

FISCAL YEAR ENDED:

12 / 31 / 15

ANNUAL REPORT CHECKLIST

PROVIDER(S): Air Force Village West, Inc., dba Altavita

CCRC(S): Same

CONTACT PERSON: Bernard M. Valek

TELEPHONE NO.: (951) 697-2125

EMAIL: bvalek@afvw.com

A complete annual report must consist of 3 copies of all of the following:

- Annual Report Checklist.
- Annual Provider Fee in the amount of: \$ 18,591.00
 - If applicable, late fee in the amount of: \$ _____
- Certification by the provider's **Chief Executive Officer** that:
 - The reports are correct to the best of his/her knowledge.
 - Each continuing care contract form in use or offered to new residents has been approved by the Department.
 - The provider is maintaining the required *liquid* reserves and, when applicable, the required refund reserve.
- Evidence of the provider's fidelity bond, as required by H&SC section 1789.8.
- Provider's audited financial statements, with an accompanying certified public accountant's opinion thereon.
- Provider's audited reserve reports (prepared on Department forms), with an accompanying certified public accountant's opinion thereon.
- Provider's "Continuing Care Retirement Community Disclosure Statement" and Form 7-1 "Report on CCRC Monthly Service Fees" for *each* community.
- Provider's Refund Reserve Calculation(s) – Form 9-1 and/or Form 9-2, if applicable.

The Key Indicators Report is required to be submitted within 30 days of the due date of the submission of the annual report, but may be submitted at the same time as the annual report.

**FORM 1-1
RESIDENT POPULATION**

<u>LINE</u>	<u>CONTINUING CARE RESIDENTS</u>	<u>TOTAL</u>
1	NUMBER AT BEGINNING OF FISCAL YEAR	403
2	NUMBER AT END OF FISCAL YEAR	389
3	TOTAL LINES 1 AND 2	792
4	MULTIPLY LINE 3 BY ".50" AND ENTER RESULT ON LINE 5	x.50
5	MEAN NUMBER OF CONTINUING CARE RESIDENTS	396
ALL RESIDENTS		
6	NUMBER AT BEGINNING OF FISCAL YEAR	496
7	NUMBER AT END OF FISCAL YEAR	549
8	TOTAL LINES 6 AND 7	1045
9	MULTIPLY LINE 8 BY ".50" AND ENTER RESULT ON LINE 10	x.50
10	MEAN NUMBER OF ALL RESIDENTS	523
11	DIVIDE LINE 5 BY LINE 10 AND ENTER THE RESULT	0.76

**FORM 1-2
ANNUAL PROVIDER FEE**

<u>LINE</u>		<u>TOTAL</u>
1	TOTAL OPERATING EXPENSES	30,812,910
a	DEPRECIATION	3,135,276
b	DEBT SERVICE(INTEREST ONLY)	3,215,796
2	SUBTOTAL (add Line 1a and 1b)	6,351,072
3	SUBTRACT LINE 2 FROM LINE 1 AND ENTER RESULT	24,461,838
4	PERCENTAGE ALLOCATED TO CONTINUING CARE RESIDENT (LINE11)	0.76
5	TOTAL OPERATING EXPENSE OF CONTINUING CARE RESIDENTS	
	MULTIPLY LINE 3 BY LINE 4	18,590,997
6	TOTAL AMOUNT DUE (LINE 5 BY .001)	18,591

PROVIDER: AIR FORCE VILLAGE WEST, INC.

COMMUNITY: SAME AS ABOVE

**FORM 5-1
LONG - TERM DEBT INCURRED
IN A PRIOR FISCAL YEAR
(INCLUDING BALLOON DEBT)**

Long-Term Debt Obligation	(a)	(b)	(c)		(d)	(e)
	Date Incurred	Principal Paid During Fiscal Year	Interest Paid During Fiscal Year	Interest Paid During Fiscal Year	Credit Enhancement Premiums Paid	Total Paid (columns (b) + (c) + (d))
1	6/1/1999	1,900,000	2,547,528		0	4,447,528
2	4/1/2005	575,000	668,268		0	1,243,268
3						
4						
5						
6						
7						
8						
		TOTAL	3,215,796			5,690,796

(Transfer this amount to Form 5-3, line 1)

Note: For column (b), do not include voluntary payments made to pay down principal.

