FISCAL YEAR ENDED:
3/31/2014

RECEIVED
AUG 04 2014
CONTINUING CARE
CONTRACTS BRANCH

ANNUAL REPORT CHECKLIST

PROVIDER: **Odd Fellows Home of California**

CCRC(S): **Saratoga Retirement Community and**
The Meadows of Napa Valley

CONTACT PERSON: Anita Tucker

TELEPHONE NO.: (541) 857-7624 **EMAIL:** atucker@retirement.org

● ●

A complete annual report must consist of 5 copies of the following:

[X] Annual Report Checklist

[X] Annual Provider Fee in the amount of: $ 12,785.50

[ ] If applicable, late fee in the amount of: $__________

[X] Certification by the provider's chief executive officer that:

- [X] The reports are correct to the best of his/her knowledge.
- [X] Each continuing care contract form in use or offered to new residents has been approved by the Department.
- [X] The Provider is maintaining the required *liquid* reserves and, when applicable, the required refund reserve.

[X] Evidence of the provider's fidelity bond, as required by H&SC section 1789.8.

[X] Provider's audited financial statements, with an accompanying certified public accountant's opinion thereon.

[X] Provider's audited reserve reports (prepared on Department forms), with an accompanying certified public accountant's opinion thereon.

[X] Provider's "Continuing Care Retirement Community Disclosure Statement" and From 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.

FORM 1-1
RESIDENT POPULATION

Line	Continuing Care Residents		TOTAL
[1]	Number at beginning of fiscal year		0
[2]	Number at end of fiscal year		35
[3]	Total Lines 1 and 2		35
[4]	Multiply Line 3 by ".50" and enter result on Line 5.	x	0.50
[5]	Mean number of continuing care residents		17.5
	All Residents		
[6]	Number at beginning of fiscal year		308
[7]	Number at end of fiscal year		303
[8]	Total Lines 5 and 6		611
[9]	Multiply Line 8 by ".50" and enter result on Line 10.	x	0.50
[10]	Mean number of all residents		305.5
[11]	Divide the mean number of continuing care residents (Line 5) by the mean number of all residents (Line 10) and enter the result (round to two decimal places).		0.06

FORM 1-2
ANNUAL PROVIDER FEE

Line				TOTAL
[1]	Total Operating Expenses			18,243,472
	[a] Depreciation	2,273,237		
	[b] Debt Service (Interest Only)	716,350		
[2]	Subtotal (add Line 1a and 1b)			2,989,587
[3]	Subtract Line 2 from Line 1 and enter result.			15,253,885
[4]	Percentage allocated to continuing care residents (Form 1-1, Line 11)			0.06
[5]	Total Operating Expense of Continuing Care Residents (multiply Line 3 by Line 4)			873,790
			x	0.001
[6]	**Total Amount Due** (multiply Line 5 by .0005)			873.79

Provider: **Odd Fellows Home of California**
Community: **Meadows of Napa Valley**

FORM 1-1
RESIDENT POPULATION

Line	Continuing Care Residents		TOTAL
[1]	Number at beginning of fiscal year		211
[2]	Number at end of fiscal year		212
[3]	Total Lines 1 and 2		423
[4]	Multiply Line 3 by ".50" and enter result on Line 5.	x	0.50
[5]	Mean number of continuing care residents		211.5
	All Residents		
[6]	Number at beginning of fiscal year		362
[7]	Number at end of fiscal year		361
[8]	Total Lines 5 and 6		723
[9]	Multiply Line 8 by ".50" and enter result on Line 10.	x	0.50
[10]	Mean number of all residents		361.5
[11]	Divide the mean number of continuing care residents (Line 5) by the mean number of all residents (Line 10) and enter the result (round to two decimal places).		0.59

FORM 1-2
ANNUAL PROVIDER FEE

Line				TOTAL
[1]	Total Operating Expenses			28,734,418
	[a] Depreciation	4,375,189		
	[b] Debt Service (Interest Only)	3,999,500		
[2]	Subtotal (add Line 1a and 1b)			8,374,689
[3]	Subtract Line 2 from Line 1 and enter result.			20,359,729
[4]	Percentage allocated to continuing care residents (Form 1-1, Line 11)			0.59
[5]	Total Operating Expense of Continuing Care Residents (multiply Line 3 by Line 4)			11,911,709
			x	0.001
[6]	**Total Amount Due** (multiply Line 5 by .0005)			11,911.71

Provider: **Odd Fellows Home of California**
Community: **Saratoga Retirement Community**

THE MEADOWS OF NAPA VALLEY

RECEIVED
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CONTINUING CARE
CONTRACTS BRANCH

July 25, 2014

Allison Nakatomi
Department of Social Services
744 "P" Street, M. S. 10-90
Sacramento, CA 95814

Re: Annual Report of Odd Fellows Home of California, dba
Saratoga Retirement Community and
The Meadows of Napa Valley
Certification by Chairman of the Board

The annual report and any amendments thereto are correct to the best of my knowledge.

To the best of my knowledge every continuing care contract form in use or offered to new residents has been approved by the Department of Social Services.

As of July 25, 2014 Odd Fellows Home of California is maintaining the required liquid reserve and refund reserve.

Sincerely,

Chairman of the Board
Odd Fellows Home of California

14500 Fruitvale Avenue, Saratoga, CA 95070 • (408) 741-7100 • www.saratogaretirement.org
1800 Atrium Parkway, Napa, California 94559 • 707-257-7885 • www.meadowsofnapavalley.com

ACORD CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 12/19/2013

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

RECEIVED AUG 04 2014 CONTINUING CARE CONTRACTS BRANCH

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

PRODUCER
Caring Communities Shared Services LTD
1850 W. Winchester Road
Suite 109
Libertyville IL 60048

CONTACT NAME: Underwriting Associate
PHONE (A/C, No, Ext): 847-549-8225
FAX (A/C, No): 847-549-8095
E-MAIL ADDRESS: Certificates@caringcomm.org

INSURERS AFFORDING COVERAGE	NAIC #
INSURER A: Caring Communities, A Reciprocal RRG	12373
INSURER B:	
INSURER C:	
INSURER D:	
INSURER E:	

INSURED Pacific Retirement Services Inc.
Odd Fellows Home of California d/b/a
Saratoga Retirement Community
14500 Fruitvale Avenue
Saratoga CA 95070

COVERAGES CERTIFICATE NUMBER: REVISION NUMBER:

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

INSR LTR	TYPE OF INSURANCE	ADD'L INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	GENERAL LIABILITY X COMMERCIAL GENERAL LIABILITY X CLAIMS MADE ☐ OCCUR X Professional Liability X Retro Date 04/01/2002 GEN'L AGGREGATE LIMIT APPLIES PER: X POLICY ☐ PRO-JECT ☐ LOC			CCRRRG-0015-14	01/01/2014	01/01/2015	EACH OCCURRENCE	$ 1,000,000.00
							DAMAGE TO RENTED PREMISES (Ea occurrence)	$ 300,000.00
							MED EXP (Any one person)	$ -
							PERSONAL & ADV INJURY	$ 1,000,000.00
							GENERAL AGGREGATE	$ 3,000,000.00
							PRODUCTS - COMP/OP AGG	$ incl
							SIR Per Claim	$ 50,000.00
	AUTOMOBILE LIABILITY ☐ ANY AUTO ☐ ALL OWNED AUTOS ☐ SCHEDULED AUTOS ☐ HIRED AUTOS ☐ NON-OWNED AUTOS						COMBINED SINGLE LIMIT (Ea accident)	$
							BODILY INJURY (Per person)	$
							BODILY INJURY (Per accident)	$
							PROPERTY DAMAGE (Per accident)	$
								$
A	EXCESS / UMBRELLA LIABILITY ☐ UMBRELLA LIAB ☐ OCCUR X EXCESS LIAB X CLAIMS MADE ☐ DEDUCTIBLE ☐ RETENTION $			CCRRRG-0015-14 *Sublimits apply	01/01/2014	01/01/2015	EACH OCCURRENCE	$ 10,000,000.00
							AGGREGATE	$ 15,000,000.00
							*AUTO	$ 10,000,000.00
							*EMP BEN	$ 5,000,000.00
								$
								$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? Y/N ☐ (Mandatory in NH) If yes, describe under SPECIAL PROVISIONS below						WC STATU-TORY LIMITS / OTH-ER	
							E.L. EACH ACCIDENT	$
							E.L. DISEASE - EA EMPLOYEE	$
							E.L. DISEASE - POLICY LIMIT	$
A	OTHER EXCESS PROFESSIONAL LIABILITY FL, LA, AR SUBLIMIT			CCRRRG-0015-14	01/01/2014	01/01/2015	$2,000,000 EACH OCCURRENCE $2,000,000 AGGREGATE (INCLUDED IN EXCESS LMTS ABOVE)	

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS
12/19/2013 20:18:29

CERTIFICATE HOLDER

Saratoga Retirement Community
14500 Fruitvale Avenue
Saratoga CA 95070

CANCELLATION

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

AUTHORIZED REPRESENTATIVE

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CERTIFICATE OF LIABILITY INSURANCE

ACORD®

DATE (MM/DD/YYYY): 12/19/2013

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RECEIVED AUG 04 2014 CONTINUING CARE CONTRACTS BRANCH

PRODUCER Caring Communities Shared Services LTD 1850 W. Winchester Road Suite 109 Libertyville IL 60048	CONTACT NAME: Underwriting Associate PHONE (A/C, No, Ext): 847-549-8225 FAX (A/C, No): 847-549-8095 E-MAIL ADDRESS: Certificates@caringcomm.org

INSURERS AFFORDING COVERAGE	NAIC #
INSURER A: Caring Communities, A Reciprocal RRG	12373
INSURER B:	
INSURER C:	
INSURER D:	
INSURER E:	

INSURED Pacific Retirement Services Inc.
Odd Fellows Home Of California d/b/a
The Meadows of Napa Valley
1800 Atrium Parkway
Napa CA 94559

COVERAGES CERTIFICATE NUMBER: REVISION NUMBER:

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

INSR LTR	TYPE OF INSURANCE	ADD'L INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
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							SIR Per Claim	$ 50,000.00
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							BODILY INJURY (Per person)	$
							BODILY INJURY (Per accident)	$
							PROPERTY DAMAGE (Per accident)	$
								$
A	EXCESS / UMBRELLA LIABILITY ☐ UMBRELLA LIAB ☐ OCCUR X EXCESS LIAB X CLAIMS MADE ☐ DEDUCTIBLE RETENTION $			CCRRRG-0015-14 *Sublimits apply	01/01/2014	01/01/2015	EACH OCCURRENCE	$ 10,000,000.00
							AGGREGATE	$ 15,000,000.00
							*AUTO	$ 10,000,000.00
							*EMP BEN	$ 5,000,000.00
								$
								$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? Y/N ☐ (Mandatory in NH) If yes, describe under SPECIAL PROVISIONS below						WC STATU-TORY LIMITS / OTH-ER	
							E.L. EACH ACCIDENT	$
							E.L. DISEASE - EA EMPLOYEE	$
							E.L. DISEASE - POLICY LIMIT	$
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DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS

12/19/2013 20:18:43

CERTIFICATE HOLDER	CANCELLATION
The Meadows of Napa Valley 1800 Atrium Parkway Napa CA 94559	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE Peter A. Nagle

ACORD 25 (2010/05)

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GRAND LODGE OF CALIFORNIA
INDEPENDENT ORDER OF ODD FELLOWS (IOOF)

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2014

IZABAL, BERNACIAK & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

GRAND LODGE OF CALIFORNIA
INDEPENDENT ORDER OF ODD FELLOWS (IOOF)
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014

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IZABAL, BERNACIAK & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

388 Market Street, Suite 888
San Francisco, California 94111

Tel (415) 896-5551
Fax (415) 896-0584

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Grand Lodge of California
Independent Order of Odd Fellows (IOOF)
Saratoga, California

Report on Financial Statements
We have audited the accompanying financial statements of Grand Lodge of California Independent Order of Odd Fellows (IOOF), which comprise the statement of financial position as of June 30, 2014, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements.

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Organization'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 Organization's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Grand Lodge of California Independent Order of Odd Fellows (IOOF) as of June 30, 2014, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Izabal Bernaciak & Co.

