

# **Finance Committee**

**May 2023**

**GOODWIN LIVING**  
**COMBINING STATEMENT OF OPERATIONS**  
**FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2022**

	GOODWIN LIVING			GOODWIN HOUSE ALEXANDRIA			GOODWIN HOUSE BAILEY'S CROSSROADS		
	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Budget	Variance
<b>REVENUES, GAINS, AND OTHER SUPPORT</b>									
Monthly Fees	\$ 50,975,136	\$ 51,921,603	\$ (946,467)	\$ 23,820,376	\$ 24,329,572	\$ (509,196)	\$ 25,887,109	\$ 26,285,977	\$ (398,867)
Amortization of Deferred Revenue	23,061,844	22,654,000	407,844	12,023,371	11,420,000	603,371	10,270,515	10,812,000	(541,485)
Health Care Services	10,025,951	10,068,901	(42,949)	5,102,989	5,352,953	(249,964)	4,922,962	4,715,948	207,014
Home Care	4,340,927	4,976,400	(635,473)	-	-	-	-	-	-
Palliative Care & Hospice	7,155,449	8,232,501	(1,077,053)	-	-	-	-	-	-
Investment Income	11,907,144	2,839,000	9,068,144	4,809,533	965,000	3,844,533	6,858,887	1,636,000	5,222,887
Resident and Other Services	1,347,201	1,508,423	(161,222)	725,218	604,459	120,759	610,883	889,874	(278,991)
CARES Act/Provider Relief & Other	1,547,019	0	1,547,019	749,620	-	749,620	797,399	-	797,399
<b>Total Revenue, Gains, and Other Support</b>	<b>110,360,671</b>	<b>102,200,828</b>	<b>8,159,843</b>	<b>47,231,107</b>	<b>42,671,984</b>	<b>4,559,123</b>	<b>49,347,756</b>	<b>44,339,798</b>	<b>5,007,958</b>
<b>EXPENSES</b>									
Administrative & General	13,435,668	12,669,701	(765,967)	5,548,041	5,104,498	(443,543)	5,605,632	5,222,234	(383,398)
Marketing & Sales	2,600,384	2,802,534	202,149	1,282,519	1,438,083	155,564	1,317,865	1,364,451	46,586
Resident and Other Services	4,660,430	4,854,842	194,412	2,268,823	2,453,964	185,142	2,391,608	2,400,878	9,270
Plant Operations	7,245,025	6,871,325	(373,700)	3,604,178	3,360,854	(243,323)	3,640,848	3,510,471	(130,377)
Environmental Services	4,171,551	3,941,455	(230,096)	2,028,274	1,838,658	(189,616)	2,143,277	2,102,797	(40,480)
Dietary	14,544,060	13,823,725	(720,335)	6,405,754	6,356,002	(49,751)	8,138,306	7,467,723	(670,583)
Health & Wellness	21,215,533	19,909,440	(1,306,094)	11,390,731	10,581,201	(809,530)	9,824,802	9,328,238	(496,564)
Home Care	4,588,358	4,969,216	380,859	-	-	-	-	-	-
Palliative Care & Hospice	6,605,724	6,941,266	335,542	-	-	-	-	-	-
Depreciation	17,245,014	14,960,000	(2,285,013)	8,543,017	\$ 6,310,000	(2,233,017)	8,700,525	8,650,000	(50,525)
Interest	6,024,196	6,690,207	666,011	2,892,868	3,332,069	439,201	3,131,327	3,358,138	226,811
<b>Total Expenses</b>	<b>102,335,943</b>	<b>98,433,712</b>	<b>(3,902,231)</b>	<b>43,964,205</b>	<b>40,775,330</b>	<b>(3,188,875)</b>	<b>44,894,190</b>	<b>43,404,930</b>	<b>(1,489,260)</b>
<b>Operating Income (Loss)</b>	<b>8,024,728</b>	<b>3,767,117</b>	<b>4,257,611</b>	<b>3,266,902</b>	<b>1,896,654</b>	<b>1,370,248</b>	<b>4,453,567</b>	<b>934,869</b>	<b>3,518,698</b>
<b>Other Income/(Loss)</b>									
Unrealized Gain/(Loss) on Trading Securities	(31,849,089)	-	(31,849,089)	(13,775,968)	-	(13,775,968)	(18,073,121)	-	(18,073,121)
Other Non-Operating Income	1,891,834	-	1,891,834	945,917	-	945,917	945,917	-	945,917
Gain/(Loss) on Interest Rate Swap Agreement	6,704,212	-	6,704,212	-	-	-	6,704,212	-	6,704,212
PPP Grant	9,057,930	-	9,057,930	4,167,256	-	4,167,256	4,740,941	-	4,740,941
Gain (Loss) Extinguishment of Debt	(1,172,105)	-	(1,172,105)	(2,841,258)	-	(2,841,258)	1,669,153	-	1,669,153
<b>Excess (Deficit) of Revenue over (under) Expenses</b>	<b>(7,342,491)</b>	<b>3,767,117</b>	<b>(11,109,608)</b>	<b>(8,237,151)</b>	<b>1,896,654</b>	<b>(10,133,805)</b>	<b>440,668</b>	<b>934,869</b>	<b>(494,200)</b>
<b>Other Changes in Unrestricted Net Assets:</b>									
Unrealized Gain/(Loss) on Investments	(868,449)	-	(868,449)	(595,145)	-	(595,145)	(273,304)	-	(273,304)
<b>Increase (Decrease) in Net Assets without Donor Restrictions</b>	<b>\$ (8,210,940)</b>	<b>\$ 3,767,117</b>	<b>\$ (11,978,057)</b>	<b>\$ (8,832,296)</b>	<b>\$ 1,896,654</b>	<b>\$ (10,728,950)</b>	<b>167,364</b>	<b>\$ 934,869</b>	<b>\$ (767,505)</b>

