

**ACTUARIAL REPORT  
FOR  
FOUNTAINGATE GARDENS  
BASED ON JULY 1, 2019, OPENING DATE**

January 30, 2017

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January 30, 2017

Mr. Patrick Donnellan  
Chief Financial Officer  
Gurwin Independent Housing, Inc.  
68 Hauppauge Road  
Commack, New York 11725

Dear Mr. Donnellan:

A.V. Powell & Associates LLC has prepared an actuarial report on Fountaingate Gardens based on move-ins beginning July 1, 2019. This report has been prepared for the following purposes:

1. To estimate the level of reserves needed to cover the obligations associated with residents upon fill-up of the community
2. To evaluate the proposed fee structure for new entrants
3. To assess the ability of Fountaingate Gardens to meet cash requirements
4. To estimate the level of reserves needed to cover the obligations associated with contractholders based on the requirements of New York Insurance Code, Part 350, Regulation 140 (“NYR 140”)

Your attention is called to the reliance, limitations, and cautionary notes set forth in the report, since they describe the restrictions on the use of the report and the reliance that A.V. Powell & Associates LLC placed on the source and accuracy of data and assumptions. This report is provided for use by the management of Fountaingate Gardens and the New York Department of Financial Services and may not be distributed to other parties without the express written consent of A.V. Powell & Associates LLC.

Thank you for allowing us to perform this analysis on your behalf. We are available to answer any questions about our report.

BY: *Amy M. Lampo*  
AMY M. LAMPO, MAAA, ASA

FOR A.V. POWELL & ASSOCIATES LLC

***Providing actuarial and financial projections to organizations serving senior populations***

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## EXECUTIVE SUMMARY

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The actuarial report on Fountaingate Gardens is based on move-ins beginning on July 1, 2019. The purpose of the actuarial study is to assess the long-term financial condition of Fountaingate Gardens. Due to the long-term nature of CCRC contracts and uncertainties regarding health care and refund guarantees, sound financial management requires integration of actuarial methods into CCRC financial projections. It is our opinion that the financial condition of Fountaingate Gardens will meet the New York funding requirements in the year that stabilized occupancy is achieved.

The actuarial analysis performed by A.V. Powell & Associates LLC (“AVP”) includes the following:

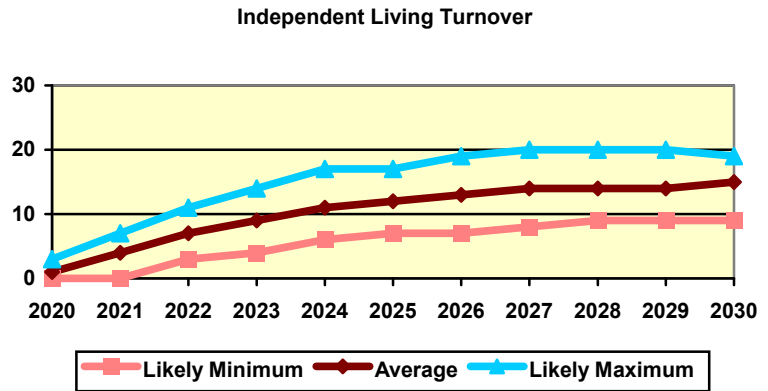
- A **population projection** of contractholder movements and independent living turnover
- An **actuarial valuation** of reserve adequacy for residents after fill-up
- An actuarial **pricing analysis** of fees charged to new entrants
- A **cash flow projection** of cash sources and uses
- A **NYR 140 reserve liability projection** compared to assets

These projections, evaluated together, provide a sound basis for determining whether the CCRC contracts are priced adequately. The actuarial valuation, new entrant pricing analysis, and cash flow projection are the three tests set forth by the American Academy of Actuaries for evaluating the actuarial condition of a CCRC, in the Actuarial Standards of Practice No. 3 (“ASOP#3”). In addition, we have calculated the reserve requirements pursuant to the methodology prescribed by NYR 140.

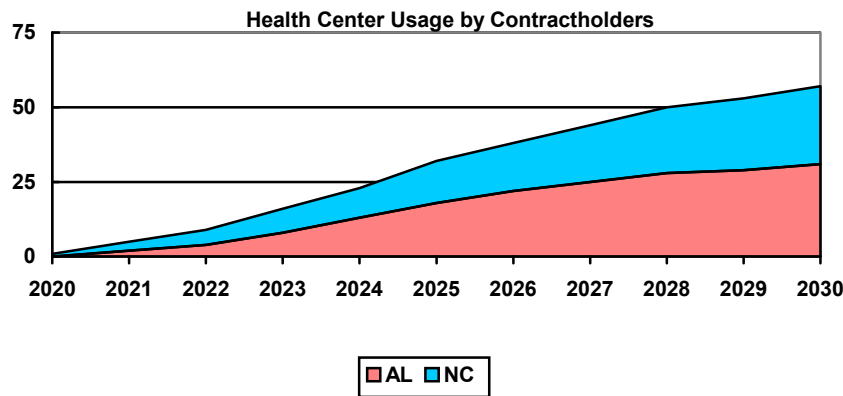
### *Population Projection (Tables 2.x)*

The population projection shows expected independent living turnover and assisted living and nursing care utilization by contractholders for the next 20 years. Contractholders are defined as residents who entered the community in the independent living level of care. The population projection is based on a 36-month fill-up schedule with independent living occupancy stabilizing at 165 units by June 30, 2022.

The population projection indicates that independent living turnover is expected to average about 14 units per year after fill-up. Due to potential random variations in experience, we estimate that the 90<sup>th</sup> confidence interval for independent living turnover is 9 units per year to 20 units per year.



The population projection indicates that Fountaingate Gardens’ residents will need 35 assisted living beds and 35 nursing care beds per year by the end of the projection period. Residents on the life care



agreement are projected to annually utilize 17 beds in assisted living and 17 beds in nursing care. In addition, the covered days provided to residents on the continuing care agreement are projected to be about 1.5 beds on average at the end of the projection period. The remainder of the projected

health care utilization will be self-pay for the continuing care residents.

The health center utilization projections are reasonable based upon the historical practices of other similar CCRCs around the country. Health center utilization can be influenced by several factors:

- contract provisions and initial health screening criteria
- management philosophy regarding aging-in-place
- number and acuity mix of health care beds
- availability of home care services and private duty nurses

Therefore, if transfer policies, health care protocols, or medical treatments change in the future, actual utilization could be different than projected.

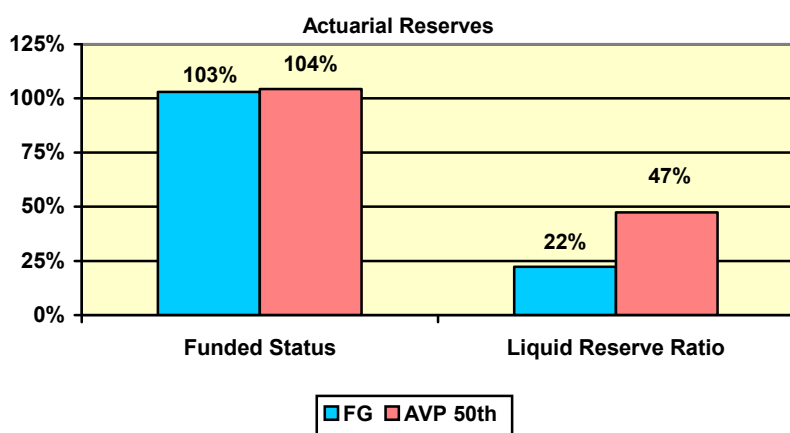
**Actuarial Valuation (Table 4.1)**

Timely actuarial valuations provide an early warning of deficiencies in pricing policies, alerting management to the potential of a financial crisis. The purpose of the actuarial valuation is to determine whether Fountaingate Gardens has adequate reserves to meet its contractual obligation to residents as of the study date. Actuarial reserves should be sufficient to offset the difference between future revenues and future expenses. Liquid assets and non-liquid assets, such as the actuarial value of fixed assets, are considered toward the funding of actuarial reserves.

The actuarial valuation for Fountaingate Gardens is projected as of June 30, 2022, which is the first fiscal year end after full occupancy is achieved.

The methodology used for this calculation, as well as the new entrant pricing analysis in the following section, is different from that prescribed by NYR 140. This methodology has been promulgated by the American Academy of Actuaries in their ASOP#3 for CCRCs and is used to prepare actuarial studies in every other state. We provide this information as a point of reference.

The projected funded status for Fountaingate Gardens as of June 30, 2022, is 103.0%. The funded



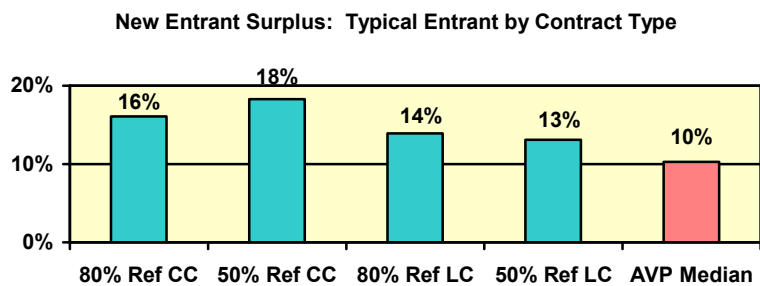
status represents the portion of future expenses covered by future monthly fees and reserves. A funded status of 100% means the community is fully funded. A funded status of at least 105% is desirable to assure an appropriate surplus to protect against unforeseen fluctuations in any of the underlying assumptions. AVP

has a database of 150 communities with fiscal 2015 results. The median funded status in the FYE 2014 AVP database is 104.4%. The projected funded status for Fountaingate Gardens places it in the second quartile (between the 25<sup>th</sup> and 50<sup>th</sup> percentiles) of CCRCs in our database.

Another statistic related to the actuarial valuation is the liquid reserve ratio (LRR). The LRR measures the degree by which actuarial liabilities are covered by liquid assets. It is neither necessary nor desirable that a community show a 100% LRR. Often, the LRR will be lower in the earlier operating years of a community. It is expected to increase over time as the physical plant ages. The median LRR in the FYE 2015 AVP database is 47.3%. The projected LRR for Fountaingate Gardens as of June 30, 2022 is 22.3%, which places it in the bottom quartile (below the 25<sup>th</sup> percentile) of CCRCs in our database.

**New Entrant Pricing (Table 5.x)**

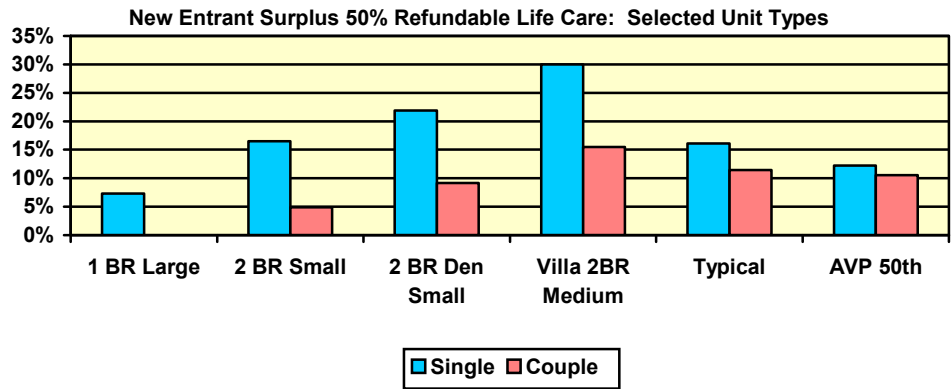
The results of the new entrant pricing analysis indicate whether the entrance fee and monthly fees to be charged to new entrants are expected to cover the cost of care associated with the contractual obligations. The pricing analysis shows surpluses for the proposed fee structures for each contract type offered by Fountaingate Gardens, indicating that entrance fees plus monthly fees cover the costs of care. The FYE 2015 AVP database shows a median surplus of 10.3%. Fountaingate Gardens is in the third quartile (between the 50<sup>th</sup> and 75<sup>th</sup> percentiles) of CCRCs in our database.



The pricing analysis is projected to fiscal year 2023, after stabilized occupancy is achieved. The pricing analysis for the continuing care contracts reflects the contracts terminating after 60 days of care are utilized; neither the expense nor the revenue for time spent in health care after the 60 covered days is included in the pricing analysis.

A review of fee adequacy by unit type shows that larger units yield more of an actuarial surplus than smaller units, which is typical within the continuing care industry. One explanation for this situation is that the portion of expenses related to health care is the same regardless of unit type, which means that a substantial portion of the future liabilities do not change with the size of the independent living unit, even though the pricing varies by unit size.

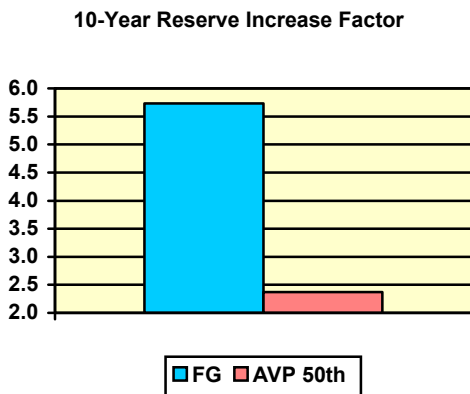
The new entrant pricing analysis also includes a comparison of results for singles and couples. Couples generate lower surpluses than singles within each unit type.



**Cash Flow Projection (Table 6.1)**

The cash flow projection shows future cash sources and uses and provides information for management to determine whether debt service coverage ratios will be met. Reserves must increase at an average annual rate at least equal to the inflation rate in order to maintain the balance between increasing liabilities and revenues.

The cash flow projection shows increasing cash balances after fiscal 2021. The 10-year reserve increase factor represents the projected growth in liquid reserves. The median 10-year reserve increase factor in the FYE 2015 AVP database is 2.37. The cash balances (liquid reserves) for Fountaingate Gardens are expected to increase by a factor of 5.73 times over the first 10 years of operations, which places it in the top quartile (above the 75<sup>th</sup> percentile) of CCRCs in the AVP database.



This analysis integrates the population projection with financial information. Each projection year includes the projected independent living turnover and new entrance fees, projected population movements and likely health center utilization by contractholders, and the resulting revenues. Offsetting these cash sources are the expenditures associated with providing services to residents.

The cash flow projection is based on the assumption that 40% of new entrants will select the 50% refundable life care agreement, 35% the 50% refundable continuing care agreement, 15% the 80%



refundable continuing care agreement, and 10% the 80% refundable life care agreement. The cash flow projection is also based on the assumption that all residents are able to pay the fees charged without significant subsidies for financial aid.

### **Funding of NYR 140 Retrospective and Prospective Reserve Liabilities (Tables 7.x and 8.1)**

NYR 140 requires that a CCRC: (a) accumulate assets that equal or exceed the greater of the retrospective and prospective reserve calculations according to a formula specified in Sections 350.2(a)(1) and 350.2(a)(2); and (b) hold liquid assets that exceed certain amounts as specified in Section 350.6(a). The projections show that the prospective reserve requirement is higher than the retrospective reserve requirement projected as of June 30, 2022. Fountaingate Gardens is projected to have sufficient assets to meet the New York funding requirement as of June 30, 2022.

### **Actuarial Opinion**

It is our opinion that the financial condition of Fountaingate Gardens will meet the reserve funding requirements as of June 30, 2022, as prescribed by NYR 140, provided that future experience substantially follows the underlying assumptions that are contained in this actuarial report. The key assumptions are:

- a) fill-up to 94% occupancy is achieved within 36 months of opening;
- b) increases in monthly fees will match assumed increases in operating expenses;
- c) the difference between interest earnings/discount rate and expense inflation (“real rate-of-return”) is 1.5%;
- d) construction and financing costs match management’s projections; and
- e) projected accumulated cash balances are all available for the exclusive benefit of continuing care and life care contractholders and all cash outflows have been reflected in the report to the best of our knowledge.

AVP believes that the assumptions and projections in this report form a reasonable basis for evaluating the long-term financial condition of Fountaingate Gardens. We also believe that the methods employed in developing these calculations are consistent with sound actuarial principles and practices. Provision has been made for all actuarial liabilities and related statement items that ought to be recognized, except no assessment has been of potential liabilities for residents’ inability to pay their fees.

In order to monitor the appropriate level of fees required to maintain the long-term financial solvency of Fountaingate Gardens, we recommend that actuarial studies be conducted regularly. It should be noted that any number of variations from the underlying assumptions may occur and such variations could have a material impact on the projections and observations contained herein.

## **BASIS OF EVALUATION**

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### **Community Description**

Fountaingate Gardens will have 176 independent living units. Assisted living and nursing care will be provided at the Fay J. Lindner Residences and Gurwin Jewish Nursing and Rehabilitation Center, respectively. Table 0.3.1 shows the community unit mix and square footage.

### **Contract Definition**

Residents will be offered the following contracts:

- The 80% refundable continuing care contract (Contract 10) provides for 60 lifetime days of nursing care at no additional charge. For assisted living stays and nursing care stays beyond the 60 covered days, residents will pay 100% of the per diem rates. The refund for death, withdrawal, or permanent transfer to health care is 100% of the entrance fee during the first 90 days of occupancy. After 90 days, the refund for death, withdrawal, or permanent transfer to health care is reduced by a 4% administrative fee plus 2% per month of occupancy, with a minimum refund of 80% of the entrance fee.
- The 50% refundable continuing care contract (Contract 11) has the same health care provisions as Contract 10. The refund for death, withdrawal, or permanent transfer to health care is 100% of the entrance fee during the first 90 days of occupancy. After 90 days, the refund for death, withdrawal, or permanent transfer to health care is reduced by a 4% administrative fee plus 2% per month of occupancy, with a minimum refund of 50% of the entrance fee.
- The 80% refundable life care contract (Contract 20) provides for assisted living and nursing care at no additional charge. A life care entry fee is charged for this plan. The refund for death or withdrawal is 100% of the base plus life care entry fees during the first 90 days of occupancy. After 90 days, upon death or withdrawal, the refund of the base entry fee is reduced by a 4% administrative fee plus 2% per month of occupancy, with a minimum refund of 80%. After 90 days, upon death or withdrawal, the refund of the life care entry fee is reduced by a 4% administrative fee plus 2% per month of occupancy, with no refund of the life care entry fee after 48 months.
- The 50% refundable life care contract (Contract 21) provides for assisted living and nursing care at no additional charge. A life care entry fee is charged for this plan. The refund for death or withdrawal is 100% of the base plus life care entry fees during the first 90 days of occupancy. After 90 days, upon death or withdrawal, the refund of the base entry fee is reduced by a 4% administrative fee plus 2% per month of

occupancy, with a minimum refund of 50%. After 90 days, upon death or withdrawal, the refund of the life care entry fee is reduced by a 4% administrative fee plus 2% per month of occupancy, with no refund of the life care entry fee after 48 months.

### **Actuarial and Demographic Assumptions**

The underlying assumptions are an important component of any actuarial analysis. AVP used information on Fountaingate Gardens' contracts, along with AVP's database of continuing care retirement communities, to select mortality, morbidity (i.e., temporary and permanent transfers to health care), move-out, and new entrant assumptions. Mortality and morbidity rates are based on experience from AVP's database on CCRC residents since Fountaingate Gardens does not have historical experience to warrant modifications to the standard assumptions.

New entrant assumptions regarding age and gender distributions and double occupancy rates by unit type are shown on Table 1.4 and reflect the presales experience of Fountaingate Gardens. The population projection is based on these assumptions and includes a factor to increase average age at entry one year every five projection-years to reflect the experience of other CCRCs with increases in average entry age.

### **Occupancy Assumptions**

The projections in this report are based on occupancy assumptions provided by management and are shown in Tables 0.3.2 and 0.3.3. Variations in occupancy that result in rates lower than assumed may have a material impact on the projections. Independent living is assumed to be 93.8% (165 units) occupied within 36 months of opening.

### **Financial Assumptions**

Fountaingate Gardens provided the financial assumptions about operating and capital expenses. Operating expenses and other revenues, excluding monthly fees, are based on the fiscal years 2020 through 2027 projections. Table 3.5.1 shows total operating expenses for the first 10 years of operations. Tables 3.6.x show the operating expenses as allocated by level of care, based on information provided by Fountaingate Gardens. Within each level of care, costs vary by factors that reflect the unit size, number of residents in the unit, or number of units in that level of care.

Capital expenditures are based on the 2020 through 2027 projections. After 2027, capital spending was assumed to increase to approximately \$3.9 million per year by 2035, after the 15<sup>th</sup> year of operations. Capital expenditures from opening and for the next 20 years are shown in Table 3.5.2.1. Capital expenditures were allocated by level of care based on information provided by Fountaingate Gardens. Within each level of care, capital expenditures vary by factors that reflect the unit size, number of residents in the unit, or number of units in that level of care. Actuarial depreciation for the first 10 years of operations is shown in Table 3.5.2.2. These amounts are derived from the capital expenditures in Table 3.5.2.1 and the imputed interest rate for capital.

