Our Mission
Peconic Landing strives to be a preeminent senior services provider. Guided by our core values and philosophy of innovation, we are committed to work in partnership with all to achieve our vision.

Our Vision
To provide opportunities for all seniors to realize a sense of purpose, peace of mind and security.

Peconic Landing is a not-for-profit organization as described in Section 501(c)(3) of the IRS code and is a fully accredited continuing care retirement community by CARF/CCAC International.
Our Community

Peconic Landing’s 144-acre campus boasts beautiful views of the Long Island Sound, bordered by a golf course to the east and a vineyard to the west. Located on the North Fork of Long Island, our community is uniquely situated to provide easy access to the Hamptons, Connecticut and New York City.

As the first and only equity-based Lifecare retirement community in New York State, the community differs significantly from the traditional entrance-fee model. Peconic Landing offers a cooperative agreement, giving members the advantages of home ownership without the burden of upkeep and maintenance. In addition, a Lifecare agreement provides members with the peace of mind that comes from lifetime access to long-term care at no additional cost.

Peconic Landing maintains a vision of being the community of choice for individuals age 62 and better. We provide and encourage our members to enjoy a dynamic lifestyle, presenting ample opportunity for members to pursue their interests and passions to the fullest. Members immerse themselves in a great variety of artistic, educational, cultural, recreational and healthful programs designed to inspire and engage.

Our community continues to demonstrate a commitment to excellence and adherence to the highest standards and practices in the industry. We are the only Continuing Care Retirement Community (CCRC) on Long Island to have earned accreditation by CARF-CCAC, the independent accrediting body for retirement communities. The Shores, Peconic Landing’s nursing care center, has been ranked as one of the country’s Best Nursing Homes by U.S. News & World Report for a fifth consecutive year. Based on our community’s continued high level of occupancy and strong financial performance, Peconic Landing continues to maintain a stable BBB- Fitch investment grade rating.
Over the past twelve years, Peconic Landing has positioned itself as a preeminent Continuing Care Retirement Community by focusing our services and programs on the following goals:

- Helping seniors to live longer
- Helping seniors to live better
- Helping seniors to feel a sense of security

2014 was a year that saw:

- A continuation of accomplishments aimed at making those goals achievable for our current members
- Breaking ground on a major expansion to extend our mission and enhance Peconic Landing for a new generation of seniors
- Accelerated planning of strategic initiatives to position Peconic Landing well for its long-term future

Peconic Landing has continued to experience extremely high resident satisfaction and a high level of staff retention and commitment. Opportunities for our members to enjoy the lifestyle and security of Peconic Landing and for our employees to grow and achieve make Peconic Landing a desirable place to live and work. These attributes also define Peconic Landing’s culture as a family of residents, staff, management and trustees all working together to achieve ambitious goals.

We strengthened our fiscal condition, we continued to be a good neighbor in our community and were again honored and recognized for national and industry leadership in many areas. We expanded our services to include home health care; we instituted an EMT training program for our staff members and enhanced our fitness, wellness and cultural programs. We also strengthened our Board of Trustees. These accomplishments earned us continued recognition as a preeminent Continuing Care Retirement Community.

**Looking to the Future: Peconic Landing’s Expansion**

While we are proud to have reached the goals that we had set, we recognize that to continue our mission, we will need to expand and innovate to serve the changing needs of seniors.

So, in 2014 we completed planning, received regulatory approval and arranged financing to break ground on a $44 million expansion project to position Peconic Landing to adapt and remain fresh and vibrant.
The expansion will add 46 new independent living apartments, 16 skilled nursing suites, a new state-of-the-art 16 suite memory care neighborhood along with other infrastructure improvements. Our pre-construction marketing efforts have generated sales of all of the new apartments. Construction will be completed in 2016, with planned occupancy of the new residences in May of the same year.

The new apartments will satisfy a need evidenced by our current waiting list. The additional nursing suites will allow us more capacity to meet the needs of our members and the greater community. The nursing additions will include much needed short-term rehabilitation service capability and a memory care unit to accommodate members who require a unique set of services. Together with our expanded home health care services, we will continue to meet the evolving needs of seniors.