Metrics

NOM	-4.9%	-0.1%	-4.8%	-7.0%	-2.8%	-4.2%	-2.6%	1.6%	-4.2%
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**GOODWIN LIVING**  
**COMBINING STATEMENT OF OPERATIONS**  
**FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2022**

	GOODWIN HOUSE AT HOME			SPECIALIZED CARE		
	ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE
<b>REVENUES, GAINS, AND OTHER SUPPORT</b>						
Monthly Fees	\$ 1,267,651	\$ 1,306,054	\$ (38,403)	\$ -	\$ -	\$ -
Amortization of Deferred Revenue	767,958	422,000	345,958	-	-	-
Health Care Services	-	-	-	-	-	-
Home Care	-	-	-	4,340,927	4,976,400	(635,473)
Palliative Care & Hospice	-	-	-	7,155,449	8,232,501	(1,077,053)
Investment Income	132,333	238,000	(105,667)	106,390	-	106,390
Resident and Other Services	11,100	14,090	(2,990)	-	-	-
CARES Act/Provider Relief & Other	-	-	-	-	-	-
<b>Total Revenue, Gains, and Other Support</b>	<b>2,179,042</b>	<b>1,980,144</b>	<b>198,897</b>	<b>11,602,766</b>	<b>13,208,901</b>	<b>(1,606,136)</b>
<b>EXPENSES</b>						
Administrative & General	2,281,995	2,342,970	60,975	-	-	-
Marketing & Sales	-	-	-	-	-	-
Resident and Other Services	-	-	-	-	-	-
Plant Operations	-	-	-	-	-	-
Environmental Services	-	-	-	-	-	-
Dietary	-	-	-	-	-	-
Health & Wellness	-	-	-	-	-	-
Home Care	-	-	-	4,588,358	4,969,216	380,859
Palliative Care & Hospice	-	-	-	6,605,724	6,941,266	335,542
Depreciation	1,472	-	(1,472)	-	-	-
Interest	-	-	-	-	-	-
<b>Total Expenses</b>	<b>2,283,467</b>	<b>2,342,970</b>	<b>59,503</b>	<b>11,194,082</b>	<b>11,910,482</b>	<b>716,401</b>
<b>OPERATING INCOME/(LOSS)</b>	<b>(104,425)</b>	<b>(362,825)</b>	<b>258,400</b>	<b>408,684</b>	<b>1,298,419</b>	<b>(889,735)</b>
<b>Other Income/(Loss)</b>						
Unrealized Gain/(Loss) on Trading Securities	-	-	-	-	-	-
Other Non-Operating Income	-	-	-	-	-	-
Gain/(Loss) on Interest Rate Swap Agreement	-	-	-	-	-	-
PPP Grant	149,733	-	149,733	-	-	-
<b>Excess/(Deficit) of Revenue over Expenses</b>	<b>45,308</b>	<b>(362,825)</b>	<b>408,133</b>	<b>408,684</b>	<b>1,298,419</b>	<b>(889,735)</b>
<b>Other Changes in Unrestricted Net Assets:</b>						
Unrealized Gain/(Loss) on Investments	-	-	-	-	-	-
<b>Increase/(Decrease) in Net Assets without Donor Restrictions</b>	<b>\$ 45,308</b>	<b>\$ (362,825)</b>	<b>\$ 408,133</b>	<b>\$ 408,684</b>	<b>\$ 1,298,419</b>	<b>\$ (889,735)</b>
Metrics						
NOM	-78.5%	-77.5%	-1.0%	2.6%	9.8%	-7.2%

