

RECEIVED
ANNUAL REPORT CHECKLIST
JAN 06 2014

FISCAL YEAR ENDED:
08/31/2013

PROVIDER(S): Fountainview at Eisenberg Village LLC and
Los Angeles Jewish Home for the Aging

CCRC(S): Fountainview at Eisenberg Village

CONTACT PERSON: Elaine Kamiel

TELEPHONE NO.: (818) 774-3372 EMAIL: elaine.kamiel@jha.org

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

- Annual Report Checklist.
- Annual Provider Fee in the amount of: \$ 5,802 -
 - 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.
- 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.



LOS ANGELES
JEWISH HOME

Family of Senior Services

BOARD OF DIRECTORS

- Rick Bender
Vice Chair, Budget & Finance
- Leon Blankstein
Vice Chair, Fund Development
- Joyce Brandman
- Joyce Eisenberg-Keefe
- Molly Forrest
CEO-President
- Jeffrey Glassman
Chair
- Marshall A. Gluchow
Vice Chair, Ethics and Values
- Sherman Grancell
Member Emeritus
- Joseph Held
Vice Chair, Building & Facilities Management
- Charles H. Hershson
- Michael Heslov
Immediate Past Chair
- Barbara Miller-Fox Abramoff
Vice Chair, Employment & Human Resources
- Marcie Polier Swartz
- Steve Reissman
- Pamela Rubin
- Annette Shapiro
Secretary

CORPORATE OFFICERS

- Molly Forrest
Chief Executive Officer & President
- Sherri B. Cunningham
Chief Financial Officer & V.P. of Finance
- Sharon Z. Ginchansky
V.P. of Human Resources
- Arnold Possick
V.P. of Planning and Community-Based Services & Corporate Compliance Officer
- Ira Schreck
Senior V.P., Jewish Home Foundation
- Larissa Stepanians
Chief Operating Officer

CORPORATE OFFICE

7150 Tampa Avenue
Reseda, CA 91335
Tel: (818) 774-3000
Fax: (818) 774-3020
www.jha.org

RECEIVED
JAN 06 2014

CONTINUING CARE
CONTRACTS BRANCH

December 19, 2013

Mr. John Rodriquez
State of California – Health and Human Services Agency
Department of Social Services
Continuing Care Contracts Branch
744 P Street
Sacramento, CA 95814

Dear Mr. Rodriquez:

This is to certify that our annual report for Fountainview at Eisenberg Village, LLC and any amendments to the annual report are correct to the best of my knowledge. Each continuing care contract form in use or offered to new residents has been approved by the Department of Social Services. As of August 31, 2013, Fountainview at Eisenberg Village, LLC, exceeds the required reserves.

Sincerely,

Mary M. (Molly) Forrest
CEO and President

BOARD OF GOVERNORS

Dr. Marlene Bane
 Donald Berghoff
 Stanley Black
 Rosanna Bogart
 Eunice David
 Mel Elliot
 Jake Farber
 Harold Foonberg
 Sheila Frost
 Dorothy Goren
 Earl Greinetz
 Trena Greitzer
 Calvin Gross
 Robert Hirsch
 Marvin Jubas
 Evelyn Lutin
 Barry D. Maiten
 Diane Morton
 Beverly Nathan
 Dr. Gerald Niznick
 Joy Picus
 Conrad Platt
 Janet Polak, Chair
 Arnold Price
 Barbara Price
 Regina C. Scheer
 Richard Schulman
 Muriel Seelig
 Robert Shadur
 Jeffrey Tamkin
 Robert Waldorf
 Laurel Warner
 Edna Weiss
 Irving White
 Bennett Wolf

HONORARY OFFICER FOR LIFE

Muriel Seelig

*Skirball Hospice
 A Program of the
 Los Angeles Jewish Home*

6345 Balboa Boulevard
 Suite 213
 Encino, CA 91316
 (818) 774-3040

www.skirballhospice.org

In partnership with UCLA School of
 Medicine for the Anna & Harry Borun
 Center for Gerontological Research

COUNCIL OF PAST PRESIDENTS

Steven C. Good
 Meyer Gottlieb
 Arthur A. Greenberg
 Earl Greinetz
 Michael Heslov
 Robert Hirsch
 Harold I. Rice
 Stephen S. Sobul
 David L. Swartz

SUPPORT GROUP PRESIDENTS

Associates-IMC
 Joy Brook

*Benefactors of the
 Jewish Club of 1933*
 Ray Prinz

The Executives
 Jacques Soriano

The Guardians
 Izzy Freeman

JEWISH HOME SUBSIDIARY BOARDS

Annenberg School of Nursing
 Mel Elliot, Chair
 Jacqueline Fogel, Secretary
 Earl Greinetz
 Robert Hirsch
 Judith Friedman Rudzki
 Debra Smalley
 Molly Forrest, CEO-President
 Sharon Z. Ginchansky, VP of
 Human Resources

Brandman Centers for Senior Care
 Joyce Brandman
 Anne Friedrich
 Dr. James Gerson
 Arthur A. Greenberg, Chair
 Dr. Ed Schneider
 Dale Surowitz
 Scott Weiss
 Molly Forrest, CEO-President
 Arnold Possick, V.P. of Planning
 and Community-Based Services

*Educational & Gerontological
 Research Organization*
 Dr. Ray Borun
 Dr. Pinchas Cohen
 Dr. Debra Saliba
 Dr. Fred Sattler
 Dr. Ed Schneider, Chair
 Dr. Gary Small
 Molly Forrest, CEO-President

Eisenberg Village
 Terri Bloomgarden, Secretary
 Fred Gaines
 David Kekst
 Michelle Rubin
 Pamela Rubin
 Judith Friedman Rudzki, Chair
 Scott Sachs
 Molly Forrest, CEO-President

Fountainview Board of Governors
 Jacqueline Fogel, Secretary
 Mike Maroko
 Judge Thomas Schneider
 David L. Swartz, Chair
 Molly Forrest, CEO-President

Gonda W'S JHA 16, LLC
 Jerry Epstein, Vice Chair
 Jeffrey Glassman,
 Jewish Home Board Chair
 Joe Held
 Michael Heslov
 Mark Rubin, Chair
 Steve Reissman
 Molly Forrest, Secretary
 Jewish Home CEO-President

Grancell Village
 Terri Bloomgarden, Secretary
 Fred Gaines
 David Kekst
 Michelle Rubin
 Pamela Rubin
 Judith Friedman Rudzki, Chair
 Scott Sachs
 Molly Forrest, CEO-President

JHA Geriatrics Services, Inc.
 Joyce Brandman
 Dorothy Goren
 Susan Richter
 Danny Rosett, Secretary
 Scott Weiss, Chair
 Molly Forrest, CEO-President
 Arnold Possick, V.P. of Planning
 and Community-Based Services

Jewish Home Foundation
 Leon Blankstein
 Joyce Brandman
 Joyce Eisenberg-Keefe
 Jeffrey Glassman
 Steve Good
 Michael Heslov
 Fred Kayne
 Dr. Gerald Niznick
 Jeff Polak
 Mark Rubin
 Michael Ziering
 Richard Ziman, Chair
 Molly Forrest, CEO-President
 Ira Schreck, Sr. V.P., Jewish Home
 Foundation

BETA Risk Management Authority
A Public Entity
CERTIFICATE OF COVERAGE

RECEIVED
JAN 06 2014

This is to certify that Healthcare Entity Comprehensive Liability Coverage is in effect for the Named Member, subject to the provisions of the coverage contract listed below.

CONTINUING CARE
CONTRACTS BRANCH

PRODUCER: Chivaroli & Associates, Inc
200 North Westlake Blvd. Suite 101, Westlake Village CA 91362, Phone: 805-371-3680

NAMED MEMBER: Los Angeles Jewish Home for the Aging

COVERAGE: Evidence of coverage as respects the operations of the named member in connection with Fountainview at Eisenberg Village, LLC located at 6440 Wilbur Ave., Reseda, CA 91335

Certificate Number: NP-C-13-050

Effective Date: 7/1/2013 at 12:01 a.m.
Expiration Date: 7/1/2014 at 12:01 a.m.
Retroactive Date: 5/1/2003 at 12:01 a.m.

Coverage Type: Professional Liability - Claims made and reported
General Liability - Occurrence

Healthcare Entity Comprehensive Liability Coverage
LIMITS OF LIABILITY

\$1,000,000	Per Claim
\$3,000,000	Aggregate Per Contract Period

DEDUCTIBLE

NONE	Per Claim
	Aggregate Per Contract Period

This Certificate is issued as a matter of information only and confers no rights upon the Certificate Holder. This Certificate does not amend, extend or alter the coverage afforded under the coverage contract.

CERTIFICATE HOLDER
FOR INFORMATION ONLY

CANCELLATION

Should the above described Coverage Contract be canceled by BETA HEALTHCARE GROUP before the expiration date thereof, BETA HEALTHCARE GROUP will endeavor to mail 30 days written notice to the Certificate Holder named to the left, but the failure to mail such notice shall impose no obligation or liability of any kind upon BETA HEALTHCARE GROUP, its agents or representatives.



Authorized Representative of BHG

R E C E I V E D
JAN 0 6 2014

CONTINUING CARE
CONTRACTS BRANCH

Report of Independent Auditors and Continuing Care
Liquid Reserve Schedules for

**Los Angeles Jewish Home
for the Aging**

August 31, 2013

CONTENTS

	PAGE
REPORT OF INDEPENDENT AUDITORS	1-2
CONTINUING CARE LIQUID RESERVE SCHEDULES	
Form 5-1, Long-Term Debt Incurred in a Prior Fiscal Year	3
Form 5-2, Long-Term Debt Incurred During Fiscal Year	4
Form 5-3, Calculation of Long-Term Debt Reserve Amount	5
Form 5-4, Calculation of Net Operating Expenses	6
Form 5-5, Annual Reserve Certification	7
NOTES TO CONTINUING CARE LIQUID RESERVE SCHEDULES	8
SUPPLEMENTARY INFORMATION	
Attachment I to Form 5-1, Reconciliation of Principal and Interest Paid	9
Attachment II to Form 5-3, Reconciliation of Rental Payments	10

R E C E I V E D
JAN 06 2014

CONTINUING CARE
CONTRACTS BRANCH

REPORT OF INDEPENDENT AUDITORS

To the Members of the Board of Directors of
Los Angeles Jewish Home for the Aging
Reseda, California

Report on Financial Statements

We have audited the accompanying financial statements of Los Angeles Jewish Home for the Aging, which comprise the continuing care liquid reserve schedules, Form 5-1 through Form 5-5, as of and for the year ended August 31, 2013.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

MOSS ADAMS LLP***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the continuing care reserves of Los Angeles Jewish Home for the Aging as of and for the year ended August 31, 2013, in conformity with the liquid reserve requirements of California Health and Safety Code Section 1792.

Basis of Accounting

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that comprise Los Angeles Jewish Home for the Aging's basic financial statements. The supplementary information on pages 9 and 10 are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Restricted Use

Our report is intended solely for the information and use of the Board of Directors and management of Los Angeles Jewish Home for the Aging 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.



Los Angeles, California
December 19, 2013

LOS ANGELES JEWISH HOME FOR THE AGING
FORM 5-1
LONG-TERM DEBT INCURRED IN A PRIOR FISCAL YEAR
FOR THE YEAR ENDED AUGUST 31, 2013

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	12/01/03	\$1,785,000	\$3,785,588		\$5,570,588
2	02/14/08	\$25,000	\$1,747,950		\$1,772,950
3					\$0
4					\$0
5					\$0
6					\$0
7					\$0
8					\$0
		TOTAL:	\$5,533,538	\$0	\$7,343,538

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

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

PROVIDER: FOUNTAINVIEW AT EISENBERG VILLAGE LLC

LOS ANGELES JEWISH HOME FOR THE AGING
FORM 5-2
LONG-TERM DEBT INCURRED DURING FISCAL YEAR
FOR THE YEAR ENDED AUGUST 31, 2013

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.

