



DISCLOSURE STATEMENT

**Odd Fellows Home of Connecticut, Inc.
d/b/a Fairview**

**Thames Edge & Fellowship Manor
at Fairview**

October 2024

REGISTRATION WITH THE DEPARTMENT OF SOCIAL SERVICES DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DEPARTMENT OF SOCIAL SERVICES OR THE STATE OF CONNECTICUT, NOR DOES SUCH REGISTRATION EVIDENCE THE ACCURACY OR COMPLETENESS OF THE INFORMATION SET FORTH IN THIS DISCLOSURE STATEMENT.

ACKNOWLEDGEMENT



A Continuing Care Contract is a financial investment, and your investment may be at risk. Fairview's ability to meet its contractual obligations under such a contract depends on Fairview's financial performance. We advise you to consult an attorney or other professional experienced in matters relating to investment in continuing care facilities before you sign a Continuing Care Contract. The Department of Social Services does not guarantee the security of your investment.



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TO PROSPECTIVE RESIDENT

In accordance with Section 17b-522 of the Connecticut General Statutes, this Notice to Prospective Resident is required to be given to a prospective resident or his or her legal representative as set forth below.

Prior to the earlier of (a) the execution of a contract to provide continuing care or (b) the transfer of any money or other property to Fairview by or on behalf of the prospective resident, Fairview is required to provide the following notice:

- ii. A continuing-care contract is a financial investment, and your investment may be at risk.
- ii. Our ability to meet our contractual obligations under such contract depends upon our financial performance.
- iii. You are advised to consult an attorney or other professional experienced in matters relating to investments in continuing-care facilities before you execute a contract for continuing care.
- iv. The Connecticut Department of Social Services does not guarantee the security of your investment.

Acknowledgment: I acknowledge that I, or my legal representative, have read the above statement, the Disclosure Statement, and the Continuing Care Agreement.

Signature of Prospective Resident

Date

Signature of Prospective Resident, if two

Date



ACKNOWLEDGMENT OF RECEIPT OF DISCLOSURE STATEMENT

In accordance with Section 17b-522 of the Connecticut General Statutes, this Acknowledgment of Receipt of Disclosure Statement is required to be given to a prospective resident or his or her legal representative as set forth below.

Fairview is required to deliver to a prospective resident or his or her legal representative a current Disclosure Statement not more than 60 days or less than 10 days before the execution of a continuing care contract or the transfer of any money or other property to Fairview by or on behalf of the prospective resident.

Acknowledgment:

_____ I or my legal representative, have received and reviewed a revised and up to date Disclosure Statement in that there have been revisions to the original Disclosure Statement I, or my legal representative, received and reviewed.

OR

_____ I, or my legal representative, have not received a revised and up-to-date Disclosure Statement in that there have been no revisions to the original Disclosure Statement I, or my legal representative, received and reviewed.

Signature of Prospective Resident

Date

Signature of Prospective Resident, if two

Date

INTRODUCTION

We are pleased you have expressed an interest in Fairview. Our legal name is Odd Fellows Home of CT., Inc. while our d/b/a is collectively referred to as Fairview. We are very proud of our outstanding reputation in the community, and we appreciate the opportunity to tell you more about our senior living campus and lifestyle.

Fairview is a 65+ life plan community providing a continuum of healthcare services should our residents ever need it in the future. Fairview offers many opportunities both social and independent, in a unique and flexible manner. Our residents can enjoy maintenance-free living in a stand-alone home or apartment with campus views of the Thames River. The campus contains 40 entrance fee homes referred to as Thames Edge at Fairview, 20 entrance fee apartments at Fellowship Manor at Fairview, and Fairview's 5-star rated healthcare center which is a 100-bed skilled nursing care facility consisting of post-acute, long-term, memory care and outpatient rehab services.

Fairview is one of the only non-profit CCRC organizations in eastern Connecticut. As the Provider, we are committed to operating a quality senior living community which is financially sound and genuinely responsive to Resident desires and needs.

One of the purposes of this Disclosure Statement is to explain to prospective Residents, their families, and their advisors who and what is involved in our operations. This Disclosure Statement was prepared based on information available at the time of its publication and includes assumptions which were believed to be realistic as of that date. Such information and assumptions are, of course, subject to change, particularly in the areas of economics and design. Fairview can be significantly affected by changes in inflation and interest rates even though our projections are conservative and are formulated to consider those influences. Because of these and other influences, future changes may be necessary, and we reserve the right to make those changes in our operations.

We are pledged to the letter and spirit of U.S. policy for achievement of equal housing opportunity throughout the Nation. We encourage and support an affirmative advertising and marketing program in which there are no barriers to obtaining housing because of race, color, religion, sex, national origin, creed, ancestry, sexual orientation, marital status, learning disability, physical or mental disability, or the lawful source of Resident's income (e.g., social security, alimony, public or general assistance).



**I.
NAME AND ADDRESS OF PROVIDER**

Odd Fellows Home of Connecticut, Inc.

d/b/a

Fairview

235 Lestertown Road

Groton, Connecticut 06340

A NOT-FOR-PROFIT, NON-STOCK CONNECTICUT CORPORATION

Fiscal Year End: September 30



II.

OFFICERS AND DIRECTORS/OWNERSHIP

Odd Fellows Home of Connecticut, Inc. d/b/a Fairview (“Fairview”) is wholly owned by Odd Fellows Healthcare, Inc.

No individuals or other entities hold any ownership interest in Odd Fellows Home of Connecticut, Inc.

Officers & Board Members of Odd Fellows Healthcare of CT	
Name	Title
Edie Kalin	Chairman
Linda Stein	1st Vice Chairman
Steve Giuffre	2nd Vice Chairman
Lucille Kutz	Secretary
Millis Buckley	Assistant Secretary
Robert Piel	Chaplain
Nelson Doyle	Director 2025
Elaine Neal-Sakocious	Director 2025
Mary Sepowitz	Director 2025
Bryan King	Director 2026
Barbara McLaren	Director 2026
Joseph Pierpaoli	Director 2026
Vince Braucci	Director 2027
Wayne Espitee	Director 2027
Barry Pinkowitz	Director 2027



III. BUSINESS EXPERIENCE

Odd Fellows Home of Connecticut, Inc. d/b/a Fairview was incorporated in 1892 as a mission-driven non-profit providing services to individuals such as widows, orphans, and seniors. An infirmary building was constructed in 1925 which provided healthcare services to individuals for many years. The building operates under the name of Fellowship Manor which offered rental units for seniors on campus since 1987 and was included under the CCRC license as an optional entrance fee product in January 2023. Any rental units located within Fellowship Manor are not considered part of the CCRC.

Fairview's health center opened in 1976 and has been providing skilled nursing and rehabilitation for senior adults in southeastern Connecticut achieving 5-star rating status. The nursing home currently has 100 licensed beds. Fairview began operations as a Continuing Care Retirement Community in 2014 with the Thames Edge Phase 1 development and 2016 Phase 2 development of entrance fee model homes. Grille 92 was also constructed to be the dining venue and clubhouse amenity for Independent Living residents.



IV.

JUDICIAL PROCEEDINGS

Neither Odd Fellows Home of Connecticut, Inc., Odd Fellows Healthcare, Inc. nor any member of either organization's Board of Directors or officers has been convicted of a felony or pleaded *nolo contendere* to a felony charge or held liable or enjoined in a civil action by final judgment involving fraud, embezzlement, fraudulent conversion, or misappropriation of property or had any business or health care licenses or permits suspended or revoked by any jurisdiction. Neither corporation nor any member of either Board of Directors or officers is subject to a currently effective injunction or restrictive or remedial order of a court of record.



V.

AFFILIATION

Odd Fellows Home of Connecticut, Inc. operates the skilled nursing facility doing business as Fairview, the rental apartments known as Chelsea Cottage as well as the entrance fee homes referred as Thames Edge and Fellowship Manor. Odd Fellows Home of Connecticut, Inc. is affiliated with the Connecticut Independent Order of Odd Fellows Grand Lodge; however, the Order has no responsibility for the financial and contractual obligations of Odd Fellows Home of Connecticut. Odd Fellows Home of Connecticut, Inc. is a tax-exempt organization under Section 501(c) (3) of the Internal Revenue Code. Odd Fellows Healthcare Inc. is the parent and sole member of Odd Fellows Home of Connecticut, Inc.



VI.

DESCRIPTION OF PROPERTY

Odd Fellows Home of Connecticut's campus, known as Fairview, is located on 70 acres of riverfront property in Groton, Connecticut. As detailed below, the campus currently consists of a 100-bed skilled nursing facility known as Fairview and two entrance fee independent living residences, Fellowship Manor and Thames Edge. Chelsea Cottage ~~remains a rental service building with 4 units~~ is transitioning from resident apartments to sales and marketing office for Fairview in FY 25.

Thames Edge at Fairview

The upper campus of Thames Edge at Fairview consists of twenty-three (23) two-bedroom homes located north of the skilled nursing facility, which is available for continuing care residents. The lower campus of Thames Edge at Fairview consists of seventeen (17) two-bedroom homes located to the south of Fellowship Manor.

Fellowship Manor

An independent living apartment style residence for 55 and older adults located to the south of Fairview. Consisting of twenty apartments in total, three floors of 1- and 2-bedroom apartments overlooking spectacular views of the Thames River. These units are also available for continuing care residents.

Grille 92/The Clubhouse

A community center, which includes a pool, fitness area and space for social events including a dining space.

Fairview Health Center

A 100-bed skilled nursing facility provides 24-hour nursing, post-acute rehab services and long-term care. Fairview is Medicare/Medicaid certified and licensed by the State of Connecticut. Our philosophy is to foster an atmosphere that supports independence, dignity, and choice for all Residents. This is achieved through a culture that enhances personal care based on individual choices and quality of life options. The Provider delivers healthcare within the limits of its license and budget. Licensure for hospital-level care cannot be obtained, and hospital level services are not provided within the Health Center. Such level of care must be provided by a hospital, and the costs related to hospitalization are the responsibility of the Resident. The Health Center offers private and semi-private rooms with preferred access to Residents of Thames Edge and Fellowship Manor, but also markets any available rooms to non-residents.



VII. BENEFITS & SERVICES INCLUDED

The decision to move into a senior living community demands careful consideration of many factors, including the services to be provided. The following services are included:

- 24 Hour Emergency Call Monitoring Service
- Home Maintenance and Repair
- Building and Grounds Maintenance
- Clubhouse social amenity Building
- Priority Admission to health center at discounted daily private pay rate
- Two hours of Housekeeping per month for Thames Edge residents.
- One hour of Housekeeping per month for Fellowship Manor residents.
- One mid-day meal per day for Fellowship Manor residents.
- Laundry fee for service
- Transportation fee for service
- Dining fee for service at Grille92 events
- Personal maintenance project fee for service
- Water, sewer, air conditioning, heating, and electricity
- Social activities to enrich and enhance the quality of resident lifestyle through recreational events, cultural & educational activities, facilitating transportation, and other social events.



VIII. INTEREST ON DEPOSITS

Interest and returns earned on deposits prior to occupancy are held in escrow and retained by Fairview. (Exhibit F)



IX.
TERMINATION OF CONTRACT

Conditions under which the contract may be terminated and procedures for termination are described in Section V of the Continuing Care Agreement (Exhibit A).



X.

RIGHTS OF SURVIVING SPOUSE

A surviving legal spouse/partner who is a party to the Continuing Care Agreement (Exhibit A) maintains all of his or her rights under the terms of the Agreement. If a legal spouse/partner is not a resident of the Community, the contract terminates upon the death of the resident spouse/partner in accordance with Section V of the Continuing Care Agreement.



XI. MARRIAGE OF A RESIDENT

Section VI.A. of the Continuing Care Agreement (Exhibit A) addresses marriage both between a resident and a non-resident and between two residents.



XII. DISPOSITION OF PERSONAL PROPERTY

Your personal property shall be removed from your Home upon termination of this Agreement. If you decide to permanently relocate to the skilled nursing facility and release your Home for re-occupancy by another resident, you agree to remove your personal property within seven (7) days after transfer to skilled nursing facility. If your personal property is not removed as provided above, we will consider the property to be abandoned and will dispose of it at our discretion. Payment of your Monthly Fee shall continue to be due on a prorated basis until your property is removed from your Home.



XIII.

TAX DISCUSSION

The execution of a Resident contract and payment of applicable entrance fees and monthly fees may result in certain tax considerations for the resident. Each party to such contract is advised to consult with his/her personal tax advisor regarding the tax considerations associated with becoming a resident at Fairview. Fairview is not a tax advisor and is not responsible for any tax advice relating to becoming a resident in its community.



XIV.

RESERVE FUNDING

Connecticut law requires that Fairview maintain reserves to cover one month of operating expenses and six months of debt service. Pursuant to financial covenants required by its lender, Fairview must meet certain debt service coverage ratios and also maintain unrestricted cash on hand and investments. The loan agreement setting forth these covenants specifically states that the reserve amounts that Fairview is required to maintain under Connecticut law must be included in the calculation of such unrestricted cash on hand and investments.



XV.
FINANCIAL STATEMENTS

Audited and certified financial statements of Odd Fellows Home of Connecticut, Inc., d/b/a Fairview, for the two most recent fiscal years, including the current balance sheet and income statements, are provided in Exhibit B.



XVI.

PRO FORMA INCOME STATEMENTS

Projected Income Statements, Cash Flow and assumptions are included in Exhibit C.



XVII.

ENTRANCE/MONTHLY FEES & PERIODIC CHARGES

Current entrance fees and monthly fees are listed in Exhibit D. Adjustments to monthly fees may occur going forward and will be made at the sole discretion of the Provider as set forth in the Continuing Care Agreement, Exhibit A Section IV. E. Current fees for ancillary services that are not covered under the Monthly Fee are list in Schedule B of the Continuing Care Agreement.



XVIII. PREPAID OBLIGATIONS, ACTUARIAL VALUE

Information regarding the total actuarial present value of prepaid healthcare obligations assumed by Fairview under continuing care contracts is determined by industry standard mortality tables and other projections.



XIX.
DEPARTMENT OF SOCIAL SERVICES FILINGS

Fairview has filed with the Department of Social Services all materials required by State law governing continuing care contracts and facilities. These materials are available for review at the Department of Social Services, located at 3580 Main Street, Hartford, CT 06120 or online at <https://portal.ct.gov/DSS/Health-And-Home-Care/Continuing-Care-Facility-Reimbursement/Continuing-Care-Facility---Reimbursement/Disclosure-Statements>



EXHIBIT A

CONTINUING CARE AGREEMENT

This is a Continuing Care Agreement (“Agreement”) between (**ENTER NAME**) , (“you”) and Odd Fellows Home of Connecticut, Inc. (“the Provider”, “we” or “us”), which operates the continuing care community referenced as Fairview (“the Community”), located at 235 Lestertown Road, Groton, CT. If more than one person is signing this Agreement, “you” refers to each of you individually and both of you together and your obligations under this Agreement are joint and several. You have entered into this agreement effective **ENTER DATE** (“Effective Date”). This Agreement sets forth the terms and conditions under which we will provide you accommodations and services while you reside at the Community.

I. **ACCEPTANCE INTO COMMUNITY**

As a condition of acceptance into Fairview, applicants are required to qualify financially. As part of the admission process, you have provided a complete list of your assets, sources of income and copies of your federal and state tax returns and we have relied upon this information in accepting you into the Community. Any material misstatement or omission may result in the termination of this Agreement by us. Just as you have provided financial information as part of the admission process, you agree, as a condition of residency in the Community, to update your financial information when there is a material change and upon our request. You further agree not to intentionally deplete your assets to an extent which will render you unable to pay your Monthly Fee or Additional Fees (as each is defined herein) due under this Agreement or to make any transfers of your assets for less than fair market value. Failure to abide by these requirements may cause you to be ineligible for the fee deferment described in Section V.H. of this Agreement and may result in termination of the Agreement.

II. **ACCOMMODATIONS AND COMMON AREAS**

A. **Your Home**

You have selected Unit # **Enter Here** (“your Home”). You shall have a personal and non-assignable right to reside in your home, subject to the terms and conditions of this Agreement and Community rules. Your home will include basic amenities such as a stove, refrigerator, microwave, dishwasher, air conditioning (Thames Edge includes washer and dryer). Your home will be equipped with an emergency call system and smoke detectors. Your home also includes designated parking (Thames Edges includes a garage and driveway for two cars). You must provide all other furnishings and appliances.

