



# Moosehaven Report

## John Capes, Executive Director

The staggering world and US economies affects each of us in multiple ways. Individuals are faced with reduced lifetime savings – especially retirement savings, diminished property values, and rising costs. Companies also face these same concerns. Many have failed and most have moved to reduce operating costs as reflected by rising unemployment.

Like each of us, Moosehaven and Moose are challenged by the current economy. And, like each of us, the economic problems confronting Moosehaven are multi-faceted. The market downturn reduced the value of the Moose Foundation along with the value of other Moose investments. Rising costs and unemployment are forcing many of our members to choose between purchasing milk, bread, and gas; or contributing to Moose fundraising programs. Some will even have to consider whether they can afford to continue their membership.

Over the past several years the Supreme Council, Mooseheart and Moosehaven Boards and leadership at the Supreme Lodge and on the campuses made many difficult decisions as the economy spiraled downward. Their foresight slowed the consequences of this recession but could not and did not halt them. Often these decisions resulted in both real and perceived value diminishment. Members already concerned about rising costs, tight credit markets, falling property values, and job uncertainty; were confronted by increased dues and reports of other economically driven changes within the fraternity and at Mooseheart and Moosehaven.

A 2007 study by an accounting firm with extensive experience in retirement services reported that unless substantial changes were made, the rising fraternal support along with that required by Mooseheart would outstrip the capacity of Moose within 7 years. We, therefore, undertook the task of reducing Moosehaven's costs and improving our revenue to achieve a more sustainable level of financial performance.

We initially focused on reducing operating costs primarily through staff reductions and reassignments, demolishing abandoned and unusable buildings, and improving the efficiency of various programs. This cost reduction effort successfully lowered our operating expenses by more than \$3M over the past 2 years.

We next focused on improving our revenues by becoming a certified Medicaid/Medicare provider in 2008 and through increased attention to several revenue producing programs and especially hospice producing substantial revenue improvements there. However, despite our cost savings successes and additional income from Medicare/Medicaid and hospice, our revenues continued to fall short of the rising cost of services.

Our most established revenue source and the cornerstone of our asset surrender program has steadily declined over the past ten years. Special Funds Receipts, which represents those assets surrendered at admission, declined by \$1.25M during FY2008-2009, thereby reducing our conservatively predicted total revenues by over \$800,000 despite the addition of Medicaid/Medicare. We anticipate that revenue from Medicaid/Medicare will exceed \$2M during FY2009 but we also anticipate that income from the asset surrender program will continue to decline. As a result, Moosehaven continues to require significant fraternal support...\$7.9M this fiscal year.

The Asset Surrender Program is a time-honored tradition of the Moose that must be preserved. The continuing and growing inability of this program to be self-supporting is well documented. Equally well documented is the fraternity's willingness to provide the necessary support for it to continue. However, fraternal support is not without limits, especially during difficult economic times, and it requires that certain long-standing admissions criteria be absolutely maintained.

We refined the admissions process over the past several years to assure that each applicant meets all Board established admission requirements. We communicated the approved admissions criteria at state and international conference presentations, in the Moose magazine, on the Moosehaven website, and individually to applicants. Yet, many long-held misunderstandings continue to permeate the fraternity. These misunderstandings sometimes result in behaviors that cause admission to be denied.

The Admissions Committee meets once each month to consider completed applications for admission. This committee consists of members of the Moosehaven Leadership Team and individuals from Moose International. Each member brings specific knowledge and skills to the process, including: health care, social services, residential living, regulatory, finance, and fraternal. The ten members of this committee carefully consider each application for admission against the Board established criteria for entry, including:

1. Acceptable evidence that the applicant is at least 65 years old and a member in good standing for at least 15 consecutive years at the time of admission.
2. Acceptable evidence that the applicant can live independently or, if impaired, there is an accompanying spouse who is capable of providing the necessary assistance to live independently. Fulfilling this requirement may require the applicant to undergo an independent medical and/or psychological evaluation by a Moosehaven designated physician.

3. Acceptable evidence that the individual has fully accounted for all financial transactions during the past 10 years to demonstrate that no assets were inappropriately disposed of prior to entry. This may include a financial investigation by a licensed investigator who is also a member of the Loyal Order of Moose and familiar with Moosehaven's entry requirements.

