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CHARITIES HOUSING

July 23, 2014

Mr. Felix Rellford, Principal Housing Planner
City of Milpitas
455 E. Calaveras Blvd.
Milpitas CA 95035

RE: Senior Housing Solutions Homes,
751 Vasona St. and 1170 N. Park Victoria, Milpitas

Dear Felix,

Thank you for meeting with the Housing Trust Silicon Valley, County of Santa Clara, various City representatives and Charities Housing recently, to discuss the status and process for transitioning the Senior Housing Solutions homes to Charities Housing (Charities). As was discussed Senior Housing Solutions (SHS) has been struggling financially the past few years and has finally decided to wind-down their organization. SHS currently owns 11 single family homes, located in 6 cities within Santa Clara County. Each home houses between 4 and 5 extremely low or very low income seniors. Each senior rents a bedroom and shares the balance of the home. Of the 11 homes, 8 homes were awarded project based Section 8 subsidies, from the Housing Authority of the County of Santa Clara. This subsidy, combined with the minimal rents paid by the seniors, results in sufficient cash flow to enable the properties to operate with a small positive cash flow.

Two homes in Milpitas and 1 home in Cupertino unfortunately never received Project Based Section 8 subsidies. As a result these properties operate at a substantial deficit. Under the SHS model, these deficit properties were subsidized with the positive cash flow from the other 8 homes. Now as the SHS portfolio is assumed by Charities, the cities in which the homes with Section 8 subsidies are located, have decided that they no longer want the positive cash flow generated by their homes, to subsidize the deficit properties. As a result we have approached the cities of Cupertino and Milpitas to request that they subsidize the homes located in each of their communities for 15 years.

The City of Cupertino recently determined that they will maintain their home and have approved a grant of \$251,635, to be disbursed over two years. This grant provides a small amount of funding to pay for costs associated with the property transfer as well as to subsidize the operation for 15 years.

Charities prepared a similar analysis for the City of Milpitas and determined the total cost to subsidize its two homes over 15 years is roughly \$459,000. In addition there is approximately \$97,400 in additional costs associated with the transfer of the properties and to correct deficiencies, identified in the Physical Needs Assessments, as items needing immediate attention. The total commitment by the city would be \$556,400. If the city chooses to fund these costs, the timing of the distribution of funds can be determined by the City. However Charities is asking that the City make an up-front commitment to provide the full \$459,000 to subsidize the cash flow for the next 15 years.

The rents for the 10 seniors living in the two Milpitas homes range between \$200 and \$400 a month. The income generated from these extremely affordable rents resulted in the homes having a short fall in

operating funds of approximately \$23,000 annually. SHS originally intended to cover this operational shortfall with grants and other fundraising efforts. When that was unsuccessful, SHS relied on the positive cash flow, generate from the other properties in the SHS portfolio. We have estimated that during the past 8 years that the Vasona home and the 4 years the N. Park Victoria home has been in operation, the subsidy provided by the other jurisdictions, with homes in the SHS portfolio is roughly \$185,000.

The funds being requested of the City of Milpitas will be used not only to pay for the on-going operating costs of these two homes for the next 15 years, but will also be used to rectify some operational decisions made by SHS that in our opinion jeopardize the long term viability of these assets. Charities will establish a replacement reserve which will be used to make capital improvements to the properties as required over the next 15 years. Additionally, Charities will establish a reserve for resident deposits, as required by regulation.

City of Milpitas has the option of not funding the long term operation of these homes. If that decision were to be made, Senior Housing Solutions will return the properties to the City. As the first lien holder, it will be the City's responsibility to negotiate with the Housing Trust Silicon Valley and the County of Santa Clara regarding the disposition of the loans that were made by these entities, to assist in the purchase and/or rehabilitation of the homes. These subordinate loans are secured against the properties. Additionally a decision will need to be made with respect to the relocation of the residents. Charities would encourage the city to fully research the requirements under both Federal and State relocation law, to ensure that requirements are met. Finding replacement housing for these ELI residents will be very challenging.

Charities is prepared to assume ownership of these homes including all of the loans and associated obligations associated with maintaining affordability and the responsibility to care for the residents and preserve the assets. However this cannot be done without the financial support of the city.

There is some urgency in the City making its decision. The other cities in the County who currently subsidize the operation of the Vasona and N. Park Victoria homes are scheduled to go to their city councils in late September and October to seek approval to transfer the homes in their communities. As soon as these transfers occur, the subsidy available for the Milpitas homes is reduced and eventually eliminated. Senior Housing Solutions and Charities Housing will be unable to operate the homes beyond October 2014.

Thank you very much for your consideration of this request. I am available to answer any questions.

Sincerely,



Kathy Robinson
Director of Housing Development

Portfolio Analysis

January 13, 2012

Senior Housing Solutions / Project Match Inc

1120 Fairlands Court, Campbell

88 Llewellyn Avenue, Campbell

2011 Pollard Road, Campbell

19935 Price Avenue, Cupertino

185 Anne Way, Los Gatos

14390 Blossom Hill Road, Los Gatos

1170 N Park Victoria Drive, Milpitas

751 Vasona Street, Milpitas

455 Cypress Avenue, Santa Clara

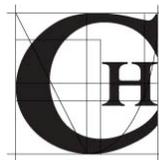
2319 Gianera Street, Santa Clara

2193 Homestead Road, Santa Clara

1230 Klee Court / 436 Offenbach Place, Sunnyvale

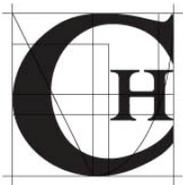
1353 Socorro Avenue, Sunnyvale

1675 S Wolfe Road, Sunnyvale



CHARITIES HOUSING

1400 PARKMOOR AVENUE, SUITE 190
SAN JOSE, CA 95126
TEL: 408-550-8300, FAX: 408-550-8339



CHARITIES HOUSING

January 13, 2012

Chris Ray, Board Chair
Senior Housing Solutions
512 Valley Way
Milpitas, CA 95035

Re: Portfolio of Senior Housing Solutions

Dear Mr. Ray:

In October 2011, Charities Housing was approached by Senior Housing Solutions (SHS) and one of their lenders because several corporate/foundation funding sources that had supported the organization in the past, were no longer available. This resulted in a severe financial shortfall that was threatening the viability of the organization and the residents that reside in their homes. Charities Housing was asked to consider merging/acquiring the portfolio of SHS and/or assist SHS in restructuring/winding down the organization.

Since late 2011 Charities has spent a great deal of time meeting with all of the lenders and the Housing Authority of the County of Santa Clara, reviewing loan documents, financial information provided by SHS, and completing our analysis and formulating possible solutions. The outcome of our findings and suggestions on how to proceed are presented in the attached report.

Charities Housing appreciates the opportunity to present this information. Charities Housing is prepared to answer any questions and provide continued assistance to SHS and other interested parties going forward.

Sincerely,

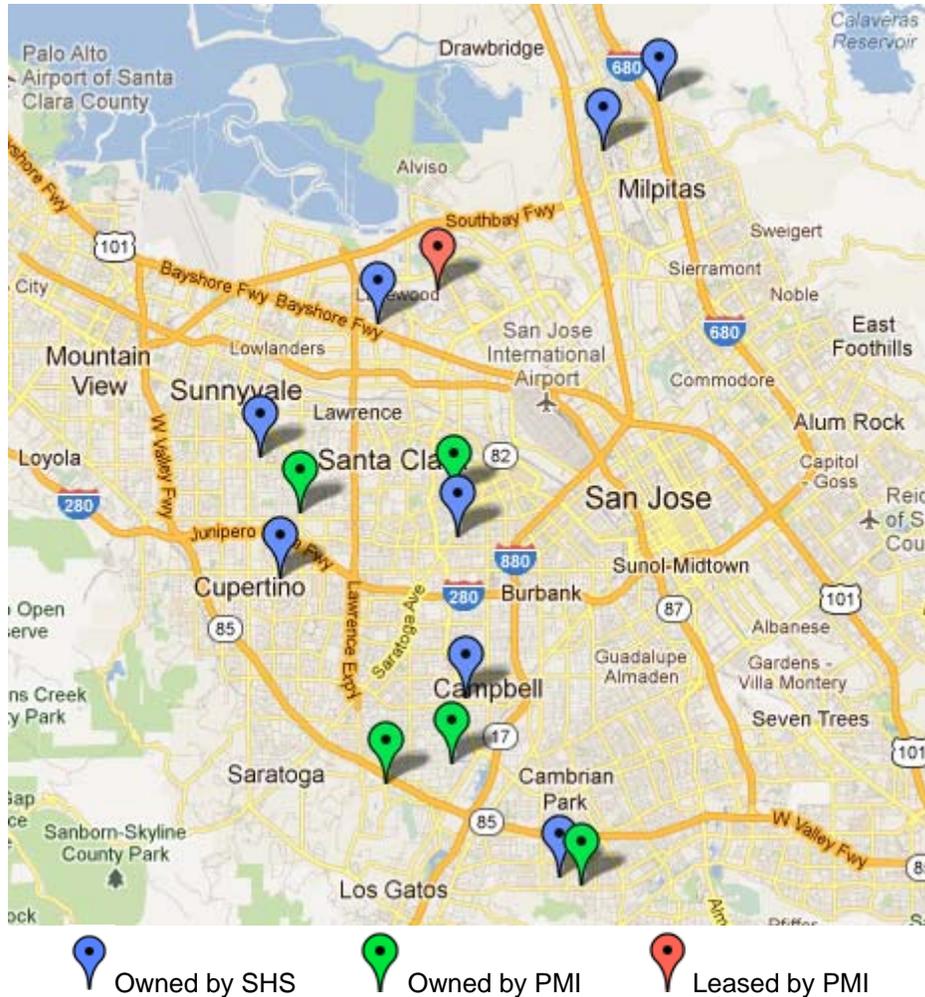
A handwritten signature in blue ink, appearing to read 'Dan Wu', with a long horizontal flourish extending to the right.

Dan Wu
Executive Director

Senior Housing Solutions & Project Match Inc

Background

Senior Housing Solutions (SHS) and Project Match Inc (PMI) own twelve single family residences, seven owned by SHS and five owned by PMI, in six jurisdictions throughout Santa Clara County. In addition, SHS owns a duplex in the City of Sunnyvale and PMI leases one single family residence from the City of Santa Clara.



SHS and PMI acquired these properties between 1992 and 2010. Additions and/or rehabilitation work was performed immediately after the acquisition. Renovation work on three of the properties (Price, N Park Victoria, and Cypress) is nearing completion and to our knowledge these three properties are currently vacant. SHS/PMI leases out each bedroom within each property as an SRO unit to low income seniors. There are a total of 66 bedrooms within SHS/PMI's portfolio and as of June 30, 2011, 48 of the 51 rentable bedrooms were occupied.

SHS/PMI obtained Project Based Section 8 for six properties (31 bedrooms) and conditional approvals for another three properties (15 bedrooms). The exact expiration/renewal date for the existing Project Based Section 8 contracts was not released by the Housing Authority of the County of Santa Clara.

Address	City	Owner	Bed	Bath	PB Sec 8	Bldg Sq Ft
1120 Fairlands	Campbell	Project Match Inc	5	3.0	Yes	1,850
88 Llewellyn	Campbell	Senior Housing Solutions	5	3.0	Pending	1,875
2011 Pollard	Campbell	Project Match Inc	5	3.0	Yes	2,900
19935 Price	Cupertino	Senior Housing Solutions	5	3.0	No	2,036
185 Anne	Los Gatos	Senior Housing Solutions	5	4.0	Pending	1,991
14390 Blossom Hill	Los Gatos	Project Match Inc	5	3.0	Pending	1,730
1170 N Park Victoria	Milpitas	Senior Housing Solutions	5	3.0	No	2,442
751 Vasona	Milpitas	Senior Housing Solutions	5	3.0	No	2,152
455 Cypress	Santa Clara	Senior Housing Solutions	5	3.0	No	1,682
2319 Gianera	Santa Clara	City of Santa Clara	3	2.0	Yes	1,200
2193 Homestead	Santa Clara	Project Match Inc	4	3.0	Yes	1,750
1230 Klee/436 Offenbach	Sunnyvale	Senior Housing Solutions	5	4.0	Yes	2,500
1353 Socorro	Sunnyvale	Senior Housing Solutions	5	3.0	No	1,942
1675 S Wolfe	Sunnyvale	Project Match Inc	4	3.0	Yes	2,200
Total			66			

Source: Senior Housing Solutions

Project Funding Sources & Use Restrictions

The acquisition and rehabilitation work of each property was funded by a variety of funding sources from the local jurisdictions and Opportunity Fund of Northern California (formerly Lender for Community Development), including funds from CDBG, HOME, Redevelopment Agency and the Housing Trust of Santa Clara County. Most of funding sources are in the form of either a residual receipt loan or a revocable grant. A few of the loans carried some minimum required loan service fees or interest payment. All of the funding sources carried a term ranging between 15 to 99 years. Two detailed lists grouped by property and by jurisdiction are provided below.