PROVIDER: FOUNTAINVIEW AT EISENBERG VILLAGE LLC

LOS ANGELES JEWISH HOME FOR THE AGING
FORM 5-3
CALCULATION OF LONG-TERM DEBT RESERVE AMOUNT
FOR THE YEAR ENDED AUGUST 31, 2013

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

Line	TOTAL
1	Total from Form 5-1 bottom of Column (e) \$7,343,538
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) \$432,000
4	TOTAL AMOUNT REQUIRED FOR LONG-TERM DEBT RESERVE: \$7,775,538

PROVIDER: FOUNTAINVIEW AT EISENBERG VILLAGE LLC

LOS ANGELES JEWISH HOME FOR THE AGING
FORM 5-4
CALCULATION OF NET OPERATING EXPENSES
FOR THE YEAR ENDED AUGUST 31, 2013

FORM 5-4
CALCULATION OF NET OPERATING EXPENSES

Line	Amounts	TOTAL
1	Total operating expenses from financial statements	\$5,886,058
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	\$83,788
d.	Amortization	\$316,393
e.	Revenues received during the fiscal year for services to persons who did not have a continuing care contract	\$0
f.	Extraordinary expenses approved by the Department	\$0
3	Total Deductions	\$400,181
4	Net Operating Expenses	\$5,485,877
5	Divide Line 4 by 365 and enter the result.	\$15,030
6	Multiply Line 5 by 75 and enter the result. This is the provider's operating expense reserve amount.	\$1,127,235

PROVIDER: FOUNTAINVIEW AT EISENBERG VILLAGE LLC
COMMUNITY: FOUNTAINVIEW AT EISENBERG VILLAGE LLC

LOS ANGELES JEWISH HOME FOR THE AGING
NOTES TO CONTINUING CARE LIQUID RESERVE SCHEDULES
AUGUST 31, 2013

Note 1 - General

Los Angeles Jewish Home for the Aging (the Home) and Fountainview at Eisenberg Village, LLC (Fountainview), are co-providers of the Fountainview continuing care retirement community which opened in February 2010. The information included in this Annual Reserve Report has been supplied for the co-providers, with the exception of Form 5-4 calculation of net operating expenses, which is based on the financial results of Fountainview.

**LOS ANGELES JEWISH HOME FOR THE AGING
ATTACHMENT I TO FORM 5-1
RECONCILIATION OF PRINCIPAL AND INTEREST PAID
STATE OF CALIFORNIA - DEPARTMENT OF SOCIAL SERVICES
FOR THE YEAR ENDED AUGUST 31, 2013 (IN THOUSANDS)**

	Los Angeles Jewish Home for the Aging	Fountainview at Eisenberg Village, LLC	Total Co- Providers
PRINCIPAL PAID DURING FISCAL YEAR			
Principal paid during fiscal year per consolidating statement of cash flows	\$ 23,810	-	23,810
Less voluntary payments on Series 2008 Bonds	(22,000)	-	(22,000)
Total required principal paid related to Series 2008 Bonds included on Form 5-1	\$ 1,810	-	1,810
			-
INTEREST PAID DURING FISCAL YEAR			
Cash paid for interest per consolidating statement of cash	\$ 5,572		5,572
Less interest paid on other debt	(38)		(38)
Interest paid during fiscal year related to Series 2008 Bonds included on Form 5-1	\$ 5,534	-	5,534

**LOS ANGELES JEWISH HOME FOR THE AGING
ATTACHMENT II TO FORM 5-3
RECONCILIATION OF RENTAL PAYMENTS
STATE OF CALIFORNIA – DEPARTMENT OF SOCIAL SERVICES
FOR THE YEAR ENDED AUGUST 31, 2013 (IN THOUSANDS)**

	<u>Fountainview at Eisenberg Village, LLC</u>
GENERAL AND ADMINISTRATIVE EXPENSE	
Rental payments per Line 3, Form 5-3	\$ 432
Other	<u>659</u>
Total general and administrative expense per consolidating statement of activities	<u><u>\$ 1,091</u></u>

R E C E I V E D
JAN 0 6 2014

**CONTINUING CARE
CONTRACTS BRANCH**

**Report of Independent Auditors and
Consolidated Financial Statements with
Supplementary Information for**

**Los Angeles Jewish Home
for the Aging**

August 31, 2013 and 2012

CONTENTS

	PAGE
REPORT OF INDEPENDENT AUDITORS	1-2
CONSOLIDATED FINANCIAL STATEMENTS	
Consolidated statements of financial position	3
Consolidated statements of activities	4-5
Consolidated statements of cash flows	6-7
Notes to consolidated financial statements	8-26
SUPPLEMENTARY INFORMATION	
Consolidating schedule - Statement of financial position information as of August 31, 2013	27-28
Consolidating schedule - Statement of activities information for the year ended August 31, 2013	29
Consolidating schedule - Statement of cash flows information for the year ended August 31, 2013	30-31

R E C E I V E D
 JAN 0 6 2014

REPORT OF INDEPENDENT AUDITORS

CONTINUING CARE
 CONTRACTS BRANCH

The Board of Directors
 Los Angeles Jewish Home for the Aging

Report on Financial Statements

We have audited the accompanying consolidated financial statements of Los Angeles Jewish Home for the Aging, which comprise the consolidated statements of financial position as of August 31, 2013 and 2012, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Los Angeles Jewish Home for the Aging as of August 31, 2013 and 2012, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

MOSS ADAMS_{LLP}**Other Matter***Supplementary Information*

Our audits were conducted for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The accompanying supplementary consolidating schedules listed in the foregoing table of contents are presented for the purpose of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of the Home's management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

A handwritten signature in cursive script that reads "Moss Adams LLP".

Los Angeles, California
December 19, 2013

LOS ANGELES JEWISH HOME FOR THE AGING
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (IN THOUSANDS)
AS OF AUGUST 31, 2013 AND 2012

	2013	CONTINUING CARE CONTRACT 2012 BRANCH
Assets		
Current assets:		
Cash and cash equivalents	\$ 15,349	\$ 40,050
Assets limited as to use, required for payment of current liabilities (Note 5)	2,355	8,669
Investments (Notes 3 and 4)	91	252
Accounts receivable, net of allowance for doubtful accounts of \$164 and \$124 in 2013 and 2012, respectively (Note 2)	9,099	10,599
Contributions receivable, net (Note 6)	5,619	5,248
Prepaid and other current assets	1,716	1,525
Total current assets	34,229	66,343
Assets limited as to use, net of current portion (Note 5)	10,348	11,101
Investments (Notes 3 and 4)	11,964	10,047
Contributions receivable, net (Note 6)	21,536	12,005
Assets held in trust for residents (Note 7)	1,012	1,631
Interest in net assets of The Guardians (Note 2)	1,278	1,767
Property, plant and equipment, net (Note 8)	175,479	157,309
Deferred costs, net (Note 9)	7,098	7,716
Escrow deposits and other assets (Note 10)	6,786	2,278
Total assets	\$ 269,730	\$ 270,197
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued expenses	\$ 5,104	\$ 5,037
Accrued interest expense	1,365	1,691
Accrued compensation	7,455	6,656
Due to third party payers	5,651	3,728
Refundable entrance fees payable (Note 13)	1,516	-
Current portion of annuity obligations	266	277
Current portion of long-term debt (Note 11)	1,941	7,998
Total current liabilities	23,298	25,387
Fountainview deposits (Note 12)	5,796	522
Refundable advance fees liability (Note 14)	50,067	38,890
Deferred revenue from advance fees (Notes 1 and 15)	3,940	3,385
Annuity obligations, less current portion	1,057	877
Asset retirement obligation (Note 16)	721	717
Resident funds (Note 7)	1,012	1,631
Long-term debt, less current portion (Note 11)	87,908	105,994
Total liabilities	173,799	177,403
Net assets:		
Unrestricted	55,252	61,614
Temporarily restricted (Note 17)	30,254	20,756
Permanently restricted (Note 18)	10,425	10,424
Total net assets	95,931	92,794
Commitments and contingencies (Note 16)		
Total liabilities and net assets	\$ 269,730	\$ 270,197

LOS ANGELES JEWISH HOME FOR THE AGING
CONSOLIDATED STATEMENT OF ACTIVITIES (IN THOUSANDS)
YEAR ENDED AUGUST 31, 2013

	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Permanently restricted</u>	<u>Total</u>
Operating revenue:				
Net patient service revenue (Note 19)	\$ 81,112	\$ -	\$ -	\$ 81,112
Contributions	7,231	18,183	36	25,450
Investment income (Note 3)	822	12	3	837
Other revenue	1,152	-	-	1,152
Net assets released from restriction - used for operations	8,110	(8,110)	-	-
Change in value of split-interest agreements	-	(38)	(38)	(76)
Change in interest in net assets of The Guardians	-	(389)	-	(389)
Total operating revenue	<u>98,427</u>	<u>9,658</u>	<u>1</u>	<u>108,086</u>
Operating expenses:				
Outside medical services	219	-	-	219
Nursing	28,980	-	-	28,980
Plant operations, housekeeping, and laundry	10,478	-	-	10,478
Dietary	9,450	-	-	9,450
Social services	3,433	-	-	3,433
Ancillary	7,040	-	-	7,040
General and administrative	15,660	-	-	15,660
Employee-related insurance	2,345	-	-	2,345
Fund-raising	2,080	-	-	2,080
Marketing	1,542	-	-	1,542
Community based services	9,228	-	-	9,228
Depreciation and amortization	6,691	-	-	6,691
Insurance and taxes	709	-	-	709
Provision for bad debts	425	-	-	425
Debt financing costs	6,206	-	-	6,206
Other	463	-	-	463
Total operating expenses	<u>104,949</u>	<u>-</u>	<u>-</u>	<u>104,949</u>
Revenue in excess of (less than) expenses	(6,522)	9,658	1	3,137
Net assets released from restriction - used for capital expenditures	<u>160</u>	<u>(160)</u>	<u>-</u>	<u>-</u>
Change in net assets	(6,362)	9,498	1	3,137
Net assets at beginning of year	<u>61,614</u>	<u>20,756</u>	<u>10,424</u>	<u>92,794</u>
Net assets at end of year	<u>\$ 55,252</u>	<u>\$ 30,254</u>	<u>\$ 10,425</u>	<u>\$ 95,931</u>

LOS ANGELES JEWISH HOME FOR THE AGING
CONSOLIDATED STATEMENT OF ACTIVITIES (IN THOUSANDS)
YEAR ENDED AUGUST 31, 2012

	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Permanently restricted</u>	<u>Total</u>
Operating revenue:				
Net patient service revenue (Note 19)	\$ 83,140	\$ -	\$ -	\$ 83,140
Contributions	6,080	2,168	128	8,376
Investment income (Note 3)	1,506	11	3	1,520
Other revenue	874	-	-	874
Net assets released from restriction – used for operations	6,380	(6,380)	-	-
Change in value of split-interest agreements	-	(42)	(79)	(121)
Change in interest in net assets of The Guardians	-	821	-	821
Total operating revenue	<u>97,980</u>	<u>(3,422)</u>	<u>52</u>	<u>94,610</u>
Operating expenses:				
Nursing	26,662	-	-	26,662
Plant operations, housekeeping, and laundry	9,624	-	-	9,624
Dietary	8,392	-	-	8,392
Social services	3,194	-	-	3,194
Ancillary	6,977	-	-	6,977
General and administrative	13,664	-	-	13,664
Employee-related insurance	2,004	-	-	2,004
Fund-raising	2,020	-	-	2,020
Marketing	1,495	-	-	1,495
Community based services	8,160	-	-	8,160
Depreciation and amortization	6,042	-	-	6,042
Insurance and taxes	713	-	-	713
Provision for bad debts	270	-	-	270
Debt financing costs	6,888	-	-	6,888
Other	990	-	-	990
Total operating expenses	<u>97,095</u>	<u>-</u>	<u>-</u>	<u>97,095</u>
Revenue in excess of (less than) expenses	885	(3,422)	52	(2,485)
Net assets released from restriction – used for capital expenditures	<u>370</u>	<u>(370)</u>	<u>-</u>	<u>-</u>
Change in net assets	1,255	(3,792)	52	(2,485)
Net assets at beginning of year	<u>60,359</u>	<u>24,548</u>	<u>10,372</u>	<u>95,279</u>
Net assets at end of year	<u>\$ 61,614</u>	<u>\$ 20,756</u>	<u>\$ 10,424</u>	<u>\$ 92,794</u>