Provider: AIR FORCE VILLAGE WEST, INC.

**FORM 5-2
LONG-TERM DEBT INCURRED
DURING FISCAL YEAR
(INCLUDING BALLOON DEBT)**

	(a)	(b)	(c)	(d)	(e)
Long-Term Debt Obligation	Date Incurred	Total Interest Paid During Fiscal Year	Amount of Most Recent payment on the Debt	Number of Payments over next 12 months	Reserve Requirement (see instruction 5) (columns (c) x (d))
1					
2					
3					
4					
5					
TOTAL		0	0	0	0

(Transfer this amount to Form 5-3, Line 2)

NOTE: For column (b), do not include voluntary payments made to pay down principal.

Provider: AIR FORCE VILLAGE WEST, INC.

FORM 5-3
CALCULATION OF LONG-TERM DEBT RESERVE AMOUNT

LINE		TOTAL
1	Total from form 5-1 bottom of Column (e)	5,690,796
2	Total from form 5-2 bottom of Column (e)	<u>0</u>
3	Facility leasehold or rental payment paid by provider during fiscal year. (including related payments such as lease insurance)	<u>0</u>
4	TOTAL AMOUNT REQUIRED FOR LONG-TERM DEBT RESERVE:	<u>5,690,796</u>

PROVIDER: AIR FORCE VILLAGE WEST, INC.

**FORM 5-4
CALCULATION OF NET OPERATING EXPENSES**

LINE	AMOUNT	TOTAL
1		<u>30,812,910</u>
2		
a	<u>3,215,796</u>	
b	<u>-</u>	
c	<u>3,135,276</u>	
d	<u>-</u>	
e	<u>3,820,594</u>	
f	<u>-</u>	
3		<u>10,171,666</u>
4		<u>20,641,244</u>
5		<u>56,551</u>
6		<u><u>4,241,325</u></u>

PROVIDER: AIR FORCE VILLAGE WEST, INC.

COMMUNITY: SAME AS ABOVE

**FORM 5-5
ANNUAL RESERVE CERTIFICATION**

**PROVIDER NAME: AIR FORCE VILLAGE WEST, INC.
FISCAL YEAR ENDED: 12/31/2015**

We have reviewed our debt service reserve and operating expense reserve requirements as of, and for the period ended 12/31/2012, and are in compliance with those requirements

Our liquid reserve requirements, computed using the audited financial statements for the fiscal year are as follows:

1	DEBT SERVICE RESERVE AMOUNT	5,690,796
2	OPERATING EXPENSE RESERVE AMOUNT	4,241,325
3	TOTAL LIQUID RESERVE AMOUNT	9,932,121

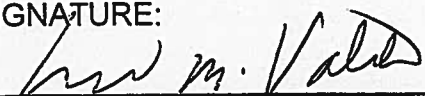
QUALIFYING ASSETS SUFFICIENT TO FULFILL THE ABOVE REQUIREMENTS ARE HELD AS FOLLOWS:

<u>QUALIFYING ASSETS DESCRIPTION</u>	AMOUNT (MARKET VALUE AT END OF YEAR)	
	<u>DEBT SERVICE RESERVE</u>	<u>OPERATING RESERVE</u>
4 CASH AND CASH EQUIVALENTS	667,328	667,328
5 INVESTMENT SECURITIES	9,383,424	9,383,24
6 EQUITY SECURITIES	-	
7 UNUSED/AVAIL. LINES OF CREDIT	-	
8 UNUSED/AVAIL. LETTERS OF CREDIT	-	
9 DEBT SERVICE RESERVE	7,299,059	

OTHER:
(DESCRIBE)

TOTAL AMOUNT OF QUALIFYING ASSETS LISTED FOR RESERVE OBLIGATION:	11	17,349,811	12	10,050,5
RESERVE OBLIGATION AMOUNT	13	5,690,796	14	4,241,3
SURPLUS / (DEFICIENCY)	15	11,659,015	16	5,809,2

SIGNATURE:



AUTHORIZED REPRESENTATIVE

DATE 4/27/16

Chief Financial Officer

TITLE

**DSS - Reserve Report Part of Form 5-5
Description of Reserves Under SB 1212**

Total Qualifying Assets as Filed:	Debt Service	Operating	Description:
Cash and Cash Equivalents	667,328	667,328	Unrestricted cash and money market funds per statement of financial position.
Investment Securities	9,383,424	9,383,242	Unrestricted equity investments per statement of financial position.
Equity Securities	-	-	Unused operational line of credit.
Unused Line of Credit	-	-	
Land	-	-	
Debt Service Reserve	7,299,059	-	Debt service in trust account per statement of financial position.
Total Qualifying Assets as Filed	17,349,811	10,050,570	
Debt Service Reserve			
Reservations and Designations:	5,690,796	4,241,325	
Remaining Liquid Reserves	11,659,015	5,809,245	
Per Capital Cost of Operations			
Operating Expenses (Form 5-4, line #1)	30,812,910		
Mean # of CCRC Residents (Form 1-1, line #10)	496		
Per Capita Cost of Operations	62,123		

FORM 7-1
REPORT ON CCRC MONTHLY SERVICE FEES

	<u>RESIDENTIAL LIVING</u>	<u>ASSISTED LIVING</u>	<u>SKILLED NURSING</u>
[1] Monthly Service Fees at beginning of reporting period: (indicate range, if applicable)	\$2,198 - \$3,773	\$2,254 - \$4,523	\$2,667 - \$6,580
[2] Indicate percentage of increase in fees imposed during reporting period: (indicate range, if applicable)	3.0%	3.0%	3.0%

Check here if monthly service fees at this community were not increased during the reporting period. (If you checked the box, please skip down to the bottom of this form and specify the names of the provider and community.)

[3] Indicate the date the fee increase was implemented: January 1, 2015
(If more than 1 increase was implemented, indicate the dates for each increase.)

[4] Check each of the appropriate boxes:

- Each fee increase is based on the provider's projected costs, prior year per capita costs, and economic indicators.
- All affected residents were given written notice of this increase at least 30 days prior to its implementation.
- At least 30 days prior to the increase in monthly service fees, the designated representative of the provider convened a meeting that all residents were invited to attend.
- At the meeting with residents, the provider discussed and explained the reason for the increase, the basis for determining the amount of the increase, and the data used for calculating the increase.
- The provider provided residents with at least 14 days advance notice of each meeting held to discuss the fee increases.
- The governing body of the provider, or the designated representative of the provider posted the notice of, and the agenda for, the meeting in a conspicuous place in the community at least 14 days prior to the meeting.

[5] On an attached page, provide a concise explanation for the increase in monthly service fees including the amount of the increase.

PROVIDER NAME AIR FORCE VILLAGE WEST, INC. dba ALTAVITA
COMMUNITY NAME: SAME AS ABOVE

5. Monthly service fees are increased based on projected increases in costs for the subsequent year. In 2015 the Percentage increases were 3.0% for IL, 3.0% for AL, and 3.0% for SNF.

**Continuing Care Retirement Community
Disclosure Statement
General Information**

Date Prepared: 4/25/16

FACILITY NAME: Altavita
 ADDRESS: 17050 Arnold Drive ZIP CODE: 92518 PHONE: 951-697-2000
 PROVIDER NAME: Air Force Village West, Inc. FACILITY OPERATOR: James L. Melin
 RELATED FACILITIES: N/A RELIGIOUS AFFILIATION: N/A
 YEAR 1989 # OF 221 SINGLE MULTI-
 OPENED: 1989 ACRES: 221 STORY STORY OTHER: _____ MILES TO SHOPPING CTR: 2.5
 MILES TO HOSPITAL: 5.0

NUMBER OF UNITS:

RESIDENTIAL LIVING	HEALTH CARE
APARTMENTS — STUDIO: <u>12</u>	ASSISTED LIVING: <u>55</u>
APARTMENTS — 1 BDRM: <u>27</u>	SKILLED NURSING: <u>59</u>
APARTMENTS — 2 BDRM: <u>64</u>	SPECIAL CARE: <u>37</u>
COTTAGES/HOUSES: <u>337</u>	DESCRIPTION: > <u>Special Care: Alzheimer/Dementia locked and secured.</u>
RLU OCCUPANCY (%) AT YEAR END: <u>55%</u>	>

