



An Active Life Plan Community

January 31, 2021

Mr. Rich Wysocki
Principal Cost Analyst
Office of CON & Rate Setting
State of Connecticut
Department of Social Services
55 Farmington Avenue,
Hartford, CT 06105-3724

Dear Rich:

Attached is a copy of Seabury At Home's Disclosure Statement, as required by Section 17B-528 of Connecticut General Statutes.

The changes in Seabury At Home's 2021 Disclosure Statement incorporate the following:

The Board of Directors' changes in membership has been reflected in **Section II Officers and Directors** on pages 2-4.

Section VIII Strategic Repositioning Plan on page 10 has been slightly updated to reflect current information about the repositioning plan.

Section XVII Financial Statements include the 2019-2020 audited and certified financial statements.

Section XVIII Pro Forma Income Statements have been updated to include projected income for three years.

Exhibit A, Residence & Care Agreement, Section IV, Your Responsibilities as a Member, #15, Power of Attorney; Arrangements for Conservator has been updated to include the ability to propose a conservator when appropriate.

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International
Council on
Active Aging



Exhibit A, Residence & Care Agreement, Section VI. Termination of this Agreement and Refunds, #2, Transfer of Seabury At Home Members to Independent Living on the Seabury Campus, was revised to clarify how the 0% refund applies to the 0% refund plan on Campus.

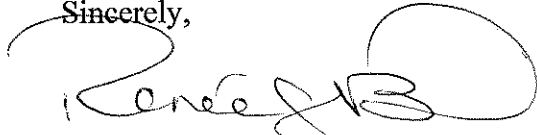
Exhibit A, Residence & Care Agreement, Section VII Miscellaneous, # 9, Force Majeure clause was added to this document.

Exhibit D, Entrance Fees/Periodic Changes, has been revised to include new fee plans.

These are the only material changes to the Disclosure Statement from the January 2020 filing to our January 2021 filing.

If you have any questions, please do not hesitate to call.

Sincerely,

A handwritten signature in black ink, appearing to read "Renée J. Bernasconi". The signature is fluid and cursive, with a large loop at the end.

Renée J. Bernasconi, MBA, LNHA
President & CEO

ACKNOWLEDGMENT OF RECEIPT

SEABURY AT HOME

DISCLOSURE STATEMENT

PURSUANT TO CONNECTICUT STATUTE 17b-522, EFFECTIVE JULY 1, 1998, THE FOLLOWING NOTICE MUST BE PROVIDED BEFORE THE SIGNING OF A LIFE PLAN AGREEMENT (FORMERLY KNOWN AS A CONTINUING CARE AGREEMENT)

A Life Plan Contract (formerly known as a Continuing Care Contract) is a financial investment, and your investment may be at risk. Seabury At Home's ability to meet its contractual obligations under such contract depends on Seabury At Home's financial performance. We advise you to consult an attorney or other professional experienced in matters relating to investment in Life Plan Communities before you sign a Life Plan Contract (Continuing Care Contract). The Department of Social Services does not guarantee the security of your investment.

I acknowledge that I have reviewed the above statement, as well as the Disclosure Statement, and the Life Plan Agreement (Continuing Care Agreement).

Signature

Date

Seabury At Home Signature

Date



DISCLOSURE STATEMENT

SEABURY AT HOME

Sponsored by

Seabury, Incorporated

January 2021

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



TABLE OF CONTENTS

	<u>Page</u>
Section I, Name and Address of Provider	1
Section II, Officers and Directors	2
Section III, Business Experience	5
Section IV, Corporate Restructuring	5
Section V, Judicial Proceedings	6
Section VI, Affiliation	6
Section VII, Description of Property	7
Section VIII, Campus Strategic Repositioning Plan	8
Section IX, Benefits Included	10
Section X, Interest on Deposits	13
Section XI, Termination of Contract	13
Section XII, Rights of a Surviving Spouse	13
Section XIII, Non-Life-Care Spouse	13
Section XIV, Marriage of a Member	14
Section XV, Tax Consequences	14
Section XVI, Reserve Funding	14
Section XVII, Financial Statements	14
Section XVIII, Pro Forma Financial Statements	14
Section XIX, Membership Fees & Periodic Charges	14
Section XX, Department of Social Service – Filings	14
<u>Appendix:</u> (Exhibits Updated as Required)	
Exhibit A Life Plan Agreement (Continuing Care Agreement)	
Exhibit B Audited Financial Statements, including two previous years	
Exhibit C Pro Forma Income Statements	
Exhibit D Entrance Fees/Periodic Charges	
Exhibit E Payment Plans	
Exhibit F Statement of Actuarial Opinion	



I. NAME AND ADDRESS OF PROVIDER

SEABURY AT HOME INCORPORATED

200 Seabury Drive
Bloomfield, CT 06002

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

Parent Corporation

SEABURY, INCORPORATED

VISION

To Revolutionize the Experience of Aging.

MISSION

Seabury Enhances Lives.

VALUES STATEMENT

We realize our mission by honoring the past while engaging in the present and planning for the future. To provide the highest quality of life (physical, spiritual and emotional) for residents, employees and other community members, we are guided by a philosophy of wellness, compassion and financial assistance so people may lead their lives with dignity and joy. We follow the Five-Star service standards in addition to striving for the best stewardship of our resources and the environment. Revolutionizing the experience of aging requires action, and we work ceaselessly to achieve our goals.

II. OFFICERS AND DIRECTORS

Church Home of Hartford Incorporated (CHHI) is a non-profit corporation established in 1876 and affiliated with the Episcopal Church in Connecticut. Seabury, Inc./CHHI is responsible for the general oversight of Seabury, a traditional Life Plan Community (formerly known as Continuing Care Retirement Community (CCRC)), providing housing, services, and healthcare to residents. Seabury, Inc. serves as the sole member for Seabury At Home Incorporated, established in 2006, to serve Connecticut seniors that desire to remain at home as they age. The Seabury At Home Board of Directors is responsible for the oversight of Seabury At Home. Members of the Seabury, Inc./CHHI, and Seabury At Home Boards of Directors are listed below.

No individuals or other entities hold any ownership interest in either corporation.

BOARD OF DIRECTORS

<p>The Right Rev. Ian T. Douglas Ecclesiastical Authority, Ex Officio Episcopal Diocesan House 290 Pratt Street, Box 52 Meriden, CT 06450 203-639-3501 (O) E-mail: itdouglas@episcopalct.org</p>	<p>BISHOP'S REPRESENTATIVE, Ex Officio The Reverend Anne Fraley St. Peter's Episcopal Church 99 Sand Hill Road, South Windsor, CT 06074 860-644-8548 (O) E-mail: wolfdance9@gmail.com</p>
<p>Mr. Bradford S. Babbitt Robinson & Cole LLP 280 Trumbull Street, Hartford, CT 06103 860-275-8209 (O) 860-275-8299 (Fax) E-mail: bbabbitt@rc.com</p>	<p>Ms. Eleanor Barnes Morgan Stanley Wealth Management 225 Asylum Street, 14th Floor, Hartford, CT 06103 860-275-0746 (O) 860-392-6133 (F) E-mail: Eleanor.Barnes@morganstanley.com</p>
<p>Ms. Cynthia Becker 237 Hollister Drive Avon, CT 06001 E-mail: cbecker16@netzero.net</p>	<p>Ms. Renée J. Bernasconi *(Non-Director) President Seabury 200 Seabury Drive Bloomfield, CT 06002 E-mail: reneebernasoni@seaburylife.org *Voice but no vote</p>

<p>Ms. Linda Berry 343 Seabury Drive Bloomfield, CT 06002 E-mail: lindaberry343@gmail.com</p>	<p>Mr. Robert W. Burnett 354 Old Mountain Road Farmington, CT 06032 (860) 677-9641 Email: Robert.burnett@comcast.net</p>
<p>Dr. Jonathan A. Dixon Board Chair Hartford Hospital Rheumatology Clinic 85 Seymour Street, Suite #601 Hartford, CT 06106 E-mail: Jonathan.Dixon@hhchealth.org</p>	<p>Mr. Robert Hewey 307 Seabury Drive Bloomfield, CT 06002 860-578-9678 (H) 860-643-5701 (Cell) E-mail: boltonbob@aol.com</p>
<p>* Mr. A. Raymond Madorin Director Emeritus 6405 Via Canada Rancho Palos Verdes, CA 90275 860-573-3998 (Cell) E-mail: ray.madorin@gmail.com *Voice but no vote</p>	<p>* Mr. Gale A. Mattison Director Emeritus 425 29th Street Hermosa Beach, CA 90254 860-561-3723 (H) 860-944-0922 (Cell) E-mail: g.mattison@comcast.net *Voice but no vote</p>
<p>Mr. Ross Mezzanotte KBE Building Corp. 76 Batterson Park Road Farmington, CT 06032 860-250-1542 (Cell) E-mail: rmezzanotte@kbebuilding.com</p>	<p>Ms. Marnie W. Mueller 102 N. Beacon Street Hartford, CT 06105 860-233-6821 (H) 860-508-5545 (Cell) E-mail: muellermw@yahoo.com</p>
<p>Mr. Craig Scott Treasurer Aero Gear, Inc. 1050 Day Hill Road Windsor, CT 06095 860-688-0888 ext. 130 (O) 860-285-8514 (Fax) E-mail: cwscott5@hotmail.com</p>	<p>Mr. Michael Sherrill Cigna 900 Cottage Grove Bloomfield, CT 06002 860-226-2596 (O) E-mail: hilsherrill@comcast.net</p>
<p>Mr. Ronald Theriault OneDigital Health and Benefits 5 Batterson Park Road, Suite 1 Farmington, CT 06032 E-mail: rtheriault@onedigital.com</p>	<p>Dr. Russ Tonkin 610 Inlet Lane Windsor, CT 06095 860-463-0107 (Cell) E-mail: rtonks@aol.com</p>
<p>Mr. John R. Wadsworth Secretary 292 Fern Street West Hartford, CT 06119 E-mail: 29Wadsworth@comcast.net</p>	

President & CEO Renée J. Bernasconi, MBA, LNHA, is responsible for the day-to-day management of the organization.

SEABURY AT HOME BOARD OF DIRECTORS

<p style="text-align: center;">Renée J. Bernasconi President 200 Seabury Drive Bloomfield, CT 06002 E-mail: reneebernasconi@seaburylife.org</p>	<p style="text-align: center;">Mr. A. Raymond Madorin Secretary Treasurer 6405 Via Canada Rancho Palos Verdes, CA 90275 E-mail: ray.madorin@gmail.com</p>
<p style="text-align: center;">John (Jay) F. Kearns III Member Kearns & Kearns 1121 New Britain Avenue West Hartford, CT 06110 E-mail: j.kearns@snet.net</p>	<p style="text-align: center;">Mr. Gale A. Mattison Chair 425 29th Street Hermosa Beach, CA 90254 E-mail: g.mattison@comcast.net</p>
<p style="text-align: center;">Jonathan A. Dixon Seabury, Inc. Member Hartford Hospital-Rheumatology Clinic 85 Seymour Street, Suite #601 Hartford, CT 06106 E-Mail: Jonathan.Dixon@hhchealth.org</p>	<p style="text-align: center;">Monique R. Polidoro, Esq. Member Rogin Nassau LLC CityPlace I, 22nd Floor Hartford, CT 06103-3460 E-Mail: mpolidoro@roginlaw.com</p>
<p style="text-align: center;">William J. Thompson Member Milliman, Inc. 80 Lamberton Road Windsor, CT 06095 E-Mail: bill.thompson@millilman.com</p>	<p style="text-align: center;">Debra Pasquale Member 24 Colonial Drive North Bloomfield, CT 06002 E-Mail: dkpasquale@comcast.net</p>

III. BUSINESS EXPERIENCE

- Church Home of Hartford Incorporated has provided housing with support services for older adults in the Hartford area continuously since 1876. Church Home of Hartford Incorporated d/b/a Seabury has been operating a Life Plan Community (Continuing Care Retirement Community (CCRC) since 1992. Seabury At Home Incorporated was developed in 2006 and began operating as a Life Plan Community Without Walls (continuing care retirement community without walls) in October 2008.
- Seabury Care Now was developed in October 2010 and is a non-medical homemaker-companion agency registered with the Connecticut Department of Consumer Protection. This agency provides homemaker, companion, and personal care assistance to residents on campus, Seabury At Home Members, and clients off campus.

IV. CORPORATE RESTRUCTURING

At the Church Home of Hartford, Inc. (CHHI) Annual Meeting of the Members on November 2, 2017, a resolution was adopted to incorporate Seabury Inc., a Connecticut nonstock Corporation. The Board determined that it is in the best interest of CHHI and the affiliates to restructure the Corporation. Seabury At Home Incorporated adopted its new amended and restated bylaws May 2018.

Among other things, the current Member of Seabury Charitable Foundation (SCF) and Seabury At Home (SAH) will cease to be CHHI. Seabury, Inc. will be a holding company and the sole member of CHHI, SAH and SCF.

Amended bylaws state that in the absence of the Bishop at meetings, the Bishop's Representative has both a voice and a vote at Board meetings. The Chair of Church Home Auxiliary has been removed as the Auxiliary relinquished their charter several years ago. A new Standing Committee was introduced, Spirituality and Worship Committee, which will serve as an interface between the Corporation and The Episcopal Church of Connecticut (ECCT).

Appointment of Officers established that the President of the Board becomes the Chair of the Board and the Executive Vice President and CEO becomes the President and CEO. The Bishop is the Ecclesiastical Authority and shall

serve as the principal pastor to the Corporation and as the chief liaison between the Corporation and the Episcopal Church in Connecticut. In that role, the Ecclesiastical Authority has oversight of the Bishops' Chapel and, in consultation with the President, will appoint the Chaplain.

The Board of Directors for Seabury Inc. and Church Home of Hartford, Inc. will be concurrent, and SCF and SAH will maintain their separate boards. Seabury Inc. shall be operated exclusively for religious, charitable, scientific, literary or educational purposes by operating for the benefit of, performing the functions, and carrying out the purposes of the Church Home of Hartford, Inc., Seabury Charitable Foundation, Inc., and Seabury At Home, Inc.

V. JUDICIAL PROCEEDINGS

Neither Seabury, Inc./Church Home of Hartford Incorporated, Seabury At Home Incorporated, nor any of either organization's officers or directors has been convicted of a felony or pleaded nolo contendere to a felony charge or held liable or enjoined in a civil action by final judgment involving fraud, embezzlement, fraudulent conversion or misappropriation of property, or had any business or health care licenses or permits suspended or revoked by any jurisdiction within the last five years. Neither corporation nor any of its officers or directors is subject to a currently effective injunction, or restrictive or remedial order of a court of record.

VI. AFFILIATION

Seabury, Inc./Church Home of Hartford Incorporated and Seabury At Home Incorporated are affiliated with the Episcopal Church in Connecticut and is a recognized mission of the Diocese; however, the Diocese will have no responsibility for the financial and contractual obligations of Church Home of Hartford Incorporated or Seabury At Home Incorporated. Church Home of Hartford Incorporated and Seabury At Home Incorporated are both tax-exempt organizations under Section 501(c) (3) of the Internal Revenue Code.

The Board of Directors for both Seabury At Home, Inc. and the Seabury Charitable Foundation, Inc. developed a joint Limited Liability Corporation (Seabury at Powder Forest, LLC). This LLC was formed to purchase 15 acres of land at 200 Powder Forest Drive, Simsbury, CT. Each corporation will assume half the debt, which is merely the transfer of cash investment to land investment.

VII. DESCRIPTION OF PROPERTY

Seabury At Home is affiliated with Seabury. The common areas and amenities of the Seabury Campus are open to Seabury At Home Members on a daily basis. The Views (assisted living/residential care), Seabury Meadows (assisted living Memory Support Center) and the Davis Center, the Brewer Center, and the Larus Center (skilled nursing) are available on an as-needed and as-available basis (Exhibit A Continuing Care Agreement). The following is a description of Seabury. The specific services available to Seabury At Home members are described in the attached Life Plan Agreement (Continuing Care Agreement).

Seabury is an Active Life Plan Community (formerly known as a Continuing Care Retirement Community (CCRC)), providing housing, services, and health care to residents. The Community is located in Bloomfield, Connecticut, on a parcel of sixty-six acres north of Wintonbury Avenue at the intersection of School Street.

Seabury is composed of the following individual components:

- The Commons – containing all social, recreational, and support services, including: administrative suite, auditorium, salon & spa, bistro, community activity space, convenience shop, exercise room (fitness center and natatorium), library, chapel, game room, greenhouse, woodshop, community and private dining rooms, food preparation, maintenance, housekeeping, and laundry.
- Davis Center, Brewer Center and Larus Center (short-term rehabilitation) – 72 skilled nursing care beds.
- The Views – 58 assisted living beds, 22 of which are licensed Residential Care Facility beds.
- Apartment Building – 219 apartments include studios, one and two bedroom and two bedrooms with a den.
- Cottage Clusters – 28 cottages include one and two bedroom and two bedrooms with a den, and 5 Villas that are two bedrooms with a den and two-car garages.

- Seabury Meadows – A 58-unit Alzheimer’s/Assisted Living facility operated by Seabury. There are 14 licensed Residential Care Facility beds.
- Visiting Nurses – Seabury Visiting Nurses, a licensed Home Care Agency was dissolved in 2020. A Home Care Agency of your choice may be arranged for short-term assistance in your home. Some home health agency services may be covered by Medicare or supplemental insurance.
- The Hartford Healthcare (HHC) Primary Care Suite – On the premises where residents and members may be examined and treated as outpatients. Staffed by nurses and physicians from HHC who have scheduled office hours at the clinic.
- Seabury Wellness Clinic – Registered Nurses, are available in the Wellness Clinic for consultation, administration of medication, wellness counseling/ health promotion, and other services.
- Rehabilitative Services - Seabury has an on-site, licensed Medicare-certified Rehabilitation Department that provides inpatient/outpatient physical, occupational, and speech therapies.

VIII. CAMPUS STRATEGIC REPOSITIONING PLAN

The Seabury Strategic Repositioning Plan consisted of several phases of work which expanded, updated and enhanced the existing campus. Construction of the project commenced in April 2015, and was completed in April 2019.

Phase A expanded the administrative offices, main entrance, lobby, and main kitchen. It included the renovation of the private dining room and a new expanded bistro addition. The resident post office boxes and an improved “Community Activity Space” have been constructed above the new salon and day spa (on the entrance level). In addition, all areas in the Commons building were redecorated. Additional parking spaces have been added at the North end of the campus. Full campus generation was also included as part of Phase A.

Seabury obtained a BB rating from Fitch. The finance team closed \$34.5 million in financing for Phase A with an average yield of 4.73%.

The start of construction for Phase B & C was contingent on several items, including appropriate level of pre-sales (60%) deposits (10% of entrance fee per residence) for Independent Living Apartments, financing, feasibility study, a Guaranteed Maximum Price construction contract with the qualified construction firm and Board approval. The project was funded with tax-exempt bonds.

Phase B included 68 new independent-living apartments, an underground parking garage (approx. 71 spaces), and a new chapel (seating for approx. 225). A fitness and wellness satellite area, additional meeting spaces for continuing education, and surface parking spaces for accessibility to the new wing are included as part of Phase B.

Phase C included a new building addition for Seabury's Community Outreach Services (Seabury At Home, Seabury Visiting Nurses and Seabury Care Now), Primary Care (rental space), and specialized rehabilitation services. This addition included a new dedicated entry for health care, renovation of existing areas to accommodate updated and new Assisted Living Apartments (20 one-bedrooms and 2 two-bedrooms (addition of two apartments), and updated dining, kitchen, and new fitness, living/activity spaces in Assisted Living.

Phase C also included 12 new short-term rehab private rooms (non-Medicaid), updated rooms, living/family rooms, salon, dining, and pantry spaces for skilled nursing. Expansion of the existing Rehab and Therapy Suite were included. The Clinic Suite was also included in this phase, as well as a new employee entrance.

Seabury plans to combine 30 West Wing residences (30 to 15 apartments), which will reduce its overall inventory.

On November 7, 2019, the Board approved the Strategic Plan for the "100" Cottages, which included demolishing six cottages, a carport, and a mail kiosk and constructing two new structures, each containing 12 apartments and a clubhouse. Paving work on Seabury Drive will be included as part of this project.

The start of construction is contingent on several items, including the appropriate level of pre-sales (60%) deposits (10% of the entrance fee per

residence) for Independent Living Apartments, financing, Financial Consultant's Report, and Guaranteed Maximum Price construction contract with a qualified construction firm and Board approval.

It is anticipated the project will be funded with a bank loan. The total project cost is expected to be approximately \$15 million. The anticipated entrance fees collected during fill-up is estimated to be \$10 million. As required by the bond issue, all first-generation Entrance Fees are pledged to retire the debt. The remaining \$5M will be retired after approximately five years.

Construction of the project was put on hold in March 2020 due to the COVID-19 Pandemic and will commence when possible. The anticipated construction time is 12 months.

Approximately \$1.3M per year is expected as revenue for these new residences after the retirement of debt. This project will not negatively impact monthly service fees on campus.

This section has described the Seabury campus. The specific facilities and services available to Members of Seabury At Home are described below, in Section VII, and the Seabury At Home Life Plan Agreement (Continuing Care Agreement).

IX. BENEFITS INCLUDED

Seabury At Home offers several pricing plans that may or may not require co-pays or payment in full by the Member. In addition, services included may vary according to the plan selected. Please refer to Exhibit A and Exhibit E for a complete description of these plans.

As set forth in the attached Life Plan Agreement (Continuing Care Agreement), the specific services provided will vary based upon your needs, as set forth in your Care Plan.

The services noted with an asterisk may be provided by Seabury, Seabury At Home or a provider of your choosing. Except as otherwise noted, all other services are provided solely through Seabury and/or Seabury At Home.

Services offered under the Life Plan Agreement (Continuing Care Agreement) with Seabury At Home include the following:

ADULT DAY CARE* - Adult Day Care programs located throughout the community offering services in a group setting for a scheduled number of hours per week, including transportation, meals, and activities, and which may include personal or nursing care. Seabury At Home does not provide Adult Day Care programs but will assist you in determining the Adult Day Care program that best meets your needs.