LOS ANGELES JEWISH HOME FOR THE AGING
CONSOLIDATED STATEMENTS OF CASH FLOWS (IN THOUSANDS)
YEARS ENDED AUGUST 31, 2013 AND 2012

	<u>2013</u>	<u>2012</u>
Cash flows from operating activities:		
Cash received from residents and third party payors	\$ 88,807	\$ 90,806
Proceeds from advance fees received	16,360	17,842
Other receipts from operations	1,152	874
Unrestricted contributions received	10,295	9,010
Unrestricted investment income received	510	1,322
Cash paid to suppliers and employees	(96,191)	(83,223)
Cash paid for interest on long-term debt	(5,572)	(6,258)
	<u>15,361</u>	<u>30,373</u>
Net cash provided by operating activities		
Cash flows from investing activities:		
Capital expenditures	(24,235)	(7,198)
Notes receivable	-	16,000
Proceeds from sale of trading investments	1,000	500
Purchase of trading investments	(2,429)	(3,257)
Assets limited as to use	7,067	(5,526)
	<u>(18,597)</u>	<u>519</u>
Net cash (used in) provided by investing activities		
Cash flows from financing activities:		
Advances under short-term financing arrangements	-	1,830
Repayment of short-term financing arrangements	-	(1,830)
Principal payments on long-term debt	(23,810)	(12,725)
Payment of deferred costs	(991)	(123)
Payment of refundable entrance fees	(2,110)	(2,011)
Change in interest in net assets of The Guardians	489	179
Proceeds from restricted contributions and investment income	4,957	3,859
	<u>(21,465)</u>	<u>(10,821)</u>
Net cash used in financing activities		
	<u>(24,701)</u>	<u>20,071</u>
Net change in cash and cash equivalents		
Cash and cash equivalents at beginning of year	<u>40,050</u>	<u>19,979</u>
Cash and cash equivalents at end of year	<u>\$ 15,349</u>	<u>\$ 40,050</u>

LOS ANGELES JEWISH HOME FOR THE AGING
CONSOLIDATED STATEMENTS OF CASH FLOWS (IN THOUSANDS)
YEARS ENDED AUGUST 31, 2013 AND 2012 (CONTINUED)

	2013	2012
Cash flows from operating activities:		
Change in net assets	\$ 3,137	\$ (2,485)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Advance refundable fees received	14,723	16,112
Advance non-refundable fees received	1,637	1,730
Accretion of asset retirement obligation	4	4
Depreciation and amortization	6,687	6,038
Amortization of bond issuance costs	1,293	1,058
Amortization of deferred marketing costs	316	317
Amortization of deferred revenues from advance fees	(1,002)	(627)
Amortization of bond premium	(333)	(258)
Provision for bad debts	425	270
Gain on disposal of property and equipment	(26)	508
Restricted contributions and investment income received	(15,392)	(897)
Net realized and unrealized gains on investments	(327)	(198)
(Increase) decrease in operating assets:		
Accounts receivable	1,075	5,276
Prepaid and other current assets	(191)	366
Contributions receivable	533	881
Other assets	(4,508)	(10)
Increase (decrease) in operating liabilities:		
Accounts payable, accrued expenses, and accrued compensation	270	(239)
Accrued interest expense	(326)	(170)
Fountainview deposits	5,274	(320)
Due to third party payors	1,923	3,067
Annuity obligations	169	(50)
	\$ 15,361	\$ 30,373

LOS ANGELES JEWISH HOME FOR THE AGING NOTES TO FINANCIAL STATEMENTS

Note 1 - Organization

Los Angeles Jewish Home for the Aging (JHA), a tax exempt corporation located in Reseda, California, was founded in 1912 and organized in 1979 to operate three separate tax-exempt corporations - Eisenberg Village of the Los Angeles Jewish Home for the Aging (Eisenberg Village), licensed to operate 271 residential (board and care) beds and 166 skilled nursing beds; Grancell Village of the Los Angeles Jewish Home for the Aging (Grancell Village), licensed to operate 105 skilled nursing beds and an acute psychiatric hospital consisting of 10 acute beds and supplemental service of 239 distinct part skilled nursing beds; and JHA Geriatric Services, Inc., established to provide outpatient services to the residents of Eisenberg and Grancell Village and seniors in the surrounding community.

In 2006, JHA established Fountainview at Eisenberg Village LLC for the purpose of operating a continuing care retirement community known as Fountainview at Eisenberg Village. Fountainview at Eisenberg Village opened in February 2010 and has 108 apartments licensed for 216 residents.

In 2008, JHA opened the Annenberg School of Nursing. The school offers training programs for licensed vocational nurses and certified nursing assistants.

In 2009, JHA created Brandman Centers for Senior Care, Inc. (BCSC) for the purpose of operating PACE sites (Program of All-Inclusive Care for the Elderly) in the Los Angeles area. BCSC opened the first PACE site on February 1, 2013 at Grancell Village.

In 2009, JHA created JHA West 16, LLC (JHA West 16), a limited liability company. In June 2012, JHA Geriatric Services, Inc., which was the sole member of JHA West 16, transferred its membership interest to Eisenberg Village. JHA West 16 was initially organized to raise funds to be used to acquire an option to purchase certain land located in West Los Angeles. During fiscal 2012, JHA chose not to exercise the option, and reorganized JHA West 16 for the purpose of supporting Eisenberg Village in its operation of continuing care retirement communities. In October 2012, Eisenberg Village transferred its membership interest to JHA. JHA West 16 purchased land in September 2012 in Playa Vista, California for the construction of a continuing care retirement community, Fountainview at Gonda Westside. Construction is anticipated to begin in 2014 with estimated completion in late 2016.

In 2012, JHA organized the Jewish Home Foundation (the Foundation) to engage in charitable and educational activities on behalf of JHA. No financial transactions were recorded by the Foundation for the years ended August 31, 2013 and 2012.

JHA is the sole corporate member of Eisenberg Village, Grancell Village, the Annenberg School of Nursing BCSC, JHA West 16 and the Foundation. JHA is not the sole corporate member of JHA Geriatric Services, Inc., but elects all of the members of its board of directors. Eisenberg Village of the Los Angeles Jewish Home for the Aging is the sole member of Fountainview at Eisenberg Village LLC.

JHA and all related organizations are collectively referred to as "the Home."

LOS ANGELES JEWISH HOME FOR THE AGING
NOTES TO FINANCIAL STATEMENTS

Note 1 - Organization (continued)

Effective September 1, 2012, the Home early-adopted Accounting Standards Update (ASU) No. 2012-01, *Health Care Entities (Topic 954): Continuing Care Retirement Communities – Refundable Advance Fees* which has resulted in the establishment of a liability for advance fees for amounts which were previously presented as deferred revenue and amortized into revenue over the life of the facility. In accordance with FASB Accounting Standards Codification Topic 250, *Accounting Changes and Error Corrections*, these financial statements present the adoption of ASU No. 2012-01 as a change in accounting principle, and accordingly, the 2012 financial statements presented herein have been adjusted to apply the new accounting method retrospectively as follows:

	August 31, 2012		
	As Previously Reported	Adjustment	As Adjusted
Unrestricted net assets, beginning of year	\$ 60,963	\$ (604)	\$ 60,359
Unrestricted net assets, end of year	63,024	(1,410)	61,614
Total net assets, beginning of year	95,883	(604)	95,279
Total net assets, end of year	94,204	(1,410)	92,794
Deferred revenue from advance fees	40,865	(37,480)	3,385
Refundable advance fees liability	-	38,890	38,890
Net patient service revenue	83,946	(806)	83,140
Change in net assets	(1,679)	(806)	(2,485)

Note 2 - Summary of Significant Accounting Policies

Basis of presentation - The consolidated financial statements include the accounts of the related organizations described above. All significant intercompany accounts and transactions have been eliminated.

Use of estimates - The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Significant items subject to such estimates and assumptions include the valuation allowances for accounts and contributions receivable; liabilities for self-insured workers' compensation and unemployment risks; and valuation of split-interest agreements. Actual results could differ from those estimates.

Cash and cash equivalents - Investments with original maturities of three months or less are considered to be cash equivalents. As of August 31, 2013 and 2012 cash equivalents are comprised of money market funds.

LOS ANGELES JEWISH HOME FOR THE AGING

NOTES TO FINANCIAL STATEMENTS

Note 2 - Summary of Significant Accounting Policies (continued)

Interest in net assets of The Guardians - The Guardians is a not-for-profit corporation established for the charitable purpose of promoting and supporting the work of the Home. The Guardians has a separate board of directors over which the Home does not exercise majority control and, therefore, the operations of The Guardians are not included in the accompanying consolidated financial statements. The Guardians was established to operate exclusively for the benefit of the Home and, upon dissolution, the net assets of The Guardians are to be transferred to the Home. Donors do not grant The Guardians variance power to redirect the use of the assets.

The Home recognizes its interest in the net assets of The Guardians in accordance with Accounting Standards Codification ("ASC") 958 which requires that a specified beneficiary recognize its rights to assets held by a recipient organization as an asset, unless the donor has explicitly granted the recipient organization variance power, that is, the unilateral power to redirect the use of the assets.

Assets limited as to use - Assets limited as to use include contributions received that are restricted by the donor to investment in property and equipment or a specific program and funds held by the trustee under debt agreements for payment of debt service and are classified as available-for-sale. Assets limited as to use that are available for the payment of current liabilities are classified as current assets. Unrealized holding gains and losses of available-for-sale securities, if any, are reported below revenue in excess of (less than) expenses. Realized gains and losses from the sale of available-for-sale securities, if any, are included above revenue in excess of (less than) expenses on a specific-identification basis.

Investments - The Home records investments in equity securities with readily determinable fair values and all investments in debt securities at fair value. Realized and unrealized gains and losses from these trading securities are included in the consolidated statements of activities as unrestricted unless the income or loss is restricted by donor or California state law (note 18). Interest income that is restricted by the donor or law is recorded as an increase in temporarily or permanently restricted net assets.

Deferred costs - Deferred costs include debt issuance costs incurred in connection with the issuance of California Statewide Communities Development Authority Insured Health Facility Revenue Bonds (Los Angeles Jewish Home for the Aging) Series 2003 and Series 2008, issued in December 2003 and February 2008 (note 11), respectively. The costs for the tax-exempt financing are being amortized over the terms of the financing agreements using the effective interest method. Deferred costs also include direct response advertising costs incurred in connection with acquiring initial continuing care contracts. The costs for direct response advertising for Fountainview at Eisenberg Village are being amortized on a straight-line basis over the average expected remaining lives of the residents under the contracts. The costs for direct response advertising for Fountainview at Gonda Westside will not be amortized until the building is available for occupancy.

LOS ANGELES JEWISH HOME FOR THE AGING
NOTES TO FINANCIAL STATEMENTS

Note 2 - Summary of Significant Accounting Policies (continued)

Property and equipment - Property and equipment are stated at cost at the date of purchase or fair market value at the date of donation. Expenditures for maintenance and repairs are charged to expense. Improvements and major renewals are capitalized. The cost and related accumulated depreciation of properties sold or otherwise disposed of are removed from the accounts and any gains or losses on disposition are included in operating gains or losses. Interest cost incurred during the period of construction of capital assets is capitalized as a component of the cost of constructing those assets, net of investment income on unspent proceeds of tax-exempt borrowings restricted for use in construction.

Depreciation is computed using the straight-line method over estimated useful lives as follows:

Land improvements	12 to 30 years
Buildings and improvements	10 to 40 years
Equipment	2 to 10 years

Impairment of long-lived assets is recognized whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. Measurement of the amount of impairment may be based on market values of similar assets or estimates of future discounted cash flows resulting from use and ultimate disposition of the assets.

