



Seabury



At Home

your life. your future. your choice.

Annual
Filing

Fiscal Year End
2014

**SEABURY AT HOME
2014 ANNUAL FINANCIAL FILING
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Platinum Plan
 90% Refundable Option
 100% Coverage of both Home and Facility Based Care
 (Assisted Living and Skilled Nursing)
 \$432 Single Monthly Fee

<u>Age</u>	<u>Membership Fee</u>	<u>Age</u>	<u>Membership Fee</u>
50	\$42,928	71	\$95,116
51	\$43,639	72	\$99,559
52	\$44,350	73	\$104,002
53	\$45,061	74	\$108,446
54	\$45,772	75	\$112,889
55	\$46,483	76	\$118,649
56	\$48,438	77	\$124,409
57	\$50,393	78	\$130,169
58	\$52,348	79	\$135,929
59	\$54,303	80	\$141,689
60	\$56,658	81	\$149,970
61	\$59,857	82	\$158,249
62	\$63,054	83	\$166,529
63	\$66,253	84	\$174,809
64	\$69,452	85	\$183,090
65	\$72,651	86	\$193,397
66	\$76,254	87	\$203,705
67	\$79,859	88	\$214,501
68	\$84,464	89	\$225,870
69	\$87,068		
70	\$90,673		

*This plan ends at 89 – Please see other plans.



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Gold Plan

2% Declining Refundable Option
 100% Coverage of both Home and Facility Based Care
 (Assisted Living and Skilled Nursing)
 \$432 Single Monthly Fee

<u>Age</u>	<u>Membership Fee</u>	<u>Age</u>	<u>Membership Fee</u>
50	\$20,615	71	\$53,630
51	\$22,323	72	\$54,961
52	\$24,031	73	\$56,291
53	\$25,739	74	\$57,621
54	\$27,447	75	\$58,951
55	\$29,155	76	\$60,380
56	\$30,863	77	\$61,807
57	\$32,571	78	\$63,236
58	\$34,279	79	\$64,664
59	\$35,987	80	\$66,092
60	\$37,695	81	\$68,124
61	\$39,237	82	\$70,156
62	\$40,782	83	\$72,187
63	\$42,325	84	\$74,219
64	\$43,868	85	\$76,251
65	\$45,411	86	\$78,674
66	\$46,788	87	\$81,097
67	\$48,166	88	\$83,610
68	\$49,543	89	\$86,203
69	\$50,922	90	\$88,790
70	\$52,299		

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



GoldPlus Plan
2% Declining Refundable Option
100% Coverage of both Home and Facility Based Care
(Assisted Living and Skilled Nursing)

<u>Age</u>	<u>Membership Fee</u>	<u>Age</u>	<u>Membership Fee</u>
50	\$20,615	71	\$53,630
51	\$22,323	72	\$54,961
52	\$24,031	73	\$56,291
53	\$25,739	74	\$57,621
54	\$27,447	75	\$58,951
55	\$29,155	76	\$60,380
56	\$30,863	77	\$61,807
57	\$32,571	78	\$63,236
58	\$34,279	79	\$64,664
59	\$35,987	80	\$66,092
60	\$37,695	81	\$68,124
61	\$39,237	82	\$70,156
62	\$40,782	83	\$72,187
63	\$42,325	84	\$74,219
64	\$43,868	85	\$76,251
65	\$45,411	86	\$78,674
66	\$46,788	87	\$81,097
67	\$48,166	88	\$83,610
68	\$49,543	89	\$86,203
69	\$50,922	90	\$88,790
70	\$52,299		

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. Seabury At Home 10-13



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Silver Plan

2% Declining Refund Option

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

(Assisted Living and Skilled Nursing)

\$378 Single Monthly Fee

<u>Age</u>	<u>Membership Fee</u>	<u>Age</u>	<u>Membership Fee</u>
50	\$14,668	71	\$37,119
51	\$15,719	72	\$38,056
52	\$16,770	73	\$38,994
53	\$17,821	74	\$39,931
54	\$18,872	75	\$40,868
55	\$19,923	76	\$41,873
56	\$21,121	77	\$42,878
57	\$22,319	78	\$43,882
58	\$23,517	79	\$44,887
59	\$24,715	80	\$45,892
60	\$25,913	81	\$47,317
61	\$26,996	82	\$48,740
62	\$28,081	83	\$50,164
63	\$29,165	84	\$51,589
64	\$30,247	85	\$53,011
65	\$31,331	86	\$54,709
66	\$32,301	87	\$56,404
67	\$33,271	88	\$58,153
68	\$34,240	89	\$59,957
69	\$35,211	90	\$61,814
70	\$36,181		

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



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Sterling Plan
2% Declining Refund Option
100% Coverage Home Based Care
\$312 Single Monthly Fee

<u>Age</u>	<u>Membership Fee</u>	<u>Age</u>	<u>Membership Fee</u>
50	\$3,906	71	\$21,972
51	\$4,406	72	\$23,157
52	\$4,906	73	\$24,342
53	\$5,406	74	\$25,528
54	\$5,906	75	\$26,713
55	\$6,406	76	\$27,805
56	\$6,906	77	\$28,896
57	\$7,406	78	\$29,987
58	\$7,906	79	\$31,078
59	\$8,406	80	\$32,171
60	\$8,906	81	\$33,153
61	\$10,082	82	\$34,135
62	\$11,257	83	\$35,118
63	\$12,433	84	\$36,100
64	\$13,608	85	\$37,082
65	\$14,783	86	\$37,898
66	\$15,983	87	\$38,713
67	\$17,184	88	\$39,529
68	\$18,386	89	\$40,345
69	\$19,587	90	\$41,160
70	\$20,788		

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



Copper Plan
 2% Declining Refund Option
 50% Co-Pay of Home Based Care
 \$244 Single Monthly Fee

<u>Age</u>	<u>Membership Fee</u>	<u>Age</u>	<u>Membership Fee</u>
50	\$3,545	71	\$13,076
51	\$3,945	72	\$13,578
52	\$4,345	73	\$14,080
53	\$4,745	74	\$14,581
54	\$5,145	75	\$15,083
55	\$5,545	76	\$15,543
56	\$5,945	77	\$16,004
57	\$6,345	78	\$16,463
58	\$6,745	79	\$16,923
59	\$7,145	80	\$17,383
60	\$7,545	81	\$17,797
61	\$8,043	82	\$18,211
62	\$8,539	83	\$18,625
63	\$9,037	84	\$19,039
64	\$9,534	85	\$19,453
65	\$10,032	86	\$19,802
66	\$10,541	87	\$20,149
67	\$11,049	88	\$20,497
68	\$11,558	89	\$20,845
69	\$12,067	90	\$21,192
70	\$12,576		

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



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Seabury at Home

Statement of Actuarial Opinion November 22, 2013

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 CCRC Actuarial, 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 2013 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 2013 Annual Financial Filing.

In my opinion, the above items as shown in Seabury at Home's 2013 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,

Dave Bond, F.S.A., M.A.A.A.
Managing Partner
dave.bond@ccrcactuaries.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>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
10.1%	1.7%	3.7%	4.3%	4.6%	4.9%

Average Age of Members

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

<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
78	79	80	80	81

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>	
2013	0.7	0.6%	5.0	4.2%	208
2014	2.2	1.5%	14.9	9.9%	534
2015	3.7	2.0%	20.2	11.2%	736
2016	5.3	2.5%	24.5	12.0%	911
2017	6.8	2.9%	28.9	12.7%	1,054
2018	8.4	3.2%	33.2	13.3%	1,172

<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>	
2013	0.0	0.0%	0.0	0.0%	0
2014	0.5	0.3%	1.1	0.8%	110
2015	2.0	1.1%	2.9	1.6%	398
2016	4.0	1.9%	3.5	1.7%	689
2017	5.7	2.4%	4.2	1.8%	879
2018	7.3	2.8%	4.8	1.9%	1,017

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>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</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>
2013	5.0	0.0
2014	14.9	1.1
2015	20.2	2.9
2016	24.5	3.5
2017	28.9	4.2
2018	33.2	4.8

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>
2013	247	0
2014	811	167
2015	1,346	728
2016	1,924	1,454
2017	2,499	2,085
2018	3,061	2,656

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
Assisted Living	0	N/A	0

Seabury at Home
Calculation of Prepaid Health Care Obligation

As of September 30, 2013

Present Value of Health Care Operating Expenses	\$10,000,988
Present Value of Health Care Capital Expenses	<u>162,780</u>
Total Health Care Expenses	\$10,163,768
Present Value of Health Care Revenue	\$5,250,153
Total Health Care Expenses	\$10,163,768
Less Health Care Revenue	<u>5,250,153</u>
Total Prepaid Health Care Obligation	\$4,913,614
Total Number of at Home Members as of September 30, 2013	103
Total Health Care Obligation per Member	\$47,705

Seabury at Home

Allocation of Depreciation and Capital Expense to Health Care Residents

<u>Fiscal Year</u>	<u>Depreciation & Capital Expense</u>	<u>Present Value of Depreciation & Capital Expense Allocated to Health Care</u>
2013	\$34,252	\$34,252
2014	26,258	24,889
2015	21,021	18,886
2016	17,323	14,753
2017	14,564	11,757
2018	12,402	9,489
2019	10,923	7,922
2020	9,932	6,828
2021	9,033	5,886
2022	8,161	5,041
2023	7,328	4,290
2024	6,533	3,625
2025	5,770	3,035
2026	5,053	2,519
2027	4,383	2,071
2028	3,759	1,684
2029	3,194	1,356
2030	2,689	1,082
2031	2,235	853
2032	1,841	666
2033	1,499	514
2034	1,210	393
2035	965	297
2036	749	219
2037	578	160
2038	438	115
2039	326	81
2040	245	58
2041	171	38
2042	111	23
Total	<u>212,945</u>	<u>162,780</u>

SEABURY AT HOME, INCORPORATED
2014 SOURCES & USE OF FUNDS

Seabury At Home's operating budget projects revenues of \$927,418, with expenses of \$858,060 and capital expenditures of \$7,200, for excess revenues over disbursements of \$62,158. The projected membership growth rate is a conservative 2.5 new members per month for 30 new members, and a total by year end of 126 members. Seabury At Home has several membership plans, and the projected breakdown is as follows: 3 Platinum, 11 Gold, and 16 Gold Plus.

Seabury At Home Incorporated
 Forecasted Statements of Cash Flow
 For the Years Ending September 30, 2014 - 2018

1/21/2014

	<u>BUDGET 9/30/14</u>	<u>FYE 9/30/15</u>	<u>FYE 9/30/16</u>	<u>FYE 9/30/17</u>	<u>FYE 9/30/18</u>
Net Income (Loss)	69,358	12,119	18,386	(12,096)	24,532
Adjustments:					
Depreciation	40,179	38,825	38,496	38,205	38,205
Earned Membership Fees	(229,473)	(273,804)	(324,197)	(374,590)	(424,984)
Membership Fees Received	2,062,000	2,144,000	2,230,000	2,319,000	2,412,000
Membership Fees Refunded	(799,599)	(817,599)	(835,599)	(848,599)	(859,599)
Changes in Current Liabilities	(127,273)	28,420	15,652	19,538	14,775
Changes in Current Assets	42,461	(25,415)	(25,971)	(26,540)	(27,120)
Net Cash Provided from Operating Activities	1,057,653	1,106,546	1,116,767	1,114,918	1,177,809
Cash Flow from Investing Activities:					
Capital Improvements and Equipment	(7,200)				
Net Cash Used in Investing Activities	(7,200)				
Cash Flow from Financing Activities:					
Loan Payable to Seabury					
Repayment of Loan to CHHI Endowment	(73,711)	(34,679)	(6,060)	(9,193)	
Net Cash Used in Financing Activities	(73,711)	(34,679)	(6,060)	(9,193)	
Miscellaneous Adjustment				1	(1)
Annual Cash Flow	976,742	1,071,867	1,110,707	1,105,726	1,177,808
Cash Beginning of Year	5,965,079	6,941,821	8,013,688	9,124,395	10,230,121
Cash End of Year	6,941,821	8,013,688	9,124,395	10,230,121	11,407,929

Seabury At Home Incorporated
 Forecasted Balance Sheets
 For the Years Ending September 30, 2014 - 2018

	<u>BUDGET 9/30/14</u>	<u>FYE 9/30/15</u>	<u>FYE 9/30/16</u>	<u>FYE 9/30/17</u>	<u>FYE 9/30/18</u>
Assets					
Current Assets:					
Cash	6,941,821	8,013,688	9,124,395	10,230,121	11,407,929
Accounts Receivable	1,031,712	1,052,346	1,073,393	1,094,861	1,116,758
Prepaid Expenses	159,352	164,133	169,057	174,129	179,352
Total Current Assets	8,132,885	9,230,167	10,366,845	11,499,111	12,704,039
Property, Plant and Equipment, Net	701,987	663,162	624,666	586,461	548,256
Total Assets	8,834,872	9,893,329	10,991,511	12,085,572	13,252,295
Liabilities and Fund Balance					
Accounts Payable	68,157	96,577	112,229	131,767	146,542
Deferred Membership Fees	7,613,761	8,666,358	9,736,562	10,832,373	11,959,790
Loan Payable to CHHI Endowment	413,123	378,444	372,384	363,191	363,191
Loan Payable to Seabury	1,248,370	1,248,370	1,248,370	1,248,370	1,248,370
Total Loans Payable	1,661,493	1,626,814	1,620,754	1,611,561	1,611,561
Fund Balance	(508,539)	(496,420)	(478,034)	(490,129)	(465,598)
Total Liabilities and Fund Balance	8,834,872	9,893,329	10,991,511	12,085,572	13,252,295

Seabury At Home Incorporated
 Forecasted Income Statements
 For the Years Ending September 30, 2014 - 2018

1/21/2014

	<u>BUDGET</u> 9/30/14	<u>FYE</u> 9/30/15	<u>FYE</u> 9/30/16	<u>FYE</u> 9/30/17	<u>FYE</u> 9/30/18
Revenue:					
Monthly Fees	391,080	498,465	613,737	737,596	870,298
Admission Evaluations	4,500	4,500	4,500	4,500	4,500
Interest Income	726	105,572	123,003	141,388	160,788
Wellness Pass	3,120	3,245	3,375	3,510	3,650
Long Term Care Insurance	0	15,848	15,848	15,848	15,848
Earned Member Fees	229,743	273,804	324,197	374,590	424,984
Leased Rental Income	19,481	19,481	19,481	19,481	19,481
Life Line	8,700	10,778	12,971	15,288	17,731
Private Duty Nursing	17,900	18,437	18,990	19,560	20,147
Private Duty Personal Care	252,156	259,721	267,512	275,538	283,804
Finance Charges on Unpaid Balances	<u>12</u>	<u>12</u>	<u>12</u>	<u>12</u>	<u>12</u>
Total Revenue	927,418	1,209,863	1,403,626	1,607,311	1,821,243
Expenses:					
Seabury Contracted Services	510,270	550,475	561,485	632,715	645,369
Marketing/Public Relations	149,737	154,229	158,856	163,622	168,530
Emergency Response	0	8,000	12,000	16,000	20,000
Skilled Nursing Permanent Care	0	176,000	245,000	317,000	390,000
Home Health Care	2,000	1,500	1,500	1,500	1,500
Skilled Nursing Temporary Care	29,089	18,750	26,750	35,500	44,500
Delivered Meals	250	1,000	1,000	2,000	3,000
Assisted Living Temporary Care	0	18,250	26,000	35,500	42,750
Repairs to Building	3,500	3,605	3,713	3,825	3,939
Live In	0	90,500	164,250	217,250	272,250
Exterminations	1,078	1,110	1,144	1,178	1,213
Companions	0	7,500	10,750	14,250	17,750
Trash Removal	1,520	1,566	1,613	1,661	1,711
Snow Removal	4,000	4,120	4,244	4,371	4,502
Contract Lawn Service	2,514	2,589	2,667	2,747	2,830
Contract Maintenance Service	500	515	530	546	563
Maintenance Supplies	500	515	530	546	563
Contract Housekeeping SVC	600	618	637	656	675
Housekeeping Supplies	300	309	318	328	338
Electricity	4,000	4,120	4,244	4,371	4,502
Fuel Oil	3,000	3,090	3,183	3,278	3,377
Corporate Insurance - General	18,816	19,380	19,962	20,561	21,178
Depreciation	40,179	38,825	38,496	38,205	38,205
Real Estate Taxes	11,264	11,602	11,950	12,308	12,678
Accounting/Audit	6,250	6,438	6,631	6,830	7,034
Printing	3,300	3,399	3,501	3,606	3,714
Education/Training	3,680	3,790	3,904	4,021	4,142
Travel	10,000	10,300	10,609	10,927	11,255
Dues/Licenses/Fees	4,865	5,011	5,161	5,316	5,476
Postage	1,500	1,545	1,591	1,639	1,688
Office Supplies	5,050	5,202	5,358	5,518	5,684
Dining/Catering	2,780	2,863	2,949	3,038	3,129
Physician Fees	4,500	4,500	4,500	4,500	4,500
Cell Phones	5,540	5,706	5,877	6,054	6,235
Life Line	12,060	14,940	17,981	21,192	24,579
Transportation	1,000	1,030	1,061	1,093	1,126
Data Processing	5,120	5,274	5,432	5,595	5,763
Equipment Rental	4,080	4,202	4,328	4,458	4,592
Water/Sewer	285	294	302	311	321
Employee Recruiting	1,750	1,803	1,857	1,912	1,970
Uniforms	480	494	509	525	540
Medical Supplies	703	724	746	768	791
Member Social Events	<u>2,000</u>	<u>2060</u>	<u>2122</u>	<u>2185</u>	<u>2251</u>
Total Expenses	858,060	1,197,743	1,385,240	1,619,406	1,796,711
Net Profit (Loss) from Operations	69,358	12,119	18,386	(12,096)	24,532
Fund Balance, Beginning of Year	(577,897)	(508,539)	(496,420)	(478,034)	(490,129)
Fund Balance , End of Year	(508,539)	(496,420)	(478,034)	(490,129)	(465,598)

Seabury At Home Incorporated
 Growth Rate Assumptions
 For the Years Ending September 30, 2014 - 2018

1/21/2014

	<u>BUDGET 9/30/14</u>	<u>FYE 9/30/15</u>	<u>FYE 9/30/16</u>	<u>FYE 9/30/17</u>	<u>FYE 9/30/18</u>
Monthly Fees Increase	2%	4%	4%	4%	4%
Additional Annual Members	30	30	30	30	30
Membership Fees Increase	2%	2%	2%	2%	2%
Interest Income	0.1%	1.25%	1.25%	1.25%	1.25%
Private Duty Nursing	0%	3%	3%	3%	3%
Private Duty Personal Care	0%	3%	3%	3%	3%
Salaries Expenses Increase	2%	2%	2%	2%	2%
Other Expenses Increase	3%	3%	3%	3%	3%
Additional Personal Care Coordinators		0.5		1	

**CHURCH HOME OF HARTFORD
INCORPORATED AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2013 AND 2012**

**CHURCH HOME OF HARTFORD INCORPORATED
AND SUBSIDIARIES**

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Independent Auditors' Report

To the Board of Directors
Church Home of Hartford Incorporated and Subsidiaries

We have audited the accompanying consolidated financial statements of Church Home of Hartford Incorporated, which comprise the consolidated statements of financial position as of September 30, 2013 and 2012, and the related consolidated statements of activities and changes in net assets and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated 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 audits. We conducted our audits 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 Church Home of Hartford Incorporated and Subsidiaries as of September 30, 2013 and 2012, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Blum, Shapiro & Company, P.C.

