

Report on the Examination
As of December 31, 2013

of

Wake Robin Corporation

by the

Vermont Department of Financial Regulation
Division of Insurance



State of Vermont
Department of Financial Regulation
89 Main Street
Montpelier, VT 05620-3101

For consumer assistance:
[Banking] 888-568-4547
[Insurance] 800-964-1784
[Securities] 877-550-3907

Patrick McKee
President
Wake Robin Corporation
200 Wake Robin Drive
Shelburne, VT 05482

ORDER OF ADOPTION

In accordance with 8 V.S.A. § 3574 (c), I order that the Report on the Examination of Wake Robin for the year ending December 31, 2013 is adopted.

Wake Robin may appeal this order within 30 days of its adoption in accordance with the Vermont Administrative Procedure Act and Department of Financial Regulation Rule 82-1.


Susan L. Donegan, Commissioner

Date

4/7/16



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February 17, 2016

Honorable Susan L. Donegan, Commissioner
Department of Financial Regulation
89 Main Street
Montpelier, VT 05620-3101

Dear Commissioner Donegan:

Pursuant to the December 16, 2014 examination order, the Insurance Division's financial examination team has conducted an examination of:

Wake Robin Corporation

With their statutory home offices located at
200 Wake Robin Drive
Shelburne, VT 05482

The examination was performed pursuant to 8 V.S.A. §3563 in order to ascertain the Company's financial condition, ability to fulfill its obligations and compliance with the provisions of Vermont law.



**WAKE ROBIN CORPORATION
EXAMINATION REPORT
AS OF DECEMBER 31, 2013**

Scope of the Examination

We have performed our examination of Wake Robin Corporation (the Corporation) as of December 31, 2013, which covered the period January 1, 2009 through December 31, 2013. The Corporation's last financial examination was as of December 31, 2008 for the previous five year period.

The examination was conducted pursuant to 8 V.S.A. §3563 and guidance provided by the National Association of Insurance Commissioners (NAIC) and the Financial Condition Examiners Handbook (FCEH). The FCEH requires that the Department plan and perform the examination to evaluate the financial condition and identify prospective risks by obtaining information about the Corporation, including corporate governance, identifying and assessing inherent risks within the Corporation, and evaluating system controls and procedures used to mitigate those risks. The examination also includes assessing the principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation, Management's compliance with Generally Accepted Accounting Principles and state regulations. The examination also included a review of any material transactions and/or events occurring subsequent to the examination date that were noted during the course of this examination. In accordance with the risk-focused examination process, all accounts and activities of the Corporation were considered.

As required by law and the NAIC standard examination procedures, the Corporation instructed their independent accounting firm, Clifton Larson Allen, LLP, to make available for the Department's review all work papers concerning procedures followed, tests performed, information obtained and conclusions reached pertinent to the audit of the Corporation's financial statements for the period covered by the examination. The Department reviewed the work papers of Clifton Larson Allen, LLP to identify additional solvency risk areas and to determine the extent of work performed on high-risk areas, which may have provided insight and efficiencies for the current examination. To the extent possible, the Department utilized the work papers and analyses to supplement the examination work.

The format of this report is designed to explain the procedures employed during the examination and if necessary, comments and recommendations have been made in those areas in need of correction or improvement. In such cases, these matters were thoroughly discussed with responsible personnel and/or officials during the course of the examination.

Summary of Significant Findings

There were no findings in the prior exam report or the current exam report. There were no adjustments made to financial statements as filed with the Department based on this examination.

