

United Methodist Retirement Communities, Inc. & Porter Hills Obligated Group 3rd Quarter 2021 Management Discussion of Financial Performance and Position

The following is a brief Management Discussion of the UMRC Obligated Group's (OG) financial activities, performance, and position **as of and for the nine months ended March 31, 2021**.

Disclaimer: This release contains forward-looking statements that involve risks, uncertainties and assumptions. If such risks or uncertainties materialize or such assumptions prove incorrect, the results of this organization could differ materially from those expressed or implied by such forward-looking statements and assumptions. All statements other than statements of historical fact are statements that could be deemed forward-looking statements, including but not limited to statements of the plans, strategies and objectives of management for future operations; any statements concerning expected development, performance or market share relating to products and services; anticipated operational and financial results; any statements of expectation or belief; and any statements of assumptions underlying any of the foregoing. Risks, uncertainties and assumptions include the achievement of expected results and other risks that are described from time to time in quarterly reports. This organization assumes no obligation and does not intend to update these forward-looking statements.

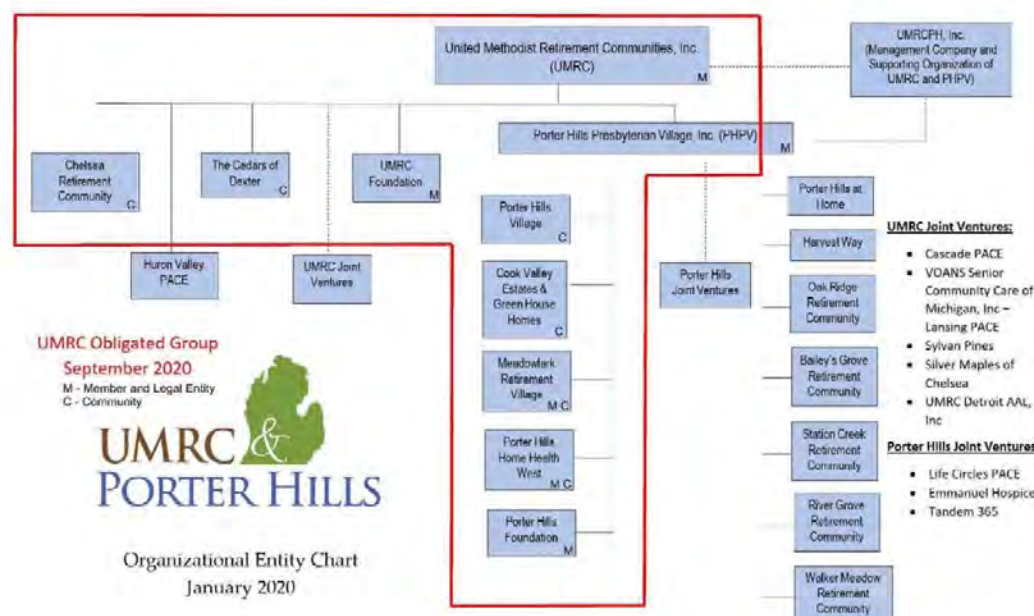
Organization Overview

United Methodist Retirement Communities, Inc. (UMRC) is a Michigan nonprofit organization governed by a board of trustees that provides housing, healthcare, and other related senior services. The Obligated Group (OG) special purpose combined financials statements are prepared for the combined entities for the purpose of complying with the reporting requirements set forth in the master trust indenture agreements between U.S. Bank, National Association and UMRC.

On March 1, 2019, United Methodist Retirement Communities, Inc. ("UMRC") entered into an Affiliation Agreement with Porter Hills Presbyterian Villages, Inc. ("Porter Hills") and its sole shareholder, Westminster Presbyterian Church. The Affiliation Agreement is an agreement providing for an affiliation relationship between UMRC and Porter Hills (called the "Affiliation" below). In a closing on March 1, 2019, pursuant to the Affiliation Agreement, Westminster Presbyterian Church transferred to UMRC the single outstanding share of stock of Porter Hills, and UMRC thereby became and now is the sole shareholder of Porter Hills.

In September 2020, the Obligated Group issued supplemental trust indentures as part of a bond issuance, which added the former Porter Hills Presbyterian Village, Inc. Obligated Group previously reported separately. These new Obligated Group members have been added to the listing below.

United Methodist Retirement Communities, Inc. & Porter Hills Obligated Group 3rd Quarter 2021 Management Discussion of Financial Performance and Position



The Obligated Group consists of the following entities

- Chelsea Retirement Community is a life plan community in Chelsea, Michigan that includes skilled nursing, dementia care, assisted living and independent living services.
- Cedars of Dexter, located in Dexter, Michigan, includes independent living cottages.
- UMRC Foundation has a primary purpose of management, stewardship and allocation of funds; creation and implementation of long and short-term fund development plans; donor communication; and recognition of certain activities and programs. UMRC is the sole corporate member of the Foundation.
- UMRC Corporate Office provides the leadership and administrative oversight and support services for the UMRC Obligated Group. Additionally, the UMRC Corporate Office provides leadership and administrative oversight to related or affiliated entities outside of the obligated group with management and/or development fees charged for services provided.
- Porter Hills Presbyterian Village, Inc. (Porter Hills) is a life plan community located in Grand Rapids, Michigan that includes skilled nursing, dementia care, assisted living and independent living services.
- Porter Hills Home Health Services West was established to provide skilled home care services to the residents of the Western Michigan area.
- Porter Hills Foundation was established to raise funds, invest assets, and monitor growth to ensure the operating entities of Porter Hills are able to continue as in-depth, innovative, and inclusive senior living and services resource.
- Cook Valley Estates was established to provide independent housing for the elderly in Grand Rapids, MI. Cook Valley Estates functions under Porter Hills Presbyterian Village, Inc.'s federal ID.
- Meadowlark Retirement Community provides assisted living and independent living for the elderly in Sparta, Michigan.

