

# **THE CONTINUING CARE AT HOME PROGRAM**

## ***SENIOR CHOICE AT HOME*<sup>®</sup>**

### **Disclosure Statement**

**October 2021**

**SPONSORED BY**

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

*Senior Choice at Home*<sup>®</sup> 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 CROSS REFERENCE

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; Linda Ciszkowski, Vice President & Chief Administrative 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 \$2,384,385 as of 9/30/20 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***<sup>®</sup>

**SPONSORED BY**

**JEWISH SENIOR SERVICES**

**MEMBER AGREEMENT**

**THE CONTINUING CARE AT HOME PROGRAM**

***SENIOR CHOICE AT HOME***<sup>®</sup>

**SPONSORED BY**

**JEWISH SENIOR SERVICES**

**Member Agreement**

THIS SENIOR CHOICE AT HOME<sup>®</sup> 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<sup>®</sup>,” 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 10<sup>th</sup> 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%
<b>Health Support Services</b>			
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%
<b>Residential Healthcare or Assisted Living Care</b>			
	100%	70%	50%
<b>Nursing Home Care</b>	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	\$ 64,370	\$ 515	\$ 62,942	\$ 500
86	\$ 65,894	\$ 515	\$ 64,429	\$ 500
87	\$ 67,419	\$ 515	\$ 65,916	\$ 500
88	\$ 68,944	\$ 515	\$ 67,402	\$ 500
89	\$ 70,469	\$ 515	\$ 68,889	\$ 500
90	\$ 71,994	\$ 515	\$ 70,377	\$ 500
91	\$ 73,323	\$ 515	\$ 71,671	\$ 500
92	\$ 74,650	\$ 515	\$ 72,967	\$ 500
93	\$ 75,979	\$ 515	\$ 74,262	\$ 500
94	\$ 77,307	\$ 515	\$ 75,557	\$ 500
95	\$ 78,636	\$ 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**

**SEPTEMBER 30, 2020 AND 2019**



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**WEALTH ADVISORY  
OUTSOURCING  
AUDIT, TAX, AND  
CONSULTING**

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

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## **Independent Auditors' Report**

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

We have audited the accompanying financial statements of Jewish Home for the Elderly of Fairfield County, Inc. d/b/a Jewish Senior Services, which comprise the statement of financial position as of September 30, 2020, and the related statements of activities and changes in net assets, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

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

### **Auditors' Responsibility**

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

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

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

## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Jewish Home for the Elderly of Fairfield County, Inc. d/b/a Jewish Senior Services as of September 30, 2020, 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**

The financial statements of Jewish Home for the Elderly of Fairfield County, Inc. d/b/a Jewish Senior Services as of September 30, 2019 were audited by Blum, Shapiro & Company, P.C., whose partners and professional staff joined CliftonLarsonAllen LLP as of January 1, 2021 and has subsequently ceased operations. Blum, Shapiro & Company, P.C.'s report dated January 30, 2020 expressed an unmodified opinion on those statements.

*CliftonLarsonAllen LLP*

West Hartford, Connecticut  
January 28, 2021

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

**STATEMENTS OF FINANCIAL POSITION  
SEPTEMBER 30, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents (Note 2)	\$ 5,217,318	\$ 2,578,278
Accounts receivable, net (Notes 2, 10)	4,184,575	4,345,260
Current portion of contributions receivable, net (Notes 2, 4)	115,186	196,631
Prepaid expenses and other assets	151,866	453,027
Entrance fee receivables	284,483	375,295
Agency assets - residents' trust funds (Note 2)	248,061	156,139
Total current assets	<u>10,201,489</u>	<u>8,104,630</u>
<b>Property and Equipment</b>		
Land	5,000,000	5,000,000
Buildings and improvements	92,422,666	92,359,465
Equipment	4,038,677	3,965,040
Computers and software	1,398,130	1,370,696
Vehicles	410,823	379,859
Construction in process	355,395	159,463
	<u>103,625,691</u>	<u>103,234,523</u>
Less accumulated depreciation	17,437,315	13,516,695
Property and equipment, net	<u>86,188,376</u>	<u>89,717,828</u>
<b>Other Assets</b>		
Investments	12,887,525	12,126,760
Contributions receivable, net (Notes 2, 4)	16,460	68,794
Charitable remainder trust	125,196	268,090
Total other assets	<u>13,029,181</u>	<u>12,463,644</u>
<b>Total Assets</b>	<u>\$ 109,419,046</u>	<u>\$ 110,286,102</u>

The accompanying notes are an integral part of the financial statements

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

**STATEMENTS OF FINANCIAL POSITION (CONTINUED)  
SEPTEMBER 30, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 639,893	\$ 607,281
Accrued taxes, expenses and other liabilities	3,701,883	2,725,130
Current portion of deferred compensation obligation (Note 5)	78,145	84,309
Contract liabilities (Note 2)	870,967	499,593
Current portion of notes payable (Note 6)	195,239	442,301
Current portion of bonds payable, net (Note 7)	2,148,333	2,055,000
Agency liabilities - funds held for residents (Note 2)	248,061	156,139
Total current liabilities	<u>7,882,521</u>	<u>6,569,753</u>
<b>Other Liabilities</b>		
Notes payable (Note 6)	24,472	110,159
Bonds payable, net (Note 7)	51,292,115	52,869,547
Liability under split-interest agreements	174,470	251,192
Deferred revenue from entrance fees, net (Note 2)	4,143,084	3,821,048
Deferred compensation obligation (Note 5)	-	19,885
Interest rate swap agreements (Note 7)	113,642	54,623
Accrued pension cost (Note 9)	2,157,636	1,946,013
Total other liabilities	<u>57,905,419</u>	<u>59,072,467</u>
Total liabilities	<u>65,787,940</u>	<u>65,642,220</u>
<b>Net Assets</b>		
Without donor restrictions	31,180,354	32,453,465
With donor restrictions (Note 12)	12,450,752	12,190,417
Total net assets	<u>43,631,106</u>	<u>44,643,882</u>
<b>Total Liabilities and Net Assets</b>	<u>\$ 109,419,046</u>	<u>\$ 110,286,102</u>

