

# **INSTRUCTIONS FOR COMPLETING THE CONTINUING CARE RETIREMENT COMMUNITY (CCRC) ANNUAL STATEMENT BLANK CALENDAR YEAR 2022**

## **SUMMARY OF CHANGES FROM PRIOR YEAR**

The following highlights the major changes to the annual statement blank for calendar year 2022:

1. The Continuing Care Retirement Community is reminded to submit as part of its annual statement filing the current version of its Initial Disclosure Statement and Standard Information Sheet.
2. In order to ensure that all Continuing Care Retirement Communities report Independent Living Unit (ILU) occupancy in a consistent manner, please be guided by the following: If a resident is permanently transferred to a higher level of care, although they are still paying a monthly service fee, they should not be reported in ILU occupancy counts/statistics.
3. The Jurat, Blank, Interrogatories, and Certificate of Compliance have been pre-filled to indicate a December 31, 2022 fiscal year ending date; if not correct, edit to indicate the correct fiscal year ending date. This change was made so that the forms for the current reporting year are readily identifiable from the prior year's forms.
4. On the 2022 Schedule C (Property and Equipment), the CCRC is again reminded to enter a positive number in Cell (E41) of Schedule C to report the accumulated depreciation. The amount entered on Schedule C (Cell E41) will be transmitted to Report 1, Part A., (Item 8.4 - accumulated depreciation) as a negative number.
5. As noted in previous years, to make the annual statement blank easier to use, and for consistency, data can only be entered on the Excel spreadsheet in the yellow highlighted cells. (Please note that the grey and green highlighted cells contain formulas and cannot be accessed.)
6. As noted in previous years, the Department of Financial Services and the Department of Health recommend that the Jurat, statement blank, interrogatories, audited financial statement, certificate of compliance and any supporting material be submitted electronically (via email or compact disc) instead of by paper. If all the material is submitted electronically only the signed and notarized Jurat (page 1) and Certificate of Compliance with ORIGINAL signatures of the officers and notary need be submitted by paper. Any paper submitted should be submitted in duplicate to the Department of Financial Services (one copy to the Department of Health). One Jurat page and Certificate of Compliance with original signatures must be submitted to the Department of Financial Services.
7. As noted in previous years, prior to transmittal of an electronic version of the Blank workbook, or any other workbook, the CCRC should make sure that all references in the workbook to an external source have been removed and that there are no circular references. Material submitted electronically is to be scanned for viruses before being submitted.

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## **FOREWORD**

This Annual Statement Blank is for use by Continuing Care Retirement Communities authorized pursuant to Article 46 of the New York State Public Health Law.

Line titles and columnar headings of the various statement items and lines are in general self-explanatory and as such constitute instructions. Specific further instructions are prescribed for items and lines about which there might be some question as to content. Any entry for which no specific instruction has been given should be made in accordance with sound accounting principles and in a manner consistent with related items and lines covered by specific instructions.

The format of the annual statement has been designed to facilitate data capture. Therefore, do not change the captions for pre-printed items, lines, or columns, and do not insert write-ins between pre-printed items, lines or columns. An entry for which there is no specific pre-printed line title must be reported with an identifying title in the appropriate schedule for each applicable page or section thereof entitled: “Details of Write-Ins Aggregated on Line \_\_\_\_ For \_\_\_\_.” The write-in lines should be reported in ascending order. The statement provides a limited number of lines for write-ins in each applicable section. These pre-printed write-in detail schedules should not be modified.

If there is not sufficient room in a write-in detail schedule to accommodate all write-ins to be reported therein, companies shall report the write-in detail overflow on pages sequentially numbered beginning with Page \_\_\_\_, followed by \_\_ .1, \_\_ .2, etc. In such instances, companies shall carry the summary of write-in overflow lines from this page to the prescribed line in the original write-in detail schedule.

Each overflow write-in section should adhere to the following example.

Page 3:

Report #1 – BALANCE SHEET, PART A: ASSETS		
“Details of Write - Ins Aggregated on Line 11”		
1101	Write-in caption aaaa	\$450,000
1102	Write-in caption bbbb	350,000
1103	Write-in caption cccc	200,000
1198	Summary of remaining write-ins for Line 11 from Overflow Page for Write-Ins.	300,000
1199	TOTAL (Lines 1101-1103 + Line 1198) (to Page 3, Line 11)	\$1,300,000

More than one detail section overflow may be entered on one page. However, the items should remain in page number order.

Notwithstanding the prohibition against changing the captions of pre-printed items or columns, and against inserting write-ins between pre-printed lines or columns, certain portions of the annual statement may require more lines than are provided.

When additional lines are required within any of these statement areas, companies shall continue the sequence of either the pre-printed line number range, or the line number range described in the appropriate instruction area.

When the use of such additional lines requires more room than exists on the pre-printed page, the continuation should be presented on a page, inserted immediately following the pre-printed page, designated as n.1, n.2, etc. All such additional pages should be adequately captioned to enable ready identification.