B. **Utilities**

Electricity, gas, water, sewage and garbage collection are included in your Monthly Fee. Telephone, cable and internet service, including installation and services charges, may be obtained at your expense. We are not liable for any interruption



or failure of utility service to your residence provided the interruption or service was not directly caused by us.

C. Guests/Additional Occupants

Prior approval must be obtained from us if a guest will be staying for more than seven (7) days in any thirty (30) day period. Guests have no rights or privileges under this Agreement.

If approved by us, any persons staying more than seven (7) days in any thirty (30) day period will be considered an additional occupant subject to an additional Monthly Fee as set forth in Section IV.D. Persons registered with the Community as private duty caregivers pursuant to Section VI.B shall not be considered additional occupants subject to a Monthly Fee.

D. Ownership Rights

This Agreement is a continuing care contract governed by Conn. Gen. Statutes 17b-520 et. seq. You have no ownership or proprietary rights in your Home, the property, grounds, land, buildings or improvements or other Community buildings. This Agreement shall not be construed to be a lease or to confer any rights of tenancy or ownership to you. Your rights under this Agreement are subject to all terms and conditions set forth herein and are subordinate to any mortgage, security interests, deeds of trust or other financing of the Provider and Community. Your rights under this Agreement are personal to you and may not be transferred or assigned by you, or by any proceeding at law or otherwise. We shall have the right to assign our interests in this Agreement upon the sale or conveyance of the Community, or for purposes of any change of ownership of the Provider. You agree that, upon the request of the Provider, you will execute and deliver any and all documents required to effect the sale, assignment, change of ownership or conveyance of the Community or to effect or evidence such subordination, except that by so doing, you shall not be required to waive your rights under this Agreement.

E. Protection of Property

You agree to maintain your property in a clean, habitable state and agree to not misuse, damage, or permit any misuse or damage, to your Home or any Community property.

F. Liability and Responsibility for Damages

You accept full responsibility for any injury or damage caused to others, or suffered by you, as a result of your own acts or omissions, and those of your guests, agents, employees, invitees or pets, and you agree to indemnify and hold harmless Provider and its directors, officers, employees and agents from any and all liability for such injury or damage, including attorneys' fees. You agree to be responsible for any



costs incurred by us in replacing or repairing any loss or damage to the real or personal property of Provider caused by the negligence or misconduct of you, your guests, agents, employees, invitees or pets. We are not responsible for the loss of any personal property belonging to you due to theft, fire or any other cause. You may wish to obtain general liability and property insurance at your own expense to protect against such losses.

G. Modifications to Your Home

You agree that no structural changes are permitted to be made to your Home without the prior written consent of management. You will be responsible for the cost of any labor and materials required for such changes and you agree that you or your estate will be responsible for restoring the Home to its original design when your Home is vacated unless we waive this requirement in writing. You further agree to provide us advance notice of the start of any modifications and to allow any work to be overseen by Community maintenance staff, if deemed necessary by us in our sole discretion. Any modifications to your Home must be in accordance with applicable building and safety codes and such other regulations that may apply to your Home. Fairview management may require and/or restrict certain vendors from performing any modification or renovation work to your Home.

H. Common Areas and Grounds/Community Rules

You are permitted to use the Community's common areas and grounds, including the Clubhouse, in accordance with Community rules. Community rules are attached as exhibit Schedule A and are incorporated into this Agreement. By signing this Agreement, you acknowledge receipt of a copy of the Community Rules. We reserve the right to amend the Community Rules from time to time as we deem necessary or desirable. Copies of current Community Rules can be obtained upon request.

I. Right of Entry

You agree that authorized employees and agents of the Provider shall have the right, at all reasonable times, to enter your Home as necessary for housekeeping, maintenance, enforcement of applicable laws and regulations, emergency purposes or any other reasonable purpose including circumstances where we determine that entry is necessary to protect your health or safety or that of other residents or staff. Advance notice will be given whenever possible, except in an emergency. You may not change your locks. You may, however, request that your locks be changed by us under appropriate circumstances.



III. SERVICES

The following services will be included in your Monthly Fee:

- A. **Maintenance and Repair** We will perform necessary repairs, maintenance, and replacement of Community property and equipment located in your Home. Except in an emergency, such services will be provided during normal working hours, Monday through Friday. We will charge you for any repairs, maintenance or replacement required as a result of the negligent or intentional acts of you or your guests. You are responsible for maintaining, repairing and replacing your personal property.
- B. **Emergency Call System** Your Home is equipped with an emergency call system (Thames Edge is connected to a home monitoring company 24 hours a day, seven days a week). Your home includes smoke detectors which are connected to the emergency call system.
- C. **Buildings and Grounds** We will maintain all Community buildings, walkways, driveways, common areas and grounds. Landscaping and snow removal will be provided by us as we deem appropriate.
- D. **Priority Admission to Fairview Skilled Nursing Facility.** Residents of the Community will be given priority admission to Fairview Skilled Nursing Facility as well as reduced fees for skilled nursing facility services as set forth in Section IV.G.
- E. **Other Additional Services** Other services, such as housekeeping, laundry and maintenance (“Additional Services”) are available for a fee. A current list of Additional Service and associated fees is set forth on Schedule B.

IV. FEES

A. **Application Fee/Wait List:**

In order to be placed on the wait list at Fairview, submission of fully completed application with non-refundable payment of \$1,500 fee is required.

B. **Entrance Fee**

The total entrance fee (“Entrance Fee”) is set forth on Schedule C. The Entrance Fee shall be payable as follows:

1. Upon signing this Agreement, you paid a deposit of ten percent (10%) of the Total Entrance Fee. Your deposit will be placed into an escrow account in accordance with Connecticut law.
2. On the Move-In Date (as defined in Section IV. E.), you agree to pay the remainder of the Entrance Fee in the amount as set forth on Schedule C.



3. Refunds of Entrance Fee

Refunds of the Entrance Fee will be made only once a new occupant pays the Entrance Fee and moves into your Home and either of the following two situations has occurred: i) upon your death, or, if there are two Residents who are parties to this Agreement, upon the death of the surviving Resident ; or ii) if you have permanently relocated outside the Community (including outside our skilled nursing facility) or the Agreement has otherwise terminated. The amount of your Entrance Fee refund will depend on the Entrance Fee option you select. The Entrance Fee options, and refund schedule are attached as Schedule D. Any refunds owing shall be paid within the earlier of either: i) a new occupant paying the applicable Entrance Fee and moving into your unit or ii) three years from the date this Agreement was terminated, as required under Connecticut law.

C. Capital Reserve Fee

The Capital Reserve Fee is a one-time, non-refundable fee after 6 months of move-in, paid upon contract execution. This fee permits the organization to hold reserve funds for future anticipated or unanticipated capital expenditures necessary for ongoing operations.

D. Monthly Fees

You will pay us a monthly fee for single occupancy of your Home (“First Person Monthly Fee”) and an additional second person monthly fee if a second person also occupies your Home (“Second Person Monthly Fee”). Your total monthly fee(s) for occupancy of your Home (“Monthly Fee”) is set forth on Schedule C. You agree to pay us the total Monthly Fee in advance on or before the fifth (5th) day of each month. Your first Monthly Fee will be due beginning seven (7) days from the day we make your Home available to you for occupancy (“Move-in Date”) and continuing each month throughout the term of this Agreement unless you vacate your Home and move to the skilled nursing facility pursuant to Section IV.G. If your Move-in Date is other than the first day of the month, your first Monthly Fee will be prorated. The Monthly Fee is not rent but, is consideration for services provided to you hereunder.

E. Adjustments to Monthly Fees

We reserve the right to adjust your Monthly Fees (including any applicable Second Person Monthly Fee) upon at least thirty (30) days prior written notice to you. You agree to pay any such adjusted Monthly Fee. Adjustments to the Monthly Fee will be made only as necessary to maintain the future viability and quality of services of the Community.



F. Additional Services

You will be billed for Additional Services at the time you are billed for your Monthly Fee. The payment procedures for Additional Fees are the same as those for your Monthly Fee.

G. Skilled Nursing Facility Fees

Any stays at a skilled nursing facility not covered by Medicare or other applicable insurance shall be paid by you. For the first 120 cumulative days of your skilled nursing facility stay, Fairview will reimburse \$2,500 per month or prorata portion thereof. You will still be responsible for the Monthly Fee for your Home, unless you choose to vacate your home for occupancy by someone else. The applicable private pay rate will depend on the rate in effect by the skilled nursing facility at the time of your admittance. Current private pay rates for the skilled nursing facility are set forth on Schedule C and are subject to change. If you are sixty-five years of age or older, you shall obtain and maintain at your own cost Medicare Part A, Part B and Part D or equivalent insurance coverage under a public or private insurance plan as well as appropriate supplemental insurance. You agree to timely file an application for Title XIX (Medicaid) at such time as your assets reach \$50,000. You agree to notify us of such filing and to provide periodic updates on the status of the application at our request.

H. Temporary Absences

If you are temporarily absent from the Community for any reason, including hospitalization, your right to occupy your Home will continue and your payment obligations under this Agreement will continue to apply.

I. Late Payments

Any unpaid balances that remain unpaid for more than thirty (30) days after the date on which they are due will be subject to interest at a rate of one and one-half percent (1 ½ %) per month. Any account balances that remain unpaid at the time the Agreement is terminated shall be deducted from any refund owed to you or your estate. If any amounts remain unpaid after the refund deduction, you agree to cooperate with us to obtain a lien or other applicable security for the unpaid amounts against your assets or estate.



V. TERMINATION

A. Right of Rescission

You may rescind this Agreement by notifying us by registered or certified mail of your decision to rescind within thirty (30) days of signing this Agreement. You shall not be required to move into the Community before the expiration of the thirty (30) day period. In the event of such rescission any money transferred to us shall be refunded, less:

- (i) additional costs incurred by us due to modifications in the structure or furnishings of your Home which you specifically requested as set forth in a separate written addendum to this Agreement; and
- (ii) an administrative charge of one percent (1%) of the Entrance Fee.
- (iii) a prorated refund of the first Monthly Fee paid if the Home is occupied during this 30-day period,

Any refund to which you are entitled under this Section shall be made, without interest, within sixty (60) days of our receipt of your written notice of rescission.

B. Automatic Cancellation

If, after the above-mentioned thirty (30) day rescission period, on account of death, illness, injury or incapacity of either Resident under this Agreement, you are precluded from initially occupying your Home under the terms of this Agreement, upon written notice to this effect by certified or registered mail to the Provider, the Agreement shall be canceled automatically and you or your legal representative shall receive a refund of all money transferred to us, less:

- (i) additional costs incurred by us due to modifications in the structure or furnishings of your Home which you specifically requested as set forth in a separate written addendum to this Agreement; and
- (ii) an administrative charge of \$1,000.00 (not applicable in case of death).

Any refund to which you are entitled under this Section shall be made, without interest, within sixty (60) days of our receipt of your notice of cancellation.

C. Termination by Resident After Occupancy of Home

After your Move-in Date, you may cancel this Agreement at any time by giving us ninety (90) days' prior written notice. If you give such notice, you will pay all applicable fees and charges until the expiration of such ninety (90) day period or the date that you vacate your Home, whichever is later. Your Entrance Fee refund will be paid in accordance with Section IV.B of this Agreement.



D. Termination by Provider

The Provider may terminate this Agreement for good and sufficient cause. Good and sufficient cause shall include, but not be limited to, any of the following:

1. Failure to pay when due, any fees or charges due under this Agreement.
2. Conduct by you that constitutes a danger to yourself or others.
3. A material breach of the terms and conditions of this Agreement.
4. Failure or refusal to move to a higher level of care when determined appropriate as set forth in Section VI.C.
5. Intentional transfer or depletion of assets to an extent which will render you unable to meet your financial obligations under this Agreement.
6. Conduct by you that interferes with the enjoyment of the Community by other residents.
7. Failure or refusal to comply with Community rules.

In the event of termination under Section V.D.2 – 7 above, except as provided below, we will give you written notice of the cause of termination, and you will have ten (10) days thereafter within which to correct the problem. If the problem is corrected within such time, this Agreement shall not be terminated. If the problem is not corrected within the ten (10) day period, this Agreement will be terminated sixty (60) days after the original notice of termination. However, if the Provider determines that either the giving of notice or the lapse of time as above provided might be detrimental to you or other residents or staff of the Community, or if the Provider determines that the problem constituting cause for termination cannot be cured, then any notice and/or waiting period prior to termination shall not be required.

In the event of termination for non-payment, you will be given 30 days written notice of termination and you will have 10 days from the date of the notice to bring your account current. Your Entrance Fee refund will be paid in accordance with Section IV.B. of this Agreement.

E. Termination by Death

This Agreement shall terminate upon your death, or, if there are two Residents who are parties to this Agreement, upon the death of the surviving Resident. We reserve the right to show your Home for sales purposes upon your death or the death of the surviving Resident, if applicable. Your Entrance Fee refund will be paid in accordance with Section IV. B. of this Agreement.



F. Removal of Resident's Property Upon Termination or Move to Skilled Nursing Facility

Your personal property shall be removed from your Home upon termination of this Agreement. If you decide to permanently relocate to a skilled nursing facility and release your Home for re-occupancy by another resident, you agree to remove your personal property within seven (7) days after transfer to skilled nursing facility. If your personal property is not removed as provided above, we will consider the property to be abandoned and will dispose of it at our discretion. Payment of your Monthly Fee shall continue to be due on a prorated basis until your property is removed from your Home.

H. Inability to Pay Fees Due to Financial Difficulty

If you encounter financial difficulty that challenges your ability to pay the fees required under this Agreement, we will not automatically terminate this Agreement if we determine that you qualify for deferment of unpaid fees. We will defer amounts owed by you when we determine, in our sole discretion, that doing so is consistent with the prudent financial management of the Community. In determining whether to defer your fees, we will consider your current financial situation and whether you have complied with all material terms of this Agreement. You agree to provide updated financial information upon our request for this determination. Prior to deferring fees pursuant to this Section, we shall deduct any fees owed to us from the refundable balance of your Entrance Fee, and any amounts deferred subsequently will be deducted from the refundable balance of your Entrance Fee. Additionally, if we do approve deferral and your assets reach \$50,000, you agree to apply for Title XIX (Medicaid).

We reserve the right to require you to move to a smaller unit within the Community or to one of our rental units at Chelsea Cottage or Fellowship Manor (if available) in the event you are unable to pay the fees required under this Agreement.

VI. OTHER OBLIGATIONS

A. Marriage

If you marry a non-resident, the non-resident spouse shall become a party to the contract and pay the prevailing Second Person Monthly Fee. If you marry another resident of the Community, either resident may terminate his or her Agreement and release his/her Home in accordance with Section V.C. The terminating resident shall become a party to the spouse's Continuing Care Agreement and will become a second occupant. The spouse will pay the prevailing Second Person Monthly Fee. After the expiration of the 90-day notice period, during which time the terminating resident must continue to pay all fees and charges, the terminating resident's entrance fee will be refunded.



B. Private Duty Aides

If you hire a private duty companion or aide, you must require said person to register with the Community, wear an identification badge and abide by all Community rules. We reserve the right to require you to discontinue receiving services from any aide or companion who fails to follow Community Rules or is otherwise determined by us to be inappropriate and to seek an alternate companion or aide. We assume no responsibility for the timeliness or quality of care provided by such aides or companions.

C. Moves to the Skilled Nursing Facility

You acknowledge that your Home is appropriate for occupancy by you if you can live independently with the assistance of qualified home health or other providers, if necessary, but is not appropriate if you require 24-hour skilled nursing care, or if your continued residence in your Home constitutes a danger to the health or safety of you or other residents. You agree that you will move to a skilled nursing facility if your continued occupancy of your Home is determined by us to be inappropriate due to changes in your physical or mental condition. Except in cases of an emergency, we shall provide you thirty (30) days prior written notice of transfer and will consult with you, your representative (if applicable) and your personal physician prior to making any transfer decisions. The final decision regarding the need for transfer shall be made by us in our sole discretion.

