Our Mission

Peconic Landing strives to be one of the preeminent continuing care communities in the United States. We are achieving our goals by operating in partnership with residents, our Board of Trustees, management and staff.

Peconic Landing is a not-for-profit organization as described in Section 501(c)(3) of the IRS code.

Our Community

Since 2002 Peconic Landing has remained committed to its vision of being the community of choice for retirees age 62 and older.

The location on the North Fork of Long Island with easy access to the Hamptons, Connecticut and New York City is both convenient and idyllic. The 144 acre woodland campus offers breathtaking views overlooking Long Island Sound, a golf course to the east and a vineyard to the west. The community, nestled on woodlands and bluffs, encompasses 109 spacious cottages and 141 well-appointed apartments. The Shores, Peconic Landing’s Enriched Living and Skilled Nursing centers, provides members nursing and rehabilitative care when needed.

Peconic Landing is the first and only equity based life care community in New York State. Members enter into a co-operative agreement, which provides all the advantages of home ownership without any of the burden. In addition a life care agreement provides members with the peace of mind that comes from lifetime access to long term care at no additional cost.

The community is active and dynamic with opportunities for members to pursue their interests and passions to the fullest. The resident-managed Life Time Learning Council, affiliated with the Elderhostel Institute Network, has received national recognition. Simulcasted performances in the community auditorium from the New York Metropolitan Opera, the Bolshoi Ballet of Moscow, Royal Ballet of London and 92nd Street Y have turned the community into a culture and arts hub on the North Fork. Innovative health and fitness programs have earned high marks from both members and the community at large.

In 2008 Peconic Landing was the first community on Long Island to have earned a five-year Continuing Care Retirement Community Accreditation. Less than 15% of all continuing care communities in America have achieved this distinction. The accreditation assures members of management’s commitment to excellence and an adherence to the highest standards and practices in the industry.
The message from Robert J. Syron, our able President and CEO chronicles Peconic Landing’s principal accomplishments and recognitions during 2011. My letter focuses on the four “C”s of our core values: our Culture, our Commitments, our Community and our Care.

**Our Culture** – First and foremost, Peconic Landing is and always will be a family of residents, staff, management and trustees who work together for our collective satisfaction and benefit. In 2011 we continued to earn high praise for resident satisfaction. We maintained a 96% occupancy rate in independent living and our 100+ waiting list for residences attests to the attraction our community holds for retirees in our region and the word-of-mouth recommendations of our residents to their friends.

**Our Commitments** – We are committed to providing services and amenities, programs and staff to enrich the lives of our residents. This commitment encompasses our rich cultural arts programs, our 30+ resident clubs and activities, our enhanced transportation services and our continuing focus on high quality fine dining services, state of the art buildings and beautiful grounds.

We strengthened our commitment to employees by building (with a generous resident donation) a new employee break room and we expanded our employee wellness program.

We are committed to fiscal responsibility and for the sixth straight year Peconic Landing increased our cash reserves. By virtue of strong liquidity and debt coverage ratios we maintained our Fitch investment grade rating on the bonds used for debt refinancing.

**Our Community** – We are blessed to be located in the charming Village of Greenport and the beautiful Town of Southold. Residents benefit from support from numerous community organizations, including Eastern Long Island Hospital, local fire departments and emergency response providers. We give back to the community with generous donations of time, talent and funds by our Trustees, residents, management and staff. In one noteworthy and satisfying give-back initiative, Peconic Landing coordinated contributions from local wedding service providers and hosted a cost-free wedding reception for an active-service military couple at our beautifully restored Brecknock Hall. Brecknock Hall also hosted events for community groups, promoting the arts, historical values and maritime interests.

**Our Care** – We realize that we will be able to better serve today’s and tomorrow’s seniors’ needs by providing a range of health care services that will enable them to maintain their independence as long as possible and to receive care appropriate to their needs. Therefore we are expanding our services to include home health care, wellness and fitness programs, short term rehab and memory care.

Planning for the future –We have embarked on future planning initiatives designed to understand and meet the evolving needs and aspirations of our current residents, referred to as The Greatest Generation, and to address the needs and aspirations of future generations of retirees, often referred to as The Silent Generation and The Baby Boomers.

