



DATE: DECEMBER 28, 2011

TO: CONTINUING CARE RETIREMENT COMMUNITIES (“CCRCs”)

SUBJECT: ANNUAL FISCAL FILING REQUIREMENTS

FROM: KAUSHIK K. PATEL, CHIEF
FINANCIAL ANALYSIS DIVISION

This memorandum will serve as a guide to meet the filing requirements for documents due in 2012.

Please note the Department is no longer invoicing for the filing fees; they are now due with the filing.

REQUIRED FILINGS (ONE COPY)			
√	DOCUMENT	DUE DATE *	CITATION **
	Annual Audited Financial Reports:		
	CPA Report	Four (4) months after fiscal year end	31 Pa. Code § 147.3(c)
	Calculation of “Statutory Liquid Reserves” must be part of the audited financial statements as either audited notes or an audited supplemental schedule. Statutory Liquid Reserves amount must be part of the audited balance sheet as a separate balance sheet account.	Four (4) months after fiscal year end	40 P.S. § 3209
	Disclosure of all “Deferred Revenues” (Deferred Revenues - Nonrefundable portion of entrance fees reported as deferred income & amortized over the actuarially determined life expectancy of each resident.)	Four (4) months after fiscal year end	31 Pa. Code § 151.11(d)
	CPA Qualification Letter	Four (4) months after fiscal year end	31 Pa. Code §§ 147.4(e) & 147.6a
	CPA Awareness Letter Not required annually, but must be on file for the CPA performing the current year’s audit	Four (4) months after fiscal year end	31 Pa. Code § 147.5(d)
	Communication of Internal Control Related Matters Noted in Audit	If issued by CPA Within 60 days of filing the CPA report	31 Pa. Code § 147.9a
	Notification of Adverse Financial Condition	If issued by CPA Within 5 business days of receipt, forward a copy to the Department & provide evidence of such to the CPA	31 Pa. Code §§ 147.4(e) & 147.9
	Change in CPA letters (4/5 required):		
	Notification of dismissal, resignation, or replacement	Within 5 business days of CPA dismissal, resignation, or replacement	31 Pa. Code § 147.5(c)
	Letter with the name and address of the	Within 60 business days of	31 Pa. Code §§

REQUIRED FILINGS (ONE COPY)			
√	DOCUMENT	DUE DATE *	CITATION **
	independent CPA or accounting firm retained to conduct the annual audit and provide an awareness letter from same	the first notification letter	147.5(c)(3) & (d)
	CCRC's letter addressing whether there were disagreements 24 months prior to change	Within 10 business days of the first notification letter	31 Pa. Code § 147.5(c)(1)
	Letter from the former CPA stating that they agree or disagree with the contents of the second letter together with the second letter.	Concurrently with the CCRC's letter regarding disagreements	31 Pa. Code § 147.5(c)(2)
	Current Resident's Agreement Or a separate page stating that a copy of the resident's agreement was omitted as no changes were made since the prior filing.	Four (4) months after fiscal year end	31 Pa. Code § 151.8(f)
	Disclosure Statement ***	Four (4) months after fiscal year end	40 P.S. § 3207(b) and 31 Pa. Code § 151.7
	Narrative statement of material differences of actual vs. pro forma income statement	Four (4) months after fiscal year end	40 P.S. § 3207(b)(1)
	Pro Forma Income Statement – for the next fiscal year	Four (4) months after fiscal year end	40 P.S. § 3207(b)(2)
	Request to file consolidated or combined audit filings In lieu of separate CPA reports. Note, requires prior approval. Note that, if approved, the required consolidated or combined worksheets need to be subjected to audit procedures.	30 days prior to fiscal year end	31 PA Code § 147.7(c)

* **There are no provisions in statute or regulation that grant the Department authorization to approve an extension or waiver of the audited financial report filing due date for CCRCs.**

** 31 Pa. Code Chapters 147 and 151 are available on The Pennsylvania Code website at: [Annual Audited Insurers' Financial Report](#) and [Continuing Care Providers](#).

*** **Filing fee** - There is a \$750 Disclosure Statement filing fee pursuant to 31 PA Code § 151.14(c). Please include this payment with your filing.

SEND INQUIRIES, PAYMENTS AND FILINGS TO:

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