

THE CONTINUING CARE AT HOME PROGRAM

***SENIOR CHOICE AT HOME*[®]**

Disclosure Statement

March 2022

SPONSORED BY

**JEWISH SENIOR SERVICES
4200 Park Avenue
Bridgeport, Connecticut 06604
(203) 365-6491**

Senior Choice at Home[®] is registered with the State of Connecticut Department of Social Services pursuant to Sections 17b-520 through 17b-535 of the Connecticut General Statutes.

Registration with the Department of Social Services does not constitute approval, recommendation or endorsement by the Department or the State of Connecticut, nor does it evidence the accuracy or completeness of the information provided in this Disclosure Statement.

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INDEX OF REQUIRED PROVISIONS

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In compliance with Conn. Agencies Regs. § 17b-533-3 (a) (3).

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General Information

This Disclosure Statement is provided pursuant to Connecticut law by The Jewish Home for the Elderly of Fairfield County, Inc. d/b/a Jewish Senior Services (“Provider”) to a prospective Member (“Member”) of The Senior Choice Continuing Care at Home Program (“CCAH Program”). Connecticut law requires the Provider to provide the prospective Member with a disclosure statement before the initial transfer of funds and before the prospective Member enters into any agreement with the Provider.

Description

Name and Type of Organization

The Provider is a not-for-profit corporation organized under the laws of the State of Connecticut and exempt from taxation under Section 501(c) (3) of the Internal Revenue Code. The Provider is the owner of a 9-acre health care complex known as The Jewish Home of Fairfield County (“the Community”) located at 4200 Park Avenue in Bridgeport, Connecticut. The Provider has decades of experience in providing services to the elderly, and the Community features one of the largest Skilled Nursing Facilities in the State of Connecticut. The Skilled Nursing Facility accepts most forms of insurance, including Medicare and Medicaid. In addition to the Skilled Nursing Facility, the Community offers Assisted Living, Adult Day Care, Medical and Non-Medical Home Care, Hospice, Physician Services, Outpatient, Sub-Acute, and Long-Term Rehabilitation Therapy, and the Institute on Aging.

Through the on-going management of the Community, Provider provides quality continuing care as described further in this Disclosure Statement, including the attached Member Agreement. The Provider’s goal is to allow Members to continue an independent lifestyle and to provide the peace of mind associated with knowing certain additional attention and care is available if ever needed through the care and services offered by the CCAH Program. The CCAH Program is designed to allow Members to remain in their private homes while enjoying the traditional benefits of a Continuing Care Retirement Facility.

Affiliations

The Provider is the only organization responsible for the CCAH Program, and it has arranged for the Program’s start up financing and management. Similarly, the Provider works closely with a separate physician practice, Geriatric Professional Group, LLC (“GPG”). GPG provides physician services to residents of the Community’s Skilled Nursing Facility as well as outpatient physician services. GPG has no responsibility for the Provider’s financial or contractual obligations.

Benefits/Services Provided

In order to participate in the CCAH Program, Member must execute a Member Agreement. Please refer to a copy of the Provider's standard Member Agreement in Exhibit I. The Provider currently offers three pricing plans. Each plan requires payment of a Membership Fee and a Monthly Service Fee. All plans cover 100% of the cost of care coordination, emergency response system, home inspection and delivered meals if these services are authorized by the Care Coordinator. Some plans require co-pays or payment in full for some of the services delivered, depending on the type of membership selected. Following is a summary description of the three pricing plans. Please refer to Exhibit II for a detailed description of the plans and the current Membership and Monthly Service Fees associated with each plan.

All-Inclusive Plan: No co-pay required and 100% coverage of specified and authorized services, including home health aide, companion, delivered meals, adult day care, assisted living facility and skilled nursing facility services.

Security Plan: 15% co-pay required for specified home health aide, companion and adult day care and 30% co-pay for assisted living facility and skilled nursing facility services.

Co-Pay Plan: 50% co-pay for specified home health aide, companion, adult day care, assisted living facility and skilled nursing facility services.

The Provider will deliver services in a manner consistent with the objective of enabling the Member to maintain his/her own living arrangement at home for as long as is practical and to provide Facility Based Services if and when needed.

The CCAH Program includes the following services and programs, which, unless noted otherwise below, will be provided in exchange for payment of the Membership Fee and Monthly Service Fee discussed below, with no additional charge under the All-Inclusive Plan and applicable co-pays under the Security and Co-Pay Plans:

- A. Residence. The Member will remain in his/her existing home (or subsequent residence of the Member's choice).
- B. Member Home Inspection. During the first year of Membership, Provider will conduct an inspection of the Member's home to identify any functional or safety problems for Member and will make recommendations to the Member based on the inspection. This inspection will not identify physical or environmental problems with the premises, such as roof, plumbing or HVAC issues. It will focus only on functional and safety issues for the Member. After the initial inspection, the Provider will conduct an inspection every second year, unless circumstances or the Member's health condition justify more frequent inspections.
- C. Annual Physical Examination. The Provider encourages the Member to have an annual physical examination performed by the Member's personal physician or by one of Provider's physicians or nurse practitioners. The Provider encourages the Member to submit a medical report from the Member's personal physician to the Care Coordinator.

- D. Care Coordination. A Care Coordinator will be assigned to the Member. The Care Coordinator will lead the Care Coordination Team, consisting of an Authorized Senior Choice at Home Staff Member, the Medical Director, and other clinical professionals as determined appropriate by the Care Coordinator. The Care Coordination Team, in consultation with the Member and/or the Member's designated representative, will prepare a care plan to meet the Member's particular needs. The Care Coordination Team will make all decisions involving the Member's participation in various medical and health care Services or permanent transfer from home to facility-based services following consultation with the Member or the Member's Designated Representative.
- E. Home Site Service. Home Site Services are available when the Care Coordination Team, in consultation with the Member or the Member's Designated Representative, determines Home Site Services would be appropriate. The Provider may require an examination by its Medical Director (or his/her designee) to determine eligibility for Home Site Services, and the Member must use an approved provider to be eligible for coverage. Following is a description of Home Site Services offered by the Provider:
1. **SKILLED HOME HEALTH CARE**
The Provider will provide non-Medicare covered home care services, including personal care provided by a State licensed Home Health Aide, as determined to be appropriate by the Care Coordination Team and to the extent this service is covered in the plan selected by the Member.
 2. **HOMEMAKER SERVICES**
The Provider will provide Homemaker Services, including a companion, light housekeeping and chore services as determined to be appropriate by the Care Coordination Team and to the extent this service is covered in the plan selected by the Member.
 3. **COMPANION SERVICES**
The Provider will provide Companion Services as determined to be appropriate by the Care Coordination Team and to the extent this service is covered in the plan selected by the Member.
 4. **EMERGENCY RESPONSE SYSTEM**
If determined to be appropriate by the Care Coordination Team and agreed to by the Member, the Provider will provide an emergency response system with 24-hour coverage to the extent this service is covered in the plan selected by the Member.
 5. **MEALS**
If determined to be appropriate by the Care Coordination Team, the Provider will deliver a maximum of two meals per day to be delivered to the Home Site for a limited amount of time, while the member is recovering from an

illness or recent hospitalization, and if the member is not already receiving aide, companion, or homemaker services.

6. **ADULT DAY CARE**

The Provider will provide Adult Day Care Services as determined to be appropriate by the Care Coordination Team to the extent this service is covered in the plan selected by the Member.

F. Facility Based Services

1. When Determined To Be Appropriate by the Care Coordination Team and prescribed by a physician, Provider will provide or arrange for Facility Based Services, including Assisted Living in a private accommodation and Nursing Home Services in a semi-private accommodation. Provider may require an examination of the Member by its Medical Director (or his/her designee) to determine eligibility for Facility Based Services.

2. **ASSISTED LIVING AND NURSING HOME SERVICES**

Assisted Living and Nursing Home Services will be provided either in the Provider's Community Skilled Nursing Facility, or in similar facilities approved by the Provider. The Provider will not be responsible for any ancillary charges (such as laundry, prescription drugs, medical supplies, telephone, or television) incurred for Facility Based Services. The Member will be solely responsible for such charges.

G. CCAH Program Facilities and Programs. The Provider will continue to make arrangements with several organizations to provide CCAH Program Members with access to facilities and programs, which may include but not limited to, a library, computer center, indoor swimming pool, meeting rooms, and arts and crafts programs.

H. Activities and Leisure Events. The Member will have access to planned and scheduled social, recreational, spiritual, educational and cultural activities and leisure events, as well as, arts and crafts, exercise and health programs, and other special activities designed to meet the needs of the Members.

I. Lifestyle and Wellness Programs. The Provider will offer Lifestyle and Wellness Programs from time to time, free of charge or with an applicable fee for service, including but not limited to, exercise classes, arts and crafts, wellness seminars, speakers and day excursions.

J. Transportation Services. If the Member is unable to drive or instructed by his/her physician not to drive, the Provider will provide transportation to and from medically necessary outpatient surgery or minor procedures such as cataract removal, chemotherapy treatments, and surgical biopsies. The Provider does not provide transportation for regular physician office visits, dialysis, or other routine or on-going specialist appointments. If the Member requires such additional

transportation services, the Provider may assist the Member in arranging for such services. The Member will be responsible for paying any fees associated with such additional transportation services.

- K. Other Services and Programs at Additional Charge. Other services and programs will be available to the Member for an additional charge, including but not limited to, private transportation, catering, and other special services performed for the Member beyond the normal scope of services offered by Provider. Availability and charges for these additional services and programs will be determined by Provider.
- L. Referral Service for Additional Services. A Referral Service for other services is available with associated additional charges to be paid to a third-party vendor who functions as an independent contractor of Provider. These services may include, but not be limited to, landscape maintenance, legal, financial planning, home maintenance and rental of medical equipment.
- M. Limitation of Provider Payment for Non-Institutional Health Care Services. Provider may limit payment for Home Site Services (skilled home health care, homemaker, companion, emergency response system, meals and adult day care) if the cost of such Home Site Services for any thirty (30) day period exceeds the cost based on standard published rates for care in the Community's Nursing Home Facility. Member may either transfer to a Plan Participating Facility or pay the difference between the cost of Home Site Services and the cost based on standard published rates for care in the Community's Nursing Home Facility.

Board Members and Officers

The Provider is governed by a voluntary Board of Directors. Directors and Officers serve without compensation, and no Director or Officer has any equitable or beneficial interest in Provider. Within the last five (5) years, neither Provider, nor any of its Officers or Directors, has been a party to any civil or criminal proceeding of any kind described in Section 17b-522(b)(4) of the Connecticut General Statutes. Following is a list of Provider's Directors and Officers:

Mitchell Adelstein (**Men's Club**)
Jon August (**Vice Chairperson**)
Andrew H. Banoff
Carl Bennett (**Honorary Director for Life**)
Jim Bennett
Edward Burger
Michael Fleischer
Janet Freedman
Ed Friedland
Roy Friedman (**Honorary Director for Life**)
Jay Goldstein
Roslyn Goldstein (**Honorary Director for Life**)
Eric Hendlin
Jennifer Kanfer
Eric Katz
Mitchell Kornblit
Mark A. Lapine (**Honorary Director for Life**)
Marc Levey
Gerald Luterman

Nancy Magida (**Secretary**)
Michael Marcus
Emil Meshberg (**Treasurer**)
Brian Miles
Jerry Minsky
Alan Phillips (**Chairperson**)
Ellen Hyde Phillips (**Women's Auxiliary**)
Jeff Radler
Amy Rich
Hal Rosnick (**Honorary Director for Life**)
Philip Schaefer
Dr. Scott Serels
William Sims
Art Spinner
Milton Sutin (**Honorary Director for Life**)
Kenneth I. Wirfel
Martin F. Wolf (**Honorary Director for Life**)
Mike Wolfson

Prior Experience

The Provider has extensive prior experience providing services to the elderly across the continuum of care. In particular, the Provider operates a 294-bed Skilled Nursing Facility, 18 Assisted Living Apartments, 14 Memory Care Studios, inpatient and outpatient rehabilitation services, home care, companions, hospice and other community services, including adult day care, geriatric assessment, physician services, etc.

Program Implementation

Program Consultant

The Provider had contracted with Cadbury Senior Services to provide assistance in developing and implementing the CCAH Program.

Cadbury Senior Services, Inc. is a Quaker guided not-for-profit organization owning and operating Cadbury at Cherry Hill, New Jersey, a continuing care retirement community established in 1978, and Cadbury at Lewes, a continuing care retirement community in Lewes, Delaware opened in 2007. In addition, Cadbury Senior Services also operates Cadbury Continuing Care at Home, a program established in 1998 to meet the desire of many seniors to stay in their homes and age in place and to complement and expand the mission of Cadbury Senior Services.

The American Association of Homes and Services for the Aging has recognized Cadbury Continuing Care at Home with an Innovation of the Year award. Cadbury Care at Home has been replicated numerous times by other not-for-profit senior care providers across the country.

Management

The Provider will manage the CCAH Program. The Provider's management team consists of Andrew H. Banoff, President and Chief Executive Officer; Larry Condon, Senior Vice President, Administrator; Roger Sliby, Vice President of Finance and Chief Financial Officer; Kara Rodriguez, Vice President, Chief Human Resources Officer; Elizabeth Zicari, Vice President, Community Services and Business Development; and Stacey Bardin, Director of Nursing.

Right to Rescission

A new Member has the right to rescind the Member Agreement within thirty (30) days after signing the Member Agreement ("Rescission Period"). If the Member exercises this right, then the Provider will issue a full refund of the Membership Fee paid less the \$250 application fee.

The Application Process

A prospective Member qualifies for the CCAH Program upon satisfaction of the following requirements and admission steps:

- A. Age. The CCAH Program is intended for and restricted to persons 55 years of age or older.
- B. Personal Interview. A prospective Member must have a personal interview with a representative from the Provider. The Provider may request additional interviews upon review of all information submitted with the application.
- C. Confidential Data Application and Personal Health History. The prospective Member must submit for approval by Administration, a Confidential Data Application and a Personal Health History, all on forms furnished by the Provider.
- D. Financial Requirements. The prospective Member must have assets and income sufficient under foreseeable circumstances to meet the prospective Member's financial obligations under the CCAH Program and to meet the prospective Member's ordinary living expenses. The Provider may require the prospective Member to furnish additional, current financial information as may be needed.
- E. Health Requirements. The prospective Member must submit a report of a physical examination of the prospective Member performed by the prospective Member's physician. The Provider may require the prospective Member to have another physical examination by its Medical Director or by another physician approved by the Provider. The prospective Member shall be responsible for the costs of physical examinations performed for purposes of the application.
- F. Notification. The Provider will review the Confidential Data Application and Personal Health History and the results of the personal interview notifying the prospective Member once a decision has been made on whether the prospective Member is eligible to participate in the CCAH Program.
- G. Application Fee. The Provider will charge a \$250 non-refundable application fee to cover the administrative costs involved in processing the Member's application.

Termination

The grounds under which the Provider may terminate the Member Agreement and the procedures for termination and issuance of refunds, if any, are described in Section VI of the Member Agreement attached as Exhibit I. As noted in the Member Agreement, any interest earned on Membership Fees or other deposits from the Member will accrue to the Provider's benefit. Any refunds due to the Member upon termination of the Member Agreement will not include interest earned.

Spouses and Multiple Household Members

Each member of a married couple or household must sign a separate Member Agreement for the CCAH Program. As a result, termination of the Member Agreement with one spouse or household member due to death or any other reason will have no impact on the Member Agreement with the other spouse or household member.