The following entities would typically be consolidated in accordance with generally accepted accounting principles but are excluded from the Obligated Group according to the Master Trust Indenture:

United Methodist Retirement Communities, Inc. & Porter Hills Obligated Group 3rd Quarter 2021 Management Discussion of Financial Performance and Position

- UMRC is the sole stockholder in UMRC Detroit AAL, Inc., which holds a .051 % general partner interest in Detroit Affordable Assisted Living Limited Dividend Housing Association Limited Partnership (DAAL). DAAL is an 80-unit elderly affordable assisted-living facility in Detroit, Michigan under the low-income housing tax credit program. The investment in this entity is accounted for under the equity method.
- UMRC is a 50% sponsor of Rivertown Neighborhood Senior Non-profit Housing Corporation (Rivertown Senior Apartments) which is a HUD 202 low income housing project with 50 independent living apartments.
- UMRC is a 50 % member in Silver Maples of Chelsea (SMOC), a not-for-profit retirement facility which provides independent and assisted living housing and services to the residents in Chelsea, Michigan. The investment in SMOC is accounted for under the equity method.
- UMRC is a 1 % member of Sylvan Pines Limited Dividend Housing Associated, LLC (Sylvan Pines), an affordable housing project in Chelsea, Michigan with which UMRC has a management agreement, and is accounted for under the equity method.
- UMRC is involved in three PACE programs. These programs operate as Programs of All-inclusive Care for the Elderly (PACE). Once an individual has been enrolled in the PACE program, all of his or her medical needs must be provided, according to the participant plan, through the staff of the PACE and its network of providers. The PACE programs UMRC is involved with, and accounts for under the equity method, include:
 - UMRC has a 100% controlling financial interest, as of September 1, 2017, in Washtenaw PACE, Inc. d/b/a Huron Valley PACE that is located in Ypsilanti, Michigan. Prior to that date UMRC had an 80% controlling interest. Huron Valley PACE serves Washtenaw and Monroe Counties as well as parts of Oakland, Wayne and Livingston Counties.
 - UMRC has a 20% financial interest in Senior CommUnity Care of Michigan, located in Lansing, MI. Senior CommUnity Care operates a PACE program serving Ingham, Clinton and Eaton Counties and opened Spring 2015.
 - UMRC has an 80% controlling financial interest in The Cascade PACE, Inc. d/b/a Thome PACE that is located in Jackson, Michigan. Thome PACE operates a PACE program serving in Jackson, Lenawee and Hillsdale Counties and opened March 2016.
- Outside of the UMRC Obligated Group, PHPV wholly owns six entities that operate affordable housing communities in metropolitan Grand Rapids:
 - Bailey's Grove Retirement Community, Inc.
 - Sparta Retirement Community, Inc. (d/b/a Harvest Way Retirement Community)
 - Senora Woods Retirement Community, Inc. (d/b/a Oak Ridge Retirement Community)
 - River Grove Retirement Community, Inc.
 - Station Creek Retirement Community, Inc.
 - Walker Meadow Retirement Community, Inc.
- In addition, PHPV has the following ownership in entities that are outside of the UMRC Obligated Group:
 - Avenues by Porter Hills – a life-plan community without walls wholly owned by PH
 - LifeCircles – a PACE program in which PHPV owns 53.2% of with two other unrelated partners.
 - Emmanuel Hospice – A hospice program partnership among PHPV and several other unrelated retirement communities. PHPV owns a minority interest in Emmanuel Hospice.
 - Tandem 365 - A PACE-like coordination agency partnership among PHPV and several other unrelated organizations. PHPV owns a minority interest in Tandem 365.

Operating Results

The interim financial statements are prepared under the same methodology as the audited year-end financial statements. However, certain items in the interim financial statements may be recorded in different sections of the income statement. Typically, the only material item relates to assets released from restriction. For this report those amounts have been included.

United Methodist Retirement Communities, Inc. & Porter Hills Obligated Group
3rd Quarter 2021 Management Discussion of Financial Performance and Position

Census

Chelsea Retirement Community		Fiscal Year Ended		Qtr Ended	Qtr Ended	Qtr Ended
		6/30/2019	6/30/2020	9/30/2020	12/31/2020	3/31/2021
Independent Living	Available Units	173	174	172	172	172
	Average Occupancy	149	165	159	158	157
	Percentage Occupancy	86%	95%	92%	92%	91%
Assisted Living	Available Units	83	84	84	84	84
	Average Occupancy	71	70	69	66	65
	Percentage Occupancy	86%	83%	82%	79%	77%
Memory Care	Available Units	73	68	68	68	68
	Average Occupancy	68	60	57	53	51
	Percentage Occupancy	93%	88%	84%	78%	75%
Skilled Nursing	Available Units	84	82	85	85	85
	Average Occupancy	73	63	66	65	66
	Percentage Occupancy	87%	77%	78%	76%	78%
Cedars of Dexter:						
Independent Living	Available Units	60	60	60	60	60
	Average Occupancy	54	54	56	56	56
	Percentage Occupancy	90%	90%	93%	93%	93%

<u>Kresge Medical Skilled Nursing Facility Payor Mix</u>					
	Fiscal Years Ended		Qtr End	Qtr Ended	Qtr Ended
	6/30/2019	6/30/2020	9/30/2020	12/31/2020	3/31/2021
Medicare & Medicare Advantage	37%	37%	33%	32%	33%
Medicaid	45%	45%	41%	44%	46%
Private & Other	18%	18%	26%	24%	21%

United Methodist Retirement Communities, Inc. & Porter Hills Obligated Group

3rd Quarter 2021 Management Discussion of Financial Performance and Position

		Fiscal Year Ended		Qtr Ending	Qtr Ending	Qtr Ending
		6/30/2019	6/30/2020	9/30/2020	12/31/2020	3/31/2021
Porter Hills Village						
Independent Living						
	Available Units	178	178	178	178	178
	Average Occupancy	169	167	160	156	151
	Percentage Occupancy	94.9%	93.8%	89.9%	87.6%	84.8%
Assisted Living						
	Available Units	67	68	68	68	68
	Average Occupancy	58	58	57	56	56
	Percentage Occupancy	87.1%	85.2%	83.8%	82.4%	82.4%
Memory Care						
	Available Units	32	32	32	32	32
	Average Occupancy	25	28	32	31	31
	Percentage Occupancy	78.7%	86.5%	86.5%	86.5%	86.5%
Skilled Nursing						
	Available Units	101	101	101	101	101
	Average Occupancy	86	87	84	78	74
	Percentage Occupancy	85.4%	85.7%	83.2%	77.2%	73.3%
Cook Valley						
Independent Living						
	Available Units	134	134	134	134	134
	Average Occupancy	128	125	123	123	122
	Percentage Occupancy	95.5%	93.3%	91.8%	91.8%	91.0%
Meadowlark						
Independent Living						
	Available Units	26	26	26	26	26
	Average Occupancy	22	25	25	23	21
	Percentage Occupancy	86.4%	96.2%	96.2%	88.5%	80.8%
Assisted Living						
	Available Units	20	20	20	20	20
	Average Occupancy	20	20	19	18	18
	Percentage Occupancy	98.5%	98.8%	98.8%	98.8%	90.0%
Memory Care						
	Available Units	10	10	10	10	10
	Average Occupancy	10	10	10	9	8
	Percentage Occupancy	95.8%	99.1%	99.1%	99.1%	80.0%
Total						
	Available Units	568	569	569	569	569
	Percentage Occupancy	91.3%	91.2%	89.6%	86.8%	84.5%
Home Care						
	Episodes	1,984	1,935	518	952	1,386

