

Loomis Village

**RESIDENCY & CARE AGREEMENT**

for

Loomis Village Loomis Communities, Inc.

20 Bayon Drive

South Hadley, Massachusetts 01075 (413) 532-5325

[www.LoomisCommunities.org](http://www.LoomisCommunities.org/)

**Rev. 06-01-12**

**SUMMARY SHEET RESIDENCY & CARE AGREEMENT**

Resident's Name:

Resident's Name:

Occupancy Date:

Loomis Address:

South Hadley, MA 01075

Residence Description:

Villa

Cottage

Apartment

Assisted Living

Entrance Fee Type:

Entrance Fee Amount: $

**SECTION DIRECTORY**

**RESIDENCY & CARE AGREEMENT**

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**RESIDENCY & CARE AGREEMENT**

This Agreement is made this day of , , by and between Loomis Communities, Inc., d/b/a Loomis Village hereinafter referred to as “Loomis Village”, and , hereinafter referred to individually or jointly as “Resident”.

This Agreement lasts for the lifetime of the Resident, unless terminated under the provisions of the Agreement.

If two persons sign this Agreement, the accommodations and services will be for both of them, and the sums stated under Financial Provisions cover both of them. Each will be individually responsible for payments due hereunder. Each must meet the admission requirements for residency at Loomis Village.

Loomis Communities, Inc., a Continuing Care Retirement Community, is a not-for-profit 501(c)(3) Massachusetts corporation established exclusively for charitable purposes. It provides equal access and treatment without regard to race, color, sex, religion, sexual orientation, disability, familial status or national origin. Loomis Village will make reasonable accommodations including unit adaptations to address Resident disability. Loomis Communities, Inc. is sponsored by Loomis House, Inc., a not-for-profit corporation chartered in 1902.

1. **GENERAL PROVISIONS**
   1. **Admission Requirements**:

The following requirements for residency at Loomis Village must be met satisfactorily:

* + 1. Resident must be at least 62 years of age on Occupancy Date (as defined in Section I.B.).
    2. Resident must provide a completed Application for Residence and a Physician's Statement, on forms provided by Loomis Village, which establishes that Resident's health meets the Personal Performance Criteria in Exhibit 1 or Exhibit 2.
    3. At least 30 days prior to the Occupancy Date, Resident must submit an updated Physician's Statement if original statement is more than six months old and must meet personally with the Loomis Village Health Services Director to review current health status. If at this time, Resident's health does not meet the appropriate Personal Performance Criteria, Loomis Village will assist in making alternate arrangements at an appropriate level of care. If Loomis Village is not able to provide the needed level of care, this Agreement may be terminated.
    4. Resident must complete and submit a confidential Financial Disclosure Statement, on a form provided by Loomis Village, which demonstrates the ability to pay all fees contemplated herein for the duration of this Agreement. A third-party financial guaranty for independent living or assisted living may be requested if Resident's ability to meet financial obligations is uncertain.

Resident must submit an updated Financial Disclosure Statement within 30 days prior to the Occupancy Date, if the original Financial Disclosure is more than six months old.

* 1. **Occupancy Date**: Occupancy Date means the date on which Resident is entitled to all services described herein and on which Resident is responsible for all fees. Prior to the Occupancy Date, Resident must meet all admissions requirements, including updated health and financial information. Entrance Fee payment must be completed by this date.

1. **ACCOMMODATIONS AND SERVICES**

Subject to the terms and conditions of this Agreement, Resident will have a non- transferable right to reside in the living unit selected. As used herein, these capitalized terms shall mean:

Villas: Semi-detached one- and two-bedroom units with attached one-car garage. Cottages: Semi-detached two-bedroom-plus-den units with attached one-car garage adjacent to the Independent Living Apartments.

Independent Living Apartments: Studio, one-bedroom, two-bedroom, and two- bedroom-plus-den apartment units located within the Village Center.

Assisted Living Apartments: One- and two-room units located within the Village Center.

Village Center: The structure housing the Independent and Assisted Living

Apartments at 10 Bayon Drive.

Loomis Nursing Center: A skilled nursing facility owned by, affiliated or under contract with Loomis Village to provide nursing services to Loomis Village Residents.

Accommodations and services are as follows:

* 1. **Each living unit is equipped with**:
     1. Villas and Cottages: carpeting and vinyl flooring, refrigerator/freezer, dishwasher, oven/range, garbage disposal, washer/dryer, cable TV and phone outlets, light fixtures, emergency/safety response system, automatic garage door with opener.
     2. Independent Living Apartments: carpeting and vinyl flooring, refrigerator/freezer, oven/range, garbage disposal, dishwasher,

washer/dryer, light fixtures, cable TV and telephone outlets, mini-blinds, and emergency/safety response system.

* + 1. Assisted Living Apartments: carpeting and tile, cable TV and phone outlets, mini-blinds, emergency/safety response system, light fixtures. Two-room apartments have a refrigerator/sink unit with a microwave oven and cabinets.
  1. **Utilities Provided by Loomis Village**:
     1. Villas: water and sewer use fees, cable TV basic service.
     2. Cottages, Independent Living Apartments, and Assisted Living Apartments: electricity, heat, air conditioning, hot water, water and sewer use fees, basic cable TV service.
  2. **Utilities Not Provided by Loomis Village**:
     1. Villas: electricity, heat, air conditioning, hot water, phone, premium cable services, and internet connection.
     2. Cottages, Independent Living Apartments, and Assisted Living Apartments: phone, premium cable services, and Internet connection.
  3. **Changes to Living Units**:
     1. Loomis Village reserves the right to build additional living units and to alter, reconfigure and remove existing living units, including the right to: 1) make changes to Resident's living unit, and, 2) relocate Resident to another living unit both temporarily and permanently in furtherance thereof. Loomis Village shall use reasonable efforts to minimize disruption to Resident in the exercise of its rights.
     2. Resident must receive written approval to make any desired changes to the structure, decorations, equipment, or furnishings owned or supplied by Loomis Village. Changes must be made by installers or workers approved by Loomis Village, and the cost of any changes is Resident's responsibility. No refunds for alterations will be made. Resident will be responsible for the cost of restoring the living unit to its original condition upon termination of the Agreement, unless otherwise agreed to in writing.
  4. **Repair and Replacement**: Loomis Village is responsible for replacement and repair of Loomis Village furnishings and equipment, as deemed necessary by the Loomis Administration except in the case of damage caused by Resident negligence. Residents who wish to repaint, re-carpet or replace flooring in their living unit during occupancy, may do so at their own cost, upon approval by the Administrator.
  5. **Common Area**: Loomis Village reserves the right to change any/all common areas including the right to reconfigure, renovate, add to or reduce the size and purpose of all common areas. Resident may not alter any common areas or furnishings, as they are the sole responsibility of Loomis Village. Subject to the Rules and Regulations of Loomis Village, common areas include the Village

Center’s lounges, porches, laundry rooms, storage facilities, library, lobby, dining rooms, private dining room, sunroom, auditorium, cafe, hair salon, computer room, gift shop, swimming pool, locker rooms, fitness center, whirlpool tub room, conference room, mailroom, stairwells and hallways, as well as all exterior grounds: garden plots, walking paths and woodshop (in existing barn).

* 1. **Access to Nursing Care**: All Loomis Village Residents share priority access to skilled nursing care at the Loomis Nursing Center with residents from Loomis House and Applewood.
  2. **Health Services**: Loomis Village has a qualified Health Services Director who directs the health and wellness services of Loomis Village and oversees the provision of in-unit services and Assisted Living.
  3. **General Services Provided to Residents**: Villas:
     1. 24-hour emergency response.
     2. Maintenance and repair of all buildings, equipment, and appliances owned by Loomis Village.
     3. Groundskeeping, including lawn and garden care, leaf and snow removal.

Residents may plant flowers adjacent to their villas with permission of the Administrator, and will assume responsibility for the upkeep of these areas.

* + 1. Periodic exterior window washing.
    2. Weekly rubbish removal.
    3. Scheduled activity program.
    4. Limited scheduled transportation to designated local shopping areas, banks, and activities planned by Loomis Village Activities.
    5. Six meals monthly.
    6. Weekly health clinics and maintenance of health records.
    7. Other services as described in Resident Handbook, distributed to each Resident on the Occupancy Date.

Cottages and Independent Living Apartments:

1. 24-hour emergency response.
2. Maintenance and repair of all buildings, equipment, and appliances owned by Loomis Village.
3. Groundskeeping, including lawn and garden care, leaf and snow removal.

Residents with walk-out apartments may plant flowers adjacent to their

apartments with permission from Loomis Administration, and will assume responsibility for the upkeep of these areas. Planting is limited to those walk-out apartments that have adequate space for gardening, as determined by the Administration.

1. Periodic exterior window washing.
2. Carpet cleaning, as deemed necessary by Loomis Administration.
3. Scheduled activity program.
4. Tray service during a short-term illness as ordered by the Health Services Director.
5. Twice-monthly housekeeping, which includes vacuuming, dusting, bathroom, and kitchen cleaning, changing of bed linen, and laundering of

standard size twin, double or queen linen provided by Loomis Village.

Loomis Village will not launder Resident’s own linen. Loomis Village is not responsible for cleaning/dusting valuable personal items of Residents.

1. On-site staff 24 hours/day.
2. Weekly health clinics and maintenance of health records.
3. Limited scheduled transportation to designated local shopping areas, banks, and activities planned by Loomis Village Activities.
4. Surface parking for one car per unit for Residents with car.
5. Equivalent of one meal per day, within the monthly billing cycle.
6. Other services as described in Resident Handbook, distributed to each Resident on the Occupancy Date.

Assisted Living:

1. 24-hour emergency response.
2. Maintenance and repair of all buildings, equipment, and appliances owned by Loomis Village.
3. Groundskeeping, including lawn and garden care, leaf and snow removal.
4. Periodic exterior window washing.
5. Carpet cleaning as deemed necessary by Loomis Village.
6. Scheduled activity program.
7. Tray service during a short-term illness as ordered by the Health Services Director.
8. Weekly housekeeping, which includes vacuuming, dusting, bathroom

cleaning, kitchenette cleaning (for two-room units), changing of bed linen, and laundering of bed linens and towels provided by Loomis Village. Loomis Village is not responsible for cleaning/dusting valuable personal items of Residents.

1. On-site staff 24 hours/day.
2. Van transportation to scheduled medical appointments. Limited scheduled transportation to designated local shopping areas, banks, and activities planned by Loomis Village Activities.
3. Surface parking for one car per unit.
4. Three meals daily.
5. Personal care assistance up to one hour per day, including: assistance with bathing, dressing, grooming and other activities of daily living; and self-administered medication assistance.
6. Other services as described in Resident Handbook, distributed to each Resident on the Occupancy Date.
   1. **Other**:
      1. Real estate tax payment.
      2. General property and liability insurance for Loomis-owned buildings and appliances.
   2. **Additional Services for Additional Fees**:
      1. Villas: housekeeping, linen and personal laundry service, personal care and assistance, meals in excess of six per month, transportation, carpet cleaning, formal aquatic and fitness programs.
      2. Assisted Living: personal laundry services, companion services, and personal care assistance in excess of one hour per day, additional linens, formal aquatic and fitness programs.
      3. Independent Living Apartments and Cottages: additional meal and housekeeping services beyond that included in basic program, additional linen, personal laundry service, personal care and assistance, tray service, transportation other than as described in Section I.11 above, garage parking, formal aquatic and fitness programs.
      4. Other additional services listed in Fees for Additional Services, Exhibit 12.

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|  | | Services other than those described above are not provided by Loomis Village. |
| Loomis Village reserves the right to modify the scope, means and delivery of |
| III. | A. | services as it may deem appropriate.  **FINANCIAL PROVISIONS**  **Entrance Fees**: |

1. Entrance Fee Options:
   1. Independent Living: Choice of Declining Refundable Entrance Fee or 90% Refundable Entrance Fee.
   2. Assisted Living: 80% refundable entrance fee.
2. The Resident will pay to Loomis Village an entrance fee in the amount shown on the Summary Sheet of this Agreement (Entrance Fee) in accordance with the following schedule:
   1. On executing the Residency Agreement, a Reservation Deposit of ten percent (10%) of the Entrance Fee, which will be subject to refund in accordance with the terms of this Agreement.
   2. The Resident will pay Loomis Village the Entrance Fee balance on or before the Occupancy Date.
3. Refundability of Entrance Fees:

Upon termination of this Agreement, per Section VI, Resident, Resident's Designatee as defined in VI.B.9., or Resident's estate shall be entitled to a refund of a portion of the Entrance Fee within a reasonable period of time when the same becomes due, as follows:

* 1. 90% Refundable: Residents with a 90% refundable fee option shall receive a refund as follows:
     1. If occupancy terminates during the first ten months, Resident shall receive a refund equal to the Entrance Fee paid less 1% for

each calendar month, or portion thereof, of occupancy.

* + 1. If occupancy terminates after ten or more months, Resident shall receive a refund equal to 90% of the Entrance Fee. Initial payment, upon vacating the unit, shall equal the Entrance Fee less 1% for each calendar month, or portion thereof, of occupancy. The balance due shall be paid when Loomis Village enters into a Residency & Care Agreement with a new Resident occupying the same unit.
  1. Declining Refundable: Residents shall receive a refund equal to the full Entrance Fee less 1% of the Entrance Fee for each calendar month, or portion thereof, of occupancy in Independent Loomis Village. No refund shall be due if Resident’s occupancy in Independent Living exceeds 100 months.
  2. 80% Refundable: Assisted Living Residents with an 80% refundable fee option shall receive a refund as follows:
     1. If occupancy terminates during the first 20 months, Resident shall receive a refund equal to the Entrance Fee paid less 1% for

each calendar month, or portion thereof, of occupancy.

* + 1. If occupancy terminates after 20 months, Resident shall receive a refund equal to 80% of the Entrance Fee. Initial payment, upon vacating the unit, shall equal the Entrance Fee less 1% for

each calendar month, or portion thereof, of occupancy. The

balance due shall be paid when Loomis Village enters into a

Residency & Care Agreement with a new Resident occupying the same unit.

* 1. When two persons occupy a unit, and one ceases occupancy, there will be no entrance fee refund until the second person ceases occupancy.
  2. Prior to refunding any amounts, Loomis Village will deduct any payments owed by Resident under the terms of this Agreement.

1. **Monthly Service Fees**: The initial monthly service fees will be in accordance with the rates in effect on the Occupancy Date.
   1. The monthly service fee is billed on the first of each month and due in full by the 10th of that month. If payment is late, a late charge of one percent per month will also be assessed. The monthly fee includes the services for the current month, any applicable credits, prior month additional charges, and any other amounts due Loomis Village. These fees appear on a detailed monthly statement.
   2. Adjustments to the base monthly fees may be made no more than once per calendar year, except that they may be more frequent for a change of greater than 10% in any of the following:
      1. water and sewer fees
      2. rubbish removal
      3. cable TV fees
      4. taxes, including real estate, income, and excise
      5. property and liability insurance
   3. A Resident who moves temporarily to Assisted Living, the Loomis Nursing Center, or other medical or nursing facility will continue to pay the monthly fee on the unit, less meal credits, as well as the daily or monthly fees of the temporary assisted living apartment, Loomis Nursing Center or other facility.
   4. A Resident of an Assisted Living Apartment who moves temporarily to the Loomis Nursing Center will continue to pay the monthly assisted living unit fee, less meal credits, as well as all Nursing Center charges.
   5. If a Resident transfers to a different living unit, leaves Loomis Village, moves to the Loomis Nursing Center, or dies, the monthly fee on the vacated unit shall continue to be paid by Resident until the Agreement is terminated in accordance with the provisions of Section VI., Cancellations and Terminations, Section B. In addition, monthly payment for a new unit or the Nursing Center shall commence on occupancy.
   6. If one of two Residents sharing a living unit dies, permanently moves to another level of care, or leaves Loomis Village, the monthly service fee shall change from a two-person to a one-person fee.
   7. Each Resident must maintain insurance coverage for personal possessions and liability. Loomis Village is not responsible for loss or damage to any personal possessions.
2. **Financial Hardship**: Loomis Village admits only those persons who are expected to be able to pay all required fees. Without in any way limiting its right to terminate this Agreement, Loomis Village will review the financial situation of Residents who are unable to meet financial obligations when the inability to do so is due to factors beyond their control. Loomis Village may subsidize monthly fees for Residents who have had unanticipated changes in their finances, so long as such subsidy does not impair its ability to operate on a sound financial basis. Qualification for financial assistance must meet the requirements established by Loomis Village, and Residents who receive such assistance must agree to the conditions determined by Loomis Village. These conditions may include a move to a smaller unit at Loomis Village or Loomis House in Holyoke, Massachusetts. Any assistance granted is to be considered a valid claim against Resident or Resident's estate, whether or not (s)he is at Loomis Village at the time of death.
3. **Non-Payment**: Notwithstanding paragraph C above, non-payment of fees is an event of default for which Loomis Village may terminate the Agreement. Resident agrees to pay all legal costs and fees incurred by Loomis Village to recover monies owed under this Agreement.
4. **Transfer of Assets**: Resident agrees not to transfer or dispose of assets or income sources for less than full value at any time during residency if doing so would impair the ability to pay current or future fees.
5. **Addition of Second Person**: It is acceptable for a Resident to add a second person to a unit through marriage or otherwise, provided that the second person meets all admission requirements, executes a Residency & Care Agreement, and pays all second person fees.
6. **HEALTH CARE PROVISIONS**
   1. **Health Insurance**: Medicare and Other Required Insurance - The Resident will be required to enroll in the Medicare program, Parts A and B**,** any future program that may be offered by Medicare, and one supplemental health insurance program covering hospital and other related costs reasonably acceptable to Loomis Village to assure the Resident's ability to cover costs of medical treatment, medicine, drugs, therapy and the like. A Resident not enrolled in Medicare must carry equivalent health insurance reasonably

acceptable to Loomis Village. The Resident agrees to provide evidence of such insurance upon admission and upon any change thereafter.