Financial Hardship

As a not-for-profit organization, the Provider has established a policy whereby it will not terminate membership in the CCAH Program solely by reason of a Member's inability to pay the total Monthly Fee. When a Member establishes facts justifying the need for financial assistance as determined by Provider in its sole discretion, the Provider will advance funds to help the Member pay his/her Monthly Fee. Such advances, plus interest at 1% above the prime rate computed monthly noted on the first day of each month in the Wall Street Journal, shall be charged against the refundable portion, if any, of the Membership Fee. If such advances exceed the refundable portion, if any, of the Membership Fee, the Provider may waive some or all of the Member's Monthly Fee if the Member has not intentionally depleted assets needed to pay his/her Monthly Fee.

Interest on Deposit

Senior Choice at Home is not required to hold any amounts in escrow on behalf of members and, therefore, no interest is paid to members based on any amounts paid for Senior Choice at Home.

Tax Consequences

Payment of a Membership Fee pursuant to a continuing care contract may have tax implications, including benefits. Any person considering such a payment may wish to consult a qualified advisor.

Financial Information

Membership Fees

The Membership and Monthly Fees for the CCAH Program are attached as Exhibit II.

CCAH Projected Income Statements

The projected income statements of the CCAH Program are attached as Exhibit III.

Financial Statements of The Jewish Home of Fairfield County

The latest available audited annual financial statements for The Jewish Home for the Elderly of Fairfield County, Inc. are attached as Exhibit IV.

Prepaid Obligations, Actuarial Value

Provider, through the execution of Member Agreements for the CCAH Program, will incur prepaid health obligations for its Members. The actuarial present value of Member prepaid health obligations is \$3,274,983 as of 9/30/21 based on a study conducted by Continuing Care Actuaries. The Provider will review and update prepaid health obligations on an annual basis.

Reserve Funding

Connecticut law does not require reserve funding for the CCAH Program.

DOCUMENTS FILED WITH THE CONNECTICUT DEPARTMENT OF SOCIAL SERVICES

The Provider has filed all materials required to be filed with the Connecticut Department of Social Services are on file. These materials include:

1. A current Disclosure Statement.
2. An index identifying the location of information required by law and listed in Section 17b-533-3 (a) (3) of Social Services regulations (Page ii).
3. Supplemental financial information.

All documents filed will be a matter of public record and may be reviewed at the Department's Offices located at 25 Sigourney Street, Hartford, CT 06106. Telephone: (860) 424-5250.

EXHIBIT I

THE CONTINUING CARE AT HOME PROGRAM

SENIOR CHOICE AT HOME[®]

SPONSORED BY

JEWISH SENIOR SERVICES

MEMBER AGREEMENT

THE CONTINUING CARE AT HOME PROGRAM

SENIOR CHOICE AT HOME[®]

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Member Agreement

THIS SENIOR CHOICE AT HOME[®] MEMBER AGREEMENT (“Agreement”) is made this _____ day of _____ 202__, between The Jewish Home for the Elderly of Fairfield County, Inc. d/b/a Jewish Senior Services, a Connecticut not-for-profit Corporation, hereinafter, called the “Provider,” and _____, hereinafter called “Member.”

Recitals:

Provider is the owner of a 9-acre health care complex known as The Jewish Home of Fairfield County (“the Community”), located at 4200 Park Avenue in Bridgeport, Connecticut. Provider has established and wishes to offer to Member “Senior Choice at Home[®],” a Continuing Care at Home Program (“CCAH Program”) allowing a Member to remain in his/her private residence while enjoying the traditional benefits of a Continuing Care Retirement Facility. The goal of the CCAH Program is to allow Member to continue an independent lifestyle and to provide the peace of mind associated with knowing certain additional attention and care is available if ever needed.

Member desires to participate in the CCAH Program and to use and enjoy the facilities, programs and services provided by the Provider under such Program.

This Agreement is made and entered into between Provider and Member as a commitment to the terms and conditions set forth below.

NOW, THEREFORE, Provider and Member agree as follows:

I. DEFINITIONS

All terms not defined in this Section shall have the meanings ascribed to them in the Agreement, or their common meaning.

The Act means Public Act No. 86-252, an Act Concerning Management of Continuing Care Facilities (Conn. Gen. Stat. § 17b-520 *et seq.*) as amended, including amendments of Public Act No. 08-36 addressing continuing care at home.

ADL (Activities of Daily Living) Deficiencies means deficiencies, as determined by the Care Coordination Team, in activities of daily living such as bathing, dressing, eating, transferring, walking, mobility, grooming and continence. Those persons deemed to have ADL Deficiencies may include, but may not be limited to, those who need personal assistance, those with Alzheimer's Disease or any type of dementia disorder, those who are bed bound or homebound, or those who need special equipment to ambulate (i.e., wheelchair, walker).

Adult Day Care Services means a facility offering a program of services in a group setting for a scheduled number of hours per week. Elements of an adult day care program usually include transportation, meals and activities (both health related and social).

Assisted Living Facility means a registered Managed Residential Facility where nursing and personal care services are provided by an Assisted Living Services Agency licensed by the State of Connecticut. Assisted Living Services are provided, in accordance with Connecticut assisted living licensure requirements, exclusively for residents who require substantial assistance with at least two ADL's, twenty-four (24) hour supervision for safety, and who are Determined To Be Appropriate for assisted living services.

Care Coordination Team means the persons appointed by Provider for Member, comprised of the Care Coordinator assigned to the Member, an Authorized Senior Choice at Home Staff Member, the Medical Director, and other clinical professionals as determined appropriate by the Care Coordinator, in consultation with the Member and/or Member's designee. The Provider, in its sole discretion, may change from time-to-time titles and personnel of the Care Coordination Team.

Care Coordinator means the person appointed by Provider to be responsible for handling needs of Member for Services and for conducting specific needs assessments and for making recommendations for Services subject to review and final determination of Member's eligibility for Services by the Care Coordination Team.

Care Plan means the written plan of Services (including type of Service, start date, quantity, frequency, duration of Service, name of Plan Participating Provider or Facility and any special considerations) the Care Coordination Team develops and approves for Member based on a comprehensive needs assessment. The Care Plan is agreed to and signed by Member.

Companion means a person designated by the Provider to provide Companion Services to a Member at the Member's Home Site, when the Member lives alone or when the Member's family is temporarily away from home.

Companion Services means those services provided by a Companion, which may include visiting a Member for conversation and social time, including playing cards, games or going for a walk, supervision of and assistance with activities of daily living, medication reminders, and regular telephone calls.

Designated Service Area means Provider's area of coverage for Services (currently Fairfield and New Haven Counties), as defined by Provider. The Designated Service Area may be altered from time to time at the sole discretion of Provider. No change in the Designated Service Area by Provider will adversely affect this Agreement.

Determined To Be Appropriate means the Care Coordination Team, utilizing industry standards and accepted standards of health care practice, has assessed a Member's medical and functional status and concluded Services are necessary and will be provided by the Provider or another provider as specified in this Agreement.

Disclosure Statement means the Disclosure Statement of Provider available to Member, pursuant to the Act.

Effective Date means the date by which all parties have executed this Agreement and the Membership Fee has been paid in full or in part per other financial arrangements. The Provider will assume none of the responsibilities of this Agreement until the Effective Date.

Emergency Response System means an in-home 24-hour electronic alarm system activated by a signal to a central switchboard. This system allows Members who are deemed to be at high risk to secure immediate help in the event of a medical, physical, emotional or environmental emergency.

Facility Based Services means Services provided in a facility outside the Home Site, including Assisted Living and Nursing Home Facilities.

Home Health Aide means certified home health aide who has successfully completed a training and/or competency evaluation program approved by the Connecticut Department of Public Health and designated by the Provider to provide Home Health Aide Services to a Member at the Member's Home Site.

Home Health Aide Services means services provided by a Home Health Aide, which may include assistance with bathing and dressing, an established activity regimen such as range of motion exercises, nutritional needs such as feeding assistance and simple maintenance of the Member's environment.

Homemaker is a person designated by the Provider to provide Homemaker Services to the Member at the Member's Home Site.

Homemaker Services are services provided by a Homemaker, which may include assistance with day-to-day chore activities in the Home Site such as cooking, dishwashing, laundry, light housekeeping and errands.

Home Site is the residence of the Member which is not on or at the site of the Provider's campus or facility.

Home Site Services means Services provided at the Member's Home Site.

Medical Director means a physician appointed from time to time by Provider to oversee the provision of medical and health care Services provided to Members.

Medical Record means all records relating to Member's medical history and condition, which may be maintained by Provider or by a Plan Participating Facility or a Plan Approved Provider.

Medicare means the Health Insurance for the Aging Act, Title XVIII of the Social Security Amendment of 1965, as amended and Regulations promulgated thereunder in effect from time to time.

Medicare Covered Services means all hospital, skilled nursing, home care and medical services covered and paid for by Medicare Parts A and B and Member's MediGap or Secondary Insurance.

Member's Designated Representative means any person appointed by Member to represent Member's interests, including but not limited to a health care representative, an attorney-in-fact or conservator.

Medicare Supplemental Coverage means a private health insurance plan, which is certified by the Secretary of Health and Human Services as meeting federal requirements for Medicare supplemental policies. In general, Medicare Supplemental Coverage, also referred to as MediGap Insurance or Secondary Insurance, pays for certain deductibles and co-payments and for some of the balance of the costs of care covered by Medicare Parts A and B when full costs are not paid by Medicare.

Nursing Home Facility means a facility licensed by the State of Connecticut to provide various levels of nursing care.

Permanent Member means a Member who has resided in an Assisted Living or Nursing Home Facility for 100 consecutive days and has been determined to be a Permanent Member with respect to such Facility by the Care Coordination Team.

Plan means the CCAH Program Plan selected by Member.

Plan Approved Provider means a health care services facility or agency having an agreement with the Provider to supply Services to Members.

Plan Participating Facility means an Assisted Living or Nursing Home Facility having an agreement with Provider to supply Facility Based Services according to the definition of Facility Based Services to Member.

Prevailing Rate for a Plan Participating Facility means the current per diem rate charged by a particular Plan Participating Facility.

Referral Service means a service provided under the Plan whereby Provider, acting as an intermediary between Member and third-party vendors of such services, makes referrals to Member for such services as he/she may choose, at costs payable in full by Member.

Services mean any assistance, including care coordination, Member home inspection, annual physical examination, Home Site Services (including Skilled Home Health Care, Homemaker Services, Companion Services, Emergency Response System, Meals and Adult Day Care), Facility Based Services (including Assisted Living and Nursing Home Facility), transportation services, Referral Services and lifestyle and wellness programs, provided to Member as described in this Agreement, subject to applicable co-payments.

II. **ACCOMMODATIONS AND SERVICES**

Provider will provide the following Services to Member, subject to the terms and conditions of this Agreement for the lifetime of the Member in a manner consistent with the objective of enabling Member to remain at the Home Site for as long as is practical and to provide Facility Based Services if needed:

- A. **Residence**. Member shall remain in the Home Site (or subsequent residence if Member moves to another location within the Designated Service Area).

Member currently lives at _____
and shall remain within the Designated Service Area to remain eligible for the Services.

- B. **Member Home Inspection**. During the first year of Member's participation in the CCAH Program and every second year thereafter (unless circumstances or Member's health condition justify more frequent inspections), Provider will provide a functional inspection of the Home Site for the purpose of attempting to identify any functional and safety problems and will make recommendations to Member based on such inspection. The Home Site inspection will focus solely on functional and safety issues for Member. The Home Site inspection will not identify physical, structural or environmental problems with the Home Site, such as problems involving the roof, structure, HVAC, plumbing, electric, leaks or dampness, mold, termites, carpenter ants or other wood destroying insects, asbestos, radon, leaking underground storage tanks and other environmental conditions. Provider may require, based on circumstances of previous inspections or Member's health condition, Member permit Provider to provide a functional inspection of the Home Site on a more frequent basis. Provider does not represent it will undertake steps necessary to effectuate any of recommendations resulting from its Home Site inspection. Implementation of any recommended changes or corrections and payment of any costs involved are the sole responsibility of Member.
- C. **Annual Physical Examination**. Provider encourages Member to undergo an annual physical examination performed by Member's personal physician or by one of Provider's physicians or nurse practitioners. Provider also encourages Member to submit, or arrange for Member's personal physician to submit, a medical report from

Member's personal physician to Member's Care Coordinator.

- D. Care Coordination. Provider shall assign a Care Coordinator to Member. The Care Coordination Team, in consultation with Member and/or Member's Designated Representative, shall prepare a care plan to meet Member's particular needs from time to time during the term of the Agreement. The Care Coordination Team will make all decisions involving Member's participation in various medical and health care Services or permanent transfer from the Home Site to Facility Based Services following consultation with Member or Member's Designated Representative.
- E. Home Site Service. Consistent with the benefit level and required co-payments for the Plan selected by Member, Provider shall provide Home Site Services, as Determined To Be Appropriate by the Care Coordination Team. Member must exhibit at least one or more ADL Deficiencies to be eligible for the following Home Site Services, and Member must use a Plan Approved Provider and sign the relevant agreement to be eligible for coverage. Provider may require an examination by its Medical Director (or his/her designee) to determine eligibility for Services:
1. **SKILLED HOME HEALTH CARE**
Provider will provide non-Medicare covered skilled Home Health Care Services, including personal care provided by a Home Health Aide as Determined To Be Appropriate by the Care Coordination Team.
 2. **HOMEMAKER SERVICES**
Provider will provide Homemaker Services as Determined To Be Appropriate by the Care Coordination Team.
 3. **COMPANION SERVICES**
Provider will provide Companion Services as Determined To Be Appropriate by the Care Coordination Team.
 4. **EMERGENCY RESPONSE SYSTEM**
If Determined To Be Appropriate by the Care Coordination Team and agreed to by the Member or Member's Designated Representative, Provider will provide an Emergency Response System.
 5. **MEALS**
If Determined To Be Appropriate by the Care Coordination Team, the Provider will deliver a maximum of two meals per day to be delivered to the Home Site for a limited amount of time, while the member is recovering from an illness or recent hospitalization, and if the member is not already receiving aide, companion, or homemaker services.
 6. **ADULT DAY CARE**
Provider will provide Adult Day Care Services as Determined To Be Appropriate by the Care Coordination Team.

F. Facility Based Services

1. When Determined To Be Appropriate by the Care Coordination Team and prescribed by a physician, Provider will provide or cause to be provided, Facility Based Services, including Assisted Living in a private accommodation and Nursing Home Services in a semi-private accommodation. Provider may require an examination of Member by its Medical Director (or his/her designee) to determine eligibility for Facility Based Services.

2. ASSISTED LIVING AND NURSING HOME SERVICES

As Determined To Be Appropriate by the Care Coordination Team, Facility Based Services will be provided either in the Community's Skilled Nursing Home or in similar Plan Participating Facilities approved by Provider. Provider will not be responsible for any ancillary charges such as laundry, prescription drugs, medical supplies, telephone, or television. Such charges shall be Member's sole responsibility.

G. CCAH Program Facilities. Member shall have access to facilities and programs for the use and benefit of all Members of the CCAH Program. Such facilities and programs may include a library, computer center, indoor swimming pool, meeting rooms, arts and crafts programs, and other facilities and programs described in CCAH Program materials.

H. Activities and Leisure Events. Member shall have access to planned and scheduled social, recreational, spiritual, educational and cultural activities and leisure events as well as arts and crafts, exercise and health programs, and other special activities designed to meet the needs of Member.

I. Lifestyle and Wellness Programs. Provider shall offer lifestyle and wellness programs from time to time, either free of charge or for a fee. Such services may include but not be limited to, exercise classes, arts and crafts, wellness seminars, speakers and day excursions. Provider shall advise Member of the schedules and the cost of these programs on an as offered basis.

