FISCAL YEAR ENDED:
07/31/2015

ANNUAL REPORT CHECKLIST

PROVIDER(S): CASA DE LAS CAMPANAS, INC

CCRC(S):

PROVIDER CONTACT PERSON: David Johnson

TELEPHONE NO.: (858) 592-1885 **EMAIL:** johnson@casadlc.com

● ●

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

☑ Annual Report Checklist.

☑ Annual Provider Fee in the amount of: $ 24,844.00

- ☐ If applicable, late fee in the amount of: $ -0-

☑ Certification by the provider's ***Chief Executive Officer*** that:

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

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

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

☑ Provider's audited reserve reports (prepared on Department forms), with an accompanying certified public accountant's opinion thereon. (NOTE: Form 5-5 must be signed and have the required disclosures attached (H&SC section 1790(a)(2) and (3)).

☑ "Continuing Care Retirement Community Disclosure Statement" for ***each*** community.

☑ Form 7-1, "Report on CCRC Monthly Service Fees" for ***each*** community.

☑ Form 9-1, "Calculation of Refund Reserve Amount", *if applicable*.

☐ Key Indicators Report (signed by CEO or CFO (or by the authorized person who signed the provider's annual report)). The KIR may be submitted along with the annual report, but is not required until 30 days later.

Casa de las Campanas

Retirement living for the best years of your life!

November 24, 2015

Certification by Chief Executive Officer

As Chief Executive Officer of Casa de las Campanas, I certify that the attached reports:

1) FY 2015 Audited Financial Statements with our CPA's opinion,

2) FY 2015 Audited Reserve Report Forms 5-1 to 5-5, with our accompanying CPA opinion, and related supplemental schedules thereto, including the disclosure report,

3) 2015 Continuing Care Provider's Fee and calculation fee,

4) Evidence of Fidelity Bond,

5) Continuing Care Retirement Community Disclosure Statement,

6) CCRC Monthly Fees,

are correct, that the continuing care contract form in use for new residents has been approved by the Department, and that the provider is maintaining the required liquid reserves, statutory reserves and refund reserves pursuant to requirements of the California Health and Safety Code.

Sincerely,

Mike Stelman
President of the Board of Directors
Casa de las Campanas, Inc.

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 11/25/2015

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

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

PRODUCER	CONTACT
Arthur J. Gallagher Risk Management Services, Inc. Two Pierce Place Itasca IL 60143	CONTACT NAME: Jackie Haning PHONE (A/C, No, Ext): FAX (A/C, No): E-MAIL ADDRESS: jackie_haning@ajg.com

INSURER(S) AFFORDING COVERAGE	NAIC #
INSURER A : National Union Fire Insurance Compa	19445
INSURER B :	
INSURER C :	
INSURER D :	
INSURER E :	
INSURER F :	

INSURED LCSHOLD-03

LCS Holdings Inc.
400 Locust Street, Suite 820
Des Moines, IA 50309

COVERAGES **CERTIFICATE NUMBER:** 820092800 **REVISION NUMBER:**

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

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
	GENERAL LIABILITY COMMERCIAL GENERAL LIABILITY CLAIMS-MADE OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: POLICY PRO-JECT LOC						EACH OCCURRENCE DAMAGE TO RENTED PREMISES (Ea occurrence) MED EXP (Any one person) PERSONAL & ADV INJURY GENERAL AGGREGATE PRODUCTS - COMP/OP AGG	$ $ $ $ $ $ $
	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)	$ $ $ $ $
	UMBRELLA LIAB OCCUR EXCESS LIAB CLAIMS-MADE DED RETENTION $						EACH OCCURRENCE AGGREGATE	$ $ $
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY Y/N ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	N/A					WC STATU-TORY LIMITS OTH-ER E.L. EACH ACCIDENT E.L. DISEASE - EA EMPLOYEE E.L. DISEASE - POLICY LIMIT	 $ $ $
A	Crime			013929910	6/30/2015	6/30/2016	Limit ERISA	5,000,000 Included

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

Casa de Las Campanas

CERTIFICATE HOLDER

Casa de Las Campanas
18655 W Bernardo Dr.
San Diego CA 92127

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

Patrick J. Gallagher

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

Casa de las Campanas

July 31, 2015 and 2014

MOSS ADAMS LLP

Certified Public Accountants | Business Consultants

CONTENTS

REPORT OF INDEPENDENT AUDITORS

The Audit Committee of the Board of Directors
Casa de las Campanas

Report on Financial Statements

We have audited the accompanying consolidated financial statements of Casa de las Campanas, which comprise the consolidated balance sheet as of July 31, 2015, and the related consolidated statements of operations and changes in net assets, 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 consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our 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 consolidated financial statements are free from material misstatement.

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

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

MOSS-ADAMS LLP

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Casa de las Campanas as of July 31, 2015, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that comprise Casa de las Campanas consolidated financial statements. The consolidating schedules on pages 36 through 39 are presented for purposes of additional analysis and are not a required part of the consolidated financial statements.

The consolidating schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the consolidated financial statements. Such information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the consolidating schedules are fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Prior Period Financial Statements

The consolidated financial statements of Casa de las Campanas for the year ended July 31, 2014 were audited by other auditors and whose report dated November 25, 2014 expressed an unmodified opinion on those consolidated financial statements.

Moss Adams LLP

Los Angeles, California
November 30, 2015

CASA DE LAS CAMPANAS
CONSOLIDATED BALANCE SHEETS
AS OF JULY 31, 2015 AND 2014

ASSETS	2015	2014
Current Assets:		
Cash and cash equivalents	$ 608,553	$ 5,249,935
Assets whose use is limited or restricted, required for current liabilities (Note 3)	5,269,055	5,294,668
Accounts receivable, net of allowance for doubtful accounts of $92,191 and $79,186, respectively	808,715	977,721
Prepaid expenses and other current assets	1,052,845	1,068,508
Other receivables	347,680	507,541
Total Current Assets	8,086,848	13,098,373
Assets whose use is limited or restricted, less amounts classified as current (Note 3)	29,733,454	7,295,634
Long-term investments (Note 4)	79,025,129	79,209,922
Property, buildings, and equipment, net (Note 5)	67,302,890	64,028,997
Deferred financing fees, net (Note 11)	2,766,490	2,225,525
Total Assets	$ 186,914,811	$ 165,858,451
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts payable and accrued expenses	$ 3,665,101	$ 3,569,647
Interest payable	1,185,003	1,203,253
Deposits from residents	808,988	1,470,634
Current portion of obligations under capital leases (Note 12)	27,284	24,133
Current portion of obligations under gift annuity contracts (Note 1)	323,192	314,885
Current portion of estimated refundable entrance fees (Note 10)	2,248,611	2,197,865
Current portion of long-term debt (Note 11)	1,140,000	1,095,000
Total Current Liabilities	9,398,179	9,875,417
Obligations under capital leases, net of current portion (Note 12)	27,220	54,504
Obligations under gift annuity contracts, net of current portion (Note 1)	1,370,009	1,361,023
Estimated refundable entrance fees, net of current portion (Note 10)	16,637,428	15,261,466
Deferred revenue, pooled income funds	72,197	82,174
Long-term debt, net of current portion and unamortized discount (note 11)	67,185,664	49,314,550
Deferred revenue from entrance fees (Note 10)	54,116,131	53,557,629
Total Liabilities	148,806,828	129,506,763
Net Assets:		
Unrestricted	33,996,058	32,627,207
Temporarily restricted (Note 7)	1,107,464	1,197,610
Permanently restricted (Note 8)	3,004,461	2,526,871
Total Net Assets	38,107,983	36,351,688
Total Liabilities and Net Assets	$ 186,914,811	$ 165,858,451

CASA DE LAS CAMPANAS
CONSOLIDATED STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS
YEARS ENDED JULY 31, 2015 AND 2014

	2015	2014
Changes in Unrestricted Net Assets:		
Revenues, Gains, and Other Support:		
Residents fees earned, including amortization of deferred revenues from non-refundable entrance fees of $7,835,828 and $8,165,330, respectively	$ 35,667,501	$ 35,699,796
Contributions	234,994	182,720
Net assets released from restrictions, used for operations	128,618	123,458
Total Revenues, Gains, and Other Support	36,031,113	36,005,974
Operating Expenses:		
Resident services	530,727	471,507
Health center	5,527,546	5,188,682
Assisted living	2,437,153	2,505,084
Home health	974,220	1,119,718
Plant and maintenance	4,588,125	4,152,008
Housekeeping and laundry	1,715,230	1,659,412
Food and beverage	5,990,742	5,875,516
Donation expense	107,689	93,191
General and administrative	4,273,539	5,069,355
Depreciation and amortization	5,797,415	5,489,074
Interest expense for debt service	2,867,382	2,902,564
Interest expense, other	1,147	14,873
Total Operating Expenses	34,810,915	34,540,984
Income from Operations	1,220,198	1,464,990
Other Revenues (Expenses):		
Interest and dividends, net	1,720,742	1,200,144
Casualty gain, net	-	188,357
Net realized gains on sale of investments	772,950	1,234,164
Change in value of gift annuity contracts	(125,951)	(18,445)
Loss on disposal of fixed assets	(349,965)	(103,124)
Other revenues	93,607	120,866
Total Other Revenues, net	2,111,383	2,621,962
Excess of Revenues over Expenses	$ 3,331,581	$ 4,086,952

See accompanying notes.

CASA DE LAS CAMPANAS
CONSOLIDATED STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS
YEARS ENDED JULY 31, 2015 AND 2014 (CONTINUED)

	2015	2014
Changes in Unrestricted Net Assets:		
Excess of revenue over expenses	$ 3,331,581	$ 4,086,952
Net unrealized (losses) gains on investments	(2,034,730)	4,258,369
Transfer from permanently restricted net assets	26,171	4,216
Transfer (to) permanently restricted net assets	(15,602)	-
Net assets released from restrictions, used for capital expenditures	61,431	28,920
Increase in Unrestricted Net Assets	1,368,851	8,378,457
Changes in Temporarily Restricted Net Assets:		
Contributions	96,281	70,892
Interest and dividends, net	55,913	26,390
Net realized gains on sale of investments	20,249	29,352
Net unrealized (losses) gains on investments	(68,173)	95,630
Net assets released from restrictions, used for operations	(128,618)	(123,458)
Net assets released from restrictions, used for capital expenditures	(61,431)	(28,923)
Change in value of charitable remainder trusts and pooled income funds	(4,367)	14,916
(Decrease) Increase in Temporarily Restricted Net Assets	(90,146)	84,799
Changes in Permanently Restricted Net Assets:		
Contributions	488,159	251,208
Transfer from unrestricted net assets	15,602	-
Transfer (to) unrestricted net assets	(26,171)	(4,216)
Increase in Permanently Restricted Net Assets	477,590	246,992
Increase in Net Assets	1,756,295	8,710,248
Net Assets at Beginning of Year	36,351,688	27,641,440
Net Assets at End of Year	$ 38,107,983	$ 36,351,688

See accompanying notes.

CASA DE LAS CAMPANAS
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED JULY 31, 2015 AND 2014

	2015	2014
Cash Flows from Operating Activities:		
Cash received from residents and third-party payers	$ 25,955,006	$ 36,034,222
Proceeds from entrance fees	13,925,438	15,509,165
Contributions	331,275	278,612
Investment income received, net	1,766,678	2,490,020
Cash paid to suppliers and employees	(26,801,518)	(36,224,409)
Cash paid for rentals	(21,944)	(23,881)
Cash paid for interest on long-term debt and capital lease obligations, net of amounts capitalized of $295,925 and $0	(2,874,518)	(2,920,147)
Cash paid for interest on resident deposits	-	(1,239)
Net Cash and Cash Equivalents Provided by Operating Activities	12,280,417	15,142,343
Cash Flows from Investing Activities:		
Capital expenditures	(8,140,265)	(4,869,766)
Proceeds on disposal of assets	-	188,356
Interest and dividend reinvestment	(1,776,655)	(1,226,504)
Net purchases of investments	(21,890,781)	(6,325,810)
Net Cash and Cash Equivalents Used in Investing Activities	(31,807,701)	(12,233,724)
Cash Flows from Financing Activities:		
Refunds of entrance fees	(2,689,218)	(697,008)
Net change in resident deposits	(30,000)	(120,000)
Proceeds from issuing of long term debt	19,000,000	-
Principal payments on obligations under capital leases	(24,133)	(21,505)
Bond issuance costs	(763,906)	(10,000)
Principal payments on long-term debt	(1,095,000)	(1,055,000)
Contributions restricted for endowment	488,159	27,295
Net Cash and Cash Equivalents Provided by (Used in) Financing Activities	14,885,902	(1,876,218)
Net Change in Cash and Cash Equivalents	(4,641,382)	1,032,401
Cash and Cash Equivalents, at Beginning of Year	5,249,935	4,217,534
Cash and Cash Equivalents, at End of Year	$ 608,553	$ 5,249,935
Supplemental disclosure of noncash information		
Accrued capital expenditures	$ 1,058,067	$ -

See accompanying notes.

CASA DE LAS CAMPANAS
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED JULY 31, 2015 AND 2014 (CONTINUED)

	2015	2014
Reconciliation of Increase in Net Assets to Net Cash and Cash Equivalents Provided by Operating Activities		
Increase in net assets	$ 1,756,295	$ 8,710,248
Adjustments to reconcile increase in net assets to net cash and cash equivalents provided by operating activities:		
Depreciation	5,574,474	5,448,926
Amortization of deferred financing fees	222,941	157,499
Amortization of bond discount	11,114	11,114
Provision for bad debt	13,005	(255,226)
Amortization of entrance fees	(7,835,828)	(8,165,330)
Forfeited entrance fees	(1,415,182)	(2,078,828)
Accrual of resident refund	(630,491)	703,650
Proceeds from entrance fees	13,925,438	15,509,165
Loss on disposal of equipment	349,965	103,124
Net realized (gains) on sale of investments	(793,199)	(1,263,516)
Net unrealized losses (gains) on investments	2,102,903	(4,353,998)
Contributions restricted for endowment	(488,159)	(27,295)
Deferred revenue, pooled income fund	(9,977)	(6,238)
Change in value of charitable remainder trusts and pooled income funds	4,367	(14,916)
Change in the value of gift annuity contracts	125,951	14,838
Changes in operating assets and liabilities:		
Accounts receivable	156,001	558,582
Prepaid expenses and other current assets	15,663	(5,604)
Other receivables	159,861	(4,431)
Accounts payable and accrued expenses	(962,613)	279,499
Interest payable	(18,250)	(17,583)
Deposits from residents	(1,155)	(99,129)
Obligation under gift annuity contracts	17,293	(62,208)
Net Cash and Cash Equivalents Provided by Operating Activities	$ 12,280,417	$ 15,142,343

Note 1 – Nature of Business and Summary of Significant Accounting Policies

Nature of business – Casa de las Campanas ("Casa") was incorporated on September 19, 1990 as a California non-profit corporation for the purposes of constructing, owning and operating a continuing care retirement community. The facilities include 378 independent living units, 31 assisted living units with a capacity of 44 beds, 18 dementia/assisted living units with a capacity of 27 beds, and an adjacent 99 bed skilled nursing facility. Casa provides housing, health care and other related services to the elderly honoring their dignity and promoting independence.

Casa operates under the continuing care concept whereby residents enter into agreements that require payment of a one-time entrance fee and a monthly charge. Generally, these payments will entitle residents to the use and privileges of the facility for life. The residence agreement does not entitle the residents to an ownership interest in the property.

Casa Foundation (the "Foundation"), a California non-profit public benefit corporation, was established in 1994 to solicit contributions from the general public in support of Casa. The Foundation Board of Directors consists of five members, three of whom are also members of the Casa Board of Directors, and the remaining two are Casa residents in good standing. Funds of the Foundation are distributed to Casa for the benefit of its residents and operations as determined by the Foundation's Board of Directors. The Foundation's assets, liabilities, net assets, and results of operations are included in the accompanying consolidated financial statements.

Consolidation policy – The accompanying consolidated financial statements include the accounts of Casa de las Campanas and Casa Foundation (collectively, the "Organization"). Inter-company transactions and balances have been eliminated in consolidation.