Funding Sources by Property

Property	Lender Name	Debt Type	Deed of Trust Amount	Start Date	Maturity Date
Fairlands	City of Campbell	RDA Loan	138,000.00	01/15/93	01/15/23
	City of Campbell	CDBG Loan	25,000.00	01/15/93	01/15/23
	County of Santa Clara	HOME Loan	60,000.00	07/06/93	11/16/22
	County of Santa Clara	Housing Rehab Loan	137,702.26	01/01/03	12/31/33
Fairlands Subtotal			360,702.26		
Llewellyn	City of Campbell	RDA Revocable Grant	500,000.00	08/10/07	04/01/63
	County of Santa Clara	HOME Loan	400,000.00	12/20/07	12/19/62
	County of Santa Clara	Housing Rehab Loan	85,000.00	10/01/07	09/01/27
	City of Campbell	CDBG Loan	100,000.00	04/01/08	04/01/63
	City of Campbell	RDA Loan	135,000.00	04/01/08	04/01/63
Llewellyn Subtotal			1,220,000.00		
Pollard	City of Campbell	RDA Grant	450,000.00	07/10/01	
	County of Santa Clara	Housing Rehab Loan	57,000.00	11/29/01	12/01/16
	LCD	Housing Trust Loan	50,000.00	02/28/02	02/01/32
	County of Santa Clara	CDBG Loan	123,900.00	06/08/01	06/08/31
Pollard Subtotal			680,900.00		

Property	Lender Name	Debt Type	Deed of Trust Amount	Start Date	Maturity Date
Price	City of Cupertino	City Revocable Grant	1,090,000.00	01/16/09	01/20/64
	OFNC	Housing Trust Loan	100,000.00	01/09/09	01/09/39
	City of Cupertino	CDBG Loan	239,491.00	08/25/09	08/25/64
	City of Cupertino	CDBG Rehab Loan	196,195.00	06/21/11	06/21/66
	City of Cupertino	CDBG Recovery Grant	31,511.70	06/02/09	
	City of Cupertino	CDBG Recovery Grant	105,013.00	08/21/09	
Price Subtotal			1,762,210.70		
Anne	Town of Los Gatos	RDA Revocable Grant	832,700.00	05/19/08	05/19/63
	LCD	Housing Trust Loan	455,000.00	05/19/08	11/19/63
	County of Santa Clara	CDBG Loan	150,000.00	07/08/09	07/09/39
Anne Subtotal			1,437,700.00		
Blossom Hill	Town of Los Gatos	RDA Loan	388,801.00	07/07/03	07/07/02
	LCD	Housing Trust Loan	60,000.00	07/18/03	07/18/33
	County of Santa Clara	Housing Rehab Loan	169,150.00	08/04/05	08/05/20
	County of Santa Clara	HOME Loan	90,493.00	12/17/03	12/17/33
	County of Santa Clara	CDBG Loan	72,359.00	12/17/03	12/17/33
Blossom Hill Subtotal			780,803.00		
N Park Victoria	OFNC	Housing Trust Loan	100,000.00	07/24/09	07/24/39
	City of Milpitas	RDA Grant	750,000.00	07/29/10	07/29/09
	City of Milpitas	City Loan	301,051.00	10/26/10	10/26/60
	County of Santa Clara	Housing Rehab Loan	40,000.00	05/05/11	05/05/41
N Park Victoria Subtotal			1,191,051.00		
Vasona	City of Milpitas	CDBG Grant	150,000.00	06/26/06	06/26/05
	City of Milpitas	RDA Grant	250,000.00	06/26/06	06/26/05
	County of Santa Clara	Affordable Housing Fund	250,000.00	06/15/06	06/14/36
	LCD	Housing Trust Loan	100,000.00	06/15/06	06/15/61
	County of Santa Clara	CDBG Loan	91,196.00	12/11/06	12/10/36
	City of Milpitas	City Loan	317,900.00	03/23/07	03/23/57
	County of Santa Clara	Housing Rehab Loan	68,500.00	01/01/07	12/01/27
Vasona Subtotal			1,227,596.00		
Cypress	City of Santa Clara	HOME Loan	488,244.00	07/13/10	07/13/30
	County of Santa Clara	HOME Loan	170,000.00	07/28/10	07/31/65
	OFNC	Housing Trust Loan	100,000.00	07/28/10	08/01/65
	City of Santa Clara	RDA Loan	461,350.00	08/31/10	08/31/65
Cypress Subtotal			1,219,594.00		
Homestead	City of Santa Clara	HOME Loan	113,280.00	10/19/93	10/19/08
	City of Santa Clara	RDA Loan	144,126.00	08/10/93	08/10/23
Homestead Subtotal			257,406.00		
Klee/Offenbach	City of Sunnyvale	CDBG Loan	369,770.00	07/23/10	07/23/30
	City of Sunnyvale	HOME Loan	170,250.00	01/14/94	01/14/24
Klee/Offenbach Subtotal			540,020.00		

Property	Lender Name	Debt Type	Deed of Trust Amount	Start Date	Maturity Date
Socorro	City of Sunnyvale	HOME Loan	710,400.00	01/15/08	02/01/38
	City of Sunnyvale	CDBG Loan	200,000.00	06/26/08	06/26/28
	OFNC	Housing Trust Loan	100,000.00	11/14/08	02/01/38
Socorro Subtotal			1,010,400.00		
S Wolfe	City of Mtn View	HOME Loan	131,850.00	07/01/97	07/01/27
	City of Sunnyvale	HOME Loan	75,000.00	07/02/97	07/02/27
	City of Sunnyvale	CDBG Loan	86,000.00	04/03/02	04/03/27
S Wolfe Subtotal			292,850.00		
Grand Total			11,981,232.96		

Note: Order of the funding sources as listed is not representative of lien positions.

Funding Sources by Lender

Lender Name	Property	Debt Type	Deed of Trust Amount	Start Date	Maturity Date
City of Campbell	Fairlands	RDA Loan	138,000.00	01/15/93	01/15/23
	Fairlands	CDBG Loan	25,000.00	01/15/93	01/15/23
	Llewellyn	RDA Revocable Grant	500,000.00	08/10/07	04/01/63
	Llewellyn	CDBG Loan	100,000.00	04/01/08	04/01/63
	Llewellyn	RDA Loan	135,000.00	04/01/08	04/01/63
	Pollard	RDA Grant	450,000.00	07/10/01	
City of Campbell Subtotal			1,348,000.00		
City of Cupertino	Price	City Revocable Grant	1,090,000.00	01/16/09	01/20/64
	Price	CDBG Loan	239,491.00	08/25/09	08/25/64
	Price	CDBG Rehab Loan	196,195.00	06/21/11	06/21/66
	Price	CDBG Recovery Grant	31,511.70	06/02/09	
	Price	CDBG Recovery Grant	105,013.00	08/21/09	
City of Cupertino Subtotal			1,662,210.70		
City of Milpitas	N Park Victoria	RDA Grant	750,000.00	07/29/10	07/29/09
	N Park Victoria	City Loan	301,051.00	10/26/10	10/26/60
	Vasona	CDBG Grant	150,000.00	06/26/06	06/26/05
	Vasona	RDA Grant	250,000.00	06/26/06	06/26/05
	Vasona	City Loan	317,900.00	03/23/07	03/23/57
City of Milpitas Subtotal			1,768,951.00		
City of Mtn View	S Wolfe	HOME Loan	131,850.00	07/01/97	07/01/27
City of Mtn View Subtotal			131,850.00		
City of Santa Clara	Cypress	HOME Loan	488,244.00	07/13/10	07/13/30
	Cypress	RDA Loan	461,350.00	08/31/10	08/31/65
	Homestead	HOME Loan	113,280.00	10/19/93	10/19/08
	Homestead	RDA Loan	144,126.00	08/10/93	08/10/23
City of Santa Clara Subtotal			1,207,000.00		

Lender Name	Property	Debt Type	Deed of Trust Amount	Start Date	Maturity Date
City of Sunnyvale	Klee/Offenbach	CDBG Loan	369,770.00	07/23/10	07/23/30
	Klee/Offenbach	HOME Loan	170,250.00	01/14/94	01/14/24
	Socorro	HOME Loan	710,400.00	01/15/08	02/01/38
	Socorro	CDBG Loan	200,000.00	06/26/08	06/26/28
	S Wolfe	HOME Loan	75,000.00	07/02/97	07/02/27
	S Wolfe	CDBG Loan	86,000.00	04/03/02	04/03/27
City of Sunnyvale Subtotal			1,611,420.00		
County of Santa Clara	Fairlands	HOME Loan	60,000.00	07/06/93	11/16/22
	Fairlands	Housing Rehab Loan	137,702.26	01/01/03	12/31/33
	Llewellyn	HOME Loan	400,000.00	12/20/07	12/19/62
	Llewellyn	Housing Rehab Loan	85,000.00	10/01/07	09/01/27
	Pollard	Housing Rehab Loan	57,000.00	11/29/01	12/01/16
	Pollard	CDBG Loan	123,900.00	06/08/01	06/08/31
	Anne	CDBG Loan	150,000.00	07/08/09	07/09/39
	Blossom Hill	Housing Rehab Loan	169,150.00	08/04/05	08/05/20
	Blossom Hill	HOME Loan	90,493.00	12/17/03	12/17/33
	Blossom Hill	CDBG Loan	72,359.00	12/17/03	12/17/33
	N Park Victoria	Housing Rehab Loan	40,000.00	05/05/11	05/05/41
	Vasona	Affordable Housing Fund	250,000.00	06/15/06	06/14/36
	Vasona	CDBG Loan	91,196.00	12/11/06	12/10/36
	Vasona	Housing Rehab Loan	68,500.00	01/01/07	12/01/27
	Cypress	HOME Loan	170,000.00	07/28/10	07/31/65
County of Santa Clara Subtotal			1,965,300.26		
LCD	Pollard	Housing Trust Loan	50,000.00	02/28/02	02/01/32
	Anne	Housing Trust Loan	455,000.00	05/19/08	11/19/63
	Blossom Hill	Housing Trust Loan	60,000.00	07/18/03	07/18/33
	Vasona	Housing Trust Loan	100,000.00	06/15/06	06/15/61
OFNC	Price	Housing Trust Loan	100,000.00	01/09/09	01/09/39
	N Park Victoria	Housing Trust Loan	100,000.00	07/24/09	07/24/39
	Cypress	Housing Trust Loan	100,000.00	07/28/10	08/01/65
	Socorro	Housing Trust Loan	100,000.00	11/14/08	02/01/38
LCD/OFNC Subtotal			1,065,000.00		
Town of Los Gatos	Anne	RDA Revocable Grant	832,700.00	05/19/08	05/19/63
	Blossom Hill	RDA Loan	388,801.00	07/07/03	07/07/02
Town of Los Gatos Subtotal			1,221,501.00		
Grand Total			11,981,232.96		

Use restrictions are attached with each funding source. The expiration dates of the use restrictions are generally tied to the loans. Aside from general compliance and reporting requirements, the key restrictions are related to: minimum age and maximum income of each household, and the maximum rent allowed for each unit. The most restrictive standards for each property based on available documents reviewed by Charities Housing are listed below.

Property	Min Age	Max Income (% AMI)	Max Rent (% AMI)
Fairlands	60	60	50
Llewellyn	55	30	30
Pollard	60	35	35
Price		30	30
Anne	62	30	30
Blossom Hill	62	50	50
N Park Victoria	60	30	30
Vasona	60	30	30
Cypress	60	30	30
Gianera		50	50
Homestead	55	50	50
Klee/Offenbach	60	50	50
Socorro		30	30
S Wolfe		50	

Note: More restrictive conditions may exist on documents not reviewed by Charities Housing.

Historic Property Occupancy, Income & Expense

Over the past three fiscal years (July 2008 – June 2011), the properties operated by SHS/PMI have maintained an occupancy rate (95-97%) similar to the rental market as reported by Realfacts for the same geographic areas in Santa Clara County. However, the properties have consistently been operating at a loss regardless whether the property had a Project Based Section 8 contract or not. A detailed occupancy rate and income/expense statement for each property and a combined summary for the fourteen property portfolio for the past three fiscal years are attached as Appendix A.

It should be noted that the attached income/expense statements are only for the fourteen properties currently owned/operated by SHS/PMI. It does not include the income or expenses of the general administration, funding raising activities, the Curtner property, or any other operations of SHS/PMI. Accordingly, this analysis is only limited to the fourteen properties.

In the most recent fiscal year ended June 2011, the five properties without a Section 8 contract operated with an average loss of approximately \$21,000 per property and the six properties with a Section 8 contract had an average loss of approximately \$1,000 per property after excluding some one time income and expenses. The portfolio as a whole incurred a combined loss of approximately \$111,000, or an average of approximately \$10,000 per property after excluding some one time income and expenses. In fiscal years ending June 2009 and 2010, there was almost no discernable differences in the average net operating income between properties with and without a Section 8 contract as each property was losing an average of approximately \$10,000 per year after excluding some one time income and expenses.

