

Brio Living Services, Inc. Obligated Group
3rd Quarter 2022 *Unaudited* Management Discussion of Financial Performance and Position

The following is a brief Management Discussion of the Brio Living Services, Inc Obligated Group's (OG) financial activities, performance, and position **as of and for the nine months ended March 31, 2022**.

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

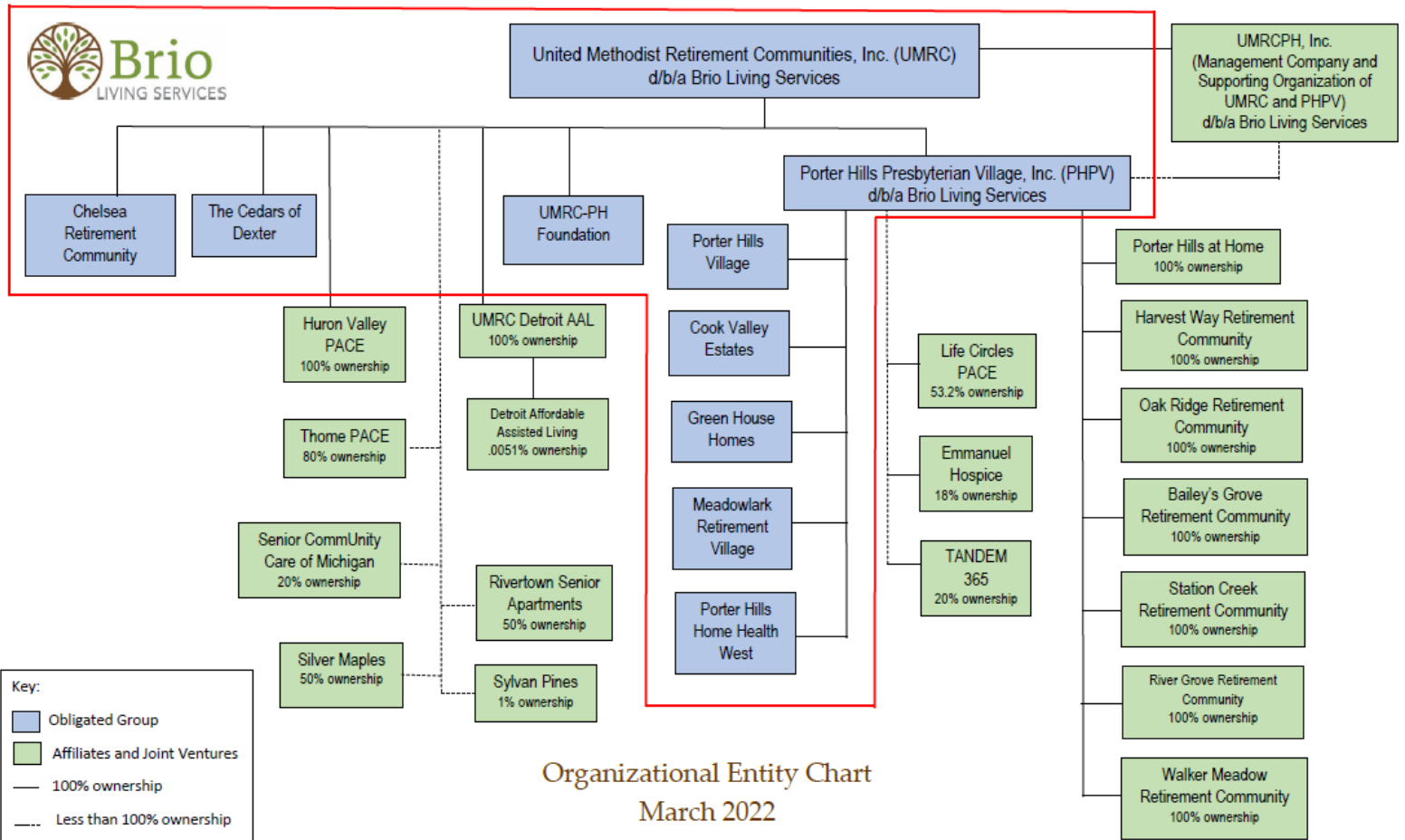
United Methodist Retirement Communities, Inc. (UMRC) is a Michigan nonprofit organization governed by a board of trustees that provides housing, healthcare, and other related senior services. The Obligated Group (OG) special purpose combined financials statements are prepared for the combined entities 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.

In March 2022, UMRC and Porter Hills filed for a new Assumed Name (DBA) of Brio Living Services Inc (Brio) by which it will be referenced going forward in this document.

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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 and Porter Hills Foundation merged into UMRC-Porter Hills Foundation on July 1, 2021. UMRC is the sole corporate member. The foundations were established to raise funds, invest assets, and monitor growth to ensure the operating entities can continue as in-depth, innovative, and inclusive senior living and services resource.
- Brio Corporate Office provides the leadership and administrative oversight and support services for the Brio Living Services Obligated Group. Additionally, the Brio 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.
- 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.

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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:

- Brio 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.
- Brio 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.
- Brio 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.
- Brio is a 1 % member of Sylvan Pines Limited Dividend Housing Associated, LLC (Sylvan Pines), an affordable housing project in Chelsea, Michigan with which Brio has a management agreement and is accounted for under the equity method.
- Brio 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 Brio is involved with, and accounts for under the equity method, include:
 - Brio 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 Brio had an 80% controlling interest. Huron Valley PACE serves Washtenaw and Monroe Counties as well as parts of Oakland, Wayne, and Livingston Counties.
 - Brio 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.
 - Brio 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 Brio Living Services Obligated Group, Brio 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, Brio has the following ownership in entities that are outside of the Brio Living Services Obligated Group:
 - Avenues by Porter Hills – a life-plan community without walls wholly owned by Brio.
 - LifeCircles – a PACE program in which Brio owns 53.2% of with two other unrelated partners.
 - Emmanuel Hospice – A hospice program partnership among Brio and several other unrelated retirement communities. Brio owns a minority interest in Emmanuel Hospice.
 - Tandem 365 - A PACE-like coordination agency partnership among Brio and several other unrelated organizations. Brio owns a minority interest in Tandem 365.

