



An Active Life Plan Community

January 31, 2019

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

Dear Rich:

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

The changes in Seabury At Home's 2019 Disclosure Statement incorporate the following:

Section I Name and Address of Provider on page 1 was updated to reflect Seabury At Home's new Parent Corporation, Seabury, Incorporated.

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

Section IV Corporate Restructuring on page 5 has been added to disclose the corporate restructuring of Church Home of Hartford, Incorporated on November 2, 2017. **As of May 2018, Seabury, Inc. is the sole member of Seabury At Home, Inc., replacing Church Home of Hartford, Inc.**

Section VIII Strategic Repositioning Plan on pages 8-9 has been slightly updated to reflect current information about the repositioning plan.

Section XVII Financial Statements include the 2018-2019 audited and certified financial statements.

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

200 SEABURY DRIVE, BLOOMFIELD, CT 06002 PHONE (860) 286-0243 FAX (860) 242-4552
WEBSITE WWW.SEABURYLIFE.ORG EMAIL INFO@SEABURYLIFE.



Exhibit A, Section II, Definitions, Referral Service, was slightly revised.

Exhibit A, Section III, Our Responsibilities to you as a Member, on page 10, was updated to include when the cost of Facility-Based Services exceeds Home-Based Services.

Exhibit A, Section IV Your Responsibilities as a Member, # 9, Medicare, Supplemental Insurance Requirements and Third-party Reimbursement, on page 15, was revised.

Exhibit D, Entrance Fees/Periodic Changes has been revised to include new refundable fee plans for future occupants: Platinum (80% refund) which replaces a 90% refund and Gold, Gold Plus, Silver, Sterling, Copper, Titanium CARE, and Titanium (0% refund) which replaces a 2% depreciating refund.

These are the only material changes to the Disclosure Statement from the January 2018 filing to our January 2019 filing.

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

Sincerely,

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

Renée J. Bernasconi, MBA, LNHA
Executive Vice President & Chief Strategy Officer

ACKNOWLEDGMENT OF RECEIPT

SEABURY AT HOME

DISCLOSURE STATEMENT

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

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

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

Signature

Date

Seabury At Home Signature

Date



DISCLOSURE STATEMENT

SEABURY AT HOME

Sponsored by

Seabury, Incorporated

January 2019

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

200 Seabury Drive
Bloomfield, CT 06002

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

Parent Corporation

SEABURY, INCORPORATED

VISION

To Revolutionize the Experience of Aging.

MISSION

Seabury Enhances Lives.

VALUES STATEMENT

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

II. OFFICERS AND DIRECTORS

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

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

BOARD OF DIRECTORS

<p>The Right Rev. Ian T. Douglas Ecclesiastical Authority, Ex Officio Episcopal Diocesan House 290 Pratt Street, Box 52 Meriden, CT 06450</p>	<p>BISHOP'S REPRESENTATIVE The Reverend Rowena Kemp Grace Church 55 New Park Avenue Hartford, CT 06106</p>
<p>Mr. Thomas E. Andersen 2020 Bartlett Brainard Eacott, Incorporated 70 Griffith Road South Bloomfield, CT 06002-1352</p>	<p>Bradford S. Babbitt 2019 Robinson & Cole LLP 280 Trumbull Street Hartford, CT 06103</p>
<p>Linda Berry 2020 343 Seabury Drive Bloomfield, CT 06002</p>	<p>Dr. Jonathan A. Dixon 2021 Board Vice Chair Hartford Hospital Rheumatology Clinic 85 Seymour Street, Suite #601 Hartford, CT 06106</p>
*Voice but no vote	

<p>*Mr. Richard C. Heath – Ex Officio President Seabury 200 Seabury Drive Bloomfield, CT 06002</p>	<p>Mr. A. Raymond Madorin 2021 Director Emeritus 300 Mountain Spring Road Farmington, CT 06032</p>
<p>Mr. Gale A. Mattison 2019 Board Chair 12 Sandhurst Drive West Hartford, CT 06107</p>	<p>Ms. Marnie W. Mueller 2021 102 N. Beacon Street Hartford, CT 06105</p>
<p>Monique R. Polidoro, Esq. 2020 Rogin Nassau LLC CityPlace I, 22nd Floor 185 Asylum Street Hartford, CT 06103-3460</p>	<p>The Rev. Erl (Puck) G. Purnell 2021 Board Secretary 46 Overlook Terrace Simsbury, CT 06070</p>
<p>Mr. Craig Scott 2020 Aero Gear, Inc. 1050 Day Hill Road Windsor, CT 06095</p>	<p>Mr. Ronald Theriault 2020 OneDigital Health and Benefits 5 Batterson Park Road, Suite 1 Farmington, CT 06032</p>
<p>Mr. William J. Thompson 2019 Board Treasurer Milliman, Inc. 80 Lamberton Road Windsor, CT 06095</p>	<p>Mr. John R. Wadsworth 2020 292 Fern Street West Hartford, CT 06119</p>
<p>Mr. Richard Woodring 2020 400 Seabury Drive Apartment 5185 Bloomfield, CT 06002</p>	
<p>*Voice but no vote</p>	

President & CEO Richard C. Heath, MS, LNHA, is responsible for the day-to-day management of the organization.

SEABURY AT HOME BOARD OF DIRECTORS

<p style="text-align: center;">Richard C. Heath 2018 Chair 200 Seabury Drive Bloomfield, CT 06002 860-243-6002 (O) E-mail: Richardheath@seaburylife.org</p>	<p style="text-align: center;">Mr. A. Raymond Madorin 2018 Secretary Treasurer 300 Mountain Spring Road Farmington, CT 06032 860-674-0211 (H) 860-573-3998 (Cell) E-mail: armlawct@gmail.com</p>
<p style="text-align: center;">John (Jay) F. Kearns III 2018 Vice Chair Kearns & Kearns 1121 New Britain Avenue West Hartford, CT 06110 860-233-1281 (O) E-mail: j.kearns@snet.net</p>	<p style="text-align: center;">Gale A. Mattison 2018 12 Sandhurst Drive West Hartford, CT 06107 860-561-3723 (H) 860-944-0922 (Cell) E-mail: g.mattison@comcast.net</p>

III. BUSINESS EXPERIENCE

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

IV. CORPORATE RESTRUCTURING

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

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

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

Appointment of Officers established that the President of the Board becomes the Chair of the Board and the Executive Vice President and CEO becomes the President and CEO. The Bishop is the Ecclesiastical Authority and shall serve as the principal pastor to the Corporation and as the chief liaison between the Corporation and the Episcopal Church in Connecticut. In that role, the Ecclesiastical Authority has oversight of the Bishops' Chapel and, in consultation with the President, will appoint the Chaplain.

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

V. JUDICIAL PROCEEDINGS

Neither Seabury, Inc./Church Home of Hartford Incorporated, Seabury At Home Incorporated, nor any of either organization's officers or directors has

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

VI. AFFILIATION

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

The Board of Directors for both Seabury At Home, Inc. and the Seabury Charitable Foundation, Inc. developed a joint Limited Liability Corporation (Seabury at Powder Forest, LLC). This LLC was formed to purchase 15 acres of land at 200 Powder Forest Drive, Simsbury, CT. Each corporation will assume half the debt, which is merely the transfer of cash investment to land investment. It is important to emphasize that this land is for future development and will not be actively developed until Phases B&C of Seabury's current campus has stabilized.

VII. DESCRIPTION OF PROPERTY

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

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

Seabury is composed of the following individual components:

- The Commons – containing all social, recreational, and support services, including: administrative suite, auditorium, salon & spa, bistro, community activity space, convenience shop, exercise room (fitness center and natatorium), library, chapel, game room, greenhouse, woodshop, community and private dining rooms, food preparation, maintenance, housekeeping, and laundry.
- Davis Center, Brewer Center and Larus Center – 60 long-term skilled nursing care beds and 12 short-term rehabilitation skilled nursing care beds (Larus Center).
- The Views – 51 assisted living beds, 22 of which are licensed Residential Care Facility beds.
- Apartment Building – 219 apartments include studios, one and two bedroom and two bedrooms with a den.
- Cottage Clusters – 33 cottages include one and two bedroom and two bedrooms with a den, and 5 Villas that are two bedrooms with a den and two-car garages.
- Seabury Meadows – A 58-unit Alzheimer's/Assisted Living facility operated by Seabury. There are 14 licensed Residential Care Facility beds.
- 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.

VIII. CAMPUS STRATEGIC REPOSITIONING PLAN

The Seabury Strategic Repositioning Plan consisted of several phases of work which expanded, updated and enhanced the existing campus. Construction of the project commenced in April 2015, and was completed in the winter of 2018.

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

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

The start of construction for Phase B & C was contingent on several items, including appropriate level of pre-sales (60%) deposits (10% of entrance fee per residence) for Independent Living Apartments, financing, feasibility study, a Guaranteed Maximum Price construction contract with the qualified construction firm and Board approval. The project was funded with tax-exempt bonds. The total hard cost construction is estimated to be approximately \$48.5 million. The anticipated entrance fees collected during fill-up is estimated to be \$25.7 million.

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

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

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

Seabury plans to combine 26 West Wing residences (26 to 13 apartments), which will reduce its overall inventory.

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

IX. BENEFITS INCLUDED

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

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

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

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

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

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

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

HOME INSPECTION - 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, caregiver training, wellness seminars, speakers, day excursions, and use of Seabury's swimming pool. Some programs are free for Members, while others may have a small fee for participation.

LIVE-IN ASSISTANCE - 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 utilized when someone requires substantial assistance with two or more activities of daily living and 24-hour supervision for safety, but does not need the medical care that a nursing home provides.

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

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

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

PERSONAL EMERGENCY RESPONSE SYSTEM - Seabury At Home will provide a personal emergency response system in your home with 24-hour coverage when requested.

REFERRAL SERVICES - You can obtain a referral from Seabury At Home for any type of service you may need to stay in your home. Examples

of these services are legal, financial planning, home maintenance, rental of medical equipment, etc. The referral service is available at no cost to Members; however, Members are responsible for the cost of any services rendered by the referred service providers.

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

X. INTEREST ON DEPOSITS

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

XI. TERMINATION OF CONTRACT

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

XII. RIGHTS OF SURVIVING SPOUSE

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

XIII. NON-LIFE-CARE SPOUSE

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

XIV. MARRIAGE OF A RESIDENT

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

XV. TAX CONSEQUENCES

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

XVI. RESERVE FUNDING

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

XVII. FINANCIAL STATEMENTS

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

XVIII. PRO FORMA INCOME STATEMENTS

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

XIX. MEMBERSHIP FEES & PERIODIC CHARGES

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

XX. DEPARTMENT OF SOCIAL SERVICES FILINGS

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

EXHIBIT A

LIFE PLAN AGREEMENT (CONTINUING CARE AGREEMENT)

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

SEABURY AT HOME INCORPORATED

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

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

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SEABURY AT HOME

I. INTRODUCTION

1. GENERAL

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

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

2. ACCEPTANCE INTO SEABURY AT HOME

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

3. TERMS AND CONDITIONS OF THIS AGREEMENT

A. SERVICES

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

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

B. PLAN SELECTION AND FEES

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

C. EFFECTIVE DATE OF MEMBERSHIP

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

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

D. MEMBERSHIP FEE

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

II. DEFINITIONS

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

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

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

Assisted Living Facility means a registered Managed Residential Community where nursing and personal care services are provided by an Assisted Living Services Agency licensed by the State of Connecticut. Assisted Living Services are provided exclusively for residents who require substantial assistance with at least two ADLs, twenty-four (24) hour supervision for safety, and who are Determined to be appropriate for assisted living services.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

III. OUR RESPONSIBILITIES TO YOU AS A MEMBER

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

1. HEALTH COORDINATION

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

2. ANNUAL PHYSICAL EXAMINATION

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

3. HOME INSPECTION

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

4. PERSONAL EMERGENCY RESPONSE SYSTEM

At your request, Seabury At Home will provide you with a Personal Emergency Response System in your Home. This system will allow you to obtain assistance in the event of an emergency.