The difference in the average operating loss between properties with and without a Section 8 contract in 2011 versus 2009 and 2010 is largely attributed to the Personnel Expenses line item. In 2009 and 2010, the Personnel Expenses were allocated based on the income of each property, hence the losses was more evenly distributed amongst the properties. In 2011 the Personnel Expenses were allocated pro rata based on the number of bedrooms within each property, thus the properties without a Section 8 contract incurred significantly more losses than the properties with a Section 8 contract.

Items of note on the income expense statement include:

- Tenant Rent (account #4110): Over the past three years, the average rent collected from the tenants (excluding Section 8 subsidy) has remained stable at approximately \$300 per unit per month, and there was no significant difference between properties with and without a Section 8 contract. This is reflective of SHS/PMI's rent setting policy of charging 30% of tenant's income which is the same as

the Section 8 regulations. Based on the tenant rent collected, the estimated income level of the tenants is approximately 15% of Area Median Income.

- Section 8 Subsidy (account #4115): Over the past three years, the average subsidy from the Section 8 contracts has remained stable at approximately \$400 per unit per month. The combined average monthly rent between tenant and Section 8 subsidy for properties with a Section 8 contract is approximately \$710 which is similar to the Fair Market Rent (FMR) for an SRO of \$720 for fiscal year 2009.
- Total Personnel Expenses (account 6000): SHS/PMI allocates its personnel expenses to the properties on a pro rata basis. In 2009 and 2010, the expenses were allocated based on the rental income of each property. In 2011, the expenses were allocated based on the number of rental units of each property. Three personnel included under the expenses were the executive director, administrative director, and case manager. The average annual salary charged to the properties is approximately \$52,000 per employee. Personnel related benefits and taxes have increased over the past three years from approximately 24% of salaries expense to over 31%.
- Telephone & Cable (account 6260 & 6372): SHS/PMI provides telephone and cable television to the residents at each property. These expenses are generally not reimbursed by the tenants of SHS/PMI. The average combined costs of these two amenities are approximately \$2,000 per year per property. These two amenities are paid by the tenant rather than the owner in a typical affordable housing development.
- Property Management Expense (account #6365): SHS/PMI does not charge a property management fee to the properties. SHS/PMI allocates its non-occupancy related costs on a pro rata basis to the properties as previously described.
- Mileage (account #6710): The average mileage expense over the past three years is approximately \$11,000 per year and this expense was attributed to the administrative director and case manager. Using the IRS mileage reimbursement rate, the average annual travel mileage is approximately 10,000 miles per employee. Assuming an average speed of 40 miles per hour, this translate into approximately 250 commute hours or approximately one hour for every work day.

Restricted Bank Accounts

SHS/PMI does not maintain individual bank accounts for each property; SHS/PMI instead maintains a single operating bank account for all the properties as well as for the general operations of SHS/PMI.

SHS/PMI maintains two bank accounts for maintenance reserve for the Santa Clara properties. The combined account balance has increased slightly over the past three years from \$31,511 at the end of fiscal year 2009 to \$46,135 at the end of fiscal year 2011. SHS/PMI does not maintain any other restricted operating, replacement or maintenance reserve accounts for the properties.

At the end of fiscal year 2011, SHS/PMI's balance sheet showed a total liability of \$14,651 for tenant security deposits. There is not a restricted bank account set up to specifically fund this liability.

Market Rent v. Restricted Rent

One of the key indicators of marketability is a comparison between unrestricted market rent and the restricted affordable rent. Major affordable housing funders such as the California Tax Credit Allocation Committee and the California Debt Limit Allocation Committee, as well as financial institutions all require a minimum of 10% difference between the unrestricted market rent and the restricted affordable rent of comparable units. A search on Craigslist for rooms for rent in each of the jurisdictions resulted in the following.

	Campbell	Cupertino	Los Gatos	Milpitas	Santa Clara	Sunnyvale
No. Listings	38	40	19	61	78	74
Asking Rent						
Lowest	495	400	600	350	300	300
Highest	1,200	1,388	1,200	1,250	1,400	1,300
Average	701	716	849	646	686	679
Percentile						
10%	575	500	600	493	536	475
25%	600	598	720	530	585	550
50% (Median)	650	655	875	600	648	650
75%	750	811	975	700	793	800
90%	830	904	1,000	900	900	889

Source: Rooms & Shares Listings from Craigslist, December 6, 2011

For 2011, the maximum allowable rent including utilities for a studio for Santa Clara County is as follows:

	30% AMI	35% AMI	40% AMI	45% AMI	50% AMI	FMR
Studio	544	635	726	816	907	1,222
SRO						916

Source: California Tax Credit Allocation Committee, Housing Authority of County of Santa Clara

It is quite evident that while the use restrictions allows SHS/PMI to charge up to 50% AMI rent in certain properties, the market simply will not support this restricted rent level because there are a lot of options available to the prospective tenants at the 50% AMI rent level. In areas such as Campbell, Cupertino, Santa Clara and Sunnyvale, the allowable 30% AMI rent is only approx. 16% below the median asking rent for the area. And in Milpitas, the allowable 30% AMI rent is only approx. 9% below the median asking rent for the area.

Thus, there may be some market risk if SHS/PMI chooses to raise the rents to the maximum allowed for properties without a Section 8 contract in certain areas. In addition, it will be impossible to raise the rents from \$300 to \$540, an 80% increase, in a single year. Assuming a 10% increase per year, it will take at least seven years. Moreover, the \$540 rent will represent a rent burden of approximately 60% based the existing tenants' incomes. The rent increase will likely result in significant turnovers because the rent will exceed the tenants' ability to pay.

Property Market Value v. Existing Debt

The resale market for four or five bedroom single family residences was analyzed to provide an estimated market value of the properties. A search of closed sales of existing single family residences after July 1, 2011, with four or more bedrooms, three or more bathrooms, two car garage and at least twenty years or older, yielded the following results.

	Campbell	Cupertino	Los Gatos	Milpitas	Santa Clara	Sunnyvale
No. Closed Sales	9	16	10	11	12	9
Sale Price						
Lowest	550,000	1,100,000	990,000	480,000	450,000	515,000
Highest	974,000	1,410,000	1,680,000	875,000	915,000	1,125,000
Average	747,556	1,250,431	1,173,900	685,818	658,250	913,333
Median	790,000	1,249,444	1,095,000	720,000	659,500	925,000
Average						
Day on Market	106	29	24	72	66	66
Bldg Sq Ft	2,107	2,315	2,246	2,381	2,015	2,291
Age (yrs)	54	45	48	36	54	49
List Price	761,444	1,243,854	1,203,900	694,836	674,567	932,299

Source: MLS, December 28, 2011

A similar search was also conducted for closed sales of existing duplexes after January 1, 2011, with a two and a three bedroom unit in the City of Sunnyvale. The result was:

	Sunnyvale
No. Closed Sales	6
Sale Price	
Lowest	600,000
Highest	792,925
Average	714,988
Median	716,000
Average	
Day on Market	25
Bldg Sq Ft	2,093
Age (yrs)	46
List Price	720,800

Source: MLS, December 28, 2011

We also cross referenced the estimated market value of each property as provided by Zillow's "Zestimate" as found on www.zillow.com. "Zestimate" is a computer generated value based on available public information. In most instances the public information for the physical characteristics of the properties did not reflect the additional bedroom or square footage that SHS/PMI added during the rehabilitation work. Thus, the "Zestimate" value may be inaccurate.

It should be noted that neither of these analysis should be construed as an appraisal of each individual property. We used these two indicators only for the purpose of establishing whether there is any potential equity in the SHS/PMI portfolio.

Equity by Property

Property	Bed	Bath	Bldg Sq Ft	MLS Avg Sale Price	Zillow Est Value	Outstanding Principal	Equity Est Via MLS	Equity Est Via Zillow
Fairlands	5	3.0	1,850	747,556	693,000	360,702	386,854	332,298
Llewellyn	5	3.0	1,875	747,556	621,200	1,220,000	(472,444)	(598,800)
Pollard	5	3.0	2,900	747,556	786,200	680,900	66,656	105,300
City of Campbell Subtotal				2,242,668	2,100,400	2,261,602	(18,934)	(161,202)
Price Avenue	5	3.0	2,036	1,250,431	1,140,900	1,762,211	(511,780)	(621,311)
City of Cupertino Subtotal				1,250,431	1,140,900	1,762,211	(511,780)	(621,311)
Anne Way	5	4.0	1,991	1,173,900	1,007,400	1,437,700	(263,800)	(430,300)
Blossom Hill	5	3.0	1,730	1,173,900	915,400	780,803	393,097	134,597
Town of Los Gatos Subtotal				2,347,800	1,922,800	2,218,503	129,297	(295,703)
N. Park Victoria	5	3.0	2,442	685,818	708,500	1,191,051	(505,233)	(482,551)
Vasona	5	3.0	2,152	685,818	482,800	1,227,596	(541,778)	(744,796)
City of Milpitas Subtotal				1,371,636	1,191,300	2,418,647	(1,047,011)	(1,227,347)
Cypress	5	3.0	1,682	658,250	582,000	1,219,594	(561,344)	(637,594)
Homestead	4	3.0	1,750	658,250	482,100	257,406	400,844	224,694
City of Santa Clara Subtotal				1,316,500	1,064,100	1,477,000	(160,500)	(412,900)
Klee/Offenbach	5	4.0	2,500	714,988	893,900	540,020	174,968	353,880
Socorro	5	3.0	1,942	913,333	570,300	1,010,400	(97,067)	(440,100)
Wolfe	4	3.0	2,200	913,333	827,200	292,850	620,483	534,350
City of Sunnyvale Subtotal				2,541,654	2,291,400	1,843,270	698,384	448,130
Grand Total				11,070,689	9,710,900	11,981,233	(910,544)	(2,270,333)

Source: MLS December 28, 2011, Zillow December 29, 2011

Based on these two simplified analyses, the five properties currently owned by PMI plus the Klee/Offenbach duplex each appear to have accumulated some equity. These six properties were all acquired prior to 2004. For the seven properties acquired after 2004, the outstanding debt appears to far exceed the estimated value of the properties. For the SHS/PMI portfolio, the total outstanding debt appears to exceed the value of the properties by approximately \$1,000,000 to \$2,000,000.

Alternatives

Immediate Action

As previously stated, the combined average monthly rent between tenant and Section 8 subsidy for properties with a Section 8 contract is approximately \$710 over the past three years which is similar to the Fair Market Rent (FMR) for an SRO of \$720 for fiscal year 2009. However, the Fair Market Rent for an SRO had increased to \$774 and \$916 for 2010 and 2011 respectively.

SHS/PMI should ask for an increase of the Section 8 rent to the 2012 level from the Housing Authority of Santa Clara County immediately. The FMR for 2012 for an SRO in Santa Clara County is \$873. If this increase is approved, SHS/PMI could receive approximately additional \$45,000 income per year for the 26 existing Section 8 tenants.

The second item is to negotiate with the local jurisdictions to change the terms of the lease payment and mandatory interest or loan service payments from mandatory to residual receipt. If the terms of the lease and loan payments are changed to a residual receipt basis, this could provide over \$10,000 annual expense reduction between the fourteen properties.

Third, a security deposits bank account should be established to fund the obligation. At the end of fiscal year 2011, SHS/PMI's balance sheet showed a total liability of \$14,651 for tenant security deposit. The funds for this account could come from the two previous measures.

Lastly, SHS/PMI allocates its non-occupancy related expenses to the properties on a pro rata basis. However, this allocation of expenses process does not occur until the end of each fiscal year. This accounting process does not allow SHS/PMI or any other interested parties to generate a useful income/expense statement for each property anytime during the year since the expenses are under reported. Thus SHS/PMI should immediately allocate all non-occupancy related expenses already incurred to the properties for fiscal year 2012 rather than waiting until the end of the fiscal year to perform such task. And in the future, the non-occupancy expenses should be allocated to the properties at the same time as the transactions occur. This will allow SHS/PMI and all interested party up-to-date information on how the individual properties are performing throughout the year.

Short Term Transition – Option One

The largest operating expenses of the properties are attributed to Personnel Expense (account 6000) and Occupancy Expense (account 6300), approximately 49% and 34% of total operating expense respectively in 2011. All other expenses accounted for the remaining 18%.

Based on salary survey conducted by LISC in 2011, the average salary for a site administrator is approximately \$48,000 and for a case manager is approximately \$42,000 excluding benefits. The salaries SHS/PMI charged to the properties for these two positions appear to be within industry standards. As previously mentioned, SHS/PMI does not charge a property management fee to the properties; SHS/PMI instead charges portions of the Executive Director's salary directly to the properties. For this analysis, we considered these two expenses to be approximately equal.