West Hartford, Connecticut
December 20, 2013

CHURCH HOME OF HARTFORD INCORPORATED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
SEPTEMBER 30, 2013 AND 2012

ASSETS

	<u>2013</u>	<u>2012</u>
Current Assets		
Cash and cash equivalents	\$ 10,752,212	\$ 9,523,347
Entrance fee deposits	435,276	449,823
Accounts receivable, net	1,200,400	991,222
Entrance fees receivable	2,351,046	1,545,152
Prepaid expenses and other current assets	456,006	262,132
Total current assets	<u>15,194,940</u>	<u>12,771,676</u>
Investments	<u>22,140,862</u>	<u>20,508,346</u>
Property and Equipment, at Cost		
Land and improvements	4,745,187	4,787,452
Buildings and improvements	63,524,571	61,716,324
Furniture, fixtures and equipment	4,310,885	4,856,409
Vehicles	196,202	189,140
Construction in progress	322,802	408,773
Less accumulated depreciation	<u>73,099,647</u>	<u>71,958,098</u>
Net property and equipment	<u>35,668,983</u>	<u>34,088,183</u>
	<u>37,430,664</u>	<u>37,869,915</u>
Other Assets		
Deferred costs, net of accumulated amortization	310,193	354,014
Deferred compensation in vestments	34,363	17,000
Beneficial interest in perpetual trusts	1,937,638	1,868,205
Pledges receivable	85,448	88,297
Other receivables	34,223	-
Total other assets	<u>2,401,865</u>	<u>2,327,516</u>
Total Assets	<u>\$ 77,168,331</u>	<u>\$ 73,477,453</u>

LIABILITIES AND NET ASSETS

	<u>2013</u>	<u>2012</u>
Current Liabilities		
Current portion of bonds payable	\$ 1,955,000	\$ 1,890,000
Current portion of loans payable	281,656	266,723
Accounts payable and accrued expenses	1,923,376	1,934,179
Entrance fee deposits	438,776	453,323
Total current liabilities	<u>4,598,808</u>	<u>4,544,225</u>
Annuities Payable	424,210	441,406
Bonds Payable, Net of Current Portion	13,845,000	15,800,000
Loans Payable, Net of Current Portion	1,115,895	1,397,551
Deferred Compensation	34,363	17,000
Deferred Revenue from Entrance Fees	38,420,607	35,201,609
Future Service Obligation	-	94,903
Interest Rate Swap Obligation	622,037	1,070,038
Total liabilities	<u>59,060,920</u>	<u>58,566,732</u>
Net Assets		
Unrestricted	15,147,289	12,133,520
Temporarily restricted	652,485	538,997
Permanently restricted	2,307,637	2,238,204
Total net assets	<u>18,107,411</u>	<u>14,910,721</u>
Total Liabilities and Net Assets	<u>\$ 77,168,331</u>	<u>\$ 73,477,453</u>

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

CHURCH HOME OF HARTFORD INCORPORATED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED SEPTEMBER 30, 2013 AND 2012

	2013	2012
Unrestricted Net Assets		
Revenues, gains and other support:		
Health center patients, net of contractals	\$ 7,119,641	\$ 7,018,334
Assisted living services	3,139,234	2,812,576
Resident services	10,003,438	10,031,595
Home health revenue	835,971	1,046,651
Seabury at Home revenue	330,497	202,964
Amortization of deferred revenue from entrance fees	2,871,039	2,693,011
Investment income	854,510	1,550,438
Other income	812,536	934,157
Contributions and gifts	74,976	37,070
Total revenues, gains and other support	26,041,842	26,326,796
Expenses:		
Medical and other resident care	7,635,405	7,559,526
General and administrative	7,707,858	7,270,154
Dietary	2,566,932	2,413,017
Repairs and maintenance	2,719,503	2,843,523
Housekeeping and laundry	614,533	630,544
Interest expense, net	648,070	726,816
Depreciation and amortization	2,876,780	2,739,907
Total expenses	24,769,081	24,183,487
Income from operations	1,272,761	2,143,309
Other changes in unrestricted net assets:		
Change in net unrealized gain on investments	1,268,555	1,032,067
Net assets released from restrictions	24,452	2,994
Change in interest rate swap obligation	448,001	(112,127)
Increase in unrestricted net assets	3,013,769	3,066,243
Temporarily Restricted Net Assets		
Contributions and gifts	23,787	14,100
Change in net unrealized gain on investments	114,153	134,328
Net assets released from restrictions	(24,452)	(2,994)
Increase in temporarily restricted net assets	113,488	145,434
Permanently Restricted Net Assets		
Change in interest in perpetual trusts	69,433	205,458
Change in Net Assets	3,196,690	3,417,135
Net Assets - Beginning of Year	14,910,721	11,493,586
Net Assets - End of Year	\$ 18,107,411	\$ 14,910,721

The accompanying notes are an integral part the consolidated financial statements

CHURCH HOME OF HARTFORD INCORPORATED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED SEPTEMBER 30, 2013 AND 2012

	<u>2013</u>	<u>2012</u>
Cash Flows from Operating Activities		
Change in net assets	\$ 3,196,690	\$ 3,417,135
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Proceeds from entrance fees, net of refunds	6,090,037	3,846,997
Depreciation and amortization	2,876,780	2,739,907
Change in interest rate swap obligation	(448,001)	112,127
Amortization of deferred revenue from entrance fees	(2,871,039)	(2,693,011)
Change in net unrealized gain on investments	(1,382,708)	(1,166,395)
Change in interest in perpetual trusts	(69,433)	(205,458)
Loss on disposal of assets	185,539	-
(Increase) decrease in operating assets:		
Entrance fee deposits	14,547	226,466
Accounts receivable and pledges receivable	(206,329)	164,439
Entrance fees receivable	(805,894)	220,308
Prepaid expenses and other current assets	(222,374)	553,698
Other receivables	(34,223)	-
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	(10,797)	343,921
Future service obligation	(94,903)	(157,916)
Entrance fee deposits	(14,547)	(226,466)
Annuities payable	(17,196)	104,292
Net cash provided by operating activities	<u>6,186,149</u>	<u>7,280,044</u>
Cash Purchases from Investing Activities		
Purchases of investments, net	(249,809)	(2,280,298)
Purchases of property and equipment	(2,693,877)	(1,506,450)
Proceeds from sale of property and equipment	143,125	-
Net cash used in investing activities	<u>(2,800,561)</u>	<u>(3,786,748)</u>
Cash Flows from Financing Activities		
Principal payment on debt	(2,156,723)	(2,082,669)
Net cash used in financing activities	<u>(2,156,723)</u>	<u>(2,082,669)</u>
Net Increase in Cash and Cash Equivalents	1,228,865	1,410,627
Cash and Cash Equivalents - Beginning of Year	<u>9,523,347</u>	<u>8,112,720</u>
Cash and Cash Equivalents - End of Year	<u>\$ 10,752,212</u>	<u>\$ 9,523,347</u>
Cash Paid During the Year for Interest	\$ 653,322	\$ 731,902

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

CHURCH HOME OF HARTFORD INCORPORATED AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 - ORGANIZATION

Church Home of Hartford Incorporated (the Company) is a Connecticut nonstock, tax-exempt organization that has provided housing with support services for the elderly in the Hartford area since 1876. The Company, which is affiliated with the Episcopal Diocese of Connecticut, currently operates a health center and independent living community (Seabury). As of September 30, 2013 and 2012, Seabury consisted of 196 and 199 independent living units, respectively, 27 congregate living units, 22 residential care home beds and 60 skilled nursing beds.

Seabury Memory Care Center, Inc., d/b/a Seabury Meadows (the Meadows) operates a healthcare facility, the Meadows, consisting of 44 assisted living dementia beds and 14 residential care home beds. Overall occupancy levels at Seabury and Seabury Memory Care Center for the years ended September 30, 2013 and 2012, are as follows:

	<u>2013</u>	<u>2012</u>
Seabury		
Independent living	95%	95%
Congregate living	96%	95%
Residential care home	85%	90%
Skilled nursing care	95%	95%
Seabury Memory Care Center		
Assisted living	98%	96%
Residential care home	97%	99%

The Meadows is a nonstock, tax-exempt organization and is a separate legal entity from the Company. Since the Company is the sole member of the Meadows, the assets, liabilities and activities of the Meadows have been consolidated with those of the Company in the accompanying consolidated financial statements.

In May 1996, the Company formed Seabury Charitable Foundation, Inc. (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 the Company, the Meadows and Seabury At Home Incorporated (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.

CHURCH HOME OF HARTFORD INCORPORATED AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 - ORGANIZATION (Continued)

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.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

New Accounting Pronouncement - In 2012, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update 2012-01, *Continuing Care Retirement Communities-Refundable Advance Fees* (ASU 2012-01). ASU 2012-01 requires that refundable entrance fees be accounted for as a liability on a company's books and only permits amortization of those fees into revenue under certain circumstances. This standard will be effective for the Company's fiscal year ending September 30, 2014. Application of ASU 2012-01 as of October 1, 2012 and for the year ended September 30, 2013 would affect the following financial statement line items.

Changes in the consolidated statement of activities and changes in net assets for the year ended September 30, 2013 would be as follows:

	<u>As Computed prior to ASU 2012-01</u>	<u>As Reported under ASU 2012-01</u>	<u>Effect of Change</u>
Unrestricted Revenues			
Amortization of entrance fees	\$ 2,871,039	\$ 1,994,692	\$ (876,347)
Income from Operations	1,272,743	396,396	(876,347)
Increase in Unrestricted Net Assets	3,013,751	2,137,404	(876,347)
Change in Net Assets	3,196,672	2,320,325	(876,347)
Net Assets - Beginning of Year	14,910,721	5,220,255	(9,690,466)
Net Assets - End of Year	18,107,393	7,540,580	(10,566,813)

CHURCH HOME OF HARTFORD INCORPORATED AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Changes in the consolidated statement of financial position as of September 30, 2013 would be as follows:

	<u>As Computed prior to ASU 2012-01</u>	<u>As Reported under ASU 2012-01</u>	<u>Effect of Change</u>
Deferred Revenue from Entrance Fees	\$ 38,420,607	\$ 48,987,420	\$ 10,566,813
Net Assets			
Unrestricted	15,147,271	4,580,458	(10,566,813)

Changes in the consolidated statement of cash flows for the year ended September 30, 2013 would be as follows:

	<u>As Computed prior to ASU 2012-01</u>	<u>As Reported under ASU 2012-01</u>	<u>Effect of Change</u>
Change in Net Assets	\$ 3,196,672	\$ 2,320,325	\$ (876,347)
Amortization of Entrance Fees	(2,871,039)	(1,994,692)	876,347

Basis of Presentation - 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:

Unrestricted Net Assets - Unrestricted net assets represent resources that may be expended at the direction of the Board of Directors.

Temporarily Restricted Net Assets - Temporarily restricted net assets represent contributions that are restricted by the donor either as to purpose or as to time of expenditure and are to be used to support various operating activities. They also include accumulated investment earnings on permanently restricted investments that have not been appropriated for expenditure.

Permanently Restricted Net Assets - Permanently restricted net assets represent resources that have donor-imposed restrictions that require that the principal be maintained in perpetuity but permit the Company to expend the income earned thereon to support operational activities. These permanently restricted net assets include the Company's beneficial interest in perpetual trusts of \$1,937,637 and \$1,868,204 at September 30, 2013 and 2012, respectively, and an endowment of \$370,000 for each of the years ended September 30, 2013 and 2012.

CHURCH HOME OF HARTFORD INCORPORATED AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 deferred revenue from entrance fees (see Note 4), accrued expenses and annuities payable. It is management's opinion that the estimates applied in the accompanying consolidated financial statements are reasonable.

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

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 \$162,832 and \$97,000 at September 30, 2013 and 2012, respectively, which is based on a review of significant balances and past experience.

Investment Valuation and Income Recognition - Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 3 for a discussion of fair value measurements. Purchases and sales of securities are recorded on the trade date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. 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 temporarily restricted net assets until appropriated for expenditure. The Company adopted a policy to review, for potential adjustment to cost, any investment that has decreased from cost to market by greater than 25% for a period of nine months or longer. No adjustments were necessary for the fiscal years ended September 30, 2013 and 2012. Refer to Note 5 for further detail on investments as of September 30, 2013 and 2012.

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 \$2,500 for renewals and betterments are capitalized.

CHURCH HOME OF HARTFORD INCORPORATED AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Interest Rate Swap Agreements - In connection with the December 2010 debt refinancing (see Note 7), the Company entered into a swap agreement with TD Bank with a notional amount of \$21,000,000 to fix the variable rate debt at a rate of 3.335%. The agreement meets the criteria necessary to qualify as an effective hedge, and the Company has reflected the swap agreement in the accompanying consolidated financial statements at the current market value based on the bank's floating interest rate in effect at September 30, 2013 and 2012, as compared to the fixed rate. The resulting change in the fair value of the swap agreement of \$448,001 and \$(112,127) for the years ended September 30, 2013 and 2012, respectively, is reflected in the accompanying consolidated statements of activities and changes in net assets as change in interest rate swap obligation. See Note 3 for further information.

Contributions - Contributions are defined as voluntary, nonreciprocal transfers. Unrestricted and unconditional contributions are recognized as support when received or pledged, if applicable. Contributions are reported as temporarily 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, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the consolidated statement of activities and changes in net assets as net assets released from restrictions due to satisfaction of restrictions.

Health Center Revenue - Patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors and others for services rendered. Rates charged for services rendered, other than private pay patients, are regulated by Medicaid, Medicare and other government programs.

Revenue under third-party payor agreements is subject to audit and retroactive adjustment. Provisions for estimated third-party payor settlements are provided for 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. Management believes that all applicable government reimbursement principles have been properly applied and that no material adjustments will occur as a result of an audit.

Health Care Services - Memory Care - This revenue represents revenue from services provided to the Meadows by Seabury employees. This amount is eliminated in the consolidated totals.

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

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, 2013 and 2012.

CHURCH HOME OF HARTFORD INCORPORATED AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, 2013 and 2012, is in excess of the required \$1,000,000. This amount is included in unrestricted net assets 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 permanently restricted, the income earned on the trust funds is unrestricted. The income is used for general expenses to maintain and operate the facilities. For the fiscal years ended September 30, 2013 and 2012, \$85,878 and \$76,754, respectively, is included in unrestricted investment income. Changes in market value for the Company's portion of the trusts were \$69,433 and \$205,458 for the years ended September 30, 2013 and 2012, respectively.

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 quarterly payments to the donors over their remaining life. The proceeds from the gifts are unrestricted 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. During the fiscal years ended September 30, 2013 and 2012, the Foundation recognized \$45,023 and \$49,296, respectively, in unrestricted contribution and gift revenue related to these gifts. The present value of the estimated future annuity payments is reflected as an annuity payable in the accompanying consolidated statements of financial position. During 2013 and 2012, the Foundation's liability for annuities payable was increased by approximately \$63,000 and \$111,000, respectively, representing the estimated future liability related to donors whose original liability had reached \$-0- based on actuarial assumptions when the gift was first received but who were still receiving payments at September 30, 2013 and 2012.

Income Taxes - The Company and its subsidiaries are tax-exempt under Section 501(c)(3) of the Internal Revenue Code and are not subject to federal or state income taxes. The Company's informational and tax returns for the years ended September 30, 2010 through 2013 are subject to examination by the Internal Revenue Service and the State of Connecticut.

Reclassifications - Certain amounts in the 2012 consolidated financial statements have been reclassified to conform to the current year's presentation.

Subsequent Events - In preparing these consolidated financial statements, management has evaluated subsequent events through December 20, 2013, which represents the date the consolidated financial statements were available to be issued.

CHURCH HOME OF HARTFORD INCORPORATED AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 3 - FAIR VALUE MEASUREMENTS

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

Level 1 - 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.

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 and Preferred Stocks, Exchange Traded Funds, 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.

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

CHURCH HOME OF HARTFORD INCORPORATED AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 3 - FAIR VALUE MEASUREMENTS (Continued)

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.