* 1. **Insurance Claims**: The Resident hereby authorizes Loomis Village or a nursing home to make all claims for insurance benefits for Covered Services and agrees to execute all documents necessary to enable Loomis Village or a nursing home to enforce such claims. Any benefits received by the Resident from Medicare or the supplemental health insurance required herein, with respect to Covered Services, will be paid by the Resident to Loomis Village or a nursing home as payment for the costs incurred by Loomis Village providing Covered Services to the Resident.
  2. **Access to Care**: Residents have priority access to the levels of care they need as provided under this Agreement; Residents have priority access to assisted living; and Residents share priority access with Loomis House Retirement Community and Applewood residents to the Loomis Nursing Center.
  3. **Health Services**: Loomis Village has a qualified Health Services Director who directs the health and wellness services of Loomis Village and oversees the provision of in-unit services and Assisted Living.
  4. **Best Setting for Care and Additional Services**:
     1. Loomis Village reserves the right to determine the best setting for care and need for additional services on a temporary or permanent basis if Resident does not meet the Personal Performance Criteria, Exhibits 1, 2 and 3, in accordance with the Process for Placement in Assisted Living, Loomis Nursing Center or Other Facility and/or the Need for Additional Services, Exhibit 4. Resident agrees to cooperate in performing any evaluation Loomis Village shall reasonably request, at Resident’s expense, including granting Loomis Village permission to discuss health care issues with Resident’s medical providers. Such evaluation may be requested at any time Loomis Village reasonably suspects by observation or otherwise that Resident’s physical, emotional or mental condition has changed such that Resident may require a change in services or setting for care.
     2. If Resident's physical or mental condition precludes living independently, or poses a danger to Resident or others, in the opinion of Loomis Village, Loomis Village may transfer Resident to another level of care which best meets his or her needs.
     3. If Loomis Village determines that personal space, personal health, personal care or nutritional needs are not being met by Resident, in accordance with the Personal Performance Criteria, Resident agrees to accept and pay for such additional services as Loomis Village determines are needed.
  5. **Nursing Center Care**: Village Center and Cottage Residents shall be entitled to seven days of care each calendar year at no charge in a semi-private room, based on medical necessity, non-cumulative from year to year. In the event that no bed is available at Loomis Nursing Center at the time of need, Loomis Village will assist in the placement of a Village Center or Cottage Resident to another nursing facility until a bed is available and will pay the then current rate at the other nursing facility (up to the then current Loomis Nursing Center rate) for up to 7 days. Payment for the days at no charge will begin after benefits

from Medicare and other 3rd party insurances cease. This benefit shall cease upon a Resident terminating this Agreement.

* 1. **Emergency Response**: Each apartment is equipped with an emergency response system which is monitored 24 hours/day.
  2. **Transfer to Hospital**: Loomis Village will assist Residents in need of transfer to an acute care hospital. All costs for such care, beyond Medicare and insurance coverage including transportation in either direction, will be the responsibility of Resident.
  3. **Transfer within Loomis Village or to Loomis Nursing Center:** Residents may transfer temporarily or permanently among independent living units, Assisted Living Apartments, and the Nursing Center, based on need and availability. Such changes must be authorized by Loomis Village.

##### **Provisions of Home Care**: Residents receiving home care as approved by Loomis Village in accordance with Exhibits 1 and 2 may have that care provided either by an approved provider or by a licensed health care professional who meets applicable regulatory requirements. All outside providers of home care must meet the standards and requirements established by Loomis Village.

* 1. **Release of Medical Information**: Resident consents to the release of medical information to Loomis Village by any physician, hospital, or other health care provider. Resident also agrees to the release of medical information by Loomis Village to the providers listed above and to Loomis Nursing Center. Loomis Village complies with all applicable requirements regarding maintaining protected health information.
  2. **Additional Health Care Services**: Any health care services not specifically identified in this Agreement as being the responsibility of Loomis Village are Resident's responsibility. This includes, but is not limited to, medical and health practitioners, hospitalization, skilled nursing care, tests and x-rays, medications, home care, personal care assistance for other than assisted living residents, and therapies.

1. **OTHER PROVISIONS**
   1. **Guests**: Guests are welcome subject to the terms and conditions established by Loomis Village. Overnight guests may stay in a Resident’s unit for periods not to exceed two weeks. Guests are expected to follow all rules, policies, and procedures of Loomis Village, and Loomis Village has the authority to limit or terminate the stay of any guest for any reason at any time.
   2. **Privacy**: Loomis Village respects the privacy of Residents, but reserves the right to enter a unit whenever deemed necessary to carry out the purposes and intent of this Agreement, including maintenance, routine housekeeping, and Resident evaluations, meetings and/or medical emergencies.
   3. **Pets**: Pets are permitted at Loomis Village in accordance with the established pet policy of the community. Loomis Village may require the removal of a pet if the policy is violated.
   4. **Locks and Keys**: The Resident will receive keys for their living unit and for the mailbox. Resident may not change locks or add locks without written permission. Any added locks become Loomis Village property.
   5. **Smoking**: There is no smoking allowed in any of the common areas or units within the Village Center.
   6. **Business Operations**: No Resident may operate a business from a unit without written permission of Loomis Village and in accordance with land use laws.
   7. **Power of Attorney and Health Care Directive**: Resident is requested to provide to Loomis Village copies of any Power of Attorney or health care advance directive so that this information will be readily available if a need should arise.
   8. **Subordination of Rights**: All rights, privileges, and benefits granted to Resident shall be subordinate to the debt financing of Loomis Village, and to any real estate mortgage and assignment of this Agreement to secure debt financing or other indebtedness for Loomis House, Inc. and Loomis Communities, Inc. Upon request, Resident agrees to execute and deliver a subordination agreement to establish the priority of such obligations as a lien against the property. This Agreement is subject to the terms and conditions of the Loan and Trust Agreement by and among Massachusetts Development Finance Agency, Loomis House, Inc. and Loomis Communities, Inc. and State Street Bank, as Trustee and the mortgages and collateral assignment of contracts relating thereto.
   9. **Resident's Relationship to Loomis Village**: This Agreement is primarily for the provision of housing and services on a contractual basis, and it does not

represent a landlord-tenant relationship. Resident does not have any ownership interest in Loomis Village, its property, or the apartment occupied by Resident.

* 1. **Nontransferability**: The rights and privileges of Resident under this Agreement are personal to Resident and are not transferable.
  2. **Trustee, Individual, and Related Entity Liability**: Loomis Communities, Inc. shall solely be liable for its performance under this Agreement. Neither Loomis House Inc. nor any director, officer or employee of Loomis House Inc. or Loomis Communities, Inc. shall be liable to Resident under this Agreement.
  3. **Observance of Policies, Rules, and Regulations**: Resident agrees to abide by all Policies, Rules, and Regulations established by Loomis Village and amended from time to time, for the safety, comfort, and convenience of all Residents.
  4. **Grievances and Appeals**: If Resident wishes to present a grievance or to appeal any decision of Loomis Village rendered according to this Agreement, other than matters covered in Exhibit 4, he or she shall do so in accordance with the Grievance Process as set forth in Exhibit 5.
  5. **Right of Management**: Loomis Village reserves the absolute right of management. Loomis Village reserves the right to accept or reject any person for residency. Residents do not have the right to manage or to determine admissions, terms of admission, or transfer of any other Resident.
  6. **Right of Subrogation**: In case of injury to Resident by a third party, Loomis Village shall have the right of subrogation, for all of its costs and expenses incurred, and shall have the right, in the name of Resident, to take all necessary steps to enforce payment of same by the person responsible for the injury. Resident agrees to cooperate and assist in recovering said costs.
  7. **Reserve Funds**: Loomis Village does not currently maintain reserve funding or security for its performance hereunder. Loomis Village shall have the right to establish such accounts in the future.
  8. **Covenant of Compliance with Laws and Regulations**: Loomis Village covenants that it complies with applicable Federal and State laws and regulations regarding consumer protection and protection from abuse, neglect, and financial exploitation of the elderly.

1. **CANCELLATIONS AND TERMINATIONS**
   1. **Prior to Occupancy**:
      1. If Resident terminates the Agreement any time prior to the Occupancy Date, Resident will receive a refund within a reasonable length of time

equal to the total amount paid to Loomis Village, less an administrative fee equal to 1% of the Entrance Fee, and less any costs incurred at the request of Resident.

* + 1. Loomis Village may terminate the Agreement if it is found that Resident has substantially misrepresented medical, financial, or other information given to Loomis Village during the application process. In this event, Resident will receive a refund equal to the total amount paid to Loomis Village, less an administrative fee equal to 1% of the Entrance Fee, and less any costs incurred at the request of Resident.
    2. If Resident does not meet the financial or medical criteria prior to occupancy, there will be a refund of the total amount paid to Loomis Village, less any costs incurred at Resident's request.
    3. If Resident dies before the Occupancy Date, the estate of Resident will be refunded the total amount paid to Loomis Village, less any costs incurred at Resident's request.
  1. **After Occupancy**:
     1. The Agreement will be terminated after:
        1. Resident dies and all belongings are removed from the living unit; or
        2. Resident moves permanently to the Loomis Nursing Center and all belongings are removed from the living unit; or
        3. Resident moves permanently to another location outside of Loomis Village, after giving 30 days’ written notice and removing all

belongings from the living unit; or

* + - 1. Resident moves permanently to Loomis Village Assisted Living under a separate Rental Agreement.

The remaining Resident in the case of dual occupancy may request termination if one of the above situations occurs. However, the death or move of one Resident shall not necessarily affect the continuation of the Agreement for the other.

* + 1. The Resident may voluntarily terminate this Agreement upon thirty days' written notice of intent.
    2. The Entrance Fee shall continue to amortize and the monthly service fees shall be payable until the later of the end of the thirty day period provided above in B.1 or B.2 or the removal of all personal property from the living unit. If all personal property is not removed within 30 days, Loomis Village may store such property at the expense of Resident or Resident's estate. If the property is stored longer than 90 days, Loomis Village will sell the property upon 30 days' notice, and return the proceeds to Resident or the

estate, less any costs for storage, sale, or other amounts due Loomis Village.

* + 1. The vacated unit must be left in a condition satisfactory to Loomis Village.

Loomis Village may charge the Resident or Resident's estate for any repair or cleaning, other than normal wear, needed to restore the unit to its

former condition.

* + 1. The Agreement may be terminated by Loomis Village if Resident:
       1. fails to make payment of fees promptly;
       2. breaches this Agreement;
       3. fails to follow Loomis Village's policies and procedures;
       4. engages in activities or conduct disruptive to the Loomis Village community;
       5. has care needs which cannot be met by Loomis Village staff and/or are not provided under this Agreement and the Resident refuses to accept

and pay for appropriate supplemental care; or

* + - 1. engages in conduct which is deemed by Loomis Village to be a hazard to the safety of self, other residents, or Loomis staff; or
      2. engages in material misrepresentation of health or financial

information which, if accurately provided, would have resulted in a failure of the Resident to qualify for residency, or a material increase in the cost of providing to the Resident the services under the Agreement.

Loomis Village will give 30 days' written notice of its intention to terminate, except that it reserves the right to terminate in a shorter period of time in the case of serious threat to the health or safety of Resident or other Residents or employees of Loomis Village.

* + 1. Conditions for Entrance Fee Changes After Occupancy
       1. If at the time of initial occupancy, the Resident signs an intent to move to a more expensive living unit when one becomes available, Resident will receive a 100% refund of the original Entrance Fee at the time of occupancy of the more expensive living unit. He/she will then pay the then current Entrance Fee in the more expensive unit, which will begin a new amortization period.
       2. If Resident chooses to move to a more expensive living unit (not requested at the time of initial occupancy), Resident will pay the

difference between the refundable balance of the Entrance Fee paid

on admission to the less expensive living unit and the then current Entrance Fee on the more expensive unit. The original Entrance Fee will continue to be amortized according to the original schedule at the time of admission, and the additional Entrance Fee will begin a new amortization period.

* + - 1. If Resident moves to a less expensive living unit or to an Assisted Living Apartment, and the then current Entrance Fee for the new living unit is less than the refundable balance of the original Entrance Fee, Resident will receive a refund equal to the difference between the new Entrance Fee and the refundable balance of the original Entrance Fee, if any. A new amortization period will begin, if applicable, and Resident will pay the monthly service fee associated with the new unit.
      2. If Resident moves to a less expensive living unit or to an Assisted Living Apartment, and the then current Entrance Fee for the new living unit is greater than the refundable balance of the original Entrance Fee, no additional Entrance Fee will be charged. The amortization of the original Entrance Fee will continue.
    1. The obligations created in this Agreement shall be binding on the estate of Resident after termination.
    2. After the Agreement is terminated, Loomis Village is released from any further obligations to Resident except for the payment of any refund due.
    3. The refundable portion of any Entrance Fee shall be paid to the Resident, if living, when due. In the event of the death of a Resident, the refund shall be paid to his/her estate except, with the prior approval of Loomis Village, a Resident may, in writing signed, dated, and delivered by Resident to Loomis Village, designate an individual, trust, or other entity to receive the refund ("Resident's Designatee"), subject to the claims for unpaid amounts then due Loomis Village. Resident and his/her estate indemnifies Loomis Village for payment made in accordance with such designation.

1. **THE RESIDENTS' ASSOCIATION**
   1. There is a Loomis Village Residents' Association (LVRA) to which each Resident belongs. The Residents' Association elects officers and appoints committees as desired to develop and support its interests, which may consult with management.
   2. Loomis Village will advise the LVRA with respect to such matters affecting the Residents as increases in the Monthly Service Fee, additional fees, guest and extra meals, transportation, recreational programs, and adoption or changes of general policies applying to all residents.
   3. The Administrator will provide information necessary for the LVRA to carry out its responsibilities and will be available to consult with the Association.
   4. Loomis Village reserves the right to take any action permitted under this Agreement that Loomis Village deems appropriate to assist it in carrying out the goals of Loomis Village.

Executed by Loomis Communities, Inc., by a duly authorized corporate representative, and by Resident(s) on the day of , .

**A photocopy or electronic copy of this Agreement shall be deemed an original for all purposes.**

Resident warrants that all statements and documents submitted to Loomis Village are true and complete. Any misrepresentation or willful omission may render this Agreement null and void.

The following documents are a part of this Agreement:

1. Application for Residence
2. Financial Disclosure Statement and updates
3. Personal Health History and Physician's Statement
4. Exhibits to this Agreement as attached, and as listed in the Section Directory
5. Certified Financial Statements
6. Amendments to this Agreement, as they occur.

For Resident(s):

By:

Name:

By:

Name:

For Loomis Communities, Inc.:

By:

Name:

Title:

Loomis Village

**PERSONAL PERFORMANCE CRITERIA FOR INDEPENDENT LIVING**

January 1, 2012 (rev.)

Personal performance criteria are used to evaluate the Resident's level of personal independence and his/her level of physical and mental ability to safely provide self-care in a manner that does not present a hazard to self or others. These criteria are considered when making Resident placement decisions at the time of admission and throughout the period of residency. The existence of a disability or a sensory deficit is not a criterion in and of itself; the ability to perform certain activities is the determinant of the Resident's qualification for independent living and the need for additional services.

The following criteria are factors used to determine if a Resident is suited for independent living:

* 1. Able to bathe, groom, and dress self.
  2. Able to ambulate or self-transport.
  3. Able to feed self.
  4. Requires no ongoing special diet which cannot be self-managed.
  5. Able to administer own medications, with minimal assistance.
  6. Requires no ongoing scheduled professional nursing care.
  7. Continent of bowel and bladder or self-managed incontinence.
  8. Mentally alert.
  9. Oriented to person, place, and time.
  10. Able to make personal care decisions.
  11. Able to attend dinner in the Dining Room regularly.
  12. Able to maintain an orderly personal living space and clean personal clothing.
  13. Able to leave campus for personal needs or personal reasons.
  14. Able to provide own breakfast and lunch.

The following notes concern the application of the personal performance criteria for independent living:

* + 1. Loomis Village endeavors to maintain residents at the most independent level of housing or care at which their needs can be met. Many times these needs may require support services (refer to B. below).
    2. The Criteria may be met by having assistance provided by Loomis Village on a scheduled basis by a qualified nursing assistant or home health aide. This assistance is available when the Resident needs only one aide to provide care. Assistance must be approved by the Health Services Director. The Resident will be charged according to the current rate for home health care as listed in Fees for Additional Services provided by Loomis Village. In the alternative and subject to the policies and procedures of Loomis Village, Resident may contract for and receive assistance from outside sources.
    3. Residents may use assistive devices such as canes, crutches, walkers, wheelchairs (manual or electric) and small motorized carts to maintain their ability to self-transport.
    4. The permanent inability to meet any of the Criteria may mean that it may no longer appropriate for the Resident to remain in an independent living unit. In-residence assistance, additional services, a move to an Assisted Living Apartment, the Loomis

Nursing Center or other facility will be determined as appropriate to meet the Resident's needs.

* + 1. Loomis Village distinguishes short-term performance deficits from long-term performance deficits. Short-term deficits may be met through temporary home care or temporary Loomis Nursing Center placement. Long-term deficits will usually be met through transfer to assisted living, Loomis Nursing Center or other facility.
    2. Whenever a Resident is hospitalized or requires skilled nursing care, including Loomis Nursing Center, outside of Loomis Village, Loomis Village reserves the right to reassess his/her ability to meet the criteria prior to or after returning to Loomis Village. The resident is responsible for notifying Loomis Village of hospitalization and return.

Loomis Village

**PERSONAL PERFORMANCE CRITERIA FOR ASSISTED LIVING**

January 1, 2012 ( rev.)

Personal performance criteria are guidelines used to evaluate the individual Resident's level of personal independence and his/her level of physical and mental ability to provide self-care. These criteria are considered when making Resident placement decisions at the time of admission and throughout the period of residency. The existence of a disability or a sensory deficit is not a criterion in and of itself; the ability to perform certain activities is the determinant of the Resident's qualification for assisted living and the need for additional services.

The following criteria are factors used to determine if a Resident is suited for assisted living:

* + - 1. Able to bathe, groom, and dress self with assistance of one aide.
      2. Able to ambulate or self-transport within apartment; may require assistance in transport outside apartment.
      3. Able to transfer from one location to another with the assistance of one aide.
      4. Able to feed self.
      5. Able to administer own medications or receive reminders to self-administer medications.