Monthly fees and entrance fees were provided by management and are outlined in Table 0.2. Entrance fees are assumed to increase 2.5% twice pre-opening. The initial entrants are assumed to be split 35% on the initial schedule of entrance fees, 40% on the first increase, and 25% on the second increase. The financial analysis of Fountaingate Gardens has been based on the assumption that residents will pay the monthly fees that are scheduled. If residents do not have the resources to pay the assumed level of fees, the potential financial aid requirements could have a material impact on the projections.

**Economic Assumptions**

The projections in this report are based on economic assumptions provided by management as listed in the table below. For 2028 and future years, the expense inflation rate was assumed to be 3.5% and the interest earnings rate (present value discount rate) was assumed to be 5.0%, with a resulting spread of 1.5%. If the inflation and interest spread falls below 1.5% for an extended period, the variance is likely to have a material impact on the projections.

<b>Key Economic Assumptions</b>	<b>Value</b>
<b><i>Inflation Assumptions</i></b>	
Operating expenses	3.5%
Other revenues	3.5%
Capital expenditures	3.5%
Entrance fees	3.0%
Monthly fees	3.5%
<b><i>Interest Discount Rate</i></b>	<b>5.0%</b>



## Methodology

The methodology used in preparing this report is consistent with guidelines set forth in Actuarial Standard of Practice No 3. *Practices Relating to Continuing Care Retirement Communities*. Our procedures include:

1. Review selection of baseline assumptions with management by analyzing Fountaingate Gardens' resident, financial, and economic data and comparing with other CCRCs.
2. Identify the fill-up schedule and apply the actuarial decrement assumptions along with contract provisions to project monthly fees, refunds, unit occupancy by type, independent living turnover, health care usage, and other financial data, using a twenty-year open-group resident population projection.
3. Use a closed-group resident projection based on the projected census as of the valuation date to calculate the actuarial present value of future monthly fees, refunds, and expenses for the actuarial valuation.
4. Use a closed-group resident projection for an entrant cohort (a typical set of single and couple contractholders during a 12-month period) to determine whether the combination of the entry fee and future monthly fees covers the future costs of care for the cohort.
5. Use the open-group resident projection to indicate whether future cash balances will remain positive.
6. Interpret and provide observations and recommendations for pricing and/or policy changes based on the results of projections.

The text and tables in this report summarize the results of this methodology. No other source of information about the actuarial study is available and all models used to prepare information for this report are considered proprietary to AVP.

## EXPLANATION OF REPORT TABLES

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**Tables 0.2 and 0.3.x** contain the fee and occupancy assumptions used in this analysis. **Table 0.4** summarizes other financial assumptions used in the analysis. **Table 0.5** contains age- and gender-specific probabilities of actuarial decrement assumptions.

**Tables 1.3 and 1.4** contain the actuarial assumptions used in the analysis. **Table 1.3** shows the individual life expectancy and health care lifetime for new entrants to Fountaingate Gardens and last survivor life expectancies. **Table 1.4** shows the demographic assumptions for new entrants to independent living.

The open-group population projections are presented in **Tables 2.1, 2.2, 2.3, 2.4, 2.5, 2.13, 2.14, 2.15 and 2.16**. **Table 2.1** summarizes the key population flow statistics including independent living turnover and health care usage. **Table 2.2** shows the beginning of year demographic statistics for Fountaingate Gardens' residents. This table indicates the projected number of residents in each level of care. **Table 2.3** shows the projected movements (deaths and permanent transfers) by care level for all residents. **Table 2.4** shows turnover statistics. Not all deaths and permanent transfers will result in a unit turnover because of the double occupancy in some independent living units. **Table 2.5** presents projected resident days by level of care. **Table 2.13** shows projected turnover by unit type. **Table 2.14** contains move-out and refund statistics. **Table 2.15** projects variations in independent living turnover and health care utilization. **Table 2.16** projects variation in refunds and health care utilization per 100 independent living residents.

**Table 3.5.1** shows the total operating expenses net of other revenues for the next 10 projection years. **Table 3.5.2.1** shows the investment in fixed assets since inception and for the next 20 years. **Table 3.5.2.2** shows the actuarial depreciation, interest on debt, and imputed interest. **Table 3.5.3** shows the complete debt service schedule of principal and interest payments. **Tables 3.6.x** show operating expenses, net of other revenues, allocated to each level of care. **Tables 3.7.x** show the resulting daily costs of care per person, for each level of care.

**Table 4.1** contains the results of the actuarial valuation. The actuarial valuation indicates whether existing reserves are sufficient to cover the obligations associated with current residents. This analysis compares the sum of the current assets and the present value of future monthly fees associated with current residents to the present value of future operating and capital expenses associated with those residents. If the sum of the net assets plus the present value of monthly fees exceeds the present value of expenses, Fountaingate Gardens is in an actuarial surplus position and meets Condition 1 for satisfactory actuarial balance. If the sum does not exceed the present value of expenses, the deficit indicates the amount of care for current residents to be funded by new entrants or other sources.

The first component of the actuarial valuation is defined as net assets, which is derived from assets and liabilities that are found in the Fountaingate Gardens' balance sheet in accordance with ASOP-3. The values for fixed assets and long-term debt are adjusted to consider present values. A detailed documentation of the net asset values is given in **Table 4.4**.

The second component of the actuarial valuation, actuarial liabilities, is equal to the present value of future net operating expenses plus actuarial depreciation for fixed assets. The present values are discounted for interest and survivorship. This liability represents the expected cost of care for current residents. It is based on the assumption that the community will continue operation and that new entrants will pay at least their actuarially adequate portion of total costs.

Actuarial assets, the third component, equal the present value of future monthly fees for current residents based on the assumed annual rate of increase.

The difference between actuarial liabilities and actuarial assets is given in item four. Item five contains the present value of future refunds for death, move-out, or permanent transfers (if applicable), which is the actuarial refund liability. The expected refund is based on the average refund paid out during the year that death, move-out, or permanent transfer occurs and is discounted for interest.

The actuarial surplus or deficit, item six, equals net assets minus the excess of actuarial liabilities over actuarial assets plus the actuarial refund liabilities. The funded status, item seven, represents the portion of actuarial liabilities (operating and capital expenses and refunds) that are covered by existing assets and actuarial assets (future fees). The actuarial ratio, item eight, represents the portion



of actuarial liabilities covered by assets that can be adjusted for inflation and longevity variations in experience.

**Table 4.4** contains the documentation for the net asset calculation for the actuarial valuation.

**Table 4.5** contains the documentation for the initial cash balance used in the cash flow projections.

**Tables 5.x** contain the results of the actuarial pricing analysis of the fee structure for new entrants. This analysis compares the present value of future monthly fees (PVMF) plus the entrance fee, net of the present value of expected refund payments (NEF), to the present value of future operating and capital expenses (PVFE). If the actuarial assets (future monthly and entrance fees) exceed the actuarial liabilities (future operating and capital expenses), the fee structure is considered actuarially adequate and meets Condition 2 for satisfactory actuarial balance. If the actuarial assets are less than actuarial liabilities, some costs of the current cohort of new entrants will be passed on to future generations. The new entrant pricing analysis tests adequacy by unit type and for typical single and couple entrants. The typical entrant analysis is based on a weighting by (a) expected unit turnover; (b) projected occupied units; and (c) projected double occupancy. The actuarial liability differences among units are caused by variations in the allocation of operating and capital costs.

**Table 6.1** contains cash flow projections for Fountaingate Gardens. Monthly fees for independent living, assisted living, and nursing care are based on actual rates paid by life care and continuing care contractholders. Entrance fees from unit turnover are based on the annual turnover shown in Table 2.4 and fees shown in Table 0.2. Entrance fees from vacant units represent fees associated with units needed to fill up to the desired occupancy level. Interest income is calculated as the interest rate times the beginning of year cash balance plus six months' interest on the change in cash balance net of interest income.

Debt service interest and principal payments were based on a schedule provided by Fountaingate Gardens. The initial cash balance was developed based on the projected financial statements as of June 30, 2019, and is presented in Table 4.5. The debt service ratio is calculated as cash sources less cash uses, excluding debt service and capital expenditures, divided by debt service. The cash to debt ratio is calculated as end of year cash balance divided by end of year debt principal.

If positive cash balances are projected with respect to current and future residents for a period of least 20 years, then the community meets Condition 3 for satisfactory actuarial balance.

**Table 7.1** contains the documentation for the retrospective reserve liability used in the reserve projections. The retrospective reserve liability is an accumulation of:

- Entrance fees received less refunds paid plus
- Monthly fees received plus revenue from non-residents for services rendered plus
- Interest income minus
- Operating expenses minus
- Capital expenses minus
- Interest payments on bonds

**Table 7.2** contains the calculation of the prospective reserve liability. The prospective reserve liability is the present value of future operating expenses plus the present value of depreciation, imputed interest and interest payments on bonds plus the present value of future refunds minus the present value of future monthly fees.

**Table 7.2 Expanded** contains the closed group projection for the projected census as of June 30, 2022.

**Table 7.3** contains the calculation of the amount of assets required to fund the minimum liquid reserves. The required short-term investments to fund the debt reserve fund are equal to the principal and interest payments due within the next twelve months. The required short-term investments to fund the operating reserve fund are equal to 35% of the sum of the following:

- Taxes and insurance premiums due within the next twelve months
- Operating expenses for the next twelve months
- Projected refunds for the next twelve months

**Table 8.1** is a balance sheet comparison of the prospective and retrospective reserve liabilities to projected assets. If the assets exceed the reserve liabilities, Fountaingate Gardens is deemed to meet the test for solvency under New York regulations. If the reserve liabilities exceed the assets, Fountaingate Gardens is deemed to be impaired and must submit a corrective action plan.

## RELIANCE, LIMITATIONS AND CAUTIONARY NOTES —

In developing this report, AVP relied on data and information supplied by the management of Fountaingate Gardens. AVP relied on the general accuracy of this information without independent verification. However, AVP did review the data for reasonableness based on our knowledge of the continuing care retirement industry.

Reliance is placed on, but not limited to, the accuracy of the following information:

- Information concerning the current and projected design and pricing structure of resident agreements
- Information relating to current and projected levels of occupancy for independent living
- Information relating to the number and size of independent living, health center and other physical structures
- Information relating to operating expense adjustments due to increasing occupancy
- Information about capital expenditures for initial construction and after opening
- Projected financial statements through June 30, 2027
- Operating and capital budgets for the years ending June 30, 2020 through June 30, 2027
- Information about long-term debt and the sources and uses of new funds

AVP relied on Fountaingate Gardens for the assumed level of occupancy and fees. We are not experts in the marketing of continuing care contracts. It would be inappropriate for any reader of this report to place reliance on AVP concerning future occupancy levels and the ability of Fountaingate Gardens to attract residents who are willing to pay the assumed future fees.

### **Use of Report**

AVP has performed the work assigned and prepared this report in conformity with its intended use by persons technically competent in the areas addressed and for the stated purpose only. Any judgment regarding the data contained in the report should be made only after studying the entire report. Furthermore, members of AVP's staff are available to explain any item presented in this report.

This report is provided for the exclusive use of the management and the New York regulators of Fountaingate Gardens. This limitation is included for the following reasons:

1. The report was prepared for your internal use and assumes a high level of knowledge relative to the operations of your community, the data used in preparing the report and the external factors affecting your business. We would not expect a third party to have such knowledge.
2. As stated in the report, we relied on you for certain data without independent verification.

**Any other distribution or reference to the report is expressly prohibited without the prior written consent of AVP.**

### **Variation between Projections and Actual Results**

AVP's estimates and projections in this report were developed in conformity with generally accepted actuarial principles and practices and were based on AVP's understanding of Fountaingate Gardens' current operating environment. AVP's calculations are projections, not forecasts of future results. Deviations between projected and actual results are normal and should be expected. Even without any change in perceived environments and in the parameters used to reflect them, actual results will vary from those projected due to normal random fluctuations and those variations may be material.

### **Actuarial Assumptions and Need for Monitoring and Updates**

New entrant assumptions and actuarial assumptions were selected based on data from similar communities in AVP's database. Although AVP believes that these assumptions may reflect the future experience of Fountaingate Gardens, its actuarial position should be carefully monitored. Future studies of Fountaingate Gardens' experience may indicate a material deviation from the actuarial assumptions used in this study. AVP recommends that updates be conducted at least every two years.

### **AVP's Model**

AVP believes that the most important value of this analysis is that it provides management with a credible tool to continually assess the implications of pricing policies. To that end, AVP is willing to generate additional analyses based on other assumptions that may be selected by management and/or to provide management with direct access to AVP's models. AVP is available to further discuss these options at management's request.

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Table 0.2

Fountaingate Gardens  
Fee Structure as of July 1, 2019

Contract 10 (80% REFUNDABLE MODIFIED)

Unit Type -----	Monthly Fee		Initial Advance Fee	
	One Person	Second Person	One Person	Second Person
-----	-----	-----	-----	-----
<b>INDEPENDENT LIVING:</b>				
ONE BEDROOM SMALL . . . . .	\$ 3,450	\$ 850	\$ 565,000	\$ 26,000
ONE BEDROOM LARGE . . . . .	3,450	850	570,000	26,000
ONE BR DEN SMALL . . . . .	3,880	850	648,000	26,000
ONE BR DEN MEDIUM . . . . .	4,230	850	718,000	26,000
ONE BR DEN LARGE . . . . .	4,540	850	797,000	26,000
TWO BEDROOM SMALL . . . . .	4,230	850	707,000	26,000
TWO BEDROOM LARGE . . . . .	4,500	850	744,000	26,000
TWO BEDROOM DEN SMALL . . . . .	4,880	850	824,000	26,000
TWO BEDROOM DEN LARGE . . . . .	5,080	850	852,000	26,000
VILLA ONE BR . . . . .	4,140	850	723,000	26,000
VILLA ONE BR DEN . . . . .	4,330	850	771,000	26,000
VILLA TWO BR SMALL . . . . .	4,920	850	841,000	26,000
VILLA TWO BR MEDIUM . . . . .	5,330	850	928,000	26,000
VILLA TWO BR LARGE . . . . .	5,370	850	961,000	26,000
VILLA TWO BR DEN . . . . .	5,630	850	973,000	26,000

PER DIEM RATES

<b>ASSISTED LIVING:</b>		
ASSISTED LIVING . . . . .	202 per day	202 per day
<b>NURSING CARE:</b>		
NURSING CARE . . . . .	532 per day	532 per day

Entry fees are assumed to increase 2.5% twice before opening. First generation entry fees are assumed to be 35% on the initial schedule, 40% on the 1st increase (2.5% higher than initial), and 25% on the 2nd increase (2.5% + 2.5% higher than initial).



Table 0.2 (continued)

Fountaingate Gardens  
Fee Structure as of July 1, 2019

Contract 11 (50% REFUNDABLE MODIFIED)

Unit Type	Monthly Fee		Initial Advance Fee	
	One Person	Second Person	One Person	Second Person
<b>INDEPENDENT LIVING:</b>				
ONE BEDROOM SMALL . . . . .	\$ 3,450	\$ 850	\$ 424,000	\$ 20,000
ONE BEDROOM LARGE . . . . .	3,450	850	428,000	20,000
ONE BR DEN SMALL . . . . .	3,880	850	486,000	20,000
ONE BR DEN MEDIUM . . . . .	4,230	850	539,000	20,000
ONE BR DEN LARGE . . . . .	4,540	850	598,000	20,000
TWO BEDROOM SMALL . . . . .	4,230	850	530,000	20,000
TWO BEDROOM LARGE . . . . .	4,500	850	558,000	20,000
TWO BEDROOM DEN SMALL . . . . .	4,880	850	618,000	20,000
TWO BEDROOM DEN LARGE . . . . .	5,080	850	639,000	20,000
VILLA ONE BR . . . . .	4,140	850	542,000	20,000
VILLA ONE BR DEN . . . . .	4,330	850	578,000	20,000
VILLA TWO BR SMALL . . . . .	4,920	850	631,000	20,000
VILLA TWO BR MEDIUM . . . . .	5,330	850	696,000	20,000
VILLA TWO BR LARGE . . . . .	5,370	850	721,000	20,000
VILLA TWO BR DEN . . . . .	5,630	850	730,000	20,000

PER DIEM RATES

<b>ASSISTED LIVING:</b>		
ASSISTED LIVING . . . . .	202 per day	202 per day
<b>NURSING CARE:</b>		
NURSING CARE . . . . .	532 per day	532 per day

Entry fees are assumed to increase 2.5% twice before opening. First generation entry fees are assumed to be 35% on the initial schedule, 40% on the 1st increase (2.5% higher than initial), and 25% on the 2nd increase (2.5% + 2.5% higher than initial).

Table 0.2 (continued)

Fountaingate Gardens  
Fee Structure as of July 1, 2019

Contract 20 (80% REFUNDABLE LIFECARE)

Unit Type	Monthly Fee		Initial Advance Fee	
	One Person	Second Person	One Person	Second Person
<b>INDEPENDENT LIVING:</b>				
ONE BEDROOM SMALL . . . . .	\$ 4,380	\$ 1,780	\$ 630,000	\$ 65,000
ONE BEDROOM LARGE . . . . .	4,380	1,780	635,000	65,000
ONE BR DEN SMALL . . . . .	4,810	1,780	713,000	65,000
ONE BR DEN MEDIUM . . . . .	5,160	1,780	783,000	65,000
ONE BR DEN LARGE . . . . .	5,470	1,780	862,000	65,000
TWO BEDROOM SMALL . . . . .	5,160	1,780	772,000	65,000
TWO BEDROOM LARGE . . . . .	5,430	1,780	809,000	65,000
TWO BEDROOM DEN SMALL . . . . .	5,810	1,780	889,000	65,000
TWO BEDROOM DEN LARGE . . . . .	6,010	1,780	917,000	65,000
VILLA ONE BR . . . . .	5,070	1,780	788,000	65,000
VILLA ONE BR DEN . . . . .	5,260	1,780	836,000	65,000
VILLA TWO BR SMALL . . . . .	5,850	1,780	906,000	65,000
VILLA TWO BR MEDIUM . . . . .	6,260	1,780	993,000	65,000
VILLA TWO BR LARGE . . . . .	6,300	1,780	1,026,000	65,000
VILLA TWO BR DEN . . . . .	6,560	1,780	1,038,000	65,000

ASSISTED LIVING:  
ASSISTED LIVING . . . . . Pay same fees as ILU

NURSING CARE:  
NURSING CARE . . . . . Pay same fees as ILU

PER DIEM RATES

ASSISTED LIVING:  
ASSISTED LIVING . . . . . 202 per day 202 per day

NURSING CARE:  
NURSING CARE . . . . . 532 per day 532 per day

Entry fees are assumed to increase 2.5% twice before opening. First generation entry fees are assumed to be 35% on the initial schedule, 40% on the 1st increase (2.5% higher than initial), and 25% on the 2nd increase (2.5% + 2.5% higher than initial).

Table 0.2 (continued)

Fountaingate Gardens  
Fee Structure as of July 1, 2019

Contract 21 (50% REFUNDABLE LIFECARE)

Unit Type	Monthly Fee		Initial Advance Fee	
	One Person	Second Person	One Person	Second Person
<b>INDEPENDENT LIVING:</b>				
ONE BEDROOM SMALL . . . . .	\$ 4,380	\$ 1,780	\$ 489,000	\$ 65,000
ONE BEDROOM LARGE . . . . .	4,380	1,780	493,000	65,000
ONE BR DEN SMALL . . . . .	4,810	1,780	551,000	65,000
ONE BR DEN MEDIUM . . . . .	5,160	1,780	604,000	65,000
ONE BR DEN LARGE . . . . .	5,470	1,780	663,000	65,000
TWO BEDROOM SMALL . . . . .	5,160	1,780	595,000	65,000
TWO BEDROOM LARGE . . . . .	5,430	1,780	623,000	65,000
TWO BEDROOM DEN SMALL . . . . .	5,810	1,780	683,000	65,000
TWO BEDROOM DEN LARGE . . . . .	6,010	1,780	704,000	65,000
VILLA ONE BR . . . . .	5,070	1,780	607,000	65,000
VILLA ONE BR DEN . . . . .	5,260	1,780	643,000	65,000
VILLA TWO BR SMALL . . . . .	5,850	1,780	696,000	65,000
VILLA TWO BR MEDIUM . . . . .	6,260	1,780	761,000	65,000
VILLA TWO BR LARGE . . . . .	6,300	1,780	786,000	65,000
VILLA TWO BR DEN . . . . .	6,560	1,780	795,000	65,000

ASSISTED LIVING:  
ASSISTED LIVING . . . . . Pay same fees as ILU

NURSING CARE:  
NURSING CARE . . . . . Pay same fees as ILU

PER DIEM RATES

ASSISTED LIVING:  
ASSISTED LIVING . . . . . 202 per day 202 per day

NURSING CARE:  
NURSING CARE . . . . . 532 per day 532 per day

Entry fees are assumed to increase 2.5% twice before opening. First generation entry fees are assumed to be 35% on the initial schedule, 40% on the 1st increase (2.5% higher than initial), and 25% on the 2nd increase (2.5% + 2.5% higher than initial).