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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.

Census

	Fiscal Year Ended			Qtr Ending
	6/30/2019	6/30/2020	6/30/2021	3/31/2022
Independent Living				
Chelsea Retirement Community				
Available Units	173	174	172	172
Average Occupancy	149	165	156	156
Percentage Occupancy	86%	95%	91%	91%
Porter Hills Village				
Available Units	178	178	178	178
Average Occupancy	169	167	151	155
Percentage Occupancy	94.9%	93.8%	84.8%	87.1%
Cook Valley				
Available Units	134	134	134	134
Average Occupancy	128	125	122	126
Percentage Occupancy	95.5%	93.3%	91.0%	94.0%
Meadowlark				
Available Units	26	26	26	26
Average Occupancy	22	25	20	19
Percentage Occupancy	86.4%	96.2%	76.9%	74.6%
Assisted Living				
Glazier Commons				
Available Units	83	84	84	84
Average Occupancy	71	70	64	63
Percentage Occupancy	86%	83%	76%	75%
Porter Hills Village				
Available Units	67	68	68	67
Average Occupancy	58	58	56	57
Percentage Occupancy	87.1%	85.2%	82.4%	85.1%
Meadowlark				
Available Units	20	20	20	20
Average Occupancy	20	20	18	19
Percentage Occupancy	98.5%	98.8%	90.0%	95.0%
Memory Care				
Towsley Village				
Available Units	73	68	68	68
Average Occupancy	68	60	51	64
Percentage Occupancy	93%	88%	75%	94%
Porter Hills Village				
Available Units	32	32	32	34
Average Occupancy	25	28	31	32
Percentage Occupancy	78.7%	86.5%	97%	94%
Meadowlark				
Available Units	10	10	10	10
Average Occupancy	10	10	9	9.6
Percentage Occupancy	95.8%	99.1%	90.0%	96.0%
Skilled Nursing				
Kresge				
Available Units	84	82	85	85
Average Occupancy	73	63	68	73.2
Percentage Occupancy	87%	77%	80%	86%
Village HRC				
Available Units	101	101	101	101
Average Occupancy	86	87	75	75
Percentage Occupancy	85.4%	85.7%	74.3%	74.3%
Total				
Available Units	981	977	978	979
Percentage Occupancy	89.7%	89.7%	83.9%	86.7%
Home Care				
Episodes	1,984	1,935	1,829	1,302

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Kresge Skilled Nursing Facility Payor Mix				
	<u>Fiscal Years Ended</u>			<u>Qtr Ended</u>
	<u>6/30/2019</u>	<u>6/30/2020</u>	<u>6/30/2021</u>	<u>3/31/2022</u>
Medicare & Medicare Advantage	37%	37%	34%	35%
Medicaid	45%	45%	46%	49%
Private & Other	18%	18%	20%	16%

Porter Hills Village Skilled Nursing Payor Mix				
	<u>Fiscal Year End</u>			<u>Qtr End</u>
	<u>6/30/2019</u>	<u>6/30/2020</u>	<u>6/30/2021</u>	<u>3/31/2022</u>
Medicare/Medicare Advantage	14%	13%	7%	6%
Medicaid	52%	62%	58%	65%
Private & Other	34%	25%	45%	29%

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

Summary Statement of Activities	<u>Fiscal Year-end</u>			<u>YTD - 3/31/2022</u>		
	<u>6/30/2019</u>	<u>6/30/2020</u>	<u>6/30/2021</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Net Service Revenue	56,910,883	60,488,411	58,005,767	46,283,189	48,719,076	(2,435,887)
Net investment income	1,719,432	334,736	3,301,817	3,740,147	583,167	3,156,980
Contributions	540,863	595,488	1,464,228	5,764,421	100,000	5,664,421
Other	12,564,218	11,866,660	17,422,737	7,720,505	6,810,900	909,605
Total Operating Revenue	71,735,396	73,285,295	80,194,549	63,508,262	56,213,143	7,295,119
Operating Expenses	61,455,683	65,379,098	64,979,722	49,718,645	48,399,338	(1,319,307)
Interest Expense	3,749,602	3,806,762	3,587,450	2,873,069	2,758,117	(114,952)
Depreciation	11,124,707	12,287,131	13,410,485	8,045,416	7,834,703	(210,713)
Total Operating Expenses	76,329,992	81,472,991	81,977,657	60,637,130	58,992,158	(1,644,972)
Sub-Total	(4,594,596)	(8,187,696)	(1,783,108)	2,871,132	(2,779,015)	5,650,147
Affiliation Acctg Appraisal - FMV Depreciation				2,233,054	2,222,570	(10,484)
Operating Income (Loss)	(4,594,596)	(8,187,696)	(1,783,108)	638,078	(5,001,585)	5,639,663
Change in fair value of interest rate swap	(1,509,670)	(1,286,460)	345,653	281,892	-	281,892
Gain (loss) from investment in joint ventures	(178,699)	3,700,235	8,960,431	3,520,777	3,522,633	(1,856)
Net assets released from restriction for capital	4,667,066	2,032,568	1,000,133	-	-	-
Other	(1,046,104)	(894,978)	3,562,927	(4,389,938)	101,339	(4,491,277)
Total Other Changes to Net Assets Without Donor Restrictions	1,932,593	3,551,365	13,869,144	(587,269)	3,623,972	(4,211,241)
Increase (Decrease) in Net Assets Without Donor Restrictions	(2,662,003)	(4,636,331)	12,086,036	50,809	(1,377,613)	1,428,422

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.

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Operating Revenue and Expenses: YTD Operating Income was \$5.6M favorable to budget.