If SHS/PMI is able to hold its total personnel expense charged to the properties constant while bringing on the additional three properties totaling 15 units that are either complete or near completion, the average personnel cost per unit per year will decrease from approximately \$4,170 to \$3,220, or an average saving of approximately \$950 per unit per year.

We also recommend the properties to begin funding a replacement reserve for all properties as part of the operating expense. Without completing a Physical Needs Assessment, a minimum replacement reserve of \$250 per unit per year is recommended by the California Tax Credit Allocation Committee for senior housing projects. This would result in an addition expense of approximately \$1,200 per property.

Thus if SHS/PMI brings on the three new properties, executes the three pending Project Based Section 8 contracts, starts funding a replacement reserve, and does not make any other changes to SHS/PMI's existing operating structure, it would likely result in the five properties without a Section 8 contract having an average loss of approximately \$17,800 per property per year and the nine properties with a Section 8 contract having an average surplus of approximately \$2,100 per property per year. SHS/PMI's portfolio as a whole would likely incur a combined annual loss of approximately \$70,000 annual loss with a replacement reserve.

If the Section 8 rent increase request as stated under Immediate Action is approved for all existing and pending Section 8 contracts, the nine Section 8 properties could potentially expect an annual surplus of approximately \$10,000 per property including replacement reserves. If these projected surpluses from the nine Section 8 properties are realized, the projected surplus will offset the projected losses of the five non-Section 8 properties within SHS/PMI's portfolio.

Two additional measures that could be considered to minimize the losses at the properties are 1) increase rent at properties without a Section 8 contract, and 2) eliminate the free cable television and telephone amenities at all properties. However the savings from these two measures could only be realized over a longer period of time as there will need to be a transition period to minimize the financial impacts on the existing residents.

Short Term Transition – Option Two

If the Section 8 rent increase request is not approved by the Housing Authority, we would recommend the local jurisdictions to fund an operating reserve for the properties without a Section 8 contract at \$20,000 per property per year for the continuing operations of the properties. SHS/PMI should establish new restricted bank accounts to hold these funds and withdrawals from the accounts should be approved by the local jurisdictions.

In lieu of funding an ongoing operating reserve, a second alternative is to either 1) sell the five properties without a Section 8 contract, or 2) sell five of the six properties where there is positive equity and then transfer the Section 8 contract on those properties to properties without Section 8 contract. There are complications associated with each of these alternatives.

The five properties without an existing or a pending Section 8 contract are: Price, N. Park Victoria, Vasona, Cypress and Socorro. These five properties were acquired between 2006 and 2010. Based on the market information, there are likely insufficient sale proceeds to pay off the existing debt on these properties. Since many of the funding sources involve federal funds such as CDBG and HOME, the local jurisdiction will not be able to meet the program recapture requirements without the use of other funds which may or may not be available.

The second alternative is to sell the properties where there may be sufficient equity to pay off the obligations and transfer the Section 8 contracts on those properties to the five properties without a Section 8. This alternative would solve the recapture issue. However, it is unknown whether the Section 8 contracts could be transferred within SHS/PMI's portfolio or if the Housing Authority of the County of Santa Clara could approve such transfer or if such transfer could occur without a public process.

In addition for both alternatives under this option, the local jurisdictions that lose the properties would further need to address the loss of the affordable housing units and the transfer of the affordability restrictions to other locations.

Long Term Transition – Scattered Sites into Single Site

The inefficiencies of a scattered site model is evidenced by the fact that the two staff directly responsible for the properties are spending more than 10% of their time traveling rather than providing services. In addition, it is difficult to negotiate with vendors for discounts when the vendors (landscaping, maintenance, etc.) are also traveling long distances for minimal amount of work at each property.

A second indicator of inefficiency is the operating expense per unit. From a portfolio perspective, the operating expense per unit per year for the properties was over \$10,000 per unit in 2009 and approximately \$8,500 per unit in 2010 and 2011. The operating expense excluding property taxes, resident services and replacement reserve was approximately \$8,400 per unit in 2009 and approximately \$7,100 per unit in 2010 and 2011. These historical operating expense indicators are more than twice as much as the 2011 minimum operating expense established by the California Housing Tax Credit Allocation Committee which is \$3,400 per unit per year for non-elevator, senior housing located in Santa Clara County excluding property taxes, resident services and replacement reserve.

From a capital investment standpoint, the development costs for each of the SHS/PMI properties were entirely funded by soft local financing. The soft financing per unit averaged from approximately \$80,000 per unit for the first four properties acquired between 1992 to 1997 to approximately \$265,000 per unit for the last five properties acquired between 2008 to 2010. In comparison, Pensione Esperanza, a 110 unit SRO

development completed in 1999 by Charities Housing, the total soft financing was approximately \$34,000 per unit. And Paseo Senter, a 218 unit family housing development completed in 2008 by Charities Housing, the total soft financing was approximately \$167,000 per unit.

Furthermore, as seniors age in place, the existing single family residences will likely need to be rehabilitated to accommodate for wheel chair access throughout each building. These costs are not currently budgeted or contemplated. In addition, additional and more intensive services will likely be needed as the seniors age in place.

Under this scenario, the local jurisdictions would agree on a replacement housing type, i.e. another senior housing project or housing for another population, and the location of replacement housing. Charities Housing would identify a new site that could be developed with at least 67 units (66 units to replace the existing units plus a property management staff unit). The existing tenants of the properties owned/operated by SHS/PMI would be relocated and then the properties would either be sold or the lease be terminated. The local jurisdictions would transfer all existing debt and affordability restrictions on SHS/PMI properties to this new location. Charities Housing would use all sales proceeds to acquire the site, perform necessary predevelopment activities such as secure entitlements and assemble construction and permanent financing for the new development.

The local jurisdictions would not have to write off any loan losses or face any recapture requirements. The affordability restrictions could all be merged into a single document that will be easy to monitor and manage. The development will be located in a location with close access to public transportation, grocery, pharmacy, park, or other amenities as required under the Tax Credit program. The units within the new development will all be handicapped accessible or adaptable. Lastly, the new project will be able to sustain its operations on its own over the long term.

The first disadvantage of this option is that it could take four to six years before the new development is complete. The second disadvantage is that the new development could only be located at one or at most two locations which means that some of the jurisdictions will "lose" the affordable units in their locale. However, local jurisdictions pooling resources to create affordable housing in Santa Clara County is not unprecedented. In 2001, nine local jurisdictions, including all currently involved with SHS/PMI, provided funding for Homesafe Santa Clara, a 25-unit development for survivors of domestic violence, developed by Charities Housing. And in light of the recent California Supreme Court decision on disbanding the redevelopment agencies around the State and the continuing decline of state and federal resources for affordable housing, it is probably even more imperative that the local jurisdictions cooperate and collaborate on the funding and development of affordable housing. By acting parochially, jurisdictions will probably need to either rely on a multi-year funding strategy to accumulate sufficient resources and the production of affordable housing will be slowed significantly, or only develop small projects which may not be financially sustainable over the long term.

Appendix A
Property Profit & Loss Statements

Senior Housing Solutions Profit & Loss SHS Portfolio (14 Properties) July 2008 through June 2011

	Jul '08 - Jun 09	Jul '09 - Jun 10	Jul '10 - Jun 11
Occupancy Rate	97.8%	96.1%	95.1%
Ordinary Income/Expense			
Income			
4000 · Government Funds			
4020 · Sunnyvale	9,296.00	9,025.00	9,025.00
Total 4000 · Government Funds	9,296.00	9,025.00	9,025.00
4100 · Rental Income			
4110 · Rental Income	133,119.49	172,739.40	162,092.67
4115 · HA Subsidy	124,833.45	119,155.51	130,619.04
4140 · Cable/Phone Reimb.	1,108.50	820.80	691.81
4150 · Late/Bank Fees	280.00	264.00	240.00
Total 4100 · Rental Income	259,341.44	292,979.71	293,643.52
4200 · Grants & Donations			
4201 · Grants			
4220 · Foundations	2,500.00	200.00	0.00
Total 4201 · Grants	2,500.00	200.00	0.00
4300 · Contributions			
4390 · In-Kind Contributions	20,000.00	0.00	0.00
Total 4300 · Contributions	20,000.00	0.00	0.00
4400 · Other Revenue			
4420 · Fundraising Events			
4425 · Special Events	0.00	1,500.00	0.00
Total 4420 · Fundraising Events	0.00	1,500.00	0.00
Total 4400 · Other Revenue	0.00	1,500.00	0.00
Total 4200 · Grants & Donations	22,500.00	1,700.00	0.00
4500 · Program Fees	560.00	740.00	160.00
4900 · Interest Income	596.69	71.85	46.80
4950 · From (To) Restricted Net Asset	110,677.76	0.00	0.00
Total Income	402,971.89	304,516.56	302,875.32
Gross Profit	402,971.89	304,516.56	302,875.32
Expense			
6000 · Personnel Expenses			
6010 · Salaries	150,540.97	156,815.46	161,560.76
6030 · Health/Dental Insurance	20,589.72	27,319.60	35,196.74
6050 · Payroll Taxes	11,516.39	11,996.37	11,680.83
6060 · Workers Comp Expense	3,009.17	3,862.52	4,089.90
6080 · FSA Admin Expenses	880.60	892.14	156.06
Total 6000 · Personnel Expenses	186,536.85	200,886.09	212,684.29
6100 · Professional Fees			
6110 · Audit	11,880.53	8,879.76	12,203.39
6115 · Legal and Accounting	6,978.80	5,598.02	6,638.86
6120 · Consulting	4,413.05	4,022.86	4,678.23
Total 6100 · Professional Fees	23,272.38	18,500.64	23,520.48
6140 · Meals/Entertainment	0.00	29.09	496.53
6150 · D&O/Bond/Volunteer Insurance	3,110.01	3,390.02	2,996.14
6160 · Bank Charges	35.56	123.64	39.77
6165 · Bad Debt	0.00	9,098.00	453.38
6200 · Supplies			

Senior Housing Solutions Profit & Loss SHS Portfolio (14 Properties)

July 2008 through June 2011

	Jul '08 - Jun 09	Jul '09 - Jun 10	Jul '10 - Jun 11
6210 · Office	3,293.96	2,147.84	2,740.23
6230 · Group Home	5,161.08	4,451.35	2,234.46
Total 6200 · Supplies	8,455.04	6,599.19	4,974.69
6250 · Credit Check	576.00	836.00	220.00
6260 · Telephone	9,608.64	10,395.05	10,909.64
6270 · Postage			
6280 · Program	1,281.42	1,244.59	1,694.54
Total 6270 · Postage	1,281.42	1,244.59	1,694.54
6300 · Occupancy Expenses			
6305 · Rent			
6310 · Office	6,011.29	24,005.71	5,099.09
6315 · Houses	6,000.00	6,000.00	6,000.00
Total 6305 · Rent	12,011.29	30,005.71	11,099.09
6330 · Repairs & Maintenance	26,184.48	30,641.08	20,622.04
6350 · Yard Service	17,685.00	21,220.00	21,525.00
6365 · Property Management Expense	0.00	0.00	0.00
6370 · Utilities			
6372 · Cable	8,313.95	10,534.24	10,924.24
6374 · Gas & Electric	19,000.65	23,467.12	24,790.16
6376 · Sewer	1,943.66	2,101.90	2,303.17
6378 · Garbage	4,266.03	4,642.63	4,966.08
6379 · Water	9,745.36	12,972.10	13,263.50
Total 6370 · Utilities	43,269.65	53,717.99	56,247.15
6380 · Liability/Property Insurance	11,183.49	14,077.70	14,396.61
6390 · Property Taxes	4,791.23	2,152.98	4,980.63
6395 · Small Equipment Purchases	1,088.58	1,123.16	347.94
6300 · Occupancy Expenses - Other	2,462.77	0.00	19,714.25
Total 6300 · Occupancy Expenses	118,676.49	152,938.62	148,932.71
6500 · Equipment Maintenance	5,108.31	6,773.44	8,639.15
6600 · Printing			
6610 · Program	208.94	1,821.53	1,820.08
Total 6600 · Printing	208.94	1,821.53	1,820.08
6700 · Travel	205.71	0.00	0.00
6710 · Mileage	10,365.49	10,010.09	11,503.74
6720 · Conferences	0.00	104.46	0.00
6730 · Training	223.57	0.00	434.12
6745 · Promotion	0.00	1,709.63	1,291.53
6755 · Licenses & Fees	268.52	476.53	123.23
6760 · Memberships & Dues	1,421.04	1,517.17	1,478.48
6810 · Special Events Expense	3,448.66	2,794.72	2,281.53
Total Expense	372,802.63	429,248.50	434,494.03
Net Ordinary Income	30,169.26	-124,731.94	-131,618.71