TYPE OF OWNERSHIP: NOT-FOR-PROFIT FOR-PROFIT ACCREDITED?: YES NO BY: _____

FORM OF CONTRACT: CONTINUING CARE LIFE CARE ENTRANCE FEE FEE FOR SERVICE
 (Check all that apply) ASSIGNMENT OF ASSETS EQUITY MEMBERSHIP RENTAL

REFUND PROVISIONS: (Check all that apply) 90% 75% 50% FULLY AMORTIZED OTHER: Prorated 0%, 50% & 95%

RANGE OF ENTRANCE FEES: \$ 99,000 - \$ 930,000 LONG-TERM CARE INSURANCE REQUIRED? YES NO

HEALTH CARE BENEFITS INCLUDED IN CONTRACT: Reduced rates: ALU, TCU, SCU, SNF

ENTRY REQUIREMENTS: MIN. AGE: 60 PRIOR PROFESSION: Open to all OTHER: _____

RESIDENT REPRESENTATIVE(S) TO THE BOARD (briefly describe their involvement): > 3 residents serve on the board as Ex-Officio voting
 > Directors based on an annual election of leadership positions on the Resident Council

FACILITY SERVICES AND AMENITIES					
COMMON AREA AMENITIES	AVAILABLE	FEE FOR SERVICE	SERVICES AVAILABLE	INCLUDED IN FEE	FOR EXTRA CHARGE
BEAUTY/BARBER SHOP	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	HOUSEKEEPING (<u>2</u> TIMES/MONTH)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BILLIARD ROOM	<input checked="" type="checkbox"/>	<input type="checkbox"/>	MEALS (<u>1</u> /DAY)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BOWLING GREEN	<input type="checkbox"/>	<input type="checkbox"/>	SPECIAL DIETS AVAILABLE	<input checked="" type="checkbox"/>	<input type="checkbox"/>
CARD ROOMS	<input checked="" type="checkbox"/>	<input type="checkbox"/>			
CHAPEL	<input checked="" type="checkbox"/>	<input type="checkbox"/>	24-HOUR EMERGENCY RESPONSE	<input checked="" type="checkbox"/>	<input type="checkbox"/>
COFFEE SHOP	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	ACTIVITIES PROGRAM	<input checked="" type="checkbox"/>	<input type="checkbox"/>
CRAFT ROOMS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	ALL UTILITIES EXCEPT PHONE	<input type="checkbox"/>	<input checked="" type="checkbox"/>
EXERCISE ROOM	<input checked="" type="checkbox"/>	<input type="checkbox"/>	APARTMENT MAINTENANCE	<input checked="" type="checkbox"/>	<input type="checkbox"/>
GOLF COURSE ACCESS	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	CABLE TV	<input type="checkbox"/>	<input checked="" type="checkbox"/>
LIBRARY	<input checked="" type="checkbox"/>	<input type="checkbox"/>	LINENS FURNISHED	<input type="checkbox"/>	<input type="checkbox"/>
PUTTING GREEN	<input type="checkbox"/>	<input type="checkbox"/>	LINENS LAUNDERED	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
SHUFFLEBOARD	<input checked="" type="checkbox"/>	<input type="checkbox"/>	MEDICATION MANAGEMENT	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
SPA	<input checked="" type="checkbox"/>	<input type="checkbox"/>	NURSING/WELLNESS CLINIC	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
SWIMMING POOL-INDOOR	<input checked="" type="checkbox"/>	<input type="checkbox"/>	PERSONAL HOME CARE	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
SWIMMING POOL-OUTDOOR	<input type="checkbox"/>	<input type="checkbox"/>	TRANSPORTATION-PERSONAL	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
TENNIS COURT	<input type="checkbox"/>	<input type="checkbox"/>	TRANSPORTATION-PREARRANGED	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
WORKSHOP	<input checked="" type="checkbox"/>	<input type="checkbox"/>	OTHER _____	<input type="checkbox"/>	<input type="checkbox"/>
OTHER _____	<input type="checkbox"/>	<input type="checkbox"/>			

All providers are required by Health and Safety Code section 1789.1 to provide this report to prospective residents before executing a deposit agreement or continuing care contract, or receiving any payment. Many communities are part of multi-facility operations which may influence financial reporting. Consumers are encouraged to ask questions of the continuing care retirement community that they are considering and to seek advice from professional advisors.

