

CARDINAL BAY, INC.

UNAUDITED FINANCIAL STATEMENT RATIOS

YEAR ENDING DECEMBER 31, 2016

DEBT SERVICE COVERAGE RATIO

SEPTEMBER 30, 2016

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DECEMBER 31, 2016

Cardinal Bay, Inc.

Debt Service Coverage Ratio

Unaudited

Nine months ending September 30, 2016

Note: Cardinal Bay acquired Village on the Park / Carriage Inn on May 26, 2016

Change in Net Assets	
Net Assets	1,503,609
Mission Contribution	251,613
Interest Expense	
Series 2016 Bonds	3,807,859
Amortization	0
Unrealized Gain/Loss Bonds	(420,107)
Original Issue Discount	164,772
Original Issue Premium	(108,637)
Depreciation	0
Net Income Available for Debt Service	5,199,109
Annual Debt Service Requirement for the Senior Bonds (1)	2,109,762
Debt Service Coverage Ratio for the Senior Bonds	2.46
Annual Debt Service Requirement for the Senior Bonds and the Second Tier Bonds (1)	3,909,290
Debt Service Coverage Ratio for the Senior Bonds and Second Tier Bonds	1.33
Annual Debt Service Requirement for the Senior Bonds, Second Tier Bonds and Third Tier Bonds (1)	4,397,411
Debt Service Coverage Ratio for the Senior Bonds, Second Tier Bonds and Third Tier Bonds	1.18
Annual Debt Service Requirement for the Series 2016 Bonds (1) (2)	4,397,411
Debt Service Coverage Ratio for the Series 2016 Bonds	1.18

(1) Debt Service Requirement is based on amounts deposited to the Trustee for the period.

(2) Amount is net of funded interest of approximately \$265,000.

Cardinal Bay, Inc.

Debt Service Coverage Ratio

Unaudited

Twelve months ending December 31, 2016

Note: Cardinal Bay acquired Village on the Park / Carriage Inn on May 26, 2016

Change in Net Assets	
Net Assets	1,624,566
Mission Contribution	431,613
Interest Expense	
Series 2016 Bonds	6,529,398
Amortization	0
Unrealized Gain/Loss Bonds	403,940
Original Issue Discount	282,571
Original Issue Premium	(186,303)
Depreciation	0
Net Income Available for Debt Service	9,085,785
Annual Debt Service Requirement for the Senior Bonds (1)	3,692,083
Debt Service Coverage Ratio for the Senior Bonds	2.46
Annual Debt Service Requirement for the Senior Bonds and the Second Tier Bonds (1)	6,841,258
Debt Service Coverage Ratio for the Senior Bonds and Second Tier Bonds	1.33
Annual Debt Service Requirement for the Senior Bonds, Second Tier Bonds and Third Tier Bonds (1)	7,695,469
Debt Service Coverage Ratio for the Senior Bonds, Second Tier Bonds and Third Tier Bonds	1.18
Annual Debt Service Requirement for the Series 2016 Bonds (1) (2)	7,695,469
Debt Service Coverage Ratio for the Series 2016 Bonds	1.18

(1) Debt Service Requirement is based on amounts deposited to the Trustee for the period.

(2) Amount is net of funded interest of approximately \$460,000.

DAYS CASH ON HAND

SEPTEMBER 30, 2016

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DECEMBER 31, 2016

Cardinal Bay, Inc.

Days Cash On Hand

Unaudited

Nine months ending September 30, 2016

Note: Cardinal Bay acquired Village on the Park / Carriage Inn on May 26, 2016

Cash and Investments	2,217,430
Surplus Fund	769,003
Operating Reserve Fund	2,520,085
Funded Interest	650,000
Repair and Replacement Fund	0
Unrestricted Cash and Investments	<u>6,156,518</u>
 Total Operating Expenses	 11,554,085
Deduct:	
Depreciation	0
Amortization	0
Mission Contribution	(251,613)
Unrealized Gain/Loss Bonds	420,107
Original Issue Discount	(164,772)
Original Issue Premium	<u>108,637</u>
Net Expenses	11,666,444
Daily Expenses	91,862
Days Cash On Hand	67

Cardinal Bay, Inc.

Days Cash On Hand

Unaudited

Twelve months ending December 31, 2016

Note: Cardinal Bay acquired Village on the Park / Carriage Inn on May 26, 2016

Cash and Investments	1,287,047
Surplus Fund	1,771,996
Operating Reserve Fund	2,520,266
Funded Interest	650,000
Repair and Replacement Fund	0
Unrestricted Cash and Investments	<u>6,229,308</u>

Total Operating Expenses	20,911,172
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Deduct:

Depreciation	0
Amortization	0
Mission Contribution	(431,613)
Unrealized Gain/Loss Bonds	(403,940)
Original Issue Discount	(282,571)
Original Issue Premium	<u>186,303</u>
Net Expenses	19,979,352
Daily Expenses	91,230
Days Cash On Hand	68