San Francisco, California
October 6, 2014

GRAND LODGE OF CALIFORNIA
INDEPENDENT ORDER OF ODD FELLOWS
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2014

ASSETS	Operating Funds: Unrestricted	Operating Funds: Temporarily Restricted	Endowment Fund	Total
Current Assets:				
Cash and Cash Equivalents	$ 228,913	$ 5,411	$ 90,299	$ 324,623
Accounts Receivable (Note D)	352	0	0	352
Prepaid Expenses	12,735	0	0	12,735
Inventory	19,235	0	0	19,235
Total Current Assets	261,235	5,411	90,299	356,945
Long Term Investments (Note E)	3,983,830	0	16,346,515	20,330,345
Long Term Receivables (Note F)	5,138,341	0	100,000	5,238,341
Fixed Assets				
Furniture and Equipment	164,231	0	0	164,231
Less: Accumulated Depreciation	(124,919)	0	0	(124,919)
Fixed Assets, Net (Note G)	39,312	0	0	39,312
Rental Real Property:				
Rental Real Property	1,833,699	0	0	1,833,699
Less: Accumulated Depreciation	(73,798)	0	0	(73,798)
Rental Real Property, Net	1,759,901	0	0	1,759,901
TOTAL ASSETS	$ 11,182,619	$ 5,411	$ 16,536,814	$ 27,724,844

LIABILITIES AND NET ASSETS

	Unrestricted	Temporarily Restricted	Endowment Fund	Total
Current Liabilities:				
Accounts Payable & Accrued Liabilities	$ 13,114	$ 0	$ 2,541	$ 15,655
Agency Payable (Note J)	6,270	0	0	6,270
Total Current Liabilities	19,384	0	2,541	21,925
Custodial Funds (Note J)	131,860	0	0	131,860
Total Liabilities	151,244	0	2,541	153,785
Net Assets (Note J)				
Undesignated Net Assets	10,254,766	0	0	10,254,766
Board Designated Net Assets	776,609	0	0	776,609
Board Designated Net Assets for Endowment Purposes	0	0	16,534,273	16,534,273
Temporarily Restricted Net Assets	0	5,411	0	5,411
Total Net Assets	11,031,375	5,411	16,534,273	27,571,059
TOTAL LIABILITIES AND NET ASSETS	$ 11,182,619	$ 5,411	$ 16,536,814	$ 27,724,844

See notes to financial statements

GRAND LODGE OF CALIFORNIA
INDEPENDENT ORDER OF ODD FELLOWS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2014

	Operating Funds			
	Unrestricted	Temporarily Restricted	Endowment Fund	Total
REVENUE:				
Grand Lodge Assessment	$ 68,610	$ 0	$ 0	$ 68,610
Interest and Dividends	350,342	0	283,307	633,649
Realized Gain on Investment	96,599	0	759,234	855,833
Unrealized Gain on Investment	238,087	0	885,809	1,123,896
Gifts, Donations and Bequests	25,256	0	0	25,256
Charter Surrender Revenue	1,570,981	0	0	1,570,981
Billed Services	192,323	0	0	192,323
Net Rental Loss (Note H)	(41,967)	0	0	(41,967)
Gross Profit on Sales	10,744	0	0	10,744
Other Revenue	40,755	0	0	40,755
Net Assets released from:				
Satisfaction of usage restrictions	580,088	(51,880)	(528,208)	0
Total Revenue	3,131,818	(51,880)	1,400,142	4,480,080
EXPENSES: (Note M)				
Endowment Fund Expenses (Note C)	528,208	0	0	528,208
Salaries	154,153	0	0	154,153
Payroll Taxes	16,720	0	0	16,720
Legal Fees	35,982	0	0	35,982
Board of Directors Expenses	26,828	0	0	26,828
Travel Expense Allowance	47,590	0	0	47,590
Office Rent	42,000	0	0	42,000
Audit Fee	16,500	0	0	16,500
Insurance	14,887	0	0	14,887
Sessional Expenses	10,400	0	0	10,400
Depreciation	14,329	0	0	14,329
Equipment Service Agreements	12,969	0	0	12,969
Printing	5,098	0	0	5,098
Odd Fellows/Rebekah Magazine	30,405	0	0	30,405
Professional Services	6,980	0	0	6,980
Office Expenses	21,637	0	0	21,637
Investment Management Services	15,584	0	0	15,584
Telephone	5,285	0	0	5,285
Postage	4,555	0	0	4,555
Committee Expenses	944	0	0	944
Supplies for Resale	9,920	0	0	9,920
Donation Expense	40,000	0	0	40,000
Other	2,472	0	0	2,472
Total Expenses	1,063,446	0	0	1,063,446
CHANGES IN NET ASSETS	2,068,372	(51,880)	1,400,142	3,416,634
Net Assets - Beginning of Year	8,963,003	$ 57,291	$ 15,134,131	$ 24,154,425
NET ASSETS - AT END OF YEAR	$ 11,031,375	$ 5,411	$ 16,534,273	$ 27,571,059

See notes to financial statements

GRAND LODGE OF CALIFORNIA
INDEPENDENT ORDER OF ODD FELLOWS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2014

	Unrestricted	Temporarily Restricted	Endowment Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES:				
Changes in Net Assets	$ 2,068,372	$ (51,880)	$ 1,400,142	$ 3,416,634
Adjustments to reconcile change to net operating cash flows:				
Depreciation on Fixed Assets	14,329	0	0	14,329
Depreciation on Rental Property	48,964	0	0	48,964
Unrealized Gain on Investments	238,087	0	885,809	1,123,896
Gain or Loss on Sale of Investments	96,599	0	759,234	855,833
Decrease/(increase) in assets:				
Accounts Receivable	3,486	0	0	3,486
Prepaid Expenses	2,723	0	0	2,723
Inventory	(2,667)	0	0	(2,667)
Increase/(decrease) in liabilities:				
Accounts Payable and Accrued Liabilities	119	0	0	119
Agency Payable	(19,491)	0	0	(19,491)
Custodial Funds Payable	58,760	0	0	58,760
Net Cash Provided by Operating Activities	2,509,281	(51,880)	3,045,185	5,502,586
CASH FLOWS FROM INVESTING ACTIVITIES:				
Purchase of Furniture and Equipment	(20,779)	0	0	(20,779)
Proceeds from Sale of Investments	(1,328,530)	0	(3,111,519)	(4,440,049)
Charter Surrender	(1,199,000)	0	0	(1,199,000)
Net Cash Used by Investing Activities	(2,548,309)	0	(3,111,519)	(5,659,828)
CASH FLOWS FROM FINANCING ACTIVITIES:				
Increase in Long Term Receivables	(106,735)	0	0	(106,735)
Net Cash Used by Financing Activities	(106,735)	0	0	(106,735)
Net Increase/(Decrease) in Cash & Cash Equivalents	(145,763)	(51,880)	(66,334)	(263,977)
CASH AND CASH EQUIVALENTS				
Beginning of year	374,676	$ 57,291	$ 156,633	$ 588,600
END OF YEAR	$ 228,913	$ 5,411	$ 90,299	$ 324,623

See notes to financial statements

GRAND LODGE OF CALIFORNIA
INDEPENDENT ORDER OF ODD FELLOWS (IOOF)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014

Note A: ORGANIZATION

The Grand Lodge of California, Independent Order of Odd Fellows (IOOF), received its charter in 1853 from the Sovereign Grand Lodge, and is currently responsible for 122 lodges and approximately 4,402 members in the State of California. Organizations under the control of the Grand Lodge of California IOOF include the Odd Fellows Home of California and the California Odd Fellows Foundation. The Odd Fellows Home of California (OFHC) operates two facilities: the Saratoga Retirement Community (SRC) and The Meadows (Napa). Also affiliated with the Grand Lodge of California IOOF is the Rebekah Assembly of California.

The Grand Lodge of California IOOF is subject to the Roberts Code of California Odd Fellows Laws (Roberts Code), as revised in 1998. The Code contains the constitution and laws of the Grand Lodge of California IOOF and all entities operating under the authority granted by the Grand Lodge of California IOOF.

Note B: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies applied in the preparation of the accompanying financial statements follows:

Basis of Accounting
The accompanying financial statements are prepared on the accrual basis of accounting. Revenue is recognized when earned and expenses are recognized when incurred.

Basis of Presentation
The Grand Lodge of California IOOF's financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Accounting Standards Codification Section, *"Not-for-Profit Entities, Presentation of Financial Statements"*. The Grand Lodge of California IOOF has reported as required information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Statement of Cash Flows
For purposes of the statement of cash flows, the Grand Lodge of California IOOF considers all short term investments with an original maturity of three months or less to be cash equivalents.

Note B: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Revenue Recognition

Contributions are recognized as revenue when they are unconditionally communicated. Contributions are recorded at their fair value as unrestricted support or temporarily restricted support, depending on the absence or existence of the donor-imposed restrictions as applicable. When a restriction expires (that is, 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 statement of activities as net assets released from restrictions.

Estimates

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

Tax Status

The Grand Lodge of California IOOF is exempt from taxation under Internal Revenue Code Section 501(c)(8) and California Revenue and Taxation code Section 23701(b). Accordingly, no provision for income taxes is included in the accompanying financial statements. Management believes the Grand Lodge of California IOOF has no uncertain tax positions as of June 30, 2014.

Accounts Receivable / Long Term Receivables

The Grand Lodge of California IOOF considers the accounts receivable and long term receivables to be fully collectible; accordingly no allowance for doubtful accounts is required. If amounts become uncollectible, they will be charged to operations when that determination is made.

Inventory

Inventory consists of items held for resale and is valued at the lower of cost or market.

Investments

The Grand Lodge of California IOOF invests in publicly traded securities consisting of corporate bonds, notes, and equity securities which are carried at their estimated fair trade value based on quoted market prices. All debt securities and equity securities are valued in accordance with *Fair Value Measurements.* Public stocks, subject to considerable price fluctuations, are valued at the closing market price on the last day of the fiscal year. Gains and losses that result from market fluctuations are recognized in the period such fluctuations occur as part of unrestricted net assets. Realized gains or losses resulting from sales or maturities are calculated on an adjusted cost basis. Adjusted cost is the estimated fair value of the security at the beginning of the year. Dividend and interest income are accrued when earned.

Capitalization of Assets

Assets purchased with unrestricted funds are capitalized at cost and depreciated over the life of the asset using the straight-line method. Donated assets are recorded at fair value on the date of acquisition and depreciated over the life of the asset using the straight-line method.

Note C: ENDOWMENT FUND

As of June 30, 2014, the Grand Lodge of California IOOF Board of Directors had designated $16,534,273 of unrestricted net assets as a general endowment fund to support the mission of the Odd Fellows Home of California, Inc. Since that amount resulted from an internal designation and is not donor-restricted, it is classified and reported as unrestricted net assets.

The Grand Lodge of California IOOF has a policy of distributing each month the net earnings from the invested funds to the Odd Fellows Home of California, Inc. In establishing this policy, the Grand Lodge of California IOOF considered the long-term expected investment return on its endowment. Accordingly, over the long term, the Grand Lodge of California IOOF expects the current investment policy to allow its general endowment fund to grow annually. This is consistent with the Grand Lodge of California IOOF's objective to maintain the purchasing power of the endowment assets as well as to provide to additional real growth through investment return.

To achieve that objective, the Grand Lodge of California IOOF has adopted an investment policy that attempts to maximize total return consistent with an acceptable level of risk. Endowment assets are invested in a well diversified asset mix, which includes equity and debt securities that are intended to result in a consistent inflation-protected rate of return that has sufficient liquidity to make its monthly distributions, while growing the fund if possible. Accordingly, the Grand Lodge of California IOOF expects its endowment assets, over time, to produce an average rate of return of approximately 2.5% - 5% annually. Actual returns in any given year may vary from this amount. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk.

Composition of and changes in endowment net assets for the year ended June 30, 2014 were as follows:

Endowment Net Assets as of June 30, 2013	$	15,134,131
Net Investment Income		1,042,541
Donation from Lodge		0
Net Appreciation (Depreciation)		885,809
Fund Expenditure		(528,208)
Endowment Net Assets as June 30, 2014	$	16,534,273

GRAND LODGE OF CALIFORNIA
INDEPENDENT ORDER OF ODD FELLOWS (IOOF)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014

Note D: ACCOUNTS RECEIVABLE

Accounts Receivable as of June 30, 2014 consists of the following:

Various Local Lodges	$	352

Note E: LONG-TERM INVESTMENTS

Long term-investments are reported on the basis of quoted market prices (all level 1 measurements) and consist of the following as of June 30, 2014:

Investments for Unrestricted Funds:

For Operating Purposes	**Cost**	**Fair Value**
Stocks and Options	$ 543,436	$ 613,415
ETFs & CEFs	1,085,957	1,227,763
Mutual Funds	536,754	772,490
Sub-total for Operating Purposes	2,166,147	2,613,668
For Trust Fund		
ETFs & CEFs	398,695	452,435
Mutual Funds	311,704	410,718
Money Market Funds	8,760	8,760
Sub-total for Trust Fund	719,159	871,914
For Beneficial Fund		
ETFs & CEFs	213,250	238,201
Mutual Funds	198,667	254,845
Money Market Funds	5,203	5,203
Sub-total for Beneficial Fund	417,120	498,250
Total Investments for Unrestricted Funds	$ 3,302,426	$ 3,983,830

Note E: LONG-TERM INVESTMENTS - Continued

Investments for Restricted Funds:

For Endowment Fund

Stocks and Options	4,297,988	4,976,895
ETFs & CEFs	6,749,415	7,819,189
Corporate Fixed Income	71,796	73,297
Government Securities	287,183	288,377
Mutual Funds	1,649,480	2,907,652
Money Market Funds	281,105	281,105
Total Investments for Restricted Fund	13,336,967	16,346,515
TOTAL INVESTMENTS	$ 16,639,393	$ 20,330,345

Investment return for the year ended June 30, 2014 is summarized as follows:

	For Unrestricted Funds	For Endowment Funds
Investment Income	$ 350,342	$ 283,307
Gain/(Loss) on Sale of Investments	96,599	759,234
Unrealized Gain/(Loss) on Investments	238,087	885,809
Total	$ 685,028	$ 1,928,350

Note F: LONG-TERM RECEIVABLES

At June 30, 2014, long-term receivables consisted of the following:

Real Estate Notes Receivable	$ 5,136,841
HEF Loan Receivable	1,500
Endowment Notes Receivable	100,000
TOTAL	$ 5,238,341

Note G: FIXED ASSETS

Fixed Assets at June 30, 2014 consisted of the following:

Leasehold Improvements	$	35,608
Equipment and Furniture		116,470
Odd Fellows Regalia		12,153
Subtotal		164,231
Less: Accumulated Depreciation		(124,919)
TOTAL	$	39,312

Depreciation expense for the year ended June 30, 2014 was $14,329.