**WAKE ROBIN CORPORATION
EXAMINATION REPORT
AS OF DECEMBER 31, 2013**

History

General

Wake Robin is a nonprofit (501(C)(3)) corporation, operating as a Continuing Care Retirement Community (CCRC). The Corporation is regulated by the Vermont Department of Financial Regulation, Division of Insurance (the Department), due to their insurance type-offering of nursing, medical, health, and health-related services for the duration of an individual's life. Regulatory authority is derived from Vermont Statutes Annotated (VSA), Title 8, Chapter 151, Continuing Care Retirement Communities (CCRC). The Corporation is Vermont's first and only CCRC and currently consists of 212 independent living units, a community center and a health center with 31 units for residential care, and 51 units for skilled nursing. Located on 136 acres in Shelburne, VT, the Corporation was organized in 1984 and admitted its first residents in the summer of 1993. The CCRC provides residents with a living unit, use of the health center, and other facilities and services for the resident's lifetime. Residents pay a one-time entrance fee and monthly fees during the time the individual resides in a Wake Robin unit.

The Corporation's facilities were originally financed with tax-exempt mortgage revenue bonds issued through the Vermont Economic Development Authority (VEDA) in April 1993. The 1993 bonds were refinanced with approximately \$52 million in tax-exempt revenue bonds in August of 1999. During 2006 an additional \$50.5 million in tax-exempt revenue bonds were issued with the proceeds going to the Corporation to finance the construction of 37 additional independent living units, 18 skilled nursing units, and to make improvements to the existing community center.

In 2011, the Corporation formed Wake Robin Management, LLC (WRM), a wholly owned subsidiary that manages a retirement community. WRM offers management services, financial and accounting procedures, and personnel administration to provide quality independent living and assisted living services to the community's residents. WRM is incorporated under the laws of the State of Vermont as a limited liability company.

Corporate Records

The Corporation's headquarters and administrative offices are located in Shelburne, Vermont. The Articles of Incorporation, By-Laws and minutes of the Board of Directors meetings held during the period under examination were reviewed. Based upon that review, the Corporation is conducting its affairs in accordance with the By-Laws of the Corporation. The recorded minutes of these meetings adequately documented approval and oversight of the Corporation's investment transactions, other material transactions, events and changes in directors.

**WAKE ROBIN CORPORATION
EXAMINATION REPORT
AS OF DECEMBER 31, 2013**

Management and Control

Board of Directors

The By-laws state that the affairs of the Corporation shall be managed by its Board of Directors, who need not be residents of the State of Vermont. Unless authorized by the Vermont Nonprofit Corporation Act (the “Act”), not more than 49% of the Directors may be “financially interested persons” as such term is defined in the Act. The Board of Directors consists of eleven members or such other number (but not less than seven) as may be determined by a resolution of the Board. No Director may serve more than three terms, except that: (a) one additional term may be allowed after the completion of three terms and after being off the Board for at least one year; (b) the term of the Chair of the Board may be extended beyond the three-term limit for directors as necessary to permit that director to serve as Chair of the Board for up to three years; and (c) the term of the Immediate Past Chair may be extended for one year beyond the three-term limit for directors in the event that the director has completed three terms at the termination of his or her office as Chair of the Board of Directors. Notwithstanding the foregoing, any director who is a resident of the Corporation’s continuing care retirement community may serve not more than one term. The election of Directors is yearly, with approximately one third of the Directors being elected each year. Former Directors may be elected as Directors Emeritus, who will have the right to attend meetings, but not the right to vote.

Regular meetings of the Board of Directors are held quarterly or more often, at times and places fixed by the Board at its first meeting of the year or otherwise. Special meetings of the Board of Directors are called by the Chair or by a majority of the Directors. A majority of the Board of Directors constitutes a quorum at all meetings. An annual meeting of the Board of Directors is held during the month of March, April, or May of each year, at a time and place determined by the Board.