PROVIDER NAME: Air Force Village West, Inc. dba Altavita

OTHER CCRCs

LOCATION (City, State)

PHONE (with area code)

None

MULTI-LEVEL RETIREMENT COMMUNITIES

LOCATION (City, State)

PHONE (with area code)

None

FREE-STANDING SKILLED NURSING

LOCATION (City, State)

PHONE (with area code)

None

SUBSIDIZED SENIOR HOUSING

LOCATION (City, State)

PHONE (with area code)

None

NOTE: PLEASE INDICATE IF THE FACILITY IS A LIFE CARE FACILITY.

PROVIDER NAME:
FACILITY: AIR FORCE VILLAGE WEST, INC.

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
INCOME FROM ONGOING OPERATIONS:				
OPERATING INCOME	19,910	20,205	19,117	19,878
(EXCL AMORTIZATION OF ENTRANCE FEE INCOME)				
LESS OPERATING EXPENSES (EXCL DEPRECIATION, AMORTIZATION, & INTEREST)	22,394	23,877	24,643	24,149
NET INCOME FROM OPERATIONS	(2,484)	(3,672)	(5,526)	(4,271)
LESS INTEREST EXPENSE	(3,380)	(3,154)	(3,303)	(3,529)
PLUS CONTRIBUTIONS	620	337	339	160
PLUS NON-OPERATING INCOME (EXPENSES) (EXCLUDING EXTRAORDINARY ITEMS)	4,254	3,540	1,980	505
NET INCOME (LOSS) BEFORE ENTRANCE FEES, DEPRECIATION AND AMORTIZATION	(990)	(2,949)	(6,510)	(7,135)
NET CASH FLOW FROM ENTRANCE FEES (TOTAL DEPOSITS LESS REFUNDS)	2,696	4,565	3,901	2,912

DESCRIPTION OF SECURED DEBT AS OF MOST RECENT FISCAL YEAR END

LENDER	OUTSTANDING BALANCE	INT RATE	DATE OF ORIGINATION	DATE OF MATURITY	AMORTIZATION PERIOD
Bonds - Tax Exempt	\$42,495,000	5.76%	6/1/1999	5/15/2029	30 years
Bonds - Tax Exempt	\$19,195,000	Var.	4/1/2005	5/15/2035	30 years

FINANCIAL RATIOS:

	2014 CCAC 50%	<u>2013</u>	<u>2014</u>	<u>2015</u>
DEBT TO ASSET RATIO	37.70%	60.50%	63.60%	67.00%
OPERATING RATIO	98.50%	118.20%	128.00%	121.50%
DEBT SERVICE COVERAGE RATIO	2.55	0.40	-0.18	-0.19
DAYS CASH-ON-HAND RATIO	343	372	260	134

HISTORICAL MONTHLY SERVICE FEES

AVERAGE FEE AND PERCENT CHANGE	2.5%		2.0%		0.0%		3.0%	
	2012	%	2013	%	2014	%	2015	
STUDIO	2,092	2.5%	2,134	2.0%	2,134	0.0%	2,198	3
ONE BEDROOM	2,285	2.5%	2,331	2.0%	2,331	0.0%	2,400	3
TWO BEDROOM	2,744	2.5%	2,799	2.0%	2,799	0.0%	2,883	3
COTTAGE/HOUSE	2,668	2.5%	2,721	2.0%	2,721	0.0%	2,803	3
ASSISTED LIVING	2,210	2.5%	2,254	2.0%	2,254	0.0%	2,322	3
SKILLED NURSING	3,725	2.5%	3,799	2.0%	3,799	0.0%	3,913	3
SPECIAL CARE	4,332	2.5%	4,419	2.0%	4,419	0.0%	4,552	3

COMMENTS FROM PROVIDER:

HISTORICAL MONTHLY FEE IS THE AVERAGE FEE CHARGED TO EXISTING RESIDENTS.

