INDEPENDENT LIVING

Assumptions

- All Revenue and Expense items were researched and approved by 2 auditing firms, BKD & Gallagher & Flynn & Co.
- Both auditing firms agree that projections are in line with industry standards.

•	Total Capit	al	~\$13.7	million
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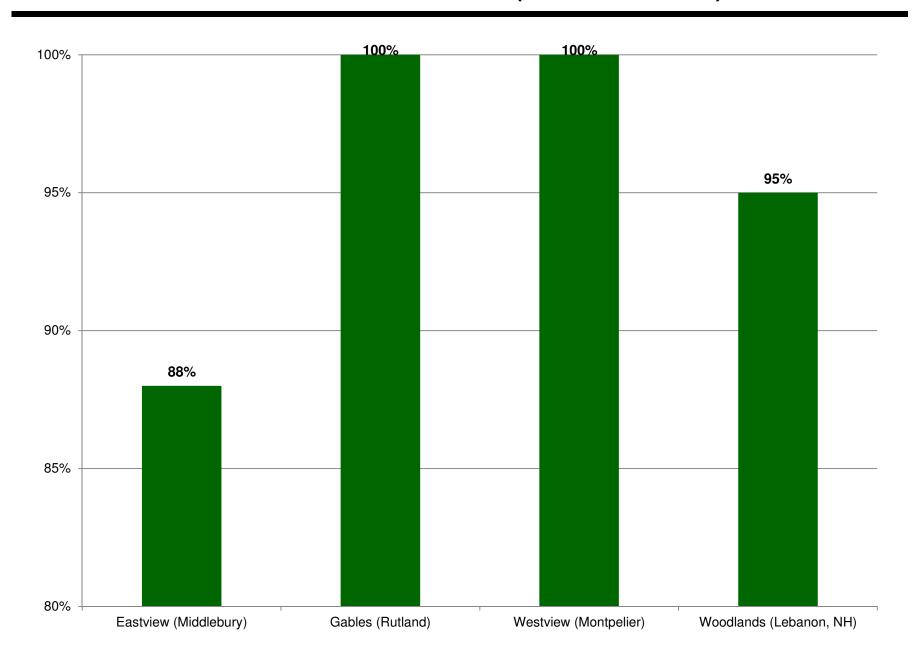
•	Average per unit cost	~\$244,000
	80% refundable sale price of unit	

- Average Monthly/Association Fees \$ 2,375
- 2nd person Monthly Fee \$ 700 assumes ½ filled units have 2nd person

Occupancy Rates

• Nationally – Independent Living continues with high occupancy rates (three year average of 92% as noted in *The State of Senior Housing 2015*)

CURRENT OCCUPANCY (AS OF MAY 2016)