As of December 31, 2013 the Board of Directors of the Corporation consisted of:

<u>Name of Director</u>	<u>Principal Occupation</u>
David Provost, Chair	Senior VP, Finance and Administration, Champlain College
Katherine Lampton, Vice Chair	Retired, Former executive director of Champlain Valley Greenbelt Alliance and other roles in land use planning
Charles Cammack	Retired CEO and Chairman of Charles W. Cammack Associates, specializing in retirement plans and executive compensation programs for tax-exempt organizations
Christine Dunbar	Director of Photomask Technology & Ops at IBM

**WAKE ROBIN CORPORATION
EXAMINATION REPORT
AS OF DECEMBER 31, 2013**

<u>Name of Director</u>	<u>Principal Occupation</u>
Stephen Foster	Retired COO of Edlund Company and has served on the Board of BlueCross BlueShield of Vermont, the Vermont Health Plan, and various other Boards.
Cathy Frank	Self-employed computer consultant, served as Chair of the Vermont Labor Relations Board and a member of several other various Boards
Scottie Ginn	Retired Vice President of Engineering at IBM.
Janice Gallant, M.D.	Associate Dean for Admissions at UVM, Associate Professor at the Department of Pediatrics and Department of Radiology.
David Hallam	Founder and former Chairman of the Board of Hallam-ICS
Geoff Hesslink	Senior Lender, Executive Vice President of the Merchants Bank
Amy Wright	Director of Development of real estate at Cathedral Square Corporation
Patty Motch, <i>Director Emeritus</i>	Retired after a career that included Director of Development and Community Relations of The Visiting Nurse Association, and other higher education roles
Debby Bergh, <i>Director Emeritus</i>	Fundraising Consultant
Mary Jane Gentry, <i>Director Emeritus</i>	Retired School Teacher
Michael Furlong, Esq., <i>Director Emeritus</i>	Partner at Sheehey, Furlong & Behm
Gretchen Morse, <i>Director Emeritus</i>	Exec. Director United Way of Chittenden County
Thomas Campbell, <i>Director Emeritus</i>	Retired IBM Facilities Executive

**WAKE ROBIN CORPORATION
EXAMINATION REPORT
AS OF DECEMBER 31, 2013**

Officers

The By-laws state the Officers of the Corporation consists of a President, a Treasurer, a Secretary and such other officers, if any, as the Board of Directors may from time to time determine. Any two or more offices may be held by the same person, except the offices of President and Secretary.

As of December 31, 2013 the Officers of the Corporation were:

<u>Title</u>	<u>Name</u>
President	Allie Stickney
Treasurer & Secretary	Fred Erdman
Chair	David Provost
Immediate Past Chair	Debby Bergh
Vice Chair	Katherine Lampton

Committees

The By-laws permit the Board of Directors to designate Committees from among its members. The following Committees were appointed during the period under examination.

Finance and Audit Committee

Geoff Hesslink- Chair
Charles Cammack
Michael Furlong, Esq.
Scottie Ginn
David Provost
Allan Rodgers *
Amy Wright
Staff: Allie Stickney, President and CEO
Staff: Fred Erdman, CFO
**non-Board Member*

Opportunities/Planning Committee

Katherine Lampton - Chair
Debby Bergh
Stephen Foster
Christine Dunbar
Cathy Frank
Janice Gallant, M.D.
David Provost
Staff: Allie Stickney, President and CEO
**non-Board Member*

Board Governance Committee

Christine Dunbar -Chair
Patty Motch
Mary Jane Gentry
Scottie Ginn
Katherine Lampton
Sarah Macey, Director of Nursing
Staff: Allie Stickney, President and CEO

Wake Robin Facilities Committee – Ad-Hoc

Allie Stickney, President and CEO – Chair *
Tom Campbell
Mary Jane Gentry
David Hallam
David Provost
Nancy Chiquoine *
Kathy King *
David Conrad*
Joan Madison *
Henry Moreno *
Dee Partridge *
Linda Phypers *
**non-Board Member*