VII. MISCELLANEOUS

A. Entire Agreement

This Agreement, including all exhibits, constitutes the entire Agreement between you and Odd Fellows Home of Connecticut, Inc. Any modification to this Agreement must be in writing and signed by you and us.

B. Partial Illegality

If any portion of this Agreement is determined to be illegal or noncompliant with relevant laws, such portion shall be deleted and the validity of the remainder of the Agreement shall not be affected.

C. Attorneys' Fees

In the event we act against you to enforce the terms of this Agreement, we will be entitled to recover attorneys' fees and all costs of any such action.

D. Waiver

Our failure to insist upon strict compliance by you with any of the terms of this Agreement shall not constitute a waiver of our right to insist on your strict compliance with any terms of this Agreement on other occasions.



E. Governing Law

This Agreement shall be construed in accordance with the laws of the State of Connecticut.

F. Compliance with Laws

You will be afforded all rights and privileges under Conn. Gen. Stat. § 17b-520 et seq, and all other applicable laws. We will comply with all municipal, state and federal laws and regulations regarding consumer protection and protection from financial exploitation.

REST OF PAGE LEFT BLANK



IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the Effective Date.

RESIDENT

Resident/Representative

Date

Relationship to Resident (if applicable)

RESIDENT

Resident/Representative

Date

Relationship to Resident (if applicable)

ODD FELLOWS HOME OF CONNECTICUT, INC.

By: _____

Date

Title: _____



FAIRVIEW

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SCHEDULE A COMMUNITY RULES

GENERAL INFORMATION

Activities

You are invited to join other residents in opportunities to participate in our activity programs. You will be updated on these activities monthly. There may be fees associated with some of these activities.

Business Office

For any questions regarding your monthly fee or other financial issues, please contact the Business Office at 860.445.7478 x1445. When paying your monthly service fee please make checks payable to Fairview. You can mail checks to Fairview, 235 Lestertown Road, Groton, CT 06340 or bring them to the Business Office. The office hours are from 8:00 am to 4:00 pm Monday through Friday.

Caregivers/Care at Home

If you are going to use private caregivers, you are required to notify the Independent Living Coordinator. The safety and security of our residents is paramount and there are certain standards that must be met. If you require services and need assistance, please reach out to the Independent Living Coordinator for a list of agencies.

Clubhouse/Grille92

The clubhouse is planned to provide amenities for the use of Fairview's CCRC residents. The clubhouse has a fitness area and a gathering space. The fitness area is not supervised- you are urged to use discretion and caution when using fitness equipment. Fairview is not responsible or liable for accidents or injuries resulting from the use of the fitness area equipment.

Dining/Grille92

Meals prepared by Fairview are currently available at Grille 92, located on campus. Lunch is served Monday – Friday 11am – 1pm. You can also choose to have meals delivered or pick-up. Dinners are offered on select evenings each month.



Emergencies and Emergency Call System

Thames Edge: In the event of a fire emergency, please call 911 if you are able and exit the home immediately. Your neighbors at Thames Edge or Grille92 can be used as temporary shelter. In the event of other natural disasters or other emergencies, Fairview maintenance will provide communication to you about steps that should be taken. Upon occupancy, you will be given an emergency pendant for use in an emergency. All homes have an emergency call/alarm system for different situations including fire and medical emergencies. This system is monitored by a third-party monitoring service.

Fellowship Manor: in the event of a fire emergency, please defend in place by staying inside your apartment until the authorities arrive on scene. Fellowship Manor is protected by fire sprinklers. Shutting all doors and windows is critical to depriving a fire of oxygen. Please do not leave doors or windows open when the fire alarm system is activated. Fairview staff will arrive on scene to provide additional instructions.

Energy Management and Thermostat

In order to be good stewards of the environment and to keep monthly service fees lower, everyone is responsible for maintaining proper temperatures in their homes.

A guideline presented by **Groton Utilities** for the following seasons (**please note this is just a guideline and one is welcome to keep their home as cool or warm as they would like**):

Recommended thermostat settings *Or as low as health permits.

	Winter	Summer
When you're home:	68°*	78°
When you're not at home:	55°*	85°
When you're sleeping:	55°*	78°

When you are away from the house during the winter months, you are required to maintain a temperature of at least 55 degrees F- this is to help prevent pipes from freezing.

Gardening, Plantings and Other Exterior Guidelines

It is not the intent of Fairview to maintain a strict list of rules for what cannot be placed on the exterior of the home; however, there are general rules that must be adhered to, Fairview management has the right to modify or prohibit any items at its discretion:



FAIRVIEW

TRUSTED FOR GENERATIONS

- Gardens are permitted, however please exercise good judgment about what should and should not be planted on the front or back of the home. Specific gardening plans should be discussed with the Independent Living Coordinator prior to commencing with a garden on the grounds.
- Flags, wreaths, and other outside items are allowed on your home and grounds. However, please use good judgment about what you place outside of your home. Any items that are deemed offensive or are not consistent with the character of the community will need to be removed. If you have any questions prior to placing an item outside of your home, please contact the Independent Living Coordinator. Satellite dishes are not allowed.
- **Never** dig on the grounds without prior approval from Fairview maintenance; this is for safety purposes as there are numerous utility lines beneath the surface of the ground.

General Conduct

- It is an expectation that all residents of Fairview and their guests and visitors will conduct themselves in an appropriate manner and be respectful of one another and of the staff that are here to serve you.
- Always be courteous and mindful of your speed when driving.
- Etiquette and behavior during organizational meetings with management, stakeholders, fellow residents, business partners, guests, etc. should be respectful. Disruptive and/or rude behavior will not be tolerated on campus or at any event in association with Fairview.

Generators and Other Work Performed on the Home

Generators are not provided by Fairview as part of the home and are not included in the entrance fee. However, you are allowed to purchase a generator, and have it installed as long as it meets the following requirements:

- Portable generators are prohibited.
- The generator must meet specifications set forth by the building contractor and/or Fairview Maintenance.
- The installation of the generator must be approved **in advance** by Fairview Maintenance.
- The work to install a generator must be done by a contractor approved **in advance** by Fairview Maintenance.
- Maintenance of generator, including cost, is the sole responsibility of resident, not Fairview
- Any and all damage caused by failing to meet these requirements will be the sole responsibility of the resident.

Grills

For fire safety reasons, grills are only permitted to be used in the driveway of the home, at a safe distance from the home. Proper storage of the grill when not in use is required- it cannot be left in the driveway, the side of the home is acceptable. Grills should be covered when not in use. Propane or other natural gas tanks cannot be stored in the garage, the side of the home is acceptable. Please ensure the gas flow is turned off when not in use.



Guests and Visitors

Guests and visitors are always welcome at Fairview. However, there is a requirement that individuals that are not contractual residents of Fairview are not allowed to stay in the homes longer than 7 days. Of course, there are exceptions to this requirement and individual situations may require a longer stay. Please contact management to discuss a specific situation. The residents of Fairview are responsible for the conduct of their guests.

Hospitalization

If you or your spouse/partner are having elective surgery or are hospitalized, Fairview provides rehabilitation, which may be covered by Medicare or other private insurance. It is extremely important to have a family member notify the Independent Living Coordinator as soon as possible to make us aware of the situation in order to better coordinate care.

Housekeeping

Additional Housekeeping services are available on a fee-for-service basis. This includes regular cleaning and can also include personal services such as laundry in your home. The costs of these services are on the *fee schedule for additional services sheet*. Special requests or concerns should be brought to the Independent Living Coordinator, and not discussed with the individual Housekeeper. In the event of emergencies caused by weather, other natural disasters or pandemics, your housecleaning could be canceled.

The Housekeeping service that is provided, any services not mentioned can be discussed in detail with the Independent Living Coordinator, however a higher rate may apply:

- Bathrooms - Over-mirror lights, sink, countertop, drawer fronts, top edge of drawers, mirror, shower, tub, commode, and floor will be cleaned. Waste baskets will be emptied. We do not supply facial or toilet tissue, or plastic trash can liners.
- Bedrooms/living room/den- Dust and vacuum. In order to minimize breakage, housekeeper will not move items from horizontal surfaces.
- Kitchen-Clean all visible surfaces, empty trash cans, sweep and mop floor.

Please note that there are manuals for the washer/dryer, stove, dishwasher and refrigerator. Please refer to these manuals for the proper care and cleaning of each appliance. This is the responsibility of the resident. **For safety, do not leave any appliance running when you are not at home.**

There will be routine annual cleaning in and around your home. The maintenance will consist of air filter changes and other required preventative services. Power washing of exterior if needed. The yearly cleaning of the home consists of areas not normally provided by the standard housekeeping service. The cleaning will consist of:

KITCHEN AND BATHROOM

- Move and clean behind refrigerator and oven
- Clean kitchen and bathroom floor
- Scrub out microwave
- Wash outside of cabinets



DUSTING AND CLEANING

- Dust baseboard and ceiling moldings
- Wash windows and window screens
- Dust light fixtures and ceiling fans

Internal moves

A move from one home/unit to another in Thames Edge and Fellowship Manor is permitted. If you are interested in changing your residence you will be placed on an internal wait list, which has priority over the outside wait list. You will be notified when a home specific to your request becomes available. You will then have 48-hours to decide. If you decide to pass on the home offered, you will retain your place on the wait list. There are fees associated with an internal move. Any damages in the home you are leaving will be added to your administrative move fee. The administrative move fee is \$5,000. The Entrance Fee cost difference (if applicable) will be required to be paid prior to occupancy of the new home. An addendum to the CCRC agreement may be required. Fairview staff cannot move furniture and other heavy articles, you will have to contract with a mover. For more information on changing your home contact the Director of Independent Living & Marketing.

Keys

Keys are issued for your use only; it is expected that you will not duplicate or issue keys to other parties. In the interest of security, replacement keys can only be obtained by contacting maintenance. There will be a \$20 fee for replacement keys. For the safety and security of all residents it is not permitted to change locks on doors or add any inside door lock devices such as chains or deadbolts.

Laundry

Laundry services are available on a fee-for-service basis; these charges are available in the *fee schedule for additional services sheet*. Please contact the Independent Living Coordinator for more information.

Mail

Mail operates on the current U.S. Mail delivery schedule and is currently planned to be delivered to individual mailboxes. On extended absences, please have your mail held at the post office. For on campus communications and in the interest of saving paper, we distribute via e-mail. Please make sure to keep management aware of any changes to your e-mail address.

Maintenance Services

Requests for maintenance services must be made by contacting the Independent Living Coordinator. Your request is entered into the maintenance request software program. All supplied fixtures, lighting, appliances, and systems are maintained by the maintenance department. For personal project costs, please refer to fee schedule for additional services sheet. For emergency maintenance issues after hours and on the weekends, please contact 860-772-7727.



Miscellaneous Storage Needs

- The homes in the upper campus have a small area in the attic that may be used for storage. To assist in your move-in, Fairview's Maintenance Department can move items in and out of the attic at no charge, one time, up to thirty minutes. After the initial move-in Maintenance will assist you with moving items in and out of the attic twice a year, for thirty minutes. Any additional time used over thirty minutes will be subject to the standard maintenance fee as referenced in the fee schedule. Please contact the Independent Living Coordinator if you have any questions.
- Boats, RV's, etc. are not allowed to be stored at Thames Edge at Fairview.

Outside Service Provider Policy

Fairview's main priority is to protect the residents that live on campus. Furthermore, the proper maintenance and upkeep of the building is also of major importance. We want to offer options to all residents to choose any provider for services they may require, but to ensure we are reasonably safeguarding our people and property- the following policy is effective for all independent living residents at Fairview.

1. Any outside personal service provider *PSP* (home care, companion, etc.) must be registered with the Independent Living Coordinator at least 1-month before providing service. If there is an urgent situation this requirement can be waived with permission of the coordinator.
2. When registering, the PSP must provide proof of workers compensation insurance or other liability insurance naming Fairview as an additional insured to the IL Coordinator and any applicable license(s).
3. Any and all maintenance work (any work to any part of the independent living home) not being done by Fairview maintenance must receive approval in advance by the IL Coordinator in coordination with Maintenance. Any outside provider hired to do any work on any IL homes must have workers compensation insurance for all employees, be licensed when applicable, have liability insurance naming Fairview as an additional insured and be supervised by the maintenance department.

Parking

All residents are required to park in their designated parking spaces. All visitors are required to park in the designated visitor spaces.

Pets

Pets are allowed at Fairview, however there are specific restrictions.

- The State of Connecticut requires all dogs 6 months of age and older to be licensed. Licenses may be purchased at the Town Clerks office or through Animal Control. A copy of a current rabies certificate is necessary to purchase the license. This is a yearly obligation and new licenses are sold beginning June 1. It is important to keep your dog current as Animal Control periodically canvasses neighborhoods for unlicensed



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dogs. All dogs must be vaccinated for Rabies as this is a state law. Please provide a copy of your license(s) to the Independent Living Coordinator. For cats, please provide proof of rabies vaccination.

- We request that any pet owners inform us of a contact in the event of an emergency (you are hospitalized, etc.) Fairview is not responsible for the care of your pet in these instances.
- Except for guide dogs, pets are generally prohibited from any food or pool areas.
- Any pet that is deemed a nuisance (barking, roaming through the neighborhood, destroying landscaping, etc.) will not be allowed to remain at Fairview. There will be warnings given before this is required.
- All dogs are required to be under owner's control on the Fairview campus.
- One is required to pick up after their pet.
- Safety is a priority. Any pet that attacks or causes harm to any other person or pet will be subject to removal from the community and animal control/law enforcement may be contacted.
- Any and all damages resulting from pets in the interior or exterior of your home or any one's home will be charged to you.

If a resident at Fairview is determined to be unable to care for a pet, management reserves the right to remove the pet from the home.

Pool

The heated seasonal pool is provided as an amenity for the CCRC residents of Thames Edge and Fellowship Manor. Fellowship Manor renters may also purchase the upgrade. It is available for use by residents and their guests. There are no lifeguards on duty- please exercise good judgment when using the pool and follow all safety requirements and posted information.

Privacy Practices

Privacy Practices describes how health information about you may be used and disclosed, and how you can get access to this information. Review this section carefully. The confidentiality of your health information is important to us. In accordance with the Health Insurance Portability and

Accountability Act (HIPAA) and The Code of Federal Regulations (CFR), Thames Edge at Fairview/Fairview is required to maintain the privacy of your health information. Thames Edge at Fairview/Fairview is also required to give this Notice about our Privacy Practices, and our legal duties and your rights concerning your health information. Fairview collects and maintains records on your condition and health while you are a resident. Typically, this record contains your symptoms, examinations and test results, treatment, medications, assessment, nurses' notes, activities, dietary and care plan for future progress. This information, often referred to as your chart, health or medical record, serves as a: Basis for planning your care and treatment, Means of communication among the many health professionals who contribute to your care, Legal document describing the care you received, Means by which you or a third-party payer can verify that services billed were actually provided, Tool in educating health professionals, Source of data for medical records, Source of information for public health officials charged with improving the



health of this Commonwealth and the nation, Source of data for Facility planning and marketing, Tool with which we can assess and continually work to improve the care we render and the outcomes we achieve. Understand what is in your record and how your health information is used helps you to: ensure its accuracy; better understand who, what, when, where and why others may access your health information, and make more informed decisions when authorizing disclosure to others.

Sanitation in the Home

The safety of our residents is paramount. Homes that contain major sanitation problems (excessive unwashed items, excessive hoarding, unsanitary conditions from pets, etc.) will, at management's discretion require intervention depending on the problem. If issues persist, and the problems pose an immediate health or safety problem to the resident or staff, management reserves the right to exercise portions of the contract that relate to termination of the contract.

Smoking

Smoking is not permitted **anywhere** on the Fairview campus including the **interior of the homes** and all common spaces and buildings. This applies to all visitors.

Solicitation

Solicitation or the posting of flyers anywhere on the campus without prior approval is prohibited.

Tenant Insurance

Although there is insurance to cover the homes, this insurance does not extend to personal items in the home. Residents of Fairview are strongly encouraged to obtain a tenant or renters policy for the personal contents of the home. Fairview is not responsible for the theft or loss of resident possessions.

Transportation

Transportation details and fees are listed on the fee schedule for additional services sheet. See Independent Living Coordinator for more details.

