

United Methodist Retirement Communities, Inc.
1st Quarter 2016 Management Discussion of Financial Performance and Position

The following is a brief Management Discussion of the UMRC Obligated Group's (OG) financial activities, performance, and position **as of and for the three months ended March 31, 2015**.

Disclaimer: This release contains forward-looking statements that involve risks, uncertainties and assumptions. If such risks or uncertainties materialize or such assumptions prove incorrect, the results of this organization could differ materially from those expressed or implied by such forward-looking statements and assumptions. All statements other than statements of historical fact are statements that could be deemed forward-looking statements, including but not limited to statements of the plans, strategies and objectives of management for future operations; any statements concerning expected development, performance or market share relating to products and services; anticipated operational and financial results; any statements of expectation or belief; and any statements of assumptions underlying any of the foregoing. Risks, uncertainties and assumptions include the achievement of expected results and other risks that are described from time to time in quarterly reports. This organization assumes no obligation and does not intend to update these forward-looking statements.

Organization Overview

United Methodist Retirement Communities, Inc. (UMRC) is a Michigan nonprofit organization governed by a board of trustees that provides housing, healthcare, and other related senior services. The Obligated Group (OG) special purpose combined financials statements are prepared for the combined entities for the purpose of complying with the reporting requirements set forth in the master trust indenture agreements between U.S. Bank, National Association and UMRC. The Obligated Group consists of the following entities:

- Chelsea Retirement Community is a life plan community in Chelsea, Michigan that includes skilled nursing, dementia care, assisted living and independent living services.
- Cedars of Dexter, located in Dexter, Michigan, includes independent living cottages.
- UMRC Foundation has a primary purpose of management, stewardship and allocation of funds; creation and implementation of long and short-term fund development plans; donor communication; and recognition of certain activities and programs. UMRC is the sole corporate member of the Foundation.
- UMRC Corporate Office provides the leadership and administrative oversight and support services for the UMRC Obligated Group. Additionally, the UMRC Corporate Office provides leadership and administrative oversight to related or affiliated entities outside of the obligated group with management and/or development fees charged for services provided.

The following entities would typically be consolidated in accordance with generally accepted accounting principles but are excluded from the Obligated Group according to the Master Trust Indenture:

- UMRC is the sole stockholder in UMRC Detroit AAL, Inc., which holds a .051 % general partner interest in Detroit Affordable Assisted Living Limited Dividend Housing Association Limited Partnership (DAAL). DAAL is an 80-unit elderly affordable assisted-living facility in Detroit, Michigan under the low-income housing tax credit program. The investment in this entity is accounted for under the equity method.

United Methodist Retirement Communities, Inc.
1st Quarter 2016 Management Discussion of Financial Performance and Position

- UMRC is a 50% sponsor of Rivertown Neighborhood Senior Non-profit Housing Corporation (Rivertown Senior Apartments) which is a HUD 202 low income housing project with 50 independent living apartments.
- UMRC is a 50 % member in Silver Maples of Chelsea (SMOC), a not-for-profit retirement facility which provides independent and assisted living housing and services to the residents in Chelsea, Michigan. The investment in SMOC is accounted for under the equity method.
- UMRC is a 1 % member of Sylvan Pines Limited Dividend Housing Associated, LLC (Sylvan Pines), an affordable housing project in Chelsea, Michigan with which UMRC has a management agreement, and is accounted for under the equity method.
- UMRC became a 50% member of Caring Partners Home Health, Inc., effective January 1, 2015. This is a non-profit home health provider that is based on Ann Arbor, Michigan and services primarily Washtenaw County in Michigan. This is accounted for under the equity method.
- UMRC is involved in three PACE programs. These programs operate as Programs of All-inclusive Care for the Elderly (PACE). Once an individual has been enrolled in the PACE program, all of his or her medical needs must be provided, according to the participant plan, through the staff of the PACE and its network of providers. The PACE programs UMRC is involved with, and accounts for under the equity method, include:
 - UMRC has an 80% controlling financial interest in Washtenaw PACE, Inc. d/b/a Huron Valley PACE that is located in Ypsilanti, Michigan. Huron Valley PACE serves Washtenaw and Monroe Counties as well as parts of Oakland, Wayne and Livingston Counties.
 - UMRC has a 20% financial interest in Senior CommUnity Care of Michigan which anticipates operating a PACE program in Lansing, Michigan which opened Spring 2015.
 - UMRC has an 80% controlling financial interest in Thome PACE which anticipates operating a PACE program in Jackson, Michigan which opened March 2016.