United Methodist Retirement Communities, Inc. & Porter Hills Obligated Group

3rd Quarter 2021 Management Discussion of Financial Performance and Position

Porter Hills Skilled Nursing Payor Mix:

	Fiscal Year End		Qtr End	Qtr End	Qtr End
	6/30/2019	6/30/2020	9/30/2020	12/31/2020	3/31/2021
Medicare/Medicare Advantage	14%	13%	5%	6%	8%
Medicaid	52%	62%	61%	67%	65%
Private	34%	25%	34%	27%	27%

The COVID-19 pandemic continues to put pressure on census, although current year census continues to run above national and state industry averages in most areas.

Operating Results

	Fiscal Year-end		Qtr End	Qtr End	YTD - 3/31/2021		
Summary Statement of Activities	6/30/2019	6/30/2020	9/30/2020	12/31/2020	Actual	Budget	Variance (\$)
Net Service Revenue	56,910,883	60,488,411	13,074,837	32,436,889	43,113,872	48,532,816	(5,418,945)
Contributions	540,863	2,287,967	86,379	158,239	1,278,454	1,093,748	184,706
Other	13,105,081	10,174,181	4,752,289	5,198,786	12,819,207	7,022,677	5,796,530
Total Operating Revenue	70,556,827	72,950,559	17,913,504	37,793,914	57,211,533	56,649,242	562,292
Operating Expenses	61,455,683	65,379,098	15,115,814	32,052,155	48,114,131	47,829,349	(284,781)
Interest Expense	3,749,602	3,806,762	914,000	1,623,928	2,545,024	2,858,594	313,571
Depreciation	11,124,707	12,287,131	2,815,078	5,186,449	7,862,016	7,581,540	(280,475)
Total Operating Expenses	76,329,992	81,472,991	18,844,892	38,862,533	58,521,170	58,269,484	(251,686)
Sub-Total	(5,773,165)	(8,522,432)	(931,388)	(1,068,619)	(1,309,637)	(1,620,243)	310,605
Affiliation Acctg Appraisal - FMV Depreciation					2,288,821		(2,288,821)
Operating Income (Loss)					(3,598,458)	(1,620,243)	(1,978,216)
Net investment income	1,719,432	(517,528)	3,026,848	2,198,832	1,922,433	175,000	1,747,433
Change in fair value of interest rate swap	(1,509,670)	(1,286,460)	194,118	235,624	664,507	-	664,507
Gain (loss) from investment in joint ventures	(178,699)	3,700,235	1,824,173	4,182,894	6,612,735	1,343,372	5,269,363
Net assets released from restriction for capital	4,667,066	2,032,568		993,177	993,177	-	993,177
Other	(1,046,104)	(42,714)	(931)	(56,243)	236,987	(8,100)	245,087
Total Other Changes to Net Assets Without Donor Restrictions	3,652,025	3,886,101	5,044,208	7,554,284	10,429,839	1,510,272	8,919,567
Increase (Decrease) in Net Assets Without Donor Restrictions	(2,121,140)	(4,636,331)	4,112,820	6,485,665	6,831,381	(109,971)	6,941,351

¹ **Affiliation Accounting Appraisal - Fair Market Value Depreciation** relates to the increase (\$50M+) in the value of the Village, Cook Valley and Meadowlark building values as part of the affiliation accounting. The increase in value results in an increase in non-cash depreciation.

Operating Revenue and Expenses: YTD Operating Income was \$310k positive to budget, before the Fair Market Value Depreciation.

- Net service revenue was \$5.4M negative to budget primarily related to the COVID pandemic impacting census in the Skilled Nursing, Assisted Living and Memory Care areas.
- Unrestricted contributions were ahead of budget \$185k
- Other revenue was \$5.7M positive to budget, including COVID-19 CARES Act relief payments
- Operating Expenses were approximately \$285k over budget, primarily related increased staffing costs.
- Depreciation & Amortization expenses were over budget by \$280k due to the write-off of old bond issuance.

Non-Operating (Unrestricted) Results

Non-operating activity was almost \$8.9M positive to budget, due to gains on investments, swaps and joint ventures.

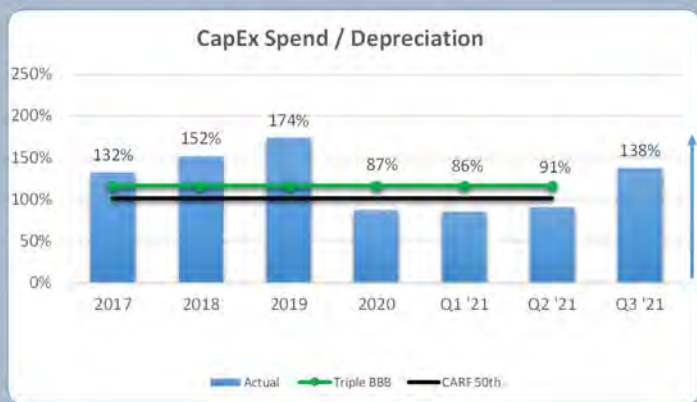
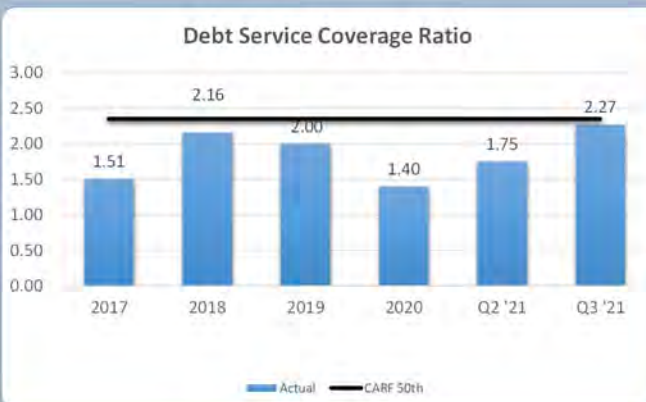
Restricted Results

United Methodist Retirement Communities, Inc. & Porter Hills Obligated Group 3rd Quarter 2021 Management Discussion of Financial Performance and Position

Restricted activity was approximately \$1.6M over budget, with restricted contributions as well as restricted investment gain adding to the bottom-line.