INDEPENDENT LIVING

Gifford Retirement Community Independent Living Unit 1 Statement of Cash Flows

	Occupancy Year A	Construction On Struction Year B	0 37 37 0 37 76% 0% 76%	37 5 42 0 42 86% 0% 86%	42 2 44 0 44 90% 0% 90%	44 1 45 0 45 92% 9%	45 0 45 0 45 92% 0% 92%	45 0 45 0 45 92% 0% 92%	45 0 45 0 45 92% 0% 92%	45 0 45 0 45 92% 0% 92%	45 0 45 0 45 92% 0% 92%	45 0 45 0 45 92% 0% 92%
Total Owned Units: Units Rented: Total Occupied: Percentage Owned: Percentage Rented: Percentage Occupied:	Occupancy Year A	0% Occupancy	37 0 37 76% 0% 76%	42 0 42 86% 0% 86%	44 0 44 90% 0%	45 0 45 92% 0%	45 0 45 92% 0%	45 0 45 92% 0%	45 0 45 92% 0%	45 0 45 92% 0%	45 0 45 92% 0%	45 0 45 92% 0%
Units Rented: Total Occupied: Percentage Owned: Percentage Rented: Percentage Occupied:	Occupancy Year A	0% Occupancy	0 37 76% 0% 76%	0 42 86% 0% 86%	0 44 90% 0%	0 45 92% 0%	0 45 92% 0%	0 45 92% 0%	0 45 92% 0%	0 45 92% 0%	0 45 92% 0%	92% 0%
Total Occupied: Percentage Owned: Percentage Rented: Percentage Occupied:	Occupancy Year A	0% Occupancy	76% 0% 76%	42 86% 0% 86%	90% 0%	45 92% 0%	92% 0%	92% 0%	92% 0%	45 92% 0%	92% 0%	92% 0%
Percentage Owned: Percentage Rented: Percentage Occupied:	Occupancy Year A	0% Occupancy	76% 0% 76%	86% 0% 86%	90% 0%	92% 0%	92% 0%	92% 0%	92% 0%	92% 0%	92% 0%	92% 0%
Percentage Rented: Percentage Occupied:	Occupancy Year A	0% Occupancy	0% 76%	0% 86%	0%	0%	0%	0%	0%	0%	0%	0%
Percentage Rented: Percentage Occupied:	Occupancy Year A	0% Occupancy	0% 76%	0% 86%	0%	0%	0%	0%	0%	0%	0%	0%
Percentage Occupied:	Occupancy Year A	0% Occupancy	76%	86%								
	Occupancy Year A	0% Occupancy			7070	72.0	72.0		72.0	72.0		72.0
	Occupancy Year A	0% Occupancy	76% Occupancy	72.1112.00000000000								
0% O	Year A		76% Occupancy	The season of th								
		Year B		86% Occupancy	90% Occupancy	92% Occupancy	92% Occupancy	92% Occupancy	92% Occupancy	92% Occupancy	92% Occupancy	92% Occupancy
CASH IN Y		I Cal D	Year 1 Operations	Year 2 Operations	Year 3 Operations	Year 4 Operations	Year 5 Operations	Year 6 Operations	Year 7 Operations	Year 8 Operations	Year 9 Operations	Year 10 Operations
Monthly Fees from Residents \$	- 5		\$ 1,224,900	\$ 1,430,052	\$ 1,542,336	\$ 1,624,339	\$ 1,673,069	\$ 1,723,261	\$ 1,774,959	\$ 1,828,208	\$ 1,883,054	\$ 1,939,545
Monthly Rental Fees \$	- 9	-	\$ -	\$ -	5 -	\$ -	\$ -	5 -	\$ -	\$ -	\$ -	5 -
Construction/Move-In Deposits (25%/75%) \$	- 5	1,952,628	\$ 5,857,883	5 -	5	\$ -	\$ -	5 -	\$ -	\$ -	5 -	5 -
Unit Deposits and Sales \$	- 9	-	\$ 1,220,392	\$ 1,369,280	\$ 645,246	\$ 409,608	\$ 158,899	\$ 175,382	\$ 180,644	\$ 186,063	\$ 191,645	\$ 197,394
GMC Loan \$	500,000 \$	-	\$ -	5 -	5 -	\$ -	\$ -	5 -	\$ -	\$ -	\$ -	5 -
Bank Financing \$	- 9	11,641,502	\$ -	\$ -	5 -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CASH IN TOTAL \$	500,000 \$	13,594,130	\$ 8,303,176	\$ 2,799,332	\$ 2,187,583	\$ 2,033,946	\$ 1,831,968	\$ 1,898,643	\$ 1,955,602	\$ 2,014,270	\$ 2,074,699	\$ 2,136,939
CASH OUT												
Employees & Suppliers \$	- 9		\$ (842,335)	\$ (887,243)	\$ (921,565)	\$ (952,860)	\$ (980,787)	\$ (1,009,552)	\$ (1,039,180)	\$ (1,069,697)	\$ (1,101,130)	\$ (1,133,505)
Plant & Equipment (construction) \$	(500,000) \$	(13,594,130)	5 -	\$ -	5 -	\$ -	\$ -	5 -	\$ -	\$ -	\$ -	5 -
Payment of Bank Financing Interest/Principal \$	- 9	-	\$ (7,180,561)	\$ (633,586)	\$ (633,586)	\$ (633,586)	\$ (633,586)	\$ (633,586)	\$ (633,586)	\$ (633,586)	\$ (633,586)	\$ (633,586
Payment Of GMC Loan \$	- 5	-	\$ -	\$ (500,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Payment of Property Tax \$	- 9	-	\$ (280,280)	\$ (288,688)	\$ (297,349)	\$ (306,270)	\$ (315,458)	\$ (324,921)	\$ (334,669)	\$ (344,709)	\$ (355,050)	\$ (365,702
CASH OUT TOTAL \$	(500,000) \$	(13,594,130)	\$ (8,303,176)	\$ (2,309,518)	\$ (1,852,500)	\$ (1,892,716)	\$ (1,929,831)	\$ (1,968,060)	\$ (2,007,436)	\$ (2,047,993)	\$ (2,089,767)	\$ (2,132,794
NET INCREASE/DECREASE IN CASH \$	- 5		s -	\$ 489,814	\$ 335,083	\$ 141,230	\$ (97,863)	\$ (69,417)	\$ (51,834)	\$ (33,723)	\$ (15,068)	\$ 4,146
Cash at the Beginning of the period \$. 9		100000	5 -								
Cash at the end of the Period \$	- 9	-	\$ -	\$ 489,814	\$ 824,897	\$ 966,127	\$ 868,264	\$ 798,847	\$ 747,013	\$ 713,290	\$ 698,222	\$ 702,368
Variance to Balance Sheet \$	- 9		\$ -	\$ -	\$ (1)	\$ -	\$ -	\$ -	\$ 1	\$ 1	\$ 1	\$ 1

Note 1: Negative cash flows will be covered by GMC

Note 2: Bank Financing of \$11,641,502 paid back in year 10.

Note 3: GMC Bridge Loan ~ \$500,000 to be borrowed for approx. 2 years.