ANNUAL PHYSICAL EXAMINATION – Seabury At Home will arrange for an annual *Wellness for Life* Assessment and physical examination completed by Seabury’s Board-Certified Geriatrician. If you prefer, Seabury At Home will arrange for a physical examination with your personal physician at your expense. Seabury will keep the results from your exam confidential, and the information will only be used to coordinate services.

COMPANION SERVICES - A companion will be provided if it is determined by your physician and Seabury that you need monitoring for safety. If a companion is provided for monitoring, the companion may also provide incidental services such as cooking, dishwashing, laundry, light housekeeping, and errands, if you are unable to perform these chores yourself.

HOME INSPECTION - Seabury At Home will offer a safety and functional inspection of your home, completed by trained and certified subcontractors, to ascertain any problems and to make recommendations to you based on the inspection.

HOME NURSING CARE* - When needed, you can receive home health care services provided by a registered nurse or a licensed practical nurse. Medicare-covered home health care services may be obtained from a provider of your choosing.

LIFESTYLE AND WELLNESS PROGRAMS - These services include exercise classes, art classes, caregiver training, wellness seminars, speakers, day excursions, and use of Seabury’s swimming pool. Some programs are free for Members, while others may have a small fee for participation.

LIVE-IN ASSISTANCE - You can have a live-in Personal Care Aide or Companion, for 24-hours a day, seven days a week assistance when that has been authorized by Seabury At Home.

MEALS/GROCERIES - Seabury At Home will coordinate the delivery of meals and/or the delivery of groceries on behalf of a Member who is unable to drive and/or cook; however, the Member will be charged for the cost of the meals and groceries.

MEDICATION MANAGEMENT – Your Personal Health Coordinator will arrange for medication management and cueing, if necessary. A periodic review of medication interactions can also be performed.

ASSISTED LIVING* - If staying at home ever becomes unsafe, Assisted Living is included for Members of Seabury At Home (except Sterling and Copper Plan Members). Assisted Living is utilized when someone requires substantial assistance with two or more activities of daily living and 24-hour supervision for safety, but does not need the medical care that a nursing home provides.

NURSING HOME* - If your health changes and you can no longer remain in your home or Assisted Living, Nursing Home Care is also included for Members (except for Sterling and Copper Plan Members). Nursing homes provide 24-hour nursing and medical supervision.

PERSONAL CARE AIDE SERVICES - If you need assistance with your personal care, such as bathing or dressing, a personal care aide will be provided for you in your home.

PERSONAL HEALTH COORDINATION – You will be assigned Personal Health Coordinators to coordinate any services you may need. The Personal Health Coordinators will work closely with you, your family, and your physician to have the right services delivered to you in your home or, when necessary, in a facility. A member of the Health Coordination staff will be available to you, via phone, 24 hours a day, 7 days a week.

PERSONAL EMERGENCY RESPONSE SYSTEM - Seabury At Home will provide a personal emergency response system in your home with 24-hour coverage when requested. Some systems may garner additional out of pocket expenses.

REFERRAL SERVICES - You can obtain a referral from Seabury At Home for any type of service you may need to stay in your home. Examples of these services are legal, financial planning, home maintenance, rental of medical

equipment, etc. The referral service is available at no cost to Members; however, Members are responsible for the cost of any services rendered by the referred service providers.

TRANSPORTATION - Seabury At Home will provide non-emergency transportation (except for Titanium Care and Titanium Plan Members) to and from medically necessary outpatient surgery and procedures, and will provide transportation to your home upon discharge from the hospital. If a private aide is necessary to accompany you for transport, you will be charged.

X. INTEREST ON DEPOSITS

Seabury At Home is not required to hold any amounts that Members pay in escrow and, therefore, no interest will be paid to you on any amounts paid.

XI. TERMINATION OF CONTRACT

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

XII. RIGHTS OF SURVIVING SPOUSE

Seabury At Home enters into separate Continuing Care Agreements with each Member whether or not he/she is married. The death of a spouse does not impact the rights and obligations of the surviving spouse set forth in the Continuing Care Agreement.

XIII. NON-LIFE-CARE SPOUSE

Seabury At Home has a separate Wellness Pass Agreement for the Member whose spouse does not qualify for Life Care. The death of a Member does not impact the rights and obligations of the surviving spouse set forth in the Wellness Pass Agreement.

XIV. MARRIAGE OF A MEMBER

The marriage of a Member does not change the responsibilities of either party since Seabury At Home has separate Continuing Care Agreements with each Member whether or not he/she is married.

XV. TAX CONSEQUENCES

Payment of a membership fee pursuant to a Life Care Contract (Continuing Care Contract) may have significant tax benefits or consequences. Any person considering such a payment may wish to consult a qualified advisor:

XVI. RESERVE FUNDING

Funds have been set aside in a Money Market Fund with Vanguard, sufficient to cover the total cost of operations for the organization for one month.

XVII. FINANCIAL STATEMENTS

Audited and certified consolidated financial statements of Church Home of Hartford Incorporated, the parent organization of Seabury At Home, including the current balance sheet and income statements, are provided in Exhibit B.

XVIII. PRO FORMA FINANCIAL STATEMENTS

Exhibit C contains the pro forma (estimated) financial statements for Seabury At Home, including estimated balance sheets, income statements, and statements of cash flows for the next three years of operation.

XIX. MEMBERSHIP FEES & PERIODIC CHARGES

Membership and monthly fees for Seabury At Home are set forth in Exhibit D.

XX. DEPARTMENT OF SOCIAL SERVICES FILINGS

Seabury At Home has filed with the Department of Social Services all materials which it understands are required by State law governing Continuing care at Home, including the Disclosure Statement and Continuing Care Contract. These materials are available for review at the Department of Social Services, located at 55 Farmington Avenue, Hartford, CT 06105-3724.

EXHIBIT A

LIFE PLAN AGREEMENT (CONTINUING CARE AGREEMENT)

LIFE PLAN AGREEMENT (FORMERLY KNOWN AS A
CONTINUING CARE AGREEMENT)

SEABURY AT HOME INCORPORATED

A non-profit corporation with Seabury, Incorporated,
an affiliate of the Episcopal Church in Connecticut, as the sole member.

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

TABLE OF CONTENTS

	Page
I. INTRODUCTION.....	1
II. DEFINITIONS.....	2
III. OUR RESPONSIBILITIES TO YOU AS A MEMBER.....	7
IV. YOUR RESPONSIBILITIES AS A MEMBER.....	13
V. FEES.....	18
VI. TERMINATION OF THIS AGREEMENT AND REFUNDS.....	19
VII. MISCELLANEOUS	23
EXHIBIT A	27

SEABURY AT HOME

I. INTRODUCTION

1. GENERAL

This is the Life Plan Agreement (Continuing Care Agreement) (“Agreement”) between you (whom we shall refer to as "you" or the “Member”) and Seabury At Home Incorporated (which we shall refer to as "we," "us," "Seabury At Home," or the "Provider").

We have divided this Agreement into several parts in order to make it easier to read and to find any particular part.

2. ACCEPTANCE INTO SEABURY AT HOME

As a condition of membership in Seabury At Home, applicants are required to be at least fifty (50) years of age or older, and in good health at the time of membership. You will be required to provide a medical history, medical records and to have a physical evaluation within thirty (30) days before membership by a professional designated by Seabury At Home. Seabury At Home will comply with the Health Insurance Portability and Accountability Act of 1996 (HIPAA), the HITECH Act of 2009, and amendments under the new HIPAA Omnibus Rule of 2013. Your consent to share medical information for the purpose of care planning and the provision of Services will be required as a Member of Seabury At Home. As a further condition of membership in Seabury At Home, applicants are required to qualify financially prior to membership.

3. TERMS AND CONDITIONS OF THIS AGREEMENT

A. SERVICES

Seabury At Home will provide you the Services described in this Agreement according to the terms and conditions described in this Agreement and in a manner consistent with the objective of enabling you to maintain your own living arrangement in your Home for as long as is practicable.

You agree to accept and pay for the Services as set forth in this Agreement and to abide by the rules of Seabury at all times while on the Seabury campus.

B. PLAN SELECTION AND FEES

Plan options and associated fees are described in Exhibits D and E. The Plan option and associated fees for your selected Plan are detailed in Exhibit A.

C. EFFECTIVE DATE OF MEMBERSHIP

The effective date of membership is the date this Agreement is executed by both parties ("Membership Date"). At that time, your Personal Health Coordinator will initiate a *Wellness for Life* Assessment. Care will be deemed to have commenced on the date the initial *Wellness for Life* Assessment is completed.

This Agreement will remain in effect until it is terminated in accordance with Section VI of this Agreement (the "Termination Date").

D. MEMBERSHIP FEE

You will pay to Seabury At Home, the Membership Fee specified in Exhibit A and Section I.3.B. (above), upon execution of this Agreement.

II. DEFINITIONS

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

ADL (Activities of Daily Living) Deficiencies means deficiencies, as determined by the Health Coordination Team, in activities of daily living, which may include 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 bedbound or homebound, or those who need special equipment to ambulate (i.e. wheelchair or walker).

Adult Day Care Services means a facility that offers 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), and may include personal or nursing care.

Assisted Living Facility means a registered Managed Residential Community 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 exclusively for residents who require substantial assistance with at least two ADLs, twenty-four (24) hour supervision for safety, and who are chronic and stable, and Determined To Be Appropriate for assisted living services.

Average Cost of Care means the Average Cost of Care for a particular service, such as Adult Day Care Services, will be provided to you upon request.

Care Plan means the written plan of Services, including type of Service, start date, quantity, frequency, duration of service, name of approved provider, and any special considerations, which is developed and approved by the Health Coordination Team for each Member based on the *Wellness for Life* Assessment of the Member's needs. The Care Plan is agreed to and signed by you.

Companion means a person designated by Seabury At Home to provide Companion Services to a Member at the Member's Home.

Companion Services means those services provided by a Companion when your physician and the Seabury Health Coordination Team have determined that you need monitoring for safety. If a companion is provided for monitoring, the companion may also provide incidental services such as cooking, dishwashing, laundry, light housekeeping, and errands, if you are unable to perform these chores yourself.

Cost of Care means the Cost of Care for Home Care, Assisted Living Facility services and Nursing Home services based upon Seabury's published fees for home care, assisted living and Skilled Nursing.

Designated Health Care Representative means your attorney-in-fact for healthcare, health care representative, or conservator of person.

Designated Service Area means Seabury At Home's area of coverage for Services, as defined by Seabury At Home. The Designated Service Area may be altered from

time to time at the sole discretion of Seabury At Home. No change in the Designated Service Area by Seabury At Home will adversely affect your access to services under this Agreement.

Determined To Be Appropriate means the Health Coordination Team, utilizing industry standards and accepted standards of healthcare practice, has assessed your medical and functional status and concluded that Services are medically necessary and will be provided by Seabury At Home, or another provider as specified in this Agreement.

Disclosure Statement means the Disclosure Statement of Seabury At Home provided to you pursuant to The Act.

Facility-Based Services means services provided in a facility other than the Home, including Assisted Living and Nursing Home Facilities.

Health Coordination Team means the persons appointed by Seabury At Home for the Member, comprised of the Director of Health Coordination (or his or her designee), a representative of administration, and, in the case of medical and health care Services, Seabury At Home's Medical Director (or his or her designee) and other clinical professionals as deemed appropriate, in consultation with the Member and/or the Member's Designated Health Care Representative. The Health Coordination Team may change from time to time both as to titles and personnel, at Seabury At Home's sole discretion.

Home means the private home in which you, the Member, currently reside and which is indicated at the beginning of this Agreement, and any other private home to which you may move at a later date. Members who relocate beyond the Designated Service Area will not be eligible for any services under this Agreement unless first authorized by Seabury At Home. The address of the Home must be provided to Seabury At Home prior to the membership, and any change in the Home address must be provided to Seabury At Home as soon as possible.

Home Services means Services provided by Seabury At Home in a Member's Home.

Licensed Practical Nurse or LPN means a person licensed to practice practical nursing in the State of Connecticut.

Licensed Practical Nurse or LPN Services means practical nursing care including medication administration and treatments.

Lifestyle and Wellness Services means programs offered by Seabury At Home free of charge or for an applicable fee for service, including but not limited to, exercise classes, art classes, wellness seminars, speakers, and day excursions. Members will be advised of the schedules and the cost of these programs on an as-offered basis.

Live-in Assistance means 24-hour assistance by a Companion or Personal Care Aide in your Home.

Meals and/or Groceries means nutritious food, either frozen or fresh, delivered to your Home when you are determined to be unable to drive and/or cook. Seabury At Home will arrange for a maximum of two meals per day and reserves the right to deliver several meals at one time to be stored in the Member's freezer. Seabury At Home will pay for the delivery of meals and/or delivery of groceries on behalf of the Member; however, the Member will be charged for the cost of the meals and groceries. Should a Member transition to an assisted living, skilled nursing, or memory support assisted living, the Member will be responsible for all meal costs.

Medical Director means a physician appointed from time to time by Seabury At Home to oversee the provision of medical and health care services to Members.

Nursing Home Facility means a facility licensed by the State of Connecticut to provide nursing home services.

Personal Care Aide means an unlicensed person who has successfully completed a training and/or competency evaluation program approved by the Connecticut Department of Public Health and designated by Seabury At Home to provide Personal Care Aide Services to the Member at the Member's Home.

Personal Care Aide Services may include assistance with bathing and dressing, an established activity regimen such as range of motion exercises, nutritional needs such as feeding assistance, simple maintenance of the Member's environment, and medication reminders.

Personal Emergency Response System means an in-home, 24-hour electronic alarm system activated by a signal to a central switchboard. Seabury At Home will pay for select systems on behalf of the Member. This system allows Members to

obtain assistance in the event of an emergency. Some systems may garner additional out-of-pocket expenses for the Member.

Personal Health Coordinator means the person or persons appointed by Seabury At Home to be responsible for coordinating the needs of each Member for Services, conducting specific needs assessments, and making recommendations for Services. The Personal Health Coordinators' recommendations for Services are subject to review and final determination by the Health Coordination Team.

Prevailing Rate means the current per diem rate charged by a particular Adult Day Care Program, Home Care agency, Assisted Living, or Nursing Home Facility.

Referral Service means a service provided by Seabury At Home, acting as an intermediary between you and third-party vendors, whereby Seabury At Home makes referrals to you for services such as home maintenance, housekeeping, snow removal, lawn care, etc., at costs payable in full by the Member. Neither Seabury At Home nor Seabury, Incorporated will be responsible for any damages incurred by you or your property when using third-party vendors.

Registered Nurse (RN) means a person licensed to provide registered nurse services in the State of Connecticut.

Registered Nurse Services include assessment, medication administration, and treatments.

Services means any assistance, including Health Coordination, Annual Physical Examinations, Home Inspection, Home Services (including Companion Services, Personal Care Aide Services, Live-in Assistance, Licensed Practical Nurse Services, Registered Nurse Services, Personal Emergency Response System, Meals and Adult Day Care), Facility Based Services (including Assisted Living and Nursing Home, with exception of Sterling and Copper Plans), Transportation Services, Referral Services, and Lifestyle and Wellness Programs provided to Members at Seabury At Home's cost, subject to applicable co-payments, pursuant to this Agreement.

The Act means PA. 86-252, an Act concerning management of continuing care facilities (Conn. Gen. Stat. 17b-520 et seq.) as amended.

Transportation Services means non-emergency transportation provided by Seabury At Home (if you are unable to drive or instructed by your physician not to drive) to and from medically necessary outpatient surgery or procedures, which may include, but are not limited to, cataract removal, chemotherapy treatments, and surgical biopsies. This does not include transportation for regular physician office visits, dialysis, and specialist appointments. We will also provide transportation to your Home upon discharge from the Hospital. If a private aide is necessary to accompany you for transport, you will be charged.

III. OUR RESPONSIBILITIES TO YOU AS A MEMBER

Seabury At Home shall provide to you the following Services when they are Determined to Be Appropriate on the conditions set forth in this Section. The particular Services that will be provided will be specified in your Care Plan. Unless otherwise specified, charges for these Services are included, with applicable co-payments, in the fees as set forth in Exhibit A attached to this Agreement. These Services must be provided by Seabury At Home or Seabury except as specified in this Section.

1. HEALTH COORDINATION

You will be assigned Personal Health Coordinators to manage any services you may need. Under the direction of the assigned Personal Health Coordinators, the Health Coordination Team shall prepare a Care Plan to address your particular needs during the term of this Agreement. All decisions involving your care will be made by the Health Coordination Team following consultation with you or your Designated Health Care Representative.

2. ANNUAL PHYSICAL EXAMINATION

Seabury At Home will provide an annual physical examination at no charge to you by a professional of Seabury At Home's choosing. If you prefer, you may have annual physical examinations performed by a provider of your choosing at your expense. The results of the examination must be made available to your Personal Health Coordinator upon request.

3. HOME INSPECTION

During the first year of membership and every second year thereafter (unless we determine circumstances or a member's health condition justify more frequent inspections), Seabury At Home will offer a functional inspection of your Home for the purpose of ascertaining any functional and safety problems, and will make recommendations to you based on the inspection. Seabury At Home does not, however, represent that it will undertake steps necessary to effectuate any such recommendations. Any recommended changes or corrections are the Member's sole responsibility. It is your choice to make recommended changes or corrections to your Home. To aid you in securing necessary goods or services, Seabury At Home will make available a list of possible vendors of such goods and services. You are solely responsible for the full cost of any improvements to your Home as a result of the Home Inspection.

4. PERSONAL EMERGENCY RESPONSE SYSTEM

At your request, Seabury At Home will provide you with a Personal Emergency Response System in your Home. This system will allow you to obtain assistance in the event of an emergency. Some systems may garner additional out-of-pocket expenses for the Member.

5. PRIORITY WAIT LIST PLACEMENT

At your request, Seabury At Home will place your name on Seabury's Priority Wait List for Independent Living on the campus, based on the Membership date. Requests must be made in writing, indicating apartment and cottage selections. Members may select up to three styles of residences. The Membership date will be used as the Priority Wait List date for up to six months. After six months, the Priority Wait List date will be based on the date of request for specific residences.

6. HOME SERVICES

Home Services will be provided as Determined to Be Appropriate by the Health Coordination Team. A Member must exhibit at least one or more ADL Deficiencies to be eligible for the following Home Services. All Home Services, except Adult Day Care and Medicare-covered home health care and rehabilitation services, must be provided by Seabury At Home and/or Seabury to be eligible for coverage unless authorized first by Seabury At Home. Seabury At Home members utilizing home

services will be subject to the terms and conditions of the Seabury Care Now service agreement regarding shift cancellations, overtime payments, personal vehicle usage for transportation and mileage reimbursement. Adult Day Care and Medicare-covered home health care and rehabilitation services may be provided by a provider of your choosing. We may require an examination by the Medical Director (or his or her designee) to determine eligibility for the following Services defined in Section II.

- A. ADULT DAY CARE
- B. COMPANION SERVICES
- C. DELIVERY OF MEALS/ GROCERIES
- D. LICENSED PRACTICAL NURSE SERVICES
- E. LIVE-IN ASSISTANCE
- F. PERSONAL CARE AIDE SERVICES
- G. REGISTERED NURSE SERVICES

7. FACILITY-BASED SERVICES

When Determined To Be Appropriate by the Health Coordination Team and prescribed by a physician, Seabury At Home will provide Facility-Based Services (except for Sterling and Copper Plans), including Assisted Living in a private accommodation (studio) and Nursing Home Services in a semi-private accommodation, or you may select a facility as set forth in Paragraph 14 of this Section. Seabury At Home may require an examination of the Member by the Medical Director (or his or her designee) to determine eligibility for Facility-Based Services. Seabury At Home will not be responsible for any ancillary charges such as meals, laundry, prescription drugs, medical supplies, telephone, or television.

8. TRANSPORTATION SERVICES

If you are unable to drive or instructed by your physician not to drive, Seabury At Home will provide non-emergency transportation to and from medically necessary

outpatient surgery or procedures which may include, but are not limited to, cataract removal, chemotherapy treatments, and surgical biopsies. Seabury At Home will provide up to (3) non-emergency transports per year (except for Titanium Care and Titanium Members). This does not include transportation for regular physician office visits, dialysis, and specialist appointments; however, we will assist in coordinating these services for you. We will also provide transportation to your Home upon discharge from the hospital.

9. REFERRAL SERVICE

Members will have access to a Referral Service for additional services not provided under this Agreement. These may include landscape maintenance, legal, financial planning, home maintenance, and rental of medical equipment. The Referral Service is available at no cost to you; however, you are responsible for the cost of any services rendered by the referred service providers.

10. LIFESTYLE AND WELLNESS PROGRAMS

These programs will be offered from time to time free of charge, or for an applicable fee for service, including but not limited to exercise classes, art classes, wellness seminars, speakers and day excursions. Members will be advised of the schedules and the cost of these programs on an as-offered basis.

11. LIMITATION ON PAYMENT FOR SERVICES

Seabury At Home may limit payment for Home Services (personal care aide, licensed practical nurse, registered nurse, companion, live-in assistance, personal emergency response system, delivery of groceries/meals, and adult day care), for Platinum, Gold, Gold Plus, Silver, Sterling and Copper Plan Members, if the aggregate cost of all such Home Services for any thirty-day period exceeds the Cost of Care for Facility Based Services where the Member would otherwise be eligible. In such cases, Seabury At Home shall limit payment for such Home Services to the equivalent of the Cost of Care for all days following the thirty-day period. You may either transfer to an Assisted Living or Nursing Home Facility or pay the difference between the cost of the Home Services and the Cost of Care in a facility where you would otherwise be eligible. On the occasion when payment for Facility-Based Services exceeds the cost of Home Services where the Member would otherwise be eligible, you may return home, or pay the difference between the cost of Facility-Based Services and the Cost of Care at Home.