**GLAH****Change in Net Assets****REVENUES, GAINS, AND OTHER SUPPORT**

	2020	2021	2022	2022	2023
	Actual	Actual	Budget	Projected	Budget
Monthly Fees	883,322	1,069,106	1,306,000	1,266,402	1,524,039
Amortization of Deferred Revenue	419,901	671,688	422,000	868,898	894,965
Health Care Services	-	-	-	-	-
Investment Income	98,999	119,673	238,000	131,971	105,800
Home Care	-	-	-	-	-
Palliative Care & Hospice	-	-	-	-	-
Resident and Other Services	18,518	13,500	14,000	14,400	14,400
<b>Total Revenue, Gains, and Other Support</b>	<b>1,420,740</b>	<b>1,873,967</b>	<b>1,980,000</b>	<b>2,281,671</b>	<b>2,539,204</b>

**EXPENSES**

Administrative & General	2,006,604	2,100,297	53,000	306,510	410,891
Marketing & Sales	-	-	923,000	613,805	804,584
Resident and Other Services	-	-	1,367,000	1,161,184	1,305,272
Plant Operations	-	-	-	-	-
Environmental Services	-	-	-	-	-
Dietary	-	-	-	-	-
Health & Wellness	-	-	-	-	-
Home Care	-	-	-	-	-
Palliative Care & Hospice	-	-	-	-	-
Pharmacy	-	-	-	-	-
Depreciation	-	736	-	1,472	1,516
<b>Sub-Total Expenses</b>	<b>2,006,604</b>	<b>2,101,033</b>	<b>2,343,000</b>	<b>2,082,971</b>	<b>2,522,263</b>

**OPERATING INCOME/(LOSS)**

	<b>(585,863)</b>	<b>(227,066)</b>	<b>(363,000)</b>	<b>198,700</b>	<b>16,942</b>
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**GLAH FY23 BUDGET**  
**(Sources: Management Analysis FY23 Budget,**  
**Statement of Operations Sept. 30, 2022)**

	<b>2022 Actual</b>	<b>2022 Projected</b>	<b>FY23 Budget</b>
<b>Revenues</b>			
Monthly Fees	1,267,651	1,266,402	1,524,039
Res Services	11,100	14,000	14,000
Total	1,278,751	1,288,402	1,538,439
<b>Expenses</b>			
Admin/Gen	2,281,995	306,510	410,891
Mktg/Sales		613,805	804,584
Res. Services		1,161,184	1,305,272
Total	2,281,995	2,081,499	2,520,747
Net	-1,003,244	-793,097	-982,308
NOM	-78.5%	-61.6%	-63.9%

(The Management Analysis projects "Census at GLAH to increase to 264 (+39) by the end of FY23.") The projected beginning census on 10/1/22 was 225.)

