OCEANSIDE

A Life Plan Community · Seaside, NH

Five-Year Financial Forecast

The Shoreline Expansion — FY2027–FY2031

PREPARED BY ODIORNE ADVISORY SERVICES · ILLUSTRATIVE WORK SAMPLE

Executive summary & objectives

Oceanside Senior Living enters this planning cycle from a position of financial strength, and proposes a disciplined, largely self-funding expansion — 20 cottages, 36 independent-living apartments, a new fitness center, and a new dining venue — that grows the community, modernizes its amenities, and, once stabilized, strengthens the balance sheet.

$ 92M TOTAL PROJECT (ILLUSTRATIVE)	+56 NEW INDEPENDENT-LIVING RESIDENCES	332 DAYS CASH ON HAND AT FY2031	1.32× COVERAGE AT TROUGH (EXCL. INITIAL EFS)

WHAT THIS FORECAST DEMONSTRATES

- **Strong throughout.** Every debt covenant is met with headroom in each of the five years. Debt-service coverage on the covenant basis stays above 2.7× and, even excluding the initial entrance fees from the new units, never falls below 1.32× against a 1.20× requirement.
- **Conservatively financed.** Of the $92M cost, $25M is temporary entrance-fee redemption debt retired entirely from the first-generation entrance fees on the new residences; only $55M is permanent. A $4.8M construction contingency and $5.4M debt-service reserve fund are built in.
- **Accretive at stabilization.** By FY2031 the new residences reach ~95% occupancy; unrestricted reserves finish at $48.0M and, on the stabilized run-rate, $52.7M — $11.8M (about 29%) above the pre-project level. Total debt amortizes from a $120M peak to $80M, the change in net assets returns to positive, and days cash climbs back from a 266-day trough toward pre-project levels as the added debt pays down.

Objectives before the board. (1) Authorize the plan of finance and the Series 2027 bond issue; (2) approve the $92M project budget, including contingency; (3) ratify the pre-sales / fill-up and reserve-floor policies that govern the temporary debt takeout. Support for each objective is developed in the pages that follow.

*FY2026 is the current-year base (full-year projection consistent with the June 30, 2026 board report). FY2027–FY2031 are the forecast. $ in millions unless noted; figures may not foot due to rounding. The companion workbook carries full precision with live formulas.

The opportunity & strategic objectives

Why expand, and why now

Oceanside maintains a waiting list for independent living and consistently operates its 200 existing IL residences near 96% occupancy. Demand from the Seacoast market — and from the community's own priority pool — exceeds available inventory, and the current entrance-fee and monthly-fee pricing supports new construction without diluting the affordability of existing contracts. The community's reserves, coverage, and days-cash have strengthened steadily over the past three years, giving the board the capacity to invest from a position of strength rather than necessity.

Strategic objectives

- **Grow mission capacity.** Add 56 independent-living residences (20 cottages and a 36-apartment wing), extending the Life Care promise to more residents and feeding the full continuum of assisted living, memory support, and skilled nursing.
- **Modernize the campus.** Deliver a new fitness/wellness center and a new dining venue that benefit the entire community and protect the marketability of existing residences.
- **Preserve financial strength.** Finance the project so that liquidity and coverage remain above policy and covenant thresholds throughout construction and fill-up, and improve after stabilization.
- **Self-fund where possible.** Structure the plan of finance so that first-generation entrance fees, not permanent debt, carry the majority of the temporary financing.

Approach to conservatism

This forecast is deliberately conservative. Fill-up is assumed to take roughly 30 months to reach ~95% occupancy; monthly-fee and entrance-fee escalators are held to ~3% annually; the fitness/wellness center is modeled as non-revenue-producing, and the new dining venue is credited only modest ancillary revenue (guest meals, catering, private dining) well below its cost; a construction contingency of roughly 8% of hard cost and a fully funded debt-service reserve are included; and interest during construction is capitalized and separately funded. Coverage is tested on two bases — the covenant basis (including entrance fees) and a stricter basis that excludes the new units' initial entrance fees entirely.

