

United Methodist Retirement Communities, Inc.
2nd 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 six months ended June 30, 2016**.

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.

2nd 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. UMRC divested of its membership interest in June 2016 with a refund of the original purchase price. 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, located in Lansing, MI. Senior CommUnity Care operates a PACE program serving Ingham, Clinton and Eaton Counties and opened Spring 2015.
 - UMRC has an 80% controlling financial interest in The Cascade PACE, Inc. d/b/a Thome PACE that is located in Jackson, Michigan. Thome PACE operates a PACE program serving in Jackson, Lenawee and Hillsdale Counties and 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%	93.7%	5.2%	89.1%	4.6%
CRC Assisted Living (156 units)	91.7%	96.1%	4.4%	89.2%	6.9%
CRC Skilled Nursing (85 beds)	92.4%	88.8%	(3.6%)	92.1%	(3.3%)
Cedars of Dexter – Ind. Living (60 units)	98.3%	99.2%	0.9%	99.7%	(0.5%)

United Methodist Retirement Communities, Inc.
2nd Quarter 2016 Management Discussion of Financial Performance and Position

In aggregate, census is approximately 2.8% over budget and 3.7% above last year.

Revenue

Overall operating revenue is 2.0%, or \$325k, over budget.

- Census higher than budget resulted in resident revenue \$73K (.5%) 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 \$233K above budget.
- Other revenue is \$37K over budget due to interim affiliate work taken on during 2016.

Expenses

Overall operating expenses are 1.4% below budget. Key variances include:

- Wages are \$97K (1.2%) over budget due to higher census.
- Employee benefits are \$271K (13%) below budget due to lower health insurance costs than planned and an adjustment related to prior bills.
- Food costs are \$45K (8%) below budget as a result of a change over from contracted services to in-house run dining services as of fall 2015.
- Provider tax is 8% below budget due lower than planned rates as part of 2016 UMRC budget process.
- Interest expense is 7% 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 interest/dividend income, realized and unrealized investment returns, 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 equal to budget. Budget for the year is anticipated to be achieved, however, actual receipt of large donations (either in cash or pledge) do not occur evenly throughout the year.
- Net development costs are \$200,000 under budget due less than expected time spent on development projects in Q1/Q2 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

United Methodist Retirement Communities, Inc.
2nd Quarter 2016 Management Discussion of Financial Performance and Position

for Senior CommUnity Care and 2019 for Thome PACE. Additionally, the investment in Caring Partners Home Health was sold in June 2016 for \$1.3M.

- Loss in value of swap driven is mainly by market conditions. Over time this should return to \$0 and is the result of a 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%	7.2%	-0.1%	4.0%
Net Operating Margin Ratio	11.8%	14.8%	6.2%	10.8%
Days Cash on Hand	330	364	272	418
Days in A/R (net of allowances)	25.8	21.5	21	13
Average Age of Plant	12.7	12.9	12.9	11.2
LTD as a % of Total Capital Ratio (rolling 4 quarter)	37.2%	36.0%	76.2%	52.4%
Debt Service Coverage Ratio	3.0	3.5	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.
- 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 in A/R.
- Average age of plant is consistent with the median of peer organizations.
- Long-term debt to capital and debt service coverage are better than the 75th percentile of peer organizations, indicating relatively low debt leverage.
- 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 30, 2016, 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 \$7.9M, 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.
2nd 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, that were used to partially fund the construction of the Cedars of Dexter. 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 2015 that essentially fixed the interest rate at 2.795 percent on 50 percent of the principal balance of the series 2014 bonds. The interest rate swap expires December 15, 2024.
- 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 June 30, 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, June 30, 2016.