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

There have been no changes in the methodologies used at September 30, 2013 and 2012.

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.

The following tables set forth by level, within the fair value hierarchy, the Company's assets (liabilities) at fair value as of September 30, 2013 and 2012:

Description	September 30, 2013	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Cash equivalents	\$ 3,116,403	\$ 3,116,403	\$ -	\$ -
Fixed income mutual funds	2,559,308	2,559,308	-	-
U.S. Government securities	1,963,479	1,963,479	-	-
Corporate bonds	1,023,194	-	1,023,194	-
Equity mutual funds	3,871,838	3,871,838	-	-
Common stocks	9,606,640	9,606,640	-	-
Total investments	22,140,862	21,117,668	1,023,194	-
Beneficial interest in perpetual trusts	1,937,638	-	-	1,937,638
Interest rate swap	(622,037)	-	-	(622,037)

CHURCH HOME OF HARTFORD INCORPORATED AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 3 - FAIR VALUE MEASUREMENTS (Continued)

Description	September 30, 2012	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Cash equivalents	\$ 3,638,368	\$ 3,638,368	\$ -	\$ -
Fixed income mutual funds	2,627,292	2,627,292	-	-
U.S. Government securities	4,337,499	4,337,499	-	-
Corporate bonds	409,133	-	409,133	-
Equity mutual funds	3,566,139	3,566,139	-	-
Common stocks	5,929,915	5,929,915	-	-
Total investments	20,508,346	20,099,213	409,133	-
Beneficial interest in perpetual trusts	1,868,205	-	-	1,868,205
Interest rate swap	(1,070,038)	-	-	(1,070,038)

There were no transfers between levels of investments during the years ended September 30, 2013 and 2012.

Assets Measured at Fair Value on a Recurring Basis 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>
Balance - September 30, 2011	\$ 1,662,747
Total losses (realized and unrealized) included in the change in net assets - 2012	<u>205,458</u>
Balance - September 30, 2012	1,868,205
Total gains (realized and unrealized) included in the change in net assets - 2013	<u>69,433</u>
Balance - September 30, 2013	<u>\$ 1,937,638</u>

CHURCH HOME OF HARTFORD INCORPORATED AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 3 - FAIR VALUE MEASUREMENTS (Continued)

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

	<u>Interest Rate Swap</u>
Balance - September 30, 2011	\$ (957,911)
Change in interest rate swap obligation	(112,127)
Balance - September 30, 2012	(1,070,038)
Change in interest rate swap obligation	448,001
Balance - September 30, 2013	\$ (622,037)

Financial Instruments Not Measured at Fair Value - The carrying amounts of cash, accounts receivable, accounts payable and accrued expenses approximate their fair value because of the short-term nature of these instruments.

The fair value of bonds and loans payable as of September 30, 2013 and 2012, approximates the total outstanding principal balance.

There have been no changes in the methodologies used at September 30, 2013 and 2012.

NOTE 4 - 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 five contract plans is selected. Three of these plans are full life care and two plans are non-life care. Of the three life care plans, two offer a declining refund at 2% per month and another plan offers a fixed 67% refund of the original life care entrance fee. The non-life care plans offer an 85% or 95% refund, respectively, of the original life care entrance fees if the occupant never resides in the nursing home facility. If the resident enters the nursing facility, the refundable amount is reduced by the nursing facility's standard daily private pay rate. Under the resident agreements of these five plans, amounts are refundable after the living unit is reoccupied and the new life care entrance fee is paid in full.

CHURCH HOME OF HARTFORD INCORPORATED AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 4 - LIFE CARE AGREEMENT (Continued)

The 67%, 85% and 95% refundable portions of the life care entrance fee are deferred and amortized to income over the estimated life of the facility (30 years). As discussed in Note 2 - New Accounting Pronouncement, in the future the refundable amounts will no longer be amortized into income. All refundable amounts, including those already amortized into income, will be shown as a liability in the consolidated statements of financial position. The 33%, 15% and 5% nonrefundable portions of the life care entrance fee and the entire entrance fee for those who select the plan that offers 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.

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 six contract plans is selected. Five plans offer a declining refund at 2% per month and the sixth plan offers a fixed 90% refund of the original life care entrance fee. Within the five declining refund 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, and the final contract offers a 50% co-pay option for home-based care. The 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 five plans, amounts are refundable after the individual has terminated their agreement. The 10% nonrefundable portion of the life care entrance fee and the entire entrance fee for those who select the plan that offers 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.

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.

CHURCH HOME OF HARTFORD INCORPORATED AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 4 - LIFE CARE AGREEMENT (Continued)

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 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 deferred revenue from entrance fees. If the present value of the net cost of future services and use of facilities exceeds the deferred revenue from entrance fees, a liability is recorded with a corresponding charge to income. As of September 30, 2013 and 2012, an obligation of \$-0- and \$94,903, respectively, has been recorded for Seabury at Home. As of September 30, 2013 and 2012, no such obligation existed for Seabury.

NOTE 5 - INVESTMENTS

Fair values of investments as of September 30, 2013 and 2012, are summarized as follows:

	<u>2013</u>	<u>2012</u>
Investments:		
Cash equivalents	\$ 3,116,403	\$ 3,638,368
Fixed income mutual funds	2,559,308	2,627,292
Government bonds	1,963,479	4,337,499
Corporate bonds	1,023,194	409,133
Equity mutual funds	3,871,838	3,566,139
Individual securities	<u>9,606,640</u>	<u>5,929,915</u>
	<u>\$ 22,140,862</u>	<u>\$ 20,508,346</u>

Investment income on cash and cash equivalents, perpetual trusts and investments is comprised of the following for the years ended September 30, 2013 and 2012:

	<u>2013</u>	<u>2012</u>
Interest and dividend income from investments	\$ 386,899	\$ 357,577
Net realized gain on sales of investments	<u>381,733</u>	<u>1,116,107</u>
Income from investments	768,632	1,473,684
Interest and dividend income from perpetual trusts	<u>85,878</u>	<u>76,754</u>
Total Investment Income	<u>\$ 854,510</u>	<u>\$ 1,550,438</u>

CHURCH HOME OF HARTFORD INCORPORATED AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 6 - LINE OF CREDIT

Beginning in June 2013, the Meadows has available \$1,000,000 under the terms of a working capital line-of-credit arrangement with Simsbury Bank, expiring in June 2015. Any portion of the line may be termed out for a 3- to 5-year period and would fully amortize over the term. The balance of the line would remain in effect. The line of credit bears interest at prime rate plus 0.5% with a floor of 3.75% (3.75% at September 30, 2013). The credit line is collateralized by substantially all assets of the Meadows. As of September 30, 2013, there were no amounts drawn on this line of credit.

NOTE 7 - LONG-TERM DEBT

On December 23, 2010, the Company refinanced its CDA 1998 Series revenue bonds through CHEFA Series Note A revenue bonds. The new bonds have a variable interest rate that is fixed at 3.335% through the use of an interest rate swap instrument with TD Bank. The bonds will be amortized over a 10-year schedule.

Long-term debt as of September 30, 2013 and 2012, is summarized as follows:

	2013	2012
Connecticut Health and Educational Facilities Authority Revenue Bonds (Seabury Retirement Community, Series Note A) dated December 23, 2010, \$21,000,000 original principal amount, maturing December 2020, with monthly payments of principal and interest at a fixed rate of 3.335% through an interest rate swap instrument.	\$ 15,800,000	\$ 17,690,000
Simsbury Bank loan, for the refinancing of the Meadows, dated March 28, 2008, \$2,700,000 original principal amount, based on a 10-year amortization schedule. Interest is paid monthly at a rate of 5.46%. Monthly principal and interest payments are \$29,249 through March 28, 2018.	1,397,551	1,664,274
Less current portion	17,197,551 <u>(2,236,656)</u>	19,354,274 <u>(2,156,723)</u>
Net Long-Term Debt	\$ <u>14,960,895</u>	\$ <u>17,197,551</u>

CHURCH HOME OF HARTFORD INCORPORATED AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 7 - LONG-TERM DEBT (Continued)

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

<u>Fiscal Year</u>	<u>CHEFA Revenue Bonds</u>	<u>Simsbury Bank</u>
2013	\$ 1,955,000	\$ 281,656
2014	2,020,000	297,425
2015	2,090,000	314,077
2016	2,170,000	331,662
2017	2,240,000	172,731
Thereafter	5,325,000	-
	<u>\$ 15,800,000</u>	<u>\$ 1,397,551</u>

Under provisions of the CHEFA Bond agreement, substantially all revenues of the Company are pledged as collateral on the bonds.

Covenants - The Company, under provisions of the CHEFA Bond Agreement, is required to maintain a debt service coverage ratio and cash-to-debt ratio. In the opinion of management, the Company is in compliance with these covenants at September 30, 2013.

NOTE 8 - DEFERRED COSTS

Deferred costs as of September 30, 2013 and 2012, were as follows:

	<u>2013</u>	<u>2012</u>
Refinancing - 2008	\$ 27,304	\$ 27,304
Refinancing - 2010	410,905	410,905
Less accumulated amortization	<u>(128,016)</u>	<u>(84,195)</u>
	<u>\$ 310,193</u>	<u>\$ 354,014</u>

The 2008 refinancing costs represent costs incurred in connection with the refinancing of the Meadows loan with Simsbury Bank. These costs are being amortized over the term of the Simsbury Bank loan. Amortization for each of the next five years is \$2,730.

The 2010 refinancing costs represent costs incurred in connection with the refinancing of the CDA bonds. These costs are being amortized over the term of the new CHEFA bonds. Amortization for each of the next five years is \$41,091.

CHURCH HOME OF HARTFORD INCORPORATED AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 9 - PENSION PLAN

The Company maintains a 403(b) defined contribution plan (the Plan). Employees are eligible to participate in the Plan after any year in which they work 1,000 hours. The Company matches employee contributions up to 3.5% and 3% of eligible employees' payroll for 2013 and 2012, respectively. Employees are fully vested in the Plan after three years of employment. Pension expense recognized in fiscal 2013 and 2012 was approximately \$193,000 and \$168,000, respectively. The Company maintains a nonqualified deferred compensation plan for a key employee that is included as an asset and as a corresponding liability in the consolidated statements of financial position, which totaled \$34,363 and \$17,000 at September 30, 2013 and 2012, respectively.

NOTE 10 - ENDOWMENT

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 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 permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the 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 organization and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the organization
- The investment policies of the organization

CHURCH HOME OF HARTFORD INCORPORATED AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 10 - ENDOWMENT (Continued)

The total endowment funds of the Company at September 30, 2013 and 2012, are as follows:

	Church Home of Hartford, Inc. Permanently Restricted Endowment Funds	Church Home of Hartford, Inc. Temporarily Restricted Endowment Funds	Church Home of Hartford, Inc. Board- Designated Endowment Funds	Seabury Charitable Foundation Board- Designated Endowment Funds	Seabury Memory Care, Inc. Board- Designated Endowment Funds	Total
Endowment net assets - September 30, 2011	\$ 370,000	\$ 370,722	\$ 11,054,377	\$ 4,819,212	\$ 447,343	\$ 17,061,654
Reclassifications	-	134,328	(134,328)	-	-	-
Investment return:						
Interest and dividends	-	-	243,608	108,801	5,168	357,577
Realized gains	-	-	868,887	247,220	-	1,116,107
Unrealized gains	-	-	661,210	505,185	-	1,166,395
Total investment return	-	-	1,773,705	861,206	5,168	2,640,079
Net increase (decrease) in amounts designated	-	-	931,211	(224,598)	100,000	806,613
Endowment net assets - September 30, 2012	370,000	505,050	13,624,965	5,455,820	552,511	20,508,346
Reclassifications	-	114,153	(114,153)	-	-	-
Investment return:						
Interest and dividends	-	-	229,966	142,910	5,911	378,787
Realized gains	-	-	223,477	187,639	-	411,116
Unrealized gains	-	-	1,043,422	339,286	-	1,382,708
Total investment return	-	-	1,496,865	669,835	5,911	2,172,611
Net decrease in amounts designated	-	-	(421,202)	(118,893)	-	(540,095)
Endowment Net Assets - September 30, 2013	\$ 370,000	\$ 619,203	\$ 14,586,475	\$ 6,006,762	\$ 558,422	\$ 22,140,862

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.

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.

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Independent Auditors' Report on Supplementary Information

To the Board of Directors
Church Home of Hartford Incorporated and Subsidiaries

We have audited the consolidated financial statements of Church Home of Hartford Incorporated and Subsidiaries as of and for the years ended September 30, 2013 and 2012, and our report thereon dated December 20, 2013, which expressed an unmodified opinion those consolidated financial statements, appears on pages 1 and 2. Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The consolidating schedules of financial position and activities and changes in net assets as of and for the years ended September 30, 2013 and 2012, 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 audits 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.

Blum, Shapiro & Company, P.C.

West Hartford, Connecticut
December 20, 2013

CHURCH HOME OF HARTFORD INCORPORATED AND SUBSIDIARIES
CONSOLIDATING SCHEDULE OF FINANCIAL POSITION
SEPTEMBER 30, 2013

ASSETS

	Church Home of Hartford Incorporated	Seabury Charitable Foundation, Inc.	Seabury Memory Care Center, Inc.	Seabury at Home Inc.	Eliminations	Total
Current Assets						
Cash and cash equivalents	\$ 3,575,654	\$ 53,002	\$ 1,158,481	\$ 5,963,075	\$ -	\$ 10,750,212
Entrance fee deposits	413,276	-	-	-	-	413,276
Accounts receivable, net	1,045,272	-	155,128	-	(416,727)	1,200,400
Accounts receivable, related party	406,727	-	-	1,078,815	-	2,351,046
Entrance fees receivable	1,272,231	-	-	3,574	-	456,006
Prepaid expenses and other current assets	418,889	33,543	-	7,047,464	(416,727)	15,194,940
Total current assets	7,154,049	53,002	1,347,152	7,047,464	(416,727)	15,194,940
Investments	15,575,678	6,006,762	558,422	-	-	22,140,862
Property and Equipment, at Cost						
Land and improvements	4,429,495	-	-	315,692	-	4,745,187
Buildings and improvements	59,196,970	-	3,800,916	526,685	-	63,524,571
Furniture, fixtures and equipment	4,135,992	-	146,782	28,111	-	4,310,885
Vehicles	196,202	-	-	-	-	196,202
Construction in progress	171,664	-	-	151,138	-	322,802
Less accumulated depreciation	(68,130,323)	-	(3,947,698)	(1,021,626)	-	(71,099,647)
Net property and equipment	34,054,128	-	1,479,134	135,521	-	35,668,883
	34,073,195	-	2,468,364	868,105	-	37,430,669
Other Assets						
Deferred costs, net of accumulated amortization	297,906	-	12,287	-	-	310,193
Deferred compensation investments	34,363	-	-	-	-	34,363
Beneficial interest in perpetual trusts	1,937,638	-	-	-	-	1,937,638
Loan receivable, related party	1,735,203	-	-	-	(1,735,203)	-
Pledges receivable	34,223	85,448	-	-	-	85,448
Other receivables	4,039,331	85,448	12,287	-	(1,735,203)	34,223
Total other assets	60,845,255	6,145,212	4,386,225	7,933,569	(2,141,930)	77,168,331
Total Assets	\$ 60,845,255	\$ 6,145,212	\$ 4,386,225	\$ 7,933,569	\$ (2,141,930)	\$ 77,168,331

LIABILITIES AND NET ASSETS

	Church Home of Hartford Incorporated	Seabury Charitable Foundation, Inc.	Seabury Memory Care Center, Inc.	Seabury at Home Inc.	Eliminations	Total
Current Liabilities						
Current portion of bonds payable	\$ 1,955,000	\$ -	\$ -	\$ -	\$ -	\$ 1,955,000
Current portion of loans payable	1,823,338	11,993	281,656	-	-	2,816,656
Accounts payable and accrued expenses	-	-	66,266	21,779	-	1,923,376
Accounts payable, related party	438,776	-	233,076	173,651	(416,727)	438,776
Entrance fee deposits	4,217,114	11,993	380,998	195,430	(416,727)	4,598,808
Total current liabilities	8,434,228	24,986	741,990	390,860	(833,454)	9,764,610
Annuitants Payable	-	424,210	-	-	-	424,210
Bonds Payable, Net of Current Portion	13,845,000	-	-	-	-	13,845,000
Loans Payable, Net of Current Portion	-	-	1,115,895	1,735,203	(1,735,203)	1,115,895
Deferred Compensation	34,363	-	-	-	-	34,363
Deferred Revenue from Entrance Fees	31,839,774	-	-	6,580,833	-	38,420,607
Interest Rate Swap Obligation	622,037	-	-	-	-	622,037
Total liabilities	50,338,288	436,203	1,696,891	8,511,466	(2,141,930)	59,060,970
Net Assets						
Unrestricted	7,354,550	5,681,304	2,689,332	(577,897)	-	15,147,289
Temporarily restricted	624,780	27,705	-	-	-	652,485
Permanently restricted	2,307,637	-	-	-	-	2,307,637
Total net assets	10,286,967	5,709,009	2,689,332	(577,897)	-	18,074,411
Total Liabilities and Net Assets	\$ 60,845,255	\$ 6,145,212	\$ 4,386,225	\$ 7,933,569	\$ (2,141,930)	\$ 77,168,331