5. PRIORITY WAIT LIST PLACEMENT

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

6. HOME SERVICES

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

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

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

7. FACILITY-BASED SERVICES

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

8. TRANSPORTATION SERVICES

If you are unable to drive or instructed by your physician not to drive, Seabury At Home will provide non-emergency transportation to and from medically necessary outpatient surgery or procedures which may include, but are not limited to, cataract

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

9. REFERRAL SERVICE

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

10. LIFESTYLE AND WELLNESS PROGRAMS

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

11. LIMITATION ON PAYMENT FOR SERVICES

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

12. EXCLUSIONS

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

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

13. ILLNESS OR INJURY AWAY FROM THE DESIGNATED SERVICE AREA

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

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

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

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

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

15. DECISIONS INVOLVING PERMANENT TRANSFER FROM YOUR LIVING ACCOMMODATION

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

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

Platinum, Gold, Gold Plus, Silver, Titanium Care, and Titanium Plan Members will continue to pay the monthly fee set forth in Section I.3. upon transfer to an Assisted Living Facility or Nursing Home Facility, in addition to any co-payments required by the payment plan selected by the Member.

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

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

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

IV. YOUR RESPONSIBILITIES AS A MEMBER

1. RULES

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

2. RIGHTS OF MEMBERS

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

3. RIGHT OF ENTRY

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

4. REAL PROPERTY

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

5. SUBORDINATION OF RIGHTS

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

6. RESPONSIBILITY FOR DAMAGES

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

7. PROTECTION OF PERSONAL AND REAL PROPERTY

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

8. INDEMNIFICATION

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

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

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

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

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

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

Should your supplemental coverage or equivalent health coverage not fully cover a Medicare-qualified stay at Seabury or another Medicare-certified facility, or should you fail to purchase supplemental coverage or equivalent health coverage to fully

cover such a Medicare-qualified stay, you will be financially responsible for paying deductibles, co-insurance amounts, and any other charges for each Medicare-qualified stay.

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

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

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

10. NON-TRANSFERABLE

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

11. PRESERVATION OF YOUR ASSETS

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

your financial obligations to Seabury At Home. Failure to comply with the requirements of this Paragraph may cause you to be ineligible for the subsidy assistance described in Section V, Paragraph 3 of this Agreement.

12. FINANCIAL STATEMENTS

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

13. HEALTH STATUS

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

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

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

15. POWER OF ATTORNEY

You agree to execute and maintain in effect a limited Durable Power of Attorney valid under Connecticut law. This Power of Attorney shall designate as your attorney-in-fact, a bank, lawyer, relative, or other responsible person or persons of your choice, to act for you in managing your financial affairs, and filing for your insurance or other benefits as fully and completely as you would if acting personally. It shall be in a form which survives your incapacity or disability and is otherwise satisfactory to Seabury At Home. You will deliver a fully executed copy of this Power of Attorney to us 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 Fees at the lowest possible rate consistent with sound financial practice and maintenance of the quality of Services, but we may exercise our discretion to increase the Monthly Fees periodically. When we do decide to adjust those fees, we will provide you with at least thirty (30) days written notice in advance of any increase in the Monthly Fees.

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

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

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

3. SUBSIDY AT HOME ASSISTANCE

If your funds become substantially reduced or depleted, and your income reduced to the extent that you are eligible to receive public benefits, including, but not limited

to, Social Security, Medicaid, etc., you agree to apply for these entitlements or benefits. Failure to do so may result in the termination of this Agreement by Seabury At Home, and release of its obligations hereunder. In the event that you are unable to meet your financial obligations to Seabury At Home after qualifying for all available public benefits, Seabury At Home will continue to provide the Services to which you are entitled under this Agreement only to the extent and for as long as Seabury At Home deems the provision of such Services to be consistent with the objectives of Seabury At Home and its prudent financial management of Seabury At Home. The total cumulative amount of uncompensated Services and other subsidies provided to you by Seabury At Home shall be deducted from any refund due to you or your estate upon termination of this Agreement.

VI. TERMINATION OF THIS AGREEMENT AND REFUNDS

1. TERMINATION BY YOU

You may terminate this Agreement for any reason within thirty (30) days following the execution of the contract (“Statutory Rescission Period”) by notifying Seabury At Home in writing by registered or certified mail. In the event you terminate within the Statutory Rescission Period, any fees paid to Seabury At Home will be refunded less: (a) costs specifically incurred by Seabury At Home at your request, and (b) a service charge equal to the greater of one thousand dollars (\$1,000) or two percent (2%) of your Membership Fee.

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

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

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

This Agreement shall terminate upon your death.

Any Membership Fee refund due you after the Statutory Rescission Period will be made in accordance with Paragraphs 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, cottage or villa as follows:

- If you have selected the Platinum Plan (80% Refund Option) as shown on the Exhibit A, you shall be due a refund equal to ninety percent (80%) of the Membership Fee, which may be applied to your entrance fee under Seabury's Plan 0%, 67%, or 80%. You will be responsible for the current Monthly Fee for the Seabury apartment, cottage, or villa.

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

3. TERMINATION BY SEABURY AT HOME

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

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

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

4. APPEALS

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

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

5. CONDITIONS OF REFUND AND DUTIES UPON TERMINATION

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

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

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

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

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

7. PROVISIONS APPLICABLE TO ALL OTHER PAYMENT PLANS

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

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

terminates this Agreement more than one hundred (100) months after the date you signed this Agreement.

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

VII. MISCELLANEOUS

1. CONFIDENTIALITY

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

2. MANAGEMENT AUTHORITY

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

3. WAIVER

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

4. GOVERNING LAWS

This Agreement, including its validity and the capacity of the parties to this Agreement, its form, interpretation of its language, and any questions concerning its

performance and discharge, shall be governed by and construed in accordance with the laws and judicial decisions of the State of Connecticut.

5. ATTORNEYS' FEES AND COSTS

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

6. FULL AND COMPLETE AGREEMENT

This Agreement has precedence over any representations previously made by Seabury At Home representatives, and over any descriptions of services in promotional materials or presentations. This Agreement constitutes the entire contract between you and Seabury At Home, and supersedes all previous understandings and agreements between you and Seabury At Home. No waiver or modification shall be valid unless made in writing, signed by you and by Seabury At Home, and attached to this Agreement.

7. INTERPRETATION

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

8. RIGHT OF SUBROGATION

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

9. GENDER OF PRONOUNS

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

10. SUCCESSORS AND ASSIGNS

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

11. STATEMENT OF NON-DISCRIMINATION

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

12. NOTICES

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

Your signature below certifies that you have read, understand, and accept this Agreement, and that you or your financial advisor have received the most 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"/> Titanium Care
	<input type="checkbox"/> Silver	<input type="checkbox"/> Titanium

Age of applicant at enrollment _____

TOTAL MEMBERSHIP FEE DUE UPON EXECUTION OF AGREEMENT

\$ _____

MONTHLY FEE

\$ _____

Less discount for Long Term Care Insurance (Gold Plus)

\$ _____

TOTAL MONTHLY FEE

\$ _____

Addresses for Required Notice to Seabury At Home:

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

to
You:

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

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

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

Signature- Member

Date

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

EXHIBIT A

PLAN OPTIONS AND ASSOCIATED FEES

Last Name _____

EXHIBIT A

MEMBERSHIP DATE

The scheduled date agreed upon is _____.

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

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

Age of applicant at enrollment _____

TOTAL MEMBERSHIP FEE DUE UPON EXECUTION OF AGREEMENT

\$ _____

MONTHLY FEE

\$ _____

Less discount for Long Term Care Insurance (Gold Plus)

\$ _____

TOTAL MONTHLY FEE

\$ _____

Addresses for Required Notice to Seabury At Home:

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

to
You:

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

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

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

Signature- Member

Date

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

EXHIBIT B

CHURCH HOME OF HARTFORD, INCORPORATED
AUDITED FINANCIAL STATEMENTS

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

Note: Fiscal Year Ends September 30

step forward →

SEABURY, INC. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2018 AND 2017

blumshapiro
accounting • tax • advisory

SEABURY, INC. AND SUBSIDIARIES

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Independent Auditors' Report

To the Board of Directors
Seabury, Inc. and Subsidiaries

We have audited the accompanying consolidated financial statements of Seabury, Inc. and Subsidiaries, which comprise the consolidated statements of financial position as of September 30, 2018 and 2017, 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 Seabury, Inc. and Subsidiaries as of September 30, 2018 and 2017, 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.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating schedules of financial position, activities and changes in net assets, and cash flows for the years ended September 30, 2018 and 2017 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
January 4, 2019

SEABURY, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION SEPTEMBER 30, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 9,560,303	\$ 10,293,440
Cash and cash equivalents held by trustee	4,554,079	2,655,181
Entrance fee deposits	203,562	2,757,215
Accounts receivable, net	2,062,094	1,365,135
Entrance fees receivable	2,585,917	1,507,198
Prepaid expenses and other current assets	1,021,605	632,659
Total current assets	<u>19,987,560</u>	<u>19,210,828</u>
Investments		
Investments	17,733,496	19,935,437
Investments held by trustee	7,173,564	29,756,533
	<u>24,907,060</u>	<u>49,691,970</u>
Property and Equipment, at Cost		
Land and improvements	9,636,307	9,636,307
Buildings and improvements	154,585,230	82,565,387
Furniture, fixtures and equipment	11,736,236	10,011,534
Vehicles	206,243	206,243
Construction in progress	583,894	56,706,878
	<u>176,747,910</u>	<u>159,126,349</u>
Less accumulated depreciation	55,552,696	49,153,034
Net property and equipment	<u>121,195,214</u>	<u>109,973,315</u>
Other Assets		
Deferred marketing costs, net	1,052,941	1,219,712
Deferred compensation investments	174,955	126,341
Beneficial interest in perpetual trusts	5,279,476	3,593,092
Investment in Limited Partnerships	270,123	180,399
Pledges receivable	85,448	85,448
Total other assets	<u>6,862,943</u>	<u>5,204,992</u>
Total Assets	<u>\$ 172,952,777</u>	<u>\$ 184,081,105</u>

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

SEABURY, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONTINUED) SEPTEMBER 30, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Current portion of bonds payable	\$ 970,000	\$ 935,000
Current portion of loans payable	-	27,081
Current portion of capital leases	92,735	87,309
Accounts payable and accrued expenses	3,353,628	10,599,192
Entrance fee deposits	203,562	2,757,215
Total current liabilities	<u>4,619,925</u>	<u>14,405,797</u>
Annuities Payable	<u>194,450</u>	<u>219,711</u>
Bonds Payable, Net of Current Portion and Bond Financing Costs	<u>86,350,722</u>	<u>106,315,341</u>
Capital Leases, Net of Current Portion	<u>392,505</u>	<u>493,418</u>
Deferred Compensation	<u>174,955</u>	<u>126,341</u>
Refundable and Nonrefundable Entrance Fees		
Entrance fees refunds payable	36,496,025	27,508,055
Nonrefundable deferred fees, net	38,258,470	24,825,598
Total refundable and nonrefundable deferred entrance fees	<u>74,754,495</u>	<u>52,333,653</u>
Total liabilities	<u>166,487,052</u>	<u>173,894,261</u>
Net Assets		
Unrestricted	400	4,826,312
Temporarily restricted	815,849	1,397,440
Permanently restricted	5,649,476	3,963,092
Total net assets	<u>6,465,725</u>	<u>10,186,844</u>
Total Liabilities and Net Assets	<u>\$ 172,952,777</u>	<u>\$ 184,081,105</u>