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

	ASSETS		LIABILITIES AND NET ASSETS	
	<u>6/30/2016</u>	<u>12/31/2015</u>		
	<u>6/30/2016</u>	<u>12/31/2015</u>	<u>6/30/2016</u>	<u>12/31/2015</u>
CURRENT ASSETS			CURRENT LIABILITIES	
Cash and cash equivalents	7,152,295	5,025,234	Current portion of long-term debt	1,098,454
Cash held in escrow	86,991	291,206	Life Lease Deposits	94,052
Contributions Receivable - Current	2,328,286	260,337	Accounts payable	1,130,361
Due from Affiliate	260,967	131,302	Due to Affiliate	-
Accounts Receivable	1,848,705	2,170,252	Accrued and other liabilities	1,429,540
Investments	22,056,586	21,526,902	Deferred Life Lease Revenue	2,885,009
Assets limited as to use	294,896	109,053	Liability under split-interest agreements	30,698
Prepaid expenses and other current assets	621,132	699,410	Total current liabilities	6,668,114
Total current assets	34,649,858	30,213,696		
			LONG TERM DEBT	28,604,235
CONTRIBUTIONS RECEIVABLE	741,548	666,650		29,060,344
			REFUNDABLE LIFE LEASE PROCEEDS	8,187,370
INVESTMENTS	4,418,253	4,418,253		8,470,063
			INTEREST RATE SWAP	465,950
CEDARS OF DEXTER CONTINGENCY FUND	1,606,746	1,605,587		218,826
			LIABILITY UNDER SPLIT-INTEREST AGREEMENTS	143,059
LIMITED USE FUNDS			Total liabilities	44,068,728
Debt Service Reserve Fund	809,788	809,788		44,295,227
Restricted Deposit	250,000	250,000	NET ASSETS	
Total Limited Use Funds	1,059,788	1,059,788	Unrestricted:	
			Undesignated	30,044,433
PROPERTY AND EQUIPMENT	52,875,330	53,371,525	Board designated	21,143,885
			Total unrestricted	51,188,318
OTHER ASSETS			Restricted:	
Loan to Affiliate	1,015,288	833,019	Temporarily restricted	2,221,219
Bond issue costs & Bond Discount	881,279	902,968	Permanently restricted	4,341,723
Pledged Assets held by Affiliate	-	-	Total restricted	6,562,942
Investment in Affiliate	4,202,920	6,531,611		
Beneficial Interest in Perpetual Trusts	368,978	368,978	Total net assets	57,751,260
Total other assets	6,468,465	8,636,576		55,676,848
			Total liabilities and net assets	101,819,988
Total assets	101,819,988	99,972,075		99,972,075

