

KEY INDICATORS REPORT



Date Prepared: 11/21/2022

899 Charleston DBA: Moldaw Residences

Elyse Gerson - CEO, Executive Director

Please attach an explanatory memo that summarizes significant trends or variances in the key operational indicators.

OPERATIONAL STATISTICS

1. Average Annual Occupancy by Site (%)

MARGIN (PROFITABILITY) INDICATORS

2. Net Operating Margin (%)

3. Net Operating Margin - Adjusted (%)

LIQUIDITY INDICATORS

4. Unrestricted Cash and Investments (\$000)

5. Days Cash on Hand (Unrestricted)

CAPITAL STRUCTURE INDICATORS

6. Deferred Revenue from Entrance Fees (\$000)

7. Net Annual E/F proceeds (\$000)

8. Unrestricted Net Assets (\$000)

9. Annual Capital Asset Expenditure (\$000)

10. Annual Debt Service Coverage
Revenue Basis (x)

11. Annual Debt Service Coverage (x)

12. Annual Debt Service/Revenue (%)

13. Average Annual Effective Interest Rate (%)

14. Unrestricted Cash & Investments/LT Debt (%)

15. Average Age of Facility (years)

	2018	2019	2020	2021	2022	Projected	Forecast				Preferred Trend Indicator
						2023	2024	2025	2026	2027	
1. Average Annual Occupancy by Site (%)	98.19%	97.15%	94.82%	88.60%	80.83%	79.53%	89.64%	97.41%	97.41%	97.41%	N/A
2. Net Operating Margin (%)	25.84%	24.63%	18.59%	11.90%	-6.52%	4.79%	5.71%	6.62%	7.51%	8.40%	↑
3. Net Operating Margin - Adjusted (%)	38.29%	46.37%	37.00%	24.93%	18.95%	32.10%	25.74%	26.46%	27.16%	27.86%	↑
4. Unrestricted Cash and Investments (\$000)	\$20,352	\$24,090	\$26,210	\$24,863	\$21,773	\$26,536	\$24,370	\$22,191	\$19,998	\$17,786	↑
5. Days Cash on Hand (Unrestricted)	555	635	658	602	487	596	536	479	422	368	↑
6. Deferred Revenue from Entrance Fees (\$000)	\$2,799	\$2,248	\$2,791	\$2,608	\$2,089	\$1,351	\$1,405	\$1,461	\$1,520	\$1,581	N/A
7. Net Annual E/F proceeds (\$000)	\$2,647	\$5,528	\$3,961	\$2,284	\$3,796	\$5,431	\$3,789	\$3,941	\$4,098	\$4,262	N/A
8. Unrestricted Net Assets (\$000)	-\$48,597	-\$50,881	-\$52,532	-\$55,579	-\$59,842	-\$64,061	-\$68,237	-\$72,372	-\$76,466	-\$80,519	N/A
9. Annual Capital Asset Expenditure (\$000)	\$498	\$449	\$535	\$1,821	\$1,392	\$1,283	\$1,334	\$1,388	\$1,443	\$1,501	N/A
10. Annual Debt Service Coverage Revenue Basis (x)	1.41	1.37	1.23	1.13	0.61	0.57	0.57	0.57	0.56	0.56	↑
11. Annual Debt Service Coverage (x)	1.38	2.11	1.48	1.06	0.97	1.38	1.04	1.06	1.08	1.09	↑
12. Annual Debt Service/Revenue (%)	27.15%	26.72%	27.57%	27.19%	33.22%	33.97%	32.65%	31.39%	30.17%	29.00%	↓
13. Average Annual Effective Interest Rate (%)	4.92%	4.98%	5.00%	5.01%	5.03%	5.08%	5.13%	5.18%	5.24%	5.30%	↓
14. Unrestricted Cash & Investments/LT Debt (%)	27.97%	33.92%	37.83%	36.33%	32.24%	40.27%	37.95%	35.51%	32.95%	30.22%	↑
15. Average Age of Facility (years)	8.79	9.75	11.86	13.31	14.69	15.69	16.69	17.69	18.69	19.69	↓

KEY INDICATORS REPORT

Moldaw Residences

Please attach an explanatory memo that summarizes significant trends or variances in the key operational indicators.

