

## Sample Education Sessions for Senior Living Providers

Lancaster Pollard offers these and other free sessions year-round to senior living associations and facility boards and has spoken at LeadingAge, the National Investment Center, the American Health Care Association and other national trade conferences as well as at numerous state-level conferences.

Each topic be tailored to the audience, and requests for sessions not listed here are welcome. To request a session, contact any of the offices below or e-mail [info@lancasterpollard.com](mailto:info@lancasterpollard.com).

### Financing Options for Senior Living Properties

This presentation brings clarity to the financing process and offers insight into achieving a favorable financing outcome. Using actual examples and case studies, it examines current options for financing new construction and renovations for senior living facilities. Structures explored include FHA/GNMA, Fannie Mae and other federal lending programs, as well as bonds and other traditional enhanced and unenhanced options.

Participants will be shown the key distinctions, credit profile requirements and advantages and disadvantages of each option and learn the key steps to qualifying. They will learn how to analyze their own project's needs to determine the program that best meets their short- and long-term

financial objectives. We also describe the benefits of properly preparing for a financing transaction and will address such items as transaction terms, legal and organizational issues, and post-closing guidelines. Interest rate mitigation tools such as derivatives also are reviewed.

- Understand a variety of traditional and non-traditional financing sources for acquisition, renovation or refinancing, which objectives each can best meet, and the processes and requirements.
- Learn the most important steps to take when preparing to access capital.
- Discover financial tools such as interest rate mitigation options that can work in concert with financings.

### Upswings, Downturns, the Yield Curve and You: Market Factors Impacting Financing

Fluctuating market factors can create opportunities to borrow where once there were none, and can change a promising financing option into an inefficient one. This presentation shows senior living facilities that plan to finance expansions, renovations or new construction how these factors can affect their borrowing options. It reviews market factors including the yield curve, long-term versus short-term interest rates, investor appetite and other issues. Case studies show actual facility experiences in the markets.

- Learn what market factors to monitor in advance of a capital project (e.g. the yield curve, investor appetite for senior living bonds) and how those factors will impact various financing options' long-term costs
- Understand the current financing environment for senior living facilities.
- Review through case studies how market states and market shifts affected various facilities' financing decisions

(continued on reverse)

*Financing Progress*  
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## Financial Benchmarking through a Nonprofit Lens: Keeping your Mission in Focus

Traditional benchmarks for judging financial and investment performance are grounded in for-profit philosophy. Mission-based goals, however, do not always equate with for-profit financial goals. Basing the financial plan on for-profit benchmarks may detract from the mission.

Nonprofit organizations are designed to operate perpetually, with no exit strategy, so financial goals and measurements must be structured to facilitate this long-term mission. This presentation offers a set of financial targets that have their roots in a nonprofit perspective, allowing health stewards to keep their focus on current residents and keep their mission strong for the future.

- Participants will look at financial goals from a nonprofit perspective, understand the differences between for-profit and nonprofit benchmarks, and learn the benefits of striving toward financial goals derived from nonprofit philosophy.

- Participants will learn the how's and why's of building liquidity and how to better analyze fund balances.

- Participants will be able to evaluate, from a long-term mission perspective, such expenditures as investment in physical plant, debt, and liquid assets.

## Fixed vs. Floating Interest Rates: Assembling the Perfect Mix

How does a nonprofit senior living provider evaluate the optimal mix of variable-rate debt and fixed-rate debt on its balance sheet? What are the mechanisms in the capital markets available to mitigate interest rate risk? How have the actions of the Fed impacted the interest rate environment for nonprofit borrowers? How do rating agencies like S&P view interest rate risk and mitigation?

This session provides attendees an understanding of how nonprofit organizations manage interest-rate risk. The presentation will include an overview of interest-rate derivatives (swaps, caps, collars, etc.) and the mechanics of a derivative transaction. We will review the financial model that allows nonprofits to quantify their organizations' short-term

and long-term interest-rate risk, and also review the current interest rate environment and its effect on floating and fixed rate hedging strategies.

Ultimately, this session will provide attendees insight into how they can efficiently and effectively manage their balance sheets.

- Review interest-rate derivative products available to nonprofits
- Bring organizations up to date with changes to the interest rate market
- Teach attendees how to appropriately evaluate the amount of interest-rate risk on their balance sheets

## Bond Basics for Senior Living Trustees

Trustees are charged with understanding senior living financial statements, which differ from those of other businesses. And they are charged with making decisions regarding the organization's long-term debt structure, a responsibility akin to but far more complex than choosing a home mortgage payment plan.

This session provides a pragmatic approach to understanding senior living financial statements in terms of bottom line success or failure, and it offers a basic introduction to debt financing via bonds and mortgages.

- Learn the importance of an organization's credit profile and other metrics used to judge each organization's borrowing preparedness.
  - How strong is your organization?
  - What goes into an organization's credit profile?
- Understand at the most basic level what a bond is and how it compares to a mortgage, how it works, and what makes it a good option (or not).
  - What affects the cost of issuing bonds?
  - How do taxable and tax-exempt options differ?
  - What tactics can be used to lower a rate?
- Identify three steps to preparing to access the capital markets
  - Getting your financial house in order
  - External and internal factors to monitor
  - Third-party players involved in a financing