Residents may not remain in Assisted Living if permanently on medication whose side effects pose a threat of complications or a need for ongoing skilled monitoring.

* + - 1. If a Resident requires ongoing scheduled professional nursing care it must be provided by a licensed home care agency or a private provider of their choice.
      2. Continent of bowel and bladder or self-managed incontinence.
      3. Mentally alert to a degree that does not compromise the health or safety of self or others.
      4. Oriented to person, place, and time to a degree that does not compromise the health or safety of self or others.
      5. Able to attend breakfast, lunch, and dinner in the Dining Room regularly.
      6. Able to maintain an orderly personal living space and clean personal clothing with assistance.
      7. Able to leave campus for personal needs or personal reasons with assistance.
      8. Able to have personal care needs met, as described above, with no more than one hour of direct care per day.

Services not provided include but are not limited to:

1. Two person lift and transfer assistance
2. Assistance with feeding
3. Management of wandering behavior.
4. Skilled Nursing services such as sterile dressing, changes, injections, ear lavage
5. More than one hour of individual personal care per day.

The following notes concern the application of the personal performance criteria for assisted living:

* 1. Loomis Village endeavors to maintain Residents at the most independent level of housing or care at which their needs can be met. Many times these needs may require support services (refer to B. below).
  2. Loomis Village provides Assisted Living Apartment Residents with resident assistants 24 hours daily. This assistance is available where the Resident needs only one aide to provide

care for up to one hour per day. Residents who desire or require more assistance than that regularly provided may have additional assistance provided on a scheduled basis by a qualified Nursing Assistant or home health aide. This assistance must be approved and coordinated by the Health Services Director. The Resident will be charged according to the current rate for home care as listed in Fees for Additional Services. In the alternative and subject to the policies and procedures of Loomis Village, Resident may contract for and receive assistance from outside sources.

* 1. Residents may use assistive devices such as canes, crutches, walkers, wheelchairs (manual or electric) and small motorized carts to maintain their ability to self-transport.
  2. The permanent inability to meet any of the Criteria with the assistance regularly provided by the resident assistants or by outside contracted care-providers, or, to meet other requirements established by applicable laws or regulations relating to care provided in assisted living facilities, means that it is no longer appropriate for the Resident to remain in Assisted Living. A move to Loomis Nursing Center or other facility will be determined as appropriate to meet the Resident's needs.
  3. Loomis Village distinguishes short-term performance deficits from long-term performance deficits. Short-term deficits may be met through temporary home care or temporary Loomis Nursing Center placement. Long-term deficits will usually be met through transfer to Loomis Nursing Center.
  4. Whenever a Resident is hospitalized or requires skilled nursing care outside of Loomis Village, including Loomis Nursing Center, Loomis Village reserves the right to reassess his/her ability to meet the criteria prior to returning to or after returning to Loomis Village. The Resident is responsible for notifying Loomis Village of hospitalization and return.

Loomis Village

**CRITERIA FOR NURSING FACILITY PLACEMENT**

March 1, 2007 (rev.)

The Resident Care Committee as set forth in Exhibit 4 shall recommend placement of a Loomis Village Resident in Loomis Nursing Center or another skilled nursing facility when the following criteria are met:

* + 1. A Resident requires the assistance of more than one person to transfer; or
    2. A Resident presents an imminent hazard to other residents or staff; or
    3. A Resident's behavior constitutes a safety hazard to his or her own person; or
    4. A Resident's behavior constitutes a safety hazard to other residents or staff; or
    5. A Resident is unable to manage incontinence; or
    6. A Resident averages more than one fall per week; or
    7. A Resident is unable to manage medications with appropriate assistance; or
    8. A Resident's mental alertness compromises the health or safety of self or others; or
    9. A Resident is unable to maintain an orderly and clean personal living space with appropriate assistance; or
    10. A Resident is unable to attend to personal needs with appropriate assistance; or
    11. A physician certifies that skilled nursing care is medically necessary.

In reviewing such a recommendation, the Health Services Director shall consider that:

* + - 1. Loomis Village endeavors to maintain Residents at the most independent level at which their needs can be met. This may sometimes require support services and other additional services.
      2. Residents may use such assistive devices as are necessary to maintain their independence.
      3. Loomis Village distinguishes short-term and long-term performance deficits. Only the latter will result for a recommendation for permanent placement in a skilled nursing facility, although the former might result in temporary skilled nursing facility placement in some instances.

Loomis Village

**PROCESS FOR PLACEMENT IN ASSISTED LIVING, THE LOOMIS NURSING CENTER OR OTHER FACILITY AND/OR THE NEED FOR ADDITIONAL SERVICES**

March 1, 2007 (rev.)

1. The Administrator, Director of Resident Services (DRS) and the Health Services Director (HSD), as the Resident Care Committee, shall initially determine the need for a Resident to be transferred based on Loomis Village’s "Personal Performance Criteria for Independent and Assisted Living," "Criteria for Nursing Facility Placement," and Resident assessment.
2. In making this determination, the Resident Care Committee will obtain the input of (a) the Resident's personal physician, and (b) such other resources as it may deem appropriate.
3. The DRS or HSD will determine the availability of an apartment in assisted living, or a bed in the Loomis Nursing Center or other skilled nursing facility; or in such other facility as may be appropriate based on the Resident's needs and expressed desires.
4. The Resident Care Committee will conduct a care conference with the Resident to discuss the need for transfer and the financial implications thereof. If the Resident so desires, a family member or another representative chosen by the Resident, may be present for this discussion. If the Resident is deemed to be unable to comprehend the decision being made, Loomis Village will include Resident’s health care proxy, if one has been designated.
5. The HSD will schedule and implement the transfer as soon as is reasonably possible and will complete all relevant documentation.
6. If after the care conference the Resident or his/her representative does not agree to the transfer, or other compromise is not achieved between Loomis Village and the Resident that will ensure the safety of the Resident and others in Loomis Village, the Resident may request, at Resident’s expense, an independent assessment by a qualified agency acceptable to the Resident Care Committee which shall perform an Assessment of the Resident’s condition, need for additional services and best setting for care. All parties shall cooperate with the assessment process. Upon its completion, a copy of the Assessment report shall be given to both parties. Resident agrees to abide by the recommendations contained in the Assessment report and to accept such change in setting and additional services as recommended therein. Loomis Village reserves the right to request reassessments as it may deem advisable to assure Resident’s needs and Resident’s and others’ safety are met.
7. If the Resident does not agree to accept the recommendations of the Assessment, whether the decision is to transfer the Resident or to accept and be responsible for additional services at Resident’s expense, then the Resident will be deemed to have voluntarily terminated this Agreement.
8. At all times during the assessment process the Resident must receive the standard of care initially recommended by the Resident Care Committee within Loomis’ continuum of care. Such services will be at the Resident’s expense and can be provided by Loomis or an outside caregiver approved by and subject to the policies and procedures of Loomis. Resident may be required to sign a Negotiated Risk Agreement relieving Loomis of liability for Resident’s care rejected by Resident during the assessment process.

Loomis Village

**GRIEVANCE PROCESS**

March 1, 2007 (rev.)

A Resident who wishes to address an issue or concern is encouraged to do so informally by making the issue known to the Health Services Director, Director of Resident Services, or Administrator. Loomis Village wishes to assure that its residents are satisfied with their lives in the community and will attempt to resolve the issue or concern in a mutually satisfactory manner. The mere filing of a grievance by Resident shall not be the basis for adverse action by Loomis Village.

Should Resident wish to express a grievance, or to dispute an action taken directly related to him/her by Loomis Village, Resident shall follow the formal procedure described below:

1. Contact the facility Administrator.
2. Complete a written statement which describes as fully as possible the nature of the issue and the outcome desired.
3. Administrator will work with Resident and other staff, residents, family and professionals who are involved, as appropriate, to address the grievance consistent with Loomis Village’s mission and its responsibilities under this Agreement (the “Review Standard”). A written response to the grievance shall be delivered to Resident as soon as practicable (normally within 10 days).
4. If Resident is not satisfied with the response offered by the Administrator, Resident may submit the written grievance to the Chief Executive Officer.
5. The Chief Executive Officer will appoint a committee composed of: two staff members of Loomis Village, one of whom is the Administrator; one member of the Board of Directors; and another resident, chosen by Resident submitting the grievance. If Resident is not deemed competent to choose a representative, the Administrator will appoint a designated person.
6. The Committee will consider all relevant information regarding Resident’s grievance and, applying the Review Standard, will reach a determination by majority ruling. The Chief Executive Officer will vote only in the case of a tie.
7. The decision of the Committee is final and binding upon Loomis Village and the Resident.
8. Failure by the Resident to accept the decision of the Committee shall constitute a voluntary termination of the Residency and Care Agreement.
9. Matters relating to Resident transfers to Assisted Living, Loomis Nursing Center or another facility and/or the need for additional services shall be addressed in accordance with Exhibit 4 and not by this Process.

Loomis Village

**DISCLOSURE STATEMENT**

January 1, 2012 (rev.)

1. **Residency & Care Agreement**

This disclosure statement is prepared by Loomis Village to accompany and complement the Residency & Care Agreement between the Resident and Loomis Village.

1. **Name and Business Address of Provider**

Loomis Communities, Inc. d/b/a Loomis Village

246 North Main Street South Hadley, MA 01075 (413) 532-5325

Loomis Communities, Inc. is a 501 (c)(3)not-for-profit Massachusetts corporation established for the purpose of providing housing, general services, and health care services to older people and for other charitable purposes.

1. **Nursing Center Care**

When nursing center care is provided to the Resident, it may be at the nursing center located at:

Loomis House Nursing Center Loomis Lakeside at Reeds Landing Nursing Center 298 Jarvis Avenue 807 Wilbraham Road

Holyoke, MA 01040 Springfield, MA 01109

(413) 538-7551 (413) 782-1800

Loomis House Nursing Center is owned and operated by Loomis House, Inc. Loomis House, Inc. and Loomis Communities, Inc. are related by virtue of an agreement for Loomis House, Inc. to provide nursing services to Loomis Communities, Inc. Loomis Lakeside at Reeds Landing Nursing Center is owned by Loomis Senior Living Inc.

1. **Officers and Directors**

A list of the current Officers and Directors of Loomis House, Inc. and Loomis Communities, Inc. is contained in the attached Exhibit 7.

Loomis House, Inc. and Loomis Communities, Inc. are related by virtue of common officers, directors, and corporators. All Directors serve voluntarily and receive no compensation.

1. **Business Experience of Management**

Loomis House, Inc. was founded in 1902 and has continuously operated retirement housing facilities since 1911. Loomis Communities, Inc. owns and operates the Loomis House Retirement Community at 298 Jarvis Avenue in Holyoke, Massachusetts, which has been in continuous operation since March 1981; Loomis Village, a retirement community at 246 North

Main Street, South Hadley, Massachusetts, which has been in operation since 1992; and Applewood, a retirement community at One Spencer Drive, Amherst, Massachusetts, which has been in operation since 1991. Loomis Senior Living, Inc. owns and operates the Loomis Lakeside at Reeds Landing Nursing Center, which is part of Loomis Lakeside at Reeds Landing. It has been in operation since 1991 and under Loomis Senior Living Inc. ownership since 2009.

1. **Tax Status**

Tax Exemption: Loomis Communities, Inc. is a tax-exempt organization under 501(c)(3) of the Internal Revenue Code.

* 1. Loomis Village does not pay income taxes or sales taxes.
  2. Gifts and donations to Loomis Village are tax deductible to the donor.
  3. Loomis Village pays real estate taxes to the Town of South Hadley and to Fire District 1.

1. **Physical Facilities**
   1. Location

Loomis Village is located on a 40-acre campus whose administrative offices are located at 246 North Main Street in South Hadley, MA, and whose operations offices are located at 20 Bayon Drive in South Hadley, MA.

* 1. Resident Units

28 villas, 10 cottages, 106 independent apartments, and 25 assisted living apartments are located on the campus.

* 1. Loomis Village reserves the right to modify, in size or scope, any existing or planned facilities and to change the timing of construction as conditions require.

1. **Financial Statements**
   1. Fiscal Year

The fiscal year for Loomis Village is the calendar year.

* 1. Financial Statement (Annual)

Audited financial statements from the two most recent fiscal years are attached as Exhibit 14. A balance sheet and statement of revenue and expenses from the third most recent fiscal year is attached as Exhibit 15.

* 1. Financial Statement (Current)

An unaudited financial statement, current to within 90 days, is attached as Exhibit 16.

* 1. Rate Histories for Loomis Village, Loomis House, Applewood, and Loomis Lakeside at Reeds Landing are attached as Exhibit 13.

Loomis House, Inc. Loomis Communities, Inc.

**BOARD OF DIRECTORS AND OFFICERS 2015 - 2016**

**BOARD OF DIRECTORS**

Venus Robinson, Chairperson Tom Pratt, Vice Chairperson Kathleen Bowler

Steve Corrigan Fletcher Davis Nancy Eddy Norman Halpern Sara Lawrence

Betsy Macmillan Stevens Ann McIntosh

Anthony Pellegrino Tom Senecal Greg Sheehan Kay Sordillo

Mary-Anne Stearns Edward Steiger Joan Steiger Meghan Sullivan

**OFFICERS**

David W. Scruggs, President and Chief Executive Officer Margaret R. Mantoni, Treasurer and Chief Financial Officer Peter Connor, Clerk

Margaret R. Mantoni, Assistant Clerk

**I N D E P E N D E N T L I V I N G - V I L L A S - 2 0 1 6**

**Style**

**Entrance Fee**

**(Starting at)\***

### Monthly Service Fees

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | | (Declining Refundable) | (90% Refundable) |  | (First Person) |
| 1 Bedroom – Inside |  | 132,000 | 220,000 |  | 1,680 |
| 1 Bedroom – Outside |  | 141,000 | 236,000 |  | 1,680 |
| 2 Bedroom – Inside |  | 188,000 | 313,000 |  | 1,930 |
| 2 Bedroom – Outside |  | 200,000 | 335,000 |  | 1,930 |

**NOTES**: Second Person Monthly Service Fee - $270 additional Entrance Fee prices may be higher, depending on unit features

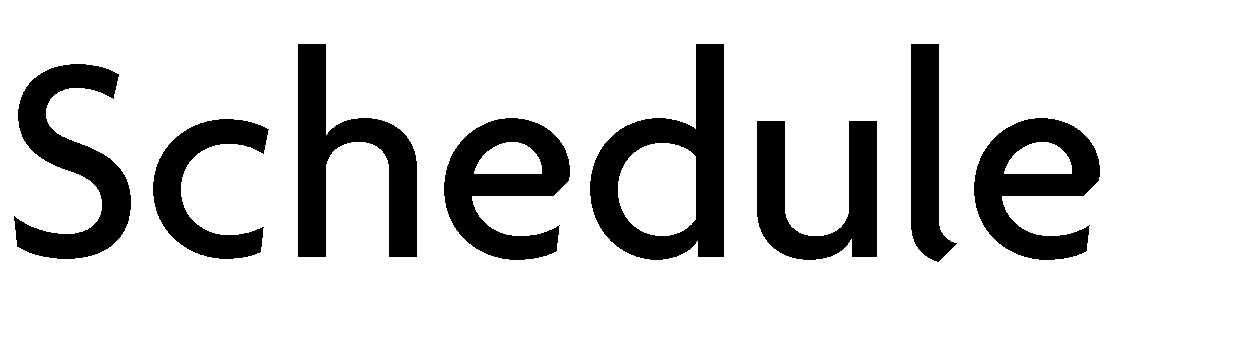
**The above monthly service fees include the following:**

* Six meals per month in dining room Trash removal
* 24-hour on-premises staff Water and sewer fees
* Wellness Clinic Real estate taxes
* Priority access to Nursing Center Emergency response system
* Full maintenance of buildings and grounds
* “Active lifestyle” at its best – recreational, educational programs, trips and events
* Cable TV including one digital tuner and one remote controller

***A la Carte Support Service and Assistance with Living***

Loomis makes available a spectrum of supportive services for residents in independent living apartments. Please refer to the summary of services for more information.