FORMULA	2018	2019	2020	2021	2022	Budgeted	Forecast					Preferred Trend Indicator
						2023	2024	2025	2026	2027		
OPERATIONAL STATISTICS												
1. Average Annual Occupancy by Site (%)	$\frac{\text{total occupied units @ 7/1} + \text{total occupied units @ 6/30/2}}{\text{total number of units at the community}}$	98%	97%	95%	89%	81%	80%	90%	97%	97%	97%	N/A
	BB occupancy	191.00	188.00	187.00	179.00	163.00	149.00	158.00	188.00	188.00	188.00	
	EB occupancy	188.00	187.00	179.00	163.00	149.00	158.00	188.00	188.00	188.00	188.00	
	Average occupancy	189.50	187.50	183.00	171.00	156.00	153.50	173.00	188.00	188.00	188.00	
	Total available occupancy	193.00	193.00	193.00	193.00	193.00	193.00	193.00	193.00	193.00	193.00	
MARGIN (PROFITABILITY) INDICATORS												
2. Net Operating Margin (%)	Resident revenue exclude EF amortization income	13,121	13,631	13,556	13,155	12,076	13,506	14,047	14,609	15,193	15,801	↑
	less resident expenses excluding depreciation & amortization	(9,731)	(10,274)	(11,036)	(11,590)	(12,863)	(12,859)	(13,245)	(13,642)	(14,051)	(14,473)	
	= net resident operating INCOME	3,390	3,357	2,520	1,565	(787)	648	802	967	1,142	1,328	
	Resident revenue	13,121	13,631	13,556	13,155	12,076	13,506	14,047	14,609	15,193	15,801	
LIQUIDITY INDICATORS												
3. Net Operating Margin - Adjusted (%)	$\frac{\text{Resident revenue} + \text{Net Proceed from EF} - \text{Resident Expenses}}{\text{Resident revenue} + \text{Net Proceeds from EF}}$	38.3%	46.4%	37.0%	24.9%	19.0%	32.1%	25.7%	26.5%	27.2%	27.9%	↑
	Resident revenue	13,121	13,631	13,556	13,155	12,076	13,506	14,047	14,609	15,193	15,801	
	Net proceed from EF	2,647	5,528	3,961	2,284	3,796	5,431	3,789	3,941	4,098	4,262	
	Less: Resident Expenses	(9,731)	(10,274)	(11,036)	(11,590)	(12,863)	(12,859)	(13,245)	(13,642)	(14,051)	(14,473)	
		6,037	8,885	6,481	3,850	3,008	6,079	4,591	4,907	5,240	5,590	
4. Unrestricted Cash and Investments (\$000)		20,352	24,090	26,210	24,863	21,773	26,536	24,370	22,191	19,998	17,786	↑
5. Days Cash on Hand (Unrestricted)		555	635	658	602	487	556	536	479	422	368	↑
	Unrestricted cash and investment	row 39	20,352	24,090	26,210	24,863	21,773	26,536	24,370	22,191	19,998	17,786
	(Operating expenses - depreciation and amortization)/365	row 49	36.68	37.96	39.81	41.31	44.67	44.52	45.43	46.37	47.33	48.32
	Operating resident expenses		9,731	10,274	11,036	11,590	12,863	12,859	13,245	13,642	14,051	14,473
	Interest expense, and LOC and other fees	Modified to reflect refinancing	3,656	3,579	3,535	3,489	3,442	3,391	3,339	3,283	3,225	3,164
			13,387	13,852	14,572	15,080	16,305	16,250	16,583	16,925	17,276	17,637
CAPITAL STRUCTURE INDICATORS												
6. Deferred Revenue from Entrance Fees (\$000)		2,799	2,248	2,791	2,608	2,089	1,351	1,405	1,461	1,520	1,581	N/A
7. Net Annual E/F proceeds (\$000)		2,647	5,528	3,961	2,284	3,796	5,431	3,789	3,941	4,098	4,262	N/A
8. Unrestricted Net Assets (\$000)		(48,597)	(50,881)	(52,532)	(55,579)	(59,842)	(64,061)	(68,237)	(72,372)	(76,466)	(80,519)	N/A
9. Annual Capital Asset Expenditure (\$000)		498	449	535	1,821	1,392	1,283	1,334	1,388	1,443	1,501	N/A
10. Annual Debt Service Coverage Revenue Basis (x)		1.41	1.37	1.23	1.13	0.61	0.57	0.57	0.57	0.56	0.56	