Net assets - Temporarily restricted net assets are those whose use by the Home has been restricted by donors to a specific time period or purpose. Permanently restricted net assets have been restricted by donors to be maintained in perpetuity.

Revenue in excess of (less than) expenses - The consolidated statements of activities include revenue in excess of (less than) expenses. Changes in unrestricted net assets, which are excluded from revenue in excess of (less than) expenses, include net assets released from restriction used for capital expenditures.

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

A significant portion of nursing care revenue is derived from residents covered under the California Medi-Cal and federal Medicare programs. These programs are highly regulated and are subject to state and federal budgetary and other constraints. Medi-Cal programs represented 39% and 48% of net accounts receivable at August 31, 2013 and 2012, respectively. Medicare programs represented 39% and 32% of net accounts receivable at August 31, 2013 and 2012, respectively. Revenue from these programs represented 67% and 66% of net patient service revenue for the years ended August 31, 2013 and 2012, respectively.

LOS ANGELES JEWISH HOME FOR THE AGING

NOTES TO FINANCIAL STATEMENTS

Note 2 - Summary of Significant Accounting Policies (continued)

The Home has provided for the difference between established charges for services provided to residents and the estimated amounts realizable under the reimbursement principles of the programs in order to determine net patient service revenue. While the Home's cash flow could be adversely affected by periodic government program funding delays or shortfalls, management does not believe there is any significant credit risk associated with these government programs.

The Home is reimbursed by Medicare prospectively according to resident care classifications, with each class assigned a fixed reimbursement rate. The Home is reimbursed by Medi-Cal at a fixed daily rate, which does not vary with the acuity level of the resident.

Revenue under third-party payer agreements is subject to audit and retroactive adjustment by third-party payers. Provisions for estimated third-party payer settlements are provided in the period the related services are rendered. Differences between the estimated amounts accrued at interim and final settlements are reported in operations in the year of settlement. The Home's cost reports have been audited by the fiscal intermediary through August 31, 2011.

Concentrations of credit risk - Financial instruments that potentially subject the Home to concentrations of credit risk consist primarily of investments and accounts receivable. The investment portfolio is managed within the guidelines established by the Board of Directors, which, as a matter of policy, limit the amounts that may be invested in any one issuer. A significant portion of the Home's accounts receivable is concentrated in government programs, in which the Home does not believe there is any undue credit risk. The Home has cash balances in financial institutions that are in excess of FDIC limits. Management monitors the financial condition of these institutions on an ongoing basis and does not believe significant credit risk exists at this time.

Contributions - Unconditional promises to give cash and other assets are reported at fair value at the date the promise is received, net of any estimated allowance. Unconditional promises to give that are expected to be received in future years are recorded at the present value of estimated future payments. Conditional promises to give are not recorded until the conditions are met.

The Home provides many services to its residents that are not reimbursed by government programs or residents. The Home is able to operate in such a manner because the community at large supports the need and the cost for such services. Therefore, the Home includes unrestricted contributions received as a component of unrestricted revenue and support.

Contributions are reported as either temporarily restricted or permanently restricted support if they are received with donor stipulations limiting the use of the donated assets. When a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the consolidated statements of activities as net assets released from restriction. However, if the restriction is fulfilled in the same time period in which the contribution is received, the Home reports the support as unrestricted.

LOS ANGELES JEWISH HOME FOR THE AGING NOTES TO FINANCIAL STATEMENTS

Note 2 - Summary of Significant Accounting Policies (continued)

Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support.

Split-interest agreements - The Home enters into split-interest agreements with donors who make gifts to the Home and require periodic payments for the remainder of their life. The Home has recorded amounts receivable and amounts held by the Home in trust under split-interest agreements of approximately \$383,000 and \$2,144,000, respectively, during 2013 and \$366,000 and \$1,866,000, respectively, during 2012. The amounts held in trust are included in investments in the consolidated statements of financial position. The rate of return to the donor is stated in the agreement and currently ranges from 4% to 10% of the fair value of the trust assets at the inception of the trust. The Home has recorded a liability equal to the present value of the amounts expected to be paid to the donors calculated at a rate applicable to the year in which the agreement is initially recorded. The difference between the assets held in trust and the present value of the annuity obligation is reported as an increase/decrease in temporarily or permanently restricted net assets as stipulated by the donor.

Income taxes - The Home is exempt from taxation under Section 501(c)(3) of the Internal Revenue Code and Section 23701d of the California Revenue and Taxation Code and is generally not subject to federal or state income taxes. However, the Home is subject to income taxes on any net income that is derived from a trade or business, regularly carried on, and not in furtherance of the purposes for which it was granted exemption. No income tax provision has been recorded as the net income, if any, from any unrelated trade or business, in the opinion of management, is not material to the consolidated financial statements taken as a whole. The Home recognizes the tax benefit from uncertain tax positions only if it is more likely than not that the tax positions will be sustained on examination by the tax authorities, based on the technical merits of the position. The tax benefit is measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. There were no uncertain tax positions as of August 31, 2013 or 2012.

Asset retirement obligation - The Home accounts for asset retirement obligations in accordance with ASC 410, and accrues for cost related to legal obligations to perform certain activities in connection with retirement, disposal and abandonment of assets. The Home has identified asbestos abatement as a retirement obligation. Asbestos abatement is estimated based upon historical removal cost per square foot applied to assets identified requiring asbestos abatement.

Obligation to provide future services - The Home annually calculates the present value of the net cost of future services and the use of facilities to be provided to current residents of Fountainview and compares that amount with the balance of deferred revenue from advance fees. If the present value of the net cost of future services and the use of facilities exceeds the deferred revenue from advance fees, a liability is recorded (obligation to provide future services and the use of facilities) with the corresponding charge to income. As of August 31, 2013 and 2012, no liability was recorded as the deferred revenue from advance fees exceeds the present value of the net cost of future services and the use of facilities.

LOS ANGELES JEWISH HOME FOR THE AGING

NOTES TO FINANCIAL STATEMENTS

Note 2 - Summary of Significant Accounting Policies (continued)

Advance Fees - The Residence and Care Agreements between the Home and the residents of Fountainview at Einsenberg Village provide for the payment of an advance fee. 90% of the advance fee is refundable to the resident upon re-occupancy of the unit, not to exceed 18 months from the termination date, and is recorded as a refundable advance fees liability. 10% of the advance fee is nonrefundable and is amortized to income using the straight-line method over the remaining life expectancy of the resident. The life expectancy of each resident is updated annually, based on annuity tables. The amount is recorded as deferred revenue from advance fees.

Reclassifications - Certain reclassifications were made to the 2012 amounts to conform to the 2013 presentation.

Recent accounting pronouncements - In October 2012, the FASB issued ASU 2012-05. ASU 2012-05, *Classification of the Sale Proceeds of Donated Financial Assets in the Statement of Cash Flows*, which requires certain classification of cash receipts from the sale of donated financial assets in the statement of cash flows. The ASU is effective prospectively for fiscal years beginning after June 15, 2013, and will be adopted by the Home in fiscal year ending August 31, 2015. Management is currently evaluating the impact of the adoption of ASU 2012-05.

Note 3 - Investments

Investments, stated at fair value, consist of the following at August 31, 2013 and 2012 (in thousands):

	<u>2013</u>	<u>2012</u>
Fixed-income securities, U.S. government and agency issues	\$ 923	\$ 795
Fixed-income securities, corporate issues	2,764	2,903
Domestic marketable equity securities	3,770	3,529
International mutual funds - marketable equity securities	2,212	1,740
International mutual funds - fixed income securities	375	326
State of Israel bonds	<u>2,011</u>	<u>1,006</u>
	12,055	10,299
Less short-term investments	<u>(91)</u>	<u>(252)</u>
	<u>\$ 11,964</u>	<u>\$ 10,047</u>

Included in investments at August 31, 2013 and 2012 are \$939,000 and \$855,000, respectively, of amounts designated by the board for operations over which the board retains control.

LOS ANGELES JEWISH HOME FOR THE AGING
NOTES TO FINANCIAL STATEMENTS

Note 3 - Investments (continued)

Investment income consists of the following for the years ended August 31, 2013 and 2012 (in thousands):

	2013	2012
Investment income, net:		
Interest and dividend income	\$ 510	\$ 1,322
Realized losses on sale of investments	81	21
Unrealized gains on trading investments	246	177
	\$ 837	\$ 1,520

The Home is required to file an Annual Reserve Report with the Department of Social Services, Continuing Care Contracts Branch in accordance with the requirements of 1790(a)(3) of the California Health & Safety Code. Such requirements include the demonstration that Los Angeles Jewish Home for the Aging and Fountainview at Eisenberg Village, as co-providers, have sufficient liquid reserves to meet the needs of the Fountainview at Eisenberg Village continuing care retirement community by providing a source of funds to fund debt service and to otherwise meet its obligations as they become due in periods of reduced entrance or monthly fee revenue. As of August 31, 2013 and 2012, the amount of qualifying assets available to fund such reserves exceeds the liquid reserves required by the Code of \$8,903,000 and \$3,754,000, respectively.

Note 4 - Fair Value Measurement of Financial Instruments

The Home records its investments in accordance with ASC 820, *Fair Value Measurements and Disclosures*. ASC 820 defines fair value as the amount that would be received upon sale of an asset or paid to transfer a liability in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The authoritative guidance establishes a fair value hierarchy which prioritizes the types of inputs to valuation techniques that companies may use to measure fair value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1). The next highest priority is given to inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly (Level 2). The lowest priority is given to unobservable inputs in which there is little or no market data available and which require the reporting entity to develop its own assumptions (Level 3).

The carrying amounts of the Home's financial instruments, including cash and cash equivalents, accounts receivable, accounts payable, and accrued liabilities, approximate fair value because of their generally short maturities. The carrying amount of long term debt approximates fair value as the interest rates approximate market rates.

LOS ANGELES JEWISH HOME FOR THE AGING

NOTES TO FINANCIAL STATEMENTS

Note 4 - Fair Value Measurement of Financial Instruments (continued)

All of the Home's investments accounted for at fair value are considered to be Level 1 with the exception of \$2,011,000 and \$1,006,000 of State of Israel bonds and \$8,726,000 and \$8,727,000 of guaranteed investment contracts as of August 31, 2013 and 2012, respectively. State of Israel bonds and guaranteed investment contracts are considered to be Level 2 and their carrying amount approximates fair value as of August 31, 2013 and 2012. Estimated fair values of guaranteed investment contracts are derived using discounted projected cash flows based on interest rates being offered for similar instruments with comparable durations considering the credit-worthiness of the issuer.

Note 5 - Assets Limited as to Use

Assets limited as to use are limited to the following purposes at August 31, 2013 and 2012 (in thousands):

	<u>2013</u>	<u>2012</u>
Held by trustee under indenture agreement for project and debt service funds	\$ 11,301	\$ 17,593
Contributions received restricted to programs and investment in property and equipment	1,402	2,177
	<u>12,703</u>	<u>19,770</u>
Less amounts required to pay for current liabilities	<u>(2,355)</u>	<u>(8,669)</u>
	<u>\$ 10,348</u>	<u>\$ 11,101</u>

Assets limited as to use consist of the following at August 31, 2013 and 2012 (in thousands):

	<u>2013</u>	<u>2012</u>
Guaranteed investment contracts	\$ 8,726	\$ 8,727
Cash and cash equivalents	3,977	11,043
	<u>\$ 12,703</u>	<u>\$ 19,770</u>

Approximately \$8.7 million of the funds held by the trustee under the 2003 and 2008 Bonds agreements (Note 11) are invested in guaranteed investment contracts as of August 31, 2013 and 2012. The contracts are unsecured investments in an insurance company which carry a guaranteed specified rate of interest. The underlying insurance company investment portfolio is broadly diversified with an emphasis on fixed income and real estate asset classes. Per contract, the Home can require for the contracts to be collateralized in the event that the insurance company's credit rating deteriorates. Interest payments on the investment contracts are paid monthly. Principal withdrawals require two business days' written notice and are restricted for the repayment of 2003 and 2008 Bonds. The contracts stipulate that withdrawals are reasonably anticipated to be made in accordance with the dates and amounts stipulated per the contracts.