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

SEABURY, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS FOR THE YEARS ENDED SEPTEMBER 30, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
Unrestricted Net Assets		
Revenues, gains and other support:		
Health center patients, net of contractals	\$ 7,883,643	\$ 7,372,900
Assisted living services	3,567,638	3,351,244
Resident services	13,312,961	10,828,855
Home health revenue	1,631,245	1,192,281
Seabury At Home revenue	779,000	626,920
Amortization of nonrefundable deferred fees	2,938,364	2,959,746
Investment income	1,624,874	1,636,088
Other income	1,309,527	821,025
Contributions and gifts	291,572	1,126,003
Total revenues, gains and other support	<u>33,338,824</u>	<u>29,915,062</u>
Expenses:		
Medical and other resident care	9,085,631	8,317,450
General and administrative	11,623,662	11,519,675
Dietary	3,680,063	3,351,094
Repairs and maintenance	2,420,194	2,434,158
Housekeeping and laundry	1,001,098	853,562
Interest expense, net	4,020,950	1,741,274
Depreciation	6,771,137	4,312,813
Total expenses	<u>38,602,735</u>	<u>32,530,026</u>
Loss from operations	(5,263,911)	(2,614,964)
Other changes in unrestricted net assets:		
Change in net unrealized gain (loss) on investments	(66,098)	480,492
Net assets released from restrictions	504,097	1,415
Loss on disposal of property	-	(198,834)
Decrease in unrestricted net assets	<u>(4,825,912)</u>	<u>(2,331,891)</u>
Temporarily Restricted Net Assets		
Contributions, gifts and other income	39,534	532,802
Investment gain (loss)	(106,159)	76,699
Change in net unrealized gain (loss) on investments	(10,869)	27,613
Net assets released from restrictions	<u>(504,097)</u>	<u>(1,415)</u>
Increase (decrease) in temporarily restricted net assets	<u>(581,591)</u>	<u>635,699</u>
Permanently Restricted Net Assets		
Change in interest in perpetual trusts	134,988	237,629
Gift received in interest in perpetual trusts	<u>1,551,396</u>	<u>-</u>
Increase in permanently restricted net assets	<u>1,686,384</u>	<u>237,629</u>
Change in Net Assets	(3,721,119)	(1,458,563)
Net Assets - Beginning of Year	<u>10,186,844</u>	<u>11,645,407</u>
Net Assets - End of Year	<u>\$ 6,465,725</u>	<u>\$ 10,186,844</u>

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

SEABURY, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED SEPTEMBER 30, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
Cash Flows from Operating Activities		
Change in net assets	\$ (3,721,119)	\$ (1,458,563)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Proceeds from entrance fees, net of refunds	25,359,206	4,120,623
Depreciation	6,771,137	4,312,813
Bad debt expense	157,263	306,731
Loss on disposal of property	-	198,834
Amortization of bond financing costs	91,665	91,665
Amortization of bond premium	(76,284)	(76,284)
Amortization of nonrefundable deferred fees	(2,938,364)	(2,959,746)
Amortization of deferred marketing costs	83,039	-
Change in net unrealized (gain) loss on investments	76,967	(508,105)
Change in interest in perpetual trusts	(134,988)	(237,629)
Gift received in interest in perpetual trusts	(1,551,396)	-
(Increase) decrease in operating assets:		
Entrance fee deposits	2,553,653	(397,586)
Accounts receivable and pledges receivable	(854,222)	(220,231)
Entrance fees receivable	(1,078,719)	1,098,178
Prepaid expenses and other current assets	(388,946)	(77,509)
Other receivables	-	5,567
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	(516,675)	486,053
Entrance fee deposits	(2,553,653)	397,586
Annuities payable	(25,261)	(86,300)
Net cash provided by operating activities	<u>21,253,303</u>	<u>4,996,097</u>
Cash Purchases from Investing Activities		
Sales of investments and cash held by trustee, net	22,719,321	34,684,151
Increase (decrease) in accounts payable and accrued expenses related to construction	(6,728,889)	3,085,590
Purchases of property and equipment	(17,887,125)	(43,312,686)
Payment of deferred marketing costs	(22,179)	(568,792)
Net cash used in investing activities	<u>(1,918,872)</u>	<u>(6,111,737)</u>
Cash Flows from Financing Activities		
Principal payments on bonds payable	(19,945,000)	(895,000)
Principal payments on loan payable	(27,081)	(88,571)
Principal payments on capital leases	(95,487)	(85,965)
Net cash used in financing activities	<u>(20,067,568)</u>	<u>(1,069,536)</u>
Net Decrease in Cash and Cash Equivalents	(733,137)	(2,185,176)
Cash and Cash Equivalents - Beginning of Year	<u>10,293,440</u>	<u>12,478,616</u>
Cash and Cash Equivalents - End of Year	<u>\$ 9,560,303</u>	<u>\$ 10,293,440</u>

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

SEABURY, INC AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - ORGANIZATION

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

Seabury is a Connecticut nonstock, tax-exempt organization that has provided housing with support services for the elderly in the Hartford area since 1876. Seabury, which is affiliated with the Episcopal Diocese of Connecticut, currently operates a health center and independent living community. As of September 30, 2018, Seabury consists of 257 independent living units, 29 congregate living units, 22 residential care home beds, 72 skilled nursing beds, 44 assisted living dementia beds and 14 dementia residential care home beds. As of September 30, 2017, Seabury consists of 192 independent living units, 27 congregate living units, 22 residential care home beds, 60 skilled nursing beds, 44 assisted living dementia beds and 14 residential care home beds. As the Company is the sole member and beneficiary of Seabury, the activities of Seabury have been consolidated with those of the Company in the accompanying consolidated financial statements. All significant transactions between the Company and Seabury have been eliminated.

Overall occupancy levels at Seabury for the years ended September 30, 2018 and 2017 are as follows:

	<u>2018</u>	<u>2017</u>
Seabury		
Independent living	88%	93%
Congregate living	94%	93%
Residential care home	64%	88%
Skilled nursing care	88%	95%
Assisted living - dementia	90%	83%
Residential care home - dementia	89%	97%

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

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

SEABURY, INC AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 \$5,279,476 and \$3,593,092 at September 30, 2018 and 2017, respectively, and an endowment of \$370,000 for each of the years ended September 30, 2018 and 2017. During 2018, a gift was received through an existing perpetual trust of \$1,551,396, as reflected on the consolidated statement of activities and changes in net assets for the year ended September 30, 2018 within permanently restricted net assets.

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 marketing costs, amortization of nonrefundable deferred fees, actuarial calculation of future service obligations for Seabury and Seabury At Home, accrued expenses and annuities payable. It is management's opinion that the estimates applied in the accompanying consolidated financial statements are reasonable.

SEABURY, INC AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

Cash and Cash Equivalents

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

Accounts Receivable

Accounts receivable are considered delinquent and written off when all attempts to collect from individuals or other payor sources have been exhausted. Management maintains an allowance for doubtful accounts of \$192,000 at September 30, 2018 and 2017, 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 where market value has decreased below cost by greater than 25% for a period of nine months or longer. No adjustments were necessary for the fiscal years ended September 30, 2018 and 2017. Refer to Note 5 for further detail on investment income for the years ended September 30, 2018 and 2017.

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.

Deferred Marketing Costs

Marketing costs associated with the initial fill-up of newly constructed residential units have been deferred and will be amortized over the actuarially estimated remaining lives of the residents who occupy the units. Amortization expense of \$83,039 was incurred for the year ended September 30, 2018.

SEABURY, INC AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

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 statements 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.

Services to Seabury At Home, Inc.

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

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, 2018 and 2017.

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, 2018 and 2017 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.

SEABURY, INC AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

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, 2018 and 2017, \$200,779 and \$155,142, respectively, is included in unrestricted investment income. Changes in market value for the Company's portion of the trusts were \$134,988 and \$237,629 for the years ended September 30, 2018 and 2017, 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 monthly or 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. The present value of the estimated future annuity payments is reflected as an annuity payable in the accompanying consolidated statements of financial position.

Income Taxes

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

Subsequent Events

In preparing these consolidated financial statements, management has evaluated subsequent events through January 4, 2019, which represents the date the consolidated financial statements were available to be issued.

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.

SEABURY, INC AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

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 Stocks, Foreign Stocks and U.S. Government Securities

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

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.

Beneficial Interest in Perpetual Trusts

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

Investment in Limited Partnerships

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

There have been no changes in the methodologies used at September 30, 2018 and 2017.

SEABURY, INC AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

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, 2018 and 2017:

	September 30, 2018	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Cash equivalents	\$ 1,205,525	\$ 1,205,525	\$ -	\$ -
Fixed income mutual funds	10,345,590	10,345,590	-	-
U.S. Government securities	7,175,735	7,175,735	-	-
Equity mutual funds	1,055,610	1,055,610	-	-
Common and foreign stocks	5,124,600	5,124,600	-	-
Total investments	24,907,060	24,907,060	-	-
Investment in limited partnerships	270,123	-	-	270,123
Beneficial interest in perpetual trusts	5,279,476	-	-	5,279,476
Total Assets at Fair Value	\$ 30,456,659	\$ 24,907,060	\$ -	\$ 5,549,599

	September 30, 2017	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Cash equivalents	\$ 6,198,061	\$ 6,198,061	\$ -	\$ -
Fixed income mutual funds	1,379,190	1,379,190	-	-
U.S. Government securities	31,176,078	31,176,078	-	-
Corporate bonds	4,188,940	-	4,188,940	-
Equity mutual funds	742,660	742,660	-	-
Common stocks	6,007,041	6,007,041	-	-
Total investments	49,691,970	45,503,030	4,188,940	-
Investment in limited partnership	180,399	-	-	180,399
Beneficial interest in perpetual trusts	3,593,092	-	-	3,593,092
Total Assets at Fair Value	\$ 53,465,461	\$ 45,503,030	\$ 4,188,940	\$ 3,773,491

There were no transfers between levels of investments during the years ended September 30, 2018 and 2017.

SEABURY, INC AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

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

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

	Beneficial Interest In Perpetual Trusts	Investment in Limited Partnerships
Balance - September 30, 2016	\$ 3,355,463	\$ 171,143
Return of capital, net	-	(5,952)
Total realized and unrealized gains included in the change in net assets - 2017	<u>237,629</u>	<u>15,208</u>
Balance - September 30, 2017	3,593,092	180,399
Gifts received	1,551,396	-
Purchases, net	-	100,000
Total realized and unrealized gains (losses) included in the change in net assets - 2018	<u>134,988</u>	<u>(10,276)</u>
Balance - September 30, 2018	<u>\$ 5,279,476</u>	<u>\$ 270,123</u>

The underlying subscription agreement for the Company's Investment in Limited Partnerships allows for a maximum commitment of \$500,000. Unfunded capital commitments totaled \$168,750 as of September 30, 2018. The Company does not hold any redemption rights on the Investment in Limited Partnerships. The Limited Partnerships have a life of 10 years commenced on the date of filing of the Certificate of Limited Partnership through the termination date, June 30, 2024.