**WAKE ROBIN CORPORATION
EXAMINATION REPORT
AS OF DECEMBER 31, 2013**

Certificate of Authority

The Department issued the Corporation an Amended Certificate of Authority (COA) on August 20, 1999, approving a bond issue (Series 1999) in the amount of \$52 million and other steps to ensure the financial feasibility and liquidity of the Corporation. The Corporation is statutorily required to establish a reserve fund (the Statutory Reserve) equal to annual principal and interest payments on all debt (including but not limited to mortgage bonds) or 15 percent of annual operating expenses, whichever the greater. However, the COA permitted the Corporation to expend funds from the Statutory Reserve without approval from the Department in order to improve working capital and solvency ratios. The Corporation subsequently withdrew all funds from the Statutory Reserve and transferred them to an unrestricted account at a Vermont Bank. The funds are recorded in the Corporation's unrestricted investments account for reporting purposes. Repayment of the withdrawal from the Statutory Reserve is to be made no later than December 31, 2022 or to the extent the Corporation is able to transfer funds from its other unrestricted cash and still remain in compliance with ratio covenants and maintain a Reserve Ratio greater than .35, both as set forth in its Loan and Trust Agreement.

In April 2006, the Department issued the Corporation a COA approving a \$50.5 million bond issue to fund an expansion project to construct 37 independent living units, 18 skilled nursing units and to make improvements to the existing community center. The COA allowed for the execution of Residence and Care Agreements, as well as the collection of deposits from prospective residents of the new units. Pursuant to the terms of the COA, Wake Robin will continue to maintain the Statutory Reserve fund required by 8 VSA Section 8009. However, as was the case with the 1999 COA, the 2006 COA permitted the Corporation to expend funds from the Statutory Reserve. The 2006 COA required the creation of an un-perfected "Cash Reserve Account" with a Vermont Bank or Investment Company to take the place of the Statutory Reserve Fund until such time that certain financial metrics are met. The Corporation is required to transfer cash to the Cash Reserve Account, until such time that the required balance is met. The Corporation is required to transfer any unrestricted cash in the lesser of the following amounts: (1) cash that exceeds 450 days of available cash, as defined in the 2006 financing documents, or (2) the amount of cash in excess of the cash required to comply with all covenants in the 2006 financing documents, including maintaining a reserve ratio of greater than .35, to the Statutory Reserve. The required Statutory Reserve balance must be funded no later than December 31, 2022.

In March 2010, the Department issued the Corporation an amended COA allowing the Corporation to file annually a report that reflects the same information, valuations, and analysis as contained in an actuarial report, in lieu of a report prepared by a qualified independent actuary. The report must be prepared by computer software supplied by a qualified actuary and be certified by Wake Robin's Chief Financial Officer.

**WAKE ROBIN CORPORATION
EXAMINATION REPORT
AS OF DECEMBER 31, 2013**

Long-Term Debt

On May 31, 2012, the Corporation entered into a Loan Agreement and Mortgage with the Vermont Economic Development Authority (the "Authority") pursuant to which the Authority sold the following issues of bonds:

<u>Vermont Economic Development Authority Bonds</u>	
Series 2012 Serial Bonds	\$ 10,480,000
Series 2012 Term Bonds	2,655,000
Series 2012 Term Bonds	<u>10,700,000</u>
Total	<u>\$ 23,835,000</u>

From the proceeds, the organization borrowed \$23,835,000 of Mortgage Revenue Bonds (Wake Robin Corporation Project), Series 2012 (referred to as the "Series 2012 Bonds"). The Series 2012 Bonds are comprised of 1) \$10,480,000 of Serial Bonds bearing interest at fixed rates between 2.75% and 5.125% with a yield ranging between 2.75% and 5.125% over the life of the issuance; 2) \$2,655,000 of term bonds at a fixed rate of 5.3% and with a yield of 5.3% and 3) \$10,700,000 of term bonds at a fixed rate of 5.4% and with a yield of 5.4%.

A portion of the proceeds from the sale of the Series 2012 Bonds, along with other funds, were used to refund the Series 1999A Bonds, to fund a debt service reserve fund and to pay costs of issuance relating to the Series 2012 Bonds.

