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)	(34,753,890)		
2	FY 2018 Operating Expenses (Note 1)		(36,387,669)	
3	FY 2019 Projected Operating Expenses (Note 1)			(38,121,876)
4	FY 2019 Anticipated MCF Revenue Based on Current and Projected Occupancy and Other without a MCFI			36,905,101
5	Projected FY 2019 Net Operating Results without an MCFI (Line 3 plus Line 4)			(1,216,775)
6	Projected FY 2019 MCF Revenue Based on Current and Projected Occupancy and Other with a MCFI of 3.85%			38,159,821
7	Grand Total - Projected FY 2019 Net Operating Activity after 3.85% MCFI (Line 3 plus Line 6)			37,945

Monthly Care Fee Increase - 3.85%

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	45,417,818	48,101,152	50,123,911
Less - depreciation and amortization	(11,663,154)	(12,065,138)	(12,566,658)
Less - expenses specifically excluded from MCFI considerations	(397,404)	(1,092,748)	(961,970)
Add - funding of capital reserves	1,396,630	1,444,403	1,526,593
Total Operating Expenses above	**34,753,890**	**36,387,669**	**38,121,876**