Our planning is based on reinforcing our core values: Culture, Community, Commitments and Care and on applying those values to the evolving life-style and security aspirations of our current and future residents. We are accomplishing our goals by being both builders and maintainers. We are proud that in 2011 we were able to continue building for the future while maintaining the highest level of services to our residents.
Message from Robert J. Syron

CEO & President

2011 was another outstanding year for Peconic Landing! Guided by our mission statement, we worked in concert with our Board of Trustees, Cooperative Board, Leadership Team, residents and staff to achieve great success and exceed our goals.

Peconic Landing again achieved state and national recognition. *U.S. News and World Report* ranked the Shores at Peconic Landing in the top 10% of nursing homes in the country. *Best Companies* ranked Peconic Landing the 14th best company to work for in New York State out of hundreds of businesses in the state. And CARF-CCAC reaffirmed Peconic Landing’s commitment to quality care and service to our residents by renewing our accreditation.

Affirming our commitment to being a good neighbor, Peconic Landing hosted our sixth annual *May Mile and 5K Race* raising $22,750 for the Greenport Fire Department. Brecknock Hall, which hosts a variety of joint events with other not-for-profit organizations, gathered over a dozen local merchants to join Peconic Landing in hosting the first *Veterans Wedding Giveback*, which was awarded to a young couple, both of whom served their country overseas in the armed forces.

Peconic Landing’s financial soundness continues to be strong. We maintained an impressive Fitch rating, received a perfect audit of our financial records by an independent auditing firm, exceeded budget expectations and increased our cash reserves.

As Peconic Landing continues to evolve, we have taken several strategic steps toward planning for the future. We submitted an application to the New York State Department of Health to offer home health services, introduced a new type of retirement community contract (Type C) to offer seniors greater options and entered into agreements with established, respected companies for the development and construction of Peconic Landing’s major expansion project expected to begin in 2013.

As always, our commitment is to serve our residents to the very best of our ability. We truly value our residents and with our dedicated team of employees, we are dedicated to reaching the goals so essential to success.

Robert J. Syron
President and CEO
A Commitment to Excellence

The national standards for quality that earned Peconic Landing the distinctive five-year accreditation from both the Continuing Care Accreditation Commission (CCAC) and Person Centered Care in 2008 continued to serve as a foundation for our success in 2011.

Accreditation means Peconic Landing conforms to proven business practices, employee training, information management and continuous quality improvement planning. Each year, we must submit an Annual Conformance to Quality Report to prove adherence to the standards and to maintain accreditation. In 2011 we earned CCAC re-certification.

Peconic Landing has a collective commitment to excellence and we will continue to set the highest standards and transform our goals into successful achievements.

2011 Accomplishments

Accolades

- Ranked as the 14th Best Company to work for in New York State (Small and Medium Business Category)

- US News and World Report ranked the Shores at Peconic Landing in the top 10% of nursing homes in the country

- The Shores was awarded a Five-Star Nursing Home Medicare rating

- The Shores received a perfect nursing home survey under the new Quality Indicator Survey Protocol

- The Shores’ Enriched Living program received a perfect survey by the New York Health Department

- Darryl Volinski, Director of Environmental Services, received the distinction of Greenport EMT of the year

Financial Accomplishments

- Re-affirmed Fitch Rating – BBB

- Produced a perfect independent financial audit

- Exceeded budget expectations

- Achieved over 95% occupancy

- Employee Appreciation Fund largest to date
Strategic Accomplishments

• Earned Continuing Care Accreditation re-certification
• Received approval for Home Care licensure
• Received approval for type C (fee for service) contract
• Contracted with national dining services company
• Contracted with national marketing company
• Engaged developer for Peconic Landing’s planned expansion

Community Initiatives

• May Mile fund raising event resulted in a $22,750 donation, the largest to date, to the Greenport Fire Department
• Hosted the North Fork’s 2nd outdoor juried sculpture show
• Hosted first Brecknock Hall Distinguished Lecture Series
• Hosted Veterans Wedding Giveback
Board of Trustees

It is the responsibility of the 12-member Board of Trustees to ensure the fiduciary integrity of Peconic Landing and the performance of services outlined in the Care and Subscription Agreements, which constitute the contract between Peconic Landing and members of the Cooperative Board.