- Net service revenue was \$2.4M 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 \$5.7M
- PPP loan of \$3.68M was forgiven in the last quarter of fiscal 2021
- Other revenue was \$910k positive to budget, including COVID-19 CARES Act relief payments
- Operating Expenses were approximately \$1.6M over budget, primarily related to increased staffing costs
- Depreciation & Amortization expenses were over budget by \$221k

Non-Operating (Unrestricted) Results

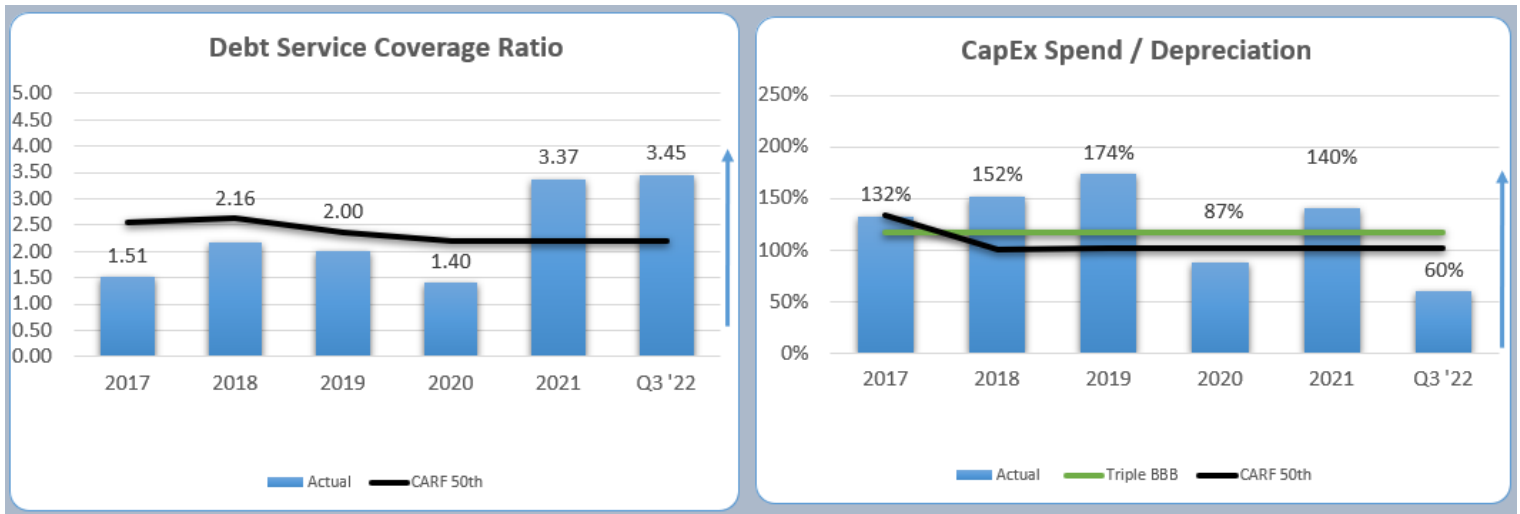
Non-operating activity was \$4.2M negative to budget, due to unrealized losses on investments.

Restricted Results

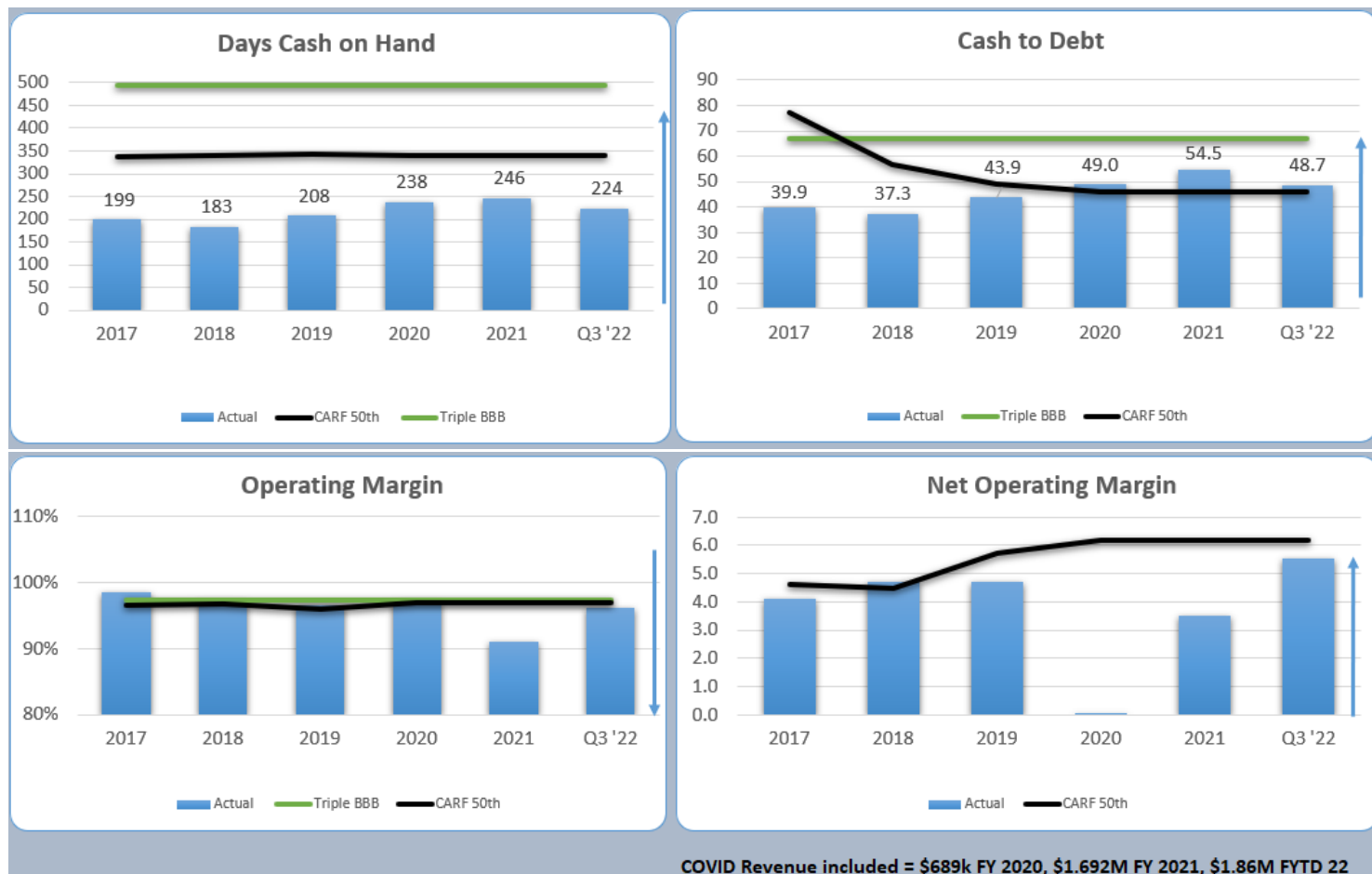
Restricted activity was approximately \$935k under budget due to restricted contributions and restricted investment income, though unrestricted contributions exceeded budget as noted above.