FINANCIAL RATIO FORMULAS

LONG-TERM DEBT TO TOTAL ASSETS RATIO

$$\frac{\text{Long-Term Debt, less Current Portion}}{\text{Total Assets}}$$

OPERATING RATIO

$$\frac{\text{Total Operating Expenses} \\ - \text{Depreciation Expense} \\ - \text{Amortization Expense}}{\text{Total Operating Revenues} - \text{Amortization of Deferred Revenue}}$$

DEBT SERVICE COVERAGE RATIO

$$\frac{\text{Total Excess of Revenues over Expenses} \\ + \text{Interest, Depreciation, and Amortization Expenses} \\ \text{Amortization of Deferred Revenue} + \text{Net Proceeds from Entrance Fees}}{\text{Annual Debt Service}}$$

DAYS CASH ON HAND RATIO

$$\frac{\text{Unrestricted Current Cash \& Investments} \\ + \text{Unrestricted Non-Current Cash \& Investments}}{(\text{Operating Expenses} - \text{Depreciation} - \text{Amortization})/365}$$

NOTE: These formulas are also used by the Continuing Care Accreditation Commission. For each formula, that organization also publishes annual median figures for certain continuing care retirement communities.

ACORD™ CERTIFICATE OF LIABILITY INSURANCE

Date (MM/DD/YR)
1/7/2016

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Heffernan Insurance Brokers 1350 Carlbach Avenue Walnut Creek, CA 94596 CA License #0564249	CONTACT NAME: Stacey Okimoto	
	PHONE (A/C, No, Ext): 925-934-8500	FAX (A/C, No): 925-934-8278
	EMAIL ADDRESS: StaceyO@heffins.com	
	INSURERS AFFORDING COVERAGE	
INSURED Air Force Village West, Inc. 17050 Arnold Drive Riverside, CA 92518	INSURER A: Nationwide Mutual Insurance Company	NAIC #
	INSURER B: GuideOne Insurance Company	
	INSURER C: Depositors Insurance Company	
	INSURER D:	
	INSURER E:	
	INSURER F:	

COVERAGES CERTIFICATE NUMBER: REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.


INSRL TR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR			ACP 3007415117	11/09/2015	11/09/2016	EACH OCCURRENCE \$ 1,000,000
	GEN'L. AGGREGATE LIMIT APPLIES PER POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER						DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000
							MED EXP (Any one person) \$ 10,000
							PERSONAL & ADV INJURY \$ 1,000,000
							GENERAL AGGREGATE \$ 3,000,000
							PRODUCTS - COMP/OP AGG \$ 3,000,000
C	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS			ACP 3007415117	11/09/2015	11/09/2016	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000
	<input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS						BODILY INJURY (Per person) \$
							BODILY INJURY (Per accident) \$
							PROPERTY DAMAGE (Per accident) \$
							COMP/COLL DEDUCTIBLE \$ 1,000
A	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> EXCESS LIAB			ACP 3007415117	11/09/2015	11/09/2016	EACH OCCURRENCE \$ 10,000,000
	OCCUR CLAIMS-MADE DED RETENTION \$ 0						AGGREGATE \$ 10,000,000
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE/OFFICER/MEMBER EXCLUDED? (Mandatory in N.H.) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N <input type="checkbox"/>	N/A				EMPLOYEE BENEFITS \$ 1,000,000
A	PROFESSIONAL LIABILITY			ACP 3007415117	11/09/2015	11/09/2016	PER STATUTE OTH-ER E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$
B	EMPLOYEE DISHONESTY			01434010	11/09/2015	11/09/2016	EACH INCIDENT \$ 1,000,000 AGGREGATE \$ 3,000,000 LIMIT \$ 1,000,000 DEDUCTIBLE \$ 25,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

Re: Account #789131000. Cancellation notice for the General Liability policy is attached, if required. This certificate replaces and supersedes all previously issued certificates.