It is expected that each CCRC will maintain adequate records and work papers to support the detail of all accounting transactions, enabling verification of the statement values. The CCRC’s management should perform a periodic review to determine that these records are adequate, sufficiently detailed, and retained in orderly safe storage with appropriate retention periods.

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## GENERAL

1. Date of Filing: The annual statement is required to be filed within four months of the close of the preceding fiscal year, unless otherwise provided. The “statement date” is the last day of the preceding fiscal year.
2. The name of the CCRC must be plainly written or stamped at the top of all pages, exhibits and schedules (and duplicate schedules) and also upon all inserted schedules and loose sheets.

3. The fiscal year ending line on the Jurat, Blank and Interrogatories has been pre-filled. If the fiscal year ending date for a CCRC is different than the pre-filled value, edit to indicate the correct fiscal year ending date.
4. When filling in the electronic copy of the annual statement blank, data can only be entered on the Excel spreadsheet in the yellow highlighted cells. (Please note that the grey and green highlighted cells contain formulas that will auto-fill the cell, and changes to the cell cannot be made.)
5. Printed statements or copies produced by some duplicating process, in lieu of handwritten or typewritten statements on the actual blank required by this Department, will be accepted if (1) printed or duplicated by a process resulting in permanent black characters on a good grade of paper of light color; and (2) such statements and all supporting schedules contain all the information required with the same headings and footnotes, and are of the same size and arrangement, page for page, column for column and line for line, as in the required blank, unless the CCRC is otherwise instructed.
6. **Unanswered questions and blank lines or schedules will not be considered properly filed. If no answers or entries are to be made, write “none”, “not applicable”, “N/A” or “0” in the space provided.**
7. Check marks will not be accepted as answers to interrogatories.
8. Any item which cannot be readily classified under one of the printed items must be reported with an identifying title in the appropriate schedule for each applicable page or section thereof entitled “DETAIL OR WRITE-INS AGGREGATED AT ITEM (or ON LINE) FOR \_\_\_\_\_.” The statement provides a limited number of lines for write-ins, but companies may add as many lines as necessary.
9. If additional supporting statements or schedules are added in connection with answering interrogatories or providing information on the financial statement, the additions should be properly keyed to the item being answered (Example – “Interrogatories, #19” or “Restricted Assets, #4”).
10. This report must contain information consistent with the accounting method(s) employed by the provider in disclosing financial position and results; otherwise, it will not be accepted. Instructions for individual line items often include examples of what is to be reported on the line. The “included” and “excluded” are to be used as a guide and are examples only, not intended to be all-inclusive.
11. Report all amounts in whole dollars only. CCRCs may elect to report the amounts to the nearer dollar or through truncation of digits below a dollar. (Examples: \$205,439.52 may be reported as \$205,440 by rounding or as \$205,439 by truncation.) It is expected that the failure of items to add to the summary of totals will reflect this treatment. CCRCs should report in the Notes to Financial Statements their manner of presentation (rounding will be assumed unless some other method is disclosed).
12. A “person” is an individual, corporation, or any other legal entity. A “parent” is any person that directly or indirectly owns or controls the Continuing Care Provider. A “Subsidiary” is any person that is directly or indirectly owned or controlled by the CCRC. An “affiliate” is any person that is directly or indirectly owned or controlled by the same person or by the same group of persons that directly or indirectly own or control the CCRC. The term “affiliate” includes parent and subsidiaries. Control shall be presumed to exist if a person directly or indirectly owns, controls, holds with the power to vote, or holds proxies, representing 10% of more of the voting securities of any person.
13. There is to be attached after Page 2 of the annual statement, the statement of a qualified actuary setting forth his or her opinion relating to reserves and any other actuarial items. “Qualified actuary,” as used herein means a member in good standing of the American Academy of Actuaries and who is qualified to perform such actuarial evaluations, or a person who otherwise has demonstrated his competency in such actuarial evaluations to the satisfaction of the superintendent.
  - (1) Such a statement of opinion must consist of a paragraph identifying the actuary; a scope paragraph identifying the subjects on which an opinion is to be expressed and describing the scope of the actuary’s work; and an opinion paragraph expressing his or her opinion with