**Additions to our Board of Trustees**

In 2014, we elected three distinguished individuals from Long Island’s East End to fill vacancies on our Board of Trustees. Their participation will bring new capabilities to our Board and bring its membership to its full complement. We welcome Rebecca Chapman, Carol Hance and Donald Russo as new Peconic Landing Trustees.

As we acknowledge our past and current accomplishments and plan for the future, we salute the participation of our members, the skill of our management team, the dedication of our staff, the guidance of our trustees, and the support of our community.
After more than seven years of planning, designing and development, Peconic Landing has transformed its organizational blueprint into a reality this year. 2014 culminated in breaking ground on a $44 million expansion, representing the community’s first new construction since opening in 2002.

When completed, the project will add 16 skilled nursing rehabilitation suites for a total of 60, add 16 assisted living specialized Memory Care suites to our health center, expand the number of our residential apartments by 46, construct a new art studio, fitness center, smart classroom and enhance existing spaces for lifestyle amenities.

Setting the stage for construction involved several levels of regulatory approval, financing commitments and pre-sale requirements – all of which were achieved during 2014. New York State completed a comprehensive review of Peconic Landing’s planned growth in programs and services as well as the physical building. Financing involved initiating a $19.5 million bond issuance and securing a bank commitment to finance construction of the residential component of the expansion. Citizens Bank was selected to finance $16.5 million needed for this project and will be repaid by the sales of the residential apartments.

Pre-sales of the new residential apartments exceeded expectations in 2014. Working from a priority list of prospective members, Peconic Landing initiated an intensive marketing effort which resulted in nearly 40 contracts for the 46 new units under construction. These individuals who plan on making Peconic Landing their new home in 2016 represent the consistent demand for our community.

In August, we hosted a successful groundbreaking ceremony. Current and future members celebrated this new chapter of Peconic Landing, along with local dignitaries, staff and a host of others who have played a role in our community’s success. Crews were finally able to turn the ignitions of bulldozers and mechanical shovels in earnest in October. With construction well underway, Peconic Landing is setting sights on a 2016 grand opening.

Ever growing, Peconic Landing revised its Five-Year Strategic Plan in 2014 to create a new blueprint for the future. The strategic plan calls for Peconic Landing to explore new options for services, expand beyond the walls of our community and seek ways to serve those in the greater community through home-based community services. As we move forward, Peconic Landing will continue to accept the challenge to evolve and innovate so that we can effectively meet the needs of tomorrow’s seniors.
2014 Accomplishments

Accolades

• *U.S. News & World Report* ranked The Shores at Peconic Landing in the top 10% of Best Nursing Home in the Country for a fifth consecutive year
• The Shores was awarded a Five-Star Nursing Home Medicare rating and earned a perfect survey from the New York State Department of Health
• Awarded “Excellence in the Workplace Award” by LeadingAge, the national industry association
• LeadingAge New York presents State Senator Kenneth LaValle with the “Partners in Quality” award
• LeadingAge New York named a Peconic Landing director as “Professional of the Year”

Financial Accomplishments

• The Fitch Rating Agency re-affirmed Peconic Landing’s BBB- investment grade rating
• Independent financial audit produced a perfect review, demonstrating Peconic Landing’s commitment to accuracy and expertise in the management of the organization’s finances
• Peconic Landing exceeded budget expectations with a positive financial year-end result
• Peconic Landing achieved 95% occupancy for the year – well above national benchmarks
• Peconic Landing residents raised over $400,000 for the Employee Appreciation Fund

Strategic Accomplishments

• Obtained all necessary regulatory approvals for planned expansion
• Successfully executed 40 new contracts for the expansion, beyond the amount required to close on the construction financing
• Began construction of the planned expansion and renovations of the community
• Created new five-year Strategic Plan