CHURCH HOME OF HARTFORD INCORPORATED AND SUBSIDIARIES
CONSOLIDATING SCHEDULE OF FINANCIAL POSITION
SEPTEMBER 30, 2012

ASSETS

	Church Home of Hartford Incorporated	Seabury Charitable Foundation, Inc.	Seabury Memory Care Center, Inc.	Seabury at Home Inc.	Eliminations	Total
Current Assets						
Cash and cash equivalents	\$ 4,651,531	\$ 126,880	\$ 961,733	\$ 3,813,203	\$ -	\$ 9,523,147
Entrance fee deposits	449,823	-	-	449,823	-	899,646
Accounts receivable, net	896,159	-	95,063	-	-	991,222
Accounts receivable, related party	319,160	-	-	-	(319,160)	-
Entrance fees receivable	664,738	-	-	880,414	-	1,545,152
Prepaid expense and other current assets	225,153	-	33,471	3,308	-	262,132
Total current assets	7,176,764	126,880	1,090,267	4,696,925	(319,160)	12,771,676
Investments	14,500,015	5,455,820	552,511	-	-	20,508,346
Property and Equipment, at Cost						
Land and improvements	4,471,760	-	-	315,692	-	4,787,452
Buildings and improvements	57,348,723	-	3,800,916	526,685	-	61,716,324
Furniture, fixtures and equipment	4,716,849	-	111,449	28,111	-	4,856,409
Vehicles	189,140	-	-	151,138	-	340,278
Construction in progress	257,638	-	-	-	-	257,638
Less accumulated depreciation	(6,024,107)	-	(3,912,165)	(1,021,626)	-	(10,957,908)
Net property and equipment	32,667,876	-	1,324,619	95,988	-	34,088,183
Total	34,356,531	-	2,387,746	925,638	-	37,869,915
Other Assets						
Deferred basis, net of accumulated amortization	338,997	-	15,017	-	-	354,014
Deferred compensation investments	17,000	-	-	-	-	17,000
Beneficial interests in perpetual trusts	1,868,205	-	-	-	-	1,868,205
Loan receivable, related party	1,802,427	-	-	-	(1,802,427)	-
Pledge receivable	-	88,297	-	-	-	88,297
Total other assets	4,026,629	88,297	15,017	-	(1,802,427)	2,327,516
Total Assets	\$ 60,059,939	\$ 5,670,997	\$ 4,245,541	\$ 5,622,563	\$ (2,121,587)	\$ 73,477,453

LIABILITIES AND NET ASSETS

	Church Home of Hartford Incorporated	Seabury Charitable Foundation, Inc.	Seabury Memory Care Center, Inc.	Seabury at Home Inc.	Eliminations	Total
Current Liabilities						
Current portion of bonds payable	\$ 1,890,000	\$ -	\$ -	\$ -	\$ -	\$ 1,890,000
Current portion of loans payable	1,809,424	10,416	266,723	-	-	2,666,723
Accounts payable and accrued expenses	453,323	-	89,312	25,027	-	1,934,179
Entrance fee deposits	4,152,747	10,416	2,203,970	98,190	(319,160)	453,323
Total current liabilities	4,152,747	10,416	3,770,005	123,217	(319,160)	4,544,223
Annuities Payable	-	441,406	-	-	-	441,406
Bonds Payable, Net of Current Portion	15,800,000	-	-	-	-	15,800,000
Loans Payable, Net of Current Portion	-	-	1,397,551	1,802,427	(1,802,427)	1,397,551
Deferred Compensation	17,000	-	-	-	-	17,000
Deferred Revenue from Entrance Fees	30,874,273	-	-	4,327,336	-	35,201,609
Future Service Obligation	-	-	-	94,903	-	94,903
Interest Rate Swap Obligation	1,070,038	-	-	-	-	1,070,038
Total liabilities	51,914,058	451,822	1,974,536	6,347,883	(2,121,587)	58,566,712
Net Assets						
Unrestricted	5,397,050	5,190,805	2,270,985	(725,320)	-	12,133,520
Temporarily restricted	510,627	28,370	-	-	-	538,997
Permanently restricted	2,238,204	-	-	-	-	2,238,204
Total net assets	8,145,881	5,219,175	2,270,985	(725,320)	-	14,910,721
Total Liabilities and Net Assets	\$ 60,059,939	\$ 5,670,997	\$ 4,245,541	\$ 5,622,563	\$ (2,121,587)	\$ 73,477,453

CHURCH HOME OF HARTFORD INCORPORATED AND SUBSIDIARIES
CONSOLIDATING SCHEDULE OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Church Home of Hartford Incorporated		Seabury Charitable Foundation, Inc.		Seabury Memory Care Center, Inc.	Seabury at Home, Inc.		Total
	Unrestricted	Temporarily Restricted	Unrestricted	Temporarily Restricted		Unrestricted	Temporarily Restricted	
Revenues, Gains and Other Support	\$ 7,198,746	\$ -	\$ 7,198,746	\$ -	\$ -	\$ -	\$ -	\$ 7,119,641
Health center patients, net of contractuals	2,435,395	-	2,435,395	-	-	-	-	(2,435,395)
Health care services - Memory Care	-	-	-	-	-	-	-	(598,104)
Assisted living services	10,003,438	-	10,003,438	-	3,737,338	-	-	3,139,234
Resident services	835,971	-	835,971	-	-	-	-	10,003,438
Home health revenue	-	-	-	-	-	-	-	835,971
Seabury at Home revenue	-	-	-	-	-	-	354,206	330,497
Services to Seabury at Home, Inc.	580,586	-	580,586	-	-	-	-	(580,586)
Amortization of deferred revenue from entrance fees	2,698,022	-	2,698,022	-	-	-	173,017	2,871,039
Investment income	548,046	-	548,046	-	7,224	-	-	854,510
Other income	578,466	-	578,466	-	64,375	-	304,905	812,536
Contributions and gifts	-	-	-	23,787	-	-	-	-
Contributions from the Seabury Charitable Foundation, Inc.	132,232	-	132,232	-	-	-	-	(128,338)
Net assets released from restrictions	-	-	-	(24,452)	-	-	-	-
Total revenues, gains and other support	23,010,902	-	25,010,902	(24,452)	3,771,389	-	832,128	26,065,629
Expenses								
Medical and other resident care	7,635,979	-	7,635,979	-	1,249,546	-	450,989	7,635,405
General and administrative	8,032,416	-	8,032,416	-	1,036,394	-	194,182	7,707,858
Dietary	2,393,553	-	2,393,553	-	422,534	-	-	2,566,932
Repairs and maintenance	2,514,839	-	2,514,839	-	272,024	-	-	2,719,503
Housekeeping and laundry	610,299	-	610,299	-	131,014	-	-	614,533
Interest expense, net	563,785	-	563,785	-	84,285	-	-	648,070
Depreciation and amortization	2,679,801	-	2,679,801	-	157,445	-	39,534	2,876,780
Contributions to Church Home of Hartford Incorporated and Seabury Memory Care	-	-	-	-	25,543	-	-	(25,543)
Total expenses	24,430,672	-	24,430,672	-	3,079,366	-	684,705	(4,007,474)
Income (Loss) from Operations	580,230	-	580,230	(665)	418,347	-	147,423	1,296,548
Change in Net Unrealized Gain on Investments	929,269	114,153	1,043,422	-	339,286	-	-	1,382,708
Change in Interest in Perpetual Trusts	-	-	-	-	-	-	-	69,433
Change in Interest Rate Swap Obligation	448,001	-	448,001	-	-	-	-	448,001
Change in Net Assets	1,957,500	114,153	2,141,086	(665)	489,834	418,347	147,423	3,196,690
Net Assets - Beginning of Year	5,397,050	510,627	8,145,881	28,370	5,219,175	2,270,985	(725,320)	14,910,721
Net Assets - End of Year	7,354,550	624,780	10,286,967	27,705	5,709,009	2,689,332	(577,897)	18,107,411

CHURCH HOME OF HARTFORD INCORPORATED AND SUBSIDIARIES
CONSOLIDATING SCHEDULE OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Church Home of Hartford Incorporated			Seabury Charitable Foundation, Inc.			Seabury Memory Care Center, Inc.		Seabury at Home, Inc.		Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	Unrestricted	Temporarily Restricted	Total	Unrestricted	Total	Unrestricted	Eliminations	
Revenues, Gains and Other Support											
Health center patients, net of contractuals	\$ 7,018,334	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,018,334
Health care services - Memory Care	2,360,540	-	-	-	-	-	-	-	(2,360,540)	(895,706)	2,812,576
Assisted living services	10,031,595	-	-	-	-	-	3,708,282	-	-	-	10,031,595
Resident services	1,046,651	-	-	-	-	-	-	-	-	-	1,046,651
Home health revenue	525,976	-	-	-	-	-	-	-	226,673	(23,709)	202,964
Seabury at Home revenue	-	-	-	-	-	-	-	-	-	(525,976)	-
Services to Seabury at Home, Inc.	-	-	-	-	-	-	-	-	-	-	-
Amortization of deferred revenue from entrance fees	2,562,516	-	-	-	-	-	-	-	130,495	-	2,693,011
Investment income	1,189,249	-	-	356,021	-	356,021	5,168	-	-	-	1,550,438
Other income	632,544	-	-	68,976	-	68,976	35,805	-	-	(143,812)	934,157
Contributions and gifts	4,135	-	-	27,148	14,100	41,248	-	-	-	-	45,383
Contributions from the Seabury Charitable Foundation, Inc.	12,351	-	-	-	-	-	1,252	-	-	(7,816)	5,787
Net assets released from restrictions	-	-	-	2,994	(2,994)	-	-	-	-	-	-
Total revenues, gains and other support	25,383,891	-	-	455,139	11,106	466,245	3,750,507	697,812	(3,957,559)	-	26,340,896
Expenses											
Medical and other resident care	7,516,311	-	-	-	-	-	1,224,248	471,355	(1,652,388)	-	7,559,326
General and administrative	7,718,252	-	-	375,701	-	375,701	983,822	54,089	(1,861,710)	-	7,270,154
Dietary	2,269,889	-	-	-	-	-	407,238	-	(264,110)	-	2,413,017
Repairs and maintenance	2,632,743	-	-	-	-	-	289,640	-	(78,860)	-	2,843,523
Housekeeping and laundry	608,977	-	-	-	-	-	114,242	-	(92,675)	-	630,544
Interest expense, net	628,501	-	-	-	-	-	98,315	-	-	-	726,816
Depreciation and amortization	2,540,976	-	-	-	-	-	161,012	37,919	-	-	2,739,907
Contributions to Church Home of Hartford Incorporated and Seabury Memory Care	-	-	-	7,816	-	7,816	-	-	(7,816)	-	-
Total expenses	23,915,649	-	-	383,517	-	383,517	3,278,517	563,363	(3,957,559)	-	24,183,487
Income from Operations	1,468,242	-	-	71,622	11,106	82,728	471,990	134,449	-	-	2,157,409
Change in Net Unrealized Gain on Investments	526,882	134,328	-	505,185	-	505,185	-	-	-	-	1,166,395
Change in Interest in Perpetual Trusts	-	-	205,458	-	-	-	-	-	-	-	205,458
Change in Interest Rate Swap Obligation	(112,127)	-	-	-	-	-	-	-	-	-	(112,127)
Change in Net Assets	1,882,997	134,328	205,458	576,807	11,106	587,913	471,990	134,449	-	-	3,417,135
Net Assets - Beginning of Year	3,514,053	376,299	2,032,746	4,613,998	17,264	4,631,262	1,798,995	(859,769)	-	-	11,493,586
Net Assets - End of Year	\$ 5,397,050	\$ 510,627	\$ 2,238,204	\$ 5,190,805	\$ 28,370	\$ 5,219,175	\$ 2,270,985	\$ (725,320)	\$ -	\$ -	\$ 14,910,721

ACKNOWLEDGEMENT 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 CONTINUING CARE AGREEMENT

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 continuing care facilities before you sign a Continuing Care Contract. The Department of Social Services does not guarantee the security of your investment.

I acknowledge that I have read the above statement, the Disclosure Statement, and the Continuing Care Agreement.

Signature

Date

Seabury At Home Signature

Date

(TO BE DETACHED AND RETAINED BY SEABURY AT HOME.)

DISCLOSURE STATEMENT

SEABURY AT HOME

**Sponsored by
Seabury At Home Incorporated,
a Subsidiary of
Church Home of Hartford Incorporated**

February 2014

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.

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I. NAME AND ADDRESS OF PROVIDER

SEABURY AT HOME INCORPORATED

222 Wintonbury Ave
Bloomfield, CT 06002

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

Parent Corporation

CHURCH HOME OF HARTFORD INCORPORATED

VISION

Striving for excellence in senior living in association with the Episcopal Diocese of Connecticut.

MISSION

We are committed to meeting the physical, spiritual, and emotional needs of the people we serve by providing services, accommodations, and resources that will assure the highest quality of life for residents, clients and employees through a philosophy of "Wellness, Compassion and Assistance." We are committed to enabling people to lead their lives fully with dignity and joy by the use of resources available to us according to the highest level of good stewardship. We shall make every effort to furnish financial assistance when needed to assure use of our facilities and services. We are committed to carrying out our purpose, by fully accepting God's love and all that means both for us and all whom we serve.

Operating Statement

"We are dedicated to providing the highest quality of life to the people we serve through excellence in personalized services."

II. OFFICERS AND DIRECTORS

Church Home of Hartford Incorporated (CHHI) is a non-profit corporation established in 1876 and affiliated with the Episcopal Diocese of Connecticut. CHHI is responsible for the general oversight of Seabury, a traditional Continuing Care Retirement Community (CCRC), providing housing, services, and healthcare to residents. CHHI 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 CHHI and Seabury at Home Boards of Directors are listed below.

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

CHURCH HOME OF HARTFORD BOARD OF DIRECTORS

<p>Mr. Thomas E. Andersen *2014 Bartlett Brainard Eacott, Incorporated 70 Griffith Road South Bloomfield, CT 06002-1352</p>	<p>Rev. Paul R. Briggs II *2015 St. Mary's Church 41 Park Street Manchester, CT 06040</p>
<p>Mrs. Connie Bain ** EO Ex Officio, Auxiliary President 15 Park View Drive East Hartford, CT 06108</p>	<p>Dr. H. David Crombie *2014 33 Hudson Lane Windsor, CT 06095</p>
<p>Mr. Donald C. Berry, Jr. *2015 343 Seabury Drive Bloomfield, CT 06002</p>	<p>Dr. Jonathan A. Dixon *2015 Hartford Hospital Rheumatology Clinic 85 Seymour Street, Suite #601 Hartford, CT 06106</p>
<p>Dr. Richard M. Bridburg *2016 9 Hickory Lane West Hartford, CT 06107</p>	<p>The Right Rev. Ian T. Douglas **EO Chairman, Ex Officio Episcopal Diocesan House 1335 Asylum Avenue Hartford, CT 06105 New address 4/1/14: 290 Pratt Street, Meriden, CT 06451</p>

<p>Mr. David O. Elliott *2014 25 Country Lane Collinsville, CT 06019</p>	<p>Mr. A. Raymond Madorin *2015 President 300 Mountain Spring Road Farmington, CT 06032</p>
<p>Dr. Donna R. Galluzzo *2014 HMS Healthcare Management Solutions, Inc. 8 Research Parkway Wallingford, CT 06492</p>	<p>Mr. Gale A. Mattison *2015 Vice President 12 Sandhurst Drive West Hartford, CT 06107</p>
<p>Mr. Paul Glover III *2015 ISG Holdings 20 Waterside Drive Farmington, CT 06032</p>	<p>Mr. Harold L. Rives III *2016 New England Guild Wealth Advisors 139 Simsbury Road Avon, CT 06001</p>
<p>Dr. Laura Harckham *2015 Secretary 400 Seabury Drive, Apt. 5188 Bloomfield, CT 06002</p>	<p>Mr. Robert Stanwood *2016 21 Stuart Drive Bloomfield, CT 06002</p>
<p>Mrs. Bette-Jane Hardersen *2016 Assistant Treasurer 22 Burnwood Drive Bloomfield, CT 06002-2202</p>	<p>Mr. William J. Thompson *2015 Treasurer Milliman, Inc. 80 Lamberton Road Windsor, CT 06095</p>
<p>Mr. Richard C. Heath Executive Vice President & CEO Seabury 200 Seabury Drive Bloomfield, CT 06002</p>	<p>Mrs. Priscilla B. Viets *2016 Assistant Secretary 1054 Hill Street Suffield, CT 06078</p>

BISHOP'S REPRESENTATIVE **EO The Rev. Canon Wilborne A. Austin St. Stephen's Episcopal Church 590 Bloomfield Avenue Bloomfield, CT 06002	*Term Expires ** Ex Officio
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Executive Vice President & CEO Richard C. Heath is responsible for the day-to-day management of the organization.

SEABURY AT HOME BOARD OF DIRECTORS

<p>The Rev. Paul R. Briggs II *2014 St. Mary's Church 41 Park Street Manchester, CT 06040</p>	<p>Richard C. Heath *2015 Vice President of Operations Seabury 200 Seabury Drive Hartford, CT 06002</p>
<p>Dr. H. David Crombie *2015 33 Hudson Lane Windsor, CT 06095</p>	<p>John (Jay) F. Kearns III *2016 Kearns & Kearns 1121 New Britain Avenue West Hartford, CT 06110</p>
<p>The Rev. Jeffrey S. Dugan *2015 President 102 Seabury Drive Bloomfield, CT 06002</p>	<p>A. Raymond Madorin *2014 300 Mountain Spring Road Farmington, CT 06032</p>
<p>Dr. Donna R. Galluzzo *2014 HMS Healthcare Management Solutions, Inc. 8 Research Parkway Wallingford, CT 06492</p>	<p>Joseph P. Merritt *2015 31 Woods Road Bloomfield, CT 06002</p>
<p>Winifred "Winnie" Granger *2014 337 Seabury Drive Bloomfield, CT 06002</p>	<p>Robert Stanwood *2014 Treasurer 21 Stuart Drive Bloomfield, CT 06002</p>
	<p>*Term expires</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 continuing care retirement community since 1992. Seabury At Home Incorporated was developed in 2006 and began operating as a 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. JUDICIAL PROCEEDINGS

Neither Church Home of Hartford Incorporated, Seabury At Home Incorporated, nor any member of either organization's Board of 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. Neither corporation nor any member of either Board of Directors is subject to a currently effective injunction, or restrictive or remedial order of a court of record.