When all criteria are met and the admissions paperwork properly completed, the process proceeds quickly. Sometimes, because additional questions must be resolved or paperwork properly completed, the process takes longer. Whenever the admissions requirements are not met and despite the Admissions Committee's commitment to fulfill the promise, admission is denied. You have my absolute assurance that the Admissions Committee approaches each admissions meeting with a full understanding of and commitment to our responsibility to the applicant, the fraternity, and Moosehaven in these matters.

Further refinements to the admission process are underway. We have developed a new job description for the Moosehaven Marketing/Admissions Representative. These requirements will place more emphasis on our field representatives accurately evaluating each applicant's compliance with admission requirements. The Moosehaven Marketing/Admissions Representatives will become our eyes and ears for those admissions that occur across our fraternity. The Moosehaven Marketing/Admissions Representatives will also assume a marketing role for Brandon Place at Moosehaven. We will provide training and the necessary information for them to speak knowledgeably at association and lodge meetings, state conventions and to members seeking information about this new and attractive retirement option at Moosehaven.

As it became increasingly clear that despite the changes in the asset surrender admissions process, the addition of new and improved revenue sources, and other earlier cost cutting efforts, further expense reductions were required. Many of those things done in better, more affluent times, are unaffordable today. Just like the decisions that many of you face to preserve your homes and provide for your families, we made difficult decisions to preserve our two greatest assets...Mooseheart and Moosehaven.

Cost reduction opportunities existed in several unapproved practices that were not only costly but also violated the admissions agreements and in some instances violated the wills signed by each resident. After careful consideration by Moosehaven leadership and its Board, the following practices were terminated:

1. The vacation program that allowed residents to leave the campus for up to 30-days each year and receive that portion of their social security and/or pension corresponding to the period of absence.

This unauthorized practice violated the long-standing and Board approved contractual agreement between each resident and Moosehaven, which requires the resident to turn over to Moosehaven all future income. Furthermore, it failed to recognize that a resident's absence from the campus does not reduce those costs associated with his/her care. Hall thermostats cannot be turned down because a resident is gone. Pharmacy and insurance costs for an absent resident continue, and employees are not laid off. In fact, the only cost that can

arguably be reduced is for meals. However, when you are cooking for 300 plus residents, one or two more or less meals has no impact on the amount prepared. In short, under this program, Moosehaven received eleven months payment for twelve months service and benefits.

2. The spousal transfer of assets process, which transferred the remaining bank account balance of a deceased resident to his/her surviving spouse. This unauthorized program violated both the admissions agreement and the will each resident signs at admission. Both documents specify that at death, all remaining income and assets attributed to the deceased resident will automatically transfer to Moosehaven.

While these were important matters to correct, further economic improvements are necessary. These improvements will come from the campus redevelopment program. Brandon Place is the centerpiece of that program.

In addition to enhanced revenues, Brandon Place provides new accommodations and a new admission model. These new accommodations will allow residents to keep their cars and live a more independent lifestyle, preserve those assets they choose through various contract options, live in a highly desirable riverfront development, remain active in local Moose lodges and chapters, and participate in all of the programs offered at Moosehaven with the security of on-site continuing care in the Life Care Center. Sandra Simmons, Moosehaven's Director of Marketing and Admissions will now present Brandon Place at Moosehaven to you.



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*Presenter - Sandra Simmons, Director  
Marketing/Admissions*

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In October 2008 the first bulldozers and backhoes arrived on campus for site work.

Today, we have a model home



a lovely Riverside Duplex that has come to fruition representing the hard work and commitment