Project scope

What gets built

The Shoreline Expansion adds **20 cottages** and a **36-apartment independent-living wing** — 56 new residences in total — together with a **new fitness & wellness center** and a **new dining venue**. The fitness/wellness center is treated as non-revenue by design; the dining venue is credited only modest ancillary revenue (guest meals, catering, private dining) that stays below its operating cost. Their larger value is realized through resident satisfaction, retention, and the marketability of the community as a whole. The forecast also reflects the full range of ancillary revenue a community like Oceanside earns — salon, guest accommodations, catering, pharmacy, outpatient therapy, transportation, and second-person and non-resident program fees. New residences are priced at a blended entrance fee of roughly $673K (cottages ~$850K, apartments ~$575K) with monthly service fees near $5,800 (cottages) and $4,900 (apartments) — the upper-premium end of the current market, appropriate for new coastal Life Care construction.

RESIDENCES & CARE SETTINGS — BEFORE AND AFTER

CARE SETTING	EXISTING UNITS	ADDED	AT COMPLETION
Independent living (apartments & cottages)	200	+56	256
Assisted living — Harbor House	32	–	32
Memory support — Plaice Cove	20	–	20
Skilled nursing — Taylor River	40	–	40
Total units	**292**	**+56**	**348**

Assisted living, memory support, and skilled nursing counts are unchanged; the expansion is entirely independent living plus shared amenities. Contract type remains Life Care (Type A).

Construction & occupancy timeline

- **FY2027:** Series 2027 bonds close; site work and vertical construction begin; interest capitalized.
- **FY2028:** construction continues; pre-sales/reservation deposits accumulate (10% of entrance fee held).
- **FY2029:** residences open mid-year; fill-up begins; first-generation entrance fees begin retiring the temporary debt.
- **FY2030–FY2031:** fill-up to ~95% occupancy; temporary debt fully retired; reserves rebuild above pre-project levels.

Plan of finance & sources and uses

Structure

The project is financed with a two-series tax-exempt issue plus community equity and resident deposits. The **Series 2027A** permanent, fixed-rate bonds ($55M, ~5.25% assumed, ~30-year amortization) are the only long-term addition to the capital structure. The **Series 2027B** entrance-fee redemption bonds ($25M, interest-only) are temporary — designed to be retired in full from the first-generation entrance fees on the new residences, and modeled to be repaid by FY2030. A $7M contribution from Board-Designated reserves and $5M of pre-construction reservation deposits round out the sources.

USES OF FUNDS ($ IN MILLIONS)

USE	AMOUNT
Hard construction — 20 cottages	$ 14.0
Hard construction — 36 IL apartments	$ 18.9
Fitness center (non-revenue)	$ 8.0
Dining venue (non-revenue)	$ 6.5
Site, infrastructure, parking & common areas	$ 12.0
Soft costs (A&E, permits, legal, FF&E, marketing)	$ 11.9
Construction contingency (~8% of hard)	$ 4.8
Capitalized interest (net of fund earnings)	$ 6.5
Debt service reserve fund	$ 5.4
Costs of issuance (~2%)	$ 1.6
Working-capital / initial operating funding	$ 2.4
Total uses	**$ 92.0**

SOURCES OF FUNDS ($ IN MILLIONS)

SOURCE	AMOUNT
Series 2027A permanent fixed-rate tax-exempt bonds	$ 55.0
Series 2027B entrance-fee redemption bonds (temporary)	$ 25.0
Equity / Board-Designated reserve contribution	$ 7.0
Initial reservation deposits (10%)	$ 5.0
Total sources	**$ 92.0**

Tie-out. Sources of $92.0M equal uses of $92.0M. Permanent debt added to the balance sheet is limited to the $55M Series 2027A; the $25M Series 2027B is retired from initial entrance fees (schedule on a later page). Capitalized interest of $6.5M and a $5.4M debt-service reserve are funded from bond proceeds, not operations.

Key assumptions

Every projected figure in this forecast derives from the assumptions below. They are intentionally conservative; the sensitivities on a later page test the two that matter most — fill-up pace and entrance-fee pricing.