V. AFFILIATION

Church Home of Hartford Incorporated and Seabury At Home Incorporated are affiliated with the Episcopal Diocese of Connecticut and are 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.

VI. 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 and the Brewer 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 Continuing Care Agreement.

Seabury is 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, beauty-barber shop, café, creative arts studio, 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 and Brewer Center – 60 skilled nursing care beds.
- The Views – 49 assisted living beds, 22 of which are licensed Residential Care Facility beds.
- Apartment Building – 156 apartments include studios, one and two bedroom and two bedrooms with a den.
- Cottage Clusters – 35 cottages include one and two bedroom and two bedrooms with a den. 5 Villas include two and three bedroom and two- and three-bath residences with two-car garages.
- Seabury Meadows – A 58-unit Alzheimer's/Assisted Living facility operated by Seabury.

- Seabury Visiting Nurses – Seabury has its own Home Care Agency, licensed by the State of Connecticut. Comprehensive home health care services can be provided for short-term assistance in your home. Seabury Visiting Nurses is Medicare certified.
- Seabury Wellness Clinic – Registered Nurses are available in the Wellness Clinic for consultation, administration of medication, wellness counseling/ health promotion, and other services. Physician services are available for scheduled appointments.
- Rehabilitative Services - Seabury has an on-site, licensed Medicare-certified Rehabilitation Department that provides inpatient/outpatient physical, occupational, and speech therapies.

Seabury has established its Strategic Repositioning Plan for the future. This plan includes: 57-80 new independent living apartments, a parking garage (approx. 75 spaces), new expanded Bistro addition, expanded main kitchen, renovation of private dining room, new chapel (seating for 250/270), combination of West Wing residences (34 to 17 apartments), new salon/spa, renovated and expanded Administration Suite, renovated front entry façade, renovated foyer, reception, lobby and mail area.

In addition to the independent living expansion, the second phase will include a health care expansion: a new health center entrance, renovation of existing spaces to accommodate updated Assisted Living dining, kitchen, and living/activities spaces, and updated Skilled rooms (adding showers) and Assisted Living apartments, living/family rooms, salon, dining and pantry spaces. Expansion to existing Rehab and Therapy Suite and the Clinic Suite will also be included in this phase.

A new Community Outreach Services building will be constructed on the Seabury campus at 218 Wintonbury Avenue. This will include offices for Seabury's Community Outreach Services (Seabury At Home, Seabury Care Now and Seabury Visiting Nurses), Primary Care, Out-patient Rehabilitation, and Adult Day Care.

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 in the Seabury At Home Continuing Care Agreement.

VII. BENEFITS INCLUDED

Seabury At Home offers several pricing plans that may or may not require co-pays or payment in full by the Member. Please refer to Exhibit A and Exhibit E for a complete description of these plans.

As set forth in the attached 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 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 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 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 - During the first year of membership and every second year thereafter, Seabury At Home will provide a safety and functional inspection of your home, completed by trained and certified staff, 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, care-giver 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 - If you need assistance 24 hours a day, seven days a week, you can have a live-in Personal Care Aide or Companion.

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 appropriate 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 a Personal Health Coordinator to coordinate any services you may need. Your Personal Health Coordinator 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.

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 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.

VIII. INTEREST ON DEPOSITS

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

IX. TERMINATION OF CONTRACT

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

X. RIGHTS OF SURVIVING SPOUSE

Seabury At Home has separate Continuing Care Agreements with each Member whether he/she is married or not. The death of a spouse does not

impact the rights and obligations of the surviving spouse set forth in the Continuing Care Agreement.

XI. NON-LIFE-CARE SPOUSE

Seabury At Home has a separate Wellness Pass Agreement for the Member's spouse who 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.

XII. MARRIAGE OF A RESIDENT

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

XIII. TAX CONSEQUENCES

Payment of a membership fee pursuant to a continuing care contract may have significant tax benefits or consequences. Any person considering such a payment may wish to consult a qualified advisor.

XIV. RESERVE FUNDING

Connecticut law does not require reserve funding for Seabury At Home.

XV. FINANCIAL STATEMENTS

Audited and certified 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. Exhibit C includes the pro forma business plan for Seabury At Home, including estimated balance sheets and income statements for the first five years of operation.

XVI. PRO FORMA INCOME STATEMENTS

The income projected for Seabury At Home for the next five years is set forth in Exhibit C.

XVII. MEMBERSHIP FEES & PERIODIC CHARGES

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

XVIII. PREPAID OBLIGATIONS, ACTUARIAL VALUE

Seabury At Home will incur prepaid health care obligations for Members of Seabury At Home when Continuing Care Agreements are signed. The actuarial present value "y" of those obligations is projected to total approximately -\$807,374.

XIX. DEPARTMENT OF SOCIAL SERVICES FILINGS

Seabury At Home has filed with the Department of Social Services all materials required by State law governing continuing care contracts and facilities, including financial and actuarial information, current payment plans, and healthcare utilization rates. These materials are available for review at the Department of Social Services, located at 25 Sigourney Street, Hartford, CT 06106.

EXHIBIT A

CONTINUING CARE AGREEMENT

CONTINUING CARE AGREEMENT

SEABURY AT HOME INCORPORATED

A non-profit corporation with Church Home of Hartford Incorporated,
an affiliate of the Episcopal Diocese of Connecticut, as the sole member.

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 investments in continuing care facilities and programs before you sign a Continuing Care Contract. The Department of Social Services does not guarantee the security of your investment.

SEABURY AT HOME

I. INTRODUCTION

1. GENERAL

This is the 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.

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 Determined To Be Appropriate for assisted living services.

Average Cost of Care means the average cost of care for a Facility-Based Service or Adult Day Care Service within the Designated Service Area, as determined and published by Seabury At Home. The Average Cost of Care for Assisted Living Facility services is based upon Seabury's published base fee for assisted living. The Average Cost of Care for Nursing Home services is based on Seabury's published room rate for skilled nursing. The Average Cost of Care for a particular service 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 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.

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

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.

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.

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

A Personal Health Coordinator will be assigned to you. Under the direction of the assigned Personal Health Coordinator, 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.

coverage. 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 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 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. This does not include transportation for regular physician office visits, dialysis, and specialist

- charges of any physician, podiatrist, chiropractor or therapist;
- prescription drugs and medical supplies;
- 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 is not responsible for providing or reimbursing services for Members living or vacationing outside of Connecticut.

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 Average Cost of Care within the Designated Service Area. You will be responsible for any difference between the Prevailing Rate and the Average Cost of Care.

For Sterling and Copper Plan Members, the Seabury At Home Agreement will terminate in accordance with Section VI.

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 Church Home of Hartford Incorporated.

5. SUBORDINATION OF RIGHTS

During the next enrollment period following the filing of your application for membership to Seabury At Home, you will pay the premiums, secure, and maintain your enrollment in Medicare Part B. If you are not eligible for Medicare Part B, you agree to obtain and maintain equivalent insurance coverage acceptable to Seabury At Home.

You are required to secure and maintain a 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.

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.

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 other 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.

15. POWER OF ATTORNEY

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 be otherwise satisfactory to Seabury At Home. You will deliver a fully executed copy of this Power of Attorney to us at the time of your first meeting with your Personal Health Coordinator.

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 Fee at the lowest possible rate consistent with sound financial practice and maintenance of the quality of Services.

As a Platinum, Gold, Gold Plus or Silver 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.

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 Recision Period will be made in accordance with Paragraphs 4 and 5 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 qualify and be without the need for any immediate services to be eligible for Independent Living, as determined by Seabury At Home.

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 or cottage as follows:

- If you have selected the Platinum Plan (90% Refund Option) as shown on the Exhibit A, you shall be due a refund equal to ninety percent (90%) of the Membership Fee, which may be applied to your entrance fee under Seabury's Plan 2%, 67%, or 85%.
- If you have selected the Gold, Gold Plus, Silver, Sterling or Copper Plan (2% Declining Refund Option), the depreciated portion of your membership fee may be applied to your entrance fee. The depreciated portion would be applied to Seabury's Plan 2%. In addition, any refund of the Membership Fee due may be applied to Seabury's entrance fee. Under this transfer provision, Seabury's Plan 2% will follow the original start date for the 2% declining refund schedule that existed under the Seabury At Home agreement.

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 Recision Period, the refund of the portion of the Membership Fee to which you are entitled shall promptly be due to you in accordance with the provisions of Paragraphs 4 or 5 of this Section.

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 (90% REFUND OPTION)

If you have selected the Platinum Plan (90% Refund Option) as shown on the attached Exhibit A, you or your estate shall be due a refund equal to ninety percent

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

Your signature below certifies that you have read, understand, and accept this Agreement, and that you or your financial advisor have received the most current 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"/> Silver	

Age of applicant at enrollment _____

TOTAL MEMBERSHIP FEE DUE AT COMPLETION OF AGREEMENT

\$ _____

MONTHLY FEE

\$ _____

Less discount for Long Term Care Insurance (Gold Plus)

\$ _____

TOTAL MONTHLY FEE

\$ _____

Addresses for Required Notice
to Seabury At Home:

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

to You:

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

**CHURCH HOME OF HARTFORD
INCORPORATED AND SUBSIDIARIES**

CONSOLIDATED FINANCIAL STATEMENTS

SEPTEMBER 30, 2013 AND 2012

**CHURCH HOME OF HARTFORD INCORPORATED
AND SUBSIDIARIES**

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BlumShapiro

Accounting | Tax | Business Consulting

Independent Auditors' Report

To the Board of Directors
Church Home of Hartford Incorporated and Subsidiaries

We have audited the accompanying consolidated financial statements of Church Home of Hartford Incorporated, which comprise the consolidated statements of financial position as of September 30, 2013 and 2012, and the related consolidated statements of activities and changes in net assets and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated 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 audits. We conducted our audits 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 Church Home of Hartford Incorporated and Subsidiaries as of September 30, 2013 and 2012, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Blum, Shapiro & Company, P.C.

West Hartford, Connecticut
December 20, 2013

CHURCH HOME OF HARTFORD INCORPORATED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
SEPTEMBER 30, 2013 AND 2012

	2013	2012		2013	2012
ASSETS					
Current Assets			Current Liabilities		
Cash and cash equivalents	\$ 10,752,212	\$ 9,523,347	Current portion of bonds payable	\$ 1,955,000	\$ 1,890,000
Entrance fee deposits	435,276	449,823	Current portion of loans payable	281,656	266,723
Accounts receivable, net	1,200,400	991,222	Accounts payable and accrued expenses	1,923,376	1,934,179
Entrance fees receivable	2,351,046	1,545,152	Entrance fee deposits	438,776	453,323
Prepaid expenses and other current assets	456,006	262,132	Total current liabilities	<u>4,598,808</u>	<u>4,544,225</u>
Total current assets	<u>15,194,940</u>	<u>12,771,676</u>	Annuities Payable	424,210	441,406
Investments	<u>22,140,862</u>	<u>20,508,346</u>	Bonds Payable, Net of Current Portion	13,845,000	15,800,000
Property and Equipment, at Cost			Loans Payable, Net of Current Portion	1,115,895	1,397,551
Land and improvements	4,745,187	4,787,452	Deferred Compensation	34,363	17,000
Buildings and improvements	63,524,571	61,716,324	Deferred Revenue from Entrance Fees	38,420,607	35,201,609
Furniture, fixtures and equipment	4,310,885	4,856,409	Future Service Obligation	-	94,903
Vehicles	196,202	189,140	Interest Rate Swap Obligation	622,037	1,070,038
Construction in progress	322,802	408,773	Total liabilities	<u>59,060,920</u>	<u>58,566,732</u>
Less accumulated depreciation	<u>73,099,647</u>	<u>71,958,098</u>	Net Assets		
Net property and equipment	<u>35,668,983</u>	<u>34,088,183</u>	Unrestricted	15,147,289	12,133,520
	<u>37,430,664</u>	<u>37,869,915</u>	Temporarily restricted	652,485	538,997
Other Assets			Permanently restricted	2,307,637	2,238,204
Deferred costs, net of accumulated amortization	310,193	354,014	Total net assets	<u>18,107,411</u>	<u>14,910,721</u>
Deferred compensation investments	34,363	17,000	Total Liabilities and Net Assets	<u>\$ 77,168,331</u>	<u>\$ 73,477,453</u>
Beneficial interest in perpetual trusts	1,937,638	1,868,205			
Pledges receivable	85,448	88,297			
Other receivables	34,223	-			
Total other assets	<u>2,401,865</u>	<u>2,327,516</u>			
Total Assets	<u>\$ 77,168,331</u>	<u>\$ 73,477,453</u>			

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

CHURCH HOME OF HARTFORD INCORPORATED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED SEPTEMBER 30, 2013 AND 2012

	2013	2012
Unrestricted Net Assets		
Revenues, gains and other support:		
Health center patients, net of contractals	\$ 7,119,641	\$ 7,018,334
Assisted living services	3,139,234	2,812,576
Resident services	10,003,438	10,031,595
Home health revenue	835,971	1,046,651
Seabury at Home revenue	330,497	202,964
Amortization of deferred revenue from entrance fees	2,871,039	2,693,011
Investment income	854,510	1,550,438
Other income	812,536	934,157
Contributions and gifts	74,976	37,070
Total revenues, gains and other support	26,041,842	26,326,796
Expenses:		
Medical and other resident care	7,635,405	7,559,526
General and administrative	7,707,858	7,270,154
Dietary	2,566,932	2,413,017
Repairs and maintenance	2,719,503	2,843,523
Housekeeping and laundry	614,533	630,544
Interest expense, net	648,070	726,816
Depreciation and amortization	2,876,780	2,739,907
Total expenses	24,769,081	24,183,487
Income from operations	1,272,761	2,143,309
Other changes in unrestricted net assets:		
Change in net unrealized gain on investments	1,268,555	1,032,067
Net assets released from restrictions	24,452	2,994
Change in interest rate swap obligation	448,001	(112,127)
Increase in unrestricted net assets	3,013,769	3,066,243
Temporarily Restricted Net Assets		
Contributions and gifts	23,787	14,100
Change in net unrealized gain on investments	114,153	134,328
Net assets released from restrictions	(24,452)	(2,994)
Increase in temporarily restricted net assets	113,488	145,434
Permanently Restricted Net Assets		
Change in interest in perpetual trusts	69,433	205,458
Change in Net Assets	3,196,690	3,417,135
Net Assets - Beginning of Year	14,910,721	11,493,586
Net Assets - End of Year	\$ 18,107,411	\$ 14,910,721

The accompanying notes are an integral part the consolidated financial statements

CHURCH HOME OF HARTFORD INCORPORATED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED SEPTEMBER 30, 2013 AND 2012

	<u>2013</u>	<u>2012</u>
Cash Flows from Operating Activities		
Change in net assets	\$ 3,196,690	\$ 3,417,135
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Proceeds from entrance fees, net of refunds	6,090,037	3,846,997
Depreciation and amortization	2,876,780	2,739,907
Change in interest rate swap obligation	(448,001)	112,127
Amortization of deferred revenue from entrance fees	(2,871,039)	(2,693,011)
Change in net unrealized gain on investments	(1,382,708)	(1,166,395)
Change in interest in perpetual trusts	(69,433)	(205,458)
Loss on disposal of assets	185,539	-
(Increase) decrease in operating assets:		
Entrance fee deposits	14,547	226,466
Accounts receivable and pledges receivable	(206,329)	164,439
Entrance fees receivable	(805,894)	220,308
Prepaid expenses and other current assets	(222,374)	553,698
Other receivables	(34,223)	-
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	(10,797)	343,921
Future service obligation	(94,903)	(157,916)
Entrance fee deposits	(14,547)	(226,466)
Annuities payable	(17,196)	104,292
Net cash provided by operating activities	<u>6,186,149</u>	<u>7,280,044</u>
Cash Purchases from Investing Activities		
Purchases of investments, net	(249,809)	(2,280,298)
Purchases of property and equipment	(2,693,877)	(1,506,450)
Proceeds from sale of property and equipment	143,125	-
Net cash used in investing activities	<u>(2,800,561)</u>	<u>(3,786,748)</u>
Cash Flows from Financing Activities		
Principal payment on debt	(2,156,723)	(2,082,669)
Net cash used in financing activities	<u>(2,156,723)</u>	<u>(2,082,669)</u>
Net Increase in Cash and Cash Equivalents	1,228,865	1,410,627
Cash and Cash Equivalents - Beginning of Year	<u>9,523,347</u>	<u>8,112,720</u>
Cash and Cash Equivalents - End of Year	<u>\$ 10,752,212</u>	<u>\$ 9,523,347</u>
Cash Paid During the Year for Interest	\$ 653,322	\$ 731,902

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

CHURCH HOME OF HARTFORD INCORPORATED AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 - ORGANIZATION

Church Home of Hartford Incorporated (the Company) is a Connecticut nonstock, tax-exempt organization that has provided housing with support services for the elderly in the Hartford area since 1876. The Company, which is affiliated with the Episcopal Diocese of Connecticut, currently operates a health center and independent living community (Seabury). As of September 30, 2013 and 2012, Seabury consisted of 196 and 199 independent living units, respectively, 27 congregate living units, 22 residential care home beds and 60 skilled nursing beds.