The accompanying notes are an integral part of the 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**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>Revenues and Other Support</b>			
Resident care and services (Note 2)	\$ 42,353,583	\$ -	\$ 42,353,583
Community services (Note 2)	10,492,630	-	10,492,630
Grant revenue	3,285,453	-	3,285,453
Other income	1,218,660	-	1,218,660
Provision for bad debts	(569,471)	-	(569,471)
Net assets released from restrictions	575,676	(575,676)	-
Total revenues and other support	<u>57,356,531</u>	<u>(575,676)</u>	<u>56,780,855</u>
<b>Expenses</b>			
Program services	53,148,129	-	53,148,129
Management and general	6,521,021	-	6,521,021
Fundraising	424,223	-	424,223
Total expenses	<u>60,093,373</u>	<u>-</u>	<u>60,093,373</u>
<b>Operating Loss</b>	<u>(2,736,842)</u>	<u>(575,676)</u>	<u>(3,312,518)</u>
<b>Nonoperating Income (Expense)</b>			
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 (Note 7)	(59,019)	-	(59,019)
Net nonoperating income	<u>898,550</u>	<u>1,087,988</u>	<u>1,986,538</u>
<b>Excess of Revenues over Expenses</b>	(1,838,292)	512,312	(1,325,980)
<b>Change in Pension Liability (Note 9)</b>	313,204	-	313,204
<b>Net Assets Released from Restrictions - Capital</b>	<u>251,977</u>	<u>(251,977)</u>	<u>-</u>
<b>Change in Net Assets</b>	(1,273,111)	260,335	(1,012,776)
<b>Net Assets - Beginning of Year</b>	<u>32,453,465</u>	<u>12,190,417</u>	<u>44,643,882</u>
<b>Net Assets - End of Year</b>	<u>\$ 31,180,354</u>	<u>\$ 12,450,752</u>	<u>\$ 43,631,106</u>

The accompanying notes are an integral part of the 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, 2019**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>Revenues and Other Support</b>			
Resident care and services (Note 2)	\$ 43,846,495	\$ -	\$ 43,846,495
Community services (Note 2)	11,734,016	-	11,734,016
Other income	1,764,812	-	1,764,812
Provision for bad debts	(27,856)	-	(27,856)
Net assets released from restrictions	803,189	(803,189)	-
Total revenues and other support	<u>58,120,656</u>	<u>(803,189)</u>	<u>57,317,467</u>
<b>Expenses</b>			
Program services	52,117,697	-	52,117,697
Management and general	6,499,332	-	6,499,332
Fundraising	437,231	-	437,231
Total expenses	<u>59,054,260</u>	<u>-</u>	<u>59,054,260</u>
<b>Operating Loss</b>	<u>(933,604)</u>	<u>(803,189)</u>	<u>(1,736,793)</u>
<b>Nonoperating Income (Expense)</b>			
Contributions	486,872	437,876	924,748
Change in liability under split-interest agreements	(38,760)	-	(38,760)
Net realized and unrealized losses on investments	(6,290)	(3,926)	(10,216)
Investment income, net	45,282	360,791	406,073
Unrealized gain on interest rate swap agreements (Note 7)	1,708	-	1,708
Net nonoperating income	<u>488,812</u>	<u>794,741</u>	<u>1,283,553</u>
<b>Excess of Revenues over Expenses</b>	(444,792)	(8,448)	(453,240)
<b>Change in Pension Liability (Note 9)</b>	551,326	-	551,326
<b>Net Assets Released from Restrictions - Capital</b>	<u>808,019</u>	<u>(808,019)</u>	<u>-</u>
<b>Change in Net Assets</b>	914,553	(816,467)	98,086
<b>Net Assets - Beginning of Year</b>	<u>31,538,912</u>	<u>13,006,884</u>	<u>44,545,796</u>
<b>Net Assets - End of Year</b>	<u>\$ 32,453,465</u>	<u>\$ 12,190,417</u>	<u>\$ 44,643,882</u>

The accompanying notes are an integral part of the financial statements

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

**STATEMENTS OF FUNCTIONAL EXPENSES  
FOR THE YEARS ENDED SEPTEMBER 30, 2020 AND 2019**

	<b>2020</b>			
	<b>Program Services</b>	<b>Supporting Services</b>		<b>Total</b>
		<b>Management and General</b>	<b>Fundraising</b>	
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
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
Office 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
<b>Total Expenses</b>	<b>\$ 53,148,129</b>	<b>\$ 6,521,021</b>	<b>\$ 424,223</b>	<b>\$ 60,093,373</b>