Basis of presentation – The accompanying consolidated financial statements are presented using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP"). References to "ASC" hereafter refer to the Accounting Standards Codification established by the Financial Accounting Standards Board ("FASB") as the source of authoritative GAAP.

The Organization's resources are classified for accounting and reporting purposes into three net asset categories according to the existence or absence of donor-imposed restrictions. Generally, the donors of these assets permit the Organization to use all or part of the income earned on related investments for general or specific purposes. Accordingly, the net assets of the Organization are classified and reported as follows:

> *Unrestricted net assets* – Net assets that are not subject to donor-imposed stipulations, or the donor-imposed restrictions have expired. Unrestricted net assets represent the funds that are fully available, at the discretion of management and the Board of Directors, for the Organization to utilize in its programs or supporting activities.

Note 1 – Nature of Business and Summary of Significant Accounting Policies (continued)

Temporarily restricted net assets – Net assets comprised of contributions that are subject to donor-imposed stipulations that can be fulfilled by actions of the Organization pursuant to those stipulations or that expire by the passage of time. When the donor-imposed restrictions expire, that is, when a time restriction ends or a purpose restriction is fulfilled, temporarily restricted net assets are reclassified to unrestricted net assets.

Permanently restricted net assets – Net assets comprised of contributions subject to donor-imposed restrictions to be maintained in perpetuity. The related income is temporarily restricted either for specific purpose (donor-imposed) or time period (in accordance with GAAP).

The Organization follows the provisions of FASB ASC 958-205, *Presentation of Financial Statements*, which provides guidance on the net asset classification and reporting of donor-restricted endowment funds for not-for-profit organizations that are subject to an enacted version of UPMIFA. The UPMIFA was signed into law in California (CPMIFA) on September 30, 2008.

Cash and cash equivalents – For purposes of the statements of cash flows, cash and cash equivalents include all highly-liquid debt instruments with original maturities of three months or less.

Accounts receivable – Accounts receivable are stated at estimated net realizable value. An allowance for doubtful accounts is established based upon management's estimate of uncollectible accounts. Collections on accounts previously written off are included in income as received.

Assets whose use is limited or restricted – Assets whose use is limited or restricted include (a) investments held by trustees and the Organization under bond indenture agreements, (b) investments held in escrow accounts for Department of Social Services refund reserve and subscription and wait list deposit obligations, and (c) net assets restricted by donors. These assets include cash and cash equivalents and investments in debt and equity securities, which are stated at fair value in the accompanying consolidated financial statements. Amounts available to repay current liabilities are presented as current assets.

Investments – In accordance with GAAP, investments are measured at fair value in the consolidated balance sheets. Investment income or loss (including interest, dividends, and realized gains or losses) is included in the excess of revenues over expenses unless the income is restricted by donor or law. Unrealized gains and losses on investments are excluded from the excess of revenues over expenses, unless the investments are classified as trading securities.

Property, buildings, and equipment – Property, buildings, and equipment are stated at cost. Major improvements and betterments are capitalized. Maintenance and repairs are expensed as incurred. Depreciation is provided over the estimated useful lives of the respective assets using the straight-line method.

Note 1 – Nature of Business and Summary of Significant Accounting Policies (continued)

The estimated useful lives of the related assets are as follows:

Buildings and improvements	40 years
Property held under capital leases	3-5 years
Furniture and equipment	3-15 years
Vehicles	3-5 years

Long-lived assets – The Organization recognizes impairment losses on long-lived assets used in operations when indicators of impairment are present and the undiscounted future cash flows are not sufficient to recover the assets' carrying amount. The factors considered by management in performing this assessment include current operating results, trends, and prospects, as well as the effects of obsolescence, demand, competition, and other economic factors. There was no impairment of the value of such assets for the years ended July 31, 2015 and 2014.

Bond discounts and deferred financing fees – Bond discounts and deferred financing fees incurred in connection with the issuance of long-term debt are amortized using the effective interest method over the term of the associated bond issue. Unamortized bond discounts are included in long-term debt in the accompanying consolidated balance sheets.

Deposits from residents – Deposits from residents represent entrance fees received prior to occupancy and are accounted for as liabilities of Casa, as they are refundable in accordance with the terms of the residence agreements.

Estimated refundable entrance fees – Estimated refundable entrance fees are recorded based on Casa's estimate of future refunds to current residents under the terms of the contracts in force and are based on current and historical refund experience.

Entrance fees – Fees paid by a resident upon entering a continuing care retirement contract, net of estimated future refunds, are recorded as deferred revenue from entrance fees and are amortized to income using the straight-line method over the remaining life expectancy of the resident.

Resident fees – Resident fees are recorded net of the provision for contractual allowances, which represents the difference between established rates and per diem reimbursement.

Income taxes – Casa and the Foundation are exempt from federal and California income taxes under Section 501(c)(3) of the Internal Revenue Code ("IRC") and corresponding California provisions, except to the extent of unrelated business taxable income ("UBTI") as defined by the IRC. Casa and the Foundation maintain their tax-exempt status through devoting their resources to meet the primary needs of aged persons, housing, health care, and financial security.

Note 1 – Nature of Business and Summary of Significant Accounting Policies (continued)

The Organization evaluates uncertain tax positions through its review of the sources of income to identify UBTI and certain other matters, including those which may affect its tax exempt status. The effect of the uncertainty would be recorded if the outcome was considered probable and reasonably estimable. As of July 31, 2015 and 2014, the Organization had no uncertain tax positions requiring accrual.

Charity care – Pursuant to its mission statement as described in Note 1, the Organization provides free services to those residents who are unable to pay all or a portion of their charges and who meet certain eligibility criteria.

Records are maintained to identify and monitor the level of charity care provided. For the years ended July 31, 2015 and 2014, unreimbursed costs foregone for charity care amounted to $416,175 and $490,083, respectively. For the years ended July 31, 2015 and 2014, charitable gifts received to offset costs amounted to $67,760 and $57,543, respectively. The Organization used an average cost per resident day amount to determine unreimbursed costs based on widely accepted cost reporting methodologies.

Public contributions – Contributions are recognized as revenue when they are received or unconditionally pledged. Contributions of assets other than cash are recorded at their estimated fair value.

The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor 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 consolidated statements of operations and changes in net assets as net assets released from restrictions.

The Organization reports gifts of land, buildings, and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Public contributions of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports them as unrestricted support.

In-kind service contributions – In accordance with GAAP, in-kind services are recognized if the services (a) create or enhance non-financial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. In addition, the Organization receives a significant amount of donated services from unpaid volunteers that are essential to the completion of the Organization's purposes. However, these services have not been recorded in the consolidated financial statements since they do not meet the accounting criteria necessary for recognition.

Note 1 – Nature of Business and Summary of Significant Accounting Policies (continued)

Split-interest agreements – The following instruments are recorded as income or net assets at the present value of the Organization's beneficiary interest:

Charitable Remainder Trusts – The Foundation is the beneficiary of four charitable remainder trust agreements (the "Trusts"). The Trusts are irrevocable, and the beneficiary designation may not be changed. Upon the death of the beneficiaries, or other termination of the trusts as defined, the remaining trust assets become the property of the Foundation as stipulated in the trust agreements.

The beneficial interest in the Trusts is recorded at the expected fair value to be received by the Foundation. The Foundation calculated the expected fair value using the fair value of the Trusts at year-end, discounted at a rate of 2.20% and 2.40% at July 31, 2015 and 2014, respectively, over the life expectancy of the Trusts beneficiaries. The change in fair value of the Trusts is reflected in the consolidated statements of operations and changes in net assets. All beneficial interests in charitable remainder trusts are included in the accompanying consolidated balance sheets under assets whose use is limited or restricted and are classified as long-term.

Charitable Gift Annuities – Donors have contributed assets to the Organization in exchange for a promise by the Organization to pay a fixed amount for a specified period of time to the donor or to individuals designated by the donor. Under the terms of such agreements, no trust exists as the assets are held by, and the annual liability is an obligation of, the Organization. The contributed assets are recorded at fair market value on the date of receipt, and the liability obligation is recorded at the expected value of the annuity liability. The expected value of the annuity liability is the present value of the future annuity payments, discounted at the prescribed Federal mid-term rate at the date of the gift over the life expectancy of the donor or the designated beneficiary, as defined in the Insurance Code of the State of California. These rates are based on the highest federal mid-term rate available over a three month period including the month of the gift. The change in fair value of the annuity liability is reflected in the consolidated statements of operations and changes in net assets. The Organization is required to maintain a state mandated reserve to cover its gift annuity liability. For the years ended July 31, 2015 and 2014, the amount of the reserve was $1,693,201 and $1,675,908, respectively, and is included in the accompanying consolidated balance sheets under assets whose use is limited or restricted.

Pooled Income Fund – The Foundation has formed one pooled income fund (the "Fund"). Donors have made irrevocable contributions of assets to the Fund in exchange for a promise by the Foundation to pay the actual income, as defined, earned on the donor's contribution for the remainder of the donor's or the donor's designated income beneficiary's lifetime.

Upon the death of the donor or the designated income beneficiary, the value of his/her proportionate interest at the time reverts to the Foundation to be used for such purposes as the donor may have designated, or, if there was no designation, as the Foundation's Board of Directors may determine.

Note 1 – Nature of Business and Summary of Significant Accounting Policies (continued)

The assets of the pooled income fund are held and managed by an outside trustee who is responsible for investing the assets and making the quarterly income distributions to the beneficiaries. The contributed assets are recorded at fair market value on the date of receipt, and temporarily restricted contribution revenue is recorded at the present value of the fair value of assets received, discounted at a rate of 3.8% over the life expectancy of the donors or beneficiaries. The change in fair value of the contributed assets is reflected in the consolidated statements of operations and changes in net assets. The assets under the pooled income fund are included in the accompanying consolidated balance sheets under assets whose use is limited or restricted.

Excess of revenues over expenses – The accompanying consolidated statements of operations and changes in net assets include excess of revenues over expenses. Changes in unrestricted net assets that are excluded from excess of revenues over expenses include net unrealized gains or losses on other-than-trading investments and net assets released from restrictions used for capital expenditures.

Use of estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Fair value of financial instruments – Financial instruments included in the Organization's consolidated balance sheets include cash and cash equivalents, investments, accounts receivable, payables arising in the ordinary course of business, split-interest agreements and long-term debt. For cash and cash equivalents, accounts receivable, and payables arising in the ordinary course of business, the carrying amounts represent a reasonable estimate of the fair values due to their short-term maturity. Split-interest agreements consist of numerous arrangements in which a donor establishes and funds a trust administered by a third party other than the Organization. These trusts are recorded at the fair value of the net assets contributed to the trust for which the Organization has a beneficial interest. The fair value of long-term debt is determined using current applicable rates for similar instruments and approximates the carrying value of such debt.

Investments are reflected at estimated fair value in accordance with FASB ASC 820, *Fair Value Measurement and Disclosure.* FASB ASC 820 establishes a fair value hierarchy that prioritizes the inputs used to measure fair value based on observable and unobservable data.

The hierarchy categorizes the inputs into three levels, with the highest priority given to unadjusted quoted prices in active markets for identical assets and liabilities (Level 1) and the lowest priority given to unobservable inputs (Level 3). The asset's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Note 1 – Nature of Business and Summary of Significant Accounting Policies (continued)

The Organization uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. Investments with readily determinable fair values are reported at fair value as determined by quoted market prices (Level I). Investments that represent pooled investment funds that are not publicly traded are reported at fair value based on quoted market prices of the underlying securities (Level 2).

Investments also include investments in limited partnerships and other alternative investments, which are made in accordance with the Organization's investment policy and are monitored through quarterly performance reviews. The alternative investments deal in and with securities of all kinds and descriptions. Publicly traded securities within the alternative investments are generally valued by reference to closing market prices on one or more national securities exchanges or generally accepted pricing services selected by the custodial trustees of the respective alternative investments. Securities not valued by such pricing services are valued based upon bid quotations obtained from independent dealers in securities. In the absence of any independent quotations, securities will be valued by respective custodial trustees based on the data obtained from the best available sources (Level 3). Because these investments are not readily marketable, their estimated value is subject to uncertainty and, therefore, may differ from the value that would have been used had a ready market for such investment existed.

While the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain assets could result in a different fair value measurement at the measurement date. The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require transfer of financial instruments from one level to another. In such instances, the transfer is reported at the end of the reporting period. There have been no changes in the valuation methodologies used at July 31, 2015 and 2014 to value the Organization's assets at fair value.

New accounting guidance – In April 2015, the FASB issued Accounting Standards Update (ASU) 2015-03, *Interest – Imputation of Interest (Subtopic 835-30) – Simplifying the Presentation of Debt Issuance Costs.* ASU 2015-03 is intended to define debt issuance costs as a direct deduction from the debt liability as opposed to a deferred asset that has no future economic benefit. This presentation will have the effect of reducing the proceeds of borrowing, thereby increasing the effective interest rate. This guidance is effective for the Organization in the annual period ending July 31, 2017 and interim and annual periods thereafter. The impact of ASU 2015-03 will result in a reduction in the net carrying amount of the Organization's long-term debt equal to net deferred financing fees which amounted to $2,766,490 as of July 31, 2015.

Note 1 – Nature of Business and Summary of Significant Accounting Policies (continued)

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*. As compared to existing guidance on revenue recognition, ASU 2014-09 will significantly enhance comparability of revenue recognition practices across entities, industries, jurisdictions, and capital markets. The largely principles-based guidance in ASU 2014-09 will provide a framework for addressing revenue recognition issues comprehensively for entities that apply U.S. GAAP in addition to those entities that apply International Financial Reporting Standards. The guidance in ASU 2014-09 also improves U.S. GAAP by reducing the number of requirements to which an entity must consider in recognizing revenue, as well as requires improved disclosures to help users of financial statements better understand the nature, amount, timing, and uncertainty of revenue that is recognized. ASU 2014-09 is effective for annual periods beginning after December 15, 2018 (fiscal year ending July 31, 2020 for the Organization). The Organization is currently evaluating the impact of the provisions of ASU 2014-09 on the presentation of its consolidated financial statements.

In August 2014, the FASB issued ASU 2014-15, *Presentation of Financial Statements – Going Concern (Subtopic 205-40) – Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern.* ASU 2014-15 is intended to define management's responsibility to evaluate whether there is substantial doubt about an organization's ability to continue as a going concern and to provide related footnote disclosures. This guidance is effective for the Organization in the annual period ending July 31, 2017 and interim and annual periods thereafter. The Organization does not expect the adoption of this standard to have a material impact on its consolidated financial statement disclosures.

In the normal course of business, the Organization evaluates all new accounting pronouncements to determine the potential impact they may have on its financial statements. Based upon this evaluation, the Organization does not expect any of the remaining recently issued accounting pronouncements, which have not already been adopted by the Organization, to have a material impact on its consolidated financial statements.

Reclassification – Certain amounts in the 2014 financial statements have been reclassified to conform to the 2015 classifications. These reclassifications have no material effect on total net assets.

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

The Organization has evaluated subsequent events through November 30, 2015, which is the date the financial statements were issued, and concluded that there were no additional events or transactions that need to be disclosed.

Note 2 – Concentrations of Credit Risk

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash and cash equivalents, investments, and receivables. The Organization places its cash and cash equivalents and investments with several high-credit quality financial institutions. For the years ended July 31, 2015 and 2014, cash accounts at each institution were insured by the Federal Deposit Insurance Corporation ("FDIC") up to $250,000.

Investments in general are exposed to various risks, such as interest rate, credit, and overall market volatility risk. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of the investments will occur in the near term, and that such changes could materially affect the amounts reported in the consolidated financial statements. The Organization mitigates these risks with an investment policy designed to limit the exposure and concentration, while achieving optimal return within reasonable risk tolerances.

With respect to the receivables, the Organization's customer base consists of a large number of customers. The Organization performs credit evaluations and writes off uncollectible amounts as they become known.

Note 3 – Assets Whose Use is Limited or Restricted

Assets whose use is limited or restricted were available for the following purposes for the years ended July 31:

	2015	2014
Held by Trustee under bond indenture	$ 25,029,466	$ 6,202,180
Refund reserve*	5,262,605	2,082,506
Restricted by donors	2,406,478	1,993,809
Charitable gift annuities	1,693,201	1,675,908
Charitable remainder trusts	312,330	315,877
Pooled income fund	298,429	320,022
	35,002,509	12,590,302
Less: amounts required for current liabilities	(5,269,055)	(5,294,668)
	$ 29,733,454	$ 7,295,634

*In order to meet the refund reserve requirement for the years ended July 31, 2015 and 2014, the California Department of Social Services ("CDSS") approved for the reserve requirement to be secured by the escrow agreement and the deed of trust on the Organization's facilities, including real property.