Seabury Memory Care Center, Inc., d/b/a Seabury Meadows (the Meadows) operates a healthcare facility, the Meadows, consisting of 44 assisted living dementia beds and 14 residential care home beds. Overall occupancy levels at Seabury and Seabury Memory Care Center for the years ended September 30, 2013 and 2012, are as follows:

	<u>2013</u>	<u>2012</u>
Seabury		
Independent living	95%	95%
Congregate living	96%	95%
Residential care home	85%	90%
Skilled nursing care	95%	95%
Seabury Memory Care Center		
Assisted living	98%	96%
Residential care home	97%	99%

The Meadows is a nonstock, tax-exempt organization and is a separate legal entity from the Company. Since the Company is the sole member of the Meadows, the assets, liabilities and activities of the Meadows have been consolidated with those of the Company in the accompanying consolidated financial statements.

In May 1996, the Company formed Seabury Charitable Foundation, Inc. (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 the Company, the Meadows and Seabury At Home Incorporated (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.

CHURCH HOME OF HARTFORD INCORPORATED AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 - ORGANIZATION (Continued)

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.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

New Accounting Pronouncement - In 2012, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update 2012-01, *Continuing Care Retirement Communities-Refundable Advance Fees* (ASU 2012-01). ASU 2012-01 requires that refundable entrance fees be accounted for as a liability on a company's books and only permits amortization of those fees into revenue under certain circumstances. This standard will be effective for the Company's fiscal year ending September 30, 2014. Application of ASU 2012-01 as of October 1, 2012 and for the year ended September 30, 2013 would affect the following financial statement line items.

Changes in the consolidated statement of activities and changes in net assets for the year ended September 30, 2013 would be as follows:

	<u>As Computed prior to ASU 2012-01</u>	<u>As Reported under ASU 2012-01</u>	<u>Effect of Change</u>
Unrestricted Revenues			
Amortization of entrance fees	\$ 2,871,039	\$ 1,994,692	\$ (876,347)
Income from Operations	1,272,743	396,396	(876,347)
Increase in Unrestricted Net Assets	3,013,751	2,137,404	(876,347)
Change in Net Assets	3,196,672	2,320,325	(876,347)
Net Assets - Beginning of Year	14,910,721	5,220,255	(9,690,466)
Net Assets - End of Year	18,107,393	7,540,580	(10,566,813)

CHURCH HOME OF HARTFORD INCORPORATED AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Changes in the consolidated statement of financial position as of September 30, 2013 would be as follows:

	<u>As Computed prior to ASU 2012-01</u>	<u>As Reported under ASU 2012-01</u>	<u>Effect of Change</u>
Deferred Revenue from Entrance Fees	\$ 38,420,607	\$ 48,987,420	\$ 10,566,813
Net Assets			
Unrestricted	15,147,271	4,580,458	(10,566,813)

Changes in the consolidated statement of cash flows for the year ended September 30, 2013 would be as follows:

	<u>As Computed prior to ASU 2012-01</u>	<u>As Reported under ASU 2012-01</u>	<u>Effect of Change</u>
Change in Net Assets	\$ 3,196,672	\$ 2,320,325	\$ (876,347)
Amortization of Entrance Fees	(2,871,039)	(1,994,692)	876,347

Basis of Presentation - 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:

Unrestricted Net Assets - Unrestricted net assets represent resources that may be expended at the direction of the Board of Directors.

Temporarily Restricted Net Assets - Temporarily restricted net assets represent contributions that are restricted by the donor either as to purpose or as to time of expenditure and are to be used to support various operating activities. They also include accumulated investment earnings on permanently restricted investments that have not been appropriated for expenditure.

Permanently Restricted Net Assets - Permanently restricted net assets represent resources that have donor-imposed restrictions that require that the principal be maintained in perpetuity but permit the Company to expend the income earned thereon to support operational activities. These permanently restricted net assets include the Company's beneficial interest in perpetual trusts of \$1,937,637 and \$1,868,204 at September 30, 2013 and 2012, respectively, and an endowment of \$370,000 for each of the years ended September 30, 2013 and 2012.

CHURCH HOME OF HARTFORD INCORPORATED AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 deferred revenue from entrance fees (see Note 4), accrued expenses and annuities payable. It is management's opinion that the estimates applied in the accompanying consolidated financial statements are reasonable.

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

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 \$162,832 and \$97,000 at September 30, 2013 and 2012, respectively, which is based on a review of significant balances and past experience.

Investment Valuation and Income Recognition - Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 3 for a discussion of fair value measurements. Purchases and sales of securities are recorded on the trade date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. 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 temporarily restricted net assets until appropriated for expenditure. The Company adopted a policy to review, for potential adjustment to cost, any investment that has decreased from cost to market by greater than 25% for a period of nine months or longer. No adjustments were necessary for the fiscal years ended September 30, 2013 and 2012. Refer to Note 5 for further detail on investments as of September 30, 2013 and 2012.

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 \$2,500 for renewals and betterments are capitalized.

CHURCH HOME OF HARTFORD INCORPORATED AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Interest Rate Swap Agreements - In connection with the December 2010 debt refinancing (see Note 7), the Company entered into a swap agreement with TD Bank with a notional amount of \$21,000,000 to fix the variable rate debt at a rate of 3.335%. The agreement meets the criteria necessary to qualify as an effective hedge, and the Company has reflected the swap agreement in the accompanying consolidated financial statements at the current market value based on the bank's floating interest rate in effect at September 30, 2013 and 2012, as compared to the fixed rate. The resulting change in the fair value of the swap agreement of \$448,001 and \$(112,127) for the years ended September 30, 2013 and 2012, respectively, is reflected in the accompanying consolidated statements of activities and changes in net assets as change in interest rate swap obligation. See Note 3 for further information.

Contributions - Contributions are defined as voluntary, nonreciprocal transfers. Unrestricted and unconditional contributions are recognized as support when received or pledged, if applicable. Contributions are reported as temporarily 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, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the consolidated statement of activities and changes in net assets as net assets released from restrictions due to satisfaction of restrictions.

Health Center Revenue - Patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors and others for services rendered. Rates charged for services rendered, other than private pay patients, are regulated by Medicaid, Medicare and other government programs.

Revenue under third-party payor agreements is subject to audit and retroactive adjustment. Provisions for estimated third-party payor settlements are provided for 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. Management believes that all applicable government reimbursement principles have been properly applied and that no material adjustments will occur as a result of an audit.

Health Care Services - Memory Care - This revenue represents revenue from services provided to the Meadows by Seabury employees. This amount is eliminated in the consolidated totals.

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

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, 2013 and 2012.

CHURCH HOME OF HARTFORD INCORPORATED AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, 2013 and 2012, is in excess of the required \$1,000,000. This amount is included in unrestricted net assets 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 permanently restricted, the income earned on the trust funds is unrestricted. The income is used for general expenses to maintain and operate the facilities. For the fiscal years ended September 30, 2013 and 2012, \$85,878 and \$76,754, respectively, is included in unrestricted investment income. Changes in market value for the Company's portion of the trusts were \$69,433 and \$205,458 for the years ended September 30, 2013 and 2012, respectively.

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 quarterly payments to the donors over their remaining life. The proceeds from the gifts are unrestricted 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. During the fiscal years ended September 30, 2013 and 2012, the Foundation recognized \$45,023 and \$49,296, respectively, in unrestricted contribution and gift revenue related to these gifts. The present value of the estimated future annuity payments is reflected as an annuity payable in the accompanying consolidated statements of financial position. During 2013 and 2012, the Foundation's liability for annuities payable was increased by approximately \$63,000 and \$111,000, respectively, representing the estimated future liability related to donors whose original liability had reached \$-0- based on actuarial assumptions when the gift was first received but who were still receiving payments at September 30, 2013 and 2012.

Income Taxes - The Company and its subsidiaries are tax-exempt under Section 501(c)(3) of the Internal Revenue Code and are not subject to federal or state income taxes. The Company's informational and tax returns for the years ended September 30, 2010 through 2013 are subject to examination by the Internal Revenue Service and the State of Connecticut.

Reclassifications - Certain amounts in the 2012 consolidated financial statements have been reclassified to conform to the current year's presentation.

Subsequent Events - In preparing these consolidated financial statements, management has evaluated subsequent events through December 20, 2013, which represents the date the consolidated financial statements were available to be issued.

CHURCH HOME OF HARTFORD INCORPORATED AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 3 - FAIR VALUE MEASUREMENTS

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

Level 1 - 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.

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 and Preferred Stocks, Exchange Traded Funds, 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.

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

CHURCH HOME OF HARTFORD INCORPORATED AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 3 - FAIR VALUE MEASUREMENTS (Continued)

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.

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

There have been no changes in the methodologies used at September 30, 2013 and 2012.

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.

The following tables set forth by level, within the fair value hierarchy, the Company's assets (liabilities) at fair value as of September 30, 2013 and 2012:

Description	September 30, 2013	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Cash equivalents	\$ 3,116,403	\$ 3,116,403	\$ -	\$ -
Fixed income mutual funds	2,559,308	2,559,308	-	-
U.S. Government securities	1,963,479	1,963,479	-	-
Corporate bonds	1,023,194	-	1,023,194	-
Equity mutual funds	3,871,838	3,871,838	-	-
Common stocks	9,606,640	9,606,640	-	-
Total investments	22,140,862	21,117,668	1,023,194	-
Beneficial interest in perpetual trusts	1,937,638	-	-	1,937,638
Interest rate swap	(622,037)	-	-	(622,037)

CHURCH HOME OF HARTFORD INCORPORATED AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 3 - FAIR VALUE MEASUREMENTS (Continued)

Description	September 30, 2012	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Cash equivalents	\$ 3,638,368	\$ 3,638,368	\$ -	\$ -
Fixed income mutual funds	2,627,292	2,627,292	-	-
U.S. Government securities	4,337,499	4,337,499	-	-
Corporate bonds	409,133	-	409,133	-
Equity mutual funds	3,566,139	3,566,139	-	-
Common stocks	5,929,915	5,929,915	-	-
Total investments	20,508,346	20,099,213	409,133	-
Beneficial interest in perpetual trusts	1,868,205	-	-	1,868,205
Interest rate swap	(1,070,038)	-	-	(1,070,038)

There were no transfers between levels of investments during the years ended September 30, 2013 and 2012.

Assets Measured at Fair Value on a Recurring Basis 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:

	Beneficial Interest In Perpetual Trusts
Balance - September 30, 2011	\$ 1,662,747
Total losses (realized and unrealized) included in the change in net assets - 2012	<u>205,458</u>
Balance - September 30, 2012	1,868,205
Total gains (realized and unrealized) included in the change in net assets - 2013	<u>69,433</u>
Balance - September 30, 2013	<u><u>\$ 1,937,638</u></u>

CHURCH HOME OF HARTFORD INCORPORATED AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 3 - FAIR VALUE MEASUREMENTS (Continued)

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

	Interest Rate Swap
Balance - September 30, 2011	\$ (957,911)
Change in interest rate swap obligation	(112,127)
Balance - September 30, 2012	(1,070,038)
Change in interest rate swap obligation	448,001
Balance - September 30, 2013	\$ (622,037)

Financial Instruments Not Measured at Fair Value - The carrying amounts of cash, accounts receivable, accounts payable and accrued expenses approximate their fair value because of the short-term nature of these instruments.

The fair value of bonds and loans payable as of September 30, 2013 and 2012, approximates the total outstanding principal balance.

There have been no changes in the methodologies used at September 30, 2013 and 2012.

NOTE 4 - 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 five contract plans is selected. Three of these plans are full life care and two plans are non-life care. Of the three life care plans, two offer a declining refund at 2% per month and another plan offers a fixed 67% refund of the original life care entrance fee. The non-life care plans offer an 85% or 95% refund, respectively, of the original life care entrance fees if the occupant never resides in the nursing home facility. If the resident enters the nursing facility, the refundable amount is reduced by the nursing facility's standard daily private pay rate. Under the resident agreements of these five plans, amounts are refundable after the living unit is reoccupied and the new life care entrance fee is paid in full.

CHURCH HOME OF HARTFORD INCORPORATED AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 4 - LIFE CARE AGREEMENT (Continued)

The 67%, 85% and 95% refundable portions of the life care entrance fee are deferred and amortized to income over the estimated life of the facility (30 years). As discussed in Note 2 - New Accounting Pronouncement, in the future the refundable amounts will no longer be amortized into income. All refundable amounts, including those already amortized into income, will be shown as a liability in the consolidated statements of financial position. The 33%, 15% and 5% nonrefundable portions of the life care entrance fee and the entire entrance fee for those who select the plan that offers 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.

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 six contract plans is selected. Five plans offer a declining refund at 2% per month and the sixth plan offers a fixed 90% refund of the original life care entrance fee. Within the five declining refund 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, and the final contract offers a 50% co-pay option for home-based care. The 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 five plans, amounts are refundable after the individual has terminated their agreement. The 10% nonrefundable portion of the life care entrance fee and the entire entrance fee for those who select the plan that offers 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.

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.

CHURCH HOME OF HARTFORD INCORPORATED AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 4 - LIFE CARE AGREEMENT (Continued)

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 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 deferred revenue from entrance fees. If the present value of the net cost of future services and use of facilities exceeds the deferred revenue from entrance fees, a liability is recorded with a corresponding charge to income. As of September 30, 2013 and 2012, an obligation of \$-0- and \$94,903, respectively, has been recorded for Seabury at Home. As of September 30, 2013 and 2012, no such obligation existed for Seabury.

NOTE 5 - INVESTMENTS

Fair values of investments as of September 30, 2013 and 2012, are summarized as follows:

	<u>2013</u>	<u>2012</u>
Investments:		
Cash equivalents	\$ 3,116,403	\$ 3,638,368
Fixed income mutual funds	2,559,308	2,627,292
Government bonds	1,963,479	4,337,499
Corporate bonds	1,023,194	409,133
Equity mutual funds	3,871,838	3,566,139
Individual securities	<u>9,606,640</u>	<u>5,929,915</u>
	<u>\$ 22,140,862</u>	<u>\$ 20,508,346</u>

Investment income on cash and cash equivalents, perpetual trusts and investments is comprised of the following for the years ended September 30, 2013 and 2012:

	<u>2013</u>	<u>2012</u>
Interest and dividend income from investments	\$ 386,899	\$ 357,577
Net realized gain on sales of investments	<u>381,733</u>	<u>1,116,107</u>
Income from investments	768,632	1,473,684
Interest and dividend income from perpetual trusts	<u>85,878</u>	<u>76,754</u>
Total Investment Income	<u>\$ 854,510</u>	<u>\$ 1,550,438</u>

CHURCH HOME OF HARTFORD INCORPORATED AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 6 - LINE OF CREDIT

Beginning in June 2013, the Meadows has available \$1,000,000 under the terms of a working capital line-of-credit arrangement with Simsbury Bank, expiring in June 2015. Any portion of the line may be termed out for a 3- to 5-year period and would fully amortize over the term. The balance of the line would remain in effect. The line of credit bears interest at prime rate plus 0.5% with a floor of 3.75% (3.75% at September 30, 2013). The credit line is collateralized by substantially all assets of the Meadows. As of September 30, 2013, there were no amounts drawn on this line of credit.

NOTE 7 - LONG-TERM DEBT

On December 23, 2010, the Company refinanced its CDA 1998 Series revenue bonds through CHEFA Series Note A revenue bonds. The new bonds have a variable interest rate that is fixed at 3.335% through the use of an interest rate swap instrument with TD Bank. The bonds will be amortized over a 10-year schedule.

Long-term debt as of September 30, 2013 and 2012, is summarized as follows:

	2013	2012
Connecticut Health and Educational Facilities Authority Revenue Bonds (Seabury Retirement Community, Series Note A) dated December 23, 2010, \$21,000,000 original principal amount, maturing December 2020, with monthly payments of principal and interest at a fixed rate of 3.335% through an interest rate swap instrument.	\$ 15,800,000	\$ 17,690,000
Simsbury Bank loan, for the refinancing of the Meadows, dated March 28, 2008, \$2,700,000 original principal amount, based on a 10-year amortization schedule. Interest is paid monthly at a rate of 5.46%. Monthly principal and interest payments are \$29,249 through March 28, 2018.	<u>1,397,551</u> 17,197,551	<u>1,664,274</u> 19,354,274
Less current portion	<u>(2,236,656)</u>	<u>(2,156,723)</u>
Net Long-Term Debt	<u>\$ 14,960,895</u>	<u>\$ 17,197,551</u>

CHURCH HOME OF HARTFORD INCORPORATED AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 7 - LONG-TERM DEBT (Continued)

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

<u>Fiscal Year</u>	<u>CHEFA Revenue Bonds</u>	<u>Simsbury Bank</u>
2013	\$ 1,955,000	\$ 281,656
2014	2,020,000	297,425
2015	2,090,000	314,077
2016	2,170,000	331,662
2017	2,240,000	172,731
Thereafter	5,325,000	-
	<u>\$ 15,800,000</u>	<u>\$ 1,397,551</u>

Under provisions of the CHEFA Bond agreement, substantially all revenues of the Company are pledged as collateral on the bonds.

Covenants - The Company, under provisions of the CHEFA Bond Agreement, is required to maintain a debt service coverage ratio and cash-to-debt ratio. In the opinion of management, the Company is in compliance with these covenants at September 30, 2013.

NOTE 8 - DEFERRED COSTS

Deferred costs as of September 30, 2013 and 2012, were as follows:

	<u>2013</u>	<u>2012</u>
Refinancing - 2008	\$ 27,304	\$ 27,304
Refinancing - 2010	410,905	410,905
Less accumulated amortization	<u>(128,016)</u>	<u>(84,195)</u>
	<u>\$ 310,193</u>	<u>\$ 354,014</u>

The 2008 refinancing costs represent costs incurred in connection with the refinancing of the Meadows loan with Simsbury Bank. These costs are being amortized over the term of the Simsbury Bank loan. Amortization for each of the next five years is \$2,730.

The 2010 refinancing costs represent costs incurred in connection with the refinancing of the CDA bonds. These costs are being amortized over the term of the new CHEFA bonds. Amortization for each of the next five years is \$41,091.