**I N D E P E N D E N T L I V I N G - A P A R T M E N T S - 2 0 1 6**



**Mountainside**

**Name Style**

**Entrance Fee**

(Starting at)\*

### Monthly Service Fees

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | | | | (Declining Refundable) | (90% Refundable) |  | (First Person) |
| Stonington |  | Studio |  | 93,000 | 156,000 |  | 2,255 |
| Blanford |  | Studio |  | 93,000 | 156,000 |  | 2,255 |
| Whately |  | 1 Bedroom, 1 Bath |  | 112,000 | 187,000 |  | 2,850 |
| Shelburne |  | 1 Bedroom, 1 Bath |  | 112,000 | 187,000 |  | 2,850 |
| Deerfield |  | 1 Bedroom, 1 ½ Baths |  | 118,000 | 198,000 |  | 3,010 |
| Lexington |  | 1 Bedroom, 1 ½ Baths |  | 118,000 | 198,000 |  | 3,010 |
| Suffield |  | 2 Bedroom, 2 Baths |  | 144,000 | 240,000 |  | 3,495 |

**Courtyard**

**Name Style**

**Entrance Fee**

(Starting at)\*

### Monthly Service Fees

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | | | | (Declining Refundable) | (90% Refundable) |  | (First Person) |
| Wendell |  | 1 Bedroom, 1 Bath |  | 112,000 | 188,000 |  | 2,960 |
| New Salem |  | 1 Bedroom, Den, 1 Bath |  | 141,000 | 235,000 |  | 3,260 |
| Dana |  | 2 Bedroom, 2 Baths |  | 157,000 | 263,000 |  | 3,535 |
| Enfield |  | 2 Bedroom, 2 Baths |  | 166,000 | 277,000 |  | 3,535 |
| Prescott |  | 2 Bedroom, Den, 2 Baths |  | 180,000 | 300,000 |  | 3,675 |
| Greenwich |  | 2 Bedroom, Den, 2 Baths |  | 186,000 | 310,000 |  | 3,695 |

**NOTES**: Second Person Monthly Service Fee - $825 additional

\* Entrance Fee may be higher for additional special features Parking Garage Space (Optional) - $7,500 (Declining Refundable) 20-Meal per Month Plan available



10/31/15



**I N D E P E N D E N T L I V I N G - C O T T A G E S - 2 0 1 6**

**Name Style**

**Entrance Fee**

**(Starting at)\***

### Monthly Service Fees

(Declining Refundable) (90% Refundable) (First Person)

Hadley 2 Bedroom, Den, 2 Baths 207,000 345,000 3,995

Chester 2 Bedroom, Den, 2 Baths 210,000 350,000 4,025

Hardwick 2 Bedroom, Den, 2 Baths 212,000 353,000 4,050

**NOTES**: Second Person Monthly Service Fee - $855 additional Attached Garage Included

\* Entrance Fee may be higher for additional special features 20-Meal per Month Plan available

**A S S I S T E D L I V I N G - 2 0 1 6**

**OPTION 1 OPTION 2**

**80% Refundable Rental Only**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | | **Approx.** | **Entrance** | **Basic Monthly** |  | **Basic Monthly** |
| **Name** | **Style** | **Sq. Ft.** | **Fee** | **Service Fee** |  | **Service Fee** |
| Sturbridge | 2 | 470 | 27,000 | 5,370 |  | 5,605 |
| Bennington | 2 | 460 | 27,000 | 5,370 |  | 5,605 |
| Hanover | 1 | 302 | 20,360 | 5,090 |  | 5,420 |

**NOTE**: Second Person Monthly Service Fee - $1,495 additional

**The above monthly service fees include the following:**

* 24 hours a day staffing by Certified Nursing Assistants
* Personal care assistance
* Three meals per day
* Weekly housekeeping including bed and bath linens
* Emergency response and pendant
* Nursing consultation
* All utilities except telephone
* Cable TV including one digital tuner and one remote controller

*Available at additional charge*:

* Home health care
* Personal laundry service
* Personal transportation
* High Speed Internet connection

10/31/15



* Transportation to medical appointments during regular transportation hours
* Trash removal
* Groundskeeping and Maintenance
* Health record maintenance
* Priority access to a Loomis Nursing Center and seven free days per year, non-cumulative
* Fitness and pool programs
* Health and nutrition counseling
* Full activities and entertainment programs



**FEES for ADDITIONAL SERVICES**



As of January 1, 2016

|  |  |
| --- | --- |
| **RESIDENT AND GUEST MEAL CHARGES** | |
| Breakfast | $7.40 |
| Lunch | $9.90 |
| Dinner | $13.85 |
| Brunch / Holiday | $19.75 |
| **Phylly's prices as posted** | |
| **Meals tax will be added to all guest meals per State and Local authorities.** | |

|  |  |
| --- | --- |
| **MEAL CREDITS** | |
| Independent Living | $6.60 per day |
| Assisted Living | $11.80 per day |
| **Meal credits take effect after five consecutive days away from campus.** | |

|  |  |
| --- | --- |
| **MEALS - MONTHLY PLANS** | |
| Breakfast and Lunch Daily | $410 per month |
| Breakfast Daily | $185 per month |
| Lunch Daily | $260 per month |
| Dinner Daily | $390 per month |
| Dinner (six dinners per month) | $75 per month |

**20 MEALS PER MONTH OPTIONAL PLAN**

$75.00 credit per person per month

**DELIVERY CHARGE**

No charge with Healthcare Coordinator's authorization.

$7.75 charge without authorization.

**FUNCTION ROOM RESERVATION**

$32.25

|  |
| --- |
| **CATERING / FUNCTION** |
| All Catering/Functions will be priced by the General Manager of Food Service. |
| **Meals tax will be added to all guest meals per State and Local authorities.** |

|  |  |
| --- | --- |
| **GUEST ACCOMMODATIONS** | |
| Guest Room | $80.00 |
| Cot Charge | $9.25 for first night; $5.00 each additional night |
| **All guests checking out AFTER 11:00 a.m. will be charged an additional night.** | |

|  |  |
| --- | --- |
| **HEALTH SUPPORT SERVICES** | |
| Registered Nurse | $62.00 per hour |
| Resident Assistant | $28.50 per hour |
| Companion | $26.50 per hour |
| Dietitian | $64.00 per hour |
| **Services billed in 30-minute increments with a 30-minute minimum.** | |

|  |  |
| --- | --- |
| **HEALTH SUPPORT SERVICE PLANS** | |
| Medication Management | $7.80 per visit |
| Care Coordination | $112 per month |
| Basic Support | $290 per month |
| Basic Support Plus | $410 per month |
| Personal Support (Level I) | $820 per month |
| Enhanced Personal Support (Level II) | $1,640 per month |
| Recuperative (Level III) | $2,465 per month |

|  |
| --- |
| **HOUSEKEEPING SERVICES** |
| $29.75 per hour |
| **Services billed in 30-minute increments with a 30-minute minimum.** |

**Fees for Additional Services - Loomis Village (continued)**

**01/01/16**

LAUNDRY SERVICES

$14.75 per load

|  |  |
| --- | --- |
| **MAINTENANCES SERVICES** | |
| Maintenance Services  After Move-in | First two hours FREE OF CHARGE  (to be used within first six months of residence) |
| Requested Maintenance | $35.80 per hour plus materials  (billed in 30-minute increments with a 30-minute minimum) |

|  |  |
| --- | --- |
| **MISCELLANEOUS SERVICES** | |
| Apartment Key Replacement | $5.50 per key |
| Emergency Pendant | $185.00 each |
| Key FOB Replacement | $25.00 each |
| Light Bulbs | Prices provided by Maintenance Department |

|  |  |
| --- | --- |
| **SECRETARIAL SERVICES** | |
| Typing | $33.00 per hour  (billed in 15-minute increments with a 15-minute minimum) |
| Fax Service (incoming) | 85¢ per page |
| Fax Service (outgoing) | 95¢ per page |
| Long Distance Fax (outgoing) | $1.60 per page |
| International Fax | $6.50 for first page  $2.30 for each additional page |
| Copy Service | 10¢ per page |

**INTERNAL MOVE CHARGE**

$5,400.00

|  |  |
| --- | --- |
| **TRANSPORTATION AND COMPANION SERVICES** | |
| Companion Services | $26.50 per hour |
| Door to Door Service | $18.50 per hour |
| **Mileage charged at $0.65 per mile for Loomis vehicle** | |
| **Services billed in 30-minute increments, with a two hour minimum.** | |

|  |  |
| --- | --- |
| **TRANSPORTATION SERVICES** | |
| Local Retail and Groceries | no charge |
| Holyoke / South Hadley for appointments scheduled according to transportation guidelines | $9.35 |
| Event-Specific Trip (South Hadley / Holyoke) | $5.40 |
| Event-Specific Trip (Within 20 miles) | $9.95 |
| Event-Specific Trip (Greater Pioneer Valley area) | $18.70 |
| **Cancellation Fee (for trips canceled with less than 24 hours notice or no shows)** | $13.50 |

10/31/15

EXHIBIT 13

Loomis Village

**FIVE YEAR RATE HISTORY**

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **INDEPENDENT LIVING - COTTAGES** (90% Refundable) | | | | | | | | | | |
| **APARTMENT TYPE** | **ENTRANCE FEE** | | | | | **MONTHLY SERVICE FEE** | | | | |
| **2015** | **2014** | **2013** | **2012** | **2011** | **2015** | **2014** | **2013** | **2012** | **2011** |
| Hadley | 331,000 | 327,000 | 325,000 | 325,000 | 323,000 | 3,825 | 3,685 | 3,575 | 3,500 | 3,480 |
| Chester | 334,000 | 330,000 | 327,000 | 327,000 | 325,000 | 3,850 | 3,710 | 3,600 | 3,530 | 3,510 |
| Hardwick | 337,000 | 333,000 | 329,000 | 329,000 | 327,000 | 3,870 | 3,730 | 3,620 | 3,550 | 3,530 |
| **Second Person** |  | | | | | 815 | 795 | 775 | 765 | 760 |

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **INDEPENDENT LIVING - APARTMENTS** (90% Refundable) | | | | | | | | | | |
| **APARTMENT TYPE** | **ENTRANCE FEE** | | | | | **MONTHLY SERVICE FEE** | | | | |
| **2015** | **2014** | **2013** | **2012** | **2011** | **2015** | **2014** | **2013** | **2012** | **2011** |
| Stonington | 149,000 | 145,000 | 141,000 | 139,000 | 137,000 | 2,160 | 2,080 | 1,995 | 1,960 | 1,910 |
| Blandford | 149,000 | 145,000 | 141,000 | 139,000 | 137,000 | 2,160 | 2,080 | 1,995 | 1,960 | 1,910 |
| Whately | 179,000 | 175,000 | 172,000 | 170,000 | 167,000 | 2,725 | 2,620 | 2,540 | 2,465 | 2,415 |
| Shelburne | 179,000 | 175,000 | 172,000 | 170,000 | 167,000 | 2,725 | 2,620 | 2,550 | 2,475 | 2,425 |
| Deerfield | 189,000 | 185,000 | 182,000 | 180,000 | 177,000 | 2,875 | 2,765 | 2,685 | 2,605 | 2,555 |
| Lexington | 189,000 | 185,000 | 182,000 | 180,000 | 177,000 | 2,875 | 2,765 | 2,685 | 2,605 | 2,555 |
| Suffield | 229,000 | 225,000 | 222,000 | 220,000 | 217,000 | 3,355 | 3,230 | 3,150 | 3,055 | 3,055 |
| Wendell | 179,000 | 175,000 | 172,000 | 170,000 | 167,000 | 2,830 | 2,720 | 2,640 | 2,590 | 2,540 |
| New Salem | 224,000 | 220,000 | 217,000 | 215,000 | 212,000 | 3,115 | 2,995 | 2,905 | 2,855 | 2,805 |
| Dana | 251,000 | 250,000 | 247,000 | 245,000 | 243,000 | 3,375 | 3,245 | 3,150 | 3,100 | 3,050 |
| Enfield | 264,000 | 260,000 | 257,000 | 255,000 | 251,000 | 3,375 | 3,245 | 3,150 | 3,100 | 3,050 |
| Prescott | 287,000 | 285,000 | 282,000 | 280,000 | 275,000 | 3,505 | 3,390 | 3,295 | 3,245 | 3,195 |
| Greenwich | 299,000 | 295,000 | 294,000 | 292,000 | 289,000 | 3,525 | 3,410 | 3,315 | 3,265 | 3,215 |
| **Second Person** |  | | | | | 815 | 795 | 775 | 765 | 760 |

*Loomis Village (continued)*

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **INDEPENDENT LIVING - COTTAGES** (Declining Refundable) | | | | | | | | | | |
| **APARTMENT TYPE** | **ENTRANCE FEE** | | | | | **MONTHLY SERVICE FEE** | | | | |
| **2015** | **2014** | **2013** | **2012** | **2011** | **2015** | **2014** | **2013** | **2012** | **2011** |
| Hadley | 198,000 | 196,000 |  |  |  | 3,825 | 3,685 |  |  |  |
| Chester | 200,000 | 198,000 |  |  |  | 3,850 | 3,710 |  |  |  |
| Hardwick | 202,000 | 199,800 |  |  |  | 3,870 | 3,730 |  |  |  |
| **Second Person** |  | | | | | 815 | 795 |  |  |  |

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **INDEPENDENT LIVING - APARTMENTS** (Declining Refundable) | | | | | | | | | | |
| **APARTMENT TYPE** | **ENTRANCE FEE** | | | | | **MONTHLY SERVICE FEE** | | | | |
| **2015** | **2014** | **2013** | **2012** | **2011** | **2015** | **2014** | **2013** | **2012** | **2011** |
| Stonington | 89,000 | 87,000 |  |  |  | 2,160 | 2,080 |  |  |  |
| Blandford | 89,000 | 87,000 |  |  |  | 2,160 | 2,080 |  |  |  |
| Whately | 107,000 | 105,000 |  |  |  | 2,725 | 2,620 |  |  |  |
| Shelburne | 107,000 | 105,000 |  |  |  | 2,725 | 2,620 |  |  |  |
| Deerfield | 113,000 | 111,000 |  |  |  | 2,875 | 2,765 |  |  |  |
| Lexington | 113,000 | 111,000 |  |  |  | 2,875 | 2,765 |  |  |  |
| Suffield | 137,000 | 135,000 |  |  |  | 3,355 | 3,230 |  |  |  |
| Wendell | 107,000 | 105,000 |  |  |  | 2,830 | 2,720 |  |  |  |
| New Salem | 134,000 | 132,000 |  |  |  | 3,115 | 2,995 |  |  |  |
| Dana | 150,000 | 150,000 |  |  |  | 3,375 | 3,245 |  |  |  |
| Enfield | 158,000 | 156,000 |  |  |  | 3,375 | 3,245 |  |  |  |
| Prescott | 172,000 | 170,000 |  |  |  | 3,505 | 3,390 |  |  |  |
| Greenwich | 179,000 | 177,000 |  |  |  | 3,525 | 3,410 |  |  |  |
| **Second Person** |  | | | | | 815 | 795 |  |  |  |

*Loomis Village (continued)*

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **INDEPENDENT LIVING - VILLAS** (90% Refundable) | | | | | | | | | | |
| **APARTMENT TYPE** | **ENTRANCE FEE** | | | | | **MONTHLY SERVICE FEE** | | | | |
| **2015** | **2014** | **2013** | **2012** | **2011** | **2015** | **2014** | **2013** | **2012** | **2011** |
| 1 BR - Inside | 210,000 | 210,000 | 207,000 | 205,000 | 201,000 | 1,600 | 1,540 | 1,485 | 1,445 | 1,410 |
| 1 BR - Outside | 225,000 | 220,000 | 217,000 | 215,000 | 212,000 | 1,600 | 1,540 | 1,485 | 1,445 | 1,410 |
| 2 BR - Inside | 299,000 | 295,000 | 293,000 | 291,000 | 287,000 | 1,835 | 1,765 | 1,710 | 1,660 | 1,625 |
| 2 BR - Outside | 319,000 | 315,000 | 310,000 | 308,000 | 304,000 | 1,835 | 1,765 | 1,710 | 1,660 | 1,625 |
| **Second Person** |  | | | | | 255 | 245 | 235 | 225 | 220 |

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **INDEPENDENT LIVING - VILLAS** (Declining Refundable) | | | | | | | | | | |
| **APARTMENT TYPE** | **ENTRANCE FEE** | | | | | **MONTHLY SERVICE FEE** | | | | |
| **2015** | **2014** | **2013** | **2012** | **2011** | **2015** | **2014** | **2013** | **2012** | **2011** |
| 1 BR - Inside | 126,000 | 126,000 |  |  |  | 1,600 | 1,540 |  |  |  |
| 1 BR - Outside | 135,000 | 132,000 |  |  |  | 1,600 | 1,540 |  |  |  |
| 2 BR - Inside | 179,000 | 177,000 |  |  |  | 1,835 | 1,765 |  |  |  |
| 2 BR - Outside | 191,000 | 189,000 |  |  |  | 1,835 | 1,765 |  |  |  |
| **Second Person** |  | | | | | 255 | 245 |  | | |

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **ASSISTED LIVING** (80% Refundable) | | | | | | | | | | |
| **APARTMENT TYPE** | **ENTRANCE FEE** | | | | | **MONTHLY SERVICE FEE** | | | | |
| **2015** | **2014** | **2013** | **2012** | **2011** | **2015** | **2014** | **2013** | **2012** | **2011** |
| Sturbridge | 27,000 | 27,000 | 27,000 | 27,000 | 27,000 | 5,220 | 5,200 | 5,200 | 5,100 | 5,100 |
| Bennington | 27,000 | 27,000 | 27,000 | 27,000 | 27,000 | 5,220 | 5,200 | 5,200 | 5,100 | 5,100 |
| Hanover | 17,800 | 17,800 | 17,800 | 17,800 | 17,800 | 4,930 | 4,920 | 4,920 | 4,900 | 4,900 |
| **Second Person** |  | | | | | 1,425 | 1,330 | 1,400 | 1,300 | 1,300 |

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **ASSISTED LIVING** (Rental) | | | | | | | | | | |
| **APARTMENT TYPE** | **ENTRANCE FEE** | | | | | **MONTHLY SERVICE FEE** | | | | |
| **2015** | **2014** | **2013** | **2012** | **2011** | **2015** | **2014** | **2013** | **2012** | **2011** |
| Sturbridge |  |  |  |  |  |  |  |  |  |  |
| Bennington |  |  |  |  |  | 5,455 | 5,450 | 5,450 | 5,350 | 5,350 |
| Hanover |  |  |  |  |  | 5,260 | 5,250 | 5,250 | 4,150 | 5,150 |
| **Second Person** |  | | | | | 1,425 | 1,400 | 1,330 | 1,300 | 1,300 |

Applewood

**FIVE YEAR RATE HISTORY**

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **INDEPENDENT LIVING - APARTMENTS** (80% Refundable) | | | | | | | | | | |
| **APARTMENT TYPE** | **ENTRANCE FEE** | | | | | **MONTHLY SERVICE FEE** | | | | |
| **2015** | **2014** | **2013** | **2012** | **2011** | **2015** | **2014** | **2013** | **2012** | **2011** |
| Pippin | 161,000 | 160,000 | 155,000 | 152,500 | 150,000 | 2,050 | 1,970 | 1,910 | 1,835 | 1,795 |
| Baldwin | 211,000 | 210,000 | 205,000 | 202,500 | 200,000 | 2,515 | 2,420 | 2,350 | 2,260 | 2,215 |
| Belmac | 221,000 | 220,000 | 215,000 | 213,000 | 210,500 | 2,525 | 2,430 | 2,360 | 2,265 | 2,220 |
| Cortland | 281,000 | 280,000 | 275,000 | 265,200 | 263,000 | 2,950 | 2,835 | 2,755 | 2,650 | 2,595 |
| Macoun | 301,000 | 300,000 | 295,000 | 290,500 | 288,000 | 3,155 | 3,035 | 2,945 | 2,840 | 2,780 |
| McIntosh | 311,000 | 310,000 | 305,000 | 300,000 | 298,000 | 3,175 | 3,055 | 2,970 | 2,865 | 2,805 |
| Russet | 321,000 | 320,000 | 315,000 | 312,500 | 310,000 | 3,490 | 3,355 | 3,260 | 3,155 | 3,090 |
| Spencer | 331,000 | 330,000 | 325,000 | 320,000 | 317,000 | 3,715 | 3,575 | 3,475 | 3,375 | 3,305 |
| Empire | 341,000 | 340,000 | 335,000 | 332,500 | 330,000 | 4,135 | 3,975 | 3,860 | 3,755 | 3,680 |
| Quinte | 346,000 | 345,000 | 340,000 | 337,500 | 335,000 | 4,175 | 4,015 | 3,975 | 3,895 | 3,820 |
| **Second Person** |  | | | | | 910 | 875 | 860 | 855 | 850 |