Trash Collection/Recycling

Trash collection will be provided. At move-in, a schedule for pick up and also what is acceptable/not acceptable for recycling will be provided. Please put your trash & recycling out by 5:00am on Monday mornings or the night before. Trash will be picked up every Monday and recycling will be picked up every other Monday.

Future Modification of Community Rules - The management at Fairview reserves the right to modify the community rules at any point.

Enforcement of Community Rules – The management at Fairview reserves the right to enforce violations of the community rules based on their sole discretion. Potential consequences may include fines, suspended privileges and/or termination of CCRC contract.

For specific questions please contact Independent Living Coordinator at 860.445.7478 x1443



Services Directory

Fairview Phone Number 860.445.7478

**For emergency maintenance issues after hours and on the weekends
860-772-7727**

Department	Phone Extension
Independent Living Coordinator	1443
Business Office/Accounts Receivables	1415
Housekeeping	1419
Maintenance	1414
Fairview Receptionist	1446

Staff Directory

Name	Title	Phone Extension
Dayna Brown	Independent Living Coordinator	1443
Billy Nelson	CEO	1504
Elizabeth Weeks	Director of Independent Living	1441
Liisa Livingston	Chief Financial Officer	1412
Jay Gigliotti	Director of Project Management	1414
Kelly Gigliotti	Director of Nursing Services	1418
Joel Little	Director of Dining Services	1421
Denise Brentson	Admissions Coordinator	1440
Lisa Valentine	Business Office Coordinator/Accounts Receivables	1415
Jadin Murphy	Director of Social Services	1501



SCHEDULE B

ADDITIONAL SERVICE FEES

Current Fees*

Standard Scheduled Cleaning \$40 per hour or \$25 per half hour
(We supply cleaning products)

Laundry \$10.00 per load

Maintenance *(personal projects)* \$50 per hour or \$30 per half hour

Transportation Included for facility organized recreational activities

Current Fairview SNF Private Room Rate: \$640/day

Current Fairview SNF Semi-Private Room Rate: \$570/day

*Fee schedule may change periodically

Effective 10/1/2024



SCHEDULE C

FEES

Plan selected:

_____ 50% Refundable Plan _____ 70% Refundable Plan
_____ Declining Balance Plan

Entrance Fee: \$

 Deposit: \$

 Balance: \$

Capital Reserve Fee:

 First Person: \$

 Second Person: \$

Monthly Fee:

First Person: \$

Second Person: \$



SCHEDULE D

FINANCIAL PLAN DESCRIPTIONS AND PRICING

Fairview is currently offering three plan types to new residents at Thames Edge and Fellowship Manor:

70% Refundable Plan, 50% Refundable Plan and the Declining Balance Plan. The Declining Balance Plan is only available under certain conditions and upon approval by the Executive Director and Chief Financial Officer of the Organization.

50% Refund Plan: Fully refundable during the first ninety (90) days following occupancy. Reverts to 50% refundable thereafter.

70% Refund Plan: Fully refundable during the first ninety (90) days following occupancy. Reverts to 70% refundable thereafter.

Declining Balance: The plan amortizes 10% upon occupancy, followed by a 2.0% reduction for each month of occupancy thereafter for up to forty-five (45) months, at which point the Entrance Fee is no longer refundable.



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Thames Edge Entrance Fee Plans

			70%		50%	
			Refundable Plan		Refundable Plan	
HOME TYPE		SQ FEET	ENTRANCE FEE	MONTHLY FEE **	ENTRANCE FEE	MONTHLY FEE **
A	3	1,142	\$550,000	\$3,512	\$500,000	\$3,863
AA	3	1,142	\$525,000	\$3,193	\$475,000	\$3,512
AAW	3	1,992	\$600,000	\$3,370	\$550,000	\$3,707
B	4	1,532	\$600,000	\$3,831	\$550,000	\$4,214
BB	6	1,519	\$550,000	\$3,406	\$500,000	\$3,747
CC	3	1,779	\$650,000	\$3,654	\$600,000	\$4,019
CC by clubhouse	1	1,779	\$600,000	\$3,447	\$550,000	\$3,792
Lower level A	1	1,202	\$650,000	\$2,448	\$600,000	\$2,693
Lower level B	1	1,508	\$725,000	\$2,569	\$675,000	\$2,826
Lower level BW	2	2,472	\$750,000	\$2,812	\$700,000	\$3,093
Lower level C	1	3,106	\$800,000	\$2,812	\$750,000	\$3,093
Lower level BB	2	2,492	\$750,000	\$2,630	\$700,000	\$2,893
Lower level CC	2	3,101	\$800,000	\$2,812	\$750,000	\$3,093
Lowerlevel QBB	4	2,492	\$750,000	\$2,630	\$700,000	\$2,893
Lower level QA	2	1,291	\$650,000	\$2,283	\$600,000	\$2,511
Lower Level QB	2	1,511	\$725,000	\$2,569	\$675,000	\$2826

Second person Entrance fee: \$10,000

Second person monthly fee: \$1,000

Capital reserve fee: 1st person, \$7,500; 2nd person, \$2,500 (one-time only)



FAIRVIEW
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Thames Edge Entrance Fee Plan

			Declining Balance Plan	
HOME TYPE		SQ FEET	ENTRANCE FEE	MONTHLY FEE **
A	3	1,142	\$425,000	\$4,039
AA	3	1,142	\$400,000	\$3,672
AAW	3	1,992	\$475,000	\$3,876
B	4	1,532	\$475,000	\$4,406
BB	6	1,519	\$425,000	\$3,916
CC	3	1,779	\$525,000	\$3,964
CC by clubhouse	1	1,779	\$475,000	\$3,604
Lower level A	1	1,202	\$525,000	\$2,815
Lower level B	1	1,508	\$600,000	\$2,954
Lower level BW	2	2,472	\$625,000	\$3,233
Lower level C	1	3,106	\$675,000	\$3,025
Lower level BB	2	2,492	\$625,000	\$3,233
Lower level CC	2	3,101	\$675,000	\$3,233
Lower level QBB	4	2,492	\$625,000	\$2,625
Lower level QA	2	1,291	\$525,000	\$2,954
Lower Level QB	2	1,511	\$600,000	\$3,025

Second person Entrance fee: \$10,000

Second person monthly fee: \$1,000

Capital reserve fee: 1st person, \$7,500; 2nd person, \$2,500 (one-time only)



Fellowship Manor Entrance Fee Plans

				70% Refundable Plan		50% Refundable Plan	
HOME TYPE	QTY	BR	SQ FT	ENTRANCE FEE	MONTHLY FEE**	ENTRANCE FEE	MONTHLY FEE**
A	3	1	578	\$300,000	\$1,430	\$280,000	\$1,650
B	3	1	689	\$400,000	\$1,540	\$370,000	\$1,760
C	3	1	681	\$400,000	\$1,540	\$370,000	\$1,760
D	3	1	674	\$375,000	\$1,430	\$350,000	\$1,650
E	3	2	869	\$450,000	\$2,200	\$415,000	\$2,530
F	3	1	904	\$400,000	\$1,760	\$370,000	\$2,090
G	2	2	1067	\$500,000	\$2,420	\$440,000	\$2,750

Second person Entrance fee: \$0

Second person Monthly fee: \$500

Capital reserve fee: 1st person, \$5,000; 2nd person, \$0 (one-time only)



SCHEDULE E

UPGRADE OPTIONS

See below itemized list of upgrade options selected:



EXHIBIT B

AUDITED FINANCIAL STATEMENTS

Note: Fiscal Year Ends September 30

ODD FELLOWS HEALTHCARE, INC. AND SUBSIDIARIES

**CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

**AS OF AND FOR THE YEARS ENDED
SEPTEMBER 30, 2023 AND 2022**

ODD FELLOWS HEALTHCARE, INC. AND SUBSIDIARIES

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Odd Fellows Healthcare, Inc. and Subsidiaries

Opinion

We have audited the consolidated financial statements of Odd Fellows Healthcare, Inc. and Subsidiaries (the Organization), which comprise the consolidated statement of financial position as of September 30, 2023, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Odd Fellows Healthcare, Inc. and Subsidiaries as of September 30, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of Odd Fellows Healthcare, Inc. and Subsidiaries and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Prior Period Consolidated Financial Statements

The consolidated financial statements of the Organization as of September 30, 2022, were audited by other auditors whose report dated January 25, 2023, expressed an unmodified opinion on those statements.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Supplementary Information

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

Marum LLP

Hartford, CT
January 25, 2024

ODD FELLOWS HEALTHCARE, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

SEPTEMBER 30, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
Assets		
Current Assets		
Cash and cash equivalents	\$ 2,315,893	\$ 2,956,678
Restricted cash	--	2,800,000
Accounts receivable, net	789,376	845,349
Prepaid expenses	<u>152,451</u>	<u>176,073</u>
Total Current Assets	<u>3,257,720</u>	<u>6,778,100</u>
Property and Equipment, net	<u>24,424,179</u>	<u>25,816,718</u>
Other Assets		
Deposit held by others	--	90,978
Investments	498,374	439,973
Interest rate swap benefits	954,285	710,297
Beneficial interest in perpetual trust	<u>68,336</u>	<u>63,403</u>
Total Other Assets	<u>1,520,995</u>	<u>1,304,651</u>
Total Assets	<u>\$ 29,202,894</u>	<u>\$ 33,899,469</u>

The accompanying notes are an integral part of these consolidated financial statements.

ODD FELLOWS HEALTHCARE, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONTINUED)

SEPTEMBER 30, 2023 AND 2022

	2023	2022
Liabilities and Net Assets		
Current Liabilities		
Current maturities of long-term debt	\$ 385,000	\$ 365,000
Current maturities of notes payable	142,242	142,107
Current maturities of capital lease obligations	--	8,268
Line of credit	--	2,797,953
Accounts payable and other accrued expenses	938,899	1,528,831
Unearned revenue	144,437	136,677
Total Current Liabilities	1,610,578	4,978,836
Long-Term Liabilities		
Long-term debt, net of current portion	16,156,612	16,528,028
Note payables, net of current portion	48,042	190,290
Capital lease obligations, net of current portion	--	882
Entrance fees refunds payable	9,343,145	9,383,678
Nonrefundable deferred fees	1,668,874	1,231,326
Total Long-Term Liabilities	27,216,673	27,334,204
Total Liabilities	28,827,251	32,313,040
Net Assets		
Without donor restrictions	99,526	1,230,552
With donor restrictions	276,117	355,877
Total Net Assets	375,643	1,586,429
Total Liabilities and Net Assets	\$ 29,202,894	\$ 33,899,469

The accompanying notes are an integral part of these consolidated financial statements.

ODD FELLOWS HEALTHCARE, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED SEPTEMBER 30, 2023 AND 2022

	2023	2022
Operating Revenue		
Resident revenues	\$ 12,972,391	\$ 12,275,327
Resident service fees	1,133,816	1,044,941
Rental income and fees	426,250	434,003
Amortization of deferred revenue from entrance fees	314,485	195,117
Contributions	133,615	127,336
Dining income	61,424	48,561
Miscellaneous income	74,164	50,534
Interest and investment income, net	14,409	4,964
Net assets released from restriction	131,062	6,603
Total Operating Revenues	15,261,616	14,187,386
Operating Expenses		
Program	11,952,716	11,161,743
Management and general	4,542,065	4,300,469
Fundraising	179,012	170,274
Total Operating Expenses	16,673,793	15,632,486
Operating Income (Loss)	(1,412,177)	(1,445,100)
Nonoperating Income (Expense)		
Net realized and unrealized gain (losses) on investments	37,163	(42,289)
Net assets released from restriction for capital	--	220,132
Change in interest rate swap obligations	243,988	1,615,409
Total Nonoperating Income, net	281,151	1,793,252
Change in Net Assets Without Donor Restrictions	(1,131,026)	348,152

The accompanying notes are an integral part of these consolidated financial statements.

ODD FELLOWS HEALTHCARE, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF ACTIVITIES (CONTINUED)

FOR THE YEARS ENDED SEPTEMBER 30, 2023 AND 2022

	2023	2022
Net Assets With Donor Restrictions		
Interest and investment income, net	\$ 233	\$ 4,659
Contributions	37,429	111,849
Net realized and unrealized gain (losses) on investments	8,707	(30,396)
Change in value of beneficial interest in Perpetual Trust	4,933	(18,058)
Net assets released from restriction	<u>(131,062)</u>	<u>(226,735)</u>
Change in Net Assets With Donor Restrictions	<u>(79,760)</u>	<u>(158,681)</u>
Change in Net Assets	(1,210,786)	189,471
Net Assets - Beginning of year	<u>1,586,429</u>	<u>1,396,958</u>
Net Assets - End of year	<u>\$ 375,643</u>	<u>\$ 1,586,429</u>

The accompanying notes are an integral part of these consolidated financial statements.

ODD FELLOWS HEALTHCARE, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES

FOR THE YEARS ENDED SEPTEMBER 30, 2023 AND 2022

	2023			
	Program Services	Management and General	Fundraising	Total
Salaries and wages	\$ 6,979,148	\$ 400,732	\$ 97,419	\$ 7,477,299
Employee benefits	1,278,328	121,830	15,737	1,415,895
Depreciation and amortization	--	1,789,191	--	1,789,191
Purchased services	74,523	57,981	--	132,504
Other	1,714,246	1,155,669	65,461	2,935,376
Interest	--	776,742	--	776,742
Supplies and drugs	613,426	39,442	395	653,263
Provider tax	649,475	--	--	649,475
Utilities	279,587	200,478	--	480,065
Food services	363,983	--	--	363,983
	<u>\$ 11,952,716</u>	<u>\$ 4,542,065</u>	<u>\$ 179,012</u>	<u>\$ 16,673,793</u>
	2022			
	Program Services	Management and General	Fundraising	Total
Salaries and wages	\$ 6,847,051	\$ 384,505	\$ 112,273	\$ 7,343,829
Employee benefits	1,050,765	174,630	21,559	1,246,954
Depreciation and amortization	--	1,809,832	--	1,809,832
Purchased services	89,486	38,955	--	128,441
Other	1,295,542	902,991	36,442	2,234,975
Interest	--	764,118	--	764,118
Supplies and drugs	605,878	63,546	--	669,424
Provider tax	657,303	--	--	657,303
Utilities	285,922	161,892	--	447,814
Food services	329,796	--	--	329,796
	<u>\$ 11,161,743</u>	<u>\$ 4,300,469</u>	<u>\$ 170,274</u>	<u>\$ 15,632,486</u>

The accompanying notes are an integral part of these consolidated financial statements.

ODD FELLOWS HEALTHCARE, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED SEPTEMBER 30, 2023 AND 2022

	2023	2022
Cash Flow from Operating Activities		
Change in net assets	\$ (1,210,786)	\$ 189,471
Adjustments to reconcile net income to net cash provided by operating activities:		
Proceeds from entrance fees, net	711,500	8,349
Depreciation and amortization	1,789,191	1,809,832
Provision for bad debts (recoveries)	(20,721)	(11,078)
Net realized and unrealized investment (gains) losses	(45,870)	72,685
Change in value of beneficial interest in perpetual trust	(4,933)	18,058
Amortization of deferred revenue from entrance fees	(314,485)	(195,117)
Amortization of deferred financing costs	13,582	13,581
Change in interest rate swap obligations	(243,988)	(1,615,409)
Changes in operating assets and liabilities:		
Accounts receivable	76,694	(80,845)
Prepaid expenses	23,622	10,029
Deposit held by others	90,978	(75,815)
Supplies inventory	--	8,127
Accounts payable and other accrued expenses	(589,932)	(55,309)
Deferred revenue	7,760	(16,578)
Net Cash Provided by Operating Activities	282,612	79,981
Cash Flow from Investing Activities		
Purchases of property and equipment	(396,652)	(611,175)
Purchases of investments	(12,531)	(256,533)
Sales of investments	--	2,500
Net Cash Used in Investing Activities	(409,183)	(865,208)
Cash Flow from Financing Activities		
Repayment of line of credit	(2,797,953)	--
Repayment of long-term debt	(365,000)	(375,000)
Repayment of note payable	(142,111)	(152,511)
Repayment of capital lease obligations	(9,150)	(10,689)
Net Cash Used in Financing Activities	(3,314,214)	(538,200)
Net Change in Cash and Cash Equivalents	(3,440,785)	(1,323,427)
Cash and Cash Equivalents - Beginning	5,756,678	7,080,105
Cash and Cash Equivalents - Ending	\$ 2,315,893	\$ 5,756,678

The accompanying notes are an integral part of these consolidated financial statements.