12. EXCLUSIONS

You agree to pay the costs of the following services, whether provided at Seabury At Home or elsewhere, to the extent that they are not covered by other insurance or assistance programs:

- charges of any physician, APRN, podiatrist, chiropractor or therapist;
- prescription drugs and medical supplies;
- meals and groceries;
- vision, hearing, and dental care, including all supplies, equipment and appliances;
- orthopedic appliances;
- mental health and substance abuse services;
- ancillary charges imposed by any outside health provider or institution;
- other health-related costs which are customarily considered extra charges by facilities providing services similar to those provided to you by Seabury;
- IV insertion;
- ventilator care;
- ambulance and other specialized medical transportation services, including the cost of a private aide, if needed for transport; and all other services not specifically included in this Agreement.

13. ILLNESS OR INJURY AWAY FROM THE DESIGNATED SERVICE AREA

In the event, you suffer an illness or injury while away from the Designated Service Area, you shall make every reasonable effort to notify your Personal Health Coordinator as soon as possible. We shall have no responsibility to pay for your health care or nursing care resulting from such illness or injury unless Seabury At Home first authorizes such care after consultation with the treating physician. However, after you return home, we shall assume the responsibility to provide those services deemed necessary by your physician and by the Medical Director, in accordance with the terms of this Agreement. Seabury At Home shall be responsible for the reimbursement of services based on terms of this agreement for Members requiring services outside of Connecticut, assuming Seabury At Home first authorizes such care after consultation with the treating physician.

14. PAYMENT FOR SERVICES NOT PROVIDED BY SEABURY OR SEABURY AT HOME

You may choose to enter an Assisted Living or Nursing Home Facility other than Seabury either within or outside the Designated Service Area with the approval of your Health Coordination Team. Seabury At Home will pay the facility (except for Sterling and Copper Plans) a per diem amount not to exceed the actual Cost of Care based upon Seabury's published fees for Assisted Living, Memory Care and or Skilled Nursing (Facility-Based Services). You will be responsible for any difference between the Prevailing Rate and the Cost of Care. The per diem amount will not exceed the actual cost of care where care is provided.

Members will receive Home Care and/or Adult Day Care services from a provider of the Member's choosing within or outside the Designated Service Area with the approval of your Health Coordination Team. Seabury At Home will pay the provider an amount not to exceed the Average Cost of Care (except for Titanium and Titanium Care Plans). You will be responsible for any difference between the Prevailing Rate and the Average Cost of Care.

In the event that space for you is not available in Seabury's Nursing Home or Assisted Living, Seabury At Home will arrange for your temporary care in another facility until space becomes available. Seabury At Home will pay the facility (except for Sterling and Copper Plans) a per diem amount not to exceed the Cost of Care or cost of care provided. You will be responsible for any difference between the Prevailing Rate and the Cost of Care. Neither Seabury At Home nor Seabury, Incorporated will be responsible for any injuries sustained or damages incurred by you while you receive temporary care in such other facility.

15. DECISIONS INVOLVING PERMANENT TRANSFER FROM YOUR LIVING ACCOMMODATION

All decisions involving permanent transfer from the Member's current living accommodation (including Home, Assisted Living Facility or Nursing Home Facility), to another accommodation, must be Determined To Be Appropriate by the Health Coordination Team (except for Sterling and Copper Plans). Such decisions shall be made in consultation with the Member or, in the case of incapacity, with the Member's Designated Health Care Representative.

When it is determined by the Health Coordination Team that the Member is no longer mentally and/or physically able to function safely in his or her current living accommodation, a recommendation will be made for the Member to transfer to a more appropriate level of care as Determined To Be Appropriate. If the Member refuses such a transfer, this Agreement will be terminated in our sole discretion in accordance with Section VI.

Platinum, Gold, Gold Plus, Silver, Titanium Care, and Titanium Plan Members will continue to pay the monthly fee set forth in Section I.3. upon transfer to an Assisted Living Facility or Nursing Home Facility, in addition to any co-payments required by the payment plan selected by the Member. The Member will also be responsible for any other additional ancillary charges as outlined in this Agreement.

If the Member elects to transfer to an Assisted Living Facility or a Nursing Home Facility and such a transfer is not Determined To Be Appropriate, this Agreement will be terminated in our sole discretion in accordance with Section VI.

For Sterling and Copper Plan Members, the Seabury At Home Agreement will terminate in accordance with Section VI once you transfer to an Assisted Living Facility or a Nursing Home Facility.

If you decide to move to independent living on the Seabury campus, you must follow the termination process outlined in Section VI of the Agreement and the conditions of refund described in that section will apply. The refund of the portion of the Membership Fee to which you are entitled may be applied to your entrance fee for the Seabury apartment or cottage.

IV. YOUR RESPONSIBILITIES AS A MEMBER

1. RULES

You agree to abide by the rules of Seabury when on the Seabury campus.

2. RIGHTS OF MEMBERS

Your rights as a Member under this Agreement are those rights and privileges expressly granted to you in this Agreement or by Connecticut law.

3. RIGHT OF ENTRY

You shall permit authorized employees and providers entry into your Home at any time in case of emergencies, for scheduled meetings with your Personal Health Coordinator, and to provide Services. Seabury At Home recognizes your right to privacy and will limit entry to your Home as described in the aforementioned sentence.

4. REAL PROPERTY

Your rights and privileges, as granted herein, do not include any right, title, or interest whether legal, equitable, beneficial, or otherwise, in or to any part of the real property, including land, buildings, and improvements owned or operated by Seabury, Inc./Church Home of Hartford, Incorporated.

5. SUBORDINATION OF RIGHTS

Any of your rights, privileges, or benefits arising under this Agreement shall be subordinate and inferior to all mortgages, security interests, deeds of trust, and leasehold interests granted to secure any loans or advances made to Seabury, Incorporated or to Seabury At Home, Incorporated, their related entities, or their successors, now outstanding or made in the future, in the real property and improvements constituting Seabury, and subordinate and inferior to all amendments, modifications, replacements, refunding or refinancing thereof. You agree that, upon the request of Seabury At Home or Seabury, Incorporated, you will execute and deliver any and all documents, which are alleged to be necessary, or required to effect or evidence such subordination.

6. RESPONSIBILITY FOR DAMAGES

You will be responsible for any costs incurred in replacing, maintaining or repairing any loss or damage to the real or personal property of Seabury At Home, Incorporated, Seabury, Incorporated, or other facility caused by the negligence or willful misconduct of you, your guests, agents, employees, or pet.

7. PROTECTION OF PERSONAL AND REAL PROPERTY

Seabury At Home is not responsible for the loss of any personal property belonging to you due to theft, fire, or any other cause. You may wish to obtain insurance at your own expense to protect against such losses.

8. INDEMNIFICATION

You will indemnify Seabury At Home and hold it harmless for any injury to employees or any third person which arises from your negligent or intentional action. You may wish to obtain insurance at your own expense to cover this obligation.

9. MEDICARE, SUPPLEMENTAL INSURANCE REQUIREMENTS, AND THIRD-PARTY REIMBURSEMENT

You are, or shall be when eligible, enrolled in Medicare Part A, Medicare Part B, and Medicare Part D or their equivalent. You authorize, as necessary, any provider of such medical and other health services, including Seabury At Home, to receive reimbursement under Medicare Part A, Medicare Part B or Medicare Part D or their equivalent as provided under these programs. If you are not eligible for Medicare programs, you agree to obtain and maintain equivalent insurance coverage acceptable to Seabury.

You are required to secure and maintain supplemental insurance (such as Blue Cross, MediGap, Extended Major Medical) to pay Medicare co-insurance deductible amounts and to provide major medical coverage. This coverage is not provided by Seabury At Home. All changes to insurance plans must be reported to Seabury within 30 days of the change and copies of insurance card(s) with the policy information provided within the same time frame.

If you have selected the Gold Plus Plan, you are required to maintain the long term care insurance policy (or policies) used to calculate the discount on your monthly fee, and to maintain the same benefit coverage. If you receive Home and/or Facility-Based Services, Seabury At Home will pay the difference between the per day cost of services, and the covered amount you are eligible for under your long term care policy.

You agree to furnish evidence of your health insurance coverage and, for members of the Gold Plus Plan, long term care insurance at any time upon our request.

Should your supplemental coverage or equivalent health coverage not fully cover a Medicare-qualified stay at Seabury or another Medicare-certified facility, or should you fail to purchase supplemental coverage or equivalent health coverage to fully cover such a Medicare-qualified stay, you will be financially responsible for paying deductibles, co-insurance amounts, and any other charges for each Medicare-qualified stay.

The aforementioned insurance requirements must be maintained throughout the term of this Agreement. If you do not comply with the aforementioned insurance requirements at any time during the term of this Agreement, you acknowledge and agree that Seabury At Home shall have the right to, as permitted by applicable law, bill you directly for services not reimbursed by insurance.

If at any time you become entitled to payments for health services from governmental agencies, including Medicaid, you agree to make prompt application for such payments. Seabury At Home will not be responsible for the cost of any Service for which you are entitled to reimbursement from a governmental agency or another third party, i.e. workers' compensation, liability or PIP (personal injury protection), no-fault insurance, etc. You agree that upon receiving third-party reimbursement, you will repay Seabury At Home for any third-party reimbursable costs which Seabury At Home incurred, or paid on your behalf while your reimbursement approval was pending.

Seabury At Home will assist you in applying for health services or benefits under any programs for which you might qualify. Upon request, and when appropriate, you agree to execute an assignment of benefits to Seabury At Home.

10. NON-TRANSFERABLE

Your rights under this Agreement are personal to you and cannot be transferred or assigned by you to any other person or entity.

11. PRESERVATION OF YOUR ASSETS

You agree to manage your financial resources so as not to threaten or impair your ability, or the ability of your estate to satisfy the financial obligations set forth in this Agreement. At the request of Seabury At Home, you agree to make arrangements for the preservation and management of your financial resources by a third party (or parties), including but not limited to the execution and funding of a trust agreement for your benefit whenever, in the sole judgment of Seabury At Home, it appears that the continued management of your financial affairs may make you unable to meet your financial obligations to Seabury At Home. Failure to comply with the requirements of this Paragraph may cause you to be ineligible for the subsidy assistance described in Section V, Paragraph 3 of this Agreement.

12. FINANCIAL STATEMENTS

Just as you have provided to Seabury At Home a financial statement as part of the admissions process, you agree to continue to provide financial statements, including copies of your federal, state and gift tax returns, or other financially related information when requested by Seabury At Home.

13. HEALTH STATUS

You agree to share any changes in your medical status with your Personal Health Coordinator, and to provide copies of any and all examinations, test results, progress notes, or other copies of medical records provided by non-Seabury providers to your Personal Health Coordinator upon request. You further agree to submit to a physical examination upon the request of your Personal Health Coordinator.

14. REPRESENTATIONS MADE BY YOU IN CONNECTION WITH APPLICATION FOR MEMBERSHIP

Your application and the statements of your finances and health history which you filed with Seabury At Home are incorporated into this Agreement, and all statements therein are deemed to be true as of the date made. You represent and warrant that there have been no material changes in the information provided since the date of application. Any material misstatement, or any material omission, may result in the termination of this Agreement by Seabury At Home.

15. POWER OF ATTORNEY; ARRANGEMENTS FOR CONSERVATOR

You agree to execute and maintain in effect a limited Durable Power of Attorney valid under Connecticut law. This Power of Attorney shall designate as your attorney-in-fact, a bank, lawyer, relative, or other responsible person or persons of your choice, to act for you in managing your financial affairs, and filing for your insurance or other benefits as fully and completely as you would if acting personally. It shall be in a form which survives your incapacity or disability and is otherwise satisfactory to Seabury At Home. You will deliver a fully executed copy of this Power of Attorney to us by the time of your first meeting with your Personal Health Coordinator. If you becomes unable to care properly for yourself or for your property and has made no designation of a person or legal entity to serve as a conservator of Person or Estate, you hereby authorize Seabury At Home to propose, subject to approval by a court of competent jurisdiction as provided by law, a person or entity to serve as such conservator, and you release and hold harmless Seabury At Home from any liability from proposing a conservator or from any acts or omissions of the conservator.

V. FEES

1. STATEMENT OF FEES

The Membership Fee and Monthly Fee set forth in attached Exhibit A, represent payment for the services to be provided by Seabury At Home under this Agreement.

2. MONTHLY FEES

You agree to pay Seabury At Home the total Monthly Fee in advance, on or before the fifth day of each month, beginning with the Membership Date. The Monthly Fee shall be prorated for any applicable period of less than one month. The Monthly Fee may be increased by Seabury At Home at its sole discretion upon thirty-days' (30) notice to you.

Seabury At Home will endeavor to maintain the Monthly Fees at the lowest possible rate consistent with sound financial practice and maintenance of the quality of Services, but we may exercise our discretion to increase the Monthly Fees periodically. When we do decide to adjust those fees, we will provide you with at least thirty (30) days written notice in advance of any increase in the Monthly Fees.

As a Platinum, Gold, Gold Plus, Silver, Titanium Care or Titanium Plan Member, you agree to pay the Monthly Fee whether you are residing in your Home or in another facility. For Sterling or Copper Plan Members, you agree to pay the Monthly Fee whether you are residing in your Home or temporarily in another facility.

You will be invoiced monthly for any items and services provided for you that Seabury At Home is not obligated to provide or pay for as part of your Monthly Fee, along with any co-pays as outlined in Exhibit A, and you must pay those invoices within five days after receipt.

You agree to pay Seabury At Home interest at one percent (1%) per month on any overdue Monthly Fees and service charges.

3. **SUBSIDY AT HOME ASSISTANCE**

If your funds become substantially reduced or depleted, and your income reduced to the extent that you are eligible to receive public benefits, including, but not limited to, Social Security, Medicaid, etc., you agree to apply for these entitlements or benefits. Failure to do so may result in the termination of this Agreement by Seabury At Home, and release of its obligations hereunder. In the event that you are unable to meet your financial obligations to Seabury At Home after qualifying for all available public benefits, Seabury At Home will continue to provide the Services to which you are entitled under this Agreement only to the extent and for as long as Seabury At Home deems the provision of such Services to be consistent with the objectives of Seabury At Home and its prudent financial management of Seabury At Home. The total cumulative amount of uncompensated Services and other subsidies provided to you by Seabury At Home shall be deducted from any refund due to you or your estate upon termination of this Agreement.

VI. TERMINATION OF THIS AGREEMENT AND REFUNDS

1. **TERMINATION BY YOU**

You may terminate this Agreement for any reason within thirty (30) days following the execution of the contract (“Statutory Rescission Period”) by notifying Seabury At Home in writing by registered or certified mail. In the event you terminate within the Statutory Rescission Period, any fees paid to Seabury At Home will be refunded less: (a) costs specifically incurred by Seabury At Home at your request, and (b) a

service charge equal to the greater of one thousand dollars (\$1,000) or two percent (2%) of your Membership Fee.

After Statutory Rescission Period, if you die before we begin providing services in your home, this Agreement will be automatically canceled and any fees paid to Seabury At Home will be refunded less: (a) costs specifically incurred by Seabury At Home at your request, and (b) a service charge equal to the greater of one thousand dollars (\$1,000) or two percent (2%) of your Membership Fee.

You may terminate this Agreement after the Statutory Rescission Period by giving written notice to Seabury At Home, by registered or certified mail, no less than thirty (30) days prior to termination. Timely notice of termination by you must be given by registered or certified mail. The notice must specify the termination date.

For Sterling and Copper Plan Members, this Agreement shall terminate upon your permanent transfer to an Assisted Living Facility or a Nursing Home Facility.

This Agreement shall terminate upon your death.

Any Membership Fee refund due you after the Statutory Rescission Period will be made in accordance with Paragraphs 5, 6, and 7 of this Section, as applicable.

2. TRANSFER OF SEABURY AT HOME MEMBERS TO INDEPENDENT LIVING ON THE SEABURY CAMPUS

As a member of Seabury At Home, you may choose to move to independent living on the Seabury campus. A Member must financially and medically qualify and be without the need for any immediate services to be eligible for Independent Living, as determined by Seabury.

To transfer, you must follow the termination process outlined in Section VI of the Agreement.

The refund of the portion of the membership fee to which you are entitled may be applied to your entrance fee for the Seabury apartment, cottage or villa as follows:

- If you have selected the Platinum Plan (80% Refund Option) as shown on the Exhibit A, you shall be due a refund equal to ninety

percent (80%) of the Membership Fee, which may be applied to your entrance fee under Seabury's Plan 0%, 67%, or 80%. You will be responsible for the current Monthly Fee for the Seabury apartment, cottage, or villa.

If you have selected the Gold, Gold Plus, Silver, Sterling, Copper, Titanium Care or Titanium Payment Plans (0% Refund Option), as shown on the Exhibit A, you shall be due your full Membership Fee paid when you select Seabury's Plan 0%. The total Membership Fee will be applied to your Seabury apartment, cottage, or villa; you will pay the difference between your original Membership Fee and the current Entrance Fee for Seabury's Plan 0%.

3. TERMINATION BY SEABURY AT HOME

Seabury At Home shall have the right to terminate this Agreement for any cause, which, in its sole discretion, shall be good and sufficient. Good and sufficient cause shall include, but is not limited to the following:

- Failure to perform your obligations under this Agreement, including the obligation to pay the Monthly Fees and other charges within sixty (60) days after they are due for payment.
- Material misstatements or failure to state a material fact in your application or any other financial statement, or health history statement filed with Seabury At Home.
- Dissipation or commitment of your financial resources which impairs your ability to meet your financial obligation to Seabury At Home.
- Your behavior resulting in a threat to the safety, health, peace, or well-being of yourself or others.
- Your refusal to follow the recommendations of your Health Coordination Team when such refusal poses a risk to your health or safety, as determined by us in our sole discretion.
- Your decision to move to an Assisted Living Facility or Nursing Home Facility when such a move is not Determined To Be Appropriate (except for Sterling and Copper Plans).

Seabury At Home shall give you reasonable notice of termination in writing via hand delivery, or registered, or certified mail. Seabury At Home's determination that your continued membership presents a threat to the safety of others, or of yourself, shall be a factor in determining the reasonableness of that notice period.

4. APPEALS

You have the right to appeal a decision by Seabury At Home to terminate this Agreement. Only the Member or the Member's Designated Health Care Representative may appeal a decision to terminate. A request for appeal may be made by requesting the appeal in writing by certified or registered mail within ten (10) days of the notice of termination.

If a prompt appeal is received, the Appeal Committee, consisting of the Medical Director, Chief Executive Officer, and Vice President overseeing Community Outreach Services of Seabury At Home will review the termination decision. The decision by the Appeal Committee on the termination will be provided in writing within thirty (30) days.

5. CONDITIONS OF REFUND AND DUTIES UPON TERMINATION

Monthly Fees are to be paid through the Termination Date. If Seabury At Home or you terminate this Agreement after the Statutory Rescission Period, the refund of the portion of the Membership Fee to which you are entitled shall promptly be paid to you in accordance with the provisions of Paragraphs 6 or 7 of this Section. In no event will payment be made later than three (3) years from the date that this Agreement terminates.

Upon termination by either you or Seabury At Home, you agree to pay Seabury At Home all amounts owed to it, and any reasonable expenses incurred in connection with the termination, including, but not limited to, the cumulative amount of any uncompensated services or other subsidies provided to you by Seabury At Home. Seabury At Home may set off any amounts owed it by you against any refund due.

If you are transferred to an Assisted Living or Nursing Home Facility, you may be asked to sign additional agreements applicable to the residential setting to which you are transferred; however, this Agreement does not terminate and no refund of any portion of the Membership Fee shall be due upon your transfer to an Assisted Living or Nursing Home Facility (with exception of Sterling and Copper Plan Members).

6. PROVISIONS APPLICABLE ONLY FOR THE PLATINUM PLAN (80% REFUND OPTION)

If you have selected the Platinum Plan (80% Refund Option) as shown on the attached Exhibit A, you or your estate shall be paid a refund equal to eighty percent (80%) of the Membership Fee upon termination by you or by Seabury At Home after the Membership Date.

7. PROVISIONS APPLICABLE TO ALL OTHER PAYMENT PLANS

If you have selected the Gold, Gold Plus, Silver, Sterling, Copper, Titanium Care or Titanium Payment Plans as shown on the attached Exhibit A, no refund shall be due to you or your estate upon termination.

If Seabury At Home terminates this Agreement after your Membership Date, you or your estate shall be due a refund equal to the amount of the Membership Fee less one percent thereof for each calendar month between the date you signed this Agreement and the Termination Date. No refund shall be due if Seabury At Home terminates this Agreement more than one hundred (100) months after the date you signed this Agreement.

For purposes of computing Membership Fee refunds, a partial calendar month of more than fifteen (15) days shall be treated as a full month, and a partial calendar month of fifteen (15) or fewer days shall be ignored. The date you signed this Agreement and Termination Date shall be counted as full calendar days.

VII. MISCELLANEOUS

1. CONFIDENTIALITY

Seabury At Home has the responsibility to keep all of the personal, medical, and financial information you have supplied to Seabury At Home in confidence. You agree that, as permitted by federal and state law, Seabury At Home can provide such information to health care professionals, third-party payors, and others who have a need, in our judgment, or a right to know such information under federal or state law.

2. MANAGEMENT AUTHORITY

Seabury At Home retains all authority regarding admission, adjustment of fees, and all aspects of the management of Seabury At Home. You do not have the right to prevent the admission of a new Member or the termination of another Member's Member Agreement, nor do you have the right to protest the fees charged to or financial assistance rendered to any other Member.

3. WAIVER

In the event that Seabury At Home does not, in any one or more instances, insist upon your strict performance, observance, or compliance with any of the terms or provisions of this Agreement, or if we waive a breach by you of this Agreement, it shall not be construed to be a waiver of our right to insist upon your strict compliance with all other terms and provisions of this Agreement.

4. GOVERNING LAWS

This Agreement, including its validity and the capacity of the parties to this Agreement, its form, interpretation of its language, and any questions concerning its performance and discharge, shall be governed by and construed in accordance with the laws and judicial decisions of the State of Connecticut.