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.

SEABURY, INC AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

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

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

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

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

An agreed-upon payment schedule for full payment of the life care entrance fee is obtained from the resident prior to enrollment. The fee consists of a refundable and nonrefundable portion. The refundable portion varies depending upon which of the seven contract plans is selected. Six plans offer a declining refund at 2% per month and the seventh plan offers a fixed 90% refund of the original life care entrance fee. Within the six 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, one offers a 50% co-pay option for home-based care, and the final contract provides caps on assisted living and skilled nursing services. The 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 90% refundable portion of the life care entrance fee is shown as a liability in the consolidated statements of financial position. The 10% nonrefundable portion of the life care entrance fee and the entire entrance fee for those who select the plans that offer the declining refund at 2% per month are amortized into income over the residents' actuarially determined remaining life as calculated by the Company's actuaries.

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

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

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

SEABURY, INC AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

The Company's actuaries annually calculate the present value of the net cost or benefit of future services and use of facilities to be provided to current residents of Seabury and enrollees of Seabury At Home and compare that amount to the balance of refundable and nonrefundable deferred entrance fees. If the present value of the net cost or benefit of future services and use of facilities exceeds the refundable and nonrefundable deferred entrance fees, a liability is recorded with a corresponding charge to income. As of September 30, 2018 and 2017, no such obligation existed for Seabury and Seabury At Home. Any significant changes to the actuarial assumptions used in the calculation could significantly change the results of the calculation. It is management's opinion that the assumptions applied in the calculation are reasonable.

NOTE 5 - INVESTMENT INCOME

Investment income on cash and cash equivalents, perpetual trusts and investments is comprised of the following for the years ended September 30, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Interest and dividend income from investments	\$ 623,141	\$ 318,640
Net realized gain on sales of investments	800,954	1,162,306
Income from investments	<u>1,424,095</u>	<u>1,480,946</u>
Interest and dividend income from perpetual trusts	<u>200,779</u>	<u>155,142</u>
Total Investment Income	<u>\$ 1,624,874</u>	<u>\$ 1,636,088</u>

NOTE 6 - LONG-TERM DEBT

The following is a summary of long-term debt at September 30, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Public Finance Authority Healthcare Facility Expansion/Refunding Bonds (Seabury Incorporated Project) Series 2015A (PFA Bonds) dated April 1, 2015, \$34,510,000 original principal amount, plus original issue premium of \$760,619, maturing at various times through September 2038, with interest payable semi-annually on March 1 and September 1 at various interest rates from 4% to 5% and principal payable annually on September 1.	\$ 31,475,000	\$ 32,410,000
State of Connecticut Health and Educational Facilities Authority Revenue Bonds, Healthcare Facility Expansion Issue (Seabury Incorporated Project) Series 2016A (CHEFA 2016A Bonds) dated April 1, 2016, \$52,515,000 original principal amount, plus original issue premium of \$1,639,570, maturing in September 2046 (\$23,240,000) and September 2053 (\$29,275,000), with interest payable semi-annually on March 1 and September 1 at an interest rate of 5%. Sinking fund installments of principal begin in September 2039.	52,515,000	52,515,000

SEABURY, INC AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

State of Connecticut Health and Educational Facilities Authority Revenue Bonds, Healthcare Facility Expansion Issue (Seabury Incorporated Project) Series 2016B-1 (CHEFA 2016B-1 Bond) dated April 1, 2016, \$9,250,000 original principal amount, maturing in April 2021, with interest payable semi-annually on March 1 and September 1 at an interest rate of 3.25%.

3,740,000 9,250,000

State of Connecticut Health and Educational Facilities Authority Revenue Bonds, Healthcare Facility Expansion Issue (Seabury Incorporated Project) Series 2016B-2 (CHEFA 2016B-2 Bond) dated April 1, 2016, \$13,500,000 original principal amount, maturing in April 2020, with interest payable semi-annually on March 1 and September 1 at an interest rate of 2.875%.

- 13,500,000

Eversource interest free loans with total original principal amounts totaling \$348,032. Monthly principal payments are \$7,381 through July 2018.

- 27,081

87,730,000 107,702,081

(970,000) (962,081)

Less current portion

Less unamortized bond financing costs

(2,590,049) (2,681,714)

Plus unamortized bond premium

2,180,771 2,257,055

Net Long-Term Debt

\$ 86,350,722 \$ 106,315,341

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

<u>Fiscal Year</u>	<u>PFA Bonds</u>	<u>CHEFA 2016A Bonds</u>	<u>CHEFA 2016B-1 Bond</u>	<u>Total</u>
2019	\$ 970,000	\$ -	\$ -	\$ 970,000
2020	1,010,000	-	-	1,010,000
2021	1,050,000	-	3,740,000	4,790,000
2022	1,100,000	-	-	1,100,000
2023	1,155,000	-	-	1,155,000
Thereafter	26,190,000	52,515,000	-	78,705,000
	<u>\$ 31,475,000</u>	<u>\$ 52,515,000</u>	<u>\$ 3,740,000</u>	<u>\$ 87,730,000</u>

Covenants

The Company, under provisions of the bond agreements, is required to maintain a debt service coverage ratio and meet a day's cash on hand liquidity requirement. In the opinion of management, the Company is in compliance with these covenants at September 30, 2018.

SEABURY, INC AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

NOTE 7 - CAPITAL LEASES

The Company entered into three capital lease agreements for phone, television and internet equipment during the years ended September 30, 2017 and 2016. The first capital lease began monthly payments of principal and interest of \$4,886 with an interest rate of approximately 6.1% in January 2016. The second capital lease began monthly payments of principal and interest of \$3,411 with an interest rate of approximately 5.97% in March 2016. The third capital lease began monthly payments of principal and interest of \$2,366 with an interest rate of approximately 5.97% in October 2016. The Company's cumulative property and obligation under capital lease arrangement at the start of the lease agreements was \$703,215 based on the fair value of the furniture, fixtures and equipment acquired. The net book value of the related property as of September 30, 2018 and 2017 was \$527,411 and \$597,732, respectively.

Amortization totaling \$70,321 was incurred for the years ended September 30, 2018 and 2017 relative to the furniture, fixtures and equipment under capital lease as included in depreciation on the consolidated statements of activities and change in net assets.

The following is a schedule by years of future minimum payments under capital leases, together with the present value of minimum lease payments as of September 30, 2018:

Year Ending September 30

2019	\$	117,298
2020		127,962
2021		127,962
2022		127,962
2023		51,411
Total minimum lease payments		<u>552,595</u>
Less amount representing interest		<u>67,355</u>
Capital Lease Obligations	\$	<u><u>485,240</u></u>

NOTE 8 - RETIREMENT PLANS

The Company maintains a 403(b) defined contribution plan (the Plan). Employees are eligible to participate in the Plan upon employment, and are eligible for employer matching contributions after 12 months of service. The Company matches employee contributions up to 5.0% of eligible employees' payroll for 2018 and 2017. Employees are fully vested in the Plan after three years of employment. Expenses for employer contributions recognized in fiscal 2018 and 2017 were approximately \$476,000 and \$477,000, respectively. The Company also maintains a nonqualified deferred compensation plan for key employees that is included as an asset and as a corresponding liability in the consolidated statements of financial position, which totaled \$174,955 and \$126,341 at September 30, 2018 and 2017, respectively.

SEABURY, INC AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

NOTE 9 - ENDOWMENT

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

SEABURY, INC AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

The total endowment funds of the Company at September 30, 2018 and 2017 are as follows:

	Seabury, Inc. Permanently Restricted Endowment Funds	Seabury, Inc. Temporarily Restricted Endowment Funds	Total
Endowment assets - September 30, 2016	\$ 370,000	\$ 636,266	\$ 1,006,266
Investment gain:			
Realized gains	-	76,699	76,699
Unrealized gains	-	27,613	27,613
Total investment gain	-	104,312	104,312
Endowment assets - September 30, 2017	370,000	740,578	1,110,578
Investment loss:			
Realized losses	-	(106,159)	(106,159)
Unrealized losses	-	(10,869)	(10,869)
Total investment loss	-	(117,028)	(117,028)
Endowment Assets - September 30, 2018	\$ 370,000	\$ 623,550	\$ 993,550

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the amount required to be maintained by donors or by the law (underwater endowments). The Company has interpreted CTPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law.

Return Objectives and Risk Parameters

The Company has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the organization must hold in perpetuity or for a donor-specified period(s) as well as board-designated funds. Under this policy, the Company expects its endowment funds, over time, to provide a total net return of approximately 4% over the average inflation rate of the preceding three years. Actual returns in any given year may vary from this amount.

Strategies Employed for Achieving Objectives

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

SEABURY, INC AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Company maintains a spending policy on board-restricted endowment funds, which limits the appropriation to up to 5% of the market value of endowment investment assets unless specifically approved by the Board. The Company maintains a spending policy on the earnings of donor-restricted funds in which the amount of funds to be appropriated will be determined annually as part of the budgeting process. In establishing these policies, the Company considered the long-term expected return on its endowment. This is consistent with the Company's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

NOTE 10 - CASH FLOWS

Additional Cash Flow Information

The Company paid cash for interest of \$4,766,139 and \$4,981,160 during the years ended September 30, 2018 and 2017, respectively. Of the total cash paid for interest during the years ended September 30, 2018 and 2017, \$716,328 and \$3,312,495, respectively, related to financing of a construction project was capitalized. These amounts were reduced by \$21,981 and \$23,614 of investment income earned on cash and investments held by trustee during the years ended September 30, 2018 and 2017, respectively, and the net amount of \$694,347 and \$3,288,881 was included in property and equipment on the consolidated statements of financial position as of September 30, 2018 and 2017, respectively.

NOTE 11 - LEASE AGREEMENTS

The Company leases various types of office equipment and services. Lease expense was approximately \$93,000 and \$72,000 for 2018 and 2017, respectively. The approximate minimum future lease payments under noncancelable operating leases with a remaining term in excess of one year as of September 30, 2018 are as follows:

Year Ending September 30

2019	\$	119,000
2020		39,000
2021		4,000

NOTE 12 - FUNCTIONAL EXPENSES

The Company provides healthcare and other services to its residents and patients. Expenses related to providing these services for the years ended September 30, 2018 and 2017 are as follows:

	<u>2018</u>	<u>2017</u>
Healthcare and resident services	\$ 29,417,145	\$ 24,769,758
General and administrative	9,185,590	7,760,268
	<u>\$ 38,602,735</u>	<u>\$ 32,530,026</u>

SEABURY, INC AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

NOTE 13 - COMMITMENTS AND CONTINGENCIES

During 2016, the Company had entered into a contract with the general contractor for a construction project to expand and renovate the community through construction of 68 new independent living units and 12 new skilled nursing beds, in addition to other improvements (the Expansion Project). The contract calls for costs totaling approximately \$56,384,000, of which approximately \$55,726,000 has been completed through September 30, 2018.