The members of the Board of Trustees in 2011 include:

**John M. May** (Chairman)
Management Consultant; former President of William E. Hill & Co.; former director of several NYSE companies

**Paul J. Connor, III** (Vice Chairman)
President and CEO, Eastern Long Island Hospital in Greenport, New York

**Thomas Doolan** (Secretary)
President of TBD Associates; former President and CEO of Southampton Hospital and Eastern Long Island Hospital

**Luke Babcock**
Analyst and Manager, Saybrook Capital; former Vice President of Private Client Services at Donaldson, Lufkin & Jenrette

**Rosamond Phelps Baiz**
President of The Old Field Vineyards in Southold, New York

**Gregory Ferraris**
Certified Public Accountant, Banducci, Katz & Ferraris in Sag Harbor, New York

**Robert Goldman**
Capital Cities / ABC; formerly with American Broadcasting Companies, Inc.

**Alice Hussie**
Real estate broker; former Southold Town Councilwoman, 1991-1999

**The Reverend Peter Larsen**
Rector, St. John’s Episcopal Church in Southampton, New York

**Thomas J. McCarthy**
President, Thomas J. McCarthy Real Estate, Inc.

**Sandra K. Novick**
Senior Vice President, Director of Marketing Suffolk County National Bank

**Edward Wellington Webb II**
Retired Senior Vice President, American Heart Association

**Emeritus Members**
Jerry Callis, DVM
Edgar Goodale
Lisa Israel
William G. Thompson
Raymond G. Wesnofske
The Cooperative Board

Through its unique equity program, Peconic Landing residents are granted membership in the Housing Association, a cooperative corporation. The Housing Association Cooperative Board has 7 members – 4 appointed and 3 elected by residents of the community at the annual meeting of all cooperative members held each March. In 2011 the resident members of the Peconic Landing Housing Association Cooperative Board were Peter Ewald, Harold Hansen and Dorothy Lucek.

Regulatory Oversight

As a lifecare community providing long-term care, Peconic Landing is subject to all the laws and regulations set forth by the New York State Department of Health in association with the New York State Continuing Care Retirement Community Council. The cooperative ownership aspect of the community is governed through the New York State Attorney General’s Office while the insurance component of the lifecare contract is overseen by the New York Department of Financial Services, which approves all monthly service fees and purchase prices.
A Message from Steven G. Carroll, Chief Financial Officer

The audited statements for the year ended December 31, 2011 and 2010 were prepared by the certified public accounting firm of Horan, Martello, Morrone, P.C. of Hauppauge, New York.

Peconic Landing continues to be a leader in the industry due to our strong occupancy, talented staff and active board members. Being one of the best employers in New York has resulted in low employee turnover which has favorably impacted employee training and related costs.

In late 2011 Peconic Landing’s investment grade rating was affirmed by the Fitch rating agency. At a time when many organizations are being downgraded, Peconic Landing by virtue of strong liquidity and debt coverage ratios has maintained it’s BBB-rating with a stable outlook. This is exceptional for a single site equity model life-care community.

Peconic Landing completed a debt re-structuring by issuing bonds in December 2010 in the amount of $29,575,000 and retiring the bonds issued in 2000. The fixed long bond rate of 6% in the 2010 issue replaced the previous fixed rate of 8%. The current year’s financial results reflect the significant interest expense savings from the debt restructuring in the amount of $620,211.

Despite continued real estate valuation issues around the country, Peconic Landing’s independent resident occupancy remained above the national average and as of this printing was 96.4%. Two separately conducted independent studies reflect that there is a demand for nearly 1,600 nursing home beds on the East End of Long Island, as well as 26,000 income and age qualified potential seniors for the independent residences. These demographics support the premise of future demand.