  

	<b>2019</b>			
	<b>Program Services</b>	<b>Supporting Services</b>		<b>Total</b>
		<b>Management and General</b>	<b>Fundraising</b>	
Salaries and wages	\$ 27,638,149	\$ 3,163,777	\$ 253,343	\$ 31,055,269
Employee benefits	6,581,216	1,041,962	38,307	7,661,485
Depreciation expense	3,630,144	250,085	27,353	3,907,582
Purchased services	2,454,510	97,318	4,933	2,556,761
Interest expense	2,331,899	160,647	17,571	2,510,117
Consulting and management fees	1,036,154	758,755	144	1,795,053
Medical supplies and expenses	1,588,747	1,481	-	1,590,228
Occupancy	1,806,770	124,471	13,614	1,944,855
Food expense	1,391,960	236,710	12,610	1,641,280
Taxes	1,438,394	72,840	-	1,511,234
Office supplies	1,160,792	220,160	42,059	1,423,011
Information technology	457,981	29,372	24,638	511,991
Miscellaneous	600,981	341,754	2,659	945,394
<b>Total Expenses</b>	<b>\$ 52,117,697</b>	<b>\$ 6,499,332</b>	<b>\$ 437,231</b>	<b>\$ 59,054,260</b>

The accompanying notes are an integral part of the 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, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
<b>Cash Flows from Operating Activities</b>		
Change in net assets	\$ (1,012,776)	\$ 98,086
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	3,920,620	3,907,582
Bad debt expense	569,471	27,856
Interest for debt issuance costs	42,151	42,151
Net realized and unrealized (gains) losses on investments	(293,924)	10,216
Proceeds from entrance fees	(299,471)	(519,638)
Amortization of entrance fees	712,319	580,801
Unrealized (gain) loss on interest rate swap agreements	59,019	(1,708)
Contributions restricted for long-term investment purposes	(26,351)	(21,350)
(Increase) decrease in operating assets:		
Accounts receivable	(408,786)	490,890
Contributions receivable	(14,553)	(76,950)
Prepaid expenses and other assets	301,161	(40,332)
Agency assets - residents' trust funds	(91,922)	(4,835)
Increase (decrease) in operating liabilities:		
Accounts payable	32,612	(165,006)
Accrued taxes, expenses and other liabilities	969,131	(738,742)
Accrued pension cost	211,623	(168,968)
Agency liabilities - funds held for residents	91,922	4,835
Liability under split-interest agreements	(76,722)	(15,729)
Contract liabilities	371,374	(49,155)
Deferred compensation obligation	(26,049)	(26,048)
Net cash provided by operating activities	<u>5,030,849</u>	<u>3,333,956</u>
<b>Cash Flows from Investing Activities</b>		
Cash outlays for property and equipment	(391,168)	(435,167)
Purchases of investments and reinvested income	(1,887,748)	(2,738,167)
Proceeds from sale of investments	1,420,907	2,957,724
Net cash used in investing activities	<u>(858,009)</u>	<u>(215,610)</u>
<b>Cash Flows from Financing Activities</b>		
Principal payments on notes payable and line of credit	(325,127)	(728,590)
Principal payments on bonds payable	(1,526,250)	(1,968,334)
Proceeds from contributions restricted for long-term investment purposes	65,600	25,560
Proceeds from contributions restricted for capital purposes	251,977	649,362
Net cash used in financing activities	<u>(1,533,800)</u>	<u>(2,022,002)</u>
<b>Net Increase in Cash and Cash Equivalents</b>	2,639,040	1,096,344
<b>Cash and Cash Equivalents - Beginning of Year</b>	<u>2,578,278</u>	<u>1,481,934</u>
<b>Cash and Cash Equivalents - End of Year</b>	<u>\$ 5,217,318</u>	<u>\$ 2,578,278</u>

The accompanying notes are an integral part of the financial statements



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

## **NOTES TO FINANCIAL STATEMENTS**

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### **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, 2020 and 2019, 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 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, the 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 14.

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**

#### **COVID-19**

On March 11, 2020, the World Health Organization declared the coronavirus outbreak (COVID) to be a global pandemic. The situation is ongoing and dynamic. For the year ended September 30, 2020, the Home incurred costs related to the pandemic response of approximately \$1.5 million. Certain of these costs were eligible for recovery during fiscal 2020 under various federal grants and state programs as discussed below. The duration of uncertainties related to the COVID pandemic and its ultimate financial effects cannot be reasonably estimated at this time.

During the year ended September 30, 2020, the Home received \$3,546,153 in grant proceeds through the Provider Relief Program under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). Under this program, the Home is required to use the grant proceeds to cover certain expenditures or lost healthcare revenues that occurred due to the COVID pandemic. The grant period runs through June 30, 2021. The Home calculated lost revenue as the decrease in patient care revenues in fiscal 2020 compared to fiscal 2019. The Home recognized revenue under the Provider Relief Program of \$3,285,453 during the year ended September 30, 2020. Recognition in the future is dependent on incurring qualifying expenditures and the amount of healthcare revenue recognized, and any amounts not earned are refundable.