Note 4 – Investments and Fair Value Disclosure

The Organization's investments are managed as a diversified portfolio governed by various third party brokers and financial institutions in accordance with the Organization's investment policy. The composition of investments at fair value at July 31 was as follows:

	2015	2014
Money market funds	$ 25,645,581	$ 6,566,246
Domestic - bond mutual funds	8,434,015	9,131,875
International - bond mutual funds	9,162,280	9,291,156
Domestic - equity (including mutual funds)	26,534,811	31,494,832
International - equity (including mutual funds)	20,517,770	17,211,523
Balanced mutual funds	4,672,201	-
Real estate investment trusts	3,489,637	3,328,279
Limited partnerships	788,955	1,051,938
Absolute return	5,369,200	5,743,539
US government obligation	726,976	-
Commodities	3,692,865	3,865,551
Real assets	14,862	-
Futures	2,048,150	1,511,958
Options	2,618,005	2,287,440
Receivables due under charitable remainder trusts	312,330	315,887
	114,027,638	91,800,224
Less: amounts classified as assets whose use is limited or restricted - current and non-current	(35,002,509)	(12,590,302)
Long-term investments	$ 79,025,129	$ 79,209,922

Note 4 – Investments and Fair Value Disclosure (continued)

Investment income and losses on cash equivalents, investments, and assets whose use is limited or restricted for the years ended July 31, 2015 and 2014, are summarized as follows:

	2015		
	Unrestricted	Temporarily Restricted	Total
Interest and dividends	$ 1,910,197	$ 55,913	$ 1,966,110
Realized gains on sale of investments	772,950	20,249	793,199
Net unrealized losses on investments	(2,034,730)	(68,173)	(2,102,903)
Change in value of gift annuity contracts	(125,951)	(4,367)	(130,318)
	522,466	3,622	526,088
Less: investment expenses	(189,455)	-	(189,455)
Total	$ 333,011	$ 3,622	$ 336,633

	2014		
	Unrestricted	Temporarily	Total
Interest and dividends	$ 1,373,986	$ 26,390	$ 1,400,376
Realized gains on sale of investments	1,234,164	29,352	1,263,516
Net unrealized gains on investments	4,258,369	95,630	4,353,999
Change in value of gift annuity contracts	(18,445)	14,916	(3,529)
	6,848,074	166,288	7,014,362
Less: investment expenses	(173,842)	-	(173,842)
Total	$ 6,674,232	$ 166,288	$ 6,840,520

Note 4 – Investments and Fair Value Disclosure (continued)

The following tables present the Organization's fair value hierarchy for those assets measured at fair value on a recurring basis as of July 31, 2015 and 2014:

	2015			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Assets:				
Money market funds	$ 25,645,581	$ -	$ -	$ 25,645,581
Mutual funds				
Domestic - bond mutual funds	8,746,345	-	-	8,746,345
International - bond mutual funds	9,162,280	-	-	9,162,280
Domestic - equity (including mutual funds)	26,534,811	-	-	26,534,811
International - equity (including mutual funds)	20,517,770	-	-	20,517,770
Balanced mutual funds	4,672,201	-	-	4,672,201
Real estate investment trusts	3,489,637	-	-	3,489,637
Limited partnerships	-	-	788,955	788,955
Absolute return	3,016,452	-	2,352,748	5,369,200
Commodities	3,692,865	-	-	3,692,865
US government obligation	-	726,976	-	726,976
Real assets	14,862	-	-	14,862
Futures	2,048,150	-	-	2,048,150
Options	2,618,005	-	-	2,618,005
Total	$ 110,158,959	$ 726,976	$ 3,141,703	$ 114,027,638

	2014			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Assets:				
Money market funds	$ 6,606,607	$ -	$ -	$ 6,606,607
Mutual funds	70,733,191	-	-	70,733,191
Limited partnerships	-	-	1,051,938	1,051,938
Absolute return	3,491,295	-	2,252,244	5,743,539
Commodities	3,031,456	834,095	-	3,865,551
Futures	1,511,958	-	-	1,511,958
Options	2,287,440	-	-	2,287,440
Total	$ 87,661,947	$ 834,095	$ 3,304,182	$ 91,800,224

Note 4 – Investments and Fair Value Disclosure (continued)

Investments in limited partnerships are valued based on the pro-rata interest in the net assets of the underlying investment as reported by the investment funds' investment managers or general partners. An advisor independently evaluates the valuation provided by the fund managers and this evaluation takes into consideration numerous factors which may include, but are not limited to, the attributes of the interest held, risks inherent in the inputs to the manager's valuation, restrictions on the disposition of the interest, and data reasonably available to market participants.

Absolute return funds invest primarily in investment funds, limited partnerships, limited liability companies, or non-U.S. corporations. Valuation of interests in these funds is based on an amount equal to the pro-rata interest in net assets, which are at fair value consistent with the measurement principles in FASB ASC 946, *Financial Services – Investment Companies*, of such investment funds as reported by the management of the investment funds monthly, adjusted for management and incentive fees, if any.

For investments measured at fair value on a recurring basis using significant unobservable inputs (Level 3) during the years ended July 31, 2015 and 2014, the reconciliation of beginning and ending balances is as follows:

	2015		
	Limited Partnerships	Absolute Return	Total
Fair value, beginning of year	$ 1,051,938	$ 2,252,244	$ 3,304,182
Realized gains, net	109,583	97,081	206,664
Unrealized gains (losses)	(68,565)	-	(68,565)
Purchases/issuances	5,000	3,423	8,423
Sales/settlements	(309,001)	-	(309,001)
Fair value, end of year	$ 788,955	$ 2,352,748	$ 3,141,703

	2014		
	Limited	Absolute Return	Total
Fair value, beginning of year	$ 1,143,839	$ 2,104,685	$ 3,248,524
Realized gains, net	110,612	147,559	258,171
Unrealized gains (losses)	6,151	-	6,151
Purchases/issuances	5,000	-	5,000
Sales/settlements	(213,664)	-	(213,664)
Fair value, end of year	$ 1,051,938	$ 2,252,244	$ 3,304,182

Note 5 – Property, Buildings, and Equipment

Property, buildings, and equipment were as follows at July 31:

	2015	2014
Land and improvements	$ 15,164,793	$ 15,092,900
Buildings and improvements	98,977,722	94,549,401
Property under capital leases	142,355	123,858
Furniture and equipment	16,754,396	16,891,964
Vehicles	893,233	765,458
Art collection	343,798	342,114
	132,276,297	127,765,695
Less: Accumulated depreciation and amortization	(69,006,300)	(64,643,743)
	63,269,997	63,121,952
Construction in progress	4,032,893	907,045
Property, Buildings, and Equipment, Net	$ 67,302,890	$ 64,028,997

Depreciation expense for the years ended July 31, 2015 and 2014 amounted to $5,574,474 and $5,448,926, respectively.

Casa has several projects under construction and pre-development. Total predevelopment and construction costs as of July 31, 2015 and 2014 amounted to $4,032,893 and $907,045, respectively. Casa's estimated costs to complete construction of these projects is approximately $57,000,000 as of July 31, 2015.

Note 6 – Endowment

The Organization's endowment consists of various individual funds established for a variety of purposes. Net assets associated with endowment funds, including funds designated by the Board of Directors (the "Board") to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Note 6 – Endowment (continued)

Interpretation of relevant law – The Board has interpreted the CPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by the CPMIFA.

In accordance with the CPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund,
- The purposes of the Organization and the donor-restricted endowment fund,
- General economic conditions,
- The possible effect of inflation and deflation,
- The expected total return from income and the appreciation of investments,
- Other resources of the Organization, and
- The investment policies of the Organization.

Composition and changes in endowment net assets – Endowment net assets composition by type of fund was as follows at July 31, 2015:

	2015			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	$ (407,491)	$ 244,448	$ 3,004,461	$ 2,841,418
Board-designated endowment fund	2,742,458	-	-	2,742,458
	$ 2,334,967	$ 244,448	$ 3,004,461	$ 5,583,876

Note 6 – Endowment (continued)

Changes in endowment net assets for the year ended July 31, 2015 were as follows:

	2015			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	$ 2,406,873	$ 292,370	$ 2,526,871	$ 5,226,114
Investment return:				
Investment income, net	60,398	54,062	-	114,460
Net depreciation, (realized/unrealized)	(38,477)	(45,926)		(84,403)
Change in value	(91,546)	-	-	(91,546)
Total investment return	(69,625)	8,136	-	(61,489)
Contributions	17,357	-	488,159	505,516
Transfers	-	-	15,602	15,602
Appropration of endowment assets for expenditure	(19,638)	(56,058)	(26,171)	(101,867)
Endowment net assets, end of year	$ 2,334,967	$ 244,448	$ 3,004,461	$ 5,583,876

Endowment net assets composition by type of fund was as follows at July 31, 2014:

	2014			
	Unrestricted	Temporarily	Permanently	Total
Donor-restricted endowment funds	$ (339,571)	$ 292,370	$ 2,526,871	$ 2,479,670
Board-designated endowment fund	2,746,444	-	-	2,746,444
	$ 2,406,873	$ 292,370	$ 2,526,871	$ 5,226,114

Note 6 – Endowment (continued)

Changes in endowment net assets for the year ended July 31, 2014 were as follows:

	2014			
	Unrestricted	Temporarily	Permanently	Total
Endowment net assets, beginning of year	$ 2,191,342	$ 202,503	$ 2,279,879	$ 4,673,724
Investment return:				
Investment income, net	43,798	25,717	-	69,515
Net appreciation, (realized/unrealized)	155,398	123,806	-	279,204
Total investment return	199,196	149,523	-	348,719
Contributions	103,955	-	251,208	355,163
Transfers	-	-	(4,216)	(4,216)
Appropration of endowment assets for expenditure	(87,620)	(59,656)	-	(147,276)
Endowment net assets, end of year	$ 2,406,873	$ 292,370	$ 2,526,871	$ 5,226,114

Endowment funds with deficiencies – From time-to-time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or the law requires the Organization to retain as a fund of perpetual duration. In accordance with GAAP, deficiencies of this nature that are reported in unrestricted net assets were $407,491 and $339,571 at July 31, 2015 and 2014, respectively. These deficiencies resulted from unfavorable market fluctuations that occurred after the investment of permanently restricted contributions and continued appropriation for certain programs that was deemed prudent by the Board.

Return objectives and risk parameters – The Organization has adopted investment and spending policies for endowment funds that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted endowment funds that the Organization must hold in perpetuity as well as quasi endowment funds established by the "Board".

Note 6 – Endowment (continued)

Under this policy, as approved by the Board, the endowment funds are invested in a manner that is expected to:

- Produce a nominal average annual rate of return of 6.20% assuming 2.30% inflation, or an annual compound total rate of return of approximately 3.90% in excess of the rate of inflation, as measured by the National Urban Consumer Price Index (CPI), in the long-term portfolio;

- Perform above average in the comparable fund universe with volatility that is equal to or less than that of such similarly managed funds.

Actual returns in any given year may vary from the expected amounts as past experience is not an indicator of future performance.

Strategies employed for achieving objectives – To satisfy its long-term return objectives, the Organization relies on a total-return strategy in which investment returns and real growth are achieved through both capital appreciation (realized and unrealized) and current income (interest and dividends). As asset allocation is the major determinant of investment performance, the endowment assets are allocated across a number of investment classes to provide diversification and achieve long-term return objectives. As a general policy guideline, the target asset allocations are for Quasi Endowment Funds are 75% to growth investments, including both equities and alternative investments, and 25% to fixed income investments. The long-term portfolio will be invested in mutual and/or exchange traded funds ("ETF"), Hedge Funds -Fund of Funds (FoF), limited partnerships, structured notes, and/or individually managed accounts that focus on specific style segments within each asset class. The asset allocation plan provides for diversification of assets in an effort to maximize the investment return and manage the risk of the endowment assets consistent with market conditions. Due to the fluctuation of market values, allocations within a specified range constitute compliance with the policy.

Spending policy and how the investment objectives relate to spending policy – Currently, Casa's intent is to reinvest all dividends, interest and capital gains in the long-term portfolio. At a future date, the Board may elect to establish a spending policy and will do so subject to a spending analysis that will consider the impact of various spending policies on the real value of the portfolio relative to the current allocation.

The Foundation has a spending policy that applies to all endowment funds (unrestricted and permanently restricted) that provides for distribution of a percentage of assets that is sufficient to allow for growth in principal net of expected inflation and investment management fees. The formula for determining the distributions percentage evaluates long-term expected rate of returns, inflation and fees.

Note 6 – Endowment (continued)

In establishing this policy, the Organization considered the long-term expected return on its endowment funds. Accordingly, over the long term, the Organization expects the current spending policy to allow its endowment funds to grow, at a rate equal to or above the CPI. This is consistent with the Organization's objective to maintain the purchasing power of the endowment funds held in perpetuity as well as to provide additional real growth through new gifts and investment return.

Note 7 – Temporarily Restricted Net Assets

Temporarily restricted net assets were available for the following purposes at July 31:

	2015	2014
Endowment Funds - Purpose Restriction:		
Assets restricted for scholarships	$ 97,828	$ 115,050
Assets restricted for health care	24,954	27,274
Assets restricted for activities	10,671	11,332
Assets restricted for music activities	35,802	43,070
Assets restricted for care	75,195	95,644
Total endowment funds	244,450	292,370
Non-Endowment Funds - Purpose Restriction:		
Assets restricted for activities	5,868	7,887
Assets restricted for art	2,752	6,455
Assets restricted for chaplains	5,989	2,952
Assets restricted for charitable remainder trusts	83,238	86,212
Assets restricted for art collections	343,798	342,114
Assets restricted for education asssistance	7,481	7,481
Assets restricted for employee disaster and assistance	5,566	5,597
Assets restricted for employee scholarships	30,429	49,989
Assets restricted for landscape	17	1,497
Assets restricted for maintenance	5,584	7,744
Assets restricted for music activities	15,424	13,532
Assets restricted for pooled income	226,232	227,681
Assets restricted for the residential fund	62	62
Assets restricted for residential hardship	-	6
Assets restricted for the Sur library	11,473	13,007
Assets restricted for the Rose and Garden Club	20,170	20,156
Assets restricted for the Rosenmeier Health Fund	80,823	96,525
Assets restricted for the transportation fund	14,535	16,343
Total non-endowment funds	859,441	905,240
	$ 1,103,891	$ 1,197,610

Note 7 – Temporarily Restricted Net Assets (continued)

Temporarily restricted net assets were released from restrictions by incurring expenses satisfying the donor-restricted purposes or time requirements during the years ended July 31, 2015 and 2014 as follows:

	2015	2014
Resident hardships	$ 22,531	$ 40,088
Employee scholarships	74,890	51,718
General purpose	31,197	31,652
Capital expenditures	61,431	28,923
	$ 190,049	$ 152,381

Note 8 – Permanently Restricted Net Assets

Permanently restricted net assets consisted of the following at July 31:

	2015	2014
Income Temporarily Restricted for Scholarships:		
McCullagh Scholarship Endowment Fund	23,863	-
Chen Scholarship Endowment Fund	9,500	-
Hunt Scholarship Endowment Fund	20,041	20,041
Burk Scholarship Endowment Fund	9,500	9,500
Yu Scholarship Endowment Fund	19,505	19,505
Palmer Scholarship Endowment Fund	17,000	17,000
Gilkeson Scholarship Endowment Fund	18,554	18,554
Nauman Scholarship Endowment Fund	39,650	39,650
Fouts Scholarship Endowment Fund	12,000	12,000
Wang Scholarship Endowment Fund	19,000	9,500
	188,613	145,750
Income Temporarily Restricted for Activities:		
Carpenter Activities	26,209	26,209
Income Temporarily Restricted for Transporation Activities:		
Barkell Transporation Activities	460,898	26,171
Income Temporarily Restricted for Health Care:		
Hegewald Health Endowment Fund	93,000	93,000
Wynhoff Endowment Fund	1,038,327	1,038,327
	1,131,327	1,131,327
Income Temporarily Restricted for Music:		
T&G Music Endowment Fund	187,209	187,209
Income Temporarily Restricted for Resident Hardship:		
Newman Care Endowment Fund	536,998	536,998
Income Temporarily Restricted for General Use:		
Harriet Maclean General Endowment Fund	180,792	180,792
B&M King General Endowment Fund	292,415	292,415
	473,207	473,207
	$ 3,004,461	$ 2,526,871

Note 9 – Residence Agreements

For the right to occupy a living unit for life and to receive certain services, residents are required to pay an entrance fee. Upon execution of a deposit agreement, $20,000 of the entrance fee is payable with the remaining balance due on or before occupancy by the residents. Residents may cancel their Residence Agreement at any time up to 90 days after establishing residency at Casa and will be refunded the full amount of the entrance fee paid, less an application fee of $1,000.