Community Initiatives

• Negotiated agreement for Emergency Medical Services and reduced the number of EMS calls by 33%
• Raised $25,200 for the Greenport Fire Department through Peconic Landing’s annual May Mile Walk and 5K Race
• Sculpture Garden integrated technology to allow access to the visually impaired
• Over 600 members of the greater community attended Peconic Landing’s annual End of Summer Celebration featuring fireworks and music from the Atlantic Wind Symphony
• Initiated the Monarch Butterfly and Pollinator program
• For the fourth consecutive year, the annual Veterans Wedding Giveback provided a wedding at Brecknock Hall free of charge to a bride and groom (at least one of which) who served in the U.S. Armed Forces.
Board of Trustees

It is the responsibility of the thirteen 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 2014 were:

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

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

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

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

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

Thomas J. McCarthy
President, Thomas J. McCarthy Real Estate, Inc. in Southold, New York

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

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

Rebecca Corning Chapman
Vice President, Peconic Land Trust

Carol W. Hance
Managing Director, LongueVue Capital LLC.

Donald T. Russo
Retired National Catholic Education Association, American Academy of Religion

Emeritus Members
Raymond G. Wesnofske
Jerry J. Callis, DVM
The Reverand Pater M. Larsen
Alice J. Hussie
Edgar Goodale
Lisa Israel
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 seven members – four appointed and three elected by residents of the community at the annual meeting of all cooperative members held each March. In 2014 the resident members of the Peconic Landing Housing Association Cooperative Board were Dorothy Lucek, John Conley, and Miriam Seidman. Working in conjunction with management, these residents give a voice to the members of Peconic Landing. They help the organization to better serve its mission: providing a purpose, peace of mind, and security for the more than 350 seniors that reside here.

Regulatory Oversight

As a Lifecare community providing long-term care, Peconic Landing is subject to all 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 State Department of Financial Services, which approves all monthly service fees and purchase prices. As New York State’s only equity-based model, Peconic Landing is the most heavily regulated community statewide. This helps contribute to its strong fiscal standing and premier quality of care.
Expanding for the Future...

Apartment Expansion
Health Center Addition
The Shores

Named one of the “Best Nursing Homes in America” by U.S. News & World Report, The Shores at Peconic Landing is located on our waterfront campus with easy access to the Community Center. Utilizing state-of-the-art technology and innovative best practices, the Shores creates a warm, friendly environment while delivering exceptional person-centered care by taking into consideration each individual’s interests and preferences at all levels of care.

Enriched Living

Our Enriched Living program offers 26 spacious one-bedroom apartments – all the comforts of home with the assurance of supportive services to continue an independent lifestyle. Each apartment offers a private bathroom and walk-in shower. Services include a personal response system which runs 24-hours a day, healthcare staff on duty around the clock, outpatient rehabilitation, personal care and medication management, restaurant-style dining, weekly housekeeping and laundry services and a wide range of stimulating activities.

Skilled Nursing Care

The Skilled Nursing Center offers short-term rehabilitation and long-term care in the comfort of our 28 private and eight semi-private accommodations. An interactive, interdisciplinary relationship between each person, physician and professional staff member promotes recovery and independence.

Our dedicated team of healthcare professionals helps to determine the appropriate care, medication, treatment and activity levels for each resident and then incorporates physician’s orders into an interdisciplinary care plan to ensure physical, emotional, psychological and spiritual well-being.

Looking to the Future: Home Care

With a goal of providing the quality care offered at Peconic Landing to members and the greater community, the organization in 2013 launched a home health care agency. Peconic Landing’s trained caregivers – including nurses, home health aides and physical therapists – are now available to patients in need of care in the privacy of their own home, on hand to help seniors successfully age in place. Emphasis will be placed on growing the agency’s clientele while offering training opportunities for future caregivers to meet expanding demand.
### 2014 Health Center Statistics

#### The Shores 2014 Revenue

- **Non-Members (Private Pay)** 32%
- **Other Insurance** 5%
- **Medicaid** 5%
- **Medicare - Part A** 24%
- **Medicare - Part B** 2%
- **Life Care Members** 31%

#### Skilled Nursing

- **Occupancy Level on average** 94.4%

#### Enriched Living

- **Occupancy Level on average** 88.2%

#### Pie Charts

- **Life Care Members** 77.4%
- **Non-Members** 22.6%
Message from Steven G. Carroll
Chief Financial Officer

The audited financial statements for years ended December 31, 2014 and 2013 were prepared by the public accounting firm of O’Connor Davies, LLP.