ODD FELLOWS HEALTHCARE, INC. AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2023 AND 2022

NOTE 1 - NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

ORGANIZATION

Odd Fellows Healthcare, Inc. (Healthcare) is a Connecticut nonstock corporation formed in 2007 to provide management services to Odd Fellows Home of Connecticut, Inc. Healthcare is the sole member of the Odd Fellows Home of Connecticut, Inc. (Home), a Connecticut nonstock corporation incorporated in 1893, and Odd Fellows Faith, Hope, and Charity Fund, Inc. (Faith), a Connecticut nonstock corporation formed in 2007. Collectively, Healthcare, Home, and Faith are referred to as the Organization in the notes that follow. The mission of the Home is to provide residents with nursing care, rehabilitation services and senior housing.

The Home operates under three trade names, Fellowship Manor, Thames Edge and Fairview. Fellowship Manor consists of a 24-unit congregate housing project for the elderly, of which 20 units that represent continuing care retirement community (CCRC) units. Thames Edge includes a community building and 40 CCRC units. Fairview is a 100-bed skilled nursing home.

BASIS OF ACCOUNTING AND PRESENTATION

The accompanying consolidated financial statements include Healthcare, Home, and Faith. All intercompany balances and transactions have been eliminated in consolidation. The consolidated financial statements of the Organization have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). Accordingly, the accounts of the Organization are reported in the following net asset categories:

Net Assets Without Donor Restrictions - Net assets without donor restrictions represent available resources other than donor-restricted contributions. These resources may be expended at the discretion of the board of directors.

Net Assets With Donor Restrictions - Net assets with donor restrictions represent contributions that are restricted by the donor as to purpose or time of expenditure, contributions that require that the principal be maintained in perpetuity but permit the Organization to expend the income earned thereon, and the accumulated investment income and gains on donor-restricted endowment assets that have not been appropriated for expenditure. Net assets restricted in which the principal is restricted in perpetuity include the Organization's proportionate share of a beneficial interest in a perpetual trust, for which the Organization is an income beneficiary.

ODD FELLOWS HEALTHCARE, INC. AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2023 AND 2022

NOTE 1 - NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

OPERATIONS

The consolidated statements of activities report the change in net assets from operating and nonoperating activities. Operating revenues consist of those items attributable to the Organization's healthcare and senior living services, investment income, unrestricted grants, and contributions. Realized and unrealized gains and losses on the investments without donor restrictions and with donor restrictions are reported as nonoperating revenue. Contributions from donors with restrictions are reported as nonoperating revenue. All recurring fundraising expenses are included in operating expenses.

OPERATING INCOME (LOSS)

The statements of activities include operating income (loss) as an intermediate measure of performance. Changes in net assets which are excluded from this operating measure, include assets acquired using contributions which by donor restriction were to be used for purposes of acquiring such assets, changes in interest rate swap obligations and realized and unrealized gains and losses on investments.

USE OF ESTIMATES

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. It is management's opinion that the estimates applied in the accompanying consolidated financial statements are reasonable.

CASH, CASH EQUIVALENTS, AND RESTRICTED CASH

Cash equivalents are defined as highly liquid investments with original maturities of 90 days or less exclusive of cash held by brokers. Included in cash and cash equivalents are residents' personal funds of \$47,030 and \$46,554 at September 30, 2023 and 2022, respectively. The Organization maintains deposits in financial institutions that may, at times, exceed federal depository insurance limits. Management believes that the Organization's deposits are not subject to significant credit risk. The Organization has suffered no losses in connection with its banking activity.

ODD FELLOWS HEALTHCARE, INC. AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2023 AND 2022

NOTE 1 - NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ACCOUNTS RECEIVABLE

Accounts receivable are considered delinquent and written off when all attempts to collect from individuals or other payor sources have been exhausted. Accounts receivable from entrance fees are recognized upon receipt of a signed continuing care agreement by residents of Thames Edge. Management maintains an allowance for doubtful accounts that is based on a review of significant balances and past experience. Accounts receivable are net of an allowance for doubtful accounts of \$18,550 and \$75,003 at September 30, 2023 and 2022, respectively.

INVESTMENT VALUATION AND INCOME RECOGNITION

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 3 for a discussion of fair value measurements.

Purchases and sales of securities are recorded on the trade date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net realized and unrealized gains (losses) on investments includes the Organization's gains and losses on investments bought and sold as well as held during the year. These amounts are reported in the consolidated statements of activities as increases or decreases in net assets without donor restrictions or net assets with donor restrictions as appropriate based on any donor stipulations or law.

BENEFICIAL INTEREST IN PERPETUAL TRUST

The Organization retains a beneficial interest in a trust established by a donor and held by a third party. Under this arrangement, the Organization receives investment income from the trust in perpetuity but does not have access to the principal. The beneficial interest is carried at the present value of estimated future receipts from the trust, which is measured by the fair market value of the assets in the trust. Changes in the carrying amount of the beneficial interest are recognized as increases or decreases in net assets with donor restrictions.

ODD FELLOWS HEALTHCARE, INC. AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2023 AND 2022

NOTE 1 - NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

PROPERTY AND EQUIPMENT

Repairs and maintenance are charged to expense as incurred. Property and equipment acquisitions and improvements, or groups of improvements, thereon that exceed \$1,000 are capitalized at cost and depreciated on a straight-line basis over their estimated useful lives as follows:

Building and building improvements	7 to 40 years
Land improvements	8 to 30 years
Movable equipment	3 to 20 years
Nonmovable equipment	5 to 20 years
Transportation equipment	3 to 5 years

CONTRIBUTIONS

Unconditional contributions are recognized when received, as applicable, and are considered to be available for unrestricted use unless specifically restricted by the donor. The Organization reports contributions as donor-restricted support if they are received with donor stipulations that limit their use. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions.

REVENUE RECOGNITION

The Organization recognizes revenue at an amount that reflects the consideration to which the Organization expects to be entitled in exchange for transferring goods or services to its customers using the following five-step process:

1. Identify the contract(s) with the customer
2. Identify the performance obligation(s) in the contract
3. Determine the transaction price
4. Allocate the transaction price to performance obligations in the contract
5. Recognize revenue when (or as) the organization satisfies a performance obligation

See Note 6 for details on how the above five-step process is applied to the Organization's contracts with customers.

ODD FELLOWS HEALTHCARE, INC. AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2023 AND 2022

NOTE 1 - NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

OPERATING RESERVE

The State of Connecticut Department of Social Services (DSS) monitors Connecticut retirement communities and their compliance with existing state regulations. Among other things, DSS requires that retirement communities maintain an operating reserve equal to approximately one month's cash operating costs. The Organization maintained an adequate operating reserve as of September 30, 2023 and 2022.

FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing various programs and other activities have been reported on a functional basis in the consolidated statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Such allocations are determined by management on an equitable basis.

INCOME TAXES

Healthcare, Home, and Faith are exempt from federal and state income taxes as public charities under Section 501(c)(3) of the Internal Revenue Code.

The Organization accounts for uncertainty in income tax positions by applying a recognition threshold and measurement attribute for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. Management has analyzed the tax positions taken and has concluded that as of September 30, 2023 and 2022, there are no tax positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods pending or in progress.

RISKS AND UNCERTAINTIES

Investment securities are exposed to various risks, such as interest rate, market, and credit risk. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in risk in the near term could materially affect the amounts reported in the consolidated statements of financial position and activities.

ODD FELLOWS HEALTHCARE, INC. AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2023 AND 2022

NOTE 1 - NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

SUBSEQUENT EVENTS

In preparing these consolidated financial statements, management has evaluated subsequent events through January 25, 2024, which represents the date the consolidated financial statements were available to be issued. Except as discussed in Note 18, there were no subsequent events that require recognition or disclosure in these financial statements.

NEW ACCOUNTING PRONOUNCEMENT

Effective October 1, 2022, the Organization adopted Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 842, Leases (ASC 842). The Organization determines if an arrangement contains a lease at inception based on whether the Organization has the right to control the asset during the contract period and other facts and circumstances. The Organization elected the package of practical expedients permitted under the transition guidance within the new standard, which among other things, allowed it to carry forward the historical lease classification. Adoption of the standard did not have a material effect on the financial statements

NOTE 2 - CASH, CASH EQUIVALENTS, AND RESTRICTED CASH

The following table provides a reconciliation of cash, cash equivalents and restricted cash reported within the consolidated statements of financial position that sum to the total of the same such amounts shown in the consolidated statements of cash flows.

	2023	2022
Cash and cash equivalents	\$ 2,315,893	\$ 2,956,678
Restricted cash	<u> --</u>	<u>2,800,000</u>
	<u>\$ 2,315,893</u>	<u>\$ 5,756,678</u>

Restricted cash on the consolidated statements of financial position represented amounts pledged for collateral for the line of credit as contractually required by the related agreement. The restriction lapsed when the related line of credit was paid off.

ODD FELLOWS HEALTHCARE, INC. AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2023 AND 2022

NOTE 3 - FAIR VALUE MEASUREMENTS

Generally accepted accounting principles establish a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy are described below:

Level 1 - Quoted market prices (unadjusted) in active markets for identical assets or liabilities that McLean has the ability to access at the measurement date.

Level 2 - Inputs and information other than quoted market indices included in Level 1 that are observable for the asset or liability, either directly or indirectly, and the Organization has the ability to redeem the asset or liability in the near term subsequent to the measurement date.

Level 3 - Unobservable inputs are used to measure the fair value to the extent that observable inputs are not available, and the Organization does not have the ability to redeem the asset or liability in the near term subsequent to the measurement date.

The asset's or liability'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.

The following is a description of the valuation methodologies and investment strategies used for assets measured at fair value:

Mutual Funds and Exchange Traded Products - Mutual funds and exchange traded products are valued at the closing price reported in the active market in which the individual securities are traded.

Beneficial Interest in Perpetual Trusts - Beneficial interests in perpetual trusts held by third parties are valued at the present value of the future distributions expected to be received over the term of the agreement, which is measured by the fair values of the underlying assets. The Organization cannot access assets in the trust.

ODD FELLOWS HEALTHCARE, INC. AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2023 AND 2022

NOTE 3 - FAIR VALUE MEASUREMENTS (CONTINUED)

Interest Rate Swaps - Interest rate swaps are valued using both observable and unobservable inputs, such as quotations received from the counterparty, dealers, or brokers, whenever available and considered reliable. In instances where models are used, the value of the interest rate swap depends upon the contractual terms of, and specific risks inherent in, the instrument as well as the availability and reliability of observable inputs. Such inputs include market prices for reference securities, yield curves, credit curves, measures of volatility, prepayment rates, assumptions for nonperformance risk, and correlations of such inputs. Interest rate swap agreements have inputs that can generally be corroborated by market data and are therefore classified as Level 2.

There have been no changes in the methodologies used at September 30, 2023 and 2022.

The following tables set forth by level, within the fair value hierarchy, the Organization's assets and liabilities at fair value as of September 30:

	2023			
	Total	Level 1	Level 2	Level 3
Mutual Funds				
Money Market	\$ 7,242	\$ 7,242	\$ --	\$ --
Equities	311,761	311,761	--	--
Fixed Income	126,996	126,996	--	--
Exchange Traded Products				
Equity	39,662	39,662	--	--
Fixed income	<u>12,713</u>	<u>12,713</u>	<u>--</u>	<u>--</u>
	498,374	498,374	--	--
Beneficial Interest in				
Perpetual Trust	68,336	--	--	68,336
Interest Rate Swap				
Benefits	<u>954,285</u>	<u>--</u>	<u>954,285</u>	<u>--</u>
Total Assets	<u>\$ 1,520,995</u>	<u>\$ 498,374</u>	<u>\$ 954,285</u>	<u>\$ 68,336</u>

ODD FELLOWS HEALTHCARE, INC. AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2023 AND 2022

NOTE 3 - FAIR VALUE MEASUREMENTS (CONTINUED)

	2022			
	Total	Level 1	Level 2	Level 3
Mutual Funds				
Money Market	\$ 7,736	\$ 7,736	\$ --	\$ --
Equities	246,456	246,456	--	--
Fixed Income	122,321	122,321	--	--
Exchange Traded Products				
Equity	50,909	50,909	--	--
Fixed income	12,551	12,551	--	--
	<u>439,973</u>	<u>439,973</u>	--	--
Beneficial Interest in Perpetual Trust	63,403	--	--	63,403
Interest Rate Swap Benefits	710,297	--	710,297	--
Total Assets	<u>\$ 1,213,673</u>	<u>\$ 439,973</u>	<u>\$ 710,297</u>	<u>\$ 63,403</u>

ASSETS MEASURED AT FAIR VALUE USING SIGNIFICANT UNOBSERVABLE INPUTS (LEVEL 3)

The following table presents information about significant unobservable inputs related to the Organization's investment in Level 3 assets at September 30, 2023 and 2022:

Type	Fair Value		Valuation Techniques	Significant Unobservable Inputs
	2023	2022		
Beneficial Interest in Perpetual Trusts	\$ 68,336	\$ 63,403	FMV or Trust Investments	Value of Underlying Investments

Gains and losses (realized and unrealized) included in changes in net assets for the years ended September 30, 2023 and 2022 are reported in net realized and unrealized gains (losses) on investments in the consolidated statements of activities.

ODD FELLOWS HEALTHCARE, INC. AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2023 AND 2022

NOTE 3 - FAIR VALUE MEASUREMENTS (CONTINUED)

The following table presents information regarding changes in the Organization's investment in Level 3 assets for the years ending September 30, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Beneficial Interest in Perpetual Trusts		
Balance at beginning of year	\$ 63,403	\$ 81,461
Change in fair value	<u>4,933</u>	<u>(18,058)</u>
Total Assets	<u>\$ 68,336</u>	<u>\$ 63,403</u>

NOTE 4 - PROPERTY AND EQUIPMENT

Property and equipment at cost consists of the following as of September 30:

	<u>2023</u>	<u>2022</u>
Land	\$ 2,284,616	\$ 2,184,000
Land improvements	3,156,125	3,261,410
Buildings and building improvements	41,542,569	40,953,786
Transportation equipment	137,993	137,993
Nonmovable equipment	982,412	968,219
Moveable equipment	<u>2,084,188</u>	<u>2,431,341</u>
	50,187,903	49,936,749
Less accumulated depreciation	<u>26,283,649</u>	<u>24,905,379</u>
	23,904,254	25,031,370
Construction in progress and deposits	<u>519,925</u>	<u>785,348</u>
	<u>\$ 24,424,179</u>	<u>\$ 25,816,718</u>

Depreciation and amortization expense was \$1,789,191 and \$1,809,832 for the years ended September 30, 2023 and 2022, respectively.

ODD FELLOWS HEALTHCARE, INC. AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2023 AND 2022

NOTE 5 - REVENUE FROM CONTRACTS WITH CUSTOMERS

REVENUE

Resident service fees and resident revenue are reported at the amount that reflects the consideration the Organization expects to receive in exchange for the services provided. These amounts are due from residents or third-party payers. Performance obligations are determined based on the nature of the services provided. Resident service fees and resident revenue are recognized as performance obligations are satisfied. The Organization recognizes revenue in accordance with the provisions of ASC 606, Revenue from Contracts with Customers (ASC 606).

PERFORMANCE OBLIGATIONS

At contract inception, the Organization assesses the goods and services promised in its contracts with customers and identifies a performance obligation for each promise to transfer to the customer a good or service (or bundle of goods or services) that is distinct. To identify the performance obligations, the Organization considers all of the goods or services promised in the contract regardless of whether they are explicitly stated or implied by customary business practices. The Organization determines that the following distinct goods and services represent separate performance obligations:

- Resident Revenues
- Resident Service Fees
- Other Income

The Organization's specific revenue recognition policies and performance obligations are as follows:

RESIDENT REVENUES

The Organization recognizes resident revenues at estimated net realizable amounts from patients, third-party payors and others for services rendered on a per diem basis. Rates charged for resident services rendered, other than private-pay patients and third-party payors, are regulated by Medicare and Medicaid. Revenue under certain third-party payor agreements is subject to audit and retroactive adjustment. Provisions for estimated third-party payor settlements are provided in the period the related services are rendered. Differences between the estimated amounts accrued and interim and final settlements are reported in operations in the year of settlement. Changes in estimates of prior year settlements were not significant in 2023 or 2022. Management believes that all applicable government reimbursement principles have been properly applied and that no material adjustments will occur as a result of an audit.