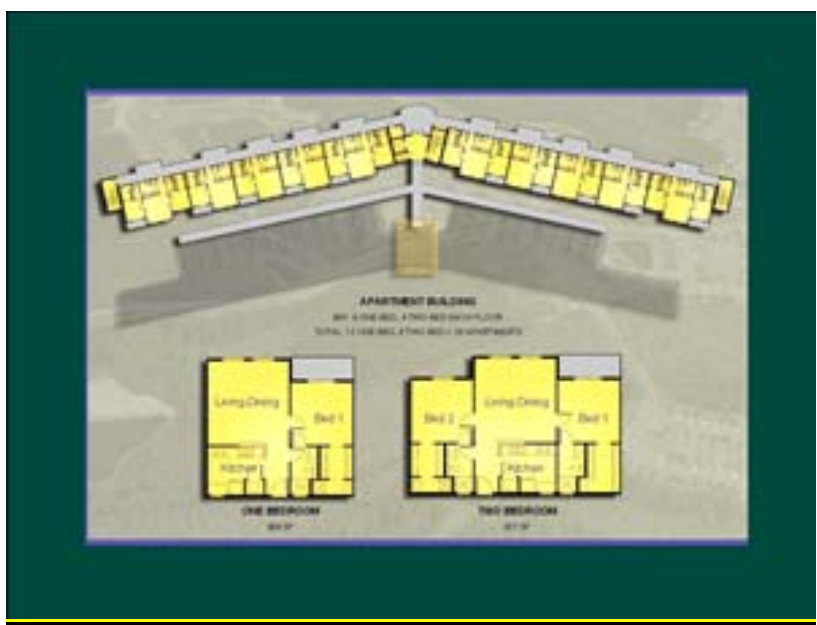
bringing a quality product to Moosehaven and the Fraternity.



Brandon Place at Moosehaven, Phase I, is situated on approximately ten acres of the seventy-two acre campus. It will consist of 64 homes. Forty-four are designed as duplexes and twins.



The duplexes have two bedrooms, and two baths with a sunroom and a garage.



Some will have an additional study.



The twins are designed in two sizes, a two-bedroom, two-bath and a one-bedroom, one-bath



In addition, a two-story apartment will add 20 one and two bedroom apartments. Of course, it will have an elevator.

## **One-Time Entrance Fee**

**Based on the size and the location  
of the apartment or duplex**

The size of all of the Brandon Place homes will range from six hundred sixty eight square feet to fourteen hundred fifty five square feet.

All homes are well appointed with range/oven, dishwasher, microwave, disposal, refrigerator, washer/dryer and window blinds.

## **Monthly Service Fee**

- Health Care
- Home Maintenance
- Security
- Transportation
- Activities and Events
- Life Care Center

The financial requirements, lifestyle, security, and health care Brandon Place offers are the features, which define it as a Continuing Care Retirement Community. Although this concept is new for Moosehaven, it is not new in the Senior Housing Industry. Today, there are over twenty-five hundred Continuing Care Retirement Communities across the United States. Traditionally, most require a one-time Entrance Fee and a Monthly Service Fee. Contracts vary among communities but all offer a continuum of care from active, independent living to nursing assistance, to end of life care, all on one campus.

## **Brandon Place Admissions Eligibility**

- Residents are required to have a physical and mental exam to prove they can live independently
- Residents must qualify financially
- Resident must be at least 65 years of age
- Residents must be a member of the LOOM



When members move to Brandon Place at Moosehaven, they will pay a one-time Entrance Fee on the home of their choice.

Entrance Fees are based on the size and the location of their home. Once moved in, the Resident pays a Monthly Service Fee and in return

## **Maintain your own investments**



Moosehaven provides the following services and amenities: health care, maintenance, transportation, security, and the Life Care Center is available if and when needed.

Just as Moosehaven residents must meet admission eligibility requirements, so must Brandon Place residents.



They must complete a physical and mental exam to demonstrate they can live independently. They must qualify financially. This means that in addition to an Entrance Fee, they must have enough income and assets to support them throughout their expected lifetime at Brandon Place. Last, they must be members of the Loyal Order of Moose. Members with less than fifteen years must purchase a Lifetime membership at the time they move in, plus pay a premium based on their Entrance Fee. Members with fifteen years of membership, or greater, will receive a discount on their Entrance Fee.

When future residents reserve their home at Brandon Place today, they place a deposit of 10% of the Entrance Fee, which is a fully refundable deposit should they later decide not to move to Brandon Place. This deposit reservation locks in their Entrance Fee from any future Entrance Fee increases.

## The LifeCare Center at Moosehaven



In the meantime, they will have the opportunity to choose their carpet, tile, cabinets, counters, and appliance colors during the construction of their home.