Financial Position

The following summary includes the results of the co-obligated group of UMRC/Porter Hills:



United Methodist Retirement Communities, Inc. & Porter Hills Obligated Group 3rd Quarter 2021 Management Discussion of Financial Performance and Position

*Note Debt Service Coverage Ratio is calculated using a rolling 12 months, consistent with covenant requirements.

Overall financial position for the Obligated Group continues to be strong compared to peers. Key ratios show the following:

- Net Operating Margin is currently just below the CARF median and the 50th percentile, keeping in mind benchmarks are pre-pandemic. COVID-19 continues to put pressure on census and thereby impacting Net Operating Margin.
- Days Cash on Hand ratio (reported semi-annually) continues on an upward trend, maintaining a solid cash position and significantly exceeding the thresholds required by the master trust indenture of 150.
- Debt service coverage ratio (reported semi-annually) continue to exceed the master trust indenture of 1.2

Capital Financing

As of March 31, 2021, UMRC OG has the following financing arrangements:

- UMRC Series 2012 limited obligation revenue bonds with an original issuance of \$10M, current principal balance of \$4.9M, with monthly principal and interest payments through the maturity date of November 15, 2027. These are variable rate bonds issued through the Economic Development Corporation of the Village of Chelsea and concurrently acquired by a financial institution as part of a bond purchase agreement. The bond purchase agreement has a mandatory tender date of November 1, 2019 that was extended to November 15, 2027 as of December 29, 2017. These bonds carry a variable interest rate of 65% of the combined one-month LIBOR and 115 basis points through November 15, 2017, increasing to a variable interest rate of 65% of the combined one-month LIBOR and 153 basis points thereafter. An interest rate swap was entered into that essentially fixes the interest rate at 2.2% on 50 percent of the outstanding principal balance. The interest rate swap expires November 1, 2019. A forward interest rate swap was entered into December 29, 2017, effective November 1, 2019 through November 15, 2027, that essentially fixes the interest rate at 2.83% on 50 percent of the outstanding principle amount.
- UMRC Series 2013 limited obligation revenue bonds with an original issuance of \$11M, current principal balance of \$5.8M, with annual principal payments and semi-annual interest payments through the maturity date of November 15, 2043. These are fixed rate bonds issued through the Michigan Strategic Fund. These bonds carry an average fixed interest rate of 6.02%. As noted below, on June 26, 2019, UMRC refinanced approximately \$4.4M of the 2013 limited obligation revenue bonds.
- UMRC Series 2014 limited obligation revenue bonds with an original issuance of \$11.5M, current principal balance of \$9.3M, that were used to partially fund the construction of the Cedars of Dexter. The bond purchase agreement has a mandatory tender date of December 15, 2024. The Series 2014 bonds carry a variable interest rate of 67% of one-month LIBOR plus 1.0988% payable in monthly installments of principal and interest with a maturity date of January 1, 2041. An interest swap was entered into in 2015 that essentially fixed the interest rate at 2.795 percent on 50 percent of the principal balance of the series 2014 bonds. The interest rate swap expires December 15, 2024.
- In 2014 Thome PACE closed on a \$4M loan to fund construction of the building. This borrowing is recorded on the Thome PACE financials but is guaranteed by the UMRC OG. The balance in this line of credit is \$3.5M as of March 31, 2021.
- In 2018 Huron Valley PACE closed on a \$5.5M loan to fund construction of an expansion to the existing PACE building. This borrowing will be recorded on the Huron Valley PACE financials but is guaranteed by the UMRC OG. The balance in this line of credit is \$4.5M as of March 31, 2021.
- On June 26, 2019 UMC closed on \$17.2M of Limited Obligation Revenue and Revenue Refunding Bonds, with annual principal payments and semi-annual interest payments through the maturity date of November 2049.

United Methodist Retirement Communities, Inc. & Porter Hills Obligated Group 3rd Quarter 2021 Management Discussion of Financial Performance and Position

These are fixed rate bonds issued through the Michigan Strategic Fund, with a fixed interest rate of 4.05%. The proceeds were utilized to create a project fund to fund the remaining Kresge Skilled Nursing construction, refinance a portion of existing revolving loan agreement and refinance a portion of the 2013 limited obligation revenue bonds.

- In September 2020, the Obligated Group issued Series 2020 bonds in the par amount of \$47,145,000 to refinance the Porter Hills Series 2013 MSF Bonds, the Series 2013 EDC Bonds, the Series 2014 EDC Bonds, and the Series 2015 EDC Bonds. The Obligated Group also obtained a \$4M term loan from a bank as part of this refinancing to pay off two of the interest rate swaps related to refinanced debt. The Obligated Group also obtained a \$10M revolving loan from a bank, again as part of this refinancing, to pay off the outstanding UMRC construction revolver and an operating line of credit.

Pursuant to the Affiliation Agreement, on March 1, 2019, UMRC and Porter Hills also entered into a Subordinated Loan Agreement under which UMRC has agreed to loan to Porter Hills approximately \$3,000,000 per year for a period of five years (with a total of up to \$15,000,000) to address the most pressing deferred maintenance needs of Porter Hills. Such loans will be interest-free and will be incurred by Porter Hills as Obligations which are Subordinated Indebtedness under and as defined in the Porter Hills Master Trust Indenture. As of March 31, 2021, \$6M was outstanding.

The bonds and revolving loan agreement are collateralized by a mortgage on certain real estate and related buildings and land of UMRC and guaranteed by the UMRC and Porter Hills Foundations. Under the terms of the limited obligation revenue bond agreements, revolving loan agreement and master trust indenture, UMRC is limited in additional borrowings and is required to satisfy certain measures of financial performance as long as the bonds are outstanding, including minimum liquidity and minimum debt service coverage.

Questions are welcome and can be directed to:

Kim Hoppe, CFO - 616-301-6205 or khoppe@umrc.com

Attached are interim financial statements as of, and for the period ending, March 31, 2021.

