

Brio Living Services, Inc. Obligated Group  
4th 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 twelve months ended June 30, 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**

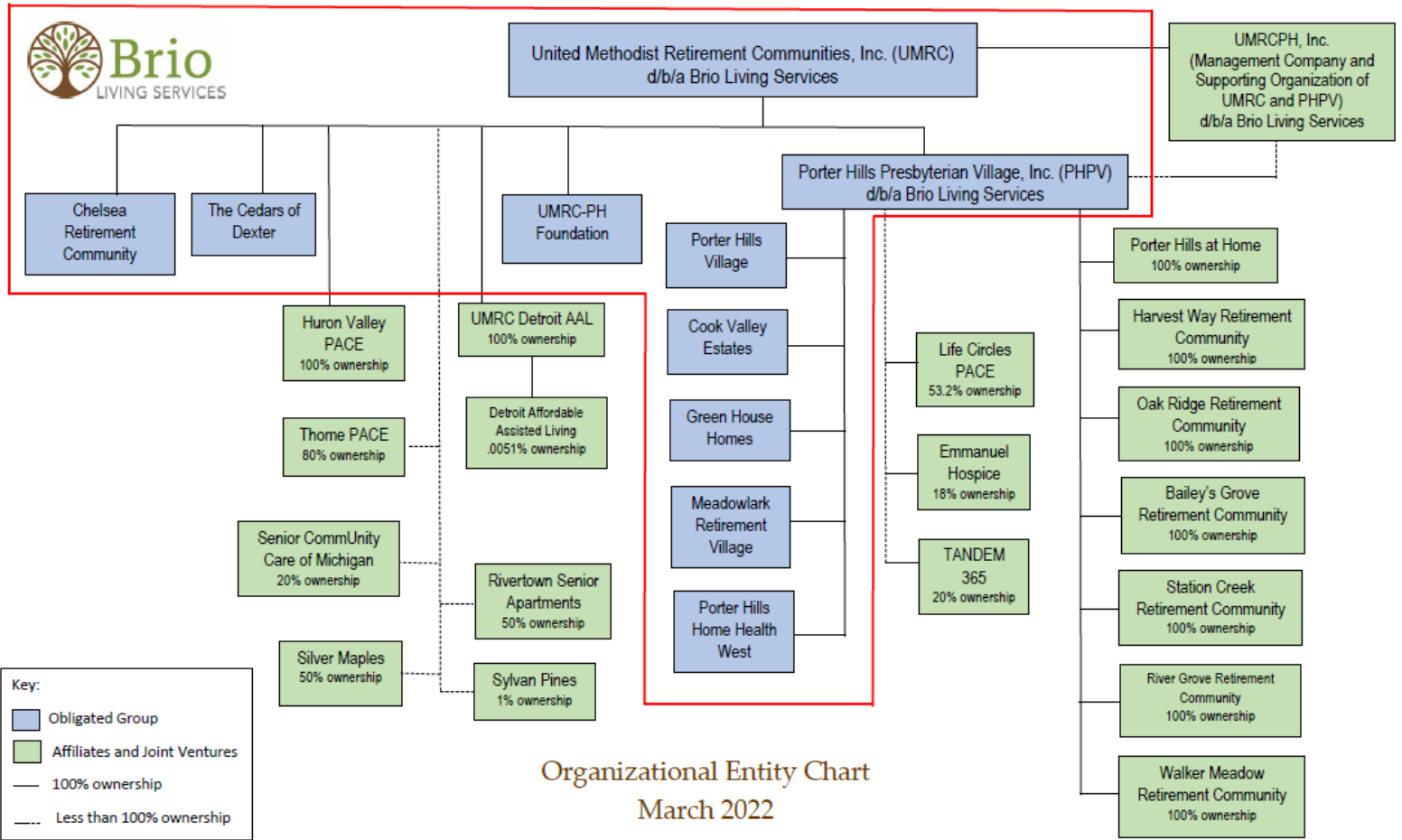
United Methodist Retirement Communities, Inc. (UMRC) is a Michigan nonprofit organization governed by a board of trustees that provides housing, healthcare, and other related senior services. The Obligated Group (OG) special purpose combined financials statements are prepared for the combined entities 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			
		6/30/2019	6/30/2020	6/30/2021	6/30/2022
<b>Independent Living</b>					
Chelsea Retirement Community					
	Available Units	173	174	172	172
	Average Occupancy	149	165	156	157
	Percentage Occupancy	86.1%	94.8%	90.7%	91.3%
Porter Hills Village					
	Available Units	178	178	178	178
	Average Occupancy	169	167	151	154.6
	Percentage Occupancy	94.9%	93.8%	84.8%	86.9%
Cook Valley					
	Available Units	134	134	134	134
	Average Occupancy	128	125	122	127
	Percentage Occupancy	95.5%	93.3%	91.0%	94.6%
Meadowlark					
	Available Units	26	26	26	26
	Average Occupancy	22	25	20	19
	Percentage Occupancy	86.4%	96.2%	76.9%	74.6%
<b>Assisted Living</b>					
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	58
	Percentage Occupancy	87.1%	85.2%	82.4%	86.1%
Meadowlark					
	Available Units	20	20	20	20
	Average Occupancy	20	20	18	19
	Percentage Occupancy	98.5%	98.8%	90.0%	95.0%
<b>Memory Care</b>					
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	31.2
	Percentage Occupancy	78.7%	86.5%	97%	92%
Meadowlark					
	Available Units	10	10	10	10
	Average Occupancy	10	10	9	9.6
	Percentage Occupancy	95.8%	99.1%	90.0%	96.0%
<b>Skilled Nursing</b>					
Kresge					
	Available Units	84	82	85	85
	Average Occupancy	73	63	68	74.02
	Percentage Occupancy	87%	77%	80%	87%
Village HRC					
	Available Units	101	101	101	101
	Average Occupancy	86	87	75	75
	Percentage Occupancy	85.4%	85.7%	74.3%	74.3%
<b>Total</b>					
	Available Units	981	977	978	979
	Percentage Occupancy	89.7%	89.7%	83.9%	87.0%
<b>Home Care</b>					
	Episodes	1,984	1,935	1,829	1,731

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<b>Kresge Skilled Nursing Facility Payor Mix</b>				
<b>Fiscal Years Ended</b>				
	<b>6/30/2019</b>	<b>6/30/2020</b>	<b>6/30/2021</b>	<b>6/30/2022</b>
Medicare & Medicare Advantage	37%	37%	34%	35%
Medicaid	45%	45%	46%	48%
Private & Other	18%	18%	20%	17%