ODD FELLOWS HEALTHCARE, INC. AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2023 AND 2022

NOTE 5 - REVENUE FROM CONTRACTS WITH CUSTOMERS (CONTINUED)

RESIDENT REVENUES (CONTINUED)

Laws and regulations governing Medicare and Medicaid programs are complex and subject to interpretation. Management believes that the Organization is in compliance with the licensure, accreditations, government healthcare program participation requirements and other Medicaid fraud and abuse legislation, and with other government regulatory and statutory laws and provisions. While no material regulatory inquiries have been initiated by government agencies, compliance with such laws and regulations can be subject to future government review and can lead to other new statutory and regulatory interpretations, as well as other regulatory actions unknown or unasserted at this time.

RESIDENT SERVICE FEES

Under the Organization's independent living agreements, the Organization provides senior living services to residents for a stated monthly service fee. Resident agreements are for a term of 30 days, with options. Revenue is recognized on a monthly basis upon the provision of the related service.

The Organization's independent living agreements require the resident to pay an upfront entrance fee prior to moving into the community, which is partially refundable in certain circumstances. The nonrefundable portion of the entrance fee is recorded as deferred revenue and amortized over the estimated actuarial life of the resident. This amount is considered a contract liability under ASC 606. The refundable portion of a resident's entrance fee is recorded as a liability and refundable upon the resale and re-occupancy of the unit. The refundable portion of the fee is not amortized and is included in refundable entrance fees. The refundable portion of the entrance fees is not considered part of contract liabilities under ASC 606.

OTHER INCOME

Other income represents revenue from services from amenities and convenience services provided to residents and guests. This revenue is recognized on a daily basis upon the provision of the respective service.

ODD FELLOWS HEALTHCARE, INC. AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2023 AND 2022

NOTE 5 - REVENUE FROM CONTRACTS WITH CUSTOMERS (CONTINUED)

The Organization has elected the practical expedient under ASC 606 and does not adjust the promised amount of consideration from patients and third-party payers for the effects of a significant financing component due to the Organization's expectation that the period between the time the service is provided to a patient and the time that the patient or a third-party payor pays for that service will be one year or less. However, the Organization does, in certain instances, enter into payment agreements with residents that allow payments in excess of one year. For those cases, the financing component is not deemed to be significant to the contract.

The Organization has applied the practical expedient provided by FASB ASC 340-40-25-4 and all incremental customer contract acquisition costs are expensed as they are incurred, as the amortization period of the asset that the Organization otherwise would have recognized is one year or less in duration.

For the years ended September 30, 2023 and 2022, the Organization recognized revenue of \$14,106,207 and \$13,320,268, respectively, from goods and services that transfer to the customer over time as the goods and services are rendered.

The opening and closing contract balances are as follows:

Balance as of October 1, 2021	\$753,426
Balance as of September 30, 2022	\$845,349
Balance as of September 30, 2023	\$789,376

NOTE 6 - CONTINUING CARE AGREEMENTS

The Organization is currently offering three continuing care plan types to new residents at Thames Edge and Fellowship Manor. The declining balance plan is only available under certain conditions and upon approval by the Chief Executive Officer and Chief Financial Officer of the Organization. Some of the principal terms and conditions of the continuing care agreements are as follows:

50% Refund Plan – Entrance fee is fully refundable during the first ninety days of occupancy and 50% refundable thereafter.

70% Refund Plan - Entrance fee is fully refundable during the first ninety days of occupancy and 50% refundable thereafter.

ODD FELLOWS HEALTHCARE, INC. AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2023 AND 2022

NOTE 6 - CONTINUING CARE AGREEMENTS (CONTINUED)

Declining Balance Plan – Entrance fee amortizes 10% upon occupancy, followed by a 2.0% reduction for each month of occupancy thereafter for up to forty-five (45) months, at which point the entrance fee is no longer refundable.

In consideration for the resident's payment of an entrance fee, the Organization agrees to furnish to the resident a living unit in the residence complex for his or her personal use and occupancy for the balance of the resident's lifetime unless sooner terminated under the provisions of the agreement. Full payment of the entrance fee is obtained from the resident prior to occupancy. The entrance fee consists of a refundable and nonrefundable portion. The refundable portion varies depending upon which of the contract plans is selected. Under two of the continuing care agreements, amounts may be refundable after the living unit is reoccupied.

The Organization is party to certain legacy continuing care plan contracts which are structured similar to the above and provide for refunds between 50% and 95%. Some of these agreements also allow the resident to have the opportunity to participate in the appreciation of the sales prices of the units (defined as the price paid by the new occupant(s)) above the original entry fee amount, minus any upgrades, divided by one-half with the other half being retained by the Organization.

Nonrefundable portions of entrance fees are amortized into income over the residents' actuarially determined remaining life.

For the duration of the resident's lifetime or until termination of the agreement, the Organization agrees to furnish to the resident utilities, interior and exterior maintenance, an emergency call system, and access to the community clubhouse according to the terms and conditions specified in the residence agreement. In return, the resident agrees to pay the Organization a monthly residence fee. The monthly residence fee may be increased or decreased on 30 days' written notice.

The continuing care agreement also provides priority admission to the nursing home. Costs incurred in providing this care are paid for by residents first through their applicable insurance provider and then by the resident at a rate equivalent to 75% of the daily private pay skilled nursing facility rate for the first 120 days and 95% after 120 days, in addition to the monthly residence fee.

For the years ended September 30, 2023 and 2022, entrance fees of \$314,485 and \$195,117, respectively, were amortized into income and included on the consolidated statements of activities as amortization of deferred revenue from entrance fees.

ODD FELLOWS HEALTHCARE, INC. AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2023 AND 2022

NOTE 7 - LONG-TERM DEBT

On March 9, 2017, the Organization issued Connecticut Health and Educational Facilities Authority Series 2017 Bonds (the Series A Bonds) with an original principal balance of \$18,960,000. The Series A Bonds were direct placement tax-exempt bonds and were purchased by M&T Bank. The purpose of the financing was to (1) refinance the Organization's existing debt, and (2) reimburse the Organization for certain capital expenditures and increase its unrestricted cash and investment reserves.

The Series A Bonds are subject to an initial Mandatory Tender on March 1, 2027. The Mandatory Tender Date can be amended between M&T Bank and the Organization. The Series A Bonds are secured by a first mortgage on the property of the Organization and pledge of gross receipts and are subject to certain financial and nonfinancial covenants. On November 2, 2023, the Series A Bonds were refinanced as further discussed in Note 18.

At September 30, 2023 and 2022, the Organization had the following outstanding indebtedness:

	<u>2023</u>	<u>2022</u>
The Series A Bonds will bear interest at 70% of a 30-day SOFR plus 1.80% and will have a final maturity at March 1, 2047. The interest rate as of September 30, 2023 and 2022 was 5.59% and 3.59%, respectively. Payments are based on a 30-year amortization schedule. Principal and interest payments are due monthly starting on May 1, 2017. Payment amounts will be variable based on a set principal amount plus variable interest. As discussed in Note 9, a portion of the bond interest has been fixed through interest rate swaps.	<u>\$ 16,860,000</u>	<u>\$ 17,225,000</u>
Less current portion	(385,000)	(365,000)
Less unamortized deferred financing costs	<u>(318,388)</u>	<u>(331,972)</u>
	<u>\$ 16,156,612</u>	<u>\$ 16,528,028</u>

ODD FELLOWS HEALTHCARE, INC. AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2023 AND 2022

NOTE 7 - LONG-TERM DEBT (CONTINUED)

The aggregate annual maturities of long-term debt for fiscal years ending subsequent to September 30, 2023 are as follows:

For the Years Ending September 30,

2024	\$	385,000
2025		405,000
2026		425,000
2027		445,000
2028		475,000
Thereafter		<u>14,725,000</u>
	\$	<u>16,860,000</u>

NOTE 8 - NOTES PAYABLE

On January 27, 2020, the Organization entered into a term note with M&T Bank for \$700,000. The proceeds of the term note were used to fund the Organization's accrued pension liability and subsequently terminate the defined benefit pension plan during 2020. The note calls for monthly principal payments of \$11,667 plus interest, accruing at one-month Secured Overnight Financing Rate (SOFR) plus 3.25%, through February 2025. The interest rate at September 30, 2023 and 2022 was 8.74% and 6.40%, respectively. Certain financial and nonfinancial covenants were amended as a result of the new term note. The Organization believes it is in compliance with such covenants.

On April 22, 2022, the Organization entered into a loan with Chelsea Groton for \$6,575 to purchase an asset. The note calls for monthly payments of \$199 with interest accruing at 5.71%, through April 2025.

Future minimum payments under the agreements for the next five years are as follows:

For the Years Ending September 30,

2024	\$	142,242
2025		<u>48,048</u>
	\$	<u>190,290</u>

ODD FELLOWS HEALTHCARE, INC. AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2023 AND 2022

NOTE 9 - INTEREST RATE SWAP

In connection with the issuance of the Series A Bonds, the Organization entered into three swap agreements with M&T Bank with aggregate original notional amounts of \$17,064,000 to fix 90% of the variable rate discussed in Note 8. The remaining original principal amount of \$1,896,000 bears interest at the variable rate. The agreements meet the criteria necessary to qualify as an effective hedge, and the Organization has reflected the swap agreements in the accompanying consolidated statements of financial position as an asset of \$954,285 and \$710,297, respectively, representing the current market value based on the bank's floating interest rates in effect at September 30, 2023 and 2022, as compared to the fixed rate.

The resulting change in the fair value of the swap agreements of \$243,988 and \$1,615,409, respectively, for the years ended September 30, 2023 and 2022 is reflected in the accompanying consolidated statements of activities as change in interest swap obligations. The swap obligations are cross collateralized with the Series A Bonds.

The following is a summary of the interest rate swaps as of September 30, 2023:

	Principal Amount	Interest Rate	Spread	Hedged Rate	Swap Maturity
Fixed - 7 Year	\$ 3,383,000	1.68%	1.80%	3.48%	March 1, 2024
Fixed - 10 Year	5,074,500	1.80%	1.80%	3.60%	March 1, 2027
Fixed - 30 Year (1)	6,766,000	2.30%	1.80%	4.10%	March 1, 2047

The following is a summary of the interest rate swaps as of September 30, 2022:

	Principal Amount	Interest Rate	Spread	Hedged Rate	Swap Maturity
Fixed - 7 Year	\$ 3,456,000	1.68%	1.80%	3.48%	March 1, 2024
Fixed - 10 Year	5,184,000	1.80%	1.80%	3.60%	March 1, 2027
Fixed - 30 Year (1)	6,912,000	2.30%	1.80%	4.10%	March 1, 2047

(1) 30-Year Fixed Rate Swap is not callable for 10 years; however, the swap includes a cancelable option by the Organization beginning March 1, 2027.

As further discussed in Note 18, subsequent to September 30, 2023, the Organization refinanced the Series A Bonds and terminated the above swap agreements.

ODD FELLOWS HEALTHCARE, INC. AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2023 AND 2022

NOTE 10 - LINE OF CREDIT

The Organization entered into an Amended and Restated Daily Adjusting SOFR Revolving Line Note with M&T Bank on January 27, 2020, with a maximum principal balance of \$2,800,000. The Organization subsequently drew down proceeds of \$2,797,953. The proceeds of which were used to fund the Organization's accrued pension liability and subsequently terminate the defined benefit pension plan during 2020. The line was secured by a deposit account of the maximum amount held by the Organization at M&T Bank, which was classified as restricted cash on the consolidated statement of financial position at September 30, 2022. Advances on the M&T line of credit bore interest at one-month SOFR plus 2%. The M&T line of credit interest rate was 5.10% at September 30, 2022. Interest expense on the line of credit totaled \$37,981 and \$142,696 for the years ended September 30, 2023 and 2022, respectively. The line was terminated paid off and terminated during the year ending September 30, 2023.

NOTE 11 - LIQUIDITY AND AVAILABILITY OF RESOURCES

The Organization's financial assets as of September 30, 2023 and 2022 available within one year of the consolidated statements of financial position date for general expenditure are as follows:

	2023	2022
Cash and cash equivalents	\$ 2,315,893	\$ 2,956,678
Restricted cash	--	2,800,000
Investments	498,374	439,973
Accounts receivable, net	789,376	845,349
Total financial assets available within one year	<u>3,603,643</u>	<u>7,042,000</u>
Less, amounts unavailable for general expenditures within one year, due to:		
Cash and cash equivalents held in patient trust	(47,030)	(46,554)
Restricted cash	--	(2,800,000)
Cash, cash equivalents, and investments with donor restrictions	(159,105)	(247,805)
Restricted donors in perpetuity	<u>(117,012)</u>	<u>(108,072)</u>
Total financial assets unavailable within one year	<u>(323,147)</u>	<u>(3,202,431)</u>
Total financial assets available to management for general expenditure within one year	<u>\$ 3,280,496</u>	<u>\$ 3,839,569</u>

ODD FELLOWS HEALTHCARE, INC. AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2023 AND 2022

NOTE 11 - LIQUIDITY AND AVAILABILITY OF RESOURCES (CONTINUED)

LIQUIDITY MANAGEMENT

The Organization maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities and other obligations come due. When it is able, the Organization invests cash in excess of weekly requirements in short-term investments.

NOTE 12 - NET ASSETS

The following is the composition of the Organization's net assets with donor restrictions at September 30:

	2023	2022
Restricted in perpetuity	\$ 100,000	\$ 100,000
Beneficial interest in perpetual trust	68,336	63,403
Other net assets with donor restrictions		
Endowment investment returns	17,012	8,072
Scholarships	14,738	12,332
Special services or equipment	<u>76,031</u>	<u>172,070</u>
	<u>\$ 276,117</u>	<u>\$ 355,877</u>

Net assets with donor restrictions of \$131,062 and \$226,735 were released from restrictions during the years ended September 30, 2023 and 2022, respectively, by incurring expenses satisfying the purpose restriction of special services or equipment.

ENDOWMENT

INTERPRETATION OF RELEVANT LAW

The board of directors of the Organization has interpreted the Connecticut Prudent Management of Institutional Funds Act (CTPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as net assets with donor restrictions (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

ODD FELLOWS HEALTHCARE, INC. AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2023 AND 2022

NOTE 12 - NET ASSETS (CONTINUED)

ENDOWMENT (CONTINUED)

INTERPRETATION OF RELEVANT LAW (CONTINUED)

the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanent endowment is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by CTPMIFA. In accordance with CTPMIFA, 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
- the investment policies of the Organization

SPENDING POLICY AND HOW THE INVESTMENT OBJECTIVES RELATE TO SPENDING POLICY

During the years ended September 30, 2023 and 2022, the Organization reviewed its endowment and decided not to appropriate any accumulated earnings for expenditure. The Organization will monitor the endowment earnings in the future to determine how much, if any, of the earnings will be spent, or alternatively kept in the fund to maintain purchasing power of the assets held in perpetuity. The Organization has a policy that permits spending from underwater endowment funds depending on the degree to which the fund is underwater, unless otherwise precluded by donor intent or relevant laws and regulations.