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

## **NOTES TO FINANCIAL STATEMENTS**

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### **Basis of Presentation**

In order to ensure observance of limitations and restrictions placed on the use of the resources available to the Home, the accounts are maintained on the accrual basis of accounting, in conformity with accounting principles generally accepted in the United States of America (GAAP), and, accordingly, the accounts are recorded in the following net asset categories:

#### **Net Assets Without Donor Restrictions**

Net assets without donor restrictions consist of net assets over which the governing Board 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 \$277,774 and \$210,773 as of September 30, 2020 and 2019, 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.

### **Use of Estimates**

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions affecting the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

### **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 and pension liability, 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, consistent with industry practice, include the change in pension liability and assets acquired using contributions which by donor restriction were to be used for purposes of acquiring such assets.

### **Cash and Cash Equivalents**

Cash equivalents include cash and highly liquid investments purchased with an original maturity of three months or less. 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.

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

## **NOTES TO FINANCIAL STATEMENTS**

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### **Accounts Receivable**

Accounts receivable are considered delinquent and written off when all attempts to collect from individuals or other payor sources have been exhausted. Management maintains an allowance for doubtful accounts of \$387,150 and \$195,112 at September 30, 2020 and 2019, respectively, which is based on a review of significant balances and past experience.

### **Investment Valuation and Income Recognition**

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

Purchases and sales of securities are recorded on the trade date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Investment income (loss) 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 as increases or decreases in unrestricted net assets 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 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.

### **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.

### **Contributions, Including Government Grants and Contracts**

In accordance with ASU 2018-08, certain governmental grants and contracts received by a not-for-profit, including certain awards to fund capital expenditures, are generally considered to be contributions rather than exchange transactions since there was not commensurate value transferred between the resource provider and the Home. Promises to give that are subject to donor-imposed conditions (i.e., a donor stipulation that includes a barrier that must be overcome and a right of release from obligation) are recognized when the conditions on which they depend are substantially met, that is, when the conditional promise becomes unconditional. Unconditional contributions are recognized when promised or received, as applicable, and are considered to be available for unrestricted use unless specifically restricted by the donor.

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

## **NOTES TO FINANCIAL STATEMENTS**

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The Home reports contributions of cash and other assets as donor-restricted support if they are received with donor stipulations that limit their use. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the accompanying statements of activities and changes in net assets as net assets released from restrictions. Transfers of assets from a resource provider received before the barriers are overcome are reported as deferred revenue on the accompanying consolidated statements of financial position. Contributions receivable expected to be collected in more than one year are discounted to their present value.

There were no conditional grants and contracts not recognized as revenue as of September 30, 2020 and 2019.

Contributed services are recognized in the financial statements if they enhance nonfinancial assets or require specialized skills, are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. General volunteer services do not meet these criteria for recognition. No contributed services requiring recognition were received during the years ended September 30, 2020 and 2019. However, services have been provided by various organizations, and a number of unpaid volunteers have contributed their time to the Home.

### **Contributions Receivable**

Contributions receivable are stated net of discounts and allowance for uncollectible amounts, which are based upon estimates of collectability by the Home's management. The allowance for uncollectible amounts is evaluated periodically for adequacy based upon management's evaluation of past loss experience, known and inherent risks in its accounts, plus other factors that could affect collectability.

### **Split-Interest Agreements**

The Home is a party to the following types of split-interest agreements:

#### **Charitable Gift Annuities**

The Home has entered into several charitable gift annuities 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. The present value of principal amounts due on these annuities was \$125,196 and \$268,090 as of September 30, 2020 and 2019, respectively.

#### **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.

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

## **NOTES TO FINANCIAL STATEMENTS**

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### **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.

### **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. 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
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 ASC 606, *Revenue from Contracts with Customers* (ASC 606).

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

## **NOTES TO FINANCIAL STATEMENTS**

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### **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

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.

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

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.

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

## NOTES TO FINANCIAL STATEMENTS

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### 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.

Settlements with third-party payors 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 payors 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.

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

## NOTES TO FINANCIAL STATEMENTS

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 revenue 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.

The composition of revenues by primary payor for the years ended September 30, 2020 and 2019 is as follows:

	2020		2019	
	Resident Services and Care	Community Services	Resident Services and Care	Community Services
Medicaid	\$ 22,723,950	\$ 189,924	\$ 23,361,232	\$ 279,765
Private	12,091,156	5,176,170	12,028,423	6,023,298
Medicare	5,971,838	3,075,536	6,455,279	3,358,182
Continuing care members	-	1,353,212	-	1,178,381
Other third-party payors	1,566,639	697,788	2,001,561	894,390
Total	<u>\$ 42,353,583</u>	<u>\$ 10,492,630</u>	<u>\$ 43,846,495</u>	<u>\$ 11,734,016</u>

### 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:

	Contract Liabilities
Opening (October 1, 2018)	\$ 548,748
Closing (September 30, 2019)	499,593
Decrease	<u>(49,155)</u>
Opening (October 1, 2019)	499,593
Closing (September 30, 2020)	870,967
Increase	<u>371,374</u>



**JEWISH HOME FOR THE ELDERLY OF FAIRFIELD COUNTY, INC.  
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**NOTES TO FINANCIAL STATEMENTS**

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**Patient Mix**

Revenues per patient mix as of and for the years ended September 30, 2020 and 2019 was as follows:

	<b>As of September 30, 2020</b>	<b>As of September 30, 2019</b>	<b>For the Year Ended September 30, 2020</b>	<b>For the Year Ended September 30, 2019</b>
Medicaid	63%	67%	69%	68%
Medicare and managed care	15	15	14	15
Private*	22	18	17	17
	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>

\*including pending Medicaid patients

Average occupancy was 90% and 97% for the years ended September 30, 2020 and 2019, respectively.