<b>Porter Hills Village Skilled Nursing Payor Mix</b>				
<b>Fiscal Year End</b>				
	<b>6/30/2019</b>	<b>6/30/2020</b>	<b>6/30/2021</b>	<b>6/30/2022</b>
Medicare/Medicare Advantage	14%	13%	7%	7%
Medicaid	52%	62%	58%	68%
Private & Other	34%	25%	45%	25%

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	Fiscal Year-end			Fiscal Year Ending 6/30/2022 <i>unaudited</i>		
	6/30/2019	6/30/2020	6/30/2021	Actual	Budget	Variance
Net Service Revenue	56,910,883	60,488,411	58,005,767	62,028,810	65,749,086	(3,720,276)
Net investment income	1,719,432	334,736	3,301,817	4,657,908	800,000	3,857,908
Contributions	540,863	595,488	1,464,228	5,873,703	300,000	5,573,703
Other	12,564,218	11,866,660	17,422,737	10,643,814	9,154,462	1,489,352
<b>Total Operating Revenue</b>	<b>71,735,396</b>	<b>73,285,295</b>	<b>80,194,549</b>	<b>83,204,235</b>	<b>76,003,548</b>	<b>7,200,687</b>
Operating Expenses	61,455,683	65,379,098	64,979,722	67,534,032	64,526,092	(3,007,940)
Interest Expense	3,749,602	3,806,762	3,587,450	3,842,256	3,639,643	(202,613)
Depreciation	11,124,707	12,287,131	13,410,485	10,573,012	10,443,442	(129,570)
<b>Total Operating Expenses</b>	<b>76,329,992</b>	<b>81,472,991</b>	<b>81,977,657</b>	<b>81,949,300</b>	<b>78,609,177</b>	<b>(3,340,123)</b>
<b>Sub-Total</b>	<b>(4,594,596)</b>	<b>(8,187,696)</b>	<b>(1,783,108)</b>	<b>1,254,935</b>	<b>(2,605,629)</b>	<b>3,860,564</b>
<b>Affiliation Acctg Appraisal - FMV Depreciation</b>				<b>2,977,404</b>	<b>2,963,426</b>	<b>(13,978)</b>
<b>Operating Income (Loss)</b>	<b>(4,594,596)</b>	<b>(8,187,696)</b>	<b>(1,783,108)</b>	<b>(1,722,469)</b>	<b>(5,569,055)</b>	<b>3,846,586</b>
Change in fair value of interest rate swap	(1,509,670)	(1,286,460)	345,653	351,751	-	351,751
Gain (loss) from investment in joint ventures	(178,699)	3,700,235	8,960,431	5,348,747	4,696,844	651,903
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	(8,584,184)	106,001	(8,690,185)
<b>Total Other Changes to Net Assets Without Donor Restrictions</b>	<b>1,932,593</b>	<b>3,551,365</b>	<b>13,869,144</b>	<b>(2,883,686)</b>	<b>4,802,845</b>	<b>(7,686,531)</b>
<b>Increase (Decrease) in Net Assets Without Donor Restrictions</b>	<b>(2,662,003)</b>	<b>(4,636,331)</b>	<b>12,086,036</b>	<b>(4,606,155)</b>	<b>(766,210)</b>	<b>(3,839,945)</b>

<sup>1</sup> **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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**YTD Operating Income was \$3.9M favorable to budget:**

- Net service revenue was \$3.7M 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 \$5.6M
- Other revenue was \$1.5M positive to budget, including COVID-19 CARES Act relief payments
- Operating Expenses were approximately \$3.3M over budget.
  - Increased staffing/benefit costs account for \$2M of this variance
  - The remaining variance is primarily from increased supply/equipment costs related to COVID, increased agency expenses driven by the staffing shortage
  - Note that the variance in property taxes is due to a change in accounting only; the offset is in operating revenue

**Non-Operating (Unrestricted) Results**

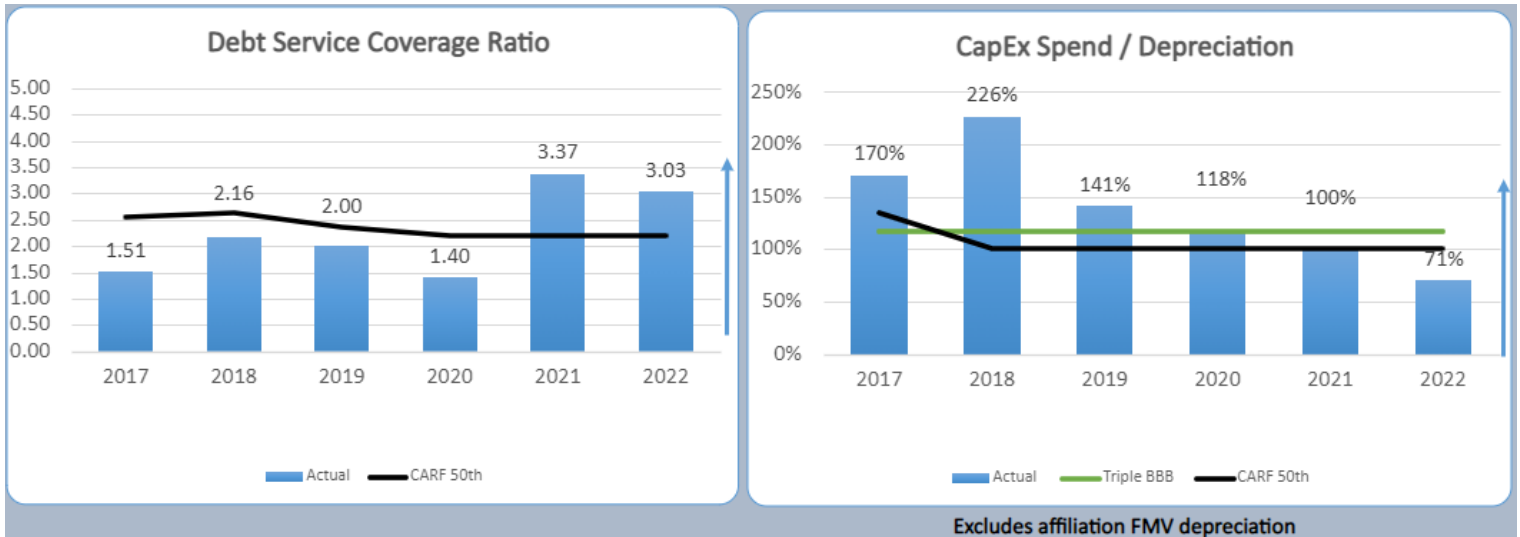
Non-operating activity was \$7.7M negative to budget, due to unrealized losses on investments.