Note H: NET RENTAL INCOME

As of June 30, 2014, the Grand Lodge of California IOOF owned four real properties. The fair values, less accumulated depreciation of $73,798, amounted to $1,759,901.
An analysis of rental activity of the properties for the year ended June 30, 2014 is as follows:

Rental Income	$	39,291
Expenses:		
Insurance		9,444
Property Taxes		3,650
Utilities		7,204
Repairs & Maintenance		9,080
Legal Expenses		2,280
Depreciation		48,963
Property Management		637
Total Expenses		81,258
Net Rental Loss	$	(41,967)

Note I: RETIREMENT PLAN

The Grand Lodge of California IOOF has a retirement plan covering employees who have completed 15 years of employment or have reached the age of 65, whichever is later. Retirees will receive annual benefits (payable monthly) equal to 10% to 20% (based on the years of service) of the monthly gross salary received during their last year of employment.

There is one retiree currently receiving benefits. Funding for the plan comes from assessments to members plus interest earned. The balance in the Board Designated Net Assets Fund at June 30, 2014 was $12,906. During the year ended June 30, 2014, payments to retirees were $3,566.

Note J: GRAND LODGE FUND

The Grand Lodge of California IOOF maintains various funds in accordance with fund accounting principles. As of June 30, 2014, for purposes of conforming to generally accepted accounting principles, they are classified as follows:

	Total Funds	Board Designated Net Assets	Temporarily Restricted Net Assets	Custodial Funds	Agency Payables
Adopt-a-Resident Fund	$ 28,764	$ 24,595	$ 4,169	$ 0	$ 0
Arthritis Fund	0	0	0	0	0
Beneficial Custodial Funds	28,537	0	0	28,537	0
Benevolent Fund	252,653	252,653	0	0	0
CA Visual Research	12,834	0	0	12,834	0
Disaster Fund	120,302	120,675	(373)	0	0
Employee Retirement Fund	12,906	12,906	0	0	0
Grand Lodge Sessions	626	626	0	0	0
Grand Master Project Fund	1,793	1,793	0	0	0
Heart Fund	0	0	0	0	0
Higher Education Fund	271,155	271,155	0	0	0
Junior Lodge Fund	2,295	2,295	0	0	0
Membership Promotion Fund	24,858	24,858	0	0	0
Odd Fellow Rebekah Paper	24,148	24,148	0	0	0
Odd Fellow/Rebekah Beneficial	7,853	7,853	0	0	0
OFHC BBQ Fund	9,435	9,435	0	0	0
Other BDNA	8,414	8,414	0	0	0
SGL Assessments	6,270	0	0	0	6,270
UN Pilgrimage Fund	10,096	15,203	(5,107)	0	0
VRF Memorial Fund Donations	21,695	0	0	21,695	0
VRF Memorial Fund Invested	68,795	0	0	68,794	0
Youth Fund	6,722	0	6,722	0	0
TOTAL	$ 920,151	$ 776,609	$ 5,411	$ 131,860	$ 6,270

Note K: FUNCTIONAL EXPENSES

Expenses by function for the year ended June 30, 2014 were as follows:

Program Services	$ 693,258
Management and General	370,188
Total	$ 1,063,446

Note L: COMMITMENTS AND CONTINGENCIES

In 1993, the Grand Lodge of California IOOF entered into a guaranty agreement with the Office of Statewide Health Planning and Development of the State of California (Cal-Mortgage), the mortgage insurers of the $18,995,000 bond debt (construction financing at Napa) of the California Odd Fellows Housing of Napa, Inc. (The Meadows). In 1999, the Grand Lodge of California IOOF entered into a similar guaranty agreement with Cal-Mortgage in connection with the $34,500,000 of debt (construction financing at Saratoga) of the Odd Fellows Home of California (OFHC), dba Saratoga Retirement Community. These guarantees were required prerequisites of Cal-Mortgage prior to their issuance of contracts of mortgage insurance for the above bond financing. On July 31, 2002, OFHC and The Meadows merged. In January 2003, Cal-Mortgage approved mortgage insurance for an additional $80,000,000 of bond construction financing at Saratoga. As of January 1, 2003, a new guaranty agreement was entered into by the Grand Lodge of California IOOF in favor of Cal-Mortgage and the U.S. Trust National Association, trustee. This agreement supersedes the two prior guaranty agreements and incorporates the total bond indebtedness of approximately $104.9 million at June 30, 2014.

This agreement is a continuing guaranty whereby the Grand Lodge of California IOOF (Guarantor) is contingently liable for the timely payment of all OFHC obligations and performance (including maintenance by the Grand Lodge of California IOOF of at least 60 days cash on hand). The guaranty shall remain in full force and effect until all OFHC obligations have been fully paid and performed. The liability of the Guarantor is independent of OFHC's liability, and not contingent upon the liability of any other party. Until all OFHC obligations have been fully satisfied, the Guarantor waives several items, including (a) all rights of subrogation, contribution, or indemnification against OFHC, as well as (b) any benefits of, or right to participate in, any security, whether real or personal property.

Note M: CONCENTRATION OF CREDIT RISK ARISING FROM CASH DEPOSITS IN EXCESS OF INSURED LIMITS

The Grand Lodge of California IOOF maintains its cash balances in various financial institutions. The balances at the financial institutions are insured by the Federal Deposit Insurance Corporation up to $250,000. While the Grand Lodge of California IOOF maintains cash in banks and financial institutions in amounts which at times, exceed the federally insured limits, the Grand Lodge of California IOOF has not experienced any losses in such accounts and believes they are not exposed to any significant credit risk on cash.

Note N: ADVERTISING EXPENSE

The production costs of advertising are expensed as incurred. During the year ended June 30, 2014, advertising expense was $0.

Note O: SUBSEQUENT EVENTS

The Organization's management has evaluated its subsequent events through October 6, 2014, the date the financial statements were available to be issued, and concluded that no additional adjustments to the financial statements or disclosures are required.

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Report of Independent Auditors and
Financial Statements with
Supplementary Information

Odd Fellows Home of California

March 31, 2014 and 2013

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CONTENTS

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REPORT OF INDEPENDENT AUDITORS

The Board of Directors
Odd Fellows Home of California

Report on the Financial Statements

We have audited the accompanying financial statements of Odd Fellows Home of California, which comprise the statements of financial position as of March 31, 2014 and 2013, and the related statements of activities and changes in net assets (deficit), and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the 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 financial statements referred to above present fairly, in all material respects, the financial position of Odd Fellows Home of California as of March 31, 2014 and 2013, 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.

Emphasis of Matter

As discussed in Note 2 to the financial statements, for the year ended March 31, 2014, and for all periods presented, Odd Fellows Home of California adopted new accounting guidance that reflects changes to the presentation of deferred revenue from entrance fees and related amortization in accordance with Accounting Standards Update No. 2012-01, *Health Care Entities (Topic 954): Continuing Care Retirement Communities – Refundable Advance Fees*. Our opinion is not modified with respect to these matters.

Other Matters

Supplementary Information

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

Moss Adams LLP

San Francisco, California
July 23, 2014

FINANCIAL STATEMENTS

ODD FELLOWS HOME OF CALIFORNIA
STATEMENTS OF FINANCIAL POSITION
March 31, 2014 and 2013

	2014	2013
ASSETS		
Current assets		
Cash & cash equivalents	$ 5,304,229	$ 5,204,133
Short term investments	44,751,528	32,330,478
Accounts receivable, net	4,034,886	3,178,309
Supplies and other prepaid expenses	953,275	929,819
Due from Grand Lodge Endowment Fund	34,000	34,000
Current portion of assets restricted under bond indenture agreements	5,149,679	6,775,593
Total current assets	60,227,597	48,452,332
Property and equipment, net	110,359,448	112,268,453
Other assets		
Assets held in trust	2,818	9,345
Long term investments	-	262,645
Assets restricted under bond indenture agreements, net of current portion	7,137,671	7,096,059
Restricted deposits	-	136,603
Bond issuance and other financing costs, net	4,562,510	4,911,755
Total other assets	11,702,999	12,416,407
	$ 182,290,044	$ 173,137,192
LIABILITIES AND NET ASSETS (DEFICIT)		
Current liabilities		
Accounts payable and accrued expenses	$ 3,462,909	$ 2,861,682
Accrued interest payable	2,357,925	2,058,485
Refundable deposits	545,923	987,303
Current portion of entrance fees due upon reoccupancy	1,019,250	1,581,131
Current portion of long-term debt	2,695,000	1,150,000
Due to/from PRS MC LLC, net	50,975	52,456
Total current liabilities	10,131,982	8,691,057
Long-term debt, net of current portion	104,919,941	108,405,505
Entrance fees refundable upon reoccupancy, net of current portion	52,047,860	44,593,591
Deferred revenue from entrance fees	20,323,884	19,822,781
Total liabilities	187,423,667	181,512,934
Net assets (deficit)		
Unrestricted	(6,010,266)	(9,180,858)
Temporarily restricted	792,338	720,811
Permanently restricted	84,305	84,305
Total net assets (deficit)	(5,133,623)	(8,375,742)
	$ 182,290,044	$ 173,137,192

See accompanying notes.

	2014	2013
CHANGES IN UNRESTRICTED NET ASSETS		
Revenues:		
Service fees	$ 24,622,342	$ 23,905,984
Health center revenue, net	17,279,546	17,269,066
Entrance fees earned	3,093,624	2,774,944
Contributions	444,983	563,504
Investment income	1,921,937	1,169,231
Other revenue	1,353,536	1,369,220
Total revenues	48,715,968	47,051,949
Net assets released from restrictions	31,846	42,333
Total revenue, gains, and support	48,747,814	47,094,282
Expenses:		
Program expenses:		
Dietary services	7,449,109	7,183,018
Facility services and utilities	7,278,154	6,990,683
Health and social services	10,646,937	10,856,294
Assisted living	3,680,487	3,632,246
General and administrative:		
Administrative and marketing	4,339,277	4,246,833
Interest	4,299,555	5,906,189
Depreciation	6,648,426	6,474,648
Fund disbursement	31,846	42,235
Management services	2,505,115	2,436,627
Loss on disposal of property and equipment	98,984	51,523
Total expenses	46,977,890	47,820,296
Operating income (loss)	1,769,924	(726,014)
Nonoperating income (loss):		
Unrealized change in value of investments	1,400,668	1,034,533
Loss on extinguishment of debt	-	(3,914,988)
Total nonoperating income (loss)	1,400,668	(2,880,455)
Change in unrestricted net assets	3,170,592	(3,606,469)
CHANGES IN TEMPORARILY RESTRICTED NET ASSETS		
Contributions	54,356	55,478
Investment income	19,332	11,981
Unrealized change in value of investments	29,685	28,787
Net assets released from restrictions	(31,846)	(42,333)
Increase in temporarily restricted net assets	71,527	53,913
CHANGES IN NET ASSETS (DEFICIT)	3,242,119	(3,552,556)
Net deficit, beginning of year	(8,375,742)	(4,823,186)
Net deficit, end of year	$ (5,133,623)	$ (8,375,742)

See accompanying notes.

ODD FELLOWS HOME OF CALIFORNIA
STATEMENTS OF CASH FLOWS
Years Ended March 31, 2014 and 2013

		2014		2013
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	$	40,695,039	$	41,886,957
Advanced fees received		3,594,727		2,126,300
Other operating cash receipts		1,262,428		918,557
Cash paid to employees and suppliers		(35,298,007)		(37,176,528)
Interest and bond fees paid		(3,650,870)		(5,397,111)
Contributions received		492,839		627,637
Net cash provided by operating activities		7,096,156		2,985,812
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchases of property and equipment		(4,783,538)		(2,627,707)
Proceeds from sale of investments		3,000		3,000,000
Purchases of investments		(8,750,000)		(3,030,000)
Change in assets restricted under bond indenture agreements		1,582,654		(121,786)
Net cash used in investing activities		(11,947,884)		(2,779,493)
CASH FLOWS FROM FINANCING ACTIVITIES				
Refundable portion of entrance fees received		10,591,380		11,828,700
Entrance fees refunded		(3,698,992)		(5,922,059)
Principal payments on long-term debt		(1,150,000)		(106,545,000)
Proceeds from long-term debt		-		98,550,000
Proceeds from premiums on long-term debt		-		11,332,260
Amortization of bond premium/discount		(790,564)		(320,444)
Debt refinancing costs paid		-		(5,056,080)
Net cash provided by financing activities		4,951,824		3,867,377
Net increase in cash and cash equivalents		100,096		4,073,696
Cash and cash equivalents - beginning		5,204,133		1,130,437
Cash and cash equivalents - ending	$	5,304,229	$	5,204,133
Reconciliation of changes in net assets to net cash flows provided by operating activities				
Changes in net assets (deficit)	$	3,242,119	$	(3,552,556)
Adjustments to reconcile to net cash provided by operating activities:				
Depreciation		6,648,426		6,474,648
Amortization		349,245		345,195
Loss on extinguishment of debt		-		3,914,988
Non-refundable portion of entrance fees received from new residents		3,594,727		2,126,300
Entrance fees earned		(3,093,624)		(2,774,944)
Unrealized change in value of investments		(1,430,353)		(1,063,320)
Investment income		(1,941,269)		(1,181,212)
Non cash contribution		(6,500)		(3,517)
Loss on disposal of property and equipment		98,984		51,523
Net change in:				
Accounts receivable, net		(852,181)		12,605
Supplies and other prepaid expenses		(61,591)		116,050
Accounts payable and accrued expenses		554,991		(1,754,403)
Accrued interest payable		299,440		163,882
Due to affiliates		(1,481)		(40,427)
Refundable deposits		(304,777)		151,000
Net cash provided by operating activities	$	7,096,156	$	2,985,812

See accompanying notes.

	2014	2013
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid during the year for interest	$ 4,416,410	$ 5,553,336
SUPPLEMENTAL DISCLOSURE OF NON-CASH INVESTING AND FINANCING ACTIVITIES		
Property and equipment financed with accounts payable and accrued expenses	$ 467,250	$ 414,487

See accompanying notes.