On June 1, 2006, the Corporation entered into a Loan Agreement and Mortgage with the Vermont Economic Development Authority pursuant to which the authority sold the following issues of bonds and lent the proceeds to the Corporation:

<u>Vermont Economic Development Authority Bonds</u>	
Series 2006A, Mortgage Revenue	\$ 23,500,000
Series 2006B, Variable Rate Demand	16,455,000
Series 2006C, Variable Rate Demand Mortgage Revenue	8,250,000
Series 2006D, Variable Rate Demand Mortgage Revenue-Taxable	<u>2,250,000</u>
Total	<u>\$ 50,455,000</u>

The proceeds of these bonds were used to finance the construction and equipping of an additional 37 independent living and 18 skilled nursing units, to advance refund the Wake Robin Mortgage Revenue Bonds Series 1999B Bonds, to establish reserves required to be maintained by the trustee, for acquisition, improvement, and development of the facility site, for routine capital expenditures of the Corporation, and to pay for the costs of bond issuance.

The Corporation is subject to various covenants under the bond agreements. These covenants require various reporting, financial, and operations requirements. As of December 31, 2013, the Corporation is not aware of any instances of non-compliance with these covenants.

**WAKE ROBIN CORPORATION
EXAMINATION REPORT
AS OF DECEMBER 31, 2013**

Letters of Credit

Management entered into a Letter of Credit with Santander (formerly Sovereign Bank, N.A.) on September 22, 2011. The Corporation paid to the bank, upon execution and delivery of the Letter of Credit, a \$15,000 amendment fee. The expiration date of the extended Letter of Credit was July 13, 2012. The terms specified in the modification of the Letter of Credit indicate that all fee payment dates commencing with October 1, 2011, the Letter of Credit fee rate will be 2.25% per annum. As a precondition to the extension of the Series 2006B Letter of Credit, the Corporation paid to the bank an amount of \$1,100,000 that was applied to the repayment of the principal amount outstanding tender advance and as such, a corresponding principal amount of Series 2006B Bonds was retired. In addition to extinguishment of debt noted above, various covenants, conditions, and modifications were agreed upon in conjunction with the execution of the Letter of Credit extension.

On May 15, 2012, the Corporation executed a modification and extension agreement with Santander (formerly Sovereign Bank, N.A.), which extended the termination date of the Letter of Credit on the Series 2006B Bonds from July 13, 2012 to July 13, 2014. In addition, this agreement required the Corporation to maintain not less than 180 Days' Cash on Hand at quarterly liquidity dates and to make additional principal payments on the Series 2006B Bonds quarterly in an amount which represents the excess of the Corporation's unrestricted investments over the amount required to result in 220 Days Cash on Hand. In 2013, a portion of the outstanding 2012 Bonds were called resulting in a gain of \$16,376 on extinguishment.

On December 30, 2013, the Corporation executed a Letter of Credit with M & T Bank, to replace the previous Letter of Credit, which extends the expiration of the Letter of Credit to December 30, 2016. This agreement requires the Corporation to maintain not less than 180 Days Cash on Hand, tested quarterly, a Debt Service Coverage Ratio of not less than 1.20 to 1.00, tested quarterly, and occupancy of at least 90%, tested annually.

Financial Statements

The following financial statements are in accordance with accounting principles generally accepted in the United States of America. The financial statements are filed by the Company with the Vermont Department of Financial Regulation and present the financial condition of the Company for the period ending December 31, 2013:

**WAKE ROBIN CORPORATION
EXAMINATION REPORT
AS OF DECEMBER 31, 2013**

**Statement of Assets
December 31, 2013**

Current Assets	
Cash and Cash Equivalents	\$ 1,140,601
Investments	7,302,692
Current Portion of Assets Limited as to Use	4,154,977
Resident Accounts Receivable and Other Receivables	221,894
Entrance Fees Receivable	41,263
Supplies Inventory	101,113
Prepaid Expenses	632,751
Total Current Assets	<u>13,595,291</u>
Assets Limited as to Use	
Under Priority Deposits and Donor Restrictions	3,794,996
Under Bond Indenture Agreement - Held by Trustee	7,031,147
	<u>10,826,143</u>
Less: Assets Limited as to Use Required for Current Liabilities	<u>(4,154,977)</u>
Total Assets Limited as to Use	6,671,166
Property and Equipment, Net	55,678,811
Deferred Financing Costs, Net	1,694,877
Deferred Marketing Costs, Net	87,022
Total Assets	<u>\$ 77,727,167</u>

**WAKE ROBIN CORPORATION
EXAMINATION REPORT
AS OF DECEMBER 31, 2013**

**Statement of Liabilities and Net Deficit
December 31, 2013**

Current Portion of Long-Term Debt	\$ 1,340,000
Estimated Liability for Refunds of Entrance Fees	574,000
Accounts Payable	1,068,855
Accrued Expenses	565,415
Accrued Interest	373,070
Priority and Interim Deposits	478,000
Entrance Fee Deposits	55,750
Total Current Liabilities	<u>4,455,090</u>
Long-Term Liabilities	
Long-Term Debt - Bonds, Net of Current Portion	56,894,444
Deferred Revenue - Amortizable Entrance Fees	39,249,515
Refundable Entrance Fee Liability	3,273,419
Annuity Obligations	37,726
Total Long-Term Liabilities	<u>99,455,104</u>
Total Liabilities	103,910,194
Commitments and Contingencies	
Net Assets (Deficit)	
Unrestricted	(29,417,745)
Temporarily Restricted	3,084,407
Permanently Restricted	150,311
Total Net Assets (Deficit)	<u>(26,183,027)</u>
Total Liabilities and Net Assets (Deficit)	<u><u>\$77,727,167</u></u>

**WAKE ROBIN CORPORATION
EXAMINATION REPORT
AS OF DECEMBER 31, 2013**

**Statement of Operations
Year Ended December 31, 2013**

Revenue, Gains and Other Support	
Resident Service Revenue	\$10,821,491
Amortization of Entrance Fees	3,341,869
Termination Fees	1,476,248
Health Care Revenue	3,007,003
Ancillary and Other Resident Revenue	475,725
Management Company Revenue	310,084
Investment Income and Realized Gains	172,590
Contributions	6,775
Net Assets Released from Restrictions Used for Operations	10,169
Net Assets Released for Donor Related Restrictions	193,931
Total Revenue, Gains, and Other Support	<u>19,815,885</u>
Expenses	
General and Administrative	3,173,889
Dining Services	1,836,507
Resident Services	747,780
Housekeeping	726,243
Linden Health Center	3,475,923
Environmental Services	1,444,539
Property Tax and Insurance	822,689
Utilities	919,106
Depreciation and Amortization	3,574,161
Interest	2,815,399
Management Company Expense	163,631
Total Expenses	<u>19,699,867</u>
Income from Operations	116,018
Non Operating Income	
Gain on Extinguishment of Bonds	<u>16,376</u>
Total Non Operating Income	<u>16,376</u>
Excess of Revenue Over Expenses	132,394
Other Changes in Unrestricted Net Deficit	
Unrealized Gain on Investments	<u>46,708</u>
Decrease in Unrestricted Net Deficit	<u><u>\$ 179,102</u></u>