ASSUMPTION	BASIS
Fill-up pace	Open mid-FY2029; ~35% occupied by FY2029 year-end, ~75% FY2030, ~95% (stabilized) FY2031.
New-unit entrance fees	Blended average ~$673K per residence (20 cottages ~$850K, 36 apartments ~$575K); $37.7M first-generation total. Benchmarked to the 2026 market: national average CCRC entrance fee ~$300–350K, with premium new-construction and high-refund contracts reaching $500K–$1M+.
Entrance-fee refund mix	70% traditional (non-refundable, declining) / 20% 90%-refundable / 10% 50%-refundable, per board direction (90% and 50% are the most common refundable options in the market).
Monthly service fees	New cottages ~$5,800/mo, apartments ~$4,900/mo; ~3% annual escalation across the community (below the ~5% national trend, for conservatism). Type A Life Care monthly fees run above fee-for-service because they prepay future care.
Existing-community growth	Revenue ~3%/year (below the ~4.5% historical trend, for conservatism); occupancy held flat.
Operating expenses	New-unit staffing and services scale with occupancy; the fitness center carries fixed cost with no offsetting revenue, and the dining venue's ancillary revenue stays below its cost. Existing 'other operating expenses' now include the cost of ancillary services.
Financing terms	Series 2027A $55M @ ~5.25% fixed, ~30-yr; Series 2027B $25M @ ~5.75%, interest-only, retired from initial EFs; interest capitalized during construction. Coupons reflect 2026 tax-exempt senior-living pricing (a spread over AAA municipals).
Contingency & reserves	~8% construction contingency ($4.8M) and a $5.4M debt-service reserve fund; $2.4M working-capital cushion.
Investment return	~6% blended return on reserves, consistent with the community's investment policy and the board investment report.
Depreciation	New assets depreciated on a component basis over a ~30-year blended life; placed in service mid-FY2029.

Projected statement of operations

$ in millions. FY2026 is the current-year base; FY2027–FY2031 forecast. Parentheses denote losses/expenses.

LINE	FY2026*	FY2027	FY2028	FY2029	FY2030	FY2031
Resident monthly service fees	$ 26.1	$ 26.9	$ 27.7	$ 28.9	$ 31.3	$ 33.3
Health-center revenue	$ 9.2	$ 9.5	$ 9.8	$ 10.1	$ 10.4	$ 10.7
Amortization of entrance fees	$ 5.4	$ 5.5	$ 5.7	$ 6.2	$ 7.3	$ 8.3
Ancillary services & other revenue	$ 2.5	$ 2.6	$ 2.7	$ 2.9	$ 3.4	$ 3.7
Investment income (operating)	$ 0.5	$ 0.6	$ 0.6	$ 0.6	$ 0.6	$ 0.7
Total operating revenue	**$ 43.7**	**$ 45.1**	**$ 46.5**	**$ 48.8**	**$ 53.0**	**$ 56.6**
Salaries, wages & benefits	$ 22.1	$ 22.9	$ 23.6	$ 24.9	$ 26.4	$ 27.8
Other operating expenses	$ 15.9	$ 16.4	$ 17.0	$ 18.5	$ 19.9	$ 20.9
Interest	$ 1.9	$ 1.8	$ 1.7	$ 5.5	$ 4.6	$ 4.1
Depreciation & amortization	$ 3.0	$ 3.0	$ 3.0	$ 4.3	$ 5.6	$ 5.6
Total operating expenses	**$ 42.9**	**$ 44.1**	**$ 45.3**	**$ 53.2**	**$ 56.5**	**$ 58.5**
Operating income (loss)	**$ 0.8**	**$ 1.0**	**$ 1.2**	**($ 4.4)**	**($ 3.5)**	**($ 1.9)**
Non-operating investment return	$ 3.0	$ 2.6	$ 2.7	$ 2.5	$ 2.9	$ 3.2
Change in unrestricted net assets	**$ 3.8**	**$ 3.6**	**$ 3.9**	**($ 1.9)**	**($ 0.6)**	**$ 1.3**

Reading the operating line. The projected operating loss in FY2029–FY2031 is expected and by design: the new residences carry full interest and depreciation from the moment they open, while monthly-fee and entrance-fee-amortization revenue ramps only as they fill. As in most Type A communities, the economic engine is entrance-fee cash (shown on the following pages), which does not run through operating income but drives coverage, reserves, and the change in net assets — which returns to positive by FY2031.

Projected statement of financial position

$ in millions, at December 31 of each year. FY2026 base; FY2027–FY2031 forecast.