Endowment net asset composition by type of fund as of September 30:

	<u>2023</u>	<u>2022</u>
	With Donor Restrictions	With Donor Restrictions
Donor-Restricted Endowment Funds		
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	\$ 100,000	\$ 100,000
Endowment investment returns	<u>17,012</u>	<u>8,072</u>
	<u>\$ 117,012</u>	<u>\$ 108,072</u>

ODD FELLOWS HEALTHCARE, INC. AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2023 AND 2022

NOTE 12 - NET ASSETS (CONTINUED)

ENDOWMENT (CONTINUED)

SPENDING POLICY AND HOW THE INVESTMENT OBJECTIVES RELATE TO SPENDING POLICY (CONTINUED)

Changes in endowment net assets for the years ended September 30, 2023 and 2022 are as follows:

	<u>With Donor Restrictions</u>
Endowment Net Assets - September 30, 2021	\$ 131,037
Investment return	
Investment income, net of fees	4,559
Net realized and unrealized loss	<u>(27,524)</u>
Total investment return	(22,965)
Endowment Net Assets - September 30, 2022	108,072
Investment return	
Investment income, net of fees	233
Net realized and unrealized gain	<u>8,707</u>
Total investment return	<u>8,940</u>
Endowment Net Assets - September 30, 2023	<u>\$ 117,012</u>

FUNDS WITH DEFICIENCIES

From time to time, the fair value of investments associated with donor-restricted endowment funds may fall below the level that the donor or CTPMIFA requires the Organization to retain as a fund of perpetual duration. In accordance with GAAP, there were no deficiencies of this nature that are reported in net assets with donor restrictions as of September 30, 2023 and 2022.

ODD FELLOWS HEALTHCARE, INC. AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2023 AND 2022

NOTE 13 - BENEFIT PLANS

DEFINED CONTRIBUTION PLAN

On October 15, 2012, the Organization began the Fairview 403(b) Plan (Fairview Plan). The Fairview Plan is open to substantially all employees subject to requirements outlined in the plan document. The Fairview Plan also allows for a discretionary employer match to employees who normally work more than 20 hours per week, are 21 years old and have 1 year of service for the Organization. Total 403(b) plan expense was \$118,926 and \$78,192 for the years ended September 30, 2023 and 2022, respectively.

NOTE 14 - CONCENTRATIONS OF CREDIT RISK

The Home grants credit without collateral to its residents, some of whom are funded under third-party payor agreements. The mix of gross receivables at September 30, 2023 and 2022 is as follows:

	<u>2023</u>	<u>2022</u>
Medicare	16%	11%
Medicaid, including pending Medicaid patients	59%	69%
Private pay and other	<u>25%</u>	<u>20%</u>
	<u>100%</u>	<u>100%</u>

NOTE 15 - CASH FLOWS

ADDITIONAL CASH FLOW INFORMATION

The Organization paid cash for interest of \$776,742 and \$769,115 during the years ended September 30, 2023 and 2022, respectively.

ODD FELLOWS HEALTHCARE, INC. AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2023 AND 2022

NOTE 16 - HEALTH CARE INDUSTRY

The healthcare industry is subject to numerous laws and regulations of federal, state, and local governments. These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, government healthcare program participation requirements, reimbursement for patient services, and Medicare and Medicaid fraud and abuse. Government activity has increased with respect to investigations and allegations concerning possible violations of fraud and abuse statutes and regulations by healthcare providers. Violations of these laws and regulations could result in expulsion from government healthcare programs together with the imposition of significant fines and penalties, as well as significant repayments for patient services previously billed. Management believes that the Organization is in compliance with fraud and abuse, as well as other applicable government laws and regulations. While no material regulatory inquiries have been made, compliance with such laws and regulations can be subject to future government review and interpretation, as well as regulatory actions unknown or unasserted at this time.

NOTE 17 - COMMITMENTS AND CONTINGENCIES

The Organization is occasionally party to asserted and unasserted claims arising from the course of operations. Management is of the opinion that the outcome of any such claims will not have a material impact on the Organization's financial position or results of operations or cash flows.

NOTE 18 - SUBSEQUENT EVENT

On November 2, 2023, the Organization refinanced its Series A Bonds by entering into a commercial mortgage note agreement in the amount of \$16,691,311. The maturity date is November 1, 2034 and the note bears interest at a rate of 6.99%, which is adjustable every five years as further outlined in the agreement. The loan requires payments of interest only through November 1, 2024, when monthly payments of principal and interest will begin. The note features certain financial, reporting and other covenants, which management believes the Organization has the ability to comply with for the foreseeable future.

In connection with the above, the interest rate swap agreements discussed in Note 9 were terminated resulting in a payment to the Organization of approximately \$823,000.

Other than the above, there were no other events requiring recognition or disclosure in the financial statements.

ODD FELLOWS HEALTHCARE, INC. AND SUBSIDIARIES

SCHEDULE I – CONSOLIDATING SCHEDULE OF FINANCIAL POSITION

SEPTEMBER 30, 2023

	Odd Fellows Healthcare, Inc.	Odd Fellows Home of Connecticut, Inc.	Odd Fellows Faith, Hope, and Charity Fund, Inc.	Eliminations	Total
Assets					
Current Assets					
Cash and cash equivalents	\$ 971	\$ 1,582,882	\$ 732,040	\$ --	\$ 2,315,893
Accounts receivable, net	--	789,376	--	--	789,376
Prepaid expenses	--	152,451	--	--	152,451
Total Current Assets	<u>971</u>	<u>2,524,709</u>	<u>732,040</u>	<u>--</u>	<u>3,257,720</u>
Property and Equipment, net	--	24,424,179	--	--	24,424,179
Other Assets					
Investments	--	260,002	238,372	--	498,374
Interest rate swap benefits	--	954,285	--	--	954,285
Beneficial interest in perpetual trust	--	--	68,336	--	68,336
Due from related parties	187,070	(2,758,574)	2,571,504	--	--
Total Other Assets	<u>187,070</u>	<u>(1,544,287)</u>	<u>2,878,212</u>	<u>--</u>	<u>1,520,995</u>
Total Assets	<u>\$ 188,041</u>	<u>\$ 25,404,601</u>	<u>\$ 3,610,252</u>	<u>\$ --</u>	<u>\$ 29,202,894</u>

See independent auditors' report.

ODD FELLOWS HEALTHCARE, INC. AND SUBSIDIARIES

SCHEDULE I – CONSOLIDATING SCHEDULE OF FINANCIAL POSITION (CONTINUED)

FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Odd Fellows Healthcare, Inc.	Odd Fellows Home of Connecticut, Inc.	Odd Fellows Faith, Hope, and Charity Fund, Inc.	Eliminations	Total
Liabilities and Net Assets					
Current Liabilities					
Current maturities of long-term debt	\$ --	\$ 385,000	\$ --	\$ --	\$ 385,000
Current maturities of note payable	--	142,242	--	--	142,242
Accounts payable and other accrued expenses	--	938,526	373	--	938,899
Unearned revenue	--	144,437	--	--	144,437
Total Current Liabilities	<u>--</u>	<u>1,610,205</u>	<u>373</u>	<u>--</u>	<u>1,610,578</u>
Long-Term Liabilities					
Long-term debt, net of current portion	--	16,156,612	--	--	16,156,612
Note payable, net of current portion	--	48,042	--	--	48,042
Entrance fees refunds payable	--	9,343,145	--	--	9,343,145
Nonrefundable deferred fees	--	1,668,874	--	--	1,668,874
Total Long-Term Liabilities	<u>--</u>	<u>27,216,673</u>	<u>--</u>	<u>--</u>	<u>27,216,673</u>
Total Liabilities	<u>--</u>	<u>28,826,878</u>	<u>373</u>	<u>--</u>	<u>28,827,251</u>
Net Assets					
Without donor restrictions	188,041	(3,446,174)	3,357,659	--	99,526
With donor restrictions	--	23,897	252,220	--	276,117
Total Net Assets	<u>188,041</u>	<u>(3,422,277)</u>	<u>3,609,879</u>	<u>--</u>	<u>375,643</u>
Total Liabilities and Net Assets	<u>\$ 188,041</u>	<u>\$ 25,404,601</u>	<u>\$ 3,610,252</u>	<u>\$ --</u>	<u>\$ 29,202,894</u>

See independent auditors' report.

ODD FELLOWS HEALTHCARE, INC. AND SUBSIDIARIES

SCHEDULE II – CONSOLIDATING SCHEDULE OF ACTIVITIES

FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Odd Fellows Healthcare, Inc.	Odd Fellows Home of Connecticut, Inc.	Odd Fellows Faith, Hope, and Charity Fund, Inc.	Eliminations	Total
Revenue, Support and Gains					
Resident revenues	\$ --	12,972,391	\$ --	\$ --	\$ 12,972,391
Resident service fees	--	1,133,816	--	--	1,133,816
Rental income and fees	--	426,250	--	--	426,250
Amortization of deferred revenue from entrance fees	--	314,485	--	--	314,485
Contributions	--	--	133,615	--	133,615
Dining income	--	61,424	--	--	61,424
Miscellaneous income	--	74,164	--	--	74,164
Interest and investment income, net	--	6,468	7,941	--	14,409
Net assets released from restriction	--	131,062	--	--	131,062
Management fees	15,600	--	--	(15,600)	--
Total Revenue, Support and Gains	<u>15,600</u>	<u>15,120,060</u>	<u>141,556</u>	<u>(15,600)</u>	<u>15,261,616</u>
Expenses and Losses					
Program	--	11,952,716	--	--	11,952,716
Management and general	18,072	4,539,593	--	(15,600)	4,542,065
Fundraising	--	79,542	99,470	--	179,012
Total Operating Expenses	<u>18,072</u>	<u>16,571,851</u>	<u>99,470</u>	<u>(15,600)</u>	<u>16,673,793</u>
Nonoperating Income (Expense)					
Net realized and unrealized gain (losses) on investments	--	21,952	15,211	--	37,163
Change in interest rate swap obligations	--	243,988	--	--	243,988
Total Nonoperating Income, net	--	265,940	15,211	--	281,151
Change in Net Assets Without Donor Restrictions	<u>(2,472)</u>	<u>(1,185,851)</u>	<u>57,297</u>	<u>--</u>	<u>(1,131,026)</u>
Net Assets with Donor Restrictions					
Interest and investment income, net	--	--	233	--	233
Intercompany transfers	--	112,509	(112,509)	--	--
Contributions	--	1,678	35,751	--	37,429
Net realized and unrealized gain on investments	--	--	8,707	--	8,707
Change in value of beneficial interest in Perpetual Trust	--	--	4,933	--	4,933
Net assets released from restriction	--	(131,062)	--	--	(131,062)
Change in Net Assets with Donor Restrictions	<u>--</u>	<u>(16,875)</u>	<u>(62,885)</u>	<u>--</u>	<u>(79,760)</u>
Change in Net Assets	<u>(2,472)</u>	<u>(1,202,726)</u>	<u>(5,588)</u>	<u>--</u>	<u>(1,210,786)</u>
Net Assets - Beginning of year	<u>190,513</u>	<u>(2,219,551)</u>	<u>3,615,467</u>	<u>--</u>	<u>1,586,429</u>
Net Assets - End of year	<u>\$ 188,041</u>	<u>\$ (3,422,277)</u>	<u>\$ 3,609,879</u>	<u>\$ --</u>	<u>\$ 375,643</u>

See independent auditors' report.



EXHIBIT C

PRO FORMA INCOME STATEMENTS

The following information is provided to future Residents, their families, and their advisors so that they may understand the underlying financial basis of Odd Fellows Home of Connecticut, Inc. The Provider's historical experience regarding wages and other operating expenses is the basis for its future financial model.

	Actual 2023	Budget 2024	Budget 2025	Budget 2026
Operating Revenues				
Patient Service Revenues, Net	\$ 12,890,264	\$ 13,103,759	\$ 13,821,595	\$ 14,098,027
Amortization of Deferred Revenue from Entrance Fees	240,091	194,287	224,467	231,201
Resident Fees	1,543,403	1,746,147	1,741,773	1,794,027
Dining Income	61,424	78,000	79,860	82,256
Miscellaneous Income	462,641	362,034	230,363	237,273
Total Operating Revenues	\$ 15,197,823	\$ 15,484,227	\$ 16,098,058	\$ 16,442,784
Operating Expenses				
Salaries and Employee Benefits	\$ 8,896,034	\$ 9,475,237	\$ 10,816,897	\$ 11,141,404
Administrative and General	961,176	786,979	1,690,084	1,740,787
Consultants and Purchased Services	1,403,654	474,493	555,017	571,667
Insurance	246,518	399,315	423,058	444,211
Medical Supplies	262,723	458,752	453,068	466,660
Pharmacy and Other Ancillary Medical	205,673	-	-	-
Food	364,669	300,863	321,188	330,823
Utilities	560,412	592,670	551,396	567,938
Repairs and Maintenance	407,466	340,550	372,966	384,155
Property Tax	197,365	209,460	216,160	220,483
Provider Tax	649,475	643,931	620,766	620,766
Interest Expense	761,253	1,122,000	1,252,674	1,290,254
Depreciation and Amortization	1,802,773	1,539,982	1,520,425	1,550,834
Total Operating Expenses	\$ 16,719,191	\$ 16,344,232	\$ 18,793,698	\$ 19,329,982
Operating Income (Loss)	\$ (1,521,368)	\$ (860,005)	\$ (2,695,640)	\$ (2,887,198)
Nonoperating Income				
Investment Income (Loss)	\$ 66,596	\$ 420	\$ 58,195	\$ 59,359
Change in Fair Market Value of Swap	243,989	-	-	-
Net Nonoperating Income (Loss)	\$ 310,585	\$ 420	\$ 58,195	\$ 59,359
Change in Net Assets	\$ (1,210,783)	\$ (859,585)	\$ (2,637,445)	\$ (2,827,839)
Net Assets at Beginning of Year	\$ 1,586,426	\$ 375,643	\$ (483,942)	\$ (3,121,387)
Net Assets at End of Period	\$ 375,643	\$ (483,942)	\$ (3,121,387)	\$ (5,949,225)



Odd Fellows Healthcare, Inc. and Subsidiaries

Consolidating Statement of Cash Flows

	Actual 2023	Budget 2024	Budget 2025	Budget 2026
Cash Flows from Operating Activities				
Changes in Net Assets	\$ (1,210,783)	\$ (859,585)	\$ (2,637,445)	\$ (2,827,839)
Cash Flows from Operating Activities				
Proceeds (refunds) from entrance fees, net	(20,533)	263,500	500,000	500,000
Change in Balance Sheet Accounts	(416,537)	(437,364)	(459,232)	(482,194)
Accumulated Depreciation	1,391,853	1,539,982	1,520,425	1,550,834
Interest Rate Swap Obligations	(243,989)	-	-	-
Net Entrance Fees	417,548	(194,287)	(224,467)	(231,201)
Net realized and unrealized investment (gains) losses	(25,848)	-	-	-
Net Cash Provided by (Used in) Operating Activities	(108,289)	312,247	(1,300,719)	(1,490,399)
Cash Flows from Investing Activities				
Purchase of Property and Equipment	14,270	(568,218)	(1,600,000)	(7,000,000)
(Purchases) Sales of Investments	-	-	-	-
Net Cash Provided by (Used in) Investing Activities	14,270	(568,218)	(1,600,000)	(7,000,000)
Cash Flows from Financing Activities				
Borrowing (Repayment) of Debt	(3,314,215)	1,111,031	3,593,000	8,744,000
Net Cash Provided by (Used in) Financing Activities	(3,314,215)	1,111,031	3,593,000	8,744,000
Net Increase in Cash and Cash Equivalents	(3,408,234)	855,060	692,281	253,601
Cash and Cash Equivalents - Beginning of Period	5,984,127	2,575,893	3,430,953	4,123,234
Cash and Cash Equivalents - End of Period (1)	\$ 2,575,893	3,430,953	4,123,234	4,376,835

(1) Ending Cash represents the Operations cash and Cash Equivalent Assets whose use is limited due to debt and statutory requirements at the beginning of each year. Below is the beginning balance at October 1, 2024:

Cash	\$ 2,506,086
Resident Trust Funds	69,807
Total	\$ 2,575,893



Odd Fellows Healthcare, Inc. and Subsidiaries

Explanation of Material Differences - 2023 Statement of Activities and Changes in Net A