Operating Results

The interim financial statements are prepared under the same methodology as the audited year-end financial statements. However, certain items in the interim financial statements may be recorded in different sections of the income statement. Typically the only material item relates to assets released from restriction. For this report those amounts have been included. Explanations below are for areas that have a variance of 5% or more from budget.

Census

Location	YTD 2016 Budget	YTD 2016 Actual	Variance	YTD 2015 Actual	Variance
CRC Independent Living (122 units)	88.5%	94.5%	6.0%	88.7%	5.8%
CRC Assisted Living (156 units)	91.7%	96.6%	4.9%	90.5%	6.1%
CRC Skilled Nursing (85 beds)	92.4%	89.0%	(3.4%)	91.5%	(2.5%)
Cedars of Dexter – Ind. Living (60 units)	99.2%	99.2%	0.0%	100.0%	(0.8%)

In aggregate, census is approximately 2.8% over budget and 2.1% above last year.

United Methodist Retirement Communities, Inc.
1st Quarter 2016 Management Discussion of Financial Performance and Position

Revenue

Overall operating revenue is 3.0%, or \$255k, over budget.

- Census higher than budget resulted in resident revenue \$45K (.6%) over budget. This is less than the amount census is over budget since skilled nursing was below budget in census and had a shift from Medicare to Medicaid which lowers revenue per day.
- Unrestricted contribution revenue is \$197K above budget.
- Other revenue \$13K over budget due to interim affiliate work taken on during 2016.

Expenses

Overall operating expenses are 2.1% below budget. Key variances include:

- Wages are \$514K (1.2%) over budget due to higher census.
- Employee benefits are 11% below budget due to lower health insurance costs than planned and an adjustment related to prior bills.
- Food costs are 10% below budget as a result of a change over from contracted services to in-house run dining services as of fall 2015.
- Medical supplies are 7% over budget due to over higher census and changeover in stock.
- Supplies are 17% over budget due to service mix in skilled nursing and stock up of core dining supplies with change over from contracted service to in-house.
- Miscellaneous expense 11% below budget due to concerted effort to reduce purchased service related expenses.
- Interest expense is 10% below budget due to continued favorable rates on variable interest borrowings below budget amounts.
- Real estate taxes above budget due to additional taxes on new building added in late 2014.

Non-Operating Results

The budget for non-operating revenues and expenses includes only interest/dividend income, restricted contributions and development expenses. Development expenses primarily relate to corporate office staff time and effort in developing new business opportunities and existing efforts related to UMRC affiliates outside of the obligated group. Variances from budget include:

- Restricted contributions are \$360K below budget due timing. Budget for the year is still anticipated to be achieved, however, actual receipt of large donations (either in cash or pledge) do not happen evenly throughout the year.
- Net development costs are \$100,000 under budget due less than expected time spent on development projects in Q1 and more spent on internal planning.
- The decrease in investment in affiliate is net and is predominantly driven by the PACE organizations. Start-up losses are expected as part of the PACE pro-forma and is expected to turn positive by the end of year 3 of operations. This will be 2016 for Huron Valley PACE, 2018 for Senior Community Care and 2019 for Thome PACE.

United Methodist Retirement Communities, Inc.
1st Quarter 2016 Management Discussion of Financial Performance and Position

- Loss in value of swap driven mainly by market conditions. Over time this should return to \$0 and is the result of a new swap agreement that is effective December 2015 for the 2014 Bonds. This results in 50% of that bond issue fixed through 2024.

Financial Position

Ratio	2015 Year-end	2016 Year-to- Date	CARF Median	CARF 75th
Operating Margin Ratio	4.5%	7.5%	-0.1%	4.0%
Net Operating Margin Ratio	11.8%	15.2%	6.2%	10.8%
Days Cash on Hand	333	334	272	418
Days in A/R (net of allowances)	25.8	21.5	21	13
Average Age of Plant	12.7	12.7	12.9	11.2
LTD as a % of Total Capital Ratio (rolling 4 quarter)	36.8%	36.5%	76.2%	52.4%
Debt Service Coverage Ratio	2.5	2.7	2.7	3.4

Overall financial position for the Obligated Group continues to be strong compared to peers. Key ratios show the following:

- Operating margin and net operating ratio are above the 75th percentile, indicating strong profitability from operations. Operating results are better than budget.
- Days cash on hand is between the 50th and 75th percentile of peer organizations and indicates more than adequate cash reserves. Decline due to market value volatility in 2015.
- Days in A/R is at median. Efforts are focused on reducing time to collect. Trend over the last 6 months is a decrease in days and days in A/R are consistent with past years.
- Average age of plant is consistent with the median of peer organizations.
- Long-term debt to capital is better than the 75th percentile of peer organizations and debt service coverage is consistent with the median indicating relatively low debt leverage.
- Debt service coverage ratio is approximately at median
- Debt service coverage ratio and days cash on hand exceed threshold amounts from the master trust indenture of 1.35 and 175 respectively.

Capital Financing

As of March 31, 2015, UMRC OG has 3 outstanding debt issuances and 1 debt guarantee.

- UMRC Series 2012 limited obligation revenue bonds with an original issuance of \$10M, current principal balance of \$8.1M, with monthly principal and interest payments through the maturity date of November 15, 2027. These are variable rate bonds issued through the Economic Development Corporation of the Village of Chelsea and concurrently acquired by a financial institution as part of a bond purchase agreement. The bond purchase agreement has a mandatory tender date of November 1, 2019. These bonds carry a variable interest rate of 65% of the combined one-month LIBOR and 115 basis points. An interest rate swap was entered into that essentially fixes the

United Methodist Retirement Communities, Inc.
1st Quarter 2016 Management Discussion of Financial Performance and Position

interest rate at 2.2% on 50 percent of the outstanding principal balance. The interest rate swap expires November 1, 2019.

- UMRC Series 2013 limited obligation revenue bonds with an original issuance of \$11M, current principal balance of \$10.8M, with annual principal payments and semi-annual interest payments through the maturity date of November 15, 2043. These are fixed rate bonds issued through the Michigan Strategic Fund. These bonds carry an average fixed interest rate of 6.02%.
- UMRC Series 2014 limited obligation revenue bonds with an original issuance of \$11.5M, current principal balance of \$11.2M, of bonds from 2010 that were used to partially fund the construction of the Cedars of Dexter. The current principal balance is at \$11.5M. The bond purchase agreement has a mandatory tender date of December 15, 2024. The Series 2014 bonds carry a variable interest rate of 67% of one-month LIBOR plus 1.0988% payable in monthly installments of principal and interest with a maturity date of January 1, 2041. An interest swap was entered into in 2010 that essentially fixed the interest rate at 2.87 percent on 50 percent of the principal balance of the original series 2010 bonds. The interest rate swap expires on December 5, 2015. During September 2015 a new swap was closed on that became effective December 5, 2015 through December 15, 2024. This swap essentially fixes the interest rate at 2.795 percent on 50 percent of the principal balance of the series 2014 bonds.
- On December 19, 2014 Thome PACE closed on a \$4M line of credit to fund construction of the building. This borrowing is recorded on the Thome PACE financials but is guaranteed by the UMRC OG. The balance in this line of credit is \$3.5M as of March 31, 2016.

The bonds are collateralized by a mortgage on certain real estate and related buildings and land of UMRC and guaranteed by the UMRC Foundation. Under the terms of the limited obligation revenue bond agreements, UMRC is limited in additional borrowings and is required to satisfy certain measures of financial performance as long as the bonds are outstanding, including minimum liquidity and minimum debt service coverage.

Questions are welcome and can be directed to:

Steve Fetyko, Vice President and CFO - 734-433-100 ext. 7511 or sfetyko@umrc.com

Attached are interim financial statements as of, and for the period ending, March 31, 2016.

