We hope you enjoy this look back of 2019 at Masonicare. The words and images we’ve shared with you only tell part of the story, of course. The notes of thanks we received from grateful residents, patients, and their loved ones tell another part, as do the many generous gifts to our philanthropic affiliate, The Masonic Charity Foundation of Connecticut.

In a year that saw Masonicare win in three categories in the Meriden Record-Journal Readers Choice Awards, we also took the bold but necessary step of refreshing our brand, a collaborative process that involved careful consideration of our present and future without overlooking our past. While our logo may have changed, the principles upon which Masonicare was founded have not.

Reflecting on 2019, we are delighted with the surge of interest at all of our residential communities. We know that offering a complete range of living options for today’s senior – one designed to maximize independence and quality of life – is an ongoing process, and we’ve made enhancements to make those communities look, feel, and function more like home as part of our true continuum of care.

To that end, we’re also putting a renewed focus on hospitality across our organization. As we say, “Masonicare is not in the healthcare business – we’re in the people business.” That means making sure that anyone who has chosen Masonicare over a competitor is fully satisfied with their experience, no matter what services they’ve utilized.

Improving our technology will continue to be a priority following a year in which we introduced two new electronic health record systems for our healthcare and residential living service lines, launched a revamped website, and began using a new mass notification system to stay better connected with our employees and residents.

We are also looking forward to expanding our home and community-based services. In fact, in 2020, for the first time ever, Masonicare will begin serving seniors beyond the borders of Connecticut by providing homemaker and companion services in the Westerly, Rhode Island area.

While we build on recent successes, seek out new partnerships, and look for ways to be more efficient, we know there are challenges ahead. As a not-for-profit, navigating changes to the way we are reimbursed by government payer sources will similarly require significant changes to the way we deliver healthcare services.

As we begin preparations for the 125th anniversary celebration of Masonicare Health Center that will take place this fall, and consider all the changes that have shaped our organization over these many years, we have a clear vision of who we need to be and how we need to function in order to be successful for the next century and beyond.

Thank you for your continued support of Masonicare and our mission.

Sincerely and fraternally,

Robert F. Polito, Chairman, Board of Trustees

Jon-Paul Venoit, President and Chief Executive Officer

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David A. Gessert
Melvin E. Johnson
Susan Kory
Howard W. Orr
Stephen W. Petri
Thaddeus M. Stewart
Jon-Paul Venoit, President/CEO & Assistant Secretary, Masonicare
James Rude CFO & Assistant Treasurer, Masonicare

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Carleton V. Erickson
Kenneth B. Hawkins, Sr.
David P. Hocking
Thomas C. Holsteter
A. Norman Johnson
Barbara F. Lott
Duane G. Robert
Financial Statement as of September 30, 2019 ($000 omitted)

The financial summary is presented on a consolidated basis to include Masonicare at Ashlar Village, Masonicare at Home, Masonicare at Mystic, Senior Living by Masonicare, Masonicare at Chester Village, Masonicare Home Health & Hospice, Corporate Services, Masonicare Health Center, Keystone Indemnity Company and The Masonic Charity Foundation of Connecticut. A complete copy of the audited consolidated financial statement is available upon request.

2019 Financial Performance

Results of operations at Masonicare for fiscal 2019 reflect a year of significant changes and challenges for the organization. Operating revenues of $158.3 million are down ~12% from the prior year, reflecting the closure of Masonicare Management Services (“MMS”, physician practices), the sale of Masonicare at Newtow (“MAN”, SNF and Assisted Living) and the dissolution of Masonicare Partners Home Health & Hospice (“MPHH&H”, a joint venture with Saint Francis Hospital)- partially offset by improved occupancy at Masonicare's newest residential living facilities in Mystic (“MAM”, overall to 74% from 46%) and Chester (“MCV”, overall to 74% from 66%). Operating revenues of $179.2 million are down ~11% from the prior year, impacted by the same strategic initiatives as noted above. Although contributions and investment income remains strong, market performance in fiscal 2019 lagged behind the prior year. Non-recurring activity in fiscal 2019 included the provision for restructuring costs to reduce ongoing overhead costs and the write-off of the capitalized software acquisition costs for a fully-integrated health record for all continuum patients & residents implemented in 2017 due to unsurmountable problems with the software and the elimination by the vendor of an offering in the home & community based-services space.

