</u>	<u>\$0</u>
[9] Debt Service Reserve	<u>\$0</u>	(not applicable)
[10] Other:	<u>\$0</u>	<u>\$0</u>
<u>(describe qualifying asset)</u>		
Total Amount of Qualifying Assets Listed for Reserve Obligation: [11]	<u>\$0 [12]</u>	<u>\$18,129,457</u>
Reserve Obligation Amount: [13]	<u>\$0 [14]</u>	<u>\$128,925</u>
Surplus/(Deficiency): [15]	<u>\$0 [16]</u>	<u>\$18,000,532</u>

Signature:

Susan Masters
 (Authorized Representative)

Date: 4/7/2014

SUSAN MASTERS, PRESIDENT
 (Title)

THE BRITISH HOME IN CALIFORNIA, LTD
PER CAPITA COST CALCULATION
NOVEMBER 30, 2013

Total Expenses	\$	1,582,408
Additions:		
No direct allocations		
Deductions:		
Depreciation	\$	127,077
Total Deductions	\$	<u>127,077</u>
Adjusted Operating Costs	\$	1,455,331
Average Number of Residents		<u>33.50</u>
Annual per Capita Cost	\$	<u><u>43,443</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, 2013

Total Qualifying Assets as Filed:		Additional Comments
Cash and Cash Equivalents	\$ 584,880	
Investments	<u>17,544,577</u>	Investments are comprised of about 54% equities and 46% fixed income
Total Qualifying Assets as Filed	18,129,457	
 Reservations and Designations:		
Reserved for Refundable Entrance Fees	<u>56,096</u>	Refundable entrance fees received and subject to refund provisions under section 1792.6 of CCC Statutes.
Total Reservations and Designations	<u>56,096</u>	
Remaining Liquid Reserves	<u><u>\$ 18,073,361</u></u>	

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

The British Home of California, Ltd.
Note to the Reserve Schedules, Forms 5-1 through 5-5
NOVEMBER 30, 2013

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.

PART 6
CONTINUING CARE
RETIREMENT COMMUNITY
DISCLOSURE STATEMENT

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

Date Prepared: 4/7/14

RECEIVED
APR 26 2014
PHONE 626-355-7240

FACILITY NAME: THE BRITISH HOME IN CALIFORNIA, LTD.
 ADDRESS: 647 MANZANITA AVE, SIERRA MADRE, CA ZIP CODE: 91024
 PROVIDER NAME: THE BRITISH HOME IN CALIFORNIA, LTD. FACILITY OPERATOR: THE BRITISH HOME IN CALIFORNIA, LTD.
 RELATED FACILITIES: N/A RELIGIOUS AFFILIATION: N/A
 YEAR OPENED: 1931 # OF ACRES: 2.5 SINGLE STORY MULTI-STORY OTHER: _____
 MILES TO SHOPPING CTR: .33
 MILES TO HOSPITAL: 2.5

NUMBER OF UNITS:	<u>RESIDENTIAL LIVING</u>	<u>HEALTH CARE</u>
	APARTMENTS — STUDIO: _____	ASSISTED LIVING: <u>13 UNITS</u>
	APARTMENTS — 1 BDRM: _____	SKILLED NURSING: _____
	APARTMENTS — 2 BDRM: _____	SPECIAL CARE: _____
	COTTAGES/HOUSES: <u>28 UNITS</u>	DESCRIBE SPECIAL CARE: _____
	RLU OCCUPANCY (%) AT YEAR END: <u>82%</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% PRORATED TO 0% OTHER: _____

RANGE OF ENTRANCE FEES: \$ 2500 TO \$ 5000 LONG-TERM CARE INSURANCE REQUIRED? YES NO

HEALTH CARE BENEFITS INCLUDED IN CONTRACT: _____ ALL REQUIRED

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

RESIDENT REPRESENTATIVE ON THE BOARD (briefly describe their involvement): _____ THE BOARD ACCEPTS ONE CONTINUING CARE
 RESIDENT TO PARTICIPATE AS A NONVOTING REPRESENTATIVE ON THE BOARD.