After the 90-day period has expired, residents are entitled to receive various amounts of refunds based upon one of five agreements covering Casa as of July 31, 2015 as follows:

- Standard resident agreement (356 agreements) – If cancellation occurs in the first seven and one-half years of residency, the resident shall be refunded the entrance fee, less 10% of the amount paid and 1% for each month or partial month that they were a resident. After seven and one-half years of residency, no refund is made. If the resident expires after the 90-day cancellation period, no refund is made and the unamortized entrance fee is recognized into income. This agreement is no longer offered.
- Refundable 2% Plan (23 agreements) – Residents (or their estate) are entitled to a decreasing portion of the entrance fee that is refundable after the first 90 days less 2% per month if the resident cancels or terminates. If Casa terminates the entrance fee agreement, the refund will be decreased for reasonable cost of services including a processing fee.
- Refundable 50 Plan (1 agreement) – Resident (or their estate) is entitled to a refund of 50% of the entrance fee paid. This plan is no longer offered.
- Refundable 75 Plan (47 agreements) – Residents (or their estates) are entitled to a refund of 75% of the entrance fee paid.
- Refundable 80 Plan (2 agreements) – Residents (or their estates) are entitled to a refund of 80% of the entrance fee paid. This plan is no longer offered.

Included in deferred revenue from entrance fees as of July 31, 2015 and 2014 are approximately $51,089,000 and $48,484,000, respectively, of amounts contractually refundable under these agreements.

In addition to the entrance fees, all residents are charged monthly fees. In addition to receiving various services such as food, utilities, cleaning, scheduled transportation services, and other services offered by Casa, residents are entitled to various levels of care, including assisted living and nursing care.

Note 10 – Deferred Entrance Fees

Monthly fees are established at the inception of occupancy and may be increased by Casa according to economic necessity, which is related to the percentage change in the prior year per capita cost of operating expenses of Casa for furnishing services to the residents.

During the year ended July 31, 2011, Casa began offering residents an option to rent a unit on a month to month basis. For the right to occupy a living unit under a Rental Agreement, residents are required to pay security deposit, community fee and monthly rental fees. The rental contract fee excludes the various levels of care granted to the entrance fee related contracts. As of July 31, 2015 and 2014, there were zero units and one unit occupied under a Rental Agreement, respectively.

Deferred entrance fees are amortized to income using the straight-line method over future periods based on the estimated life of the resident in accordance with FASB ASC 954-430, "*Health Care Entities – Deferred Revenue*". The period of amortization is adjusted annually based on the actuarially determined estimated remaining life expectancy of each individual or joint and last survivor life expectancy of each pair of residents occupying the same unit, as published in Section 1792.2 of the State of California Continuing Care Contract Statues. The unamortized portion is included in deferred revenues from entrance fees in the accompanying consolidated balance sheets.

At July 31, 2015 and 2014, deferred revenue from unamortized deferred entrance fees consists of the following:

	2015	2014
Deferred entrance fees before repayment	$ 129,359,553	$ 124,773,371
Less: accumulated amortization of deferred entrance fees	(56,357,383)	(53,756,411)
Deferred revenue from unamortized deferred entrance fees, net, before refundable entrance fees	73,002,170	71,016,960
Less: amounts classified as refundable entrance fees	(18,886,039)	(17,459,331)
Deferred revenue from unamortized deferred entrance fees, net	$ 54,116,131	$ 53,557,629

During 2015 and 2014, the deferred entrance fees amortized into income were $7,835,828 and $8,165,330, respectively.

The amount shown in the accompany consolidated balance sheets for unamortized entrance fees has been reduced by the amount set up as a liability for refunds of $18,886,039 and $17,459,331 at July 31, 2015 and 2014, respectively.

Note 11 – Long-term Debt

In December 2014, Casa issued $19,000,000 Insured Revenue Bonds (Casa de las Campanas, Inc.), Series 2014 (the "2014 Bonds"). The 2014 Bonds are issued to finance the construction, installation, furnishing and equipping of improvements to the care retirement facility. The 2014 Bonds have a fixed annum interest rate of 2.67% and are set to mature at various dates through December 1, 2021, but can be redeemed prior to maturity. Mandatory sinking account payments are due annually starting January 1, 2017 and range from $45,000 to $50,000. Interest on the 2014 Bonds is payable monthly starting on January 1, 2015.

In January 2010, Casa issued $54,310,000 Insured Revenue Bonds (Casa de las Campanas, Inc.), Series 2010 (the "2010 Bonds"). The 2010 Bonds are set to mature at various dates through September 1, 2037, but can be redeemed prior to maturity. Remaining annual principal payments range from $1,140,000 to $3,760,000. Interest on the 2010 Bonds is payable semiannually on March 1 and September 1 and is equal to all interest accrued during the period from the last such Interest Payment Date to such current Interest Payment Date.

Casa used the proceeds of the 2010 Bonds, together with other available funds, to (i) refund the outstanding Series 2007 Bonds; (ii) fund a termination fee for a certain swap agreement in connection with the Series 2007 Bonds; (iii) finance the costs of the acquisition, construction and equipping, of certain facilities of Casa (the Project); (iv) fund a bond reserve account in an amount equal to the Bond Reserve Account Requirement for the 2010 Bonds; and (v) pay certain costs of issuance of the 2010 Bonds, including the insurance premium.

The 2014 Bonds and 2010 Bonds (the "Bonds") are secured by (i) a security interest in all of the gross revenues of Casa, and (ii) a lien on all real property and fixtures of Casa. A contract of insurance was entered into with the Office of Statewide Health Planning and Development of the State of California (the "Office"), pursuant to which the Office will insure the payment of the principal of and interest on the Bonds.

In connection with the issuance of the Bonds described above, Casa is subject to certain financial or operational covenants, such as limitations on the ability of Casa to incur indebtedness, to dispose property, or to create liens on property. Casa is also required to maintain revenues at levels sufficient to provide coverage of debt service on the Bonds or any other indebtedness. As of July 31, 2015 and 2014, management believes Casa was in compliance with these covenants.

A debt service reserve fund is required to be maintained in the amount equal to the maximum annual bond service on all bonds outstanding as of the date issuance of the Bonds. The fund balance as of July 31, 2015 and 2014 amounted to $5,065,214 and $3,995,001, respectively, which is included in assets whose use is limited or restricted as amounts held by trustee under bond indenture.

Note 11 – Long-term Debt (continued)

Costs associated with the issuance of the Bonds reported as deferred financing fees in the accompanying consolidated financial statements is comprised of the following at July 31:

	2015	2014
Bonds issuance costs	$ 3,721,902	$ 2,957,996
Less: accumulated amortization	(995,412)	(732,471)
Deferred financing fees, net	$ 2,726,490	$ 2,225,525

Casa capitalized interest in connection with the construction of certain property, buildings and equipment of $295,925 for the year ended July 31, 2015. There was no capitalized interest for the year ended July 31, 2014.

Long-term debt was comprised of the following at July 31:

	2015	2014
Series 2014 Insured Revenue Bonds, bearing interest at a fixed rate of 2.67%, paid monthly, and maturing through December 2021	$ 19,000,000	$ -
Series 2010 Insured Revenue Bonds, bearing interest at fixed rates ranging from 3% to 6%, paid semiannually on March 1 and September 1 of each year, and maturing through September 1, 2037	49,560,000	50,655,000
	68,560,000	50,655,000
Less: Current portion	(1,140,000)	(1,095,000)
Less: Unamortized discount	(234,336)	(245,450)
Total	$ 67,185,664	$ 49,314,550

The 2014 Bonds are carried at amortized cost, which at July 31, 2015, approximates fair value.

Note 11 – Long-term Debt (continued)

Schedule of principal repayments on long-term debt for fiscal years ending July 31:

2016	$ 1,140,000
2017	1,185,000
2018	1,560,000
2019	1,850,000
2020	1,925,000
Thereafter	60,900,000
	$ 68,560,000

Note 12 – Commitments

Obligation to provide future services – Casa 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 present value of monthly fees and 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 monthly fees and 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 5.00% in both 2015 and 2014. At July 31, 2015 and 2014, the present value of the net cost of future services and the use of facilities did not exceed the anticipated revenues. Consequently, a liability has not been recorded.

Obligations under capital leases – Casa leases certain equipment under capital lease agreements. The cost of assets under capital lease agreements amounted to $142,355 and $123,858, with accumulated amortization of $102,639 and $63,455, as of July 31, 2015 and 2014, respectively, which is included in property, buildings, and equipment in the accompanying consolidated balance sheets and amortized over the lease terms of 3 to 5 years. Amortization expense of capital leases in 2015 and 2014, amounted to $24,133 and $21,250 respectively, and is included in depreciation and amortization expense (see Note 5).

Future minimum lease payments for fiscal years ending July 31 are as follows:

2016	$ 32,745
2017	28,891
Total minimum lease payments	61,636
Less: amount representing interest at 0% to 9.96%	(7,132)
Present value of net minimum capital lease payments	54,504
Less: current portion	(27,284)
	$ 27,220

Note 12 – Commitments (continued)

Management agreement – Casa entered into a management agreement with Life Care Services LLC, which expires on July 31, 2019. Management fee expense related to this agreement, included in general and administrative expenses, was approximately $1,108,000 and $1,075,000, inclusive of salary and benefits, for the years ended July 31, 2015 and 2014, respectively. Amounts due and payable (net of refunds) to Life Care Services LLC, amounted to approximately $51,564 and $224,000 at July 31, 2015 and 2014, respectively. Management fee expense may vary year to year as certain amounts are based upon an incentive performance computation.

In October 2013, Casa entered into a development agreement with LCS Development LLC. The agreement covers services relating to the renovation and expansion of existing buildings and common spaces on the Casa campus, including the following: planning and development, assisting with financing, managing the state and local approvals, arrangement of design and construction services, and handling certain bookkeeping functions. A development fee equal to 4.75% of the capital costs relating to the project will be paid as certain milestones detailed in the agreement are met throughout the development and construction phases of the renovation and expansion project, which commenced during 2015 and is expected to be completed in 2018. For the year ended July 31, 2015 and 2014, amounts paid under this contract totaled $624,362 and $164,710, respectively. Amounts due and payable under this agreement were approximately $67,273 and $46,100 at July 31, 2015 and 2014.

Purchase commitment – Casa is obligated to buy a minimum amount of electricity under a Master Energy Sales Agreement (the Agreement) that expires May 31, 2018. Casa may also sell excess energy back in the open market. As of July 31, 2015, the remaining commitment under the Agreement amounted to $994,325. Expenditures under the Agreement amounted to $418,011 and $428,262 for the years ended July 31, 2015 and 2014, respectively.

Litigation – Casa may, from time-to-time, be involved in litigation and regulatory investigations that arise in the normal course of doing business. After consultation with legal counsel and based on current facts and circumstances, management believes that resolution of such matters, if any, is not expected to have a material adverse effect on the financial position of Casa.

Note 13 – Benefit Plan

Casa sponsors a 403(b) defined contribution plan (the "Plan") covering all eligible employees. Eligible employees may defer their compensation as employee contribution, subject to current IRC limits. Casa currently makes matching contributions to the Plan in the amount equal to 50% of the employee contribution, not to exceed 3% of the eligible compensation. Casa contributions to the Plan for 2015 and 2014 amounted to $139,485 and $168,596, respectively.

Note 14 – Insurance Coverage

Professional liability – Casa is insured for professional and general liability claims, including malpractice, under claims made policy for $1,000,000 per occurrence and $3,000,000 aggregate and $27,500,000 program aggregate. Losses in excess of the limits are covered by an umbrella liability policy up to $10,000,000 per occurrence and $50,000,000 aggregate. Deductibles under the policy range from $0 to $25,000.

Self-insurance – Casa was self-insured for workers compensation claims up to a maximum of $250,000 per occurrence until July 31, 2009. Self-insured losses were accrued based upon Casa's consultant's estimates of the aggregate liability for uninsured claims incurred. As a requirement of this policy, Casa deposited funds into a workers' compensation escrow account to fund any potential unpaid claims which is classified as a workers' compensation receivable. The balance of worker's compensation receivable amounted to approximately $250,000 at both July 31, 2015 and 2014, respectively, and is included in other receivables in the accompanying consolidated balance sheets.

Note 15 – Continuing Care Reserve Requirements

Casa is subject to statutory reserve requirements. At July 31, 2015 and 2014, Casa's reserves, as calculated in accordance with Continuing Care Statutes of the California Health and Safety Code, were in excess of such requirement.

SUPPLEMENTARY INFORMATION

CASA DE LAS CAMPANAS
CONSOLIDATING BALANCE SHEET
AS OF AS OF JULY 31, 2015

ASSETS

	Casa de las Campanas	Casa Foundation	Eliminations	Consolidated
Current Assets:				
Cash and cash equivalents	$ 598,082	$ 10,471	$ -	$ 608,553
Assets whose use is limited or restricted, required for current liabilities	5,269,055	-	-	5,269,055
Accounts receivable, net	808,715	-	-	808,715
Prepaid expenses and other current assets	1,050,645	2,200	-	1,052,845
Other receivables	347,680	-	-	347,680
Total Current Assets	8,074,177	12,671	-	8,086,848
Intercompany receivables	-	850,537	(850,537)	-
Assets whose use is limited or restricted, less amounts classified as current	26,716,217	3,017,237	-	29,733,454
Long-term investments	76,014,854	3,010,275	-	79,025,129
Property, buildings, and equipment, net	66,948,811	354,079	-	67,302,890
Interest in Casa Foundation	7,172,602	-	(7,172,602)	-
Deferred financing fees, net	2,766,490	-	-	2,766,490
Total Assets	$ 187,693,151	$ 7,244,799	$ (8,023,139)	$ 186,914,811

CASA DE LAS CAMPANAS
CONSOLIDATING BALANCE SHEET
AS OF JULY 31, 2015 (CONTINUED)

LIABILITIES AND NET ASSETS

	Casa de las Campanas	Casa Foundation	Eliminations	Consolidated
Current Liabilities:				
Accounts payable and accrued expenses	$ 3,665,101	$ -	$ -	$ 3,665,101
Interest payable	1,185,003	-	-	1,185,003
Deposits from residents	808,988	-	-	808,988
Current portion of obligations under capital leases	27,284			27,284
Current portion of obligations under gift annuity contracts	323,192	-	-	323,192
Current portion of estimated refundable entrance fees	2,248,611	-	-	2,248,611
Current portion of long-term debt	1,140,000	-	-	1,140,000
Total Current Liabilities	9,398,179	-	-	9,398,179
Intercompany payables	850,537	-	(850,537)	-
Obligations under capital leases, net of current portion	27,220	-	-	27,220
Obligations under gift annuity contracts, net of current portion	1,370,009	-	-	1,370,009
Estimated refundable entrance fees, net of current portion	16,637,428	-	-	16,637,428
Deferred revenue, pooled income funds	-	72,197	-	72,197
Long-term debt, net of current portion and unamortized discount	67,185,664	-	-	67,185,664
Deferred revenue from entrance fees	54,116,131	-	-	54,116,131
Total Liabilities	149,585,168	72,197	(850,537)	148,806,828
Net Assets:				
Unrestricted	33,999,631	3,060,677	(3,064,250)	33,996,058
Temporarily restricted	1,103,891	1,107,464	(1,103,891)	1,107,464
Permanently restricted	3,004,461	3,004,461	(3,004,461)	3,004,461
Total Net Assets	38,107,983	7,172,602	(7,172,602)	38,107,983
Total Liabilities and Net Assets	$ 187,693,151	$ 7,244,799	$ (8,023,139)	$ 186,914,811