Senior Housing Solutions
Profit & Loss Fairlands
July 2008 through June 2011

	Jul '08 - Jun 09	Jul '09 - Jun 10	Jul '10 - Jun 11
Occupancy Rate	98.3%	97.4%	95.4%
Ordinary Income/Expense			
Income			
4100 - Rental Income			
4110 - Rental Income	18,887.00	17,635.00	17,042.00
4115 - HA Subsidy	22,723.00	22,256.00	22,365.23
4140 - Cable/Phone Reimb.	0.00	0.00	9.00
4150 - Late/Bank Fees	20.00	20.00	20.00
Total 4100 - Rental Income	41,630.00	39,911.00	39,436.23
4500 - Program Fees	40.00	40.00	40.00
Total Income	41,670.00	39,951.00	39,476.23
Gross Profit	41,670.00	39,951.00	39,476.23
Expense			
6000 - Personnel Expenses			
6010 - Salaries	24,309.07	21,979.27	15,839.29
6030 - Health/Dental Insurance	3,324.79	3,829.12	3,450.66
6050 - Payroll Taxes	1,859.64	1,681.41	1,145.18
6060 - Workers Comp Expense	485.91	541.37	400.97
6080 - FSA Admin Expenses	142.20	125.04	15.30
Total 6000 - Personnel Expenses	30,121.61	28,156.21	20,851.40
6100 - Professional Fees			
6110 - Audit	1,918.44	1,244.59	1,196.41
6115 - Legal and Accounting	1,126.92	784.62	650.87
6120 - Consulting	712.61	563.85	458.65
Total 6100 - Professional Fees	3,757.97	2,593.06	2,305.93
6140 - Meals/Entertainment	0.00	0.00	48.68
6150 - D&O/Bond/Volunteer Insurance	502.20	475.15	293.74
6160 - Bank Charges	5.58	16.77	2.92
6200 - Supplies			
6210 - Office	531.90	301.04	268.65
6230 - Group Home	62.37	0.00	425.00
Total 6200 - Supplies	594.27	301.04	693.65
6250 - Credit Check	48.00	48.00	76.00
6260 - Telephone	1,322.09	1,217.77	1,002.64
6270 - Postage			
6280 - Program	206.92	174.44	166.13
Total 6270 - Postage	206.92	174.44	166.13
6300 - Occupancy Expenses			
6305 - Rent			
6310 - Office	970.69	3,364.64	499.91
Total 6305 - Rent	970.69	3,364.64	499.91
6330 - Repairs & Maintenance	3,300.03	1,304.50	2,675.61
6350 - Yard Service	1,776.00	1,800.00	1,800.00
6365 - Property Management Expense	0.00	0.00	0.00
6370 - Utilities			
6372 - Cable	705.49	897.99	790.83
6374 - Gas & Electric	1,855.91	1,914.53	1,954.11
6378 - Garbage	455.57	468.93	502.93
6379 - Water	1,366.88	1,175.79	2,558.27
Total 6370 - Utilities	4,383.85	4,457.24	5,806.14
6380 - Liability/Property Insurance	779.99	861.24	937.98
6390 - Property Taxes	632.48	0.00	653.80
6395 - Small Equipment Purchases	0.00	84.96	282.95
6300 - Occupancy Expenses - Other	0.00	0.00	160.38
Total 6300 - Occupancy Expenses	11,843.04	11,872.58	12,816.77
6500 - Equipment Maintenance	398.65	565.03	873.73

Senior Housing Solutions
Profit & Loss Fairlands
 July 2008 through June 2011

	<u>Jul '08 - Jun 09</u>	<u>Jul '09 - Jun 10</u>	<u>Jul '10 - Jun 11</u>
6600 · Printing			
6610 · Program	0.00	255.31	178.44
Total 6600 · Printing	0.00	255.31	178.44
6700 · Travel	33.22	0.00	0.00
6710 · Mileage	1,094.92	838.24	1,415.66
6720 · Conferences	0.00	14.64	0.00
6730 · Training	36.10	0.00	42.56
6745 · Promotion	0.00	239.62	126.62
6755 · Licenses & Fees	43.36	17.73	12.08
6760 · Memberships & Dues	86.56	95.61	70.44
6810 · Special Events Expense	0.00	0.00	223.68
Total Expense	50,094.49	46,881.20	41,201.07
Net Ordinary Income	-8,424.49	-6,930.20	-1,724.84

Senior Housing Solutions
Profit & Loss Llewellyn
July 2008 through June 2011

	Jul '08 - Jun 09	Jul '09 - Jun 10	Jul '10 - Jun 11
Occupancy Rate	91.9%	95.1%	99.7%
Ordinary Income/Expense			
Income			
4100 · Rental Income			
4110 · Rental Income	5,982.60	14,844.80	16,480.00
4140 · Cable/Phone Reimb.	0.00	0.00	0.00
4150 · Late/Bank Fees	0.00	0.00	20.00
Total 4100 · Rental Income	5,982.60	14,844.80	16,500.00
4500 · Program Fees	200.00	40.00	0.00
4950 · From (To) Restricted Net Asset	110,677.76	0.00	0.00
Total Income	116,860.36	14,884.80	16,500.00
Gross Profit	116,860.36	14,884.80	16,500.00
Expense			
6000 · Personnel Expenses			
6010 · Salaries	3,495.11	8,165.02	15,839.29
6030 · Health/Dental Insurance	478.03	1,422.47	3,450.66
6050 · Payroll Taxes	267.38	624.62	1,145.18
6060 · Workers Comp Expense	69.86	201.11	400.97
6080 · FSA Admin Expenses	20.44	113.93	15.30
Total 6000 · Personnel Expenses	4,330.82	10,527.15	20,851.40
6100 · Professional Fees			
6110 · Audit	275.83	462.35	1,196.41
6115 · Legal and Accounting	162.03	291.48	650.87
6120 · Consulting	102.46	209.46	458.65
Total 6100 · Professional Fees	540.32	963.29	2,305.93
6140 · Meals/Entertainment	0.00	0.00	48.68
6150 · D&O/Bond/Volunteer Insurance	72.20	176.51	293.74
6160 · Bank Charges	0.80	6.23	2.92
6165 · Bad Debt	0.00	1,080.00	0.00
6200 · Supplies			
6210 · Office	76.48	111.83	268.65
6230 · Group Home	1,502.77	1.91	371.84
Total 6200 · Supplies	1,579.25	113.74	640.49
6250 · Credit Check	288.00	48.00	0.00
6260 · Telephone	316.02	579.24	860.33
6270 · Postage			
6280 · Program	29.75	64.80	166.13
Total 6270 · Postage	29.75	64.80	166.13
6300 · Occupancy Expenses			
6305 · Rent			
6310 · Office	139.56	1,249.92	499.91
Total 6305 · Rent	139.56	1,249.92	499.91
6330 · Repairs & Maintenance	580.84	1,395.00	617.50
6350 · Yard Service	750.00	1,800.00	1,800.00
6365 · Property Management Expense	0.00	0.00	0.00
6370 · Utilities			
6372 · Cable	236.88	788.82	905.39
6374 · Gas & Electric	2,118.77	2,955.15	2,688.44
6378 · Garbage	227.79	234.41	251.46
6379 · Water	0.00	0.00	0.00
Total 6370 · Utilities	2,583.44	3,978.38	3,845.29
6380 · Liability/Property Insurance	840.75	929.40	1,013.51
6390 · Property Taxes	649.86	624.34	1,887.47
6395 · Small Equipment Purchases	569.71	248.00	0.00
Total 6300 · Occupancy Expenses	6,114.16	10,225.04	9,663.68
6500 · Equipment Maintenance	28.71	186.48	1,140.91

Senior Housing Solutions
Profit & Loss Llewellyn
 July 2008 through June 2011

	<u>Jul '08 - Jun 09</u>	<u>Jul '09 - Jun 10</u>	<u>Jul '10 - Jun 11</u>
6600 · Printing			
6610 · Program	0.00	94.84	178.44
Total 6600 · Printing	0.00	94.84	178.44
6700 · Travel	4.78	0.00	0.00
6710 · Mileage	1,637.41	800.17	1,141.39
6720 · Conferences	0.00	5.44	0.00
6730 · Training	5.19	0.00	42.56
6745 · Promotion	0.00	89.02	126.62
6755 · Licenses & Fees	6.23	6.59	12.08
6760 · Memberships & Dues	12.45	35.52	70.44
6810 · Special Events Expense	1,988.82	0.00	223.68
Total Expense	16,954.91	25,002.06	37,769.42
Net Ordinary Income	99,905.45	-10,117.26	-21,269.42

Senior Housing Solutions
Profit & Loss Pollard
July 2008 through June 2011

	<u>Jul '08 - Jun 09</u>	<u>Jul '09 - Jun 10</u>	<u>Jul '10 - Jun 11</u>
Occupancy Rate	100.0%	100.0%	99.7%
Ordinary Income/Expense			
Income			
4100 · Rental Income			
4110 · Rental Income	20,104.00	20,364.00	20,446.00
4115 · HA Subsidy	24,884.00	24,624.00	24,543.00
4150 · Late/Bank Fees	60.00	40.00	20.00
Total 4100 · Rental Income	45,048.00	45,028.00	45,009.00
4200 · Grants & Donations			
4201 · Grants			
4220 · Foundations	0.00	200.00	0.00
Total 4201 · Grants	0.00	200.00	0.00
Total 4200 · Grants & Donations	0.00	200.00	0.00
Total Income	45,048.00	45,228.00	45,009.00
Gross Profit	45,048.00	45,228.00	45,009.00
Expense			
6000 · Personnel Expenses			
6010 · Salaries	26,418.66	24,787.63	15,839.29
6030 · Health/Dental Insurance	3,613.32	4,318.37	3,450.66
6050 · Payroll Taxes	2,021.03	1,896.25	1,145.18
6060 · Workers Comp Expense	528.08	610.54	400.97
6080 · FSA Admin Expenses	154.54	141.02	15.30
Total 6000 · Personnel Expenses	32,735.63	31,753.81	20,851.40
6100 · Professional Fees			
6110 · Audit	2,084.93	1,403.61	1,196.41
6115 · Legal and Accounting	1,224.72	884.87	650.87
6120 · Consulting	774.45	635.89	458.65
Total 6100 · Professional Fees	4,084.10	2,924.37	2,305.93
6140 · Meals/Entertainment	0.00	0.00	48.68
6150 · D&O/Bond/Volunteer Insurance	545.78	535.86	293.74
6160 · Bank Charges	6.07	18.91	2.92
6200 · Supplies			
6210 · Office	578.06	339.51	268.65
6230 · Group Home	60.00	11.47	15.27
Total 6200 · Supplies	638.06	350.98	283.92
6260 · Telephone	1,303.27	1,208.57	874.96
6270 · Postage			
6280 · Program	224.88	196.73	166.13
Total 6270 · Postage	224.88	196.73	166.13
6300 · Occupancy Expenses			
6305 · Rent			
6310 · Office	1,054.93	3,794.55	499.91
Total 6305 · Rent	1,054.93	3,794.55	499.91
6330 · Repairs & Maintenance	2,531.18	2,100.00	1,835.00
6350 · Yard Service	1,556.00	1,560.00	1,560.00
6365 · Property Management Expense	0.00	0.00	0.00
6370 · Utilities			
6372 · Cable	804.40	823.78	868.28
6374 · Gas & Electric	2,681.78	2,721.06	2,530.71
6378 · Garbage	452.77	470.10	492.93
6379 · Water	2,491.24	2,273.51	1,715.05
Total 6370 · Utilities	6,430.19	6,288.45	5,606.97
6380 · Liability/Property Insurance	963.19	1,062.43	1,135.87
6390 · Property Taxes	579.20	590.44	602.78
6395 · Small Equipment Purchases	110.32	0.00	0.00
Total 6300 · Occupancy Expenses	13,225.01	15,395.87	11,240.53

Senior Housing Solutions
Profit & Loss Pollard
July 2008 through June 2011

	<u>Jul '08 - Jun 09</u>	<u>Jul '09 - Jun 10</u>	<u>Jul '10 - Jun 11</u>
6500 · Equipment Maintenance	868.98	621.52	804.64
6600 · Printing			
6610 · Program	0.00	287.93	178.44
Total 6600 · Printing	0.00	287.93	178.44
6700 · Travel	36.10	0.00	0.00
6710 · Mileage	686.14	590.93	798.15
6720 · Conferences	0.00	16.51	0.00
6730 · Training	39.24	0.00	42.56
6745 · Promotion	0.00	270.24	126.62
6755 · Licenses & Fees	47.13	20.00	12.08
6760 · Memberships & Dues	94.07	107.83	70.44
6810 · Special Events Expense	0.00	0.00	223.68
Total Expense	54,534.46	54,300.06	38,324.82
Net Ordinary Income	-9,486.46	-9,072.06	6,684.18