**UNITED METHODIST RETIREMENT COMMUNITIES, INC. OBLIGATED GROUP
COMBINED BALANCE SHEET**

ASSETS	<u>3/31/2016</u>	<u>12/31/2015</u>	LIABILITIES AND NET ASSETS	<u>3/31/2016</u>	<u>12/31/2015</u>
CURRENT ASSETS			CURRENT LIABILITIES		
Cash and cash equivalents	5,425,970	5,025,234	Current portion of long-term debt	1,098,454	1,098,454
Cash held in escrow	575,826	291,206	Cedars of Dexter Deposits	108,889	80,506
Contributions Receivable - Current	1,084,579	260,337	Accounts payable	956,016	896,044
Due from Affiliate	192,770	131,302	Due to Affiliate	-	-
Accounts Receivable	1,910,527	2,170,252	Accrued and other liabilities	1,853,980	1,369,832
Investments	21,626,747	21,526,902	Deferred Life Lease Revenue	2,924,802	2,913,809
Assets limited as to use	404,791	109,053	Liability under split-interest agreements	30,698	30,698
Prepaid expenses and other current assets	918,812	699,410	Total current liabilities	6,972,839	6,389,343
Total current assets	32,140,022	30,213,696	LONG TERM DEBT	28,829,629	29,060,344
CONTRIBUTIONS RECEIVABLE	666,650	666,650	REFUNDABLE LIFE LEASE PROCEEDS	8,328,272	8,470,063
INVESTMENTS	4,418,253	4,418,253	INTEREST RATE SWAP	391,842	218,826
CEDARS OF DEXTER CONTINGENCY FUND	1,606,167	1,605,587	LIABILITY UNDER SPLIT-INTEREST AGREEMENTS	150,754	156,652
LIMITED USE FUNDS			Total liabilities	44,673,336	44,295,228
Debt Service Reserve Fund	809,788	809,788	NET ASSETS		
Restricted Deposit	250,000	250,000	Unrestricted:		
Total Limited Use Funds	1,059,788	1,059,788	Undesignated	28,940,911	27,970,021
PROPERTY AND EQUIPMENT	52,761,407	53,371,525	Board designated	21,143,885	21,143,885
OTHER ASSETS			Total unrestricted	50,084,796	49,113,906
Loan to Affiliate	939,546	833,019	Restricted:		
Bond issue costs & Bond Discount	892,124	902,968	Temporarily restricted	2,221,219	2,221,219
Pledged Assets held by Affiliate	-	-	Permanently restricted	4,341,723	4,341,723
Investment in Affiliate	6,468,139	6,531,611	Total restricted	6,562,942	6,562,942
Beneficial Interest in Perpetual Trusts	368,978	368,978	Total net assets	56,647,738	55,676,848
Total other assets	8,668,787	8,636,576	Total liabilities and net assets	101,321,074	99,972,076
Total assets	101,321,074	99,972,075			