- respect to such subjects. One or more additional paragraphs may be needed in individual cases if the actuary considers it necessary to state a qualification of his or her opinion or to explain some aspect of the annual statement which is not already sufficiently explained in the annual statement.
- (2) If the actuary is unable to form an opinion, he or she should refuse to issue a statement of opinion. If the opinion is adverse or qualified, the actuary should issue an adverse or qualified opinion explicitly stating the reason(s) for such opinion.
  - (3) The actuarial statement is usually included in the actuarial study. The actuarial study must be updated at least triennially.
  - (4) If the actuarial study has already been submitted to the Department of Financial Services in its entirety, it is only necessary to attach after page 2 of the annual statement an identifier of the actuarial study being used to complete Reports #3 and 4 of the annual statement. This could be the cover page of the actuarial study showing the valuation date and preparation date, or the opinion section signed by the actuary preparing the study. If the actuarial study has not already been submitted to the Department of Financial Services, the complete actuarial study should be included with the annual statement submission.
14. In the year in which the actuarial study is updated, if the actuary does not express an opinion as to the accuracy and completeness of underlying listings and summaries used in his or her evaluation, there should be attached after Page 2 of the annual statement blank an affirmation statement of an organization officer or accounting firm who prepared such underlying data similar to the following:
- “I (name of officer or organization), (title of officer), or (name of organization and address of organization), (or accounting firm), hereby affirm that the listings and summaries of data prepared for and submitted to (name of actuary) were prepared under my direction and, to the best of my knowledge and belief, are accurate and complete.”
- \_\_\_\_\_  
Signature
- The affirmation statement is usually submitted to the Department of Financial Services when an updated actuarial study is submitted to the Department of Financial Services. If the affirmation statement corresponding to the actuarial study used to complete Reports #3 of the annual statement has already been submitted to the Department of Financial Services, another copy does not have to be included with the annual statement submission.
15. The “Notes to Financial Statements” are provided to disclose pertinent information, including comments upon items or transactions that are unusual or not self-explanatory that might otherwise be misunderstood. Also use this section to explain any differences between items entered in Reports 1 and 2 and Schedules A, B and C that differ from the corresponding entries in the audited financial statement. Do not repeat the notes included in the audited financial statement into this section.
  16. All reported amounts less than zero shall be presented by the use of parentheses. Parentheses shall also be used to denote those instances in which the reported figure is contrary to what would normally be expected.
  17. The material should be submitted in page number order. The page number is shown in the top and bottom right-hand corners of each page. Additional material should be attached to the end and in the same order as to the items they refer to.

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### JURAT (Pages 1 and 2)

#### Purpose:

The jurat provides certain identifying information and contains a certification that the attached reports, schedules and attachments provide a full and true statement of the financial condition of the reporting entity.

**Instructions:**

Fill in the various items as indicated.

The “Corporate Affairs Number” is usually assigned once the CCRC has commenced operations. If a Corporate Affairs Number has not yet been assigned, enter “not yet assigned” in the space provided.

When filling in the names of the Officers, Directors and Trustees, show full names, initials are not acceptable. **Indicate by a number sign (#) those officers, directors and trustees who did not occupy the indicated positions in the previous year’s statement. Indicate the Chairman of the Board of Directors.**

The “Community’s Internet Web Address” shown on page 2 should be the internet address that consumers can reference to obtain information about the community. If the community does not have such an address, write “none” in the space provided.

Page 1 of all filed statements, including reproduced copies, must be manually signed by the appropriate corporate officers, have the corporate seal affixed thereon (if available) and be properly notarized. Each CCRC is required to submit a paper version of page 1 of the Jurat with ORIGINAL signatures of the officers and notary (not a copy of the signatures) to the Department of Financial Services and to the Department of Health. The paper version is required even if the CCRC submits an electronic version of the Jurat. One Jurat page with original signatures must be submitted to the Department of Financial Services.

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**REPORT #1: BALANCE SHEET****Purpose:**

The report shows the financial position of the CCRC, including assets and liabilities.

**Instructions:**

Report Assets (Part A) and Liabilities and Fund Balance/Equity Accounts (Part B) as detailed below. This material should be presented consistent with the data in the audited financial statement and differences should be explained in the “Notes to Financial Statements” section.

**Report #1 – Balance Sheet, Part A: Assets****Lines:**

1. **Cash and Short-Term Investments** – Include cash in the bank or on hand, available for current use. Short-term investments are investments that at time of acquisition have one year or less remaining to maturity. Provide detail on Schedule A.
2. **Long-Term Investments: Maturing Within One Year** – Long-term investments are investments that at time of acquisition have more than one year remaining to maturity or no maturity date. Report only those amounts which as of the statement date have one year or less remaining to maturity. Provide details on Schedule B, Part 1.
3. **Long-Term Investments: Other** – Long-term investments are investments that at time of acquisition have more than one year remaining to maturity or no maturity date. Report only those amounts which as of the statement date have more than one year remaining to maturity or have no maturity date. Common and preferred stock are included in this category. Provide details on Schedule B, Part 2.
4. **Accounts Receivables-Net** – Gross amounts collectible from groups or individuals who may or may not receive services from the CCRC less the amounts deemed uncollectible for the period.
5. **Inventory** – Supplies held by the reporting entity and used for the direct delivery of services.
6. **Prepaid Expenses** – Amounts paid to creditors prior to the due date.
7. **Investment Income Due and Accrued** – Interest earned on investments but not received.

8. **Property and Equipment** – Property and equipment, net of accumulated depreciation, shall be reported in the following balance sheet categories. Provide detail in Schedule C:
  - 8.1 **Properties Occupied by the CCRC** – at cost.
  - 8.2 **Furniture, Fixtures and Equipment** – Indicate the cost basis for furniture, fixtures, and equipment, including medical equipment, office equipment, furniture and such other equipment necessary to provide care, which is owned by the Continuing Care Provider.
  - 8.3 **Construction-in-Progress** – at cost.
  - 8.4 **Accumulated Depreciation** – For the above items, enter the accumulated depreciation as of the statement date as a negative amount.
9. **Deferred Financing Costs** – Represents the amount of costs associated with debt acquisition which should be capitalized and amortized over the debt repayment period. The amount is to be net of accumulated amortization.
10. **Deferred Marketing Costs** – Enter the amounts associated with the creation of initial demand for the company's services which should be capitalized and amortized over the average lifetime of the initial cohort of entrants. The amount is to be net of accumulated amortization.
11. **Aggregate Write-ins** – Enter the total of the Write - Ins listed in schedule "Detail of Write - Ins" aggregated at Line 11.