**Income Taxes**

The Home is tax exempt under Section 501(c)(3) of the Internal Revenue Code and is not subject to federal or state income taxes.

**Functional Allocation of Expenses**

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Such allocations are determined by management on an equitable basis. Expenses related to more than one function have been allocated based on time and effort, salaries and wages, square footage occupied and other reasonable measures of relative benefit. All other costs are directly charged to the programs and supporting services they benefit.

**Subsequent Events**

In preparing these financial statements, management has evaluated subsequent events through January 28, 2021, which represents the date the financial statements were available to be issued.

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

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 3 - FAIR VALUE MEASUREMENTS

Generally accepted accounting principles establish 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 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). 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 is not included in the fair value hierarchy.

### **Financial Instruments Measured at Fair Value**

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

#### **Money Markets**

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.

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

## NOTES TO FINANCIAL STATEMENTS

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### **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. Governmental Securities**

U.S. governmental securities are valued at the closing price reported in the active market in which the individual securities are traded.

### **Hedge Fund**

Interests in hedge fund class alternative investments are 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. The valuations involve assumptions and methods that are reviewed by the Investment Committee. Because investments in these alternative investments are not readily marketable, their estimated fair value is subject to uncertainty and may differ significantly from the value that would have been used had a market for such investments existed.

### **Contributions Receivable**

Contributions receivable are values based on discounted cash flows, reduced by an allowance for collectability.

### **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, 2020 and 2019.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Home believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

**JEWISH HOME FOR THE ELDERLY OF FAIRFIELD COUNTY, INC.  
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**NOTES TO FINANCIAL STATEMENTS**

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, 2020 and 2019:

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	931,442	931,442	-	-	-
Total investments at fair value	12,887,525	931,442	11,648,545	307,541	-
Contributions receivable, net	131,646	-	-	-	131,646
<b>Total Assets at Fair Value</b>	<b>\$ 13,818,967</b>	<b>\$ 931,442</b>	<b>\$ 11,648,545</b>	<b>\$ 307,541</b>	<b>\$ 131,646</b>
<b>Total Liabilities at Fair Value:</b>					
Interest rate swap agreements	\$ 113,642	\$ -	\$ -	\$ 113,642	\$ -

- (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.

**JEWISH HOME FOR THE ELDERLY OF FAIRFIELD COUNTY, INC.  
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**NOTES TO FINANCIAL STATEMENTS**

Description	2019			
	Total	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Money market funds	\$ 1,266,066	\$ 1,266,066	\$ -	\$ -
Fixed income:				
Corporate bonds	313,039	-	313,039	-
Municipal bonds	199,179	199,179	-	-
Equity securities:				
Common stocks	503,719	503,719	-	-
Preferred stocks	187,230	187,230	-	-
Mutual funds:				
Fixed income	2,752,766	2,752,766	-	-
Equities	5,989,835	5,989,835	-	-
U.S. government bonds	80,996	80,996	-	-
Exchange traded funds	833,930	833,930	-	-
Total investments at fair value	12,126,760	11,813,721	313,039	-
Contributions receivable, net	265,425	-	-	265,425
<b>Total Assets at Fair Value</b>	<b>\$ 12,392,185</b>	<b>\$ 11,813,721</b>	<b>\$ 313,039</b>	<b>\$ 265,425</b>
Total Liabilities at Fair Value:				
Interest rate swap agreements	\$ 54,623	\$ -	\$ 54,623	\$ -

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

Description	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period	Liquidity or Other Restrictions
Hedged capital appreciation: Alkeon Growth.	\$ 931,442	None	Quarterly	45 days	None

The table below sets forth a summary of changes in the fair value of the Home's Level 3 assets for the years ended September 30, 2020 and 2019:

	<b>Contributions Receivable, Net</b>
Balance - September 30, 2018	\$ 842,047
New contributions receivable	41,350
Collections on contributions receivable	(672,887)
Change in discount on contributions receivable	54,920
Write offs for uncollectible accounts	(5)
Balance - September 30, 2019	265,425
New contributions receivable	31,351
Collections on contributions receivable	(315,775)
Change in discount on contributions receivable	150,894
Write offs for uncollectible accounts	(249)
Balance - September 30, 2020	\$ 131,646

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**NOTES TO FINANCIAL STATEMENTS**

**NOTE 4 - CONTRIBUTIONS RECEIVABLE**

Contributions receivable as of September 30, 2020 and 2019 are expected to be collected as follows:

	<b>2020</b>		
	<b>Restricted for Time or Purpose</b>	<b>Restricted in Perpetuity</b>	<b>Total</b>
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	<u>113,186</u>	<u>24,000</u>	<u>137,186</u>
Allowance for uncollectible	-	-	-
Less discount to net present value	-	<u>(5,540)</u>	<u>(5,540)</u>
Net Contributions Receivable	<u>\$ 113,186</u>	<u>\$ 18,460</u>	<u>\$ 131,646</u>

  