J. Transportation Services. If Member is unable to drive or instructed by his/her physician not to drive, Provider will provide transportation to and from medically necessary outpatient surgery or minor procedures which may include, but not be limited to, cataract removal, chemotherapy treatments, and surgical biopsies. Provider shall not provide transportation for regular physician office visits, dialysis, and routine or specialist appointments. If Member requires assistance in obtaining such transportation services, Provider may assist Member in arranging for such services, but Provider shall not be responsible for any fees involved in such additional transportation services. Payment of any fees associated with additional transportation services will be the sole responsibility of Member.

- K. Other Services and Programs at Additional Charge. Other services and programs will be available to Member at Member's expense, including but not limited to, private transportation, catering, and other special services beyond the normal scope of services offered by Provider. Provider shall determine the availability and charges for such additional services.
- L. Referral Service for Additional Services. Provider shall provide a Referral Service so Member may obtain additional services not provided under this Agreement such as landscape maintenance, legal, financial planning, home maintenance and rental of medical equipment. Member shall be responsible for paying any charges for such additional services directly to the third-party vendor selected.
- M. Limitation of Provider Payment for Non-Institutional Health Care Services. Provider may limit payment for Home Site Services (skilled home health care, homemaker, companion, emergency response system, meals and adult day care) if the cost of such Home Site Services for any thirty (30) day period exceeds the cost based on standard published rates for care in the Community's Nursing Home Facility. Member may either transfer to a Plan Participating Facility or pay the difference between the cost of Home Site Services and the cost based on standard published rates for care in the Community's Nursing Home Facility.

III. FEES, TERMS AND CONDITIONS

- A. Membership Fee. Member agrees to pay the Provider a nontransferable, non-interest-bearing Membership Fee of \$ _____ upon signing this Agreement as a condition of becoming a Member participant in the CCAH Program. The Membership Fee is a one-time fee and shall not be increased or changed during the duration of this Agreement. This Membership Fee is in payment for the _____ **PLAN.**
- B. Monthly Service Fee. In addition to the Membership Fee, Member agrees to pay a Monthly Service Fee for the term of this Agreement which shall be payable in advance by the 1st day of each month. As of the date of this Agreement, the Monthly Service Fee associated with the _____ **PLAN** will be \$ _____ per month. Provider may adjust the Monthly Service Fee during the term of this Agreement as described in Paragraph III. C. below.
- C. Adjustments in the Monthly Service Fee. Provider charges a Monthly Service Fee in order to provide the programs and services described in this Agreement and to cover the costs of debt service, insurance, maintenance, depreciation, administration, staffing, and other expenses associated with the operation and management of the CCAH Program. Provider shall have the authority to adjust the Monthly Service Fee from time to time during the term of this Agreement as Provider deems necessary in order to reflect changes in costs of providing the facilities, programs and services described herein consistent with operating on a sound financial basis and maintaining the quality of

services. The Provider will make any such increases in the Monthly Service Fee or other charges upon sixty (60) days prior written notice to Member.

- D. Additional Service Fees. Provider may charge additional service fees to cover costs of programs and services not included in the Monthly Service Fee, as approved or requested by Member.
- E. Monthly Statements. Provider will furnish Member with monthly statements for payment of the Monthly Service Fee and Additional Service Fees owed by Member. Member shall pay all fees reflected on the monthly statement by the 10th day of the month. Provider may charge interest at a rate of One and One-half Percent (1.5%) per month on any unpaid balance owed by Member thirty (30) days after the monthly statement is furnished. In the event Member does not make payment on a timely basis, Member agrees to pay all costs and attorney fees, if any, in the collection of such indebtedness.
- F. Care in Other Facilities. Should Member need a level of care beyond which the Community is licensed to provide (i.e., Acute Care or Psychiatric Hospital, etc.) or beyond Services covered under this Agreement and Member requires transfer to another facility, all expenses that will result from such transfer and care shall be borne entirely by Member.
- G. Care in Other Assisted Living or Nursing Home Facilities. Should Member be transferred to another Assisted Living or Skilled Nursing Facility because an appropriate bed is not available in the Provider's Community, Member will continue to pay the Monthly Service Fee. Provider will be responsible for charges incurred at the other facility for the level of services defined within this Agreement.
- H. Third Party Reimbursement. The Provider reserves the right to bill Medicare and other third-party payers such as insurance and long-term care insurance companies. Member shall be responsible for all fees and charges incurred while this Agreement remains in force and Member will pay any disputed or denied claims within ninety (90) days.
- I. New Spouse/Partner. In the event Member is or becomes single and then desires to get married or have a partner live with Member at the Home Site, Member may do so.

However, that additional person will not be subject to nor receive any benefits of this Agreement. The additional potential Member must meet both of the following conditions:

1. The additional potential Member qualifies under the same conditions as the initial Member under this Agreement and
2. The additional potential Member agrees to pay the Membership Fee and the Monthly Service Fee then in effect and to execute a separate Member Agreement.

- J. Excess Costs. Except as specifically provided by this Agreement, Member shall be solely responsible for services not covered by Medicare Parts A and B and Medicare Supplemental Coverage and for payments exceeding Medicare and Member's Supplemental Coverage limits including but not limited to: audiology tests and hearing aids; eye glasses and refractions; dentistry; dentures; dental inlays; organ transplants; orthopedic appliances; occupational, physical and speech therapy; podiatry; hospitalization and professional care for psychiatric disorders; treatment for alcohol or drug abuse medications; chiropractors; renal dialysis; extraordinary treatments; and experimental treatments as reasonably determined by its Medical Director.
- K. Illness or Accident While Traveling. If Member is involved in an accident or suffers an illness while traveling or while living at a temporary or second residence outside the Designated Service Area, Member shall make every reasonable effort to notify Provider as soon as possible. If continued medical care is required, Member shall arrange to return to Home Site or, if applicable, to a Plan Participating Facility as soon as reasonably possible. Provider will have no responsibility for costs resulting from such accident or illness until Member returns to Home Site or to a Plan Participating Facility and Provider or a Plan Participating Facility becomes responsible for Member's care.
- L. Financial Hardship. As a not-for-profit organization, the Provider has established a policy whereby it will not terminate membership in the CCAH Program solely by reason of a Member's inability to pay the total Monthly Fee. When a Member establishes facts justifying the need for financial assistance as determined by Provider in its sole discretion, the Provider will advance funds to help the Member pay his/her Monthly Fee. Such advances, plus interest at 1% above the prime rate computed monthly noted on the first day of each month in the Wall Street Journal, shall be charged against the refundable portion, if any, of the Membership Fee. If such advances exceed the refundable portion, if any, of the Membership Fee, Provider may waive some or all of the Member's Monthly Fee if Member has not intentionally depleted assets needed to pay his/her Monthly Fee.

IV. AGREEMENT REQUIREMENTS AND PROCEDURES

Member qualified for services under this Agreement upon satisfaction of the following provisions:

- A. Condition of Membership in CCAH Program. The CCAH Program is available to persons who are 55 years of age or older and who meet all eligibility requirements established by Provider. Through the application process, Member submitted a Confidential Data Application and Personal Health History, as well as other information required by Provider, participated in one or more interviews with Provider and arranged for Member's physician to furnish a physical examination report to Provider. As a condition of membership in the CCAH Program, Member must continue to meet all eligibility requirements established by Provider, including but not limited to financial qualifications and qualifications to ensure that Provider can accommodate Member's

health needs through the CCAH Program. Member agrees to provide such additional information Provider may require from time to time to supplement the Confidential Data Application, Personal Health History and other information provided in the application.

- B. Representations. Member's application, including the Confidential Data Application and Personal Health History, is incorporated by reference into this Agreement. Member affirms the representations made in the application, including the Confidential Data Application and Personal Health History, are true and correct as of the date made and there have been no material changes in the information provided since such date. Member understands any material misstatements or omissions may result in termination of this Agreement.
- C. Medical Insurance. Member shall procure and maintain in force, at Member's own expense, maximum coverage available to Member under any applicable program of Federal Social Security, commonly known as Medicare A and B (basic and supplemental coverage), if eligible, or under similar programs as may be offered in the future and at least one Medicare supplemental health insurance commonly called ("MediGap") policy satisfactory to Provider. If Member is not eligible for Medicare A and B, Member will be required to obtain a health insurance policy equivalent to Medicare (both A and B) and at least one other Medicare supplementary health insurance (commonly called "MediGap") policy, both satisfactory to the Provider. Member must also procure and maintain maximum coverage under Medicare Part D. If Member is not eligible to participate in Medicare Part D, Member agrees to maintain a health insurance policy providing creditable prescription drug coverage. If Member fails or neglects to arrange for such medical insurance coverage, Provider, in Provider's sole discretion, may terminate this Agreement. Alternatively, Provider may, in Provider's sole discretion, make application on Member's behalf, pay Member's premium for the insurance and bill the costs to Member on the Monthly Service Fee statement. Member is responsible for procuring as well as maintaining such medical insurance coverage and Provider, while authorized to do so, shall have no obligation to do so. Should Member incur a medical expense during a period of time for which such medical insurance was required by Provider but was not procured and/or maintained either by Member or by Provider, Member shall be responsible for any portion of such expense that would have been covered had such a medical insurance policy been procured and maintained. All changes in information regarding Member's insurance coverage whether adding or canceling a policy, must be submitted in writing to Provider within ten (10) calendar days.
- D. Transfer of Property. Member agrees not to make any gift or other transfer of assets for less than adequate consideration if such gift or other transfer is made for the purpose of avoiding Member's obligations under this Agreement, or if such gift or transfer would render Member unable to meet Member's financial obligations under this Agreement.

V. TRANSFERS OR CHANGES IN LEVELS OF CARE

- A. Transfer to Assisted Living or Nursing Home Facility. Member agrees Provider shall have authority to determine Member should be transferred from the Home Site to an Assisted Living or Nursing Home Facility or from one level of care to another level of care within Provider. Such determination shall be based on the Care Coordination Team's assessment, based on its professional judgment, to determine the appropriate level of care for Member. Any decision to transfer Member or change levels of care for Member shall be made only after consultation, to the extent practicable under the circumstances at that time, with Member or, in the case of incapacity, Member's Designated Representative; a representative of Member's family; and Member's attending physician.
- B. Transfer to Hospital or Other Facility. Once Member moves to an Assisted Living or Nursing Home Facility under this Agreement, if Provider determines Member needs care beyond which Provider can provide, Provider may transfer Member to a hospital or other facility equipped to provide such care, and Member shall be responsible for the cost of any care or services provided by the hospital or other facility. Such transfer of Member will be made only after consultation, to the extent practicable under the circumstances at the time, with Member or, in the case of incapacity, Member's Designated Representative; or a representative of Member's family; and Member's attending physician.
- C. Decisions Involving Permanent Transfer from Living Accommodation. All decisions involving permanent transfer from Member's current living accommodation (including Home Site, Assisted Living Facility, Nursing Home Facility or hospital/other facility) to another accommodation will be made by the Care Coordination Team in consultation with Member or, in case of incapacity, with Member's Designated Representative. If Provider determines that any transfer is permanent, Member may dispose (or keep) his/her Home Site as Member sees fit; however, all services provided for under this Agreement pertaining to such Home Site will terminate unless separate arrangements are made between the parties.

VI. TERMINATION AND REFUND PROVISIONS

- A. Member's Termination of Agreement During Thirty (30) Day Rescission Period. Member shall have the right to rescind this Agreement within thirty (30) days of the Effective Date ("Rescission Period"). If Member wishes to terminate this Agreement within the Rescission Period, Member must notify Provider in writing by registered or certified mail within such Rescission Period of Member's decision to rescind the Agreement. In the event of such rescission, Provider shall refund all money transferred by Member to Provider less the application fee within thirty (30) days of receipt by Provider of the notice of termination. Member, or Member's Designated Representative, must sign a receipt supplied by Provider, releasing Provider from any and all further obligations before a refund can be issued.

- B. Member's Voluntary Termination After Effective Date. At any time after the Rescission Period, Member may terminate this Agreement for any reason by giving the Provider at least thirty (30) days prior written notice of such termination. If a refund is due to Member, Provider will make the refund in accordance with subsections E and F of this Paragraph.
- C. Termination Upon Member's Death After Commencement of CCAH Program Services. In the event Member dies at any time after commencement of CCAH Program Services, this Agreement shall terminate automatically and any Refund due consistent with Paragraph E and F below, shall be payable to the Member's Estate.
- D. Termination by the Provider. Provider may terminate this Agreement at any time for any cause Provider, in its discretion, deems good and sufficient. Good or sufficient cause shall include, but is not limited to the following: (1) there has been a material misrepresentation or omission made by Member in Member's Confidential Data Application or Personal Health History forms; (2) Member fails to make payment to Provider of any fees or charges due to Provider within sixty (60) days of the date when due; (3) Member permanently relocates outside the Designated Service Area or enters a continuing care retirement community at the residential level; or (4) Member breaches any of the terms and conditions of this Agreement. If a refund is due to Member following such termination, Provider will make the refund in accordance with subsection E and F, of this Paragraph.
- E. Refund. If this Agreement is terminated under Paragraph VI. B, C or D above, during the first forty-eight (48) months following the Effective Date, Provider will pay Member a refund, less an administration fee equal to four percent (4%) of the Membership Fee and less two percent (2%) of the Membership Fee for each month (full or partial without prorating) of Membership. If, however, the Member has transferred into Assisted Living or a Nursing Home Facility, the Refund will be reduced by four percent (4%) per month. If services are provided during this period, the refund will be distributed as stated above less the cost of services rendered. If either party terminates this Agreement after forty-eight (48) months following the Effective Date, Member will not be entitled to any refund of the Membership Fee.
- F. Right of Set-Off; Other Rights. Provider will have the right to set-off against any refund payable to Member or Member's estate under Paragraph VI. E above, any accrued Monthly Service Fees having been deferred, any fees or amounts payable to Provider under this Agreement and under any other Agreement between Member and Provider or any affiliate of Provider and any costs or expenses that might be due, payable or incurred by Member due to Member's violation of this Agreement.

VII. GENERAL

- A. Assignment. The rights and privileges of Member under this Agreement to the facilities, services, and programs of Provider are personal to Member and may not be transferred or assigned by Member. Provider reserves the right to assign this Agreement in the

event of a corporate reorganization, sale or other event requiring assignment.

- B. Provider's Rights of Management. The absolute rights of management are reserved by Provider, its Board of Directors and its administrators. Provider reserves the right to accept or reject any person for Membership. Members do not have the right to determine admissions or terms of admission of any other Member.
- C. Entire Agreement. This Agreement, including all exhibits, constitutes the entire Agreement between Provider and Member. Provider shall not be liable for or bound in any manner by any statements, representations or promises made by any person representing or assuming to represent Provider, unless such statements, representations or promises are set forth in this Agreement. Any modification or amendment to this Agreement must be in writing and signed by Provider and Member.
- D. Successors and Assigns. This Agreement shall bind and inure to the benefit of Member's heirs, executors and administrators only in accordance with its terms.
- E. Right of Entry. Member authorizes employees and agents of Provider to enter the Home Site for the purpose of providing services, inspection, and in the event of perceived medical or another emergency.
- F. Subordination. Member will not be liable for any indebtedness of Provider. Member agrees, however, that, except as provided under applicable law, Member's rights under this Agreement are subordinate and inferior to all bond indentures, mortgages or other documents creating liens encumbering real or personal property of Provider.
- G. Right to Confidentiality. Except as may be required by law or by the order of court, Provider will hold all medical records and other information concerning Member's health condition confidential and will not disclose such information or records except for purposes of treatment, payment or Provider's health care operations. Member agrees that Provider may provide protected health information to health care professionals, third-party payers and others having a need, in Provider's judgment, or right to know such information under applicable federal or state laws. In addition, Provider will hold Member's Confidential Financial Statement and associated materials confidential. This right to confidentiality shall continue in effect upon termination of this Agreement.
- H. Rules Adopted by Provider. Provider reserves the right to adopt or amend policies, procedures and rules regarding membership consistent with the provisions of this Agreement, and Member agrees to observe such policies, procedures and rules.
- I. Required Notice of Relocation from Home Site. Member shall not relocate from the Home Site without notifying Provider in writing. Provider has the right to do a functional Home Site Inspection. Member understands that Provider has the right to terminate the Agreement upon Member's relocation outside the Designated Service Area.