NOTE 1 – ORGANIZATION

Organization and basis of presentation – The Odd Fellows Home of California (the "Corporation") is a non-profit public benefit corporation organized under the California Non-Profit Public Benefit Corporation Law for charitable purposes. It was originally established by the Grand Lodge of California, Independent Order of Odd Fellows in 1893, and has been operating in Saratoga since 1912. On July 31, 2002, the Corporation merged with the California Odd Fellows Home of Napa. Inc. ("The Meadows"), also a non-profit public benefit corporation, established by the Grand Lodge in 1992. The Meadows continues to operate as in the past, but its corporate structure has been joined with the Odd Fellows Home of California (the surviving corporation).

The Saratoga facility (dba Saratoga Retirement Community), located in Saratoga, California, consists of 143 independent living apartments, 93 assisted living apartments, 94-bed skilled nursing facility, and 12 memory care beds.

The Napa facility (dba The Meadows of Napa Valley), located in Napa, California, consists of 168 independent living apartments, 62 assisted living apartments, 69-bed skilled nursing facility, and 20 memory care beds.

The Saratoga Retirement Community is licensed to operate as a continuing care retirement community ("CCRC"), offering two entrance fee options: non-refundable or 90% refundable option. The entrance fee and the monthly fee together will provide the resident with use of an apartment or cottage and access to care in assisted living or the skilled nursing facility on a temporary or permanent basis.

The Meadows of Napa Valley offers four levels of care as a Multi-Level Care Facility ("MLCF"). On January 30, 2012, The Meadows of Napa Valley received a Provisional Certificate of Authority from the California State Department of Social Services to enter into Continuing Care Contracts to provide care to residents for a term in excess of one year in exchange for payment. In July 2013, The Meadows of Napa Valley began entering into Continuing Care Contracts on certain apartments. The Meadows of Napa Valley will continue to offer apartments on a month to month rental basis as well as apartments under a continuing care contract. On December 23, 2013 the California State Department of Social Services extended the Provisional Certificate of Authority to August 30, 2014. Management expects to file the necessary reports and request a Final Certificate of Authority from the California State Department of Social Services before the Provisional Certificate of Authority expires in August.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation – The accompanying financial statements include only the accounts of the Corporation.

Performance indicator – "Change in unrestricted net assets" as reflected in the accompanying statements of activities and changes in net assets (deficit) is the performance indicator. Change in unrestricted net assets includes all changes in unrestricted net assets, including unrealized change in value of trading investments, and excluding receipt of restricted contributions, contributions of, and assets released from donor restrictions, and investment returns restricted by donors or law.

Use of estimates – The preparation of financial statements in conformity with generally accepted accounting principles require 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 reported amounts of revenues, expenses, gains and losses during the reporting period. Actual results could differ from those estimates.

Cash and cash equivalents – Cash and cash equivalents include cash, money market accounts and other securities with maturities of three months or less at date of acquisition that are not otherwise held by an investment advisor or restricted under bond indenture agreements.

Short term investments – Investments are stated at fair value based on quoted market prices. Investments in marketable securities are adjusted to fair value through recognition of unrealized gains and losses in nonoperating income (loss) as they are classified as trading securities. Gains or losses are calculated based on specific identification of the investments. Dividend, interest, and other investment income are recorded net of related custodial and advisory fees. The Corporation's policy is to recognize transfers in and transfers out of Level 1 and Level 2 as of the end of the reporting period.

Accounts receivable – Accounts receivable primarily represents amounts due from residents for living accommodations, services, amounts due from third parties, and interest receivable. The Corporation receives payment for health services from residents, insurance companies, Medicare, HMOs, and other third-party payors. As a result, the Corporation is exposed to certain credit risks. The Corporation manages its risk by regularly reviewing its accounts and by providing appropriate allowances for uncollectible accounts. An allowance for doubtful accounts is established based on past collection history and specific identification of uncollectable amounts.

Supplies inventory – The accounting method used to record inventory is the FIFO (First In First Out) method. Inventory is valued at the lower of cost or market value as of March 31, 2014 and 2013.

Assets restricted under bond indenture agreements – The revenue certificates and bonds indenture agreements require that certain funds be invested in various required accounts. These required deposits and their related actual account balances are as follows:

	Investment Location	Invested Balance 2014	Invested Balance 2013
Debt service reserve	Trustee	$ 7,137,671	$ 7,096,059
Bond project fund	Trustee	96,639	3,566,935
Interest fund	Trustee	2,358,040	2,058,627
Principal fund	Trustee	2,695,000	1,150,031
Total assets limited as to use		$ 12,287,350	$ 13,871,652

Property and equipment – Purchased property and equipment are recorded at cost, or fair value when received, if donated. The cost basis includes any interest, finance charges, major replacements and improvements, and other related costs capitalized during construction. Maintenance, repairs, and minor replacements are charged to expense when incurred.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets, which range from 3 to 40 years. When assets are retired or otherwise disposed of, the cost of the asset and its related accumulated depreciation are removed from the accounts, and any resulting gain or loss is recognized in income for the period.

The Corporation, using its best estimates based on reasonable and supportable assumptions and projections, reviews for impairment of long-lived assets when indicators of impairment are identified. The review addresses the estimated recoverability of the assets' carrying value, which is principally determined based on projected undiscounted cash flows generated by the underlying tangible assets. When the carrying value of an asset exceeds estimated recoverability, an asset impairment is recognized. No impairment losses were present for the years ended March 31, 2014 and 2013.

Restricted deposits – Restricted deposits contain deposits paid by residents who have selected a unit for move-in. The Department of Social Services ("DSS") required these funds be held by a Trustee until certain requirements were met by the Meadows. The Meadows met those requirements in December 2013, and the funds were released for deposit into the general operating account.

Refundable deposits

The Meadows of Napa Valley – Each applicant for residency is required to pay a $1,000 application fee deposit. This deposit will be refunded if the application is denied. If the application is approved, but subsequently withdrawn, it is fully refunded. When a unit becomes available, a CCRC applicant is required to pay an entrance fee deposit of $10,000 to reserve the unit prior to occupancy. This deposit is refundable prior to occupancy. For applicants who execute a rental agreement, the $1,000 is non-refundable after three months of residency.

Saratoga Retirement Community – Each applicant for residency is required to pay a $1,000 application fee deposit. This deposit will be refunded if the application is denied. If the application is approved but subsequently withdrawn, a portion is refunded. When a unit becomes available, the applicant is also required to pay an entrance fee deposit, which varies in amount, to reserve the unit prior to occupancy. This deposit is refundable prior to occupancy.

Deferred revenue from entrance fees – Non-refundable fees paid by a resident upon entering into a continuing care contract are recorded as deferred revenue. The Corporation has two different continuing care contracts, which include 90% refundable contracts and non-refundable contracts. The non-refundable deferred entrance fees are amortized to income over the estimated remaining actuarial life expectancy of the resident. Amounts amortized to income relating to these types of contracts were $3,093,624 and $2,774,994 for the years ended March 31, 2014 and 2013, respectively, as included in entrance fees earned in the statements of activities and changes in net assets (deficit). At March 31, 2014 and 2013, the Corporation had non-refundable entrance fees of $20,323,884 and $19,822,781, respectively, related to entrance fees received that will be recognized as revenue in future years.

Entrance fees refundable upon reoccupancy – The other contracts are 90% refundable at the time of reoccupancy after termination of the contract. The nonrefundable portion is amortized to income over the estimated remaining actuarial life expectancy of the resident. Included in such balances are amounts expected to be refunded to residents, as actuarially determined. The refundable portion of entrance fees as of March 31, 2014 and 2013, were $53,067,110 and $46,174,722, respectively, of which $1,019,250 and $1,581,131 were due to residents as included in current portion of entrance fees refundable upon reoccupancy, at the time the apartment is re-occupied by another resident. Actual refunds of such entrance fees were $3,698,992 and $5,922,059 for the years ended March 31, 2014 and 2013, respectively.

Obligation to provide future services – The Corporation annually calculates the present value of the net cost of future services and the use of facilities to be provided to current residents and compares that amount with the balance of deferred revenue from entrance fees. If the present value of the net cost of future services and the use of facilities exceeds the deferred revenue from entrance fees, a liability is recorded (obligation to provide future services and use of facilities) with the corresponding charge to income. The obligation is discounted at 5.5% for 2014 and 5.5% for 2013, based on the expected long-term rate of return on government obligations. At March 31, 2014 and 2013, no additional future service liability is deemed to exist.

Professional and general liability – The Corporation has secured claims-made policies for general and professional liability insurance with self-insured retentions of $50,000 per claim with limits of $1,000,000 per claim and $3,000,000 aggregate per policy period. The Corporation has also secured excess general and professional liability insurance with limits of $10,000,000 per claim and $15,000,000 aggregate per policy period. Policy period begins January 1, 2014, and ends January 1, 2015. The Corporation has accrued no liability as its best estimate of the cost of known claims incurred prior to March 31, 2014 that are within the retention amount. In addition the Corporation has accrued no liability at March 31, 2014, as its best estimate of the cost of claims incurred but not yet reported. These liabilities would be included in accounts payable and accrued expenses in the accompanying statements of financial position.

Net assets – The Corporation reports three classifications of net assets. A description of each classification of net assets is as follows:

Unrestricted net assets – represent unrestricted resources available to support the Corporation's operations and temporarily restricted resources which have become available for use by the Corporation in accordance with the intention of the donor.

Temporarily restricted net assets – represent contributions that are limited in use by the Corporation in accordance with temporary donor-imposed stipulations. These stipulations may expire with time or may be satisfied by the actions of the Corporation according to the intention of the donor. Upon satisfaction of such stipulations, the associated net assets are released from temporarily restricted net assets and recognized as unrestricted net assets.

Permanently restricted net assets – represent net assets subject to donor imposed stipulations that they be maintained by the Corporation in perpetuity. The Board of Directors has interpreted California's enacted Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of permanently restricted donations absent explicit donor stipulations to the contrary. As a result of this interpretation, the Corporation classifies as permanently restricted net assets (a) the original value of gifts donated, (b) the original value of subsequent gifts, and (c) accumulations to the permanently restricted fund made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. Generally, the donors of these assets permit the Corporation to use all or part of the investment return on these assets.

Contributions – The Corporation reports unconditional contributions of cash and other assets at fair value at the date the contribution is made. Conditional contributions are reported at fair value at the date the conditions are substantially met. The gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets.

When a donor restriction expires, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the statements of activities and changes in net assets (deficit) as net assets released from restrictions. Donor-restricted contributions whose restrictions are met within the same year as received are reported as temporarily restricted contributions and net assets released from restriction in the accompanying financial statements.

Revenue recognition (service fees, health center revenues, other revenue) – Service fees and health center revenues are recognized in the month in which services are provided and collectability is reasonably assured. In addition, health center revenue is presented net of third party rate adjustments. Other revenue is recognized as the related services are provided and includes guest services income, catering income, and other miscellaneous income.

The Corporation provides health care services primarily to residents of its communities and the surrounding area. Laws and regulations governing Medicare and Medi-Cal programs are complex and subject to interpretation. The Corporation believes that it is in compliance with all applicable laws and regulations and is not aware of any pending or threatened investigations involving allegations of potential wrongdoing. While no such regulatory inquiries have been made, compliance with such laws and regulations can be subject to future government review and interpretation as well as significant regulatory action, including fines, penalties, and exclusion from the Medicare and Medi-Cal programs.

Charity care – The Corporation provides care without charge or at amounts less than its established rates to residents who meet certain criteria under its charity care policy. Because the Corporation does not normally pursue collection of amounts determined to qualify as benevolence, they are not reported as revenue.

Tax exempt status – The Corporation has been recognized by the Internal Revenue Service as a not-for-profit corporation as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes on related activities. No tax provision has been made in the accompanying statements of activities and changes in net assets (deficit).

The Corporation 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. The Corporation recognizes interest and penalties related to income tax matters in operating expenses. At March 31, 2014 and 2013, there were no such uncertain tax positions.

Concentrations of credit risk – The Corporation's cash, cash equivalents, investments, and assets restricted under bond indenture agreement consist of various financial instruments. These financial instruments may subject the Corporation to concentrations of risk as, from time to time, cash and investment balances may exceed amounts insured by the Federal Deposit Insurance Corporation and the Securities Investor Protection Corporation, the fair value of debt securities are dependent on the ability of the issuer to honor its contractual commitments, and the fair value of investments are subject to change. Management monitors the financial condition of these institutions on an ongoing basis and does not believe significant credit risk exists at this time.

Concentration of credit risk results from the Corporation granting credit without collateral to its patients, most of whom are local residents and are insured under third-party payor agreements. The mix of receivables as of March 31, 2014 and 2013, from residents and third-party payors is listed at Note 4.

Fair value of financial instruments – The carrying values of cash, investments, accounts receivable, accounts payable and accrued liabilities, refundable deposits and due to affiliates approximate fair value due to the short maturity of such instruments. The carrying value of the long-term debt approximates its fair value due to the floating variable interest pay rate of such instruments. The fair value of debt is disclosed in Note 8. The fair values of investments and assets restricted under bond indenture agreements are disclosed in Note 15.

Advertising – The Corporation expenses advertising costs as incurred. The Corporation incurred advertising costs of $329,358 and $483,421 for the years ended March 31, 2014 and 2013, respectively.