5. ATTORNEYS' FEES AND COSTS

If Seabury At Home is obliged to take legal action to enforce this Agreement, to collect sums due to Seabury At Home pursuant to this Agreement, or to recover damages of any kind, you are liable for the costs of such action including, but not limited to, reasonable attorneys' fees.

6. FULL AND COMPLETE AGREEMENT

This Agreement has precedence over any representations previously made by Seabury At Home representatives, and over any descriptions of services in promotional materials or presentations. This Agreement constitutes the entire contract between you and Seabury At Home, and supersedes all previous understandings and agreements between you and Seabury At Home. No waiver or

modification shall be valid unless made in writing, signed by you and by Seabury At Home, and attached to this Agreement.

7. INTERPRETATION

Headings are for convenience and reference purposes only, and shall not affect the interpretation of any provision of this Agreement. Should any provision herein, for any reason, be held invalid or unenforceable in any jurisdiction in which it is sought to be enforced, such invalidity and unenforceability shall not affect any other provision of this Agreement, and such invalid and unenforceable provision shall be construed as if it were omitted. The remainder of the Agreement shall remain in full force and effect.

8. RIGHT OF SUBROGATION

Should you be injured by a third party and such injury requires us to provide health care services under this Agreement, we shall be subrogated, to the extent allowed by Connecticut law, to your rights against such other third party to the extent necessary to reimburse us for the costs incurred in providing Services under this Agreement.

9. FORCE MAJEURE

Seabury shall not be in default hereunder if it is unable to fulfill or is delayed in fulfilling any of its obligations hereunder, if it is prevented from fulfilling such obligations by reason of fire or other casualty, strikes of labor troubles, governmental preemption in connection with a national emergency, shortage of supplies or materials, or by reason of any rule, order or regulation of any governmental authority, or by reason of the condition of supply and demand affected by war or other emergency, or any other cause beyond its reasonable control.

10. GENDER OF PRONOUNS

All references in this Agreement by masculine pronouns and adjectives also include the feminine and vice versa.

11. SUCCESSORS AND ASSIGNS

The duties owed Seabury At Home under this Agreement shall inure to the benefit of its successors and assigns.

12. STATEMENT OF NON-DISCRIMINATION

Seabury At Home complies with applicable federal and state laws that prohibit discrimination based on race, color, sex, religious beliefs, national origin, and other protected classes of persons.

13. NOTICES

When required by the terms of this Agreement, notices shall be given in writing and shall be given to Seabury At Home or to you at the addresses set forth in Exhibit A, or at such address as we or you shall specify in writing to each other.

Your signature below certifies that you have read, understand, and accept this Agreement, and that you or your financial advisor have received the most recent Disclosure Statement containing the current audited financial statements.

Signature - Member

Witness

Date

Date

SEABURY AT HOME INCORPORATED

By: _____
Authorized Representative

Date

EXHIBIT A

PLAN OPTIONS AND ASSOCIATED FEES

Last Name _____

EXHIBIT A

MEMBERSHIP DATE

The scheduled date agreed upon is _____.

PLAN SELECTION AND FEES – Membership fees are based on the type of Membership Plan selected and the age of the person enrolling in the program. Monthly fees are based on the Membership Plan. The Membership Plan you have selected and the monthly fees are stated below:

Membership Plan Selected	<input type="checkbox"/> Platinum	<input type="checkbox"/> Sterling
	<input type="checkbox"/> Gold	<input type="checkbox"/> Copper
	<input type="checkbox"/> Gold Plus*	<input type="checkbox"/> Titanium Care
	<input type="checkbox"/> Silver	<input type="checkbox"/> Titanium

Age of applicant at enrollment _____

TOTAL MEMBERSHIP FEE DUE UPON EXECUTION OF AGREEMENT

\$ _____

MONTHLY FEE

\$ _____

Less discount for Long Term Care Insurance (Gold Plus)

\$ _____

TOTAL MONTHLY FEE

\$ _____

Addresses for Required Notice
to Seabury At Home:

President and CEO
Seabury At Home Incorporated
200 Seabury Drive
Bloomfield, CT 06002

to You:

As per the changes made to Seabury At Home’s Disclosure Statement, Section II, “Our responsibilities to You as a Member,” Item # 13: Illness or injury away from the designated service area on Page 11, has been updated to reflect reimbursement of services for Members within the 50 states, as “Portability.”

Should Seabury decide to cease the amenity of “Portability” that is discussed within this Disclosure Statement, existing members of Seabury At Home will be able to receive, indefinitely, the coverage of “Portability” for as long as they are a Member of Seabury At Home, per the home- and facility-based coverage terms of their specific Plan selected (Platinum, Gold, Gold Plus, Silver, Sterling, Copper, TitaniumCARE or Titanium), unless prohibited by law.

Your signature below certifies that you have read, understand, and accept this Exhibit A.

Signature- Member

Date

* If you have selected the Gold Plus Plan, you are required to maintain the long-term care insurance policy (or policies) used to calculate the discount on your monthly fee and to maintain the same benefit coverage. If you receive Home and/or Facility-Based Services, Seabury At Home will pay the difference between the per day cost of services and the covered amount you are eligible for under your long-term care policy.

EXHIBIT B

CHURCH HOME OF HARTFORD, INCORPORATED
AUDITED FINANCIAL STATEMENTS

INCLUDING CONSOLIDATED STATEMENTS OF
ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE PREVIOUS TWO YEARS.

Note: Fiscal Year Ends September 30

SEABURY, INC. AND SUBSIDIARIES

**CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

YEARS ENDED SEPTEMBER 30, 2020 AND 2019



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OUTSOURCING
AUDIT, TAX, AND
CONSULTING**

SEABURY, INC. AND SUBSIDIARIES

CONTENTS

Independent Auditors' Report	1-2
Consolidated Statements of Financial Position - September 30, 2020 and 2019	3-4
Consolidated Statements of Activities and Changes in Net Assets for the Years Ended September 30, 2020 and 2019	5
Consolidated Statements of Functional Expenses for the Years Ended September 30, 2020 and 2019	6
Consolidated Statements of Cash Flows for the Years Ended September 30, 2020 and 2019	7
Notes to Consolidated Financial Statements	8-30
Consolidating Schedule of Financial Position - September 30, 2020	31-32
Consolidating Schedule of Financial Position - September 30, 2019	33-34
Consolidating Schedule of Activities and Changes in Net Assets for the Year Ended September 30, 2020	35
Consolidating Schedule of Activities and Changes in Net Assets for the Year Ended September 30, 2019	36
Consolidating Schedule of Cash Flows for the Year Ended September 30, 2020	37
Consolidating Schedule of Cash Flows for the Year Ended September 30, 2019	38



CliftonLarsonAllen LLP
CLAconnect.com

Independent Auditors' Report

Board of Directors
Seabury, Inc. and Subsidiaries
Bloomfield, Connecticut

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Seabury, Inc. and Subsidiaries, which comprise the consolidated statement of financial position as of September 30, 2020, and the related consolidated statements of activities and changes in net assets, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Seabury, Inc. and Subsidiaries as of September 30, 2020, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Changes in Accounting Principles

As discussed in Note 2 to the consolidated financial statements, Seabury, Inc. and Subsidiaries adopted Accounting Standards Update No. 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash*, during the year ended September 30, 2020. The standard requires retrospective application. Our opinion is not modified with respect to this matter.

Other Matter

The financial statements 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 7, 2020 expressed an unmodified opinion on those statements.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating schedules of financial position, activities and changes in net assets and cash flows as of and for the year ended September 30, 2020 are presented for the purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole. The 2019 consolidating schedules identified above were subjected to the auditing procedures applied in the 2019 audit of the basic consolidated financial statements by Blum, Shapiro & Company, P.C., whose report on such information stated that it was fairly stated in all material respects in relation to the 2019 consolidated financial statements as a whole.

CliftonLarsonAllen LLP

West Hartford, Connecticut
January 7, 2021

SEABURY, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION SEPTEMBER 30, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 16,915,378	\$ 14,347,203
Restricted cash and cash equivalents held by trustee	2,105,246	1,140,864
Entrance fee deposits	157,197	184,953
Accounts receivable, net	1,801,403	2,020,250
Entrance fees receivable	944,451	1,467,965
Prepaid expenses and other current assets	905,327	982,120
Total current assets	<u>22,829,002</u>	<u>20,143,355</u>
Investments		
Investments	21,086,693	18,541,939
Investments held by trustee	3,539,796	4,919,990
	<u>24,626,489</u>	<u>23,461,929</u>
Property and Equipment, at Cost		
Land and improvements	9,636,307	9,636,307
Buildings and improvements	158,129,332	156,635,012
Furniture, fixtures and equipment	10,449,733	10,300,535
Vehicles	230,163	230,163
Construction in progress	393,080	51,554
	<u>178,838,615</u>	<u>176,853,571</u>
Less accumulated depreciation	69,293,029	61,592,846
Net property and equipment	<u>109,545,586</u>	<u>115,260,725</u>
Other Assets		
Deferred compensation investments	277,339	224,434
Beneficial interest in perpetual trusts	5,255,383	5,067,181
Investment in limited partnerships	385,295	345,607
Pledges receivable	68,888	68,888
Total other assets	<u>5,986,905</u>	<u>5,706,110</u>
Total Assets	<u>\$ 162,987,982</u>	<u>\$ 164,572,119</u>

The accompanying notes are an integral part of the consolidated financial statements

SEABURY, INC. AND SUBSIDIARIES

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

	<u>2020</u>	<u>2019</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Current portion of bonds payable	\$ 1,050,000	\$ 1,010,000
Current portion of paycheck protection program loan payable	371,411	-
Current portion of capital leases	113,848	107,186
Accounts payable and accrued expenses	2,492,026	2,802,540
Deferred revenue	444,173	-
Entrance fee deposits	157,197	184,953
Total current liabilities	<u>4,628,655</u>	<u>4,104,679</u>
Annuities Payable	<u>127,547</u>	<u>185,097</u>
Bonds Payable, Net of Current Portion and Bond Financing Costs	<u>80,581,483</u>	<u>81,616,102</u>
Paycheck Protection Program Loan Payable, Net of Current Portion	<u>2,907,710</u>	<u>-</u>
Capital Leases, Net of Current Portion	<u>162,243</u>	<u>276,631</u>
Deferred Compensation	<u>277,339</u>	<u>224,434</u>
Refundable and Nonrefundable Entrance Fees		
Entrance fees refunds payable	37,298,073	38,423,350
Nonrefundable deferred fees, net	37,849,606	39,948,277
Total refundable and nonrefundable deferred entrance fees	<u>75,147,679</u>	<u>78,371,627</u>
Total liabilities	<u>163,832,656</u>	<u>164,778,570</u>
Net Assets		
Without donor restrictions	(7,427,700)	(6,465,619)
With donor restrictions	6,583,026	6,259,168
Total net assets	<u>(844,674)</u>	<u>(206,451)</u>
Total Liabilities and Net Assets	<u>\$ 162,987,982</u>	<u>\$ 164,572,119</u>

The accompanying notes are an integral part of the consolidated financial statements

SEABURY, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS FOR THE YEARS ENDED SEPTEMBER 30, 2020 AND 2019

	2020	2019
Net Assets Without Donor Restrictions		
Revenues, gains and other support:		
Health center patients, net of contractuales	\$ 8,848,090	\$ 8,799,644
Assisted living services	3,284,622	3,292,138
Resident services	16,963,919	15,982,751
Home health revenue	1,263,917	1,532,001
Seabury At Home revenue	924,063	820,928
Amortization of nonrefundable deferred fees	4,898,820	4,044,765
Investment income	1,481,775	1,104,902
Other income	1,491,937	1,131,474
Contributions and gifts	519,166	38,484
Total revenues, gains and other support	<u>39,676,309</u>	<u>36,747,087</u>
Expenses:		
Medical and other resident care	9,746,136	9,583,762
General and administrative	11,785,928	12,370,121
Dietary	3,473,736	4,451,795
Repairs and maintenance	2,818,419	3,047,143
Housekeeping and laundry	1,109,976	1,069,986
Interest expense, net	4,133,884	4,232,339
Depreciation	7,711,819	7,614,653
Total expenses	<u>40,779,898</u>	<u>42,369,799</u>
Loss from operations	(1,103,589)	(5,622,712)
Other changes in net assets without donor restrictions:		
Change in net unrealized gain on investments	139,708	135,885
Net assets released from restrictions	1,800	73,749
Decrease in net assets without donor restrictions	<u>(962,081)</u>	<u>(5,413,078)</u>
Net Assets With Donor Restrictions		
Contributions, gifts and other income, net	2,600	95
Investment gain	177,757	72,270
Change in net unrealized gain (loss) on investments	(42,901)	7,522
Change in interest in perpetual trusts	188,202	(212,295)
Net assets released from restrictions	(1,800)	(73,749)
Increase (decrease) in net assets with donor restrictions	<u>323,858</u>	<u>(206,157)</u>
Change in Net Assets	<u>(638,223)</u>	<u>(5,619,235)</u>
Net Assets - Beginning of Year, as Previously Reported	(206,451)	6,465,725
Cumulative Adjustment	-	(1,052,941)
Net Assets - Beginning of Year, as Adjusted	<u>(206,451)</u>	<u>5,412,784</u>
Net Assets - End of Year	<u>\$ (844,674)</u>	<u>\$ (206,451)</u>

The accompanying notes are an integral part of the consolidated financial statements

SEABURY, INC. AND SUBSIDIARIES

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

	2020			
	Program Services	Management & General	Fundraising	Total
Salaries and wages	\$ 12,496,855	\$ 1,641,542	\$ -	\$ 14,138,397
Employee benefits	3,431,287	335,661	-	3,766,948
Depreciation and amortization	7,617,145	186,341	-	7,803,486
Interest	3,966,961	80,499	-	4,047,460
Plant operation and maintenance	2,810,498	48,219	-	2,858,717
Other general and administrative	706,976	1,590,805	-	2,297,781
Medical supplies and supporting costs	2,016,637	-	-	2,016,637
Real estate taxes	1,543,127	27,964	-	1,571,091
Dietary food and supplies	1,453,000	-	-	1,453,000
Insurance	617,857	17,575	-	635,432
Resident services	188,267	-	-	188,267
Events	-	-	2,682	2,682
Total Expenses	\$ 36,848,610	\$ 3,928,606	\$ 2,682	\$ 40,779,898

	2019			
	Program Services	Management & General	Fundraising	Total
Salaries and wages	\$ 11,754,844	\$ 1,712,295	\$ -	\$ 13,467,139
Employee benefits	3,231,889	365,764	-	3,597,653
Depreciation and amortization	7,510,947	195,371	-	7,706,318
Interest	4,063,583	83,003	-	4,146,586
Plant operation and maintenance	2,864,530	48,207	-	2,912,737
Other general and administrative	818,407	2,054,697	-	2,873,104
Medical supplies and supporting costs	2,173,610	-	-	2,173,610
Real estate taxes	1,335,308	137,887	-	1,473,195
Dietary food and supplies	2,933,702	-	-	2,933,702
Insurance	706,973	22,733	-	729,706
Resident services	323,096	-	-	323,096
Events	-	-	32,953	32,953
Total Expenses	\$ 37,716,889	\$ 4,619,957	\$ 32,953	\$ 42,369,799

The accompanying notes are an integral part of the consolidated financial statements

SEABURY, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED SEPTEMBER 30, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
Cash Flows from Operating Activities		
Change in net assets	\$ (638,223)	\$ (5,619,235)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Proceeds from entrance fees, net of refunds	1,674,872	7,661,897
Depreciation	7,711,819	7,614,653
Bad debt expense	354,661	456,918
(Gain) loss on disposal of property	3,589	(5,717)
Amortization of bond financing costs	91,665	91,664
Amortization of bond premium	(76,284)	(76,284)
Amortization of nonrefundable deferred fees	(4,898,820)	(4,044,765)
Change in net unrealized gain on investments	(96,807)	(143,407)
Change in interest in perpetual trusts	(188,202)	212,295
(Increase) decrease in operating assets:		
Entrance fee deposits	27,756	18,609
Accounts receivable and pledges receivable	(135,814)	(398,514)
Entrance fees receivable	523,514	1,117,952
Prepaid expenses and other current assets	76,793	39,485
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	339,805	175,966
Deferred revenue	444,173	-
Entrance fee deposits	(27,756)	(18,609)
Annuities payable	(57,550)	(9,353)
Net cash provided by operating activities	<u>5,129,191</u>	<u>7,073,555</u>
Cash Purchases from Investing Activities		
(Purchases) sales of investments and cash and investments held by trustee, net	(1,107,441)	1,513,054
Decrease in accounts payable and accrued expenses related to construction	(650,319)	(727,054)
Purchases of property and equipment	(2,000,269)	(1,674,447)
Net cash used in investing activities	<u>(3,758,029)</u>	<u>(888,447)</u>
Cash Flows from Financing Activities		
Proceeds from Paycheck Protection Program note payable	3,279,121	-
Principal payments on bonds payable	(1,010,000)	(4,710,000)
Principal payments on capital leases	(107,726)	(101,423)
Net cash provided by (used in) financing activities	<u>2,161,395</u>	<u>(4,811,423)</u>
Net Increase in Cash, Cash Equivalents and Restricted Cash	3,532,557	1,373,685
Cash, Cash Equivalents and Restricted Cash - Beginning of Year	<u>15,488,067</u>	<u>14,114,382</u>
Cash, Cash Equivalents and Restricted Cash - End of Year	<u>\$ 19,020,624</u>	<u>\$ 15,488,067</u>

The accompanying notes are an integral part of the consolidated financial statements

SEABURY, INC AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - ORGANIZATION

Seabury, Inc. and Subsidiaries (the Company) is a Connecticut nonstock, tax-exempt organization operated exclusively for religious, charitable, scientific, literary or educational purposes by operating for the benefit of performing the functions of and carrying out the purposes of Church Home of Hartford, Inc. d/b/a Seabury (Seabury), Seabury At Home and Seabury Charitable Foundation, Inc. (the Foundation).

Seabury is a Connecticut nonstock, tax-exempt organization that has provided housing with support services for the elderly in the Hartford area since 1876. Seabury, which is affiliated with the Episcopal Diocese of Connecticut, currently operates a health center and independent living community. As of September 30, 2020 and 2019, Seabury consists of 257 independent living units, 36 and 30 congregate living units, respectively, 22 residential care home beds, 72 skilled nursing beds, 44 assisted living dementia beds and 14 dementia residential care home beds. As the Company is the sole member and beneficiary of Seabury, the activities of Seabury have been consolidated with those of the Company in the accompanying consolidated financial statements. All significant transactions between the Company and Seabury have been eliminated.

Overall occupancy levels at Seabury for the years ended September 30, 2020 and 2019 are as follows:

	<u>2020</u>	<u>2019</u>
Seabury		
Independent living	90%	90%
Congregate living	100%	100%
Residential care home	64%	75%
Skilled nursing care	81%	90%
Assisted living - dementia	79%	80%
Residential care home - dementia	81%	82%

In May 1996, the Company formed the Foundation. The Foundation is incorporated under the Nonstock Corporation Act of the State of Connecticut and is a separate legal entity from the Company. The purpose of the Foundation is to operate exclusively for the benefit of, to perform the functions of and to further the charitable purposes and mission of Seabury and Seabury At Home. As the Company is the sole member and beneficiary of the Foundation, the activities of the Foundation have been consolidated with those of the Company in the accompanying consolidated financial statements. All significant transactions between the Company and the Foundation have been eliminated.

In March 2006, the Company formed Seabury At Home, which began operations in 2008. Seabury At Home is incorporated under the Nonstock Corporation Act of the State of Connecticut and is a separate legal entity from the Company. The purpose of Seabury At Home is to sponsor, initiate, develop, operate and maintain facilities and programs for the delivery of health care, personal care and support services to the elderly designed to promote and extend opportunities for independent living and personal health. As the Company is the sole member and beneficiary of Seabury At Home, the activities of Seabury At Home have been consolidated with those of the Company in the accompanying consolidated financial statements. All significant transactions between the Company and Seabury At Home have been eliminated.

SEABURY, INC AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

In June 2015, the Company formed Seabury Powder Forest, LLC (Powder Forest). Powder Forest was formed as an LLC pursuant to laws of the State of Connecticut. The purpose of Powder Forest is to acquire and hold land for possible future development. Seabury At Home and the Foundation are equal members of Powder Forest. All transactions between the Foundation, Seabury At Home and Powder Forest have been eliminated.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Change in Accounting Principles

In November 2016, the Financial Accounting Standards Board issued Accounting Standards Update (ASU) No. 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash*, which provides guidance on the presentation of restricted cash and restricted cash equivalents in the statement of cash flows. The amendments require that a statement of cash flows explain the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash and restricted cash equivalents. This ASU is effective for annual periods beginning after December 15, 2018. The Company has adopted the amendments for the year ended September 30, 2020. The amendments have been applied retrospectively to all periods presented. As a result of the adoption, net cash used in investing activities was reduced by \$3,413,215 and beginning of year cash, cash equivalents and restricted cash was increased by \$4,554,079 as compared to the previous presentation of the consolidated statement of cash flows for the year ended September 30, 2019. Please refer to Note 3 for further information.

In May 2014, the Financial Accounting Standards Board issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which replaces numerous requirements in accordance with accounting principles generally accepted in the United States of America, including industry-specific requirements, and provides organizations with a single revenue recognition model for recognizing revenue from contracts with customers. The core principle of the new standard is that an organization should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the organization expects to be entitled in exchange for those goods or services. The two permitted transition methods under the new standard are the full retrospective method, in which case the standard would be applied to each prior reporting period presented and the cumulative effect of applying the standard would be recognized at the earliest period shown, or the modified retrospective method, in which case the cumulative effect of applying the standard would be recognized at the date of initial application. For public business entities and public conduit debt obligors, the new standard is effective for annual reporting periods beginning after December 15, 2017. Management has adopted ASU 2014-09 for the year ended September 30, 2019. The amendments have been applied using the modified retrospective method.

The following table summarizes the cumulative effect of applying ASU 2014-19 that resulted in the following adjustments at October 1, 2018.

