FORM 7-1 MONTHLY CARE FEE INCREASE (MCFI)
ANNUAL REPORTING YEAR - FY 2019

Line	Fiscal Years	2017	2018	2019
1	FY 2017 Operating Expenses (Note 1)	(43,422,428)		
2	FY 2018 Operating Expenses (Note 1)		(45,647,769)	
3	FY 2019 Projected Operating Expenses (Note 1)			(48,799,231)
4	FY 2019 Anticipated MCF Revenue Based on Current and Projected Occupancy and Other without a MCFI			46,656,143
5	Projected FY 2019 Net Operating Results without an MCFI (Line 3 plus Line 4)			(2,143,088)
6	Projected FY 2019 MCF Revenue Based on Current and Projected Occupancy and Other with a MCFI of 4.50%			48,401,814
7	Grand Total - Projected FY 2019 Net Operating Activity after 4.50% MCFI (Line 3 plus Line 6)			(397,417)

Monthly Care Fee Increase - 4.50%

Note 1: Certain adjustments must be made to total expenses to arrive at operating expenses which are considered when evaluating monthly fee increases. These adjustments are as follows:

	2017	2018	2019
Total Expenses	44,040,857	54,062,082	61,989,236
Less - depreciation and amortization	(7,732,745)	(7,160,873)	(7,257,668)
Less - expenses specifically excluded from MCFI considerations (Note 2)	4,807,539	(3,724,810)	(8,455,623)
Add - funding of capital reserves	2,306,777	2,471,370	2,523,286
Total Operating Expenses above	**43,422,428**	**45,647,769**	**48,799,231**

Note 2: During 2017 and 2018, certain accounting adjustments were made to property tax accruals related to prior periods. The results of these adjustments reduced property tax expense during those periods. Apart from those adjustments, participating rent payments and certain other administrative costs are not considered in determining the monthly fee increase whereby they are excluded here.