Table 0.3.1

Fountaingate Gardens  
Facility Unit Configuration  
Unit Capacity

Unit Type	Square Feet	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029+
<b>INDEPENDENT LIVING:</b>											
ONE BEDROOM SMALL . . . .	824	8	8	8	8	8	8	8	8	8	8
ONE BEDROOM LARGE . . . .	828	16	16	16	16	16	16	16	16	16	16
ONE BR DEN SMALL . . . .	954	14	14	14	14	14	14	14	14	14	14
ONE BR DEN MEDIUM . . . .	1,040	8	8	8	8	8	8	8	8	8	8
ONE BR DEN LARGE . . . .	1,170	8	8	8	8	8	8	8	8	8	8
TWO BEDROOM SMALL . . . .	1,057	16	16	16	16	16	16	16	16	16	16
TWO BEDROOM LARGE . . . .	1,126	8	8	8	8	8	8	8	8	8	8
TWO BEDROOM DEN SMALL . .	1,280	16	16	16	16	16	16	16	16	16	16
TWO BEDROOM DEN LARGE . .	1,350	8	8	8	8	8	8	8	8	8	8
VILLA ONE BR . . . . .	984	11	11	11	11	11	11	11	11	11	11
VILLA ONE BR DEN . . . . .	1,064	8	8	8	8	8	8	8	8	8	8
VILLA TWO BR SMALL . . . .	1,225	11	11	11	11	11	11	11	11	11	11
VILLA TWO BR MEDIUM . . .	1,349	22	22	22	22	22	22	22	22	22	22
VILLA TWO BR LARGE . . . .	1,403	11	11	11	11	11	11	11	11	11	11
VILLA TWO BR DEN . . . . .	1,555	11	11	11	11	11	11	11	11	11	11
		176	176	176	176	176	176	176	176	176	176
<b>ASSISTED LIVING:</b>											
ASSISTED LIVING . . . . .	N/A	0	0	0	0	0	0	0	0	0	0
		0	0	0	0	0	0	0	0	0	0
<b>NURSING CARE:</b>											
NURSING CARE . . . . .	N/A	0	0	0	0	0	0	0	0	0	0
		0	0	0	0	0	0	0	0	0	0

Table 0.3.2

Fountaingate Gardens  
 Facility Unit Configuration  
 Beginning of Year Unit Occupancy

Unit Type	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029+
<b>INDEPENDENT LIVING:</b>										
ONE BEDROOM SMALL . . . . .	0	4	7	7	7	7	7	7	7	7
ONE BEDROOM LARGE . . . . .	0	9	13	15	15	15	15	15	15	15
ONE BR DEN SMALL . . . . .	0	8	12	13	13	13	13	13	13	13
ONE BR DEN MEDIUM . . . . .	0	4	7	8	8	8	8	8	8	8
ONE BR DEN LARGE . . . . .	0	4	7	8	8	8	8	8	8	8
TWO BEDROOM SMALL . . . . .	0	9	13	15	15	15	15	15	15	15
TWO BEDROOM LARGE . . . . .	0	4	6	7	7	7	7	7	7	7
TWO BEDROOM DEN SMALL . . . . .	0	9	13	15	15	15	15	15	15	15
TWO BEDROOM DEN LARGE . . . . .	0	4	7	8	8	8	8	8	8	8
VILLA ONE BR . . . . .	0	6	9	10	10	10	10	10	10	10
VILLA ONE BR DEN . . . . .	0	4	7	8	8	8	8	8	8	8
VILLA TWO BR SMALL . . . . .	0	6	9	10	10	10	10	10	10	10
VILLA TWO BR MEDIUM . . . . .	0	12	19	21	21	21	21	21	21	21
VILLA TWO BR LARGE . . . . .	0	6	9	10	10	10	10	10	10	10
VILLA TWO BR DEN . . . . .	0	6	9	10	10	10	10	10	10	10
	0	95	147	165	165	165	165	165	165	165
<b>ASSISTED LIVING:</b>										
ASSISTED LIVING . . . . .	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0
<b>NURSING CARE:</b>										
NURSING CARE . . . . .	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0



Table 0.3.3

Fountaingate Gardens  
 Facility Unit Configuration  
 Average Number of Unit/Beds Occupied

Unit Type	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029+
<b>INDEPENDENT LIVING:</b>										
ONE BEDROOM SMALL . . . . .	3	6	7	7	7	7	7	7	7	7
ONE BEDROOM LARGE . . . . .	5	12	14	15	15	15	15	15	15	15
ONE BR DEN SMALL . . . . .	4	11	12	13	13	13	13	13	13	13
ONE BR DEN MEDIUM . . . . .	3	6	7	8	8	8	8	8	8	8
ONE BR DEN LARGE . . . . .	3	6	8	8	8	8	8	8	8	8
TWO BEDROOM SMALL . . . . .	5	12	14	15	15	15	15	15	15	15
TWO BEDROOM LARGE . . . . .	2	6	7	7	7	7	7	7	7	7
TWO BEDROOM DEN SMALL . . . . .	5	12	14	15	15	15	15	15	15	15
TWO BEDROOM DEN LARGE . . . . .	3	6	7	8	8	8	8	8	8	8
VILLA ONE BR . . . . .	3	8	10	10	10	10	10	10	10	10
VILLA ONE BR DEN . . . . .	3	6	7	8	8	8	8	8	8	8
VILLA TWO BR SMALL . . . . .	3	8	10	10	10	10	10	10	10	10
VILLA TWO BR MEDIUM . . . . .	7	16	20	21	21	21	21	21	21	21
VILLA TWO BR LARGE . . . . .	3	8	10	10	10	10	10	10	10	10
VILLA TWO BR DEN . . . . .	3	8	10	10	10	10	10	10	10	10
	55	131	157	165	165	165	165	165	165	165
<b>ASSISTED LIVING:</b>										
ASSISTED LIVING . . . . .	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0
<b>NURSING CARE:</b>										
NURSING CARE . . . . .	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0

Table 0.3.4

Fountaingate Gardens  
 Facility Unit Configuration  
 Average Number of Residents

Care Level -----	2020 ----	2021 ----	2022 ----	2023 ----	2024 ----	2025 ----	2026 ----	2027 ----	2028 ----	2029+ -----
INDEPENDENT LIVING . . . . .	84	198	234	234	227	221	216	213	211	210
ASSISTED LIVING . . . . .	0	0	0	0	0	0	0	0	0	0
NURSING CARE . . . . .	0	0	0	0	0	0	0	0	0	0

Table 0.4

Fountaingate Gardens  
Other Financial Assumptions

Monthly Fee Inflation Rate: . . . . .	3.5
Entry Fee Inflation Rate: . . . . .	3.0
Other Revenue Inflation Rate: . . . . .	2.4 to 147.7
Operating Expense Inflation Rate: . . . . .	3.5 to 26.5
Capital Expenditure Inflation Rate: . . . . .	-88.6 to 75.8
Interest Rate for Valuing Fixed Assets and Corresponding Liabilities: . . . . .	5.0
Discount Rate for Determining Present Value and Rate of Return on Invested Assets: . . . . .	5.0

Useful Life of Capital Assets (Years):

- LAND: . . . . .	Unlimited
- BUILDING: . . . . .	36
- DESIGN & OTHER FEES: . . . . .	35
- BLDG IMPROVEMENTS: . . . . .	20
- FURNISHINGS & EQUIPMENT: . . . . .	10
- DEFERRED MARKETING: . . . . .	11
- DEFERRED FINANCING ST: . . . . .	4
- DEFERRED FINANCING LT: . . . . .	30
- CAPITALIZED AMORT OF DEF FIN: . . . . .	35
- CAPITALIZED CONSTR INTEREST: . . . . .	35
- CAPITALIZED INTEREST: . . . . .	35

Fiscal Year: . . . . .	July 1 To June 30
Initial Year of Operations: . . . . .	2019
Current Fiscal Year: . . . . .	2020
Schedule Monthly Fee Increases: . . . . .	July 1



TABLE 0.5

Fountaingate Gardens  
 BASELINE DECREMENT ASSUMPTIONS FOR 2020 ACTUARIAL STUDY

ATT AGE	FEMALE DURATION					MALE DURATION				
	1	2	3	4	ULT	1	2	3	4	ULT
<b>MORTALITY RATES (PER 100 LIVES) FOR INDEPENDENT LIVING RESIDENTS</b>										
60	0.11	0.18	0.24	0.27	0.30	0.34	0.77	0.77	0.81	0.85
65	0.31	0.53	0.71	0.80	0.89	0.57	1.28	1.28	1.35	1.42
70	0.64	1.10	1.47	1.65	1.84	0.82	1.85	1.85	1.95	2.05
75	0.84	1.45	1.93	2.17	2.41	2.04	4.59	4.59	4.84	5.10
80	1.07	1.84	2.46	2.76	3.07	2.88	6.47	6.47	6.83	7.19
85	1.56	2.68	3.57	4.02	4.47	3.62	8.14	8.14	8.59	9.04
90	2.59	4.45	5.93	6.67	7.41	4.15	9.33	9.33	9.85	10.37
95	4.35	7.46	9.95	11.19	12.44	5.31	11.95	11.95	12.61	13.28
100	5.37	9.21	12.28	13.81	15.35	6.76	15.20	15.20	16.04	16.89
105	8.10	13.89	18.52	20.83	23.15	12.11	27.25	27.25	28.76	30.28
110	14.01	24.01	32.01	36.01	40.02	23.00	51.74	51.74	54.62	57.49
115	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
<b>MORTALITY RATES (PER 100 LIVES) FOR ASSISTED LIVING RESIDENTS</b>										
60	2.68	4.87	4.87	4.87	4.87	0.75	2.15	2.15	2.15	2.15
65	3.10	5.63	5.63	5.63	5.63	1.48	4.23	4.23	4.23	4.23
70	3.19	5.80	5.80	5.80	5.80	2.13	6.08	6.08	6.08	6.08
75	3.44	6.25	6.25	6.25	6.25	2.81	8.02	8.02	8.02	8.02
80	4.22	7.68	7.68	7.68	7.68	3.70	10.56	10.56	10.56	10.56
85	5.19	9.44	9.44	9.44	9.44	5.90	16.85	16.85	16.85	16.85
90	6.32	11.48	11.48	11.48	11.48	8.17	23.36	23.36	23.36	23.36
95	8.21	14.94	14.94	14.94	14.94	9.32	26.64	26.64	26.64	26.64
100	13.52	24.58	24.58	24.58	24.58	15.59	44.56	44.56	44.56	44.56
105	22.83	41.51	41.51	41.51	41.51	21.44	61.26	61.26	61.26	61.26
110	35.47	64.49	64.49	64.49	64.49	25.34	72.39	72.39	72.39	72.39
115	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
<b>MORTALITY RATES (PER 100 LIVES) FOR NURSING CARE RESIDENTS</b>										
60	4.58	10.68	11.44	14.49	15.25	13.24	16.55	16.55	16.55	16.55
65	5.38	12.54	13.44	17.02	17.92	19.48	24.36	24.36	24.36	24.36
70	5.50	12.83	13.75	17.41	18.33	23.02	28.78	28.78	28.78	28.78
75	5.69	13.27	14.22	18.01	18.96	25.17	31.46	31.46	31.46	31.46
80	5.77	13.45	14.42	18.26	19.22	27.49	34.37	34.37	34.37	34.37
85	6.62	15.46	16.56	20.98	22.08	28.63	35.79	35.79	35.79	35.79
90	8.46	19.73	21.14	26.78	28.19	30.30	37.88	37.88	37.88	37.88
95	9.30	21.70	23.25	29.44	30.99	34.05	42.57	42.57	42.57	42.57
100	11.91	27.78	29.77	37.71	39.69	38.57	48.22	48.22	48.22	48.22
105	15.29	35.67	38.22	48.41	50.96	46.66	58.32	58.32	58.32	58.32
110	20.98	48.95	52.44	66.43	69.92	62.35	77.94	77.94	77.94	77.94
115	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

TABLE 0.5 (CONTINUED)

Fountaingate Gardens  
 BASELINE DECREMENT ASSUMPTIONS FOR 2020 ACTUARIAL STUDY

ATT AGE	FEMALE DURATION					MALE DURATION				
	1	2	3	4	ULT	1	2	3	4	ULT
<b>MOVE-OUT RATES (PER 100 LIVES) FOR INDEPENDENT LIVING RESIDENTS</b>										
60	1.00	1.00	1.00	1.00	0.00	1.00	1.00	1.00	1.00	0.00
65	1.00	1.00	1.00	1.00	0.00	1.00	1.00	1.00	1.00	0.00
70	1.00	1.00	1.00	1.00	0.00	1.00	1.00	1.00	1.00	0.00
75	1.00	1.00	1.00	1.00	0.00	1.00	1.00	1.00	1.00	0.00
80	1.00	1.00	1.00	1.00	0.00	1.00	1.00	1.00	1.00	0.00
85	1.00	1.00	1.00	1.00	0.00	1.00	1.00	1.00	1.00	0.00
90	1.00	1.00	1.00	1.00	0.00	1.00	1.00	1.00	1.00	0.00
95	1.00	1.00	1.00	1.00	0.00	1.00	1.00	1.00	1.00	0.00
100	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
105	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
110	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
115	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>MOVE-OUT RATES (PER 100 LIVES) FOR ASSISTED LIVING RESIDENTS</b>										
60	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
65	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
70	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
75	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
80	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
85	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
90	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
95	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
100	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
105	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
110	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
115	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>MOVE-OUT RATES (PER 100 LIVES) FOR NURSING CARE RESIDENTS</b>										
60	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
65	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
70	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
75	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
80	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
85	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
90	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
95	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
100	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
105	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
110	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
115	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

TABLE 0.5 (CONTINUED)

Fountaingate Gardens  
 BASELINE DECREMENT ASSUMPTIONS FOR 2020 ACTUARIAL STUDY

ATT AGE	FEMALE DURATION					MALE DURATION				
	1	2	3	4	ULT	1	2	3	4	ULT
<b>PERMANENT TRANSFER RATES (PER 100 LIVES) FOR INDEPENDENT LIVING TO ASSISTED LIVING</b>										
60	0.09	0.19	0.28	0.33	0.47	0.04	0.07	0.17	0.17	0.18
65	0.21	0.41	0.62	0.72	1.03	0.11	0.21	0.50	0.50	0.53
70	0.27	0.53	0.80	0.93	1.33	0.16	0.33	0.77	0.77	0.81
75	0.26	0.52	0.77	0.90	1.29	0.19	0.38	0.90	0.90	0.95
80	0.59	1.18	1.77	2.07	2.96	0.38	0.76	1.80	1.80	1.90
85	1.21	2.42	3.63	4.24	6.05	0.70	1.40	3.32	3.32	3.50
90	2.08	4.15	6.23	7.26	10.38	1.79	3.59	8.51	8.51	8.96
95	2.73	5.45	8.18	9.54	13.63	1.90	3.79	9.01	9.01	9.49
100	1.16	2.31	3.47	4.05	5.78	0.99	1.97	4.68	4.68	4.93
105	0.07	0.14	0.20	0.24	0.34	0.89	1.77	4.21	4.21	4.43
110	0.19	0.38	0.57	0.67	0.96	0.50	1.00	2.38	2.38	2.51
115	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>PERMANENT TRANSFER RATES (PER 100 LIVES) FOR INDEPENDENT LIVING TO NURSING CARE</b>										
60	0.02	0.05	0.07	0.08	0.12	0.06	0.17	0.27	0.27	0.28
65	0.09	0.17	0.26	0.30	0.44	0.13	0.38	0.61	0.61	0.64
70	0.11	0.22	0.34	0.39	0.56	0.14	0.41	0.65	0.65	0.69
75	0.14	0.28	0.42	0.50	0.71	0.17	0.51	0.80	0.80	0.85
80	0.25	0.50	0.75	0.87	1.25	0.22	0.67	1.06	1.06	1.12
85	0.45	0.91	1.36	1.59	2.27	0.47	1.41	2.23	2.23	2.35
90	0.88	1.76	2.64	3.08	4.41	0.86	2.57	4.07	4.07	4.28
95	1.26	2.51	3.77	4.40	6.28	0.71	2.12	3.36	3.36	3.53
100	1.29	2.58	3.87	4.51	6.45	0.54	1.62	2.57	2.57	2.71
105	1.22	2.44	3.66	4.27	6.09	0.58	1.74	2.75	2.75	2.89
110	0.88	1.75	2.63	3.07	4.39	0.40	1.21	1.92	1.92	2.02
115	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>PERMANENT TRANSFER RATES (PER 100 LIVES) FOR ASSISTED LIVING TO NURSING CARE</b>										
60	0.29	0.87	0.87	1.01	1.45	0.22	0.65	0.65	0.97	1.08
65	0.48	1.45	1.45	1.70	2.42	0.22	0.66	0.66	0.99	1.10
70	0.66	1.97	1.97	2.30	3.28	0.67	2.02	2.02	3.04	3.37
75	0.86	2.58	2.58	3.01	4.30	1.11	3.34	3.34	5.01	5.57
80	1.56	4.67	4.67	5.44	7.78	1.34	4.01	4.01	6.02	6.69
85	1.90	5.71	5.71	6.66	9.51	1.90	5.69	5.69	8.53	9.48
90	2.97	8.91	8.91	10.40	14.86	2.61	7.82	7.82	11.72	13.03
95	3.61	10.83	10.83	12.64	18.06	4.45	13.36	13.36	20.04	22.27
100	3.92	11.75	11.75	13.71	19.59	5.00	15.01	15.01	22.52	25.02
105	3.49	10.47	10.47	12.21	17.45	3.59	10.76	10.76	16.15	17.94
110	2.28	6.84	6.84	7.98	11.40	2.28	6.84	6.84	10.25	11.39
115	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

TABLE 0.5 (CONTINUED)

Fountaingate Gardens  
 BASELINE DECREMENT ASSUMPTIONS FOR 2020 ACTUARIAL STUDY

ATT AGE	FEMALE DURATION					MALE DURATION				
	1	2	3	4	ULT	1	2	3	4	ULT
TEMPORARY TRANSFER (DAYS PER YEAR PER LIFE) FOR INDEPENDENT LIVING TO ASSISTED LIVING										
60	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
65	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
70	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
75	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
80	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
85	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
90	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
95	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
100	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
105	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
110	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
115	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TEMPORARY TRANSFER (DAYS PER YEAR PER LIFE) FOR INDEPENDENT LIVING TO NURSING CARE										
60	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
65	1.0	1.0	1.0	1.0	1.0	0.0	0.0	0.0	0.0	0.0
70	3.5	3.5	3.5	3.5	3.5	0.0	0.0	0.0	0.0	0.0
75	6.0	6.0	6.0	6.0	6.0	0.0	0.0	0.0	0.0	0.0
80	8.5	8.5	8.5	8.5	8.5	0.0	0.0	0.0	0.0	0.0
85	11.0	11.0	11.0	11.0	11.0	0.0	0.0	0.0	0.0	0.0
90	13.5	13.5	13.5	13.5	13.5	0.0	0.0	0.0	0.0	0.0
95	16.0	16.0	16.0	16.0	16.0	0.0	0.0	0.0	0.0	0.0
100	18.5	18.5	18.5	18.5	18.5	0.0	0.0	0.0	0.0	0.0
105	21.0	21.0	21.0	21.0	21.0	0.0	0.0	0.0	0.0	0.0
110	23.5	23.5	23.5	23.5	23.5	0.0	0.0	0.0	0.0	0.0
115	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TEMPORARY TRANSFER (DAYS PER YEAR PER LIFE) FOR ASSISTED LIVING TO NURSING CARE										
60	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
65	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
70	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4
75	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
80	8.6	8.6	8.6	8.6	8.6	8.6	8.6	8.6	8.6	8.6
85	12.1	12.1	12.1	12.1	12.1	12.1	12.1	12.1	12.1	12.1
90	15.7	15.7	15.7	15.7	15.7	15.7	15.7	15.7	15.7	15.7
95	19.3	19.3	19.3	19.3	19.3	19.3	19.3	19.3	19.3	19.3
100	22.8	22.8	22.8	22.8	22.8	22.8	22.8	22.8	22.8	22.8
105	26.4	26.4	26.4	26.4	26.4	26.4	26.4	26.4	26.4	26.4
110	30.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0
115	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Table 1.3

Individual Life Expectancies for 2020 Residents in  
INDEPENDENT LIVING in Fountaingate Gardens  
(Based on Baseline Decrements)

Current Age	Life Expectancy for Residents in INDEPENDENT LIVING	Portion of Lifetime in INDEPENDENT LIVING	Portion of Lifetime in ASSISTED LIVING	Portion of Lifetime in NURSING CARE
FEMALE				
60	23.8 years	19.4 years	2.5 years	1.9 years
65	20.5	16.4	2.2	1.9
70	17.5	13.7	2.0	1.8
75	14.6	10.8	2.0	1.8
80 *	11.8	8.2	1.9	1.7
85	9.3	6.1	1.6	1.6
90	7.4	4.8	1.3	1.3
95	6.1	4.4	0.7	1.0
100	5.2	4.4	0.1	0.7
MALE				
60	19.7 years	18.0 years	1.1 years	0.6 years
65	16.4	14.8	1.0	0.6
70	13.2	11.8	0.9	0.5
75	10.4	9.1	0.8	0.5
80	8.6	7.3	0.8	0.5
82 *	7.9	6.6	0.8	0.5
85	7.0	5.6	0.9	0.5
90	6.0	4.7	0.8	0.5
95	5.3	4.6	0.4	0.3
100	4.2	3.9	0.2	0.1

\* Average age at entry for residents of INDEPENDENT LIVING.