CASA DE LAS CAMPANAS
CONSOLIDATING STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS
YEAR ENDED JULY 31, 2015

	Casa de las Campanas	Casa Foundation	Eliminations	Consolidated
Changes in Unrestricted Net Assets:				
Revenues, Gains, and Other Support:				
Residents fees earned, including amortization of deferred revenues from non-refundable entrance fees of $7,835,828 and $8,165,330, respectively	$ 35,698,748	$ -	$ (31,247)	$ 35,667,501
Contributions	88,811	234,794	(88,611)	234,994
Net assets released from restrictions, used for operations	-	128,618	-	128,618
Change in unrestricted interest in Casa Foundation	(42,663)	-	42,663	-
Total Revenues, Gains, and Other Support	35,744,896	363,412	(77,195)	36,031,113
Operating Expenses:				
Resident services	530,727	-	-	530,727
Health center	5,527,546	-	-	5,527,546
Assisted living	2,437,153	-	-	2,437,153
Home health	974,220	-	-	974,220
Plant and maintenance	4,588,125	-	-	4,588,125
Housekeeping and laundry	1,715,230	-	-	1,715,230
Food and beverage	5,990,742	-	-	5,990,742
Donation expense	-	257,731	(150,042)	107,689
General and administrative	4,172,044	132,742	(31,247)	4,273,539
Depreciation and amortization	5,797,415	-	-	5,797,415
Interest expense for debt service	2,867,382	-	-	2,867,382
Interest expense, other	1,147	-	-	1,147
Total Operating Expenses	34,601,731	390,473	(181,289)	34,810,915
Income (Loss) from Operations	1,143,165	(27,061)	104,094	1,220,198
Other Revenues (Expenses):				
Interest and dividends, net	1,653,775	66,967	-	1,720,742
Net realized gains on sale of investments	751,972	20,978	-	772,950
Change in value of gift annuity contracts	27,871	(153,822)	-	(125,951)
Loss on disposal of fixed assets	(346,392)	(3,573)	-	(349,965)
Other revenues (expenses)	94,181	(574)	-	93,607
Total Other Revenues (Expenses)	2,181,407	(70,024)	-	2,111,383
Excess (Deficiency) of Revenues over Expenses	$ 3,324,572	$ (97,085)	$ 104,094	$ 3,331,581

CASA DE LAS CAMPANAS
CONSOLIDATING STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS
YEAR ENDED JULY 31, 2015 (CONTINUED)

	Casa de las Campanas	Casa Foundation	Eliminations	Consolidated
Changes in Unrestricted Net Assets:				
Excess (deficiency) of revenues over expenses	$ 3,324,572	$ (97,085)	$ 104,094	$ 3,331,581
Net unrealized losses on investments	(1,967,370)	(67,360)	-	(2,034,730)
Transfer from permanently restricted net assets	-	26,171	-	26,171
Transfer to permanently restricted net assets	-	(15,602)	-	(15,602)
Net assets released from restrictions, used for capital expenditures	61,431	61,431	(61,431)	61,431
Change in unrestricted interest in Casa Foundation	(46,209)	-	46,209	-
Increase (decrease) in Unrestricted Net Assets	1,372,424	(92,445)	88,872	1,368,851
Changes in Temporarily Restricted Net Assets:				
Contributions	-	96,281	-	96,281
Interest and dividends, net	-	55,913	-	55,913
Net realized gains on sale of investments	-	20,249	-	20,249
Net unrealized losses on investments	-	(68,173)	-	(68,173)
Net assets released from restrictions, used for operations	-	(128,618)	-	(128,618)
Net assets released from restrictions, used for capital expenditures	-	(61,431)	-	(61,431)
Change in value of charitable remainder trusts and pooled income funds	-	(4,367)	-	(4,367)
Change in temporarily restricted interest in Casa Foundation	(93,719)	-	93,719	-
Increase (decrease) in Temporarily Restricted Net Assets	(93,719)	(90,146)	93,719	(90,146)
Changes in Permanently Restricted Net Assets:				
Contributions	-	488,159	-	488,159
Transfer from unrestricted net assets	-	15,602	-	15,602
Transfer to unrestricted net assets	-	(26,171)	-	(26,171)
Change in permanently restricted interest in Casa Foundation	477,590	-	(477,590)	-
Increase (decrease) in Permanently Restricted Net Assets	477,590	477,590	(477,590)	477,590
Increase (decrease) in Net Assets	1,756,295	294,999	(294,999)	1,756,295
Net Assets at Beginning of Year	36,351,688	6,877,603	(6,877,603)	36,351,688
Net Assets at End of Year	$ 38,107,983	$ 7,172,602	$ (7,172,602)	$ 38,107,983

Report of Independent Auditors and Continuing
Care Liquid Reserve Schedules for

Casa de las Campanas

July 31, 2015

MOSS-ADAMS LLP

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CONTENTS

REPORT OF INDEPENDENT AUDITORS

To Board of Directors
Casa de las Campanas

Report of Independent Auditors

We have audited the accompanying financial statements of Casa de las Campanas, which comprise the continuing care liquid reserve schedules, Form 5-1 through Form 5-5 as of and for the year ended July 31, 2015.

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.

MOSS-ADAMS LLP

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the continuing care reserves of Casa de las Campanas as of and for the year ended July 31, 2015, 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 Casa de las Campanas on the basis of the liquid reserve requirements of California Health and Safety Code Section 1792, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of California Health and Safety Code Section 1792. Our opinion is not modified with respect to this matter.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that comprise Casa de las Campanas basic financial statements. The supplementary information on pages 8 through 10 are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Restriction on Use

Our report is intended solely for the information and use of the Board of Directors and management of Casa de las Campanas 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

Los Angeles, California
November 30, 2015

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	06/15/12	$24,133	$8,612	$0	$32,745
2	01/28/10	$1,095,000	$2,865,906	$0	$3,960,906
3					$0
4					$0
5					$0
6					$0
7					$0
8					$0
		TOTAL:	$2,874,518	$0	$3,993,651

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

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

PROVIDER: Casa de las Campanas, Inc. FYE 7-31-15

CASA DE LAS CAMPANAS
FORM 5-2
LONG-TERM DEBT INCURRED DURING FISCAL YEAR
FOR THE YEAR ENDED JULY 31, 2015

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

Long-Term Debt Obligation	(a) Date Incurred	(b) Total Interest Paid During Fiscal Year	(c) Amount of Most Recent Payment on the Debt	(d) Number of Payments over next 12 months	(e) Reserve Requirement (see instruction 5) (columns (c) x (d))
1	12/01/14	$295,925	$45,000	0	$0
2					$0
3					$0
4					$0
5					$0
6					$0
7					$0
8					$0
	TOTAL:	$295,925	$45,000	0	$0

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

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

PROVIDER: Casa de las Campanas, Inc. FYE 7-31-15

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

Line		TOTAL
1	Total from Form 5-1 bottom of Column (e)	$3,993,651
2	Total from Form 5-2 bottom of Column (e)	$0
3	Facility leasehold or rental payment paid by provider during fiscal year (including related payments such as lease insurance)	$21,944
4	**TOTAL AMOUNT REQUIRED FOR LONG-TERM DEBT RESERVE:**	$4,015,595

PROVIDER: Casa de las Campanas, Inc. FYE 7-31-15

CASA DE LAS CAMPANAS
FORM 5-4
CALCULATION OF NET OPERATING EXPENSES
FOR THE YEAR ENDED JULY 31, 2015

FORM 5-4
CALCULATION OF NET OPERATING EXPENSES

Line			Amounts	TOTAL
1		Total operating expenses from financial statements		$34,601,731
2		Deductions:		
	a.	Interest paid on long-term debt (see instructions)	$3,170,443	
	b.	Credit enhancement premiums paid for long-term debt (see instructions)	$0	
	c.	Depreciation	$5,574,474	
	d.	Amortization	$222,941	
	e.	Revenues received during the fiscal year for services to persons who did not have a continuing care contract	$5,863,977	
	f.	Extraordinary expenses approved by the Department	$0	
3		Total Deductions		$14,831,835
4		Net Operating Expenses		$19,769,896
5		Divide Line 4 by 365 and enter the result.		$54,164
6		**Multiply Line 5 by 75 and enter the result.** This is the provider's operating expense reserve amount.		$4,062,307

PROVIDER:	Casa de las Campanas, Inc.	FYE 7-31-15
COMMUNITY:	Casa de las Campanas, Inc.	FYE 7-31-15

FORM 5-5
ANNUAL RESERVE CERTIFICATION

Provider Name: Casa de las Campanas, Inc. FYE 7-31-15
Fiscal Year Ended: 31-Jul-15

We have reviewed our debt service reserve and operating expense reserve requirements as of, and for the period ended 31-Jul-15 and are in compliance with those requirements.

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

		Amount
[1]	Debt Service Reserve Amount	$4,015,595
[2]	Operating Expense Reserve Amount	$4,062,307
[3]	**Total Liquid Reserve Amount:**	$8,077,902

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

	Qualifying Asset Description	Amount (market value at end of quarter) Debt Service Reserve		Operating Reserve
[4]	Cash and Cash Equivalents			$0
[5]	Investment Securities			$0
[6]	Equity Securities	$0		$4,062,307
[7]	Unused/Available Lines of Credit			
[8]	Unused/Available Letters of Credit			
[9]	Debt Service Reserve	$5,065,214		(not applicable)
[10]	Other: (describe qualifying asset)			
	Total Amount of Qualifying Assets Listed for Reserve Obligation: [11]	$5,065,214	[12]	$4,062,307
	Reserve Obligation Amount: [13]	$4,015,595	[14]	$4,062,307
	Surplus/(Deficiency): [15]	$1,049,619	[16]	$0

Signature: David Schuster CFO 11/30/15
(Authorized Representative)

Date: 30-Nov-15

CFO
(Title)

CASA DE LAS CAMPANAS
ATTACHMENT I TO FORM 5-4
RECONCILIATION OF INTEREST PAID DURING FISCAL YEAR
STATE OF CALIFORNIA – DEPARTMENT OF SOCIAL SERVIECS
JULY 31, 2015

Interest paid during fiscal year per Form 5-1	$	2,874,518
Interest paid during fiscal year per Form 5-2		295,925
Total interest paid per Form 5-4	$	3,170,443
Interest paid per statement of cash flows	$	2,874,518
Interest capitalized per note 11 to audited financial statements		295,925
Total interest paid per Form 5-4	$	3,170,443

CASA DE LAS CAMPANAS

ATTACHMENT II TO FORM 5-4

RECONCILIATION OF REVENUES RECEIVED DURING THE YEAR FOR SERVICES TO PERSONS WHO DID NOT HAVE A CONTINUING CARE CONTRACT

STATE OF CALIFORNIA – DEPARTMENT OF SOCIAL SERVICES

FOR THE YEAR ENDED JULY 31, 2015

REIMBURSEMENT (REVENUES) FOR SERVICES TO NON-RESIDENTS:		
Guest Rooms	$	91,160
Guest Meals		12,926
Employee Meals		8,556
La Tienda (Store)		65,310
Lease Fees - Non CCRC Rental Contract - monthly		397
Catering		7,735
Health Center - Non CCRC Resident		5,649,899
Space Rentals		27,996
Total Reimbursement (Revenues) for Services to Non-Residents	$	5,863,977
Reconciliation of Revenues to Audited Financial Statements:		
Total Reimbursement (Revenues) for Services to Non Residents	$	5,863,977
Residents with Continuing Care Health Center Revenues		1,598,128
Residential Revenues, excluding the above reimbursements to Non-Residents		18,323,895
Beginning Accounts Receivable		977,721
Ending Accounts Receivable		(808,715)
Cash received from residents and third-party payers per statement of cash flows	$	25,955,006

CASA DE LAS CAMPANAS
ATTACHMENT III TO FORM 5-5
RESERVE DISCLOSURES
STATE OF CALIFORNIA – DEPARTMENT OF SOCIAL SERVICES
FOR THE YEAR ENDED JULY 31, 2015

The following disclosure represents the reserves that Casa de las Campanas currently designates and maintains:

[1] Held by Trustee under Bond Indenture $25,029,466 includes:

- Debt Service Reserve of $5,065,214
  This reserve is for the annual principal and interest payments for our Casa bonds as required per the bond documents.
- Revenue Fund of $1,238,984
  This reserve is for next semi-annual interest payment due in the next fiscal year 2016.
- Principal Fund of $1,045,115
  This reserve is for future principal payment due in the next fiscal year 2016.
- Construction Fund of $17,680,153
  This reserve is for future capital expenditure reimbursements per our bond documents.

[2] Operating Expense Reserve of $4,062,307

- Reserve requirement per DSS. Funds are held by our investment advisor, Halbert Hargrove and reported on our financials as unrestricted funds.

[3] Refund Reserve Requirement

- Reserve requirement per DSS.
- Funded by Real Estate $12,279,413
- Funded by Investments $5,262,605

[4] Additional Debt Service Reserve

- Reserve requirement per DSS. Represents the additional debt service reserve primarily relating to capital & operating leases of $54,689. Funds are held by our investment advisor, Halbert Hargrove and reported on our financials as unrestricted funds.

[5] The following reserves are set up and consist of the following:

- Restricted by Donors of $2,406,478 for gifts received by our Foundation.
- Charitable Gift Annuities of $1,693,201 for gift annuity contracts.
- Charitable Remainder Trusts of $312,330 for CRT contracts by our Foundation.
- Pooled Income Funds of $298,429 for gifts received by our Foundation.

FORM 1-1
RESIDENT POPULATION

Line	Continuing Care Residents		TOTAL
[1]	Number at beginning of fiscal year		574
[2]	Number at end of fiscal year		546
[3]	Total Lines 1 and 2		1120
[4]	Multiply Line 3 by ".50" and enter result on Line 5.		x .50
[5]	Mean number of continuing care residents		560
	All Residents		
[6]	Number at beginning of fiscal year		602
[7]	Number at end of fiscal year		577
[8]	Total Lines 6 and 7		1179
[9]	Multiply Line 8 by ".50" and enter result on Line 10.		x .50
[10]	Mean number of *all* residents		589.5
[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).		0.95

FORM 1-2
ANNUAL PROVIDER FEE

Line			TOTAL
[1]	Total Operating Expenses (including depreciation and debt service - interest only)		$34,601,731
[a]	Depreciation	$5,574,474	
[b]	Debt Service (Interest Only)	$2,874,518	
[2]	Subtotal (add Line 1a and 1b)		$8,448,992
[3]	Subtract Line 2 from Line 1 and enter result.		$26,152,739
[4]	Percentage allocated to continuing care residents (Form 1-1, Line 11)		95%
[5]	Total Operating Expense for Continuing Care Residents (multiply Line 3 by Line 4)		$24,843,993
			x .001
[6]	**Total Amount Due** (multiply Line 5 by .001)		$24,844

PROVIDE| Casa de las Campanas, Inc. FYE 7-31-15
COMMUN| Casa de las Campanas, Inc. FYE 7-31-15

Casa de las Campanas, Inc.
Per Capita Cost Calculation Support
As of 7/31/2015

Per Capita Costs;

Form 1-2 line 5 – Total Operating Expense for Continuing Care Residents =	**$24,843,993**
Form 1-1 line 5 – Mean # of Continuing Care Residents =	**560.0**
Per Capita Costs	**$44,364**

Continuing Care Retirement Community
Disclosure Statement
General Information

Date Prepared: 11/30/15

FACILITY NAME: CASA DE LAS CAMPANAS, INC

ADDRESS: 18655 WEST BERNARDO DRIVE ZIP CODE: 92127-3002 PHONE: 858-451-9152

PROVIDER NAME: CASA DE LAS CAMPANAS, INC FACILITY OPERATOR: LIFE CARE SERVICES, LLC

RELATED FACILITIES: NONE RELIGIOUS AFFILIATION: NONE

YEAR OPENED: 1988 # OF ACRES: 22 ☐ SINGLE STORY ☑ MULTI-STORY ☑ OTHER: Both MILES TO SHOPPING CTR: ONE (1) MILES TO HOSPITAL: FOUR (4)

* *

NUMBER OF UNITS:

RESIDENTIAL LIVING		HEALTH CARE	
APARTMENTS – STUDIO:	15	ASSISTED LIVING:	44
APARTMENTS – 1 BDRM:	156	SKILLED NURSING:	99
APARTMENTS – 2 BDRM:	207	SPECIAL CARE:	27
COTTAGES/HOUSES:	-0-	DESCRIPTION: >	DEMENTIA
RLU OCCUPANCY (%) AT YEAR END:	96%	>	

* *

TYPE OF OWNERSHIP: ☑ NOT-FOR-PROFIT ☐ FOR- PROFIT ACCREDITED?: ☐ YES ☐ NO BY: ____

FORM OF CONTRACT: *(Check all that apply)* ☑ CONTINUING CARE ☐ LIFE CARE ☐ ENTRANCE FEE ☐ FEE FOR SERVICE ☐ ASSIGNMENT OF ASSETS ☐ EQUITY ☐ MEMBERSHIP ☐ RENTAL

REFUND PROVISIONS: *(Check all that apply)* ☐ 90% ☑ 75% ☐ 50% ☑ FULLY AMORTIZED ☐ OTHER: ____

RANGE OF ENTRANCE FEES: $ 187,960 - $ 1,088,608 **LONG-TERM CARE INSURANCE REQUIRED?** ☐ YES ■ NO

HEALTH CARE BENEFITS INCLUDED IN CONTRACT: YES

ENTRY REQUIREMENTS: MIN. AGE: 60 PRIOR PROFESSION: N/A OTHER: ASSET EQUIVALENT

RESIDENT REPRESENTATIVE(S) TO THE BOARD (briefly describe their involvement): > Resident Committee Chairs attend Board Committee
> meetings in a non-voting capacity.