**Details of Write-Ins:**

**Aggregated at line 11** – List separately each category of assets for which there is no pre-printed line on page 3. (See the Foreword section and item 7 of the General section of these instructions.)

**Report #1 – Balance Sheet, Part B: Liabilities and Net Asset / (Deficiency)**

**Liabilities** – Are obligations as described below:

- Obligations for goods and services which are acquired for use in the operating cycle.
- Obligations for debts owed to individuals or institutions.
- Revenues received and recorded prior to being earned. The obligation to furnish the services or to refund the payment is recognized as a liability.

**Lines:**

1. **Accounts Payable** – Amounts due to creditors for the acquisition of goods and services on a credit basis.
- 2.a. **Accrued Expenses - Interest Payable on Debt** – Accrued interest from the last interest payment date to the statement date.
- 2.b. **Accrued Expenses - Other** – Incurred but unpaid expenses, excluding interest payable on bonds and excluding taxes.
3. **Taxes Payable** – Federal/State/Other taxes due or accrued.
4. **Loans Payable** – The principal amount of loans outstanding, in the following balance sheet categories:
  - 4.1 – **IDA Bonds**
  - 4.2 – **Financial Institutions**
  - 4.3 – **Other**
5. **Amounts Due To Parent, Subsidiaries and Affiliates** – Any payable to an affiliate. This line includes items that would otherwise be reported on other lines; e.g., Accounts Payable, current portions of loans and notes payable, and intercompany transactions.
6. **Waiting List Deposits** – The amount of money or assets that are received from a prospective resident of the CCRC prior to signing a residency agreement and that are refundable if the resident does not sign a residency agreement (e.g., priority reservation deposits). Since such deposits are usually held in a formal escrow account, report this liability only if the amount of money or assets received from the prospective resident is included in the assets reported on Report #1, Part A.

7. **Refundable Fees and Entrance Fee Deposits (prior to resident's occupancy)** – The amount of entrance fees or other types of fees that are received from a prospective resident of the CCRC concurrent with or after signing a residency agreement and that are refundable if the resident does not occupy the facility (e.g., entrance fee deposits). Report this liability only if the fees received from a prospective resident are included in the assets reported on Report #1, Part A.
8. **Deferred Revenue From Advance Fees (after resident's occupancy)** – Amount of nonrefundable advance fees that are payment for future services to the residents. These amounts are to be amortized to income over future periods that the services are provided.
9. **Fees Refundable to Residents (after resident's occupancy)** – Represents the portion of entrance fees that will be paid to current residents or their designees upon the occurrence of some future event (e.g., death, withdrawal, termination of the contract).
10. **Obligation To Provide Future Services and Use of Facilities** – Represents the net amount necessary to provide future services to the current residents of the CCRC. This amount should be determined annually. Note: The audited financial statement will usually contain a note relating to this item. If the obligation is less than or equal to zero, then enter 0 for this line, do not leave the entry blank.
11. **Aggregate Write - Ins for Other Liabilities** – Enter the total of the write-ins listed in schedule "Details of Write - Ins" aggregated at Line 11 for Other Liabilities.
13. **Gross Paid In and Contributed Capital** – Should equal the par value per share multiplied by the number of issued shares or in the case of no-par shares, the total value. This would include capital infused into the CCRC by the sponsoring organization or a parent. Do not include loans from the sponsoring organization or a parent.
14. **Board or Donor Restricted Retained Earnings (Deficit)** – Retained earnings, cumulative earnings or deficit from operations, that are restricted as to use by donors or by the Board of Directors.
15. **Unrestricted Retained Earnings (Deficit)** – Retained earnings, cumulative earnings or deficit from operations, other than earnings restricted as to use by donors or by the Board of Directors.
16. **Donated Capital** – Capital donated to nonprofit organizations. Do not include loans. Describe the nature of donations as well as any restrictions on this capital in the Notes to Financial Statements. Do not include capital infused into the CCRC by the sponsoring organization or parent (which is included in item 13).
17. **Aggregate Write - Ins for Other Equity Funds** – Enter the total of the write-ins listed in schedule "Details of Write - Ins" aggregated at Item 17 for Other Equity Funds."

#### **Details of Write - Ins:**

**Aggregated at Line 11 for Other Liabilities** – List separately each category of liabilities for which there is no pre-printed line on Page 4. (See the Foreword section and item 7 of the General section of these instructions for guidance.) This schedule is for other liability items not specifically provided for.