Throughout 2014, Peconic Landing worked towards receiving regulatory approvals necessary for the expansion project. In late 2014, Peconic Landing's investment grade rating was reaffirmed by the Fitch Rating Agency. Some highlights of the press release include:

- The rating outlook is stable.
- Key proforma debt metrics such as debt service coverage and MADS (Maximum Annual Debt Service) as a percent of revenue compare well to ‘BBB’ category medians.
- Peconic Landing is expected to benefit from additional monthly service fee revenue from the 46 new independent living (IL) units being built.
- Several of Peconic Landing’s key financial ratios have exceeded Fitch’s ‘BBB’ medians over the last four years; upward movement of the rating has been constrained given the expectation that the corporation would move forward with the current project.
- Given the additional debt and attendant development risk on the ILU expansion, Peconic Landing’s overall financial profile is now more commensurate with its current rating level.
- Independent Living occupancy has averaged 96% over the last four audited years and stood at 95% at September 30, 2014.
- The high occupancy has kept operations steady and shows evidence of good demand for services as Peconic Landing undertakes its expansion project.
- Peconic Landing has limited competition in a relatively affluent service area and benefits from a large and attractive campus.

Peconic Landing Home Health Services was launched in 2013 and was well received by the residents at Peconic Landing. New cases opened in 2014 exceeding those of 2013 by 410% (9 cases in 2013 versus 46 cases in 2014). In addition to providing additional options for independent living, the home health agency offers revenue diversification to the company, thereby reducing pressure on monthly service fee increases for our members.

Budget Process

Minimizing resident service fees is the paramount goal in the budgeting process. Peconic Landing performed better than budget for the eighth consecutive year. The budget for calendar year 2014 was approved by the Board of Trustees in October 2013. We are pleased to report that the 2014 budgeted monthly fee increase was the lowest in company history at 3.75 percent. The financial management success of Peconic Landing is the result of collaboration of all stakeholders, including Board members, management, and residents.
**Cash Overview**

Operating cash and cash equivalents increased by $961,412 for 2014. The increase was primarily the result of late year independent unit sales. The internal and external (CCRC Actuaries) auditors prepared ten year cash flow projections which reflect annual positive cash flows. Cash flow is particularly enhanced after 2014 when the fees from Peconic Landing’s current contract are actuarially expected to be realized. The most current contract includes 10 percent remarketing fees and a capital improvement fee of $15,000. The cash flows reflected in the expansion feasibility study indicate positive incremental cash flows.

**Revenue Overview**

In 2014, operating revenues exceeded the prior year by 8.6 percent, largely due to an increase in government reimbursement for the health center.

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<th>Revenues, gains and other support:</th>
<th>2014</th>
<th>2013</th>
<th>2012</th>
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<tr>
<td>Resident Service Revenue - Independent</td>
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<td>$15,125,096</td>
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<td>Resident Service Revenue - Enriched Living</td>
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<td>Resident Service Revenue - Skilled nursing</td>
<td>3,645,716</td>
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<td>Amortization of Health Care Fees</td>
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<td>Other Income</td>
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<td>Interest Income</td>
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<tr>
<td>Other Revenue</td>
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<td>$22,822,888</td>
<td>$22,307,816</td>
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</tbody>
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**Operating Expense Overview**

Total expenses increased by 1.8 percent from 2013 to 2014. The two primary increases were as follows:

- Physical and occupational therapies in the health center increased significantly which were largely offset by additional Medicare revenues.
- Renovation costs of residences increase each year and are a function of the age of the infrastructure of the community. As the community matures, we budget for more extensive costs for each residence (appliances, cabinets, etc.)
Brecknock Hall

Under the continued stewardship of Peconic Landing and the Brecknock Hall Foundation, this historic manor home dating back to 1857 continues to be a sought-after location for weddings, celebrations and community events.