Why make plans to move to Brandon Place at Moosehaven? First, you now have a choice



If you were reluctant to turn over your assets under Asset Surrender, Brandon Place will allow you to retire with your Fraternal Brothers and Sisters on the Moosehaven campus while maintaining your financial portfolios



Second, many people have experienced taking care of their parents and do not want to be a burden to their children in the future. When you move to Brandon Place, you are making decisions today as to where you, or you and your spouse



will receive nursing care and who will provide it, if and when it is needed.

Third, you can lock your door, go travel and have fun



never worrying again about home maintenance and responsibilities



Fourth, you can leave behind the isolation that comes with living in a single family home and enjoy the many events, sociability, and wellness that are part of the continuing care lifestyle in Brandon Place at Moosehaven.

Brandon Place at Moosehaven is positively impacting the campus and residents in many new and exciting ways



First, the streets entering Brandon Place are gated, resulting in attractive fencing and gates throughout the campus for additional security. Many of the residents who were living in some of the older residence halls were relocated to the Ohio and Chancellor buildings to make way for Brandon Place and are now enjoying their newer homes and private bathrooms

The New York Building will become the new Community Center enhancing activities, dining, and social opportunities. Certainly, Brandon Place residents will bring with them, a wide array of talents and experience that will be incorporated into new activities and programs for all residents

When completed, Brandon Place will offer a retirement option to all members of the fraternity. A place where each resident may enjoy the peace and beauty of the campus knowing that their needs both present and future will be met.

Thank you Sandy.

Unfortunately, the economy has impacted current sales and the implementation of Brandon Place at Moosehaven. Most potential clients must sell their current home to pay the entry fee deposit at Brandon Place. Reduced property values seriously damaged and even eliminated the ability of many to consider the Brandon Place option. Credit is not available for many prospective buyers, thus lengthening the sales process and reduced retirement portfolios are also frequently cited as reasons for withdrawing earlier deposits.

However, the campus redevelopment program, and especially Brandon Place at Moosehaven continues, though with modified timing and some new strategies to address the new challenges and opportunities we face today.

These new strategies recognize that:

1. We are enjoying significantly lower than budgeted construction costs. Our site work costs are more than \$500,000 dollars less than projected, and savings are being achieved in other areas. For example, we originally budgeted \$118 per square foot for construction. However, we are experiencing costs as low as \$80 per square foot. These savings allowed us to adjust our entry fee and monthly fee pricing downward while maintaining the predicted margins for Brandon Place at Moosehaven.
2. Demand for retirement services continues to grow throughout a downturn. People continue to age and become frailer until at some point their needs overwhelm their hesitation. We expect this demand to arise slowly and proceed at a moderate pace throughout the next several years.

Recognizing these and other factors, we adjusted our implementation strategy to take advantage of the construction cost savings while assuring we have apartments available when clients are ready to enter Brandon Place. This strategy is carefully designed to assure we do not develop excess apartments that will sit unoccupied for extended periods. There are two components to our modified implementation plan.

1. The first component is a phased implementation approach to building Brandon Place. The initial phase of this approach is completed. It included building the necessary infrastructure such as roads, sewers, utilities and storm water management systems.

The second phase, which included construction of the marketing office and model apartment and relocation of the main entranceway to the campus, is also completed.

Subsequent phases of this project will include construction of additional accommodations as market demand dictates. These accommodations include duplex and twin apartments and a two-story apartment building.

2. The second strategic component calls for the construction of what are termed "cold gray shell" buildings. That is, each duplex and twin will be constructed to a finished exterior. However, the interiors will remain unfinished until the unit is marketed. This will provide an outwardly finished appearance, while not requiring us to actually invest in the interiors until each unit is successfully marketed. We will be able to

finish out an apartment within thirty days of payment and we will be able to offer an extensive range of finish options to the initial tenants.

Obviously, this component will only apply to those phases involving construction of the duplex and twin models. The multi-story apartment building, once started, must be completed to final finish. However, construction of the apartment building will not begin until at least 70% of the available units are successfully marketed.

Certainly, the economy is affecting implementation of Brandon Place at Moosehaven. However, it remains a viable and necessary component of Moosehaven's economic redevelopment. Equally important, when Brandon Place is completed, Moosehaven will offer an attractive retirement option to all members of the fraternity in a sustainable business model. As such, it will publicly demonstrate the ingenuity and commitment of the Loyal Order of Moose to provide world-class retirement services to its members regardless their economic status.