<u>Financial Statement Line</u>	<u>As Previously Reported</u>	<u>Cumulative Adjustment</u>	<u>As Adjusted</u>
Deferred marketing costs, net	\$ 1,052,941	\$ (1,052,941)	\$ -
Net assets	6,465,725	(1,052,941)	5,412,784

SEABURY, INC AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

The following table summarizes the impacts to each financial statement line item affected by the adoption of ASU 2014-09 as of and for the year ended September 30, 2019:

<u>Financial Statement Line</u>	<u>As Reported</u>	<u>Balances Without Adoption of ASU 2014-09</u>	<u>Impact of Adoption</u>
Deferred marketing costs, net	\$ -	\$ 953,294	\$ (953,294)
Net assets	(206,451)	746,843	(953,294)
Amortization expense	-	99,647	(99,647)
Change in net assets	(5,619,235)	(5,718,882)	99,647

Basis of Presentation

The Company includes revenues and expenses from healthcare and senior living services, investment income, and unrestricted grants and contributions in its measurement of results from operations. Unrealized investment activity and revenues with related donor restrictions are reported outside of this measurement.

In order to ensure observance of limitations and restrictions placed on the use of the resources available to the Company, the accounts are maintained on the accrual basis of accounting, and, accordingly, the accounts are recorded in the following net asset categories:

Net Assets Without Donor Restrictions

Net assets without donor restrictions represent available resources other than donor-restricted contributions. These resources may be expended at the discretion of the Board of Directors.

Net Assets With Donor Restrictions

Net assets with donor restrictions represent 1) contributions that are restricted by the donor as to purpose or time of expenditure, 2) contributions that require that the principal be maintained in perpetuity but permit the Company to expend the income earned thereon, and 3) the accumulated investment income and gains on donor-restricted endowment assets that have not been appropriated for expenditure.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Financial statement areas where management applies the use of estimates consist primarily of allowance for doubtful accounts receivable, useful lives of property and equipment, amortization of nonrefundable deferred fees, actuarial calculation of future service obligations for Seabury and Seabury At Home, accrued expenses and annuities payable. It is management's opinion that the estimates applied in the accompanying consolidated financial statements are reasonable.

SEABURY, INC AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

Cash, Cash Equivalents and Restricted Cash

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

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 \$506,000 and \$368,000 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 4 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. Unrealized gain (loss) on investments includes the Company's gains and losses on investments bought and sold as well as held during the year.

Realized and unrealized gains and losses and investment income on donor-restricted endowment assets are classified as increases or decreases in net assets with donor restrictions until appropriated for expenditure. The Company adopted a policy to review, for potential adjustment to cost, any investment where market value has decreased below cost by greater than 25% for a period of nine months or longer. No adjustments were necessary for the fiscal years ended September 30, 2020 and 2019. Refer to Note 5 for further detail on investment income for the years ended September 30, 2020 and 2019.

Property and Equipment

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	10-30 years
Furniture, fixtures and equipment	3-20 years
Vehicles	4 years

Expenditures for maintenance and repairs are charged to operations as incurred. Expenditures in excess of \$5,000 for renewals and betterments are capitalized.

Contributions

Contributions are defined as voluntary, nonreciprocal transfers. Contributions without donor restrictions and unconditional contributions are recognized as support when received or pledged, if applicable. Contributions are reported as restricted support if they are received with donor stipulations that limit the use of such assets. When a restriction expires, that is, when a stipulated time restriction ends, or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities and changes in net assets as net assets released from restrictions due to satisfaction of restrictions.

SEABURY, INC AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

Revenue Recognition

The Company recognizes revenue at an amount that reflects the consideration to which the Company 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 Company satisfies a performance obligation

See Note 9 for details on how the above five-step process is applied to the Company's contracts with customers.

Operating Reserve

The State of Connecticut Department of Social Services (DSS) monitors Connecticut retirement communities and their compliance with existing state regulations. Among other things, DSS requires that retirement communities maintain an operating reserve equal to approximately one month's cash operating costs. The Company maintained an adequate operating reserve as of September 30, 2020 and 2019.

Charitable Reserve

Pursuant to the agreed settlement with the State of Connecticut for the addition of 30 skilled nursing beds during fiscal 1996, the Company was required to segregate \$500,000 of its investments in a contingency fund account restricted to provide for the expenses of the continuum of care to be made available to private payor health center residents of Seabury that may not be covered by the residents' assets. This amount was increased by \$100,000 in each fiscal year through the fiscal year ended September 30, 2001 so that the reserve at September 30, 2020 and 2019 is in excess of the required \$1,000,000. This amount is included in net assets without donor restrictions in the accompanying consolidated statements of financial position.

Beneficial Interest in Perpetual Trusts

The Company is the beneficiary of several trust funds. Although the principal balances in the trust funds are restricted in perpetuity, the income earned on the trust funds is recorded as revenue without donor restrictions. The income is used for general expenses to maintain and operate the facilities. For the fiscal years ended September 30, 2020 and 2019, \$218,568 and \$202,754, respectively, is included in investment income without donor restrictions. Changes in market value for the Company's portion of the trusts were \$188,201 and \$(212,295) for the years ended September 30, 2020 and 2019, respectively.

SEABURY, INC AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

Charitable Gift Annuity

The Foundation is the recipient of charitable gift annuities. Under the terms of the charitable gift annuity agreement with the individual donors, the Foundation is required to make monthly or quarterly payments to the donors over their remaining life. The proceeds from the gifts are without donor restrictions and are recognized as revenue to the extent that the fair market value of a gift on the date of receipt exceeds the present value of the estimated future annuity payments. The present value of the estimated future annuity payments is reflected as an annuity payable in the accompanying consolidated statements of financial position.

Functional Allocation of Expenses

The costs of providing various programs and other activities have been reported on a functional basis in the statement of functional expenses. Program expenses include the provision of Seabury's senior living and healthcare services. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Such allocations are determined by management on an equitable basis. Expenses are allocated based on full-time equivalents or square footage.

The expenses that are allocated include the following:

<u>Expense</u>	<u>Method of Allocation</u>
Salaries and wages	Direct / Sq. footage / Full-time equivalents
Depreciation and amortization	Direct / Sq. footage
Interest	Direct / Sq. footage
Employee benefits	Direct / Full-time equivalents
General and administrative	Direct / Sq. footage / Full-time equivalents
Dietary food and supplies	Direct / Sq. footage
Plant operation and maintenance	Direct / Sq. footage
Real estate taxes	Direct / Sq. footage
Insurance	Direct / Sq. footage / Full-time equivalents

Income Taxes

Seabury, the Foundation and Seabury At Home are tax-exempt under Section 501(c)(3) of the Internal Revenue Code and are not subject to federal or state income taxes. Powder Forest is a limited liability company treated as a partnership for income tax purposes with the net activity of Powder Forest being passed through to the Foundation and Seabury At Home and reported on their respective Form 990s. As such, no recognition of income taxes for the Company has been provided for in the accompanying consolidated financial statements.

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 Company incurred costs related to the pandemic response totaling \$540,447. Certain of these costs were eligible for recovery during fiscal 2020 under various federal grants and state programs as discussed in Note 10. The duration of uncertainties related to the COVID pandemic and its ultimate financial effects cannot be reasonably estimated at this time.

SEABURY, INC AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

Subsequent Events

In preparing these consolidated financial statements, management has evaluated subsequent events through January 7, 2021, which represents the date the consolidated financial statements were available to be issued.

NOTE 3 - CASH, CASH EQUIVALENTS AND RESTRICTED CASH

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

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 16,915,378	\$ 14,347,203
Restricted cash and cash equivalents held by trustee	<u>2,105,246</u>	<u>1,140,864</u>
Total Cash, Cash Equivalents and Restricted Cash Shown in the Consolidated Statements of Cash Flows	<u>\$ 19,020,624</u>	<u>\$ 15,488,067</u>

Restricted cash and cash equivalents held by trustee on the consolidated statements of financial position represents amounts pledged for debt service and collateral for bonds payable arrangements as contractually required by the related bond agreements. The restriction will lapse when the related bonds payable are paid off.

NOTE 4 - FAIR VALUE MEASUREMENTS

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

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

Level 1

Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Company 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 that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

SEABURY, INC AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

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 that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets (liabilities) measured at fair value:

Fixed Income and Equity Mutual Funds

Fixed income and equity mutual funds are valued at the quoted net asset value of shares held by the Company at year end.

Common Stocks, Foreign Stocks and U.S. Government Securities

These items are valued at the closing price reported in the active market in which the individual securities are traded.

Beneficial Interest in Perpetual Trusts

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

Investment in Limited Partnerships

Investment in limited partnerships (LPs) is valued at cost of capital contributions to the LPs, plus or minus the proportionate share of net income or loss in the LPs. Based on the current status of the LPs, management believes this approximates fair value.

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 Company 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.

SEABURY, INC AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

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

	September 30, 2020	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Cash equivalents	\$ 1,343,434	\$ 1,343,434	\$ -	\$ -
Fixed income mutual funds	12,828,408	12,828,408	-	-
U.S. Government securities	3,542,123	3,542,123	-	-
Equity mutual funds	1,435,808	1,435,808	-	-
Common and foreign stocks	5,476,716	5,476,716	-	-
Total investments	<u>24,626,489</u>	<u>24,626,489</u>	-	-
Investment in limited partnerships	385,295	-	-	385,295
Beneficial interest in perpetual trusts	<u>5,255,383</u>	-	-	<u>5,255,383</u>
Total Assets at Fair Value	<u>\$ 30,267,167</u>	<u>\$ 24,626,489</u>	<u>\$ -</u>	<u>\$ 5,640,678</u>

	September 30, 2019	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Cash equivalents	\$ 1,587,966	\$ 1,587,966	\$ -	\$ -
Fixed income mutual funds	10,925,467	10,925,467	-	-
U.S. Government securities	4,922,234	4,922,234	-	-
Equity mutual funds	1,187,812	1,187,812	-	-
Common stocks	4,838,450	4,838,450	-	-
Total investments	<u>23,461,929</u>	<u>23,461,929</u>	-	-
Investment in limited partnership	345,607	-	-	345,607
Beneficial interest in perpetual trusts	<u>5,067,181</u>	-	-	<u>5,067,181</u>
Total Assets at Fair Value	<u>\$ 28,874,717</u>	<u>\$ 23,461,929</u>	<u>\$ -</u>	<u>\$ 5,412,788</u>

There were no transfers between levels of investments during the years ended September 30, 2020 and 2019.

SEABURY, INC AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

Assets Measured at Fair Value Using Significant Unobservable Inputs (Level 3)

The following is a summary of the changes in the balances of assets measured at fair value on a recurring basis using significant unobservable inputs:

	<u>Beneficial Interest in Perpetual Trusts</u>	<u>Investment in Limited Partnerships</u>
Balance - September 30, 2018	\$ 5,279,476	\$ 270,123
Purchases, net	-	86,137
Total realized and unrealized losses included in the change in net assets - 2019	<u>(212,295)</u>	<u>(10,653)</u>
Balance - September 30, 2019	5,067,181	345,607
Purchases, net	-	46,250
Total realized and unrealized gains (losses) included in the change in net assets - 2020	<u>188,202</u>	<u>(6,562)</u>
Balance - September 30, 2020	<u>\$ 5,255,383</u>	<u>\$ 385,295</u>

The underlying subscription agreement for the Company's investment in limited partnerships allows for a maximum commitment of \$500,000. Unfunded capital commitments totaled \$28,750 as of September 30, 2020. The Company does not hold any redemption rights on the investment in limited partnerships. The limited partnerships have a life of 10 years that commenced on the date of filing of the certificate of limited partnership through the termination date, June 30, 2024.

NOTE 5 - INVESTMENT INCOME

Investment income on cash and cash equivalents, perpetual trusts and investments is comprised of the following for the years ended September 30, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Interest and dividend income from investments	\$ 695,210	\$ 859,476
Net realized gain on sales of investments	669,781	147,902
Investment fees	<u>(101,784)</u>	<u>(105,230)</u>
Income from investments	1,263,207	902,148
Interest and dividend income from perpetual trusts	<u>218,568</u>	<u>202,754</u>
Total Investment Income, Net	<u>\$ 1,481,775</u>	<u>\$ 1,104,902</u>

SEABURY, INC AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

NOTE 6 - LONG-TERM DEBT

The following is a summary of long-term debt at September 30, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Public Finance Authority Healthcare Facility Expansion/Refunding Bonds (Seabury Incorporated Project) Series 2015A (PFA Bonds) dated April 1, 2015, \$34,510,000 original principal amount, plus original issue premium of \$760,619, maturing at various times through September 2038, with interest payable semi-annually on March 1 and September 1 at various interest rates from 4% to 5% and principal payable annually on September 1.	\$ 29,495,000	\$ 30,505,000
State of Connecticut Health and Educational Facilities Authority Revenue Bonds, Healthcare Facility Expansion Issue (Seabury Incorporated Project) Series 2016A (CHEFA 2016A Bonds) dated April 1, 2016, \$52,515,000 original principal amount, plus original issue premium of \$1,639,570, maturing in September 2046 (\$23,240,000) and September 2053 (\$29,275,000), with interest payable semi-annually on March 1 and September 1 at an interest rate of 5%. Sinking fund installments of principal begin in September 2039.	52,515,000	52,515,000
	<u>82,010,000</u>	<u>83,020,000</u>
Less current portion	(1,050,000)	(1,010,000)
Less unamortized bond financing costs	(2,406,721)	(2,498,385)
Plus unamortized bond premium	<u>2,028,204</u>	<u>2,104,487</u>
Net Long-Term Debt	<u>\$ 80,581,483</u>	<u>\$ 81,616,102</u>

The following is a schedule of long-term debt principal payments over the next five fiscal years and thereafter:

<u>Fiscal Year</u>	<u>PFA Bonds</u>	<u>CHEFA 2016A Bonds</u>	<u>Total</u>
2021	\$ 1,050,000	\$ -	\$ 1,050,000
2022	1,100,000	-	1,100,000
2023	1,155,000	-	1,155,000
2024	1,215,000	-	1,215,000
2025	1,275,000	-	1,275,000
Thereafter	<u>23,700,000</u>	<u>52,515,000</u>	<u>76,215,000</u>
	<u>\$ 29,495,000</u>	<u>\$ 52,515,000</u>	<u>\$ 82,010,000</u>

Covenants

The Company, under provisions of the bond agreements, is required to maintain a debt service coverage ratio and meet a day's cash on hand liquidity requirement. In the opinion of management, the Company is in compliance with these covenants at September 30, 2020.

SEABURY, INC AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

NOTE 7 - PAYCHECK PROTECTION PROGRAM LOAN PAYABLE

During April 2020, the Company received a Paycheck Protection Program (PPP) loan of \$3,279,121 granted by the Small Business Administration (SBA) under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). The Company considers the PPP loan to be debt and, accordingly, will record the amount of forgiveness, if any, when legally released by the lender. Under the terms of the PPP loan, certain amounts of the loan may be forgiven if they are used for qualifying expenses under the CARES Act. The Company submitted the application for loan forgiveness on December 10, 2020 and anticipates all but approximately \$70,000 of the loan to be forgiven. Any portion of the loan that must be repaid will bear interest at a rate of 1% per annum. The terms of the agreement require repayment of this loan over two years. In accordance with the guidance from SBA, the Company is not required to make any payments until the forgiveness amount is remitted to the lender by SBA, which has not occurred as of January 7, 2021. The forgiveness of this loan is subject to audit by the SBA for a period of seven years.

The following is a schedule of estimated principal payments as of September 30, 2020 prior to any loan forgiveness:

Year Ending September 30

2021	\$ 371,411
2022	<u>2,907,710</u>
	<u>\$ 3,279,121</u>

NOTE 8 - CAPITAL LEASES

The Company entered into three capital lease agreements for phone, television and Internet equipment. The first capital lease requires monthly payments of principal and interest of \$4,886 with an interest rate of approximately 6.1%. The second capital lease requires monthly payments of principal and interest of \$3,411 with an interest rate of approximately 5.97%. The third capital lease requires monthly payments of principal and interest of \$2,366 with an interest rate of approximately 5.97%. The Company's cumulative property and obligation under capital lease arrangement at the start of the lease agreements was \$703,215 based on the fair value of the furniture, fixtures and equipment acquired. The net book value of the related property as of September 30, 2020 and 2019 was \$386,769 and \$457,090, respectively.

Amortization totaling \$70,321 was incurred for both the years ended September 30, 2020 and 2019 relative to the furniture, fixtures and equipment under capital lease is included in depreciation on the consolidated statements of activities and change in net assets.

SEABURY, INC AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

The following is a schedule by years of future minimum payments under capital leases, together with the present value of minimum lease payments as of September 30, 2020:

Year Ending September 30

2021	\$ 127,962
2022	127,962
2023	<u>42,725</u>
Total minimum lease payments	298,649
Less amount representing interest	<u>22,558</u>
Capital Lease Obligations	<u>\$ 276,091</u>

NOTE 9 - REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue

Health center, assisted living, resident service, home health and Seabury At Home revenue is reported at the amount that reflects the consideration the Company expects to receive in exchange for the services provided. Revenue that is recognized over time includes all of the resident services and healthcare revenue. These amounts are due from residents or third-party payors. Performance obligations are determined based on the nature of the services provided. Health center, assisted living, resident service, home health and Seabury At Home revenue is recognized as performance obligations are satisfied. The Company recognizes revenue in accordance with the provisions of ASC 606, *Revenue from Contracts with Customers* (ASC 606).

The Company's specific revenue recognition policies are as follows:

Health Center Patient Revenue

The Company recognizes health center patient revenue at estimated net realizable amounts from patients, third-party payors and others for services rendered on a per diem basis. Rates charged for health center services rendered, other than private-pay patients and third-party payors, are regulated by Medicare and Medicaid. Revenue under certain third-party payor agreements is subject to audit and retroactive adjustment. Provisions for estimated third-party payor settlements are provided in the period the related services are rendered. Differences between the estimated amounts accrued and interim and final settlements are reported in operations in the year of settlement. Changes in estimates of prior year settlements were not significant in 2019 or 2020. Management believes that all applicable government reimbursement principles have been properly applied and that no material adjustments will occur as result of an audit.

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

SEABURY, INC AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

precondition to the receipt of reimbursement for patient services), the Medicare False Claims Act, the Stark Anti-Referral Act, the Anti-Kickback legislation, and other Medicaid fraud and abuse legislation. Government activity has increased with respect to investigations that have led to allegations concerning possible violations by healthcare providers of those statutes and regulations. Violations of those laws and regulations could result in expulsion from government healthcare programs, together with the imposition of significant fines and penalties, as well as the imposition of significant obligations on the part of the provider to repay patient services previously illegally billed and received.

Assisted Living Services Revenue

Under the assisted living services, the Company provides senior living services to residents for a stated daily service fee for private-pay patients and at the published Old Age Assistance (OAA) daily rate for Medicaid covered patients. The Company's assisted living agreements are for a term of 30 days, with resident fees billed monthly for room and board. Residents are charged on a fee schedule for any additional ancillary services. Revenue is recognized on a monthly basis for room and board fees and a daily basis for ancillary services provided.

Resident Service Revenue

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

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

Home Health Revenue

Under the Company's home health agreements, the Company provides home health services to residents for various stated fees. Home health agreements are for a term of 30 days, with options. Revenue is recognized upon the provision of each session of the related service. Rates charged for home health services rendered, other than private-pay patients and third-party payors, are regulated by Medicare and Medicaid. Revenue under certain third-party payor agreements is subject to audit and retroactive adjustment. Provisions for estimated third-party payor settlements are provided in the period the related services are rendered. Differences between the estimated amounts accrued and interim and final settlements are reported in operations in the year of settlement. Changes in estimates of prior year settlements were not significant in 2019 or 2020. Management believes that all applicable government reimbursement principles have been properly applied and that no material adjustments will occur as result of an audit.

Seabury At Home Revenue

Under the Company's At Home agreements, the Company provides home health services to residents for a stated monthly service fee. Resident agreements are for a term of 30 days, with options. Revenue is recognized on a monthly basis upon the provision of the related service.

SEABURY, INC AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

The Company's At Home agreements require the resident to pay an upfront entrance fee prior to rendering home health services, which is partially refundable in certain circumstances. The nonrefundable portion of the entrance fee is recorded as deferred revenue and amortized over the estimated actuarial life of the resident. This amount is considered a contract liability under ASC 606. The refundable portion of a resident's entrance fee is recorded as a liability and refundable upon termination from the At Home program. The refundable portion of the fee is not amortized and is included in refundable entrance fees. The refundable portion of the entrance fees is not considered part of contract liabilities under ASC 606.

Other Income

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

Services to Seabury At Home, Inc.

This revenue represents revenue from services provided to Seabury At Home by Seabury employees. This amount is eliminated in the consolidated totals.

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

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

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

	2020				
	Health Center Patients	Assisted Living Services	Resident Services	Home Health	Seabury At Home
Lifecare residents and members \$	1,216,631	\$ -	\$ 14,775,847	\$ 765,400	\$ 924,063
Private	1,670,599	2,573,695	1,902,604	1,427	-
Medicare	2,588,760	-	250,913	417,553	-
Medicaid	2,411,414	628,713	-	-	-
Other third-party payors	960,686	82,214	34,555	79,537	-
Total	\$ 8,848,090	\$ 3,284,622	\$ 16,963,919	\$ 1,263,917	\$ 924,063

SEABURY, INC AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

	2019				
	Health Center Patients	Assisted Living Services	Resident Services	Home Health	Seabury At Home
Lifecare residents and members	\$ 1,243,008	\$ -	\$ 14,064,012	\$ 861,759	\$ 820,928
Private	2,116,691	2,663,547	1,713,524	2,335	-
Medicare	2,417,406	-	168,587	507,086	-
Medicaid	2,158,438	595,889	-	2,292	-
Other third-party payors	864,101	32,702	36,628	158,529	-
Total	<u>\$ 8,799,644</u>	<u>\$ 3,292,138</u>	<u>\$ 15,982,751</u>	<u>\$ 1,532,001</u>	<u>\$ 820,928</u>

NOTE 10 - COVID PROGRAMS

During the year ended September 30, 2020, the Company received \$984,620 in grant proceeds through the Provider Relief Program and Coronavirus Relief Fund under the CARES Act. Under the Provider Relief Program program, the Company 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. Under the Coronavirus Relief Fund grant, the Company was required to use the proceeds to cover certain COVID expenditures prior to June 30, 2020. The Company recognized revenue under these programs of \$540,447 during the year ended September 30, 2020, as included within other income on the consolidated statement of activities and changes in net assets, for qualifying expenses incurred through that date. The remaining grant proceeds are included in deferred revenue on the consolidated statement of financial position at 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.