* *

FACILITY SERVICES AND AMENITIES

COMMON AREA AMENITIES	AVAILABLE	FEE FOR SERVICE	SERVICES AVAILABLE	INCLUDED IN FEE	FOR EXTRA CHARGE
BEAUTY/BARBER SHOP	☑	☐	HOUSEKEEPING (2 TIMES/MONTH)	☑	☑
BILLIARD ROOM	☑	☐	MEALS (2 /DAY)	☑	☑
BOWLING GREEN	☐	☐	SPECIAL DIETS AVAILABLE	☑	☐
CARD ROOMS	☑	☐			
CHAPEL	☐	☐	24-HOUR EMERGENCY RESPONSE	☑	☐
COFFEE SHOP	☐	☐	ACTIVITIES PROGRAM	☑	☐
CRAFT ROOMS	☑	☐	ALL UTILITIES EXCEPT PHONE	☑	☐
EXERCISE ROOM	☑	☐	APARTMENT MAINTENANCE	☑	☐
GOLF COURSE ACCESS	☐	☐	CABLE TV	☐	☑
LIBRARY	☑	☐	LINENS FURNISHED	☑	☐
PUTTING GREEN	☐	☐	LINENS LAUNDERED	☑	☐
SHUFFLEBOARD	☐	☐	MEDICATION MANAGEMENT	☐	☑
SPA	☑	☐	NURSING/WELLNESS CLINIC	☑	☐
SWIMMING POOL-INDOOR	☐	☐	PERSONAL HOME CARE	☐	☑
SWIMMING POOL-OUTDOOR	☑	☐	TRANSPORTATION-PERSONAL	☑	☐
TENNIS COURT	☐	☐	TRANSPORTATION-PREARRANGED	☑	☐
WORKSHOP	☐	☐	OTHER ____	☐	☐
OTHER Dinner Theater	☑	☐			

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: CASA DE LAS CAMPANAS, INC

OTHER CCRCs	LOCATION (City, State)	PHONE (with area code)
This page is non-applicable.		

MULTI-LEVEL RETIREMENT COMMUNITIES	LOCATION (City, State)	PHONE (with area code)

FREE-STANDING SKILLED NURSING	LOCATION (City, State)	PHONE (with area code)

SUBSIDIZED SENIOR HOUSING	LOCATION (City, State)	PHONE (with area code)

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

PROVIDER NAME: CASA DE LAS CAMPANAS, INC

	2012	2013	2014	2015
INCOME FROM ONGOING OPERATIONS				
OPERATING INCOME (Excluding amortization of entrance fee income)	$24,528,516	$25,848,133	$28,862,947	$29,038,801
LESS OPERATING EXPENSES (Excluding depreciation, amortization, and interest)	$23,363,123	$24,380,197	$26,134,473	$26,144,971
NET INCOME FROM OPERATIONS	$1,165,393	$1,467,936	$2,728,474	$2,893,830
LESS INTEREST EXPENSE	$2,985,215	$2,958,761	$2,917,437	$2,868,529
PLUS CONTRIBUTIONS	$306,498	$187,659	$182,720	$234,994
PLUS NON-OPERATING INCOME (EXPENSES) (excluding extraordinary items)	$-1,352,600	$5,228,384	$4,479,159	$-2,345,039
NET INCOME (LOSS) BEFORE ENTRANCE FEES, DEPRECIATION AND AMORTIZATION	$-2,865,924	$3,925,218	$4,472,916	$-2,084,744
NET CASH FLOW FROM ENTRANCE FEES (Total Deposits Less Refunds)	$16,704,367	$19,134,231	$14,812,157	$11,236,220

* *

DESCRIPTION OF SECURED DEBT *(as of most recent fiscal year end)*

LENDER	OUTSTANDING BALANCE	INTEREST RATE	DATE OF ORIGINATION	DATE OF MATURITY	AMORTIZATION PERIOD
ABAG FINANCE AUTHORITY	$50,615,000	3-6%	JANUARY 2010	JANUARY 2037	27 YEARS, 9 MONTHS
CEDA	$19,000,000	2.67%	DECEMBER 2014	NOVEMBER 2023	9 YEARS

* *

FINANCIAL RATIOS (see next page for ratio formulas)

	2013 CCAC Medians 50th Percentile *(optional)*	2013	2014	2015
DEBT TO ASSET RATIO	37.7%	33%	29.8%	36%
OPERATING RATIO	98.5%	103%	104%	102%
DEBT SERVICE COVERAGE RATIO	2.5	5.2	4.5	3.5
DAYS CASH ON HAND RATIO	343	831	1,033	1,002

* *

HISTORICAL MONTHLY SERVICE FEES (Average Fee and Change Percentage)

	2012	%	2013	%	2014	%	2015	
STUDIO	$2,117	2.75	$2,159	2	$2,191	1.5	$2,224	1.5
ONE BEDROOM	$2,683	2.75	$2,736	2	$2,777	1.5	$2,819	1.5
TWO BEDROOM	$3,517	2.75	$3,588	2	$3,641	1.5	$3,696	1.5
COTTAGE/HOUSE								
ASSISTED LIVING	$2,917	2.75	$2,975	2	$3,020	1.5	$3,065	1.5
SKILLED NURSING	$2,917	2.75	$2,975	2	$3,020	1.5	$3,065	1.5
SPECIAL CARE	$2,917	2.75	$2,975	2	$3,020	1.5	$3,065	1.5

* *

COMMENTS FROM PROVIDER: > AMENDMENT TO RESIDENT AGREEMENT FOR SIX PRE-EXISTING CONDITIONS. INFORMATION INCLUDED IN THIS

> DISCLOSURE STATEMENT IS NOT BINDING ON CASA DE LAS CAMPANAS, NOR DOES IT GUARANTEE PROVISIONS OF AMENITIES LISTED OR REFERENCED

> HEREIN. ALL AMENITIES & PAYMENTS THEREFORE ARE SUBJECT TO CHANGE PER THE CASA POLICY &/OR BOARD OF DIRECTORS.

PROVIDER NAME: CASA DE LAS CAMPANAS, INC

FINANCIAL RATIO FORMULAS

LONG-TERM DEBT TO TOTAL ASSETS RATIO

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

OPERATING RATIO

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

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

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

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.

FORM 7-1
REPORT ON CCRC MONTHLY SERVICE FEES

		RESIDENTIAL LIVING	ASSISTED LIVING	SKILLED NURSING
[1]	Monthly Service Fees at beginning of reporting period: (indicate range, if applicable)	**$2,224 to $4,560**	**$2,224 to $4,560**	**$2,224 to $4,560**
[2]	Indicate percentage of increase in fees imposed during reporting period: (indicate range, if applicable)	**1.5%**	**1.5%**	**1.5%**

☐ Check here if monthly service fees at this community were not increased during the reporting period. (If you checked this box, please skip down to the bottom of this form and specify the names of the provider and community.)

[3] Indicate the date the fee increase was implemented: August 1, 2014
(If more than 1 increase was implemented, indicate the dates for each increase.)

[4] Check each of the appropriate boxes:

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

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

☒ At least 30 days prior to the increase in monthly service fees, the designated representative of the provider convened a meeting that all residents were invited to attend.

☒ At the meeting with residents, the provider discussed and explained the reasons for the increase, the basis for determining the amount of the increase, and the data used for calculating the increase.

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

☒ The governing body of the provider, or the designated representative of the provider posted the notice of, and the agenda for, the meeting in a conspicuous place in the community at least 14 days prior to the meeting.

[5] On an attached page, provide a concise explanation for the increase in monthly service fees including the amount of the increase.

PROVIDER:__________Casa de las Campanas, INC._FY 7-31-15
COMMUNITY:________ Casa de las Campanas, INC FY 7-31-15

FORM 7-1 Item 5
SUPPORT FOR ADJUSTMENTS IN MONTHLY FEES

Attach a separate page to describe the data which was utilized in establishing adjustments in monthly care fees and the methodology used to calculate the adjustments, including project costs, prior year per capita costs and economic indicators. Revenues proposed from rate adjustements should generally reconcile back to documents used to develop adjustments, i.e., budget for current period.

The price increase in MF (monthly fees) was based upon the budget model that was reviewed by the Resident Finance, Resident Council, the Board, Board Finance Committees & our management company, LCS. Within this frame-work, the Board reveiws certain CCAC ratio guidelines to compare Casa's operations relating to:
1) Liquidity Ratios,
2) Margin Ratios, and
3) Capital Structure Ratios

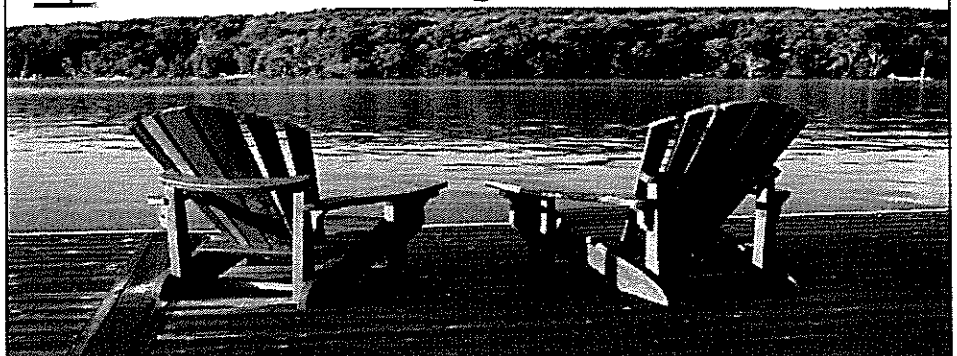
In determining the annual price increase, since the NOI is a defined goal that can be quantified, the price increase is the variable factor that is adjusted to force our NOI to meet our CCAC ratio goals.
Part of the budget process also includes our census projections, which also includes a historical recap and actuarial data of where we should be at with the different levels of care. Additionally, the committees review the capital budget, non-operating activity, net entrance fees and move-ins, overall cashflows and statistics.

The other variable factor is expenses. Expenses are reviewed along with staffing patterns, wage increases and benefits. Other economic factors are reviewed to gauge inflation and third party reimbursement rates. Once the expenses are determined, our NOI is quantifiable and the price increase is easily calculated. Throughout this process we have several meetings to review the revenue, expense and capital budget with the Executive Council, Resident Finance and Board committees. The committee reveiws are held over a couple months and much insight and comments are made.

The amount of the final rate adjustment was spread based on unit type.
Please refer to the attached 2014-2015 Fiscal Year Budget Presentation handout that was available at the Resident budget presentation.

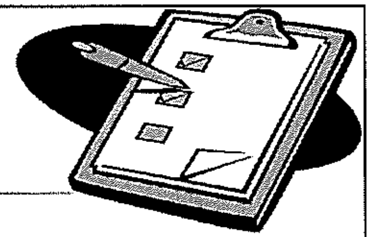
PROVIDER NAME: CASA DE LAS CAMPANAS, INC. FYE 7-31-15

Casa de las Campanas
2014/2015 Budget Presentation



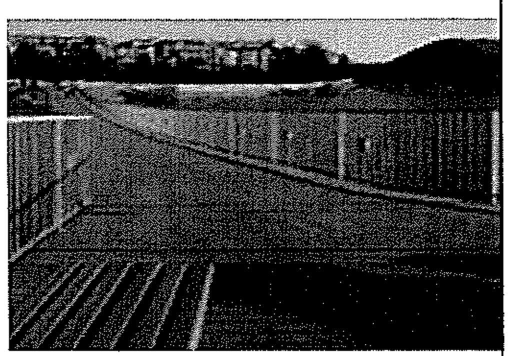
July 2, 2014

1



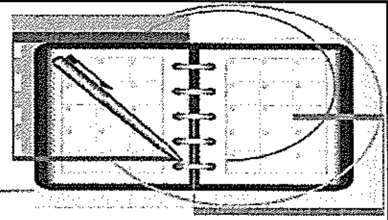
Agenda

- Overview of Budgeting Process
- Budget Goals
- Items Impacting Budget & Fee Increase
- Key Assumptions Used to Develop Budget
- Consumer Price Index including Medical
- Departmental Revenue & Expenses
- Expenses by Category
- Changes to Resident Fee Structure
- Capital Budget
- Entrance Fees
- Key Expense Changes
- Announcement of Fee Increase
- Questions & Answers



2

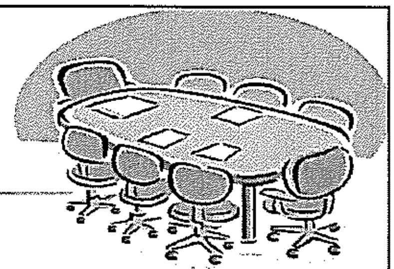
Budget Process



- Revenues
  - Based upon historical and current trends
  - Continued higher IL occupancy factoring in attrition and fluctuations in the higher levels of care compared to FY 2013/2014
  - Market conditions – continued improved Housing & Financial Markets, State of Economy & Competition in local area, including the new communities in Scripps Ranch & Rancho Bernardo
- Expenses
  - Comparison to historical trends for accuracy & reasonableness as well as review of past years FTE's at previous higher census levels
  - Department Director involvement with vendor input & price comparisons
- Review of Inflation Factors & Economic Trends

3

Budget Process



- Budget Drafts 1 & 2
  - Reviewed by LCS Corporate Accountants, DOM, and on-site Management/CFO
  - Presented to Resident Finance Committee, Executive Council, Board Finance Committee and Board of Directors

4

Overall Budget Goals – Mgmt.

- Request for Resident Finance, Council & Resident Committees regarding potential areas of savings or revenue enhancements
- Obtain competitive bids for all vendors
- Review and evaluate all staff positions and benefits at Casa
- Positive "bottom line" (operating expenses covered by operating revenues) & "cashflow"
- Assurance of meeting financial ratios for bond financing covenants
- Assure long-term Financial Strength of Casa & ability to provide contractual level of service to our Residents, including future services required for our current Residents as well as future residents

5

Overall Budget Goals – Board

- Review key financial ratios
  - Indicators of financial strength
- Ensure financial ratios meet established standards in bond covenants
- Compare Casa to benchmarks: other CARF/CCAC -accredited communities & Fitch rated communities
- Our established goal continues to be to achieve at least 50th percentile over time and to continue to move in a positive direction

6

Issues Impacting Budget

- Increase in IL occupancy averaging 96.5%. This has significantly impacted our revenues & cashflows, as we are projecting 44 move-ins in 2014 versus a budgeted 43, and 28 move-ins are budgeted for 2015 with an entrance fee increase.
- Decrease in AL census from 42.5 (budget 2014) to 39.8 (budget 2015) due to decrease usage and mid-year construction.
- Slight increase in the Palmer Residence with a census level of 24.6 (budget 2014) vs 26.3 (budget 2015).
- Significant Capital Budget of $20.2 Million consisting of the Master Plan (primarily Phase 1) for $13,700,000 & Other Capital expenditures of $6,500,000.
- Marketing budget decrease due to higher occupancy.
- Merit raises for our employees at 3% average based upon competitive wage study.
- The Board has agreed to a 5 year contract for LCS & Morrison.
- Ongoing Legal Costs.