Link to Row 11

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Attachment to Key Indicator Report

OPERATIONAL STATISTICS

1. Average Annual Occupancy by Site (%)

Historically, there have been sales each year in the range of 12 or 13 units, which matched the vacancies; in other words, occupancy levels were maintained for approximately five years prior to the onset of the pandemic. As we have previously reported, due to deaths and the impact of the pandemic on sales efforts, we have gone through a period of high attrition during FY21 and FY22 which diminished our occupancy from 96% in FY20 to 77% by the end of FY22. At the start of FY23, there were 39 vacancies in independent living. FY23 occupancy is expected to rebound to 80% by the end of the fiscal year.

MARGIN (PROFITABILITY) INDICATORS

2. Net Operating Margin (%)

The budgeted improvement in financial performance is driven by increases in resident fees and a net 6 unit increase in independent living occupancy, offset by a 7% increase in operating expense.

3. Net Operating Margin - Adjusted (%)

Includes net proceeds from Entrance Fees which include fees received from re-occupancy of units, net of refunds. FY22 margin was impacted by the unusual repayment of one entrance fee of \$1.5 million within 90 days of occupancy with no corresponding receipt. FY23 is expected to be a rebound year with 23 sales of units budgeted.

LIQUIDITY INDICATORS

4. Unrestricted Cash and Investments (\$000)

Cash generated by operations expected to increase in FY23 as 23 resales are planned resulting in a net 6 unit increase in independent living

5. Days Cash on Hand (Unrestricted)

Days cash on hand expected to increase in FY23 due to elevated number of sales.

CAPITAL STRUCTURE INDICATORS

6. Deferred Revenue from Entrance Fees (\$000)

Amortization of the non-refundable portion of entrance fees based on resident's life expectancy. FY23 is lower and will be until occupancy is rebuilt.

7. Net Annual E/F proceeds (\$000)

Includes net entrance fees received from re-occupancy, calculated as entrance fees collected on resold units less refund paid to prior resident. Expected to increase in FY23 due to a higher than typical planned number of sales.

8. Unrestricted Net Assets (\$000)

Change reflects expected gain/loss from operations

9. Annual Capital Asset Expenditure (\$000)

In FY23, \$973k is planned to for facility upgrades, most of which will be appliance and HVAC turnover. \$310k is planned for IT improvements.

10. Annual Debt Service Coverage - Revenue Basis (x)

Expected to trend downward starting in FY23 due to an increase in debt service principal payments

11. Annual Debt Service Coverage (x)

Expecting increase from FY22 driven by improved operating margin and occupancy growth from sales.

12. Annual Debt Service/Revenue (%)

No significant changes in trend

13. Average Annual Effective Interest Rate (%)

No significant changes in trend

14. Unrestricted Cash & Investments/LT Debt (%)

The upward trending relates to projected increases in unrestricted cash and investments coupled with principle payments that reduce debt balances

15. Average Age of Facility (years)

No major renovations planned as facility is relatively new, appliance and HVAC turnover are major drivers of age related spending.