LOS ANGELES JEWISH HOME FOR THE AGING
NOTES TO FINANCIAL STATEMENTS

Note 6 - Contributions Receivable

Included in contributions receivable are the following unconditional promises to give at August 31, 2013 and 2012 (in thousands):

	<u>2013</u>	<u>2012</u>
Unconditional promises to give before unamortized discount and allowance for uncollectibles	\$ 28,846	\$ 18,128
Less allowance for uncollectibles	<u>(344)</u>	<u>(290)</u>
	28,502	17,838
Less unamortized discount	<u>(1,347)</u>	<u>(585)</u>
Net unconditional promises to give	27,155	17,253
Less amounts classified as current	<u>(5,619)</u>	<u>(5,248)</u>
Noncurrent contributions receivable	<u>\$ 21,536</u>	<u>\$ 12,005</u>
Amounts due in:		
Less than one year	\$ 5,619	\$ 5,248
One to five years	16,836	12,543
Greater than five years	<u>6,047</u>	<u>47</u>
	<u>\$ 28,502</u>	<u>\$ 17,838</u>

Contributions receivable have been discounted at rates ranging from .47% to 1.60% for the years ended August 31, 2013 and 2012.

Note 7 - Assets Held in Trust for Residents

Residents can deposit personal-use funds into trust accounts maintained by the Home. These funds are maintained strictly for use by the residents for their personal expenses, including monthly charges for personal and nursing care at agreed-upon rates. If a resident leaves the Home, the balance remaining in the fund is returned.

As these funds do not represent assets of the Home, a corresponding trust account liability, amounting to \$1,012,000 and \$1,631,000 as of August 31, 2013 and 2012, respectively, is included in the accompanying consolidated statements of financial position.

LOS ANGELES JEWISH HOME FOR THE AGING
NOTES TO FINANCIAL STATEMENTS

Note 8 - Property and Equipment

Property and equipment, net is comprised of the following at August 31, 2013 and 2012 (in thousands):

	<u>2013</u>	<u>2012</u>
Land and improvements	\$ 25,163	\$ 8,283
Buildings and improvements	181,242	177,362
Equipment	<u>18,013</u>	<u>15,298</u>
	224,418	200,943
Less accumulated depreciation	<u>(53,233)</u>	<u>(48,629)</u>
	171,185	152,314
Construction in progress	<u>4,294</u>	<u>4,995</u>
Net property and equipment	<u>\$ 175,479</u>	<u>\$ 157,309</u>

Note 9 - Deferred Costs

Deferred costs, net, is comprised of the following at August 31, 2013 and 2012 (in thousands):

	<u>2013</u>	<u>2012</u>
Debt issuance costs	\$ 11,323	\$ 11,221
Less accumulated amortization	<u>(6,538)</u>	<u>(5,245)</u>
Debt issuance costs, net	4,785	5,976
Direct advertising costs	3,420	2,531
Less accumulated amortization	<u>(1,107)</u>	<u>(791)</u>
Direct advertising costs, net	<u>2,313</u>	<u>1,740</u>
Deferred costs, net	<u>\$ 7,098</u>	<u>\$ 7,716</u>

Note 10 - Escrow Deposits and Other Assets

In July 2012, the Home opened escrow to purchase land in the Playa Vista area for the purpose of constructing Fountainview at Gonda Westside. The facility will be licensed by the California Department of Social Services as a continuing care retirement community. The Home paid a deposit of \$1.5 million for the purchase which was included in escrow deposits and other assets at August 31, 2012. The purchase of the land was completed in September 2012 for a total purchase price of approximately \$16.9 million including Mello-Roos property tax fees. Construction is anticipated to begin in 2014.

The Home has received Department of Social Services approval for the project. As of August 31, 2013, the Home has presold 60 apartments and collected refundable deposits totaling \$5,742,000, which is included in escrow deposits and other assets at August 31, 2013.

LOS ANGELES JEWISH HOME FOR THE AGING
NOTES TO FINANCIAL STATEMENTS

Note 10 - Escrow Deposits and Other Assets (continued)

In April 2013, the Home entered into a letter of intent with Primary Plus Home Health, Inc. (Home Health) to purchase certain assets of Home Health. With this purchase, the Home plans to offer home health care and home care services to seniors in the surrounding communities in the near future. The acquisition cost as of August 31, 2013 of \$252,000 is included in escrow deposits and other assets.

Note 11 - Long-Term Debt and Lines of Credit

Long-term debt - Long-term debt is comprised of the following at August 31, 2013 and 2012 (in thousands):

	2013	2012
California Statewide Communities Development Authority Insured Health Facility Revenue Bonds (Los Angeles Jewish Home for the Aging) Series 2008, principal due in varying annual installments ranging from \$25,000 to \$1,345,000 through November 15, 2037, interest due semiannually at fixed rates ranging from 3.75% - 5.00% (4.00% at August 31, 2013), including unamortized premium of \$229,000 and \$542,000 at August 31, 2013 and 2012, respectively	\$ 19,774	\$ 42,112
California Statewide Communities Development Authority Insured Health Facility Revenue Bonds (Los Angeles Jewish Home for the Aging) Series 2003, principal due in varying annual installments ranging from \$1,880,000 to \$5,425,000 through November 15, 2033, interest due semiannually at fixed rates ranging from 5.00% - 5.50% (5.00% at August 31, 2013), including unamortized premium of \$250,000 and \$270,000 at August 31, 2013 and 2012, respectively	<u>70,075</u> 89,849	<u>71,880</u> 113,992
Less current maturities	(1,941)	(7,998)
	\$ 87,908	\$ 105,994

LOS ANGELES JEWISH HOME FOR THE AGING
NOTES TO FINANCIAL STATEMENTS

Note 11 - Long-Term Debt and Lines of Credit (continued)

Principal payments on long-term debt, including mandatory sinking fund payments, for future fiscal years are as follows (in thousands):

2014	\$ 1,941
2015	2,464
2016	2,578
2017	2,703
2018	2,836
Thereafter	<u>77,327</u>
	<u>\$ 89,849</u>

On December 17, 2003, the Home issued \$80,000,000 of fixed-rate California Statewide Communities Development Authority (the Authority) Insured Health Facility Revenue Bonds (2003 Bonds). The proceeds of the Bonds were utilized to (a) refinance the construction of a 96-bed skilled nursing facility, (b) finance the cost of a 10-bed acute psychiatric hospital with a supplemental service of 239 skilled nursing beds, (c) fund debt service costs, (d) fund interest costs, and (e) pay certain costs of issuance of the Bonds.

The Bonds are subject to redemption at the option of the Authority (by the Director of the Home) prior to their stated maturity from moneys required to be deposited in a Special Redemption Account or from any source of available moneys. The Bonds maturing on or after November 15, 2018 are subject to redemption prior to their stated maturity from a Mandatory Sinking Account. Payments to the Mandatory Sinking Account are required to begin on November 15, 2013. The Bonds bear interest at a stated annual fixed rate ranging from 5.00% at August 31, 2013 to 5.50% at maturity, payable semiannually on the 15th day of each May and November.

On February 14, 2008, the Home issued \$59,595,000 of fixed-rate California Statewide Communities Development Authority (the Authority) Insured Health Facility Revenue Bonds (2008 Bonds). The proceeds of the 2008 Bonds were utilized to (a) finance the cost of a continuing care retirement facility on the Eisenberg campus, (b) fund debt service costs, (c) fund interest costs, and (d) pay certain costs of issuance of the Bonds.

Certain of the 2008 Bonds are subject to redemption at the option of the Authority prior to their stated maturity. The Serial Bonds maturing after November 15, 2018 are subject to redemption prior to their stated maturity from any source of available moneys. The Term Bonds maturing on November 15, 2013 are subject to redemption prior to their stated maturity from moneys required to be deposited in a Special Redemption Account or any source of available moneys. The Term Bonds maturing November 15, 2028 and the Term Bonds maturing November 15, 2037 are subject to mandatory redemption prior to their stated maturity from a Mandatory Sinking Account. Payments to the Mandatory Sinking Account are required to begin on November 15, 2020 and 2029 for the 2028 and 2037 maturities, respectively. The Bonds bear interest at a stated annual fixed rate that varies from 3.75% to 5.00% at maturity (4.00% at August 31, 2013), payable semiannually on the 15th day of each May and November.

LOS ANGELES JEWISH HOME FOR THE AGING
NOTES TO FINANCIAL STATEMENTS

Note 11 - Long-Term Debt and Lines of Credit (continued)

During fiscal 2013 and 2012, the Home made early principal payments of \$22 million and \$11 million, respectively, on the 2008 Bonds. Included in the \$22 million is a payment made in September 2012 of \$6 million on the 2008 Bonds. At August 31, 2012, the assets limited as to use which were used to make the payment and the related liability were classified as current in the consolidated statements of financial position.

The 2008 bond indenture agreement created Parity Debt that amended the 2003 bond regulatory agreement. Under the terms of the 2008 agreement, the 2003 Bonds and 2008 Bonds (the Bonds) are collectively collateralized by a security interest in certain real property (land) and the buildings, improvements, fixtures, and equipment located, installed, or affixed to the land. The terms of the indenture agreement include certain financial covenants applicable to the Bonds effective for the fiscal year beginning September 1, 2009. The Home is required to maintain net income available for debt service of 1.25 times aggregate debt service, a current ratio of 1.5 and two hundred (200) days cash on hand at August 31, 2013, as defined in the indenture agreement. The Home did not meet the days cash on hand financial covenant as of August 31, 2013. In December 2013, the Authority deferred all action against the Home for the covenant violation.

Lines of credit - The Home has three lines of credit with the same bank. The terms of the lines of credit are as follows: a) \$2,400,000 line of credit due August 1, 2014, interest due monthly at a rate of prime less 0.25% (3.00% at August 31, 2013 and 2012), secured by \$2,500,000 of money market funds and securities; b) \$2,360,000 line of credit due August 1, 2018, interest due monthly at prime (3.25% at August 31, 2013 and 2012), secured by several single family residences owned by the Home; and c) \$4,750,000 line of credit due August 1, 2018, interest due monthly at prime less 0.25%, insured by the Cal-Mortgage Loan Insurance Program. There were no outstanding borrowings on the lines of credit at August 31, 2013 and 2012.

Note 12 - Fountainview Deposits

Fountainview at Eisenberg Village collected refundable deposits totaling \$54,000 and \$522,000 at August 31, 2013 and 2012, respectively, and are held in a cash account. In November 2012, the Home received Department of Social Services approval to collect deposits for Fountainview at Gonda Westside. Refundable deposits collected total \$5,742,000 at August 31, 2013, and are held in an escrow account.

LOS ANGELES JEWISH HOME FOR THE AGING

NOTES TO FINANCIAL STATEMENTS

Note 13 - Refundable Entrance Fees Payable

Entrance fee amounts due to residents who have terminated their contract with Fountainview at Eisenberg Village are recorded as refundable entrance fees and totaled \$1,516,000 at August 31, 2013.

Note 14 - Refundable Advance Fees Liability

The 90% refundable portion of entrance fees paid by residents of Fountainview at Eisenberg Village is recorded as refundable advance fees liability in the consolidated statements of financial position. At August 31, 2013 and 2012, refundable advance fees liability totaled \$50,067,000 and \$38,890,000, respectively.

Note 15 - Deferred Revenue from Advance Fees

The 10% non-refundable portion of entrance fees paid by residents of Fountainview at Eisenberg Village is recorded as deferred revenue from advance fees in the consolidated statement of financial position and is amortized over the estimated life of the resident. The net deferred revenue from advance fees is \$3,940,000 and \$3,385,000 at August 31, 2013 and 2012, respectively.