**WAKE ROBIN CORPORATION
EXAMINATION REPORT
AS OF DECEMBER 31, 2013**

**Statement of Changes in Net Deficit
Year Ended December 31, 2013**

Income from Operations	\$ 116,018
Non Operating Income	
Gain on Extinguishment of Bonds	16,376
Total Non Operating Income	16,376
Excess of Revenue Over Expenses	132,394
Other Changes in Unrestricted Net Deficit	
Unrealized Gain on Investments	46,708
Decrease in Unrestricted Net Deficit	179,102
Temporarily Restricted Net Assets	
Contributions	82,717
Net Assets Released from Restrictions Used for Operations	(10,169)
Net Assets Released for Donor Related Restrictions	(193,931)
Investment Income	53,407
Realized Gains on Investments	39,046
Unrealized Gain on Investments	302,061
Increase in Temporarily Restricted Net Assets	273,131
Permanently Restricted Net Assets	
Unrealized Gain on Investments	17,630
Increase in Permanently Restricted Net Assets	17,630
Decrease in Net Deficit	469,863
Net Deficit – Beginning of Year	(26,652,890)
Net Deficit – End of Year	\$ (26,183,027)

**WAKE ROBIN CORPORATION
EXAMINATION REPORT
AS OF DECEMBER 31, 2013**

Subsequent Events

On April 1, 2014, the Corporation executed the First Amendment to the Letter of Credit and Reimbursement Agreement. Under the terms of the Amendment, the Corporation will be required to repay any unreimbursed drawings of principal and interest beginning in 2016, assuming there is no uncured event of default.

On December 1, 2014, The Corporation entered into a Loan agreement and Mortgage with the State of Vermont, acting by and through the Vermont Economic Development Authority (the "Authority") pursuant to which the Authority sold the Series 2014 Bond in the amount of \$19,955,000 on December 11, 2014 to Manufacturers & Traders Trust.

Along with the proceeds from the bond, the 2006A Debt Service Reserve Fund and other funds, were used to advance refund the 2006A Series Bonds and to pay costs of issuance relating to the Series 2014 Bond.

The Series 2014 Bond bears a variable interest rate equal to 75% of the 30-Day LIBOR Rate plus 1.85%.

On December 10, 2014, the Corporation entered into an Interest Rate Swap Agreement with Manufactures & Traders Trust to enact a variable to fixed rate swap for the Series 2014 Bond effective December 11, 2014. The swap agreement will hedge the Series 2014 Bond by effectively converting interest payments from variable rate to a fixed rate. The swap agreement, designated as a derivative at December 31, 2014 is recorded at fair value as a liability in the statement of financial position with the unrealized gain (loss) reported in the statement of operations below the operating indicator. The expiration of the swap is December 1, 2021 and the effective fixed rate of the swap is 1.492%.

Comments and Recommendations

There are no significant findings or financial adjustments as a result of this examination. A Comment Letter will be issued to the Board as a result of this exam addressing opportunities for improvement and other items that did not reach a level of significance to warrant inclusion in this report.

**WAKE ROBIN CORPORATION
EXAMINATION REPORT
AS OF DECEMBER 31, 2013**

Conclusion

As a result of this examination, the financial condition of the Company, as of December 31, 2013 was determined to be as follows:

Assets	<u>\$ 77,727,167</u>
Liabilities	\$103,910,194
Net Deficit	<u>(26,183,027)</u>
Total Liabilities and Net Deficit	<u>\$ 77,727,167</u>

In addition to the undersigned Bob Crawford, Examiner In-Charge, and Mike McNulty, Examiner, both from Bostick Crawford Consulting Group; and Jesse Lussier, Supervising Examiner, participated in this examination.

Respectfully submitted,



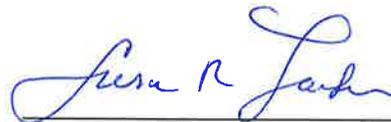
Karen Murphy, CPA, AFE
Director of Company Licensing and Examinations
Vermont Department of Financial Regulation

STATE OF VERMONT
COUNTY OF WASHINGTON

Karen Murphy, being duly sworn, deposes and says that the foregoing report submitted by her is true to the best of her knowledge and belief.

Subscribed and sworn to before me

This 6th day of April, 2016



Notary Public