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

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

SEABURY, INC. AND SUBSIDIARIES

CONSOLIDATING SCHEDULE OF FINANCIAL POSITION SEPTEMBER 30, 2018

ASSETS

	Church Home of Hartford Incorporated	Seabury Charitable Foundation, Inc.	Seabury At Home Inc.	Seabury at Powder Forest LLC	Eliminations	Total
Current Assets						
Cash and cash equivalents	\$ 3,130,935	\$ 80,785	\$ 6,346,999	\$ 1,584	\$ -	\$ 9,560,303
Cash and cash equivalents held by trustee	4,554,079	-	-	-	-	4,554,079
Entrance fee deposits	203,562	-	-	-	-	203,562
Accounts receivable, net	2,062,094	-	-	-	-	2,062,094
Accounts receivable, related party	256,153	-	-	-	(256,153)	-
Entrance fees receivable	830,354	-	1,755,563	-	-	2,585,917
Prepaid expenses and other current assets	945,259	37,470	7,610	31,266	-	1,021,605
Total current assets	<u>11,982,436</u>	<u>118,255</u>	<u>8,110,172</u>	<u>32,850</u>	<u>(256,153)</u>	<u>19,987,560</u>
Investments						
Investments	13,434,470	4,299,026	-	-	-	17,733,496
Investments held by trustee	7,173,564	-	-	-	-	7,173,564
Total investments	<u>20,608,034</u>	<u>4,299,026</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,907,060</u>
Property and Equipment, at Cost						
Land and improvements	4,429,495	-	315,692	4,891,120	-	9,636,307
Buildings and improvements	154,039,437	-	545,793	-	-	154,585,230
Furniture, fixtures and equipment	11,600,352	36,647	99,237	-	-	11,736,236
Vehicles	206,243	-	-	-	-	206,243
Construction in progress	583,894	-	-	-	-	583,894
	<u>170,859,421</u>	<u>36,647</u>	<u>960,722</u>	<u>4,891,120</u>	<u>-</u>	<u>176,747,910</u>
Less accumulated depreciation	55,175,206	4,593	372,897	-	-	55,552,696
Net property and equipment	<u>115,684,215</u>	<u>32,054</u>	<u>587,825</u>	<u>4,891,120</u>	<u>-</u>	<u>121,195,214</u>
Other Assets						
Deferred marketing costs, net	1,052,941	-	-	-	-	1,052,941
Deferred compensation investments	174,955	-	-	-	-	174,955
Beneficial interest in perpetual trusts	5,279,476	-	-	-	-	5,279,476
Investment in Limited Partnerships	270,123	-	-	-	-	270,123
Investment in Seabury at Powder Forest LLC	-	2,461,985	2,461,985	-	(4,923,970)	-
Loan receivable, related party	-	-	-	-	-	-
Pledges receivable	-	85,448	-	-	-	85,448
Total other assets	<u>6,777,495</u>	<u>2,547,433</u>	<u>2,461,985</u>	<u>-</u>	<u>(4,923,970)</u>	<u>6,862,943</u>
Total Assets	<u>\$ 155,052,180</u>	<u>\$ 6,996,768</u>	<u>\$ 11,159,982</u>	<u>\$ 4,923,970</u>	<u>\$ (5,180,123)</u>	<u>\$ 172,952,777</u>

SEABURY, INC. AND SUBSIDIARIES

CONSOLIDATING SCHEDULE OF FINANCIAL POSITION (CONTINUED) SEPTEMBER 30, 2018

LIABILITIES AND NET ASSETS

	Church Home of Hartford Incorporated	Seabury Charitable Foundation, Inc.	Seabury At Home Inc.	Seabury at Powder Forest LLC	Eliminations	Total
Current Liabilities						
Current portion of bonds payable	\$ 970,000	\$ -	\$ -	\$ -	\$ -	\$ 970,000
Current portion of capital leases	92,735	-	-	-	-	92,735
Accounts payable and accrued expenses	3,289,949	12,025	51,654	-	-	3,353,628
Accounts payable, related party	-	-	256,153	-	(256,153)	-
Entrance fee deposits	203,562	-	-	-	-	203,562
Total current liabilities	<u>4,556,246</u>	<u>12,025</u>	<u>307,807</u>	<u>-</u>	<u>(256,153)</u>	<u>4,619,925</u>
Annuities Payable	<u>-</u>	<u>194,450</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>194,450</u>
Bonds Payable, Net of Current Portion and Bond Financing Costs	<u>86,350,722</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>86,350,722</u>
Capital Leases, Net of Current Portion	<u>392,505</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>392,505</u>
Deferred Compensation	<u>174,955</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>174,955</u>
Refundable and Nonrefundable Entrance Fees						
Entrance fees refunds payable	33,333,843	-	3,162,182	-	-	36,496,025
Nonrefundable deferred fees, net	29,996,081	-	8,262,389	-	-	38,258,470
Total refundable and nonrefundable deferred entrance fees	<u>63,329,924</u>	<u>-</u>	<u>11,424,571</u>	<u>-</u>	<u>-</u>	<u>74,754,495</u>
Total liabilities	<u>154,804,352</u>	<u>206,475</u>	<u>11,732,378</u>	<u>-</u>	<u>(256,153)</u>	<u>166,487,052</u>
Net Assets						
Unrestricted	(6,116,223)	6,689,019	(572,396)	4,923,970	(4,923,970)	400
Temporarily restricted	714,575	101,274	-	-	-	815,849
Permanently restricted	5,649,476	-	-	-	-	5,649,476
Total net assets	<u>247,828</u>	<u>6,790,293</u>	<u>(572,396)</u>	<u>4,923,970</u>	<u>(4,923,970)</u>	<u>6,465,725</u>
Total Liabilities and Net Assets	<u>\$ 155,052,180</u>	<u>\$ 6,996,768</u>	<u>\$ 11,159,982</u>	<u>\$ 4,923,970</u>	<u>\$ (5,180,123)</u>	<u>\$ 172,952,777</u>

SEABURY, INC. AND SUBSIDIARIES

CONSOLIDATING SCHEDULE OF FINANCIAL POSITION SEPTEMBER 30, 2017

ASSETS

	Church Home of Hartford Incorporated	Seabury Charitable Foundation, Inc.	Seabury At Home Inc.	Seabury at Powder Forest LLC	Eliminations	Total
Current Assets						
Cash and cash equivalents	\$ 3,186,707	\$ 350,325	\$ 6,754,339	\$ 2,069	\$ -	\$ 10,293,440
Cash and cash equivalents held by trustee	2,655,181	-	-	-	-	2,655,181
Entrance fee deposits	2,757,215	-	-	-	-	2,757,215
Accounts receivable, net	1,365,135	-	-	-	-	1,365,135
Accounts receivable, related party	373,763	-	-	-	(373,763)	-
Entrance fees receivable	251,138	-	1,256,060	-	-	1,507,198
Prepaid expenses and other current assets	527,491	38,931	33,808	32,429	-	632,659
Total current assets	<u>11,116,630</u>	<u>389,256</u>	<u>8,044,207</u>	<u>34,498</u>	<u>(373,763)</u>	<u>19,210,828</u>
Investments						
Investments	14,986,718	4,948,719	-	-	-	19,935,437
Investments held by trustee	29,756,533	-	-	-	-	29,756,533
Total investments	<u>44,743,251</u>	<u>4,948,719</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>49,691,970</u>
Property and Equipment, at Cost						
Land and improvements	4,429,495	-	315,692	4,891,120	-	9,636,307
Buildings and improvements	82,019,594	-	545,793	-	-	82,565,387
Furniture, fixtures and equipment	9,900,527	20,257	90,750	-	-	10,011,534
Vehicles	206,243	-	-	-	-	206,243
Construction in progress	56,706,878	-	-	-	-	56,706,878
	<u>153,262,737</u>	<u>20,257</u>	<u>952,235</u>	<u>4,891,120</u>	<u>-</u>	<u>159,126,349</u>
Less accumulated depreciation	48,829,567	2,264	321,203	-	-	49,153,034
Net property and equipment	<u>104,433,170</u>	<u>17,993</u>	<u>631,032</u>	<u>4,891,120</u>	<u>-</u>	<u>109,973,315</u>
Other Assets						
Deferred marketing costs, net	1,219,712	-	-	-	-	1,219,712
Deferred compensation investments	126,341	-	-	-	-	126,341
Beneficial interest in perpetual trusts	3,593,092	-	-	-	-	3,593,092
Investment in Limited Partnership	180,399	-	-	-	-	180,399
Investment in Seabury at Powder Forest LLC	-	2,462,809	2,462,809	-	(4,925,618)	-
Loan receivable, related party	317,294	-	-	-	(317,294)	-
Pledges receivable	-	85,448	-	-	-	85,448
Total other assets	<u>5,436,838</u>	<u>2,548,257</u>	<u>2,462,809</u>	<u>-</u>	<u>(5,242,912)</u>	<u>5,204,992</u>
Total Assets	<u>\$ 165,729,889</u>	<u>\$ 7,904,225</u>	<u>\$ 11,138,048</u>	<u>\$ 4,925,618</u>	<u>\$ (5,616,675)</u>	<u>\$ 184,081,105</u>

SEABURY, INC. AND SUBSIDIARIES

CONSOLIDATING SCHEDULE OF FINANCIAL POSITION SEPTEMBER 30, 2017

LIABILITIES AND NET ASSETS

	Church Home of Hartford Incorporated	Seabury Charitable Foundation, Inc.	Seabury At Home Inc.	Seabury at Powder Forest LLC	Eliminations	Total
Current Liabilities						
Current portion of bonds payable	\$ 935,000	\$ -	\$ -	\$ -	\$ -	\$ 935,000
Current portion of loans payable	27,081	-	-	-	-	27,081
Current portion of capital lease	87,309	-	-	-	-	87,309
Accounts payable and accrued expenses	10,308,761	231,968	58,463	-	-	10,599,192
Accounts payable, related party	-	-	373,763	-	(373,763)	-
Entrance fee deposits	2,757,215	-	-	-	-	2,757,215
Total current liabilities	<u>14,115,366</u>	<u>231,968</u>	<u>432,226</u>	<u>-</u>	<u>(373,763)</u>	<u>14,405,797</u>
Annuities Payable	-	219,711	-	-	-	219,711
Bonds Payable, Net of Current Portion and Bond Financing Costs	<u>106,315,341</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>106,315,341</u>
Loans Payable, Net of Current Portion	-	-	317,294	-	(317,294)	-
Capital Lease, Net of Current Portion	<u>493,418</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>493,418</u>
Deferred Compensation	<u>126,341</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>126,341</u>
Refundable and Nonrefundable Entrance Fees						
Entrance fees refunds payable	24,326,663	-	3,181,392	-	-	27,508,055
Nonrefundable deferred fees, net	17,216,799	-	7,608,799	-	-	24,825,598
Total refundable and nonrefundable deferred entrance fees	<u>41,543,462</u>	<u>-</u>	<u>10,790,191</u>	<u>-</u>	<u>-</u>	<u>52,333,653</u>
Total liabilities	<u>162,593,928</u>	<u>451,679</u>	<u>11,539,711</u>	<u>-</u>	<u>(691,057)</u>	<u>173,894,261</u>
Net Assets						
Unrestricted	(1,658,734)	6,886,709	(401,663)	4,925,618	(4,925,618)	4,826,312
Temporarily restricted	831,603	565,837	-	-	-	1,397,440
Permanently restricted	3,963,092	-	-	-	-	3,963,092
Total net assets	<u>3,135,961</u>	<u>7,452,546</u>	<u>(401,663)</u>	<u>4,925,618</u>	<u>(4,925,618)</u>	<u>10,186,844</u>
Total Liabilities and Net Assets	<u>\$ 165,729,889</u>	<u>\$ 7,904,225</u>	<u>\$ 11,138,048</u>	<u>\$ 4,925,618</u>	<u>\$ (5,616,675)</u>	<u>\$ 184,081,105</u>