Fiscal 2019 Obligated Group loss from operations improved by $2.2 million over the prior year, with the elimination of losses previously incurred by MAN improving results by $2.0 million, the dissolution of MPHH&H reducing results by $1.2 million, and other entities aggregated improved results by $1.4 million. Fiscal 2019 Non-Obligated Group loss from operations declined by $0.9 million (prior year included a one-time non-recurring reserve reduction).

Changes in the financial position of Masonicare at year-end 2019 from the prior year include: continued growth in the levels of unrestricted cash & investments (to 176 days on hand from 172 days); reduction in net property and equipment as depreciation expense incurred by MAN improving results by $2.0 million, the elimination of losses previously aggregated improved results by $1.4 million. Fiscal 2019 Non-Obligated Group loss from operations declined by $0.9 million; MMS closure improved results by $0.3 million, MCV start-up losses increased by $0.6 million, MAM start-up losses decreased by $1.0 million, and aggregated improved results by $1.4 million.

Incurred by MAN improving results by $2.0 million, the dissolution of MPHH&H reducing results by $1.2 million, and other entities.

EXCESS OF EXPENSES OVER (UNDER) REVENUES before one-time items $(15,957) $(5,787) % Change -11%
Provision for restructuring costs (701) - % Change -
Write-down of software acquisition costs (3,494) - % Change -
Gain on sale- Newtow facility - 2,561 % Change -
Inherent contribution- Chester Village purchase - 1,886 % Change -
Provision for dissolution costs (MPHH&H) - (1,703) % Change -
Construction in progress write-off (MHC) - (1,177) % Change -
Change in value of interest rate swap (452) 176 % Change -
Minority interest 617 1,127 % Change -

EXCESS OF EXPENSES OVER REVENUES $(15,957) $(5,787) % Change -12%
Obligated Group $(8,381) $(1,652) % Change -12%
Non-Obligated Group (7,576) (4,135) % Change -12%
TOTAL $(15,957) $(5,787) % Change -12%

COMPARATIVE INCOME STATEMENT (000's Omitted) 2019 2018 % Change
OPERATING REVENUE $158,254 $179,206 -12%
OPERATING EXPENSES (179,189) (202,148) -11%
NON-OPERATING INCOME 9,008 14,285

COMPARATIVE BALANCE SHEETS (000's Omitted) 2019 2018 % Change
CURRENT ASSETS
Current assets $38,637 $34,378 % Change -
Investments- unrestricted 86,248 96,763 % Change -
Investments- restricted 64,795 67,759 % Change -
Property plant and equipment 190,748 201,045 % Change -
Other assets 1,104 974 % Change -
Total assets $381,332 $400,919 -5%

Total liabilities & net assets $381,332 $400,919 -5%

Days Unrestricted Cash/Investments 176 172

% Change -5%

% Change -5%
Summary of Activity

OCCUPANCY

<table>
<thead>
<tr>
<th>MASONICARE HEALTH CENTER (BEDS-UNITS)</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Skilled nursing beds (357/366)</td>
<td>94.1%</td>
<td>95.6%</td>
</tr>
<tr>
<td>Acute medical beds (30/30)</td>
<td>19.7%</td>
<td>32.3%</td>
</tr>
<tr>
<td>Acute psychiatric beds (29/29)</td>
<td>85.2%</td>
<td>97.9%</td>
</tr>
<tr>
<td>Residential care units (86/86)</td>
<td>94.0%</td>
<td>94.7%</td>
</tr>
<tr>
<td>Independent living units (93/93)</td>
<td>98.4%</td>
<td>99.0%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>MASONICARE AT ASHLAR VILLAGE (UNITS)</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Independent living (360/360)</td>
<td>87.1%</td>
<td>89.5%</td>
</tr>
<tr>
<td>Assisted living (137/137)</td>
<td>81.8%</td>
<td>82.5%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>MASONICARE AT MYSTIC (UNITS)</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Independent living (99/93)</td>
<td>94.2%</td>
<td>67.3%</td>
</tr>
<tr>
<td>Assisted living (80/86)</td>
<td>50.1%</td>
<td>23.6%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>MASONICARE AT CHESTER VILLAGE (UNITS)**</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Independent living (105/105)</td>
<td>74.1%</td>
<td>66.3%</td>
</tr>
</tbody>
</table>