- J. Power of Attorney and Designation of Health Care Representative. Member agrees to execute and maintain in effect a Durable Power of Attorney and Designation of Health Care Representative valid under Connecticut law. This Power of Attorney shall designate as Member's attorney-in-fact, a bank, lawyer, relative, or other responsible person or persons of Member's choice, to act for Member in managing Member's financial affairs, and filing for insurance and other benefits as fully and completely as Member would if acting personally. The Designation of Health Care Representative shall designate a family member or other representative to serve as Member's Designated Representative to make health care decisions on Member's behalf in the event of incapacity. The Durable Power of Attorney and Designation of Health Care Representative each shall be in a form that survives Member's incapacity or disability and be otherwise satisfactory to Provider.
- K. Governing Laws. The laws of the State of Connecticut shall govern this Agreement.
- L. Partial Illegality. The invalidity of any restriction, condition or other provision of this Agreement or any part of the same, shall not impair or affect in any way the validity or enforceability of or otherwise affect the rest of this Agreement, and the Agreement shall be valid and enforced to the fullest extent permitted by law.
- M. Appeal Process. For purposes of this subsection, absent unusual circumstances, "prompt" or "promptly" shall mean no more than seven (7) days from the date Member or Provider is informed in writing of the decision related to appeal.
1. MEMBER'S RIGHT TO APPEAL
Member has the right to appeal decisions in connection with Section II. Accommodations and Services and Section V. Transfers or Changes in Levels of Care.
 2. WHO MAY APPEAL
Member or Member's Designated Representative has the right to appeal. The family of a Member may advocate for or may encourage Member to appeal, but cannot themselves appeal, except in the case where the family member has been appointed Member's Designated Representative and Member is deemed incapacitated. The Care Coordinator may act as an advocate for Member or may facilitate the appeal but cannot appeal him/herself.
 3. APPEAL PROCESS - LEVEL I
 - a. Care Coordinator shall record all requests for appeal.
 - b. Member shall promptly initiate appeal procedures by (1) telephoning Member's Care Coordinator; or (2) informing Provider, in writing, of his/her desire to appeal.
 - c. Director of Care Coordination shall perform a prompt, independent review of the case, and shall notify Member of review decision promptly thereafter.

4. APPEAL PROCESS - LEVEL II

If Member promptly notifies Provider in writing of desire to appeal to the next level, the case will be reviewed promptly by the Care Coordination Team. The Director of Care Coordination shall notify Member of review decision promptly thereafter.

5. APPEAL PROCESS - LEVEL III

If Member promptly notifies Provider, in writing, of Member's desire to appeal to the next level, the case will be reviewed promptly by the Appeal Committee, consisting of the Medical Director, President and Chief Executive Officer, Clinical Representative, and a representative designated by Member. The Director of Care Coordination shall notify Member of review decision promptly thereafter.

6. NO FURTHER APPEAL

Member shall have no right to appeal a Level III decision.

- N. Arbitration. Any dispute, claim or controversy of any kind between the parties, arising out of, or in connection with, this Agreement or any amendment thereto, or the breach hereof, shall be submitted to and determined by arbitration in Bridgeport, Connecticut in accordance with the commercial arbitration rules of the American Arbitration Association. Both parties shall be bound by the decision of the arbitrator, and judgment upon such disposition may be entered in any state or federal court having jurisdiction over the matter unless the arbitration is fraudulent or so grossly erroneous as to necessarily imply bad faith. If the parties are unable to agree in good faith and within a reasonable time on the selection of an arbitrator, either party may request appointment of an arbitrator by the American Arbitration Association. The parties shall make a reasonable attempt to select an arbitrator with experience in retirement communities, long-term care or health care operations generally. Costs of arbitration shall be shared by both parties equally.
- O. Statement of Nondiscrimination. Provider complies with all applicable federal and state laws prohibiting discrimination based on race, color, sex, religious beliefs, national origin, sexual orientation, veteran's status, and other protected classes of persons.
- P. Member acknowledges receipt of a *Disclosure Statement* not more than sixty (60) nor less than ten (10) days before signing this Agreement.

Member has read and understood the *Disclosure Statement*, including this Agreement. Member acknowledges having read these documents and having had the opportunity to review them with an attorney, financial advisor or other representative of Member's choice.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year above written.

JEWISH SENIOR SERVICES

WITNESS:

By: _____

Print Name: _____

President & CEO or Authorized Representative

MEMBER

WITNESS:

Print Name: _____

Print Name: _____

Current Address: Street

City, State, Zip Code

Telephone Number

EXHIBIT II
PLAN OPTIONS AND MEMBERSHIP/MONTHLY FEES
(Effective through September 30, 2022)

PLAN OPTIONS

<u>TYPE OF SERVICE</u>	<u>ALL INCLUSIVE</u>	<u>SECURITY</u>	<u>CO-PAY</u>
Care Coordination	100%	100%	100%
Health Support Services			
Home Health Aide	100%	85%	50%
Companion/Homemaker	100%	85%	50%
Live-In Companion	100%	85%	50%
Adult Day Care	100%	85%	50%
Delivered Meals	100%	100%	100%
Emergency Response System	100%	100%	100%
Home Inspections	100%	100%	100%
Medical Transportation	100%	100%	100%
Residential Healthcare or Assisted Living Care			
	100%	70%	50%
Nursing Home Care	100%	70%	50%

All Inclusive

Age	Single Membership Fee	Single Monthly Fee	Couple Membership Fee**	Couple Monthly Fee**
55	\$ 31,565	\$ 515	\$ 30,916	\$ 500
56	\$ 32,509	\$ 515	\$ 31,841	\$ 500
57	\$ 33,453	\$ 515	\$ 32,765	\$ 500
58	\$ 34,971	\$ 515	\$ 34,253	\$ 500
59	\$ 36,491	\$ 515	\$ 35,740	\$ 500
60	\$ 38,009	\$ 515	\$ 37,228	\$ 500
61	\$ 39,528	\$ 515	\$ 38,715	\$ 500
62	\$ 41,046	\$ 515	\$ 40,203	\$ 500
63	\$ 42,402	\$ 515	\$ 41,524	\$ 500
64	\$ 43,757	\$ 515	\$ 42,845	\$ 500
65	\$ 45,112	\$ 515	\$ 44,167	\$ 500
66	\$ 46,190	\$ 515	\$ 45,218	\$ 500
67	\$ 47,270	\$ 515	\$ 46,270	\$ 500
68	\$ 48,348	\$ 515	\$ 47,321	\$ 500
69	\$ 49,426	\$ 515	\$ 48,373	\$ 500
70	\$ 50,444	\$ 515	\$ 49,393	\$ 500
71	\$ 51,386	\$ 515	\$ 50,283	\$ 500
72	\$ 52,267	\$ 515	\$ 51,142	\$ 500
73	\$ 53,149	\$ 515	\$ 52,002	\$ 500
74	\$ 54,030	\$ 515	\$ 52,862	\$ 500
75	\$ 54,912	\$ 515	\$ 53,721	\$ 500
76	\$ 55,720	\$ 515	\$ 54,510	\$ 500
77	\$ 56,528	\$ 515	\$ 55,298	\$ 500
78	\$ 57,338	\$ 515	\$ 56,086	\$ 500
79	\$ 58,146	\$ 515	\$ 56,875	\$ 500
80	\$ 58,954	\$ 515	\$ 57,663	\$ 500
81	\$ 60,038	\$ 515	\$ 58,719	\$ 500
82	\$ 61,121	\$ 515	\$ 59,775	\$ 500
83	\$ 62,204	\$ 515	\$ 60,830	\$ 500
84	\$ 63,287	\$ 515	\$ 61,886	\$ 500
85	\$ 71,370	\$ 515	\$ 62,942	\$ 500
86	\$ 72,894	\$ 515	\$ 64,429	\$ 500
87	\$ 74,419	\$ 515	\$ 65,916	\$ 500
88	\$ 75,944	\$ 515	\$ 67,402	\$ 500
89	\$ 77,469	\$ 515	\$ 68,889	\$ 500
90	\$ 78,994	\$ 515	\$ 70,377	\$ 500
91	\$ 80,323	\$ 515	\$ 71,671	\$ 500
92	\$ 81,650	\$ 515	\$ 72,967	\$ 500
93	\$ 82,979	\$ 515	\$ 74,262	\$ 500
94	\$ 84,307	\$ 515	\$ 75,557	\$ 500
95	\$ 85,636	\$ 515	\$ 76,852	\$ 500

** Fee per person per age

Security

Age	Single Membership		Single Monthly		Couple Membership		Couple Monthly	
		Fee		Fee		Fee**		Fee**
55	\$	24,439	\$	453	\$	23,969	\$	440
56	\$	25,170	\$	453	\$	24,686	\$	440
57	\$	25,901	\$	453	\$	25,403	\$	440
58	\$	27,076	\$	453	\$	26,556	\$	440
59	\$	28,252	\$	453	\$	27,709	\$	440
60	\$	29,428	\$	453	\$	28,862	\$	440
61	\$	30,604	\$	453	\$	30,015	\$	440
62	\$	31,781	\$	453	\$	31,169	\$	440
63	\$	32,816	\$	453	\$	32,178	\$	440
64	\$	33,851	\$	453	\$	33,187	\$	440
65	\$	34,885	\$	453	\$	34,195	\$	440
66	\$	35,714	\$	453	\$	35,003	\$	440
67	\$	36,543	\$	453	\$	35,812	\$	440
68	\$	37,372	\$	453	\$	36,620	\$	440
69	\$	38,201	\$	453	\$	37,428	\$	440
70	\$	39,030	\$	453	\$	38,236	\$	440
71	\$	39,711	\$	453	\$	38,900	\$	440
72	\$	40,391	\$	453	\$	39,564	\$	440
73	\$	41,073	\$	453	\$	40,228	\$	440
74	\$	41,754	\$	453	\$	40,892	\$	440
75	\$	42,435	\$	453	\$	41,556	\$	440
76	\$	43,057	\$	453	\$	42,163	\$	440
77	\$	43,678	\$	453	\$	42,768	\$	440
78	\$	44,299	\$	453	\$	43,374	\$	440
79	\$	44,921	\$	453	\$	43,980	\$	440
80	\$	45,543	\$	453	\$	44,586	\$	440
81	\$	46,362	\$	453	\$	45,385	\$	440
82	\$	47,182	\$	453	\$	46,185	\$	440
83	\$	48,002	\$	453	\$	46,984	\$	440
84	\$	48,821	\$	453	\$	47,783	\$	440
85	\$	49,641	\$	453	\$	48,582	\$	440
86	\$	50,781	\$	453	\$	49,694	\$	440
87	\$	51,922	\$	453	\$	50,806	\$	440
88	\$	53,060	\$	453	\$	51,917	\$	440
89	\$	54,201	\$	453	\$	53,029	\$	440
90	\$	55,341	\$	453	\$	54,140	\$	440
91	\$	56,330	\$	453	\$	55,105	\$	440
92	\$	57,320	\$	453	\$	56,069	\$	440
93	\$	58,309	\$	453	\$	57,033	\$	440
94	\$	59,298	\$	453	\$	57,998	\$	440
95	\$	60,288	\$	453	\$	58,963	\$	440

** Fee per person per age

Co-Pay

Age	Single Membership		Single Monthly		Couple Membership		Couple Monthly	
		Fee		Fee		Fee**		Fee**
55	\$	18,152	\$	386	\$	17,839	\$	375
56	\$	18,695	\$	386	\$	18,372	\$	375
57	\$	19,238	\$	386	\$	18,906	\$	375
58	\$	20,112	\$	386	\$	19,764	\$	375
59	\$	20,985	\$	386	\$	20,622	\$	375
60	\$	21,858	\$	386	\$	21,481	\$	375
61	\$	22,731	\$	386	\$	22,339	\$	375
62	\$	23,605	\$	386	\$	23,197	\$	375
63	\$	24,294	\$	386	\$	23,869	\$	375
64	\$	24,984	\$	386	\$	24,542	\$	375
65	\$	25,673	\$	386	\$	25,213	\$	375
66	\$	26,226	\$	386	\$	25,752	\$	375
67	\$	26,778	\$	386	\$	26,290	\$	375
68	\$	27,329	\$	386	\$	26,829	\$	375
69	\$	27,881	\$	386	\$	27,367	\$	375
70	\$	28,433	\$	386	\$	27,905	\$	375
71	\$	28,885	\$	386	\$	28,346	\$	375
72	\$	29,337	\$	386	\$	28,787	\$	375
73	\$	29,791	\$	386	\$	29,228	\$	375
74	\$	30,243	\$	386	\$	29,669	\$	375
75	\$	30,695	\$	386	\$	30,110	\$	375
76	\$	31,102	\$	386	\$	30,507	\$	375
77	\$	31,510	\$	386	\$	30,904	\$	375
78	\$	31,917	\$	386	\$	31,301	\$	375
79	\$	32,324	\$	386	\$	31,699	\$	375
80	\$	32,732	\$	386	\$	32,096	\$	375
81	\$	33,265	\$	386	\$	32,616	\$	375
82	\$	33,797	\$	386	\$	33,135	\$	375
83	\$	34,331	\$	386	\$	33,655	\$	375
84	\$	34,863	\$	386	\$	34,174	\$	375
85	\$	35,397	\$	386	\$	34,694	\$	375
86	\$	35,929	\$	386	\$	35,213	\$	375
87	\$	36,463	\$	386	\$	35,733	\$	375
88	\$	36,995	\$	386	\$	36,252	\$	375
89	\$	37,529	\$	386	\$	36,773	\$	375
90	\$	39,082	\$	386	\$	38,287	\$	375
91	\$	39,615	\$	386	\$	38,806	\$	375
92	\$	40,147	\$	386	\$	39,326	\$	375
93	\$	40,681	\$	386	\$	39,846	\$	375
94	\$	41,213	\$	386	\$	40,365	\$	375
95	\$	42,266	\$	386	\$	41,391	\$	375

** Fee per person per age

EXHIBIT III

CCAH PROGRAM PROJECTED INCOME STATEMENTS

Senior Choice at Home
Projected Income Statement

Jewish Senior Services
Senior Choice at Home

FISCAL YEAR	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Revenue: (in thousands)					
Earned Membership Fees	\$555	\$635	\$716	\$796	\$876
Monthly Fees	779	892	1,005	1,117	1,230
Other Revenue - Application Fees	5	5	5	5	5
Total Revenues	<u>\$1,339</u>	<u>\$1,532</u>	<u>\$1,725</u>	<u>\$1,918</u>	<u>\$2,111</u>
Expenses: (in thousands)					
Salaries & Benefits	\$142	\$145	\$198	\$202	\$256
Benefits	43	43	59	61	77
Marketing	65	68	72	75	79
General & Administrative	23	24	25	27	28
Assisted Living	94	80	83	85	88
Companion Services	800	880	968	1,065	1,171
Total Expenses	<u>\$1,167</u>	<u>\$1,241</u>	<u>\$1,405</u>	<u>\$1,514</u>	<u>\$1,698</u>
Net Income	<u>\$172</u>	<u>\$291</u>	<u>\$320</u>	<u>\$404</u>	<u>\$413</u>

EXHIBIT IV

THE JEWISH HOME FINANCIAL STATEMENTS

**JEWISH HOME FOR THE ELDERLY OF FAIRFIELD COUNTY, INC.
D/B/A JEWISH SENIOR SERVICES**

FINANCIAL STATEMENTS

**AS OF AND FOR THE YEARS ENDED
SEPTEMBER 30, 2021 AND 2020**

**JEWISH HOME FOR THE ELDERLY OF FAIRFIELD COUNTY, INC.
D/B/A JEWISH SENIOR SERVICES**

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INDEPENDENT AUDITORS' REPORT

Board of Directors

Jewish Home for the Elderly of Fairfield County, Inc.
d/b/a Jewish Senior Services

We have audited the accompanying financial statements of Jewish Home for the Elderly of Fairfield County, Inc. d/b/a Jewish Senior Services (the Home), which comprise the statement of financial position as of September 30, 2021, and the related statements of activities and changes in net assets, functional expenses and cash flows or the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statement referred to above present fairly, in all material respects, the financial position of Jewish Home for the Elderly of Fairfield County, Inc. d/b/a Jewish Senior Services as of September 30, 2021, and the results of its operations, 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.