UNITED METHODIST RETIREMENT COMMUNITIES, INC. OBLIGATED GROUP

COMBINING STATEMENT OF OPERATIONS

6/30/2016

**6/30/2015
Actual**

	Actual						Budget						
	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	14,653,764	1,028,729	-	-	-	15,682,493	14,583,849	1,025,881	-	-	-	15,609,730	14,991,011
Life Lease revenue	-	285,927	-	-	-	285,927	-	276,000	-	-	-	276,000	336,889
Unrestricted Contributions	-	-	332,966	-	-	332,966	-	-	99,600	-	-	99,600	463,913
Assets released from restriction	-	-	257,500	-	-	257,500	-	-	257,500	-	-	257,500	250,000
Other	143,877	7,050	25,000	1,148,076	(861,516)	462,487	129,321	6,750	25,000	1,125,919	(861,408)	425,582	131,670
Total operating revenue	14,797,641	1,321,706	615,466	1,148,076	(861,516)	17,021,373	14,713,170	1,308,631	382,100	1,125,919	(861,408)	16,668,412	16,173,483
Operating expenses:													
Health care services:													
Salaries, wages and purch. Labor	6,733,480	235,564	260,419	820,060	-	8,049,523	6,784,360	211,659	304,468	652,953	-	7,953,440	7,794,712
Employee benefits	1,441,805	43,364	82,260	215,522	-	1,782,951	1,708,082	58,675	93,015	194,201	-	2,053,973	1,646,136
Food	461,667	55,507	-	-	-	517,174	515,773	46,741	-	-	-	562,514	556,193
Medical care	474,952	-	-	-	-	474,952	460,781	-	-	-	-	460,781	413,232
Utilities	389,806	52,359	-	-	-	442,165	402,084	48,134	-	-	-	450,218	490,050
Repairs and maintenance	491,520	136,008	-	-	-	627,528	494,090	119,332	-	-	-	613,422	793,347
Supplies	317,728	21,545	12,363	32,465	-	384,101	302,551	16,934	25,998	27,350	-	372,833	345,283
Provider tax	171,645	-	-	-	-	171,645	186,354	-	-	-	-	186,354	154,115
Bad debts	70,080	-	-	-	-	70,080	62,496	-	-	-	-	62,496	86,066
Miscellaneous	1,309,471	158,557	167,992	167,941	(861,516)	942,445	1,252,353	153,168	209,527	231,707	(861,408)	985,347	964,124
Depreciation	1,339,650	318,054	1,452	30,102	-	1,689,258	1,339,650	318,054	1,452	30,102	-	1,689,258	1,652,019
Interest expense	391,768	122,172	-	-	-	513,940	413,844	135,972	-	-	-	549,816	509,204
Grant Distributions	-	-	19,496	-	-	19,496	-	-	20,000	-	-	20,000	16,824
Real estate taxes	193,104	150,089	-	-	-	343,193	142,548	158,940	-	-	-	301,488	296,336
Total operating expenses	13,786,676	1,293,219	543,982	1,266,090	(861,516)	16,028,451	14,064,966	1,267,609	654,460	1,136,313	(861,408)	16,261,940	15,717,641
Operating Income (Loss) - before other operating activities	1,010,965	28,487	71,484	(118,014)	-	992,922	648,204	41,022	(272,360)	(10,394)	-	406,472	455,842
Non Operating Income (Expense)													
Restricted Contributions	-	-	2,152,798	-	-	2,152,798	-	-	2,149,960	-	-	2,149,960	2,184,861
Assets released from restrictions	-	-	(257,500)	-	-	(257,500)	-	-	(257,500)	-	-	(257,500)	(250,000)
Loss on disposition of property	-	-	-	-	-	-	-	-	-	-	-	-	-
Restricted Grant Distribution	-	-	-	-	-	-	-	-	-	-	-	-	(2,000,000)
Development Costs	-	-	-	(92,765)	-	(92,765)	-	-	-	(302,688)	-	(302,688)	(123,980)
Investment in Affiliate	-	-	-	(949,395)	-	(949,395)	-	-	-	-	-	-	(134,044)
Loss on Refinance	-	-	-	-	-	-	-	-	-	-	-	-	(9,427)
Interest/Dividend Income	-	-	88,850	-	-	88,850	-	-	-	-	-	-	156,168
Realized Investment Gains	-	-	-	-	-	-	-	-	-	-	-	-	367,319
Unrealized Investment Gains/(losses)	-	-	386,625	-	-	386,625	-	-	-	-	-	-	74,985
Change in Value of Swaps	(45,897)	(201,228)	-	-	-	(247,125)	-	-	-	-	-	-	22,626
Change in Net Assets	965,068	(172,741)	2,442,257	(1,160,174)	-	2,074,410	648,204	41,022	1,620,100	(313,082)	-	1,996,244	744,350

UNITED METHODIST RETIREMENT COMMUNITIES, INC.
OBLIGATED GROUP
STATEMENT OF CASH FLOWS
YEAR ENDED 6/30/2016

CASH FLOWS FROM OPERATING ACTIVITIES	
Increase in net assets	2,074,412
Adjustments to reconcile increase in net assets to net cash from operating activities:	
Change in value of beneficial interest in perpetual trusts	-
Depreciation	1,689,258
Amortization of Deferred Life Lease Revenue	(285,927)
Amortization of bond issue costs	21,689
Realized and unrealized (gains)/loss on investments	(386,625)
Loss on disposal of fixed assets	-
Bad debt expense	70,080
Decrease (Increase) in operating assets:	
Accounts receivable	251,467
Prepaid expenses and other current assets	78,278
Contribution receivable	(2,142,847)
Increase (decrease) in operating liabilities:	
Accounts payable	234,317
Accrued and other liabilities	59,709
Interest Rate Swap	247,124
Liability under split-interest agreements	(13,593)
Net cash provided by operating activities	<u>1,897,342</u>
 CASH FLOWS FROM INVESTING ACTIVITIES	
Additions to property and equipment	(1,193,063)
Change in escrows and reserves	17,213
Purchase of investments	(143,059)
Proceeds from sale of investments	-
Investment in related organizations	<u>2,016,757</u>
Net cash used in investing activities	<u>697,848</u>
 CASH FLOWS FROM FINANCING ACTIVITIES	
Proceeds from life lease entrance fees	514,252
Refunds of life lease entrance fees	(526,272)
Proceeds from issuance of debt	-
Principal payments on long-term debt	(456,109)
Net cash provided by (used in) financing activities	<u>(468,129)</u>
 NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>2,127,061</u>
CASH AND CASH EQUIVALENTS - Beginning of year	<u>5,025,234</u>
 CASH AND CASH EQUIVALENTS - End of period	<u>7,152,295</u>