Senior Housing Solutions
Profit & Loss Price
 July 2008 through June 2011

	<u>Jul '08 - Jun 09</u>	<u>Jul '09 - Jun 10</u>	<u>Jul '10 - Jun 11</u>
Occupancy Rate			
Ordinary Income/Expense			
Expense			
6160 · Bank Charges	0.00	0.00	0.00
6200 · Supplies			
6230 · Group Home	0.00	0.00	0.00
Total 6200 · Supplies	0.00	0.00	0.00
6300 · Occupancy Expenses			
6330 · Repairs & Maintenance	0.00	0.00	0.00
6350 · Yard Service	0.00	0.00	0.00
6370 · Utilities			
6374 · Gas & Electric	0.00	0.00	0.00
6378 · Garbage	0.00	0.00	0.00
6379 · Water	0.00	0.00	0.00
Total 6370 · Utilities	0.00	0.00	0.00
6380 · Liability/Property Insurance	0.00	0.00	0.00
6390 · Property Taxes	0.00	0.00	0.00
6395 · Small Equipment Purchases	0.00	0.00	0.00
Total 6300 · Occupancy Expenses	0.00	0.00	0.00
6710 · Mileage	0.00	0.00	0.00
Total Expense	0.00	0.00	0.00
Net Ordinary Income	0.00	0.00	0.00

Senior Housing Solutions
Profit & Loss Anne Way
July 2008 through June 2011

	<u>Jul '08 - Jun 09</u>	<u>Jul '09 - Jun 10</u>	<u>Jul '10 - Jun 11</u>
Occupancy Rate		96.4%	100.0%
Ordinary Income/Expense			
Income			
4100 · Rental Income			
4110 · Rental Income	0.00	12,418.00	15,706.00
Total 4100 · Rental Income	0.00	12,418.00	15,706.00
4200 · Grants & Donations			
4201 · Grants			
4220 · Foundations	2,500.00	0.00	0.00
Total 4201 · Grants	2,500.00	0.00	0.00
4400 · Other Revenue			
4420 · Fundraising Events			
4425 · Special Events	0.00	1,500.00	0.00
Total 4420 · Fundraising Events	0.00	1,500.00	0.00
Total 4400 · Other Revenue	0.00	1,500.00	0.00
Total 4200 · Grants & Donations	2,500.00	1,500.00	0.00
4500 · Program Fees	0.00	200.00	0.00
Total Income	2,500.00	14,118.00	15,706.00
Gross Profit	2,500.00	14,118.00	15,706.00
Expense			
6000 · Personnel Expenses			
6010 · Salaries	0.00	6,842.11	15,839.29
6030 · Health/Dental Insurance	0.00	1,192.00	3,450.66
6050 · Payroll Taxes	0.00	523.42	1,145.18
6060 · Workers Comp Expense	0.00	168.53	400.97
6080 · FSA Admin Expenses	0.00	38.93	15.30
Total 6000 · Personnel Expenses	0.00	8,764.99	20,851.40
6100 · Professional Fees			
6110 · Audit	0.00	387.44	1,196.41
6115 · Legal and Accounting	0.00	244.25	650.87
6120 · Consulting	0.00	175.52	458.65
Total 6100 · Professional Fees	0.00	807.21	2,305.93
6140 · Meals/Entertainment	0.00	0.00	48.68
6150 · D&O/Bond/Volunteer Insurance	0.00	147.91	293.74
6160 · Bank Charges	0.00	5.22	2.92
6200 · Supplies			
6210 · Office	0.00	93.71	268.65
6230 · Group Home	0.00	3,301.74	51.34
Total 6200 · Supplies	0.00	3,395.45	319.99
6250 · Credit Check	0.00	212.00	0.00
6260 · Telephone	0.00	679.58	1,063.81
6270 · Postage			
6280 · Program	0.00	54.30	166.13
Total 6270 · Postage	0.00	54.30	166.13
6300 · Occupancy Expenses			
6305 · Rent			
6310 · Office	0.00	1,047.41	499.91
Total 6305 · Rent	0.00	1,047.41	499.91
6330 · Repairs & Maintenance	0.00	1,458.50	1,130.75
6350 · Yard Service	2,125.00	2,240.00	2,270.00
6365 · Property Management Expense	0.00	0.00	0.00
6370 · Utilities			
6372 · Cable	0.00	597.69	977.67
6374 · Gas & Electric	0.00	1,210.63	2,317.76
6378 · Garbage	0.00	179.35	188.02
6379 · Water	0.00	967.00	1,539.97

Senior Housing Solutions
Profit & Loss Anne Way
 July 2008 through June 2011

	<u>Jul '08 - Jun 09</u>	<u>Jul '09 - Jun 10</u>	<u>Jul '10 - Jun 11</u>
Total 6370 · Utilities	0.00	2,954.67	5,023.42
6380 · Liability/Property Insurance	0.00	1,999.05	1,501.19
6390 · Property Taxes	0.00	638.82	0.00
6395 · Small Equipment Purchases	0.00	615.42	0.00
Total 6300 · Occupancy Expenses	2,125.00	10,953.87	10,425.27
6500 · Equipment Maintenance	0.00	268.56	512.65
6600 · Printing			
6610 · Program	0.00	79.48	178.44
Total 6600 · Printing	0.00	79.48	178.44
6710 · Mileage	0.00	1,373.64	778.92
6720 · Conferences	0.00	4.56	0.00
6730 · Training	0.00	0.00	42.56
6745 · Promotion	0.00	74.59	126.62
6755 · Licenses & Fees	0.00	355.52	12.08
6760 · Memberships & Dues	375.00	354.76	395.44
6810 · Special Events Expense	0.00	2,794.72	223.68
Total Expense	2,500.00	30,326.36	37,748.26
Net Ordinary Income	0.00	-16,208.36	-22,042.26

Senior Housing Solutions
Profit & Loss Blossom Hill
July 2008 through June 2011

	Jul '08 - Jun 09	Jul '09 - Jun 10	Jul '10 - Jun 11
Occupancy Rate	100.0%	100.0%	96.9%
Ordinary Income/Expense			
Income			
4100 - Rental Income			
4110 - Rental Income	18,924.00	19,522.00	17,484.00
4150 - Late/Bank Fees	20.00	0.00	20.00
Total 4100 - Rental Income	18,944.00	19,522.00	17,504.00
4500 - Program Fees	0.00	0.00	40.00
Total Income	18,944.00	19,522.00	17,544.00
Gross Profit	18,944.00	19,522.00	17,544.00
Expense			
6000 - Personnel Expenses			
6010 - Salaries	11,017.35	10,756.29	15,839.29
6030 - Health/Dental Insurance	1,506.86	1,873.91	3,450.66
6050 - Payroll Taxes	842.83	822.86	1,145.18
6060 - Workers Comp Expense	220.23	264.94	400.97
6080 - FSA Admin Expenses	64.45	61.19	15.30
Total 6000 - Personnel Expenses	13,651.72	13,779.19	20,851.40
6100 - Professional Fees			
6110 - Audit	869.48	609.08	1,196.41
6115 - Legal and Accounting	510.74	383.98	650.87
6120 - Consulting	322.97	275.94	458.65
Total 6100 - Professional Fees	1,703.19	1,269.00	2,305.93
6140 - Meals/Entertainment	0.00	29.09	48.68
6150 - D&O/Bond/Volunteer Insurance	227.61	232.53	293.74
6160 - Bank Charges	2.53	8.21	2.92
6165 - Bad Debt	0.00	0.00	252.00
6200 - Supplies			
6210 - Office	241.07	147.32	268.65
6230 - Group Home	234.19	39.79	416.99
Total 6200 - Supplies	475.26	187.11	685.64
6250 - Credit Check	0.00	0.00	48.00
6260 - Telephone	956.03	976.66	1,160.36
6270 - Postage			
6280 - Program	93.78	85.37	166.13
Total 6270 - Postage	93.78	85.37	166.13
6300 - Occupancy Expenses			
6305 - Rent			
6310 - Office	439.94	1,646.60	499.91
Total 6305 - Rent	439.94	1,646.60	499.91
6330 - Repairs & Maintenance	1,975.87	2,490.00	1,937.50
6350 - Yard Service	1,887.00	2,080.00	1,900.00
6365 - Property Management Expense	0.00	0.00	0.00
6370 - Utilities			
6372 - Cable	789.88	853.91	906.02
6374 - Gas & Electric	1,933.45	2,120.98	1,908.83
6378 - Garbage	679.10	705.20	739.04
6379 - Water	1,254.64	1,090.09	900.17
Total 6370 - Utilities	4,657.07	4,770.18	4,454.06
6380 - Liability/Property Insurance	1,070.89	1,183.85	1,272.22
6390 - Property Taxes	514.42	524.78	634.58
Total 6300 - Occupancy Expenses	10,545.19	12,695.41	10,698.27
6500 - Equipment Maintenance	289.46	900.67	661.64
6600 - Printing			
6610 - Program	0.00	124.94	178.44
Total 6600 - Printing	0.00	124.94	178.44

Senior Housing Solutions
Profit & Loss Blossom Hill
July 2008 through June 2011

	<u>Jul '08 - Jun 09</u>	<u>Jul '09 - Jun 10</u>	<u>Jul '10 - Jun 11</u>
6700 · Travel	15.05	0.00	0.00
6710 · Mileage	1,100.01	952.10	1,271.05
6720 · Conferences	0.00	7.17	0.00
6730 · Training	16.36	0.00	42.56
6745 · Promotion	0.00	117.27	126.62
6755 · Licenses & Fees	19.65	8.68	12.08
6760 · Memberships & Dues	549.23	556.79	505.44
6810 · Special Events Expense	0.00	0.00	223.68
Total Expense	<u>29,645.07</u>	<u>31,930.19</u>	<u>39,534.58</u>
Net Ordinary Income	-10,701.07	-12,408.19	-21,990.58

Senior Housing Solutions
Profit & Loss N Park Victoria
 July 2008 through June 2011

	Jul '08 - Jun 09	Jul '09 - Jun 10	Jul '10 - Jun 11
Occupancy Rate			
Ordinary Income/Expense			
Expense			
6200 · Supplies			
6230 · Group Home	0.00	0.00	0.00
Total 6200 · Supplies	0.00	0.00	0.00
6300 · Occupancy Expenses			
6330 · Repairs & Maintenance	0.00	0.00	0.00
6350 · Yard Service	0.00	0.00	0.00
6370 · Utilities			
6374 · Gas & Electric	0.00	0.00	0.00
6376 · Sewer	0.00	0.00	0.00
6378 · Garbage	0.00	0.00	0.00
6379 · Water	0.00	0.00	0.00
Total 6370 · Utilities	0.00	0.00	0.00
6380 · Liability/Property Insurance	0.00	0.00	0.00
6390 · Property Taxes	0.00	0.00	0.00
6395 · Small Equipment Purchases	0.00	0.00	0.00
Total 6300 · Occupancy Expenses	0.00	0.00	0.00
6710 · Mileage	0.00	0.00	0.00
Total Expense	0.00	0.00	0.00
Net Ordinary Income	0.00	0.00	0.00

Senior Housing Solutions
Profit & Loss Vasona
July 2008 through June 2011

	<u>Jul '08 - Jun 09</u>	<u>Jul '09 - Jun 10</u>	<u>Jul '10 - Jun 11</u>
Occupancy Rate	100.0%	100.0%	99.7%
Ordinary Income/Expense			
Income			
4100 - Rental Income			
4110 - Rental Income	18,044.00	18,524.00	18,648.00
4150 - Late/Bank Fees	20.00	20.00	80.00
Total 4100 - Rental Income	18,064.00	18,544.00	18,728.00
Total Income	18,064.00	18,544.00	18,728.00
Gross Profit	18,064.00	18,544.00	18,728.00
Expense			
6000 - Personnel Expenses			
6010 - Salaries	10,486.02	10,194.29	15,839.29
6030 - Health/Dental Insurance	1,434.19	1,776.00	3,450.66
6050 - Payroll Taxes	802.18	779.86	1,145.18
6060 - Workers Comp Expense	209.61	251.10	400.97
6080 - FSA Admin Expenses	61.34	58.00	15.30
Total 6000 - Personnel Expenses	12,993.34	13,059.25	20,851.40
6100 - Professional Fees			
6110 - Audit	827.55	577.26	1,196.41
6115 - Legal and Accounting	486.11	363.92	650.87
6120 - Consulting	307.39	261.52	458.65
Total 6100 - Professional Fees	1,621.05	1,202.70	2,305.93
6140 - Meals/Entertainment	0.00	0.00	48.68
6150 - D&O/Bond/Volunteer Insurance	216.63	220.38	293.74
6160 - Bank Charges	2.41	7.78	2.92
6165 - Bad Debt	0.00	0.00	0.00
6200 - Supplies			
6210 - Office	229.44	139.63	268.65
6230 - Group Home	430.91	382.33	53.30
Total 6200 - Supplies	660.35	521.96	321.95
6260 - Telephone	799.54	815.92	1,059.13
6270 - Postage			
6280 - Program	89.26	80.91	166.13
Total 6270 - Postage	89.26	80.91	166.13
6300 - Occupancy Expenses			
6305 - Rent			
6310 - Office	418.72	1,560.57	499.91
Total 6305 - Rent	418.72	1,560.57	499.91
6330 - Repairs & Maintenance	173.00	169.00	1,406.50
6350 - Yard Service	1,800.00	1,800.00	2,100.00
6365 - Property Management Expense	0.00	0.00	0.00
6370 - Utilities			
6372 - Cable	797.64	857.20	907.84
6374 - Gas & Electric	2,086.57	2,234.70	2,350.20
6376 - Sewer	358.20	385.10	425.64
6378 - Garbage	339.82	361.66	363.36
6379 - Water	780.64	824.22	966.90
Total 6370 - Utilities	4,362.87	4,662.88	5,013.94
6380 - Liability/Property Insurance	2,890.79	2,956.74	3,056.41
6390 - Property Taxes	170.16	1,023.62	261.50
Total 6300 - Occupancy Expenses	9,815.54	12,172.81	12,338.26
6500 - Equipment Maintenance	86.14	240.26	352.50
6600 - Printing			
6610 - Program	0.00	118.41	178.44
Total 6600 - Printing	0.00	118.41	178.44
6700 - Travel	14.33	0.00	0.00