FACILITY SERVICES AND AMENITIES

COMMON AREA AMENITIES	AVAILABLE	FEE FOR SERVICE	SERVICES AVAILABLE	INCLUDED IN FEE	FOR EXTRA CHARGE
BEAUTY/BARBER SHOP	<input checked="" type="checkbox"/>	<input type="checkbox"/>	HOUSEKEEPING (<u>4</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 checked="" type="checkbox"/>	<input type="checkbox"/>
BOWLING GREEN	<input type="checkbox"/>	<input type="checkbox"/>	SPECIAL DIETS AVAILABLE	<input checked="" type="checkbox"/>	<input 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 checked="" 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 type="checkbox"/>	<input type="checkbox"/>	LINENS FURNISHED	<input checked="" type="checkbox"/>	<input type="checkbox"/>
PUTTING GREEN	<input type="checkbox"/>	<input type="checkbox"/>	LINENS LAUNDERED	<input checked="" type="checkbox"/>	<input type="checkbox"/>
SHUFFLEBOARD	<input type="checkbox"/>	<input type="checkbox"/>	MEDICATION MANAGEMENT	<input checked="" type="checkbox"/>	<input 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 checked="" type="checkbox"/>	<input type="checkbox"/>
TENNIS COURT	<input type="checkbox"/>	<input type="checkbox"/>	TRANSPORTATION-PREARRANGED	<input checked="" type="checkbox"/>	<input type="checkbox"/>
WORKSHOP	<input type="checkbox"/>	<input type="checkbox"/>	OTHER _____	<input type="checkbox"/>	<input type="checkbox"/>
OTHER _____	<input type="checkbox"/>	<input type="checkbox"/>			

All providers are required by Health and Safety Code section 1789.1 to provide this report to prospective residents before executing a deposit agreement or continuing care contract, or receiving any payment. Many communities are part of multi-facility operations which may influence financial reporting. Consumers are encouraged to ask questions of the continuing care retirement community that they are considering and to seek advice from professional advisors.

PROVIDER NAME: THE BRITISH HOME IN CALIFORNIA, LTD.

CCRCs

LOCATION (City, State)

PHONE (with area code)

THE BRITISH HOME IN CALIFORNIA, LTD.

SIERRA MADRE, CA

626-355-7240

MULTI-LEVEL RETIREMENT COMMUNITIES

FREE-STANDING SKILLED NURSING

SUBSIDIZED SENIOR HOUSING

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

	2010	2011	2012	2013
INCOME FROM ONGOING OPERATIONS				
OPERATING INCOME (excluding amortization of entrance fee income)	404,797	684,163	893,745	907,092
LESS OPERATING EXPENSES (excluding depreciation, amortization, and interest)	1,020,747	1,171,340	1,327,177	1,455,331
NET INCOME FROM OPERATIONS	-615,950	-487,177	-433,432	-548,239
LESS INTEREST EXPENSE	0	0	0	0
PLUS CONTRIBUTIONS	195,250	187,542	406,504	178,569
PLUS NON-OPERATING INCOME (EXPENSES) (excluding extraordinary items)	1,031,088	928,226	932,811	1,842,022
NET INCOME (LOSS) BEFORE ENTRANCE FEES, DEPRECIATION AND AMORTIZATION	610,388	628,591	905,833	1,472,352
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

FINANCIAL RATIOS

(see next page for ratio formulas)

2012 CCAC Medians
50th Percentile
(optional)

		2011	2012	2013
DEBT TO ASSET RATIO				
OPERATING RATIO		1.71	1.48	1.60
DEBT SERVICE COVERAGE RATIO				
DAYS CASH-ON-HAND RATIO		5,299	4,662	4,547

HISTORICAL MONTHLY SERVICE FEES

(AVERAGE FEE AND PERCENT CHANGE)

CONTINUING CARE RESIDENTS ONLY:

	2010	%	2011	%	2012	%	2013
STUDIO							
ONE BEDROOM			187,542				
TWO BEDROOM							
COTTAGE/HOUSE	1,447	0.6	1,455	1.9	1,482	14.7	1,700
ASSISTED LIVING	1,857	5.3	1,956	-6.1	1,837	-12.5	1,607
SKILLED NURSING							
SPECIAL CARE							

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. SEE NEXT PAGE FOR MONTHLY RESIDENTS.