Loomis House

**FIVE YEAR RATE HISTORY**

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **INDEPENDENT LIVING - OPTION 1** (Declining Refundable) | | | | | | | | | | |
| **APARTMENT TYPE** | **ENTRANCE FEE** | | | | | **MONTHLY SERVICE FEE** | | | | |
| **2015** | **2014** | **2013** | **2012** | **2011** | **2015** | **2014** | **2013** | **2012** | **2011** |
| A | 7,520 | 7,240 | 7,080 | 6,900 | 6,900 | 1,880 | 1,810 | 1,770 | 1,720 | 1,675 |
| B | 8,200 | 7,900 | 7,700 | 7,500 | 7,500 | 2,050 | 1,975 | 1,925 | 1,875 | 1,825 |
| D | 8,500 | 8,180 | 7,940 | 7,750 | 7,750 | 2,125 | 2,045 | 1,985 | 1,935 | 1,885 |
| E | 8,660 | 8,340 | 8,100 | 7,900 | 7,900 | 2,165 | 2,085 | 2,025 | 1,975 | 1,925 |
| C | 9,600 | 9,240 | 9,000 | 8,800 | 8,800 | 2,400 | 2,310 | 2,250 | 2,200 | 2,145 |
| AA | 10,400 | 10,000 | 9,740 | 9,550 | 9,550 | 2,600 | 2,500 | 2,435 | 2,385 | 2,325 |
| G | 10,700 | 10,300 | 10,000 | 9,800 | 9,800 | 2,675 | 2,575 | 2,500 | 2,450 | 2,390 |
| H | 10,700 | 10,300 | 10,000 | 9,800 | 9,800 | 2,675 | 2,575 | 2,500 | 2,450 | 2,390 |
| AB | 10,960 | 10,540 | 10,240 | 10,050 | 10,050 | 2,740 | 2,635 | 2,560 | 2,510 | 2,445 |
| J | 11,460 | 11,020 | 10,700 | 10,500 | 10,500 | 2,865 | 2,755 | 2,675 | 2,625 | 2,560 |
| AC | 12,100 | 11,640 | 11,300 | 11,100 | 11,100 | 3,025 | 2,910 | 2,825 | 2,775 | 2,705 |
| BC | 12,980 | 12,480 | 12,160 | 12,000 | 12,000 | 3,245 | 3,120 | 3,040 | 2,990 | 2,930 |
| EE | 10,960 | 10,540 | 12,000 | 11,800 | 11,800 | 2,740 | 2,635 | 3,000 | 2,950 | 2,875 |
| **Second Person** |  | | | | | 810 | 785 | 775 | 765 | 750 |

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **ASSISTED LIVING** (90% Refundable) | | | | | | | | | | |
| **APARTMENT TYPE** | **ENTRANCE FEE** | | | | | **MONTHLY SERVICE FEE** | | | | |
| **2015** | **2014** | **2013** | **2012** | **2011** | **2015** | **2014** | **2013** | **2012** | **2011** |
| F | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 | 4,070 | 3,955 | 3,840 | 3,775 | 3,755 |
| F-1 | 15,500 | 15,500 | 15,500 | 15,500 | 15,500 | 4,180 | 4,058 | 3,940 | 3,875 | 3,855 |
| F-2 | 15,500 | 15,500 | 15,500 | 15,500 | 15,500 | 4,195 | 4,074 | 3,955 | 3,890 | 3,880 |
| F-3 | 17,000 | 17,000 | 17,000 | 17,000 | 17,000 | 4,595 | 4,465 | 4,335 | 4,270 | 4,255 |
| **Second Person** |  | | | | | 1,400 | 1,370 | 1,330 | 1,300 | 1,300 |

*Loomis House (continued)*

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **INDEPENDENT LIVING - OPTION 2** (Declining Refundable) | | | | | | | | | | |
| **APARTMENT TYPE** | **ENTRANCE FEE** | | | | | **MONTHLY SERVICE FEE** | | | | |
| **2015** | **2014** | **2013** | **2012** | **2011** | **2015** | **2014** | **2013** | **2012** | **2011** |
| A | 7,520 | 7,240 | 7,080 | 6,900 | 6,900 | 1,295 | 1,245 | 1,215 | 1,215 | 1,190 |
| B | 8,200 | 7,900 | 7,700 | 7,500 | 7,500 | 1,415 | 1,360 | 1,325 | 1,325 | 1,300 |
| D | 8,500 | 8,180 | 7,940 | 7,750 | 7,750 | 1,495 | 1,465 | 1,425 | 1,425 | 1,400 |
| E | 8,660 | 8,340 | 8,100 | 7,900 | 7,900 | 1,705 | 1,640 | 1,595 | 1,595 | 1,565 |
| C | 9,600 | 9,240 | 9,000 | 8,800 | 8,800 | 1,830 | 1,760 | 1,710 | 1,710 | 1,680 |
| AA | 10,400 | 10,000 | 9,740 | 9,550 | 9,550 | 1,915 | 1,845 | 1,790 | 1,790 | 1,755 |
| G | 10,700 | 10,300 | 10,000 | 9,800 | 9,800 | 1,945 | 1,870 | 1,815 | 1,815 | 1,780 |
| H | 10,700 | 10,300 | 10,000 | 9,800 | 9,800 | 2,060 | 1,980 | 1,925 | 1,925 | 1,890 |
| AB | 10,960 | 10,540 | 10,240 | 10,050 | 10,050 | 2,165 | 2,085 | 2,025 | 2,025 | 1,985 |
| J | 11,460 | 11,020 | 10,700 | 10,500 | 10,500 | 2,290 | 2,205 | 2,140 | 2,140 | 2,100 |
| AC | 12,100 | 11,640 | 11,300 | 11,100 | 11,100 | 2,150 | 2,070 | 2,010 | 2,010 | 1,970 |
| BC | 12,980 | 12,480 | 12,160 | 12,000 | 12,000 | 2,280 | 2,195 | 2,130 | 2,130 | 2,090 |
| EE | 10,960 | 10,540 | 12,000 | 11,800 | 11,800 | 2,165 | 2,085 | 2,245 | 2,245 | 2,200 |
| **Second Person** |  | | | | | 375 | 360 | 345 | 345 | 340 |

Loomis Lakeside at Reeds Landing

**FIVE YEAR RATE HISTORY**

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **INDEPENDENT LIVING - APARTMENTS** (90% Refundable) | | | | | | | | | | |
| **APARTMENT TYPE** | **ENTRANCE FEE** | | | | | **MONTHLY SERVICE FEE** | | | | |
| **2015** | **2014** | **2013** | **2012** | **2011** | **2015** | **2014** | **2013** | **2012** | **2011** |
| Magnolia | 153,000 | 153,000 | 150,000 | 150,000 | 147,690 | 2,085 | 2,005 | 1,930 | 1,880 | 1,840 |
| Maple | 162,000 | 155,000 | 153,000 | 153,000 | 150,465 | 2,140 | 2,050 | 1,970 | 1,920 | 1,880 |
| Oak | 177,000 | 165,000 | 162,500 | 162,500 | 159,695 | 2,320 | 2,230 | 2,145 | 2,095 | 2,055 |
| Birch | 185,000 | 175,000 | 173,000 | 173,000 | 170,500 | 2,480 | 2,385 | 2,295 | 2,245 | 2,200 |
| Willow | 200,000 | 200,000 | 197,500 | 197,500 | 193,850 | 2,620 | 2,515 | 2,415 | 2,365 | 2,315 |
| Chestnut | 231,000 | 214,000 | 211,000 | 211,000 | 207,695 | 2,945 | 2,830 | 2,720 | 2,670 | 2,615 |
| Sycamore | 238,500 | 217,000 | 214,000 | 214,000 | 210,465 | 3,080 | 2,960 | 2,845 | 2,795 | 2,740 |
| Evergreen | 269,500 | 240,000 | 235,000 | 235,000 | 230,770 | 3,190 | 3,065 | 2,950 | 2,900 | 2,840 |
| **Second Person** |  | | | | | 920 | 885 | 850 | 800 | 785 |

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **INDEPENDENT LIVING - APARTMENTS** (Declining Refundable) | | | | | | | | | | |
| **APARTMENT TYPE** | **ENTRANCE FEE** | | | | | **MONTHLY SERVICE FEE** | | | | |
| **2015** | **2014** | **2013** | **2012** | **2011** | **2015** | **2014** | **2013** | **2012** | **2011** |
| Magnolia | 99,000 | 99,000 | 97,500 | 97,500 | 96,000 | 2,085 | 2,005 | 1,930 | 1,880 | 1,840 |
| Maple | 105,000 | 100,000 | 99,700 | 99,700 | 97,800 | 2,140 | 2,050 | 1,970 | 1,920 | 1,880 |
| Oak | 115,000 | 107,000 | 105,500 | 105,500 | 103,800 | 2,320 | 2,230 | 2,145 | 2,095 | 2,055 |
| Birch | 120,000 | 113,000 | 112,000 | 112,000 | 110,000 | 2,480 | 2,385 | 2,295 | 2,245 | 2,200 |
| Willow | 130,000 | 130,000 | 128,500 | 128,500 | 126,000 | 2,620 | 2,515 | 2,415 | 2,365 | 2,315 |
| Chestnut | 150,000 | 139,000 | 137,000 | 137,000 | 135,000 | 2,945 | 2,830 | 2,720 | 2,670 | 2,615 |
| Sycamore | 155,000 | 141,000 | 139,000 | 139,000 | 136,800 | 3,080 | 2,960 | 2,845 | 2,795 | 2,740 |
| Evergreen | 175,000 | 156,000 | 153,000 | 153,000 | 150,000 | 3,190 | 3,065 | 2,950 | 2,900 | 2,840 |
| **Second Person** |  | | | | | 920 | 885 | 850 | 800 | 785 |

*Loomis Lakeside at Reeds Landing (continued)*

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **INDEPENDENT LIVING - COTTAGES** (90% Refundable) | | | | | | | | | | |
| **APARTMENT TYPE** | **ENTRANCE FEE** | | | | | **MONTHLY SERVICE FEE** | | | | |
| **2015** | **2014** | **2013** | **2012** | **2011** | **2015** | **2014** | **2013** | **2012** | **2011** |
| Walnut | 246,000 | 245,000 | 243,000 | 243,000 | 240,000 | 1,835 | 1,775 | 1,710 | 1,660 | 2,840 |
| Poplar | 269,500 | 253,000 | 250,000 | 250,000 | 249,230 | 1,835 | 1,775 | 1,710 | 1,660 | 2,945 |
| **Second Person** |  | | | | | 255 | 245 | 235 | 225 | 725 |

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **INDEPENDENT LIVING - COTTAGES** (Declining Refundable) | | | | | | | | | | |
| **APARTMENT TYPE** | **ENTRANCE FEE** | | | | | **MONTHLY SERVICE FEE** | | | | |
| **2015** | **2014** | **2013** | **2012** | **2011** | **2015** | **2014** | **2013** | **2012** | **2011** |
| Walnut | 160,000 | 159,250 | 159,000 | 159,000 | 156,000 | 1,835 | 1,775 | 1,710 | 1,660 | 2,840 |
| Poplar | 175,000 | 164,450 | 165,000 | 165,000 | 162,000 | 1,835 | 1,775 | 1,710 | 1,660 | 2,945 |
| **Second Person** |  | | | | | 255 | 245 | 235 | 225 | 725 |

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **ASSISTED LIVING** (90% Refundable) | | | | | | | | | | |
| **APARTMENT TYPE** | **ENTRANCE FEE** | | | | | **MONTHLY SERVICE FEE** | | | | |
| **2015** | **2014** | **2013** | **2012** | **2011** | **2015** | **2014** | **2013** | **2012** | **2011** |
| Studio | 17,500 | 15,000 | 15,000 | 15,000 | 15,000 | 3,915 | 3,800 | 3,655 | 3,605 | 3,530 |
| Deluxe Studio | 19,500 | 17,000 | 17,000 | 17,000 | 17,000 | 4,145 | 4,020 | 3,865 | 3,815 | 3,740 |
| One Bedroom | 22,500 | 20,000 | 20,000 | 20,000 | 20,000 | 4,790 | 4,650 | 4,470 | 4,420 | 4,330 |
| Deluxe 1BR | 24,500 | 22,000 | 22,000 |  |  | 5,015 | 4,865 | 4,680 |  |  |
| **Second Person** |  | | | | | 1,365 | 1,325 | 1,275 | 1,225 | 1,200 |

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **ASSISTED LIVING** (Rental) | | | | | | | | | | |
| **APARTMENT TYPE** | **ENTRANCE FEE** | | | | | **MONTHLY SERVICE FEE** | | | | |
| **2015** | **2014** | **2013** | **2012** | **2011** | **2015** | **2014** | **2013** | **2012** | **2011** |
| Studio |  |  |  |  |  | 4,205 | 4,080 | 3,925 | 3,875 | 3,795 |
| Deluxe Studio |  |  |  |  |  | 4,430 | 4,300 | 4,135 | 4,085 | 4,005 |
| One Bedroom |  |  |  |  |  | 4,975 | 4,830 | 4,645 | 4,595 | 4,505 |
| Deluxe 1BR |  |  |  |  |  | 5,170 | 5,020 | 4,855 |  |  |
| **Second Person** |  | | | | | 1,365 | 1,325 | 1,275 | 1,225 | 1,200 |

**EXHIBIT 14**

**AUDITED FINANCIAL STATEMENTS**

Fiscal Year 2014

A

**Consolidated Financial Statements**

**Loomis House, Inc., Loomis Communities, Inc.,**

**and Loomis Senior Living, Inc.**

December 31, 2014



**LOOMIS HOUSE, INC., LOOMIS COMMUNITIES, INC., AND LOOMIS SENIOR LIVING, INC.**

***Consolidated Financial Statements***

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*Independent Auditors’ Report*



Board of Directors

Loomis House, Inc., Loomis Communities, Inc., and Loomis Senior Living, Inc.

South Hadley, Massachusetts

We have audited the accompanying consolidated financial statements of Loomis House, Inc., Loomis Communities, Inc., and Loomis Senior Living, Inc. (collectively referred to as “the Communities”), which comprise the consolidated balance sheet as of December 31, 2014 and the related consolidated statement of operations, changes in net assets, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management’s Responsibility for the Financial Statements

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

Auditors’ Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of 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 auditor considers internal control relevant to the Communities’ 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 Communities’ 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 consolidated financial position of Loomis House, Inc., Loomis Communities, Inc., and Loomis Senior Living, Inc. as of December 31, 2014 and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.



April 15, 2015 Boston, Massachusetts

**LOOMIS HOUSE, INC., LOOMIS COMMUNITIES, INC., AND LOOMIS SENIOR LIVING, INC.**

***Consolidated Balance Sheet***

***December 31, 2014***

**Assets**

Current assets:

|  |  |
| --- | --- |
| Cash and cash equivalents | $ 3,515,561 |
| Accounts receivable - residents, net | 1,836,839 |
| Accounts receivable - other | 407,025 |
| Prepaid expenses | 533,742 |

**Total current assets 6,293,167**

|  |  |
| --- | --- |
| Assets limited as to use | 6,504,564 |
| Investments | 20,754,074 |
| Deferred expenses, net of accumulated amortization | 1,501,593 |
| Property and equipment, net | 57,126,341 |
| Beneficial interest in perpetual trusts | 1,147,561 |
| **Total assets** | **$ 93,327,300** |
| **Liabilities and Net Assets** |  |
| Current liabilities: Accounts payable | $ 891,811 |
| Accrued expenses and other current liabilities | 2,220,371 |
| Current maturities of mortgage notes payable | 209,958 |
| Current maturities of bonds payable | 770,000 |
| Current portion of refundable entrance fees | 9,293,000 |
| **Total current liabilities** | **13,385,140** |
| Long-term liabilities:  Mortgage notes payable, net of current maturities | 3,712,473 |
| Bonds payable, net of current maturities | 22,308,191 |
| Deferred entrance fees, net | 5,159,673 |
| Refundable deposits | 612,349 |
| Refundable entrance fees | 56,475,874 |
| Liability under charitable gift annuities | 135,422 |
| **Total long-term liabilities** | **88,403,982** |
| **Total liabilities** | **101,789,122** |
| Net assets:  Unrestricted | (13,007,391) |
| Temporarily restricted | 1,670,635 |
| Permanently restricted | 2,874,934 |
| **Total net deficit** | **(8,461,822)** |
| **Total liabilities and net assets** | **$ 93,327,300** |

**LOOMIS HOUSE, INC., LOOMIS COMMUNITIES, INC., AND LOOMIS SENIOR LIVING, INC.**

***Consolidated Statement of Operations***

***Year Ended December 31, 2014***

**Unrestricted revenues:**

|  |  |
| --- | --- |
| Resident services | $ 17,135,776 |
| Health care services | 438,006 |
| Net patient service revenue - private | 4,307,659 |
| Net patient service revenue - publicly aided | 7,887,003 |
| Amortization of entrance fees | 1,637,540 |
| Other | 1,058,324 |