New accounting pronouncements – Effective April 1, 2013, the Corporation 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 the refundable portion of advance fees which were previously included in deferred revenue and amortized into revenue over the life of the facility. In accordance with Financial Accounting Standards Board (FASB) ASC 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 2013 financial statements presented herein have been adjusted to apply the new accounting method retrospectively as follows:

	March 31, 2013		
	As previously Reported	Adjustment	As Adjusted
Unrestricted net asset (deficit), beginning of year	$ 3,164,732	$ (8,739,119)	$ (5,574,387)
Unrestricted net asset (deficit), end of year	$ 1,046,922	$ (10,227,780)	$ (9,180,858)
Total net asset (deficit), beginning of year	$ 3,915,933	$ (8,739,119)	$ (4,823,186)
Total net asset (deficit), end of year	$ 1,852,038	$ (10,227,780)	$ (8,375,742)
Deferred revenue from entrance fees	$ 54,188,592	$ (34,365,811)	$ 19,822,781
Entrance fees refundable upon reoccupancy, net of current portion	$ -	$ 44,593,591	$ 44,593,591
Entrance fees earned	$ 4,263,605	$ (1,488,661)	$ 2,774,944
Total revenues	$ 48,583,711	$ (1,489,429)	$ 47,094,282
Changes in net assets (deficit)	$ (2,063,895)	$ (1,488,661)	$ (3,552,556)

In October 2012, the FASB issued ASU No. 2012-05, *Classification of the Sale Proceeds of Donated Financial Assets in the Statement of Cash Flows* ("ASU 2012-05") to classify cash receipts from the sale of donated financial assets consistently with cash donations received in the statement of cash flows if those cash receipts were from the sale of donated financial assets that upon receipt were directed without any not-for-profit (NFP) imposed limitations for sale and were converted nearly immediately into cash. Accordingly, the cash receipts from the sale of those financial assets should be classified as cash inflows from operating activities, unless the donor restricted the use of the contributed resources to long-term purposes, in which case those cash receipts should be classified as cash flows from financing activities. Otherwise, cash receipts from the sale of donated financial assets should be classified as cash flows from investing activities by the NFP. The adoption of ASU 2012-05 is effective for the Corporation beginning April 1, 2014. The adoption of ASU 2012-05 is not expected to have a material impact on the Corporation's financial statements.

In April 2013, the FASB issued ASU No. 2013-06, *Services Received from Personnel of an Affiliate* ("ASU 2013-06") to recognize all services received from personnel of an affiliate that directly benefit the recipient not-for-profit entity. Those services should be measured at the cost recognized by the affiliate for the personnel providing those services. However, if measuring a service received from personnel of an affiliate at cost will significantly overstate or understate the value of the service received, the recipient not-for-profit entity may elect to recognize that service received at either (1) the cost recognized by the affiliate for the personnel providing that service or (2) the fair value of that service. The adoption of ASU 2013-06 is effective for the Corporation beginning April 1, 2015. The adoption of ASU 2013-06 is not expected to have a material impact on the Corporation's financial statements.

Reclassifications – Certain reclassifications have been made to the 2013 financial statements to conform to the 2014 presentation and had no impact on changes in net deficit or net deficit as previously reported.

NOTE 3 – INVESTMENT INCOME

Income from investments, assets restricted under bond indenture agreements, and cash and cash equivalents is comprised of the following:

	2014	2013
Dividends and interest	$ 1,138,529	$ 1,004,820
Net realized gains on investments	1,023,182	328,615
	$ 2,161,711	$ 1,333,435

Investment income is reported net of investment expenses of $220,442 and $152,223 for the years ended March 31, 2014 and 2013, respectively.

NOTE 4 – ACCOUNTS RECEIVABLE

Accounts receivable consists of the following:

	2014	2013
Resident monthly fees	$ 53,530	$ 56,327
Health care	3,374,035	2,579,136
Other accounts receivables	864,981	773,873
Subtotal accounts receivable	4,292,546	3,409,336
Less allowance for doubtful accounts	(257,660)	(231,027)
Total accounts receivable	$ 4,034,886	$ 3,178,309

Accounts receivable, gross by payor at March 31, consisted of the following:

	2014	2013
Self pay	19%	24%
Medicare	38%	40%
Medi-Cal	29%	17%
HMO	14%	18%
Other	0%	1%

NOTE 5 – PROPERTY AND EQUIPMENT

Property and equipment consists of the following:

	2014	2013
Land	$ 6,377,100	$ 6,377,100
Land improvements	5,491,547	4,451,526
Buildings	145,349,804	143,030,934
Furniture and equipment	13,573,192	13,171,789
Automobiles	588,294	483,441
	171,379,937	167,514,790
Less accumulated depreciation	(62,500,090)	(56,974,331)
Construction in progress	1,479,601	1,727,994
	$ 110,359,448	$ 112,268,453

NOTE 6 – UNAMORTIZED DEBT ISSUANCE COSTS

Debt issuance costs associated with the 2012 series bond issuance are being amortized over the terms of the certificates and bonds. Amortization expense amounted to $97,585 and $40,325 for the years ended March 31, 2014 and 2013, respectively.

The balance of unamortized debt issuance costs consists of the following:

	2014	2013
Costs related to 2012 bond issuance	$ 1,417,893	$ 1,417,893
Less accumulated amortization	(137,910)	(40,325)
Unamortized debt issuance costs	$ 1,279,983	$ 1,377,568

NOTE 7 – DEFERRED FINANCING COSTS

In connection with the issuance of $98.5 million bonds (see Note 8), the Office of Statewide Health Planning and Development of the State of California (Cal-Mortgage) was paid $3,638,187 at the bond closing on October 1, 2012 for the cost of insuring the bonds over the 29 years and 5 months term.

Amortization expense amounted to $251,660 and $104,000 for the years ended March 31, 2014 and 2013, respectively. The unamortized balance is as follows:

	2014	2013
Deferred finance costs	$ 3,638,187	$ 3,638,187
Less accumulated amortization	(355,660)	(104,000)
Unamortized deferred financing costs	$ 3,282,527	$ 3,534,187

NOTE 8 – LONG-TERM DEBT

Long-term debt at March 31 consisted of the following:

	2014	2013
Insured Senior Living Revenue Bonds, Series 2012	$ 97,400,000	$ 98,550,000
Add: Unamortized premium	10,214,941	11,005,505
Less current portion	(2,695,000)	(1,150,000)
Total long-term debt	$ 104,919,941	$ 108,405,505

Series 2012A Insured Senior Living Revenue Bonds – The insured senior living revenue bonds ("2012 Series A") are insured by the Office of Statewide Health Planning and Development of the State of California (Cal-Mortgage) and were issued to refinance the 1993 Certificates, the 1999 Certificates and the 2003 Series A bonds. The terms of the bond require that the Corporation maintain deposits with a trustee. Such deposits are reflected as assets restricted under bond indenture (see Note 2). Principal maturities for the serial bonds range from $1,150,000 to $4,220,000 are due beginning April 1, 2013 through 2024. Mandatory sinking fund prepayments start in 2025 at $4,430,000 and increase up to $6,235,000 in 2032. Mandatory sinking fund payments start in 2033 at $1,455,000 and increase up to $2,215,000 in 2042. Interest on the bonds is payable semi-annually on April 1 and October 1 at rates ranging from 3.1% to 5.0%. The term bond matures in 2032 and 2042.

The 2012 Bonds and the interest thereon are payable from revenues, and are secured by a pledge and assignment of said revenues and of the amounts held in the funds and accounts established pursuant to the indenture between ABAG Finance Authority for Non-profit Corporation (the Authority) and U.S. Bank, N.A. The bonds are further secured by assignment of the right, title and interest of the Authority in the loan agreement between the Authority and the Corporation.

Under the loan agreement, the 2012 Bonds and related loan repayments are further secured by a deed of trust on all of the Corporations real property and security interest in fixtures and personal property. The bonds are also subject to a regulatory agreement more fully described below, under "Regulatory Agreements."

Bond interest expense on the 2012 Series A bonds was $4,715,850 and $2,058,485 for the years ended March 31, 2014 and 2013, respectively. Certificate and bond interest expense on the 1993 and 1999 certificates and the 2003 series bonds was $0 and $3,658,733 for the years ended March 31, 2014 and 2013, respectively.

The fair value of long-term debt is based on quoted market prices in an active market. At March 31, 2014 and 2013, the fair value of long-term debt was $114,856,445 and $108,699,226, respectively.

Aggregate mandatory maturities of long-term debt, shown net of discounts and premiums, are as follows:

Year Ending March 31,		Total
2015	$	2,695,000
2016		2,770,000
2017		2,880,000
2018		3,000,000
2019		3,150,000
Thereafter		82,905,000
Total		97,400,000
Add: Unamortized premium		10,214,941
	$	107,614,941

Regulatory agreements – On October 1, 2012, the Corporation entered into a regulatory agreement with Cal-Mortgage which establishes the requirements of Cal-Mortgage with respect to certain details of the financing transaction related to the 2012 Series A. This regulatory agreement supersedes the previous regulatory agreements. As part of the regulatory agreement, the Corporation is required to comply with certain financial covenants such as debt service coverage ratio, days cash on hand and current ratio. As of March 31, 2014 and 2013, management believes the Corporation was in compliance with these financial covenants.

Grand Lodge guarantees – In October 2012, the Grand Lodge entered into a guarantee agreement with the Office of Statewide Health Planning and Development of the State of California (Cal-Mortgage), the mortgage insurers of the 2012 Series A bonds. The 2012 bonds were issued to refinance the 1993, 1999, and 2003 bonds, these refunded bonds were also under guarantee by the Grand Lodge. The Guarantee has been a required prerequisite by Cal Mortgage. The 2012 Guarantee agreement allows for release of the agreement by submission of written request to Cal Mortgage if the Corporation has met all payment obligations, is not in default with any covenants, and has for at least 5 consecutive years maintained as of each fiscal yearend a debt service coverage ratio of at least 1.30, maintained greater than 300 days cash on hand, and a current ratio of at least 1.5. For fiscal year end March 2013 and March 2014, management believes the Corporation has met and exceeded the covenant levels.

NOTE 9 – MANAGEMENT AGREEMENTS

On May 23, 2010 the Corporation renewed the management contract with PRS Management & Consulting, LLC ("PRS MC, LLC"), which commenced on August 2, 2010 and will continue for a term of seven (7) years.

Management fees charged by PRS MC, LLC were, as follows:

		2014		2013
Management services for Saratoga Retirement Community	$	1,736,393	$	1,682,978
Management services for The Meadows		768,722		753,649
	$	2,505,115	$	2,436,627

The amount owed for management services and other expenses to these related parties was $50,975 and $52,456 as of March 31, 2014 and 2013, respectively.

In addition to management services, the Corporation pays for travel and other services provided by PRS MC, LLC personnel. Other significant expenditures involving entities related to PRS MC, LLC include marketing expenses.

Management fee commitments for Saratoga Retirement Community and The Meadows are as follows:

Fiscal year ended March 31,	Saratoga Retirement Community	The Meadows
2015	$ 1,800,259	$ 789,297
2016	1,867,769	818,896
2017	1,937,810	849,605
2018	670,159	293,822
	$ 6,275,997	$ 2,751,620

NOTE 10 – RELATED PARTY TRANSACTIONS

The Odd Fellows Home of California is under the control of the Grand Lodge of California, Independent Order of Odd Fellows (Grand Lodge), a non-profit corporation exempt under Internal Revenue Code section 501(c)(8) and California Revenue and Taxation Code Section 23701(b). Also affiliated with the Odd Fellows Home of California is the Rebekah Assembly of California, a related non-profit corporation, which is exempt under the same code sections as the Grand Lodge.

The composition of the members of the board of directors of the Corporation is determined in the bylaws. Four directors, who are members of the order, and four directors, who may or may not be members of the order, but are from the professional sector (legal, accounting, medical, financial) are elected by Grand Lodge. Three directors, who are members of the order, are elected by the Rebekah Assembly. In addition, the Grand Secretary and Grand Treasurer of the Grand Lodge are ex-officio members of the board with voting rights.

The Grand Lodge provided administrative services to the Corporation. In the years ended March 31, 2014 and 2013, a total of $169,627 and $164,683 were paid to the Grand Lodge ($55,713 from The Meadows and $113,914 from Saratoga Retirement Community as of March 31, 2014 and $54,621 from The Meadows and $110,062 from Saratoga Retirement Community as of March 31, 2013).

The Odd Fellows Home Endowment Fund of the Grand Lodge was created to help fund the operations of the Corporation. Investment income earned by the fund and passed through to the Corporation in the years ended March 31, 2014 and 2013 amounted to $408,000 and $420,172, respectively, of which $34,000 and $34,000 was receivable by the Corporation at March 31, 2014 and 2013, respectively.

NOTE 11 – THIRD-PARTY RATE ADJUSTMENTS AND REVENUE

Approximately 64% and 63% of health center revenue for the years ended March 31, 2014 and 2013 were derived under federal and state third-party reimbursement programs. These revenues are based, in part, on cost reimbursement principles and are subject to audit and retroactive adjustment by the respective third-party fiscal intermediary. In the opinion of management, retroactive adjustments, if any, would not be material to the financial position, the changes in net assets, or cash flows of the Corporation.

NOTE 12 – RETIREMENT PLAN

The Corporation has a 403(b) matching retirement plan that covers employees who have reached the age of 21 and have completed one year of service of at least 1,000 hours. Contributions to the plan are based on a match of the employee's own contribution (determined for each plan year at its discretion), up to a maximum of 2% of plan compensation. Total contributions charged to expense for the plan was $163,074 and $135,895 for the years ended March 31, 2014 and 2013, respectively.

NOTE 13 – TEMPORARILY AND PERMANENTLY RESTRICTED NET ASSETS

Temporarily and permanently restricted contributions have been received and are available for the following purposes:

	2014	2013
Living Legacy General Fund	$ 429,951	$ 363,254
IOOF Members Fund (financial assistance in paying rents, medical supplies, etc. for Odd Fellows and Rebekahs)	230,969	230,969
Living Legacy Resident Assistance Fund	73,713	70,683
Miscellaneous Temporarily Restricted	36,535	25,558
Lifeline Pendant Fund	1,361	10,875
Living Legacy Admin Fund	9,839	9,839
Living Legacy In Home Assistance Fund	4,300	4,300
Living Legacy Misc Temp Restricted Fund	2,290	2,290
Living Legacy Employee Education Fund	2,925	1,850
Employee Christmas Fund	55	793
Living Legacy Library Fund	400	400
Temporarily restricted net assets	$ 792,338	$ 720,811
Permanently restricted net assets	$ 84,305	$ 84,305

Contributions received in prior years of $84,305 have been permanently restricted by donors to allow only earnings to be used for general purposes.