NOTE 11 - LIFE CARE AGREEMENT

A life care agreement is signed by all residents of Seabury and all enrollees of Seabury At Home. Some of the principal terms and conditions of the Seabury agreement are as follows:

In consideration for the resident's payment of a life care entrance fee, the Company agrees to furnish to the resident a living unit in the residence complex for his or her personal use and occupancy for the balance of the resident's lifetime unless sooner terminated under the provisions of the agreement. If the agreement includes two persons, the term "resident" shall include both persons, and on the death of one all rights pass to, and are retained by, the survivor for the survivor's lifetime. The life care agreements vary in terms of refund policy and monthly service fees.

An agreed-upon payment schedule for full payment of the life care entrance fee is obtained from the resident prior to occupancy. The fee consists of a refundable and nonrefundable portion. The refundable portion varies depending upon which of the six life care contract plans is selected. One of the life care plans offers a declining refund at 2% per month, one plan is a nonrefundable plan (0%) and one plan offers a fixed 67% refund of the original life care entrance fee. The other three life care plans offer an 80%, 85% or 95% refund, respectively, of the original life care entrance fees if the occupant never resides in the nursing facility. If the resident enters the nursing facility, the refundable

SEABURY, INC AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

amount can be reduced by the nursing facility's standard daily private-pay rate. Under the resident agreements of the five refundable plans, amounts are refundable after the living unit is reoccupied and the new life care entrance fee is paid in full. The declining refund, 85% and 95% plans have been discontinued and are no longer being offered to new residents.

The 0%, 67%, 80%, 85% and 95% refundable portions of the life care entrance fee are deferred. All currently held refundable amounts are shown as a liability in the consolidated statements of financial position. The 100%, 33%, 20%, 15% and 5% nonrefundable portions of the life care entrance fee and the entire entrance fee for those who select a plan that offers the declining refund at 2% per month are amortized into income over the residents' actuarially determined remaining lives as calculated by the Company's actuaries.

For the duration of the resident's lifetime or until termination of the agreement, the Company agrees to furnish to the resident ample and healthful food, medical facilities, utility services, use of the community facilities and other personal services according to the terms and conditions specified in the residence agreement. In return, the resident agrees to pay the Company a monthly residence fee. The monthly residence fee may be increased or decreased at the sole discretion of the Board of Directors on 60 days' written notice.

The Company also provides medical facilities and nursing care in the health center. Costs incurred in providing this care are paid for by residents through the continuing payment of monthly service fees per the residence agreement. Residents without a life care agreement pay for nursing services based upon established per diem rates.

Some of the principal terms and conditions of the Seabury At Home agreement are as follows:

An agreed-upon payment schedule for full payment of the life care entrance fee is obtained from the resident prior to enrollment. The fee consists of a refundable and nonrefundable portion. The refundable portion varies depending upon which of the eight contract plans is selected. During 2019, the six declining refund contracts were changed to be nonrefundable for new residents. Prior to that, the declining plan offered a declining refund at 2% per month and the other two plans offer a fixed 80% or 90% refund, respectively, of the original life care entrance fee. Within the six nonrefundable contracts, two offer 100% coverage of home and facility-based care, including assisted living and skilled nursing services, one offers a 30% co-pay option for these services, one offers 100% coverage of home-based care, one offers a 50% co-pay option for home-based care and the final contract provides caps on assisted living and skilled nursing services. The 80% and 90% refund of original life care entrance fee contract offers 100% coverage of home and facility-based care, including assisted living and skilled nursing services. Under the resident agreements of these plans, amounts are refundable after the individual has terminated their agreement. The 80% and 90% refundable portion of the life care entrance fee is shown as a liability in the consolidated statements of financial position. The 20% and 10% nonrefundable portion of the life care entrance fee and the entire entrance fee for those who select the plans that offer the declining refund at 2% per month are amortized into income over the residents' actuarially determined remaining life as calculated by the Company's actuaries. The 90% plan has been discontinued and is no longer being offered to new residents.

If a resident with a declining refund of 2% per month transfers from Seabury At Home to Seabury to a plan with either a declining refund of 2% per month or a fixed refund of 0%, 100% of their original Seabury At Home entrance fee is transferred to Seabury and credited as a reduction to their Seabury entrance fee. Any historic amortization taken on this previously nonrefundable entrance fee is reversed in the year the transfer occurs.

SEABURY, INC AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

For the duration of the resident's lifetime, or until termination of the agreement, the Company agrees to furnish to the resident use of the community facilities and other personal services according to the terms and conditions specified in the residence agreement. In return, the resident agrees to pay the Company a monthly fee. The monthly fee may be increased or decreased at the sole discretion of the Board of Directors on 60 days written notice.

As noted above, the Company also provides medical facilities and nursing care in the health center. Costs incurred in providing this care are paid for by enrollees through the continuing payment of monthly service fees per the agreement as well as a deductible as noted in the agreement, if applicable.

The Company's actuaries annually calculate the present value of the net cost or benefit of future services and use of facilities to be provided to current residents of Seabury and enrollees of Seabury At Home and compare that amount to the balance of refundable and nonrefundable deferred entrance fees. If the present value of the net cost or benefit of future services and use of facilities exceeds the refundable and nonrefundable deferred entrance fees, a liability is recorded with a corresponding charge to income. As of September 30, 2020 and 2019, no such obligation existed for Seabury and Seabury At Home. Any significant changes to the actuarial assumptions used in the calculation could significantly change the results of the calculation. It is management's opinion that the assumptions applied in the calculation are reasonable.

NOTE 12 - LIQUIDITY AND AVAILABILITY OF RESOURCES

The Company's financial assets available within one year of the statements of financial position date for general expenditure are as follows:

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 16,915,378	\$ 14,347,203
Restricted cash and cash equivalents held by trustee	2,105,246	1,140,864
Entrance fee deposits	157,197	184,953
Accounts receivable, net	1,801,403	2,020,250
Entrance fees receivable	944,451	1,467,965
Investments	21,086,693	18,541,939
Investments held by trustees	3,539,796	4,919,990
Deferred compensation investments	277,339	224,434
Beneficial interest in perpetual trusts	<u>5,255,383</u>	<u>5,067,181</u>
Total financial assets available within one year	52,082,886	47,914,779
Less amounts unavailable for general expenditures within one year due to:		
Cash, cash equivalents and investments held by trustee for debt service	(5,645,042)	(6,060,854)
Cash, cash equivalents and investments with donor restrictions	(957,643)	(821,987)
Investments restricted to fund deferred compensation liability	(277,339)	(224,434)
Restricted by donors in perpetuity	<u>(5,625,383)</u>	<u>(5,437,181)</u>
Total amounts unavailable for general expenditure within one year	<u>(12,505,407)</u>	<u>(12,544,456)</u>
Amounts unavailable without Board's approval:		
Board-designated endowment	<u>(19,759,050)</u>	<u>(17,349,952)</u>
Total Financial Assets Available to Management for General Expenditure Within One Year	<u>\$ 19,818,429</u>	<u>\$ 18,020,371</u>

SEABURY, INC AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

Liquidity Management

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

NOTE 13 - NET ASSETS

Net Assets With Donor Restrictions

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

	<u>2020</u>	<u>2019</u>
Restricted in perpetuity	\$ 5,625,383	\$ 5,437,181
Other net assets with donor restrictions:		
Endowment investment returns	838,198	703,342
Purpose restricted - pledges	68,888	68,888
Purpose restricted - programs	<u>50,557</u>	<u>49,757</u>
	<u>\$ 6,583,026</u>	<u>\$ 6,259,168</u>

Net assets with donor restrictions were released from restrictions by incurring expenses satisfying the following purpose or time restrictions:

	<u>2020</u>	<u>2019</u>
Purpose restricted - pledges	\$ -	\$ 16,560
Purpose restricted - programs	<u>1,800</u>	<u>73,749</u>
Total Net Assets Released	<u>\$ 1,800</u>	<u>\$ 90,309</u>

SEABURY, INC AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

NOTE 14 - ENDOWMENT

The Company's endowment consists of various individual funds established for a variety of purposes. The endowment includes both donor-restricted endowment funds and funds designated by the Board of Directors to function as endowments. The income earned on investments comprising the Company's donor-restricted endowment funds is designated by the donors to fund operations. As required by GAAP, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowment, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The Board of Directors of the Company has interpreted 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 Company 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 that is not classified as permanent endowment is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the Company in a manner consistent with the standard of prudence prescribed by CTPMIFA. In accordance with CTPMIFA, the Company 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 Company 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 Company
- The investment policies of the Company

Endowment net asset composition by type of fund as of September 30, 2020 and 2019 is as follows:

	<u>2020</u>	<u>2019</u>
	<u>With Donor Restrictions</u>	<u>With Donor Restrictions</u>
Donor-restricted endowment funds:		
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	\$ 370,000	\$ 370,000
Endowment investment returns	838,198	703,342
Total	<u>\$ 1,208,198</u>	<u>\$ 1,073,342</u>

SEABURY, INC AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

Changes in endowment net assets for the years ended September 30, 2020 and 2019 are as follows:

	<u>With Donor Restrictions</u>
Endowment assets - September 30, 2018	\$ <u>993,550</u>
Investment gain:	
Realized gains	72,270
Unrealized gains	<u>7,522</u>
Total investment gain	<u>79,792</u>
Endowment assets - September 30, 2019	<u>1,073,342</u>
Investment gain:	
Realized gains	134,032
Unrealized gains	<u>824</u>
Total investment gain	<u>134,856</u>
Endowment Assets - September 30, 2020	\$ <u><u>1,208,198</u></u>

Return Objectives and Risk Parameters

The Company has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the organization must hold in perpetuity or for a donor-specified period(s) as well as board-designated funds. Under this policy, the Company expects its endowment funds, over time, to provide a total net return of approximately 4% over the average inflation rate of the preceding three years. 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 Company 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 Company targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Company maintains a spending policy on board-restricted endowment funds, which limits the appropriation to up to 5% of the market value of endowment investment assets unless specifically approved by the Board. The Company maintains a spending policy on the earnings of donor-restricted funds in which the amount of funds to be appropriated will be determined annually as part of the budgeting process. In establishing these policies, the Company considered the long-term expected return on its endowment. This is consistent with the Company'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.

SEABURY, INC AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

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 requires the Company to retain as a fund of perpetual duration. There were no deficiencies of this nature that were reported in net assets with donor restrictions as of September 30, 2020 and 2019.

NOTE 15 - CASH FLOWS

Additional Cash Flow Information

The Company paid cash for interest of \$4,177,407 and \$4,241,652 during the years ended September 30, 2020 and 2019, respectively.

NOTE 16 - LEASE AGREEMENTS

The Company leases various types of office equipment and services. Lease expense was approximately \$31,000 and \$35,000 for 2020 and 2019, respectively. The approximate minimum future lease payments under noncancelable operating leases with a remaining term in excess of one year as of September 30, 2020 are as follows:

Year Ending September 30

2021	\$	18,653
2022		8,733
2023		3,829

NOTE 17 - RETIREMENT PLANS

The Company maintains a 403(b) defined contribution plan (the Plan). Employees are eligible to participate in the Plan upon employment and are eligible for employer matching contributions after 12 months of service. The Company matches employee contributions up to 5.0% of eligible employees' payroll for 2020 and 2019. Employees are fully vested in the Plan after three years of employment. Expenses for employer contributions recognized in fiscal 2020 and 2019 were approximately \$460,000 and \$428,000, respectively. The Company also maintains a nonqualified deferred compensation plan for key employees that is included as an asset and as a corresponding liability in the consolidated statements of financial position, which totaled \$277,339 and \$224,434 at September 30, 2020 and 2019, respectively.

SEABURY, INC AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

NOTE 18 - COMMITMENTS AND CONTINGENCIES

During 2017, the Company entered into 25-year Solar Photovoltaic Power Purchase Agreement with General Electric International, Inc. (Seller). The Company will provide the Seller with access to, and the right to occupy, a portion of their properties for the purpose of having the Seller design, install, own, operate and maintain a solar photovoltaic electric generating system. The Company will purchase all of the electricity generated by the system at a certain rate.

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

NOTE 19 - HEALTHCARE INDUSTRY

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

The Centers for Medicare and Medicaid Services have changed the Medicare reimbursement system for skilled nursing facilities as of October 1, 2019. The new reimbursement system is the Patient Driven Payment Model (PDPM), which replaces the Resource Utilization Grouping (RUG) methodology. The intent of PDPM is to better match reimbursement payment amounts to patients' medical acuity needs.

The State of Connecticut Department of Social Services (the Department) has announced plans to potentially change the Medicaid reimbursement system for Skilled Nursing and Intermediate Care Facilities to an acuity-based methodology. The financial impact to the Company from this reimbursement change is currently unknown, but it could have a material impact on its operating results.

Supplementary Information

SEABURY, INC. AND SUBSIDIARIES

CONSOLIDATING SCHEDULE OF FINANCIAL POSITION SEPTEMBER 30, 2020

ASSETS

	Church Home of Hartford Incorporated	Seabury Charitable Foundation, Inc.	Seabury At Home Inc.	Seabury at Powder Forest LLC	Eliminations	Total
Current Assets						
Cash and cash equivalents	\$ 7,735,827	\$ 11,133	\$ 9,166,716	\$ 1,702	-	\$ 16,915,378
Restricted cash and cash equivalents held by trustee	2,105,246	-	-	-	-	2,105,246
Entrance fee deposits	157,197	-	-	-	-	157,197
Accounts receivable, net	1,801,403	-	-	-	-	1,801,403
Accounts receivable, related party	244,362	-	-	-	(244,362)	-
Entrance fees receivable	-	-	944,451	-	-	944,451
Prepaid expenses and other current assets	871,781	-	6,774	26,772	-	905,327
Total current assets	<u>12,915,816</u>	<u>11,133</u>	<u>10,117,941</u>	<u>28,474</u>	<u>(244,362)</u>	<u>22,829,002</u>
Investments						
Investments	16,226,679	4,860,014	-	-	-	21,086,693
Investments held by trustee	3,539,796	-	-	-	-	3,539,796
Total investments	<u>19,766,475</u>	<u>4,860,014</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,626,489</u>
Property and Equipment, at Cost						
Land and improvements	4,429,495	-	315,692	4,891,120	-	9,636,307
Buildings and improvements	157,583,539	-	545,793	-	-	158,129,332
Furniture, fixtures and equipment	10,273,163	77,333	99,237	-	-	10,449,733
Vehicles	230,163	-	-	-	-	230,163
Construction in progress	393,080	-	-	-	-	393,080
	<u>172,909,440</u>	<u>77,333</u>	<u>960,722</u>	<u>4,891,120</u>	<u>-</u>	<u>178,838,615</u>
Less accumulated depreciation	68,813,243	14,367	465,419	-	-	69,293,029
Net property and equipment	<u>104,096,197</u>	<u>62,966</u>	<u>495,303</u>	<u>4,891,120</u>	<u>-</u>	<u>109,545,586</u>
Other Assets						
Deferred compensation investments	277,339	-	-	-	-	277,339
Beneficial interest in perpetual trusts	5,255,383	-	-	-	-	5,255,383
Investment in limited partnerships	385,295	-	-	-	-	385,295
Investment in Seabury at Powder Forest LLC	-	2,459,797	2,459,797	-	(4,919,594)	-
Pledges receivable	-	68,888	-	-	-	68,888
Total other assets	<u>5,918,017</u>	<u>2,528,685</u>	<u>2,459,797</u>	<u>-</u>	<u>(4,919,594)</u>	<u>5,986,905</u>
Total Assets	<u>\$ 142,696,505</u>	<u>\$ 7,462,798</u>	<u>\$ 13,073,041</u>	<u>\$ 4,919,594</u>	<u>\$ (5,163,956)</u>	<u>\$ 162,987,982</u>

SEABURY, INC. AND SUBSIDIARIES

CONSOLIDATING SCHEDULE OF FINANCIAL POSITION (CONTINUED)

SEPTEMBER 30, 2020

LIABILITIES AND NET ASSETS

	Church Home of Hartford Incorporated	Seabury Charitable Foundation, Inc.	Seabury At Home Inc.	Seabury at Powder Forest LLC	Eliminations	Total
Current Liabilities						
Current portion of bonds payable	\$ 1,050,000	\$ -	\$ -	\$ -	\$ -	\$ 1,050,000
Current portion of Paycheck Protection Program loan payable	371,411	-	-	-	-	371,411
Current portion of capital leases	113,848	-	-	-	-	113,848
Accounts payable and accrued expenses	2,461,802	6,063	24,161	-	-	2,492,026
Accounts payable, related party	-	-	244,362	-	(244,362)	-
Deferred revenue	444,173	-	-	-	-	444,173
Entrance fee deposits	157,197	-	-	-	-	157,197
Total current liabilities	<u>4,598,431</u>	<u>6,063</u>	<u>268,523</u>	<u>-</u>	<u>(244,362)</u>	<u>4,628,655</u>
Annuities Payable	<u>-</u>	<u>127,547</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>127,547</u>
Bonds Payable, Net of Current Portion and Bond Financing Costs	<u>80,581,483</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>80,581,483</u>
Paycheck Protection Program Loan Payable, Net of Current Portion	<u>2,907,710</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,907,710</u>
Capital Leases, Net of Current Portion	<u>162,243</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>162,243</u>
Deferred Compensation	<u>277,339</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>277,339</u>
Refundable and Nonrefundable Entrance Fees						
Entrance fees refunds payable	33,917,126	-	3,380,947	-	-	37,298,073
Nonrefundable deferred fees, net	28,485,787	-	9,363,819	-	-	37,849,606
Total refundable and nonrefundable deferred entrance fees	<u>62,402,913</u>	<u>-</u>	<u>12,744,766</u>	<u>-</u>	<u>-</u>	<u>75,147,679</u>
Total liabilities	<u>150,930,119</u>	<u>133,610</u>	<u>13,013,289</u>	<u>-</u>	<u>(244,362)</u>	<u>163,832,656</u>
Net Assets						
Without donor restrictions	(14,702,772)	7,215,320	59,752	4,919,594	(4,919,594)	(7,427,700)
With donor restrictions	6,469,158	113,868	-	-	-	6,583,026
Total net assets	<u>(8,233,614)</u>	<u>7,329,188</u>	<u>59,752</u>	<u>4,919,594</u>	<u>(4,919,594)</u>	<u>(844,674)</u>
Total Liabilities and Net Assets	<u>\$ 142,696,505</u>	<u>\$ 7,462,798</u>	<u>\$ 13,073,041</u>	<u>\$ 4,919,594</u>	<u>\$ (5,163,956)</u>	<u>\$ 162,987,982</u>

SEABURY, INC. AND SUBSIDIARIES

CONSOLIDATING SCHEDULE OF FINANCIAL POSITION SEPTEMBER 30, 2019

ASSETS

	Church Home of Hartford Incorporated	Seabury Charitable Foundation, Inc.	Seabury At Home Inc.	Seabury at Powder Forest LLC	Eliminations	Total
Current Assets						
Cash and cash equivalents	\$ 5,604,432	\$ 58,541	\$ 8,683,017	\$ 1,213	\$ -	\$ 14,347,203
Restricted cash and cash equivalents held by trustee	1,140,864	-	-	-	-	1,140,864
Entrance fee deposits	184,953	-	-	-	-	184,953
Accounts receivable, net	2,020,250	-	-	-	-	2,020,250
Accounts receivable, related party	385,246	-	-	-	(385,246)	-
Entrance fees receivable	125,902	-	1,342,063	-	-	1,467,965
Prepaid expenses and other current assets	943,233	4,091	7,853	26,943	-	982,120
Total current assets	<u>10,404,880</u>	<u>62,632</u>	<u>10,032,933</u>	<u>28,156</u>	<u>(385,246)</u>	<u>20,143,355</u>
Investments						
Investments	14,430,704	4,111,235	-	-	-	18,541,939
Investments held by trustee	4,919,990	-	-	-	-	4,919,990
Total investments	<u>19,350,694</u>	<u>4,111,235</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,461,929</u>
Property and Equipment, at Cost						
Land and improvements	4,429,495	-	315,692	4,891,120	-	9,636,307
Buildings and improvements	156,089,219	-	545,793	-	-	156,635,012
Furniture, fixtures and equipment	10,123,965	77,333	99,237	-	-	10,300,535
Vehicles	230,163	-	-	-	-	230,163
Construction in progress	51,554	-	-	-	-	51,554
	<u>170,924,396</u>	<u>77,333</u>	<u>960,722</u>	<u>4,891,120</u>	<u>-</u>	<u>176,853,571</u>
Less accumulated depreciation	61,158,684	9,185	424,977	-	-	61,592,846
Net property and equipment	<u>109,765,712</u>	<u>68,148</u>	<u>535,745</u>	<u>4,891,120</u>	<u>-</u>	<u>115,260,725</u>
Other Assets						
Deferred compensation investments	224,434	-	-	-	-	224,434
Beneficial interest in perpetual trusts	5,067,181	-	-	-	-	5,067,181
Investment in limited partnerships	345,607	-	-	-	-	345,607
Investment in Seabury at Powder Forest LLC	-	2,459,638	2,459,638	-	(4,919,276)	-
Pledges receivable	-	68,888	-	-	-	68,888
Total other assets	<u>5,637,222</u>	<u>2,528,526</u>	<u>2,459,638</u>	<u>-</u>	<u>(4,919,276)</u>	<u>5,706,110</u>
Total Assets	<u>\$ 145,158,508</u>	<u>\$ 6,770,541</u>	<u>\$ 13,028,316</u>	<u>\$ 4,919,276</u>	<u>\$ (5,304,522)</u>	<u>\$ 164,572,119</u>