**Restricted Results**

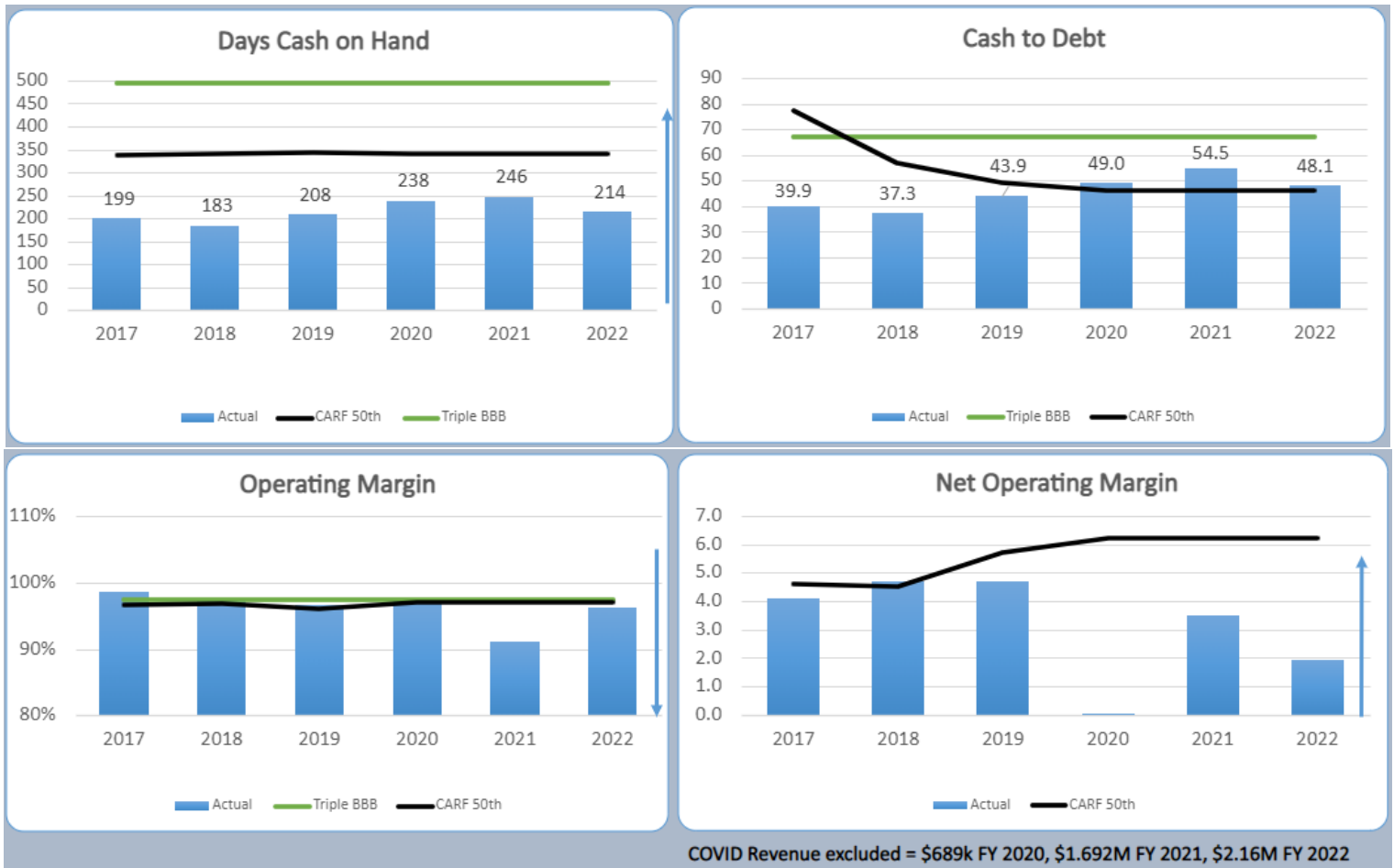
Restricted activity was approximately \$1.7 under budget due to restricted contributions and restricted investment income, though unrestricted contributions exceeded budget as noted above.

**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 below the CARF median and the 50<sup>th</sup> 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 June 30, 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, increasing to a variable interest rate of 65% of the combined one-month LIBOR and 153 basis points thereafter.

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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 \$2.6M as of June 30, 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 June 30, 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.

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,



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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](mailto:khoppe@mybrio.org)

Attached are interim financial statements as of, and for the period ending, June 30, 2022.

**Brio Living Services Combined Obligated Group**  
**Balance Sheet - Unaudited**  
**For the Twelve Months Ended June 30, 2022**