**Aggregated at Line 17 for Other Equity Funds** – List separately each special surplus fund for which there is no pre-printed item on Page 4. (See the Foreword section and item 7 of the General section of these instructions for guidance.)

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## **REPORT #2: STATEMENT OF OPERATIONS**

#### **Purpose:**

This statement and the Net Assets/Deficit account should be completed on the accrual, i.e., earned and incurred basis. Certain items may be either positive or negative, and should be entered accordingly. The various items appearing in the Parts supporting this statement of income must check with the data relating to the same transactions as set forth in the appropriate schedules. The lists of items to be included

in the various lines and supporting Parts are not intended to exclude analogous items which are omitted from the lists.

**Instructions:**

Complete Statement of Operations as detailed below. This material should be presented consistent with the data in the audited financial statement and differences should be explained in the “Notes to Financial Statements” section.

**Lines:**

- 1A **Monthly Maintenance Fees** – Revenue recognized on an accrued basis from individuals for provisions of a specified range of services over a defined period of time, normally one month.
- 1B **Other Revenue from Residents** – Other operating revenue recognized by the CCRC.
- 1C **Revenue from Related Organizations** – Revenue from organizations that have the same management or are in some other way related to the reporting entity.
- 2. **Earned Entrance Fees (net of refunds)** – Portion of revenue recognized by the CCRC for provision of services from the initial entrance fee, net of refunds.
- 3. **Patient Revenues from Nonresidents** – Revenue recognized by the CCRC from residents who do not have a continuing care retirement contract but have used the health services of the CCRC.
- 4. **Interest and Dividend Income** – Interest and dividends earned from all sources of investments.
- 5. **Aggregate Write - Ins for Other Operating Revenue** – Enter the total of the Write - Ins listed in schedule “Details of Write - Ins” aggregated at line 5 for Other Operating revenue.
- 6. **Non-Operating Revenue** – All non-operating revenues that are recognized this period on accrual or non-accrual basis. This excludes realized and unrealized capital gains (losses) which are reported on line 25.
- 8. **Net Change in Obligation for Future Services** – The increase or (decrease) in the obligation for future services that is calculated by determining the change in the obligation for future services in the prior year and the current year.
- 9. **Interest Expense** – Expenses for Bond, Mortgage and other Debt Financing paid and accrued by the CCRC for the reporting period.
- 10. **Facility and Dining Expenses** – Expenses incurred for facility and dining services.
- 11. **Health Expenses** – Expenses incurred for health center services, including any use of offsite health facilities.
- 12. **Administration Expenses (Including \$ \_\_\_\_\_ for Management Fees)** – Costs associated with the general administration of the organization (including salaries, employee benefits, etc.).
- 13. **Depreciation and Amortization Charges** – The amount of depreciation or amortization recognized during the reporting period.
- 14. **Change in Provision for Uncollectable Accounts** – Fees and revenues determined to be uncollectable and written off as losses. Also include recoveries during the year on balances previously written off.
- 15. **Real Estate Taxes/PILOT** – Taxes incurred on properties (including those under construction) for the reported period, including payments under Payment In Lieu Of Taxes programs.
- 16. **NYS Health Facilities Assessment** – Amounts incurred due to the New York State assessment on health facilities.
- 17. **Aggregate Write - Ins for Other Operating Expenses** – Expenses not covered in the previous expense accounts.
- 20. **Federal and State Income Taxes/Other Taxes** – Current year provisions for federal and state income taxes; federal and state income taxes incurred or refunded during the year relating to prior period adjustments as well as any other taxes incurred.
- 21. **Distributions to the Operator** – Amounts distributed to the operator during the reporting year. Revenue is to reflect all monies received by the CCRC and is to be before any distribution to the



operator. Distributions require the approval of the Superintendent of the Department of Financial Services.

23. **Retained Earnings/Net Assets (Deficit) – Beginning of Year** – Enter net profit from operations from previous year less reserves.
25. **Net Realized and Unrealized Capital Gains (Losses)** – Net out the realized and unrealized capital gains against the realized and unrealized capital losses, and report only the net result.
26. **Change in Paid-in and Contributed Capital** – The difference between the par or stated value and the price of shares issued or retired by the CCRC during the period. Also include amounts contributed by the sponsoring organization or parent during the period.
27. **Aggregate Write - Ins for Other Changes in Net Assets** – Enter the total of the Write - Ins listed in schedule “Details of Write - Ins” aggregated at Line 27.
28. **Retained Earnings/Net Assets (Deficit) End of Year** – Enter the amount as of the end of the statement year.

#### **Details of Write - Ins:**

**Aggregated at line 5 for Other Operating Revenue** – List separately each source of revenue not covered in the previous revenue accounts, such as recovery of bad debts.

**Aggregated at line 17 for Other Operating Expenses** – List separately each category of operating expenses for which there is no preprinted line on page 5. This schedule is for operating expenses not provided for.