SEABURY, INC. AND SUBSIDIARIES

CONSOLIDATING SCHEDULE OF FINANCIAL POSITION (CONTINUED) SEPTEMBER 30, 2019

LIABILITIES AND NET ASSETS

	Church Home of Hartford Incorporated	Seabury Charitable Foundation, Inc.	Seabury At Home Inc.	Seabury at Powder Forest LLC	Eliminations	Total
Current Liabilities						
Current portion of bonds payable	\$ 1,010,000	\$ -	\$ -	\$ -	\$ -	\$ 1,010,000
Current portion of capital lease	107,186	-	-	-	-	107,186
Accounts payable and accrued expenses	2,677,293	40,790	84,457	-	-	2,802,540
Accounts payable, related party	-	-	385,246	-	(385,246)	-
Entrance fee deposits	184,953	-	-	-	-	184,953
Total current liabilities	<u>3,979,432</u>	<u>40,790</u>	<u>469,703</u>	<u>-</u>	<u>(385,246)</u>	<u>4,104,679</u>
Annuities Payable	<u>-</u>	<u>185,097</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>185,097</u>
Bonds Payable, Net of Current Portion and Bond Financing Costs	<u>81,616,102</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>81,616,102</u>
Capital Lease, Net of Current Portion	<u>276,631</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>276,631</u>
Deferred Compensation	<u>224,434</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>224,434</u>
Refundable and Nonrefundable Entrance Fees						
Entrance fees refunds payable	34,457,928	-	3,965,422	-	-	38,423,350
Nonrefundable deferred fees, net	30,795,179	-	9,153,098	-	-	39,948,277
Total refundable and nonrefundable deferred entrance fees	<u>65,253,107</u>	<u>-</u>	<u>13,118,520</u>	<u>-</u>	<u>-</u>	<u>78,371,627</u>
Total liabilities	<u>151,349,706</u>	<u>225,887</u>	<u>13,588,223</u>	<u>-</u>	<u>(385,246)</u>	<u>164,778,570</u>
Net Assets						
Without donor restrictions	(12,337,298)	6,431,586	(559,907)	4,919,276	(4,919,276)	(6,465,619)
With donor restrictions	6,146,100	113,068	-	-	-	6,259,168
Total net assets	<u>(6,191,198)</u>	<u>6,544,654</u>	<u>(559,907)</u>	<u>4,919,276</u>	<u>(4,919,276)</u>	<u>(206,451)</u>
Total Liabilities and Net Assets	<u>\$ 145,158,508</u>	<u>\$ 6,770,541</u>	<u>\$ 13,028,316</u>	<u>\$ 4,919,276</u>	<u>\$ (5,304,522)</u>	<u>\$ 164,572,119</u>

SEABURY, INC. AND SUBSIDIARIES

CONSOLIDATING SCHEDULE OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Church Home of Hartford Incorporated		Seabury Charitable Foundation, Inc.		Seabury At Home, Inc.		Seabury at Powder Forest LLC		Total
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions	
Revenues, Gains and Other Support									
Health center patients, net of contractuals	\$ 8,893,529	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,848,090
Assisted living services	3,284,622	-	-	-	-	-	-	-	3,284,622
Resident services	17,185,395	-	-	-	-	-	-	-	16,963,919
Home health revenue	498,517	-	-	-	-	765,400	-	-	1,263,917
Seabury At Home revenue	-	-	-	-	-	924,063	-	-	924,063
Services to Seabury At Home, Inc.	1,488,181	-	-	-	-	-	-	(1,488,181)	-
Amortization of nonrefundable deferred fees	3,880,061	-	-	-	-	1,016,759	-	-	4,896,820
Investment income (loss)	1,305,317	177,757	50,428	-	20,348	50,428	-	105,682	1,659,532
Other income	1,126,004	-	2,072	-	411,350	-	-	(47,489)	1,491,937
Contributions and gifts	30,370	-	488,796	2,600	-	491,396	-	-	521,766
Contributions from the Seabury Charitable Foundation, Inc.	165,557	-	-	-	-	-	-	(165,557)	-
Net assets released from restrictions	-	-	1,800	(1,800)	-	-	-	-	-
Total revenues, gains and other support	<u>37,857,553</u>	<u>177,757</u>	<u>543,896</u>	<u>800</u>	<u>3,139,920</u>	<u>543,896</u>	<u>-</u>	<u>(1,862,480)</u>	<u>39,856,666</u>
Expenses									
Medical and other resident care	9,692,778	-	-	-	-	-	-	-	9,746,136
General and administrative	11,013,004	-	208,923	-	1,712,880	208,923	105,682	(1,659,522)	11,785,928
Dietary	3,473,736	-	-	-	-	-	-	(308,620)	3,473,736
Repairs and maintenance	2,818,419	-	-	-	-	-	-	-	2,818,419
Housekeeping and laundry	1,109,976	-	-	-	-	-	-	-	1,109,976
Interest expense, net	4,133,884	-	-	-	-	-	-	-	4,133,884
Depreciation	7,666,195	-	5,182	-	40,442	-	-	-	7,711,819
Total expenses	<u>39,907,992</u>	<u>-</u>	<u>214,105</u>	<u>-</u>	<u>2,520,261</u>	<u>214,105</u>	<u>105,682</u>	<u>(1,968,142)</u>	<u>40,779,898</u>
Income (Loss) from Operations	<u>(2,050,439)</u>	<u>177,757</u>	<u>328,991</u>	<u>800</u>	<u>619,659</u>	<u>329,791</u>	<u>(105,682)</u>	<u>105,682</u>	<u>(923,232)</u>
Change in Net Unrealized Gain (Loss) on Investments	<u>(315,035)</u>	<u>(42,901)</u>	<u>454,743</u>	<u>-</u>	<u>454,743</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>96,807</u>
Change in Interest in Perpetual Trusts	<u>-</u>	<u>188,202</u>	<u>188,202</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>188,202</u>
Change in Net Assets	<u>(2,365,474)</u>	<u>323,058</u>	<u>783,734</u>	<u>800</u>	<u>619,659</u>	<u>784,534</u>	<u>(105,682)</u>	<u>105,682</u>	<u>(638,223)</u>
Net Assets - Beginning of Year	<u>(12,337,298)</u>	<u>6,146,100</u>	<u>6,431,586</u>	<u>113,068</u>	<u>(559,907)</u>	<u>6,544,654</u>	<u>4,919,276</u>	<u>(4,919,276)</u>	<u>(206,451)</u>
Contributions from Members	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>106,000</u>	<u>(106,000)</u>	<u>-</u>
Net Assets - End of Year	<u>\$(14,702,772)</u>	<u>\$ 6,469,158</u>	<u>\$ 7,215,320</u>	<u>\$ 113,868</u>	<u>\$ 59,752</u>	<u>\$ 7,329,188</u>	<u>\$ 4,819,594</u>	<u>\$ (4,919,594)</u>	<u>\$ (844,674)</u>

SEABURY, INC. AND SUBSIDIARIES

CONSOLIDATING SCHEDULE OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Church Home of Hartford Incorporated		Seabury Charitable Foundation, Inc.		Seabury At Home, Inc.		Seabury at Powder Forest LLC		Total
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions	
Revenues, Gains and Other Support									
Health center patients, net of contractuals	\$ 8,977,888	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,799,644
Assisted living services	3,292,138	-	-	-	-	-	-	-	3,292,138
Resident services	16,033,945	-	-	-	-	-	-	-	15,982,751
Home health revenue	670,242	-	-	-	-	-	-	-	1,532,001
Seabury At Home revenue	-	-	-	-	-	-	-	-	820,928
Services to Seabury At Home, Inc.	1,550,903	-	-	-	-	-	-	-	(1,550,903)
Amortization of nonrefundable deferred fees	3,306,870	-	-	-	-	-	-	-	4,044,765
Investment income (loss)	731,351	72,270	160,402	-	160,402	91,455	-	-	1,177,172
Other income	865,398	(85,448)	6,441	66,888	75,329	307,124	-	-	1,114,914
Contributions and gifts	-	-	38,484	16,655	55,139	-	-	-	55,139
Contributions from the Seabury Charitable Foundation, Inc.	364,691	-	364,691	-	-	-	-	-	(364,691)
Net assets released from restrictions	-	(13,178)	73,749	(73,749)	-	-	-	-	-
Total revenues, gains and other support	35,793,426	(13,178)	35,780,248	11,794	290,870	2,824,425	-	-	36,819,452
Expenses									
Medical and other resident care	9,543,582	-	9,543,582	-	-	1,544,622	-	-	9,583,762
General and administrative	11,267,360	-	11,267,360	459,176	459,176	1,115,234	121,694	-	12,370,121
Dietary	4,451,795	-	4,451,795	-	-	-	-	-	4,451,795
Repairs and maintenance	3,047,143	-	3,047,143	-	-	-	-	-	3,047,143
Housekeeping and laundry	1,069,986	-	1,069,986	-	-	-	-	-	1,069,986
Interest expense, net	4,232,339	-	4,232,339	-	-	-	-	-	4,232,339
Depreciation	7,557,981	-	7,557,981	4,592	4,592	52,080	-	-	7,614,653
Total expenses	41,170,186	-	41,170,186	463,768	463,768	2,811,936	121,694	(2,197,785)	42,369,799
Income (Loss) from Operations	(5,376,760)	(13,178)	(5,389,938)	(184,692)	(172,898)	12,489	(121,694)	121,694	(5,550,347)
Change in Net Unrealized Gain (Loss) on Investments	209,626	7,522	216,148	(72,741)	(72,741)	-	-	-	143,407
Change in Interest in Perpetual Trusts	-	(212,295)	(212,295)	-	-	-	-	-	(212,295)
Change in Net Assets	(5,168,134)	(217,951)	(5,386,085)	(257,433)	(245,639)	12,489	(121,694)	121,694	(5,619,235)
Net Assets - Beginning of Year, as Previously Reported	(6,116,229)	6,364,051	247,828	6,689,019	6,790,293	(572,396)	4,923,970	(4,923,970)	6,465,725
Cumulative Adjustment	(1,052,941)	-	(1,052,941)	-	-	-	-	-	(1,052,941)
Net Assets - Beginning of Year, as Adjusted	(7,169,170)	6,354,051	(805,113)	6,689,019	6,790,293	(572,396)	4,923,970	(4,923,970)	5,412,784
Contributions from Members	-	-	-	-	-	-	117,000	(117,000)	-
Net Assets - End of Year	(12,337,299)	6,146,100	(6,191,196)	6,431,586	6,544,654	(559,907)	4,919,276	(4,919,276)	(206,451)

SEABURY, INC. AND SUBSIDIARIES

**CONSOLIDATING SCHEDULE OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

	Church Home of Hartford Incorporated	Seabury Charitable Foundation, Inc.	Seabury at Home, Inc.	Seabury at Powder Forest LLC	Eliminations	Total
Cash Flows from Operating Activities						
Change in net assets	(2,042,416) \$	784,534 \$	619,659 \$	(105,682) \$	105,682 \$	(538,223)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:						
Proceeds from entrance fees, net of refunds	1,029,867	-	645,005	-	-	1,674,872
Depreciation	7,666,195	5,182	40,442	-	-	7,711,819
Bad debt expense	354,661	-	-	-	-	354,661
Gain on disposal of property	3,589	-	-	-	-	3,589
Amortization of bond financing costs	91,665	-	-	-	-	91,665
Amortization of bond premium	(76,284)	-	-	-	-	(76,284)
Amortization of nonrefundable deferred fees	(3,880,061)	-	(1,018,759)	-	-	(4,898,820)
Change in net unrealized (gain) loss on investments	357,936	(454,743)	-	-	-	(96,807)
Change in interest in perpetual trusts	(188,202)	-	-	-	-	(188,202)
Loss on investment in Seabury at Powder Forest LLC	-	52,841	-	-	(105,682)	-
(Increase) decrease in operating assets:						
Entrance fee deposits	27,756	-	-	-	-	27,756
Accounts receivable and pledges receivable	(135,814)	-	-	-	-	(135,814)
Accounts receivable, related party	140,884	-	-	(140,884)	-	-
Entrance fees receivable	125,902	-	397,612	-	-	523,514
Prepaid expenses and other current assets	71,452	4,091	1,079	171	-	76,793
Increase (decrease) in operating liabilities:						
Accounts payable and accrued expenses	434,828	(34,727)	(60,296)	-	-	339,805
Accounts payable, related party	444,173	-	(140,894)	-	140,884	444,173
Deferred revenue	(27,756)	-	-	-	-	(27,756)
Entrance fee deposits	-	(57,550)	-	-	-	(57,550)
Annuities payable	4,388,375	289,628	536,689	(105,511)	-	5,129,191
Net cash provided by (used in) operating activities	(813,405)	(294,036)	-	-	-	(1,107,441)
Cash Purchases from Investing Activities						
Sales of investments and cash and investments held by trustee, net	-	(53,000)	(53,000)	-	106,000	-
Investment in Seabury at Powder Forest LLC	(650,319)	-	-	-	-	(650,319)
Decrease in accounts payable and accrued expenses related to construction	(2,000,269)	-	-	-	-	(2,000,269)
Purchases of property and equipment	(3,483,993)	(347,036)	(53,000)	-	106,000	(3,758,029)
Net cash provided by (used in) investing activities	3,279,121	-	-	-	-	3,279,121
Cash Flows from Financing Activities						
Proceeds from note payable - PPP loan	(1,010,000)	-	-	-	-	(1,010,000)
Principal payments on bonds payable	(107,726)	-	-	-	-	(107,726)
Principal payments on capital leases	-	-	-	106,000	(106,000)	-
Contributions from members	2,161,395	-	-	106,000	(106,000)	2,161,395
Net cash provided by (used in) financing activities	3,095,777	(47,408)	483,699	489	-	3,532,557
Net Increase (Decrease) in Cash, Cash Equivalents and Restricted Cash	6,745,296	58,541	8,683,017	1,213	-	15,488,067
Cash, Cash Equivalents and Restricted Cash - Beginning of Year	9,841,073 \$	11,133 \$	9,166,716 \$	1,702 \$	- \$	19,020,624
Cash, Cash Equivalents and Restricted Cash - End of Year						

SEABURY, INC. AND SUBSIDIARIES

CONSOLIDATING SCHEDULE OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Church Home of Hartford Incorporated	Seabury Charitable Foundation, Inc.	Seabury At Home, Inc.	Seabury at Powder Forest LLC	Eliminations	Total
Cash Flows from Operating Activities						
Change in net assets	\$ (5,386,085)	\$ (245,639)	\$ 12,489	\$ (121,694)	\$ 121,694	\$ (5,619,235)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:						
Proceeds from entrance fees, net of refunds	5,230,053	-	2,431,844	-	-	7,661,897
Depreciation	7,557,981	4,592	52,080	-	-	7,614,653
Bad debt expense	456,918	-	-	-	-	456,918
Gain on disposal of property	(5,717)	-	-	-	-	(5,717)
Amortization of bond financing costs	91,664	-	-	-	-	91,664
Amortization of bond premium	(76,284)	-	-	-	-	(76,284)
Amortization of nonrefundable deferred fees	(3,306,870)	-	(737,895)	-	-	(4,044,765)
Change in net unrealized (gain) loss on investments	(216,146)	72,741	-	-	-	(143,407)
Change in interest in perpetual trusts	212,295	-	-	-	-	212,295
Loss on investment in Seabury at Powder Forest LLC	-	60,847	-	-	(121,694)	-
(Increase) decrease in operating assets:						
Entrance fee deposits	18,609	-	-	-	-	18,609
Accounts receivable and pledges receivable	(415,074)	16,560	-	-	-	(398,514)
Accounts receivable, related party	(129,093)	-	-	-	129,093	-
Entrance fees receivable	704,452	-	413,500	-	-	1,117,952
Prepaid expenses and other current assets	2,026	33,379	(243)	4,323	-	39,485
Increase (decrease) in operating liabilities:						
Accounts payable and accrued expenses	114,398	28,765	32,803	-	-	175,966
Accounts payable, related party	(18,609)	-	129,093	-	(129,093)	-
Entrance fee deposits	-	-	-	-	-	-
Annuities payable	-	(9,353)	-	-	-	(9,353)
Net cash provided by (used in) operating activities	4,834,516	(38,108)	2,394,518	(117,371)	-	7,073,555
Cash Purchases from Investing Activities						
Sales of investments and investments held by trustee, net	1,388,004	115,050	-	-	-	1,513,054
Investment in Seabury at Powder Forest LLC	-	(58,500)	(58,500)	-	117,000	-
Decrease in accounts payable and accrued expenses related to construction	(727,054)	-	-	-	-	(727,054)
Purchases of property and equipment	(1,633,761)	(40,686)	-	-	-	(1,674,447)
Net cash provided by (used in) investing activities	(962,811)	15,864	(58,500)	-	117,000	(888,447)
Cash Flows from Financing Activities						
Principal payments on bonds payable	(4,710,000)	-	-	-	-	(4,710,000)
Principal payments on capital leases	(101,423)	-	-	-	(117,000)	(101,423)
Contributions from members	-	-	-	117,000	-	117,000
Net cash provided by (used in) financing activities	(4,811,423)	-	-	117,000	(117,000)	(4,811,423)
Net Increase (Decrease) in Cash, Cash Equivalents and Restricted Cash	(939,718)	(22,244)	2,336,018	(371)	-	1,373,685
Cash, Cash Equivalents and Restricted Cash - Beginning of Year	7,685,014	80,785	6,346,999	1,584	-	14,114,382
Cash, Cash Equivalents and Restricted Cash - End of Year	\$ 6,745,296	\$ 58,541	\$ 8,683,017	\$ 1,213	\$ -	\$ 15,488,067

Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC,
an SEC-registered investment advisor. | CliftonLarsonAllen LLP



EXHIBIT C

PRO FORMA FINANCIAL STATEMENTS

SEABURY AT HOME, INCORPORATED

2021 SOURCES & USE OF FUNDS

Seabury At Home's operating budget projects revenues of \$2,786,000 and \$2,762,000 projected expenses, for excess revenues over expenses of \$24,000. Major sources of funds include \$1,011,000 in monthly fees, \$816,000 personal care aide, and \$500,000 earned member fees.

Major expenses for the 2020 Fiscal Year include Seabury contracted services of \$1,614,000, outside contracted services of \$360,000, Assisted Living care of \$200,000, and \$200,000 for Skilled Nursing.

The projected membership growth rate is 3.33 new members per month for the next several years, and 1.33 members per month are expected to move to Seabury.

COVID-19 had very little impact on Seabury At Home operations. Seabury At Home has maintained a similar level of revenue and expenses comparing to pre-COVID-19 time.

Seabury At Home Incorporated
 Forecasted Balance Sheets
 For the Years Ending September 30, 2021 - 2023

1/31/2021

	<u>BUDGET</u> <u>FYE 9/30/21</u>	<u>FORECAST</u> <u>FYE 9/30/22</u>	<u>FORECAST</u> <u>FYE 9/30/23</u>
Assets			
Current Assets:			
Cash	9,680,526	10,397,197	11,144,353
Accounts Receivable	1,382,325	1,451,441	1,524,013
Prepaid Expenses	3,000	3,150	3,308
Total Current Assets	11,065,851	11,851,788	12,671,674
Property, Plant and Equipment, Net	454,863	432,558	418,471
Investment in Seabury at Powder Forest	2,519,797	2,584,797	2,649,797
Total Assets	14,040,511	14,869,143	15,739,942
Liabilities and Net Assets			
Accounts Payable	483,794	507,984	533,383
Deferred Membership Fees	13,472,765	14,229,725	15,016,656
Net Assets	83,952	131,434	189,903
Total Liabilities and Net Assets	14,040,511	14,869,143	15,739,942

Seabury At Home Incorporated
Growth Rate Assumptions
For the Years Ending September 30, 2021 - 2023

	<u>BUDGET</u> <u>FYE 9/30/21</u>	<u>FORECAST</u> <u>FYE 9/30/22</u>	<u>FORECAST</u> <u>FYE 9/30/23</u>
Monthly Fees Increase	3%	3.25%	3.25%
Additional Annual Members	40	40	40
Member Transfers to Seabury	16	16	16
Membership Fees Increase	3%	3%	3%
Private Duty Nursing	3%	3%	3%
Private Duty Personal Care	3%	3%	3%
Salaries Expenses Increase	3%	3%	3%
Other Expenses Increase	3%	3%	3%

Seabury At Home Incorporated
 Forecasted Statements of Cash Flow
 For the Years Ending September 30, 2021 - 2023

1/31/2021

	<u>BUDGET</u> <u>FYE 9/30/21</u>	<u>FORECAST</u> <u>FYE 9/30/22</u>	<u>FORECAST</u> <u>FYE 9/30/23</u>
Net Income	24,200	47,482	58,469
Adjustments:			
Depreciation	40,441	22,305	14,087
Earned Membership Fees	(500,000)	(515,000)	(530,450)
Membership Fees Received	1,940,000	1,998,200	2,058,146
Membership Fees Refunded	(712,000)	(726,240)	(740,765)
Changes in Current Liabilities	215,271	24,190	25,399
Changes in Current Assets	(438,241)	(69,266)	(72,730)
Net Cash Provided from (Used by) Operating Activities	569,671	781,671	812,156
Cash Flow from Investing Activities:			
Capital Improvements and Equipment Investment in Seabury at Powder Forest	(60,000)	(65,000)	(65,000)
Net Cash Used in Investing Activities	(60,000)	(65,000)	(65,000)
Cash Flow from Financing Activities:	0	0	0
Net Cash Used in Financing Activities	0	0	0
Annual Cash Flow	509,671	716,671	747,156
Cash Beginning of Year	9,170,855	9,680,526	10,397,197
Cash End of Year	9,680,526	10,397,197	11,144,353

Seabury At Home Incorporated
 Forecasted Statements of Revenue and Expenses
 For the Years Ending September 30, 2021 - 2023