Financial Position

The following summary includes the results of the co-obligated group of Brio Living Services:



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*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 continues to be strong, maintaining a solid cash position and significantly exceeding the thresholds required by the master trust indenture of 150.
- Debt service coverage ratio continues to exceed the master trust indenture of 1.2

Capital Financing

As of March 31, 2022, Brio OG has the following financing arrangements:

- Brio Series 2012 limited obligation revenue bonds with an original issuance of \$10M, 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,

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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 principal amount.

- Brio Series 2013 limited obligation revenue bonds with an original issuance of \$11M 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, Brio refinanced approximately \$4.4M of the 2013 limited obligation revenue bonds.
- Brio Series 2014 limited obligation revenue bonds with an original issuance of \$11.5M 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 Brio OG. The balance in this line of credit is \$3.2M as of March 31, 2022.
- 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 Brio OG. The balance in this line of credit is \$4.4M as of March 31, 2022.
- On June 26, 2019 Brio 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. 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 Brio 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 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. In August 2021, the UMRC and Porter Hills Governing Boards approved an amendment to the Affiliation Agreement, which allowed for a capital contribution made in the full amount of the outstanding loan (\$6,000,000). These loans are considered to have been paid in full and any future capital may be structured, in UMRC's discretion, as a capital contribution or as an interest-free loan to Porter Hills.

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The bonds and revolving loan agreement are collateralized by a mortgage on certain real estate and related buildings and land of Brio and guaranteed by the UMRC-Porter Hills Foundation. Under the terms of the limited obligation revenue bond agreements, revolving loan agreement and master trust indenture, Brio 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@mybrio.org

Attached are interim financial statements as of, and for the period ending, March 31, 2022.

Brio Living Services Combined Obligated Group
Balance Sheet
For the Nine Months Ending March 31, 2022

	Porter Hills Village	Chelsea Retirement Community	Cook Valley Estates	Cedars of Dexter	Meadowlark	HomeCare	UMRCPH Foundation	Inter-Co Eliminations	Current Year
ASSETS									
Current Assets									
Cash and cash equivalents	(394,257)	3,955,209	(35,249)	(17,783)	(5,392)	(4,400)	151,300		3,649,428
Resident accounts receivable - net	1,366,292	2,475,828	32,415	22,111	13,452	507,530	-		4,417,628
Accounts receivable (payable) - Affiliates	8,965,724	-	(337,864)	3,286,481	(1,536,064)	1,491,176	-	(10,837,763)	1,031,690
Prepaid expenses and other assets	419,249	628,963	17,035	199,416	14,952	11,450	11,378		1,302,443
Total Current Assets	10,357,008	7,060,000	(323,663)	3,490,225	(1,513,052)	2,005,756	162,678	(10,837,763)	10,401,189
Assets limited as to use									
Property and equipment, net	2,189,351	7,769,105	2,438,855	84,055	230,356	-	57,029,479		69,741,201
Investment in joint ventures and notes receivable from affiliates	54,853,857	68,110,114	26,612,249	14,251,083	6,207,776	30,605	731,970		170,797,654
	10,532,980	56,368,883	-	-	-	-	-	(22,342,004)	44,559,859
	67,576,188	132,248,102	29,051,104	14,335,138	6,438,132	30,605	57,761,449	(22,342,004)	285,098,714
Total Assets	77,933,196	139,308,102	28,727,441	17,825,363	4,925,080	2,036,361	57,924,127	(33,179,767)	295,499,903
LIABILITIES									
Current Liabilities									
Accounts payable	231,679	73,855	63,665	4,563	82,798	228,556	33,595		718,711
Accounts payable - affiliates	-	2,641,657	-	-	-	7,229,262	966,844	(10,837,763)	-
Current portion of long-term debt	200,007	875,000	153,760	362,508	21,233	-	-		1,612,508
Accrued liabilities and other	1,271,486	2,043,006	562,817	20,547	146,032	241,194	99,126		4,384,208
Total Current Liabilities	1,703,172	5,633,518	780,242	387,618	250,063	7,699,012	1,099,565	(10,837,763)	6,715,427
Long-term debt - net of current portion									
Other long-term liabilities	24,268,343	26,929,782	26,669,911	8,769,754	2,490,764	-	-	(1,028,367)	88,100,187
Deferred revenue from entrance fees	49,209	-	-	-	-	-	-		49,209
Refundable entrance fees	7,877,519	3,333,029	11,459,788	4,054,624	-	-	-		26,724,960
Fair value of interest rate swap	11,804,770	10,586,108	17,294,591	7,823,819	-	-	-		47,509,288
	-	22,456	-	14,435	-	-	-		36,891
Total Liabilities	45,703,013	46,504,893	56,204,532	21,050,250	2,740,827	7,699,012	1,099,565	(11,866,130)	169,135,962
NET ASSETS									
Unrestricted	33,784,920	86,957,933	(26,255,291)	(3,537,203)	2,663,716	(5,100,370)	36,461,286	(21,313,637)	103,661,354
Current Year Earnings	(1,554,737)	5,770,728	(1,221,800)	312,316	(479,463)	(562,281)	(2,211,998)	-	52,765
Current Year Earnings - Restricted	-	-	-	-	-	-	1,380,987	-	1,380,987
Restricted	-	74,548	-	-	-	-	21,194,287	-	21,268,835
Total Net Assets	32,230,183	92,803,209	(27,477,091)	(3,224,887)	2,184,253	(5,662,651)	56,824,562	(21,313,637)	126,363,941
Total Liabilities and Net Assets	77,933,196	139,308,102	28,727,441	17,825,363	4,925,080	2,036,361	57,924,127	(33,179,767)	295,499,903