**Total unrestricted revenues 32,464,308**

**Expenses:**

|  |  |
| --- | --- |
| Nursing services | 7,302,962 |
| General and administrative | 4,697,084 |
| Dietary | 5,514,745 |
| Depreciation and amortization | 3,812,424 |
| Environmental services and plant operations | 5,722,741 |
| Interest expense | 1,435,830 |
| Assisted living | 1,051,438 |
| Resident and social services | 1,023,810 |
| Health and wellness | 1,443,056 |
| Marketing | 1,208,981 |
| Real estate taxes | 669,267 |
| **Total expenses** | **33,882,338** |
| **Operating loss** | **(1,418,030)** |
| **Unrestricted nonoperating gains (losses) and other support:** |  |
| Interest income | 322,756 |
| Investment fees | (76,032) |
| Net realized gains on investments | 960,614 |
| Contributions | 255,136 |
| Income from beneficial interests in trusts | 86,447 |
| Philanthropy expenses | (113,433) |
| Scholarship expenses | (5,000) |
| Change in value of split-interest agreements | (17,332) |
| Gain on disposal of fixed assets | 9,413 |
| Net assets released from restrictions | 38,233 |
| **Total unrestricted nonoperating gains and other support** | **1,460,802** |
| **Excess of unrestricted revenues over expenses and unrestricted** |  |
| **nonoperating gains and other support** | **42,772** |
| **Other changes in unrestricted net assets:**  Unrealized loss on investments | (479,104) |
| Net asset reclassification based on clarification of donor intent | (57,180) |
| **Total other changes in unrestricted net assets** | **(536,284)** |
| **Change in unrestricted net assets** | **$ (493,512)** |

#### Consolidated Statement of Changes in Net Assets

Year Ended December 31, 2014

**Unrestricted net assets:**

|  |  |
| --- | --- |
| Operating loss | $ (1,418,030) |
| Total unrestricted nonoperating gains and other support | 1,460,802 |
| Other changes in unrestricted net assets | (536,284) |

**Change in unrestricted net assets (493,512)**

**Temporarily restricted net assets:**

|  |  |
| --- | --- |
| Net unrealized loss on permanently restricted investments | (255,943) |
| Net unrealized loss on temporarily restricted investments | (5,632) |
| Net realized gains on sale of permanently restricted investments | 256,588 |
| Contributions | 74,070 |
| Change in value of split-interest agreements | 2,295 |
| Interest and dividends on permanently restricted net assets | 45,858 |
| Interest and dividends on temporarily restricted net assets | 6,140 |
| Net assets released from restrictions | (38,233) |

**Change in temporarily restricted net assets 85,143**

**Permanently restricted net assets:**

Change in value in beneficial interest in perpetual trusts (71,439)

Net asset reclassification based on clarification of donor intent 57,180

**Change in permanently restricted net assets (14,259) Change in net assets (422,628)**

Net deficit at beginning of year (8,039,194)

Net deficit at end of year $ (8,461,822)

**LOOMIS HOUSE, INC., LOOMIS COMMUNITIES, INC., AND LOOMIS SENIOR LIVING, INC.**

Consolidated Statement of Cash Flows

***Year Ended December 31, 2014***

**Cash flows from operating activities and nonoperating gains:**

Change in net assets $ (422,628)

Adjustments to reconcile change in net assets to net cash provided by operating activities and nonoperating gains:

|  |  |
| --- | --- |
| Depreciation and amortization | 3,812,424 |
| Amortization of entrance fees | (1,637,540) |
| Gain on disposal of fixed assets | (9,413) |
| Net realized gains on investments | (1,217,202) |
| Net unrealized loss on investments | 740,679 |
| Loss on beneficial interest in perpetual trusts  Changes in assets and liabilities: | 71,439 |
| (Increase) decrease in: |  |
| Assets limited as to use | (420,789) |
| Accounts receivable - residents | 130,631 |
| Accounts receivable - other | (380,344) |
| Prepaid expenses | (81,715) |
| Increase (decrease) in: |  |
| Accounts payable | (52,803) |
| Accrued expenses and other current liabilities | (162,858) |
| Refundable deposits | 122,609 |
| Total adjustments | 915,118 |
| **Net cash provided by operating activities** | **492,490** |
| **Cash flows from investing activities:** |  |
| Purchase of property and equipment | (2,339,372) |
| Purchase of investments | (12,257,171) |
| Proceeds from sale of investments | 11,568,837 |
| Change in gift annuity liability | 26,805 |
| **Net cash used in investing activities** | **(3,000,901)** |
| **Cash flows from financing activities:**  Repayments on bonds payable | (320,000) |
| Repayment of mortgage notes payable | (152,533) |
| Proceeds from entrance fees | 13,954,546 |
| Refunds of entrance fees | (9,784,758) |
| **Net cash provided by financing activities** | **3,697,255** |
| **Net increase in cash and cash equivalents** | **1,188,844** |
| Cash and cash equivalents, beginning of year | 2,326,717 |
| **Cash and cash equivalents, end of year** | **$ 3,515,561** |
| **Supplemental disclosure of cash flow information** |  |
| **Cash paid for interest** | **$ 1,137,600** |

Note 1 - Nature of Activities and Significant Accounting Policies Nature of Activities

Loomis House, Inc., Loomis Communities, Inc., and Loomis Senior Living, Inc. d/b/a Loomis Lakeside at Reeds Landing (collectively referred to as “the Communities”) are not-for-profit organizations with common directors. The Communities and cost centers are as follows:

* + Loomis House, Inc. is a 92-bed nursing facility located in Holyoke, Massachusetts.
  + Loomis Communities, Inc.:
    - Loomis House Retirement Community is a retirement community located in Holyoke, Massachusetts. The community consists of 68 independent living apartments and 13 assisted living studios.
    - Loomis Corporate Management provides managerial and administrative services to Loomis House, Inc., Loomis House Retirement Community, Loomis Village, Applewood and Loomis Senior Living, Inc. (d/b/a Loomis Lakeside at Reeds Landing).
    - Loomis Village is a retirement community located in South Hadley, Massachusetts. The village consists of 38 cottage-style villa homes, 96 independent living apartments and 25 assisted living apartments.
    - Applewood is a retirement community located in Amherst, Massachusetts. The retirement community consists of 103 independent living apartments.
  + Loomis Senior Living, Inc. (d/b/a Loomis Lakeside at Reeds Landing) is a 42-bed nursing facility and a retirement community located in Springfield, Massachusetts. The retirement community consists of 120 independent living apartments and 36 assisted living apartments.

Principles of Consolidation

The consolidated financial statements include the accounts of Loomis House, Inc., Loomis Communities, Inc., and Loomis Senior Living, Inc. All significant intercompany account balances and transactions have been eliminated in consolidation.

Financial Statement Presentation

The Communities’ financial statements have been prepared on the accrual basis of accounting.

Note 1 - Nature of Activities and Significant Accounting Policies (Continued) Classification and Reporting of Net Assets

Net assets and revenue, expenses, gains and losses are classified based on the existence or the absence of donor imposed restrictions. Accordingly, net assets are classified and reported as follows:

*Unrestricted net assets* - Net assets of the Communities that are neither permanently restricted nor temporarily restricted by donor-imposed stipulations. Unrestricted net assets include expendable funds available for the support of the Communities, as well as funds invested in plant, including buildings and equipment.

*Temporarily restricted net assets* - Net assets represent contributions and other inflows of assets whose use by the Communities is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the Communities pursuant to those stipulations. Temporarily restricted net assets also include, pursuant to Massachusetts law, cumulative appreciation and reinvested gains on permanently restricted net assets, which has not been appropriated by the Board of Directors.

*Permanently restricted net assets* - Net assets represent contributions and other inflows of assets whose use by the Communities is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Communities.

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 at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Material estimates that are particularly susceptible to significant change are the reserve for doubtful accounts receivable, valuation of investments, decisions over what to capitalize and useful lives of property and equipment, estimated amortization periods for entrance fees, liability under charitable gift annuities and the obligation to provide future services.

Fair Value of Financial Instruments

The carrying amount of cash and cash equivalents, accounts receivable, accounts payable, accrued expenses and approximates fair value. The investments are carried at fair value based upon quoted market prices. Other long-term assets approximate fair value based on cost and the expected useful lives of the assets. The fair value of the Communities’ long-term debt is estimated based on the quoted market prices for the same issue if available, or similar issues, or based on the current rates offered to the Communities for debt of the same remaining maturities with similar collateral requirements.

Note 1 - Nature of Activities and Significant Accounting Policies (Continued) Cash and Cash Equivalents

The Communities define cash equivalents to include investments in liquid securities with an initial maturity of ninety days or less. For purposes of presenting the statement of cash flows, cash and cash equivalents includes only operating cash and cash equivalents. Investment cash balances held by investment managers are considered part of investments given the expectation of near term reinvestment.

The Communities maintain their cash in bank deposit accounts which, at times, may exceed federally insured limits. The Communities monitor their exposure associated with cash and cash equivalents and have not experienced any losses in such accounts. The Communities believe they are not exposed to any significant credit risk on cash and cash equivalents.

Accounts Receivable - Residents

Accounts receivable - residents, where a third party payor is responsible for paying the amount, are carried at a net amount determined by the original charge for the service provided, less an estimate made for contractual adjustments or discounts provided to third party payors.

Accounts receivable - residents due directly from the residents are carried at the original charge for the service provided less amounts covered by third party payors and less an estimated allowance for doubtful receivables. Management determines the allowance for doubtful accounts by identifying troubled accounts and by historical experience applied to an aging of accounts. Accounts are written off as bad debt expense when deemed uncollectible. Recoveries of receivables previously written off are recorded as a reduction of bad debt expense when received.

Assets Limited as to Use

Assets limited as to use include escrow accounts required for the Communities’ bonds held by trustees, a reserve account for the Communities’ mortgage note, and donor restricted cash.

Property and Equipment

Property and equipment are stated at cost. Depreciation is computed by the straight-line method over the following estimated useful lives:

Land improvements 10 years

Buildings 40 years

Building improvements 10-20 years

Furniture and equipment 3-10 years

Motor vehicles 5 years

Expenditures for major renewals and improvements are capitalized, while expenditures for maintenance and repairs are expensed as incurred.

Note 1 - Nature of Activities and Significant Accounting Policies (Continued) Property and Equipment (Continued)

The Communities are required to record a liability for the fair value of an asset retirement obligation specific to certain legal environmental obligations such as asbestos, medical waste removal, and lead paint removal. The recording of a liability is required if such conditions exist and the obligation can be reasonably estimated. As of December 31, 2014, the Communities were unaware of any such obligations. The Communities will recognize a liability in the period in which they become aware of such liability and sufficient information is available to reasonably estimate the fair value.

Deferred Expenses

Deferred expenses represent financing costs related to bond issuances and sales and promotional costs incurred to market the facilities to initial residents. The financing costs are being amortized over the life of the bonds. The deferred sales and promotional costs are being amortized over the estimated lives of the initial residents when the units are placed in service.

Beneficial Interests in Perpetual Trusts

Loomis Communities, Inc. has a beneficial interest in two perpetual trusts held by a third party trustee which are recorded at fair value on its financial statements. The principal as well as the annual gains or losses on the trust investments are restricted in perpetuity. The interest and dividend income generated by the trust investments is distributed each year to Loomis Communities, Inc.

Deferred Entrance Fees

Fees paid by residents upon entering into a continuing care contract at Loomis House Retirement Community, Loomis Village, Applewood and Loomis Lakeside at Reeds Landing, net of the portion thereof that is refundable to the resident, are recorded as deferred entrance fees and are amortized to income over the estimated remaining life expectancy of the resident. Estimated refundable entrance fees are reported as current or non-current liabilities based on anticipated future payments. The entrance fee contracts that were acquired in the purchase of Loomis Lakeside at Reeds Landing are recorded as a liability and not amortized for the 85% refundable contracts. Declining balance contracts are amortized over the resident’s life expectancy. Any new agreements entered into after August 19, 2009 are either a 90% refundable contract or a declining balance contract amortized over the resident’s life expectancy.

Obligation to Provide Future Services

On an annual basis, the Communities calculate the present value of the net cost of future services and use of facilities to be provided to current residents, using discount rates of 4.0 to 4.5% at December 31, 2014, and comparing that amount to the balance of deferred revenue from deferred entrance fees. If the present value of the net cost of future services and use of facilities exceeds the deferred revenue from deferred entrance fees, a liability is recorded (obligation to provide future services and use of facilities) with the corresponding charge to income.

Note 1 - Nature of Activities and Significant Accounting Policies (Continued) Obligation to Provide Future Services (Continued)

At December 31, 2014, the comparison between the estimated net future costs to serve residents and the revenues from those residents that were parties to a resident agreement resulted in a substantial surplus. Therefore, no obligation to provide future services to residents was required to be accrued at December 31, 2014.

Operating Activities

The statement of operations reflects a subtotal for operating income (loss). This subtotal reflects revenues that the Communities received for operating purposes. Non-operating activity reflects all other activity, including but not limited to interest income, investment fees, gain (loss) on disposal of assets, realized gain (loss) on investments, change in the value of split-interest agreements, contributions, income from beneficial interests in trusts, and philanthropy and scholarship expenses.

Excess of Revenues over Expenses

The statements of operations include excess of revenues over expenses. Changes in unrestricted net assets which are excluded from excess of revenues over expenses, consistent with industry practice, include unrealized gains or losses on investments and net asset reclassification due to clarification of donor intent.

Revenue Recognition

Patient and resident service revenue are reported at the estimated net realizable amounts from residents, third- party payors, and others for services rendered. Approximately twenty-two percent of operating revenues is received from Medicaid and Medicare funding sources as third-party reimbursement of costs. Residential fees are recorded as revenue in the period earned based on established rates pursuant to agreements with residents.

Revenue under third-party payor agreements is subject to audit and retroactive adjustment. Provisions for estimated third-party payor settlements are provided in the period the related services are rendered. Differences between the estimated amounts accrued and interim and final settlements are reported in operations in the year of settlement.

Contributions

Contributions, including unconditional promises to give, are recognized at fair value as revenue in the period when the donor makes the promise to give. Conditional promises to give are not recognized until they become unconditional, that is, at the time when the conditions on which they depend are substantially met. Contributions to be received after one year are discounted at an appropriate discount rate commensurate with the risk involved. Amortization of discount is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions. An allowance for uncollectible contributions receivable is provided based upon management’s judgment of potential defaults. The determination includes such factors as prior collection history, type of contribution, and nature of the fundraising activity.

Note 1 - Nature of Activities and Significant Accounting Policies (Continued) Contributions (Continued)

Contributions received with donor-imposed restrictions are reported at fair value as revenues of the temporarily restricted net asset class when they are received. A reclassification to unrestricted net assets is made to reflect the expiration of such restrictions in the year the restriction is met. Contributions received with donor-imposed restrictions that are met in the same year as received are reported as revenues of the unrestricted net asset class.

Contributions of land, buildings and equipment without donor stipulations concerning the use of such long- lived assets are reported at fair value as revenues of the unrestricted net asset class. Contributions of cash or other assets to be used to acquire land, buildings and equipment with donor stipulations are reported at fair value as revenues of the temporarily restricted net asset class; the restrictions are considered to be released at the time of acquisition of such long-lived assets.

Contributions of services are reported as revenues and expenses of the unrestricted net asset class at the fair value of the services received only if the services create or enhance a nonfinancial asset or would typically need to be purchased by the Communities if they had not been provided by individuals with those skills.

Investments and Investment Income

Investments are recorded at fair value. Investment income, including realized gains and losses on investments, dividends and interest on unrestricted investments are reported as nonoperating gains. Gains and losses, dividends and interest on permanently restricted investments are reported as increases or decreases to temporarily restricted net assets. Unrealized gains and losses on investments are excluded from the excess of revenues over expenses.

Investments, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. As such, it is reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect the amounts reported in the consolidated balance sheets and statements of operations and changes in net assets.

Fair Value Measurements

The Communities report certain assets at fair value on a recurring and non-recurring basis depending on the underlying accounting policy for the particular item. Recurring fair value measures include the Communities’ investment account. These standards require an entity to maximize the use of observable inputs (such as quoted prices in active markets) and minimize the use of unobservable inputs (such as appraisals or valuation techniques) to determine fair value. In addition, the Communities report certain investments using the net asset value per share as determined by investment managers under the so called “practical expedient.” The practical expedient allows net asset value per share to represent fair value for reporting purposes when the criteria for using this method are met. Fair value standards also require the Communities to classify these financial instruments into a three-level hierarchy, based on the priority of inputs to the valuation technique or in accordance with net asset value practical expedient rules, which allow for either Level 2 or Level 3 depending on lock up and notice periods associated with the underlying funds.

Note 1 - Nature of Activities and Significant Accounting Policies (Continued) Fair Value Measurements (Continued)

Instruments measured and reported at fair value are classified and disclosed in one of the following categories:

Level 1 – Quoted prices are available in active markets for identical instruments as of the reporting date. Instruments, which are generally included in this category, include listed equity and debt securities publicly traded on a stock exchange.

Level 2 – Pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies. Level 2 also includes investments reported at net asset value per share with lock up periods of 90 days or less.

Level 3 – Pricing inputs are unobservable for the instrument and include situations where there is little, if any, market activity for the instrument. The inputs into the determination of fair value require significant management judgment or estimation. Level 3 also includes investments reported at net asset value per share with lock up periods in excess of 90 days.

In some instances, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such instances, an instrument’s level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement.

Market price is affected by a number of factors, including the type of instrument and the characteristics specific to the instrument as well as the effects of market, interest and credit risk. Instruments with readily available active quoted prices or for which fair value can be measured from actively quoted prices generally will have a higher degree of market price observability and a lesser degree of judgment used in measuring fair value. It is reasonably possible that changes in values of these instruments will occur in the near term and that such changes could materially affect amounts reported in these financial statements. For more information on the fair value of the Communities’ financial instruments, see Note 5 - Fair Values of Financial Instruments.

While the Communities believe 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 estimate of fair value at the reporting date.

During the year ended December 31, 2014, there were no changes to the Communities’ valuation techniques that had, or are expected to have, a material impact on its balance sheets or results of operations.