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

Jun-16

Location	2016 Budget	Jun-16 Actual	Variance	Jun-15 Actual	Variance		YTD 2016 Budget	YTD 2016 Actual	Variance	YTD 2015 Actual	Variance
CRC Independent Living											
Average Census	108.00	115.10	7.10	110.33	4.77		108.00	114.35	6.35	108.72	5.62
Average Occupancy %	88.52%	94.34%	5.82%	90.44%	3.90%		88.52%	93.73%	5.20%	89.12%	4.61%
Resident Days	3,240	3,453	213	3,310	143		19,656	20,811	1,155	19,679	1,132
CRC Glazier AL/Commons											
Average Census	62.00	63.50	1.50	60.50	3.00		62.00	63.48	1.48	60.23	3.25
Average Occupancy %	93.94%	96.21%	2.27%	91.67%	4.54%		93.94%	96.18%	2.24%	91.25%	4.93%
Resident Days	1,860	1,905	45	1,815	90		11,284	11,553	269	10,901	652
Towsley Village											
Average Census	81.00	86.63	5.63	83.83	2.80		81.00	86.38	5.38	78.94	7.43
Average Occupancy %	90.00%	96.26%	6.26%	93.14%	3.11%		90.00%	95.98%	5.98%	87.72%	8.26%
Resident Days	2,430	2,599	169	2,515	84		14,742	15,721	979	14,289	1,432
Kresge Nursing											
Average Census	78.50	72.57	-5.93	79.23	-6.67		78.51	75.48	-3.03	78.28	-2.80
Average Occupancy %	92.35%	85.37%	-6.98%	93.22%	-7.84%		92.36%	88.80%	-3.56%	92.10%	-3.30%
Resident Days											
Private	450	531	81	417	114		2,730	1,929	-801	2,800	-871
Medicaid	675	622	-53	651	-29		4,096	4,758	662	3,922	836
Medicare	810	702	-108	973	-271		4,914	4,621	-293	5,103	-482
Medicare HMO	360	247	-113	262	-15		2,184	2,022	-162	2,027	-5
Commercial Ins	60	75	15	74	1		364	407	43	317	90
Total	2,355	2,177	-178	2,377	-200		14,288	13,737	-551	14,169	-432

Census	
YTD 2016	Jun-16
94.38%	93.75%
YTD 2015	Jun-15
91.25%	93.12%

The Cedars of Dexter Independent Living

Capacity							60				
Average Census	59.00	58.77	-0.23	60.00	-1.23		59.00	59.54	0.54	59.83	-0.29
Average Occupancy %	98.33%	97.95%	-0.38%	100.00%	-2.05%		98.33%	99.23%	0.90%	99.72%	-0.48%

UNITED METHODIST RETIREMENT COMMUNITIES, INC. OBLIGATED GROUP

Exhibit A - Schedule 1

Debt Service Coverage Ratio	
Rolling 4 quarter basis (7/1/15-6/30/16)	
Change in Unrestricted Net Assets	745,558
Plus:	
Entrance Fees Received	731,455
Depreciation, Amortization	3,381,523
Interest Expense	986,764
Other Adjustments	
Unrealized (Gains) / Losses in Investments	1,684,368
Unrealized (Gains) / Losses in Joint Venture	1,261,833
Change in Value of Swap	381,304
Loss on advanced refunding	6,298
Less:	
Refunds on Entrance Fees	(807,056)
Initial Entrance Fees	(731,455)
Amortization of Entrance Fees	(523,599)
Net Income Available for Debt Service	7,116,993
Historical Annual Debt Service Requirement:	2,109,269
Historical Debt Service Coverage Ratio	3.37
Liquidity Ratio	
(i) Unrestricted Cash and Investments	28,452,950
(ii) Operating Expenses (incl. dev. Exp)	32,208,481
Less:	
Depreciation Expense	(3,381,523)
Bad Debt Expense	(187,533)
Adjusted Expenses	28,639,425
(iii) Adjusted Expenses / 365	78,464
(i) / (iii) Days Cash on Hand	362.62