**Aggregated at line 27 for Other Changes in Net Assets** – List separately each gain and (loss).

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### **REPORT #3: ACTUARIAL BALANCE SHEET**

#### **Purpose:**

These results indicate whether as of the “valuation date” reflected in the last actuarial study the community had an actuarial surplus or an actuarial deficit. Part A summarizes the assets of the community, and Part B the liabilities and net surplus of the community, as prepared using actuarial standards of practice and the requirements of Insurance Regulation 140 (11 NYCRR 350). Part C summarizes the development of the actuarial reserve as of the valuation date.

#### **Instructions:**

Report #3 is to be skipped until the first post-operational (i.e., post occupancy) actuarial study has been prepared for the community.

The values for this report come from the most recently completed actuarial study. Some actuarial studies show an actuarial balance sheet as of the then current valuation date and projected balance sheets for future valuation dates. Complete this report using the data for the then current valuation date reflected in the actuarial study (usually identified on the cover page of the study). For example, a CCRC’s most recent actuarial study was prepared March 2022 with a valuation date of 12/31/2021. This study shows a balance sheet for the then current valuation date of 2021 as well as projected balance sheets for 2022-2030. This report would use the data for the then current valuation date, i.e., the balance sheet as of 12/31/2021 (not the projected balance sheet as of 12/31/2022).

If an actuarial study is subsequently revised, that revised study should be used for succeeding annual statements until the actuarial study is updated. An updated actuarial study must be prepared at least triennially.

Many times an actuarial study will not show the information in as much detail as is being requested. When this is the case, choose an appropriate line in which to enter the total amount, and indicate in the “Notes to Financial Statements” section what other line items are included in that total.

### **Report #3 - Actuarial Balance Sheet, Parts A and B: Assets and Liabilities / Net Surplus**

**Lines:**

Indicate in the spaces at the top of each page (a) the date the actuarial study was prepared, and (b) the then current valuation date for the actuarial study. This is used to identify the specific actuarial study being used as the source to complete Report #3.

The values for Parts A and B come from the actuarial balance sheet page of the most recently completed actuarial study. Use the values corresponding to the actuarial balance sheet as of the then current valuation date of the actuarial study.

Outstanding debt can be reported as a deduction to the assets shown in Part A (use a negative write-in value), or reported in Part B.

Enter a value on line 5 of Part B only if the actuarial study indicates on the balance sheet that a portion of the excess in the retrospective reserve has been released, otherwise leave blank. If a value is entered on line 5 it should be entered as a positive value since such a release reduces the total actuarial liabilities normally calculated. Such a release can only be done under certain circumstances and only with the approval of the Superintendent of the Department of Financial Services.

### **Report #3 - Actuarial Balance Sheet, Part C: Actuarial Reserves**

**Lines:**

Indicate in the spaces at the top of the page (a) the date the actuarial study was prepared, and (b) the then current valuation date for the actuarial study.

The values for Part C come from the page(s) in the actuarial study that show the development of the actuarial reserve used as of the then current valuation date. This development is usually shown on the actuarial balance sheet.

The actuarial study may show a preliminary prospective reserve amount, an adjustment, and then a final prospective reserve equal to the sum, or just a total prospective reserve amount. The amount entered on line 3 must agree with the final prospective reserve used in the actuarial study.

Line 6 is the final actuarial reserve amount used on the actuarial balance sheet. It equals the greater of (a) the final prospective reserve, (b) the retrospective reserve, and (c) the minimum liquid reserve.

The Actuarial Reserve amount on Report #3, Part B, Line 2, is to match the amount shown on Report #3, Part C, Line 6.

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### **REPORT #4: COMPARISON OF ACTUAL VALUES TO PROJECTED VALUES FROM THE LATEST ACTUARIAL STUDY**

**Purpose:**

This report compares certain actual occupancy, revenue and operating expense values for the current fiscal year to the prior fiscal year. This report also compares the actual values for the current fiscal year to the corresponding values that were projected in the most recently completed actuarial study for the current fiscal year.

**Instructions:**

Report #4 should be completed only if occupancy of the independent living units of the community had begun as of the beginning of the most recent fiscal year being reported on in the annual statement. Report #4 should be skipped if no independent living unit had yet to be occupied by the beginning of the most recent fiscal year being reported on in the annual statement.

Data should be entered in Column 2, Actual Value Prior Fiscal Year, only if occupancy of the independent living units of the community had begun as of the beginning of that fiscal year. Leave column 2 blank if no independent living unit had yet been occupied as of the beginning of that fiscal year.

The actuarial values for Column 3 of this report come from the most recently completed actuarial study. Column 3 is to be left blank until the first post-operational (i.e., post occupancy) actuarial study has been prepared. If the actuarial study is subsequently revised, that revised actuarial study should be used for succeeding annual statements until the actuarial study is updated. An updated actuarial study must be prepared at least triennially.

**Lines:**

Indicate in the spaces at the top of the page (a) the date the actuarial study was prepared, and (b) the then current valuation date for the actuarial study. This is used to identify the specific actuarial study being used as the source to complete Report #4.

The values for Column 3 would come from (a) the population projections in the actuarial study, and (b) the projected revenues and expenses on the cash flow page of the actuarial study. Be sure to use the values corresponding to the projection year that is the same as the current fiscal year being reported on in this annual statement.