Note 1 - Nature of Activities and Significant Accounting Policies (Continued) Endowment Assets

The Board has interpreted Massachusetts General Law as requiring realized and unrealized gains and interest and dividend income of permanently restricted net assets to be retained in a restricted net asset classification until appropriated by the Board and expended. Massachusetts General Law allows the Board to appropriate for expenditure or accumulate so much of an endowment fund as the Communities determine is prudent for the uses, benefits, purposes and duration for which the endowment fund is established. In making a determination to appropriate or accumulate, the Communities shall act in good faith, with the care that an ordinarily prudent person in a like position would exercise under similar circumstances, and shall consider, if relevant, the following factors: the duration and preservation of the endowment fund; the purposes of the Communities and the endowment fund; general economic conditions; the possible effect of inflation or deflation; the expected total return from income and the appreciation of investments; other resources of the Communities; and the investment policy of the Communities.

The Communities’ spending policy is to appropriate on an annual basis four percent of the average market value of the Loomis Communities Endowment Funds, which will be used to support the charitable mission of Loomis House, Inc., Loomis Communities, Inc., and Loomis Senior Living, Inc. For spending purposes, the average market value shall be established on the three most recent years ended June 30th. In establishing this policy, the Communities considered the long term expected return on its endowment. Accordingly, over the long term, the Communities expect the current spending policy to allow its endowment to grow by more than four percent annually. This is consistent with Loomis’ objective to preserve the capital assets of the Communities in perpetuity as well as provide real growth through new gifts and investment return. During the year ended December 31, 2014, the Communities have decided to appropriate only investment income on donor restricted endowment funds. The Communities expect this to be the case in 2015 as well. The Board of Directors also has discretion to spend amounts over the four percent spending policy from the board- designated endowment. During the year ended December 31, 2014, the Communities made appropriations of investment income of $23,701.

The Communities have adopted investment and spending policies for endowment assets that attempt to provide a stream of funding to support operations and capital needs of the organization by its endowment while seeking to preserve the endowment assets in perpetuity. Endowment assets include those assets of donor-restricted funds that the organization must hold in perpetuity or for donor-specified periods as well as board-designated funds.

To satisfy the long-term return objectives, the Communities rely 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 Communities target a 30%-60% equity allocation and a 40%-70% debt, cash and cash equivalent allocation.

Charitable Gift Annuities

Loomis Communities, Inc. is the beneficiary of a number of charitable gift annuities whereby it receives an immediate contribution as well as a remainder interest in the underlying investment from which a specified dollar amount of the fair value of the assets each year is currently being paid to the donors. Actuarial methods are used to calculate that portion of the investment representing the present value of the liability to the donor and that portion representing the contribution using discount rates ranging from four percent to six percent.

Note 1 - Nature of Activities and Significant Accounting Policies (Continued) Charitable Gift Annuities (Continued)

Loomis Communities, Inc. is the trustee of certain assets held in trust, which are recorded as investments at fair value. The liabilities to the donors are recorded at the present value of the estimated future payments to be distributed over the life of the donors and/or donors’ beneficiaries. Upon receipt of the assets, the amount of the contribution is the difference between these amounts. Adjustments to the asset and liability accounts are reflected as changes in the value of split-interest agreements in the statements of operations.

The contributions related to these agreements are recorded as temporarily restricted contributions and are released from restriction upon the death of the donor, unless the contributions carry a purpose restriction imposed by the donor.

Advertising

The Communities expense advertising costs as incurred. Advertising expense was $189,300 for the year ended December 31, 2014.

Income Tax Status

Loomis House, Inc., Loomis Communities, Inc., and Loomis Senior Living, Inc. d/b/a Loomis Lakeside at Reeds Landing qualify under Section 501(c)(3) of the Internal Revenue Code and are exempt from Federal and state income taxes.

Uncertain Tax Positions

The Communities account for the effect of any uncertain tax positions based on a “more likely than not” threshold to the recognition of the tax positions being sustained based on the technical merits of the position under scrutiny by the applicable taxing authority. If a tax position or positions are deemed to result in uncertainties of those positions, the unrecognized tax benefit is estimated based on a “cumulative probability assessment” that aggregates the estimated tax liability for all uncertain tax positions. The Communities have identified their tax status as tax-exempt entities and their determination as to their income being related or unrelated as their only significant tax positions; however, the Communities have determined that such tax positions do not result in an uncertainty requiring recognition. The Communities are not currently under examination by any taxing jurisdictions. The Communities’ Federal and state tax returns are generally open for examination for three years following the date filed.

Subsequent Events

The Communities have evaluated subsequent events through April 15, 2015, the date the financial statements were issued.

Note 2 - Related Party Transactions

The Communities receive landscaping, insurance and legal expenses in the normal course of operations, from a landscaping company, insurance agency and a law firm, respectively, which employ members of the governing Board of Directors or Committees of the Board of Directors. Amounts expended for landscaping services during the year ended December 31, 2014 totaled $389,953. Amounts expended for legal services during the year ended December 31, 2014 totaled $36,440. Amounts expended for insurance during the year ended December 31, 2014 totaled $483,686. An amount of $1,624 to the related party landscaping company was outstanding in accounts payable and an amount of $9,451 was incurred but unbilled by the law firm as of December 31, 2014.

The Communities incurred construction expenses with a company owned by the son of one of the members of the governing Board of Directors. Total amounts expended for construction during the year ended December 31, 2014 was $57,922. No amounts were outstanding in accounts payable with this company as of December 31, 2014.

In addition, certain members of management and the Board of Directors are holders of the Communities’ bonds. Furthermore, certain members of the Board of Directors are employed by a bank with which the Communities hold funds and have an outstanding loan, as more fully described in Note 11.

Note 3 - Assets Limited as to Use

Assets limited as to use consist of cash and cash equivalents and a certificate of deposit. Assets limited as to use were for the following purposes at December 31, 2014:

|  |  |
| --- | --- |
| Debt service funds, 2013 Series Bonds | $ 3,358,003 |
| Project fund, 2013 Series Bonds | 2,502,454 |
| Reserve account, mortgage note | 621,884 |
| Restricted cash, scholarship fund | 18,956 |
| Other | 3,267 |
|  | **$ 6,504,564** |

Note 4 - Investment Return

Investment return consisted of the following at December 31, 2014:

|  |  |
| --- | --- |
| Interest and dividend income | $ 374,754 |
| Net realized gains on investments | 1,217,202 |
| Net unrealized loss on investments | (740,679) |
| Less investment fees | (76,032) |

**Net investment return $ 775,245**

Note 5 - Fair Values of Financial Instruments

The following tables are a summary of assets that the Communities measure at fair value on a recurring basis by level within the fair value hierarchy at December 31, 2014:

Investments

Level 1 Level 2 Level 3 Total

Cash and cash equivalents $ 2,046,468 $ - $ - $ 2,046,468 Domestic equities 183,522 - - 183,522

U.S. bonds - 174,077 - 174,077

Corporate bonds - 27,348 - 27,348 Mortgage backed securities - 199 - 199

Fixed income mutual funds 3,627,588 - - 3,627,588 Equity mutual funds 6,938,813 - - 6,938,813 Balanced mutual funds 2,707,098 - - 2,707,098 Real estate mutual funds 28,303 - - 28,303 Commodities mutual funds 28,093 - - 28,093 Exchange traded funds 4,992,565 - - 4,992,565

Total investments 20,552,450 201,624 - 20,754,074 Assets limited as to use

Cash equivalents 6,504,564 - - 6,504,564

Beneficial interest in perpetual

trusts - - 1,147,561 1,147,561

Total $ 27,057,014 $ 201,624 $ 1,147,561 $ 28,406,199

Note 5 - Fair Values of Financial Instruments (Continued)

The changes in investments measured at fair value for which the Communities have used Level 3 inputs to determine fair value are as follows:

Beneficial Interest in Perpetual Trusts

**Balance at January 1, 2014 $ 1,219,000**

|  |  |
| --- | --- |
| Interest and dividends | 24,964 |
| Fees | (9,482) |
| Transfers | (86,447) |
| Realized gains | 10,357 |
| Unrealized loss on assets still held at December 31, 2014 | (10,831) |

**Balance at December 31, 2014 $ 1,147,561**

The following table presents quantitative information about significant unobservable inputs used in Level 3 fair value measurements at December 31, 2014:

|  |  |  |  |
| --- | --- | --- | --- |
|  | | | ***Range*** |
| ***2014*** | ***Valuation*** | ***Unobservable*** | ***(Weighted*** |
| ***Fair Value*** | ***Technique*** | ***Input*** | ***Average)*** |

Beneficial interest in $ 1,147,561 Market approach None N/A perpetual trusts based on underlying

securities

The assets held in trust are managed by an independent third party trustee, and the Communities have no authority over investment decisions. Thus, they are classified as Level 3 within the fair value hierarchy levels.

Note 6 - Concentration of Credit Risk

Loomis House, Inc. and Loomis Lakeside at Reeds Landing grant credit without collateral to its residents, most of whom are insured under third-party payor agreements. Loomis Communities, Inc.’s residents are privately funded.

The mix of receivables from residents and third-party payors for 2014 is as follows:

|  |  |
| --- | --- |
| Private | $ 719,026 |
| Medicaid | 407,715 |
| Medicare | 396,155 |
| Other third-party payors | 528,638 |
|  | 2,051,534 |
| Allowance | (214,695) |
| **Accounts receivable - residents, net** | **$ 1,836,839** |

Note 7 - Property and Equipment

The following is a summary at December 31, 2014:

|  |  |
| --- | --- |
| Land | $ 2,531,584 |
| Land improvements | 1,595,813 |
| Buildings | 67,356,624 |
| Building improvements | 20,371,240 |
| Furniture and equipment | 7,318,489 |
| Motor vehicles | 407,498 |
| Construction in process | 239,211 |
|  | 99,820,459 |
| Less: accumulated depreciation and amortization | (42,694,118) |
|  | **$ 57,126,341** |

Construction in process is for various apartment renovations, building expansion and improvement at Loomis House Nursing Center, and other miscellaneous renewals and improvements across the communities.

Note 8 - Deferred Expenses

Deferred expenses, net of accumulated amortization, at December 31, 2014 of $1,501,593, represent financing costs related to obtaining bond financing, as well as sales and promotional costs associated with the development of Loomis Communities, Inc. Deferred expenses also include various legal and accounting costs associated with the acquisition of Applewood and architectural costs for the potential expansion of the Loomis Communities, Inc. properties as well as expenses incurred towards the purchase of nursing facility bed licenses.

The promotional deferred expenses are being amortized over the estimated lives of the initial residents when the units were placed in service. The deferred financing costs are being amortized over the term of the bond agreements.

Note 9 - Entrance Fees

The retirement communities have various residency plans. The majority of entrance fees for independent living units are refundable at a minimum of 80%. The remaining entrance fees are amortized over the resident’s life expectancy. Entrance fees for assisted living apartments are 80% refundable, and the remaining 20% is amortized over the resident’s life expectancy. In addition, certain entrance fees are refundable on a declining basis. Entrance fee contracts acquired in the purchase of Loomis Lakeside at Reed’s Landing include both 85% refundable and declining balance contracts amortized over the resident’s life expectancy. Any new agreements for Loomis Lakeside entered into after August 19, 2009 is either a 90% refundable contract or a declining balance contract and amortized over the resident’s life expectancy.

The following is a summary of total refundable entrance fees at December 31, 2014:

Refundable entrance fees $ 65,768,874 Less: current portion (9,293,000)

Non-current refundable entrance fees $ 56,475,874

Note 10 - Bonds Payable

Bonds payable consist of the following at December 31, 2014:

|  |  |
| --- | --- |
| Series 2013A Bonds | $ 21,215,000 |
| Series 2013B Bonds | 2,180,000 |
| Total bonds payable | 23,395,000 |
| Unamortized discount | (316,809) |
| Carrying value of bonds | 23,078,191 |
| Less: current maturities | (770,000) |
| **Bonds payable, net of current maturities** | **$ 22,308,191** |

In September 2013, Loomis House, Inc. and Loomis Communities, Inc. (the “Obligated Group”) refinanced two bond series and a mortgage held by the Obligated Group into the Series 2013 Revenue Bonds from the Massachusetts Development Finance Agency (“MDFA”). The 2013 bonds consist of Series A bonds, which require annual sinking fund installments of amounts ranging from $245,000 to $8,500,000 beginning in 2017 through 2033 and carry interest rates ranging from 3.00% to 6.00% and Series B bonds, which require annual sinking fund installments of amounts ranging from $320,000 to $785,000 beginning in 2014 through 2017 and carry interest rates ranging from 2.50% to 4.25%.

The Series 2013A bonds are subject to optional redemption prior to maturity after January 1, 2023, as a whole or in part at a redemption price equal to the principal amount being redeemed, plus accrued interest, without premium. The Series 2013B bonds are not subject to optional redemption prior to maturity.

The Obligated Group makes twelve monthly debt service payments into a debt services reserve fund each year in order to satisfy the interest and principal payments on the bonds. Interest payments are due each July 1 and January 1.

The bonds are secured by a mortgage on the land and buildings owned by the Obligated Group and a security interest in all of the personal property of the Obligated Group including equipment, furnishings, accounts receivable and monies received from operations.

The Series 2013 bonds are reported net of a discount of $316,809 at December 31, 2014. The discount is amortized over the life of the bonds.

Total interest expense related to the 2013 bonds was $1,197,864 for the year ended December 31, 2014.

The Obligated Group is required to satisfy certain bond covenant requirements in connection with the bonds payable, including maintaining certain financial ratios. Under the terms of the bond agreements, the Obligated Group is required to maintain a debt service fund, a debt service reserve fund, and a renewal and replacement fund. In addition, a project fund is maintained from bond proceeds to be used for the renovation project at Applewood and other capital projects. As of December 31, 2014, the Obligated Group was in compliance with all covenant requirements.

Note 10 - Bonds Payable (Continued)

Maturities of the bonds payable over the next five years and in the aggregate are as follows for the years ending December 31:

|  |  |
| --- | --- |
| 2015 | $ 770,000 |
| 2016 | 785,000 |
| 2017 | 870,000 |
| 2018 | 915,000 |
| 2019 | 950,000 |
| Thereafter | 19,105,000 |
|  | **$ 23,395,000** |

Note 11 - Mortgage Notes Payable

Following is a summary of mortgage notes payable as of December 31, 2014:

When Loomis Lakeside at Reeds Landing purchased certain assets and liabilities of Western Massachusetts Lifecare Corporation on August 18, 2009, it entered into a mortgage agreement with a bank that requires Loomis Senior Living, Inc. to pay monthly installments of $25,769, including principal and interest at a rate of 6.25% through August 18, 2029. The interest rate is subject to review on August 19, 2015. The mortgage is secured by a first priority leasehold mortgage, security interest in the ground lease, assets acquired in the purchase transaction, all resident contracts existing and executed for the retirement community, and licenses on the retirement community. Loomis Lakeside at Reeds Landing is also required to maintain a reserve fund equal to the principal and interest amounts due for the next five years, which will be reduced annually (see Note 3). Interest expense for the year ended December 31, 2014 totaled $239,917.

Loomis Lakeside at Reeds Landing also entered into a bridge loan agreement with two private institutions relative to the purchase transaction. No cash payments on the loan were required until August 1, 2011. Commencing on August 1, 2011, Loomis Lakeside at Reeds Landing began paying interest only on the loan at a rate of 5% per annum until July 1, 2014. Commencing on July 1, 2014, Loomis Lakeside at Reeds Landing began paying monthly installments of $10,694 including principal and interest at a rate of 5% through August 1, 2024. The mortgage is secured by an interest in the mortgage and gross revenues.

Total mortgage notes payable Less: current maturities

**Mortgage notes payable, net of current maturities**

$ 2,946,929

975,502

3,922,431

209,958

**$ 3,712,473**

Note 11 - Mortgage Notes Payable (Continued)

Maturities of the mortgage notes payable in the aggregate and for the next five years are as follows for the years ending December 31:

|  |  |
| --- | --- |
| 2015 | $ 209,958 |
| 2016 | 219,298 |
| 2017 | 232,953 |
| 2018 | 246,885 |
| 2019 | 271,024 |
| Thereafter | 2,742,313 |
|  | **$ 3,922,431** |

Note 12 - Net Assets

A summary of unrestricted net assets by designation as of December 31, 2014 is as follows:

|  |  |
| --- | --- |
| Undesignated | $ (21,182,672) |
| Designated by the Board: |  |
| Endowment | 7,899,034 |
| Reeds Landing Philanthropic Fund | 276,247 |
|  | **$ (13,007,391)** |

Note 12 - Net Assets (Continued)

Temporarily restricted net assets include realized and unrealized appreciation on permanently restricted net assets, unexpended restricted investment income and temporarily restricted contributions. Temporarily restricted net assets consisted of the following at December 31, 2014:

Endowment appreciation:

Barbara G. Sheldon Memorial Fund $ 821,576 Other funds 373,687

Total endowment appreciation 1,195,263

|  |  |
| --- | --- |
| Friendship Fund | 210,742 |
| Loomis Village Landscaping | 86,143 |
| Other purposes | 78,932 |
| Applewood Reserve Fund | 41,567 |
| Applewood General Fund | 40,109 |
| Scholarship Fund | 17,879 |

$ 1,670,635

During the year ended December 31, 2014, net assets were released from restrictions by incurring expenses satisfying the restricted purposes or by the occurrence of other events specified by donors.

The following is a summary of net assets released from restrictions during the year ended December 31, 2014:

|  |  |
| --- | --- |
| Friendship Fund | $ 25,000 |
| Scholarship Fund | 3,000 |
| Other purposes | 10,233 |

$ 38,233

Note 12 - Net Assets (Continued)

Permanently restricted net assets are investments to be held in perpetuity, the income from which is expendable for operations of Loomis Communities, Inc. Permanently restricted net assets consisted of the following at December 31, 2014:

|  |  |
| --- | --- |
| Barbara G. Sheldon Memorial Fund | $ 524,993 |
| Arthur Rankin Trust | 100,000 |
| Horace and Eloise Fuller Trust | 1,045,200 |
| Loomis Village Endowment | 57,180 |

Total endowment 1,727,373

Beneficial interest in perpetual trusts 1,147,561

$ 2,874,934

Note 13 - Endowment Net Assets

The following is a summary of endowment net asset composition by type of fund at December 31, 2014:

Donor restricted endowment

Temporarily Permanently

***Unrestricted Restricted Restricted Total***

funds $ - $ 1,195,263 $ 1,727,373 $ 2,922,636

Board designated funds 7,899,034 - - 7,899,034

Total funds $ 7,899,034 $ 1,195,263 $ 1,727,373 $ 10,821,670

|  |  |  |  |
| --- | --- | --- | --- |
| Net assets, beginning of year | $ 7,616,857 | $ 1,150,470 | $ 1,670,193 $ 10,437,520 |
| Investment return: Investment income | 134,496 | 44,950 | - 179,446 |
| Net appreciation (realized  and unrealized) | 147,681 | 902 | - 148,583 |
| Total investment return | 282,177 | 45,852 | - 328,029 |
| Appropriation of endowment  assets for expenditure | - | (1,059) | - (1,059) |
| Net asset reclassification | - | - | 57,180 57,180 |
| **Net assets, end of year** | **$ 7,899,034** | **$ 1,195,263** | **$ 1,727,373 $ 10,821,670** |

Note 14 - Operating Leases

The Communities lease medical and office equipment under various operating leases expiring through February 2017. Rent expense for the equipment was $33,729 for the year ended December 31, 2014.