**Corrections to Statement of Operations  
FY 22 Ending September 30, 2022  
(Adjusted to include GLAH projected expenses)**

	<b>Statement</b>	<b>Actual</b>	<b>Variance</b>
<b>Adm/Gen</b>	<b>13,435,668</b>	<b>11,460,183</b>	<b>-1,975,485 -14.7%</b>
<b>Mkt/Sales</b>	<b>2,600,384</b>	<b>3,214,189</b>	<b>+613,805 +23.6%</b>
<b>Res Services</b>	<b>4,660,431</b>	<b>5,821,615</b>	<b>+1,161,184 +24.9%</b>

## GHI FY23 Marketing & Sales Budget

	<b>FY 2022</b>	<b>FY 2023 Budget</b>	<b>Variance</b>
GHA (actual)	1,282,519	1,353,136	+ 70,617 +5.5%
GHBC (actual)	1,317,865	1,283,629	- 34,236 -2.6%
GLAH (projected)	613,805	804,584	+190,779 +31%
Total	3,214,189	3,441,349	+227,160 +7%

(GLAH projects 39 net gain in members in FY 23, from 225 to 264.)

## GHI Entry Fees FY22 and FY21

(Sources: Cash Flow Statements GHBC and GHA)

FY22 Entry Fees		FY21 Entry Fees	
GHBC	17,685,668		9,177,577
GHA	14,108,912		10,539,379
GLAH	1,791,764 5.3%		1,918,285 8.9%
<b>TOTAL</b>	<b>33,586,344</b>		<b>21,635,241</b>

<b>FY22</b>	<b>33,586,344</b>		
<b>FY21</b>	<b>21,635,241</b>		
<b>Increase</b>	<b>11,951,103</b>	<b>+55%</b>	

Note: The totals for GHBC and GHA are from Cash Flow reports.  
GLAH is calculated by subtracting GHBC & GHA cash flows  
From the GHI total cash flow.





Goodwin  
Living

# Actuarial Trend

- Goodwin Living undertakes an annual review by a third-party actuarial firm, AV Powell.
- AV Powell analyzes current operations and makes assumptions regarding future operations based on historical results and management input.
- Goodwin Living has a history of positive results compared to industry average.
- Both GHA & GHBC are AV Powell Gold Seal Recipients. For more information see the AV Powell website:  
<https://www.avpowell.com/avp-seal-recipients/>



# Actuarial Trend

- **NOTE:**

- Actuarial Surplus should be a positive number
- Funded Status should be > 100%
- Future Service Obligation (FSO) should be a negative number