Cash Overview

Cash reserves for operations decreased by $694,356 in 2011. The decrease was the result of late year refunds paid to members to purchase their share certificates as required by public health law. In the 1st quarter of 2012 three share certificates were sold and cash reserves were increased by $2.3 million. The internally and externally (CCRC Actuaries) prepared ten year cash flow projections reflect annual positive cash flows. Cash flow is particularly enhanced after 2013 when the fees from Peconic Landing’s current contract are actuarially computed to be realized. The most current contract includes 10% remarketing fees and a renewal and replacement fee of $15,000. The Liquidity Ratio at December 31, 2011 reflected 387 days of cash available as reported to the bondholders. The bond covenant requirement for liquidity is 175 days.

Another indicator of the current ratio at year end (current assets divided by current liabilities) was 3.4, which is enviable in any industry and certainly in these economic times.
Revenue Overview

In 2011, revenues exceeded the prior year by nearly 4%. Greater returns on investments, increased government reimbursement in the health center, and enhanced rental revenues accounted for most of the non-member revenue compared to 2010. Remarketing fees and other revenue sources exceeded 2010 revenue by $158,926.

<table>
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<tr>
<th>Revenues, gains and other support:</th>
<th>2011</th>
<th>2010</th>
<th>2009</th>
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<tbody>
<tr>
<td>Resident Service Revenue - Independent</td>
<td>$14,147,938</td>
<td>$13,871,804</td>
<td>$13,295,838</td>
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<td>Resident Service Revenue - Enriched Living</td>
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<td>1,033,343</td>
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<td>Resident Service Revenue - Skilled nursing</td>
<td>2,766,990</td>
<td>2,692,863</td>
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<td>Amortization of Health Care Fees</td>
<td>1,251,141</td>
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<td>Other Income</td>
<td>1,234,367</td>
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<td>Interest Income</td>
<td>826,608</td>
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<td>Total Revenues, Gains, and Other Support</td>
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<td>Net Assets Released from Restriction</td>
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<td>413,471</td>
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<td>Total Revenues, Gains and Other Support</td>
<td>$21,675,982</td>
<td>$20,854,662</td>
<td>$21,302,199</td>
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Operating Expense Overview

Minimizing resident service fees is the paramount goal in the budgeting process. I am pleased to report that Peconic Landing performed better than budget for the sixth straight year. Salaries and benefits are the largest component of expenses and containing those costs is critical. The national benchmark as reported by CARF-CCAC in their latest Continuing Care Retirement Communities Operational Benchmark Report reflects that Peconic Landing’s ratio of staff to residents is less than the national average, thus supporting management’s quality versus quantity staffing philosophy.
Community Connection: A Social Accountability Program

As a business, Peconic Landing continues to be an economic mainstay in Southold Town. In 2011 we employed 225 people and we spent an estimated $2 million with local businesses. We made a not-for-profit contribution in lieu of taxes in excess of $1.4 million with nearly $900,000 allocated for school taxes.

Our members, board of trustees and employees have established a culture founded on being good neighbors and give generously of their time, talent and financial resources to support a myriad of local causes. We are committed to making a difference in the lives of others, effect change, and create positive, sustainable outcomes both on campus and in the community at-large.

Community Commitment Program

Through Community Connection we are building on our strong foundation of being a good neighbor to establish Peconic Landing as an invaluable resource to all segments of the community.

Community Connection focuses on building partnerships in the areas of education, arts and culture, business, healthcare, community enrichment, and charitable giving. In 2011, Community Connection hosted 117 programs and served 7,341 community individuals.

A hallmark of our education partnership is our annual Trailblazers and Pathfinders event, where small groups of students meet with residents retired from careers which are of specific interest to the students. Our Job Shadowing and Mentor programs provide hands-on work experience in our industry, as students spend time on site with members of the leadership staff to learn about job functions and witness how an organization operates. The School/Education partnership also encompasses intergenerational endeavors, such as our resident art committee and local elementary school partnering for an art exhibit annually. In 2011, we combined resources with the Chamber of Commerce to offer three scholarships to area high school students, while our Lifetime Learning Council sponsored its annual Dictionary Program, providing third graders in all area elementary schools free dictionaries.