Note 16 - Commitments and Contingencies

Self-insurance claims liability - The Home is self-insured for workers' compensation insurance and unemployment insurance. The Home is covered by a supplemental policy for excess workers' compensation coverage that pays all statutory benefits in excess of a retention limit of \$600,000. The Home is insured for employer's workers' compensation liability in the amount of \$50,000,000. Management believes that the Home has provided adequate reserves at August 31, 2013 and 2012 for its obligations resulting from claims, including losses incurred but not reported. Amounts accrued, included in accrued compensation in the accompanying statements of financial position, totaled approximately \$2,615,000 and \$2,294,000 as of August 31, 2013 and 2012, respectively. The Home participates in the California Self-Insurers' Security Fund Alternative Composite Deposit in order to satisfy security deposit requirements for workers' compensation obligations.

Malpractice insurance - The Home maintains a claims-based professional malpractice insurance policy limited to \$10,000,000 per incident, with a \$10,000,000 aggregate limit. Management believes that this coverage is adequate for its operations.

LOS ANGELES JEWISH HOME FOR THE AGING
NOTES TO FINANCIAL STATEMENTS

Note 16 - Commitments and Contingencies (continued)

Asset retirement obligations - The Home has asset retirement obligations (AROs) arising from regulatory requirements to perform certain asset retirement activities at the time that certain buildings are disposed of. The liability was initially measured at fair value and subsequently is adjusted for accretion expense and changes in the amount or timing of the estimated cash flows. The corresponding asset retirement costs are capitalized as part of the carrying amount of the related long-lived asset and depreciated over the assets useful life. Accretion expense amounted to \$4,000 in 2013 and 2012. As of August 31, 2013 and 2012, the Home's asset retirement obligations totaled \$721,000 and \$717,000, respectively.

Leases - The Home has two non-cancelable operating leases for rented office spaces that expire in September 2018. Future minimum rentals to be paid under this lease are as follows (in thousands):

2014	\$	196
2015		208
2016		217
2017		225
2018		234
Thereafter		20
Total	\$	1,100

Rent expense for the years ended August 31, 2013 and 2012 amounted to \$126,000 and \$119,000, respectively.

Note 17 - Temporarily Restricted Net Assets

Temporarily restricted net assets are available for the following purposes at August 31, 2013 and 2012 (in thousands):

	2013	2012
Amounts to be received in future periods, available to fund construction projects or support the operation of the Home's buildings	\$ 24,055	\$ 14,979
Amounts to be received in future periods, available to support operations	5,390	4,801
Establishment of PACE (Program of All-inclusive Care for the Elderly)	-	150
Capital improvements	631	631
Operation of a licensed vocational nursing school and nursing scholarships for students	59	98
Special projects for residents	119	97
	\$ 30,254	\$ 20,756

LOS ANGELES JEWISH HOME FOR THE AGING
NOTES TO FINANCIAL STATEMENTS

Note 18 - Endowments

At August 31, 2013 and 2012, permanently restricted net assets consist of the following endowment funds (in thousands):

	<u>2013</u>	<u>2012</u>
Earnings to be used to support operations	\$ 9,458	\$ 9,457
Earnings to be used to support the Skirball Director of Spiritual Life Program	467	467
Earnings to be used to provide scholarships for the Annenberg School of Nursing	500	500
	<u>\$ 10,425</u>	<u>\$ 10,424</u>

The Board of Directors has interpreted the California Prudent Management of Institutional Funds Act (CPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Home classifies as permanently restricted net assets at (a) the original values of gifts donated to the permanent endowment, (b) the original values of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Home in a manner consistent with the standard of prudence prescribed by CPMIFA. In accordance with CPMIFA, the Home considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- a. The duration and preservation of the fund
- b. The purposes of the Home and the donor-restricted endowment fund
- c. General economic conditions
- d. The possible effect of inflation and deflation
- e. The expected total return from income and the appreciation of investments
- f. Other resources of the Home

At August 31, 2013 and 2012, the fair value of the endowments exceeded the original gift amount.

LOS ANGELES JEWISH HOME FOR THE AGING
NOTES TO FINANCIAL STATEMENTS

Note 19 - Net Patient Service Revenue

Gross patient service revenue and the related contractual write-offs and allowances as of August 31, 2013 and 2012 were as follows (in thousands):

	<u>2013</u>	<u>2012</u>
Gross patient service revenue	\$ 114,400	\$ 109,205
Contractual write-offs and allowances	(33,288)	(26,065)
Net patient service revenue	<u>\$ 81,112</u>	<u>\$ 83,140</u>

Included in due to third party payers at August 31, 2013 and 2012 is \$5,628,000 and \$3,701,000, respectively of amounts due to the Medi-Cal program. Amounts due represented payments received from the Medi-Cal program for services provided for the distinct part skilled nursing beds prior to the Medi-Cal program's establishment of the final rate for the appropriate year. Amounts are also due as a result of California Assembly Bill 97 requiring Department of Health Care services to reduce the reimbursement to distinct part skilled facilities by 10% for services rendered June 1, 2011 and thereafter. The Home recognized the anticipated amount due back to the Medi-Cal program as a reduction in net patient service revenue and a current liability.

Note 20 - Employee Retirement Plan

The Home has a 403(b) retirement accumulation plan in which all employees who have completed 90 days of service and meet certain criteria, as defined, are eligible to participate. The plan provides for employer contributions up to 3% of gross pay after one year of service to the extent permitted by law. Participants are 100% vested in their own and employer contributions at all times. Contributions are invested in flexible premium deferred annuity contracts.

Upon the normal retirement age of 65, participants may elect a lump-sum distribution or an annuity distribution. The annuity distribution options include: a life annuity, which provides payments for the life of the participant; a guaranteed life annuity, which provides for guaranteed payments over 120, 180, or 240 months; a cash refund annuity, which provides monthly payments to the participant, and upon the participant's death, the cash value of the contract is paid to the participants' beneficiary; and the joint and survivor annuity, which provides an annuity for the lifetime of a beneficiary as well as the participant.

The Home serves as administrator of the plan. Total contributions to the plan were approximately \$736,000 and \$694,000 during 2013 and 2012, respectively.

LOS ANGELES JEWISH HOME FOR THE AGING

NOTES TO FINANCIAL STATEMENTS

Note 21 - Functional Expenses

The Home provides care to its residents within their geographic location. Expenses related to providing these services are as follows (in thousands):

	<u>2013</u>	<u>2012</u>
Patient and resident care services	\$ 98,867	\$ 91,475
General and administrative	4,002	3,600
Fund-raising	2,080	2,020
	<u>\$ 104,949</u>	<u>\$ 97,095</u>

Note 22 - Subsequent Events

Subsequent events are events or transactions that occur after the statement of financial position date but before financial statements are issued. The Home recognizes in the consolidated financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the statement of financial position, including the estimates inherent in the process of preparing the consolidated financial statements. The Home's consolidated financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the statement of financial position but arose after the statement of financial position date and before the consolidated financial statements are issued.

The Home expects to complete a refinancing of its California Statewide Communities Development Authority (CSCDA) Insured Health Facility Bonds (Los Angeles Jewish Home for the Aging) Series 2003 in December 2013 through the issuance of one insured bond issued through CSCDA. The issuance amount is expected to be approximately \$71,000,000, sold through a private placement, at a fixed rate of approximately 3.86%. The maturity date and covenant requirements are expected to remain unchanged.

The Home has evaluated subsequent events through December 19, 2013, which is the date the consolidated financial statements were issued, and concluded that there were no additional events or transactions that need to be disclosed.

SUPPLEMENTARY INFORMATION

LOS ANGELES JEWISH HOME FOR THE AGING
CONSOLIDATING SCHEDULE - STATEMENT OF FINANCIAL POSITION INFORMATION (IN THOUSANDS)
AUGUST 31, 2013

	Los Angeles Jewish Home for the Aging	Fountainview at Eisenberg Village, LLC	Eliminations	Total Co-Providers	Brandman Senior Care Centers	Other Consolidating Organizations	Total
Assets							
Current assets:							
Cash and cash equivalents	\$ 2,986	\$ 12,403	\$ -	\$ 15,389	\$ 67	\$ (107)	\$ 15,349
Assets limited as to use, required for payment of current liabilities	2,355	-	-	2,355	-	-	2,355
Investments	91	-	-	91	-	-	91
Accounts receivable, net of allowance for doubtful accounts	-	-	-	-	188	8,924	(13)
Contributions receivable, net	5,619	-	-	5,619	-	-	5,619
Prepaid and other current assets	2,134	10	(20)	2,124	24	1,495	(1,927)
Total current assets	13,185	12,413	(20)	25,578	279	10,312	(1,940)
Assets limited as to use, net of current portion	10,348	-	-	10,348	-	-	10,348
Investments	11,464	-	-	11,464	-	500	11,964
Contributions receivable, net	21,536	-	-	21,536	-	-	21,536
Assets held in trust for residents	-	-	-	-	-	1,012	1,012
Interest in net assets of The Guardians	1,278	-	-	1,278	-	-	1,278
Property, plant and equipment, net	16,746	627	-	17,373	100	158,006	175,479
Deferred costs, net	4,734	1,424	-	6,158	-	940	7,098
Escrow deposits and other assets	725	4	-	729	-	6,057	6,786
Total assets	\$ 80,016	\$ 14,468	\$ (20)	\$ 94,464	\$ 379	\$ 176,827	\$ (1,940)
							\$ 269,730

See accompanying report of independent auditors.

**LOS ANGELES JEWISH HOME FOR THE AGING
CONSOLIDATING SCHEDULE - STATEMENT OF FINANCIAL POSITION INFORMATION (IN THOUSANDS)
AUGUST 31, 2013 (CONTINUED)**

	Los Angeles Jewish Home for the Aging	Fountainview at Eisenberg Village, LLC	Eliminations	Total Co- Providers	Brandman Centers for Senior Care	Other Consolidating Organizations	Eliminations	Total
Liabilities and Net Assets								
Current liabilities:								
Accounts payable and accrued expenses	\$ 4,394	\$ 792	\$ (20)	\$ 5,166	\$ 1,806	\$ 72	\$ (1,940)	\$ 5,104
Accrued interest expense	1,365	-	-	1,365	-	-	-	1,365
Accrued compensation	3,311	-	-	3,311	114	4,030	-	7,455
Due to third party payors	-	-	-	-	5	5,646	-	5,651
Refundable entrance fees payable	-	1,516	-	1,516	-	-	-	1,516
Current portion of annuity obligations	266	-	-	266	-	-	-	266
Current portion of long-term debt	1,941	-	-	1,941	-	-	-	1,941
Total current liabilities	11,277	2,308	(20)	13,565	1,925	9,748	(1,940)	23,298
Fountainview deposits	-	53	-	53	-	5,743	-	5,796
Refundable advance fees liability	-	50,067	-	50,067	-	-	-	50,067
Deferred revenue from advance fees, net of accumulated amortization	-	3,940	-	3,940	-	-	-	3,940
Annuity obligations, less current portion	1,057	-	-	1,057	-	-	-	1,057
Asset retirement obligation	-	-	-	-	-	721	-	721
Resident funds	-	-	-	-	-	1,012	-	1,012
Long-term debt, less current portion	87,908	-	-	87,908	-	-	-	87,908
Total liabilities	100,242	56,368	(20)	156,590	1,925	17,224	(1,940)	173,799
Net assets:								
Unrestricted	(60,346)	(41,900)	-	(102,246)	(1,546)	159,044	-	55,252
Temporarily restricted	30,195	-	-	30,195	-	59	-	30,254
Permanently restricted	9,925	-	-	9,925	-	500	-	10,425
Total net assets	(20,226)	(41,900)	-	(62,126)	(1,546)	159,603	-	95,931
Total liabilities and net assets	\$ 80,016	\$ 14,468	\$ (20)	\$ 94,464	\$ 379	\$ 176,827	\$ (1,940)	\$ 269,730

See accompanying report of independent auditors.