NOTE 14 –UNRESTRICTED NET ASSETS (DEFICIT)

Unrestricted net assets (deficit) include amounts designated by Board action for the following purposes:

	2014	2013
SRC IOOF Members Fund	$ 443,896	$ 399,053
SRC Cemetery Fund	31,011	28,642
Total Board Designated net assets	474,907	427,695
Unrestricted net assets (deficit)	(6,485,173)	(9,608,553)
Total unrestricted net assets (deficit)	$ (6,010,266)	$ (9,180,858)

NOTE 15 – FAIR VALUE OF FINANCIAL INSTRUMENTS

FASB ASC Topic 820, *Fair Value Measurements and Disclosures* defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. FASB ASC Topic 820 also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. FASB ASC Topic 820 describes three levels of inputs that may be used to measure fair value:

Level 1 Quoted prices in active markets for identical assets or liabilities.

Level 2 Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in active markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities; or net asset value per share (or its equivalent) with the ability to redeem the investment in the near term.

Level 3 Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

Following is a description of the valuation methodologies used for instruments measured at fair value on a recurring basis and recognized in the accompanying statements of financial position at March 31, 2014 and 2013, as well as the general classification of such instruments pursuant to the valuation hierarchy.

Investments – Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. Level 1 securities include exchange traded equities, fixed income securities, mutual funds and cash equivalents included in money market funds.

Hedge fund – The Corporation owns limited partnership interests in a hedge fund. All limited partnerships are structured as closed-end, commitment-based investment funds where the Corporation commits a specified amount of capital upon inception of the fund (committed capital) which is then drawn down over a specified period of the fund's life. Such limited partnerships generally do not provide redemption options for investors and, subsequent to final closing, do not permit subscriptions by new or existing investors. Accordingly, the Corporation generally holds interests in such limited partnerships for which there are no active market, although, in some situations, a transaction may occur in the secondary market where an investor purchases a limited partner's existing interest and remaining commitment.

The Corporation's ownership is based upon their percentage of Limited Partnership interests divided by the total commitment of the fund. The investment utilizes underlying fair values as a practical expedient. Specifically, inputs used to determine fair value include financial statements provided by the investment partnerships, which typically include fair market value capital account balances.

The hedge fund is currently undergoing a scheduled liquidation which provides quarterly distributions through April 2015. The value was derived from the liquidation worksheet provided by Coast Access Fund, LTD and is classified as a Level 3 investment. Payments received through March 31, 2014 have been consistent with the liquidation schedule.

The carrying values of cash, accounts receivable, accounts payable and accrued liabilities, and refundable deposits approximate fair value due to the short maturity of such instruments.

The following table presents the fair value hierarchy for those assets measured at fair value on a recurring basis at March 31:

	2014			
	Level 1	Level 2	Level 3	Total
Assets				
Cash and cash equivalents	$ 6,885,578	$ -	$ -	$ 6,885,578
Fixed income				
AAA - short & intermediate term	9,642,110	-	-	9,642,110
Intermediate - investment grade	4,047,605	-	-	4,047,605
Treasury inflation-protected securities	822,007	-	-	822,007
Floating rate bonds	1,616,267	-	-	1,616,267
Global (foreign) bonds	1,616,267	-	-	1,616,267
Equity securities				
Large cap core	3,895,963	-	-	3,895,963
Large cap value	5,817,502	-	-	5,817,502
Large cap growth	4,559,981	-	-	4,559,981
Mid cap growth	1,862,776	-	-	1,862,776
Mid cap value	2,191,847	-	-	2,191,847
Small cap core	1,739,374	-	-	1,739,374
International	3,731,428	-	-	3,731,428
Mutual funds	8,382,239	-	-	8,382,239
Hedge fund	-	-	230,752	230,752
Total assets	$ 56,810,944	$ -	$ 230,752	$ 57,041,696

	2013			
	Level 1	Level 2	Level 3	Total
Assets				
Cash and cash equivalents	$ 7,125,422	$ -	$ -	$ 7,125,422
Fixed income				
AAA - short & intermediate term	10,691,763	-	-	10,691,763
Intermediate - investment grade	3,351,659	-	-	3,351,659
Treasury inflation-protected securities	722,071	-	-	722,071
Floating rate bonds	1,287,787	-	-	1,287,787
Global (foreign) bonds	1,287,787	-	-	1,287,787
Equity securities				
Large cap core	1,063,159	-	-	1,063,159
Large cap value	2,960,421	-	-	2,960,421
Large cap growth	2,532,565	-	-	2,532,565
Mid cap growth	1,404,579	-	-	1,404,579
Mid cap value	1,581,772	-	-	1,581,772
REIT	1,503,980	-	-	1,503,980
Small cap core	1,283,569	-	-	1,283,569
International	3,025,248	-	-	3,025,248
Mutual funds	6,403,727	-	-	6,403,727
Hedge fund	-	-		385,214
Total assets	$ 46,225,509	$ -	$ 385,214	$ 46,610,723

The following table reconciles the beginning and ending balances of recurring fair value measurements recognized in the accompanying financial statements using significant unobservable (Level 3) inputs:

	2014	2013
Hedge fund		
Beginning of year balance	$ 385,214	$ 629,227
Total realized and unrealized gains and losses		
Included in changes in unrestricted net assets	(1,576)	11,172
Purchases, issuances and settlements	(152,886)	(255,185)
End of year balance	$ 230,752	$ 385,214

As required by FASB ASC Topic 820, the investments are classified within the level of the lowest significant input considered in determining fair value. In evaluating the level at which the Corporation's investments have been classified, the Corporation has assessed factors including, but not limited to, the ability to redeem at net asset value ("NAV") at the measurement date and the existence or absence of certain restrictions at the measurement date. In accordance with this guidance, if the Corporation has the ability to redeem from the investment at the measurement date or in the near-term at NAV, the investment would be classified as a Level 2 fair value measurement. Alternatively, if the Corporation will never have the ability to redeem from the investment or is restricted from redeeming for an uncertain or extended period of time from the measurement date, the investment would be classified as a Level 3 fair value measurement.

The following table provides the fair value and redemption terms and restrictions for investments redeemable at net asset value at March 31, 2014:

Fund Type	Fair Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Hedge fund	$ 230,752	$ -	None	N/A

The following table provides the fair value and redemption terms and restrictions for investments redeemable at net asset value at March 31, 2013:

Fund Type	Fair Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Hedge fund	$ 385,214	$ -	None	N/A

The Board of Directors, in conjunction with the external investment advisors and management, monitors and analyzes the valuation of the investments on a quarterly basis. The valuations consider variables such as financial performance of several publicly traded companies in the oil and gas market, recent sales prices of investments, and other pertinent information.

Short-term investments consist of the following at fair value at March 31:

	2014	2013
Cash and cash equivalents including amounts held for investment purposes	$ 6,885,578	$ 7,125,422
Equity, fixed income, mutual funds, hedge funds investments	50,156,118	39,485,301
Total	57,041,696	46,610,723
Less assets restricted under bond indenture agreements	(12,287,350)	(13,871,652)
Less long-term investments	-	(262,645)
Less restricted deposits	-	(136,603)
Less assets held in trust	(2,818)	(9,345)
Total short-term investments	$ 44,751,528	$ 32,330,478

NOTE 16 – COMMITMENTS AND CONTINGENCIES

Litigation – The Corporation is party to various claims and legal actions in the normal course of business. In the opinion of management, the Corporation has substantial meritorious defenses to pending or threatened litigation and, based upon current facts and circumstances, the resolution of these matters is not expected to have a material adverse effect on the financial position of the Corporation.

Asbestos abatement – The Corporation is aware of the existence of asbestos in certain areas of its building. The Corporation has not recorded a liability for any asbestos abatement costs because the cost cannot be reasonably estimated at this time. At such time in the future that plans are made to make changes to structures with asbestos and the related asbestos removal cost estimates are completed, the Corporation will record an estimate of the costs of the requirement asbestos abatement.

Health care reform – In March 2010, President Obama signed the Health Care Reform Legislation into law. The new law will result in sweeping changes across the health care industry. The primary goal of this comprehensive legislation is to extend health care coverage to approximately 32 million uninsured legal U.S. residents through a combination of public program expansion and private sector health insurance reforms. To fund the expansion of insurance coverage, the legislation contains measures designed to promote quality and cost efficiency in health care delivery and to generate budgetary savings in the Medicare and Medicaid programs. The Corporation is unable to predict the full impact of the Health Care Reform Legislation at this time due to the law's complexity and current lack of implementing regulations or interpretive guidance. However, the Corporation expects that provisions of the Health Care Reform Legislation may have a material effect on its business.

NOTE 17 – HEALTH AND SAFETY CODE SECTION 1790(A)(3) DISCLOSURE

In order to provide up-to-date health care facilities for the Corporations continuum of care, the Board of Directors in 2012 issued $98,550,000 of Insured Revenue Bonds (the "Bonds"), $4,845,307 of which was allocated to the Project Fund. Withdrawals for construction costs and capital improvements totaled $3,496,638 for the fiscal year ending March 31, 2014. Consistent with the Corporation's non-profit status, the Bonds were necessary to refinance existing bonds and to improve facilities essential to their provision of housing, health care, and financial security to their aged residents.

NOTE 18 – SUBSEQUENT EVENTS

Subsequent events are events or transactions that occur after the statement of financial position date but before financial statements are issued. The Corporation recognizes in the 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 financial statements. The Corporation's 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 financial statements are issued.

The Meadows continues to update the master plan for the campus to include additional amenities and Independent Living units. The updated plans are a continual work in progress as the management team and the board study the options for expansion and enhancement to the programs and services offered to our existing residents as well as our prospective residents. The Board Strategic Planning committee together with the Building and Grounds committee continue to look at all options to improve the campus and respond to the market demand.

The Corporation has evaluated subsequent events through July 23, 2014, which is the date the financial statements are issued.

SUPPLEMENTARY INFORMATION

ODD FELLOWS HOME OF CALIFORNIA
SARATOGA RETIREMENT COMMUNITY
STATEMENTS OF ACTIVITIES
Years Ended March 31, 2014 and 2013

	2014	2013
CHANGES IN UNRESTRICTED NET ASSETS		
Revenues:		
Service fees	$ 14,525,384	$ 14,256,933
Health center revenue, net	9,691,033	9,380,323
Entrance fees earned	2,972,326	2,774,944
Contributions	428,557	560,146
Investment income	1,906,234	1,178,796
Other revenue	885,065	944,218
Total revenues	30,408,599	29,095,360
Net assets released from restrictions	18,765	16,117
Total revenue, gains, and support	30,427,364	29,111,477
Expenses:		
Program expenses:		
Dietary services	4,350,908	4,253,077
Facility services and utilities	4,199,552	3,981,223
Health and social services	6,053,875	5,990,050
Assisted living	2,036,295	2,091,892
General and administrative:		
Administrative and marketing	2,301,006	2,221,078
Interest	3,605,025	5,126,764
Depreciation	4,375,189	4,318,843
Fund disbursement	18,765	16,117
Management services	1,736,393	1,682,978
Loss on disposal of property and equipment	57,410	39,322
Total expenses	28,734,418	29,721,344
Operating income (loss)	1,692,946	(609,867)
Nonoperating income (loss):		
Unrealized change in value of investments	1,366,197	1,025,115
Loss on extinguishment of debt	-	(3,576,162)
Total nonoperating income (loss)	1,366,197	(2,551,047)
Change in unrestricted net assets	3,059,143	(3,160,914)
CHANGES IN TEMPORARILY RESTRICTED NET ASSETS		
Contributions	52,050	48,686
Investment income	19,332	11,981
Unrealized change in value of investments	29,685	28,787
Net assets released from restrictions	(18,765)	(16,117)
Increase in temporarily restricted net assets	82,302	73,337
CHANGES IN NET ASSETS (DEFICIT)	$ 3,141,445	$ (3,087,577)

STATEMENTS OF ACTIVITIES
Years Ended March 31, 2014 and 2013

		2014		2013
CHANGES IN UNRESTRICTED NET ASSETS				
Revenues:				
Service fees	$	10,096,958	$	9,649,051
Health center revenue, net		7,588,513		7,888,743
Entrance fees earned		121,298		-
Contributions		16,426		3,358
Investment income (loss)		15,703		(9,565)
Other revenue		468,471		425,002
Total revenues		18,307,369		17,956,589
Net assets released from restrictions		13,081		26,216
Total revenue, gains, and support		18,320,450		17,982,805
Expenses:				
Program expenses:				
Dietary		3,098,201		2,929,941
Facility services and utilities		3,078,602		3,009,460
Health and social services		4,593,062		4,866,244
Assisted living		1,644,192		1,540,354
General and administrative:				
Administrative and marketing		2,038,271		2,025,755
Interest		694,530		779,425
Depreciation		2,273,237		2,155,805
Fund disbursement		13,081		26,118
Management services		768,722		753,649
Loss on disposal of property and equipment		41,574		12,201
Total expenses		18,243,472		18,098,952
Operating income (loss)		76,978		(116,147)
Nonoperating income (loss):				
Unrealized change in value of investments		34,471		9,418
Loss on extinguishment of debt		-		(338,826)
Total nonoperating income (loss)		34,471		(329,408)
Change in unrestricted net assets		111,449		(445,555)
CHANGES IN TEMPORARILY RESTRICTED NET ASSETS				
Contributions		2,306		6,792
Net assets released from restrictions		(13,081)		(26,216)
Decrease in temporarily restricted net assets		(10,775)		(19,424)
CHANGES IN NET ASSETS (DEFICIT)	$	100,674	$	(464,979)

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Report of Independent Auditor and
Continuing Care Liquid Reserve Schedules with
Supplementary Information

Odd Fellows Home of California

As of and for the Year Ended March 31, 2014

MOSS ADAMS LLP

CONTENTS

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REPORT OF INDEPENDENT AUDITORS

The Board of Directors
Odd Fellows Home of California

Report on the Financial Statements

We have audited the accompanying financial statements of Odd Fellows Home of California, which comprise the continuing care liquid reserve schedules, Forms 5-1 through 5-5, as of and for the year ended March 31, 2014.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the continuing care reserve of Odd Fellows Home of California as of and for the year ended March 31, 2014, 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 Odd Fellows Home of California on the basis of the liquid reserve requirements of California Health and Safety Code Section 1792, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of California Health and Safety Code Section 1792. Our opinion is not modified with respect to this matter.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements, as a whole. The accompanying supplementary schedules of Attachment I to Form 5-5: Schedule of Qualifying Assets – Operating Reserve Schedule, and Attachment I to Form 5-4: Reconciliation of interest expense to interest paid, for the year ended March 31, 2014, presented as supplementary information, are presented for the purpose of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of financial statements, and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements, or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements, taken as a whole.