On August 18, 2009, the Communities entered into a ground lease expiring through August 2084. Rent expense for the ground lease was $40,133 for the year ended December 31, 2014.

The following is a summary of future minimum lease commitments existing under these leases for the years ending December 31:

|  |  |
| --- | --- |
| 2015 | $ 78,700 |
| 2016 | 60,500 |
| 2017 | 54,200 |
| 2018 | 50,600 |
| 2019 | 43,300 |
| Thereafter | 2,612,000 |
|  | **$ 2,899,300** |

Note 15 - Medical Malpractice Claims

The Communities purchase professional and general liability insurance to cover medical malpractice claims on an occurrence basis. There are no known claims or incidents that may result in the assertion of additional claims. In addition, management believes that claims for unknown incidents that may be asserted arising from services provided to residents are covered by insurance.

Note 16 - Retirement Plan

The Communities have a 403(b) retirement plan for all employees. Employer matching contributions are determined at the discretion of the Communities and are based on the employees’ elected deferrals. Employer contributions for the year ended December 31, 2014 were $186,475.

**EXCERPTS FROM AUDITED FINANCIAL STATEMENTS**

2013 and 2012

Page3

Loomis House, Inc., Loomis Communities, Inc., and Loomis Senior Living, Inc.

Consolidated Statements of Operations Years Ended December 31, 2013 and 2012

Unrestricted revenues:

2013 2012

|  |  |  |
| --- | --- | --- |
| Resident services | $ 16,754,478 | $ 16,436,282 |
| Net patient service revenue - private | 4,145,397 | 6,063,382 |
| Net patient service revenue - publicly aided | 7,144,790 | 5,955,701 |
| Amortization of entrance fees | 1,544,014 | 1,845,883 |
| Other | 1,096,747 | 1,207,750 |
| Total unrestricted revenues | 30,685,426 | 31,508,998 |

Expenses:

|  |  |  |
| --- | --- | --- |
| Nursing services | 7,292,046 | 6,933,305 |
| General and administrative | 6,549,612 | 6,248,626 |
| Food services | 5,473,855 | 5,417,007 |
| Depreciation and amortization | 3,533,912 | 3,254,495 |
| Plant operations | 3,708,959 | 3,554,396 |
| Interest expense | 1,641,245 | 1,760,236 |
| Housekeeping | 1,227,758 | 1,206,586 |
| Assisted living | 1,036,813 | 1,021,204 |
| Recreation and restorative therapy | 1,372,205 | 1,372,440 |
| Security | 548,143 | 523,841 |
| Laundry | 291,851 | 291,059 |
| Transportation | 214,062 | 222,971 |
| Home care | 738,086 | 740,475 |
| Wellness | 162,139 | 160,065 |
| Total expenses | 33,790,686 | 32,706,706 |

Operating loss (3,105,260) (1,197,708)

Unrestricted nonoperating gains (losses) and other support:

|  |  |  |
| --- | --- | --- |
| Interest income | 106,101 | 104,088 |
| Income on investments | 241,526 | 339,819 |
| Net realized gains on investments ; | 1,868,399 | 905,440 |
| Other than temporarily impaired investment losses |  | (31,327) |
| Contributions | 257,647 | 125,030 |
| Grant income | 485 |  |
| Philanthropy expenses | (132,534) | (108,257) |
| Change in value of split-interest agreements | (31,235) | (22,477) |
| Gain (loss) on disposal of fixed assets | 9,260 | (131,030) |
| Bond issuance costs | (590,710) |  |
| Net assets released from restrictions | 129,674 | 140,203 |
| Total unrestricted nonoperating gains and other support | 1,858,613 | 1,321,489 |
| Excess (deficit) of revenues over expenses and unrestricted nonoperating gains and other support | (1,246,647) | 123,781 |
| Other changes in unrestricted net assets: |  |  |
| Unrealized gains on investments | 258,753 | 522,611 |
| Change in unrestricted net assets | $ (987,894) | $ 646,392 |

See notes to consolidated financial statements.

**UNAUDITED FINANCIAL STATEMENTS**

Quarter Ended 09/30/15

Loomis Village

Statement of Revenue & Expenses

For the Period Ending September 30, 2015

Actual Budget Variance

Month Month

Actual Budget Year To Date Year To Date

Variance

——————— ——————

——————————

———————————— ————————————

—————————

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Operating Revenue  Resident Service Fees | 508,672 | 508,798 | (127) | 4,604,831 | 4,579,185 | 25,646 |
| Entrance Fee Amortization | 25,686 | 38,899 | (13,213) | 319,382 | 350,094 | (30,712) |
| Home Care | 19,562 | 29,183 | (9,621) | 180,949 | 262,646 | (81,697) |
| Guest Meals | 3,883 | 4,617 | (735) | 42,659 | 41,555 | 1,105 |
| Employee Meals | 1,546 | 1,438 | 108 | 13,041 | 12,938 | 103 |
| Transportation | 1,281 | 1,450 | (169) | 11,074 | 13,050 | (1,976) |
| Guest Rooms | 800 | 1,358 | (558) | 11,739 | 12,220 | (481) |
| Village Store | 199 | 261 | (61) | 2,238 | 2,347 | (110) |
| Other Resident Services | 3,150 | 2,917 | 233 | 28,553 | 26,252 | 2,301 |
| Rental Income | 1,225 | 1,250 | (25) | 11,025 | 11,250 | (225) |
| Wait List Income | 129 | 33 | 95 | 529 | 300 | 229 |
| Internal Move Fee Total Operating Revenue  Operating Expense | 0  ————————————  566,131  ———————————— | 0  ————————————  590,204  ———————————— | 0  ————————————  (24,073)  ———————————— | 10,710  ———————————— 5,236,730  ———————————— | 0  ———————————— 5,311,837  ———————————— | 10,710  ————————————  (75,108)  ———————————— |
| Administrative | 91,114 | 94,202 | 3,087 | 860,443 | 869,188 | 8,745 |
| Property & Related | 90,758 | 100,906 | 10,148 | 912,099 | 910,678 | (1,421) |
| Depreciation & Amortization | 115,944 | 115,730 | (214) | 1,043,774 | 1,041,571 | (2,203) |
| Security | 15,011 | 15,394 | 383 | 138,603 | 139,050 | 448 |
| Maintenance | 53,394 | 58,661 | 5,266 | 468,812 | 530,373 | 61,561 |
| Housekeeping | 33,180 | 26,925 | (6,255) | 236,633 | 245,413 | 8,780 |
| Laundry & Linen | 1,035 | 1,374 | 339 | 11,155 | 12,362 | 1,206 |
| Food Service | 114,430 | 117,543 | 3,113 | 1,019,411 | 995,864 | (23,547) |
| Resident Health Services | 6,553 | 6,432 | (121) | 57,637 | 58,786 | 1,149 |
| Assisted Living | 32,999 | 32,475 | (524) | 323,213 | 296,533 | (26,680) |
| Home Care | 11,752 | 22,558 | 10,806 | 118,102 | 205,856 | 87,755 |
| Nursing Center Care | 5,610 | 5,219 | (391) | 50,175 | 47,495 | (2,680) |
| Professional Services | 259 | 270 | 11 | 2,331 | 2,428 | 97 |
| Recreation Services | 3,680 | 6,462 | 2,782 | 53,829 | 58,653 | 4,824 |
| Resident Services | 4,610 | 4,705 | 95 | 42,074 | 42,939 | 865 |
| Village Store | (64) | 245 | 309 | 2,045 | 2,205 | 160 |
| Transportation | 3,198  ———————————— | 4,614  ———————————— | 1,416  ———————————— | 35,663  ———————————— | 41,905  ———————————— | 6,242  ———————————— |
| Total Operating Expense | 583,464 | 613,715 | 30,251 | 5,375,997 | 5,501,299 | 125,303 |

———————————— ———————————— ———————————— ———————————— ————————————

————————————

Net Excess Operating Revenue (Expense) (17,332) (23,510)

6,178

(139,267)

(189,462)

50,195

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Non-operating Revenue & Expense  Interest and Dividend Income | 4,446 | 950 | 3,496 | 10,969 | 8,553 | 2,416 |
| Dividend Income | 0 | 1,125 | (1,125) | 4,744 | 10,125 | (5,381) |
| Allocated Donations | 1,250 | 1,218 | 32 | 11,727 | 10,962 | 765 |
| Unrestricted Donations | 2,050 | 0 | 2,050 | 2,350 | 0 | 2,350 |
| Restricted Donations | 750 | 0 | 750 | 23,296 | 0 | 23,296 |
| Unrealized Gains/Losses on Investments | (23,945) | 0 | (23,945) | (60,066) | 0 | (60,066) |
| Realized Gains & Losses On Investments | 3,716 | 0 | 3,716 | 3,748 | 0 | 3,748 |
| Investment Fees | 0 | (638) | 638 | (6,100) | (5,742) | (358) |
|  | ———————————— | ———————————— | ———————————— | ———————————— | ———————————— | ———————————— |
| Total Non-operating Revenue & Expense | (11,733) | 2,655 | (14,388) | (9,332) | 23,898 | (33,229) |
|  | ———————————— | ———————————— | ———————————— | ———————————— | ———————————— | ———————————— |
| Net Revenue (Expense) | (29,065) | (20,855) | (8,210) | (148,599) | (165,564) | 16,966 |
|  | ============ | ============ | ============ | ============ | ============ | ============ |

Applewood At Amherst Statement of Revenue & Expenses

For the Period Ending September 30, 2015

Actual Budget Variance

Month Month

Actual Budget Variance Year To Date Year To Date

——————— ———————

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———————————— ———————————— —————————

Operating Revenue

Resident Service Fees Entrance Fee Amortization Nursing Home Revenue Home Care

Administrative Fees Long Term Care Insurance Guest Meals

Employee Meals Transportation Guest Room

Other Resident Services Country Store

Contract Service Income

327,816 328,567 (751) 2,992,142 2,957,105 35,037

56,652 30,390 26,262 315,217 273,514 41,703

(10,667) 11,670 (22,337) 82,754 105,026 (22,272)

14,080 24,054 (9,975) 182,884 216,488 (33,604)

6,870 6,870 0 62,135 61,830 305

1,181 2,330 (1,149) 19,488 20,974 (1,486)

643 908 (264) 3,349 8,168 (4,819)

203 226 (23) 1,663 2,030 (366)

364 378 (13) 3,657 3,398 260

1,308 1,376 (68) 14,442 12,380 2,063

2,153 1,574 579 12,222 14,168 (1,946)

2,667 2,635 32 23,232 23,715 (483)

0 0 0 30 0 30

Wait List Income 0 100 (100) 1,000 900 100

———————————— ———————————— ———————————— ———————————— ———————————— ————————————

Total Operating Revenue 403,270 411,077

(7,807)

3,714,214 3,699,694

14,520

Operating Expense

———————————— ———————————— ———————————— ———————————— ————————————

————————————

Administrative Property & Related

76,226 79,575 3,349 713,553 734,772 21,220

63,686 56,770 (6,916) 606,393 552,179 (54,214)

Depreciation & Amortization Security & Reception Maintenance

Housekeeping

71,807 71,517

13,413 12,864

27,449 27,430

21,581 21,306

(290)

(549)

(18)

(275)

658,254

115,896

241,218

188,028

643,652 (14,602)

117,310 1,414

248,514 7,296

194,140 6,112

Laundry & Linen

998 989 (9) 9,589 8,904 (684)

Food Service

77,696 69,656

(8,040)

609,191

582,575 (26,616)

Health Services Assistance with Living Nursing Care Professional Services Long term Care Insurance Recreation Services Resident Services Country Store

7,380 8,082 703 78,406 73,773 (4,633)

20,524 23,210 2,686 183,090 211,791 28,700

20,170 24,858 4,688 207,741 223,986 16,245

172 180 8 1,548 1,620 72

929 2,330 1,402 19,557 20,974 1,417

4,061 3,862 (200) 33,372 35,054 1,682

2,319 2,295 (23) 20,750 20,955 204

4,186 3,610 (576) 36,759 32,706 (4,053)

Transportation 3,878 3,436 (441) 31,423 31,217 (206)

———————————— ———————————— ———————————— ———————————— ———————————— ————————————

Total Operating Expense 416,473 411,971 (4,502) 3,754,768 3,734,122 (20,646)

———————————— ———————————— ———————————— ———————————— ————————————

————————————

Net Excess Operating Revenue (Expense) (13,203)

(894)

(12,309)

(40,554)

(34,428)

(6,126)

Non-operating Revenue & Expense

Interest Income Dividend Income Donations Allocated Donations

Unrealized Gains/Losses on Investments Realized Gains & Losses On Investments

1,676 8 1,668 5,230 75 5,155

0 1,000 (1,000) 3,593 9,000 (5,407)

0 0 0 19,625 0 19,625

1,250 1,948 (698) 11,727 17,532 (5,805)

(13,903) 0 (13,903) (31,023) 0 (31,023)

2,724 0 2,724 2,734 0 2,734

Investment Fees 0 (609) 609 (3,827) (5,478) 1,651

———————————— ———————————— ———————————— ———————————— ————————————

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Total Non-operating Revenue & Expense (8,253) 2,348 (10,601) 8,060 21,129 (13,069)

———————————— ———————————— ———————————— ———————————— ————————————

————————————

Net Revenue (Expense) (21,456) 1,453

(22,909)

(32,494) (13,299)

(19,196)

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Loomis House Retirement Community Statement of Revenue & Expenses

For the Period Ending September 30, 2015

Actual Budget Variance

Month Month

Actual Budget Year To Date Year To Date

Variance

Operating Revenue

——————— ———————

—————————

———————————— ————————————

—————————

Resident Service Fees

172,523 192,166

(19,643)

1,688,142 1,729,498

(41,357)

Entrance Fee Amortization Resident Subsidy

Home Care Guest Meals Employee Meals Guest Room

Other Resident Services

5,476 7,223 (1,747) 79,809 65,011 14,798

(7,716) 0 (7,716) (24,116) 0 (24,116)

9,043 13,815 (4,772) 98,055 124,335 (26,280)

697 736 (40) 6,282 6,624 (342)

1,426 1,550 (125) 12,428 13,950 (1,522)

0 370 (370) 640 3,330 (2,690)

751 640 111 9,323 5,760 3,563

Contract Services 4,288 4,288 (0) 38,593 38,593 (0)

———————————— ———————————— ———————————— ———————————— ————————————

————————————

Total Operating Revenue 186,487 220,789

(34,302)

1,909,156 1,987,101

(77,945)

Operating Expense

———————————— ———————————— ———————————— ———————————— ————————————

————————————

Administrative

50,312 50,220

(92)

443,645

462,816 19,171

Property & Related

19,938 19,295 (642) 166,218 183,404 17,186

Depreciation & Amortization

22,963 22,023

(939)

207,341

198,209 (9,132)

Security Maintenance Housekeeping Laundry & Linen Food Service

Resident Health Services Assisted Living

Home Care

Nursing Center Care Professional Services Recreation Services Resident Services

7,755 8,214 460 74,324 74,356 32

22,491 24,040 1,548 209,410 216,852 7,442

6,308 6,308 0 56,772 56,772 0

259 309 50 3,085 2,783 (302)

52,117 55,900 3,783 464,771 467,079 2,308

5,571 5,776 205 53,179 52,563 (616)

14,595 15,085 490 136,570 137,851 1,281

11,253 11,608 355 108,401 105,953 (2,448)

16,110 5,610 (10,500) 62,970 51,047 (11,923)

129 134 5 1,161 1,209 48

4,638 5,295 657 42,529 48,115 5,586

5,007 4,979 (28) 45,719 45,309 (410)

Transportation 4,125 4,793 667 44,679 43,746 (932)

———————————— ———————————— ———————————— ———————————— ————————————

————————————

Total Operating Expense 243,570 239,589

(3,982)

2,120,775

2,148,064 27,289

———————————— ———————————— ———————————— ———————————— ————————————

————————————

Net Excess Operating Revenue (Expense) (57,083)

(18,800)

(38,283)

(211,619)

(160,963)

(50,656)

Non-operating Revenue & Expense

Interest Income Allocated Donations Donations

37,655 1,788 35,867 202,093 16,092 186,001

1,250 680 570 11,727 6,120 5,607

375 0 375 2,505 0 2,505

Unrealized Gains/Losses on Investments

(503,424) 0 (503,424) (1,017,433)

0 (1,017,433)

Realized Gains & Losses On Investments Change in Value of Trust

|  |  |  |
| --- | --- | --- |
| Dividends | 11 | 18,695 |
| Income form Beneficiary Truse | 0 | 0 |

12,456 0 12,456 13,969 0 13,969

0 0 0 (17,285) 0 17,285

(18,684) 6,361 168,255 (161,894)

0 10,058 0 10,058

Investment Fees 0 (5,317) 5,317

(41,228)

(47,850)

6,623

———————————— ———————————— ———————————— ———————————— ———————————— ————————————

Total Non-operating Revenue & Expense (451,677)

15,846

(467,524)

(794,663)

142,617

(937,280)

Net Revenue (Expense)

———————————— ———————————— ———————————— ———————————— ———————————— (508,760) (2,953) (505,807) (1,006,282) (18,346)

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———————————— (987,936)

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