7

Key Revenue Assumptions

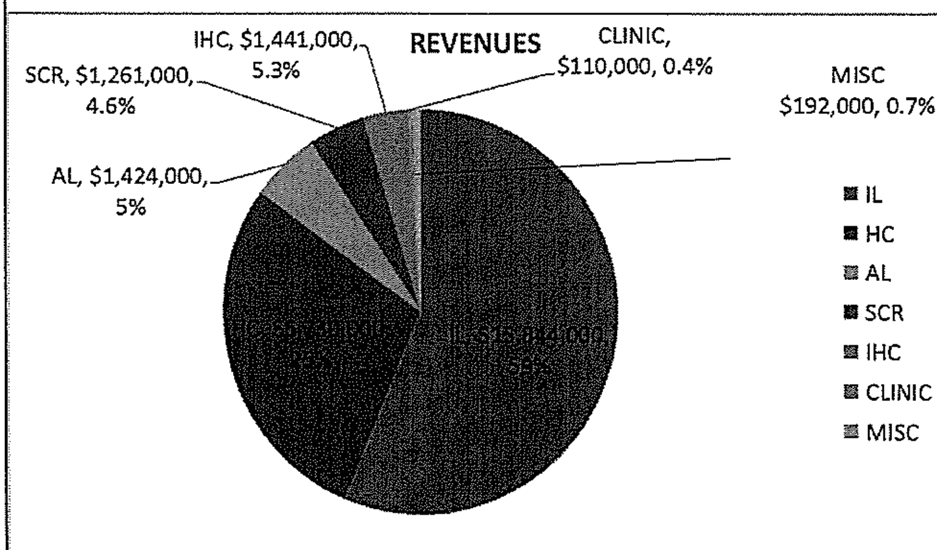
ILU	361.9/375 units occupied (two units removed from inventory as KCC apt & the salon)	96.51% vs. 95.2% projected fiscal year '13-'14
AL	39.8/45 units occupied	88.4%
SCR	26.3/27 units occupied	97.4%
HC	67.9/88 units occupied *Assumes private pay conversions & conversion of two beds to Therapy Space	77.2%
IHC	Hours/month remain constant at 5,200	

8

Consumer Price Index

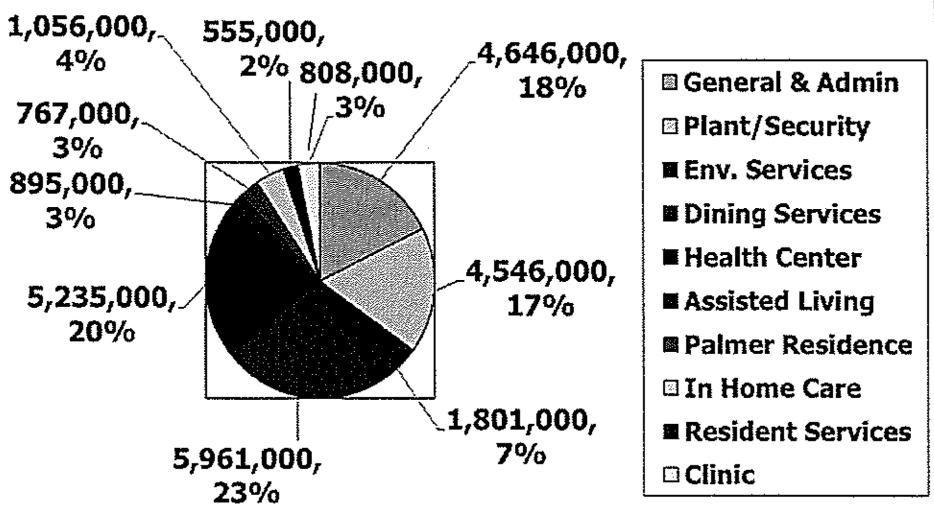
- Trailing 12 months - May 2014, CPI increased 2.1% and a <u>3% increase in medical care CPI index</u>.
- Other inflationary pressures include the index for meats, poultry, fish & eggs has risen 7.7% over the year

9



Operating Revenues by Category

10



Operating Expenses by Departments

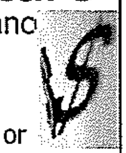
11

Operating Expenses Categories–Top 10

Wages & Benefits	$14,725,000	56%
Food	$2,292,000	9%
Utilities	$1,682,000	6%
Medical Ancillary Expenses	$1,608,000	6%
LCS Management Fee, Salaries & Benefits	$1,146,000	4%
Maintenance & Repairs	$750,000	3%
Insurance	$688,000	3%
Legal & Professional Fees	$400,000	2%
Marketing	$325,000	1%
All above items = 90% of costs		
All Other	$2,655,000	10%

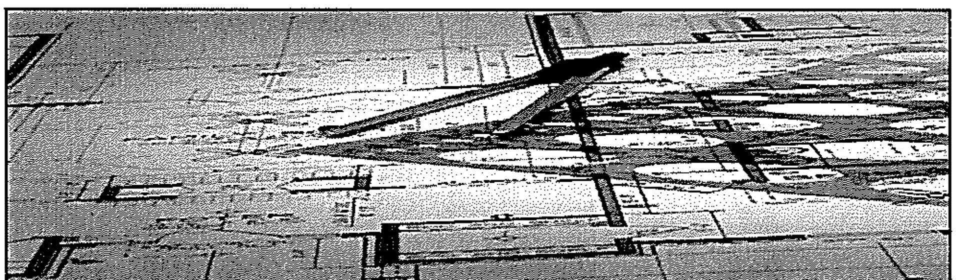
12

Changes to Resident Fee Structure



- Health Center room & board charges will be billed in advanc as with the other levels of care.
- Increases In:
  - Additional Meal Charge will increase from $12 to $12.50 per meal or $25/day in HC & SCR
  - SCR Private Room: $45/day ($5/day increase).
- No Increase In:
  - Health Center: Private pay for outside residents will remain the same at $295/day based upon market analysis. Outside private pay & Medicare stays continue to subsidize our Health Center although census has been lower. HC Small Private Room(3): remains at $45/day & Private Room conversions at $65/day.
  - In Home Care: 1 hr or less @$25/hr; 1 hr or more to less than 5 hrs @ $22.50/hr; over 5 hrs @ $23.50/hour.
  - Medication Management Fees is based on the number of daily visits plus a one time set up fee of $25
  - Miscellaneous Fees - Guest Rooms, Cable, Housekeeping, Maintenance, Transportation & Garage Fees
  - Additional Meal charge per point at $7 for IL & AL.

13



Capital Expenditures

- Does not impact Monthly Fee increase; sources for capital expenditures come from Entrance Fees, which also fund our debt service payments and bond funds.
- Capital expenditures budgeted at $6,500,000 (excluding the $13.7 million Master Plan)
- Based on the four R's – Repair, Renovate, Reposition & Replace!

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Capital Expenditures Total $20.2M

- The $6.5 Million of capitalized items primarily consists of:
- Capital Items – above $2,500 with 3 year lifespan.
- Major items include:
  - Continued Sur Apartment Laundry = $520,000 (units to be determined)
  - Sur Pool Building = $690,000
  - Norte Dining Room Build-out = $1,850,000
  - Administration Build-outs = $650,000
  - P-33 (Paint/Carpet) Refurb = $292,000
  - Window Replacement = $200,000
  - KCC for Apartments Sold & In-house and Capitalized Labor = $787,000
  - Plus Master Plan Continuance

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Master Plan Phase 1 & 2

- Budgeted cost at $13.7 Million and includes $12.7 Million Phase 1 & $1 Million Phase 2.
- Phase 1 includes the several renovation projects - Assisted Living, Special Care, Wellness (indoor pool, aerobics room, & expanded gym) & Common areas (Beauty Shop, La Tienda & Bistro)
- Phase 2 currently includes the design & development fee for the Health Center.

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Entrance Fees

- Average Entrance Fee Budgeted at $350,000 and includes an average 5% increase, with second person fees increased $500 to $25,000.

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Key Expense Changes

- Increase of +8.54 FTE's from 2013-2014 budget, primarily due to the resident service needs in all departments with the increasing census levels. FTE changes primarily include:
- - In Home Care = +2.9 FTE's,
- - Dining Services = +1.5 FTE's, &
- - Plant Maintenance +2.0 FTE's
- - Housekeeping = +1.0 FTE's
- - Activities +0.6 FTE's
- - Clinic +0.65 FTE's
- - Transportation = +0.5 FTE's
- - Administration (Mkting/HR) decrease of <0.7> FTE's
- Overall the FTE per Resident has slightly increased from 0.51 to 0.52

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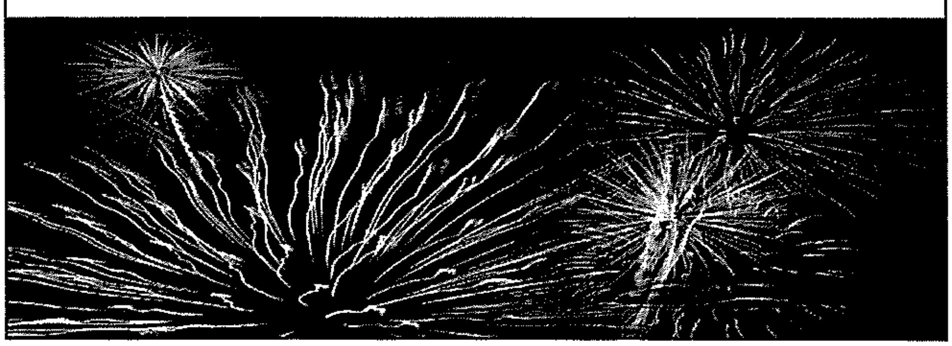
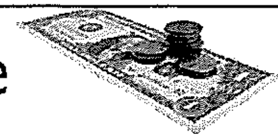
Community	2014 Fee Increases
Morningside of Fullerton	2.8%
Carlsbad by the Sea	3.9%
White Sands – La Jolla	4.9%
La Jolla Village Towers	3%
Air Force Village West (NFP)	2%
Saint Paul's (NFP)	4%
Redwood Terrace (NFP)	4.9%
La Costa Glen	2.9%

Monthly Fee Increase

- Effective 8/1/14, Casa will implement a Monthly Fee increase of 1.5% (well below the CPI inflation index at 2.1% & medical index of 3%).
- 2nd person fee increasing from $1,463 to $1,485 (1.5%)



Monthly Fee by Unit Type



Unit	Current MFee – single	New MFee - single	% incr.	Current MFee - couple	New MFee - couple	% incr.
A	$2,339	$2,374	1.5%	$3,802	$3,859	1.5%
B	$2,507	$2,545	1.5%	$3,970	$4,030	1.5%
C	$2,764	$2,805	1.5%	$4,227	$4,290	1.5%
D	$3,008	$3,053	1.5%	$4,471	$4,538	1.5%
E	$3,297	$3,346	1.5%	$4,760	$4,831	1.5%
F	$3,814	$3,871	1.5%	$5,277	$5,356	1.5%
G	$2,191	$2,224	1.5%	$3,654	$3,709	1.5%

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Monthly Fee by Unit Type

Unit	Current MFee - single	New MFee – single	% incr.	Current MFee - couple	New MFee - couple	% incr.
H	$2,722	$2,763	1.5%	$4,185	$4,248	1.5%
I	$3,286	$3,335	1.5%	$4,749	$4,820	1.5%
J	$3,916	$3,975	1.5%	$5,379	$5,460	1.5%
J-1	$4,095	$4,156	1.5%	$5,558	$5,641	1.5%
K	$4,383	$4,449	1.5%	$5,846	$5,934	1.5%
K-1	$4,493	$4,560	1.5%	$5,956	$6,045	1.5%
L	$3,555	$3,608	1.5%	$5,018	$5,093	1.5%

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Casa Fee Increase History

- 1991 = 5%
- 1992 = 4%
- 1993 = 3%
- 1994 = 4%
- 1995 = 4.5%
- 1996 = 3%
- 1997 = 2.5%
- 1998 = 3.5%
- 1999 = 2.25%
- 2000 = 2.5% (+1%)
- 2001 = 5%
- 2002 = 6.5%
- 2003 = 4.95%
- 2004 = 4.8%
- 2005 = 4%
- 2006 = 3%
- 2007 = 4.65%
- 2008 = 4%
- 2009 = 5.5%
- 2010 = 2.0%
- 2011 = 2.75%
- 2012 = 2.0%
- 2013 = 1.5%
- 2014 = 1.5%
- 3-year Avg = 1.67%
- 5-year Avg = 1.95%
- 10-year Avg = 3.09%
- 24-year Avg = 3.62%

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Questions & Answers

- Thank you to Resident Finance Committee with special thanks to Frank Bugiel, Ken Waters, Don Gragg & Adrienne Kronenberger, members of Finance Committee and the Executive Council, and the Board of Directors, namely the Board Finance Committee for their input and openness during this process.

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Casa de las Campanas
Form 9-1 Supporting Schedule
Fiscal Year Ending 7/31/2015

$ 169,000,000	Net Equity (Casa de las Campanas appraised value 8-18-2014)
$ -	
$ (68,380,168)	Less Debt (Bonds & Leases)
$ 100,619,832	Net Equity (Real Estate & Buildings, net book value less any depreciation and encumbrances)
x .50	x .50
$ 50,309,916	Net Equity available
$ 17,542,018	Refund Reserve Requirement per DSS Form 9-1
x .70	x .70
$ 12,279,413	Amount of the Refund Reserve Requirement that could be offset by Net Equity of Real Estate & Buildings
$ 17,542,018	Refund Reserve Requirement
$ (12,279,413)	Less Net Equity available
$ 5,262,605	Amount of qualifying assets that must be deposited into escrow for compliance with H&SC section 1792.6