**LOS ANGELES JEWISH HOME FOR THE AGING
CONSOLIDATING SCHEDULE - STATEMENT OF ACTIVITIES (IN THOUSANDS)
FOR THE YEAR ENDED AUGUST 31, 2013**

	Los Angeles Jewish Home for the Aging	Fountainview at Eisenberg Village, LLC	Eliminations	Total Co-Providers	Brandman Centers for Senior Care	Other Consolidating Organizations	Eliminations	Total
Operating revenue:								
Net patient service revenue	\$ -	\$ 5,246	\$ -	\$ 5,246	\$ 854	\$ 76,976	\$ (1,964)	\$ 81,112
Contributions	25,379	-	-	25,379	-	71	-	25,450
Investment income	816	14	-	830	-	7	-	837
Other revenue	208	562	-	770	-	560	(178)	1,152
Change in value of split-interest agreements	(76)	-	-	(76)	-	-	-	(76)
Change in interest in net assets of The Guardians	(389)	-	-	(389)	-	-	-	(389)
Total operating revenue	25,938	5,822	-	31,760	854	77,614	(2,142)	108,086
Operating expenses:								
Outside medical services	-	-	-	-	288	-	(69)	219
Nursing	-	430	-	430	299	28,251	-	28,980
Plant operations, housekeeping, and laundry	311	1,386	-	1,697	72	8,777	(68)	10,478
Dietary	-	1,638	-	1,638	29	7,807	(24)	9,450
Social services	-	421	-	421	53	2,959	-	3,433
Ancillary	-	-	-	-	130	6,910	-	7,040
General and administrative	9,260	1,091	-	10,351	1,134	5,152	(977)	15,660
Employee-related insurance	244	104	-	348	3	1,994	-	2,345
Fund-raising	2,080	-	-	2,080	-	11	-	2,080
Marketing	827	416	-	1,243	288	10,907	(1,726)	15,428
Community based services	-	-	-	-	47	5,124	-	5,171
Depreciation and amortization	1,483	84	-	1,567	-	584	-	2,151
Insurance and taxes	124	-	-	124	1	425	-	550
Provision for bad debts	-	-	-	-	-	-	-	-
Debt financing costs	6,206	-	-	6,206	-	-	-	6,206
Other	45	316	-	361	45	(665)	722	463
Total operating expenses	20,580	5,886	-	26,466	2,389	78,236	(2,142)	104,949
Revenue in excess of (less than) expenses	5,358	(64)	-	5,294	(1,535)	(622)	-	3,137
Funding from (to) related organizations	2,689	(15,896)	-	(13,207)	-	13,207	-	-
Change in net assets	8,047	(15,960)	-	(7,913)	(1,535)	12,585	-	3,137
Net assets at beginning of year	(28,273)	(25,940)	-	(54,213)	(11)	147,018	-	92,794
Net assets at end of year	\$ (20,226)	\$ (41,900)	\$ -	\$ (62,126)	\$ (1,546)	\$ 159,603	\$ -	\$ 95,931

**LOS ANGELES JEWISH HOME FOR THE AGING
CONSOLIDATING SCHEDULE - STATEMENT OF CASH FLOWS INFORMATION (IN THOUSANDS)
FOR THE YEAR ENDED AUGUST 31, 2013**

	Los Angeles Jewish Home for the Aging	Fountainview at Eisenberg Village, LLC	Eliminations	Total Co- Providers	Brandman Senior Care	Other Consolidating Organizations	Total
Cash flows from operating activities:							
Cash received from residents and third party payers	\$ -	\$ 3,775	\$ -	\$ 3,775	\$ 671	\$ 87,003	\$ 88,807
Proceeds from advance fees received	-	16,360	-	16,360	-	-	16,360
Other receipts from operations	208	562	-	770	-	560	1,152
Unrestricted contributions received	10,302	-	-	10,302	-	(7)	10,295
Unrestricted investment income received	489	14	-	503	-	7	510
Cash paid to suppliers and employees	(13,629)	(5,402)	-	(19,031)	(557)	(79,423)	(96,191)
Cash paid for interest on long-term debt	(5,572)	-	-	(5,572)	-	-	(5,572)
Net cash provided by (used in) operating activities	(8,202)	15,309	-	7,107	114	8,140	15,361
Cash flows from investing activities:							
Capital expenditures	(3,632)	(141)	-	(3,773)	(50)	(20,412)	(24,235)
Proceeds from sale of trading investments	1,000	-	-	1,000	-	-	1,000
Purchase of trading investments	(2,429)	-	-	(2,429)	-	-	(2,429)
Assets limited as to use	7,067	-	-	7,067	-	-	7,067
Net cash provided by (used in) investing activities	2,006	(141)	-	1,865	(50)	(20,412)	(18,597)
Cash flows from financing activities:							
Funding from (to) related organizations	2,689	(15,896)	-	(13,207)	-	13,207	-
Principal payments on long-term debt	(23,810)	-	-	(23,810)	-	-	(23,810)
Payment of deferred costs	(51)	-	-	(51)	-	(940)	(991)
Payment of refundable entrance fees	-	(2,110)	-	(2,110)	-	-	(2,110)
Change in interest in net assets of The Guardians	489	-	-	489	-	-	489
Proceeds from restricted contributions and investment income	4,879	-	-	4,879	-	78	4,957
Net cash provided by (used in) financing activities	(15,804)	(18,006)	-	(33,810)	-	12,345	(21,465)
Net increase (decrease) in cash and cash equivalents	(22,000)	(2,838)	-	(24,838)	64	73	(24,701)
Cash and cash equivalents at beginning of year	24,986	15,241	-	40,227	3	(180)	40,050
Cash and cash equivalents at end of year	\$ 2,986	\$ 12,403	\$ -	\$ 15,389	\$ 67	\$ (107)	\$ 15,349

LOS ANGELES JEWISH HOME FOR THE AGING
CONSOLIDATING SCHEDULE - STATEMENT OF CASH FLOWS INFORMATION (IN THOUSANDS)
FOR THE YEAR ENDED AUGUST 31, 2013 (CONTINUED)

	Los Angeles Jewish Home for the Aging	Fountainview at Eisenberg Village, LLC	Eliminations	Providers	Brandman Senior Centers	Other Consolidating Organizations	Eliminations	Total
Cash flows from operating activities:	\$ 5,358	\$ (64)	\$ -	\$ 5,294	\$ (1,535)	\$ (622)	\$ -	\$ 3,137
Change in net assets	-	14,723	-	14,723	-	-	-	14,723
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:	1,637	1,637	-	1,637	-	-	-	1,637
Advance refundable fees received	-	-	-	-	-	4	-	4
Advance non-refundable fees received	1,483	84	-	1,567	-	5,120	-	6,687
Accretion of asset retirement obligation	1,293	-	-	1,293	-	-	-	1,293
Depreciation and amortization	-	316	-	316	-	-	-	316
Amortization of bond issuance costs	-	(1,002)	-	(1,002)	-	-	-	(1,002)
Amortization of deferred marketing costs	(333)	-	-	(333)	-	-	-	(333)
Amortization of deferred revenue from advance fees	-	-	-	-	-	425	-	425
Provision for bad debts	-	-	-	-	-	(26)	-	(26)
Gain on disposal of property and equipment	-	-	-	-	-	(78)	-	(78)
Restricted contributions and investment income received	(15,314)	-	-	(15,314)	-	-	-	(15,314)
Net realized and unrealized gains on investments	(327)	-	-	(327)	-	-	-	(327)
(Increase) decrease in operating assets:								
Accounts receivable	-	-	-	-	(188)	1,941	(678)	1,075
Prepaid and other current assets	(1,825)	(10)	5	(1,830)	(24)	54	1,609	(191)
Contributions receivable	533	-	-	533	-	-	-	533
Other assets	1,229	-	-	1,229	-	(5,737)	-	(4,508)
Increase (decrease) in operating liabilities:								
Accounts payable, accrued expenses, and accrued compensation	(142)	94	(5)	(53)	1,856	(602)	(931)	270
Accrued interest expense	(326)	-	-	(326)	-	-	-	(326)
Fountainview deposits	-	(469)	-	(469)	-	5,743	-	5,274
Due to third party payers	-	-	-	-	5	1,918	-	1,923
Annuity obligations	169	-	-	169	-	-	-	169
Net cash provided by (used in) operating activities	\$ (8,202)	\$ 15,309	\$ -	\$ 7,107	\$ 114	\$ 8,140	\$ -	\$ 15,361

See accompanying report of independent auditors.

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

2/26/2013
RECEIVED
JAN 06 2014

FACILITY NAME: Fountainview at Eisenberg Village
 ADDRESS: 6440 Wilbur Avenue, Reseda, CA ZIP CODE: 91335 PHONE: (818) 654-5000
 PROVIDER NAME: Fountainview at Eisenberg Village FACILITY OPERATOR: Eisenberg Village of the Los Angeles Jewish F
 RELATED FACILITIES: _____ RELIGIOUS AFFILIATION: Jewish
 YEAR OPENED: 2010 NO. OF ACRES: _____ MULTI-STORY: SINGLE STORY: BOTH:
 MILES TO SHOPPING CTR: 0.5 MILES TO HOSPITAL: 2.62

NUMBER OF UNITS:	INDEPENDENT LIVING	HEALTH CARE
APARTMENTS - STUDIO	<u>0</u>	ASSISTED LIVING _____
APARTMENTS - 1 BDRM	<u>43</u>	SKILLED NURSING _____
APARTMENTS - 2 BDRM	<u>65</u>	SPECIAL CARE _____
COTTAGES/HOUSES	<u>0</u>	DESCRIBE SPECIAL CARE: _____
% OCCUPANCY AT YEAR END	<u>99%</u>	

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: \$ 383,000 TO \$ 845,000 LONG-TERM CARE INSURANCE REQUIRED? Y N

HEALTH CARE BENEFITS INCLUDED IN CONTRACT: 10 days/year nursing care at no charge - do not accumulate

ENTRY REQUIREMENTS: MIN. AGE: 60 PRIOR PROFESSION: _____ OTHER: _____

FACILITY SERVICES AND AMENITIES

COMMON AREA AMENITIES	SERVICES AVAILABLE		INCLUDED IN FEE	FOR EXTRA CHARGE
	AVAILABLE	FEE FOR SERVICE		
BEAUTY/BARBER SHOP	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	HOUSEKEEPING TIMES/MONTH <u>4</u>	_____
BILLIARD ROOM	<input type="checkbox"/>	<input type="checkbox"/>	NUMBER OF MEALS/DAY <u>flexible</u>	_____
BOWLING GREEN	<input type="checkbox"/>	<input type="checkbox"/>	SPECIAL DIETS AVAILABLE	<u>Yes</u>
CARD ROOMS	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
CHAPEL	<input type="checkbox"/>	<input type="checkbox"/>	24-HOUR EMERGENCY RESPONSE	<input checked="" type="checkbox"/>
COFFEE SHOP	<input checked="" type="checkbox"/>	<input type="checkbox"/>	ACTIVITIES PROGRAM	<input checked="" type="checkbox"/>
CRAFT ROOMS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	ALL UTILITIES EXCEPT PHONE	<input checked="" type="checkbox"/>
EXERCISE ROOM	<input checked="" type="checkbox"/>	<input type="checkbox"/>	APARTMENT MAINTENANCE	<input checked="" type="checkbox"/>
GOLF COURSE ACCESS	<input type="checkbox"/>	<input type="checkbox"/>	CABLE TV	<input checked="" type="checkbox"/>
LIBRARY	<input checked="" type="checkbox"/>	<input type="checkbox"/>	LINENS FURNISHED	<input type="checkbox"/>
PUTTING GREEN	<input type="checkbox"/>	<input type="checkbox"/>	LINENS LAUNDERED	<input checked="" type="checkbox"/>
SHUFFLEBOARD	<input type="checkbox"/>	<input type="checkbox"/>	MEDICATION MANAGEMENT	<input type="checkbox"/>
SPA	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	NURSING/WELLNESS CLINIC	<input checked="" type="checkbox"/>
SWIMMING POOL-INDOOR	<input type="checkbox"/>	<input type="checkbox"/>	PERSONAL NURSING/HOME CARE	<input checked="" type="checkbox"/>
SWIMMING POOL-OUTDOOR	<input type="checkbox"/>	<input type="checkbox"/>	TRANSPORTATION-PERSONAL	<input checked="" type="checkbox"/>
TENNIS COURT	<input type="checkbox"/>	<input type="checkbox"/>	TRANSPORTATION-PREARRANGED	<input checked="" type="checkbox"/>
WORKSHOP	<input type="checkbox"/>	<input type="checkbox"/>	OTHER _____	<input type="checkbox"/>
OTHER _____	<input type="checkbox"/>	<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: Fountainview at Eisenberg Village