Brio Living Services Combined Obligated Group
Combining Statement of Activities
For the Nine Months Ending March 31, 2022

	Porter Hills Village	Chelsea Retirement Community	Cook Valley Estates	Cedars of Dexter	Meadowlark	Home Care	UMRCPH				
							Foundation	Eliminations	Total	Budget	Variance
Operating Revenue											
Net Service Revenue	14,997,868	23,387,023	1,983,508	1,792,355	1,732,028	2,390,407	-	-	46,283,189	48,719,076	(2,435,887)
Investment Income - unrestricted	-	-	2,084	-	-	-	3,738,063	-	3,740,147	583,167	3,156,980
Life Lease Amortization	910,299	369,107	1,144,615	364,533	-	-	-	-	2,788,554	3,159,796	(371,242)
Contributions - unrestricted	-	5,000,000	-	-	-	-	764,421	-	5,764,421	100,000	5,664,421
Covid Funding	985,589	787,368	-	-	24,802	71,544	-	-	1,869,303	283,975	1,585,328
Supplemental charges and misc revenue	1,490,650	88,949	351,568	24,790	39,811	23,270	-	(315,410)	1,703,628	1,742,129	(38,501)
Net Assets released from restrictions used in operations	-	-	-	-	-	-	1,359,020	-	1,359,020	1,625,000	(265,980)
Total Operating Revenue	18,384,406	29,632,447	3,481,775	2,181,678	1,796,641	2,485,221	5,861,504	(315,410)	63,508,262	56,213,143	7,295,119
Operating Expenses											
Salaries and Wages	9,045,022	11,720,946	697,450	328,382	1,005,217	1,972,412	697,973	-	25,467,402	24,094,336	(1,373,066)
Employee Benefits	1,742,286	2,371,933	90,091	90,341	200,036	415,317	165,692	-	5,075,696	5,022,385	(53,311)
Operating Supplies & Expenses	1,136,206	1,796,540	210,937	101,307	145,431	38,549	62,893	-	3,491,863	3,438,285	(53,578)
Professional Services & Consultant Fees	582,599	483,432	27,655	-	-	18,316	142,114	-	1,254,116	1,189,806	(64,310)
Repairs & Maintenance	239,715	419,153	254,300	259,067	40,653	11,492	-	(315,410)	908,970	1,041,407	132,437
Utilities	609,212	627,325	246,978	87,932	67,933	-	-	-	1,639,380	1,697,681	58,301
Depreciation and Amortization	2,275,342	3,369,093	1,768,283	429,948	178,443	1,242	23,065	-	8,045,416	7,834,703	(210,713)
Interest	745,451	1,007,709	896,573	139,206	84,130	-	-	-	2,873,069	2,758,117	(114,952)
Real Estate Taxes	69,820	680,325	120,986	258,870	42,312	-	-	-	1,172,313	1,110,112	(62,201)
Quality Assurance Assessment	458,410	292,740	-	-	-	-	-	-	751,150	840,332	89,182
Other	431,524	644,067	71,324	31,201	27,894	48,029	272,281	-	1,526,320	1,616,883	90,563
Management Fees	2,678,958	3,547,917	563,886	334,791	284,535	545,895	159,955	-	8,115,937	8,109,543	(6,394)
Grant Expenses	-	161,767	-	100	-	-	153,631	-	315,498	238,568	(76,930)
Total Operating Expenses	20,014,545	27,122,947	4,948,463	2,061,145	2,076,584	3,051,252	1,677,604	(315,410)	60,637,130	58,992,158	(1,644,972)
Sub-Total	(1,630,139)	2,509,500	(1,466,688)	120,533	(279,943)	(566,031)	4,183,900	-	2,871,132	(2,779,015)	5,650,147
Affiliation Acctg Appraisal - FMV Depreciation	2,171,126	-	(215,035)	-	276,963	-	-	-	2,233,054	2,222,570	(10,484)
Operating Income (Loss)	(3,801,265)	2,509,500	(1,251,653)	120,533	(556,906)	(566,031)	4,183,900	-	638,078	(5,001,585)	5,639,663
Non-Operating Income (Loss)											
Net unrealized gain / loss on investments	-	(71,244)	-	-	-	-	(4,318,694)	-	(4,389,938)	91,667	(4,481,605)
Change in fair value of interest rate swap agreements	-	90,110	-	191,782	-	-	-	-	281,892	-	281,892
Net gain on joint ventures	1,528,253	1,992,524	-	-	-	-	-	-	3,520,777	3,522,633	(1,856)
Total Non-Operating Income (Loss)	1,528,253	2,011,390	-	191,782	-	-	(4,318,694)	-	(587,269)	3,614,300	(4,201,569)
Sub-total	(2,273,012)	4,520,890	(1,251,653)	312,315	(556,906)	(566,031)	(134,794)	-	50,809	(1,387,285)	1,438,094
Net transfers (to) from affiliates	718,275	1,246,776	29,851	-	77,142	-	(2,077,203)	-	-	9,672	(9,672)
Net Income (loss)	(1,554,737)	5,767,666	(1,221,802)	312,315	(479,764)	(566,031)	(2,211,997)	-	50,809	(1,377,613)	1,428,422
Temporarily Restricted Net Assets											
Restricted contributions	-	-	-	-	-	-	3,205,935	-	3,205,935	3,700,000	(494,065)
Restricted investment income	-	-	-	-	-	-	(469,710)	-	(469,710)	225,000	(694,710)
Change in present value of pledges receivable	-	-	-	-	-	-	3,087	-	3,087	13,500	(10,413)
Change in interest and present value of charitable remainder trusts	-	-	-	-	-	-	696	-	696	2,429	(1,733)
Net assets released from restriction	-	-	-	-	-	-	(1,359,020)	-	(1,359,020)	(1,625,000)	265,980
Increase / (Decrease) in temporarily restricted net assets	-	-	-	-	-	-	1,380,988	-	1,380,988	2,315,929	(934,941)
Change in Net Assets	(1,554,737)	5,767,666	(1,221,802)	312,315	(479,764)	(566,031)	(831,009)	-	1,431,797	938,316	493,481