	Actual 2023	Budget 2023	Variance	% Variance	Reference
Operating Revenues					
Patient Service Revenues, Net	\$ 12,890,264	\$ 13,628,470	\$ (738,206)	-5%	A
Amortization of Deferred Revenue from Entrance Fees	240,091	180,712	59,379	33%	D
Resident Fees	1,543,403	1,602,611	(59,208)	-4%	D
Dining Income	61,424	60,000	1,424	2%	B
Miscellaneous Income	462,641	434,890	(27,751)	-7%	
Total Operating Revenues	\$ 15,197,823	\$ 15,966,683	\$ (768,860)		
Operating Expenses					
Salaries and Employee Benefits	\$ 8,896,034	\$ 9,343,625	\$ (447,591)	-5%	G
Administrative and General	961,176	804,332	156,844	19%	L
Consultants and Purchased Services	1,403,654	1,080,217	323,437	30%	G
Insurance	246,518	260,000	(13,482)	-5%	F
Medical Supplies	262,723	267,775	(5,052)	-2%	C
Pharmacy and Other Ancillary Medical	205,673	343,100	(137,427)	-40%	M
Food	364,669	308,000	56,669	18%	I
Utilities	560,412	597,748	(37,336)	-6%	J
Repairs and Maintenance	407,466	294,058	113,408	39%	K
Property Tax	197,365	192,359	5,006	3%	B
Provider Tax	649,475	652,146	(2,671)	0%	B
Interest Expense	761,253	792,000	(30,747)	-4%	E
Depreciation and Amortization	1,802,773	1,765,582	37,191	2%	B
Total Operating Expenses	\$ 16,719,191	\$ 16,700,942	\$ 18,249	0%	
Operating Income (Loss)	\$ (1,521,368)	\$ (734,259)	\$ (787,109)	107%	
Nonoperating Income					
Investment Income (Loss)	66,596	-	66,596	0%	H
Change in Fair Market Value of Swap	243,989	-	243,989	-	H
Net Nonoperating Income (Loss)	310,585	-	310,585	-	
Change in Net Assets	(1,210,783)	(734,259)	(476,524)	1	
Net Assets at Beginning of Year	\$ 1,586,426	\$ 1,586,426			
Net Assets at End of Period	\$ 375,643	\$ 852,167			

Variance Explanations by Reference Code:

- A** Census budgeted at higher levels than achieved. Increase in Medicaid reimbursable residents also resulted in reduced realization.
- B** Actual results were not materially different from budget
- C** Items budgeted in accordance with census. Census budgeted too high resulting in correlatory expenses being higher than actual.
- D** Unexpected turnover resulted in higher entrance fee amortization than budgeted and lower monthly service fees due gap in fees
- E** Refinance of prior loan resulted in lower interest expense than forecast
- F** Renewal of insurance lower increase than anticipated
- G** Staffing shortages resulted in lower Salaries and Wages and a corresponding increase in Contracted Staffing in the Nursing Home
- H** Items not budgeted
- I** Food costs increased higher than anticipated due to inflation
- J** Transition to LED lights on campus assisted in cost savings in utilities
- K** Aging campus resulted in repairs which exceeded forecasts
- L** Legal costs higher than forecast due to legal review of various contracts and Corporate documents
- M** Budgeted for higher acute rehab census than achieved resulting in lower pharmacy costs per patient day



RESIDENTIAL TURNOVER RATES:

The residential turnover rates for the most recently completed fiscal year, and anticipated for the next three years are as follows:

<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
5%	5%	5%	5%

AVERAGE AGE OF RESIDENTS:

The projected average age of residents for the next three years is as follows:

<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
82	82	82	82

HEALTH CARE UTILIZATION RATES:

Health care utilization rates for continuing care residents for the most recently completed fiscal year, and projected for the next three years are as follows:

<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
8%	5.0%	7%	7%

ADMISSIONS PER YEAR:

The number of admissions to the health care facility for continuing care residents was 3 residents in the most recently completed fiscal year. Provider expects 2 resident admissions per year for the next three years.

DAYS OF CARE:

The days of care per year for the most recently completed fiscal year, and projected for the next three years for continuing care residents, are as follows:

<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
72	66	50	50

NUMBER OF PERMANENT TRANSFERS:

The anticipated number of permanent transfers of continuing care residents to the health center for the next three years is as follows:

<u>2023</u>	<u>2024</u>	<u>2025</u>
1	1	1



FAIRVIEW
TRUSTED FOR GENERATIONS

EXHIBIT D
THAMES EDGE
ENTRANCE FEES/PERIODIC CHARGES

			70%		50%	
			Refundable Plan		Refundable Plan	
HOME TYPE		SQ FEET	ENTRANCE FEE	MONTHLY FEE **	ENTRANCE FEE	MONTHLY FEE **
A	3	1,142	\$550,000	\$3,512	\$500,000	\$3,863
AA	3	1,142	\$525,000	\$3,193	\$475,000	\$3,512
AAW	3	1,992	\$600,000	\$3,370	\$550,000	\$3,707
B	4	1,532	\$600,000	\$3,831	\$550,000	\$4,214
BB	6	1,519	\$550,000	\$3,406	\$500,000	\$3,747
CC	3	1,779	\$650,000	\$3,654	\$600,000	\$4,019
CC by clubhouse	1	1,779	\$600,000	\$3,447	\$550,000	\$3,792
Lower level A	1	1,202	\$650,000	\$2,448	\$600,000	\$2,693
Lower level B	1	1,508	\$725,000	\$2,569	\$675,000	\$2,826
Lower level BW	2	2,472	\$750,000	\$2,812	\$700,000	\$3,093
Lower level C	1	3,106	\$800,000	\$2,812	\$750,000	\$3,093
Lower level BB	2	2,492	\$750,000	\$2,630	\$700,000	\$2,893
Lower level CC	2	3,101	\$800,000	\$2,812	\$750,000	\$3,093
Lowerlevel QBB	4	2,492	\$750,000	\$2,630	\$700,000	\$2,893
Lower level QA	2	1,291	\$650,000	\$2,283	\$600,000	\$2,511
Lower Level QB	2	1,511	\$725,000	\$2,569	\$675,000	\$2826

Second person Entrance fee: \$10,000

Second person Monthly fee: \$1,000

Capital reserve fee: 1st person, \$7,500; 2nd person, \$2,500 (one-time only)



FAIRVIEW
TRUSTED FOR GENERATIONS

EXHIBIT D

THAMES EDGE

ENTRANCE FEES/PERIODIC CHARGES

			Declining Balance Plan	
HOME TYPE		SQ FEET	ENTRANCE FEE	MONTHLY FEE **
A	3	1,142	\$425,000	\$4,039
AA	3	1,142	\$400,000	\$3,672
AAW	3	1,992	\$475,000	\$3,876
B	4	1,532	\$475,000	\$4,406
BB	6	1,519	\$425,000	\$3,916
CC	3	1,779	\$525,000	\$3,964
CC by clubhouse	1	1,779	\$475,000	\$3,604
Lower level A	1	1,202	\$525,000	\$2,815
Lower level B	1	1,508	\$600,000	\$2,954
Lower level BW	2	2,472	\$625,000	\$3,233
Lower level C	1	3,106	\$675,000	\$3,025
Lower level BB	2	2,492	\$625,000	\$3,233
Lower level CC	2	3,101	\$675,000	\$3,233
Lower level QBB	4	2,492	\$625,000	\$2,625
Lower level QA	2	1,291	\$525,000	\$2,954
Lower Level QB	2	1,511	\$600,000	\$3,025

Second person Entrance fee: \$10,000

Second person Monthly fee: \$1,000

Capital reserve fee: 1st person, \$7,500; 2nd person, \$2,500 (one-time only)



EXHIBIT D
FELLOWSHIP MANOR
ENTRANCE FEES/PERIODIC CHARGES

HOME TYPE	QTY	BR	SQ FT	70% Refundable Plan		50% Refundable Plan	
				ENTRANCE FEE	MONTHLY FEE**	ENTRANCE FEE	MONTHLY FEE**
A	3	1	578	\$300,000	\$1,430	\$280,000	\$1,650
B	3	1	689	\$400,000	\$1,540	\$370,000	\$1,760
C	3	1	681	\$400,000	\$1,540	\$370,000	\$1,760
D	3	1	674	\$375,000	\$1,430	\$350,000	\$1,650
E	3	2	869	\$450,000	\$2,200	\$415,000	\$2,530
F	3	1	904	\$400,000	\$1,760	\$370,000	\$2,090
G	2	2	1067	\$500,000	\$2,420	\$440,000	\$2,750

Second person Entrance fee: \$0

Second person Monthly fee: \$500

Capital reserve fee: 1st person, \$5,000; 2nd person, \$0 (one-time only)



Entrance Fee/Monthly Service Fee/Capital Reserve Fee

Fairview is a senior retirement community located in Groton, Connecticut. Under the terms of all contracts, the resident agrees to pay an initial Entrance Fee, initial Capital Reserve Fee and ongoing Monthly Service Fee which entitles the resident to lifetime occupancy of a unit, subject to contractual conditions. Under these plans, residents pay the Monthly Service Fee that corresponds to their unit in Thames Edge and Fellowship Manor at Fairview.

Thames Edge and Fellowship Manor at Fairview is currently offering three plan types to new residents: 70% Refundable Plan, 50% Refundable Plan and the Declining Balance Plan. The Declining Balance Plan is only available under certain conditions and upon approval by the Executive Director and Chief Financial Officer of the Organization.

Under the Declining Balance Plan, Fairview will refund the Entrance Fee without interest to the resident upon re-occupancy by another resident and in accordance with the Continuing Care Agreement with the following amortization schedule: an immediate 10% processing fee, followed by a 2.0% reduction for each month of occupancy thereafter for up to 45 months until termination at which point the Entrance Fee is no longer refundable.

The 70% Refundable Plan has a 6-month grace window of 100% of the Entrance Fee, then will revert fully to 70% Refundable. Similarly, the 50% Refundable Plan will revert to 50% refundable after the first 6 months of residency, remaining at 100% fully refundable during those first 6 months.

The Capital Reserve Fee is a one-time, non-refundable fee, paid upon contract execution. This fee permits the organization to hold reserve funds for future anticipated or unanticipated capital expenditures necessary for ongoing operations.

If a resident temporarily transfers to Fairview's Healthcare Center, the resident is required to pay both the Monthly Service Fee for their Independent Living unit and the applicable current private daily rate at the Healthcare Center. Under all contracts, if a resident is permanently transferred to the Healthcare Center, the resident will pay the per diem rate less a 25% discount for 180 days. Upon completion of the 180 days, the resident would then pay the per diem rate less a 5% discount.

The Monthly Fee is adjusted upon 30 days' written notice to the Residents. The Monthly Fee will be increased as necessary to meet the operating cash requirements of Fairview. Adjustments are intended to reflect anticipated changes in operating cash requirements and anticipated inflation related to the operating cash requirements during the coming year. Each Resident's Monthly Fee increase will be computed by the Provider. Any adjustment to the Monthly Fee will take into account the amount of reserves and working capital necessary to assure Fairview's financial independence and the ability to deal with unforeseen circumstances.



EXHIBIT E

UPGRADE OPTIONS

For a complete list of different options and different levels of customization please contact the sales office.



FAIRVIEW
TRUSTED FOR GENERATIONS

EXHIBIT F

Statement from Escrow Agent

**STATEMENT OF ESCROW AGENT
FOR
ODD FELLOWS HOME OF CONNECTICUT, INC
d/b/a THAMES EDGE AT FAIRVIEW**

The undersigned hereby represents that Odd Fellows Home of Connecticut, Inc. d/b/a Thames Edge at Fairview has established and does maintain the following escrow account with Chelsea Groton Bank:

Admission Payments Escrow Account

Escrow Agent: Chelsea Groton Bank

Alexander M. Masera
Signature

SVP, Director of Operations and Business Intelligence
Title

7/13/22
Date

NOTARY:

State of Connecticut

County of New London ss. Norwich (Town/City)

On this the 13 day of July, 2022, before me, Mandy Lyn Crispin (name of notary), the undersigned officer, personally appeared Alexander M. Masera (name of individual or individuals), known to me (or satisfactorily proven) to be the person(s) whose name(s) (is or are) subscribed to the within instrument and acknowledged that (he, she or they) executed the same for the purposes therein contained.

In witness whereof I hereunto set my hand.

Mandy Lyn Crispin
Signature of Notary Public

Date Commission Expires: 06/30/2027

Mandy Lyn Crispin
Printed Name of Notary Public

(Notary Seal or Stamp)



EXHIBIT G

Historical Entrance Fee and Monthly Rent Schedule

Entrance Fees from 2017 through 2022

Please note Fairview is no longer offering the below 80% and 85% refund options. See Exhibit D for the current 50% and 70% refund options. Since there is no history for the current refund options, we are providing the historic entrance fees for the 80% and 85% refund options that were in effect through 2021. No increases were made to these Entrance Fees during the past five (5) years. Also note that the below Entrance Fee ranges indicate location of unit on Campus with regards to preferability.

Upper Campus

		80% REFUNDABLE		85% ADVANTAGE PLAN	
HOME TYPE	SQ FT	ENTRANCE FEE*	MONTHLY FEE **	ENTRANCE FEE*	MONTHLY FEE **
AA, A, AAwalkout	1,142-	\$250,000-	\$1,430-	\$220,000-	\$1,730-
	1,992	\$295,000	\$1,832	\$285,000	\$2,132
BB, B	1,519-	\$280,000-	\$1,714-	\$265,000-	\$2,014-
	1,532	\$340,000	\$1,832	\$325,000	\$2,132
CC	1,779	\$300,000-	\$1,945	\$290,000-	\$2,245
		\$330,000		\$310,000	

Lower Campus

			80% RETURN PLAN		85% ADVANTAGE PLAN	
HOME TYPE		SQ FEET	ENTRANCE FEE	MONTHLY FEE **	ENTRANCE FEE	MONTHLY FEE **
A	1	1,202	\$390,000	\$2,070	\$370,000	\$2,370
B	1	1,508	\$475,000	\$2,172	\$450,000	\$2,472
BW	2*	1,493	\$500,000	\$2,378	\$475,000	\$2,678
BB	2*	1,486	\$500,000	\$2,224	\$475,000	\$2,524
C	1*	1,861	\$550,000	\$2,378	\$525,000	\$2,678
CC	2*	1,871	\$515,000	\$2,378	\$490,000	\$2,678
QA	2	1,291	\$385,000	\$1,930	\$365,000	\$2,230
QB	2	1,511	\$450,000	\$2,172	\$425,000	\$2,472
QBB	4*	1,486	\$495,000	\$2,224	\$470,000	\$2,524



Upper and Lower Campus 2023

			70%		50%	
			Refundable Plan		Refundable Plan	
HOME TYPE	Qty	SQ FEET	ENTRANCE FEE	MONTHLY FEE **	ENTRANCE FEE	MONTHLY FEE **
A	3	1,142	\$495,000	\$3,193	\$445,500	\$3512
AA	3	1,142	\$450,000	\$2,903	\$405,000	\$3193
AAW	3	1,157	\$475,000	\$3,064	\$427,500	\$3370
B	4	1,532	\$540,000	\$3,483	\$486,000	\$3831
BB	6	1,519	\$480,000	\$3096	\$432,000	\$3406
CC	3	1,779	\$530,000	\$3322	\$477,000	\$3654
CC by clubhouse	1	1779	500,000	\$3134	450,000	\$3447
Lower level A	1	1,202	\$590,000	\$2,225	\$531,000	\$2448
Lower level B	1	1,508	\$675,000	\$2335	\$607,500	\$2569
Lower level BW	2	2,472	\$600,000	\$2556	\$540,000	\$2812
Lower level C	1	3,106	\$750,000	\$2556	\$675,000	\$2630
Lower level BB	2	2,492	\$600,000	\$2391	\$540,000	\$2812
Lower level CC	2	3,101	\$625,000	\$2556	\$562,500	\$2812
Lower level QBB	4	2,492	\$690,000	\$2391	\$621,000	\$2283
Lower level QA	2	1,291	\$585,000	\$2075	\$526,500	\$2569
Lower Level QB	2	1,511	\$650,000	\$2335	\$585,000	\$2630



Historical Monthly Rental Increases

The Provider has implemented the following annual increases to its Monthly Rental Fees over the past five (5) years:

2020: 4.00%
2021: 2.00%
2022: 3.00%
2023: 7.50%
2024: 10.00%
2025: 5.00%

Fellowship Manor at Fairview

Fellowship Manor at Fairview has one year of historical data as it only entered the CCRC agreement as of January 2023.

2024: 10.00%
2025: 5.00%