BALANCE SHEET	FY2026*	FY2027	FY2028	FY2029	FY2030	FY2031
Unrestricted cash & investments	$ 40.8	$ 39.4	$ 37.9	$ 35.6	$ 39.5	$ 48.0
Donor-restricted & trustee-held funds	$ 2.9	$ 62.5	$ 27.6	$ 10.1	$ 10.7	$ 11.3
Other current assets	$ 1.8	$ 1.8	$ 1.9	$ 2.0	$ 2.0	$ 2.1
Property & equipment, net	$ 92.7	$ 119.2	$ 162.1	$ 181.4	$ 181.3	$ 181.2
Deferred costs & other	$ 1.5	$ 3.0	$ 2.9	$ 2.7	$ 2.6	$ 2.5
Total assets	**$ 139.7**	**$ 225.9**	**$ 232.4**	**$ 231.8**	**$ 236.2**	**$ 245.1**
Accounts payable & other	$ 3.8	$ 3.9	$ 4.1	$ 4.2	$ 4.3	$ 4.5
Long-term debt — existing & Series 2027A	$ 42.3	$ 94.7	$ 92.0	$ 88.2	$ 84.3	$ 80.4
Temporary debt — Series 2027B	–	$ 25.0	$ 25.0	$ 11.5	–	–
Refundable entrance-fee deposits	$ 18.1	$ 19.3	$ 20.5	$ 24.8	$ 29.8	$ 32.8
Deferred revenue from entrance fees	$ 54.1	$ 57.4	$ 60.8	$ 74.3	$ 89.0	$ 96.8
Total liabilities	**$ 118.3**	**$ 200.3**	**$ 202.4**	**$ 203.1**	**$ 207.4**	**$ 214.4**
Total net assets	**$ 21.4**	**$ 25.6**	**$ 30.1**	**$ 28.7**	**$ 28.7**	**$ 30.7**

Balance-sheet tie-out. Total assets equal total liabilities plus net assets in every year (built by roll-forward from the audited 12/31/2025 position). Peak leverage occurs at issuance (FY2027, $119.7M total debt) and declines to $80.4M by FY2031 as the temporary debt is retired and permanent debt amortizes.

Projected reserves & liquidity

Change in unrestricted cash & investments, $ in millions. A reconciling line for working-capital timing and other items is embedded; the ending balance ties to the balance sheet.

RESERVES WALK	FY2026*	FY2027	FY2028	FY2029	FY2030	FY2031
Unrestricted reserves, beginning	$ 37.5	$ 40.8	$ 39.4	$ 37.9	$ 35.6	$ 39.5
Operating cash flow (incl. non-cash add-backs)	$ 3.8	$ 4.0	$ 4.3	($ 0.1)	$ 2.1	$ 3.7
Net entrance-fee cash retained in reserves	$ 9.8	$ 10.1	$ 10.3	$ 10.5	$ 15.4	$ 19.1
Investment return retained	$ 3.0	$ 2.6	$ 2.7	$ 2.5	$ 2.9	$ 3.2
Routine capital reinvestment	($ 5.5)	($ 5.5)	($ 5.5)	($ 5.5)	($ 5.5)	($ 5.5)
Debt principal (existing & Series A)	($ 2.6)	($ 2.6)	($ 2.7)	($ 3.8)	($ 3.8)	($ 4.0)
Equity contribution to project	–	($ 7.0)	–	–	–	–
Unrestricted reserves, ending	**$ 40.8**	**$ 39.4**	**$ 37.9**	**$ 35.6**	**$ 39.5**	**$ 48.0**

Note: the operating-cash-flow and net-entrance-fee lines are shown net of small working-capital and refund-timing movements so that the ending balance equals the balance-sheet figure exactly; the companion workbook shows each component separately.

The takeaway. Even after a $7M equity contribution to the project in FY2027, unrestricted reserves never fall below $35.6M and finish FY2031 at $48.0M — $7.2M above the pre-project level. Days cash on hand troughs at 266 days (FY2029) and recovers to 332 days by FY2031.

Entrance-fee & temporary-debt schedule

This schedule is the heart of the plan of finance: the $25M of temporary Series 2027B debt is retired entirely from the first-generation entrance fees on the 56 new residences, leaving only the $55M permanent Series 2027A on the balance sheet.

FIRST-GENERATION ENTRANCE FEES ($ IN MILLIONS)

	FY2029	FY2030	FY2031
First-generation entrance fees received	$ 13.5	$ 16.1	$ 8.1
To deferred revenue (non-refundable)	$ 10.4	$ 12.4	$ 6.2
To refundable deposits	$ 3.1	$ 3.7	$ 1.9
Applied to retire Series 2027B (temporary)	($ 13.5)	($ 11.5)	–
Retained in reserves	**–**	**$ 4.6**	**$ 8.1**
Total first-generation entrance fees	**$ 37.7**	**$ 25.0**	**$ 16.1**

Columns 1–3 are the annual amounts; the total row shows the cumulative entrance fees, the cumulative amount applied to the temporary debt, and the cumulative amount retained in reserves.