Other Matter – 2020 Financial Statements

The accompanying 2020 financial statements were audited by other auditors whose report dated January 28, 2021, expressed an unmodified opinion on those financial statements.

Marcum LLP

Hartford, CT
January 28, 2022

**JEWISH HOME FOR THE ELDERLY OF FAIRFIELD COUNTY, INC.
D/B/A JEWISH SENIOR SERVICES**

STATEMENTS OF FINANCIAL POSITION

SEPTEMBER 30, 2021 AND 2020

	2021	2020
Assets		
Current Assets		
Cash and cash equivalents	\$ 4,677,427	\$ 5,217,318
Accounts receivable, net	5,019,966	4,184,575
Current portion of contributions receivable, net	135,986	115,186
Prepaid expenses and other assets	217,969	151,866
Entrance fee receivables	240,006	284,483
Agency assets - residents' trust funds	217,727	248,061
Total Current Assets	10,509,081	10,201,489
Property and Equipment		
Land	5,000,000	5,000,000
Buildings and improvements	92,460,664	92,422,666
Equipment	4,106,691	4,038,677
Computers and software	1,407,610	1,398,130
Vehicles	377,001	410,823
Construction in process	30,483	355,395
	103,382,449	103,625,691
Less accumulated depreciation	21,279,160	17,437,315
Property and Equipment - net	82,103,289	86,188,376
Other Assets		
Investments	14,161,763	12,887,525
Contributions receivable, net	418,088	16,460
Charitable remainder trust	125,196	125,196
Total Other Assets	14,705,047	13,029,181
Total Assets	\$ 107,317,417	\$ 109,419,046

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

**JEWISH HOME FOR THE ELDERLY OF FAIRFIELD COUNTY, INC.
D/B/A JEWISH SENIOR SERVICES**

STATEMENTS OF FINANCIAL POSITION (CONTINUED)

SEPTEMBER 30, 2021 AND 2020

	2021	2020
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	\$ 861,134	\$ 639,893
Accrued taxes, expenses and other liabilities	2,964,637	3,395,028
Contract liabilities	821,461	870,967
Current portion of notes payable	197,869	195,239
Current portion of bonds payable, net	2,246,667	2,148,333
Advances payable	385,000	385,000
Agency liabilities - funds held for residents	217,727	248,061
Total Current Liabilities	7,694,495	7,882,521
Other Liabilities		
Notes payable	6,130	24,472
Bonds payable, net of current portion and debt issuance costs	49,616,349	51,292,115
Liability under split-interest agreements	152,384	174,470
Deferred revenue from entrance fees, net	4,051,049	4,143,084
Interest rate swap agreements	111,290	113,642
Accrued pension liability	1,337,236	2,157,636
Total Other Liabilities	55,274,438	57,905,419
Total Liabilities	62,968,933	65,787,940
Net Assets		
Without donor restrictions	30,422,584	31,180,354
With donor restrictions	13,925,900	12,450,752
Total Net Assets	44,348,484	43,631,106
Total Liabilities and Net Assets	\$ 107,317,417	\$ 109,419,046

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

**JEWISH HOME FOR THE ELDERLY OF FAIRFIELD COUNTY, INC.
D/B/A JEWISH SENIOR SERVICES**

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Operating Revenues			
Resident care and services	\$ 44,224,191	\$ --	\$ 44,224,191
Community services	10,007,754	--	10,007,754
COVID-19 Relief Revenue	399,467	--	399,467
Other income	1,489,592	--	1,489,592
Net assets released from restrictions - operations	<u>506,953</u>	<u>(506,953)</u>	<u>--</u>
Total Operating Revenues	<u>56,627,957</u>	<u>(506,953)</u>	<u>56,121,004</u>
Operating Expenses			
Program services	52,675,190	--	52,675,190
Management and general	6,416,303	--	6,416,303
Fundraising	<u>536,308</u>	<u>--</u>	<u>536,308</u>
Total Operating Expenses	<u>59,627,801</u>	<u>--</u>	<u>59,627,801</u>
Loss from Operations	<u>(2,999,844)</u>	<u>(506,953)</u>	<u>(3,506,797)</u>
Nonoperating Income (Expense)			
Contributions	1,142,914	807,569	1,950,483
Change in liability under split-interest agreements	(6,973)	--	(6,973)
Net realized and unrealized gains on investments	190,283	1,043,340	1,233,623
Investment income, net	56,930	423,402	480,332
Unrealized gain on interest rate swap agreements	2,352	--	2,352
Loss on disposal of construction in progress	<u>(397,694)</u>	<u>--</u>	<u>(397,694)</u>
Net Nonoperating Income	<u>987,812</u>	<u>2,274,311</u>	<u>3,262,123</u>
(Deficiency) Excess of Revenues over Expenses	<u>(2,012,032)</u>	<u>1,767,358</u>	<u>(244,674)</u>
Change in Pension Liability	962,052	--	962,052
Net Assets Released from Restrictions - Capital	<u>292,210</u>	<u>(292,210)</u>	<u>--</u>
Change in Net Assets	<u>(757,770)</u>	<u>1,475,148</u>	<u>717,378</u>
Net Assets - Beginning	<u>31,180,354</u>	<u>12,450,752</u>	<u>43,631,106</u>
Net Assets - End	<u>\$ 30,422,584</u>	<u>\$ 13,925,900</u>	<u>\$ 44,348,484</u>

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

**JEWISH HOME FOR THE ELDERLY OF FAIRFIELD COUNTY, INC.
D/B/A JEWISH SENIOR SERVICES**

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Operating Revenues			
Resident care and services	\$ 42,738,583	\$ --	\$ 42,738,583
Community services	10,492,630	--	10,492,630
COVID-19 Relief Revenue	2,900,453	--	2,900,453
Other income	1,218,660	--	1,218,660
Net assets released from restrictions - operations	<u>575,676</u>	<u>(575,676)</u>	<u>--</u>
Total Operating Revenues	<u>57,926,002</u>	<u>(575,676)</u>	<u>57,350,326</u>
Operating Expenses			
Program services	53,717,600	--	53,717,600
Management and general	6,521,021	--	6,521,021
Fundraising	<u>424,223</u>	<u>--</u>	<u>424,223</u>
Total Operating Expenses	<u>60,662,844</u>	<u>--</u>	<u>60,662,844</u>
Loss from Operations	<u>(2,736,842)</u>	<u>(575,676)</u>	<u>(3,312,518)</u>
Nonoperating Income (Expense)			
Contributions	807,861	364,037	1,171,898
Change in liability under split-interest agreements	53,215	--	53,215
Net realized and unrealized gains on investments	31,513	262,411	293,924
Investment income, net	64,980	461,540	526,520
Unrealized loss on interest rate swap agreements	<u>(59,019)</u>	<u>--</u>	<u>(59,019)</u>
Net Nonoperating Income	<u>898,550</u>	<u>1,087,988</u>	<u>1,986,538</u>
(Deficiency) Excess of Revenues over Expenses	(1,838,292)	512,312	(1,325,980)
Change in Pension Liability	313,204	--	313,204
Net Assets Released from Restrictions - Capital	<u>251,977</u>	<u>(251,977)</u>	<u>--</u>
Change in Net Assets	(1,273,111)	260,335	(1,012,776)
Net Assets - Beginning	<u>32,453,465</u>	<u>12,190,417</u>	<u>44,643,882</u>
Net Assets - End	<u>\$ 31,180,354</u>	<u>\$ 12,450,752</u>	<u>\$ 43,631,106</u>

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

**JEWISH HOME FOR THE ELDERLY OF FAIRFIELD COUNTY, INC.
D/B/A JEWISH SENIOR SERVICES**

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Program Services	Supporting Services		Total
		Management and General	Fundraising	
Salaries and wages	\$ 27,229,818	\$ 3,207,207	\$ 301,363	\$ 30,738,388
Employee benefits	6,168,652	824,328	30,306	7,023,286
Depreciation expense	3,597,307	249,596	28,763	3,875,666
Purchased services	3,979,813	78,232	1,437	4,059,482
Interest expense	1,951,135	135,378	15,601	2,102,114
Consulting and management fees	896,917	802,215	230	1,699,362
Medical supplies and expenses	1,284,758	1,671	--	1,286,429
Bad debt expense	434,338	--	--	434,338
Occupancy	1,779,300	123,455	14,227	1,916,982
Food expense	1,314,607	212,261	2,152	1,529,020
Taxes	1,340,109	50,000	--	1,390,109
General supplies	1,024,095	286,409	30,296	1,340,800
Information technology	533,423	53,300	23,646	610,369
Miscellaneous	1,140,918	392,251	88,287	1,621,456
Total Expenses	<u>\$ 52,675,190</u>	<u>\$ 6,416,303</u>	<u>\$ 536,308</u>	<u>\$ 59,627,801</u>

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

**JEWISH HOME FOR THE ELDERLY OF FAIRFIELD COUNTY, INC.
D/B/A JEWISH SENIOR SERVICES**

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Program Services	Supporting Services		Total
		Management and General	Fundraising	
Salaries and wages	\$ 27,865,226	\$ 3,237,448	\$ 268,625	\$ 31,371,299
Employee benefits	6,513,552	1,031,249	37,914	7,582,715
Depreciation expense	3,639,032	252,491	29,097	3,920,620
Purchased services	3,252,024	61,858	1,870	3,315,752
Interest expense	1,997,862	138,620	15,974	2,152,456
Consulting and management fees	1,146,872	798,437	271	1,945,580
Medical supplies and expenses	1,835,370	528	--	1,835,898
Bad debt expense	569,471	--	--	569,471
Occupancy	1,695,166	117,617	11,521	1,824,304
Food expense	1,352,512	188,076	--	1,540,588
Taxes	1,409,007	46,605	--	1,455,612
General supplies	1,131,021	265,931	27,004	1,423,956
Information technology	504,117	42,826	26,101	573,044
Miscellaneous	806,368	339,335	5,846	1,151,549
Total Expenses	<u>\$ 53,717,600</u>	<u>\$ 6,521,021</u>	<u>\$ 424,223</u>	<u>\$ 60,662,844</u>

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

**JEWISH HOME FOR THE ELDERLY OF FAIRFIELD COUNTY, INC.
D/B/A JEWISH SENIOR SERVICES**

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020

	2021	2020
Cash Flows from Operating Activities		
Change in net assets	\$ 717,378	\$ (1,012,776)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	3,875,666	3,920,620
Loss on disposal of construction in process	397,694	--
Bad debt expense	434,338	569,471
Interest for debt issuance costs	42,151	42,151
Net realized and unrealized gains on investments	(1,233,623)	(293,924)
Proceeds from entrance fees	(725,296)	(299,471)
Amortization of entrance fees	677,738	712,319
Unrealized (gain) loss on interest rate swap agreements	(2,352)	59,019
Contributions restricted for long-term investment purposes	--	(26,351)
Changes in operating assets and liabilities:		
Accounts receivable	(1,269,729)	(408,786)
Contributions receivable	(422,428)	(14,553)
Prepaid expenses and other assets	(66,103)	301,161
Accounts payable	221,241	32,612
Accrued taxes, expenses and other liabilities	(430,391)	558,082
Accrued pension cost	(820,400)	211,623
Liability under split-interest agreements	(22,086)	(76,722)
Contract liabilities	(49,506)	371,374
Net Cash Provided by Operating Activities	1,324,292	4,645,849

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

**JEWISH HOME FOR THE ELDERLY OF FAIRFIELD COUNTY, INC.
D/B/A JEWISH SENIOR SERVICES**

STATEMENTS OF CASH FLOWS (CONTINUED)

FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020

	2021	2020
Cash Flows from Investing Activities		
Cash outlays for property and equipment	\$ (188,273)	\$ (391,168)
Purchases of investments and reinvested income	(40,615)	(1,887,748)
Proceeds from sale of investments	--	1,420,907
	<u>(228,888)</u>	<u>(858,009)</u>
Cash Flows from Financing Activities		
Principal payments on notes payable and line of credit	(15,712)	(325,127)
Principal payments on bonds payable	(1,619,583)	(1,526,250)
Advances payable	--	385,000
Proceeds from contributions restricted for long-term investment purposes	--	65,600
Proceeds from contributions restricted for capital purposes	--	251,977
	<u>(1,635,295)</u>	<u>(1,148,800)</u>
Net Cash Used in Financing Activities		
	<u>(1,635,295)</u>	<u>(1,148,800)</u>
Net Change in Cash and Cash Equivalents	(539,891)	2,639,040
Cash and Cash Equivalents - Beginning	<u>5,217,318</u>	<u>2,578,278</u>
Cash and Cash Equivalents - Ending	<u>\$ 4,677,427</u>	<u>\$ 5,217,318</u>

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

**JEWISH HOME FOR THE ELDERLY OF FAIRFIELD COUNTY, INC.
D/B/A JEWISH SENIOR SERVICES**

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020

NOTE 1 - NATURE OF OPERATIONS

Jewish Home for the Elderly of Fairfield County, Inc. d/b/a Jewish Senior Services (the Home) is a nonstock corporation under Connecticut law and a not-for-profit health care facility providing rest home and skilled nursing care, adult day care, licensed medical home care services and nonmedical home care services to the aged and infirm. As of September 30, 2021 and 2020, the Home was licensed for 294 skilled nursing beds. A substantial portion of the Home's revenue and related receivables is provided by Medicaid and Medicare programs.

The Home's auxiliary organizations include the Women's Auxiliary of the Jewish Home for the Elderly and the Men's Club of the Jewish Home for the Elderly (the Auxiliaries). The Auxiliaries are incorporated separately; however, their principal function is fundraising for the Home. The Auxiliaries do not have agreements with the Home and, therefore, their activities are not included in the accompanying financial statements. However, they continue to have a financial interrelationship with the Home. Related party transactions are included in Note 13.

TJH Senior Living, LLC, and TJH Holding, LLC, were incorporated in 2009 as holding companies for potential business activities outside of the health care facility. The Home is the manager of these companies. Since incorporation, these companies have not had any business activity.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PRESENTATION

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP), as promulgated by the Financial Accounting Standards Board (FASB), utilizing the accrual basis of accounting. Under the accrual basis revenues are recognized when earned and expenses when the related liability for goods and services is incurred, regardless of the timing of the related cash flows.