Table 1.3

Individual Life Expectancies for 2020 Residents in  
**ASSISTED LIVING** in Fountaingate Gardens  
 (Based on Baseline Decrements)

Current Age -----	Life Expectancy for Residents in ASSISTED LIVING -----	Portion of Lifetime in INDEPEND- ENT LIVING -----	Portion of Lifetime in ASSISTED LIVING -----	Portion of Lifetime in NURSING CARE -----
<b>FEMALE</b>				
60	13.7 years	0.0 years	11.6 years	2.1 years
65	12.7	0.0	10.4	2.3
70	11.5	0.0	9.1	2.4
75	9.9	0.0	7.5	2.4
80	8.3	0.0	6.0	2.3
81 *	8.0	0.0	5.8	2.2
85	7.0	0.0	4.9	2.1
90	5.8	0.0	3.9	1.9
95	4.6	0.0	3.2	1.4
100	3.3	0.0	2.4	0.9
<b>MALE</b>				
60	13.8 years	0.0 years	12.8 years	1.0 years
65	11.1	0.0	10.0	1.1
70	9.0	0.0	7.9	1.1
75	7.4	0.0	6.4	1.0
80	5.9	0.0	5.0	0.9
82 *	5.3	0.0	4.4	0.9
85	4.5	0.0	3.7	0.8
90	3.7	0.0	2.9	0.8
95	3.1	0.0	2.3	0.8
100	2.2	0.0	1.8	0.4

\* Average age for residents of ASSISTED LIVING.

Table 1.3

Individual Life Expectancies for 2020 Residents in  
NURSING CARE in Fountaingate Gardens  
(Based on Baseline Decrements)

Current Age	Life Expectancy for Residents in NURSING CARE	Portion of Lifetime in INDEPEND- ENT LIVING	Portion of Lifetime in ASSISTED LIVING	Portion of Lifetime in NURSING CARE
<b>FEMALE</b>				
60	6.8 years	0.0 years	0.0 years	6.8 years
65	6.6	0.0	0.0	6.6
70	6.4	0.0	0.0	6.4
75	6.1	0.0	0.0	6.1
80	5.5	0.0	0.0	5.5
81 *	5.4	0.0	0.0	5.4
85	4.7	0.0	0.0	4.7
90	4.1	0.0	0.0	4.1
95	3.6	0.0	0.0	3.6
100	2.9	0.0	0.0	2.9
<b>MALE</b>				
60	4.6 years	0.0 years	0.0 years	4.6 years
65	3.6	0.0	0.0	3.6
70	3.1	0.0	0.0	3.1
75	2.8	0.0	0.0	2.8
80	2.6	0.0	0.0	2.6
82 *	2.6	0.0	0.0	2.6
85	2.5	0.0	0.0	2.5
90	2.3	0.0	0.0	2.3
95	2.0	0.0	0.0	2.0
100	1.7	0.0	0.0	1.7

\* Average age for residents of NURSING CARE.

TABLE 1.3 Continued

Last Survivor Life Expectancies for 2020 Residents in  
 INDEPENDENT LIVING in Fountaingate Gardens  
 (Based on Baseline Decrements)

	M 60	M 65	M 70	M 75	M 80	M 85	M 90	M 95	M100
F 60	27.9	26.6	25.6	24.9	24.5	24.3	24.1	24.1	24.0
F 65	25.7	24.2	22.9	22.0	21.5	21.1	21.0	20.8	20.7
F 70	24.0	22.1	20.6	19.4	18.8	18.3	18.1	18.0	17.8
F 75	22.5	20.3	18.4	17.0	16.2	15.6	15.3	15.1	14.9
F 80	21.4	18.9	16.6	14.9	13.9	13.1	12.7	12.5	12.2
F 85	20.7	17.9	15.4	13.4	12.1	11.2	10.6	10.3	9.9
F 90	20.3	17.3	14.6	12.3	10.9	9.8	9.1	8.7	8.1
F 95	20.1	17.1	14.1	11.7	10.2	9.0	8.3	7.8	7.1
F100	20.0	16.9	13.8	11.4	9.7	8.4	7.6	7.1	6.4



Table 1.4

New Entrant Assumptions for Fountaingate Gardens

Entrants to INDEPENDENT LIVING

Entry Age	Female	Male
-----	-----	-----
55- 59	0.0 %	0.0 %
60- 64	0.0	0.0
65- 69	5.0	0.0
70- 74	15.0	10.0
75- 79	30.0	30.0
80- 84	30.0	35.0
85- 89	15.0	20.0
90 and over	5.0	5.0
	-----	-----
	100.0 %	100.0 %
 Average age at entry	 80.0	 81.5
 Unit		 Probability that New Entrants will be a Couple
-----		-----
ONE BEDROOM SMALL.....		0.0 %
ONE BEDROOM LARGE.....		0.0
ONE BR DEN SMALL.....		10.0
ONE BR DEN MEDIUM.....		25.0
ONE BR DEN LARGE.....		25.0
TWO BEDROOM SMALL.....		50.0
TWO BEDROOM LARGE.....		50.0
TWO BEDROOM DEN SMALL.....		75.0
TWO BEDROOM DEN LARGE.....		90.0
VILLA ONE BR.....		25.0
VILLA ONE BR DEN.....		50.0
VILLA TWO BR SMALL.....		75.0
VILLA TWO BR MEDIUM.....		90.0
VILLA TWO BR LARGE.....		90.0
VILLA TWO BR DEN.....		90.0
 Probability that:		 Gender Distribution
-----		-----
Single Entrant is Female.....		80.0 %
Coupled Entrants Same Sex.....		0.0
 Contract Selection Distribution		 Probability the New Contract will be Selected
-----		-----
80% REFUNDABLE MODIFIED.....		15.0 %
50% REFUNDABLE MODIFIED.....		35.0
80% REFUNDABLE LIFECARE.....		10.0
50% REFUNDABLE LIFECARE.....		40.0

Table 2.1

Fountaingate Gardens  
Summary of Population Projection Statistics

Fiscal Year	Total Independent Living Turnover	Number of New Entrants	Number of Deaths or Move-outs	Average Number Total Residents	- - - Excludes Total ASSISTED LIVING *	Direct Entrants Total NURSING CARE *	- - - Total Health Care *
2020 **	96	147	2	84	0	1	2
2021 **	56	85	8	199	2	3	5
2022 **	25	37	12	237	4	5	9
2023	9	13	13	247	8	8	16
2024	11	16	16	247	13	10	24
2025	12	18	16	249	18	14	32
2026	13	20	18	251	22	16	39
2027	14	21	19	253	25	19	44
2028	14	21	19	256	28	22	49
2029	14	22	20	258	29	24	53
2030	15	23	20	261	31	26	56
2031	14	22	20	263	31	27	59
2032	15	23	21	265	32	28	61
2033	15	22	21	266	33	29	62
2034	16	25	22	268	34	30	64
2035	16	24	22	270	35	32	67
2036	15	23	23	271	35	32	67
2037	16	25	23	273	35	33	68
2038	15	23	22	274	35	34	69
2039	16	23	23	275	35	35	70

\* The values in columns six, seven, and eight reflect the average during the year.

\*\* The values in column five reflect average occupancy.

SOME COLUMNS OR ROWS MAY NOT ADD DUE TO ROUNDING.

Table 2.2  
**Fountaingate Gardens**  
**Beginning of Fiscal Year Demographic Statistics**

Fiscal Year	Units Occupied INDEPEND- ENT LIVING	Number of Permanent Residents			Total	Average Age	Yrs In Comm.
		INDEPEND- ENT LIVING	ASSISTED LIVING	NURSING CARE			
2020 *	0	84	0	0	84	80.1	0.5
2021 *	95	198	1	0	199	80.4	0.9
2022 *	147	234	2	1	237	81.1	1.6
2023	165	238	6	3	247	81.8	2.4
2024	165	231	11	5	247	82.5	3.3
2025	165	223	16	8	247	83.2	4.0
2026	165	218	20	11	250	83.7	4.7
2027	165	215	24	13	252	84.2	5.2
2028	165	212	27	16	254	84.7	5.7
2029	165	210	29	18	257	85.1	6.2
2030	165	209	30	20	259	85.4	6.5
2031	165	209	31	22	262	85.8	6.9
2032	165	209	32	23	264	86.1	7.1
2033	165	209	33	24	265	86.4	7.4
2034	165	209	34	24	267	86.7	7.6
2035	165	209	35	26	269	86.9	7.7
2036	165	209	35	27	271	87.1	7.8
2037	165	210	35	27	272	87.4	7.9
2038	165	211	35	28	274	87.6	8.0
2039	165	211	35	29	275	87.8	8.1

\* The values in column three reflect the average during the years with asterisks.

SOME COLUMNS OR ROWS MAY NOT ADD DUE TO ROUNDING.



Table 2.3

Fountaingate Gardens  
Resident Movement Statistics

Fiscal Year	INDEPEND- ENT LIVING	Deaths		Permanent Transfers		
		ASSISTED LIVING	NURSING CARE	INDEPEND- ENT LIVING to ASSISTED LIVING	INDEPEND- ENT LIVING to NURSING CARE	ASSISTED LIVING to NURSING CARE
2020	2	0	0	1	0	0
2021	6	0	0	2	1	0
2022	9	0	0	4	2	0
2023	10	1	1	6	3	0
2024	11	1	2	8	3	1
2025	11	2	2	8	4	2
2026	11	2	3	8	3	2
2027	11	3	4	8	4	3
2028	10	3	4	8	4	3
2029	10	3	5	8	4	3
2030	10	4	5	8	4	4
2031	10	4	6	8	4	3
2032	10	4	7	8	4	4
2033	10	4	7	9	3	4
2034	11	4	6	9	4	4
2035	10	4	7	8	4	4
2036	11	4	7	8	4	4
2037	11	4	7	9	4	4
2038	10	4	7	8	4	4
2039	10	4	8	8	4	4

Table 2.4

Fountaingate Gardens  
INDEPENDENT LIVING Turnover Statistics

Fiscal Year	Average Age of New Entrants	Number of New Entrants	INDEPENDENT LIVING Turnover	Cause of INDEPENDENT LIVING Turnover			New Sales*
				Move Out	Death	Permanent Transfer	
2020	80.0	147	96	1	0	0	95
2021	80.0	85	56	1	2	1	52
2022	79.9	37	25	2	3	2	18
2023	80.0	13	9	1	4	4	0
2024	80.2	16	11	1	4	6	0
2025	80.8	18	12	0	5	7	0
2026	80.8	20	13	1	6	6	0
2027	81.3	21	14	1	6	7	0
2028	81.1	21	14	1	6	7	0
2029	81.1	22	14	0	6	8	0
2030	81.9	23	15	1	6	8	0
2031	82.0	22	14	0	6	8	0
2032	82.0	23	15	1	6	8	0
2033	82.0	22	15	1	6	8	0
2034	82.0	25	16	0	7	9	0
2035	82.9	24	16	1	7	8	0
2036	83.2	23	15	1	6	8	0
2037	83.2	25	16	1	7	8	0
2038	83.0	23	15	0	6	9	0
2039	83.2	23	16	0	7	9	0

\* This column reflects the annual change in the beginning of year INDEPENDENT LIVING occupancy (see Table 2.2, column 2).

Table 2.5

Fountaingate Gardens  
 Projected Resident Days by Level of Care  
 (All Contractholder Days)

Fiscal Year	INDEPEND- ENT LIVING	Permanent ASSISTED LIVING	Temporary ASSISTED LIVING	Total ASSISTED LIVING	Permanent NURSING CARE	Temporary NURSING CARE	Total NURSING CARE
2020	30,660	106	0	106	49	396	445
2021	72,423	555	0	555	256	938	1,194
2022	85,231	1,506	0	1,506	770	1,169	1,939
2023	85,591	3,017	0	3,017	1,515	1,290	2,805
2024	82,919	4,873	0	4,873	2,413	1,376	3,789
2025	80,556	6,645	0	6,645	3,508	1,453	4,961
2026	78,968	8,158	0	8,158	4,473	1,523	5,996
2027	77,920	9,271	0	9,271	5,291	1,593	6,884
2028	77,070	10,059	0	10,059	6,198	1,653	7,851
2029	76,526	10,729	0	10,729	6,942	1,711	8,653
2030	76,367	11,154	0	11,154	7,599	1,753	9,352
2031	76,396	11,456	0	11,456	8,143	1,803	9,946
2032	76,343	11,806	0	11,806	8,455	1,839	10,294
2033	76,241	12,114	0	12,114	8,713	1,876	10,589
2034	76,210	12,487	0	12,487	9,116	1,906	11,022
2035	76,325	12,760	0	12,760	9,594	1,939	11,533
2036	76,475	12,707	0	12,707	9,890	1,960	11,850
2037	76,710	12,682	0	12,682	10,118	1,977	12,095
2038	76,911	12,735	0	12,735	10,424	2,008	12,432
2039	76,929	12,795	0	12,795	10,596	2,019	12,615

SOME COLUMNS OR ROWS MAY NOT ADD DUE TO ROUNDING.

Table 2.13

Fountaingate Gardens  
 Projected INDEPENDENT LIVING Turnover by Unit Type

Fiscal Year	Turnover by Unit Type						INDEPENDENT LIVING Turnover	INDEPENDENT LIVING Turnover Percentage
	Group I	Group II	Group III	Group IV	Group V	Group VI		
2020	13	21	8	13	16	25	96	174.5 %
2021	8	12	5	7	10	14	56	42.7
2022	3	6	3	4	4	5	25	15.9
2023	2	2	1	1	2	1	9	5.5
2024	2	3	1	1	2	2	11	6.7
2025	2	4	1	1	2	2	12	7.3
2026	2	3	1	2	2	3	13	7.9
2027	2	4	1	2	2	3	14	8.5
2028	2	4	1	2	2	3	14	8.5
2029	2	4	1	2	2	3	14	8.5
2030	2	5	1	2	2	3	15	9.1
2031	2	4	1	2	2	3	14	8.5
2032	2	4	1	2	3	3	15	9.1
2033	2	5	1	2	2	3	15	9.1
2034	2	3	2	2	3	4	16	9.7
2035	2	5	2	2	2	3	16	9.7
2036	2	3	2	2	3	3	15	9.1
2037	2	4	1	2	3	4	16	9.7
2038	2	3	2	2	3	3	15	9.1
2039	3	4	1	2	3	3	16	9.7

Unit Type Groupings

Group I = ONE BEDROOM SMALL  
 ONE BEDROOM LARGE

Group II = ONE BR DEN SMALL  
 ONE BR DEN MEDIUM  
 TWO BEDROOM SMALL

Group III = ONE BR DEN LARGE  
 TWO BEDROOM LARGE

Group IV = TWO BEDROOM DEN SMAL  
 TWO BEDROOM DEN LARG

Group V = VILLA ONE BR  
 VILLA ONE BR DEN  
 VILLA TWO BR SMALL

Group VI = VILLA TWO BR MEDIUM  
 VILLA TWO BR LARGE  
 VILLA TWO BR DEN

Table 2.14

Fountaingate Gardens  
Move-out and Refund Statistics

Fiscal Year	Direct Entry to ALU	Transfers to ALU	Number of Refunds	Refund Amounts Due to			Total
				Death	Move-out	Permanent Transfer	
2020	0	1	1	\$ 189,902	\$ 312,522	\$ 73,334	\$ 575,758
2021	0	2	3	718,094	651,278	212,441	1,581,813
2022	0	4	6	1,179,978	731,037	475,303	2,386,318
2023	0	6	7	1,622,853	658,657	680,414	2,961,924
2024	0	8	9	1,865,121	544,203	1,034,845	3,444,169
2025	0	8	10	2,314,336	257,092	1,287,006	3,858,434
2026	0	8	11	2,720,356	251,155	1,460,711	4,432,221
2027	0	8	12	3,048,376	267,701	1,510,645	4,826,722
2028	0	8	11	2,986,779	321,076	1,587,985	4,895,840
2029	0	8	12	3,445,427	293,675	1,573,532	5,312,634
2030	0	8	13	3,673,108	346,176	1,960,879	5,980,163
2031	0	8	13	3,977,311	222,955	1,749,757	5,950,023
2032	0	8	14	4,030,018	391,829	1,939,273	6,361,120
2033	0	9	14	3,969,423	399,730	1,892,998	6,262,150
2034	0	9	15	4,693,795	316,166	2,032,522	7,042,483
2035	0	8	15	4,970,449	451,917	2,063,710	7,486,076
2036	0	8	14	4,878,733	356,486	1,936,087	7,171,307
2037	0	9	16	5,323,670	526,965	2,230,870	8,081,505
2038	0	8	14	4,917,773	338,407	2,159,140	7,415,319
2039	0	8	16	5,823,549	342,020	2,034,988	8,200,557

SOME COLUMNS OR ROWS MAY NOT ADD DUE TO ROUNDING.



Table 2.15

Fountaingate Gardens  
 Projected Variation in INDEPENDENT LIVING Turnover\* and Health Care Utilization  
 (Based on 100 Iterations)

Fiscal Year	- - - INDEPENDENT LIVING Turnover* - - -			- - - Health Care Utilization - - -		
	Likely Minimum	Average	Likely Maximum	Likely Minimum	Average	Likely Maximum
2020	0( 0%)	1	3(300%)	2(100%)	2	3(150%)
2021	0( 0 )	4	7(175 )	3( 60 )	5	8(160 )
2022	3( 43 )	7	11(157 )	6( 60 )	10	14(140 )
2023	4( 44 )	9	14(156 )	10( 63 )	16	22(138 )
2024	6( 55 )	11	17(155 )	16( 67 )	24	31(129 )
2025	7( 58 )	12	17(142 )	23( 72 )	32	41(128 )
2026	7( 54 )	13	19(146 )	30( 77 )	39	49(126 )
2027	8( 57 )	14	20(143 )	34( 77 )	44	54(123 )
2028	9( 64 )	14	20(143 )	39( 80 )	49	59(120 )
2029	9( 64 )	14	20(143 )	43( 81 )	53	64(121 )
2030	9( 60 )	15	19(127 )	46( 82 )	56	67(120 )
2031	9( 64 )	14	20(143 )	48( 81 )	59	69(117 )
2032	9( 60 )	15	20(133 )	49( 80 )	61	71(116 )
2033	9( 60 )	15	21(140 )	50( 81 )	62	73(118 )
2034	10( 63 )	16	22(138 )	51( 80 )	64	75(117 )
2035	10( 63 )	16	23(144 )	54( 81 )	67	78(116 )
2036	10( 67 )	15	21(140 )	55( 82 )	67	80(119 )
2037	10( 63 )	16	22(138 )	56( 82 )	68	80(118 )
2038	10( 67 )	15	21(140 )	56( 81 )	69	81(117 )
2039	9( 56 )	16	21(131 )	56( 81 )	69	82(119 )

\* Apartment turnover does not include sales of units that were not occupied at beginning of year.