Restriction on Use

Our report is intended solely for the information and use of the members of the Board of Directors, management of Odd Fellows Home of California 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.

Moss Adams LLP

San Francisco, California
July 23, 2014

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

Long-Term Debt Obligation	(a) Date Incurred	(b) Principal Paid During Fiscal Year	(c) Interest Paid During Fiscal Year	(d) Credit Enhancement Premiums Paid in Fiscal Year	(e) Total Paid (columns (b) + (c) + (d))
1	10/24/2012	1,150,000	4,416,410	-	5,566,410
		TOTAL	4,416,410	-	5,566,410

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

Note: For column (b), do not include voluntary payments made to paydown principal.

Provider: Odd Fellows Home of California

FORM 5-2
LONG-TERM DEBT INCURRED
During Fiscal Year
(Including Balloon Debt)

Long-Term Debt Obligation	(a) Date Incurred	(b) Principal Paid During Fiscal Year	(c) Amount of Most Recent Payment on the Debt	(d) Number of Payments next 12 months	(e) Reserve Requirement (see instruction 5) (columns (c) x (d))
1					N/A
2					
3					
4					
5					
6					
7					
8					
			-	-	-

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

Note: For column (b), do not include voluntary payments made to paydown principal.

Provider: Odd Fellows Home of California

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

LINE		TOTAL
1	Total from Form 5-1 bottom of column (e)	$ 5,566,410
2	Total from Form 5-2 bottom of Column (e)	-
3	Facility leasehold or rental payment paid by provider during fiscal year. (including related payments such as lease insurance)	-
4	TOTAL AMOUNT REQUIRED FOR LONG-TERM DEBT RESERVE:	$ 5,566,410

FORM 5-4
CALCULATION OF NET OPERATING EXPENSES

			Amounts	TOTAL
1		Total operating expenses from financial statements		$ 28,734,418
2		Deductions		
	a	Interest paid on long-term debt (see instructions)	3,746,452	
	b	Credit enhancement premiums paid for long-term debt (see instructions)	-	
	c	Depreciation	4,375,189	
	d	Amortization	(410,646)	
3		Total Deductions		7,710,995
4		Net Operating Expenses		21,023,423
5		Divide Line 4 by 365 and enter the result.		57,599
6		Multiply Line 5 by 75 and enter the result.		$ 4,319,925
		This is the provider's operating expense reserve amount for this community.		

PROVIDER: **Odd Fellows Home of California**
COMMUNITY: **Saratoga Retirement Community**

FORM 5-4
CALCULATION OF NET OPERATING EXPENSES

			Amounts	TOTAL
1		Total operating expenses from financial statements		$ 18,243,472
2		Deductions		
	a	Interest paid on long-term debt (see instructions)	669,958	
	b	Credit enhancement premiums paid for long-term debt (see instructions)	-	
	c	Depreciation	2,273,237	
	d	Amortization	(30,676)	
3		Total Deductions		2,912,519
4		Net Operating Expenses		15,330,953
5		Divide Line 4 by 365 and enter the result.		42,003
6		Multiply Line 5 by 75 and enter the result.		$ 3,150,225
		This is the provider's operating expense reserve amount for this community.		

PROVIDER: Odd Fellows Home of California
COMMUNITY: Meadows of Napa Valley

FORM 5-5
ANNUAL RESERVE CERTIFICATION

Provider Name:	Odd Fellows Home of California
Fiscal Year Ended:	March 31, 2014

We have reviewed our debt service reserve and operating expense reserve requirements as of, and for the period ended March 31, 2014 and are in compliance with those requirements.

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

		Amount
[1]	Debt Service Reserve Amount	$ 5,566,410
[2]	Operating Expense Reserve Amount	$ 7,470,150
[3]	**Total Liquid Reserve Amount:**	$ 13,036,560

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

	Qualifying Asset Description	**Amount (market value at end of quarter)**	
	Description	**Debt Service Reserve**	**Operating Reserve**
[4]	Cash and Cash Equivalents		$ 6,974,510
[5]	Investment Securities		$ 19,282,376
[6]	Equity Securities		$ 23,798,871
[7]	Unused/Available Lines of Credit		
[8]	Unused/Available Letters of Credit		
[9]	Debt Service Reserve	$ 7,137,671	
[10]	Other:	$ 5,149,679	
	(describe qualify asset)		
	Total Amount of Qualifying Assets Listed for Reserve Obligation:	[11] $ 12,287,350	[12] $ 50,055,757
	Reserve Obligation Amount:	[13] $ 5,566,410	[14] $ 7,470,150
	Surplus/(Deficiency):	[15] $ 6,720,940	[16] $ 42,585,607

Signature:

(Authorized Representative)

Chair, Audit Committee
(Title)

Operating Reserve Supporting Schedule

Cash & Cash Equivalent (operating)	$	5,304,228	[4]
Cash & Cash Equivalent		1,670,282	[4]
Fixed Income		10,669,384	[5]
Equities		23,798,871	[6]
Mutual Funds		8,382,240	[5]
Coast Access LTD		230,752	[5]
Total	$	50,055,757	

Per Financial Statements:

Cash and cash equivalents	$	5,304,229
Short term investments		44,751,528
Total	$	50,055,757

Form 5-5:

sum of [4]	Cash and Cash Equivalents	$	6,974,510
sum of [5]	Investment Securities	$	19,282,376
sum of [6]	Equity Securities	$	23,798,871

ODD FELLOWS HOME OF CALIFORNIA
ATTACHMENT I TO FORM 5-4: RECONCILIATION OF INTEREST EXPENSE TO INTEREST PAID
For the year ended March 31, 2014

Interest expense/paid schedule

2012 MNV interest paid	$	669,958
2012 SRC interest paid		3,746,452
Total interest paid per audited financials		4,416,410
less: 3/31/2013 accrued interest		(2,058,485)
add: 3/31/2014 accrued interest		2,357,925
interest expense		4,715,850
add: bond fees		24,308
add: SRC bond amortization, net		(410,646)
add: MNV bond amortization, net		(30,676)
add: bond legal fees		719
Total interest expense per audited financials	$	4,299,555

FORM 7-1
REPORT ON CCRC MONTHLY SERVICE FEES

		INDEPENDENT LIVING	ASSISTED LIVING	SKILLED NURSING
[1]	Monthly Service Fees at beginning of reporting period:	$2,850 - $6,944	$3,797 - $7,033	$7,848 - $12,958
[2]	Indicate percentage of increase in fees imposed during reporting period:	3.50%	2.00%	3.50%

[ ] Check here if monthly service fees at this community were not increased during the reporting period.

[3] Indicate the date the fee increase was implemented: April 1, 2013

[4] Check each of the appropriate boxes:

[X] Each fee increase is based on the provider's projected costs, prior year per capita costs, and economic indicators.

[X] All affected residents were given written notice of this fee increase at least 30 days prior to its implementation.

[X] 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.

[X] 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.

[X] The provider provided residents with at least 14 days advance notice of each meeting held to discuss the fee increases.

[X] 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.

FORM 7-1

PROVIDER NAME: The Odd Fellows Home of California
COMMUNITY NAME: Saratoga Retirement Community

Each year as part of our budget process we incorporate suggestions from residents on ways in which we can improve the services we provide. We also work closely with our department heads to include those suggestions where possible and to refine our program of services while keeping the costs as low as possible.

With so many different individuals: residents, employees and board members, our budget takes several months each year to prepare before it is finalized. The Odd Fellows Home of California Board and Pacific Retirement Services have reviewed and approved the budget for this next fiscal year.

Our goal each year is to produce a budget, which keeps monthly rate increases reasonable while continuing to maintain and improve the services we provide. The budget must cover inflationary increases (including the necessary adjustments to salaries and benefits to retain and attract quality employees) and meet regulatory requirements, bond covenants, and our actuarial reserve requirements.

We raised Independent Living rates by 3.5%, Assisted Living rates an average of 2.0%, Special Care rates by 1.0% and Health Center rates by 3.5%. The Health Care rate increase is necessary to accommodate the rising costs of providing health care. Our goal has been to build and staff Saratoga Retirement Community to provide a great place for you to live a happy and healthy life. We will be monitoring our services and implementing change as necessary.

We realize the importance of keeping fee increases to the most reasonable level possible and have made every effort to do so.

FORM 7-1
REPORT ON CCRC MONTHLY SERVICE FEES

		INDEPENDENT LIVING	ASSISTED LIVING	SKILLED NURSING
[1]	Monthly Service Fees at beginning of reporting period:	$1,323 - $4,983	$2,400 - $6,157	$6,296 - $10,828
[2]	Indicate percentage of increase in fees imposed during reporting period:	3.00%	3.00%	3.00%

[ ] Check here if monthly service fees at this community were not increased during the reporting period.

[3] Indicate the date the fee increase was implemented: April 1, 2013

[4] Check each of the appropriate boxes:

[X] Each fee increase is based on the provider's projected costs, prior year per capita costs, and economic indicators.

[X] All affected residents were given written notice of this fee increase at least 30 days prior to its implementation.

[X] 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.

[X] 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.

[X] The provider provided residents with at least 14 days advance notice of each meeting held to discuss the fee increases.

[X] 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.

FORM 7-1

PROVIDER NAME: The Odd Fellows Home of California
COMMUNITY NAME: The Meadows of Napa Valley

Each year as part of our budget process we incorporate suggestions from residents on ways in which we can improve the services we provide. We also work closely with our department heads to include those suggestions where possible and to refine our program of services

With so many different individuals: residents, employees and board members, our budget takes several months each year to prepare before it is finalized. The Odd Fellows Home of California Board and Pacific Retirement Services have reviewed and approved the budget for

Our goal each year is to produce a budget, which keeps monthly rate increases reasonable while continuing to maintain and improve the services we provide. The budget must cover inflationary increases (including the necessary adjustments to salaries and benefits to retain and attract quality employees) and meet regulatory requirements, bond covenants, and our

We raised Independent Living rates by 3.00%, Assisted Living rates an average of 3.0%, Special Care rates by 3.0% and Health Center rates by 3.0%. Our goal has been to build and staff The Meadows at Napa Valley to provide a great place for you to live a happy and healthy life. We will be monitoring our services and implementing change as necessary.

We realize the importance of keeping fee increases to the most reasonable level possible and have made every effort to do so.

Date Prepared: 07/29/14

CONTINUING CARE RETIREMENT COMMUNITY
DISCLOSURE STATEMENT
GENERAL INFORMATION

FACILITY NAME: Saratoga Retirement Community

ADDRESS: 14500 Fruitvale Ave., Saratoga, CA ZIP CODE: 95070 PHONE: (541) 857-7624

PROVIDER NAME: Odd Fellows Home of California (OFHC) FACILITY OPERATOR: Retirement Services, LLC

RELATED FACILITIES: See Attached RELIGIOUS AFFILIATION:

YEAR OPENED: 2004 NO. OF ACRES: 37 MULTI-STORY: ___ SINGLE STORY: ___ BOTH: X

MILES TO SHOPPING CTR: Under 1 MILES TO HOSPITAL: Under 3

RECEIVED AUG 04 2014 CONTINUING CARE CONTRACTS BRANCH

NUMBER OF UNITS:

RESIDENTIAL LIVING		HEALTH CARE	
APARTMENTS -STUDIO		ASSISTED LIVING	93
APARTMENTS -1 BDRM	24	SKILLED NURSING	94
APARTMENTS - 2 BDRM	80	SPECIAL CARE	12
APARTMENTS - 3 BDRM	0	DESCRIBE SPECIAL CARE:	Memory/cognitive loss
COTTAGES/HOUSES	39		
% OCCUPANCY AT YEAR END	94.41%		

TYPE OF OWNERSHIP: ☑ NOT FOR PROFIT ☐ FOR PROFIT ACCREDITED: ☑ Y ☐ N BY: CARF-CCAC

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: $ 252,000 TO $ 1,430,000 LONG -TERM CARE INSURANCE REQUIRED? ☐ Y ☑ N

HEALTH CARE BENEFITS INCLUDED IN CONTRACT: ________

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

RESIDENT REPRESENTATIVE ON THE BOARD (briefly describe their involvement): Saratoga Retirement Community's resident representative is elected to this position by the resident council. They attend all board meetings and provide a report to the board in which they communicate the resident association sentiment. They report back to the resident council about board issues.