SEABURY, INC. AND SUBSIDIARIES

CONSOLIDATING SCHEDULE OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Church Home of Hartford Incorporated			Seabury Charitable Foundation, Inc.			Seabury At Home, Inc.	Seabury at Powder Forest LLC	Eliminations	Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Total	Unrestricted		
Revenues, Gains and Other Support										
Health center patients, net of contractals	\$ 7,918,713	\$ -	\$ -	\$ 7,918,713	\$ -	\$ -	\$ -	\$ -	\$ (35,070)	\$ 7,883,643
Assisted living services	3,617,404	-	-	3,617,404	-	-	-	-	(49,766)	3,567,638
Resident services	13,401,823	-	-	13,401,823	-	-	-	-	(88,862)	13,312,961
Home health revenue	614,844	-	-	614,844	-	-	-	1,016,401	-	1,631,245
Seabury At Home revenue	-	-	-	-	-	-	-	779,000	-	779,000
Services to Seabury At Home, Inc.	1,575,197	-	-	1,575,197	-	-	-	-	(1,575,197)	-
Amortization of nonrefundable deferred fees	2,536,804	-	-	2,536,804	-	-	-	401,560	-	2,938,364
Investment Income (loss)	1,204,919	(106,159)	-	1,098,760	356,131	-	356,131	(63,824)	-	1,518,715
Other Income	1,142,262	-	-	1,142,262	121,550	-	121,550	248,108	-	1,309,527
Contributions and gifts	-	-	-	-	291,572	39,534	331,106	-	-	331,106
Contributions from the Seabury Charitable Foundation, Inc.	1,422,975	-	-	1,422,975	-	-	-	-	-	(1,422,975)
Net assets released from restrictions	-	-	-	-	504,097	(504,097)	-	-	-	-
Total revenues, gains and other support	33,434,941	(106,159)	-	33,328,782	1,273,350	(464,563)	808,787	2,381,245	(3,246,615)	33,272,199
Expenses										
Medical and other resident care	9,021,968	-	-	9,021,968	-	-	-	1,556,725	(1,493,062)	9,085,631
General and administrative	10,889,726	-	-	10,889,726	1,543,930	-	1,543,930	943,659	127,648	11,623,662
Dietary	3,680,063	-	-	3,680,063	-	-	-	-	-	3,680,063
Repairs and maintenance	2,420,194	-	-	2,420,194	-	-	-	-	-	2,420,194
Housekeeping and laundry	1,001,098	-	-	1,001,098	-	-	-	-	-	1,001,098
Interest expense, net	4,020,950	-	-	4,020,950	-	-	-	-	-	4,020,950
Depreciation	6,717,114	-	-	6,717,114	2,329	-	2,329	51,694	-	6,771,137
Total expenses	37,751,113	-	-	37,751,113	1,546,259	-	1,546,259	2,551,978	127,648	(3,374,263)
Income (Loss) from Operations	(4,316,172)	(106,159)	-	(4,422,331)	(272,909)	(464,563)	(737,472)	(170,733)	(127,648)	127,648
Change in Net Unrealized Gain (Loss) on Investments	(141,317)	(10,869)	-	(152,186)	75,219	-	75,219	-	-	-
Change in Interest in Perpetual Trusts	-	-	134,988	134,988	-	-	-	-	-	-
Gift Received in Interest in Perpetual Trusts	-	-	1,551,396	1,551,396	-	-	-	-	-	-
Change in Net Assets	(4,457,489)	(117,028)	1,686,384	(2,888,133)	(197,690)	(464,563)	(662,253)	(170,733)	(127,648)	127,648
Net Assets - Beginning of Year	(1,658,734)	831,603	3,963,092	3,135,961	6,886,709	565,837	7,452,546	(401,663)	4,925,618	(4,925,618)
Contributions from Members	-	-	-	-	-	-	-	-	126,000	(126,000)
Net Assets - End of Year	\$ (6,116,223)	\$ 714,575	\$ 5,649,476	\$ 247,828	\$ 6,689,019	\$ 101,274	\$ 6,790,293	\$ (572,386)	\$ 4,923,970	\$ (4,923,970)

SEABURY, INC. AND SUBSIDIARIES

CONSOLIDATING SCHEDULE OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Church Home of Hartford Incorporated			Seabury Charitable Foundation, Inc.			Seabury At Home, Inc.	Seabury at Powder Forest LLC	Eliminations	Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Total	Unrestricted		
Revenues, Gains and Other Support										
Health center patients, net of contractals	\$ 7,373,022	\$ -	\$ -	\$ 7,373,022	\$ -	\$ -	\$ -	\$ -	\$ (122)	\$ 7,372,900
Assisted living services	3,448,101	-	-	3,448,101	-	-	-	-	(96,857)	3,351,244
Resident services	10,980,527	-	-	10,980,527	-	-	-	-	(131,672)	10,828,855
Home health revenue	659,144	-	-	659,144	-	-	533,137	-	-	1,192,281
Seabury At Home revenue	-	-	-	-	-	-	646,401	-	(19,481)	626,920
Services to Seabury At Home, Inc.	1,378,649	-	-	1,378,649	-	-	-	-	(1,378,649)	-
Amortization of nonrefundable deferred fees	2,635,365	-	-	2,635,365	-	-	324,381	-	-	2,959,746
Investment income	1,511,639	76,699	-	1,588,338	63,732	-	63,732	(60,717)	-	1,712,787
Other income	744,251	-	-	744,251	108,689	-	108,689	212,977	-	821,025
Contributions and gifts	-	-	-	-	1,126,003	532,802	1,658,805	-	-	1,658,805
Contributions from the Seabury Charitable Foundation, Inc.	121,979	-	-	121,979	-	-	-	-	(121,979)	-
Net assets released from restrictions	-	-	-	-	1,415	(1,415)	-	-	-	-
Total revenues, gains and other support	28,832,677	76,699	-	28,909,376	1,299,839	531,387	1,831,226	1,656,179	(1,872,218)	30,524,563
Expenses										
Medical and other resident care	8,284,525	-	-	8,284,525	-	-	1,300,219	-	(1,267,294)	8,317,450
General and administrative	10,940,112	-	-	10,940,112	687,018	-	687,018	497,469	121,432	11,519,675
Dietary	3,351,094	-	-	3,351,094	-	-	-	-	-	3,351,094
Repairs and maintenance	2,434,158	-	-	2,434,158	-	-	-	-	-	2,434,158
Housekeeping and laundry	853,562	-	-	853,562	-	-	-	-	-	853,562
Interest expense, net	1,741,274	-	-	1,741,274	-	-	-	-	-	1,741,274
Depreciation	4,260,326	-	-	4,260,326	1,509	-	1,509	50,978	-	4,312,813
Total expenses	31,865,051	-	-	31,865,051	688,527	-	688,527	1,848,666	121,432	32,530,026
Income (Loss) from Operations	(3,032,374)	76,699	-	(2,955,675)	611,312	531,387	1,142,699	(192,487)	(121,432)	(2,005,463)
Loss on Disposal of Property and Equipment	(21,433)	-	-	(21,433)	-	-	-	(177,401)	-	(198,834)
Change in Net Unrealized Gain on Investments	202,267	27,613	-	229,880	278,225	-	278,225	-	-	508,105
Change in Interest in Perpetual Trusts	-	-	237,629	237,629	-	-	-	-	-	237,629
Change in Net Assets	(2,851,540)	104,312	237,629	(2,509,599)	889,537	531,387	1,420,924	(369,888)	(121,432)	(1,458,563)
Net Assets - Beginning of Year	1,192,806	727,291	3,725,463	5,645,560	5,997,172	34,450	6,031,622	(31,776)	4,922,356	11,645,407
Contributions from Members	-	-	-	-	-	-	-	-	124,694	(124,694)
Net Assets - End of Year	\$ (1,658,734)	\$ 831,603	\$ 3,963,092	\$ 3,135,961	\$ 6,886,709	\$ 565,837	\$ 7,452,546	\$ (401,663)	\$ 4,925,618	\$ 10,186,044

SEABURY, INC. AND SUBSIDIARIES

CONSOLIDATING SCHEDULE OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Church Home of Hartford Incorporated	Seabury Charitable Foundation, Inc.	Seabury At Home, Inc.	Seabury at Powder Forest LLC	Eliminations	Total
Cash Flows from Operating Activities						
Change in net assets	\$ (2,888,133)	\$ (662,253)	\$ (170,733)	\$ (127,848)	\$ 127,848	\$ (3,721,119)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:						
Proceeds from entrance fees, net of refunds	24,323,288	-	1,035,940	-	-	25,359,206
Depreciation	6,717,114	2,329	51,694	-	-	6,771,137
Bad debt expense	157,263	-	-	-	-	157,263
Loss on disposal of property	-	-	-	-	-	-
Amortization of bond financing costs	91,665	-	-	-	-	91,665
Amortization of bond premium	(76,284)	-	-	-	-	(76,284)
Amortization of nonrefundable deferred fees	(2,536,894)	-	(401,560)	-	-	(2,938,364)
Amortization of deferred marketing fees	83,839	-	-	-	-	83,839
Change in net unrealized (gain) loss on investments	152,186	(75,219)	-	-	-	76,967
Change in interest in perpetual trusts	(134,988)	-	-	-	-	(134,988)
Loss on investment in Seabury at Powder Forest LLC	-	63,824	63,824	-	(127,848)	-
Gifts received in interest in perpetual trusts	(1,551,396)	-	-	-	-	(1,551,396)
(Increase) decrease in operating assets:						
Entrance fee deposits	2,553,653	-	-	-	-	2,553,653
Accounts receivable and pledges receivable	(854,222)	-	-	-	-	(854,222)
Accounts receivable, related party	117,610	-	-	-	(117,610)	-
Entrance fees receivable	(579,216)	-	(499,503)	-	-	(1,078,719)
Prepaid expenses and other current assets	(417,768)	1,461	26,198	1,163	-	(388,946)
Loan receivable, related party	317,294	-	-	-	(317,294)	-
Other receivables	-	-	-	-	-	-
Increase (decrease) in operating liabilities:						
Accounts payable and accrued expenses	(289,923)	(219,943)	(6,809)	-	-	(516,675)
Accounts payable, related party	-	-	(117,610)	-	117,610	-
Entrance fee deposits	(2,553,653)	-	-	-	-	(2,553,653)
Loan payable, related party	-	-	(317,294)	-	317,294	-
Annuities payable	-	(25,261)	-	-	-	(25,261)
Net cash provided by (used in) operating activities	22,630,793	(915,062)	(335,853)	(128,485)	-	21,251,303
Cash Purchases from Investing Activities						
Sales of investments and cash held by trustee, net	21,994,409	724,912	-	-	-	22,719,321
Investment in Seabury at Powder Forest LLC	-	(63,000)	(63,000)	-	126,000	-
Increase in accounts payable and accrued expenses related to construction	(6,728,888)	-	-	-	-	(6,728,888)
Purchases of property and equipment	(17,862,248)	(16,390)	(8,487)	-	-	(17,887,125)
Payment of deferred marketing costs	(22,178)	-	-	-	-	(22,178)
Net cash provided by (used in) investing activities	(2,618,997)	645,522	(71,497)	-	126,000	(1,918,872)
Cash Flows from Financing Activities						
Principal payments on bonds payable	(19,945,000)	-	-	-	-	(19,945,000)
Principal payments on loan payable	(27,081)	-	-	-	-	(27,081)
Principal payments on capital leases	(95,487)	-	-	-	-	(95,487)
Contributions from members	-	-	-	126,000	(126,000)	-
Net cash provided by (used in) financing activities	(20,067,568)	-	-	126,000	(126,000)	(20,067,568)
Net Decrease in Cash and Cash Equivalents	(55,772)	(269,540)	(407,340)	(485)	-	(733,137)
Cash and Cash Equivalents - Beginning of Year	3,186,707	350,325	6,764,339	2,069	-	10,293,440
Cash and Cash Equivalents - End of Year	\$ 3,130,935	\$ 80,785	\$ 6,346,999	\$ 1,584	\$ -	\$ 9,560,303