Table 2.16

Fountaingate Gardens  
 Projected Variation in Refunds and Health Care Ratios  
 (Based on 100 Iterations)

Fiscal Year	Refunds			Health Care Ratio per 100 ILU Residents		
	Likely Minimum	Average	Likely Maximum	Likely Minimum	Average	Likely Maximum
2020	\$ 0	\$ 575,758	\$ 1,611,372	1.3	1.8	2.5
2021	0	1,581,813	3,109,310	1.5	2.4	3.5
2022	693,441	2,386,318	4,077,567	2.4	4.0	5.9
2023	1,106,884	2,961,924	5,085,199	4.8	6.8	9.0
2024	1,429,248	3,444,169	5,916,466	7.3	10.4	13.6
2025	1,634,544	3,858,434	6,041,448	10.9	14.4	18.7
2026	1,876,832	4,432,221	6,648,452	13.5	17.9	22.3
2027	2,671,872	4,826,722	7,211,221	16.3	20.7	26.1
2028	2,329,821	4,895,840	7,180,332	18.4	23.2	28.2
2029	2,940,294	5,312,634	8,323,247	20.9	25.3	30.3
2030	2,956,451	5,980,163	8,965,699	22.0	26.8	32.0
2031	3,108,745	5,950,023	9,036,951	23.5	28.0	32.6
2032	3,675,392	6,361,120	9,348,094	23.7	28.9	33.4
2033	3,412,608	6,262,150	9,078,064	24.5	29.7	34.1
2034	4,199,644	7,042,483	9,966,286	24.6	30.8	36.4
2035	4,629,973	7,486,076	10,568,799	26.1	31.8	37.0
2036	4,190,788	7,171,307	10,657,198	26.1	32.1	37.9
2037	4,420,607	8,081,505	11,418,983	26.3	32.3	37.5
2038	4,009,980	7,415,319	11,502,161	26.5	32.7	37.3
2039	4,805,966	8,200,557	11,345,656	26.7	33.0	38.3

Table 3.5.1

Fountaingate Gardens  
 All operating expenses less all Direct Billing Revenues  
 Summed for all care levels  
 Total expenses per year for years 2020 to 2029

Category	2020	2021	2022	2023	2024	2025
GENERAL & ADMINISTRATION	2,198,575	2,182,009	2,287,953	2,228,130	2,306,115	2,386,829
HOUSEKEEPING	385,742	585,541	630,603	710,733	779,604	825,911
PLANT OPERATIONS	687,636	773,057	806,901	911,511	951,896	988,974
FOOD SERVICE	1,282,032	2,102,341	2,347,841	2,436,476	2,490,650	2,550,837
HEALTH CARE	103,474	133,165	137,825	164,343	170,095	305,619
UTILITIES & PROP TAX	1,966,921	2,035,763	2,107,015	2,180,761	2,257,087	2,336,085
LAND LEASE	0	216,000	223,560	231,385	239,483	247,865
MANAGEMENT FEE	264,780	346,817	383,011	415,244	451,064	494,912
ASSISTED LIVING	10,702	51,204	147,741	318,138	537,589	770,812
SKILLED NURSING	226,304	591,348	885,840	1,199,632	1,544,081	1,959,867
OTHER INCOME	-186,669	-462,386	-568,608	-609,824	-624,654	-641,098
<b>Total</b>	<b>6,939,497</b>	<b>8,554,859</b>	<b>9,389,682</b>	<b>10,186,529</b>	<b>11,103,010</b>	<b>12,226,613</b>
Percent increase	N.A.	23.3	9.8	8.5	9.0	10.1

Table 3.5.1

Fountaingate Gardens  
 All operating expenses less all Direct Billing Revenues  
 Summed for all care levels  
 Total expenses per year for years 2020 to 2029

Category	2026	2027	2028	2029
GENERAL & ADMINISTRATION	2,470,368	2,556,831	2,646,320	2,738,941
HOUSEKEEPING	874,637	916,402	948,476	981,673
PLANT OPERATIONS	1,105,664	1,148,392	1,188,586	1,230,186
FOOD SERVICE	2,620,922	2,699,306	2,793,782	2,891,564
HEALTH CARE	316,316	327,387	338,846	350,705
UTILITIES & PROP TAX	2,417,848	2,502,473	2,590,060	2,680,712
LAND LEASE	256,540	265,519	274,812	284,431
MANAGEMENT FEE	537,490	574,529	594,638	615,450
ASSISTED LIVING	985,199	1,172,030	1,327,389	1,445,402
SKILLED NURSING	2,389,122	2,774,890	3,118,824	3,423,200
OTHER INCOME	-659,829	-680,203	-704,010	-728,650
<b>Total</b>	<b>13,314,277</b>	<b>14,257,556</b>	<b>15,117,721</b>	<b>15,913,613</b>
Percent increase	8.9	7.1	6.0	5.3

Table 3.5.2.1

Fountaingate Gardens  
 CAPITAL EXPENDITURES  
 CASH FLOW METHODOLOGY  
 SUMMED FOR ALL CARE LEVELS  
 TOTAL EXPENSES PER YEAR FOR YEARS 2019 TO 2039

Category	2019	2020	2021	2022	2023	2024
LAND	0	0	0	0	0	0
BUILDING	82,004,833	1,080,104	0	0	0	0
DESIGN & OTHER FEES	17,857,522	587,899	0	0	0	0
BLDG IMPROVEMENTS	0	0	0	0	0	0
FURNISHINGS & EQUIPM	1,714,955	676,228	293,333	322,667	354,933	366,025
DEFERRED MARKETING	6,551,059	125,238	0	0	0	0
DEFERRED FINANCING S	714,160	0	0	0	0	0
DEFERRED FINANCING L	2,942,765	0	0	0	0	0
CAPITALIZED AMORT OF	438,001	0	0	0	0	0
CAPITALIZED CONSTR I	923,957	107,794	0	0	0	0
CAPITALIZED INTEREST	6,722,195	0	0	0	0	0
Total	119,869,447	2,577,263	293,333	322,667	354,933	366,025
Percent increase	N.A.	-97.8	-88.6	10.0	10.0	3.1

Table 3.5.2.1

Fountaingate Gardens  
 CAPITAL EXPENDITURES  
 CASH FLOW METHODOLOGY  
 SUMMED FOR ALL CARE LEVELS  
 TOTAL EXPENSES PER YEAR FOR YEARS 2019 TO 2039

Category	2025	2026	2027	2028	2029	2030
LAND	0	0	0	0	0	0
BUILDING	0	0	0	0	0	0
DESIGN & OTHER FEES	0	0	0	0	0	0
BLDG IMPROVEMENTS	0	0	0	400,000	800,000	1,200,000
FURNISHINGS & EQUIPM	390,427	429,469	553,613	572,989	593,044	613,801
DEFERRED MARKETING	0	0	0	0	0	0
DEFERRED FINANCING S	0	0	0	0	0	0
DEFERRED FINANCING L	0	0	0	0	0	0
CAPITALIZED AMORT OF	0	0	0	0	0	0
CAPITALIZED CONSTR I	0	0	0	0	0	0
CAPITALIZED INTEREST	0	0	0	0	0	0
Total	390,427	429,469	553,613	972,989	1,393,044	1,813,801
Percent increase	6.7	10.0	28.9	75.8	43.2	30.2

Table 3.5.2.1

Fountaingate Gardens  
 CAPITAL EXPENDITURES  
 CASH FLOW METHODOLOGY  
 SUMMED FOR ALL CARE LEVELS  
 TOTAL EXPENSES PER YEAR FOR YEARS 2019 TO 2039

Category	2031	2032	2033	2034	2035	2036
LAND	0	0	0	0	0	0
BUILDING	0	0	0	0	0	0
DESIGN & OTHER FEES	0	0	0	0	0	0
BLDG IMPROVEMENTS	1,600,000	2,000,000	2,400,000	2,800,000	3,200,000	3,312,000
FURNISHINGS & EQUIPM	635,284	657,519	680,532	704,350	729,003	754,518
DEFERRED MARKETING	0	0	0	0	0	0
DEFERRED FINANCING S	0	0	0	0	0	0
DEFERRED FINANCING L	0	0	0	0	0	0
CAPITALIZED AMORT OF	0	0	0	0	0	0
CAPITALIZED CONSTR I	0	0	0	0	0	0
CAPITALIZED INTEREST	0	0	0	0	0	0
Total	2,235,284	2,657,519	3,080,532	3,504,350	3,929,003	4,066,518
Percent increase	23.2	18.9	15.9	13.8	12.1	3.5

Table 3.5.2.1

Fountaingate Gardens  
 CAPITAL EXPENDITURES  
 CASH FLOW METHODOLOGY  
 SUMMED FOR ALL CARE LEVELS  
 TOTAL EXPENSES PER YEAR FOR YEARS 2019 TO 2039

Category	2037	2038	2039
LAND	0	0	0
BUILDING	0	0	0
DESIGN & OTHER FEES	0	0	0
BLDG IMPROVEMENTS	3,427,920	3,547,897	3,672,074
FURNISHINGS & EQUIPM	780,926	808,258	836,547
DEFERRED MARKETING	0	0	0
DEFERRED FINANCING S	0	0	0
DEFERRED FINANCING L	0	0	0
CAPITALIZED AMORT OF	0	0	0
CAPITALIZED CONSTR I	0	0	0
CAPITALIZED INTEREST	0	0	0
Total	4,208,846	4,356,155	4,508,621
Percent increase	3.5	3.5	3.5



Table 3.5.2.2

Fountaingate Gardens Prospective Reserve  
 DEPRECIATION, MORTGAGE INTEREST AND IMPUTED INTEREST  
 SUMMED FOR ALL CARE LEVELS  
 TOTAL EXPENSES PER YEAR FOR YEARS 2023 TO 2062

Category	2023	2024	2025	2026	2027	2028
DEPRECIATION	2,433,046	2,382,397	2,532,558	2,693,331	2,872,012	3,073,265
MORTGAGE INTEREST	2,106,000	2,091,430	2,061,343	1,834,300	1,605,174	1,568,830
IMPUTED INTEREST	4,209,184	4,105,278	4,026,875	3,943,641	4,155,873	4,067,029
Total	8,748,230	8,579,105	8,620,776	8,471,272	8,633,059	8,709,124
Percent increase	N.A.	-1.9	0.5	-1.7	1.9	0.9

Table 3.5.2.2

Fountaingate Gardens Prospective Reserve  
 DEPRECIATION, MORTGAGE INTEREST AND IMPUTED INTEREST  
 SUMMED FOR ALL CARE LEVELS  
 TOTAL EXPENSES PER YEAR FOR YEARS 2023 TO 2062

Category	2029	2030	2031	2032	2033	2034
DEPRECIATION	3,298,272	3,238,607	2,657,694	2,861,553	3,085,352	3,332,896
MORTGAGE INTEREST	1,530,124	1,488,902	1,445,000	1,398,245	1,348,451	1,295,420
IMPUTED INTEREST	3,990,852	3,926,302	3,887,770	3,901,482	3,928,378	3,967,646
Total	8,819,248	8,653,811	7,990,464	8,161,280	8,362,181	8,595,962
Percent increase	1.3	-1.9	-7.7	2.1	2.5	2.8

Table 3.5.2.2

Fountaingate Gardens Prospective Reserve  
 DEPRECIATION, MORTGAGE INTEREST AND IMPUTED INTEREST  
 SUMMED FOR ALL CARE LEVELS  
 TOTAL EXPENSES PER YEAR FOR YEARS 2023 TO 2062

Category	2035	2036	2037	2038	2039	2040
DEPRECIATION	3,603,715	3,888,433	4,176,916	4,483,115	4,808,031	5,152,719
MORTGAGE INTEREST	1,238,942	1,178,793	1,114,734	1,046,511	973,854	896,474
IMPUTED INTEREST	4,018,296	4,079,373	4,136,002	4,188,425	4,236,208	4,278,887
Total	8,860,953	9,146,599	9,427,652	9,718,051	10,018,093	10,328,080
Percent increase	3.1	3.2	3.1	3.1	3.1	3.1

Table 3.5.2.2

Fountaingate Gardens Prospective Reserve  
 DEPRECIATION, MORTGAGE INTEREST AND IMPUTED INTEREST  
 SUMMED FOR ALL CARE LEVELS  
 TOTAL EXPENSES PER YEAR FOR YEARS 2023 TO 2062

Category	2041	2042	2043	2044	2045	2046
DEPRECIATION	5,518,292	5,905,922	6,316,843	6,752,357	7,213,835	7,702,722
MORTGAGE INTEREST	814,065	726,299	632,828	533,282	427,265	314,357
IMPUTED INTEREST	4,315,969	4,346,929	4,371,209	4,388,218	4,397,326	4,397,865
Total	10,648,326	10,979,150	11,320,880	11,673,857	12,038,426	12,414,944
Percent increase	3.1	3.1	3.1	3.1	3.1	3.1

Table 3.5.2.2

Fountaingate Gardens Prospective Reserve  
 DEPRECIATION, MORTGAGE INTEREST AND IMPUTED INTEREST  
 SUMMED FOR ALL CARE LEVELS  
 TOTAL EXPENSES PER YEAR FOR YEARS 2023 TO 2062

Category	2047	2048	2049	2050	2051	2052
DEPRECIATION	8,220,540	8,736,796	9,251,575	9,573,538	10,076,083	10,576,987
MORTGAGE INTEREST	194,110	66,047	0	0	0	0
IMPUTED INTEREST	4,389,127	4,370,359	4,342,369	4,197,783	4,048,229	3,885,066
Total	12,803,777	13,173,202	13,593,944	13,771,321	14,124,312	14,462,053
Percent increase	3.1	2.9	3.2	1.3	2.6	2.4

Table 3.5.2.2

Fountaingate Gardens Prospective Reserve  
 DEPRECIATION, MORTGAGE INTEREST AND IMPUTED INTEREST  
 SUMMED FOR ALL CARE LEVELS  
 TOTAL EXPENSES PER YEAR FOR YEARS 2023 TO 2062

Category	2053	2054	2055	2056	2057	2058
DEPRECIATION	11,076,354	11,574,302	10,444,168	5,860,252	6,065,361	6,277,649
MORTGAGE INTEREST	0	0	0	0	0	0
IMPUTED INTEREST	3,708,781	3,519,868	3,318,828	3,187,514	3,299,077	3,414,545
Total	14,785,135	15,094,170	13,762,996	9,047,766	9,364,438	9,692,194
Percent increase	2.2	2.1	-8.8	-34.3	3.5	3.5

Table 3.5.2.2

Fountaingate Gardens Prospective Reserve  
 DEPRECIATION, MORTGAGE INTEREST AND IMPUTED INTEREST  
 SUMMED FOR ALL CARE LEVELS  
 TOTAL EXPENSES PER YEAR FOR YEARS 2059 TO 2062

Category	2059	2060	2061	2062
DEPRECIATION	6,497,366	6,724,774	6,960,141	7,203,746
MORTGAGE INTEREST	0	0	0	0
IMPUTED INTEREST	3,534,054	3,657,746	3,785,767	3,918,269
Total	10,031,420	10,382,520	10,745,908	11,122,015
Percent increase	3.5	3.5	3.5	3.5

TABLE 3.5.3

Interest Expense for  
Fountaingate Gardens

Fiscal Year	CONSTRUCTION L	LONG TERM	SHORT TERM	SUBORDINATED D	Total
2020	655,023	2,106,000	3,125,000	108,406	5,994,429
2021	0	2,106,000	1,375,000	111,148	3,592,148
2022	0	2,106,000	0	56,623	2,162,623
2023	0	2,106,000	0	0	2,106,000
2024	0	2,091,430	0	0	2,091,430
2025	0	2,061,343	0	0	2,061,343
2026	0	1,834,300	0	0	1,834,300
2027	0	1,605,174	0	0	1,605,174
2028	0	1,568,830	0	0	1,568,830
2029	0	1,530,124	0	0	1,530,124
2030	0	1,488,902	0	0	1,488,902
2031	0	1,445,000	0	0	1,445,000
2032	0	1,398,245	0	0	1,398,245
2033	0	1,348,451	0	0	1,348,451
2034	0	1,295,420	0	0	1,295,420
2035	0	1,238,942	0	0	1,238,942
2036	0	1,178,793	0	0	1,178,793
2037	0	1,114,734	0	0	1,114,734
2038	0	1,046,511	0	0	1,046,511
2039	0	973,854	0	0	973,854
2040	0	896,474	0	0	896,474
2041	0	814,065	0	0	814,065
2042	0	726,299	0	0	726,299
2043	0	632,828	0	0	632,828
2044	0	533,282	0	0	533,282
2045	0	427,265	0	0	427,265
2046	0	314,357	0	0	314,357
2047	0	194,110	0	0	194,110
2048	0	66,047	0	0	66,047
Totals	655,023	36,248,780	4,500,000	276,177	41,679,980



TABLE 3.5.3

Principal Payment Expense for  
Fountaingate Gardens

Fiscal Year	CONSTRUCTION L	LONG TERM	SHORT TERM	SUBORDINATED D	Total
2020	29,408,091	0	20,000,000	0	49,408,091
2021	0	0	42,500,000	0	42,500,000
2022	0	0	0	4,562,956	4,562,956
2023	0	0	0	0	0
2024	0	448,311	0	0	448,311
2025	0	477,451	0	0	477,451
2026	0	6,508,486	0	0	6,508,486
2027	0	541,537	0	0	541,537
2028	0	576,737	0	0	576,737
2029	0	614,225	0	0	614,225
2030	0	654,150	0	0	654,150
2031	0	696,669	0	0	696,669
2032	0	741,953	0	0	741,953
2033	0	790,180	0	0	790,180
2034	0	841,542	0	0	841,542
2035	0	896,242	0	0	896,242
2036	0	954,497	0	0	954,497
2037	0	1,016,540	0	0	1,016,540
2038	0	1,082,615	0	0	1,082,615
2039	0	1,152,985	0	0	1,152,985
2040	0	1,227,929	0	0	1,227,929
2041	0	1,307,744	0	0	1,307,744
2042	0	1,392,748	0	0	1,392,748
2043	0	1,483,276	0	0	1,483,276
2044	0	1,579,689	0	0	1,579,689
2045	0	1,682,369	0	0	1,682,369
2046	0	1,791,723	0	0	1,791,723
2047	0	1,908,185	0	0	1,908,185
2048	0	2,032,217	0	0	2,032,217
Totals	29,408,091	32,400,000	62,500,000	4,562,956	128,871,047

Table 3.6.1

Fountaingate Gardens  
 All operating expenses less all Direct Billing Revenues  
 for INDEPENDENT LIVING  
 Total expenses per year for years 2020 to 2029

Category	2020	2021	2022	2023	2024	2025
GENERAL & ADMINISTRATION	2,198,575	2,182,009	2,287,953	2,228,130	2,306,115	2,386,829
HOUSEKEEPING	385,742	585,541	630,603	710,733	779,604	825,911
PLANT OPERATIONS	687,636	773,057	806,901	911,511	951,896	988,974
FOOD SERVICE	1,282,032	2,102,341	2,347,841	2,436,476	2,490,650	2,550,837
HEALTH CARE	103,474	133,165	137,825	164,343	170,095	305,619
UTILITIES & PROP TAX	1,966,921	2,035,763	2,107,015	2,180,761	2,257,087	2,336,085
LAND LEASE	0	216,000	223,560	231,385	239,483	247,865
MANAGEMENT FEE	264,780	346,817	383,011	415,244	451,064	494,912
ASSISTED LIVING	0	0	0	0	0	0
SKILLED NURSING	0	0	0	0	0	0
OTHER INCOME	-186,669	-462,386	-568,608	-609,824	-624,654	-641,098
<b>Total</b>	<b>6,702,491</b>	<b>7,912,307</b>	<b>8,356,101</b>	<b>8,668,759</b>	<b>9,021,340</b>	<b>9,495,934</b>
Percent increase	N.A.	18.1	5.6	3.7	4.1	5.3

Table 3.6.1

Fountaingate Gardens  
 All operating expenses less all Direct Billing Revenues  
 for INDEPENDENT LIVING  
 Total expenses per year for years 2020 to 2029

Category	2026	2027	2028	2029
GENERAL & ADMINISTRATION	2,470,368	2,556,831	2,646,320	2,738,941
HOUSEKEEPING	874,637	916,402	948,476	981,673
PLANT OPERATIONS	1,105,664	1,148,392	1,188,586	1,230,186
FOOD SERVICE	2,620,922	2,699,306	2,793,782	2,891,564
HEALTH CARE	316,316	327,387	338,846	350,705
UTILITIES & PROP TAX	2,417,848	2,502,473	2,590,060	2,680,712
LAND LEASE	256,540	265,519	274,812	284,431
MANAGEMENT FEE	537,490	574,529	594,638	615,450
ASSISTED LIVING	0	0	0	0
SKILLED NURSING	0	0	0	0
OTHER INCOME	-659,829	-680,203	-704,010	-728,650
<b>Total</b>	<b>9,939,956</b>	<b>10,310,636</b>	<b>10,671,508</b>	<b>11,045,011</b>
Percent increase	4.7	3.7	3.5	3.5

Table 3.7.1

Fountaingate Gardens  
 All operating expenses less all Direct Billing Revenues  
 for INDEPENDENT LIVING  
 Expenses per capita per day for years 2020 to 2029

Category	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
GENERAL & ADMINISTRATION	71.71	30.19	26.79	26.09	27.83	29.59	31.33	32.89	34.36	35.73
HOUSEKEEPING	12.58	8.10	7.38	8.32	9.41	10.24	11.09	11.79	12.32	12.81
PLANT OPERATIONS	22.43	10.70	9.45	10.67	11.49	12.26	14.02	14.77	15.43	16.05
FOOD SERVICE	41.81	29.09	27.49	28.53	30.06	31.62	33.24	34.72	36.28	37.72
HEALTH CARE	3.37	1.84	1.61	1.92	2.05	3.79	4.01	4.21	4.40	4.58
UTILITIES & PROP TAX	64.15	28.17	24.67	25.53	27.24	28.96	30.67	32.19	33.63	34.97
LAND LEASE	0.00	2.99	2.62	2.71	2.89	3.07	3.25	3.42	3.57	3.71
MANAGEMENT FEE	8.64	4.80	4.48	4.86	5.44	6.14	6.82	7.39	7.72	8.03
ASSISTED LIVING	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
SKILLED NURSING	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
OTHER INCOME	-6.09	-6.40	-6.66	-7.14	-7.54	-7.95	-8.37	-8.75	-9.14	-9.51
Total	218.61	109.48	97.84	101.50	108.88	117.72	126.08	132.62	138.56	144.10
Percent increase	N.A.	-49.9	-10.6	3.7	7.3	8.1	7.1	5.2	4.5	4.0

