

**National Regency of New Berlin, Inc.**  
**Balance Sheet**  
**June 2010**

<b>Assets</b>	Regency Living Centers	MOB	Total
<b>Current assets</b>			
Cash and cash equivalents	\$ 6,829,856	\$ 3,964,273	\$ 10,794,129
Assets whose use is limited that are required for current liabilities	-	-	-
Inventory of supplies	33,617	-	33,617
Prepaid expenses and other current assets	<u>252,079</u>	<u>60,408</u>	<u>312,487</u>
Total current assets	7,115,552	4,024,681	11,140,233
 Noncurrent assets whose use is limited	 99,550	 -	 99,550
Fair value of interest rate swap	-	-	-
Net property, plant and equipment	39,918,584	7,626,122	47,544,706
 Other assets:			
Due from related organizations		161,543	161,543
Deferred financing expenses, net	<u>416,992</u>	<u>-</u>	<u>416,992</u>
Total other assets	416,992	161,543	578,535
 <b>Total assets</b>	 <b><u>\$ 47,550,678</u></b>	 <b><u>\$ 11,812,346</u></b>	 <b><u>\$ 59,363,024</u></b>
 <b>Liabilities and fund balance</b>			
<b>Current liabilities:</b>			
Current installments of long-term debt	\$ 1,050,000	\$ -	\$ 1,050,000
Accounts payable	185,409	38,262	223,671
Construction payable	-	-	-
Accrued expenses	441,014	94,103	535,117
Resident deposits and prepaid rent	<u>1,072,726</u>	<u>-</u>	<u>1,072,726</u>
Total current liabilities	2,749,149	132,365	2,881,514
 Long-term debt, less current installments	 31,390,000	 -	 31,390,000
Fair value of interest rate swap	3,231,694	-	3,231,694
Asset retirement obligation	-	144,913	144,913
Due to affiliated organizations	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	37,370,843	277,278	37,648,121
 Net assets	 10,179,835	 11,535,068	 21,714,903
 <b>Total liabilities and net assets</b>	 <b><u>\$ 47,550,678</u></b>	 <b><u>\$ 11,812,346</u></b>	 <b><u>\$ 59,363,024</u></b>

**National Regency of New Berlin, Inc.**  
**Statement of Revenue and Expenses**  
**For the Nine Months Ended June 2010**

	Regency		
	Living Centers	MOB	Total
Operating revenues	\$ 11,616,346	\$ 1,513,249	\$ 13,129,595
Expenses:			
Salaries and wages	3,124,330	-	3,124,330
Employee benefits	572,440	-	572,440
Contracted services	482,934	-	482,934
Other expenses	3,038,193	462,697	3,500,890
Depreciation & Amortization	1,913,103	242,665	2,155,768
Interest	1,343,221	-	1,343,221
Total expenses	10,474,221	705,362	11,179,583
Income (loss) from operations	1,142,125	807,886	1,950,011
Nonoperating income (loss)	(629,592)	12,890	(616,702)
Revenue in excess of (less than) expenses	<u>\$ 512,533</u>	<u>\$ 820,776</u>	<u>\$ 1,333,309</u>

**National Regency of New Berlin, Inc.**  
**Debt Service Coverage Ratio**  
**For the Nine Months Ended June 2010**

	<b>Regency Centers</b>	<b>MOB</b>	<b>Total</b>
Excess of revenues over expenses, 10/09 - 06/10	512,533	820,776	1,333,309
Add:			
Depreciation and amortization	1,913,103	242,665	2,155,768
Interest expense	1,343,221	-	1,343,221
Funds available for debt service	3,768,857	1,063,441	4,832,298
Maximum annual debt service (FY2011)			2,001,020
Debt service coverage ratio			2.41
Requirement			1.10