FACILITY SERVICES AND AMENITIES

COMMON AREA AMENITIES

	AVAILABLE	FEE FOR SERVICE
BEAUTY/BARBER SHOP	☑	☑
BILLIARD ROOM	☑	☐
BOWLING GREEN	☑	☐
CARD ROOMS	☑	☐
CHAPEL	☐	☐
COFFEE SHOP	☑	☑
CRAFT ROOMS	☑	☐
EXERCISE ROOM	☑	☐
GOLF COURSE ACCESS	☐	☐
LIBRARY	☑	☐
PUTTING GREEN	☑	☐
SHUFFLEBOARD	☐	☐
SPA	☑	☐
SWIMMING POOL-INDOOR	☑	☐
SWIMMING POOL-OUTDOOR	☐	☐
TENNIS COURT	☐	☐
WORKSHOP	☑	☐
OTHER Computer Lab	☑	☐
On-site Banking	☐	☐
On-site Physical Therapist	☑	☑

SERVICES AVAILABLE

	INCLUDED IN FEE	FOR EXTRA CHARGE
HOUSEKEEPING TIMES/MONTH	2	
NUMBER OF MEALS/DAY	1	
SPECIAL DIETS AVAILABLE	☐	☑
24-HOUR EMERGENCY RESPONSE	☑	☐
ACTIVITIES PROGRAM	☑	☐
ALL UTILITIES EXCEPT PHONE	☐	☑
APARTMENT MAINTENANCE	☑	☐
CABLE TV	☑	☐
LINENS FURNISHED	☐	☑
LINENS LAUNDERED	☑	☐
MEDICATION MANAGEMENT	☐	☑
NURSING/WELLNESS CLINIC	☐	☑
PERSONAL NURSING/HOME CARE	☐	☑
TRANSPORTATION-PERSONAL	☐	☑
TRANSPORTATION-PREARRANGED	☑	☑
OTHER ________	☐	☐

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: Odd Fellows Home of California

CCRCs	LOCATION (City, State)	PHONE (with area code)
Saratoga Retirement Community	Saratoga, CA	(800) 996-3467
The Meadows of Napa Valley	Napa, CA	(707) 257-7885

MULTI-LEVEL RETIREMENT COMMUNITIES

FREE-STANDING SKILLED NURSING

SUBSIDIZED SENIOR HOUSING

*PLEASE INDICATE IF THE FACILITY IS LIFE CARE.

ODD FELLOWS HOME OF CALIFORNIA
FINANCIAL DISCLOSURE STATEMENT

FACILITY NAME: SARATOGA RETIREMENT COMMUNITY

	2011	2012	2013	2014
INCOME FROM ONGOING OPERATIONS				
OPERATING INCOME (excluding amortization of entrance fee income)	44,802,981	45,784,870	44,134,441	45,177,361
LESS OPERATING EXPENSES (excluding depreciation, amortization, & interest)	35,733,625	36,799,706	35,604,447	36,054,936
NET INCOME FROM OPERATIONS	9,069,356	8,985,164	8,529,994	9,122,425
LESS INTEREST EXPENSE	6,108,161	5,910,024	5,717,218	4,715,850
PLUS CONTRIBUTIONS	528,161	112,222	198,810	499,339
PLUS NON-OPERATING INCOME (EXPENSES) (excluding extraordinary items)	-	-	-	-
NET INCOME (LOSS) BEFORE ENTRANCE FEES, DEPRECIATION AND AMORTIZATION	3,489,356	3,187,362	3,011,586	4,905,914
NET CASH FLOW FROM ENTRANCE FEES (Total Deposits Less Refunds)	2,814,908	2,130,569	8,032,941	10,487,115

DESCRIPTION OF SECURED DEBT AS OF MOST RECENT FISCAL YEAR END

LENDER	OUTSTANDING BALANCE	INTEREST RATE	DATE OF ORIGINATION	DATE OF MATURITY	AMORTIZATION PERIOD
Insured Senior Living Revenue Bonds, 2012 Series A	97,400,000	3% - 5%	10/24/2012	4/1/2042	29 YR 5 MO

FINANCIAL RATIOS (see next page for ratio formulas)

	2011	2012	2013	2014
DEBT TO ASSET RATIO	0.61	0.61	0.56	0.52
OPERATING RATIO	0.93	0.93	0.94	0.90
DEBT SERVICE COVERAGE RATIO	1.45	1.00	2.03	2.46
DAYS CASH-ON-HAND RATIO	291	271	336	448

HISTORICAL MONTHLY SERVICE FEES
AVERAGE FEE AND PERCENT CHANGE

	2011		2012		2013		2014
STUDIO							
ONE BEDROOM	$ 3,210.00	3.0%	$ 3,307.00	2.5%	$ 3,389.00	3.5%	$ 3,508.00
TWO BEDROOM	$ 4,901.00	3.0%	$ 5,049.00	2.5%	$ 5,175.00	3.5%	$ 5,356.00
COTTAGE/HOUSE	$ 5,696.00	3.0%	$ 5,867.00	2.5%	$ 6,014.00	3.5%	$ 6,224.00
ASSISTED LIVING	$ 5,117.00	3.5%	$ 5,295.00	2.1%	$ 5,405.00	2.0%	$ 5,513.00
SKILLED NURSING	$ 8,912.00	5.1%	$ 9,368.00	3.9%	$ 9,733.00	3.8%	$ 10,098.00
SPECIAL CARE	$ 5,527.00	1.0%	$ 5,582.00	2.2%	$ 5,707.00	1.0%	$ 5,765.00

COMMENTS FROM PROVIDER:

PROVIDER NAME: Odd Fellows Home of California

FINANCIAL RATIO FORMULAS

LONG-TERM DEBT TO TOTAL ASSETS RATIO

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

OPERATING RATIO

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

DEBT SERVICE COVERAGE RATIO

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

DAYS CASH ON HAND RATIO

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

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.

Date Prepared: 07/29/14

CONTINUING CARE RETIREMENT COMMUNITY
DISCLOSURE STATEMENT
GENERAL INFORMATION

RECEIVED AUG 04 2014 CONTINUING CARE CONTRACTS BRANCH

FACILITY NAME: The Meadows of Napa Valley
ADDRESS: 1800 Atrium Pakwy., Napa, CA | ZIP CODE: 94559 | PHONE: (541) 857-7624
PROVIDER NAME: Odd Fellows Home of California (OFHC) | FACILITY OPERATOR: Retirement Services, LLC
RELATED FACILITIES: See Attached | RELIGIOUS AFFILIATION:
YEAR OPENED: 1992 NO. OF ACRES: 20 | MULTI-STORY: ____ SINGLE STORY: ____ BOTH: X
MILES TO SHOPPING CTR: 1 | MILES TO HOSPITAL: 6

NUMBER OF UNITS:

RESIDENTIAL LIVING		HEALTH CARE	
APARTMENTS -STUDIO	11	ASSISTED LIVING	62
APARTMENTS -1 BDRM	99	SKILLED NURSING	69
APARTMENTS - 2 BDRM	58	SPECIAL CARE	20
APARTMENTS - 3 BDRM	0	DESCRIBE SPECIAL CARE:	Memory/cognitive loss
COTTAGES/HOUSES	0		
% OCCUPANCY AT YEAR END	88.1%		

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: $ 100,700 - 575,300 LONG -TERM CARE INSURANCE REQUIRED? ☐ Y ☑ N

HEALTH CARE BENEFITS INCLUDED IN CONTRACT: ____

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

RESIDENT REPRESENTATIVE ON THE BOARD (briefly describe their involvement): The Meadows of Napa Valley's resident representative attends bimonthly OFHC Board Meetings and participates as a nonvoting representative of the Resident Association to Board of Directors

FACILITY SERVICES AND AMENITIES

COMMON AREA AMENITIES

	AVAILABLE	FEE FOR SERVICE
BEAUTY/BARBER SHOP	☑	☑
BILLIARD ROOM	☑	☐
BOWLING GREEN	☑	☐
CARD ROOMS	☑	☐
CHAPEL	☑	☐
COFFEE SHOP	☑	☑
CRAFT ROOMS	☑	☐
EXERCISE ROOM	☑	☐
GOLF COURSE ACCESS	☐	☐
LIBRARY	☑	☐
PUTTING GREEN	☑	☐
SHUFFLEBOARD	☑	☐
SPA	☐	☐
SWIMMING POOL-INDOOR	☐	☐
SWIMMING POOL-OUTDOOR	☑	☐
TENNIS COURT	☐	☐
WORKSHOP	☑	☐
OTHER Computer Lab	☑	☐
On-site Banking	☐	☐
On-site Physical Therapist	☑	☑

SERVICES AVAILABLE

	INCLUDED IN FEE	FOR EXTRA CHARGE
HOUSEKEEPING TIMES/MONTH	4	
NUMBER OF MEALS/DAY	3	
SPECIAL DIETS AVAILABLE	☑	☐
24-HOUR EMERGENCY RESPONSE	☑	☐
ACTIVITIES PROGRAM	☑	☐
ALL UTILITIES EXCEPT PHONE	☐	☑
APARTMENT MAINTENANCE	☑	☐
CABLE TV	☑	☐
LINENS FURNISHED	☐	☑
LINENS LAUNDERED	☐	☑
MEDICATION MANAGEMENT	☐	☑
NURSING/WELLNESS CLINIC	☐	☑
PERSONAL NURSING/HOME CARE	☐	☑
TRANSPORTATION-PERSONAL	☐	☑
TRANSPORTATION-PREARRANGED	☑	☑
OTHER ____	☐	☐

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CCRCs	LOCATION (City, State)	PHONE (with area code)
Saratoga Retirement Community	Saratoga, CA	(800) 996-3467
The Meadcws of Napa Valley	Napa, CA	(707) 257-7885

MULTI-LEVEL RETIREMENT COMMUNITIES

FREE-STANDING SKILLED NURSING

SUBSIDIZED SENIOR HOUSING

***PLEASE INDICATE IF THE FACILITY IS LIFE CARE.**

ODD FELLOWS HOME OF CALIFORNIA
FINANCIAL DISCLOSURE STATEMENT

FACILITY NAME: THE MEADOWS OF NAPA VALLEY

	2011	2012	2013	2014
INCOME FROM ONGOING OPERATIONS				
OPERATING INCOME (excluding amortization of entrance fee income)	44,802,981	45,784,870	44,134,441	45,177,361
LESS OPERATING EXPENSES (excluding depreciation, amortization, & interest)	35,733,625	36,799,706	35,604,447	36,054,936
NET INCOME FROM OPERATIONS	9,069,356	8,985,164	8,529,994	9,122,425
LESS INTEREST EXPENSE	6,108,161	5,910,024	5,717,218	4,715,850
PLUS CONTRIBUTIONS	528,161	112,222	198,810	499,339
PLUS NON-OPERATING INCOME (EXPENSES) (excluding extraordinary items)	-	-	-	-
NET INCOME (LOSS) BEFORE ENTRANCE FEES, DEPRECIATION AND AMORTIZATION	3,489,356	3,187,362	3,011,586	4,905,914
NET CASH FLOW FROM ENTRANCE FEES (Total Deposits Less Refunds)	2,814,908	2,130,569	8,032,941	10,487,115

DESCRIPTION OF SECURED DEBT AS OF MOST RECENT FISCAL YEAR END

LENDER	OUTSTANDING BALANCE	INTEREST RATE	DATE OF ORIGINATION	DATE OF MATURITY	AMORTIZATION PERIOD
Insured Senior Living Revenue Bonds, 2012 Series A	97,400,000	3% - 5%	10/24/2012	4/1/2042	29 YR 5 MO

FINANCIAL RATIOS (see next page for ratio formulas)

	2011	2012	2013	2014
DEBT TO ASSET RATIO	0.61	0.61	0.56	0.52
OPERATING RATIO	0.93	0.93	0.94	0.90
DEBT SERVICE COVERAGE RATIO	1.45	1.00	2.03	2.46
DAYS CASH-ON-HAND RATIO	291	271	336	448

HISTORICAL MONTHLY SERVICE FEES
AVERAGE FEE AND PERCENT CHANGE

	2011		2012		2013		2014
STUDIO	$ 2,146.00	10.4%	$ 2,370.00	2.0%	$ 2,417.00	-11.5%	$ 2,140.00
ONE BEDROOM	$ 2,593.00	-2.8%	$ 2,521.00	2.3%	$ 2,578.00	-10.6%	$ 2,305.00
TWO BEDROOM	$ 3,843.00	1.1%	$ 3,885.00	2.6%	$ 3,986.00	-11.1%	$ 3,543.00
COTTAGE/HOUSE							
ASSISTED LIVING	$ 4,656.00	0.5%	$ 4,680.00	-2.3%	$ 4,573.00	-9.7%	$ 4,128.00
SKILLED NURSING	$ 8,932.00	7.2%	$ 9,571.00	2.0%	$ 9,764.00	-11.5%	$ 8,638.00
SPECIAL CARE	$ 5,650.00	4.8%	$ 5,933.00	3.0%	$ 6,111.00	-12.5%	$ 5,347.00

COMMENTS FROM PROVIDER: The historical Monthly Service Fees listed represent the rates that were charged prior to the facility becoming a CCRC.
In 2011, 2012 and 2013 the average monthly fees and % calculations are reflective of annual budgeted fee increase, renovations (resulting in increased fees) and promotional incentives (resulting in decreased fees).
2014 is the first year that includes CCRC rates which affects the average monthly fees and % calculations.

PROVIDER NAME: Odd Fellows Home of California

FINANCIAL RATIO FORMULAS

LONG-TERM DEBT TO TOTAL ASSETS RATIO

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

OPERATING RATIO

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

DEBT SERVICE COVERAGE RATIO

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

DAYS CASH ON HAND RATIO

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

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