USE OF ESTIMATES

The preparation of the financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**JEWISH HOME FOR THE ELDERLY OF FAIRFIELD COUNTY, INC.
D/B/A JEWISH SENIOR SERVICES**

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

USE OF ESTIMATES (CONTINUED)

The Home's significant estimates include patient accounts receivable, estimated final settlements due to or from third-party payers, fair value estimates, amortization of deferred entrance fees, recognition of COVID-19 relief revenue, the analysis of long-lived assets for impairment, charitable gift annuities payable, interest rate swap valuations and pension liabilities. It is management's opinion that the estimates applied in the accompanying financial statements are reasonable.

NET ASSETS

Net assets are classified as without donor restrictions or with donor restrictions to properly disclose the nature and amount of significant resources that have been restricted in accordance with specified objectives. Accordingly, the assets, liabilities, and net assets of the Home are reported in two net asset groups as follows:

NET ASSETS WITHOUT DONOR RESTRICTIONS

Net assets without donor restrictions consist of net assets over which the governing Board of Directors has control to use in carrying out the operations of the Home in accordance with its charter and by-laws and are neither required to be held in perpetuity or purpose restricted by donor-imposed restrictions. Board-designated endowment funds within net assets without donor restrictions were \$316,888 and \$277,774 as of September 30, 2021 and 2020, respectively.

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 and also include accumulated investment income and gains on donor-restricted endowment assets that have not been appropriated for expenditure. Net assets with donor restrictions also represent resources that have donor-imposed restrictions requiring that the principal be maintained in perpetuity but permit the Home to expend the income earned thereon for general purposes or purposes specified by the donor.

**JEWISH HOME FOR THE ELDERLY OF FAIRFIELD COUNTY, INC.
D/B/A JEWISH SENIOR SERVICES**

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

NONOPERATING INCOME (EXPENSE)

Activities other than in connection with providing healthcare services are considered to be nonoperating. Nonoperating income consists primarily of income earned on invested funds, realized and unrealized gains and losses on marketable securities and interest rate swap agreements, change in value of split-interest agreements, pension liability, loss on disposal of non-operating assets and gifts and bequests.

EXCESS OF REVENUES OVER EXPENSES

The statements of activities and changes in net assets without donor restrictions include excess of revenues over expenses. Changes in net assets without donor restrictions which are excluded from operating income (loss), consistent with industry practice, include changes in pension liabilities other than net periodic benefit costs and net assets released from restrictions for capital acquisitions.

CASH AND CASH EQUIVALENTS

Cash equivalents include cash and highly liquid investments purchased with an original maturity of three months or less when purchased. The Home maintains deposits in financial institutions that may, at times, exceed federal depository insurance limits. Management believes that the Home's deposits are not subject to significant credit risk. The Home has not suffered any losses in connection with its banking activities.

ACCOUNTS RECEIVABLE

Accounts receivable result from the health care services provided by the Home. Accounts receivable are reported net of any contractual adjustments and implicit price concessions.

The Home estimates its accounts receivable based on its past experience, which indicates that certain patients are unable or unwilling to pay the portion of their bill for which they are financially responsible. The difference between the standard rates and the amounts actually collected after all reasonable collection efforts have been exhausted is generally charged off against revenue as an implicit price concession.

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.

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NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

INVESTMENT VALUATION AND INCOME RECOGNITION (CONTINUED)

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. Investment income includes the gains and losses on investments bought and sold as well as held during the year. Realized and unrealized gains and losses on these investments are reported in the statements of activities and changes in net assets as increases or decreases in net assets without donor restrictions unless their use is temporarily or permanently restricted by explicit donor stipulations or by law. Realized and unrealized gains and losses and other investment income, net of related fees, are reflected in the accompanying statements of activities as investment income, net. These amounts are reported in the statements of activities and changes in net assets 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.

Investments and non-marketable securities in general, are exposed to various risks such as interest rate, credit and overall market volatility. As such, it is reasonably possible that changes in the values of these investment securities will occur in the near term and those changes could materially affect the amounts reported in the statements of financial position and statements of operations and changes in net assets. Marketable securities with readily determinable fair values are measured at fair value in the statements of financial position. Gains and losses on investments are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law.

PROPERTY AND EQUIPMENT

Property and equipment acquisitions are recorded at cost. Depreciation of property and equipment is provided using the straight-line method over the estimated useful lives of the assets as follows:

Buildings and improvements	10 – 40 years
Furniture, fixtures and equipment	3 – 25 years
Computers and software	3 – 5 years
Vehicles	4 years

Expenditures for maintenance and repairs are charged to operations as incurred. Expenditures in excess of \$1,000 for renewals and betterments are capitalized.

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NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

IMPAIRMENT OF OTHER LONG-LIVED ASSETS

The Home records impairment losses on other long-lived assets used in operations when events and circumstances indicate that the assets might be impaired and the undiscounted cash flows estimated to be generated by those assets are less than the carrying amounts of those assets. There was no impairment loss recorded during year ended September 30, 2021 and 2020.

SPLIT-INTEREST AGREEMENTS

The Home has entered into several split-interest agreements whereby assets were transferred to the Home and invested. Under the terms of the program, contributions are received from donors in exchange for a promise by the Home to pay a fixed amount for a specified period of time to a donor or individuals designated by the donor. Annuity contracts may be established for either one or two lives and provide that fixed payments be made to the annuitants for the remainder of their lives. Upon termination of the annuity contract, any remaining assets revert to the Home for purposes as specified in the charitable gift annuity contracts.

On an annual basis, the Home revalues the liability to make distributions to the designated beneficiaries based on actuarial assumptions.

CHARITABLE REMAINDER TRUST

The Home is the beneficiary of a charitable remainder trust managed by an unrelated trustee. A charitable remainder trust provides for the payment of distributions to the grantor or other designated beneficiaries over the trust's term (usually the designated beneficiary's lifetime). At the end of the trust's term, the remaining assets are available for the Home's use. The trust is carried at the fair value of the underlying investments. The portion of the trust attributable to the present value of the future benefits to be received by the Home is recognized in the statements of activities as a donor- restricted contribution in the period the trust is established. On an annual basis, the Home revalues the liability to make distributions to the designated beneficiaries based on actuarial assumptions.

DEBT ISSUANCE COSTS

Debt issuance costs are fees and other costs incurred in obtaining financing, amortized on a straight- line basis, over the term of the related debt which approximates the effective interest rate. Debt issuance costs are presented as a direct deduction of the carrying amount of the debt. Amortization of debt issuance costs is included in interest expense.

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NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

PROMISES TO GIVE

Unconditional promises to give that are expected to be collected or paid within one year are recorded at net realizable value. Unconditional promises to give that are to be collected or paid in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the promises are received or paid. Amortization of the discounts is included in contribution revenue or expense. Conditional promises to give are not included in support or expenses until the conditions are substantially met.

INTEREST RATE SWAP AGREEMENTS

The Home has entered into two interest rate swap agreements associated with its bonds payable. The agreements effectively change the interest rate exposure of the bonds payable from variable rate to fixed rate. The swap agreements became effective on May 1, 2016, which was one month prior to the first principal payment. The termination date of the swap agreements is May 1, 2026. The differential paid or received on the swap agreements is included in interest expense in the accompanying statements of activities and changes in net assets. The change in fair value of the interest rate swap agreements is separately shown on the statements of activities and changes in net assets. See Note 7 for further information.

AGENCY TRANSACTIONS

The Home provides residents with a service by which residents' funds are maintained in a separate account, the use of which is directed by the resident. Such funds are maintained in a separate bank account and are reflected in the accompanying statements of financial position as agency assets - residents' trust funds with a corresponding liability as agency liabilities - funds held for residents.

REVENUE RECOGNITION

The Home recognizes revenue at an amount reflecting the consideration to which the Home 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

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FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

REVENUE RECOGNITION (CONTINUED)

4. Allocate the transaction price to performance obligations in the contract
5. Recognize revenue when (or as) the Home satisfies a performance obligation

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

REVENUES FROM CONTRACTS WITH CUSTOMERS

Resident care and services and community services revenue is reported at the amount reflecting the consideration the Home expects to receive in exchange for the services provided. These amounts are due from residents, patients or third-party payors (including health insurers and government payors). Performance obligations are determined based on the nature of the services provided.

Resident care and services and community services revenue is recognized as performance obligations are satisfied. The Home recognizes revenue in accordance with the provisions of Accounting Standards Codification (ASC) 606, *Revenue from Contracts with Customers* (ASC 606).

PERFORMANCE OBLIGATIONS

At contract inception, the Home 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 distinct good or service (or bundle of goods or services). To identify the performance obligations, the Home 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 Home determines the following distinct goods and services represent separate performance obligations:

- Skilled nursing facility services
- Assisted living services
- Continuing care at home services
- Home care services
- Hospice services
- Outpatient services
- Other services

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NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

PERFORMANCE OBLIGATIONS (CONTINUED)

The Home satisfies its performance obligations for skilled nursing facility services, hospice and assisted living services upon completion of each day's service or as ancillary services are provided. Patients receive care and room and board on a per diem basis and can also receive various ancillary services. Residents are charged a daily fee for bed stay and services provided. Fees for ancillary services performed are payable upon receipt. Private room charges are due one month in advance.

The Home satisfies its performance obligations for continuing care at home services over time as benefits are transferred to the resident. Because a member has the ability to discontinue paying the monthly service fee at any time, the agreement is viewed as a monthly contract with an option to renew. Payment terms for the entrance fee are a fixed amount paid at the time the contract is signed and the member begins in the program. The nonrefundable entrance fee is recorded as a contract liability and amortized over the estimated actuarial life of the member, which is re-evaluated on an annual basis. The monthly service fee is set at the time of the contract signing and is fixed except for annual inflationary increases.

The Home satisfies its performance obligations for home care services upon completion of each session of service provided. Medicare pays the Home a predetermined base payment for each patient, adjusted for the health condition and care needs of the beneficiary. The payment covers a 60-day episode of care. The Home receives half of the estimated base payment upon filing of the initial claim. The second half of the payment is received at the close of the 60-day episode. Once an episode is approved by Medicare, payment is expected for the services provided. Effective January 1, 2020, Home Health Medicare services are paid under the new Patient Driven Grouping Model (PDGM), which uses 30 day periods as a basis for payment. Each 30 day period is placed into different subgroups for each of the following categories: Admission source, timing of the 30 day episode, clinical grouping, functional impairment level, and comorbidity adjustment. These factors are utilized to derive at the final payment of each 30 day episode under PDGM. Under both HHPPS and PDGM, revenue is recognized ratably over the episode based on the beginning and ending dates which are a reasonable proxy for the transfer of benefit of the service.

The Home satisfies its performance obligations for outpatient services upon completion of each service provided.

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NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

PERFORMANCE OBLIGATIONS (CONTINUED)

Performance obligations are determined based on the nature of the services provided by the Home. Revenue for performance obligations satisfied over time is recognized based on the estimated realizable amount earned for services provided. The Home believes this method provides a faithful depiction of the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligation.

TRANSACTION PRICE

The Home determines the transaction price based on standard charges for room and board and services provided, reduced by contractual adjustments provided to applicable third-party payors or discounts provided to uninsured patients in accordance with the Home's policy. The Home determines its estimates of contractual adjustments and discounts based on contractual agreements, its discount policies and historical experience. The Home determines its estimate of implicit price concessions based on its historical collection experience with this class of patients. Agreements with third-party payors provide for payments at amounts less than established charges. A summary of the payment arrangements with major third-party payors follows:

- Medicare - Certain skilled nursing facility services are paid at prospectively determined rates per discharge based on clinical, diagnostic and other factors.
- Medicaid - Reimbursements for Medicaid services are generally paid at prospectively determined rates on a per diem basis.
- Other - Payment agreements with certain commercial insurance carriers, health maintenance organizations and preferred provider organizations provide for payment using prospectively determined daily rates or discounts from established charges.

Laws and regulations concerning government programs, including Medicare and Medicaid, are complex and subject to varying interpretation. As a result of investigations by governmental agencies, various healthcare organizations have received requests for information and notices regarding alleged noncompliance with those laws and regulations, which, in some instances, have resulted in organizations entering into significant settlement agreements. Compliance with such laws and regulations may also be subject to future government review and interpretation as well as significant regulatory action, including fines, penalties and potential exclusion from the related programs. There can be no assurance that regulatory authorities will not challenge the Home's compliance with these laws and regulations, and it is not possible to determine the impact (if any) such claims or penalties would have upon the Home. In addition, the contracts the Home has with commercial payors also provide for retroactive audit and review of claims.

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NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

TRANSACTION PRICE (CONTINUED)

Settlements with third-party payers for retroactive revenue adjustments due to audits, reviews or investigations are considered variable consideration and are included in the determination of the estimated transaction price for providing patient care. These settlements are estimated based on the terms of the payment agreement with the payor, correspondence from the payor and the Home's historical settlement activity, including an assessment to ensure the probability of a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the retroactive adjustment is subsequently resolved. Estimated settlements are adjusted in future periods as adjustments become known (that is, new information becomes available), or as years are settled or are no longer subject to such audits, reviews and investigations.

Generally, patients who are covered by third-party payers are responsible for related deductibles and coinsurance, which vary in amount. The initial estimate of the transaction price is determined by reducing the standard charge by any contractual adjustments, discounts and implicit price concessions based on historical collection experience. Subsequent changes to the estimate of the transaction price are generally recorded as adjustments to patient service revenue in the period of the change.

Subsequent changes determined to be the result of an adverse change in the patient's ability to pay are recorded as bad debt expense.

The Home has determined that the nature, amount, timing and uncertainty of revenue and cash flows are affected by the following factors:

- Payors (for example, Medicare, Medicaid, managed care or other insurance, patient) have different reimbursement and payment methodologies
- Length of the patient's service or episode of care
- Line of business providing the service

Other operating income includes food and service revenue, child care, fitness center and other nonpatient revenue. This revenue is recognized on a monthly basis upon the provision of the respective service.

The difference between the opening and closing balances of the Home's contract liabilities from entrance fees primarily result from the timing difference between the Home's performance and nonrefundable entrance fees received and/or amortized during the period.

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NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

TRANSACTION PRICE (CONTINUED)

The composition of revenues by primary payor for the years ended September 30, 2021 and 2020 is as follows:

	2021				2020			
	Resident Services and Care		Community Services		Resident Services and Care		Community Services	
Medicaid	\$ 21,975,068	50%	\$ 126,957	1%	\$ 23,108,950	54%	\$ 189,924	2%
Private	12,896,898	29%	4,866,719	49%	12,091,156	28%	5,176,170	49%
Medicare	8,718,513	20%	3,269,260	33%	5,971,838	14%	3,075,536	29%
Continuing care members	--	0%	1,443,200	14%	--	0%	1,353,212	13%
Other third-party payors	<u>633,712</u>	1%	<u>301,618</u>	3%	<u>1,566,639</u>	4%	<u>697,788</u>	7%
	<u>\$ 44,224,191</u>	<u>100%</u>	<u>\$ 10,007,754</u>	<u>100%</u>	<u>\$ 42,738,583</u>	<u>100%</u>	<u>\$ 10,492,630</u>	<u>100%</u>

Average occupancy was 91% and 90% for the years ended September 30, 2021 and 2020, respectively.

CONTRACT LIABILITIES

The Home recognizes contract liabilities in relation to its private payor long-term care, assisted living businesses and adult day services. The opening and closing balances of the Home's contract liabilities are as follows:

Opening (October 1, 2019)	\$ 499,593
Closing (September 30, 2020)	<u>870,967</u>
Increase	<u>\$ 371,374</u>
Opening (October 1, 2020)	\$ 870,967
Closing (September 30, 2021)	<u>821,461</u>
Decrease	<u>\$ (49,506)</u>

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NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

INCOME TAXES

The Home has been recognized by the Internal Revenue Service (IRS) as not-for-profit corporations as described in Section 501(c)(3) of the Internal Revenue Code (the Code) and are exempt from federal income taxes on related income pursuant to Section 501(a) of the Code.

