



Goodwin Living

MEMORANDUM

TO: Residents of Goodwin House Bailey's Crossroads

FROM: Xan Smith, Chief Financial Officer
Becah Duan, Controller

CC: Justin Carwile, Executive Director

DATE: January 31, 2024

SUBJECT: Methodology Used to Calculate Medical Expense Deduction for Tax Purposes

Attached please find the annual letter from our accountants, CliftonLarsonAllen, which outlines their review of management's calculation of a medical expense deduction percentage that residents may want to consider after consulting with their tax advisors. Residents may consider applying the percentage (the Percentage Method) to their entrance fees and monthly fees to determine their medical expense deduction for tax purposes. The letter also describes another method, the weighted-average method, which applies the percentage to the average entrance fee and monthly fee for each lifecare plan type contract.

For calendar years 2023 and future years, we will continue to provide both methods of calculating the medical expense deduction. It is your responsibility to consult with your tax advisor regarding the deductibility of medical expenses in your particular situation and to determine which method you deem appropriate, especially if you are contemplating changing your methodology between the two methods from year to year
Your tax advisor may have other methods to suggest that may be equally acceptable.

This information is being furnished for your information and should not be construed as tax advice.

Attachment