UNITED METHODIST RETIREMENT COMMUNITIES, INC. OBLIGATED GROUP

COMBINING STATEMENT OF OPERATIONS

	3/31/2016						3/31/2015						
	Actual						Budget						Actual
	Chelsea Retirement Community	Cedars of Dexter	UMRC Heritage Foundation	UMRC Corporate Office	Inter-Co Eliminations	Total	Chelsea Retirement Community	Cedars of Dexter	UMRC Heritage Foundation	UMRC Corporate Office	Inter-Co Eliminations	Total	
Operating revenue:													
Net resident revenue	7,612,821	510,118	-	-	-	8,122,939	7,567,329	510,227	-	-	-	8,077,556	7,347,977
Life Lease revenue	-	117,126	-	-	-	117,126	-	118,000	-	-	-	118,000	122,160
Unrestricted Contributions	-	-	247,306	-	-	247,306	-	-	49,800	-	-	49,800	289,681
Assets released from restriction	-	-	128,750	-	-	128,750	-	-	128,750	-	-	128,750	-
Other	65,386	3,132	12,487	571,584	(430,758)	221,831	64,660	3,375	12,487	559,186	(430,704)	209,004	106,264
Total operating revenue	7,678,207	630,376	388,543	571,584	(430,758)	8,837,952	7,631,989	631,602	191,037	559,186	(430,704)	8,583,110	7,866,082
Operating expenses:													
Health care services:													
Salaries, wages and purch. Labor	3,372,765	121,895	127,039	416,707	-	4,038,406	3,404,211	106,334	152,234	326,476	-	3,989,255	3,757,607
Employee benefits	706,831	22,203	37,002	104,666	-	870,702	821,085	28,242	44,364	91,896	-	985,587	787,405
Food	227,568	28,647	-	-	-	256,215	257,887	23,371	-	-	-	281,258	283,743
Medical care	247,227	-	-	-	-	247,227	230,396	-	-	-	-	230,396	179,378
Utilities	181,183	25,059	-	-	-	206,242	192,580	22,538	538	-	-	215,656	239,680
Repairs and maintenance	247,188	75,272	-	-	-	322,460	252,045	80,624	-	-	-	332,669	430,439
Supplies	166,067	11,973	-	-	-	178,040	151,275	8,467	-	-	-	159,742	161,459
Provider tax	85,822	-	-	-	-	85,822	93,177	-	-	-	-	93,177	77,058
Bad debts	31,248	-	-	-	-	31,248	31,248	-	-	-	-	31,248	43,003
Miscellaneous	864,758	86,087	83,266	91,777	(430,758)	695,130	918,933	68,710	112,033	114,155	(430,704)	783,127	566,107
Depreciation	669,825	159,027	726	15,051	-	844,629	669,825	159,027	726	15,051	-	844,629	844,585
Interest expense	195,503	51,006	-	-	-	246,509	206,922	67,986	-	-	-	274,908	250,651
Grant Distributions	-	-	1,748	-	-	1,748	-	-	3,000	-	-	3,000	2,000
Real estate taxes	96,552	75,044	-	-	-	171,596	71,274	79,470	-	-	-	150,744	148,168
Total operating expenses	7,092,537	656,213	249,781	628,201	(430,758)	8,195,974	7,300,858	644,769	312,895	547,578	(430,704)	8,375,396	7,771,283
Operating Income (Loss) - before other operating activities	585,670	(25,837)	138,762	(56,617)	-	641,978	331,131	(13,167)	(121,858)	11,608	-	207,714	94,799
Non Operating Income (Expense)													
Restricted Contributions	-	-	666,877	-	-	666,877	-	-	1,024,980	-	-	1,024,980	23,225
Assets released from restrictions	-	-	(128,750)	-	-	(128,750)	-	-	(128,750)	-	-	(128,750)	-
Loss on disposition of property	-	-	-	-	-	-	-	-	-	-	-	-	-
Restricted Grant Distribution	-	-	-	-	-	-	-	-	-	-	-	-	-
Development Costs	-	-	-	(13,593)	-	(13,593)	-	-	-	(118,728)	-	(118,728)	(47,589)
Investment in Affiliate	-	-	-	(63,472)	-	(63,472)	-	-	-	-	-	-	78,587
Loss on Refinance	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest/Dividend Income	-	-	79,980	-	-	79,980	-	-	-	-	-	-	87,443
Realized Investment Gains	-	-	(55,249)	-	-	(55,249)	-	-	-	-	-	-	758
Unrealized Investment Gains/(losses)	-	-	16,137	-	-	16,137	-	-	-	-	-	-	404,631
Change in Value of Swaps	(36,668)	(136,348)	-	-	-	(173,016)	-	-	-	-	-	-	(6,403)
Change in Net Assets	549,002	(162,185)	717,757	(133,682)	-	970,892	331,131	(13,167)	774,372	(107,120)	-	985,216	635,451

UNITED METHODIST RETIREMENT COMMUNITIES, INC.
OBLIGATED GROUP
STATEMENT OF CASH FLOWS
YEAR ENDED 3/31/2016

CASH FLOWS FROM OPERATING ACTIVITIES	
Increase in net assets	970,890
Adjustments to reconcile increase in net assets to net cash from operating activities:	
Change in value of beneficial interest in perpetual trusts	-
Depreciation	844,629
Amortization of Deferred Life Lease Revenue	(117,126)
Amortization of bond issue costs	10,844
Realized and unrealized (gains)/loss on investments	39,112
Loss on disposal of fixed assets	-
Bad debt expense	31,248
Decrease (Increase) in operating assets:	
Accounts receivable	228,477
Prepaid expenses and other current assets	(219,402)
Contribution receivable	(824,242)
Increase (decrease) in operating liabilities:	
Accounts payable	59,972
Accrued and other liabilities	484,148
Interest Rate Swap	173,016
Liability under split-interest agreements	(5,898)
Net cash provided by operating activities	<u>1,675,668</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Additions to property and equipment	(234,511)
Change in escrows and reserves	(580,938)
Purchase of investments	(138,957)
Proceeds from sale of investments	-
Investment in related organizations	<u>(104,523)</u>
Net cash used in investing activities	<u>(1,058,929)</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Proceeds from Cedars of Dexter Life Leases	312,924
Refunds of life lease entrance fees	(298,212)
Proceeds from issuance of debt	-
Principal payments on long-term debt	(230,715)
Net cash provided by (used in) financing activities	<u>(216,003)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	400,736
CASH AND CASH EQUIVALENTS - Beginning of year	<u>5,025,234</u>
CASH AND CASH EQUIVALENTS - End of period	<u>5,425,970</u>