	2010	2011	2012	2013
INCOME FROM ONGOING OPERATIONS				
OPERATING INCOME (excluding amortization of entrance fee income)	\$433,348	\$1,866,879	\$3,341,962	\$13,206,727
LESS OPERATING EXPENSES (excluding depreciation, amortization, & interest)	\$2,014,043	\$3,821,132	\$4,645,687	\$24,582,703
NET INCOME FROM OPERATIONS	<u>-\$1,580,695</u>	<u>-\$1,954,253</u>	<u>-\$1,303,725</u>	<u>-\$11,375,976</u>
LESS INTEREST EXPENSE				\$6,205,831
PLUS CONTRIBUTIONS				
PLUS NON-OPERATING INCOME (EXPENSES) (excluding extraordinary items)	\$4,580,503	\$0	\$0	
NET INCOME (LOSS) BEFORE ENTRANCE FEES, DEPRECIATION AND AMORTIZATION	<u>\$2,999,808</u>	<u>-\$1,954,253</u>	<u>-\$1,303,725</u>	<u>-\$5,170,146</u>
NET CASH FLOW FROM ENTRANCE FEES (Total Deposits Less Refunds)	\$14,604,000	\$12,057,202	\$15,830,956	\$14,248,987

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)

	2009 CCAC Medians 50 th Percentile (optional)	2011	2012	2013
DEBT TO ASSET RATIO		N/A	N/A	.93
OPERATING RATIO		Fill-up mode	Fill-up mode	1.86
DEBT SERVICE COVERAGE RATIO		N/A	N/A	1.39
DAYS CASH-ON-HAND RATIO		1601	1198	229

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

	2010	%	2011	%	2012	%	2013
STUDIO		0.0%		0.0%		0.0%	
ONE BEDROOM	\$3,119	1.0%	\$3,150	3.0%	\$3,245	3.0%	\$3,342
TWO BEDROOM	\$3,982	1.0%	\$4,022	3.0%	\$4,143	3.0%	\$4,267
COTTAGE/HOUSE		0.0%		0.0%		0.0%	
ASSISTED LIVING		0.0%		0.0%		0.0%	
SKILLED NURSING		0.0%		0.0%		0.0%	
SPECIAL CARE		0.0%		0.0%		0.0%	

COMMENTS FROM PROVIDER: _____

FINANCIAL RATIO FORMULAS

LONG-TERM DEBT TO TOTAL ASSETS RATIO

$$\frac{\text{Long-Term Debt, less Current Portion}}{\text{Total Assets}}$$

OPERATING RATIO

$$\frac{\begin{array}{l} \text{Total Operating Expenses} \\ \text{-- Depreciation Expense} \\ \text{-- Amortization Expense} \end{array}}{\begin{array}{l} \text{Total Operating Revenues} \\ \text{-- Amortization of Deferred Revenue} \end{array}}$$

DEBT SERVICE COVERAGE RATIO

$$\frac{\begin{array}{l} \text{Total Excess of Revenues over Expenses} \\ \text{+ Interest, Depreciation,} \\ \text{and Amortization Expenses} \\ \text{-- Amortization of Deferred Revenue} \\ \text{+ Net Proceeds from Entrance Fees} \end{array}}{\text{Annual Debt Service}}$$

DAYS CASH ON HAND RATIO

$$\frac{\begin{array}{l} \text{Unrestricted Current Cash} \\ \text{And Investments} \\ \text{+ Unrestricted Non-Current Cash} \\ \text{and Investments} \end{array}}{\begin{array}{l} \text{(Operating Expenses - Depreciation} \\ \text{- Amortization)/365} \end{array}}$$

Note: These formulas are also used by the Continuing Care Accreditation Commission. For each formula, that organization also publishes annual median figures for certain continuing care retirement communities.

FORM 1-1
RESIDENT POPULATION

<u>Line</u>	Continuing Care Residents	<u>TOTAL</u>
[1]	Number at beginning of fiscal year	110
[2]	Number at end of fiscal year	136
[3]	Total Lines 1 and 2	246
[4]	Multiply Line 3 by ".50" and enter result on Line 5.	x .50
[5]	Mean number of continuing care residents	123
All Residents		
[6]	Number at beginning of fiscal year	110
[7]	Number at end of fiscal year	136
[8]	Total Lines 6 and 7	246
[9]	Multiply Line 8 by ".50" and enter result on Line 10.	x .50
[10]	Mean number of <i>all</i> residents	123
[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).	1.00

FORM 1-2
ANNUAL PROVIDER FEE

<u>Line</u>		<u>TOTAL</u>
[1]	Total Operating Expenses (including depreciation and debt service - interest only)	\$5,886,058
[a]	Depreciation	\$83,788
[b]	Debt Service (Interest Only)	\$0
[2]	Subtotal (add Line 1a and 1b)	\$83,788
[3]	Subtract Line 2 from Line 1 and enter result.	\$5,802,270
[4]	Percentage allocated to continuing care residents (Form 1-1, Line 11)	100%
[5]	Total Operating Expense for Continuing Care Residents (multiply Line 3 by Line 4)	\$5,802,270
[6]	Total Amount Due (multiply Line 5 by .001)	x .001 \$5,802

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)	<u>2,560 - 5,097</u>	_____	_____
[2] Indicate percentage of increase in fees imposed during reporting period: (indicate range, if applicable)	<u>3%</u>	_____	_____

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.)

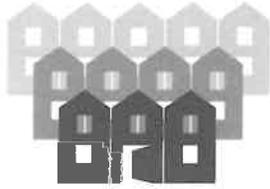
[3] Indicate the date the fee increase was implemented: 6/1/2012
(If more than 1 increase was implemented, indicate the dates for each increase.)

[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: Fountainview at Eisenberg Village LLC
COMMUNITY: Fountainview at Eisenberg Village



LOS ANGELES
JEWISH HOME

Family of Senior Services

BOARD OF DIRECTORS

Rick Bender
Vice Chair, Budget & Finance

Leon Blankstein
Vice Chair, Fund Development

Joyce Brandman

Joyce Eisenberg-Keefer

Molly Forrest
CEO-President

Jeffrey Glassman
Chair

Marshall A. Gluchow
Vice Chair, Ethics and Values

Sherman Grancell
Member Emeritus

Joseph Held
*Vice Chair, Building &
Facilities Management*

Charles H. Hershson

Michael Heslov
Immediate Past Chair

Barbara Miller-Fox Abramoff
*Vice Chair, Employment
& Human Resources*

Marcie Polier Swartz

Steve Reissman

Pamela Rubin

Annette Shapiro
Secretary

CORPORATE OFFICERS

Molly Forrest
*Chief Executive Officer
& President*

Sherri B. Cunningham
*Chief Financial Officer
& V.P. of Finance*

Sharon Z. Ginchansky
V.P. of Human Resources

Arnold Possick
*V.P. of Planning and Community-
Based Services & Corporate
Compliance Officer*

Ira Schreck
*Senior V.P., Jewish Home
Foundation*

Larissa Stepanians
Chief Operating Officer

CORPORATE OFFICE

7150 Tampa Avenue
Reseda, CA 91335
Tel: (818) 774-3000
Fax: (818) 774-3020
www.jha.org

Form 7-1 Report on CCRC Monthly Fees

(5) Explanation for the increase in monthly service fees

The monthly service fees were increased 3% on June 1, 2012 to reflect cost increases for labor, raw food and supplies.

BOARD OF GOVERNORS

Dr. Marlene Bane
 Donald Berghoff
 Stanley Black
 Rosanna Bogart
 Eunice David
 Mel Elliot
 Jake Farber
 Harold Foonberg
 Sheila Frost
 Dorothy Goren
 Earl Greinetz
 Trena Greitzer
 Calvin Gross
 Robert Hirsch
 Marvin Jubas
 Evelyn Lutin
 Barry D. Maiten
 Diane Morton
 Beverly Nathan
 Dr. Gerald Niznick
 Joy Picus
 Conrad Platt
 Janet Polak, Chair
 Arnold Price
 Barbara Price
 Regina C. Scheer
 Richard Schulman
 Muriel Seelig
 Robert Shadur
 Jeffrey Tamkin
 Robert Waldorf
 Laurel Warner
 Edna Weiss
 Irving White
 Bennett Wolf

**HONORARY OFFICER
FOR LIFE**

Muriel Seelig

*Skirball Hospice
 A Program of the
 Los Angeles Jewish Home*

6345 Balboa Boulevard
 Suite 213
 Encino, CA 91316
 (818) 774-3040

www.skirballhospice.org

In partnership with UCLA School of
 Medicine for the Anna & Harry Borun
 Center for Gerontological Research

COUNCIL OF PAST PRESIDENTS

Steven C. Good
 Meyer Gottlieb
 Arthur A. Greenberg
 Earl Greinetz
 Michael Heslov
 Robert Hirsch
 Harold I. Rice
 Stephen S. Sobul
 David L. Swartz

SUPPORT GROUP PRESIDENTS

*Associates-IMC
 Joy Brook*

*Benefactors of the
 Jewish Club of 1933
 Ray Prinz*

*The Executives
 Jacques Soriano*

*The Guardians
 Izzy Freeman*

JEWISH HOME SUBSIDIARY BOARDS

*Annenberg School of Nursing
 Mel Elliot, Chair
 Jacqueline Fogel, Secretary
 Earl Greinetz
 Robert Hirsch
 Judith Friedman Rudzki
 Debra Smalley
 Molly Forrest, CEO-President
 Sharon Z. Ginchansky, VP of
 Human Resources*

*Brandman Centers for Senior Care
 Joyce Brandman
 Anne Friedrich
 Dr. James Gerson
 Arthur A. Greenberg, Chair
 Dr. Ed Schneider
 Dale Surowitz
 Scott Weiss
 Molly Forrest, CEO-President
 Arnold Possick, V.P. of Planning
 and Community-Based Services*

*Educational & Gerontological
 Research Organization
 Dr. Ray Borun
 Dr. Pinchas Cohen
 Dr. Debra Saliba
 Dr. Fred Sattler
 Dr. Ed Schneider, Chair
 Dr. Gary Small
 Molly Forrest, CEO-President*

*Eisenberg Village
 Terri Bloomgarden, Secretary
 Fred Gaines
 David Kekst
 Michelle Rubin
 Pamela Rubin
 Judith Friedman Rudzki, Chair
 Scott Sachs
 Molly Forrest, CEO-President*

*Fountainview Board of Governors
 Jacqueline Fogel, Secretary
 Mike Maroko
 Judge Thomas Schneider
 David L. Swartz, Chair
 Molly Forrest, CEO-President*

*Gonda WS JHA 16, LLC
 Jerry Epstein, Vice Chair
 Jeffrey Glassman,
 Jewish Home Board Chair
 Joe Held
 Michael Heslov
 Mark Rubin, Chair
 Steve Reissman
 Molly Forrest, Secretary
 Jewish Home CEO-President*

*Grancell Village
 Terri Bloomgarden, Secretary
 Fred Gaines
 David Kekst
 Michelle Rubin
 Pamela Rubin
 Judith Friedman Rudzki, Chair
 Scott Sachs
 Molly Forrest, CEO-President*

*JHA Geriatrics Services, Inc.
 Joyce Brandman
 Dorothy Goren
 Susan Richter
 Danny Rosett, Secretary
 Scott Weiss, Chair
 Molly Forrest, CEO-President
 Arnold Possick, V.P. of Planning
 and Community-Based Services*

*Jewish Home Foundation
 Leon Blankstein
 Joyce Brandman
 Joyce Eisenberg-Keefe
 Jeffrey Glassman
 Steve Good
 Michael Heslov
 Fred Kayne
 Dr. Gerald Niznick
 Jeff Polak
 Mark Rubin
 Michael Ziering
 Richard Ziman, Chair
 Molly Forrest, CEO-President
 Ira Schreck, Sr. V.P., Jewish Home
 Foundation*