	2010	2011	2012	2013
INCOME FROM ONGOING OPERATIONS				
OPERATING INCOME (excluding amortization of entrance fee income)	404,797	684,163	893,745	907,092
LESS OPERATING EXPENSES (excluding depreciation, amortization, and interest)	1,020,747	1,171,340	1,327,177	1,455,331
NET INCOME FROM OPERATIONS	-615,950	-487,177	-433,432	-548,239
LESS INTEREST EXPENSE	0	0	0	0
PLUS CONTRIBUTIONS	195,250	187,542	406,504	178,569
PLUS NON-OPERATING INCOME (EXPENSES) (excluding extraordinary items)	1,031,088	928,226	932,811	1,842,022
NET INCOME (LOSS) BEFORE ENTRANCE FEES, DEPRECIATION AND AMORTIZATION	610,388	628,591	905,833	1,472,352
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

FINANCIAL RATIOS

(see next page for ratio formulas)

2012 CCAC Medians
50th Percentile
(optional)

	2011	2012	2013
DEBT TO ASSET RATIO			
OPERATING RATIO	1.71	1.48	1.60
DEBT SERVICE COVERAGE RATIO			
DAYS CASH-ON-HAND RATIO	5,299	4,662	4,547

HISTORICAL MONTHLY SERVICE FEES

(AVERAGE FEE AND PERCENT CHANGE)

NON-CONTINUING CARE RESIDENTS ONLY:

	2010	%	2011	%	2012	%	2013
STUDIO							
ONE BEDROOM			187,542				
TWO BEDROOM							
COTTAGE/HOUSE	1,850	22.9	2,274	0.3	2,280	-4.3	2,182
ASSISTED LIVING	2,698	5.2	2,837	-6.9	2,642	5.2	2,780
SKILLED NURSING							
SPECIAL CARE							

COMMENTS FROM PROVIDER:

THE HISTORICAL MONTHLY SERVICE FEES REPRESENT ONLY NON-CONTINUING CARE RESIDENTS

WITH MONTHLY CONTRACTS. SEE PREVIOUS PAGE FOR CONTINUING CARE RESIDENTS.

PART 7
REPORT ON CCRC MONTHLY SERVICE FEES

**THE BRITISH HOME IN CALIFORNIA, LTD.
NOTE FOR FORM 7-1
NOVEMBER 30, 2013**

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

	<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)	\$1,175-\$2,226	\$1,004-\$2,451	
[2] Indicate percentage of increase in fees imposed during reporting period: (indicate range, if applicable)			

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

NON-CONTINUING CARE RESIDENTS
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)	\$660-\$3,000	\$1,500-\$3,400	
[2] Indicate percentage of increase in fees imposed during reporting period: (indicate range, if applicable)			

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.

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KEY INDICATORS REPORT

The British Home in California, Ltd.

Shawn P. Datta
Chief Executive Officer Signature

	Forecast											
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	
OPERATIONAL STATISTICS												
1. Average Annual Occupancy by Site (%)	37%	45%	65%	78%	82%	82%	82%	82%	82%	82%	82%	82%
MARGIN (PROFITABILITY) INDICATORS												
2. Net Operating Margin (%)	-75%	-74%	-23%	-9%	-31%	-21%	-20%	-19%	-18%	-17%	-16%	-16%
3. Net Operating Margin - Adjusted	-75%	-74%	-23%	-9%	-31%	-21%	-20%	-19%	-18%	-17%	-16%	-16%
LIQUIDITY INDICATORS												
4. Unrestricted Cash & Investments (\$000)	16,605	17,042	17,004	16,950	18,129	18,134	18,139	18,144	18,149	18,154	18,159	18,159
5. Days Cash on Hand (Unrestricted)	6,145	6,094	5,299	4,662	4,547	4,549	4,551	4,553	4,555	4,557	4,559	4,559
CAPITAL STRUCTURE INDICATORS												
6. Deferred Revenue from Entrance Fees (\$000)	225	187	142	115	58	47	37	29	23	18	14	14
7. Net Annual E/F proceeds (\$000)	-	-	-	-	-	-	-	-	-	-	-	-
8. Unrestricted Net Assets (\$000)	16,909	17,455	18,015	18,826	20,229	20,234	20,239	20,244	20,249	20,254	20,259	20,259
9. Annual Capital Asset Expenditure (\$000)	224	115	333	991	302	240	240	240	240	240	240	240
10. Annual Debt Service Coverage Revenue Basis (x)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
11. Annual Debt Service Coverage (x)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
12. Annual Debt Service/Revenue (%)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
13. Average Annual Effective Interest Rate (%)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
14. Unrestricted Cash & Investments/ Long-Term Debt (%)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
15. Average Age of Facility (years)	16	16	15	15	16	17	18	19	20	21	22	22

RECEIVED

APR 29 2014

CONTINUING CARE
CONTRACTS BRANCH