	Porter Hills Village	Chelsea Retirement Community	Cook Valley Estates	Cedars of Dexter	Meadowlark	HomeCare	UMRCPH Foundation	Inter-Co Eliminations	Current Year	Audited June 30, 2021
<b>ASSETS</b>										
Current Assets										
Cash and cash equivalents	(38,482)	6,279,963	(358,375)	(10,767)	(3,059)	8,521	2,084,009		7,961,810	10,210,451
Resident accounts receivable - net	1,146,930	2,050,132	306,178	2,625	10,822	504,043	-		4,020,730	4,173,777
Accounts receivable (payable) - Affiliates	8,325,915	-	1,059,575	3,443,265	(1,676,517)	1,835,451	-	(11,974,892)	1,012,797	147,477
Prepaid expenses and other assets	185,875	516,442	17,821	113,112	-	19,310	31,247		883,807	1,074,837
<b>Total Current Assets</b>	<b>9,620,238</b>	<b>8,846,537</b>	<b>1,025,199</b>	<b>3,548,235</b>	<b>(1,668,754)</b>	<b>2,367,324</b>	<b>2,115,256</b>	<b>(11,974,892)</b>	<b>13,879,143</b>	<b>15,606,542</b>
Assets limited as to use										
Property and equipment, net	1,816,759	7,525,369	2,059,886	94,088	191,671	-	50,732,192		62,419,966	63,948,953
Investment in joint ventures and notes receivable from affiliates	54,605,780	67,525,692	26,787,514	14,271,726	6,187,341	31,284	724,282		170,133,619	175,804,541
	10,843,918	55,957,666	-	-	-	-	-	(22,342,004)	44,459,580	43,059,607
	67,266,457	131,008,727	28,847,400	14,365,814	6,379,012	31,284	51,456,474	(22,342,004)	277,013,164	282,813,101
<b>Total Assets</b>	<b>76,886,695</b>	<b>139,855,264</b>	<b>29,872,599</b>	<b>17,914,049</b>	<b>4,710,258</b>	<b>2,398,608</b>	<b>53,571,730</b>	<b>(34,316,896)</b>	<b>290,892,307</b>	<b>298,419,643</b>
<b>LIABILITIES</b>										
Current Liabilities										
Accounts payable	617,812	367,285	214,212	20,394	14,239	137,866	49,789		1,421,596	1,645,843
Accounts payable - affiliates	-	2,806,919	-	-	-	8,006,076	1,161,897	(11,974,892)	-	675,507
Current portion of long-term debt	624,846	895,000	548,998	373,177	76,156	-	-		2,518,177	2,332,509
Accrued liabilities and other	1,087,311	1,563,434	492,171	88,632	114,593	205,485	123,165		3,674,792	5,857,068
<b>Total Current Liabilities</b>	<b>2,329,969</b>	<b>5,632,638</b>	<b>1,255,380</b>	<b>482,203</b>	<b>204,988</b>	<b>8,349,427</b>	<b>1,334,852</b>	<b>(11,974,892)</b>	<b>7,614,565</b>	<b>10,510,927</b>
Long-term debt - net of current portion										
Other long-term liabilities	23,554,525	26,898,050	26,033,831	8,667,940	2,403,292	-	-	(1,028,367)	86,529,271	89,208,622
Deferred revenue from entrance fees	11,134	-	-	-	-	-	-		11,134	223,841
Refundable entrance fees	7,629,584	3,300,331	11,488,322	3,825,337	-	-	-		26,243,574	25,638,336
Fair value of interest rate swap	12,205,648	10,593,343	18,616,369	8,077,269	-	-	-		49,492,628	47,588,948
	-	(2,279)	-	(30,688)	-	-	-		(32,967)	318,783
<b>Total Liabilities</b>	<b>45,730,860</b>	<b>46,422,083</b>	<b>57,393,902</b>	<b>21,022,060</b>	<b>2,608,280</b>	<b>8,349,427</b>	<b>1,334,852</b>	<b>(13,003,259)</b>	<b>169,858,205</b>	<b>173,489,457</b>
<b>NET ASSETS</b>										
Unrestricted	33,784,920	86,957,933	(26,255,292)	(3,537,203)	2,663,716	(5,100,372)	36,461,286	(21,313,637)	103,661,351	103,661,351
Current Year Unrestricted Earnings	(2,629,087)	6,400,701	(1,266,011)	429,191	(561,737)	(850,447)	(6,128,767)	-	(4,606,156)	-
Current Year Earnings - Restricted	-	-	-	-	-	-	710,072	-	710,072	-
Restricted	-	74,548	-	-	-	-	21,194,287	-	21,268,835	21,268,835
<b>Total Net Assets</b>	<b>31,155,833</b>	<b>93,433,182</b>	<b>(27,521,303)</b>	<b>(3,108,012)</b>	<b>2,101,979</b>	<b>(5,950,819)</b>	<b>52,236,878</b>	<b>(21,313,637)</b>	<b>121,034,102</b>	<b>124,930,186</b>
<b>Total Liabilities and Net Assets</b>	<b>76,886,693</b>	<b>139,855,265</b>	<b>29,872,599</b>	<b>17,914,048</b>	<b>4,710,259</b>	<b>2,398,608</b>	<b>53,571,730</b>	<b>(34,316,896)</b>	<b>290,892,307</b>	<b>298,419,643</b>

**Brio Living Services Combined Obligated Group**  
**Combining Statement of Activities - Unaudited**  
**For the Twelve Months Ended June 30, 2022**