A second element of the campus redevelopment program is the commercial center. Located along that portion of the campus bordering US 17, it will transform presently undeveloped land into a long-term annuity investment to support Moosehaven operations.

While proceeding at a slower pace than originally intended, it remains an important component of the campus redevelopment program, as the revenue it generates will provide support for Moosehaven operations far into the future.

Like the proverbial three-legged stool, Moosehaven's financial success and ultimately its future, depends upon success in three areas. The first, which is cost containment, is the responsibility of Moosehaven's leadership. As noted earlier, we have worked and continue to work diligently to operate Moosehaven as cost effectively as possible and we have achieved great success. However, without success in the other two areas, both of which represent revenue streams, the stool will remain unstable and Moosehaven's future threatened.

I have already talked about the first of these two revenue legs, which is that produced through operations, including:

1. Income received from the asset surrender program,
2. Medicaid/Medicare reimbursement, and
3. Future income from the campus redevelopment program.

Income from Medicaid and Medicare for skilled nursing services provided an initial revenue boost. Unfortunately, the decline in the value of assets surrendered significantly reduced the anticipated overall revenue improvement. We expect this situation to continue and, therefore, are exploring other Medicaid/Medicare programs including in-patient hospice, home health care, outpatient therapy services, and short-term rehab services that offer additional reimbursement streams and that add valuable services to the campus.

The economic downturn slowed implementation of Brandon Place at Moosehaven and the commercial center. Their delay presents a continuing challenge that must be

overcome by the third leg of our financial stool. That is the operating support provided by Moose Charities and the Foundation.

These supporting programs were significantly diminished by the tremendous decline in real estate and stock market investments. Over the past year, the value of Moose investments declined significantly. While I am convinced that the economy will strengthen, it is difficult to predict both the timing and the amount of improvement we will see. Without the safety net of strong and successful investments, we must continue to live within our means and we must continue to depend upon the generosity of the men and women of the Moose.

Thanks to your generosity, Moosehaven continues to provide for all of our residents' needs in comfortable and safe surroundings and will continue to do so for many years to come. Many lodges, associations, the Moose Legion, and Women of the Moose continue to answer our appeals, even during these very difficult times. The generosity of you the many members of this fraternity who give and give and give so that Moose can continue to provide the necessary support to both Moosehaven and Mooseheart is remarkable.

The generosity of the fraternity and of individual members is phenomenal, but it is not without its limits. Declining membership, diminished savings, and lost employment critically affects our fundraising capacity.

Membership is the life-blood of our fraternity. Each new member not only brings new ideas and greater strength to the local lodge and state association but also improves the financial position of the fraternity.

Growing our fraternity will solve much of our financial problem and it will position Moose for another century of success.

Reduced donor capacity requires us to focus fundraising efforts on needs versus wants. At Moosehaven, those needs include pharmacy, food, utilities, staffing, and other basic operating requirements.

The endowment fund, like all of our investments, suffered tremendous losses because of the stock market decline. The Gimme Five Program, an important long-term investment will replenish our endowment fund and help assure the future of Moosehaven and Mooseheart, but it is falling far short of our goals. Please support the Gimme Five Program and encourage others to do so.

Moosehaven has undergone many changes over the past several years. Many of them were economically driven. Others improved the quality of care and services provided to our residents. Some were both. I know that change is difficult and that sometimes changes, even those with the best intentions are not perceived as good or even necessary. Let me reassure you, however, that Moosehaven's Leadership Team carefully and fully considers all changes that affect resident programs and services before they are implemented. That team has many years of combined experience and expertise in providing long-term care and retirement services. Let me also reassure you that whenever possible, we lay the groundwork for anticipated changes through communications during our monthly hall and resident council meetings.

I encourage you to call or email us whenever you have questions or concerns. We will do our best to answer each of them. Please remember, that despite what you may hear, we love our residents and we are committed to assuring that all resident needs are met.

Moosehaven continues to be a superior retirement community. Food, shelter, and clothing are provided. Excellent health care...in fact, some of the best I have ever witnessed...is delivered every day by long term and caring employees. Perhaps this is best presented by one of our Moosehaven residents.

I invite Chris Winsor, a Moosehaven resident, to share her thoughts on living at Moosehaven.