Table 3.7.2

**Fountaingate Gardens Pricing**  
**All operating expenses less all Direct Billing Revenues**  
**for ASSISTED LIVING**  
**Expenses per capita per day for years 2020 to 2029**

Category	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
GENERAL & ADMINISTRATION	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
HOUSEKEEPING	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
PLANT OPERATIONS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
FOOD SERVICE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
HEALTH CARE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
UTILITIES & PROP TAX	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
LAND LEASE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
MANAGEMENT FEE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ASSISTED LIVING	201.93	209.00	216.31	223.88	231.72	239.83	248.22	256.91	265.90	275.21
SKILLED NURSING	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
OTHER INCOME	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total</b>	<b>201.93</b>	<b>209.00</b>	<b>216.31</b>	<b>223.88</b>	<b>231.72</b>	<b>239.83</b>	<b>248.22</b>	<b>256.91</b>	<b>265.90</b>	<b>275.21</b>
<b>Percent increase</b>	<b>N.A.</b>	<b>3.5</b>	<b>3.5</b>	<b>3.5</b>	<b>3.5</b>	<b>3.5</b>	<b>3.5</b>	<b>3.5</b>	<b>3.5</b>	<b>3.5</b>

Table 3.7.3

Fountaingate Gardens Pricing  
 All operating expenses less all Direct Billing Revenues  
 for NURSING CARE  
 Expenses per capita per day for years 2020 to 2029

Category	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
GENERAL & ADMINISTRATION	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
HOUSEKEEPING	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
PLANT OPERATIONS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
FOOD SERVICE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
HEALTH CARE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
UTILITIES & PROP TAX	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
LAND LEASE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
MANAGEMENT FEE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ASSISTED LIVING	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
SKILLED NURSING	532.47	551.11	570.40	590.36	611.02	632.41	654.54	677.45	701.16	725.70
OTHER INCOME	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	532.47	551.11	570.40	590.36	611.02	632.41	654.54	677.45	701.16	725.70
Percent increase	N.A.	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5

Table 4.1

Fountaingate Gardens Valuation Actuarial Valuation Statement  
 As of June 30, 2022  
 Survivorship Probabilities Projection Methodology

	Current Valuation
(1) NET ASSETS:	
Current Assets .....	\$ 17,122,783
Other Assets .....	5,139,432
Actuarial Present Value of Net Fixed Assets ..	120,636,159
Current Liabilities .....	(726,873)
Other Liabilities .....	0
Actuarial Present Value of Long-Term Debt ....	(37,350,518)
	-----
Subtotal .....	\$ 104,820,982
(2) ACTUARIAL LIABILITIES:	
PV INDEPENDENT LIVING Operating Expenses .....	\$ 72,124,230
PV ASSISTED LIVING Operating Expenses .....	11,745,372
PV NURSING CARE Operating Expenses .....	29,287,294
PV INDEPENDENT LIVING Capital Expenses .....	56,442,644
PV ASSISTED LIVING Capital Expenses .....	0
PV NURSING CARE Capital Expenses .....	0
	-----
Subtotal .....	\$ 169,599,540
(3) ACTUARIAL ASSETS:	
PV of Monthly Revenues .....	\$ 115,374,581
PV of Monthly Revenue Deductions .....	0
	-----
Subtotal.....	\$ 115,374,581
(4) EXCESS OF ACTUARIAL LIABILITIES OVER ACTUARIAL ASSETS {(2) - (3)}:.....	\$ 54,224,959
(5) ACTUARIAL REFUND LIABILITY: .....	\$ 44,167,592
(6) ACTUARIAL SURPLUS (DEFICIT) {(1) - (4) - (5)}:	\$ 6,428,431
(7) FUNDED STATUS {1.0 + [(6) + [(2) + (5)]]}: ....	103.0%
(8) ACTUARIAL RATIO {(3) + (2)}: .....	68.0%
(9) LIQUID RESERVE RATIO {Liquid assets + (4)+(5)}:	22.3%

KEY ASSUMPTIONS:	CURRENT YEAR	VARYING OCCUPANCY	CONSTANT OCCUPANCY
	2023	No Years	2024 to 2083
Monthly fee inflation .....	0%	N.A.	3.5%
Per diem inflation .....	0%	N.A.	3.5%
Other revenue inflation .....	7.3%	N.A.	2.4 to 3.5%
Operating expense inflation .....	4%	N.A.	3.5 to 5%
Capital expenditure inflation .....	10%	N.A.	3.1 to 75.8%
Cost of capital interest rate .....	5%	N.A.	5%
Interest discount rate .....	5%	N.A.	5%
Independent Living Occupancy .....	93.8%	N.A.	93.8%
Assisted Living Occupancy .....	0%	N.A.	0%
Nursing Care Occupancy .....	0%	N.A.	0%

Table 4.4

Fountaingate Gardens Valuation  
 Documentation of Net Asset Calculation  
 for Actuarial Valuation as of 06/30/2022

Current assets (a)	
Cash and cash equivalents . . . . .	16,831,568
Accounts receivable . . . . .	149,008
Prepaid expenses . . . . .	142,207
	-----
Subtotal current assets . . . . .	17,122,783
Other assets (a)	
Debt service reserve fund . . . . .	2,656,200
Construction fund and interest . . . . .	0
Capitalized interest fund . . . . .	0
Operating reserve fund . . . . .	2,483,232
	-----
Subtotal other assets . . . . .	5,139,432
Actuarial PV of net fixed assets . . . . .	120,636,159
	-----
ACTUARIAL VALUATION ASSETS . . . . .	142,898,374
	=====
Current liabilities (a)	
Accounts payable . . . . .	633,551
Accrued expenses . . . . .	93,322
	-----
Subtotal current liabilities . . . . .	726,873
Other liabilities (a)	
Deposits . . . . .	0
	-----
Subtotal other liabilities . . . . .	0
Actuarial PV of long term debt . . . . .	37,350,518
	-----
ACTUARIAL VALUATION LIABILITIES . . . . .	38,077,391
	=====
ACTUARIAL NET ASSETS . . . . .	104,820,982
	=====

SOURCES:

- (a) 06/30/2022, Projected Balance Sheet
- (b) AVP LLC Actuarial Valuation (Table 4.1)



Table 4.5

Fountaingate Gardens  
Documentation of Initial Cash Balance as of 06/30/2019  
for Interest Income in Financial Projections

Cash and cash equivalents . . . . .	0
Debt service reserve fund . . . . .	5,781,200
Construction fund and interest . . . . .	2,802,520
Capitalized interest fund . . . . .	2,179,583
	-----
Total initial cash balance . . . . .	10,763,303
	=====

SOURCE:

(a) 06/30/2019, Projected Balance Sheet

Table 5.1

Analysis of New Entrant Fees  
for Contract Type 10 (80% REFUNDABLE MODIFIED)  
Entrants to Fountaingate Gardens Pricing

SINGLE ENTRANTS *	Single Entry Fee	Single Monthly Fee	PV of Monthly Fees	Actuarial Assets NEF+PVMF	Actuarial Liability PVFE	Percent Surplus (Deficit)
101 ONE BEDROOM SMALL	648,646	3,825	355,464	647,946	579,563	11.8 %
102 ONE BEDROOM LARGE	654,386	3,825	355,464	650,534	581,063	12.0
103 ONE BR DEN SMALL	743,934	4,302	399,792	735,241	628,321	17.0
104 ONE BR DEN MEDIUM	824,297	4,690	435,849	807,535	660,576	22.2
105 ONE BR DEN LARGE	914,993	5,034	467,818	880,400	709,334	24.1
106 TWO BEDROOM SMALL	811,669	4,690	435,849	801,841	666,952	20.2
107 TWO BEDROOM LARGE	854,146	4,989	463,636	848,781	692,831	22.5
108 TWO BEDROOM DEN SMAL	945,990	5,411	502,853	929,412	750,591	23.8
109 TWO BEDROOM DEN LARG	978,135	5,632	523,391	964,444	776,845	24.1
110 VILLA ONE BR	830,037	4,590	426,556	800,830	639,573	25.2
111 VILLA ONE BR DEN	885,144	4,801	446,165	845,287	669,577	26.2
112 VILLA TWO BR SMALL	965,507	5,455	506,942	942,301	729,962	29.1
113 VILLA TWO BR MEDIUM	1,065,387	5,909	549,133	1,029,529	776,470	32.6
114 VILLA TWO BR LARGE	1,103,272	5,954	553,315	1,050,794	796,723	31.9
115 VILLA TWO BR DEN	1,117,049	6,242	580,079	1,083,771	853,732	26.9
<b>WEIGHTED SINGLE:</b>	<b>800,760</b>	<b>4,564</b>	<b>424,115</b>	<b>785,188</b>	<b>652,653</b>	<b>20.3 %</b>
COUPLED ENTRANTS *	Both Entry Fees	Both Monthly Fees	PV of Monthly Fees	Actuarial Assets NEF+PVMF	Actuarial Liability PVFE	Percent Surplus (Deficit)
103 ONE BR DEN SMALL	773,783	5,244	556,458	943,038	905,776	4.1 %
104 ONE BR DEN MEDIUM	854,146	5,632	601,824	1,028,553	946,063	8.7
105 ONE BR DEN LARGE	944,842	5,976	642,045	1,114,086	1,006,963	10.6
106 TWO BEDROOM SMALL	841,518	5,632	601,824	1,022,244	954,027	7.2
107 TWO BEDROOM LARGE	883,995	5,931	636,783	1,078,426	986,350	9.3
108 TWO BEDROOM DEN SMAL	975,839	6,353	686,125	1,173,652	1,058,493	10.9
109 TWO BEDROOM DEN LARG	1,007,984	6,574	711,965	1,215,551	1,091,285	11.4
110 VILLA ONE BR	859,886	5,532	590,131	1,019,729	919,830	10.9
111 VILLA ONE BR DEN	914,993	5,743	614,802	1,071,931	957,306	12.0
112 VILLA TWO BR SMALL	995,356	6,397	691,269	1,188,547	1,032,728	15.1
113 VILLA TWO BR MEDIUM	1,095,236	6,851	744,352	1,291,530	1,090,816	18.4
114 VILLA TWO BR LARGE	1,133,121	6,896	749,614	1,315,719	1,116,113	17.9
115 VILLA TWO BR DEN	1,146,538	7,184	783,287	1,356,095	1,187,318	14.2
<b>WEIGHTED COUPLE:</b>	<b>1,012,687</b>	<b>6,454</b>	<b>697,980</b>	<b>1,203,917</b>	<b>1,058,702</b>	<b>13.7 %</b>
<b>TYPICAL ENTRANT:</b>	<b>910,770</b>	<b>5,545</b>	<b>566,276</b>	<b>1,002,546</b>	<b>863,429</b>	<b>16.1 %</b>

KEY ASSUMPTIONS:	CURRENT YEAR 2023	VARYING OCCUPANCY No Years	CONSTANT OCCUPANCY 2024 to 2083
Monthly fee inflation . . . . .	0%	N.A.	3.5%
Perdiem inflation . . . . .	0%	N.A.	3.5%
Other revenue inflation . . . . .	7.3%	N.A.	2.4 to 3.5%
Operating expense inflation . . . . .	4%	N.A.	3.5 to 5%
Capital expenditure inflation . . . . .	10%	N.A.	3.1 to 75.8%
Cost of capital interest rate . . . . .	5%	N.A.	5%
Interest discount rate . . . . .	5%	N.A.	5%



Table 5.2

Analysis of New Entrant Fees  
for Contract Type 11 (50% REFUNDABLE MODIFIED)  
Entrants to Fountaingate Gardens Pricing

SINGLE ENTRANTS *	Single Entry Fee	Single Monthly Fee	PV of Monthly Fees	Actuarial Assets NEF+PVMF	Actuarial Liability PVFE	Percent Surplus (Deficit)
101 ONE BEDROOM SMALL	486,485	3,825	355,464	667,281	579,563	15.1 %
102 ONE BEDROOM LARGE	490,790	3,825	355,464	670,040	581,063	15.3
103 ONE BR DEN SMALL	557,951	4,302	399,792	757,416	628,321	20.5
104 ONE BR DEN MEDIUM	618,223	4,690	435,849	832,106	660,576	26.0
105 ONE BR DEN LARGE	686,245	5,034	467,818	907,673	709,334	28.0
106 TWO BEDROOM SMALL	608,752	4,690	435,849	826,035	666,952	23.9
107 TWO BEDROOM LARGE	640,610	4,989	463,636	874,241	692,831	26.2
108 TWO BEDROOM DEN SMAL	709,493	5,411	502,853	957,610	750,591	27.6
109 TWO BEDROOM DEN LARG	733,602	5,632	523,391	993,601	776,845	27.9
110 VILLA ONE BR	622,528	4,590	426,556	825,572	639,573	29.1
111 VILLA ONE BR DEN	663,858	4,801	446,165	871,671	669,577	30.2
112 VILLA TWO BR SMALL	724,130	5,455	506,942	971,080	729,962	33.0
113 VILLA TWO BR MEDIUM	799,040	5,909	549,133	1,061,286	776,470	36.7
114 VILLA TWO BR LARGE	827,454	5,954	553,315	1,083,680	796,723	36.0
115 VILLA TWO BR DEN	837,787	6,242	580,079	1,117,067	853,732	30.8
<b>WEIGHTED SINGLE:</b>	<b>600,571</b>	<b>4,564</b>	<b>424,115</b>	<b>809,057</b>	<b>652,653</b>	<b>24.0 %</b>
COUPLED ENTRANTS *	Both Entry Fees	Both Monthly Fees	PV of Monthly Fees	Actuarial Assets NEF+PVMF	Actuarial Liability PVFE	Percent Surplus (Deficit)
103 ONE BR DEN SMALL	580,912	5,244	556,458	953,573	905,776	5.3 %
104 ONE BR DEN MEDIUM	641,184	5,632	601,824	1,040,141	946,063	9.9
105 ONE BR DEN LARGE	709,206	5,976	642,045	1,126,863	1,006,963	11.9
106 TWO BEDROOM SMALL	631,713	5,632	601,824	1,033,667	954,027	8.3
107 TWO BEDROOM LARGE	663,571	5,931	636,783	1,090,405	986,350	10.5
108 TWO BEDROOM DEN SMAL	732,454	6,353	686,125	1,186,835	1,058,493	12.1
109 TWO BEDROOM DEN LARG	756,563	6,574	711,965	1,229,156	1,091,285	12.6
110 VILLA ONE BR	645,489	5,532	590,131	1,031,392	919,830	12.1
111 VILLA ONE BR DEN	686,819	5,743	614,802	1,084,316	957,306	13.3
112 VILLA TWO BR SMALL	747,091	6,397	691,269	1,201,986	1,032,728	16.4
113 VILLA TWO BR MEDIUM	822,001	6,851	744,352	1,306,277	1,090,816	19.8
114 VILLA TWO BR LARGE	850,415	6,896	749,614	1,330,963	1,116,113	19.2
115 VILLA TWO BR DEN	860,748	7,184	783,287	1,371,700	1,187,318	15.5
<b>WEIGHTED COUPLE:</b>	<b>760,118</b>	<b>6,454</b>	<b>697,980</b>	<b>1,217,602</b>	<b>1,058,702</b>	<b>15.0 %</b>
<b>TYPICAL ENTRANT:</b>	<b>683,390</b>	<b>5,545</b>	<b>566,276</b>	<b>1,021,129</b>	<b>863,429</b>	<b>18.3 %</b>

KEY ASSUMPTIONS:	CURRENT YEAR 2023	VARYING OCCUPANCY No Years	CONSTANT OCCUPANCY 2024 to 2083
Monthly fee inflation . . . . .	0%	N.A.	3.5%
Perdiem inflation . . . . .	0%	N.A.	3.5%
Other revenue inflation . . . . .	7.3%	N.A.	2.4 to 3.5%
Operating expense inflation . . . . .	4%	N.A.	3.5 to 5%
Capital expenditure inflation . . . . .	10%	N.A.	3.1 to 75.8%
Cost of capital interest rate . . . . .	5%	N.A.	5%
Interest discount rate . . . . .	5%	N.A.	5%



Table 5.3

Analysis of New Entrant Fees  
for Contract Type 20 (80% REFUNDABLE LIFECARE)  
Entrants to Fountaingate Gardens Pricing

SINGLE ENTRANTS *	Single Entry Fee	Single Monthly Fee	PV of Monthly Fees	Actuarial Assets NEF+PVMF	Actuarial Liability PVFE	Percent Surplus (Deficit)
101 ONE BEDROOM SMALL	723,269	4,856	588,953	991,450	925,411	7.1 %
102 ONE BEDROOM LARGE	729,009	4,856	588,953	994,402	926,912	7.3
103 ONE BR DEN SMALL	818,557	5,333	646,805	1,098,314	974,169	12.7
104 ONE BR DEN MEDIUM	898,920	5,721	693,863	1,186,708	1,006,425	17.9
105 ONE BR DEN LARGE	989,616	6,065	735,585	1,275,080	1,055,182	20.8
106 TWO BEDROOM SMALL	886,292	5,721	693,863	1,180,213	1,012,801	16.5
107 TWO BEDROOM LARGE	928,769	6,020	730,127	1,238,325	1,038,680	19.2
108 TWO BEDROOM DEN SMAL	1,020,613	6,442	781,308	1,336,748	1,096,439	21.9
109 TWO BEDROOM DEN LARG	1,052,758	6,663	808,112	1,380,086	1,122,693	22.9
110 VILLA ONE BR	904,660	5,621	681,735	1,177,532	985,421	19.5
111 VILLA ONE BR DEN	959,767	5,832	707,325	1,231,468	1,015,426	21.3
112 VILLA TWO BR SMALL	1,040,130	6,486	786,645	1,352,123	1,075,811	25.7
113 VILLA TWO BR MEDIUM	1,140,010	6,941	841,829	1,458,682	1,122,318	30.0
114 VILLA TWO BR LARGE	1,177,896	6,985	847,165	1,483,505	1,142,572	29.8
115 VILLA TWO BR DEN	1,191,672	7,273	882,095	1,525,521	1,199,581	27.2
<b>WEIGHTED SINGLE:</b>	<b>875,383</b>	<b>5,595</b>	<b>678,552</b>	<b>1,159,291</b>	<b>998,501</b>	<b>16.1 %</b>
COUPLED ENTRANTS *	Both Entry Fees	Both Monthly Fees	PV of Monthly Fees	Actuarial Assets NEF+PVMF	Actuarial Liability PVFE	Percent Surplus (Deficit)
103 ONE BR DEN SMALL	893,180	7,307	925,757	1,492,444	1,449,744	2.9 %
104 ONE BR DEN MEDIUM	973,543	7,695	982,691	1,594,797	1,490,031	7.0
105 ONE BR DEN LARGE	1,064,239	8,039	1,033,169	1,696,534	1,550,930	9.4
106 TWO BEDROOM SMALL	960,915	7,695	982,691	1,587,660	1,497,995	6.0
107 TWO BEDROOM LARGE	1,003,392	7,994	1,026,565	1,655,541	1,530,318	8.2
108 TWO BEDROOM DEN SMAL	1,095,236	8,416	1,088,489	1,769,372	1,602,461	10.4
109 TWO BEDROOM DEN LARG	1,127,381	8,637	1,120,918	1,819,969	1,635,253	11.3
110 VILLA ONE BR	979,283	7,595	968,017	1,583,367	1,463,797	8.2
111 VILLA ONE BR DEN	1,034,390	7,806	998,979	1,645,474	1,501,274	9.6
112 VILLA TWO BR SMALL	1,114,753	8,460	1,094,945	1,786,859	1,576,695	13.3
113 VILLA TWO BR MEDIUM	1,214,633	8,915	1,161,711	1,910,075	1,634,784	16.8
114 VILLA TWO BR LARGE	1,252,519	8,959	1,168,167	1,937,943	1,660,081	16.7
115 VILLA TWO BR DEN	1,266,295	9,247	1,210,428	1,987,989	1,731,286	14.8
<b>WEIGHTED COUPLE:</b>	<b>1,132,122</b>	<b>8,518</b>	<b>1,103,400</b>	<b>1,805,131</b>	<b>1,602,670</b>	<b>12.6 %</b>
<b>TYPICAL ENTRANT:</b>	<b>1,008,654</b>	<b>7,112</b>	<b>899,087</b>	<b>1,494,398</b>	<b>1,312,120</b>	<b>13.9 %</b>