Owned Units:			0	37	42	44	45	45	45	45	45	45
Units Added:			37	5	2	1	0	0	0	0	0	0
Units Owned:			37	42	44	45	45	45	45	45	45	45
Units Rented:			0	0	0	0	0	0	0	0	0	0
Total Occupied:	4		37	42	44	45	45	45	45	45	45	45
Percentage Owned:			76%	86%	90%	92%	92%	92%	92%	92%	92%	92%
Percentage Rented: Percentage Occupied:			76%	0% 86%	0% 90%	0% 92%	0% 92%	0% 92%	0% 92%	0% 92%	0% 92%	0% 92%
reitentage occupieu.			1070	0070	30 /0	32 /0	32.70	32.70	3270	32.70	32 /u	3270
ASSETS			Operations	Operations	Operations	Operations	Operations	Operations	Operations	Operations	Operations	Operations
2	Year A	Year B	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Current Assets												
Cash & Investments	\$ -	\$ -	\$ -	\$ -	\$ 489,814	\$ 824,896	\$ 966,127	\$ 868,264	\$ 798,847	\$ 747,014	\$ 713,291	\$ 698,223
Move-in Deposits - (25% - Year B, 75% - Year 1)	s -	\$ 1,952,628	\$ 5,857,883	\$ -	s -	s -	s -	s -	s -	s -	s -	s -
Entrance Fee/Priority Deposit	\$ -	\$ -	\$ 1,220,392	\$ 1,257,004	\$ 517,886	\$ 266,711	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Monthly Fee	\$ -	s -		\$ 1,232,910	\$ 1,330,369	\$ 1,401,422	\$ 1,443,465	\$ 1,486,769	\$ 1,531,372	\$ 1,577,313	\$ 1,624,633	\$ 1,673,372
Bank Financing Principal	\$ -	\$ 11,641,502		\$ (431,740)		\$ (472,319)	\$ (494,018)	\$ (516,713)	\$ (540,451)	\$ (565,279)		\$ (618,409)
Resident + 1	\$ -	\$ -	\$ 155,400	\$ 181,692	\$ 196,054	\$ 206,525	\$ 212,721	\$ 219,103	\$ 225,676	\$ 232,446	\$ 239,420	\$ 246,602
Additional Service Fees	\$ -	\$ -	\$ 15,000	\$ 15,450	\$ 15,914	\$ 16,391	\$ 16,883	\$ 17,389	\$ 17,911	\$ 18,448	\$ 19,002	\$ 19,572
Rental Unit Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Bank Financing Interest	\$ -	\$ -	\$ (220,809)	\$ (201,846)	\$ (182,012)	\$ (161,267)	\$ (139,569)	\$ (116,874)	\$ (93,136)	\$ (68,308)	\$ (42,339)	\$ (15,177)
2 Unit Turn Around 80% refund	\$ -	\$ -	\$ -	\$ (390,526)	\$ (390,526)	\$ (390,526)	\$ (390,526)	\$ (390,526)	\$ (402,241)	\$ (414,309)	\$ (426,738)	\$ (439,540)
2 New Occupants entrance fee 100%	\$ -	\$ -	- \$	\$ 502,802	\$ 517,886	\$ 533,422	\$ 549,425	\$ 565,908	\$ 582,885	\$ 600,371	\$ 618,383	\$ 636,934
Payroll Wages	\$ -	\$ -	Ψ (000,000)	The second secon	\$ (377,209)	\$ (388,525)	\$ (400,181)	\$ (412,186)	\$ (424,552)	\$ (437,288)		\$ (463,919)
Payroll Benefits (Ins/Taxes)	\$ -	\$ -	Ψ (55,555)	\$ (91,555)	\$ (94,302)	\$ (97,131)	\$ (100,045)	\$ (103,046)	\$ (106,138)	\$ (109,322)		\$ (115,980)
Facility Expense	\$ -	\$ -	***************************************	\$ (201,116)		\$ (213,364)	\$ (219,765)	\$ (226,358)	\$ (233,149)			\$ (254,768)
Resident Expense	\$ -	\$ -		\$ (161,682)		\$ (183,780)	\$ (189,293)	\$ (194,972)	\$ (200,821)			\$ (219,443)
Admin & General Expense	\$ -	\$ -	\$ (64,347)	\$ (66,668)	\$ (68,442)	\$ (70,059)	\$ (71,503)	\$ (72,989)	\$ (74,521)			\$ (79,396)
Property Taxes	\$ -	\$ -	(200,200,		The second second	\$ (306,270)	\$ (315,458)	\$ (324,921)	\$ (334,669)	\$ (344,709)	\$ (355,050)	\$ (365,702)
Notes Payable - GMC	\$ 500,000	\$ -	5 - 10 Mg	\$ (500,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -
Payment toward construction	\$ (500,000)	\$ (13,594,130) \$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Current Assets	\$ -	\$ -	\$ -	\$ 489,814	\$ 824,896	\$ 966,127	\$ 868,264	\$ 798,847	\$ 747,014	\$ 713,291	\$ 698,223	\$ 702,369
Board Designated Assets												
Other & Donations												
Total Board Designated Assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Property, Plant & Equipment												
Land, Buildings & Improvements		¢ _	\$ 14.094.130	\$ 14.094.130	\$ 14,094,130	\$ 14.094.130	\$ 14.094.130	\$ 14.094.130	\$ 14.094.130	\$ 14.094.130	\$ 14.094.130	\$ 14.094.130
Fixed Equipment		*	Ψ 14,004,100	4 14,004,100	4 14,004,100	ψ 14,004,100	ψ 14,004,100	4 14,004,100	Ψ 14,004,100	ψ 14,004,100	4 14,004,100	4 14,004,100
Major Moveable Equipment												
Construction in Progress	\$ 500,000	\$ 14,094,130										
Total Property, Plant & Equipment	\$ 500,000	\$ 14,094,130		\$ 14,094,130	\$ 14,094,130	\$ 14,094,130	\$ 14,094,130	\$ 14,094,130	\$ 14,094,130	\$ 14,094,130	\$ 14,094,130	\$ 14,094,130
Less: Accumulated Depreciation												
Land, Buildings & Improvements			\$ 402,689	\$ 805,379	\$ 1,208,068	\$ 1,610,758	\$ 2,013,447	\$ 2,416,137	\$ 2,818,826	\$ 3,221,515	\$ 3,624,205	\$ 4,026,894
Fixed Equipment												
Major Moveable Equipment Total Accumulated Depreciation	\$ -	s -	\$ 402,689	\$ 805,379	\$ 1,208,068	\$ 1,610,758	\$ 2,013,447	\$ 2,416,137	\$ 2,818,826	\$ 3,221,515	\$ 3,624,205	\$ 4.026.894
Total Accumulated Depreciation	\$ -	\$	\$ 402,089	\$ 805,379	\$ 1,208,008	\$ 1,010,758	\$ 2,013,447	\$ 2,410,137	\$ 2,818,826	\$ 3,221,515	\$ 3,024,205	\$ 4,026,894
Total Net Property, Plant & Equipment	\$ 500,000	\$ 14,094,130	\$ 13,691,440	\$ 13,288,751	\$ 12,886,061	\$ 12,483,372	\$ 12,080,683	\$ 11,677,993	\$ 11.275.304	\$ 10,872,614	\$ 10,469,925	\$ 10,067,235
rota not reperty, Flant a Equipment	000,000	4 14,004,100	ψ 10,001, 11 0	ψ 10,200,751	Ψ 12,000,001	ψ 12,700,072	Ψ 12,000,000	4 11,077,000	Ψ 11,275,304	¥ 10,072,014	\$ 10,400,020	¥ 10,001,233
Other Long-Term Assets												
	and the second s				0.04 0.000 0.000 0.000 0.000		0012 NOTES AND ADDRESS OF THE PARTY OF THE P	La contrata de la contrata del contrata de la contrata del contrata de la contrata del la contrata de la contrata del la contrata de la contr	0.04/10			
TOTAL ASSETS	\$ 500,000	\$ 14,094,130	\$ 13,691,440	\$ 13,778,565	\$ 13,710,958	\$ 13,449,499	\$ 12,948,947	\$ 12,476,840	\$ 12,022,317	\$ 11,585,906	\$ 11,168,148	\$ 10,769,604