	<b>2019</b>		
	<b>Restricted for Time or Purpose</b>	<b>Restricted in Perpetuity</b>	<b>Total</b>
Within one year	\$ 294,656	\$ 2,000	\$ 296,656
Within one to five years	100,000	8,000	108,000
More than five years	-	19,005	19,005
Total contributions receivable	<u>394,656</u>	<u>29,005</u>	<u>423,661</u>
Allowance for uncollectible	(142,894)	-	(142,894)
Less discount to net present value	<u>(8,000)</u>	<u>(7,342)</u>	<u>(15,342)</u>
Net Contributions Receivable	<u>\$ 243,762</u>	<u>\$ 21,663</u>	<u>\$ 265,425</u>

Contributions receivable in more than one year at September 30, 2020 and 2019 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 - DEFERRED COMPENSATION OBLIGATION**

The Home's deferred compensation obligation is based on a discount rate of 6-1/2% of payments to be made to the former President over a 15-year period, beginning in fiscal year 2008. As of September 30, 2020 and 2019, the obligation amounted to \$78,145 and \$104,194, respectively.

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

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 6 - NOTES PAYABLE**

Notes payable as of September 30, 2020 and 2019 consist of the following:

	<u>2020</u>	<u>2019</u>
Term loan in the amount of \$2,000,000, payable in monthly installments of \$36,881, including interest at 3.99%, compounded monthly through May 2020, secured by specific equipment. The term loan was paid off during 2020.	\$ -	\$ 291,622
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 year ended September 30, 2020, the loans accrued PIK interest of \$8,320. The loans are subordinate to the bonds and notes payable.	170,783	187,464
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.	<u>48,928</u>	<u>73,374</u>
	219,711	552,460
Less current portion	<u>195,239</u>	<u>442,301</u>
Total Notes Payable - Long Term	<u>\$ 24,472</u>	<u>\$ 110,159</u>

The following is a schedule of future maturities of notes payable at September 30, 2020:

<u>Year Ending September 30</u>	
2021	\$ 195,239
2022	19,860
2023	<u>4,612</u>
	<u>\$ 219,711</u>

**Letter of Credit**

The Home has a standby letter of credit for \$850,000 that renews annually each fiscal year. There were no amounts outstanding as of September 30, 2020 and 2019. The letter expires on April 30, 2021.

**JEWISH HOME FOR THE ELDERLY OF FAIRFIELD COUNTY, INC.  
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**NOTES TO FINANCIAL STATEMENTS**

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**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 \$783,302 and \$825,453 at September 30, 2020 and 2019, respectively.

Principal payments due on the bonds payable are expected to be as follows:

**Year Ending September 30**

2021	\$	2,148,333
2022		2,246,667
2023		2,343,333
2024		2,446,667
2025		2,736,667
Thereafter		<u>42,302,083</u>
	\$	<u>54,223,750</u>

The bonds payable are subject to certain financial covenants to be tested on an annual basis. The Home entered into a forbearance agreement with People’s United Bank on December 13, 2017, which was effective through December 31, 2018. Under this agreement, the Home was required to meet certain requirements throughout the forbearance period, and the original financial covenants became applicable again at the end of the forbearance period. The Home was in compliance with its financial covenants as of September 30, 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.



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

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 8 - COMMITMENTS

The Home leased property for its Adult Daycare and Outpatient Programs under an operating lease which expired on August 31, 2019. Rent expense under this lease totaled -0- and \$74,016 for the years ended September 30, 2020 and 2019, respectively.

The Home leases office equipment and an automobile under operating leases that expire at various times through 2022. The Home also leased office and medical space under a lease which expired on July 31, 2019. Rental expense under these leases totaled \$60,559 and \$71,652 for the years ended September 30, 2020 and 2019, respectively.

Future minimum lease payments under operating leases that have remaining terms in excess of one year are as follows:

#### Year Ending September 30

2021	\$	59,064
2022		<u>59,064</u>
Total Minimum Lease Payments	\$	<u><u>118,128</u></u>

### NOTE 9 - BENEFIT PLANS

#### Pension Plan

The Home has a noncontributory defined benefit pension 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.

GAAP requires companies to record a liability on the statements of financial position for the underfunded portion of postretirement plans, defined as the amount by which the projected benefit obligation exceeds the fair value of plan assets.

The Home's funding policy is to make the minimum annual contributions required by applicable regulations. Contributions are intended to provide not only for benefits attributable to service to date, but also for those expected to be earned in the future.

During March 2019, the Home changed trustees. All assets of the plan, totaling approximately \$3.3 million, were transferred from Morgan Stanley to Principal Life Insurance Company.

**JEWISH HOME FOR THE ELDERLY OF FAIRFIELD COUNTY, INC.  
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**NOTES TO FINANCIAL STATEMENTS**

The following table sets forth further information about the Home's defined benefit pension plan as of and for the years ended September 30, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Funded status	\$ (2,157,636)	\$ (1,946,013)
Benefits paid	(63,995)	(65,606)
Settlements	(671,389)	(332,878)
Employer contributions	200,000	200,000

Amounts recognized in the statements of financial position at September 30, 2020 and 2019 consist of the following:

	<u>2020</u>	<u>2019</u>
Pension Liability	\$ <u>(2,157,636)</u>	\$ <u>(1,946,013)</u>

Amounts previously recognized in changes in unrestricted net assets consist of the following:

	<u>2020</u>	<u>2019</u>
Net Gain	\$ <u>173,739</u>	\$ <u>244,087</u>

The accumulated benefit obligation was \$5,223,804 and \$5,373,726 at September 30, 2020 and 2019, respectively.