Brio Living Services Obligated Group

Census Report - 2021-22 Fiscal Year

	Capacity	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	FYTD	Budget	Payer Mix	Payer Mix Budget
Skilled Nursing														
Kresge	85													
Census		75	77	71	75	72	72	70	71	76	73	75		
Occupancy %		88.3%	90.3%	83.4%	87.9%	85.0%	84.3%	82.8%	83.4%	89.3%	86.1%	88.6%		
Budget Occupancy %		87.1%	87.1%	87.1%	87.1%	87.1%	87.1%	91.8%	91.8%	91.8%				
Resident Days		2,326	2,379	2,126	2,316	2,167	2,220	2,183	1,984	2,352	20,053	20,636		
Private Pay		301	315	269	243	329	217	311	292	405	2,682	2,282	13.4%	11.2%
Medicaid		1,137	1,178	1,115	1,117	1,076	1,189	1,086	950	1,039	9,887	10,138	49.3%	48.7%
Medicare		580	620	443	583	426	466	354	409	616	4,497	4,748	22.4%	23.0%
Medicare HMO		254	196	193	250	270	301	401	305	248	2,418	2,372	12.1%	11.8%
Commercial Ins		54	70	106	123	66	47	31	28	44	569	1,096	2.8%	5.3%
Village HRC	81													
Census		65	60	61	60	56	57	50	58	61	59	68		
Occupancy %		79.9%	73.5%	75.5%	74.6%	69.3%	70.4%	61.6%	71.2%	75.8%	72.4%	83.5%		
Budget Occupancy %		81.5%	81.5%	81.5%	81.5%	81.5%	81.5%	87.6%	87.6%	87.6%				
Resident Days		2,007	1,845	1,835	1,874	1,684	1,767	1,548	1,614	1,904	16,078	18,535		
Private Pay		311	377	371	404	256	335	359	357	426	3,196	3,288	19.9%	17.5%
Medicaid		1,081	1,214	1,271	1,301	1,241	1,210	1,082	984	1,080	10,464	12,524	65.1%	68.0%
Medicare		213	68	83	101	110	83	36	123	113	930	1,317	5.8%	7.0%
Commercial Ins		402	186	110	68	77	139	71	150	285	1,488	1,406	9.3%	7.5%
Green House	20													
Census		17	17	17	15	16	17	16	17	19	17	18		
Occupancy %		85.0%	85.0%	82.5%	77.1%	80.2%	85.0%	81.0%	86.8%	92.7%	83.9%	90.0%		
Budget Occupancy %		90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%				
Resident Days		527	527	495	478	481	527	502	486	575	4,598	4,932		
Private Pay		248	248	225	196	181	217	192	157	178	1,842	3,288	40.1%	66.7%
Medicaid		261	279	270	282	300	310	310	322	397	2,731	1,644	59.4%	33.3%
Medicare		-	-	-	-	-	-	-	-	-	-	0	0.0%	0.0%
Commercial Ins		18	-	-	-	-	-	-	7	-	25	0	0.5%	0.0%

Brio Living Services Obligated Group

Census Report - 2021-22 Fiscal Year

	Capacity	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	FYTD	Budget	Payer Mix	Payer Mix Budget
Assisted Living														
Glazier Commons AL	84													
Census		62	65	68	63	57	63	66	61	62	63	75		
Occupancy %		74.3%	77.5%	81.5%	75.0%	67.5%	74.9%	78.3%	73.1%	73.8%	75.1%	89.3%		
Budget Occupancy %		89.3%	89.3%	89.3%	89.3%	89.3%	89.3%	88.7%	88.7%	88.7%				
Resident Days		1,936	2,019	2,053	1,952	1,700	1,951	2,038	1,720	1,922	17,291	20,550		
Village AL	67													
Census		54	55	54	53	56	57	59	60	61	57	57		
Occupancy %		80.5%	81.9%	81.1%	79.6%	83.7%	85.5%	88.1%	89.2%	91.0%	84.5%	85.6%		
Budget Occupancy %		85.6%	85.6%	85.6%	85.6%	85.6%	85.6%	91.0%	91.0%	91.0%				
Resident Days		1,672	1,701	1,631	1,654	1,682	1,776	1,830	1,673	1,890	15,509	15,708		
Meadowlark AL	20													
Census		19	18	18	19	20	20	19	19	19	19	19		
Occupancy %		93.4%	90.3%	90.0%	97.3%	98.2%	99.4%	94.5%	95.5%	96.0%	94.9%	95.0%		
Budget Occupancy %		100.0%	100.0%	100.0%	95.0%	95.0%	90.0%	95.0%	95.0%	100.0%				
Memory Care														
Towsley Village MC	68													
Census		60	61	64	64	65	65	64	65	64	64	54		
Occupancy %		88.7%	90.3%	93.8%	94.8%	95.8%	95.8%	93.9%	95.0%	94.2%	93.6%	79.5%		
Budget Occupancy %		70.6%	73.5%	76.5%	77.9%	79.4%	82.4%	85.0%	85.0%	85.0%				
Resident Days		1,869	1,904	1,914	1,999	1,955	2,019	1,979	1,808	1,986	17,433	14,817		
Village MC	34													
Census		34	32	32	32	30	31	32	30	29	32	32		
Occupancy %		99.1%	95.5%	94.1%	95.5%	88.2%	92.6%	93.4%	88.8%	86.2%	92.7%	93.7%		
Budget Occupancy %		93.7%	93.7%	93.7%	93.7%	93.7%	93.7%	93.8%	93.8%	93.8%				
Resident Days		1,044	1,007	960	1,007	900	976	984	845	909	8,632	8,733		
Meadowlark MC	10													
Census		9	9	10	10	10	10	9	10	9	10	10		
Occupancy %		90.3%	91.6%	100.0%	100.0%	98.3%	100.0%	93.2%	95.4%	91.6%	95.6%	96.6%		
Budget Occupancy %		100.0%	90.0%	90.0%	100.0%	100.0%	100.0%	90%	100%	100%				
Resident Days		280	284	300	310	295	310	289	267	284	2,619	2,648		