CERTIFICATE HOLDER

CANCELLATION

US Bank Global Corporate Trust Services 633 West 5th St., 24th Floor Los Angeles, CA 90071-2005	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE 
--	--

Statement of Refund Obligation

as of December 31, 2015

50% Refund Plans

	<u># of Contracts</u>	<u>Avg Age</u>		<u>Obligation</u>
Total Current	30	92	\$	2,396,606
Couples in ILU	3	87		205,116
Couples in HC	1	92		71,984
Single in ILU	18	91		1,441,000
Single in HC	8	92		678,506

95% Refund Plans

	<u># of Contracts</u>	<u>Avg Age</u>		<u>Obligation</u>
Total Current	7	86	\$	2,444,659
Couples in ILU	2	78		1,314,539
Couples in HC	0			-
Single in ILU	4	87		918,123
Single in HC	1	95		211,996

Total Refund Obligation			\$	4,841,265
<i>State Mandated Refund Reserve **</i>			\$	3,873,012
<i>AFVW Money Market Refund Account</i>				\$3,873,607

** The State Mandated portion of the Refund Reserve in Money Market Account is not included in cash available for DCOH or DSCR calculations

Altavita
Statement of Financial Position
December 31, 2015

	<u>Current Year</u>	<u>Prior Year</u>	<u>Variance</u>	
Cash & Cash Equivalents				
Petty Cash	\$ 2,728	\$ 5,818	\$ (3,089)	-53.1%
Cash	\$ 664,600	\$ 1,721,387	\$ (1,056,787)	-61.4%
Restricted Cash	\$ 3,873,607	\$ 3,814,369	\$ 59,238	1.6%
Investments		\$ -		
Unrestricted	\$ 9,383,424	\$ 19,986,337	\$ (10,602,914)	-53.1%
Restricted	\$ 7,299,059	\$ 6,090,354	\$ 1,208,706	19.8%
Accounts Receivable	\$ 5,442,429	\$ 3,031,647	\$ 2,410,783	79.5%
Inventory	\$ 321,514	\$ 254,162	\$ 67,353	26.5%
Prepays	\$ 568,503	\$ 583,053	\$ (14,549)	-2.5%
Total Current Assets	<u>\$ 27,555,866</u>	<u>\$ 35,487,127</u>	<u>\$ (7,931,261)</u>	<u>-22.3%</u>
Fixed Assets (net of accum dep)	\$ 59,362,929	\$ 60,601,874	\$ (1,238,946)	-2.0%
Total Assets	<u>\$ 86,918,794</u>	<u>\$ 96,089,001</u>	<u>\$ (9,170,207)</u>	<u>-9.5%</u>
Accounts Payable	\$ 735,768	\$ 1,015,918	\$ (280,150)	-27.6%
Accrued Expenses	720,320	\$ 1,403,415	\$ (683,095)	-48.7%
Deposits	\$ 205,344	\$ 473,082	\$ (267,738)	-56.6%
Interest Payable	\$ 376,170	\$ -	\$ 376,170	#DIV/0!
Total Current Liabilities	<u>\$ 2,037,602</u>	<u>\$ 2,892,415</u>	<u>\$ (854,813)</u>	<u>-29.6%</u>
Unearned Revenue	28,835,777	\$ 28,877,607	\$ (41,831)	-0.1%
Resident Refunds	\$ 4,218,103	\$ 4,767,962	\$ (549,859)	-11.5%
Series 1999	\$ 42,115,000	\$ 44,015,000	\$ (1,900,000)	-4.3%
Series 2005	\$ 18,620,000	\$ 19,195,000	\$ (575,000)	-3.0%
Total Long Term Liabilities	<u>\$ 93,788,880</u>	<u>\$ 96,855,569</u>	<u>\$ (3,066,689)</u>	<u>-3.2%</u>
Opening Unrestricted Fund Bal	\$ (3,242,052)	\$ 2,334,503	\$ (5,576,555)	-238.9%
Net Surplus/(Deficit)	\$ (5,783,736)	\$ (6,111,587)	\$ 327,851	-5.4%
Ending Unrestricted Fund Balance	<u>\$ (9,025,788)</u>	<u>\$ (3,777,084)</u>	<u>\$ (5,248,704)</u>	<u>139.0%</u>
Temporarily Restricted FB	\$ 93,100	\$ 93,100	\$ -	0.0%
Permanently Restricted FB	\$ 25,000	\$ 25,000	\$ -	0.0%
Total Liabilities & Fund Balance	<u>\$ 86,918,794</u>	<u>\$ 96,089,001</u>	<u>\$ (9,170,207)</u>	<u>-9.5%</u>