UMRC & PH Combined Obligated Group
Combining Balance Sheet
For the Nine Months Ending March 31, 2021

ASSETS

Current Assets	
Cash and cash equivalents	12,478,231
Resident accounts receivable - net	6,966,418
Accounts receivable (payable) - Affiliates	(531,588)
Prepaid expenses and other assets	1,331,368
	<hr/>
Total Current Assets	20,244,429
Assets limited as to use	58,175,422
Property and equipment, net	176,691,381
Investment in joint ventures and notes receivable from affiliates	37,727,358
Other noncurrent assets	417,014
	<hr/>
	273,011,175
Total Assets	293,255,603

LIABILITIES

Current Liabilities	
Accounts payable	1,284,344
Accounts payable - affiliates	-
Current portion of long-term debt	1,602,323
Current portion of charitable gift annuities	9,912
Accrued liabilities and other	5,097,925
	<hr/>
Total Current Liabilities	7,994,504
Long-term debt - net of current portion	96,074,120
Other long-term liabilities	15,184
Charitable gift annuities - net of current portion	66,590
Line of credit	-
Deferred revenue from entrance fees	28,687,560
Refundable entrance fees	42,718,348
Fair value of interest rate swap	336,376
	<hr/>
Total Liabilities	175,892,683

NET ASSETS

Unrestricted	89,659,701
Current Year Earnings	7,710,647
Temporarily restricted	7,250,240
Permanently restricted	12,742,333
	<hr/>
Total Net Assets	117,362,921

Total Liabilities and Net Assets	293,255,603
---	--------------------

UMRC & PH Combined Obligated Group
Combining Statement of Activities
For the Nine Months Ending March 31, 2021

	Chelsea Retirement Community	Porter Hills Village	Cedars of Dexter	Cook Valley Estates	Meadowlark	Home Care	UMRC Foundation	PH Foundation	Eliminations	Total	Budget	Variance
Operating Revenue												
Net Service Revenue	21,319,967	14,601,218	1,651,346	1,489,196	1,503,604	2,548,540	-	-		43,113,872	48,532,816	(5,418,945)
Investment Income - unrestricted	-	-	-	33	-	-	2,080,327	1,167,070	(16,441)	3,230,989	841,250	2,389,739
Life Lease Amortization	444,960	820,320	540,000	1,090,058	-	-	-	-		2,895,338	3,043,140	(147,802)
Contributions - unrestricted	-	-	-	-	-	-	1,199,795	78,659		1,278,454	1,093,748	184,706
Supplemental charges and misc revenue	1,713,928	2,959,754	12,059	394,151	172,661	62,319	131,250	-	(351,562)	5,094,560	2,568,287	2,526,273
Net Assets released from restrictions used in operations	-	-	-	-	-	-	1,452,215	146,105		1,598,320	570,000	1,028,320
Total Operating Revenue	23,478,855	18,381,292	2,203,405	2,973,437	1,676,265	2,610,859	4,863,588	1,391,834	(368,003)	57,211,533	56,649,242	562,292
Operating Expenses												
Salaries and Wages	10,038,193	8,372,150	307,229	496,264	894,887	1,796,057	536,199	154,317		22,595,296	22,680,030	84,735
Employee Benefits	2,290,501	1,542,032	93,238	57,796	173,146	388,138	150,591	21,487		4,716,929	4,850,248	133,319
Operating Supplies & Expenses	1,344,480	1,572,486	96,013	130,008	124,452	49,631	54,125	117,922		3,489,116	1,966,365	(1,522,751)
Professional Services & Consultant Fees	499,652	1,371,788	99,936	40,001	13,369	27,403	22,899	168,845		2,243,892	3,627,652	1,383,760
Repairs & Maintenance	500,740	264,075	144,508	192,062	46,019	18,282	-	-	(292,188)	873,498	978,751	105,253
Utilities	566,353	546,159	68,690	151,557	66,406	-	-	-		1,399,165	1,526,183	127,018
Depreciation and Amortization	3,248,662	2,272,671	464,490	1,691,078	157,271	1,888	25,956	-		7,862,016	7,581,540	(280,475)
Interest	757,653	684,620	150,399	860,123	108,671	-	-	-	(16,441)	2,545,024	2,858,594	313,571
Real Estate Taxes	570,759	49,370	224,538	81,943	43,797	-	-	-		970,407	1,075,025	104,618
Quality Assurance Assessment	344,312	424,472	-	-	-	-	-	-		768,783	879,171	110,387
Other	2,004,675	670,376	12,225	104,055	30,892	159,796	43,746	92,203	(59,374)	3,058,594	3,023,008	(35,586)
Management Fees	3,593,481	2,449,015	148,725	250,620	234,223	459,947	99,344	60,000		7,295,355	7,144,917	(150,438)
Grant Expenses	390,036	-	-	-	-	-	313,060	-		703,096	77,999	(625,097)
Total Operating Expenses	26,149,496	20,219,214	1,809,990	4,055,507	1,893,132	2,901,142	1,245,919	614,774	(368,003)	58,521,170	58,269,484	(251,686)
Sub-Total	(2,670,641)	(1,837,921)	393,415	(1,082,070)	(216,867)	(290,283)	3,617,669	777,060	-	(1,309,637)	(1,620,243)	310,605
Affiliation Acctg Appraisal - FMV Depreciation	-	2,189,933	-	(181,584)	280,472	-	-	-	-	2,288,821	-	(2,288,821)
Operating Income (Loss)	(2,670,641)	(4,027,854)	393,415	(900,486)	(497,339)	(290,283)	3,617,669	777,060	-	(3,598,458)	(1,620,243)	(1,978,216)
Non-Operating Income (Loss)												
Change in value of charitable gift annuities	-	-	-	-	-	-	-	-		-	(8,100)	8,100
Net unrealized gain / loss on investments	-	-	-	-	-	-	1,924,296	(1,863)		1,922,433	175,000	1,747,433
Change in fair value of interest rate swap agreements	64,717	75,043	100,879	79,436	7,985	-	-	336,446		664,507	-	664,507
Net gain on sale of property	-	236,987	-	-	-	-	-	-		236,987	-	236,987
Net gain on affiliation	-	-	-	-	-	-	-	-		-	-	-
Net gain on joint ventures	4,064,591	2,548,144	-	-	-	-	-	-		6,612,735	1,343,372	5,269,363
Net assets released from restrictions - Capital	-	-	-	-	-	-	993,177	-		993,177	-	993,177
Total Non-Operating Income (Loss)	4,129,308	2,860,174	100,879	79,436	7,985	-	2,917,473	334,583	-	10,429,839	1,510,272	8,919,567
Sub-total	1,458,668	(1,167,680)	494,294	(821,050)	(489,354)	(290,283)	6,535,142	1,111,643	-	6,831,381	(109,971)	6,941,351
Net transfers (to) from affiliates	1,618,603	78,245	-	29,691	118,932	-	(1,618,603)	(281,248)	-	(54,380)	-	(54,380)
Net Income (loss)	3,077,271	(1,089,435)	494,294	(791,359)	(370,422)	(290,283)	4,916,539	830,395	-	6,777,001	(109,971)	6,886,971
Temporarily Restricted Net Assets												
Restricted contributions							1,438,434	693,312		2,131,746	1,750,000	381,746
Restricted investment income							3,019,968	246,325		3,266,293	16,948	3,249,345
Change in present value of pledges receivable								3,087		3,087	2,035	1,052
Change in interest and present value of charitable remainder trusts								696		696	2,429	(1,733)
Net assets released from restriction							(2,445,392)	(146,105)		(2,591,497)	(570,000)	(2,021,497)
Increase / (Decrease) in temporarily restricted net assets	-	-	-	-	-	-	2,013,010	797,315	-	2,810,325	1,201,412	1,608,913
Change in Net Assets	3,077,271	(1,089,435)	494,294	(791,359)	(370,422)	(290,283)	6,929,549	1,627,710	-	9,587,326	1,091,441	8,495,884