## **Goodwin House Alexandria**

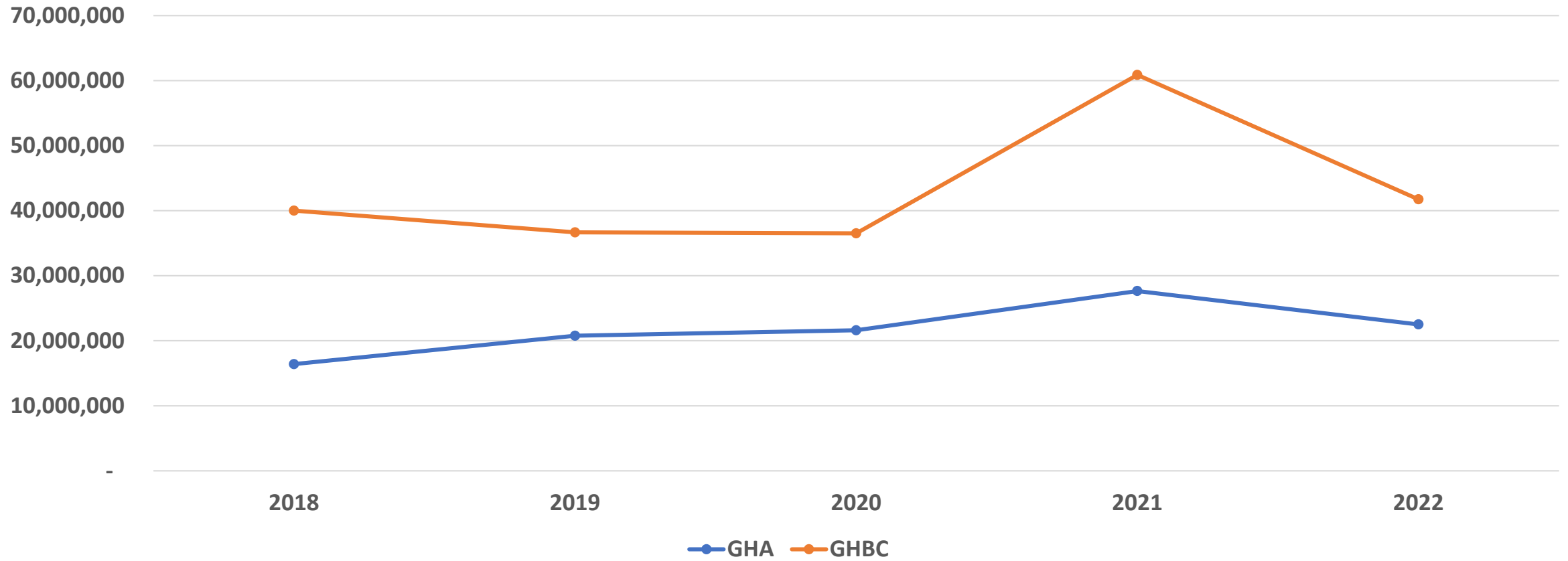
Fiscal Year	Actuarial Surplus	Measurement	
		Funded Status	Future Service Obligation (FSO)
2018	16,405,540	107.2%	(26,565,564)
2019	20,766,253	109.5%	(34,860,946)
2020	21,606,879	109.4%	(30,160,723)
2021	27,647,904	111.5%	(35,750,862)
2022	22,502,188	108.5%	(38,239,343)

## **Goodwin House Bailey's Crossroads**

Fiscal Year	Actuarial Surplus	Measurement	
		Funded Status	Future Service Obligation (FSO)
2018	40,001,381	116.0%	(36,611,720)
2019	36,662,120	114.2%	(42,036,023)
2020	36,510,046	113.6%	(48,750,900)
2021	60,870,367	122.6%	(51,062,691)
2022	41,738,913	113.5%	(52,072,169)