Altavita
Statement of Activities
Year to Date Dec 2015

Unaudited

UNRESTRICTED NET ASSETS

Operating Revenues	
Resident Fees	\$ 15,971,654
Patient Revenues	\$ 3,906,267
Contributions	\$ 160,553
Amortization of Deferred Revenue	\$ 4,485,746
	<hr/>
Total Operating Revenues	\$ 24,524,220
Net Assets released from Restriction	\$ -
	<hr/>
Total Operating Revenues and reclassifications	\$ 24,524,220
Operating Expenses	
Personnel	\$ 13,309,984
Professional Fees	\$ 3,974,129
Consumables	\$ 2,270,028
Communications	\$ 507,540
Corporate Communications	\$ 522,428
Insurance	\$ 1,044,957
Facilities	\$ 2,372,145
Travel & Conferences	\$ 147,289
Depreciation & Amortization	\$ 3,135,276
	<hr/>
Total Operating Expenses	\$ 27,283,776
Excess of Operating Revenue/(Expense)	\$ (2,759,557)
Non-Operating Revenue/(Expense)	
Interest Income	\$ 745,517
Interest Expense	\$ (3,529,134)
Gain/(Loss) on Sale of Investments	\$ 389,843
Gain/(Loss) on Retired Debt	\$ 380,000
Gain/(Loss) on Disposal of Fixed Assets	\$ 1,500
	<hr/>
Total Non-Operating Revenue/(Expense)	\$ (2,012,273)
Excess of Revenues/(Expense)	\$ (4,771,830)
Unrealized Gain/(Loss) on Investments	\$ (1,011,906)
	<hr/>
Increase/(Decrease) in Unrestricted Net Assets	<u>\$ (5,783,736)</u>

Altavita
Statement of Cash Flows
December 31, 2015

Unaudited

	<u>12/31/2015</u>	<u>12/31/2014</u>
Cash Flows from Operating Activities:		
Change in net assets	(5,783,736)	(6,111,587)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Amortization of deferred entrance fee revenue	\$ (4,485,746)	\$ (4,598,498)
Depreciation	3,135,276	4,016,137
(Gain) loss on disposal of property, plant, and equipment	(1,500)	(834)
Realized and unrealized (gain) loss on investments, net	622,063	(980,567)
Change in assets and liabilities:		
(Increase) decrease in accounts receivable	(2,556,725)	(372,330)
(Increase) decrease in prepaid expenses and other current assets	14,549	(116,004)
Increase (decrease) in accounts and construction costs payable	(280,150)	412,801
Increase (decrease) in accrued liabilities	(683,095)	340,647
Increase (decrease) in current deposit liabilities	(934,252)	(26,448)
Net Cash Provided by (Used in) Operating Activities	<u>(10,953,316)</u>	<u>(7,436,684)</u>
Cash Flows from Investing Activities:		
Proceeds from sale of investments	20,305,518	44,994,764
Purchase of investments	(8,677,356)	(38,211,242)
Purchase of AFVW Bonds	-	(1,520,000)
Purchase of PP&E	(2,113,126)	(1,876,642)
Net Cash Provided by (Used in) Investing Activities	<u>9,515,035</u>	<u>3,386,879</u>
Cash Flows from Financing Activities:		
Refunds of Entrance Fees from Refundable Plans	(637,480)	(1,523,889)
Refunds of Entrance Fees from Zero Plans	(204,686)	(287,203)
Proceeds from Entrance Fees	3,566,865	5,623,203
Proceeds from Payments on Entry Fees Receivable	145,942	(48,055)
Proceeds from Renters Fees	42,000	49,000
Repayment of long-term debt	(2,475,000)	(2,340,000)
Net Cash Provided by (Used in) Financing Activities	<u>437,641</u>	<u>1,472,339</u>
Net Decrease in Cash and Cash Equivalents	(1,000,640)	(2,577,466)
Cash and Cash Equivalents, Beginning of Year	<u>5,541,575</u>	<u>8,119,041</u>
Cash and Cash Equivalents, End of Year	\$ <u>4,540,935</u>	\$ <u>5,541,575</u>