In 2014, Brecknock Hall became the backdrop to 20 events, including 14 weddings and a 40th birthday gala. The fourth annual Veterans Wedding Giveback took place on November 9th. More than 30 local vendors partnered with Peconic Landing to provide a free wedding to a local military service couple.

Brecknock was once again host to the annual Manhattan Film Institute summer camp for actors, writers and directors. Over a two-week period in 2014, students from all over the country came together to create 20 films.

Other events hosted at Brecknock included the Southold High School Junior Prom, a 2-day Conference about Plum Island, a holiday party for the Audubon Society and a fundraising event for North East Stage.

In 2014, both Brecknock Hall and the Brecknock Hall Foundation launched new websites. Brecknock Hall’s website focuses on the promotion of the space as a wedding and event venue. The Foundation’s website provides educational information for those interested in the hall’s history, helping support the foundation’s mission to preserve the historic structure.

The historic manor home also served as the backdrop to two celebrated community events: the May Mile and 5K Race and the third-annual End of Summer Celebration and Fireworks show. More than 300 participants attended the May benefit, created to support the needs of the local Greenport Fire Department. The End of Summer Celebration provided nearly 600 people with a night of free music and a fireworks display.
A Commitment to Excellence

The national standards for quality that awarded Peconic Landing the distinctive five-year accreditation term from the Continuing Care Accreditation Council (CARF/CCAC) continue to serve as the foundation for our success. In 2013 Peconic Landing earned its second five-year term of accreditation and The Shores at Peconic Landing earned its second five-year term of accreditation for Person-Centered Long Term Care.

Accreditation means Peconic Landing conforms to proven business practices, fiscal integrity, employee training, information management and continuous quality improvement. Each year we must submit an Annual Conformance to Quality report to prove consistent adherence to the high caliber of standards necessary to maintain accreditation.

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

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 our members overall quality of life and access to 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 2014, in excess of $68,000 was raised or donated to the Community Fund for restricted and unrestricted purposes.

A committee of twelve members directs fundraising for the organization. The committee also considers requests from residents and management for disbursements from the fund and makes recommendations to the Board of Trustees for approval.

The Shores at Peconic Landing this year unveiled its new nursing station and lobby area, a renewal made possible by a specific donation to the Community Fund a year prior.
A Commitment to the Community

Peconic Landing is committed to an integrated approach to serving the greater good with one common goal: to improve the quality of life for those who live and work in our greater community. Through partnerships with community groups, we believe we can effect change, create positive, sustainable outcomes and build a collective social accountability commitment for all stakeholders.

In 2014, Peconic Landing touched nearly 23,000 lives, donating in excess of $65,000 in cash and in-kind donations while opening its doors to 160 cultural programs and events. The highlights of 2014 include:

- Art Without Barriers – an inclusive sculpture exhibit utilizing descriptive audio narration to provide accessibility and art appreciation, particularly for those with visual impairment.

- Non-Profit University – a new initiative formed with the Long Island Community Foundation to educate not-for-profit organizations throughout Long Island’s East End through programs presented by professionals and experts in the non-profit world.

- A pioneering partnership with the Greenport Fire Department to offer incentives to Peconic Landing employees to become Emergency Medical Technicians (EMTs).

- Our 4th Annual Veterans Wedding Giveback – an event hosted in partnership with more than 40 local businesses to provide a completely free wedding to a local couple in appreciation for military service.
Charitable Commitments

Value of Contributions
Benefiting the Broader Community

Health Professions Education $225,032
Community Health Improvement Services $8,084
Research and Innovation $3,325
Community Building and Leadership $122,482
Community Benefits Operations $10,153
Medicaid $12,905
Cash In-Kind Contributions $67,948

Total of All 2014 Community Benefits $449,929
Total Tax Benefits Received in 2014 $321,590

Persons Served

Number of Cultural Arts Programs Open to the Public 160
Number of Outside Groups Using Peconic Landing Space 34

Persons Employed

Number of employees 220
Number of employees residing in Southold Town 196
Compensation to employees residing in Southold Town $7.3 million

Peconic Landing is the second largest employer in the Town of Southold.