LIABILITIES AND FUND BALANCE

Current Liabilities																						
Accounts Payable																						
Salaries, Wages & Payroll Taxes Payable																						
Resident Deposits (80% refundable)	\$		\$	1,562,102	\$ 7,224,723	\$	8,242,042	\$	8,680,133	\$	8,929,715	\$	8,978,729	\$	9,040,930	\$ 9,104,996	\$	9,170,985	\$	9,238,953	\$	9,308,960
Accumulated Resident Deposits (80%)	100		- 120	100000000	\$ (244,078)	\$	***************************************	\$	(732,235)	\$	(976,649)	\$	(1,221,741)	\$	(1,467,869)	\$ (1,715,396)	\$	(1,964,701)	\$	(2,215,837)	\$	(2,468,858)
Resident Deposits (20%)	\$	*	\$	390,526	\$ 1,806,181	\$	2,158,142	\$	2,365,296	\$	2,525,323	\$	2,635,208	\$	2,748,389	\$ 2,864,966	\$	2,985,041	\$	3,108,717	\$	3,236,104
Accumulated Resident Deposits (20%)					\$ (258,026)	\$	(516,052)	\$	(774,077)	\$	(1,019,139)	\$	(1,264,201)	\$	(1,498,066)	\$ (1,732,164)	\$	(1,808,433)	\$	(1,901,357)	\$	(2,011,434)
Total Current Liabilities	\$		\$	1,952,628	\$ 8,528,799	\$	9,395,975	\$	9,539,117	\$	9,459,250	\$	9,127,995	\$	8,823,384	\$ 8,522,402	\$	8,382,891	\$	8,230,476	\$	8,064,773
Long-Term Debt																						
Non Interest Bearing Loan GMC	\$	500,000	\$	500,000	\$ 500,000	\$	-	\$	141	\$	-	\$	-	\$	-	\$ 243	\$	-	\$	540	\$	-
Bank Financing	\$		\$	11,641,502	\$ 4,681,750	\$	4,250,010	\$	3,798,436	\$	3,326,117	\$	2,832,099	\$	2,315,386	\$ 1,774,936	\$	1,209,657	\$	618,409	\$	0
Other Long-Term Debt-Intercompany Fund																						
Total Long-Term Debt	\$	500,000	\$	12,141,502	\$ 5,181,750	\$	4,250,010	\$	3,798,436	\$	3,326,117	\$	2,832,099	\$	2,315,386	\$ 1,774,936	\$	1,209,657	\$	618,409	\$	0
Total Other Non-Current Liabilities																						
Total Liabilities	\$	500,000	\$	14,094,130	\$ 13,710,550	\$	13,645,985	\$	13,337,553	\$	12,785,366	\$	11,960,094	\$	11,138,770	\$ 10,297,338	\$	9,592,548	\$	8,848,886	\$	8,064,773
(24 (523)							7					12							-			
Fund Balance	\$		\$	-	\$ (19,109)	\$	132,580	\$	373,405	\$	664,133	\$	988,853	\$	1,338,071	\$ 1,724,980	\$	1,993,358	\$	2,319,262	\$	2,704,832
TOTAL LIABILITIES & FUND BALANCE	S	500,000	S	14.094.130	\$ 13,691,440	\$	13,778,565	\$	13,710,958	\$	13,449,499	s	12,948,947	\$	12,476,841	\$ 12,022,318	S	11,585,906	S	11,168,148	S	10,769,604
TOTAL EMPLEMENT & TOTAL BALANCE	-	555,000	-	1 400 4100	 10,001,440	-	.0,0,000	-	.0,0,000	_	.0,0, 100	-	. 2,0 . 0,0 41	-	.2, 3,041	 .2,022,010	-	,000,000	_	,,	-	