	Porter Hills Village	Chelsea Retirement Community	Cook Valley Estates	Cedars of Dexter	Meadowlark	Home Care	UMRCPH Foundation	Eliminations	Total	Budget	Variance
<b>Operating Revenue</b>											
Net Service Revenue	19,893,440	31,462,778	2,731,858	2,380,255	2,344,035	3,216,445	-	-	62,028,810	65,749,086	(3,720,276)
Investment Income - unrestricted	-	25,932	2,200	-	698	-	4,629,077	-	4,657,908	800,000	3,857,908
Life Lease Amortization	1,346,829	521,665	1,746,637	539,536	-	-	-	-	4,154,667	4,338,415	(183,748)
Contributions - unrestricted	-	5,000,000	-	-	-	-	873,703	-	5,873,703	300,000	5,573,703
Covid Funding	1,101,479	927,059	-	-	57,702	71,544	-	-	2,157,783	378,431	1,779,352
Supplemental charges and misc revenue	2,040,627	254,388	669,878	36,819	66,721	29,831	-	(427,660)	2,670,604	2,437,616	232,988
Net Assets released from restrictions used in operations	-	-	-	-	-	-	1,660,760	-	1,660,760	2,000,000	(339,241)
<b>Total Operating Revenue</b>	<b>24,382,374</b>	<b>38,191,822</b>	<b>5,150,574</b>	<b>2,956,611</b>	<b>2,469,155</b>	<b>3,317,820</b>	<b>7,163,540</b>	<b>(427,660)</b>	<b>83,204,235</b>	<b>76,003,548</b>	<b>7,200,687</b>
<b>Operating Expenses</b>											
Salaries and Wages	11,859,746	15,400,104	944,012	437,680	1,326,095	2,613,680	1,003,144	-	33,584,462	32,134,785	(1,449,678)
Employee Benefits	2,516,923	3,411,962	129,383	135,294	292,273	616,788	239,903	-	7,342,526	6,703,091	(639,435)
Operating Supplies & Expenses	1,536,819	2,476,015	301,245	140,967	197,386	54,355	106,109	-	4,812,897	4,581,722	(231,175)
Professional Services & Consultant Fees	920,621	1,090,369	30,018	0	9,850	21,825	216,398	-	2,289,082	1,584,575	(704,507)
Repairs & Maintenance	327,617	600,176	359,571	337,811	58,696	28,145	-	(427,660)	1,284,356	1,469,040	184,684
Utilities	836,702	867,430	336,212	113,714	98,069	-	-	-	2,252,127	2,210,493	(41,634)
Depreciation and Amortization	2,998,736	4,519,337	2,274,157	556,549	195,917	564	30,753	-	10,576,012	10,443,442	(132,569)
Interest	995,099	1,348,954	1,181,635	205,922	110,647	-	-	-	3,842,256	3,639,643	(202,613)
Real Estate Taxes	201,955	907,101	346,235	345,224	56,562	-	-	-	1,857,077	1,435,947	(421,130)
Quality Assurance Assessment	590,102	397,881	-	-	-	-	-	-	987,983	1,123,607	135,624
Other	475,045	759,099	95,722	44,676	36,527	114,883	376,723	-	1,902,675	2,152,110	249,435
Management Fees	3,571,944	4,730,556	748,764	446,388	379,380	727,860	213,274	-	10,818,166	10,812,721	(5,445)
Grant Expenses	-	185,993	-	100	-	-	213,588	-	399,681	318,000	(81,681)
<b>Total Operating Expenses</b>	<b>26,831,309</b>	<b>36,694,977</b>	<b>6,746,955</b>	<b>2,764,325</b>	<b>2,761,402</b>	<b>4,178,100</b>	<b>2,399,892</b>	<b>(427,660)</b>	<b>81,949,300</b>	<b>78,609,177</b>	<b>(3,340,123)</b>
<b>Sub-Total</b>	<b>(2,448,935)</b>	<b>1,496,845</b>	<b>(1,596,382)</b>	<b>192,286</b>	<b>(292,247)</b>	<b>(860,280)</b>	<b>4,763,647</b>	<b>-</b>	<b>1,254,935</b>	<b>(2,605,629)</b>	<b>3,860,564</b>
<b>Affiliation Acctg Appraisal - FMV Depreciation</b>	<b>2,894,834</b>	<b>-</b>	<b>(286,714)</b>	<b>-</b>	<b>369,284</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,977,404</b>	<b>2,963,426</b>	<b>(13,978)</b>
<b>Operating Income (Loss)</b>	<b>(5,343,769)</b>	<b>1,496,845</b>	<b>(1,309,668)</b>	<b>192,286</b>	<b>(661,531)</b>	<b>(860,280)</b>	<b>4,763,647</b>	<b>-</b>	<b>(1,722,469)</b>	<b>(5,569,055)</b>	<b>3,846,586</b>
<b>Non-Operating Income (Loss)</b>											
Net unrealized gain / loss on investments	-	(134,277)	-	-	-	-	(8,431,713)	-	(8,565,990)	100,000	(8,665,990)
Change in fair value of interest rate swap agreements	-	114,845	-	236,906	-	-	-	-	351,751	-	351,751
Net gain on joint ventures	1,967,440	3,381,307	-	-	-	-	-	-	5,348,747	4,696,844	651,903
<b>Total Non-Operating Income (Loss)</b>	<b>1,967,440</b>	<b>3,361,875</b>	<b>-</b>	<b>236,906</b>	<b>-</b>	<b>-</b>	<b>(8,431,713)</b>	<b>-</b>	<b>(2,865,492)</b>	<b>4,796,844</b>	<b>(7,662,337)</b>
<b>Sub-total</b>	<b>(3,376,329)</b>	<b>4,858,720</b>	<b>(1,309,668)</b>	<b>429,192</b>	<b>(661,531)</b>	<b>(860,280)</b>	<b>(3,668,066)</b>	<b>-</b>	<b>(4,587,962)</b>	<b>(772,211)</b>	<b>(3,815,751)</b>
<b>Net transfers (to) from affiliates</b>	<b>747,242</b>	<b>1,541,981</b>	<b>43,657</b>	<b>-</b>	<b>99,794</b>	<b>9,833</b>	<b>(2,460,701)</b>	<b>-</b>	<b>(18,194)</b>	<b>6,001</b>	<b>(24,195)</b>
<b>Net Income (loss)</b>	<b>(2,629,087)</b>	<b>6,400,701</b>	<b>(1,266,011)</b>	<b>429,192</b>	<b>(561,737)</b>	<b>(850,447)</b>	<b>(6,128,767)</b>	<b>-</b>	<b>(4,606,156)</b>	<b>(766,210)</b>	<b>(3,839,945)</b>
<b>Temporarily Restricted Net Assets</b>											
Restricted contributions	-	-	-	-	-	-	5,140,139	-	5,140,139	4,100,000	1,040,139
Restricted investment income	-	-	-	-	-	-	(2,326,252)	-	(2,326,252)	300,000	(2,626,252)
Change in present value of pledges receivable	-	-	-	-	-	-	(371,153)	-	(371,153)	18,000	(389,153)
Change in interest and present value of charitable remainder trusts	-	-	-	-	-	-	(71,902)	-	(71,902)	3,238	(75,140)
Net assets released from restriction	-	-	-	-	-	-	(1,660,760)	-	(1,660,760)	(2,000,000)	339,241
<b>Increase / (Decrease) in temporarily restricted net assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>710,072</b>	<b>-</b>	<b>710,072</b>	<b>2,421,238</b>	<b>(1,711,166)</b>
<b>Change in Net Assets</b>	<b>(2,629,087)</b>	<b>6,400,701</b>	<b>(1,266,011)</b>	<b>429,192</b>	<b>(561,737)</b>	<b>(850,447)</b>	<b>(5,418,695)</b>	<b>-</b>	<b>(3,896,083)</b>	<b>1,655,028</b>	<b>(5,551,111)</b>

**Brio Living Services, Inc**  
**Obligated Group**  
**Statement of Cash Flows - Unaudited**  
**Year Ended 6-30-2022**

***Cash Flow from Operating Activities***

Increase (decrease) in net assets:	(\$3,896,083)
Adjustments to reconcile increase in net assets to net cash from operating activities:	
Depreciation	\$13,553,416
Amortization of deferred life lease revenue	(\$4,154,667)
Realized and unrealized (gains)/loss on investments	\$6,234,335
Gain from investments in joint ventures	(\$5,348,747)
Provision for bad debts	\$273,567
Decrease (increase) in operating assets:	
Accounts receivable	\$153,047
Accounts receivable - affiliates	(\$865,320)
PV adjustment	\$443,055
Prepaid expenses and other current assets	\$191,031
Increase (decrease) in operating liabilities:	
Accounts payable	(\$224,247)
Accrued and other liabilities	(\$2,394,983)
Interest rate swap	(351,751)
Net cash provided by operating activities	<u>\$3,612,653</u>