Senior Housing Solutions
Profit & Loss Vasona
July 2008 through June 2011

	<u>Jul '08 - Jun 09</u>	<u>Jul '09 - Jun 10</u>	<u>Jul '10 - Jun 11</u>
6710 · Mileage	247.95	284.36	549.31
6720 · Conferences	0.00	6.79	0.00
6730 · Training	15.57	0.00	42.56
6745 · Promotion	0.00	111.14	126.62
6755 · Licenses & Fees	18.70	8.22	12.08
6760 · Memberships & Dues	37.34	44.35	70.44
6810 · Special Events Expense	0.00	0.00	223.68
Total Expense	<u>26,618.15</u>	<u>28,895.24</u>	<u>38,943.77</u>
Net Ordinary Income	-8,554.15	-10,351.24	-20,215.77

Senior Housing Solutions
Profit & Loss Cypress
 July 2008 through June 2011

	<u>Jul '08 - Jun 09</u>	<u>Jul '09 - Jun 10</u>	<u>Jul '10 - Jun 11</u>
Occupancy Rate			
Ordinary Income/Expense			
Expense			
6200 · Supplies			
6230 · Group Home	0.00	0.00	0.00
Total 6200 · Supplies	0.00	0.00	0.00
6300 · Occupancy Expenses			
6330 · Repairs & Maintenance	0.00	0.00	0.00
6350 · Yard Service	0.00	0.00	0.00
6370 · Utilities			
6374 · Gas & Electric	0.00	0.00	12.50
6376 · Sewer	0.00	0.00	19.56
6378 · Garbage	0.00	0.00	24.75
6379 · Water	0.00	0.00	49.32
Total 6370 · Utilities	0.00	0.00	106.13
6380 · Liability/Property Insurance	0.00	0.00	0.00
6390 · Property Taxes	0.00	0.00	0.00
Total 6300 · Occupancy Expenses	0.00	0.00	106.13
6710 · Mileage	0.00	0.00	0.00
Total Expense	0.00	0.00	106.13
Net Ordinary Income	0.00	0.00	-106.13

Senior Housing Solutions
Profit & Loss Gianera
July 2008 through June 2011

	<u>Jul '08 - Jun 09</u>	<u>Jul '09 - Jun 10</u>	<u>Jul '10 - Jun 11</u>
Occupancy Rate	92.2%	96.3%	81.9%
Ordinary Income/Expense			
Income			
4100 · Rental Income			
4110 · Rental Income	13,856.40	21,927.38	10,450.00
4115 · HA Subsidy	8,120.00	8,677.60	11,218.33
4140 · Cable/Phone Reimb.	177.70	0.00	43.77
4150 · Late/Bank Fees	0.00	40.00	0.00
Total 4100 · Rental Income	22,154.10	30,644.98	21,712.10
4500 · Program Fees	40.00	0.00	40.00
Total Income	22,194.10	30,644.98	21,752.10
Gross Profit	22,194.10	30,644.98	21,752.10
Expense			
6000 · Personnel Expenses			
6010 · Salaries	12,732.90	12,444.84	9,503.58
6030 · Health/Dental Insurance	1,741.50	2,168.08	2,070.40
6050 · Payroll Taxes	974.07	952.03	687.11
6060 · Workers Comp Expense	254.52	306.53	240.58
6080 · FSA Admin Expenses	74.48	70.80	9.18
Total 6000 · Personnel Expenses	15,777.47	15,942.28	12,510.85
6100 · Professional Fees			
6110 · Audit	1,004.87	704.69	717.85
6115 · Legal and Accounting	590.27	444.26	390.52
6120 · Consulting	373.26	319.25	275.19
Total 6100 · Professional Fees	1,968.40	1,468.20	1,383.56
6140 · Meals/Entertainment	0.00	0.00	29.21
6150 · D&O/Bond/Volunteer Insurance	263.05	269.03	176.24
6160 · Bank Charges	2.92	9.49	11.75
6165 · Bad Debt	0.00	8,018.00	0.38
6200 · Supplies			
6210 · Office	278.61	170.45	161.19
6230 · Group Home	63.17	231.61	600.62
Total 6200 · Supplies	341.78	402.06	761.81
6250 · Credit Check	0.00	0.00	48.00
6260 · Telephone	870.52	827.03	800.63
6270 · Postage			
6280 · Program	108.38	98.77	99.68
Total 6270 · Postage	108.38	98.77	99.68
6300 · Occupancy Expenses			
6305 · Rent			
6310 · Office	508.44	1,905.09	299.95
6315 · Houses	6,000.00	6,000.00	6,000.00
Total 6305 · Rent	6,508.44	7,905.09	6,299.95
6330 · Repairs & Maintenance	4,721.59	9,654.38	2,017.50
6350 · Yard Service	2,795.00	3,840.00	2,520.00
6365 · Property Management Expense	0.00	0.00	0.00
6370 · Utilities			
6372 · Cable	932.69	815.16	904.27
6374 · Gas & Electric	1,923.88	2,181.03	1,846.93
6376 · Sewer	176.12	193.98	231.73
6378 · Garbage	356.42	370.68	407.29
6379 · Water	1,250.98	2,179.99	1,732.62
Total 6370 · Utilities	4,640.09	5,740.84	5,122.84
6380 · Liability/Property Insurance	520.39	590.90	672.13
6300 · Occupancy Expenses - Other	599.10	0.00	0.00
Total 6300 · Occupancy Expenses	19,784.61	27,731.21	16,632.42

Senior Housing Solutions
Profit & Loss Gianera
 July 2008 through June 2011

	<u>Jul '08 - Jun 09</u>	<u>Jul '09 - Jun 10</u>	<u>Jul '10 - Jun 11</u>
6500 · Equipment Maintenance	505.55	894.91	490.56
6600 · Printing			
6610 · Program	0.00	144.56	107.06
Total 6600 · Printing	0.00	144.56	107.06
6700 · Travel	17.40	0.00	0.00
6710 · Mileage	933.65	989.77	881.15
6720 · Conferences	0.00	8.29	0.00
6730 · Training	18.91	0.00	25.54
6745 · Promotion	0.00	135.68	75.97
6755 · Licenses & Fees	22.71	10.04	7.25
6760 · Memberships & Dues	45.34	54.14	42.26
6810 · Special Events Expense	0.00	0.00	134.21
Total Expense	40,660.69	57,003.46	34,218.53
Net Ordinary Income	-18,466.59	-26,358.48	-12,466.43

Senior Housing Solutions
Profit & Loss Homestead
July 2008 through June 2011

	Jul '08 - Jun 09	Jul '09 - Jun 10	Jul '10 - Jun 11
Occupancy Rate	96.3%	100.0%	99.7%
Ordinary Income/Expense			
Income			
4100 · Rental Income			
4110 · Rental Income	13,772.40	14,144.00	14,336.00
4115 · HA Subsidy	15,614.87	15,856.00	15,664.00
4140 · Cable/Phone Reimb.	11.05	0.00	0.00
4150 · Late/Bank Fees	0.00	20.00	0.00
Total 4100 · Rental Income	29,398.32	30,020.00	30,000.00
4500 · Program Fees	40.00	0.00	0.00
4900 · Interest Income	596.69	71.85	46.80
Total Income	30,035.01	30,091.85	30,046.80
Gross Profit	30,035.01	30,091.85	30,046.80
Expense			
6000 · Personnel Expenses			
6010 · Salaries	17,168.40	16,529.50	12,671.43
6030 · Health/Dental Insurance	2,348.15	2,879.68	2,760.53
6050 · Payroll Taxes	1,313.38	1,264.51	916.14
6060 · Workers Comp Expense	343.18	407.14	320.78
6080 · FSA Admin Expenses	100.43	94.04	12.24
Total 6000 · Personnel Expenses	21,273.54	21,174.87	16,681.12
6100 · Professional Fees			
6110 · Audit	1,354.91	935.99	957.13
6115 · Legal and Accounting	795.90	590.07	520.69
6120 · Consulting	503.29	424.04	366.92
Total 6100 · Professional Fees	2,654.10	1,950.10	1,844.74
6140 · Meals/Entertainment	0.00	0.00	38.94
6150 · D&O/Bond/Volunteer Insurance	354.68	357.33	234.99
6160 · Bank Charges	4.94	12.61	2.33
6200 · Supplies			
6210 · Office	375.66	226.40	214.92
6230 · Group Home	63.05	0.00	7.40
Total 6200 · Supplies	438.71	226.40	222.32
6260 · Telephone	1,113.06	1,050.02	924.59
6270 · Postage			
6280 · Program	146.14	131.19	132.91
Total 6270 · Postage	146.14	131.19	132.91
6300 · Occupancy Expenses			
6305 · Rent			
6310 · Office	685.56	2,530.38	399.93
Total 6305 · Rent	685.56	2,530.38	399.93
6330 · Repairs & Maintenance	6,044.39	3,485.20	1,383.00
6350 · Yard Service	1,625.00	1,200.00	1,325.00
6365 · Property Management Expense	0.00	0.00	0.00
6370 · Utilities			
6372 · Cable	789.48	842.08	887.95
6374 · Gas & Electric	1,930.58	1,846.17	1,906.73
6376 · Sewer	176.70	195.86	233.28
6378 · Garbage	356.93	371.28	408.80
6379 · Water	1,132.98	1,439.74	910.70
Total 6370 · Utilities	4,386.67	4,695.13	4,347.46
6380 · Liability/Property Insurance	1,267.52	1,452.57	1,517.59
6390 · Property Taxes	45.74	50.58	49.84
6395 · Small Equipment Purchases	0.00	87.39	0.00
Total 6300 · Occupancy Expenses	14,054.88	13,501.25	9,022.82
6500 · Equipment Maintenance	339.99	673.07	986.44

Senior Housing Solutions
Profit & Loss Homestead
 July 2008 through June 2011

	<u>Jul '08 - Jun 09</u>	<u>Jul '09 - Jun 10</u>	<u>Jul '10 - Jun 11</u>
6600 - Printing			
6610 - Program	0.00	192.00	142.75
Total 6600 - Printing	0.00	192.00	142.75
6700 - Travel	23.46	0.00	0.00
6710 - Mileage	1,363.60	594.29	655.26
6720 - Conferences	0.00	11.01	0.00
6730 - Training	25.50	0.00	34.05
6745 - Promotion	0.00	180.21	101.30
6755 - Licenses & Fees	30.62	13.34	9.67
6760 - Memberships & Dues	61.13	71.90	56.35
6810 - Special Events Expense	0.00	0.00	178.94
Total Expense	41,884.35	40,139.59	31,269.52
Net Ordinary Income	-11,849.34	-10,047.74	-1,222.72