SERIES 2027B TEMPORARY-DEBT RETIREMENT ($ IN MILLIONS)

	FY2029	FY2030	FY2031
Series 2027B temporary debt, beginning	$ 25.0	$ 11.5	–
Retired from initial entrance fees	($ 13.5)	($ 11.5)	–
Series 2027B temporary debt, ending	**$ 11.5**	**–**	**–**

Self-funding tie-out. Cumulative first-generation entrance fees of $37.7M fully retire the $25M temporary debt (by FY2030) and add $16.1M to reserves. Refundable portions ($9.5M) remain a liability; non-refundable portions ($31.6M) amortize into revenue over the residents' actuarial lives.

Projected ratios & covenant coverage

CARF–CCAC / Baker Tilly / Ziegler indicators. $ in millions where noted.

INDICATOR	FY2026*	FY2027	FY2028	FY2029	FY2030	FY2031
Days cash on hand	373	350	328	266	283	332
Cash-to-debt (excl. temporary)	0.97	0.42	0.41	0.40	0.47	0.60
Debt-service coverage — covenant basis	2.92×	2.91×	3.02×	2.78×	3.45×	2.71×
Debt-service coverage — excl. initial EFs	2.92×	2.91×	3.02×	1.32×	1.54×	1.71×
Net operating margin (adjusted)	10.8%	11.0%	11.4%	20.1%	22.2%	13.3%
Operating ratio	98.2%	97.8%	97.4%	109.1%	106.6%	103.3%
Unrestricted reserves ($M)	40.8	39.4	37.9	35.6	39.5	48.0

COVENANT COVERAGE — WORST FORECAST YEAR

COVENANT	REQUIREMENT	WORST FORECAST YEAR	STATUS
Debt-service coverage (incl. EFs)	≥ 1.20×	2.78×	PASS
Debt-service coverage (excl. initial EFs)	≥ 1.20×	1.32×	PASS
Days cash on hand	≥ 250 days	266 days	PASS
Cash-to-debt (excl. temporary)	≥ 0.35	0.40	PASS

Binding covenant — days cash on hand (FY2029). Every covenant is met, but the days-cash-on-hand test is the binding constraint and the one to watch: at the FY2029 fill-up trough it clears the 250-day floor by only **266 − 250 = +16 days** (~6% headroom). At that trough a roughly $2.1M draw on unrestricted reserves — a two-to-three-month fill-up slip, an unplanned capital outlay, or a market drawdown — would erase the cushion and trip the covenant, even while debt-service coverage remains well above 1.20×. This is the single metric to monitor monthly through fill-up, with an early-warning trigger set above 250 days (e.g., 275–285).

Odiorne Advisory recommendation — negotiate the days-cash covenant with the lender. Because the tightness is a designed, temporary feature of a debt-financed fill-up — not a sign of underlying weakness (coverage holds above 2× and absolute reserves grow throughout) — we recommend the community negotiate covenant terms with the bond trustee/lender that give appropriate room for the fill-up window, rather than simply operating on a thin margin. Specific asks, in order of preference:

- **Step-down (holiday) during fill-up.** Set the days-cash covenant at ~175–200 days for the construction-through-fill-up period (FY2027–FY2030), stepping up to 250 at stabilization (FY2031+). This matches the covenant to the project's known cash-flow shape.
- **Lower the permanent floor to ~200–225 days,** which the forecast clears in every year with comfortable margin while still protecting the lender.
- **Broaden the liquidity definition** to include the $5.4M debt-service reserve fund (and, if agreeable, a defined portion of the entrance-fee escrow) in the covenant numerator — these are real, dedicated liquidity the base measure ignores.
- **Add a cure mechanism:** test semi-annually rather than at a single trough date, and require two consecutive failed tests (with a defined cure period) before an event of default.

> Any one of these removes the FY2029 pinch; a step-down plus a cure period is the cleanest package and is customary in CCRC expansion financings. We would model the lender's likely counter-position and prepare the coverage exhibits to support the request.