Gifford Retirement Community Independent Living #1

Excess (Deficit) of Rev Over Exp

Income Statement

Total Occupied: 37 5 2 1 0 0 0 0 0 0 0 0 0															
Total Owned Units: 37															45
Units Remed: 0															0
Total Occupied: 37															45
Percentage Owned: 76% 86% 90% 92															0
Percentage Demode: 76% 86% 90% 92% 9															45
Percentage Decipied: 76% 86% 90% 92%															92%
Percentage Occupied Female Percentage Occupied Female Pear P	_					76%	86%	90%	92%	92%	92%	92%	92%	92%	92%
Pearly P															
Resident Revenues S	Percentage Occi	upied:				76%	86%	90%	92%	92%	92%	92%	92%	92%	92%
Resident Revenue S															
Resident Revenues S		Y	ear A	Ye	ear B	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Deposits	Resident Revenues														
Additional Resident Rese \$ - \$ - \$ 155,000 \$ 181,692 \$ 196,054 \$ 206,525 \$ 212,721 \$ 219,103 \$ 225,676 \$ 232,446 \$ 239,420 \$ 2.45	Resident Fees	\$	-	\$	-	\$ 1,054,500	\$ 1,232,910	\$ 1,330,369	\$ 1,401,422	\$ 1,443,465	\$ 1,486,769	\$ 1,531,372	\$ 1,577,313	\$ 1,624,633	\$ 1,673,372
Additional Resident Rese \$ - \$ - \$ 155,000 \$ 181,692 \$ 196,054 \$ 206,525 \$ 212,721 \$ 219,103 \$ 225,676 \$ 232,446 \$ 239,420 \$ 2.45	Deposits	\$	-	\$	-	\$ 502,104	\$ 502,104	\$ 502,104	\$ 489,475	\$ 490,154	\$ 479,993	\$ 481,625	\$ 325,575	\$ 344,059	\$ 363,098
Additional Service Fees Rental Fees \$ - \$ - \$ 1,727,004 \$ 1,832,156 \$ 2,044,441 \$ 2,113,814 \$ 2,163,223 \$ 2,203,254 \$ 2,256,584 \$ 2,153,782 \$ 2,227,113 \$ 2,30 Cher Operating Revenue \$ - \$ - \$ 1,727,004 \$ 1,832,156 \$ 2,044,441 \$ 2,113,814 \$ 2,163,223 \$ 2,203,254 \$ 2,256,584 \$ 2,153,782 \$ 2,227,113 \$ 2,30 Cher Operating Revenue \$ - \$ - \$ 1,727,004 \$ 1,832,156 \$ 2,044,441 \$ 2,113,814 \$ 2,163,223 \$ 2,203,254 \$ 2,256,584 \$ 2,153,782 \$ 2,227,113 \$ 2,30 Cher Operating Revenue \$ - \$ - \$ 1,727,004 \$ 1,832,156 \$ 2,044,441 \$ 2,113,814 \$ 2,163,223 \$ 2,203,254 \$ 2,256,584 \$ 2,153,782 \$ 2,227,113 \$ 2,30 Cher Operating Revenue \$ - \$ - \$ 1,727,004 \$ 1,832,156 \$ 2,044,441 \$ 2,113,814 \$ 2,163,223 \$ 2,203,254 \$ 2,256,584 \$ 2,153,782 \$ 2,227,113 \$ 2,30 Cher Operating Expense Salaries \$ - \$ 355,555 \$ 366,222 \$ 377,209 \$ 386,525 \$ 400,181 \$ 412,186 \$ 424,552 \$ 437,288 \$ 450,407 \$ 486,681 \$ 10,832 \$ 10,832 \$ 11,802 \$ 11,8		\$	-	\$	-	\$ 155,400	\$ 181,692	\$ 196,054	\$ 206,525	\$ 212,721	\$ 219,103	\$ 225,676	\$ 232,446		
Rental Fees	Additional Service Fees	\$	-	\$	-	\$ 15,000	\$ 15,450	\$ 15,914	\$ 16,391	\$ 16,883	\$ 17,389	\$ 17,911	\$ 18,448		\$ 19,572
Total Resident Revenues \$ - \$ 1,727,004 \$1,932,156 \$2,044,441 \$2,113,814 \$2,163,223 \$2,203,254 \$2,256,584 \$2,153,782 \$2,227,113 \$2,300 \$2,000	Rental Fees	\$	-	\$	-	\$ · -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Operating Revenue \$ - \$ 1,727,004 \$ 1,932,156 \$ 2,044,441 \$ 2,113.814 \$ 2,163,223 \$ 2,203,254 \$ 2,256,584 \$ 2,153,782 \$ 2,227,113 \$ 2,307										•					
Total Operating Revenue \$ - \$ - \$ 1,727,004 \$ 1,932,156 \$ 2,044,441 \$ 2,113,814 \$ 2,163,223 \$ 2,203,254 \$ 2,256,584 \$ 2,153,782 \$ 2,227,113 \$ 2,307 \$ 2,308 \$ 2,203,254 \$ 2,256,584 \$ 2,153,782 \$ 2,227,113 \$ 2,307 \$ 2,308 \$ 2,203,254 \$ 2,256,584 \$ 2,153,782 \$ 2,227,113 \$ 2,307 \$ 2,308 \$ 2,203,254 \$ 2,256,584 \$ 2,153,782 \$ 2,227,113 \$ 2,307 \$ 2,308 \$ 2,203,254 \$ 2,256,584 \$ 2,153,782 \$ 2,227,113 \$ 2,307 \$ 2,308 \$ 2,203,254 \$ 2,256,584 \$ 2,153,782 \$ 2,227,113 \$ 2,307 \$ 2,308 \$ 2,203,254 \$ 2,256,584 \$ 2,153,782 \$ 2,227,113 \$ 2,307 \$ 2,308 \$ 2,308 \$ 2,308,255 \$ 2,308 \$ 2,308,255 \$	Total Resident Revenues	\$	-	\$	-	\$ 1,727,004	\$ 1,932,156	\$ 2,044,441	\$ 2,113,814	\$ 2,163,223	\$ 2,203,254	\$ 2,256,584	\$ 2,153,782	\$ 2,227,113	\$ 2,302,643