The following table details information for pension plans with an accumulated benefit obligation in excess of plan assets at September 30, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Projected benefit obligation	\$ 5,223,804	\$ 5,373,726
Accumulated benefit obligation	5,223,804	5,373,726
Fair value of plan assets	3,066,168	3,427,813

**JEWISH HOME FOR THE ELDERLY OF FAIRFIELD COUNTY, INC.  
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**NOTES TO FINANCIAL STATEMENTS**

Other changes in plan assets and benefit obligations recognized in the statements of activities and changes in net assets consisted of the following for the years ended September 30, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Net periodic benefit cost	\$ 724,927	\$ 582,258
Net (gain) loss	389,271	(18,523)
Settlement	(376,545)	(200,746)
Amortization of net gain	<u>(325,930)</u>	<u>(332,057)</u>
Change in pension liability	<u>(313,204)</u>	<u>(551,326)</u>
Total Recognized in Net Periodic Benefit Cost (Salaries and Benefits) and Change in Pension Liability	\$ <u>411,723</u>	\$ <u>30,932</u>

The estimated net loss to be amortized from changes in net assets without donor restrictions into net periodic benefit cost in 2020 has not yet been determined.

Assumptions used in determining the obligation and the net periodic costs of the defined benefit plan were as follows:

	<u>2020</u>	<u>2019</u>
Weighted-average assumptions:		
Discount rate as of end of year	3.15%	4.21%
Expected return on plan assets for the year	6.50%	6.50%

The Home's pension plan weighted-average asset allocations at September 30, 2020 and 2019 by asset category are as follows:

	<u>2020</u>	<u>2019</u>
Separate accounts	<u>100%</u>	<u>100%</u>
Total	<u>100%</u>	<u>100%</u>

The expected rate of return on pension plan assets is determined by those assets' historical long-term investment performance, current asset allocation and estimates of future long-term returns by asset class.

The Home's investment strategy is based on an expectation that equity securities and mutual funds will outperform debt securities over the long term. Accordingly, the asset allocation strategy target allocation is 55% equity, 30% fixed income and 15% other. The strategy utilizes actively managed U.S. equity securities and investment grade debt securities (which constitute 80% or more of debt securities) with lesser allocations to high-yield and international debt securities benchmarked against indices.

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

## NOTES TO FINANCIAL STATEMENTS

The Home attempts to mitigate investment risk by rebalancing between debt and equity classes as the Home's contributions and monthly benefit payments are made. Although changes in interest rates may affect the fair value of a portion of the investment portfolio and cause unrealized gains and losses, such gains or losses would not be realized unless the investments are sold.

### Estimated Future Benefit Payments

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

#### Year Ending September 30

2021	\$ 1,170,000
2022	320,000
2023	260,000
2024	280,000
2025	210,000
2026-2030	1,480,000

### Expected Cash Flow

The minimum funding requirement for fiscal 2020 is expected to be approximately \$360,000.

The following tables set forth by level, within the fair value hierarchy, the Home's defined benefit plan assets at fair value as of September 30, 2020 and 2019:

#### Fair Value Measurements at September 30, 2020

Asset Class	Total	Level 1	Level 2	Level 3
Separate accounts	\$ 3,066,168	\$ -	\$ 3,066,168	\$ -
Total	\$ 3,066,168	\$ -	\$ 3,066,168	\$ -

#### Fair Value Measurements at September 30, 2019

Asset Class	Total	Level 1	Level 2	Level 3
Separate accounts	\$ 3,427,813	\$ -	\$ 3,427,813	\$ -
Total	\$ 3,427,813	\$ -	\$ 3,427,813	\$ -

### 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 limitations, 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 \$456,343 and \$376,680 for the years ended September 30, 2020 and 2019, respectively.

**JEWISH HOME FOR THE ELDERLY OF FAIRFIELD COUNTY, INC.  
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**NOTES TO FINANCIAL STATEMENTS**

**NOTE 10 - CONCENTRATION OF CREDIT RISK**

The Home grants credit without collateral to its residents, most of whom are local residents, and some are funded under third-party payor agreements. The mix of gross receivables at September 30, 2020 and 2019 was as follows:

	<u>2020</u>	<u>2019</u>
Medicare	19%	17%
Medicaid	43	41
Private pay and other*	<u>38</u>	<u>42</u>
	<u>100%</u>	<u>100%</u>

\*including pending Medicaid patients

**NOTE 11 - 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, 2020 and 2019 are as follows:

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 5,217,318	\$ 2,578,278
Accounts receivable, net	4,469,058	4,345,261
Current portion of contributions receivable, net, without donor restrictions	115,186	29,450
Entrance fee receivables	<u>284,483</u>	<u>375,294</u>
Total Financial Assets Available Within One Year for General Expenditure	<u>\$ 10,086,045</u>	<u>\$ 7,328,283</u>

**Liquidity Management**

The Home maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities and other obligations come due.