***Cash flow from investing activities***

Additions to property and equipment	(\$7,555,886)
Net investment activity (purchase/sales)	(7,515,942)
Investment in related organizations	3,981,219
Net cash used in investing activities	<u>(\$11,090,609)</u>

***Cash flows from financing activities***

Proceeds from life lease obligations	\$11,151,875
Refund of life lease obligations	(\$3,473,805)
Principal payments on long term debt	(\$2,493,782)
Net cash provided by (used in) financing activities	<u>\$5,184,288</u>

**Net increase (decrease) in cash and cash equivalents** (\$2,293,668)

**Cash and Cash equivalents beginning of year** \$10,504,080

**Cash and restricted cash - end of year** \$8,210,412

**Classification of Cash and Restricted Cash**

Cash	\$7,961,810
Cash in assets limited as to use	\$248,602
Total cash and restricted cash	<u>\$8,210,412</u>

Brio Living Services Inc

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	Apr-22	May-22	Jun-22	FYTD	Budget	Payer Mix	Payer Mix Budget
<b>Skilled Nursing</b>																	
<b>Kresge</b>	85																
Census		75	77	71	75	72	72	70	71	76	77	78	74	74	76		
Occupancy %		88.3%	90.3%	83.4%	87.9%	85.0%	84.3%	82.8%	83.4%	89.3%	90.5%	92.2%	87.2%	87.1%	89.4%		
Budget Occupancy %		87.1%	87.1%	87.1%	87.1%	87.1%	87.1%	91.8%	91.8%	91.8%	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	2,309	2,430	2,224	27,016	27,734		
Private Pay		301	315	269	243	329	217	311	292	405	391	429	425	3,927	3,101	14.5%	11.2%
Medicaid		1,137	1,178	1,115	1,117	1,076	1,189	1,086	950	1,039	1,018	1,029	968	12,902	13,505	47.8%	48.7%
Medicare		580	620	443	583	426	466	354	409	616	614	564	455	6,130	6,386	22.7%	23.0%
Medicare HMO		254	196	193	250	270	301	401	305	248	256	377	350	3,401	3,282	12.6%	11.8%
Commercial Ins		54	70	106	123	66	47	31	28	44	30	31	26	656	1,460	2.4%	5.3%
<b>Village HRC</b>	81																
Census		65	60	61	60	56	57	50	58	61	58	56	53	58	68		
Occupancy %		79.9%	73.5%	75.5%	74.6%	69.3%	70.4%	61.6%	71.2%	75.8%	71.9%	69.6%	65.5%	71.6%	84.5%		
Budget Occupancy %		81.5%	81.5%	81.5%	81.5%	81.5%	81.5%	87.6%	87.6%	87.6%	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	1,748	1,748	1,592	21,166	24,990		
Private Pay		311	377	371	404	256	335	359	357	426	224	530	418	4,368	4,380	20.6%	17.5%
Medicaid		1,081	1,214	1,271	1,301	1,241	1,210	1,082	984	1,080	1,188	1,005	1,064	13,721	16,983	64.8%	68.0%
Medicare		213	68	83	101	110	83	36	123	113	99	92	47	1,168	1,754	5.5%	7.0%
Commercial Ins		402	186	110	68	77	139	71	150	285	237	121	63	1,909	1,873	9.0%	7.5%
<b>Green House</b>	20																
Census		17	17	17	15	16	17	16	17	19	18	16	16	17	18		
Occupancy %		85.0%	85.0%	82.5%	77.1%	80.2%	85.0%	81.0%	86.8%	92.7%	89.2%	82.3%	80.0%	83.9%	90.0%		
Budget Occupancy %		90.0%	90.0%	90.0%	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	535	510	480	6,123	6,570		
Private Pay		248	248	225	196	181	217	192	157	178	150	107	90	2,189	4,380	35.8%	66.7%
Medicaid		261	279	270	282	300	310	310	322	397	385	403	390	3,909	2,190	63.8%	33.3%
Medicare		-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%	0.0%
Commercial Ins		18	-	-	-	-	-	-	7	-	-	-	-	25	-	0.4%	0.0%

Brio Living Services Inc

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	Apr-22	May-22	Jun-22	FYTD	Budget	Payer Mix	Payer Mix Budget
<b>Assisted Living</b>																	
<b>Glazier Commons AL</b>	84																
Census		62	65	68	63	57	63	66	61	62	62	63	65	63	75		
Occupancy %		74.3%	77.5%	81.5%	75.0%	67.5%	74.9%	78.3%	73.1%	73.8%	74.0%	75.2%	77.8%	75.3%	89.3%		
Budget Occupancy %		89.3%	89.3%	89.3%	89.3%	89.3%	89.3%	88.7%	88.7%	88.7%	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	1,864	1,958	1,961	23,074	27,375		
<b>Village AL</b>	67																
Census		54	55	54	53	56	57	59	60	61	61	61	61	58	57		
Occupancy %		80.5%	81.9%	81.1%	79.6%	83.7%	85.5%	88.1%	89.2%	91.0%	90.5%	91.0%	91.2%	86.1%	85.6%		
Budget Occupancy %		85.6%	85.6%	85.6%	85.6%	85.6%	85.6%	91.0%	91.0%	91.0%	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	1,820	1,890	1,833	21,052	20,925		
<b>Meadowlark AL</b>	20																
Census		19	18	18	19	20	20	19	19	19	19.8	19	18	19	19		
Occupancy %		93.4%	90.3%	90.0%	97.3%	98.2%	99.4%	94.5%	95.5%	96.0%	99.0%	95.6%	91.7%	95.1%	96.3%		
Budget Occupancy %		100.0%	100.0%	100.0%	95.0%	95.0%	90.0%	95.0%	95.0%	100.0%	100.0%	100.0%	100.0%				
<b>Memory Care</b>																	
<b>Towsley Village MC</b>	68																
Census		60	61	64	64	65	65	64	65	64	66.1	64	64	64	55		
Occupancy %		88.7%	90.3%	93.8%	94.8%	95.8%	95.8%	93.9%	95.0%	94.2%	97.2%	94.1%	94.3%	94.0%	81.0%		
Budget Occupancy %		70.6%	73.5%	76.5%	77.9%	79.4%	82.4%	85.0%	85.0%	85.0%	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	1,983	1,983	1,923	23,322	20,095		
<b>Village MC</b>	34																
Census		34	32	32	32	30	31	32	30	29	28	29	32	31	32		
Occupancy %		99.1%	95.5%	94.1%	95.5%	88.2%	92.6%	93.4%	88.8%	86.2%	82.8%	86.1%	94.8%	91.5%	93.7%		
Budget Occupancy %		93.7%	93.7%	93.7%	93.7%	93.7%	93.7%	93.8%	93.8%	93.8%	93.8%	93.8%	93.8%				
Resident Days		1,044	1,007	960	1,007	900	976	984	845	909	845	907	967	11,351	11,633		
<b>Meadowlark MC</b>	10																
Census		9	9	10	10	10	10	9	10	9	9.5	10	10	10	10		
Occupancy %		90.3%	91.6%	100.0%	100.0%	98.3%	100.0%	93.2%	95.4%	91.6%	95.0%	97.1%	100.0%	96.0%	97.5%		
Budget Occupancy %		100.0%	90.0%	90.0%	100.0%	100.0%	100.0%	90%	100%	100%	100.0%	100%	100%				
Resident Days		280	284	300	310	295	310	289	267	284	285	301	300	3,505	3,558		