DSS FORM 9-1

Refundable Refund Reserve

CASA DE LAS CAMPANAS FYE 7/31/15

	[1]	[2]	[3]	[4]	[5]	[7]	[8]	[9]	[10]
Unit	Name	Sex	Endowment	% Refundable	Refund Amount	Age	LEX	Present Value Multiplier	Present Value of Refund
		F	$243,000.00	1%	$ 2,430	85	6.956	0.667	$1,620
		F	$205,000.00	2%	$ 4,100	87	6.054	0.703	$2,881
		F	$559,000.00	1%	$ 5,590	81	9.06	0.590	$3,297
		F	$317,000.00	2%	$ 6,340	91	4.501	0.769	$4,877
		F	$356,000.00	2%	$ 7,120	94	3.579	0.812	$5,780
		F	$276,000.00	3%	$ 8,280	88	5.613	0.721	$5,970
		F	$356,000.00	5%	$ 17,800	91	4.501	0.769	$13,694
		F	$334,000.00	6%	$ 20,040	89	5.2	0.739	$14,802
		F	$474,000.00	6%	$ 28,440	78	10.799	0.533	$15,158
		F	$247,580.00	18%	$ 44,564	66	18.165	0.347	$15,463
		F	$231,800.00	18%	$ 41,724	71	14.965	0.418	$17,446
		F	$547,000.00	6%	$ 32,820	78	10.799	0.533	$17,493
		F	$225,992.00	18%	$ 40,679	73	13.761	0.449	$18,244
		F	$247,580.00	18%	$ 44,564	71	14.965	0.418	$18,633
		F	$205,000.00	15%	$ 30,750	82	8.501	0.609	$18,738
		F	$190,800.00	18%	$ 34,344	79	10.184	0.552	$18,973
		F	$173,840.00	18%	$ 31,291	83	7.952	0.629	$19,687
		F	$207,300.00	18%	$ 37,314	78	10.799	0.533	$19,888
		M	$207,300.00	18%	$ 37,314	77	9.139	0.587	$21,908
		M	$180,000.00	17%	$ 30,600	85	5.475	0.727	$22,242
		F	$191,224.00	18%	$ 34,420	84	7.438	0.648	$22,315
		F	$292,383.00	18%	$ 52,629	72	14.367	0.433	$22,785
		F	$195,570.00	18%	$ 35,203	84	7.438	0.648	$22,822
		F	$173,840.00	18%	$ 31,291	90	4.838	0.754	$23,604
		F	$264,915.20	18%	$ 47,685	76	12.011	0.497	$23,683
		M	$257,580.00	18%	$ 46,364	73	11.445	0.513	$23,799
		F	$226,670.40	18%	$ 40,801	81	9.06	0.590	$24,066
		F	$191,224.00	18%	$ 34,420	87	6.054	0.703	$24,189
		F	$207,300.00	18%	$ 37,314	84	7.438	0.648	$24,191
		F	$264,916.00	18%	$ 47,685	77	11.394	0.515	$24,550
		F	$220,070.00	18%	$ 39,613	83	7.952	0.629	$24,923
		F	$435,865.00	18%	$ 78,456	64	19.545	0.320	$25,120
		M	$195,570.00	18%	$ 35,203	85	5.475	0.727	$25,587
		F	$195,570.00	18%	$ 35,203	89	5.2	0.739	$26,001
		F	$218,943.00	18%	$ 39,410	85	6.956	0.667	$26,277
		F	$215,724.00	18%	$ 38,830	86	6.494	0.685	$26,597
		F	$251,170.40	18%	$ 45,211	81	9.06	0.590	$26,667
		F	$343,136.00	18%	$ 61,764	72	14.367	0.433	$26,740
		F	$206,064.00	18%	$ 37,092	88	5.613	0.721	$26,744
		F	$207,300.00	18%	$ 37,314	88	5.613	0.721	$26,905
		F	$207,300.00	18%	$ 37,314	88	5.613	0.721	$26,905
		F	$173,840.00	18%	$ 31,291	99	2.584	0.860	$26,917
		F	$231,822.00	18%	$ 41,728	84	7.438	0.648	$27,052
		F	$225,992.00	18%	$ 40,679	85	6.956	0.667	$27,123
		F	$289,416.00	18%	$ 52,095	78	10.799	0.533	$27,766
		F	$205,000.00	18%	$ 36,900	90	4.838	0.754	$27,835

		F	$313,082.00	18%	$	56,355	76	12.011	0.497	$27,989
		F	$247,580.00	18%	$	44,564	83	7.952	0.629	$28,039
		F	$347,470.00	18%	$	62,545	75	13.761	0.449	$28,051
		F	$257,580.00	18%	$	46,364	82	8.501	0.609	$28,253
		F	$268,580.00	18%	$	48,344	81	9.06	0.590	$28,515
		F	$231,822.00	18%	$	41,728	86	6.494	0.685	$28,582
		F	$325,540.00	18%	$	58,597	76	12.011	0.497	$29,102
		F	$207,300.00	18%	$	37,314	92	4.175	0.784	$29,256
		F	$207,300.00	18%	$	37,314	93	3.862	0.798	$29,795
		F	$231,822.00	18%	$	41,728	88	5.613	0.721	$30,087
		F	$231,822.00	18%	$	41,728	88	5.613	0.721	$30,087
		F	$214,864.00	18%	$	38,676	92	4.175	0.784	$30,324
		F	$267,883.00	18%	$	48,219	83	7.952	0.629	$30,338
		F	$378,540.00	18%	$	68,137	73	13.761	0.449	$30,560
		F	$255,884.00	18%	$	46,059	85	6.956	0.667	$30,711
		M	$268,580.00	18%	$	48,344	80	7.672	0.640	$30,917
		M	$231,822.00	18%	$	41,728	86	5.124	0.742	$30,957
		F	$336,056.00	18%	$	60,490	77	11.394	0.515	$31,142
		F	$399,740.00	18%	$	71,953	71	14.367	0.433	$31,152
		F	$325,434.00	18%	$	58,578	78	10.799	0.533	$31,222
		M	$214,864.00	18%	$	38,676	91	3.67	0.807	$31,229
		M	$226,671.00	18%	$	40,801	88	4.513	0.769	$31,366
		F	$256,322.00	18%	$	46,138	86	6.494	0.685	$31,603
		F	$289,416.00	18%	$	52,095	82	8.501	0.609	$31,745
		F	$257,580.00	18%	$	46,364	86	6.494	0.685	$31,758
		F	$236,350.40	18%	$	42,543	90	4.838	0.754	$32,092
		F	$267,883.00	18%	$	48,219	85	6.956	0.667	$32,151
		F	$243,000.00	18%	$	43,740	89	5.2	0.739	$32,306
		F	$378,540.00	18%	$	68,137	75	12.607	0.480	$32,685
		F	$264,916.00	18%	$	47,685	87	6.054	0.703	$33,510
		F	$272,080.00	18%	$	48,974	86	6.494	0.685	$33,545
		F	$282,080.00	18%	$	50,774	85	6.956	0.667	$33,855
		F	$188,800.00	18%	$	33,984	74	13.189	0.464	$15,759
		F	$330,916.00	18%	$	59,565	80	9.62	0.571	$34,005
		F	$301,040.00	18%	$	54,187	83	7.952	0.629	$34,093
		M	$230,564.00	18%	$	41,502	93	3.129	0.833	$34,585
		F	$255,884.00	18%	$	46,059	90	4.838	0.754	$34,744
		F	$362,936.00	18%	$	65,328	78	10.799	0.533	$34,820
		F	$300,934.00	18%	$	54,168	84	7.438	0.648	$35,117
		M	$268,580.00	18%	$	48,344	85	5.475	0.727	$35,140
		F	$343,136.00	18%	$	61,764	80	9.62	0.571	$35,261
		F	$279,323.00	18%	$	50,278	87	6.054	0.703	$35,333
		M	$247,580.00	18%	$	44,564	90	3.957	0.794	$35,388
		F	$255,884.00	18%	$	46,059	91	4.501	0.769	$35,433
		F	$295,436.00	18%	$	53,178	85	6.956	0.667	$35,458
		F	$270,936.00	18%	$	48,768	89	5.2	0.739	$36,020
		F	$243,000.00	18%	$	43,740	95	3.329	0.824	$36,028
		F	$279,323.00	18%	$	50,278	88	5.613	0.721	$36,252
		F	$354,040.00	18%	$	63,727	80	9.62	0.571	$36,382
		M	$284,000.00	18%	$	51,120	85	5.475	0.727	$37,157
		F	$362,936.00	18%	$	65,328	80	9.62	0.571	$37,296
		F	$207,300.00	18%	$	37,314	74	13.189	0.464	$17,303
		F	$295,436.00	18%	$	53,178	87	6.054	0.703	$37,371

		F	$354,040.00	18%	$	63,727	81	9.06	0.590	$37,588
		F	$247,580.00	18%	$	44,564	97	2.914	0.844	$37,605
		F	$378,540.00	18%	$	68,137	79	10.184	0.552	$37,642
		F	$367,000.00	18%	$	66,060	80	9.62	0.571	$37,713
		F	$355,415.00	18%	$	63,975	81	9.06	0.590	$37,734
		M	$337,582.00	18%	$	60,765	79	8.159	0.622	$37,773
		F	$267,883.00	18%	$	48,219	92	4.175	0.784	$37,806
		M	$252,580.00	18%	$	45,464	93	3.129	0.833	$37,887
		F	$301,040.00	18%	$	54,187	87	6.054	0.703	$38,080
		F	$465,014.00	18%	$	83,703	74	13.189	0.464	$38,813
		F	$354,040.00	18%	$	63,727	82	8.501	0.609	$38,833
		F	$343,136.00	18%	$	61,764	83	7.952	0.629	$38,860
		F	$334,000.00	18%	$	60,120	84	7.438	0.648	$38,976
		F	$355,415.20	18%	$	63,975	82	8.501	0.609	$38,984
		F	$355,416.00	18%	$	63,975	82	8.501	0.609	$38,984
		F	$392,702.00	18%	$	70,686	79	10.184	0.552	$39,050
		F	$325,434.00	18%	$	58,578	85	6.956	0.667	$39,058
		M	$330,916.00	18%	$	59,565	81	7.188	0.658	$39,182
		F	$343,136.00	18%	$	61,764	84	7.438	0.648	$40,042
		F	$354,040.00	18%	$	63,727	83	7.952	0.629	$40,095
		F	$378,540.00	18%	$	68,137	81	9.06	0.590	$40,190
		F	$318,636.00	18%	$	57,354	87	6.054	0.703	$40,306
		F	$368,202.00	18%	$	66,276	82	8.501	0.609	$40,386
		F	$311,555.20	18%	$	56,080	88	5.613	0.721	$40,436
		F	$328,540.00	18%	$	59,137	86	6.494	0.685	$40,506
		F	$334,000.00	18%	$	60,120	86	6.494	0.685	$41,180
		F	$343,136.00	18%	$	61,764	85	6.956	0.667	$41,182
		F	$401,364.80	18%	$	72,246	80	9.62	0.571	$41,245
		F	$378,540.00	18%	$	68,137	82	8.501	0.609	$41,520
		F	$346,540.00	18%	$	62,377	85	6.956	0.667	$41,591
		F	$415,582.00	18%	$	74,805	80	9.62	0.571	$42,706
		F	$378,540.00	18%	$	68,137	83	7.952	0.629	$42,870
		F	$378,540.00	18%	$	68,137	83	7.952	0.629	$42,870
		F	$411,040.00	15%	$	61,656	87	6.054	0.703	$43,328
		F	$336,055.00	18%	$	60,490	88	5.613	0.721	$43,616
		F	$491,960.00	18%	$	88,553	76	12.011	0.497	$43,980
		F	$403,540.00	18%	$	72,637	82	8.501	0.609	$44,262
		F	$421,840.00	18%	$	75,931	81	9.06	0.590	$44,787
		F	$421,840.00	18%	$	75,931	81	9.06	0.590	$44,787
		F	$400,540.00	18%	$	72,097	83	7.952	0.629	$45,361
		F	$378,540.00	18%	$	68,137	85	6.956	0.667	$45,431
		F	$378,540.00	18%	$	68,137	85	6.956	0.667	$45,431
		F	$325,434.00	18%	$	58,578	92	4.175	0.784	$45,929
		M	$344,134.00	18%	$	61,944	86	5.124	0.742	$45,955
		F	$378,540.00	18%	$	68,137	86	6.494	0.685	$46,671
		F	$474,000.00	18%	$	85,320	79	10.184	0.552	$47,134
		F	$356,000.00	18%	$	64,080	90	4.838	0.754	$48,338
		F	$467,460.00	18%	$	84,143	81	9.06	0.590	$49,630
		M	$336,055.20	18%	$	60,490	92	3.388	0.821	$49,653
		F	$453,680.00	18%	$	81,662	82	8.501	0.609	$49,762
		M	$336,055.20	18%	$	60,490	93	3.129	0.833	$50,408
		F	$378,540.00	18%	$	68,137	93	3.862	0.798	$54,407
		F	$423,739.00	18%	$	76,273	88	5.613	0.721	$54,996

		F	$465,014.00	18%	$	83,703	85	6.956	0.667	$55,810
		M	$404,250.00	18%	$	72,765	88	4.513	0.769	$55,939
		F	$421,841.00	18%	$	75,931	89	5.2	0.739	$56,083
		F	$455,224.00	18%	$	81,940	86	6.494	0.685	$56,126
		F	$487,460.00	18%	$	87,743	84	7.438	0.648	$56,884
		F	$325,540.00	18%	$	58,597	74	13.189	0.464	$27,172
		F	$445,213.80	18%	$	80,138	89	5.2	0.739	$59,190
		F	$510,980.00	18%	$	91,976	84	7.438	0.648	$59,628
		M	$445,214.00	18%	$	80,139	90	3.957	0.794	$63,636
		F	$510,658.00	18%	$	91,918	88	5.613	0.721	$66,277
		F	$509,460.00	18%	$	91,703	89	5.2	0.739	$67,732
		F	$102,700.00	100%		$102,700.00	102	2.152	0.882	$90,597
		F	$214,017.00	100%		$214,017.00	78	10.779	0.534	$114,203
		F	$205,785.75	100%		$205,785.75	87	6.054	0.703	$144,615
		M	$214,017.00	100%		$214,017.00	83	6.269	0.694	$148,527
		F	$335,523.75	100%		$335,523.75	74	13.189	0.464	$155,584
		M	$308,732.33	100%		$308,732.33	79	10.184	0.552	$170,556
		F	$335,523.75	100%		$335,523.75	77	11.394	0.515	$172,738
		F	$239,508.00	100%		$239,508.00	90	4.838	0.754	$180,672
		F	$228,480.00	100%		$228,480.00	94	3.579	0.812	$185,472
		F	$264,668.25	100%		$264,668.25	87	6.054	0.703	$185,995
		F	$283,904.94	100%		$283,904.94	85	6.956	0.667	$189,298
		F	$302,757.08	100%		$302,757.08	83	7.952	0.629	$190,486
		F	$239,508.06	100%		$239,508.06	93	3.862	0.798	$191,244
		F	$283,055.25	100%		$283,055.25	87	6.054	0.703	$198,916
		F	$239,508.06	100%		$239,508.06	96	3.109	0.834	$199,822
		F	$322,619.25	100%		$322,619.25	83	7.952	0.629	$202,982
		F	$627,172.50	100%		$627,172.50	65	18.849	0.333	$209,121
		F	$339,347.48	100%		$339,347.48	83	7.952	0.629	$213,507
		F	$340,994.25	100%		$340,994.25	83	7.952	0.629	$214,543
		F	$377,052.75	100%		$377,052.75	80	9.62	0.571	$215,258
		F	$283,055.25	100%		$283,055.25	91	4.501	0.769	$217,756
		F	$299,654.94	100%		$299,654.94	89	5.2	0.739	$221,325
		F	$283,055.25	100%		$283,055.25	92	4.175	0.784	$221,932
		F	$369,075.00	100%		$369,075.00	82	8.501	0.609	$224,900
		F	$461,810.25	100%		$461,810.25	76	12.011	0.497	$229,358
		M	$290,357.33	100%		$290,357.33	91	3.67	0.807	$234,455
		F	$290,357.33	100%		$290,357.33	94	3.579	0.812	$235,702
		F	$290,357.33	100%		$290,357.33	86	3.579	0.812	$235,702
		F	$403,867.50	100%		$403,867.50	81	9.06	0.590	$238,214
		F	$508,204.50	100%		$508,204.50	75	12.607	0.480	$243,785
		F	$461,810.25	100%		$461,810.25	78	10.779	0.534	$246,429
		F	$335,523.75	100%		$335,523.75	89	5.2	0.739	$247,818
		F	$335,523.75	100%		$335,523.75	90	4.838	0.754	$253,101
		F	$369,075.00	100%		$369,075.00	88	5.613	0.721	$266,117
		F	$470,990.25	100%		$470,990.25	80	9.62	0.571	$268,887
		F	$461,810.25	100%		$461,810.25	81	9.06	0.590	$272,391
		F	$399,091.73	100%		$399,091.73	87	6.054	0.703	$280,460
		F	$336,396.75	100%		$336,396.75	96	3.109	0.834	$280,657
		F	$418,335.00	100%		$418,335.00	86	6.494	0.685	$286,542
		F	$479,547.75	100%		$479,547.75	83	7.952	0.629	$301,717
		F	$443,435.25	100%		$443,435.25	86	6.494	0.685	$303,734
		F	$407,606.21	100%		$407,606.21	90	4.838	0.754	$307,476

		F	$356,160.00	100%	$356,160.00	101	2.289	0.875	$311,688
		F	$479,547.75	100%	$479,547.75	85	6.956	0.667	$319,745
		F	$417,466.73	100%	$417,466.73	93	3.862	0.798	$333,342
		F	$504,502.50	100%	$504,502.50	85	6.956	0.667	$336,384
		F	$493,762.50	100%	$493,762.50	88	5.613	0.721	$356,022
		F	$580,050.41	100%	$580,050.41	85	6.956	0.667	$386,757
		M	$469,988.25	100%	$469,988.25	93	3.129	0.833	$391,656
		F	$552,352.50	100%	$552,352.50	89	5.2	0.739	$407,968
								TOTAL	$17,542,018