KEY ASSUMPTIONS:	CURRENT YEAR 2023	VARYING OCCUPANCY No Years	CONSTANT OCCUPANCY 2024 to 2083
Monthly fee inflation . . . . .	0%	N.A.	3.5%
Perdiem inflation . . . . .	0%	N.A.	3.5%
Other revenue inflation . . . . .	7.3%	N.A.	2.4 to 3.5%
Operating expense inflation . . . . .	4%	N.A.	3.5 to 5%
Capital expenditure inflation . . . . .	10%	N.A.	3.1 to 75.8%
Cost of capital interest rate . . . . .	5%	N.A.	5%
Interest discount rate . . . . .	5%	N.A.	5%



Table 5.4

Analysis of New Entrant Fees  
for Contract Type 21 (50% REFUNDABLE LIFECARE)  
Entrants to Fountaingate Gardens Pricing

SINGLE ENTRANTS *	Single Entry Fee	Single Monthly Fee	PV of Monthly Fees	Actuarial Assets NEF+PVMF	Actuarial Liability PVFE	Percent Surplus (Deficit)
101 ONE BEDROOM SMALL	561,108	4,856	588,953	991,499	925,411	7.1 %
102 ONE BEDROOM LARGE	565,413	4,856	588,953	994,449	926,912	7.3
103 ONE BR DEN SMALL	632,574	5,333	646,805	1,098,320	974,169	12.7
104 ONE BR DEN MEDIUM	692,846	5,721	693,863	1,186,677	1,006,425	17.9
105 ONE BR DEN LARGE	760,868	6,065	735,585	1,275,007	1,055,182	20.8
106 TWO BEDROOM SMALL	683,375	5,721	693,863	1,180,187	1,012,801	16.5
107 TWO BEDROOM LARGE	715,233	6,020	730,127	1,238,280	1,038,680	19.2
108 TWO BEDROOM DEN SMAL	784,116	6,442	781,308	1,336,661	1,096,439	21.9
109 TWO BEDROOM DEN LARG	808,225	6,663	808,112	1,379,984	1,122,693	22.9
110 VILLA ONE BR	697,151	5,621	681,735	1,177,498	985,421	19.5
111 VILLA ONE BR DEN	738,481	5,832	707,325	1,231,409	1,015,426	21.3
112 VILLA TWO BR SMALL	798,753	6,486	786,645	1,352,027	1,075,811	25.7
113 VILLA TWO BR MEDIUM	873,663	6,941	841,829	1,458,540	1,122,318	30.0
114 VILLA TWO BR LARGE	902,077	6,985	847,165	1,483,346	1,142,572	29.8
115 VILLA TWO BR DEN	912,410	7,273	882,095	1,525,355	1,199,581	27.2
<b>WEIGHTED SINGLE:</b>	<b>675,194</b>	<b>5,595</b>	<b>678,552</b>	<b>1,159,270</b>	<b>998,501</b>	<b>16.1 %</b>
COUPLED ENTRANTS *	Both Entry Fees	Both Monthly Fees	PV of Monthly Fees	Actuarial Assets NEF+PVMF	Actuarial Liability PVFE	Percent Surplus (Deficit)
103 ONE BR DEN SMALL	707,197	7,307	925,757	1,477,495	1,449,744	1.9 %
104 ONE BR DEN MEDIUM	767,469	7,695	982,691	1,578,216	1,490,031	5.9
105 ONE BR DEN LARGE	835,491	8,039	1,033,169	1,678,112	1,550,930	8.2
106 TWO BEDROOM SMALL	757,998	7,695	982,691	1,571,336	1,497,995	4.9
107 TWO BEDROOM LARGE	789,856	7,994	1,026,565	1,638,355	1,530,318	7.1
108 TWO BEDROOM DEN SMAL	858,739	8,416	1,088,489	1,750,321	1,602,461	9.2
109 TWO BEDROOM DEN LARG	882,848	8,637	1,120,918	1,800,265	1,635,253	10.1
110 VILLA ONE BR	771,774	7,595	968,017	1,566,670	1,463,797	7.0
111 VILLA ONE BR DEN	813,104	7,806	998,979	1,627,658	1,501,274	8.4
112 VILLA TWO BR SMALL	873,376	8,460	1,094,945	1,767,411	1,576,695	12.1
113 VILLA TWO BR MEDIUM	948,286	8,915	1,161,711	1,888,598	1,634,784	15.5
114 VILLA TWO BR LARGE	976,700	8,959	1,168,167	1,915,697	1,660,081	15.4
115 VILLA TWO BR DEN	987,033	9,247	1,210,428	1,965,464	1,731,286	13.5
<b>WEIGHTED COUPLE:</b>	<b>886,403</b>	<b>8,518</b>	<b>1,103,400</b>	<b>1,785,330</b>	<b>1,602,670</b>	<b>11.4 %</b>
<b>TYPICAL ENTRANT:</b>	<b>784,831</b>	<b>7,112</b>	<b>899,087</b>	<b>1,484,161</b>	<b>1,312,120</b>	<b>13.1 %</b>

KEY ASSUMPTIONS:	CURRENT YEAR 2023	VARYING OCCUPANCY No Years	CONSTANT OCCUPANCY 2024 to 2083
Monthly fee inflation . . . . .	0%	N.A.	3.5%
Perdiem inflation . . . . .	0%	N.A.	3.5%
Other revenue inflation . . . . .	7.3%	N.A.	2.4 to 3.5%
Operating expense inflation . . . . .	4%	N.A.	3.5 to 5%
Capital expenditure inflation . . . . .	10%	N.A.	3.1 to 75.8%
Cost of capital interest rate . . . . .	5%	N.A.	5%
Interest discount rate . . . . .	5%	N.A.	5%



Table 6.1

Sources and Uses of Funds Projection for Fountaingate Gardens  
 15% on 80% Ref No LC; 35% on 50% Ref No LC; 10% on 80% Ref LC; 40% on 50% Ref LC  
 (Dollars in Thousands)

	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
<b>CASH SOURCES:</b>										
Independent living monthly fees .....	3,727	9,226	11,413	12,223	12,519	12,841	13,210	13,619	14,052	14,511
Assisted living monthly fees .....	6	27	76	171	304	453	610	748	866	993
Nursing care monthly fees .....	3	14	40	85	149	229	322	416	526	635
Other revenue .....	187	462	569	610	625	641	660	680	704	729
Bond proceeds .....	663	0	0	0	0	0	0	0	0	0
Subtotal .....	4,585	9,729	12,098	13,089	13,597	14,164	14,801	15,463	16,148	16,868
Entry fees from unit turnover .....	849	2,635	4,828	6,793	8,452	9,829	11,327	11,775	12,394	13,209
Entry fees from vacant units .....	66,966	36,644	12,709	0	0	0	0	0	0	0
Entry fee refunds .....	(576)	(1,582)	(2,379)	(2,923)	(3,360)	(3,737)	(4,257)	(4,628)	(4,673)	(5,060)
Interest income .....	706	710	802	1,191	1,445	1,730	1,906	2,103	2,456	2,823
<b>TOTAL CASH SOURCES:</b> .....	<b>72,530</b>	<b>48,136</b>	<b>28,058</b>	<b>18,150</b>	<b>20,133</b>	<b>21,985</b>	<b>23,776</b>	<b>24,714</b>	<b>26,326</b>	<b>27,841</b>
<b>CASH USES:</b>										
General & Administrative .....	2,199	2,182	2,288	2,228	2,306	2,387	2,470	2,557	2,646	2,739
Housekeeping .....	386	586	631	711	780	826	875	916	948	982
Plant Operations .....	688	773	807	912	952	989	1,106	1,148	1,189	1,230
Food Service .....	1,282	2,102	2,348	2,436	2,491	2,551	2,621	2,699	2,794	2,892
Health Care .....	103	133	138	164	170	306	316	327	339	351
Utilities & Prop Tax .....	1,967	2,036	2,107	2,181	2,257	2,336	2,418	2,502	2,590	2,681
Land Lease .....	0	216	224	231	239	248	257	266	275	284
Management Fee .....	265	347	383	415	451	495	537	575	595	615
Assisted Living .....	11	51	148	318	538	771	985	1,172	1,327	1,445
Skilled Nursing .....	226	591	886	1,200	1,544	1,960	2,389	2,775	3,119	3,423
Subtotal .....	7,126	9,017	9,958	10,796	11,728	12,868	13,974	14,938	15,822	16,642
Capital expenditures .....	2,577	293	323	355	366	390	429	554	973	1,393
Interest payments .....	5,994	3,592	2,163	2,106	2,091	2,061	1,834	1,605	1,569	1,530
Scheduled principal payments .....	49,408	42,500	4,563	0	448	477	6,508	542	577	614
<b>TOTAL CASH USES:</b> .....	<b>65,106</b>	<b>55,403</b>	<b>17,007</b>	<b>13,257</b>	<b>14,633</b>	<b>15,797</b>	<b>22,746</b>	<b>17,638</b>	<b>18,940</b>	<b>20,180</b>
<b>CHANGE IN CASH BALANCE:</b> .....	<b>7,424</b>	<b>(7,267)</b>	<b>11,051</b>	<b>4,893</b>	<b>5,500</b>	<b>6,188</b>	<b>1,030</b>	<b>7,076</b>	<b>7,385</b>	<b>7,662</b>
<b>BEGIN OF YEAR CASH BALANCE:</b> .....	<b>10,763</b>	<b>18,187</b>	<b>10,920</b>	<b>21,971</b>	<b>26,865</b>	<b>32,364</b>	<b>38,552</b>	<b>39,582</b>	<b>46,658</b>	<b>54,043</b>
<b>END OF YEAR CASH BALANCE:</b> .....	<b>18,187</b>	<b>10,920</b>	<b>21,971</b>	<b>26,865</b>	<b>32,364</b>	<b>38,552</b>	<b>39,582</b>	<b>46,658</b>	<b>54,043</b>	<b>61,705</b>
<b>END OF YEAR DEBT PRINCIPAL:</b> .....	<b>79,463</b>	<b>36,963</b>	<b>32,400</b>	<b>32,400</b>	<b>31,952</b>	<b>31,474</b>	<b>24,966</b>	<b>24,424</b>	<b>23,847</b>	<b>23,233</b>
<b>DEBT SERVICE RATIO:</b> .....	<b>1.18</b>	<b>0.84</b>	<b>2.69</b>	<b>3.49</b>	<b>3.30</b>	<b>3.59</b>	<b>1.17</b>	<b>4.55</b>	<b>4.89</b>	<b>5.22</b>
<b>CASH TO DEBT RATIO:</b> .....	<b>0.22</b>	<b>0.29</b>	<b>0.67</b>	<b>0.82</b>	<b>1.01</b>	<b>1.22</b>	<b>1.58</b>	<b>1.91</b>	<b>2.26</b>	<b>2.65</b>

KEY ASSUMPTIONS:	CURRENT YEAR	VARYING OCCUPANCY	CONSTANT OCCUPANCY
	2020	2021 to 2023	2024 to 2080
Monthly fee inflation .....	0%	3.5%	3.5%
Advance fee inflation .....	2.7%	3%	3%
Perdiem inflation .....	0%	3.5%	3.5%
Other revenue inflation .....	0%	7.3 to 100+%	2.4 to 3.5%
Operating expense inflation .....	0%	8.4 to 26.5%	3.5 to 9.7%
Capital expenditure inflation .....	-97.9%	-88.6 to 10%	3.1 to 75.8%
Interest discount rate .....	5%	5%	5%
Independent Living Occupancy .....	31.3%	74.4 to 93.8%	93.8%
Assisted Living Occupancy .....	0%	0%	0%
Nursing Care Occupancy .....	0%	0%	0%

Table 6.1

Sources and Uses of Funds Projection for Fountaingate Gardens  
15% on 80% Ref No LC; 35% on 50% Ref No LC; 10% on 80% Ref LC; 40% on 50% Ref LC  
(Dollars in Thousands)

	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
	----	----	----	----	----	----	----	----	----	----
<b>CASH SOURCES:</b>										
Independent living monthly fees .....	15,014	15,546	16,083	16,637	17,221	17,835	18,464	19,116	19,798	20,492
Assisted living monthly fees .....	1,096	1,184	1,299	1,402	1,499	1,603	1,697	1,767	1,819	1,897
Nursing care monthly fees .....	749	862	926	994	1,092	1,181	1,264	1,360	1,482	1,553
Other revenue .....	754	781	808	836	865	896	927	959	993	1,028
Bond proceeds .....	0	0	0	0	0	0	0	0	0	0
Subtotal .....	17,613	18,373	19,116	19,869	20,677	21,515	22,352	23,203	24,092	24,969
Entry fees from unit turnover .....	14,355	14,303	15,008	15,259	17,369	17,567	17,272	19,481	18,343	19,228
Entry fees from vacant units .....	0	0	0	0	0	0	0	0	0	0
Entry fee refunds .....	(5,692)	(5,662)	(6,011)	(5,907)	(6,668)	(7,073)	(6,750)	(7,657)	(7,005)	(7,726)
Interest income .....	3,207	3,596	3,988	4,392	4,831	5,291	5,750	6,252	6,786	7,327
<b>TOTAL CASH SOURCES:</b> .....	<b>29,483</b>	<b>30,610</b>	<b>32,100</b>	<b>33,613</b>	<b>36,209</b>	<b>37,301</b>	<b>38,623</b>	<b>41,279</b>	<b>42,216</b>	<b>43,799</b>
<b>CASH USES:</b>										
General & Administrative .....	2,835	2,934	3,037	3,143	3,253	3,367	3,485	3,607	3,733	3,864
Housekeeping .....	1,016	1,052	1,088	1,126	1,166	1,207	1,249	1,293	1,338	1,385
Plant Operations .....	1,273	1,318	1,364	1,412	1,461	1,512	1,565	1,620	1,677	1,735
Food Service .....	2,993	3,098	3,206	3,318	3,434	3,554	3,679	3,808	3,941	4,079
Health Care .....	363	376	389	402	417	431	446	462	478	495
Utilities & Prop Tax .....	2,775	2,872	2,972	3,076	3,184	3,295	3,411	3,530	3,654	3,781
Land Lease .....	294	305	315	326	338	350	362	375	388	401
Management Fee .....	637	659	682	706	731	757	783	810	839	868
Assisted Living .....	1,546	1,661	1,794	1,916	2,022	2,116	2,209	2,273	2,295	2,392
Skilled Nursing .....	3,729	4,049	4,308	4,558	4,955	5,385	5,715	6,093	6,557	6,796
Subtotal .....	17,460	18,322	19,155	19,985	20,961	21,974	22,904	23,870	24,898	25,796
Capital expenditures .....	1,814	2,235	2,658	3,081	3,504	3,929	4,067	4,209	4,356	4,509
Interest payments .....	1,489	1,445	1,398	1,348	1,295	1,239	1,179	1,115	1,047	974
Scheduled principal payments .....	654	697	742	790	842	896	954	1,017	1,083	1,153
<b>TOTAL CASH USES:</b> .....	<b>21,417</b>	<b>22,699</b>	<b>23,953</b>	<b>25,204</b>	<b>26,602</b>	<b>28,038</b>	<b>29,104</b>	<b>30,210</b>	<b>31,383</b>	<b>32,432</b>
<b>CHANGE IN CASH BALANCE:</b> .....	<b>8,066</b>	<b>7,911</b>	<b>8,147</b>	<b>8,409</b>	<b>9,607</b>	<b>9,262</b>	<b>9,519</b>	<b>11,069</b>	<b>10,833</b>	<b>11,367</b>
<b>BEGIN OF YEAR CASH BALANCE:</b> .....	<b>61,705</b>	<b>69,771</b>	<b>77,681</b>	<b>85,828</b>	<b>94,237</b>	<b>103,844</b>	<b>113,107</b>	<b>122,626</b>	<b>133,695</b>	<b>144,528</b>
<b>END OF YEAR CASH BALANCE:</b> .....	<b>69,771</b>	<b>77,681</b>	<b>85,828</b>	<b>94,237</b>	<b>103,844</b>	<b>113,107</b>	<b>122,626</b>	<b>133,695</b>	<b>144,528</b>	<b>155,895</b>
<b>END OF YEAR DEBT PRINCIPAL:</b> .....	<b>22,579</b>	<b>21,882</b>	<b>21,140</b>	<b>20,350</b>	<b>19,509</b>	<b>18,613</b>	<b>17,658</b>	<b>16,641</b>	<b>15,559</b>	<b>14,406</b>
<b>DEBT SERVICE RATIO:</b> .....	<b>5.61</b>	<b>5.73</b>	<b>6.04</b>	<b>6.37</b>	<b>7.13</b>	<b>7.17</b>	<b>7.36</b>	<b>8.16</b>	<b>8.13</b>	<b>8.46</b>
<b>CASH TO DEBT RATIO:</b> .....	<b>3.09</b>	<b>3.54</b>	<b>4.05</b>	<b>4.63</b>	<b>5.32</b>	<b>6.07</b>	<b>6.94</b>	<b>8.03</b>	<b>9.28</b>	<b>10.82</b>

Table 7.1

Fountaingate Gardens  
Retrospective Reserve  
for Projected Actuarial Valuation as of June 30, 2022

Period Ending:	June 30, 2020	June 30, 2021	June 30, 2022	Total
<b>RESERVE INCREMENTS:</b>				
Resident fees	3,727,000	9,226,000	11,413,000	24,366,000
Health services:				
Resident fees	9,000	41,000	116,000	166,000
Medicare and other ins reimburse				-
Nonresident				-
Investment income	706,000	710,000	802,000	2,218,000
Entrance fees (net of refunds)	67,239,000	37,697,000	15,158,000	120,094,000
Other revenue	187,000	462,000	569,000	1,218,000
<b>TOTAL INCREMENTS:</b>	<b>71,868,000</b>	<b>48,136,000</b>	<b>28,058,000</b>	<b>148,062,000</b>
<b>RESERVE DECREMENTS:</b>				
Operating Expenses	7,126,000	9,017,000	9,958,000	26,101,000
Interest Expense	5,994,000	3,592,000	2,163,000	11,749,000
Depreciation & Amortization	2,031,901	2,156,817	2,290,312	6,479,030
Extraordinary loss on early extinguishment of debt				-
<b>TOTAL DECREMENTS:</b>	<b>15,151,901</b>	<b>14,765,817</b>	<b>14,411,312</b>	<b>44,329,030</b>
<b>EXCESS OF INCREMENTS OVER DECREMENTS:</b>	<b>56,716,099</b>	<b>33,370,183</b>	<b>13,646,688</b>	<b>103,732,970</b>
<b>BEGINNING RETROSPECTIVE RESERVE:</b>	<b>-</b>	<b>56,716,099</b>	<b>90,086,282</b>	
<b>ENDING RETROSPECTIVE RESERVE:</b>	<b>56,716,099</b>	<b>90,086,282</b>	<b>103,732,970</b>	



Table 7.2

Prospective Reserve for Fountaingate Gardens  
(Dollars in Thousands)

	As of June 30	2022
PRESENT VALUE OF BENEFITS		
	PV Independent Living Operating Expenses	72,124
	PV Enriched Housing Operating Expenses	11,745
	PV Nursing Care Operating Expenses	29,287
	PV Depreciation	20,874
	PV Mortgage Interest	11,998
	PV Imputed Interest	28,632
	TOTAL PRESENT VALUE OF BENEFITS	174,660
	PRESENT VALUE OF EF REFUNDS	44,168
PRESENT VALUE OF MONTHLY FEES		
	PV Independent Living Monthly Fees	97,205
	PV Enriched Housing Monthly Fees	9,827
	PV Nursing Care Monthly Fees	8,343
	TOTAL PRESENT VALUE OF MONTHLY FEES	115,375
	PROSPECTIVE RESERVE LIABILITY	103,453
	(PV Benefits + PV Refunds - PV Monthly Fees)	

Table 7.2 Expanded

Closed Group Projection for Fountaingate Gardens  
(Dollars in Thousands)

