

In 2004 we had 16 apartments (27%) turn over effecting 18 tenants (two of those apartments were occupied by couples.) Those tenants who terminated their residency did so for the following reasons: 9 tenants moved into Lasata Care Center *, 3 tenants transferred from one apartment to another, 3 died, 2 moved in with family members, 1 moved into an assisted living facility. *(during the year a total of 19 tenants were admitted into Lasata Care Center but 10 returned to their apartments after a period of rehabilitation).

We responded to the competitive impact we felt in 2003 from additional senior housing options becoming available in Ozaukee County. Although the number of apartments turning over stayed fairly close to 2003, our increased marketing efforts resulted in less vacancy time and increased rental revenues.

Major projects completed during the year included the replacement of carpet in the central hallways on the 2nd and 3rd floors, replacing gutters on one-half of the building; resealing the parking lot and driveway and installing new vinyl flooring and painting in the building's six laundry rooms. Carpeting was replaced in 10 apartments and vinyl flooring was replaced in 7 apartments. Appliance replacements included 7 refrigerators, 6 ranges and 2 air conditioners.

An average of 28 tenants/day took advantage of the daily meal offered in the dining room. The parking garage was 90% occupied and 20 tenants utilized the services of our housekeeper.

We budgeted an operating deficit of \$60,654 but had an estimated operating deficit of \$132,963 after adjustments for principal on debt and capital outlay expenses. With our tax levy appropriation added we had an estimated Net Operating Deficit of \$72,309.

Revenues were \$17,000 over budget mainly due to an increased occupancy in apartment rental. We also had savings in wages and fringe expenses and had lower costs in supplies and contracted services.

As of 12/31/2004 the remaining principal on the long-term debt for Lasata Heights is \$820,000. Of that balance a \$400,000 payment will be made in September of 2005 and the final \$420,000 will be paid in September of 2006.

Respectfully Submitted by the Lasata Board of Trustees and Lasata Heights Housing Manager, February 8th, 2005.