Brio Living Services Obligated Group

Census Report - 2021-22 Fiscal Year

	Capacity	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	FYTD	Budget	Payer Mix	Payer Mix Budget
Independent Living														
Life Lease Turns														
Actual		0	0	4	3	0	2	1	1	5	16			
Budget		3	3	3	3	3	3	3	3	3	27			
Life Lease Refunds														
Actual		1	2	2	0	3	5	0	1	1	15			
Budget		3	3	3	3	3	3	3	3	3	27			
CRC IL	172													
Census		156	155	155	156	158	155	154	156	159	156	162		
Occupancy %		90.5%	89.9%	90.3%	90.5%	92.1%	90.3%	89.6%	90.8%	92.5%	90.7%	94.0%		
Budget Occupancy %		92.5%	92.5%	92.5%	92.5%	92.5%	92.5%	95.4%	95.4%	95.4%				
Resident Days		4,826	4,791	4,659	4,827	4,750	4,815	4,779	4,374	4,931	42,752	44,290		
Village Center Rental	53													
Census		34	38	40	40	39	39	41	41	42	39	44		
Occupancy %		64.8%	71.0%	74.9%	75.3%	74.3%	74.5%	77.3%	77.6%	79.8%	74.4%	82.9%		
Budget Occupancy %		78.0%	78.0%	78.0%	78.0%	78.0%	78.0%	93.0%	93.0%	93.0%				
Garden Apartments IL	103													
Census		100	100	100	97	98	98	95	95	92	97	100		
Occupancy %		96.8%	96.7%	97.2%	94.1%	95.1%	94.7%	91.9%	92.1%	89.6%	94.3%	97.1%		
Budget Occupancy %		97.1%	97.1%	97.1%	97.1%	97.1%	97.1%	97.1%	97.1%	97.1%				
Resident Days		3,091	3,089	3,004	3,004	2,940	3,023	2,934	2,656	2,860	26,601	27,400		
Village Town Homes IL	22													
Census		18	19	20	20	19	19	18	18	18	19	19		
Occupancy %		81.8%	84.2%	89.8%	90.9%	86.4%	84.9%	81.8%	81.8%	81.8%	84.8%	86.4%		
Budget Occupancy %		86.4%	86.4%	86.4%	86.4%	86.4%	86.4%	86.4%	86.4%	86.4%				
Cedars of Dexter IL	60													
Census		59	58	59	59	59	60	60	60	60	59	57		
Occupancy %		97.6%	96.7%	98.6%	98.3%	98.3%	100.0%	100.0%	100.0%	100.0%	98.8%	95.0%		
Budget Occupancy %		95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%				

Brio Living Services Obligated Group

Census Report - 2021-22 Fiscal Year

	Capacity	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	FYTD	Budget	Payer Mix	Payer Mix Budget
Cook Valley IL	134													
Census		122	125	126	127	128	127	127	128	0	126	130		
Occupancy %		91.1%	93.6%	94.1%	95.0%	95.3%	94.8%	95.0%	95.5%	94.6%	94.3%	97.0%		
Budget Occupancy %		97.0%	97.0%	97.0%	97.0%	97.0%	97.0%	97.0%	97.0%	97.0%				
Meadowlark IL	26													
Census		18	19	18	20	21	21	20	19	19	19	23		
Occupancy %		69.2%	76.9%	84.6%	96.2%	96.2%	96.2%	96.2%	96.2%	96.2%	74.6%	90%		
Budget Occupancy %		69.2%	76.9%	84.6%	96.2%	96.2%	96.2%	96.0%	96.0%	96.0%				
Resident Days		558	587	544	607	621	659	612	532	596	5,316	6,388		
Home Health														
Episodes		137	153	146	178	148	157	126	114	143	1,302			
Budgeted Episodes		175	175	185	190	190	195	210	215	230		1,765		
Average \$ per Case		1,711	1,839	2,004	1,761	2,095	1,789	1,959	1,814	1,903		2,169		

Brio Living Services, Inc. Obligated Group
Days Cash on Hand - Liquidity Covenant
Rolling 12 Months Ending March 31, 2022

Total Unrestricted Cash and Investments	
Cash and cash equivalents	3,649,428
Assets limited as to use	64,739,261
Deduct Restricted Cash & Investments	
Life lease escrow	(188,593)
Thome PACE financing agreement	-
Assets limited as to use under indenture	(7,591,313)
Investment with donor restrictions	(17,647,882)
	42,960,901
(A) Total Unrestricted Cash and Investments	42,960,901
Operating expenses, less certain noncash expenses	
Operating expenses	86,326,671
Deduct:	
Depreciation expense	(15,826,939)
Provision for bad debts	(302,340)
	70,197,392
(B) Operating expenses, less certain noncash expenses	70,197,392
Days Cash on Hand (A)/[(B)/365]	223
Required Days Cash on Hand	150