The Home 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 September 31, 2021 and 2020, 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 Home is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods pending or in progress.

FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing various programs and other activities have been summarized on a functional basis in the statements of functional expenses. Expenses that can be identified with a specific service are charged directly according to their natural expenditure classification. Salaries and benefits are supported by time records for specific services. Facility costs, including rent, utilities and insurance are allocated based upon square footage. General and administrative expenses and other indirect costs that cannot be specifically identified with any one service are allocated based on a percentage of direct and directly allocable expenses for that particular service depending on the nature of the expense. All other costs are directly charged to the programs and supporting services they benefit.

RECLASSIFICATION

Certain reclassifications to the 2020 financial statements have been made in order to conform to the 2021 presentation. Such reclassifications did not have a material effect on the accompanying statements of operations and changes in net assets.

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NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

SUBSEQUENT EVENTS

As discussed in Note 5, subsequent to year end the Home received approximately \$1,700,000 in Provider Relief Funds.

In preparing these financial statements, the Home has evaluated events and transactions for potential recognition or disclosure through January 28, 2022, the date the financial statements were available to be issued. Other than disclosed above, there were no other events identified that required recognition or disclosure in the financial statements.

NOTE 3 - FAIR VALUE MEASUREMENTS

GAAP established a framework for measuring fair value. That framework provides a fair value hierarchy prioritizing 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) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets the Home has the ability to access.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices observable for the asset or liability;
- Inputs derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. As a practical expedient, certain investments are measured at fair value on the basis of net asset value. The fair value of these investments are not included in the fair value hierarchy.

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NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020

NOTE 3 - FAIR VALUE MEASUREMENTS (CONTINUED)

FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE

The following is a description of the valuation methodologies used for financial instruments measured at fair value:

MONEY MARKET FUNDS - This investment class is meant to provide safety when money managers are unable to find investments with appropriate returns consistent with their strategy. It tends to be very short term with a very low return.

CORPORATE BONDS - Certain corporate bonds are valued at the closing price reported in the active market in which the individual securities are traded. Other corporate bonds are valued based on yields currently available on comparable securities of issuers with similar durations and credit ratings.

MUNICIPAL BONDS - This investment class is meant to provide a low risk component to the Home's portfolio and provides an asset class that has a low correlation to the equity investments.

COMMON AND PREFERRED STOCKS - Common and preferred stocks are valued at the closing price reported in the active market in which the individual securities are traded.

MUTUAL FUNDS - Mutual funds are valued at the quoted net asset value of shares held by the Home at year end.

EXCHANGE TRADED FUNDS - Exchange traded funds are valued at the closing price reported in the active market in which the individual securities are traded.

U.S. GOVERNMENT BONDS - U.S. government bonds are valued at the closing price reported in the active market in which the individual securities are traded.

HEDGE FUNDS - The fair value of the hedge funds has been determined using the net asset value (NAV) per share as a practical expedient and is not categorized in the fair value hierarchy. The hedge funds valued by external investment managers taking into consideration the fair value of the underlying assets and liabilities, current distribution rates and discounts for redemption and liquidity restrictions. Accordingly, the estimated fair values may differ from the values that would have been used had a ready market existed for these investments.

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NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020

NOTE 3 - FAIR VALUE MEASUREMENTS (CONTINUED)

FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE (CONTINUED)

INTEREST RATE SWAP AGREEMENTS - Interest rate swap agreements 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 which 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, 2021 and 2020.

The following tables set forth by level, within the fair value hierarchy, the Home's assets and liabilities subject to fair value reporting at fair value as of September 30, 2021 and 2020:

Description	2021				
	Total	Investments Valued using Net Asset Value (a)	Fair Value Measurements Using		
			Level 1	Level 2	Level 3
Money market funds	\$ 139,527	\$ --	\$ 139,527	\$ --	\$ --
Fixed income					
Corporate bonds	263,122	--	--	263,122	--
Municipal bonds	161,257	--	161,257	--	--
Equity securities					
Common stocks	715,686	--	715,686	--	--
Preferred stocks	94,940	--	94,940	--	--
Mutual funds					
Fixed income	2,767,856	--	2,767,856	--	--
Equities	6,549,727	--	6,549,727	--	--
U.S. government bonds	773,276	--	773,276	--	--
Exchange traded funds	1,016,794	--	1,016,794	--	--
Hedge funds	<u>1,679,578</u>	<u>1,679,578</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total Assets at Fair Value	<u>\$ 14,161,763</u>	<u>\$ 1,679,578</u>	<u>\$ 12,219,063</u>	<u>\$ 263,122</u>	<u>\$ --</u>
Total Liabilities at Fair Value					
Interest rate swap agreements	<u>\$ 111,290</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 111,290</u>	<u>\$ --</u>

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NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020

NOTE 3 - FAIR VALUE MEASUREMENTS (CONTINUED)

FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE (CONTINUED)

(a) Certain investments that are measured at fair value using the net asset value (NAV) per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statements of financial position.

Description	2020				
	Total	Investments Valued using Net Asset Value (a)	Fair Value Measurements Using		
			Level 1	Level 2	Level 3
Money market funds	\$ 661,450	\$ --	\$ 661,450	\$ --	\$ --
Fixed income					
Corporate bonds	307,539	--	--	307,539	--
Municipal bonds	177,927	--	177,927	--	--
Equity securities					
Common stocks	544,458	--	544,458	--	--
Preferred stocks	160,075	--	160,075	--	--
Mutual funds					
Fixed income	2,847,682	--	2,847,682	--	--
Equities	6,429,839	--	6,429,839	--	--
U.S. government bonds	73,997	--	73,997	--	--
Exchange traded funds	753,116	--	753,116	--	--
Hedge funds	<u>931,442</u>	<u>931,442</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total Assets at Fair Value	<u>\$ 12,887,525</u>	<u>\$ 931,442</u>	<u>\$ 11,648,544</u>	<u>\$ 307,539</u>	<u>\$ --</u>
Total Liabilities at Fair Value					
Interest rate swap agreements	<u>\$ 113,642</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 113,642</u>	<u>\$ --</u>

(a) Certain investments that are measured at fair value using the net asset value (NAV) per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statements of financial position.

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NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020

NOTE 3 - FAIR VALUE MEASUREMENTS (CONTINUED)

FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE (CONTINUED)

Additional information regarding investments that report fair value based on NAV per share or unit as of September 30, 2021 and 2020 is as follows:

Description	Fair Value		Unfunded Commitments	Redemption Frequency	Redemption Notice Period	Liquidity or Other Restrictions
	2021	2020				
Hedged capital appreciation						
Alkeon Growth	\$ 976,875	\$ 931,442	None	Quarterly	25 days	1 year
Blackstone Real Estate						
Income Trust	\$ 702,703	\$ --	None	Monthly	T-3	1 year

OTHER FINANCIAL INSTRUMENTS

The fair value of cash and cash equivalents, receivables, prepaid expense, accounts payable, accrued expenses and contract liabilities approximate their fair value because of the short-term nature of these instruments.

NOTE 4 - CONTRIBUTIONS RECEIVABLE

Contributions receivable as of September 30, 2021 and 2020 are expected to be collected as follows:

	2021		
	Restricted for Time or Purpose	Restricted in Perpetuity	Total
Within one year	\$ 133,986	\$ 2,000	\$ 135,986
Within one to five years	468,172	8,000	476,172
More than five years	--	13,000	13,000
Total contributions receivable	602,158	23,000	625,158
Less discount to net present value	(65,544)	(5,540)	(71,084)
Net contributions receivable	<u>\$ 536,614</u>	<u>\$ 17,460</u>	<u>\$ 554,074</u>

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FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020

NOTE 4 - CONTRIBUTIONS RECEIVABLE (CONTINUED)

	2020		
	Restricted for Time or Purpose	Restricted in Perpetuity	Total
Within one year	\$ 113,186	\$ 2,000	\$ 115,186
Within one to five years	--	8,000	8,000
More than five years	--	14,000	14,000
Total contributions receivable	113,186	24,000	137,186
Less discount to net present value	--	(5,540)	(5,540)
Net contributions receivable	<u>\$ 113,186</u>	<u>\$ 18,460</u>	<u>\$ 131,646</u>

Contributions receivable in more than one year at September 30, 2021 and 2020 are discounted at 4.5%.

CONDITIONAL PROMISES TO GIVE

The Home has been advised that it is named as a beneficiary in other charitable trusts and wills. No amounts have been recognized in the accompanying financial statements, inasmuch as these instruments are conditional and subject to change.

NOTE 5 - COVID-19 PANDEMIC

In March 2020, the World Health Organization declared the outbreak of COVID-19 as a pandemic which continues to spread throughout the United States and the world. The Home is monitoring the outbreak of COVID-19 and the related business and travel restrictions and its impact on operations, financial position, cash flows, reopening trends, patient and third party payor payments, and the industry in general, in addition to the impact on its employees. Due to the rapid development and fluidity of this situation, the magnitude and duration of the pandemic and its impact on the Home's operations and liquidity is uncertain as of the date of this report. While there could ultimately be a material impact on operations and liquidity of the Home at the time of issuance, the impact could not be yet determined.

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NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020

NOTE 5 - COVID-19 PANDEMIC (CONTINUED)

PROVIDER RELIEF FUND

In response to COVID-19, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was signed into law on March 27, 2020. The CARES Act authorized funding to healthcare providers to be distributed through the Provider Relief Fund (PRF). Payments from the Provider Relief Fund are to be used to prevent, prepare for, and respond to COVID-19, and shall reimburse the recipient for health care related expenses or lost revenues attributable to COVID-19 and are not required to be repaid except where PRF funding received exceed the limits on eligible health care related expenses or lost revenues as defined by the U.S. Department of Health and Human Services (HHS), provided the recipients attest to and comply with the terms and conditions. HHS distributions from the Provider Relief Fund include general distribution and targeted distributions.

During the years ended September 30, 2021 and 2020, the Home received \$46,388 and \$2,296,342, respectively, in funding from the Provider Relief Fund. Of these amounts, \$46,388 and \$2,053,642 for the years ended September 30, 2021 and 2020, respectively, have been recognized as revenue within COVID-19 Relief Revenue on the accompanying statements of operations and changes in net assets determined on a systematic basis in line with the recognition of specific expenses and lost revenues for which the grants are intended to compensate. Subsequent to year end, the Home received approximately \$1,700,000 in PRF funding.

CORONAVIRUS RELIEF FUND

During the years ended September 30, 2021 and 2020, the Home received \$353,079 and \$864,811, respectively, of stimulus funds passed through from the State of Connecticut originating from the Coronavirus Relief Fund, also established by the CARES Act. These amounts have been included within COVID-19 Relief Revenue as of September 30, 2021 and 2020 on the accompanying statements of activities and changes in net assets.

ADVANCES PAYABLE

During the year ended September 30, 2020, advances payable includes \$385,000 provided by the Connecticut Department of Social Services. These payments were issued to help ease the financial strain due to any disruption in claims submission and/or claims processing related to the COVID-19 Public Health Emergency. Management anticipates that these advances will be recouped in fiscal 2022.

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NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020

NOTE 6 - NOTES PAYABLE

Notes payable as of September 30, 2021 and 2020 consist of the following:

	2021	2020
Unsecured subordinate loans in the amount of \$585,000, payable to related parties monthly in the amount of \$17,800, including interest at 5%, compounded monthly commencing on December 1, 2018 through March 1, 2023. The loans will also accrue payment-in-kind (PIK) interest at 5%, and the PIK interest will be added to the outstanding balance. During the years ended September 30, 2021 and 2020, the loans accrued PIK interest of \$8,756 and \$8,320, respectively. The loans are subordinate to the bonds and notes payable. (See Note 13)	\$ 179,539	\$ 170,783
Equipment loans in the amount of \$110,493, payable in monthly installments of \$1,271 and \$766, including one noninterest-bearing loan and one at 2.9%, compounded monthly through April 2022 and March 2023, secured by the financed equipment.	24,460	48,928
	203,999	219,711
Less current portion	197,869	195,239
Total notes payable - long-term	\$ 6,130	\$ 24,472

The following is a schedule of future maturities of notes payable at September 30, 2021:

<u>Years ending September 30,</u>	
2022	\$ 197,869
2023	6,130
	\$ 203,999

LETTER OF CREDIT

As of September 30, 2021 and 2020, the Home has a standby letter of credit for \$700,000 and \$850,000, respectively, that renews annually each fiscal year. There were no amounts outstanding as of September 30, 2021 and 2020. The letter expires on April 30, 2022.

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NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020

NOTE 7 - BONDS PAYABLE

On April 29, 2014, the Home obtained \$62,000,000 from the issuance of City of Bridgeport tax-exempt bonds through People's United Bank to develop and construct a new campus on Park Avenue. The new campus was substantially completed on July 1, 2016 and houses all operations of the Home. The bonds consist of Senior Living Facility Revenue Bonds, Series 2014A (Series A) in the principal amount of \$55,500,000 and Senior Living Facility Revenue Bonds, Series 2014B (Series B) in the principal amount of \$6,500,000. The Series A bonds mature on May 1, 2041 and the Series B bonds mature on May 1, 2026. Quarterly interest payments commenced May 29, 2014 at the Bank Rate as defined in the agreement and quarterly principal payments commenced June 1, 2016. The bonds are secured by all tangible assets, contributions receivable, leases and revenues of the Home.

As discussed in Note 2, the Home has interest rate swap agreements with People's United Bank. The original notional values of the swaps were \$55,500,000 and \$6,500,000, from the issuance of the City of Bridgeport tax-exempt bonds. The swap agreements provide the Home with interest rate protection for its City of Bridgeport tax-exempt variable rate bonds. The Home agrees to pay People's United Bank fixed rates of 2.67% for the Series A bonds and 2.38% for the Series B bonds in exchange for receiving a floating variable rate. The fixed rates include a termination fee equal to 0.145% for the Series A bonds and 0.05% for the Series B bonds, which will enable the Home to terminate the swaps at any time on or after May 1, 2023 without making termination payments.

Bonds payable on the statements of financial position are net of unamortized debt issuance costs of \$741,151 and \$783,302 at September 30, 2021 and 2020, respectively. Principal payments due on the bonds payable are expected to be as follows:

<u>Years ending September 30,</u>	
2022	\$ 2,246,667
2023	2,343,333
2024	2,446,667
2025	2,556,667
2026	2,630,000
Thereafter	<u>40,380,833</u>
	<u>\$ 52,604,167</u>

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NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020

NOTE 7 - BONDS PAYABLE (CONTINUED)

The bonds payable are subject to certain financial covenants to be tested on an annual basis, whereas, the Home is required to meet certain requirements. The Home was in compliance with its financial covenants as of September 30, 2021 and 2020

During the year ended September 30, 2020, in an effort to alleviate the impact of the COVID pandemic on the Home, People's United Bank agreed to defer payments of principal and interest for three months beginning June 1 through August 31, without penalty. The agreement required that the three months' principal and interest payments due be added to the total balance due at the end of the bonds' term and are reflected in the schedule above.

NOTE 8 - BENEFIT PLANS

PENSION PLAN

The Home has a noncontributory defined benefit pension plan (the Plan) covering all eligible employees as of September 30, 2004, the date the Plan was frozen and all benefit accruals ceased. The benefits are based upon years of service, and employees were fully vested in the company match and contribution after five years of service.

The Home makes annual contributions to the Plan that meet or exceed the minimum amounts specified by the Employment Retirement Income Security Act of 1974 (ERISA), as amended. During 2021 and 2020, the Home was required to make contributions to the Plan of \$360,000 and \$200,000, respectively. Additionally, based on the plan actuary's calculations, the Home expects to contribute \$100,000 to the Plan in fiscal year 2022.