When the actuarial study has just been updated, the first projection year shown on the cash flow page is usually not for the fiscal year just ended, but for the forthcoming fiscal year. Leave Column 3 blank when the first projection year on the cash flow page of the actuarial study is later than the current fiscal year being reported on in the annual statement. Still indicate at the top of the page the actuarial study preparation date and valuation date.

The actual average occupancy values should be calculated as the average of the occupancy numbers at the beginning and end of the fiscal year. This method may also be used for the projected values if the actuarial report only shows projected occupancy as of the beginning (or end) of each fiscal year.

Line 1 for all columns should include residents that are temporarily in a care unit. Lines 3 and 5 should exclude residents that are temporarily in a care unit.

The actual entrance fee amounts, net of refunds, shown on line 10, columns 1 and 2, should be on a cash basis – not on the GAAP earned basis. This should be the actual cash amounts received from entrance fees for the period, less the actual cash entrance fee refunds paid during that same period. This is the basis used in the actuarial study.

The regular monthly fee that a resident with a continuing care retirement contract continues to pay during benefit days after permanently transferring to a health care unit should be included in line 12, or lines 13 or 14 as appropriate. The community should use a consistent approach from year to year in reporting the actual values.

The actual values for lines 13 and 14 include per diem payments on residents with Type B contracts, as well as payments from direct admission private pay residents (residents who do not have a continuing care retirement contract).

The actual values for line 15 should include ancillary income generated from additional services provided by the community (e.g., additional meals or guest meals).

Amounts received by the CCRC from Medicare, Medicaid or other third party payer can be reported on lines 13, 14 or 15 as appropriate. The community should report these amounts consistently for each column and from year to year.

The operating expenses shown on line 21 should reflect the general operating expenses of the community but should exclude all of the following: depreciation charges, amortization charges, debt interest payments, debt principal payments, capital expenditures, and any other cost that is capitalized.

All ratios (lines 9, 17-20, 26-29) should be shown to three (3) decimal places.

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## INSTRUCTIONS FOR SUPPORTING SCHEDULES

**Schedule A - Cash and Short-Term Investments** – Short-term investments are investments which at time of acquisition have one year or less remaining to maturity. List Accounts corresponding to Line 1 of Report #1, Part A: Balance Sheet Assets.

Show detailed information on type of investment and the valuations. Instead of showing the details by holding in this Schedule, a CCRC can indicate only the various category column totals (cash on hand, bank accounts, bank CDs, short term investments, total), provided that a detailed listing of the holdings applicable to Schedule A is included as a separate attachment to the annual statement and the attachment shows for each holding the maturity date, actual cost, book value, market value, and unrealized gains/losses.

**Schedule B - Part 1 and Part 2 - Long Term Investments** – Long-term investments are investments which at time of acquisition have more than one year remaining to maturity or have no maturity. List all stocks, bank CDs, bonds owned at the end of the fiscal year. Report information on long-term assets with one year or less remaining to maturity as of the statement date in Part 1, and information on long-term assets with more than one year remaining to maturity as of the statement date (or with no maturity) in Part 2. All stock investments are to be reported on Part 2.

Instead of showing the details by holding in Schedule B Part 1, a CCRC can indicate only the various category column totals (bank CDs, publicly traded notes and bonds, other, total), provided that a detailed listing of the holdings applicable to Schedule B Part 1 is included as a separate attachment to the annual statement and the attachment shows for each holding the maturity date, actual cost, market value, book value, and the unrealized gains/losses.

Instead of showing the details by holding in Schedule B Part 2, a CCRC can indicate only the various category column totals (common stocks, preferred stocks, bank CDs, publicly traded notes and bonds, other, total), provided that a detailed listing of the holdings applicable to Schedule B Part 2 is included as a separate attachment to the annual statement and the attachment shows for each holding the maturity date, actual cost, market value, book value, and the unrealized gains/losses.

**Schedule B - Part 3 - Investments Disposed of During the Year** – List investments sold during the reporting period and the resulting gain/loss on the sales. Short-term investments and securities that matured during the reporting year need not be listed.

Instead of showing the details by holding in Schedule B Part 3, a CCRC can indicate only the various category column totals (common stocks, preferred stocks, publicly traded notes and bonds, other investments, total), provided that a detailed listing of the holdings applicable to Schedule B Part 3 is included as a separate attachment to the annual statement and the attachment shows for each security disposed of during the reporting year the par value/number of shares, actual cost, disposal date, consideration, book value at disposal date, and realized capital gain/loss.

**Schedule C: Property and Equipment** – Includes land, buildings, permanent improvements, furniture, fixtures and equipment, and includes real estate owned under contract of sale. The purpose of this schedule is to report individually each property owned, classified into categories that separately identify properties:

- Occupied by the CCRC.
- Construction in progress.