Fiscal Year Ending in:	2023	2024	2025	2026	2027	2028
<b>CONTRACTHOLDER STATISTICS:</b>						
Independent Living Resident Days	81,899	74,328	66,736	59,478	52,808	46,701
Independent Living Units Occupied	161	152	141	130	119	108
Assisted Living Resident Days	1,429	2,110	2,800	3,422	3,830	4,058
Assisted Living Beds Occupied	4	6	8	9	10	11
Nursing Care Resident Days	2,096	2,336	2,605	2,883	3,099	3,252
Nursing Care Beds Occupied	6	6	7	8	8	9
<b>OPERATING EXPENSES:</b>						
Independent Living	8,415	8,254	8,080	7,785	7,363	6,897
Assisted Living	320	489	672	849	984	1,079
Nursing Care	1,237	1,427	1,648	1,887	2,100	2,280
Total Operating Expenses	9,972	10,170	10,399	10,521	10,447	10,256
PRESENT VALUE OF OPERATING EXPENSES	113,157	103,425	93,973	84,768	75,899	67,511
<b>DEPRECIATION EXPENSES:</b>						
Independent Living	2,480	2,289	2,265	2,217	2,156	2,088
Assisted Living	0	0	0	0	0	0
Nursing Care	0	0	0	0	0	0
Total Capital Expenses	2,480	2,289	2,265	2,217	2,156	2,088
PRESENT VALUE OF DEPRECIATION EXPENSES	20,874	18,454	16,326	14,321	12,452	10,721
<b>MORTGAGE INTEREST:</b>						
Independent Living	2,146	2,010	1,843	1,510	1,205	1,066
Assisted Living	0	0	0	0	0	0
Nursing Care	0	0	0	0	0	0
Total Capital Expenses	2,146	2,010	1,843	1,510	1,205	1,066
PRESENT VALUE OF MORTGAGE INTEREST EXPENSES	11,998	9,903	8,035	6,403	5,131	4,163
<b>IMPUTED INTEREST:</b>						
Independent Living	4,290	3,945	3,601	3,246	3,120	2,763
Assisted Living	0	0	0	0	0	0
Nursing Care	0	0	0	0	0	0
Total Capital Expenses	4,290	3,945	3,601	3,246	3,120	2,763
PRESENT VALUE OF IMPUTED INTEREST EXPENSES	28,632	24,445	20,779	17,592	14,855	12,350
<b>MONTHLY FEES:</b>						
Independent Living	11,861	11,470	10,965	10,384	9,771	9,138
Assisted Living	189	332	490	648	771	864
Nursing Care	117	197	292	397	496	585
Total Monthly Fees	12,167	12,000	11,747	11,429	11,038	10,587
PRESENT VALUE OF MONTHLY FEES	115,375	103,501	92,348	81,950	72,315	63,452
<b>DISCOUNT FACTORS:</b>						
	0.976	0.929	0.885	0.843	0.803	0.765
<b>EXPECTED REFUNDS:</b>						
Projected death refunds	2,081	2,477	2,792	2,909	2,973	3,002
Projected move-out refunds	518	622	373	446	502	541
Projected other refunds	658	703	865	800	732	666
Total Refunds	3,258	3,802	4,031	4,155	4,207	4,209
PRESENT VALUE OF REFUNDS	46,823	43,643	40,110	36,542	33,039	29,661

Table 7.2 Expanded

Closed Group Projection for Fountaingate Gardens  
(Dollars in Thousands)

Fiscal Year Ending in:	2029	2030	2031	2032	2033	2034
<b>CONTRACTHOLDER STATISTICS:</b>						
Independent Living Resident Days	41,130	36,067	31,482	27,346	23,630	20,307
Independent Living Units Occupied	98	87	78	69	60	53
Assisted Living Resident Days	4,139	4,104	3,982	3,795	3,564	3,302
Assisted Living Beds Occupied	11	11	11	10	10	9
Nursing Care Resident Days	3,344	3,376	3,351	3,274	3,155	3,001
Nursing Care Beds Occupied	9	9	9	9	9	8
<b>OPERATING EXPENSES:</b>						
Independent Living	6,411	5,925	5,434	4,953	4,486	4,036
Assisted Living	1,139	1,169	1,174	1,158	1,126	1,079
Nursing Care	2,427	2,536	2,605	2,634	2,627	2,587
Total Operating Expenses	9,978	9,630	9,213	8,746	8,239	7,703
PRESENT VALUE OF OPERATING EXPENSES	59,669	52,403	45,724	39,639	34,137	29,201
<b>DEPRECIATION EXPENSES:</b>						
Independent Living	2,013	1,765	1,283	1,217	1,148	1,078
Assisted Living	0	0	0	0	0	0
Nursing Care	0	0	0	0	0	0
Total Capital Expenses	2,013	1,765	1,283	1,217	1,148	1,078
PRESENT VALUE OF DEPRECIATION EXPENSES	9,125	7,659	6,435	5,587	4,822	4,134
<b>MORTGAGE INTEREST:</b>						
Independent Living	934	811	698	595	502	419
Assisted Living	0	0	0	0	0	0
Nursing Care	0	0	0	0	0	0
Total Capital Expenses	934	811	698	595	502	419
PRESENT VALUE OF MORTGAGE INTEREST EXPENSES	3,348	2,668	2,106	1,645	1,271	970
<b>IMPUTED INTEREST:</b>						
Independent Living	2,435	2,139	1,877	1,659	1,462	1,284
Assisted Living	0	0	0	0	0	0
Nursing Care	0	0	0	0	0	0
Total Capital Expenses	2,435	2,139	1,877	1,659	1,462	1,284
PRESENT VALUE OF IMPUTED INTEREST EXPENSES	10,238	8,464	6,980	5,740	4,696	3,820
<b>MONTHLY FEES:</b>						
Independent Living	8,494	7,847	7,205	6,574	5,959	5,366
Assisted Living	928	968	985	985	971	943
Nursing Care	664	730	781	816	835	840
Total Monthly Fees	10,086	9,545	8,971	8,375	7,765	7,149
PRESENT VALUE OF MONTHLY FEES	55,357	48,012	41,392	35,466	30,198	25,546
<b>DISCOUNT FACTORS:</b>						
	0.728	0.694	0.661	0.629	0.599	0.571
<b>EXPECTED REFUNDS:</b>						
Projected death refunds	2,997	2,959	2,892	2,800	2,686	2,556
Projected move-out refunds	566	580	582	574	555	528
Projected other refunds	602	542	486	434	387	345
Total Refunds	4,165	4,081	3,961	3,807	3,628	3,429
PRESENT VALUE OF REFUNDS	26,443	23,409	20,579	17,962	15,567	13,394

Table 7.2 Expanded

Closed Group Projection for Fountaingate Gardens  
(Dollars in Thousands)

Fiscal Year Ending in:	2035	2036	2037	2038	2039	2040
<b>CONTRACTHOLDER STATISTICS:</b>						
Independent Living Resident Days	17,352	14,737	12,438	10,428	8,684	7,181
Independent Living Units Occupied	46	39	33	28	24	20
Assisted Living Resident Days	3,021	2,730	2,436	2,148	1,872	1,614
Assisted Living Beds Occupied	8	7	7	6	5	4
Nursing Care Resident Days	2,823	2,626	2,417	2,201	1,982	1,764
Nursing Care Beds Occupied	8	7	7	6	5	5
<b>OPERATING EXPENSES:</b>						
Independent Living	3,607	3,196	2,816	2,459	2,134	1,837
Assisted Living	1,022	956	883	806	727	648
Nursing Care	2,518	2,425	2,310	2,177	2,029	1,869
Total Operating Expenses	7,147	6,577	6,009	5,441	4,889	4,355
PRESENT VALUE OF OPERATING EXPENSES	24,806	20,922	17,518	14,557	12,002	9,817
<b>DEPRECIATION EXPENSES:</b>						
Independent Living	1,007	930	851	770	693	618
Assisted Living	0	0	0	0	0	0
Nursing Care	0	0	0	0	0	0
Total Capital Expenses	1,007	930	851	770	693	618
PRESENT VALUE OF DEPRECIATION EXPENSES	3,518	2,971	2,490	2,071	1,709	1,399
<b>MORTGAGE INTEREST:</b>						
Independent Living	346	282	227	180	140	107
Assisted Living	0	0	0	0	0	0
Nursing Care	0	0	0	0	0	0
Total Capital Expenses	346	282	227	180	140	107
PRESENT VALUE OF MORTGAGE INTEREST EXPENSES	731	543	397	285	200	138
<b>IMPUTED INTEREST:</b>						
Independent Living	1,123	976	842	720	610	513
Assisted Living	0	0	0	0	0	0
Nursing Care	0	0	0	0	0	0
Total Capital Expenses	1,123	976	842	720	610	513
PRESENT VALUE OF IMPUTED INTEREST EXPENSES	3,088	2,478	1,973	1,557	1,220	947
<b>MONTHLY FEES:</b>						
Independent Living	4,798	4,260	3,755	3,286	2,853	2,458
Assisted Living	904	856	799	737	672	605
Nursing Care	834	817	790	754	711	662
Total Monthly Fees	6,536	5,932	5,345	4,778	4,236	3,725
PRESENT VALUE OF MONTHLY FEES	21,467	17,915	14,845	12,210	9,968	8,074
<b>DISCOUNT FACTORS:</b>						
	0.543	0.518	0.493	0.469	0.447	0.426
<b>EXPECTED REFUNDS:</b>						
Projected death refunds	2,413	2,261	2,099	1,933	1,762	1,591
Projected move-out refunds	494	456	416	376	335	295
Projected other refunds	307	273	241	211	184	159
Total Refunds	3,214	2,989	2,756	2,520	2,282	2,045
PRESENT VALUE OF REFUNDS	11,437	9,690	8,143	6,785	5,602	4,582

Table 7.2 Expanded

Closed Group Projection for Fountaingate Gardens  
(Dollars in Thousands)

Fiscal Year Ending in:	2041	2042	2043	2044	2045	2046
<b>CONTRACTHOLDER STATISTICS:</b>						
Independent Living Resident Days	5,893	4,799	3,878	3,109	2,474	1,955
Independent Living Units Occupied	16	13	11	9	7	5
Assisted Living Resident Days	1,377	1,164	973	805	658	530
Assisted Living Beds Occupied	4	3	3	2	2	1
Nursing Care Resident Days	1,553	1,352	1,164	989	830	687
Nursing Care Beds Occupied	4	4	3	3	2	2
<b>OPERATING EXPENSES:</b>						
Independent Living	1,569	1,328	1,115	928	767	628
Assisted Living	573	501	434	371	314	262
Nursing Care	1,703	1,535	1,367	1,202	1,044	895
Total Operating Expenses	3,845	3,364	2,916	2,502	2,124	1,785
PRESENT VALUE OF OPERATING EXPENSES	7,962	6,403	5,104	4,031	3,155	2,446
<b>DEPRECIATION EXPENSES:</b>						
Independent Living	546	478	415	357	304	257
Assisted Living	0	0	0	0	0	0
Nursing Care	0	0	0	0	0	0
Total Capital Expenses	546	478	415	357	304	257
PRESENT VALUE OF DEPRECIATION EXPENSES	1,136	915	730	578	453	351
<b>MORTGAGE INTEREST:</b>						
Independent Living	81	59	42	28	18	10
Assisted Living	0	0	0	0	0	0
Nursing Care	0	0	0	0	0	0
Total Capital Expenses	81	59	42	28	18	10
PRESENT VALUE OF MORTGAGE INTEREST EXPENSES	92	59	36	21	11	5
<b>IMPUTED INTEREST:</b>						
Independent Living	427	352	287	232	185	147
Assisted Living	0	0	0	0	0	0
Nursing Care	0	0	0	0	0	0
Total Capital Expenses	427	352	287	232	185	147
PRESENT VALUE OF IMPUTED INTEREST EXPENSES	728	555	419	314	232	171
<b>MONTHLY FEES:</b>						
Independent Living	2,101	1,780	1,496	1,246	1,030	845
Assisted Living	539	475	414	356	302	253
Nursing Care	608	552	495	439	383	330
Total Monthly Fees	3,248	2,807	2,405	2,041	1,716	1,428
PRESENT VALUE OF MONTHLY FEES	6,488	5,171	4,087	3,203	2,488	1,915
<b>DISCOUNT FACTORS:</b>						
	0.406	0.386	0.368	0.350	0.334	0.318
<b>EXPECTED REFUNDS:</b>						
Projected death refunds	1,422	1,258	1,102	955	818	693
Projected move-out refunds	256	219	185	153	123	96
Projected other refunds	134	113	93	75	60	47
Total Refunds	1,813	1,590	1,380	1,183	1,001	835
PRESENT VALUE OF REFUNDS	3,711	2,976	2,362	1,854	1,440	1,106

Table 7.2 Expanded

Closed Group Projection for Fountaingate Gardens  
(Dollars in Thousands)

Fiscal Year Ending in:	2047	2048	2049	2050	2051	2052
<b>CONTRACTHOLDER STATISTICS:</b>						
Independent Living Resident Days	1,535	1,198	931	720	553	423
Independent Living Units Occupied	4	3	3	2	2	1
Assisted Living Resident Days	421	329	254	192	143	106
Assisted Living Beds Occupied	1	1	1	1	0	0
Nursing Care Resident Days	562	455	364	288	225	173
Nursing Care Beds Occupied	2	1	1	1	1	0
<b>OPERATING EXPENSES:</b>						
Independent Living	511	414	333	267	213	168
Assisted Living	215	174	139	109	84	64
Nursing Care	758	635	525	430	348	278
Total Operating Expenses	1,485	1,223	997	806	644	510
PRESENT VALUE OF OPERATING EXPENSES	1,879	1,430	1,078	804	593	433
<b>DEPRECIATION EXPENSES:</b>						
Independent Living	216	179	148	118	96	77
Assisted Living	0	0	0	0	0	0
Nursing Care	0	0	0	0	0	0
Total Capital Expenses	216	179	148	118	96	77
PRESENT VALUE OF DEPRECIATION EXPENSES	270	204	153	112	81	57
<b>MORTGAGE INTEREST:</b>						
Independent Living	5	1	0	0	0	0
Assisted Living	0	0	0	0	0	0
Nursing Care	0	0	0	0	0	0
Total Capital Expenses	5	1	0	0	0	0
PRESENT VALUE OF MORTGAGE INTEREST EXPENSES	2	0	0	0	0	0
<b>IMPUTED INTEREST:</b>						
Independent Living	115	90	69	52	38	28
Assisted Living	0	0	0	0	0	0
Nursing Care	0	0	0	0	0	0
Total Capital Expenses	115	90	69	52	38	28
PRESENT VALUE OF IMPUTED INTEREST EXPENSES	124	89	63	44	31	21
<b>MONTHLY FEES:</b>						
Independent Living	689	558	450	360	287	228
Assisted Living	209	169	135	106	82	62
Nursing Care	280	234	193	157	126	100
Total Monthly Fees	1,177	961	777	623	495	390
PRESENT VALUE OF MONTHLY FEES	1,461	1,105	828	615	452	328
<b>DISCOUNT FACTORS:</b>						
	0.303	0.288	0.274	0.261	0.249	0.237
<b>EXPECTED REFUNDS:</b>						
Projected death refunds	579	478	390	315	251	199
Projected move-out refunds	73	54	39	27	19	13
Projected other refunds	35	26	19	14	10	7
Total Refunds	687	558	448	356	280	218
PRESENT VALUE OF REFUNDS	841	633	472	349	256	186

Table 7.2 Expanded

Closed Group Projection for Fountaingate Gardens  
(Dollars in Thousands)

Fiscal Year Ending in:	2053	2054	2055	2056	2057	2058
<b>CONTRACTHOLDER STATISTICS:</b>						
Independent Living Resident Days	321	241	180	132	95	68
Independent Living Units Occupied	1	1	1	0	0	0
Assisted Living Resident Days	77	55	39	27	18	11
Assisted Living Beds Occupied	0	0	0	0	0	0
Nursing Care Resident Days	132	100	74	54	39	27
Nursing Care Beds Occupied	0	0	0	0	0	0
<b>OPERATING EXPENSES:</b>						
Independent Living	132	103	80	61	46	34
Assisted Living	48	36	26	19	13	9
Nursing Care	219	171	131	99	74	53
Total Operating Expenses	400	310	237	179	132	95
PRESENT VALUE OF OPERATING EXPENSES	312	222	155	106	72	47
<b>DEPRECIATION EXPENSES:</b>						
Independent Living	61	48	32	13	10	7
Assisted Living	0	0	0	0	0	0
Nursing Care	0	0	0	0	0	0
Total Capital Expenses	61	48	32	13	10	7
PRESENT VALUE OF DEPRECIATION EXPENSES	39	25	15	8	6	4
<b>MORTGAGE INTEREST:</b>						
Independent Living	0	0	0	0	0	0
Assisted Living	0	0	0	0	0	0
Nursing Care	0	0	0	0	0	0
Total Capital Expenses	0	0	0	0	0	0
PRESENT VALUE OF MORTGAGE INTEREST EXPENSES	0	0	0	0	0	0
<b>IMPUTED INTEREST:</b>						
Independent Living	20	15	10	7	5	4
Assisted Living	0	0	0	0	0	0
Nursing Care	0	0	0	0	0	0
Total Capital Expenses	20	15	10	7	5	4
PRESENT VALUE OF IMPUTED INTEREST EXPENSES	14	10	7	5	3	2
<b>MONTHLY FEES:</b>						
Independent Living	179	140	108	82	62	46
Assisted Living	47	35	25	18	13	8
Nursing Care	78	60	46	34	25	17
Total Monthly Fees	304	235	179	134	99	71
PRESENT VALUE OF MONTHLY FEES	236	167	117	80	54	36
<b>DISCOUNT FACTORS:</b>						
	0.226	0.215	0.205	0.195	0.186	0.177
<b>EXPECTED REFUNDS:</b>						
Projected death refunds	156	122	94	72	55	41
Projected move-out refunds	9	6	4	3	2	1
Projected other refunds	5	3	2	1	1	1
Total Refunds	169	131	100	76	58	43
PRESENT VALUE OF REFUNDS	135	96	68	48	33	22

Table 7.2 Expanded

Closed Group Projection for Fountaingate Gardens  
(Dollars in Thousands)

Fiscal Year Ending in:	2059	2060	2061	2062
<b>CONTRACTHOLDER STATISTICS:</b>				
Independent Living Resident Days	47	32	22	14
Independent Living Units Occupied	0	0	0	0
Assisted Living Resident Days	7	4	2	1
Assisted Living Beds Occupied	0	0	0	0
Nursing Care Resident Days	18	12	8	5
Nursing Care Beds Occupied	0	0	0	0
<b>OPERATING EXPENSES:</b>				
Independent Living	24	17	12	8
Assisted Living	5	3	2	1
Nursing Care	37	25	17	11
Total Operating Expenses	67	46	31	20
PRESENT VALUE OF OPERATING EXPENSES	30	19	12	7
<b>DEPRECIATION EXPENSES:</b>				
Independent Living	5	4	3	2
Assisted Living	0	0	0	0
Nursing Care	0	0	0	0
Total Capital Expenses	5	4	3	2
PRESENT VALUE OF DEPRECIATION EXPENSES	3	2	1	1
<b>MORTGAGE INTEREST:</b>				
Independent Living	0	0	0	0
Assisted Living	0	0	0	0
Nursing Care	0	0	0	0
Total Capital Expenses	0	0	0	0
PRESENT VALUE OF MORTGAGE INTEREST EXPENSES	0	0	0	0
<b>IMPUTED INTEREST:</b>				
Independent Living	3	2	1	1
Assisted Living	0	0	0	0
Nursing Care	0	0	0	0
Total Capital Expenses	3	2	1	1
PRESENT VALUE OF IMPUTED INTEREST EXPENSES	1	1	1	0
<b>MONTHLY FEES:</b>				
Independent Living	33	23	16	11
Assisted Living	5	3	2	1
Nursing Care	12	8	5	3
Total Monthly Fees	50	35	23	15
PRESENT VALUE OF MONTHLY FEES	23	15	9	5
<b>DISCOUNT FACTORS:</b>				
	0.169	0.160	0.153	0.146
<b>EXPECTED REFUNDS:</b>				
Projected death refunds	30	21	14	10
Projected move-out refunds	1	1	0	0
Projected other refunds	0	0	0	0
Total Refunds	31	22	15	10
PRESENT VALUE OF REFUNDS	15	9	6	4



Table 7.3

Minimum Liquid Reserve for Fountaingate Gardens  
(Dollars in Thousands)

As of June 30	2022
<b>Debt Reserve Fund</b>	
Principal and interest payments due within next 12 months	2,106
<b>Operating Reserve Fund</b>	
Taxes and insurance premiums due within next 12 months	1,012
Operating expenses for next 12 months	9,784
Projected refunds due within next 12 month	2,923
Subtotal Operating Reserve Fund: 35%	4,802
<b>TOTAL MINIMUM LIQUID RESERVE</b>	<b>6,908</b>

Table 8.1

Balance Sheet Projection for Fountaingate Gardens  
(Dollars in Thousands)

	Fiscal Year Ending in:	2022
ASSETS:		
Short term investments		6,908
Long term investments		15,063
Accounts receivable		149
Prepaid expenses and other		142
Total current assets		22,262
Land		0
Building		109,722
Long term debt		(32,400)
Furniture and equipment		3,007
Less: accumulated depreciation		(4,336)
Total fixed assets-lt debt		75,994
Deferred marketing		5,195
Deferred financing costs ST		192
Deferred financing costs LT		2,803
Total other assets		8,190
TOTAL ASSETS:		106,446
RESERVE LIABILITIES:		
Retrospective Reserve		
End of Year Retrospective Reserve		103,733
Prepayment of expenses		142
Total Retrospective Reserve		103,875
Prospective Reserve		
End of Year Prospective Reserve		103,453
Accounts payable and accrued expense		727
Due to affiliated entity		0
Refundable entry fees		0
Total Prospective Reserve		104,180
Minimum Liquid Reserve		6,908
TOTAL RESERVE LIABILITIES:		104,180
		(greater of Prospective and Retrospective)
NET SURPLUS (Assets minus Liabilities)		2,266