**UMRC/Porter Hills
Obligated Group
Statement of Cash flows
Quarterly YTD Ended 03-31-2021**

Cash flow from operating activities

Increase in net Assets	\$9,587,326
Adjustments to reconcile increase in net assets to net cash from operating activities:	
Depreciation	\$10,150,837
Amortization of deferred life lease revenue	(\$2,895,338)
Realized and unrealized (gains)/loss on investments	(\$8,419,715)
Gain from investments in joint venture	(\$6,612,735)
Gain on disposal of fixed assets	\$236,987
Bad debt expense	\$343,600
Decrease (increase) in operating assets:	
Accounts receivable	(\$5,839,486)
Accounts receivable - affiliates	\$720,166
Prepaid expenses and other current assets	(\$384,611)
Increase (decrease) in operating liabilities:	
Accounts payable	(\$775,522)
Accrued and other liabilities	(\$461,971)
Interest rate swap	(\$664,507)
Net cash provided by operating activities	<u>(\$5,014,970)</u>

Cash flow from investing activities

Additions to property and equipment	(\$7,407,669)
Net investment activity (purchase/sales)	\$106,700
Investment in related organizations	\$0
Net cash used in investing activities	<u>(\$7,300,969)</u>

Cash flows from financing activities

Change in line of credit	(\$885,234)
Proceeds from issuance of debt	\$59,192,425
Proceeds from life lease obligations	\$8,346,777
Refund of life lease obligations	(\$3,211,499)
Principal payments on long term debt	(\$56,628,170)
Net cash provided by (used in) financing activities	<u>\$6,814,299</u>

Net increase (decrease) in cash and cash equivalents (\$5,501,639)

Cash and cash equivalents beginning of year \$21,485,949

Cash and cash equivalents end of year period \$15,984,310

United Methodist Retirement Communities, Inc. Obligated Group

**Days Cash on Hand - Liquidity Covenant
Rolling 12 Months Ending March 31, 2021**

	March 31, 2021
Total Unrestricted Cash and Investments	
Cash and cash equivalents	12,478,231
Assets limited as to use	58,175,422
Deduct:	
Life lease escrow	(1,775,877)
Thome PACE financing agreement	(100,000)
Assets limited as to use under indenture	(7,259,633)
Investment with donor restrictions	(14,416,365)
(A) Total Unrestricted Cash and Investments	47,101,778
Operating expenses, less certain noncash expenses	
Operating expenses	80,709,008
Deduct:	
Depreciation expense	(12,934,830)
Provision for bad debts	(456,086)
(B) Operating expenses, less certain noncash expenses	67,318,092
Days Cash on Hand (A)/[(B)/365]	255
Required Days Cash on Hand	150

United Methodist Retirement Communities, Inc. Obligated Group

**Historical Debt Service Coverage Ratio
Rolling 12 Months Ending March 31, 2021**

	Rolling 12
Total Funds Available for Debt Service	
Increase (Decrease) in net assets without donor restrictions	7,664,330
Add (deduct):	-
Depreciation expense	15,223,662
Interest expense	3,501,473
Amortization of entrance fees	(3,904,443)
Proceeds from nonrefundable and refundable entrance fees - Turnover units	8,950,770
Refunds of nonrefundable and refundable entrance fees	(4,720,969)
Net unrealized (gain)/loss on investments	(3,661,948)
Net unrealized (gain)/loss on investment in joint ventures	(7,907,421)
Change in fair value of interest rate swap agreements	(660,063)
Change in value of charitable gift annuities	(6,589)
Gain on disposal of assets	(236,987)
Net transfers to affiliates	120,175
Net assets released from restriction for capital purchases	(1,709,910)
(A) Income Available for Debt Services	12,652,079
(B) Debt Service Requirements	5,627,620
Historical Debt Service Coverage Ratio (A)/(B)	2.25
Required Historical Debt Service Coverage Ratio	1.20