**Schedule D - Part 1 – Minimum Liquid Reserve Requirement** – Schedule D (parts 1, 2 and 3) is to be completed only after the CCRC has commenced operations (i.e., after occupancy has begun) and after the amounts in escrow have been released to the operator pursuant to section 4610 of the Public Health Law. Fill in the line amounts as indicated. Interest and principal payments on the long term debt becoming due within the next 12 months must be reported in Section A. Section A-Line 5 and Section B-Line 7 are each required to be greater than or equal to zero; if less than zero, the CCRC is required to immediately notify the Department of Financial Services of the deficiency and submit a plan of correction per Insurance Regulation 140 (11 NYCRR 350), section 350.6(a)(4).

**Schedule D - Part 2 and Part 3 — Assets Used to Support the Minimum Liquid Requirement** — List all securities in each investment category as appropriate (with complete information) and populate the applicable columns. If the security is held in a “trustee held” account, indicate “yes” in column 1 and under the description column indicate the type of trustee account (e.g., debt service reserve, operating fund, etc.). If the security is not held in a “trustee held” account indicate “no” in column 1. Where applicable, indicate the investment grade of the security in column 2. An asset that is listed on Part 2 cannot be used on Part 3, and an asset listed on Part 3 cannot be used on Part 2.

**Overflow Page for Write - Ins** – This is included in the Blank workbook after Schedule D, Part 3. Edit the worksheet as necessary to indicate for each write-in section the additional write-in lines as discussed in the Foreword section and item 7 of the General section of these Instructions. Indicate the corresponding report number and indicate the proper line numbers for the write-ins.

**General Interrogatories** – Respond to each question; do not leave a question blank. If a particular interrogatory is not applicable, then indicate “none”, 0, NA or “not applicable” in the space provided. To yes/no questions respond with “yes” or “no”. A checkmark is not a valid answer to an interrogatory. If more space for the response is needed than provided, include the response as a separate attachment and indicate at the top of the attachment “Response to Interrogatory # \_\_\_\_\_”.

**Notes to Financial Statements** – Provide explanatory information to financial statements as discussed in item 15 of the General section of these Instructions.

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## CERTIFICATE OF COMPLIANCE

### **Purpose:**

The Certificate of Compliance relates to compliance with Insurance Regulation 140, Part 350.6(a)(1) and (2) (debt and operating reserves) at each quarterly testing date and is to be signed by the chief executive officer and chief financial officer and notarized.

### **Instructions:**

The Certificate of Compliance of all filed statements, including reproduced copies, must be manually signed by the appropriate corporate officers and be properly notarized. Each CCRC is required to submit a paper version of the Certificate of Compliance with ORIGINAL signatures of the officers and notary (not a copy of the signatures) to the Department of Financial Services and to the Department of Health. The paper version is required even if the CCRC submits an electronic version of the Certificate of Compliance. One Certificate of Compliance with original signatures must be submitted to the Department of Financial Services.

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The material to be submitted includes: the jurat (pages 1 & 2), the statement blank, the interrogatories, the Certificate of Compliance, the audited financial statement, and any other attachments or documentation required.

The Department of Financial Services and Department of Health recommend that the material be submitted electronically instead of by paper. (A paper version of page 1 of the Jurat and the Certificate of Compliance must be submitted with original signatures of the officers and notary to both of the mailing addresses indicated below.)

Files other than the Jurat, Blank, Certificate of Compliance, and Interrogatories should be in pdf, docx, xlsx, or tif format. A CCRC should check with the Department of Financial Services before using any other file format. The Department of Financial Services uses the Microsoft 365 Apps for Enterprise edition of Microsoft Excel and Word and any docx or xlsx attachments must be compatible with this edition. Any file included as a zipped file should be a self-extracting zipped file.

Prior to transmittal of an electronic version of the Blank workbook, or any other workbook, the CCRC should make sure that all references in the workbook to an external source have been removed and that there are no circular references.

Material submitted electronically is to be scanned for viruses before being submitted.

Material submitted by email is to be sent to the addresses below:

Department of Health:	"Michael Heeran" <a href="mailto:Michael.Heeran@health.ny.gov">Michael.Heeran@health.ny.gov</a>
Department of Financial Services:	"Warren Youngs" <a href="mailto:Warren.Youngs@dfs.ny.gov">Warren.Youngs@dfs.ny.gov</a>
Department of Financial Services:	"Mark Brandes" <a href="mailto:Mark.Brandes@dfs.ny.gov">Mark.Brandes@dfs.ny.gov</a>
Department of Financial Services:	"Andre Blackman" <a href="mailto:Andre.Blackman@dfs.ny.gov">Andre.Blackman@dfs.ny.gov</a>

Material submitted via paper, including page 1 of the Jurat and the Certificate of Compliance with original signatures, is to be submitted as follows:

Submit **one copy** to the:

New York State Department of Health  
Attn: Michael Heeran, CCRC Program Director  
Room 1811, Corning Tower ESP  
Albany, New York 12237

**And two copies** to the:

New York State Department of Financial Services  
Health Bureau, 11<sup>th</sup> Floor  
Attention: Warren Youngs, Supervising Examiner  
One State Street  
New York, New York 10004-1511

The Department of Financial Services must receive one Jurat and one Certificate of Compliance with original signatures.