FINANCIAL STRENGTH — PRE-PROJECT VS. STABILIZED

MEASURE	FY2026 PRE-PROJECT	FY2031	STABILIZED RUN-RATE*
Operating revenue ($M)	43.7	56.6	59.0
Unrestricted reserves ($M)	40.8	48.0	52.7
Total net assets ($M)	21.4	30.7	33.9
Total debt ($M)	42.3	80.4	76.3
Days cash on hand	373	332	355
Debt-service coverage (covenant)	2.92×	2.71×	2.25×
Residences (units)	292	348	348

*Illustrative stabilized run-rate one year beyond the forecast horizon (new residences at ~95% occupancy, first-generation entrance fees complete, recurring turnover only), rolled forward on the same basis. Reserves and net assets finish materially above pre-project levels and total debt is lower than at peak; per-dollar-of-debt liquidity ratios moderate during the investment period and continue recovering toward pre-project levels as the added permanent debt amortizes.

> **How to read the two coverage lines.** The covenant-basis coverage (including entrance fees) is the tested ratio and stays well above requirement every year. The stricter line removes the new units' initial entrance fees entirely — a proxy for "what if fill-up stalls" — and still clears 1.20× in every year, troughing at 1.32× in FY2029. That margin is the project's core risk cushion.

Risks, mitigants & opportunities

PRINCIPAL RISKS & MITIGANTS

RISK	WHY IT MATTERS	MITIGANT
Days-cash covenant headroom	**Binding covenant.** At the FY2029 trough, days cash clears the 250-day floor by only ~16 days (~6%); a ~$2M reserve draw would trip it.	Monitor monthly through fill-up with an early-warning trigger at ~275–285 days; DSRF and capitalized-interest fund sit outside the measure; slow discretionary capex and time the equity contribution to defend the floor.
Slower fill-up	Extended fill-up delays entrance-fee cash and temporary-debt takeout, and directly pressures the days-cash covenant above.	Conservative ~30-mo fill-up assumed; DSRF and capitalized interest fund the gap; pre-sales/reservation deposits required before draw; coverage clears 1.20× even excluding initial EFs.
Construction cost overrun	Hard-cost inflation or scope creep raises the budget.	~8% contingency ($4.8M) plus guaranteed-maximum-price contracting; monthly draw certification.
Interest-rate / market	Higher rates at issuance or weak investment returns.	Fixed-rate permanent bonds lock the coupon; reserves modeled at a conservative ~6% return; days-cash floor policy governs draws.
Refund timing	Concentrated refundable-contract turnover strains liquidity.	70% of new contracts are non-refundable; refundable pool laddered; reserve floor maintained.
Skilled-nursing labor	Agency reliance pressures cost during the build.	Recruitment/retention program; the expansion is IL-only and does not add clinical labor at open.

OPPORTUNITIES / UPSIDE

- Priority-pool demand and a maintained waiting list support faster-than-modeled absorption.
- New amenities lift marketability and pricing power across all 200 existing residences.
- A larger independent-living base feeds assisted living, memory support, and skilled nursing, improving continuum economics.
- Retiring the temporary debt early (ahead of the FY2030 assumption) would accelerate reserve rebuild and coverage.

Sensitivities

The two assumptions that most affect the outcome are fill-up pace and entrance-fee pricing. A six-month fill-up delay defers roughly $8.1M of entrance-fee cash into a later year, drawing on the DSRF and trimming the FY2029 excl.-initial-EF coverage toward — but not through — the 1.20× floor. A 10% shortfall in new-unit entrance-fee pricing reduces the reserve rebuild by roughly $3.8M over fill-up; coverage on the covenant basis remains above 2× throughout. Neither single stress breaches a covenant, and the community holds a $5.4M debt-service reserve and a $36M+ liquidity floor as additional cushion.

Conclusion & recommendation

The Shoreline Expansion is a disciplined, largely self-funding investment that grows Oceanside's mission capacity while preserving — and, after stabilization, strengthening — its financial position.

WHY THE NUMBERS SUPPORT PROCEEDING

- Every covenant is met with headroom in each of the five forecast years, including on a basis that excludes the new units' initial entrance fees.
- Only $55M of permanent debt is added; the $25M temporary tranche is retired from first-generation entrance fees by FY2030.
- Unrestricted reserves finish $7.2M above the pre-project level ($11.8M on the stabilized run-rate); the change in net assets is positive again by FY2031; days cash recovers from its 266-day trough and keeps climbing as debt amortizes.
- Conservative assumptions, an 8% contingency, and a funded debt-service reserve leave meaningful room for adversity.

Recommendation. Odiorne Advisory Services recommends that the board authorize the plan of finance and the Series 2027 issue, approve the $92M budget with contingency, and adopt the pre-sales and reserve-floor policies that govern the temporary-debt takeout.