CHURCH HOME OF HARTFORD INCORPORATED AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 9 - PENSION PLAN

The Company maintains a 403(b) defined contribution plan (the Plan). Employees are eligible to participate in the Plan after any year in which they work 1,000 hours. The Company matches employee contributions up to 3.5% and 3% of eligible employees' payroll for 2013 and 2012, respectively. Employees are fully vested in the Plan after three years of employment. Pension expense recognized in fiscal 2013 and 2012 was approximately \$193,000 and \$168,000, respectively. The Company maintains a nonqualified deferred compensation plan for a key employee that is included as an asset and as a corresponding liability in the consolidated statements of financial position, which totaled \$34,363 and \$17,000 at September 30, 2013 and 2012, respectively.

NOTE 10 - ENDOWMENT

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 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 permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the 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 organization and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the organization
- The investment policies of the organization

CHURCH HOME OF HARTFORD INCORPORATED AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 10 - ENDOWMENT (Continued)

The total endowment funds of the Company at September 30, 2013 and 2012, are as follows:

	Church Home of Hartford, Inc. Permanently Restricted Endowment Funds	Church Home of Hartford, Inc. Temporarily Restricted Endowment Funds	Church Home of Hartford, Inc. Board- Designated Endowment Funds	Seabury Charitable Foundation Board- Designated Endowment Funds	Seabury Memory Care, Inc. Board- Designated Endowment Funds	Total
Endowment net assets - September 30, 2011	\$ 370,000	\$ 370,722	\$ 11,054,377	\$ 4,819,212	\$ 447,343	\$ 17,061,654
Reclassifications	-	134,328	(134,328)	-	-	-
Investment return:						
Interest and dividends	-	-	243,608	108,801	5,168	357,577
Realized gains	-	-	868,887	247,220	-	1,116,107
Unrealized gains	-	-	661,210	505,185	-	1,166,395
Total investment return	-	-	1,773,705	861,206	5,168	2,640,079
Net increase (decrease) in amounts designated	-	-	931,211	(224,598)	100,000	806,613
Endowment net assets - September 30, 2012	370,000	505,050	13,624,965	5,455,820	552,511	20,508,346
Reclassifications	-	114,153	(114,153)	-	-	-
Investment return:						
Interest and dividends	-	-	229,966	142,910	5,911	378,787
Realized gains	-	-	223,477	187,639	-	411,116
Unrealized gains	-	-	1,043,422	339,286	-	1,382,708
Total investment return	-	-	1,496,865	669,835	5,911	2,172,611
Net decrease in amounts designated	-	-	(421,202)	(118,893)	-	(540,095)
Endowment Net Assets - September 30, 2013	\$ 370,000	\$ 619,203	\$ 14,586,475	\$ 6,006,762	\$ 558,422	\$ 22,140,862

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.

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.

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Independent Auditors' Report on Supplementary Information

To the Board of Directors
Church Home of Hartford Incorporated and Subsidiaries

We have audited the consolidated financial statements of Church Home of Hartford Incorporated and Subsidiaries as of and for the years ended September 30, 2013 and 2012, and our report thereon dated December 20, 2013, which expressed an unmodified opinion those consolidated financial statements, appears on pages 1 and 2. Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The consolidating schedules of financial position and activities and changes in net assets as of and for the years ended September 30, 2013 and 2012, 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 audits 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.

Blum, Shapiro & Company, P.C.

West Hartford, Connecticut
December 20, 2013

CHURCH HOME OF HARTFORD INCORPORATED AND SUBSIDIARIES
CONSOLIDATING SCHEDULE OF FINANCIAL POSITION
SEPTEMBER 30, 2013

ASSETS

	Church Home of Hartford Incorporated	Seabury Charitable Foundation, Inc.	Seabury Memory Care Center, Inc.	Seabury at Home, Inc.	Eliminations	Total
Current Assets						
Cash and cash equivalents	\$ 3,575,654	\$ 53,002	\$ 1,158,481	\$ 5,965,075	\$ -	\$ 10,752,212
Entrance fee deposits	435,276	-	-	-	-	435,276
Accounts receivable, net	1,045,272	-	155,128	-	-	1,200,400
Accounts receivable, related party	406,727	-	-	-	(406,727)	-
Entrance fees receivable	1,272,231	-	-	1,078,815	-	2,351,046
Prepaid expenses and other current assets	418,889	-	33,543	3,574	-	455,906
Total current assets	7,154,049	53,002	1,347,152	7,047,464	(406,727)	15,194,940
Investments	15,575,678	6,006,762	558,422	-	-	22,140,862
Property and Equipment, at Cost						
Land and improvements	4,429,495	-	-	315,692	-	4,745,187
Buildings and improvements	59,196,970	-	3,800,916	526,685	-	63,524,571
Furniture, fixtures and equipment	4,135,992	-	146,782	28,111	-	4,310,885
Vehicles	196,202	-	-	-	-	196,202
Construction in progress	171,664	-	3,947,698	151,138	-	322,802
Less accumulated depreciation	34,054,128	-	1,479,334	135,521	-	35,668,983
Net property and equipment	34,076,195	-	2,468,364	886,105	-	37,430,664
Other Assets						
Deferred costs, net of accumulated amortization	297,906	-	12,287	-	-	310,193
Deferred compensation investments	34,363	-	-	-	-	34,363
Beneficial interest in perpetual trusts	1,937,638	-	-	-	-	1,937,638
Loan receivable, related party	1,735,203	-	-	-	(1,735,203)	-
Pledges receivable	85,448	-	-	-	-	85,448
Other receivables	34,223	-	-	-	-	34,223
Total other assets	4,039,333	85,448	12,287	-	(1,735,203)	2,401,865
Total Assets	\$ 60,845,255	\$ 6,145,212	\$ 4,386,225	\$ 7,933,569	\$ (2,141,930)	\$ 77,168,331

LIABILITIES AND NET ASSETS

	Church Home of Hartford Incorporated	Seabury Charitable Foundation, Inc.	Seabury Memory Care Center, Inc.	Seabury at Home, Inc.	Eliminations	Total
Current Liabilities						
Current portion of bonds payable	\$ 1,955,000	\$ -	\$ -	\$ -	\$ -	\$ 1,955,000
Current portion of loans payable	-	-	281,656	-	-	281,656
Accounts payable and accrued expenses	1,823,338	11,993	66,266	21,779	-	1,923,376
Accounts payable, related party	-	-	233,076	173,651	(406,727)	-
Entrance fee deposits	438,776	-	-	-	-	438,776
Total current liabilities	4,217,114	11,993	580,998	195,430	(406,727)	4,598,808
Annuities Payable	-	424,210	-	-	-	424,210
Bonds Payable, Net of Current Portion	13,845,000	-	-	-	-	13,845,000
Loans Payable, Net of Current Portion	-	-	1,115,895	1,735,203	(1,735,203)	1,115,895
Deferred Compensation	34,363	-	-	-	-	34,363
Deferred Revenue from Entrance Fees	31,839,774	-	-	6,580,833	-	38,420,607
Interest Rate Swap Obligation	622,037	-	-	-	-	622,037
Total liabilities	50,558,288	436,203	1,696,893	8,311,466	(2,141,930)	59,060,920
Net Assets						
Unrestricted	7,354,550	5,681,304	2,689,332	(577,897)	-	15,147,289
Temporarily restricted	624,780	27,705	-	-	-	652,485
Permanently restricted	2,307,637	-	-	-	-	2,307,637
Total net assets	10,286,967	5,709,009	2,689,332	(577,897)	-	18,107,411
Total Liabilities and Net Assets	\$ 60,845,255	\$ 6,145,212	\$ 4,386,225	\$ 7,933,569	\$ (2,141,930)	\$ 77,168,331

CHURCH HOME OF HARTFORD INCORPORATED AND SUBSIDIARIES
CONSOLIDATING SCHEDULE OF FINANCIAL POSITION
SEPTEMBER 30, 2012

ASSETS

	Church Home of Hartford Incorporated	Seabury Charitable Foundation, Inc.	Seabury Memory Care Center, Inc.	Seabury at Home Inc.	Eliminations	Total
Current Assets						
Cash and cash equivalents	\$ 4,621,511	\$ 126,880	\$ 961,733	\$ 3,813,203	\$ -	\$ 9,523,347
Entrance fee deposits	449,823	-	-	-	-	449,823
Accounts receivable, net	896,159	-	95,063	-	-	991,222
Accounts receivable, related party	319,160	-	-	-	(319,160)	-
Entrance fees receivable	664,738	-	-	880,414	-	1,545,152
Prepaid expenses and other current assets	225,353	-	33,471	3,308	-	262,132
Total current assets	7,176,764	126,880	1,090,267	4,696,925	(319,160)	12,771,676
Investments	14,900,015	5,455,820	532,511	-	-	20,888,346
Property and Equipment, at Cost						
Land and improvements	4,471,760	-	-	315,692	-	4,787,452
Buildings and improvements	57,388,723	-	3,800,916	526,685	-	61,716,324
Furniture, fixtures and equipment	4,716,849	-	111,449	28,111	-	4,856,409
Vehicles	189,140	-	-	-	-	189,140
Construction in progress	257,635	-	-	151,138	-	408,773
Less accumulated depreciation	(67,024,107)	-	(3,912,365)	(1,021,626)	-	(71,958,098)
Net property and equipment	32,667,576	-	1,324,619	95,988	-	34,088,183
	34,356,531	-	2,597,746	925,638	-	37,880,915
Other Assets						
Deferred costs, net of accumulated amortization	338,997	-	15,017	-	-	354,014
Deferred compensation investments	17,000	-	-	-	-	17,000
Beneficial interest in perpetual trusts	1,868,205	-	-	-	-	1,868,205
Loan receivable, related party	1,802,427	-	-	-	(1,802,427)	-
Pledges receivable	88,297	-	-	-	-	88,297
Total other assets	4,026,629	88,297	15,017	-	(1,802,427)	2,327,516
Total Assets	\$ 60,059,939	\$ 5,670,997	\$ 4,245,541	\$ 5,622,563	\$ (2,121,887)	\$ 71,477,453

LIABILITIES AND NET ASSETS

	Church Home of Hartford Incorporated	Seabury Charitable Foundation, Inc.	Seabury Memory Care Center, Inc.	Seabury at Home Inc.	Eliminations	Total
Current Liabilities						
Current portion of Bonds payable	\$ 1,890,000	\$ -	\$ -	\$ -	\$ -	\$ 1,890,000
Current portion of loans payable	-	-	266,723	-	-	266,723
Accounts payable and accrued expenses	1,809,424	10,416	89,312	25,027	-	1,934,179
Entrance fee deposits	453,323	-	220,970	98,190	(319,160)	453,323
Total current liabilities	4,152,747	10,416	577,005	123,217	(319,160)	4,544,225
Annuities Payable	-	441,406	-	-	-	441,406
Bonds Payable, Net of Current Portion	15,800,000	-	-	-	-	15,800,000
Loans Payable, Net of Current Portion	-	-	1,397,551	1,802,427	(1,802,427)	1,397,551
Deferred Compensation	17,000	-	-	-	-	17,000
Deferred Revenue from Entrance Fees	30,874,273	-	-	4,327,336	-	35,201,609
Future Services Obligation	-	-	-	94,903	-	94,903
Interest Rate Swap Obligation	1,070,038	-	-	-	-	1,070,038
Total liabilities	51,914,058	451,822	1,974,556	6,347,883	(2,121,887)	58,566,732
Net Assets						
Unrestricted	5,397,050	5,190,805	2,270,985	(725,320)	-	12,133,520
Temporarily restricted	510,627	28,370	-	-	-	538,997
Permanently restricted	2,238,204	-	-	-	-	2,238,204
Total net assets	8,145,881	5,219,175	2,270,985	(725,320)	-	14,910,721
Total Liabilities and Net Assets	\$ 60,059,939	\$ 5,670,997	\$ 4,245,541	\$ 5,622,563	\$ (2,121,887)	\$ 71,477,453

CHURCH HOME OF HARTFORD INCORPORATED AND SUBSIDIARIES
CONSOLIDATING SCHEDULE OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Church Home of Hartford Incorporated		Seabury Charitable Foundation, Inc.		Seabury Memory Care Center, Inc.		Seabury at Home, Inc.		Eliminations	Total
	Unrestricted	Temporarily Restricted	Unrestricted	Temporarily Restricted	Unrestricted	Temporarily Restricted	Unrestricted	Temporarily Restricted		
Revenues, Gains and Other Support										
Health center patients, net of contractals	\$ 7,198,746	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (79,105)	\$ 7,119,641
Health care services - Memory Care	2,435,395	-	-	-	-	-	-	-	(2,435,395)	-
Assisted living services	-	-	-	-	-	-	-	-	(598,104)	3,139,234
Resident services	10,003,438	-	-	-	-	3,737,338	-	-	-	10,003,438
Home health revenue	835,971	-	-	-	-	-	-	-	-	835,971
Seabury at Home revenue	-	-	-	-	-	-	354,206	-	(23,709)	330,497
Services to Seabury at Home, Inc.	580,586	-	-	-	-	-	-	-	(580,586)	-
Amortization of deferred revenue from entrance fees	2,698,022	-	-	-	-	-	173,017	-	-	2,871,039
Investment income	548,046	-	-	-	-	299,240	7,224	-	-	854,510
Other income	578,466	-	-	-	-	64,375	27,027	-	(162,237)	812,536
Contributions and gifts	-	-	-	-	71,082	23,787	-	-	-	94,869
Contributions from the Seabury Charitable Foundation, Inc.	132,232	-	-	-	24,452	-	-	-	(128,338)	3,894
Net assets released from restrictions	-	-	-	(24,452)	-	-	-	-	(4,007,474)	-
Total revenues, gains and other support	<u>25,010,902</u>	<u>-</u>	<u>459,149</u>	<u>(665)</u>	<u>458,484</u>	<u>3,771,589</u>	<u>832,128</u>	<u>-</u>	<u>-</u>	<u>26,065,629</u>
Expenses										
Medical and other resident care	7,635,979	-	-	-	-	-	1,249,546	-	(1,701,109)	7,635,405
General and administrative	8,032,416	-	-	-	-	282,393	1,036,394	-	(1,837,527)	7,707,858
Dietary	2,393,553	-	-	-	-	-	422,534	-	(249,155)	2,566,932
Repairs and maintenance	2,514,839	-	-	-	-	-	272,024	-	(67,360)	2,719,503
Housekeeping and laundry	610,299	-	-	-	-	-	131,014	-	(126,780)	614,533
Interest expense, net	563,785	-	-	-	-	-	84,285	-	-	648,070
Depreciation and amortization	2,679,801	-	-	-	-	-	157,445	-	-	2,876,780
Contributions to Church Home of Hartford Incorporated and Seabury Memory Care	-	-	-	-	25,543	-	-	-	(25,543)	-
Total expenses	<u>24,430,672</u>	<u>-</u>	<u>307,936</u>	<u>-</u>	<u>307,936</u>	<u>3,353,242</u>	<u>684,705</u>	<u>-</u>	<u>(4,007,474)</u>	<u>24,769,081</u>
Income (Loss) from Operations	580,230	-	151,213	(665)	150,548	418,347	147,423	-	-	1,296,548
Change in Net Unrealized Gain on Investments	929,269	114,153	-	-	339,286	-	-	-	-	1,382,708
Change in Interest in Perpetual Trusts	-	-	69,433	-	-	-	-	-	-	69,433
Change in Interest Rate Swap Obligation	448,001	-	-	-	-	-	-	-	-	448,001
Change in Net Assets	1,957,500	114,153	69,433	(665)	489,834	418,347	147,423	-	-	3,196,690
Net Assets - Beginning of Year	5,397,050	510,627	2,238,204	28,370	5,219,175	2,270,985	(725,320)	-	-	14,910,721
Net Assets - End of Year	<u>\$ 7,354,550</u>	<u>\$ 624,780</u>	<u>\$ 2,307,637</u>	<u>\$ 27,705</u>	<u>\$ 5,709,009</u>	<u>\$ 2,689,332</u>	<u>\$ (577,897)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,107,411</u>

CHURCH HOME OF HARTFORD INCORPORATED AND SUBSIDIARIES
CONSOLIDATING SCHEDULE OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Church Home of Hartford Incorporated			Seabury Charitable Foundation, Inc.		Seabury Memory Care Center, Inc.		Seabury at Home, Inc.		Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	Unrestricted	Temporarily Restricted	Unrestricted	Temporarily Restricted	Unrestricted	Eliminations	
Revenues, Gains and Other Support										
Health center patients, net of contractuals	\$ 7,018,334	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,018,334
Health care services - Memory Care	2,360,540	-	-	-	-	-	-	-	(2,360,540)	-
Assisted living services	-	-	-	-	-	3,708,282	-	-	(895,706)	2,812,576
Resident services	10,031,595	-	-	-	-	-	-	-	-	10,031,595
Home health revenue	1,046,651	-	-	-	-	-	-	-	-	1,046,651
Seabury at Home revenue	-	-	-	-	-	-	-	226,673	(23,709)	202,964
Services to Seabury at Home, Inc.	525,976	-	-	-	-	-	-	-	(525,976)	-
Amortization of deferred revenue from entrance fees	2,562,516	-	-	-	-	-	-	130,495	-	2,693,011
Investment income	1,189,249	-	-	356,021	-	5,168	-	340,644	(143,812)	1,550,438
Other income	632,544	-	-	68,976	-	35,805	-	-	-	934,157
Contributions and gifts	4,135	-	-	27,148	14,100	-	-	-	-	45,383
Contributions from the Seabury Charitable Foundation, Inc.	12,351	-	-	2,994	(2,994)	1,252	-	-	(7,816)	5,787
Net assets released from restrictions	-	-	-	455,139	11,106	-	-	697,812	(3,957,559)	26,340,896
Total revenues, gains and other support	25,383,891	-	-	25,383,891	11,106	3,750,507	-	697,812	(3,957,559)	26,340,896
Expenses										
Medical and other resident care	7,516,311	-	-	-	-	1,224,248	-	471,355	(1,652,388)	7,559,526
General and administrative	7,718,252	-	-	375,701	-	983,822	-	54,089	(1,861,710)	7,270,154
Dietary	2,269,889	-	-	-	-	407,238	-	-	(264,110)	2,413,017
Repairs and maintenance	2,632,743	-	-	-	-	289,640	-	-	(78,860)	2,843,523
Housekeeping and laundry	608,977	-	-	-	-	114,242	-	-	(92,675)	630,544
Interest expense, net	628,501	-	-	-	-	98,315	-	-	-	726,816
Depreciation and amortization	2,540,976	-	-	-	-	161,012	-	37,919	-	2,739,907
Contributions to Church Home of Hartford Incorporated and Seabury Memory Care	-	-	-	7,816	-	-	-	-	(7,816)	-
Total expenses	23,915,649	-	-	383,517	-	3,278,517	-	563,363	(3,957,559)	24,183,487
Income from Operations	1,468,242	-	-	71,622	11,106	471,990	-	134,449	-	2,157,409
Change in Net Unrealized Gain on Investments	526,882	134,328	-	505,185	-	-	-	-	-	1,166,395
Change in Interest in Perpetual Trusts	-	-	205,458	-	-	-	-	-	-	205,458
Change in Interest Rate Swap Obligation	(112,127)	-	-	-	-	-	-	-	-	(112,127)
Change in Net Assets	1,882,997	134,328	205,458	576,807	11,106	471,990	-	134,449	-	3,417,135
Net Assets - Beginning of Year	3,514,053	376,299	2,032,746	4,613,998	17,264	1,798,995	-	(859,769)	-	11,493,586
Net Assets - End of Year	\$ 5,397,050	\$ 510,627	\$ 2,238,204	\$ 5,190,805	\$ 28,370	\$ 2,270,985	\$ -	\$ (725,320)	\$ -	\$ 14,910,721

EXHIBIT C

PRO FORMA INCOME STATEMENTS

SEABURY AT HOME, INCORPORATED
2014 SOURCES & USE OF FUNDS

Seabury At Home's operating budget projects revenues of \$927,418, with expenses of \$858,060 and capital expenditures of \$7,200, for excess revenues over disbursements of \$62,158. The projected membership growth rate is a conservative 2.5 new members per month for 30 new members, and a total by year end of 126 members. Seabury At Home has several membership plans, and the projected breakdown is as follows: 3 Platinum, 11 Gold, and 16 Gold Plus.