Brio Living Services Inc

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	Apr-22	May-22	Jun-22	FYTD	Budget	Payer Mix	Payer Mix Budget
<b>Independent Living</b>																	
<b>Life Lease Turns</b>																	
Actual		0	0	4	3	0	2	1	3	5	6	4	10	38			
Budget		3	3	3	3	3	3	3	3	3	3	3	3	36			
<b>Life Lease Refunds</b>																	
Actual		1	2	2	0	3	5	0	1	2	8	2	5	31			
Budget		3	3	3	3	3	3	3	3	3	3	3	3	36			
<b>CRC IL</b>	172																
Census		156	155	155	156	158	155	154	156	159	161	161	162	157	162		
Occupancy %		90.5%	89.9%	90.3%	90.5%	92.1%	90.3%	89.6%	90.8%	92.5%	93.4%	93.4%	94.1%	91.4%	94.5%		
Budget Occupancy %		92.5%	92.5%	92.5%	92.5%	92.5%	92.5%	95.4%	95.4%	95.4%	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	4,820	4,979	4,854	57,405	59,305		
<b>Village Center Rental</b>	53																
Census		34	38	40	40	39	39	41	41	42	44	42	42	40	45		
Occupancy %		64.8%	71.0%	74.9%	75.3%	74.3%	74.5%	77.3%	77.6%	79.8%	82.6%	78.6%	78.8%	75.8%	85.4%		
Budget Occupancy %		78.0%	78.0%	78.0%	78.0%	78.0%	78.0%	93.0%	93.0%	93.0%	93.0%	93.0%	93.0%				
<b>Garden Apartments IL</b>																	
Census	103	100	100	100	97	98	98	95	95	92	93	93	94	96	100		
Occupancy %		96.8%	96.7%	97.2%	94.1%	95.1%	94.7%	91.9%	92.1%	89.6%	90.2%	90.1%	91.2%	93.3%	97.1%		
Budget Occupancy %		97.1%	97.1%	97.1%	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	2,788	2,876	2,818	35,083	36,500		
<b>Village Town Homes IL</b>																	
Census	22	18	19	20	20	19	19	18	18	18	18	18	17	18	19		
Occupancy %		81.8%	84.2%	89.8%	90.9%	86.4%	84.9%	81.8%	81.8%	81.8%	81.8%	80.8%	77.1%	83.6%	86.4%		
Budget Occupancy %		86.4%	86.4%	86.4%	86.4%	86.4%	86.4%	86.4%	86.4%	86.4%	86.4%	86.4%	86.4%				
<b>Cedars of Dexter IL</b>	60																
Census		59	58	59	59	59	60	60	60	60	59	58	58	59	57		
Occupancy %		97.6%	96.7%	98.6%	98.3%	98.3%	100.0%	100.0%	100.0%	100.0%	98.6%	96.7%	96.7%	98.5%	95.0%		
Budget Occupancy %		95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%				

Brio Living Services Inc

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	Apr-22	May-22	Jun-22	FYTD	Budget	Payer Mix	Payer Mix Budget
<b>Cook Valley IL</b>	134																
Census		122	125	126	127	128	127	127	128	127	127.2	128	127	127	130		
Occupancy %		91.1%	93.6%	94.1%	95.0%	95.3%	94.8%	95.0%	95.5%	94.6%	94.9%	95.8%	94.9%	94.5%	97.0%		
Budget Occupancy %		97.0%	97.0%	97.0%	97.0%	97.0%	97.0%	97.0%	97.0%	97.0%	97.0%	97.0%	97.0%				
<b>Meadowlark IL</b>	26																
Census		18	19	18	20	21	21	20	19	19	19	20	20	19	24		
Occupancy %		69.2%	72.8%	69.7%	75.3%	79.6%	81.8%	75.9%	73.1%	73.9%	74.1%	76.9%	96.2%	75.0%	91%		
Budget Occupancy %		69.2%	76.9%	84.6%	96.2%	96.2%	96.2%	96.0%	96.0%	96.0%	96.0%	96.0%	96.0%				
Resident Days		558	587	544	607	621	659	612	532	596	578	620	602	7,116	8,663		
<b>Home Health</b>																	
Episodes		137	153	146	178	148	157	126	114	143	137	153	139	1,731			
Budgeted Episodes		175	175	185	190	190	195	210	215	230	240	240	240		2,485		
Average \$ per Case		1,711	1,839	2,004	1,761	2,095	1,789	1,959	1,814	1,903	2,087	1,803	1,960		2,169		
<b>PACE</b>																	
Life Circles Combined																	
Total Participants		349	357	360	367	370	361	356	361	362	362	359	353	360	393		
Budget		357	359	361	363	366	369	373	377	381	385	389	393				
Huron Valley PACE																	
Total Participants	360	238	246	252	257	257	256	254	246	253	253	258	267	253	286		
Budget		220	224	228	232	236	240	266	270	274	278	282	286				
Thome PACE																	
Total Participants		200	200	200	200	203	200	201	197	194	192	197	196	198	200		
Budget		198	198	198	198	198	198	200	200	200	200	200	200				
<b>Avenues</b>																	
Total Members		45	45	45	45	45	45	45	44	44	44	44	44	535	42		
<b>Emmanuel Hospice</b>																	
# of Days		5,574	5,523	5,361	5,434	5,071	5,739	5,623	5,229	5,559	4991	5,041		59,145	64,654		