Census Report - 2020-21 Fiscal Year

		Capacity	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	FYTD	Budget	Payer Mix	Payer Mix Budget
Porter Hills Village															
Skilled Nursing															
Village HRC															
Census	81		66	66	69	59	61	48	48	51	55	58	71		
Occupancy %			81.4%	81.1%	84.8%	73.4%	75.0%	59.2%	58.7%	63.3%	67.6%	71.6%	87.5%		
Budget Occupancy %			87.5%	87.5%	87.5%	87.5%	87.5%	87.5%	87.5%	87.5%	87.5%				
Resident Days			2,044	2,036	2,060	1,842	1,822	1,486	1,473	1,488	1,697	15,948	19,498		
Private Pay			391	409	490	318	371	205	163	284	237	2,868	4,400	18.0%	22.6%
Medicaid			1,377	1,320	1,336	1,330	1,201	1,043	859	805	1,054	10,325	11,468	64.7%	58.8%
Medicare			92	146	151	91	100	114	245	203	165	1,307	1,540	8.2%	7.9%
Commercial Ins			184	161	83	103	150	124	206	196	241	1,448	2,090	9.1%	10.7%
Green House															
Census	20		19	17	17	16	16	17	17	15	15	16	19		
Occupancy %			92.9%	85.3%	82.7%	78.4%	77.5%	83.5%	84.7%	74.0%	77.3%	81.9%	95.0%		
Budget Occupancy %			95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%				
Resident Days			576	529	496	486	465	518	525	429	479	4,503	5,225		
Private Pay			359	312	300	300	271	301	322	220	198	2,583	3,575	57.4%	68.4%
Medicaid			217	217	196	186	194	217	183	205	257	1,872	1,650	41.6%	31.6%
Medicare			-	-					20	3	-	23	-	0.5%	0.0%
Commercial Ins			-	-						1	24	25	-	0.6%	0.0%
Assisted Living															
Census	67		56	59	57	53	59	54	53	54	55	56	59		
Occupancy %			84.1%	87.9%	84.5%	79.4%	88.5%	80.8%	79.2%	81.0%	82.1%	83.0%	88.8%		
Budget Occupancy %			87.5%	87.5%	87.5%	89.5%	89.5%	89.5%	89.5%	89.5%	89.5%				
Resident Days			1,747	1,826	1,698	1,649	1,779	1,679	1,645	1,573	1,705	15,301	16,221		
Memory Support															
Census	32		32	32	31	30	31	29	30	30	32	31	27		
Occupancy %			98.6%	100.4%	98.0%	93.8%	96.9%	92.1%	94.8%	93.0%	98.9%	96.3%	84.7%		
Budget Occupancy %			76.0%	78.2%	85.0%	85.0%	85.0%	85.0%	85.0%	85.0%	85.0%				
Resident Days			978	996	941	930	930	914	940	863	981	8,473	7,452		
Independent Living															
Village Center															
Census	53		47	45	44	42	41	39	36	34	35	40	50		
Occupancy %			89.1%	85.4%	83.1%	79.5%	77.4%	72.9%	68.2%	63.8%	66.6%	76.3%	94.2%		
Budget Occupancy %			94.2%	94.2%	94.2%	94.2%	94.2%	94.2%	94.2%	94.2%	94.2%				
Resident Days			1,464	1,403	1,321	1,307	1,231	1,197	1,120	980	1,094	11,117	13,426		
Garden Apartments															
Census	103		99	95	91	91	93	94	94	90	93	93	102		
Occupancy %			95.8%	91.8%	88.8%	88.5%	90.0%	91.7%	90.9%	87.5%	90.0%	90.6%	99.1%		
Budget Occupancy %			97.1%	98.0%	98.0%	98.0%	98.0%	98.0%	98.0%	98.0%	95.2%				
Resident Days			3,060	2,932	2,743	2,827	2,782	2,928	2,904	2,614	2,874	25,664	28,067		
Town Homes															
Census	22		20	20	19	18	18	18	18	17	17	18	21		
Occupancy %			90.9%	88.7%	86.1%	81.8%	81.8%	81.8%	81.8%	79.0%	77.4%	83.3%	95.2%		
Budget Occupancy %			95.2%	95.2%	95.2%	95.2%	95.2%	95.2%	95.2%	95.2%	95.2%				
Resident Days			620	605	568	558	540	558	558	504	528	5,039	5,480		
Meadowlark															
Assisted Living															
Census	20		20	20	18	18	15	15	16	19	18	18	20		
Occupancy %			100.0%	100.0%	87.8%	90.3%	75.8%	75.0%	78.2%	94.8%	92.3%	88.3%	97.8%		
Budget Occupancy %			100.0%	100.0%	100.0%	100.0%	100.0%	95.0%	95.0%	95.0%	100.0%				
Resident Days			620	620	527	560	455	465	485	550	572	4,854	5,379		
Memory Support															
Census	10		10	10	10	10	8	6	7	8	8	8	10		
Occupancy %			100.0%	100.0%	96.0%	100.0%	82.0%	61.0%	71.0%	77.2%	76.5%	84.9%	96.3%		
Budget Occupancy %			90.0%	90.0%	90.0%	90.0%	100.0%	100.0%	100.0%	100.0%	100.0%				
Resident Days			310	310	288	310	246	189	220	224	237	2,334	2,649		
Independent Living															
Census	26		25	26	25	24	22	19	16	14	16	21	26		
Occupancy %			96.2%	98.5%	94.2%	90.7%	86.4%	71.7%	62.2%	54.8%	62.3%	79.8%	99.0%		
Budget Occupancy %			100.0%	100.0%	100.0%	100.0%	100.0%	96.0%	96.0%	96.0%	96.0%				
Resident Days			775	794	735	731	674	578	501	413	502	5,703	7,076		
Cook Valley															
Independent Living															
Census	134		123	124	121	121	122	124	124	124	122	123	127		
Occupancy %			91.6%	92.5%	90.3%	90.6%	91.3%	92.3%	92.5%	92.4%	91.2%	91.6%	95.0%		
Budget Occupancy %			92.5%	94.0%	95.5%	95.5%	95.5%	95.5%	95.5%	95.5%	95.5%				

Census Report - 2020-21 Fiscal Year

	Capacity	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	FYTD	Budget	Payer Mix	Payer Mix Budget
Home Health														
Episodes		197	167	154	160	137	137	161	138	135	1,386	1,475		
Budgeted Episodes		150	150	150	165	165	170	175	175	175				
Average \$ per Case		1,521	1,656	2,015	1,908	1,884	1,912	2,114	1,784	1872		2,076		
Life Circles														
Total Participants		352	350	347	355	358	355	349	343	342	3,151	1,042		
Muskegon		209	207	205	207	207	205	200	197	196	1,833	626		
Holland		143	143	142	148	151	150	149	146	146	1,318	416		
Avenues														
Total Members		46	45	45	45	45	45	45	45	45	406	182		
Emmanuel Hospice														
# of Days		4,950	5,138	5,185	5,531	5,663	5,753	5,206	4,640		42,066	37,274		
Affordable Housing														
Bailey's Grove	43													
Census		38	39	38	37	37	38	37	35		37			
Occupancy %		88.4%	90.7%	88.4%	86.0%	86.0%	88.4%	86.0%	81.4%		86.9%	98.6%		
Harvest Way	45													
Census		43	44	44	44	44	43	43	43		44			
Occupancy %		95.6%	97.8%	97.8%	97.8%	97.8%	95.6%	95.6%	95.6%		96.7%	98.9%		
Oak Ridge	45													
Census		43	43	44	43	43	45	45	45		44			
Occupancy %		95.6%	95.6%	97.8%	95.6%	95.6%	100.0%	100.0%	100.0%		97.5%	98.6%		
River Grove	46													
Census		45	45	45	45	45	45	44	45		45			
Occupancy %		97.8%	97.8%	97.8%	97.8%	97.8%	97.8%	95.7%	97.8%		97.6%	98.1%		
Station Creek	49													
Census		46	46	45	45	45	45	44	43		45			
Occupancy %		93.9%	93.9%	91.8%	91.8%	91.8%	91.8%	89.8%	87.8%		91.6%	99.2%		
Walker Meadow	42													
Census		38	37	36	36	35	34	33	33		35			
Occupancy %		90.5%	88.1%	85.7%	85.7%	83.3%	81.0%	78.6%	78.6%		83.9%	98.1%		