Senior Housing Solutions
Profit & Loss Klee
July 2008 through June 2011

	Jul '08 - Jun 09	Jul '09 - Jun 10	Jul '10 - Jun 11
Occupancy Rate	99.0%	84.4%	93.3%
Ordinary Income/Expense			
Income			
4000 · Government Funds			
4020 · Sunnysvale	4,648.00	3,223.18	3,226.53
Total 4000 · Government Funds	4,648.00	3,223.18	3,226.53
4100 · Rental Income			
4110 · Rental Income	12,877.00	8,398.55	5,602.67
4115 · HA Subsidy	29,908.00	27,947.51	37,064.01
4140 · Cable/Phone Reimb.	776.90	688.39	98.94
4150 · Late/Bank Fees	160.00	40.00	20.00
Total 4100 · Rental Income	43,721.90	37,074.45	42,785.62
4500 · Program Fees	40.00	200.00	40.00
Total Income	48,409.90	40,497.63	46,052.15
Gross Profit	48,409.90	40,497.63	46,052.15
Expense			
6000 · Personnel Expenses			
6010 · Salaries	24,995.52	20,026.07	15,839.29
6030 · Health/Dental Insurance	3,418.67	3,488.84	3,450.66
6050 · Payroll Taxes	1,912.16	1,531.99	1,145.18
6060 · Workers Comp Expense	499.64	493.26	400.97
6080 · FSA Admin Expenses	146.21	46.45	15.30
Total 6000 · Personnel Expenses	30,972.20	25,586.61	20,851.40
6100 · Professional Fees			
6110 · Audit	1,972.62	1,133.99	1,196.41
6115 · Legal and Accounting	1,158.75	714.89	650.87
6120 · Consulting	732.73	513.74	458.65
Total 6100 · Professional Fees	3,864.10	2,362.62	2,305.93
6140 · Meals/Entertainment	0.00	0.00	48.68
6150 · D&O/Bond/Volunteer Insurance	516.38	432.92	293.74
6160 · Bank Charges	5.74	15.28	2.92
6165 · Bad Debt	0.00	0.00	0.00
6200 · Supplies			
6210 · Office	546.92	274.29	268.65
6230 · Group Home	145.05	170.45	271.04
Total 6200 · Supplies	691.97	444.74	539.69
6250 · Credit Check	48.00	192.00	48.00
6260 · Telephone	1,594.69	1,425.97	1,416.27
6270 · Postage			
6280 · Program	212.77	158.94	166.13
Total 6270 · Postage	212.77	158.94	166.13
6300 · Occupancy Expenses			
6305 · Rent			
6310 · Office	998.10	3,065.64	499.91
Total 6305 · Rent	998.10	3,065.64	499.91
6330 · Repairs & Maintenance	3,285.25	5,756.00	3,486.50
6350 · Yard Service	1,876.00	1,900.00	3,080.00
6365 · Property Management Expense	0.00	0.00	0.00
6370 · Utilities			
6372 · Cable	2,367.67	2,200.12	1,742.13
6374 · Gas & Electric	2,583.46	2,702.97	3,080.67
6376 · Sewer	616.32	663.48	696.48
6378 · Garbage	641.37	705.42	756.10
6379 · Water	782.52	1,067.19	1,140.67
Total 6370 · Utilities	6,991.34	7,339.18	7,416.05
6380 · Liability/Property Insurance	907.95	1,001.04	1,337.36

Senior Housing Solutions
Profit & Loss Klee
 July 2008 through June 2011

	<u>Jul '08 - Jun 09</u>	<u>Jul '09 - Jun 10</u>	<u>Jul '10 - Jun 11</u>
6390 · Property Taxes	208.66	341.60	341.88
6395 · Small Equipment Purchases	0.00	87.39	0.00
6300 · Occupancy Expenses - Other	1,759.30	0.00	19,553.87
Total 6300 · Occupancy Expenses	16,026.60	19,490.85	35,715.57
6500 · Equipment Maintenance	2,228.25	975.12	1,258.84
6600 · Printing			
6610 · Program	0.00	232.62	178.44
Total 6600 · Printing	0.00	232.62	178.44
6700 · Travel	34.15	0.00	0.00
6710 · Mileage	1,421.06	1,443.33	1,852.42
6720 · Conferences	0.00	13.34	0.00
6730 · Training	37.12	0.00	42.56
6745 · Promotion	0.00	218.33	126.62
6755 · Licenses & Fees	44.59	16.16	12.08
6760 · Memberships & Dues	89.00	87.12	70.44
6810 · Special Events Expense	0.00	0.00	223.68
Total Expense	57,786.62	53,095.95	65,153.41
Net Ordinary Income	-9,376.72	-12,598.32	-19,101.26

Senior Housing Solutions
Profit & Loss Socorro
July 2008 through June 2011

	<u>Jul '08 - Jun 09</u>	<u>Jul '09 - Jun 10</u>	<u>Jul '10 - Jun 11</u>
Occupancy Rate	40.0%	99.1%	76.5%
Ordinary Income/Expense			
Income			
4000 · Government Funds			
4020 · Sunnyvale	0.00	3,223.19	3,226.53
Total 4000 · Government Funds	0.00	3,223.19	3,226.53
4100 · Rental Income			
4110 · Rental Income	162.00	14,514.00	12,422.00
4140 · Cable/Phone Reimb.	0.00	6.00	5.00
4150 · Late/Bank Fees	0.00	84.00	40.00
Total 4100 · Rental Income	162.00	14,604.00	12,467.00
4200 · Grants & Donations			
4300 · Contributions			
4390 · In-Kind Contributions	20,000.00	0.00	0.00
Total 4300 · Contributions	20,000.00	0.00	0.00
Total 4200 · Grants & Donations	20,000.00	0.00	0.00
4500 · Program Fees	160.00	40.00	0.00
Total Income	20,322.00	17,867.19	15,693.53
Gross Profit	20,322.00	17,867.19	15,693.53
Expense			
6000 · Personnel Expenses			
6010 · Salaries	0.00	8,052.07	15,839.29
6030 · Health/Dental Insurance	0.00	1,402.79	3,450.66
6050 · Payroll Taxes	0.00	615.98	1,145.18
6060 · Workers Comp Expense	0.00	198.33	400.97
6080 · FSA Admin Expenses	0.00	45.81	15.30
Total 6000 · Personnel Expenses	0.00	10,314.98	20,851.40
6100 · Professional Fees			
6110 · Audit	0.00	455.95	1,196.41
6115 · Legal and Accounting	0.00	287.44	650.87
6120 · Consulting	0.00	206.56	458.65
Total 6100 · Professional Fees	0.00	949.95	2,305.93
6140 · Meals/Entertainment	0.00	0.00	48.68
6150 · D&O/Bond/Volunteer Insurance	0.00	174.07	293.74
6160 · Bank Charges	0.00	10.14	2.92
6165 · Bad Debt	0.00	0.00	201.00
6200 · Supplies			
6210 · Office	0.00	110.29	268.65
6230 · Group Home	2,539.57	227.76	18.40
Total 6200 · Supplies	2,539.57	338.05	287.05
6250 · Credit Check	144.00	144.00	0.00
6260 · Telephone	122.48	541.17	810.64
6270 · Postage			
6280 · Program	0.00	63.91	166.13
Total 6270 · Postage	0.00	63.91	166.13
6300 · Occupancy Expenses			
6305 · Rent			
6310 · Office	0.00	1,232.63	499.91
Total 6305 · Rent	0.00	1,232.63	499.91
6330 · Repairs & Maintenance	1,068.33	100.00	1,214.00
6350 · Yard Service	300.00	1,800.00	1,800.00
6365 · Property Management Expense	0.00	0.00	0.00
6370 · Utilities			
6372 · Cable	171.83	922.06	854.68
6374 · Gas & Electric	197.37	1,901.35	2,044.66
6376 · Sewer	308.16	331.74	348.24

Senior Housing Solutions
Profit & Loss Socorro
 July 2008 through June 2011

	<u>Jul '08 - Jun 09</u>	<u>Jul '09 - Jun 10</u>	<u>Jul '10 - Jun 11</u>
6378 - Garbage	378.35	387.80	415.70
6379 - Water	123.74	1,447.02	841.98
Total 6370 - Utilities	1,179.45	4,989.97	4,505.26
6380 - Liability/Property Insurance	1,246.72	1,273.25	1,123.56
6390 - Property Taxes	1,790.11	-2,613.06	215.80
6395 - Small Equipment Purchases	408.55	0.00	64.99
Total 6300 - Occupancy Expenses	5,993.16	6,782.79	9,423.52
6500 - Equipment Maintenance	0.00	451.72	319.50
6600 - Printing			
6610 - Program	208.94	93.53	178.44
Total 6600 - Printing	208.94	93.53	178.44
6710 - Mileage	1,269.68	1,051.09	1,361.42
6720 - Conferences	0.00	5.36	0.00
6730 - Training	0.00	0.00	42.56
6745 - Promotion	0.00	87.78	126.62
6755 - Licenses & Fees	0.00	6.50	12.08
6760 - Memberships & Dues	0.00	35.03	70.44
6810 - Special Events Expense	1,459.84	0.00	223.68
Total Expense	11,737.67	21,050.07	36,725.75
Net Ordinary Income	8,584.33	-3,182.88	-21,032.22

Senior Housing Solutions
Profit & Loss S Wolfe
July 2008 through June 2011

	<u>Jul '08 - Jun 09</u>	<u>Jul '09 - Jun 10</u>	<u>Jul '10 - Jun 11</u>
Occupancy Rate	99.0%	87.0%	99.7%
Ordinary Income/Expense			
Income			
4000 · Government Funds			
4020 · Sunnyvale	4,648.00	2,578.63	2,571.94
Total 4000 · Government Funds	4,648.00	2,578.63	2,571.94
4100 · Rental Income			
4110 · Rental Income	10,510.09	10,447.67	13,476.00
4115 · HA Subsidy	23,583.58	19,794.40	19,764.47
4140 · Cable/Phone Reimb.	142.85	126.41	535.10
4150 · Late/Bank Fees	0.00	0.00	20.00
Total 4100 · Rental Income	34,236.52	30,368.48	33,795.57
4500 · Program Fees	40.00	220.00	0.00
Total Income	38,924.52	33,167.11	36,367.51
Gross Profit	38,924.52	33,167.11	36,367.51
Expense			
6000 · Personnel Expenses			
6010 · Salaries	19,917.94	17,038.37	12,671.43
6030 · Health/Dental Insurance	2,724.21	2,968.34	2,760.53
6050 · Payroll Taxes	1,523.72	1,303.44	916.14
6060 · Workers Comp Expense	398.14	419.67	320.78
6080 · FSA Admin Expenses	116.51	96.93	12.24
Total 6000 · Personnel Expenses	24,680.52	21,826.75	16,681.12
6100 · Professional Fees			
6110 · Audit	1,571.90	964.81	957.13
6115 · Legal and Accounting	923.36	608.24	520.69
6120 · Consulting	583.89	437.09	366.92
Total 6100 · Professional Fees	3,079.15	2,010.14	1,844.74
6140 · Meals/Entertainment	0.00	0.00	38.94
6150 · D&O/Bond/Volunteer Insurance	411.48	368.33	234.99
6160 · Bank Charges	4.57	13.00	2.33
6200 · Supplies			
6210 · Office	435.82	233.37	214.92
6230 · Group Home	60.00	84.29	3.26
Total 6200 · Supplies	495.82	317.66	218.18
6250 · Credit Check	48.00	192.00	0.00
6260 · Telephone	1,210.94	1,073.12	936.28
6270 · Postage			
6280 · Program	169.54	135.23	132.91
Total 6270 · Postage	169.54	135.23	132.91
6300 · Occupancy Expenses			
6305 · Rent			
6310 · Office	795.35	2,608.28	399.93
Total 6305 · Rent	795.35	2,608.28	399.93
6330 · Repairs & Maintenance	2,504.00	2,728.50	2,918.18
6350 · Yard Service	1,195.00	1,200.00	1,370.00
6365 · Property Management Expense	0.00	0.00	0.00
6370 · Utilities			
6372 · Cable	717.99	935.43	1,179.18
6374 · Gas & Electric	1,688.88	1,678.55	2,148.62
6376 · Sewer	308.16	331.74	348.24
6378 · Garbage	377.91	387.80	415.70
6379 · Water	561.74	507.55	907.85
Total 6370 · Utilities	3,654.68	3,841.07	4,999.59
6380 · Liability/Property Insurance	695.30	767.23	828.79
6390 · Property Taxes	200.60	971.86	332.98

Senior Housing Solutions
Profit & Loss S Wolfe
 July 2008 through June 2011

	<u>Jul '08 - Jun 09</u>	<u>Jul '09 - Jun 10</u>	<u>Jul '10 - Jun 11</u>
6300 · Occupancy Expenses - Other	104.37	0.00	0.00
Total 6300 · Occupancy Expenses	9,149.30	12,116.94	10,849.47
6500 · Equipment Maintenance	362.58	996.10	1,237.74
6600 · Printing			
6610 · Program	0.00	197.91	142.75
Total 6600 · Printing	0.00	197.91	142.75
6700 · Travel	27.22	0.00	0.00
6710 · Mileage	611.07	1,092.17	799.01
6720 · Conferences	0.00	11.35	0.00
6730 · Training	29.58	0.00	34.05
6745 · Promotion	0.00	185.75	101.30
6755 · Licenses & Fees	35.53	13.75	9.67
6760 · Memberships & Dues	70.92	74.12	56.35
6810 · Special Events Expense	0.00	0.00	178.94
Total Expense	40,386.22	40,624.32	33,498.77
Net Ordinary Income	-1,461.70	-7,457.21	2,868.74