**JEWISH HOME FOR THE ELDERLY OF FAIRFIELD COUNTY, INC.  
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**NOTES TO FINANCIAL STATEMENTS**

**NOTE 12 - NET ASSETS WITH DONOR RESTRICTIONS**

The following is the composition of the Home's net assets with donor restrictions at September 30, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Restricted in perpetuity:		
General purpose	\$ 8,967,666	\$ 8,878,200
Income use restricted:		
Specific programs	<u>1,988,237</u>	<u>2,129,394</u>
Total restricted in perpetuity	<u>10,955,903</u>	<u>11,007,594</u>
Restricted by time or purpose:		
Accumulated earnings on endowment funds held in perpetuity	1,381,662	939,061
Specific programs	1,433	13,182
Capital	100,000	201,130
Future periods	<u>11,754</u>	<u>29,450</u>
Total purpose and time restricted	<u>1,494,849</u>	<u>1,182,823</u>
Total Net Assets With Donor Restrictions	<u>\$ 12,450,752</u>	<u>\$ 12,190,417</u>

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, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Purpose restrictions:		
Accumulated earnings on permanent endowment funds	\$ 515,076	\$ 779,154
Specific programs	22,500	17,235
Capital	251,977	808,019
Passage of time	<u>38,100</u>	<u>6,800</u>
Net Assets Released from Restrictions	<u>\$ 827,653</u>	<u>\$ 1,611,208</u>

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

## **NOTES TO FINANCIAL STATEMENTS**

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### **NOTE 13 - 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 permanent 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.

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

**JEWISH HOME FOR THE ELDERLY OF FAIRFIELD COUNTY, INC.  
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**NOTES TO FINANCIAL STATEMENTS**

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

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total Endowment Assets</u>
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>

Changes in endowment net assets for the year ended September 30, 2020 are as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets - October 1, 2019	\$ <u>210,773</u>	\$ <u>11,655,626</u>	\$ <u>11,866,399</u>
Investment return:			
Investment income, net	45,998	461,541	507,539
Net investment gains	21,003	262,410	283,413
Total investment return	<u>67,001</u>	<u>723,951</u>	<u>790,952</u>
Contributions	-	329,408	329,408
Appropriation of endowment assets for expenditure	-	(515,076)	(515,076)
Endowment net assets - September 30, 2020	\$ <u>277,774</u>	\$ <u>12,193,909</u>	\$ <u>12,471,683</u>



**JEWISH HOME FOR THE ELDERLY OF FAIRFIELD COUNTY, INC.  
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**NOTES TO FINANCIAL STATEMENTS**

Endowment net asset composition as of September 30, 2019 is as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total Endowment Assets</u>
Board-designated endowment funds	\$ 210,773	\$ -	\$ 210,773
Donor-restricted endowment funds:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	-	10,716,566	10,716,566
Accumulated gains and income on donor-restricted endowment assets not yet appropriated	-	151,074	151,074
Term endowment	-	787,986	787,986
Total Funds	<u>\$ 210,773</u>	<u>\$ 11,655,626</u>	<u>\$ 11,866,399</u>

Changes in endowment net assets for the year ended September 30, 2019 are as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets - October 1, 2018	\$ 177,518	\$ 11,895,467	\$ 12,072,985
Investment return:			
Investment income, net	33,930	360,791	394,721
Net investment losses	(4,747)	(3,926)	(8,673)
Total investment return	<u>29,183</u>	<u>356,865</u>	<u>386,048</u>
Contributions	<u>4,072</u>	<u>182,445</u>	<u>186,517</u>
Appropriation of endowment assets for expenditure	<u>-</u>	<u>(779,151)</u>	<u>(779,151)</u>
Endowment net assets - September 30, 2019	<u>\$ 210,773</u>	<u>\$ 11,655,626</u>	<u>\$ 11,866,399</u>

**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, 2020, funds with original gift values of \$1,213,378, fair values of \$1,210,423 and deficiencies of \$2,955 were reported in net assets with donor restrictions. As of September 30, 2019, funds with original gift values of \$9,112,980, fair values of \$8,841,815 and deficiencies of \$271,165 were reported in net assets with donor restrictions.

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

## **NOTES TO FINANCIAL STATEMENTS**

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### **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. The Home increased the distribution from 4% to 5.5% of the total endowment investment value for the year ended September 30, 2019. In establishing this policy, the Home considered the long-term expected return on its endowment. 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 14 - RELATED PARTY TRANSACTIONS**

The Auxiliaries made contributions to the Home of \$243,850 and \$221,227 for the years ended September 30, 2020 and 2019, 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 \$-0- and \$22,800 during the years ended September 30, 2020 and 2019, respectively. Amounts due to the Home from GPG at September 30, 2020 and 2019 are reflected in prepaid expenses and other assets in the accompanying statements of financial position and amounted to approximately \$-0- and \$1,500, respectively.

During 2018, the Home received subordinate loans from the Women's Auxiliary in the amount of \$148,500 and from various board members totaling \$436,500, to fund the construction of the Adult Day Care Center. Both loans accrued payment-in-kind interest, as discussed in Note 6.

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

## **NOTES TO FINANCIAL STATEMENTS**

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During the year ended Sept 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 Sept 30, 2020, an additional \$24,303 was forgiven by board members. The outstanding balance related to these loans is \$170,783.

### **NOTE 16 - CASH FLOWS**

#### **Additional Cash Flow Information**

The Home paid cash for interest of \$2,090,212 and \$2,447,873 during the years ended September 30, 2020 and 2019, respectively.

#### **Noncash Financing and Investing Activities**

During the years ended September 30, 2019 the Home disposed of property and equipment totaling \$34,739.

### **NOTE 17 - HEALTH CARE INDUSTRY**

#### **Regulatory Environment**

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



## 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)