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*Presenter - Cris Winsor, Moosehaven Resident*

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I first came to Moosehaven in 1977 to work as a Hall Supervisor where I remained for almost 22 years. The date I arrived was October 6<sup>th</sup>. Then on October 6, 2008 I received the telephone call to tell me I had been accepted as a resident of Moosehaven. I felt that was a sign from God and that was where I was supposed to be.

Now I am a very happy and proud resident of the City Of Contentment. We give up money in the bank, our home and our car to be at Moosehaven. But we receive so much more in return. To me the safety and comfort is worth much more than money in the bank. We have a great Security team at Moosehaven. I accidentally pulled my alarm cord that every room is equipped with and the Security staff member was at my door almost instantly.

We also have some great residents here at Moosehaven. Almost all of us went through the Depression and we also have several World War II, Korean and Vietnam veterans. When they pass away we have a full military funeral for them. We are what Tom Brokaw named the "greatest generation."

Like everyone else we have had to "tighten our belts" lately. Some of these changes have been hard to adjust to but we all have realized that these cutbacks are really necessary. And we have risen to the challenge.

We have everything we NEED at Moosehaven as opposed to everything we want. We have many activities: bowling, swimming, water exercises, darts, pool, shuffleboard, cards, etc. The Clinic and the Beauty Salons are hives of activity. Buses take us to shopping centers, restaurants and other entertainments. Several residents work on crafts that are sold in the gift shop. Ceramics and hand-sown items are very popular as well as wood crafted pieces.

We have residents of every age from 65 to over 100 years of age. Maybe I'll be one of those like Larry Kearby who, at almost 101, still rides his bike and volunteers in the New York Building. In conclusion I would like to say that coming into Moosehaven was one of the best decisions I ever made. I hope to live here for many happy and contented years.



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*Presenter - John Capes, Moosehaven Executive Director*

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Thank you Cris.

Now before I conclude, I would like to share a recent story from Moosehaven with you.

This is presented on behalf of Helen Taylor, Moosehaven's Resident Services Director and in her own words.

This afternoon I had one of the most rewarding experiences in my 24 years at Moosehaven. A new resident arrived at Moosehaven and was accompanied by several wonderful people from the Sulzbacher Center in Jacksonville. He had wandered homeless from coast to coast for two years before winding up in Jacksonville where the staff of the Sulzbacher Center identified him as a lifetime member of the Moose. They contacted us to see if we could help and we processed his admission within a week. When he arrived, I greeted him with "Welcome Home, Wayne."

He looked at me with a sparkle in his eyes and with a sigh of relief, said, "That's what I need." He was overwhelmed with joy, as were his friends from Sulzbacher.

We spoke about a few things concerning his admission and in conversation, he said, "I lost everything, all of my possessions, everything, and became homeless overnight." He told me stories of his experience at the first homeless shelter and how bad it was.

As he answered some of my questions, the staff from Sulzbacher looked at each other with amazement of how happy and excited he was to be "home." In fact, they were so excited to be part of a good ending to a bad story; they even took pictures of him signing his admission papers. That was a first for me.

He is a very sweet man, who worked hard all of his life. He is a very intelligent man who worked about 27 years as a buyer for Macy's Department Store. This wonderful man had worked all of his life and yet was homeless because someone took advantage of him. He reminded me of the song, "I've Had My Moments" which tells about a homeless person who had a good life prior to being homeless. As I listened to Wayne, I thanked God for Moosehaven and the Moose Fraternity. We, as a fraternity, were able to change his hopelessness into hope. We should all be proud to pay our dues and to be a part of this family fraternity.

In further conversation with him, he told me he did not have any shaving cream or any of the most basic personal items. I told him his worries are over. We have everything he needs and I would take him to the general store and get what he needs and he doesn't even need any money! This day, unlike most, I came face to face with need versus want. We as a fraternity met a need!

Today, I witnessed first hand, the culmination of the goal set by our founder – "Moosehaven is a home for aged members of our fraternity who are in need."

Because of his membership in the Loyal Order of Moose, he now has a place to call "Home."

Last but certainly not least; I would like to introduce my wife. She supports me and strengthens me and shares my commitment to our residents.

Thank you and God bless Moosehaven.