Brio Living Services Inc

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	Apr-22	May-22	Jun-22	FYTD	Budget	Payer Mix	Payer Mix Budget
<b>Affordable Housing</b>																	
Bailey's Grove	43																
Census		33	33	33	35	34	32	32	32	31	34	34	37	33			
Occupancy %		76.7%	76.7%	76.7%	81.4%	79.1%	74.4%	74.4%	74.4%	72.1%	79.1%	79.1%	86.0%	77.5%	96.5%		
Harvest Way	45																
Census		40	39	39	42	45	45	44	44	43	43	44	45	43			
Occupancy %		88.9%	86.7%	86.7%	93.3%	100.0%	100.0%	97.8%	97.8%	95.6%	95.6%	97.8%	100.0%	95.0%	98.9%		
Oak Ridge	45																
Census		43	43	44	45	45	45	45	44	44	44	44	45	44			
Occupancy %		95.6%	95.6%	97.8%	100.0%	100.0%	100.0%	100.0%	97.8%	97.8%	97.8%	97.8%	100.0%	98.3%	97.7%		
River Grove	46																
Census		45	46	45	45	45	44	44	44	45	45	45	45	45			
Occupancy %		97.8%	100.0%	97.8%	97.8%	97.8%	95.7%	95.7%	95.7%	97.8%	97.8%	97.8%	97.8%	97.5%	98.0%		
Station Creek	49																
Census		42	41	41	43	43	45	41	46	45	45	46	44	44			
Occupancy %		85.7%	83.7%	83.7%	87.8%	87.8%	91.8%	83.7%	93.9%	91.8%	91.8%	93.9%	89.8%	88.8%	97.6%		
Walker Meadow	42																
Census		30	32	33	33	35	35	35	34	38	40	40	39	35			
Occupancy %		71.4%	76.2%	78.6%	78.6%	83.3%	83.3%	83.3%	81.0%	90.5%	95.2%	95.2%	92.9%	84.1%	97.4%		
Rivertown	80																
Census		64	63	67	67	66	66	65	67	65	65	65	65	66			
Occupancy %		80.0%	78.8%	83.8%	83.8%	82.5%	82.5%	81.3%	83.8%	81.3%	81.3%	81.3%	81.3%	82.0%	98.0%		
Sylvan Pines	98																
Census		96	98	97	96	96	95	95	97	96	97	98	97	96			
Occupancy %		98.0%	100.0%	99.0%	98.0%	98.0%	96.9%	96.9%	99.0%	98.0%	99.0%	100.0%	99.0%	98.4%	97.7%		

**Brio Living Services, Inc. Obligated Group**  
**Days Cash on Hand - Liquidity Covenant - Unaudited**  
**For the Fiscal Year Ended June 30, 2022**

<b>Total Unrestricted Cash and Investments</b>	
Cash and cash equivalents	7,961,810
Assets limited as to use	58,394,395
Deduct Restricted Cash & Investments	
Life lease escrow	(243,431)
Thome PACE financing agreement	-
Assets limited as to use under indenture	(6,559,597)
Investment with donor restrictions	(17,953,338)
	<hr/>
<b>(A) Total Unrestricted Cash and Investments</b>	<b><u><u>41,599,839</u></u></b>
<b>Operating expenses, less certain noncash expenses</b>	
Operating expenses	84,926,704
Deduct:	
Depreciation expense	(13,553,416)
Provision for bad debts	(273,567)
	<hr/>
<b>(B) Operating expenses, less certain noncash expenses</b>	<b><u><u>71,099,721</u></u></b>
<b>Days Cash on Hand (A)/[(B)/365]</b>	<b><u><u>214</u></u></b>
<b>Required Days Cash on Hand</b>	<b><u><u>150</u></u></b>

**Brio Living Services, Inc. Obligated Group**  
**Historical Debt Service Coverage Ratio - Unaudited**  
**For the Fiscal Year Ended June 2022**

**Total Funds Available for Debt Service**

Increase (Decrease) in net assets without donor restrictions	(4,606,156)
Add (deduct):	
Depreciation expense	13,553,416
Interest expense	3,842,256
Amortization of entrance fees	(4,154,667)
Proceeds from nonrefundable and refundable entrance fees - Turnover units	11,151,875
Refunds of nonrefundable and refundable entrance fees	(3,473,805)
Net unrealized (gain)/loss on investments	8,565,990
Net unrealized (gain)/loss on investment in joint ventures	(5,348,747)
Change in fair value of interest rate swap agreements	(351,751)
Net transfers to affiliates	18,194
	<hr/>
<b>(A) Income Available for Debt Services</b>	<b>19,196,606</b>
	<hr/> <hr/>
<b>(B) Debt Service Requirements</b>	<b>6,334,196</b>
	<hr/> <hr/>
<b>Historical Debt Service Coverage Ratio (A)/(B)</b>	<b>3.03</b>
	<hr/> <hr/>
<b>Required Historical Debt Service Coverage Ratio</b>	<b>1.20</b>
	<hr/> <hr/>

	2016	2017	2018	2019	2020	2021
<b>Chelsea Retirement Community</b>						
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
<b>Porter Hills Village</b>						
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
<b>Cedars of Dexter</b>						
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
<b>Cook Valley Estates</b>						
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
<b>Meadowlark Retirement Community</b>						
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 June 30, 2022, the Chelsea Retirement Community has a wait list of 93 prospective residents who have escrowed deposits with the Corporation for independent living units.

As of June 30, 2022, the Cedars of Dexter has a wait list of 61 prospective residents who have escrowed deposits with the Corporation for independent living units.

As of June 30, 2022, Porter Hills Village has a wait list of 49 prospective residents who have escrowed deposits with PHPV for independent living units.

As of June 30, 2022, Cook Valley Estates has a wait list 68 prospective residents who have escrowed refundable deposits for independent living units.

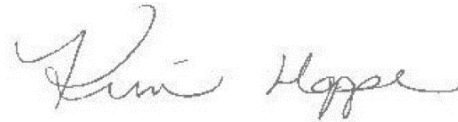
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Compliance Certificate

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 June 30, 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 August 31, 2022.



By: \_\_\_\_\_

Print Name: Kim Hoppe

Title: CFO