Seabury At Home Incorporated
Forecasted Statements of Cash Flow
For the Years Ending September 30, 2014 - 2018

1/21/2014

	<u>BUDGET 9/30/14</u>	<u>FYE 9/30/15</u>	<u>FYE 9/30/16</u>	<u>FYE 9/30/17</u>	<u>FYE 9/30/18</u>
Net Income (Loss)	69,358	12,119	18,386	(12,096)	24,532
Adjustments:					
Depreciation	40,179	38,825	38,496	38,205	38,205
Earned Membership Fees	(229,473)	(273,804)	(324,197)	(374,590)	(424,984)
Membership Fees Received	2,062,000	2,144,000	2,230,000	2,319,000	2,412,000
Membership Fees Refunded	(799,599)	(817,599)	(835,599)	(848,599)	(859,599)
Changes in Current Liabilities	(127,273)	28,420	15,652	19,538	14,775
Changes in Current Assets	42,461	(25,415)	(25,971)	(26,540)	(27,120)
Net Cash Provided from Operating Activities	1,057,653	1,106,546	1,116,767	1,114,918	1,177,809
Cash Flow from Investing Activities:					
Capital Improvements and Equipment	(7,200)				
Net Cash Used in Investing Activities	(7,200)				
Cash Flow from Financing Activities:					
Loan Payable to Seabury					
Repayment of Loan to CHHI Endowment	(73,711)	(34,679)	(6,060)	(9,193)	
Net Cash Used in Financing Activities	(73,711)	(34,679)	(6,060)	(9,193)	
Miscellaneous Adjustment				1	(1)
Annual Cash Flow	976,742	1,071,867	1,110,707	1,105,726	1,177,808
Cash Beginning of Year	5,965,079	6,941,821	8,013,688	9,124,395	10,230,121
Cash End of Year	6,941,821	8,013,688	9,124,395	10,230,121	11,407,929

Seabury At Home Incorporated
Forecasted Balance Sheets
For the Years Ending September 30, 2014 - 2018

	<u>BUDGET 9/30/14</u>	<u>FYE 9/30/15</u>	<u>FYE 9/30/16</u>	<u>FYE 9/30/17</u>	<u>FYE 9/30/18</u>
Assets					
Current Assets:					
Cash	6,941,821	8,013,688	9,124,395	10,230,121	11,407,929
Accounts Receivable	1,031,712	1,052,346	1,073,393	1,094,861	1,116,758
Prepaid Expenses	159,352	164,133	169,057	174,129	179,352
Total Current Assets	8,132,885	9,230,167	10,366,845	11,499,111	12,704,039
Property, Plant and Equipment, Net	701,987	663,162	624,666	586,461	548,256
Total Assets	8,834,872	9,893,329	10,991,511	12,085,572	13,252,295
Liabilities and Fund Balance					
Accounts Payable	68,157	96,577	112,229	131,767	146,542
Deferred Membership Fees	7,613,761	8,666,358	9,736,562	10,832,373	11,959,790
Loan Payable to CHHI Endowment	413,123	378,444	372,384	363,191	363,191
Loan Payable to Seabury	1,248,370	1,248,370	1,248,370	1,248,370	1,248,370
Total Loans Payable	1,661,493	1,626,814	1,620,754	1,611,561	1,611,561
Fund Balance	(508,539)	(496,420)	(478,034)	(490,129)	(465,598)
Total Liabilities and Fund Balance	8,834,872	9,893,329	10,991,511	12,085,572	13,252,295

Seabury At Home Incorporated
 Forecasted Income Statements
 For the Years Ending September 30, 2014 - 2018

1/21/2014

	<u>BUDGET 9/30/14</u>	<u>FYE 9/30/15</u>	<u>FYE 9/30/16</u>	<u>FYE 9/30/17</u>	<u>FYE 9/30/18</u>
Revenue:					
Monthly Fees	391,080	498,465	613,737	737,596	870,298
Admission Evaluations	4,500	4,500	4,500	4,500	4,500
Interest Income	726	105,572	123,003	141,388	160,788
Wellness Pass	3,120	3,245	3,375	3,510	3,650
Long Term Care Insurance	0	15,848	15,848	15,848	15,848
Earned Member Fees	229,743	273,804	324,197	374,590	424,984
Leased Rental Income	19,481	19,481	19,481	19,481	19,481
Life Line	8,700	10,778	12,971	15,288	17,731
Private Duty Nursing	17,900	18,437	18,990	19,560	20,147
Private Duty Personal Care	252,156	259,721	267,512	275,538	283,804
Finance Charges on Unpaid Balances	<u>12</u>	<u>12</u>	<u>12</u>	<u>12</u>	<u>12</u>
Total Revenue	927,418	1,209,863	1,403,626	1,607,311	1,821,243
Expenses:					
Seabury Contracted Services	510,270	550,475	561,485	632,715	645,369
Marketing/Public Relations	149,737	154,229	158,856	163,622	168,530
Emergency Response	0	8,000	12,000	16,000	20,000
Skilled Nursing Permanent Care	0	176,000	245,000	317,000	390,000
Home Health Care	2,000	1,500	1,500	1,500	1,500
Skilled Nursing Temporary Care	29,089	18,750	26,750	35,500	44,500
Delivered Meals	250	1,000	1,000	2,000	3,000
Assisted Living Temporary Care	0	18,250	26,000	35,500	42,750
Repairs to Building	3,500	3,605	3,713	3,825	3,939
Live In	0	90,500	164,250	217,250	272,250
Exterminations	1,078	1,110	1,144	1,178	1,213
Companions	0	7,500	10,750	14,250	17,750
Trash Removal	1,520	1,566	1,613	1,661	1,711
Snow Removal	4,000	4,120	4,244	4,371	4,502
Contract Lawn Service	2,514	2,589	2,667	2,747	2,830
Contract Maintenance Service	500	515	530	546	563
Maintenance Supplies	500	515	530	546	563
Contract Housekeeping SVC	600	618	637	656	675
Housekeeping Supplies	300	309	318	328	338
Electricity	4,000	4,120	4,244	4,371	4,502
Fuel Oil	3,000	3,090	3,183	3,278	3,377
Corporate Insurance - General	18,816	19,380	19,962	20,561	21,178
Depreciation	40,179	38,825	38,496	38,205	38,205
Real Estate Taxes	11,264	11,602	11,950	12,308	12,678
Accounting/Audit	6,250	6,438	6,631	6,830	7,034
Printing	3,300	3,399	3,501	3,606	3,714
Education/Training	3,680	3,790	3,904	4,021	4,142
Travel	10,000	10,300	10,609	10,927	11,255
Dues/licenses/Fees	4,865	5,011	5,161	5,316	5,476
Postage	1,500	1,545	1,591	1,639	1,688
Office Supplies	5,050	5,202	5,358	5,518	5,684
Dining/Catering	2,780	2,863	2,949	3,038	3,129
Physician Fees	4,500	4,500	4,500	4,500	4,500
Cell Phones	5,540	5,706	5,877	6,054	6,235
Life Line	12,060	14,940	17,981	21,192	24,579
Transportation	1,000	1,030	1,061	1,093	1,126
Data Processing	5,120	5,274	5,432	5,595	5,763
Equipment Rental	4,080	4,202	4,328	4,458	4,592
Water/Sewer	285	294	302	311	321
Employee Recruiting	1,750	1,803	1,857	1,912	1,970
Uniforms	480	494	509	525	540
Medical Supplies	703	724	746	768	791
Member Social Events	<u>2,000</u>	<u>2,060</u>	<u>2,122</u>	<u>2,185</u>	<u>2,251</u>
Total Expenses	858,060	1,197,743	1,385,240	1,619,406	1,796,711
Net Profit (Loss) from Operations	69,358	12,119	18,386	(12,096)	24,532
Fund Balance, Beginning of Year	(577,897)	(508,539)	(496,420)	(478,034)	(490,129)
Fund Balance , End of Year	(508,539)	(496,420)	(478,034)	(490,129)	(465,598)

Seabury At Home Incorporated
 Growth Rate Assumptions
 For the Years Ending September 30, 2014 - 2018

1/21/2014

	<u>BUDGET 9/30/14</u>	<u>FYE 9/30/15</u>	<u>FYE 9/30/16</u>	<u>FYE 9/30/17</u>	<u>FYE 9/30/18</u>
Monthly Fees Increase	2%	4%	4%	4%	4%
Additional Annual Members	30	30	30	30	30
Membership Fees Increase	2%	2%	2%	2%	2%
Interest Income	0.1%	1.25%	1.25%	1.25%	1.25%
Private Duty Nursing	0%	3%	3%	3%	3%
Private Duty Personal Care	0%	3%	3%	3%	3%
Salaries Expenses Increase	2%	2%	2%	2%	2%
Other Expenses Increase	3%	3%	3%	3%	3%
Additional Personal Care Coordinators		0.5		1	

EXHIBIT D

MEMBERSHIP FEES/PERIODIC CHARGES

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



Platinum Plan
90% Refundable Option
100% Coverage of both Home and Facility Based Care
(Assisted Living and Skilled Nursing)
\$432 Single Monthly Fee

<u>Age</u>	<u>Membership Fee</u>	<u>Age</u>	<u>Membership Fee</u>
50	\$42,928	71	\$95,116
51	\$43,639	72	\$99,559
52	\$44,350	73	\$104,002
53	\$45,061	74	\$108,446
54	\$45,772	75	\$112,889
55	\$46,483	76	\$118,649
56	\$48,438	77	\$124,409
57	\$50,393	78	\$130,169
58	\$52,348	79	\$135,929
59	\$54,303	80	\$141,689
60	\$56,658	81	\$149,970
61	\$59,857	82	\$158,249
62	\$63,054	83	\$166,529
63	\$66,253	84	\$174,809
64	\$69,452	85	\$183,090
65	\$72,651	86	\$193,397
66	\$76,254	87	\$203,705
67	\$79,859	88	\$214,501
68	\$84,464	89	\$225,870
69	\$87,068		
70	\$90,673		

*This plan ends at 89 – Please see other plans.



Gold Plan
2% Declining Refundable Option
100% Coverage of both Home and Facility Based Care
(Assisted Living and Skilled Nursing)
\$432 Single Monthly Fee

<u>Age</u>	<u>Membership Fee</u>	<u>Age</u>	<u>Membership Fee</u>
50	\$20,615	71	\$53,630
51	\$22,323	72	\$54,961
52	\$24,031	73	\$56,291
53	\$25,739	74	\$57,621
54	\$27,447	75	\$58,951
55	\$29,155	76	\$60,380
56	\$30,863	77	\$61,807
57	\$32,571	78	\$63,236
58	\$34,279	79	\$64,664
59	\$35,987	80	\$66,092
60	\$37,695	81	\$68,124
61	\$39,237	82	\$70,156
62	\$40,782	83	\$72,187
63	\$42,325	84	\$74,219
64	\$43,868	85	\$76,251
65	\$45,411	86	\$78,674
66	\$46,788	87	\$81,097
67	\$48,166	88	\$83,610
68	\$49,543	89	\$86,203
69	\$50,922	90	\$88,790
70	\$52,299		

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



GoldPlus Plan

2% Declining Refundable Option
100% Coverage of both Home and Facility Based Care
(Assisted Living and Skilled Nursing)

<u>Age</u>	<u>Membership Fee</u>	<u>Age</u>	<u>Membership Fee</u>
50	\$20,615	71	\$53,630
51	\$22,323	72	\$54,961
52	\$24,031	73	\$56,291
53	\$25,739	74	\$57,621
54	\$27,447	75	\$58,951
55	\$29,155	76	\$60,380
56	\$30,863	77	\$61,807
57	\$32,571	78	\$63,236
58	\$34,279	79	\$64,664
59	\$35,987	80	\$66,092
60	\$37,695	81	\$68,124
61	\$39,237	82	\$70,156
62	\$40,782	83	\$72,187
63	\$42,325	84	\$74,219
64	\$43,868	85	\$76,251
65	\$45,411	86	\$78,674
66	\$46,788	87	\$81,097
67	\$48,166	88	\$83,610
68	\$49,543	89	\$86,203
69	\$50,922	90	\$88,790
70	\$52,299		

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. Seabury At Home 10-13



Silver Plan

2% Declining Refund Option

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

(Assisted Living and Skilled Nursing)

\$378 Single Monthly Fee

<u>Age</u>	<u>Membership Fee</u>	<u>Age</u>	<u>Membership Fee</u>
50	\$14,668	71	\$37,119
51	\$15,719	72	\$38,056
52	\$16,770	73	\$38,994
53	\$17,821	74	\$39,931
54	\$18,872	75	\$40,868
55	\$19,923	76	\$41,873
56	\$21,121	77	\$42,878
57	\$22,319	78	\$43,882
58	\$23,517	79	\$44,887
59	\$24,715	80	\$45,892
60	\$25,913	81	\$47,317
61	\$26,996	82	\$48,740
62	\$28,081	83	\$50,164
63	\$29,165	84	\$51,589
64	\$30,247	85	\$53,011
65	\$31,331	86	\$54,709
66	\$32,301	87	\$56,404
67	\$33,271	88	\$58,153
68	\$34,240	89	\$59,957
69	\$35,211	90	\$61,814
70	\$36,181		

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



Sterling Plan
2% Declining Refund Option
100% Coverage Home Based Care
\$312 Single Monthly Fee

<u>Age</u>	<u>Membership Fee</u>	<u>Age</u>	<u>Membership Fee</u>
50	\$3,906	71	\$21,972
51	\$4,406	72	\$23,157
52	\$4,906	73	\$24,342
53	\$5,406	74	\$25,528
54	\$5,906	75	\$26,713
55	\$6,406	76	\$27,805
56	\$6,906	77	\$28,896
57	\$7,406	78	\$29,987
58	\$7,906	79	\$31,078
59	\$8,406	80	\$32,171
60	\$8,906	81	\$33,153
61	\$10,082	82	\$34,135
62	\$11,257	83	\$35,118
63	\$12,433	84	\$36,100
64	\$13,608	85	\$37,082
65	\$14,783	86	\$37,898
66	\$15,983	87	\$38,713
67	\$17,184	88	\$39,529
68	\$18,386	89	\$40,345
69	\$19,587	90	\$41,160
70	\$20,788		

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



Copper Plan
2% Declining Refund Option
50% Co-Pay of Home Based Care
\$244 Single Monthly Fee

<u>Age</u>	<u>Membership Fee</u>	<u>Age</u>	<u>Membership Fee</u>
50	\$3,545	71	\$13,076
51	\$3,945	72	\$13,578
52	\$4,345	73	\$14,080
53	\$4,745	74	\$14,581
54	\$5,145	75	\$15,083
55	\$5,545	76	\$15,543
56	\$5,945	77	\$16,004
57	\$6,345	78	\$16,463
58	\$6,745	79	\$16,923
59	\$7,145	80	\$17,383
60	\$7,545	81	\$17,797
61	\$8,043	82	\$18,211
62	\$8,539	83	\$18,625
63	\$9,037	84	\$19,039
64	\$9,534	85	\$19,453
65	\$10,032	86	\$19,802
66	\$10,541	87	\$20,149
67	\$11,049	88	\$20,497
68	\$11,558	89	\$20,845
69	\$12,067	90	\$21,192
70	\$12,576		

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