**United Methodist Retirement Communities
 Census Report - Attachment to Exhibit C
 Chelsea Retirement Community (CRC)**

Mar-16

Location	2016 Budget	Mar-16 Actual	Variance	Mar-15 Actual	Variance		YTD 2016 Budget	YTD 2016 Actual	Variance	YTD 2015 Actual	Variance
CRC Independent Living											
Average Census	108.00	113.29	5.29	108.77	4.52		108.00	115.29	7.29	108.18	7.11
Average Occupancy %	88.52%	92.86%	4.34%	89.16%	3.70%		88.52%	94.50%	5.97%	88.67%	5.83%
Resident Days	3,348	3,512	164	3,372	140		9,828	10,491	663	9,736	755
CRC Glazier AL/Commons											
Average Census	62.00	62.77	0.77	60.42	2.35		62.00	64.59	2.59	59.73	4.86
Average Occupancy %	93.94%	95.11%	1.17%	91.54%	3.57%		93.94%	97.87%	3.93%	90.51%	7.36%
Resident Days	1,922	1,946	24	1,873	73		5,642	5,878	236	5,376	502
Towsley Village											
Average Census	81.00	85.74	4.74	75.29	10.45		81.00	86.13	5.13	77.56	8.57
Average Occupancy %	90.00%	95.27%	5.27%	87.55%	7.72%		90.00%	95.70%	5.70%	90.18%	5.52%
Resident Days	2,511	2,658	147	2,334	324		7,371	7,838	467	6,980	858
Kresge Nursing											
Average Census	78.50	78.35	-0.15	74.45	3.90		78.50	75.60	-2.90	77.78	-2.17
Average Occupancy %	92.35%	92.18%	-0.17%	87.59%	4.59%		92.35%	88.95%	-3.41%	91.50%	-2.56%
Resident Days											
Private	465	252	-213	415	-163		1,365	856	-509	1,462	-606
Medicaid	698	856	158	695	161		2,048	2,467	419	2,049	418
Medicare	837	839	2	847	-8		2,457	2,233	-224	2,179	54
Medicare HMO	372	408	36	321	87		1,092	1,053	-39	1,168	-115
Commercial Ins	62	74	13	30	44		182	271	90	142	129
Total	2,434	2,429	-5	2,308	121		7,144	6,880	-264	7,000	-120

Census	
YTD 2016	Mar-16
94.83%	94.48%
YTD 2015	Mar-15
92.72%	90.44%

The Cedars of Dexter Independent Living

Capacity	2016 Budget	Mar-16 Actual	Variance	Mar-15 Actual	Variance		YTD 2016 Budget	YTD 2016 Actual	Variance	YTD 2015 Actual	Variance
Average Census	59.00	59.50	0.50	60.00	-0.50		59.00	59.50	0.50	59.67	-0.17
Average Occupancy %	98.33%	99.17%	0.83%	100.00%	-0.83%		98.33%	99.17%	0.83%	99.45%	-0.28%

UNITED METHODIST RETIREMENT COMMUNITIES, INC. OBLIGATED GROUP

Exhibit A - Schedule 1

Debt Service Coverage Ratio	
Rolling 4 quarter basis (10/1/14-9/30/15)	
Change in Unrestricted Net Assets	273,238
Plus:	
Entrance Fees Received	1,086,535
Depreciation, Amortization	3,302,705
Interest Expense	1,019,509
Other Adjustments	
Unrealized (Gains) / Losses in Investments	1,929,380
Unrealized (Gains) / Losses in Joint Venture	60,239
Change in Value of Swap	278,166
Loss on advanced refunding	15,725
Less:	
Refunds on Entrance Fees	(715,812)
Initial Entrance Fees	(1,086,535)
Amortization of Entrance Fees	(569,527)
Net Income Available for Debt Service	5,593,623
Historical Annual Debt Service Requirement:	2,052,457
Historical Debt Service Coverage Ratio	2.73
Liquidity Ratio	
(i) Unrestricted Cash and Investments	26,387,375
(ii) Operating Expenses (incl. dev. Exp)	32,322,362
Less:	
Depreciation Expense	(3,302,705)
Bad Debt Expense	(191,764)
Adjusted Expenses	28,827,893
(iii) Adjusted Expenses / 365	78,981
(i) / (iii) Days Cash on Hand	334.10