Operating Expense Salaries - 355,555 366,222 377,209 388,525 400,181 412,186 424,552 437,288 450,407 46 Fringes Benefits - - 88,889 91,555 94,302 97,131 100,045 103,046 106,138 109,322 112,602 111 Depreciation/Amortization - - 402,689	Other Operating Revenue														
Salaries 355,555 366,222 377,209 388,525 400,181 412,186 424,552 437,288 450,407 46 Fringes Benefits 88,889 91,555 94,302 97,131 100,045 103,046 106,138 109,322 112,602 11 Depreciation/Amortization 402,689 402,	Total Operating Revenue	\$		\$	171	\$ 1,727,004	\$ 1,932,156	\$ 2,044,441	\$ 2,113,814	\$ 2,163,223	\$ 2,203,254	\$ 2,256,584	\$ 2,153,782	\$ 2,227,113	\$ 2,302,643
Fringes Benefits	Operating Expense														
Depreciation/Amortization - 402,689 40	Salaries		27		120	355,555	366,222	377,209	388,525	400,181	412,186	424,552	437,288	450,407	463,919
Property Taxes	Fringes Benefits		2		121	88,889	91,555	94,302	97,131	100,045	103,046	106,138	109,322	112,602	115,980
Facility & Utilities	Depreciation/Amortization		-			402,689	402,689	402,689	402,689	402,689	402,689	402,689	402,689	402,689	402,689
Resident & Dinning - - 138,285 161,682 174,462 183,780 189,293 194,972 200,821 206,846 213,051 21 Admin & General - - 64,347 66,668 68,442 70,059 71,503 72,989 74,521 76,098 77,722 7 Interest on Mortgage \$ - \$ 220,809 \$ 201,846 \$ 182,012 \$ 161,267 \$ 139,569 \$ 11,6874 \$ 93,136 \$ 68,308 \$ 42,339 \$ 1 Total Operating Expense \$ - \$ 1,746,114 \$ 1,780,467 \$ 1,803,615 \$ 1,823,086 \$ 1,838,503 \$ 1,869,675 \$ 1,885,404 \$ 1,901,209 \$ 1,91 Net Operating Income (Loss)	Property Taxes		-		-	280,280	288,688	297,349	306,270	315,458	324,921	334,669	344,709	355,050	365,702
Admin & General 64,347	Facility & Utilities		+1		-	195,259	201,116	207,150	213,364	219,765	226,358	233,149	240,144	247,348	254,768
Interest on Mortgage \$ - \$ - \$ 220,809 \$ 201,846 \$ 182,012 \$ 161,267 \$ 139,569 \$ 116,874 \$ 93,136 \$ 68,308 \$ 42,339 \$ 1 Total Operating Expense \$ - \$ - \$ 1,746,114 \$ 1,780,467 \$ 1,803,615 \$ 1,823,086 \$ 1,838,503 \$ 1,854,037 \$ 1,869,675 \$ 1,885,404 \$ 1,901,209 \$ 1,91 Net Operating Income (Loss) \$ - \$ - \$ (19,109) \$ 151,689 \$ 240,825 \$ 290,728 \$ 324,720 \$ 349,217 \$ 386,909 \$ 268,379 \$ 325,904 \$ 386,909 \$ 268,900 \$ 268,900 \$ 268,900 \$ 268,900 \$ 268,900 \$ 268,900 \$ 268,900 \$ 268,900 \$ 268,900 \$ 268,900 \$ 268,900	Resident & Dinning		23		020	138,285	161,682	174,462	183,780	189,293	194,972	200,821	206,846	213,051	219,443
Total Operating Expense \$ - \$ - \$ 1,746,114 \$ 1,780,467 \$ 1,803,615 \$ 1,823,086 \$ 1,838,503 \$ 1,854,037 \$ 1,869,675 \$ 1,885,404 \$ 1,901,209 \$ 1,910 \$	Admin & General		-		07.0	64,347	66,668	68,442	70,059	71,503	72,989	74,521	76,098	77,722	79,396
Net Operating Income (Loss) \$ - \$ - \$ (19,109) \$ 151,689 \$ 240,825 \$ 290,728 \$ 324,720 \$ 349,217 \$ 386,909 \$ 268,379 \$ 325,904 \$ 38	Interest on Mortgage	\$		\$	-	\$ 220,809	\$ 201,846	\$ 182,012	\$ 161,267	\$ 139,569	\$ 116,874	\$ 93,136	\$ 68,308	\$ 42,339	\$ 15,177
	Total Operating Expense	\$	÷	\$	-	\$ 1,746,114	\$ 1,780,467	\$ 1,803,615	\$ 1,823,086	\$ 1,838,503	\$ 1,854,037	\$ 1,869,675	\$ 1,885,404	\$ 1,901,209	\$ 1,917,074
Operating Margin %1% 8% 12% 14% 15% 16% 17% 12% 15%	Net Operating Income (Loss)	\$	10	\$	150	\$ (19,109)	\$ 151,689	\$ 240,825	\$ 290,728	\$ 324,720	\$ 349,217	\$ 386,909	\$ 268,379	\$ 325,904	\$ 385,569
	Operating Margin %		•		*	-1%	8%	12%	14%	15%	16%	17%	12%	15%	17%