	Capacity	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	FYTD Average	Budget Average	FYTD Payer Mix	Budget Payer Mix
Chelsea Retirement Community														
Skilled Nursing	85													
Census		65	69	64	66	62	62	64	72	71	66.01		77	
Occupancy %		76.2%	80.6%	74.7%	77.4%	73.5%	73.4%	75.8%	84.3%	83.3%	77.7%		90.0%	
Budget Occupancy %		90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.00%			
Resident Days		2,007	2,124	1,906	2,040	1,874	1,937	1,997	2,007	2,194	18,086		20,961	
Private Pay		420	410	372	346	295	334	242	168	230	2,817		3,263	15.6%
Medicaid		753	825	886	912	885	988	1,051	989	1,030	8,319		8,156	46.0%
Medicare		449	516	355	434	370	364	332	515	577	3,912		6,095	21.6%
Medicare HMO		241	255	159	281	213	139	268	201	302	2,059		2,745	11.4%
Commercial Ins		144	118	134	67	111	112	104	134	55	979		702	5.4%
Assisted Living	84													
Census		71	67	67	67	64	61	61	62	63	64.86		75	
Occupancy %		84.8%	79.7%	80.3%	80.1%	75.7%	72.8%	72.0%	74.2%	75.0%	77.2%		88.7%	
Budget Occupancy %		88.7%	88.7%	88.7%	88.7%	88.7%	88.7%	88.7%	88.7%	88.7%	88.7%		2,086.22	
Resident Days		2,207	2,076	2,023	2,087	1,908	1,897	1,876	1,745	1,954	17,773			
Memory Support	68													
Census		61	55	54	52	50	49	47	46	45	50.97		65	
Occupancy %		90.0%	80.7%	79.8%	76.0%	73.2%	72.1%	68.5%	67.1%	66.7%	75.0%		95.6%	
Budget Occupancy %		95.6%	95.6%	95.6%	95.6%	95.6%	95.6%	95.6%	95.6%	95.6%	95.6%		1,820.05	
Resident Days		1,897	1,701	1,627	1,602	1,494	1,519	1,443	1,278	1,405	13,966			
Independent Living	172													
Census		160	160	156	156	157	156	157	156	155	157.00		165	
Occupancy %		93.3%	93.0%	90.4%	90.8%	91.3%	91.0%	91.3%	90.4%	89.9%	91.3%		95.9%	
Budget Occupancy %		95.9%	95.9%	95.9%	95.9%	95.9%	95.9%	95.9%	95.9%	95.9%	95.9%			
Resident Days		4,973	4,958	4,667	4,841	4,711	4,851	4,867	4,356	4,794	43,018			
Cedars of Dexter														
Independent Living	60													
Census		55	56	57	56	56	56	56	57	57	56.17		56	
Occupancy %		91.7%	93.6%	95.0%	92.7%	93.7%	93.3%	94.0%	95.0%	95.0%	93.6%		93.3%	
Budget Occupancy %		93.3%	93.3%	93.3%	93.3%	93.3%	93.3%	93.3%	93.3%	93.3%	93.3%			
PACE														
Huron Valley PACE														
Total Participants		189	189	192	197	206	213	213	221	223	205		232	
Budget		224	229	234	234	234	234	234	234	234	232			
Thome PACE														
Total Participants		172	181	180	185	190	194	194	197	199	188		175</	

Chelsea Retirement Community	2014	2015	2016	2017	2018	2019	2020
Independent Living:							
Entrance Fee	n/a	n/a	\$33,900-\$329,900	\$35,595-\$346,395	\$36,663-\$356,787	\$37,762-\$443,745	\$39,650-\$465,932
Monthly Fee	\$2,061-\$4,785	\$2,106-\$4,890	\$1,858-\$5,086	\$1,914-\$5,245	\$1,971-\$5,399	\$2,040-\$5,570	\$2,110-\$5,764
Assisted Living (daily rate)	\$191-\$221	\$242-\$262	\$249-\$269	\$256-\$277	\$263-\$285	\$243-\$295	\$249-\$301
Memory Care (daily rate)	\$211-\$262	\$211-\$262	\$221-\$270	\$227-\$277	\$233-\$285	\$241-\$295	\$302
Skilled Nursing Facility (daily rate)	\$267-\$352	\$275-\$362	\$275-\$362	\$294-\$389	\$302-\$398	\$302-\$411	\$356-\$423
Cedars of Dexter	2014	2015	2016	2017	2018	2019	2020
Independent Living:							
Entrance Fee	\$136,395-\$395,745	\$143,215-\$415,532	\$225,423-\$446,697	\$161,654-\$469,032	\$166,504-\$483,103	\$171,499-\$497,596	\$180,073-\$522,475
Monthly Fee	\$2,434-\$3,062	\$2,507-\$3,146	\$2,582-\$3,258	\$2,672-\$3,371	\$2,765-\$3,482	\$2,847-\$3,622	\$2,932-\$3,729

As of March 31, 2021, the Chelsea Retirement Community has a wait list of 59 prospective residents who have escrowed deposits with the Corporation for independent living units.

As of March 31, 2021, the Cedars of Dexter has a wait list of 45 prospective residents who have escrowed deposits with the Corporation for independent living units.

As of March 31, 2021, Porter Hills Village has a wait list of 39 prospective residents who have escrowed deposits with PHPV for independent living units.

As of March 31, 2021, Cook Valley Estates has a wait list 36 prospective residents who have escrowed refundable deposits for independent living units.