1/31/2021

	BUDGET FYE 9/30/21	FORECAST FYE 9/30/22	FORECAST FYE 9/30/23
Revenue:			
Monthly Fees	1,011,184	1,044,047	1,075,368
Admission Evaluations	3,100	3,193	3,289
Interest Income	129,162	133,037	137,028
Wellness Pass	10,234	10,541	10,857
Long Term Care Insurance	333,408	343,410	353,712
Earned Member Fees	500,000	515,000	530,450
Life Line	10,080	10,382	10,693
Private Duty Personal Care	816,000	840,480	865,694
Loss on investments	(52,000)	(53,560)	(55,167)
Rent Income	<u>24,840</u>	<u>24,840</u>	<u>24,840</u>
Total Revenue	2,786,008	2,871,370	2,956,764
Expenses:			
Seabury Contracted Services	1,613,759	1,662,172	1,712,037
Marketing/Public Relations	155,000	159,650	164,440
Skilled Nursing Permanent Care	200,000	206,000	212,180
Assisted Living Temporary Care	200,000	206,000	212,180
Contract Professional Services	360,000	370,800	381,924
Supplies	7,500	7,725	7,957
Corporate Insurance - General	25,000	25,750	26,523
Depreciation	40,441	22,305	14,087
Real Estate Taxes	7,710	7,941	8,179
Accounting/Audit	10,609	10,927	11,255
Travel/Mileage Reimbursement	24,000	24,720	25,462
Dues/Licenses/Fees	24,000	24,720	25,462
Physician Fees	8,000	8,240	8,487
Cell Phones	5,500	5,665	5,835
Emergency Response	22,000	22,660	23,340
Transportation	1,200	1,236	1,273
Other	6,400	6,592	6,790
Fitness Services	3,200	3,296	3,395
Rent	<u>47,489</u>	<u>47,489</u>	<u>47,489</u>
Total Expenses	2,761,808	2,823,888	2,898,295
Net Income from Operations	24,200	47,482	58,469
Net Assets, Beginning of Year	59,752	83,952	131,434
Net Assets, End of Year	83,952	131,434	189,903

SEABURY

DISCLOSURE STATEMENT DATA

Increase Effective Date	Monthly Fees % Increase	Entry Fees Plan A / Plan 2% / 0% % Increase	Entry Fees Plan B / Plan 95% / 85% / 80% % Increase	Entry Fees Plan C / Plan 67% % Increase
10/01/1993	5.00%	0.00%	0.00%	0.00%
10/01/1994	5.00%	4.00%	4.00%	4.00%
10/01/1995	4.00%	3.50%	6.00%	2.80%
10/01/1996	5.00%	0.00%	0.00%	0.00%
10/01/1997	3.50%	0.00%	10.00%	0.00%
10/01/1998	2.00%	5.00%	10.00%	5.00%
10/01/1999	2.00%	2.90%	2.90%	2.90%
10/01/2000	3.00%	3.00%	3.00%	3.00%
10/01/2001	5.00%	5.00%	5.00%	5.00%
10/01/2002	3.00%	3.00%	Plan 85% Implemented	3.00%
10/01/2003	4.00%	4.00%	4.00%	4.00%
10/01/2004	2.00%	2.00%	2.00%	2.00%
10/01/2005	4.50%	4.50%	4.50%	4.50%
10/01/2006	5.50%	5.50%	5.50%	5.50%
10/01/2007	4.00%	4.00%	4.00%	4.00%
10/01/2008	3.00%	2.00%	2.00%	2.00%
10/01/2009	4.00%	3.00%	3.00%	3.00%
10/01/2010	3.00%	3.00%	3.00%	3.00%
10/01/2011	2.50%	0.00%	0.00%	0.00%
10/01/2012	3.00%	0.00%	0.00%	0.00%
10/01/2013	3.50%	0.00%	0.00%	0.00%
10/01/2014	3.50%	2.00%	2.00%	2.00%
10/01/2015	3.50%	2.00%	2.00%	2.00%
10/01/2016	3.50%	2.00%	2.00%	2.00%
10/01/2017	3.25%	2.00%	2.00%	2.00%
10/01/2018	3.25%	2.00%	2.00%	2.00%
02/01/2019	---	Plan 0% Implemented	Plan 80% Implemented	---
10/01/2019	3.50%	3.00%	3.00%	3.00%
10/01/2020	3.25%	3.00%	3.00%	3.00%

EXHIBIT D

MEMBERSHIP FEES/PERIODIC CHARGES

PAYMENT OF MEMBERSHIP FEE OR OTHER TRANSFER OF ASSETS PURSUANT TO A LIFE PLAN CONTRACT (CONTINUING CARE CONTRACT) MAY HAVE SIGNIFICANT TAX CONSEQUENCES. ANY PERSON CONSIDERING SUCH PAYMENT OR TRANSFER MAY WISH TO CONSULT A QUALIFIED ADVISOR.



Platinum Plan

80% Refundable Option

100% Coverage of both Home- and Facility-Based Care

(Assisted Living and Skilled Nursing)

\$512 Single Monthly Fee

<u>Age</u>	<u>Membership Fee</u>	<u>Age</u>	<u>Membership Fee</u>
50	\$50,283	71	\$111,410
51	\$51,115	72	\$116,616
52	\$51,948	73	\$121,820
53	\$52,781	74	\$127,026
54	\$53,613	75	\$132,229
55	\$54,447	76	\$138,976
56	\$56,737	77	\$145,722
57	\$59,027	78	\$152,470
58	\$61,316	79	\$159,216
59	\$63,608	80	\$165,962
60	\$66,366	81	\$175,662
61	\$70,112	82	\$185,361
62	\$73,855	83	\$195,058
63	\$77,603	84	\$204,756
64	\$81,350	85	\$214,457
65	\$85,098	86	\$226,530
66	\$89,319	87	\$238,604
67	\$93,540	88	\$251,250
68	\$98,936	89	\$264,566
69	\$101,984		
70	\$106,206		

*This plan ends at 89. Please see other plans for accommodations over 89.



Gold Plan

No Refund Option

100% Coverage of both Home- and Facility-Based Care

(Assisted Living and Skilled Nursing)

\$512 Single Monthly Fee

<u>Age</u>	<u>Membership Fee</u>	<u>Age</u>	<u>Membership Fee</u>
50	\$24,147	71	\$62,818
51	\$26,146	72	\$64,377
52	\$28,148	73	\$65,935
53	\$30,149	74	\$67,492
54	\$32,149	75	\$69,051
55	\$34,151	76	\$70,725
56	\$36,150	77	\$72,396
57	\$38,150	78	\$74,070
58	\$40,151	79	\$75,742
59	\$42,153	80	\$77,415
60	\$44,153	81	\$79,795
61	\$45,959	82	\$82,175
62	\$47,770	83	\$84,555
63	\$49,576	84	\$86,933
64	\$51,384	85	\$89,315
65	\$53,190	86	\$92,152
66	\$54,804	87	\$94,990
67	\$56,417	88	\$97,934
68	\$58,032	89	\$100,972
69	\$59,646	90	\$104,002
70	\$61,258		

*Individuals 91 and over will have a Membership Fee based on age 90.



Gold^{Plus} Plan

No Refund Option

100% Coverage of both Home- and Facility-Based Care
(Assisted Living and Skilled Nursing)

Age	Membership Fee	Age	Membership Fee
50	\$24,147	71	\$62,818
51	\$26,146	72	\$64,377
52	\$28,148	73	\$65,935
53	\$30,149	74	\$67,492
54	\$32,149	75	\$69,051
55	\$34,151	76	\$70,725
56	\$36,150	77	\$72,396
57	\$38,150	78	\$74,070
58	\$40,151	79	\$75,742
59	\$42,153	80	\$77,415
60	\$44,153	81	\$79,795
61	\$45,959	82	\$82,175
62	\$47,770	83	\$84,555
63	\$49,576	84	\$86,933
64	\$51,384	85	\$89,315
65	\$53,190	86	\$92,152
66	\$54,804	87	\$94,990
67	\$56,417	88	\$97,934
68	\$58,032	89	\$100,972
69	\$59,646	90	\$104,002
70	\$61,258		

The discounted monthly fee varies depending on the long-term care insurance policy maintained by the Member. A Gold^{Plus} Member must maintain a long-term care insurance policy that meets Program Criteria in exchange for a discounted monthly fee. A change from the Gold^{Plus} Plan to the Gold Plan, at any time, will necessitate additional fees, based on the difference between the discounted monthly fee and the current monthly fee for the Gold Plan. These fees will be retroactive from the "Membership Date". As a Gold^{Plus} Member, if you receive Home- and/or Facility-Based services, Seabury At Home will pay the difference between the per day cost of services and the covered amount you are eligible for under your long term care policy.

*Individuals 91 and over will have a Membership Fee based on age 90.



Silver Plan

No Refund Option

30% Co-Pay of both Home- and Facility-Based Care

(Assisted Living and Skilled Nursing)

\$448 Single Monthly Fee

<u>Age</u>	<u>Membership Fee</u>	<u>Age</u>	<u>Membership Fee</u>
50	\$17,180	71	\$43,477
51	\$18,412	72	\$44,576
52	\$19,642	73	\$45,674
53	\$20,874	74	\$46,773
54	\$22,106	75	\$47,869
55	\$23,336	76	\$49,046
56	\$24,739	77	\$50,224
57	\$26,141	78	\$51,399
58	\$27,545	79	\$52,578
59	\$28,949	80	\$53,755
60	\$30,352	81	\$55,422
61	\$31,621	82	\$57,089
62	\$32,892	83	\$58,758
63	\$34,161	84	\$60,427
64	\$35,429	85	\$62,093
65	\$36,699	86	\$64,080
66	\$37,835	87	\$66,067
67	\$38,970	88	\$68,115
68	\$40,106	89	\$70,230
69	\$41,243	90	\$72,403
70	\$42,379		

*Individuals 91 and over will have a Membership Fee based on age 90.



Sterling Plan
 No Refund Option
 100% Coverage Home Based Care
 \$368 Single Monthly Fee

<u>Age</u>	<u>Membership Fee</u>	<u>Age</u>	<u>Membership Fee</u>
50	\$4,575	71	\$25,736
51	\$5,161	72	\$27,123
52	\$5,745	73	\$28,513
53	\$6,331	74	\$29,903
54	\$6,917	75	\$31,289
55	\$7,504	76	\$32,569
56	\$8,091	77	\$33,846
57	\$8,674	78	\$35,124
58	\$9,261	79	\$36,403
59	\$9,845	80	\$37,682
60	\$10,432	81	\$38,833
61	\$11,810	82	\$39,983
62	\$13,186	83	\$41,133
63	\$14,564	84	\$42,285
64	\$15,940	85	\$43,435
65	\$17,317	86	\$44,390
66	\$18,721	87	\$45,346
67	\$20,129	88	\$46,302
68	\$21,536	89	\$47,256
69	\$22,944	90	\$48,211
70	\$24,350		

*Individuals 91 and over will have a Membership Fee based on age 90.



Copper Plan
No Refund Option
50% Co-Pay of Home Based Care
\$289 Single Monthly Fee

<u>Age</u>	<u>Membership Fee</u>	<u>Age</u>	<u>Membership Fee</u>
50	\$4,277	71	\$15,777
51	\$4,760	72	\$16,382
52	\$5,242	73	\$16,987
53	\$5,726	74	\$17,590
54	\$6,207	75	\$18,199
55	\$6,690	76	\$18,751
56	\$7,173	77	\$19,307
57	\$7,654	78	\$19,861
58	\$8,137	79	\$20,415
59	\$8,622	80	\$20,973
60	\$9,102	81	\$21,470
61	\$9,703	82	\$21,971
62	\$10,302	83	\$22,470
63	\$10,903	84	\$22,970
64	\$11,502	85	\$23,470
65	\$12,104	86	\$23,891
66	\$12,717	87	\$24,308
67	\$13,330	88	\$24,729
68	\$13,944	89	\$25,147
69	\$14,558	90	\$25,568
70	\$15,174		

*Individuals 91 and over will have a Membership Fee based on age 90.



TitaniumCARE Plan

No Refund Option

100% Coverage of Facility Based Care
(Assisted Living and Skilled Nursing)

\$464 Single Monthly Fee

<u>Age</u>	<u>Membership Fee</u>	<u>Age</u>	<u>Membership Fee</u>
50	\$26,411	71	\$30,721
51	\$26,690	72	\$30,860
52	\$26,968	73	\$30,998
53	\$23,693	74	\$31,140
54	\$27,247	75	\$31,278
55	\$27,524	76	\$31,417
56	\$27,802	77	\$31,555
57	\$28,078	78	\$31,694
58	\$28,358	79	\$31,834
59	\$28,635	80	\$31,973
60	\$29,192	81	\$32,879
61	\$29,331	82	\$33,787
62	\$29,470	83	\$34,694
63	\$29,609	84	\$35,601
64	\$29,749	85	\$36,509
65	\$29,889	86	\$36,885
66	\$30,028	87	\$37,261
67	\$30,166	88	\$37,636
68	\$30,303	89	\$38,014
69	\$30,444	90	\$38,389
70	\$30,583		

*Individuals 91 and over will have a Membership Fee based on age 90.



Titanium Plan
 No Refund Option
 (\$150 Cap on Assisted Living/Memory Care)
 (\$300 Cap on Skilled Nursing)
 \$464 Single Monthly Fee

<u>Age</u>	<u>Membership Fee</u>	<u>Age</u>	<u>Membership Fee</u>
50	\$18,328	71	\$21,318
51	\$18,521	72	\$21,415
52	\$18,713	73	\$21,551
53	\$18,906	74	\$21,607
54	\$19,100	75	\$21,705
55	\$19,293	76	\$21,801
56	\$19,486	77	\$21,896
57	\$19,678	78	\$21,993
58	\$19,871	79	\$22,090
59	\$20,063	80	\$22,187
60	\$20,259	81	\$22,778
61	\$20,353	82	\$23,369
62	\$20,450	83	\$23,962
63	\$20,547	84	\$24,553
64	\$20,642	85	\$25,146
65	\$20,739	86	\$25,405
66	\$20,837	87	\$25,665
67	\$20,932	88	\$25,923
68	\$21,028	89	\$26,183
69	\$21,125	90	\$26,441
70	\$21,223		

*Individuals 91 and over will have a Membership Fee based on age 90.

EXHIBIT E

PAYMENT PLANS

EXHIBIT E

SEABURY AT HOME
PAYMENT PLANS

TYPE OF SERVICE	<u>PLATINUM*</u>	<u>GOLD</u>	<u>GOLD^{PLUS}**</u>	<u>SILVER</u>	<u>STERLING</u>	<u>COPPER</u>
Care Coordination	100%	100%	100%	100%	100%	100%
Health Support Services						
Home Nurse Visits	100%	100%	100%	70%	100%	50%
Personal Care Aide	100%	100%	100%	70%	100%	50%
Companion Services	100%	100%	100%	70%	100%	50%
Live In Companion	100%	100%	100%	70%	100%	50%
Adult Day Care	100%	100%	100%	70%	100%	50%
Emergency Response System	100%	100%	100%	100%	100%	100%
Annual Physical Exam	100%	100%	100%	100%	100%	100%
Biennial Home Inspection	100%	100%	100%	100%	100%	100%
Transportation	100%	100%	100%	100%	100%	100%
Delivered Meals	100%	100%	100%	70%	100%	50%
Assisted Living	100%	100%	100%	70%	0%	0%
Nursing Home Care	100%	100%	100%	70%	0%	0%

*Seabury At Home will refund 80% of the membership fee to you or a Platinum Member's estate.

** For Gold, Gold Plus, Silver, Sterling, Copper, Titanium Care, or Titanium Payment Plans, no refund shall be due to you or your estate upon termination.

**A Gold^{Plus} member must maintain a long-term care insurance policy that meets Program Criteria. A change from the Gold^{Plus} plan to the Gold Plan, at any time, will necessitate additional fees, based on the difference between the discounted monthly fee and the current monthly fee for the Gold Plan. These fees will be retroactive from the "Membership Date".

EXHIBIT E

SEABURY AT HOME
PAYMENT PLANS

TYPE OF SERVICE	<u>TITANIUM</u>	
	<u>CARE**</u>	<u>TITANIUM**</u>
Care Coordination	100%	100%
Health Support Services		
Home Nurse Visits	0%	0%
Personal Care Aide	0%	0%
Companion Services	0%	0%
Live In Companion	0%	0%
Adult Day Care	0%	0%
Emergency Response System	100%	100%
Annual Physical Exam	100%	100%
Biennial Home Inspection	100%	100%
Transportation	0%	0%
Delivered Meals	0%	0%
Assisted Living	100%	\$150 cap
Nursing Home Care	100%	\$300 cap

*Seabury At Home will refund 80% of the membership fee to you or a Platinum Member's estate.

** For Gold, Gold Plus, Silver, Sterling, Copper, Titanium Care or Titanium Payment Plans, no refund shall be due to you or your estate upon termination.

**A Gold ^{Plus} member must maintain a long-term care insurance policy that meets Program Criteria. A change from the Gold ^{Plus} plan to the Gold Plan, at any time, will necessitate additional fees, based on the difference between the discounted monthly fee and the current monthly fee for the Gold Plan. These fees will be retroactive from the "Membership Date".

EXHIBIT F

STATEMENT OF ACTUARIAL OPINION



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Seabury at Home

Statement of Actuarial Opinion December 23, 2020

I, Dave Bond, am a Fellow of the Society of Actuaries, a member of the American Academy of Actuaries, the Managing Partner in the firm Continuing Care Actuaries, LLC, and I meet the qualification standards to render Statements of Actuarial Opinion for continuing care retirement communities. I have been retained by Seabury at Home to render a Statement of Actuarial Opinion, in accordance with Section 17b-527 of the Regulations implementing the Continuing Care Statutes, regarding the following actuarial projections included in Seabury at Home's 2020 Annual Financial Filing:

- Exhibit I Contract Termination Rates
- Exhibit II Average Age of Members
- Exhibit III Health Care Utilization Rates
- Exhibit IV Occupancy Rates
- Exhibit V Number of Health Care Admissions
- Exhibit VI Days of Care
- Exhibit VII Number of Permanent Transfers

I have examined the above items as shown in Seabury at Home's Annual Financial Filing. These items are attached to this Statement of Actuarial Opinion. In the course of my review, I relied upon the accuracy and completeness of data and supporting documentation prepared by Seabury at Home. In the course of my examination, nothing came to my attention that causes me to believe that the underlying data information is unreasonable or inappropriate. My examination included such review as I considered necessary of the data, methods, and underlying assumptions used by and the resulting actuarial projections reported by Seabury at Home with respect to the above items as shown in Seabury at Home's 2020 Annual Financial Filing.

In my opinion, the above items as shown in Seabury at Home's 2020 Annual Financial Filing:

- are based upon methods which are consistent with sound actuarial principles and practices; and
- are based upon methods and underlying assumptions that appear reasonable and appropriate in this instance.

Should you have any questions or concerns regarding this information, please do not hesitate to contact our offices.

Respectfully,

A handwritten signature in cursive script that reads 'Dave Bond'.

Dave Bond, F.S.A., M.A.A.A.
Managing Partner
dbond@continuingcareactuaries.com

Contract Termination Rates

The home contract release rates for the most recently completed fiscal year, and anticipated for the next five years, are as follows:

<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
4.9%	9.1%	9.3%	9.0%	8.6%	9.0%

Average Age of Members

The projected average age for the next five years for members in their homes is as follows:

<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
81	81	82	82	83

Health Care Utilization Rates

Health care utilization rates, including admission rates and days per 100 members by level of care for the most recently completed fiscal year, and anticipated for the next five years, are as follows:

<u>Year</u>	Skilled Nursing Facility				<u>Days per 100 Members</u>
	<u>Utilization Rate</u>		<u>Admission Rate</u>		
	<u>Patients</u>	<u>%</u>	<u>Patients</u>	<u>%</u>	
2020	0.5	0.2%	0.0	0.0%	82
2021	5.6	2.4%	116.5	49.6%	858
2022	8.0	3.1%	127.6	51.7%	1,136
2023	9.3	3.5%	135.5	54.2%	1,292
2024	10.1	3.8%	138.8	55.5%	1,396
2025	10.8	4.1%	144.1	57.6%	1,488

<u>Year</u>	Assisted Living Units				<u>Days per 100 Members</u>
	<u>Utilization Rate</u>		<u>Admission Rate</u>		
	<u>Patients</u>	<u>%</u>	<u>Patients</u>	<u>%</u>	
2020	3.0	1.3%	0.0	0.0%	490
2021	3.9	1.6%	4.4	1.9%	587
2022	5.9	2.3%	5.7	2.3%	840
2023	7.7	2.9%	5.8	2.3%	1,074
2024	8.8	3.3%	6.0	2.4%	1,214
2025	9.5	3.6%	6.2	2.5%	1,305

Occupancy Rates

Occupancy rates for independent living units for the most recently completed fiscal year, and anticipated for the next five years, are as follows:

<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
N/A	N/A	N/A	N/A	N/A	N/A

Number of Health Care Admissions

The number of health care admissions, by level of care, for the most recently completed fiscal year, and anticipated for the next five years, are as follows:

<u>Year</u>	<u>Skilled Nursing</u>	<u>Assisted Living</u>
2020	0.0	0.0
2021	116.5	4.4
2022	127.6	5.7
2023	135.5	5.8
2024	138.8	6.0
2025	144.1	6.2

Days of Care

The number of days of care, by level of care, for the most recently completed fiscal year, and anticipated for the next five years, are as follows:

<u>Year</u>	<u>Skilled Nursing</u>	<u>Assisted Living</u>
2020	183	1,095
2021	2,060	1,410
2022	2,909	2,151
2023	3,384	2,813
2024	3,682	3,201
2025	3,941	3,456

Number of Permanent Transfers

The number of permanent transfers to the skilled nursing or assisted living facility for the most recently completed fiscal year are:

<u>Facility transferred to:</u>	<u>Transferring from:</u>		<u>Total</u>
	<u>Member Home</u>	<u>Assisted Living</u>	
Skilled Nursing	0.0	0.0	0.0
Assisted Living	0.0	N/A	0.0