Year 1

Year 2

Year 3

Year 4

\$ - \$ - \$ (19,109) \$ 151,689 \$ 240,825 \$ 290,728 \$ 324,720 \$ 349,217 \$ 386,909 \$ 268,379 \$ 325,904 \$ 385,569

Year 5

Year 6

Year 7

Year 8

Year 9

Year 10

Gifford Independent Living

TABLE 2

DEBT FINANCING ARRANGEMENT, SOURCES & USES OF FUNDS

Sources of Funds				
Financing Instrument	Note			
a. Interest Rate	4.4%			
b. Loan Period	Dec 2016	To:	Jun 2028	
c. Amount Financed	Northfield S	avings	Bank	\$ 6,000,000
c. Amount Financed	Masoma Sav	ings l	3ank	6,000,000
3. Other Sources				
a. GMC Bridge Loan 1				500,000
b. Fundraising				511,757
c. GMC Bridge Loan 2				1,125,096
Total Required Funds				\$ 14,136,853

- MONTH TO DATE - December I Budget Var Var % 310 - MOR

December FY 2018 310 - MORGAN IL - YEAR TO DATE -

Budget Var

Var %

REVENUES

Patient Care Revenue

\$ -	\$ -	\$ -	0.0%	Total Patient Care Revenue	S	-	S	-	S	-	0.0%
				Other Revenue							
\$ 20,522	\$ 133,333	\$ (112,811)	-84.6%	Independent Living -Morgan Or (52300.310)	\$	55,925	\$	399,999	\$	(344,074)	-86.0%
\$ 55	\$ -	\$ 55		Ind Living Ancl Rev -Morgan Or (52310.310)	\$	215	\$	-	\$	215	
\$ 5,597	\$ -	\$ 5,597		Ind Living 20% Dep -Morgan Or (52320.310)	\$	14,673	\$	-	\$	14,673	
\$ 9,922	\$ -	\$ 9,922		Ind Living Rental -Morgan Or (52330.310)	\$	18,610	\$	-	\$	18,610	
\$ 2,800	\$ -	\$ 2,800		Second Resident Fee -Morgan Or (52340.310)	\$	5,600	\$	-	\$	5,600	