** Facility acquired 12/21/17

VISITS/ DAYS

<table>
<thead>
<tr>
<th>MASONICARE HOME HEALTH &amp; HOSPICE***</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Care of the Sick Visits</td>
<td>190,786</td>
<td>241,486</td>
</tr>
<tr>
<td>Hospice and Palliative Care Days</td>
<td>111,012</td>
<td>142,414</td>
</tr>
</tbody>
</table>

*** Includes Partners HH&H through 11/9/18

<table>
<thead>
<tr>
<th>MASONICARE AT HOME</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>PCA / Homemaker visits</td>
<td>20,297</td>
<td>17,070</td>
</tr>
<tr>
<td>Live-In days</td>
<td>11,620</td>
<td>11,083</td>
</tr>
</tbody>
</table>

2019 REVENUE BY TYPE OF SERVICES

MASONICARE CONSOLIDATED

- Home & Community Based 36%
- Skilled Nursing 25%
- Residential Care 10%
- Hospital Units 9%
- Residential Living 19%
- Physician & Other 1%

Making a hospice patient’s last wish come true

This particular patient happened to be a musician who had played all around the world. Music was his life and passion. Upon entering his hospital room I found him surrounded by 5 very saddened men, who all quickly introduced themselves as Bill’s band mates. After arranging for Bill to transfer to the ACU for inpatient hospice, the leader of the band approached me and said that Bill’s only wish was to play with the band one more time. They knew that he physically might not be able to do this so he asked if maybe the band could come and play for him once he got to the ACU. I told him I would have to ask because typically the unit is quiet but I’d see what I could do. I reached out to the director of nursing at MHC and asked if it would be ok for a band to come play on the ACU and she quickly responded with “We’d love to have a band come and play!” I let the leader of the band know and he was just ecstatic. I spoke with him after he had played for Bill and he said that it had brought so much joy to Bill and the whole band and that they would be forever grateful for allowing them to play.

– Susan D. Haswell, Clinical Case Manager
The Masonic Charity Foundation — Year in Review 2019 —

During fiscal year 2019, the fundraising efforts of The Masonic Charity Foundation of Connecticut secured $4,835,349 in support of the programs and services of Masonicare and its affiliates. These gifts came in many forms, including bequests, trust distributions, beneficiary designations, charitable gift annuities and outright major gifts, as well as donations to the Masonicare Annual Appeal and to The Foundation’s special events. Between October 1, 2018 and September 30, 2019, unrestricted contributions totaling $3,582,534 were received, as well as $534,954 in funds given by perpetual trusts and $717,861 in restricted donations. Of particular significance was the very generous gift of $380,000 from The Eastern Star Charity Foundation of Connecticut.

Fiscal Year 2019 Contributions

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bequests and Trusts</td>
<td>$2,315,943</td>
</tr>
<tr>
<td>Perpetual Trusts</td>
<td>$534,954</td>
</tr>
<tr>
<td>Major Gifts (Outright gifts of $10,000 or above)</td>
<td>$191,035</td>
</tr>
<tr>
<td>Beneficiary Designations</td>
<td>$477,746</td>
</tr>
<tr>
<td>Gift Annuity Residuals</td>
<td>$80,253</td>
</tr>
<tr>
<td>Masonicare Annual Appeal</td>
<td>$499,606</td>
</tr>
<tr>
<td>Gifts to Masonicare’s Hospice Program</td>
<td>$34,837</td>
</tr>
<tr>
<td>Holiday Appeal</td>
<td>$17,094</td>
</tr>
<tr>
<td>Masonicare Golf Classic</td>
<td>$248,322</td>
</tr>
<tr>
<td>Masonicare Wine &amp; Beer Tasting</td>
<td>$107,538</td>
</tr>
<tr>
<td><strong>TOTAL FUNDS RAISED</strong></td>
<td><strong>$4,835,349</strong></td>
</tr>
</tbody>
</table>

Our Ageless Commitments

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