SEABURY, INC. AND SUBSIDIARIES

CONSOLIDATING SCHEDULE OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Church Home of Hartford Incorporated	Seabury Charitable Foundation, Inc.	Seabury At Home, Inc.	Seabury at Powder Forest LLC	Eliminations	Total
Cash Flows from Operating Activities						
Change in net assets	\$ (2,509,599)	\$ 1,420,924	\$ (369,888)	\$ (121,432)	\$ 121,432	\$ (1,458,563)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:						
Proceeds from entrance fees, net of refunds	2,721,009	-	1,399,614	-	-	4,120,623
Depreciation	4,260,326	1,509	50,978	-	-	4,312,813
Loss on disposal of property	306,731	-	-	-	-	306,731
Bad debt expense	21,433	-	177,401	-	-	198,834
Amortization of bond financing costs	91,665	-	-	-	-	91,665
Amortization of bond premium	(76,284)	-	-	-	-	(76,284)
Amortization of nonrefundable deferred fees	(2,635,365)	-	(324,381)	-	-	(2,959,746)
Change in net unrealized gain on investments	(229,880)	(278,225)	-	-	-	(508,105)
Change in interest in perpetual trusts	(237,629)	-	-	-	-	(237,629)
Loss on investment in Seabury at Powder Forest LLC	-	60,716	60,716	-	(121,432)	-
(Increase) decrease in operating assets:						
Entrance fee deposits	(397,586)	-	-	-	-	(397,586)
Accounts receivable and pledges receivable	(220,231)	-	-	-	-	(220,231)
Accounts receivable, related party	(182,384)	-	-	-	182,384	-
Entrance fees receivable	924,748	-	173,430	-	-	1,098,178
Prepaid expenses and other current assets	(15,747)	(30,214)	(30,295)	(1,253)	-	(77,509)
Loan receivable, related party	1,248,369	-	-	-	(1,248,369)	-
Other receivables	5,567	-	-	-	-	5,567
Increase (decrease) in operating liabilities:						
Accounts payable and accrued expenses	264,886	219,817	2,409	(1,059)	-	486,053
Accounts payable, related party	-	-	182,384	-	(182,384)	-
Entrance fee deposits	397,586	-	-	-	-	397,586
Loan payable, related party	-	-	(1,248,369)	-	1,248,369	-
Annuities payable	-	(86,300)	-	-	-	(86,300)
Net cash provided by (used in) operating activities	3,737,615	1,308,227	73,999	(123,744)	-	4,996,097
Cash Purchases from Investing Activities						
Sales of (purchases of) investments and cash held by trustee, net	35,714,613	(1,030,462)	-	-	-	34,684,151
Investment in Seabury at Powder Forest LLC	-	(62,347)	(62,347)	-	124,694	-
Increase in accounts payable and accrued expenses related to construction	3,085,590	-	-	-	-	3,085,590
Purchases of property and equipment	(43,334,435)	-	21,749	-	-	(43,312,686)
Payment of deferred marketing costs	(588,792)	-	-	-	-	(588,792)
Net cash provided by (used in) investing activities	(5,103,024)	(1,092,809)	(40,598)	-	124,694	(6,111,737)
Cash Flows from Financing Activities						
Principal payments on bonds payable	(895,000)	-	-	-	-	(895,000)
Principal payments on loan payable	(88,571)	-	-	-	-	(88,571)
Principal payments on capital leases	(85,965)	-	-	-	-	(85,965)
Contributions from members	-	-	-	124,694	(124,694)	-
Net cash provided by (used in) financing activities	(1,069,536)	-	-	124,694	(124,694)	(1,069,536)
Net Increase (Decrease) in Cash and Cash Equivalents	(2,434,945)	215,418	33,401	950	-	(2,185,176)
Cash and Cash Equivalents - Beginning of Year	5,621,652	134,907	6,720,938	1,119	-	12,478,616
Cash and Cash Equivalents - End of Year	\$ 3,186,707	\$ 350,325	\$ 6,754,339	\$ 2,069	\$ -	\$ 10,293,440

EXHIBIT C

PRO FORMA INCOME STATEMENTS

SEABURY AT HOME, INCORPORATED

2019 SOURCES & USE OF FUNDS

Seabury At Home's operating budget projects revenues of \$2,741,000 with expenses of \$2,693,000, for excess revenues over expenses of \$48,000. Major sources of funds include \$783,000 in monthly fees, \$816,000 personal care aide and \$416,000 earned member fees.

Major expenses for 2019 Fiscal Year include Seabury contracted services of \$1,329,000, outside contracted services of \$450,000, Assisted Living care of \$260,000 and \$250,000 in marketing.

The projected membership growth rate is 3.33 new members per month for next several years. Seabury At Home has many membership plans: Platinum, Gold, Gold Plus, Silver, Sterling, Copper, Titanium and Titanium Care.

Seabury At Home Incorporated
 Forecasted Balance Sheets
 For the Years Ending September 30, 2019 - 2021

1/30/2019

	<u>BUDGET</u> <u>FYE 9/30/19</u>	<u>FORECAST</u> <u>FYE 9/30/20</u>	<u>FORECAST</u> <u>FYE 9/30/21</u>
Assets			
Current Assets:			
Cash	7,333,236	8,267,120	9,215,539
Accounts Receivable	1,756,000	1,843,800	1,935,990
Prepaid Expenses	10,000	10,500	11,025
Total Current Assets	9,099,236	10,121,420	11,162,554
Property, Plant and Equipment, Net	535,825	494,884	472,078
Investment in Seabury at Powder Forest	2,526,985	2,591,985	2,656,985
Total Assets	12,162,046	13,208,289	14,291,617
Liabilities and Net Assets			
Accounts Payable	308,000	323,400	339,570
Deferred Membership Fees	12,387,902	13,356,657	14,340,501
Net Assets	(533,856)	(471,768)	(388,454)
Total Liabilities and Net Assets	12,162,046	13,208,289	14,291,617

Seabury At Home Incorporated
 Forecasted Statements of Cash Flow
 For the Years Ending September 30, 2019 - 2021

1/30/2019

	<u>BUDGET</u> <u>FYE 9/30/19</u>	<u>FORECAST</u> <u>FYE 9/30/20</u>	<u>FORECAST</u> <u>FYE 9/30/21</u>
Net Income	48,030	62,088	83,314
Adjustments:			
Depreciation	52,000	40,941	22,806
Earned Membership Fees	(416,160)	(428,645)	(441,504)
Membership Fees Received	1,920,000	1,958,400	1,997,568
Membership Fees Refunded	(550,000)	(561,000)	(572,220)
Changes in Current Liabilities	193	15,400	16,170
Changes in Current Assets	(2,827)	(88,300)	(92,715)
Net Cash Provided from (Used by) Operating Activities	1,051,236	998,884	1,013,419
Cash Flow from Investing Activities:			
Capital Improvements and Equipment Investment in Seabury at Powder Forest	(65,000)	(65,000)	(65,000)
Net Cash Used in Investing Activities	(65,000)	(65,000)	(65,000)
Cash Flow from Financing Activities:	0	0	0
Net Cash Used in Financing Activities	0	0	0
Annual Cash Flow	986,236	933,884	948,419
Cash Beginning of Year	6,347,000	7,333,236	8,267,120
Cash End of Year	7,333,236	8,267,120	9,215,539

Seabury At Home Incorporated
 Forecasted Statements of Revenue and Expenses
 For the Years Ending September 30, 2019 - 2021

1/30/2019

	BUDGET FYE 9/30/19	FORECAST FYE 9/30/20	FORECAST FYE 9/30/21
Revenue:			
Monthly Fees	783,283	806,781	830,984
Admission Evaluations	4,116	4,239	4,366
Interest Income	74,400	76,632	78,931
Wellness Pass	6,312	6,501	6,696
Long Term Care Insurance	486,816	501,420	516,463
Earned Member Fees	416,160	428,645	441,504
Life Line	10,080	10,382	10,693
Private Duty Nursing	120,000	123,600	127,308
Private Duty Personal Care	816,000	840,480	865,694
Rent Income	<u>23,709</u>	<u>24,420</u>	<u>25,153</u>
Total Revenue	2,740,876	2,823,100	2,907,792
Expenses:			
Seabury Contracted Services	1,329,346	1,369,226	1,410,303
Marketing/Public Relations	250,000	257,500	265,225
Skilled Nursing Permanent Care	90,000	92,700	95,481
Assisted Living Temporary Care	260,000	267,800	275,834
Delivered Meals	1,000	1,030	1,061
Repairs to Building	3,000	3,090	3,183
Contract Professional Services	450,000	463,500	477,405
Contract Lawn Service	7,000	7,210	7,426
Contract Maintenance Service	1,500	1,545	1,591
Supplies	6,000	6,180	6,365
Contract Housekeeping SVC	4,500	4,635	4,774
Electricity	4,500	4,635	4,774
Fuel Oil	1,500	1,545	1,591
Gas	2,000	2,060	2,122
Corporate Insurance - General	22,000	22,660	23,340
Depreciation	52,000	40,941	22,806
Real Estate Taxes	9,300	9,579	9,866
Accounting/Audit	10,000	10,300	10,609
Education/Training	2,000	2,060	2,122
Travel/Mileage Reimbursement	20,000	20,600	21,218
Dues/Licenses/Fees	32,400	33,372	34,373
Postage/Printing	13,000	13,390	13,792
Dining/Catering	1,000	1,030	1,061
Physician Fees	6,000	6,180	6,365
Cell Phones	3,000	3,090	3,183
Life Line	20,000	20,600	21,218
Uniforms	10,000	10,300	10,609
Transportation	1,000	1,030	1,061
Data Processing	1,000	1,030	1,061
Equipment Rental	4,500	4,635	4,774
Other	3,300	3,399	3,501
Employee Recruiting	1,000	1,030	1,061
Home Safety Inspections	1,500	1,545	1,591
Member Social Events	2,500	2,575	2,652
Rent	<u>67,000</u>	<u>69,010</u>	<u>71,080</u>
Total Expenses	2,692,846	2,761,012	2,824,478
Net Income from Operations	48,030	62,088	83,314
Net Assets, Beginning of Year	(581,886)	(533,856)	(471,768)
Net Assets, End of Year	(533,856)	(471,768)	(388,454)

Seabury At Home Incorporated
Growth Rate Assumptions
For the Years Ending September 30, 2019 - 2021

	<u>BUDGET</u> <u>FYE 9/30/19</u>	<u>FORECAST</u> <u>FYE 9/30/20</u>	<u>FORECAST</u> <u>FYE 9/30/21</u>
Monthly Fees Increase	3%	3%	3%
Additional Annual Members	40	40	40
Member Transfers to Seabury	16	16	16
Membership Fees Increase	2%	2%	2%
Private Duty Nursing	3%	3%	3%
Private Duty Personal Care	3%	3%	3%
Salaries Expenses Increase	3%	3%	3%
Other Expenses Increase	3%	3%	3%