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NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020

NOTE 8 - BENEFIT PLANS (CONTINUED)

PENSION PLAN (CONTINUED)

The following table sets forth the changes in the benefit obligations and funded status of the Plan as of September 30:

	2021	2020
Change in accumulated benefit obligation		
Accumulated benefit obligation at beginning of year	\$ 5,223,804	\$ 5,373,726
Interest cost	122,929	151,474
Actuarial (gain) loss	(31,178)	433,988
Settlement	(432,047)	(671,389)
Benefits paid	(67,247)	(63,995)
Accumulated benefit obligation, end of year	4,816,261	5,223,804
Change in plan assets		
Fair value of plan assets at beginning of year	3,066,168	3,427,813
Actual return on plan assets	552,151	173,739
Employer contributions	360,000	200,000
Settlement	(432,047)	(671,389)
Benefits paid	(67,247)	(63,995)
Fair value of plan assets, end of year	3,479,025	3,066,168
Funded status, end of year (underfunded)	\$ (1,337,236)	\$ (2,157,636)
Amounts recognized in the statements of financial position		
Accrued pension liability	\$ (1,337,236)	\$ (2,157,636)

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NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020

NOTE 8 - BENEFIT PLANS (CONTINUED)

PENSION PLAN (CONTINUED)

The following table sets forth the net periodic benefit cost recognized for the years ended September 30:

	2021	2020
Components of net periodic benefit cost		
Interest cost	\$ 122,929	\$ 151,474
Expected return on plan assets	(106,299)	(129,022)
Settlement	176,432	376,545
Amortization of net loss	308,590	325,930
Net periodic benefit cost	\$ 501,652	\$ 724,927

The Home has recorded an adjustment to relieve pension liability not recognized in the net periodic pension cost of \$962,052 and \$313,204 for the years ended September 30, 2021 and 2020, respectively.

ASSUMPTIONS

The significant underlying assumptions used to determine benefit obligations and net benefit cost are as follows:

	2021	2020
Discount rate - benefit obligation	2.80%	2.65%
Discount rate - net periodic benefit cost	2.65%	3.15%
Long-term rate of return	6.50%	6.50%
Mortality:		

Based on Pri-2012 Total dataset base rate mortality table projected generationally using MP-202

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NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020

NOTE 8 - BENEFIT PLANS (CONTINUED)

PENSION PLAN (CONTINUED)

FINANCIAL INSTRUMENTS MEASURED AT NAV

The plan assets have been invested in certain pooled separate accounts. The fair value of the pooled separate accounts have been determined using the net asset value (NAV) per share as a practical expedient and is not categorized in the fair value hierarchy. All pooled separate accounts of the Plan as of September 30, 2021 and 2020 are invested in registered mutual funds which are valued at the closing price reported on the active markets on which the individual securities are traded.

The following table list the investments in the pooled separate accounts held within the Plan as of September 30, 2021 and 2020:

Investment	Assets at Fair Value as of September 30:					
	Fair Value		Unfunded Commitments	Redemption Frequency if Currently Eligible	Other Redemption Restrictions	Redemption Notice Period
	2021	2020				
Pooled separate accounts	\$3,479,025	\$3,066,168	None	Daily	None	None

The following is a summary of the asset allocation of the pooled separate accounts of the Plan as of September 30, 2021 and 2020:

	2021	2020
Large U.S. Equity	39%	39%
Small / Mid U.S. Equity	3%	3%
International Equity	22%	22%
Short-term fixed income	29%	0%
Fixed income	7%	29%
Other	0%	7%

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NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020

NOTE 8 - BENEFIT PLANS (CONTINUED)

PENSION PLAN (CONTINUED)

The Plan's investment strategy was to build an efficient, well diversified portfolio based on a long-term, strategic outlook on the investment markets. The investment markets outlook utilizes both historical-based and forward-looking return forecasts to establish future return expectations for various asset classes. These return expectations were used to develop a core asset allocation based on the specific needs of the Plan. The core asset allocation utilized multiple investment managers in order to maximize the Plan's return while minimizing risk. The expected long-term rate of return on plan assets reflected the average rate of earnings expected on the funds invested, or to be invested, to provide for the benefits included in the projected benefit obligation.

In estimating that rate, the Home gave appropriate consideration to the returns being earned by the plan assets in the fund and the rates of return expected to be available for reinvestment.

ESTIMATED FUTURE BENEFIT PAYMENTS

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid:

<u>Years ending September 30,</u>	
2022	\$ 900,000
2023	330,000
2024	300,000
2025	220,000
2026	270,000
2027 - 2031	1,440,000

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NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020

NOTE 8 - BENEFIT PLANS (CONTINUED)

EMPLOYEE 401K PLAN

The Home maintains a defined contribution plan. Employee contributions under the plan are determined by the participating employees, subject to certain Internal Revenue Service imitations, and the Home matches employee contributions at a rate of 50%, up to a maximum of 4% of compensation. The Home also offers a discretionary profit-sharing contribution. The Home's contribution expense totaled \$379,502 and \$456,343 for the years ended September 30, 2021 and 2020, respectively.

NOTE 9 - CONCENTRATION OF CREDIT RISK

The Home grants credits without collateral to its resident, most of whom are local residents, and some are funded under third-party payor agreements. The mix of gross receivables at September 30, 2021 and 2020 was as follows:

	2021	2020
Medicare	18 %	21 %
Medicaid	44 %	47 %
Private pay and other	38 %	32 %
	100 %	100 %

NOTE 10 - LIQUIDITY AND AVAILABILITY OF RESOURCES

The Home's financial assets available within one year of the statements of financial position date for general expenditure as of September 30, 2021 and 2020 are as follows:

	2021	2020
Cash and cash equivalents	\$ 4,677,427	\$ 5,217,318
Accounts receivable, net	5,019,966	4,469,058
Current portion of contributions receivable, net without donor restrictions	133,986	113,186
Entrance fee receivables	240,006	284,483
Total Financial Assets Available Within One Year for General Expenditure	\$ 10,071,385	\$ 10,084,045

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NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020

NOTE 10 - LIQUIDITY AND AVAILABILITY OF RESOURCES

LIQUIDITY MANAGEMENT

The Home is substantially supported by amounts it receives for providing patient and resident services. In addition, the Home receives donations and has accumulated an endowment that is restricted in part by donors with the remainder restricted by the Home's board of directors. Because a donor's restriction requires resources to be used in a particular manner or in a future period, the Home must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. As part of the Home's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the Home has the ability to access its board designated investments to meet obligations that are in excess of its normal operating cash flows. Additionally, the Home also has a \$700,000 letter of credit available as of September 30, 2021 (see Note 6).

NOTE 11 - NET ASSETS WITH DONOR RESTRICTIONS

The following is the composition of the Home's net assets with donor restrictions at September 30, 2021 and 2020:

	2021	2020
Restricted in perpetuity		
General purpose	\$ 9,137,261	\$ 8,967,666
Income use restricted		
Specific programs	1,860,030	1,988,237
Total restricted in perpetuity	10,997,291	10,955,903
Restricted by time or purpose		
Accumulated earnings on endowment funds		
held in perpetuity	2,391,995	1,381,662
Specific programs	5,721	1,433
Capital	519,671	100,000
Future periods	11,222	11,754
Total purpose and time restricted	2,928,609	1,494,849
Total Net Assets with Donor Restrictions	\$ 13,925,900	\$ 12,450,752

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NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020

NOTE 11 - NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)

Net assets with donor restrictions were released from restrictions by incurring expenses satisfying the restricted purposes or by the occurrence of other events specified by donors are as follows for the years ended September 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Purpose restrictions		
Accumulated earnings on permanent endowment funds	\$ 468,772	\$ 515,076
Specific programs	28,181	22,500
Capital	292,210	251,977
Passage of time	<u>10,000</u>	<u>38,100</u>
Net Assets Released from Restrictions	<u>\$ 799,163</u>	<u>\$ 827,653</u>

NOTE 12 - ENDOWMENT

The Home's endowment consists of approximately 69 individual funds established for a variety of purposes. Its endowment includes both donor-restricted endowment funds and funds designated by the Board of Directors to function as endowments. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

INTERPRETATION OF RELEVANT LAW

The Board of Directors of the Home 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 Foundation 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 the fund. The remaining portion of the donor-restricted endowment fund not classified in permanently endowment is classified as donor-restricted net assets until those amounts are appropriated for expenditure by the organization in a manner consistent with the standard of prudence prescribed by CTPMIFA.

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NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020

NOTE 12 - ENDOWMENT

INTERPRETATION OF RELEVANT LAW (CONTINUED)

In accordance with CTPMIFA, the Home 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

Endowment net asset composition as of September 30, 2021 and 2020 is as follows:

2021	Without Donor Restriction	With Donor Restrictions	Total Endowment Assets
Board-designated endowment funds	\$ 316,888	\$ --	\$ 316,888
Donor-restricted endowment funds:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	--	10,997,291	10,997,291
Accumulated gains and income on donor-restricted endowment assets not yet appropriated	--	1,534,239	1,534,239
Term endowment	--	857,756	857,756
Total Funds	<u>\$ 316,888</u>	<u>\$ 13,389,286</u>	<u>\$ 13,706,174</u>

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NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020

NOTE 12 - ENDOWMENT (CONTINUED)

INTERPRETATION OF RELEVANT LAW (CONTINUED)

2020	Without Donor Restriction	With Donor Restrictions	Total Endowment Assets
Board-designated endowment funds	\$ 277,774	\$ --	\$ 277,774
Donor-restricted endowment funds:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	--	10,812,247	10,812,247
Accumulated gains and income on donor-restricted endowment assets not yet appropriated	--	536,268	536,268
Term endowment	--	845,394	845,394
Total Funds	<u>\$ 277,774</u>	<u>\$ 12,193,909</u>	<u>\$ 12,471,683</u>

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NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020

NOTE 12 - ENDOWMENT (CONTINUED)

INTERPRETATION OF RELEVANT LAW (CONTINUED)

Change in endowment net assets for the years ended September 30, 2021 and 2020 are as follows:

	Without Donor Restriction	With Donor Restrictions	Total Endowment Assets
Endowment net assets - October 1, 2019	\$ 210,773	\$ 11,655,626	\$ 11,866,399
Investment return			
Income, net	45,998	461,541	507,539
Net investment gains	<u>21,003</u>	<u>262,410</u>	<u>283,413</u>
Total investment return	<u>67,001</u>	<u>723,951</u>	<u>790,952</u>
Contributions	<u>--</u>	<u>329,408</u>	<u>329,408</u>
Appropriation of endowment assets for expenditure	<u>--</u>	<u>(515,076)</u>	<u>(515,076)</u>
Endowment net assets - September 30, 2020	<u>277,774</u>	<u>12,193,909</u>	<u>12,471,683</u>
Investment return			
Income, net	41,368	423,401	464,769
Net investment losses	<u>(2,254)</u>	<u>1,207,712</u>	<u>1,205,458</u>
Total investment return	<u>39,114</u>	<u>1,631,113</u>	<u>1,670,227</u>
Contributions	<u>--</u>	<u>33,036</u>	<u>33,036</u>
Appropriation of endowment assets for expenditure	<u>--</u>	<u>(468,772)</u>	<u>(468,772)</u>
Endowment net assets - September 30, 2021	<u>\$ 316,888</u>	<u>\$ 13,389,286</u>	<u>\$ 13,706,174</u>

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NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020

NOTE 12 - ENDOWMENT (CONTINUED)

FUNDS WITH DEFICIENCIES

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or CTPMIFA requires the Home to retain as a fund of perpetual duration. As of September 30, 2021, there are no funds with deficiencies in net assets with donor restrictions.

RETURN OBJECTIVES AND RISK PARAMETERS

The Home has adopted investment and spending policies for endowment assets attempting to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds the Home must hold in perpetuity or for a donor-specified period(s) as well as board-designated funds. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner intending to produce results exceeding the price and yield results of the Home's custom index while assuming a moderate level of investment risk. The Home expects its endowment funds, over time, to provide an average rate of return of approximately 6.5% annually. Actual returns in any given year may vary from this amount.

STRATEGIES EMPLOYED FOR ACHIEVING OBJECTIVES

To satisfy its long-term rate-of-return objectives, the Home relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Home targets a diversified asset allocation placing an emphasis on equity-based and fixed income investments to achieve its long-term return objectives within prudent risk constraints.

SPENDING POLICY AND HOW THE INVESTMENT OBJECTIVES RELATE TO SPENDING POLICY

The Home has a policy of appropriating for distribution each year 4% of the total endowment investment value. In establishing this policy, the Home considered the long-term expected return on its endowment.

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NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020

NOTE 12 - ENDOWMENT (CONTINUED)

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

Accordingly, over the long term, the Home expects the current spending policy to allow its endowment to grow at an average of 6.5% annually. This is consistent with the Home's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return. The Home has a policy that does not permit spending from underwater endowment funds, unless otherwise precluded by donor intent or relevant laws and regulations.

NOTE 13 - RELATED PARTY TRANSACTIONS

The Auxiliaries made contributions to the Home of \$271,806 and \$243,850 for the years ended September 30, 2021 and 2020, respectively.

The Home receives a fee for providing billing services for Geriatric Professional Group, LLC (GPG), which provides physicians' services to residents of the Home. The Home had revenues from GPG of approximately \$12,000 and \$0 during the years ended September 30, 2021 and 2020, respectively. Amounts due to the Home from GPG at September 30, 2021 and 2020 are reflected in prepaid expenses and other assets in the accompanying statements of financial position and amounted to approximately \$750 and \$0, respectively.

During the year ended September 30, 2019, payments were made toward the board member loans in the amount of \$282,820 and \$143,325 was forgiven. During the year ended September 30, 2020, an additional \$24,303 was forgiven by board members. As of September 30, 2021 and 2020, the outstanding balance related to these loans is \$179,539 and \$170,783, respectively.

NOTE 14 - CASH FLOWS

ADDITIONAL CASH FLOW INFORMATION

The Home paid cash for interest of \$2,047,472 and \$2,090,212 during the years ended September 30, 2021 and 2020, respectively.

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NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020

NOTE 15 - COMMITMENTS AND CONTINGENCIES

Claims and legal actions are brought against the Home during the normal course of business. Management has taken the necessary steps to mitigate potential losses by obtaining insurance coverage and engaging legal counsel. In the opinion of management, no claims or legal actions have been asserted against the Home that, individually or in the aggregate, will be in excess of its insurance coverage.

The Home is party to various legal proceedings and claims incidental to its normal business operations, including suits in which it is a defendant. Based on consultation with counsel, it is the opinion of management that all claims and proceedings can be ultimately defended and resolved without significant adverse effect on the financial position, results of operations or cash flows of the Home.

MEMBER ACKNOWLEDGEMENT

In compliance with § 17b-522 of Connecticut General Statutes, a person signing a continuing care contract must be informed that:

- **such a contract is a financial investment and such investment may be at risk;**
- **the Provider's ability to meet its contractual obligations under such contract depends upon its financial performance;**
- **it is advisable to consult an attorney or other professional experienced in matters relating to investments regarding continuing care facilities prior to signing a continuing care contract;**
- **the Department of Social Services does not guarantee the security of such investments**

I have received and reviewed a copy of the Disclosure Statement and a copy of the Member Agreement for The SENIOR CHOICE CONTINUING CARE AT HOME Program prior to execution of the contract or the transfer of any money or other property to the Provider.

Prospective Member Name (Print)

Prospective Member Signature

Date

Legal Representative, if applicable
(Print)

Legal Representative Signature

Date

Legal Firm or Legal Representative
Name, Address, Phone (Print)