Brio Living Services, Inc. Obligated Group
Historical Debt Service Coverage Ratio
Rolling 12 Months Ending March, 2022

Total Funds Available for Debt Service

Increase (Decrease) in net assets without donor restrictions	5,359,844
Add (deduct):	-
Depreciation expense	13,538,118
Interest expense	3,915,495
Amortization of entrance fees	(3,919,579)
Proceeds from nonrefundable and refundable entrance fees - Turnover units	12,257,166
Refunds of nonrefundable and refundable entrance fees	(2,801,196)
Net unrealized (gain)/loss on investments	2,695,233
Net unrealized (gain)/loss on investment in joint ventures	(5,868,473)
Change in fair value of interest rate swap agreements	36,962
Change in value of charitable gift annuities	(159)
Gain on disposal of assets	-
Net transfers to affiliates	-
Net assets released from restriction for capital purchases	(6,956)
(A) Income Available for Debt Services	25,206,455
(B) Debt Service Requirements	5,815,059
Historical Debt Service Coverage Ratio (A)/(B)	4.33
Required Historical Debt Service Coverage Ratio	1.20

	2016	2017	2018	2019	2020	2021
Chelsea Retirement Community						
Independent Living:						
Entrance Fee	\$33,900-\$329,900	\$35,595-\$346,395	\$36,663-\$356,787	\$37,762-\$443,745	\$39,650-\$465,932	\$40,840-\$489,229
Monthly Fee (incl Rentals)	\$1,858-\$5,086	\$1,914-\$5,245	\$1,971-\$5,399	\$2,040-\$5,570	\$2,110-\$5,764	\$2,173-\$5,937
Assisted Living (daily rate)	\$249-\$269	\$256-\$277	\$263-\$285	\$243-\$295	\$249-\$301	\$249-\$301
Memory Care (daily rate)	\$221-\$270	\$227-\$277	\$233-\$285	\$241-\$295	\$302	\$302
Skilled Nursing Facility (daily rate)	\$275-\$362	\$294-\$389	\$302-\$398	\$302-\$411	\$356-\$423	\$433
Porter Hills Village						
Independent Living:						
Entrance Fee	\$145,199+	\$157,033+	\$160,959+	\$169,007+	\$177,458+	\$186,331+
Monthly Fee (incl Rentals)	\$362-\$797	\$1,000-\$1,800	\$1,025-\$1,800	\$1,061-\$1,863	\$1,114-\$1,956	\$1,720-\$3,051
Assisted Living (daily rate)	\$145-\$203	\$150-\$210	\$150-\$210	\$153-\$204	\$159-\$207	\$162-\$212
Memory Care (daily rate)	\$193-\$214	\$200-\$224	\$200-\$224	\$222-\$227	\$222-\$227	\$226-\$316
Skilled Nursing Facility (daily rate)	\$290-\$440	\$300-\$455	\$308-\$466	\$311-\$473	\$324-\$490	\$332-\$515
Cedars of Dexter						
Independent Living:						
Entrance Fee	\$225,423-\$446,69	\$161,654-\$469,03	\$166,504-\$483,103	\$171,499-\$497,596	\$180,073-\$522,475	\$185,475-\$538,149
Monthly Fee	\$2,582-\$3,258	\$2,672-\$3,371	\$2,765-\$3,482	\$2,847-\$3,622	\$2,932-\$3,729	\$3,020-\$3,841
Cook Valley Estates						
Independent Living:						
Entrance Fee	\$204,955+	\$236,437+	\$242,348+	\$254,465+	\$267,189+	\$275,205+
Monthly Fee	\$844-\$880	\$869-\$1,950	\$912-\$1,999	\$958-\$2,069	\$1,006-\$3,098	\$2,200-\$3,522
Meadowlark Retirement Community						
Independent Living:						
Monthly Fee	\$1,854-\$2,777	\$1,950-\$2,850	\$2,050-\$2,950	\$2,100-\$3,000	\$2,168-\$3,098	\$2,244-\$3,206
Assisted Living (daily rate)	\$3,600-\$4,500	\$3,800-\$4,700	\$3,950-\$4,850	\$4,100-\$5,000	\$4,233-\$5,163	\$4,381-\$5,344
Memory Care (daily rate)	\$5,700	\$5,700	\$5,900	\$6,100	\$6,298	\$6,518

As of March 31, 2022, the Chelsea Retirement Community has a wait list of 86 prospective residents who have escrowed deposits with the Corporation for independent living units.

As of March 31, 2022, the Cedars of Dexter has a wait list of 57 prospective residents who have escrowed deposits with the Corporation for independent living units.

As of March 31, 2022, Porter Hills Village has a wait list of 41 prospective residents who have escrowed deposits with PHPV for independent living units.

As of March 31, 2022, Cook Valley Estates has a wait list 50 prospective residents who have escrowed refundable deposits for independent living units.

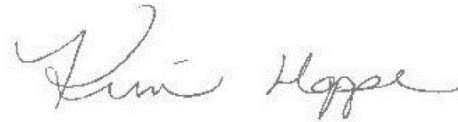
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Compliance Certificate

I, Kim Hoppe, certify, as of the date of this Certificate, the following:

- A. I am the Chief Financial Officer of United Methodist Retirement Communities, Inc. a Michigan non-profit corporation (the "Obligor") and have been authorized and directed to execute this Certificate on behalf of the Obligor.
- B. I have read and understand the Master Indenture dated as of September 1, 2013.
- C. Attached is a quarterly report for the fiscal quarter ending March 31, 2022, in accordance with Section 425 of the Master Indenture.
- D. I certify that the Obligated Group is in compliance with all of the terms, provisions and conditions of the Master Indenture.

I have signed this Certificate as Chief Financial Officer of the Obligor on May 31, 2022.



By: _____

Print Name: Kim Hoppe

Title: CFO