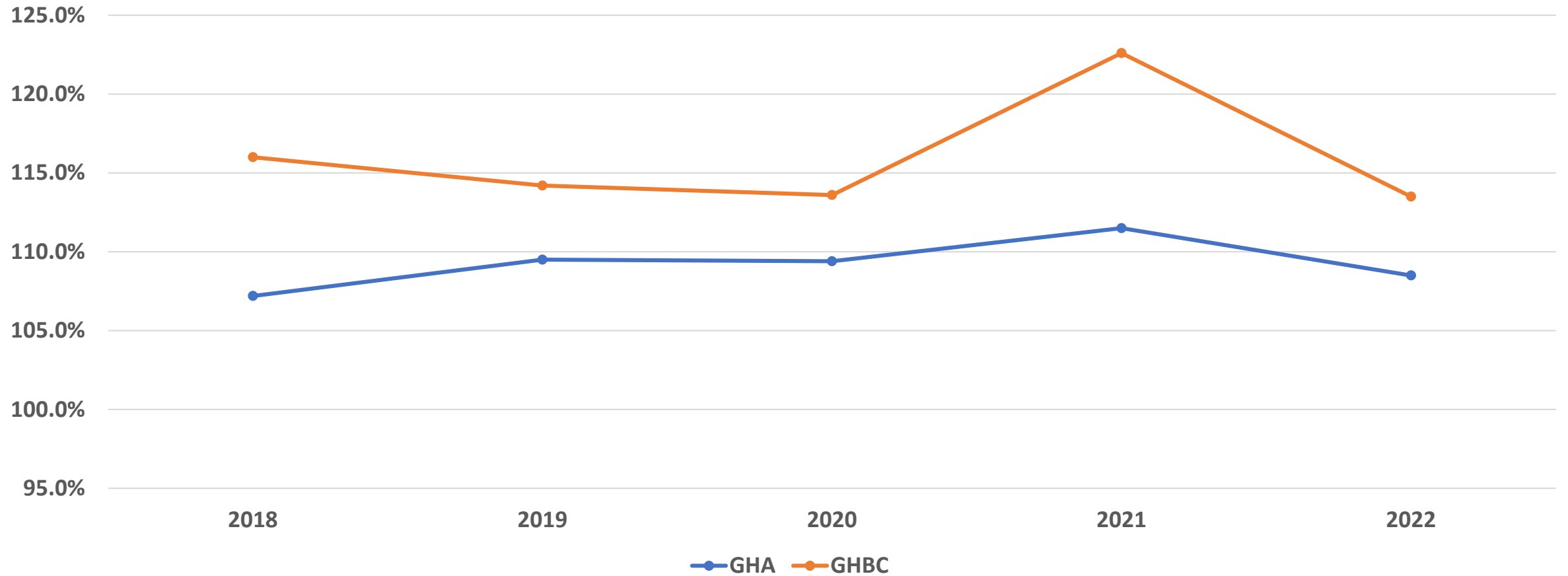
# Actuarial Trend

## Actuarial Surplus



# Actuarial Trend

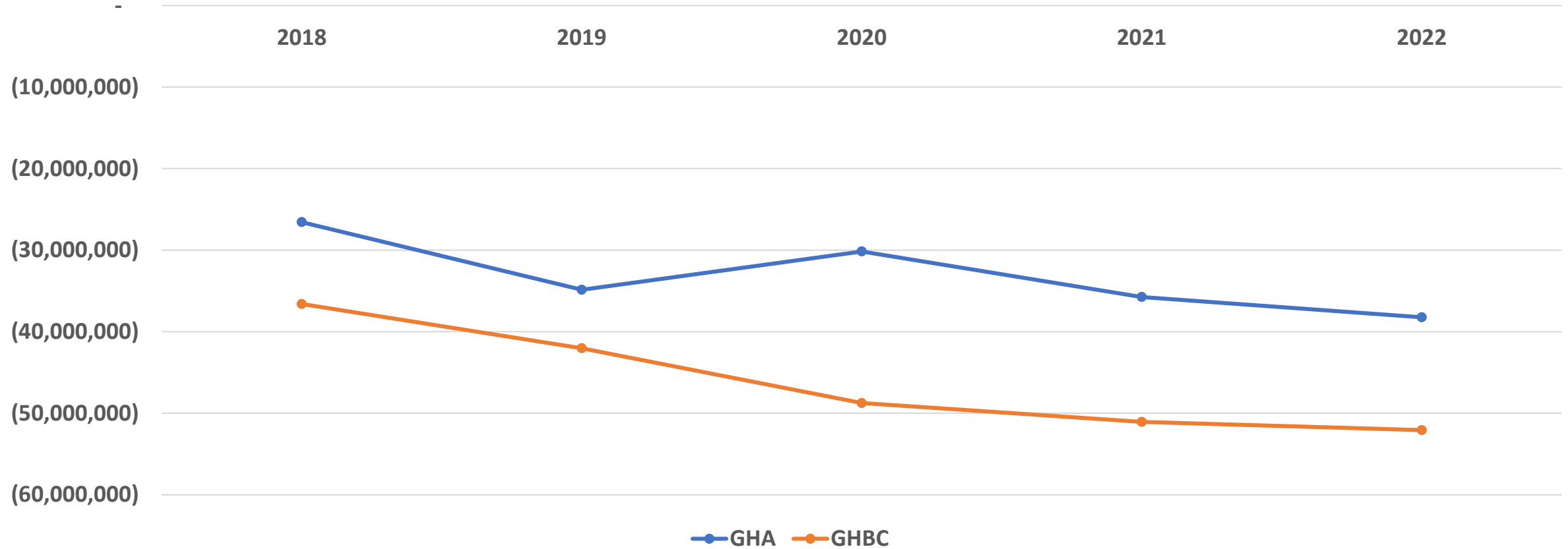
## Funded Status



# Actuarial Trend

## Future Service Obligation

(less than zero is desirable)



**Questions?**