EXHIBIT D

MEMBERSHIP FEES/PERIODIC CHARGES

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



Platinum Plan

80% Refundable Option

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

\$487 Single Monthly Fee

<u>Age</u>	<u>Membership Fee</u>	<u>Age</u>	<u>Membership Fee</u>
50	\$47,396	71	\$105,015
51	\$48,181	72	\$109,921
52	\$48,966	73	\$114,827
53	\$49,751	74	\$119,734
54	\$50,535	75	\$124,639
55	\$51,321	76	\$130,998
56	\$53,480	77	\$137,357
57	\$55,639	78	\$143,717
58	\$57,796	79	\$150,077
59	\$59,956	80	\$156,435
60	\$62,556	81	\$165,579
61	\$66,087	82	\$174,720
62	\$69,616	83	\$183,861
63	\$73,149	84	\$193,002
64	\$76,681	85	\$202,147
65	\$80,213	86	\$213,526
66	\$84,191	87	\$224,907
67	\$88,171	88	\$236,827
68	\$93,256	89	\$249,379
69	\$96,130		
70	\$100,110		

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



Gold Plan

0% Refund Option

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

\$487 Single Monthly Fee

<u>Age</u>	<u>Membership Fee</u>	<u>Age</u>	<u>Membership Fee</u>
50	\$22,761	71	\$59,212
51	\$24,645	72	\$60,682
52	\$26,532	73	\$62,150
53	\$28,418	74	\$63,617
54	\$30,304	75	\$65,087
55	\$32,190	76	\$66,665
56	\$34,075	77	\$68,240
57	\$35,960	78	\$69,818
58	\$37,847	79	\$71,394
59	\$39,733	80	\$72,971
60	\$41,618	81	\$75,215
61	\$43,320	82	\$77,458
62	\$45,028	83	\$79,701
63	\$46,730	84	\$81,943
64	\$48,434	85	\$84,188
65	\$50,137	86	\$86,862
66	\$51,658	87	\$89,537
67	\$53,179	88	\$92,313
68	\$54,701	89	\$95,176
69	\$56,222	90	\$98,032
70	\$57,742		

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



Gold^{Plus} Plan

0% Refund 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	\$22,761	71	\$59,212
51	\$24,645	72	\$60,682
52	\$26,532	73	\$62,150
53	\$28,418	74	\$63,617
54	\$30,304	75	\$65,087
55	\$32,190	76	\$66,665
56	\$34,075	77	\$68,240
57	\$35,960	78	\$69,818
58	\$37,847	79	\$71,394
59	\$39,733	80	\$72,971
60	\$41,618	81	\$75,215
61	\$43,320	82	\$77,458
62	\$45,028	83	\$79,701
63	\$46,730	84	\$81,943
64	\$48,434	85	\$84,188
65	\$50,137	86	\$86,862
66	\$51,658	87	\$89,537
67	\$53,179	88	\$92,313
68	\$54,701	89	\$95,176
69	\$56,222	90	\$98,032
70	\$57,742		

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

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



Silver Plan

0% Refund Option

30% Co-Pay of both Home- and Facility-Based Care
(Assisted Living and Skilled Nursing)

\$426 Single Monthly Fee

<u>Age</u>	<u>Membership Fee</u>	<u>Age</u>	<u>Membership Fee</u>
50	\$16,194	71	\$40,982
51	\$17,355	72	\$42,017
52	\$18,515	73	\$43,052
53	\$19,676	74	\$44,088
54	\$20,837	75	\$45,121
55	\$21,996	76	\$46,230
56	\$23,318	77	\$47,341
57	\$24,641	78	\$48,449
58	\$25,964	79	\$49,560
59	\$27,287	80	\$50,669
60	\$28,610	81	\$52,241
61	\$29,806	82	\$53,812
62	\$31,004	83	\$55,385
63	\$32,200	84	\$56,958
64	\$33,395	85	\$58,528
65	\$34,592	86	\$60,402
66	\$35,663	87	\$62,275
67	\$36,733	88	\$64,205
68	\$37,804	89	\$66,198
69	\$38,876	90	\$68,247
70	\$39,947		

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



Sterling Plan
 0% Refund Option
 100% Coverage Home Based Care
 \$350 Single Monthly Fee

<u>Age</u>	<u>Membership Fee</u>	<u>Age</u>	<u>Membership Fee</u>
50	\$4,313	71	\$24,258
51	\$4,865	72	\$25,566
52	\$5,416	73	\$26,877
53	\$5,968	74	\$28,186
54	\$6,520	75	\$29,493
55	\$7,073	76	\$30,699
56	\$7,626	77	\$31,903
57	\$8,176	78	\$33,108
58	\$8,729	79	\$34,314
59	\$9,280	80	\$35,518
60	\$9,833	81	\$36,604
61	\$11,132	82	\$37,687
62	\$12,429	83	\$38,772
63	\$13,728	84	\$39,857
64	\$15,025	85	\$40,942
65	\$16,323	86	\$41,842
66	\$17,647	87	\$42,743
67	\$18,974	88	\$43,644
68	\$20,300	89	\$44,544
69	\$21,627	90	\$45,444
70	\$22,952		

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



Copper Plan
0% Refund Option
50% Co-Pay of Home Based Care
\$275 Single Monthly Fee

<u>Age</u>	<u>Membership Fee</u>	<u>Age</u>	<u>Membership Fee</u>
50	\$3,914	71	\$14,438
51	\$4,355	72	\$14,992
52	\$4,797	73	\$15,546
53	\$5,240	74	\$16,098
54	\$5,680	75	\$16,654
55	\$6,122	76	\$17,160
56	\$6,564	77	\$17,669
57	\$7,005	78	\$18,176
58	\$7,447	79	\$18,683
59	\$7,890	80	\$19,193
60	\$8,330	81	\$19,649
61	\$8,880	82	\$20,107
62	\$9,428	83	\$20,564
63	\$9,978	84	\$21,020
64	\$10,526	85	\$21,478
65	\$11,077	86	\$21,863
66	\$11,638	87	\$22,246
67	\$12,199	88	\$22,631
68	\$12,761	89	\$23,014
69	\$13,322	90	\$23,398
70	\$13,886		

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



TitaniumCARE Plan

0% Refund Option

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

\$441 Single Monthly Fee

<u>Age</u>	<u>Membership Fee</u>	<u>Age</u>	<u>Membership Fee</u>
50	\$21,648	71	\$25,181
51	\$21,877	72	\$25,294
52	\$22,104	73	\$25,408
53	\$22,333	74	\$25,523
54	\$22,560	75	\$25,637
55	\$22,788	76	\$25,750
56	\$23,015	77	\$25,864
57	\$23,244	78	\$25,978
58	\$23,471	79	\$26,093
59	\$23,701	80	\$26,207
60	\$23,927	81	\$26,949
61	\$24,041	82	\$27,693
62	\$24,155	83	\$28,437
63	\$24,269	84	\$29,180
64	\$24,384	85	\$29,924
65	\$24,498	86	\$30,233
66	\$24,612	87	\$30,541
67	\$24,725	88	\$30,849
68	\$24,838	89	\$31,158
69	\$24,953	90	\$31,466
70	\$25,067		

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



Titanium Plan
 0% Refund Option
 (\$150 Cap on Assisted Living/Memory Care)
 (\$300 Cap on Skilled Nursing)
 \$441 Single Monthly Fee

<u>Age</u>	<u>Membership Fee</u>	<u>Age</u>	<u>Membership Fee</u>
50	\$16,453	71	\$19,138
51	\$16,626	72	\$19,224
52	\$16,799	73	\$19,311
53	\$16,973	74	\$19,397
54	\$17,146	75	\$19,484
55	\$17,319	76	\$19,571
56	\$17,492	77	\$19,656
57	\$17,665	78	\$19,744
58	\$17,839	79	\$19,830
59	\$18,011	80	\$19,917
60	\$18,186	81	\$20,448
61	\$18,271	82	\$20,979
62	\$18,358	83	\$21,511
63	\$18,446	84	\$22,042
64	\$18,530	85	\$22,574
65	\$18,618	86	\$22,806
66	\$18,706	87	\$23,040
67	\$18,790	88	\$23,272
68	\$18,878	89	\$23,505
69	\$18,964	90	\$23,737
70	\$19,051		

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

EXHIBIT E

PAYMENT PLANS

EXHIBIT E

SEABURY AT HOME
PAYMENT PLANS

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

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

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

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

EXHIBIT E

SEABURY AT HOME PAYMENT PLANS

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

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

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

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

EXHIBIT F

STATEMENT OF ACTUARIAL OPINION



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Reisterstown, MD 21136-1905
410-833-4220
410-833-4229 (fax)
www.continuingcareactuaries.com

Seabury

**Statement of Actuarial
Opinion December 21, 2018**

I, Dave Bond, am a Fellow of the Society of Actuaries, a member of the American Academy of Actuaries, the Managing Partner in the firm Continuing Care Actuaries, LLC, and I meet the qualification standards to render Statements of Actuarial Opinion for continuing care retirement communities. I have been retained by Seabury 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's 2018 Annual Financial Filing:

- Exhibit I Residential Turnover Rates
- Exhibit II Average Age of Residents
- 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'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. 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 consider necessary of the data, methods, and underlying assumptions used by and the resulting actuarial projections reported by Seabury with respect to the above items as shown in Seabury's 2018 Annual Financial Filing.

In my opinion, the above items as shown in Seabury's 2018 Annual Financial Filing:

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

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

Respectfully,

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

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

Residential Turnover Rates

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

<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
8.0%	8.3%	8.5%	8.7%	8.9%	9.0%

Average Age of Residents

The projected average age for the next five years for independent living residents is as follows:

<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
84	84	84	85	85

Health Care Utilization Rates

Health care utilization rates, including admission rates and days per 100 residents 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 Residents</u>
	<u>Utilization Rate</u>		<u>Admission Rate</u>		
	<u>Patients</u>	<u>%</u>	<u>Patients</u>	<u>%</u>	
2019	28.5	7.9%	47.0	15.0%	2,891
2020	30.9	8.4%	45.9	14.5%	3,051
2021	32.8	8.9%	45.5	14.5%	3,235
2022	34.2	9.2%	44.8	14.4%	3,366
2023	35.4	9.5%	44.1	14.3%	3,471
2024	36.4	9.8%	43.5	14.1%	3,565

<u>Year</u>	Assisted Living Units				<u>Days per 100 Residents</u>
	<u>Utilization Rate</u>		<u>Admission Rate</u>		
	<u>Patients</u>	<u>%</u>	<u>Patients</u>	<u>%</u>	
2019	21.1	5.9%	12.0	3.8%	2,139
2020	24.7	6.7%	11.9	3.8%	2,438
2021	27.2	7.3%	11.7	3.7%	2,678
2022	29.1	7.8%	11.6	3.7%	2,859
2023	30.5	8.2%	11.7	3.8%	2,990
2024	31.5	8.5%	11.8	3.8%	3,085

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>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
93%	95%	95%	95%	95%	95%

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>
2019	47.0	12.0
2020	45.9	11.9
2021	45.5	11.7
2022	44.8	11.6
2023	44.1	11.7
2024	43.5	11.8

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>
2019	10,384	7,683
2020	11,260	8,997
2021	11,972	9,910
2022	12,483	10,603
2023	12,903	11,114
2024	13,286	11,498

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>Independent</u>	<u>Assisted</u>	
Skilled Nursing	<u>Living</u> 9.7	<u>Living</u> 6.4	16.1
Assisted Living	12	N/A	12