Through Community Connection, our organization has hosted, participated in, or organized a variety of events open to the public, such as jazz and classical concerts, dramatic plays, lectures, and juried sculpture shows. However, our showcase cultural program is the routine simulcasting of events direct from world famous ballet companies such as the Bolshoi Ballet of Moscow and the Royal Ballet of London, and from New York City’s 92nd Street Y.
A series of fitness and life enrichment classes are routinely offered and encompass a wide variety of areas, such as social media and time management workshops, college financial aid, jewelry making, photography and much more. The fitness classes include aerobic workouts, yoga and time with a personal trainer.

The *Peconic Landing 5K & May Mile*, an annual multi-generational fitness event to celebrate Older Americans Month, has grown into a prominent community event. This year over 600 community members participated in the celebration. Since its inception in 2005 we have raised over $100,000 to benefit the Greenport Fire Department whose members provide valuable services to Peconic Landing throughout the year.

**Charitable Giving**

Charitable giving spans our entire organization. In addition to Peconic Landing’s monetary donations in excess of $45,000 to a wide variety of organizations, *Community Connection* promotes the giving of a most valuable asset: one’s time. Many of our staff and all our management team are personally involved with not-for-profit organizations. We host fundraisers for local charities; sponsor toy, clothing and food drives; provide meeting space for local not for profit organizations at no charge, and have supported a local food pantry with food donations on a weekly basis.

**Making a Difference**

Many organizations benefit from the efforts of our trustees, management and staff as well as Peconic Landing’s Charitable Giving Program, including: American Heart Association, American Cancer Society, Relay for Life, Boy Scouts of America, Community Action Southold Town (CAST), Cutchogue Lions Club, Diabetes Research Institute, East End Arts Council, Families with Children from China Chinese Language and Heritage Program, Eastern Long Island Hospital Volunteers, Girl Scouts of America, Greenport Fire Department/Rescue Squad, Greenport Little League and Girls Softball, Greenport Recreation Center, Maureen’s Haven, Nassau/Suffolk Services for Autism, North Fork Audubon, North Fork Captains Association, North Fork Chamber of Commerce, North Fork Community Theater, North Fork Counseling Services, Red Cross, Shelter-in-Place Program, Renewable Energy Committee for Greenport Village, Southold-Greenport Rotary, Sag Harbor Volunteer Fire Department, Southold Historical Society, Southold Hurricane & Emergency Preparedness, Southold Project in Aquaculture Training, School Advisory Boards/PTAs, Southold Music Booster Club, SAVES (Spay Alter Vaccinate Every Stray), St. Agnes Church and St. Patrick’s Youth Group Council.
Brecknock Hall

Under the continued stewardship of Peconic Landing and the Brecknock Hall Foundation, this historic mansion dating back to 1857 has evolved into a sought after location for celebrations and community events.

The romantic and elegant ambiance of Brecknock Hall was on display at a bridal showcase sponsored by WellWed Magazine as well as multiple features in Brides Magazine, bringing national attention to Brecknock. A Veteran’s Wedding Giveback – a joint effort among Peconic Landing and local sponsors – offered a complete free wedding to a young couple serving in the armed forces. The event received considerable media attention, including television spots on NBC New York.

In all 16 weddings and numerous community benefits, receptions and retreats were hosted during 2011.

A myriad of classes, lectures and performances took place in partnerships with East End Arts, Northeast Stage and other non-for profit organizations. The North Fork welcomed the second annual sculpture exhibit on the grounds of Brecknock to considerable accolades. Art and science shows in collaboration with the local schools were all positively received by the general public, demonstrating use of the building as a true resource to the entire North Fork.

Community Fund of Peconic Landing

Peconic Landing members are invited to share and join in our mission through contributions to a Community Fund, which supports improvements to overall quality of life and services.

This giving program offers several different gifting options, including charitable gift annuities, lifetime trusts, bequests and matching gifts. The Community Fund serves as a vital way for residents to invest in the future of the community as well as provide enhancements for the present.

In 2011 over $500,000 was gifted to the Community Fund, including contributions for the Capital Fund for future expansion.

A committee of 12 members directs the fund through fund-raising. The committee also considers requests from residents and management for disbursements from the fund and makes recommendations to the Board of Trustees for approval.