\$	38,896	\$ 133,333	\$ (94,437)	-70.8%	Other Revenue	S	95,023	\$	399,999	S	(304,976)	-76.2%
					EXPENSES							
\$	15,492	\$ 21,477	\$ (5,985)	-27.9%	Wages Physician & Non Physician	\$	47,526	\$	61,794	\$	(14,268)	-23.1%
\$	45	\$ 37	\$ 8	21.6%	Ben Long Term -Morgan II (42200.310)	\$	108	\$	39	\$	69	176.9%
\$	2,088	\$ 1,865	\$ 223	12.0%	Ben Fica -Morgan II (42205.310)	\$	2,270	\$	2,085	\$	185	8.9%
\$	31	\$ 28	\$ 3	10.7%	Ben Pension -Morgan II (42215.310)	\$	87	\$	80	\$	7	8.8%
\$	101	\$ 92	\$ 9	9.8%	Ben Dental -Morgan II (42220.310)	\$	273	\$	192	\$	81	42.2%
\$	2,259	\$ 3,180	\$ (921)	-29.0%	Ben Health -Morgan II (42230.310)	\$	8,328	\$	7,355	\$	973	13.2%
\$	16	\$ 12	\$ 4	33.3%	Ben Life -Morgan II (42235.310)	\$	37	\$	14	\$	23	164.3%
\$	1,061	\$ 947	\$ 114	12.0%	Sup Min Equip -Morgan II (42308.310)	\$	2,808	\$	2,754	\$	54	2.0%
\$	12	\$ 14	\$ (2)	-14.3%	Sup Other Med -Morgan II (42312.310)	\$	43	\$	40	\$	3	7.5%
\$	582	\$ 248	\$ 334	134.7%	Sup Food -Morgan II (42352.310)	\$	409	\$	250	\$	159	63.6%
\$	40	\$ 40	\$ -	0.0%	Sup Office -Morgan II (42356.310)	\$	117	\$	101	\$	16	15.8%
\$	13	\$ 14	\$ (1)	-7.1%	Sup Uniforms -Morgan II (42360.310)	\$	39	\$	41	\$	(2)	-4.9%
\$	14	\$ -	\$ 14		Exp Freight -Morgan II (42440.310)	\$	14	\$	-	\$	14	
S	13,479	\$ 14,907	\$ (1,428)	-9.6%	Exp Lic/Taxes -Morgan II (42475.310)	\$	40,437	\$	45,835	\$	(5,398)	-11.8%
\$	-	\$ 400	\$	-100.0%	Exp Oth Pur Svc -Morgan II (42500.310)	\$	-	\$	400	\$		-100.0%
\$	2,314	\$ 1,081	\$ 1,233	114.1%	Exp Oth Direct -Morgan II (42510.310)	\$	6,248	\$	3,143	\$	3,105	98.8%
\$	1,386	\$ 366	\$ 1,020	278.7%	Exp Printing -Morgan II (42530.310)	\$	1,386	\$	366	\$	1,020	278.7%
\$	8,340	\$ 2,983	\$ 5,357	179.6%	Exp Svc Contract -Morgan II (42575.310)	\$	24,070	\$	19,738	\$	4,332	21.9%
\$		\$ 9,842	\$ 6,068	61.7%	Dep Building Svc -Morgan II (42700.310)	\$	47,730	\$	25,550	\$	22,180	86.8%
\$		\$ 22,390	\$ 13,806	61.7%	Dep Buildings -Morgan II (42705.310)	\$	108,588	\$	58,124	\$	50,464	86.8%
S		\$ 6,284	\$ 3,874	61.6%	Dep Land Improve -Morgan II (42710.310)	s	30,474	\$	16,312	\$	14,162	86.8%
\$	4 299	\$ 2,659	\$ 1 640	61.7%	Den Major Move Morgan II (42715 310)	Ś	12 897	Ś	6.903	\$	5 994	86.8%



Schedule of Fees

We are pleased to provide flexible financial models for our residents. While our community is designed primarily with an Entry Fee Program, we also offer a limited number of apartments through a Rental Fee Program. The choice is yours, depending on which model makes the most sense for you financially.

Our **Entry Fee Program** requires an entry fee and offers a very competitive monthly service fee. With this program, 80% of the original entry fee is refunded (see Resident Agreement for details). If

you plan to stay longer than 18 months, this model is less expensive.

The **Rental Fee Program** is a monthly payment model. The rental terms require an annual lease agreement and can be terminated with thirty (30) days-notice. While the rental model offers a lower cost of entry, the monthly rental fee is higher than the monthly service fee associated with the Entry Fee Program and there are no funds returned upon move-out (except the security deposit).

Entry Fee Program	Entry Fee	Monthly Service Fee
Studio	\$173,667	\$1,991
1-Bedroom	\$208,420-\$216,420	\$2,189
1-Bedroom + Den	\$264,525-\$271,197	\$2,430-\$2,443
2-Bedroom	\$287,245-\$296,573	\$2,542

Rental Fee Program	Monthly Rental Fee
Studio	\$ \$3,739
1-Bedroom	\$ \$4,178-\$4,365
1-Bedroom + Den	\$ \$5,121-\$5,187
2-Bedroom	\$ \$5,283-\$5,528

The cost per month for a second occupant is \$700 for both programs.

