

Brio Living Services, Inc. Obligated Group 1st Quarter 2023 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 three months ended September 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.

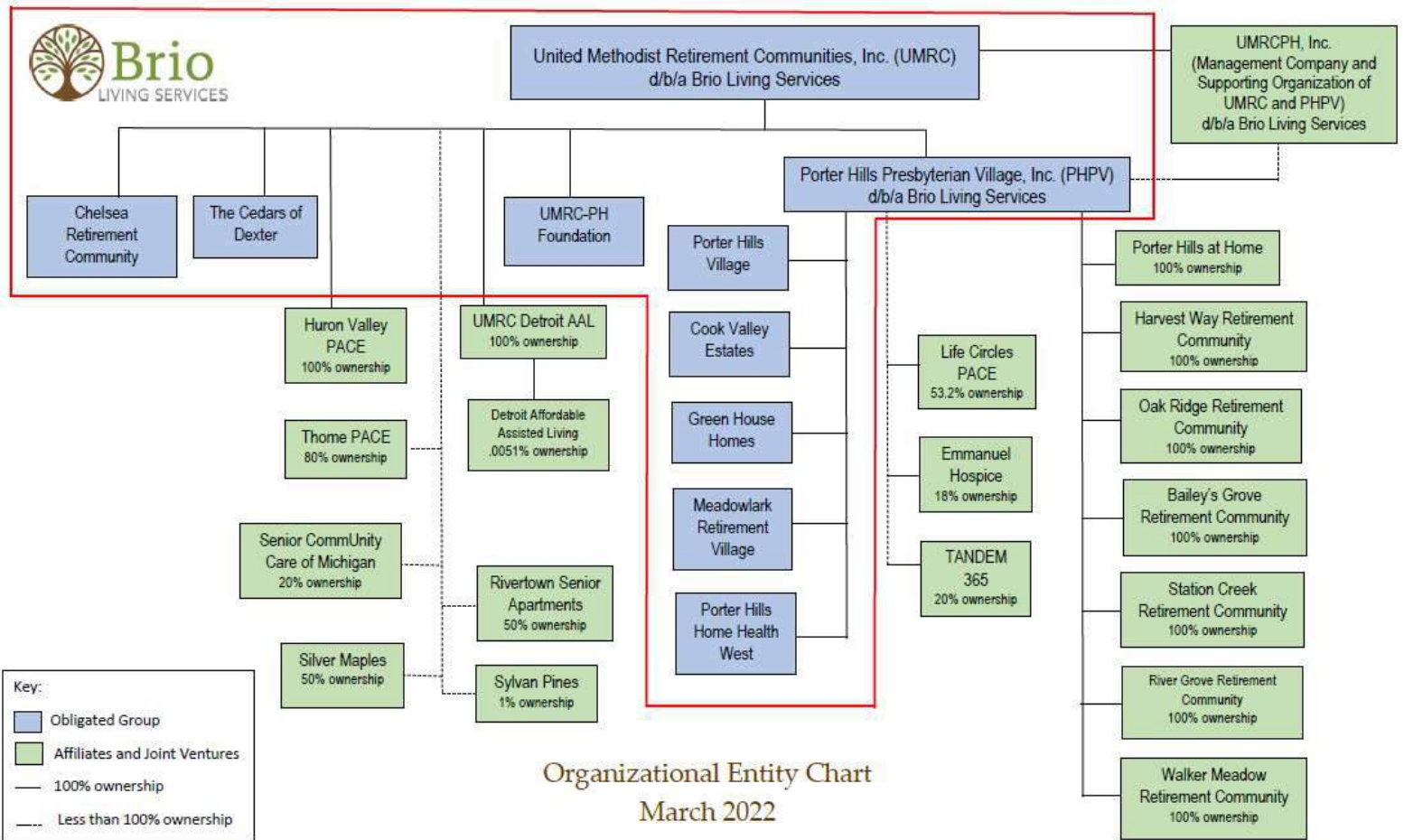
On March 1, 2019, United Methodist Retirement Communities, Inc. ("UMRC") entered into an Affiliation Agreement with Porter Hills Presbyterian Villages, Inc. ("Porter Hills") and its sole shareholder, Westminster Presbyterian Church. The Affiliation Agreement is an agreement providing for an affiliation 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.

Brio Living Services, Inc. Obligated Group

1st Quarter 2023 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 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.

Brio Living Services, Inc. Obligated Group 1st Quarter 2023 Management Discussion of Financial Performance and Position

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.

Brio Living Services, Inc. Obligated Group
1st Quarter 2023 Management Discussion of Financial Performance and Position

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

| | | 6/30/2020 | Fiscal Year Ended 6/30/2021 | 6/30/2022 | Qtr Ending 9/30/2022 |
|------------------------------|----------------------|-----------|--------------------------------|-----------|-------------------------|
| Independent Living | | | | | |
| Chelsea Retirement Community | | | | | |
| | Available Units | 174 | 172 | 172 | 172 |
| | Average Occupancy | 165 | 156 | 157 | 162 |
| | Percentage Occupancy | 94.8% | 90.7% | 91.3% | 94.2% |
| Porter Hills Village | | | | | |
| | Available Units | 178 | 178 | 178 | 178 |
| | Average Occupancy | 167 | 151 | 154.6 | 153 |
| | Percentage Occupancy | 93.8% | 84.8% | 86.9% | 86.0% |
| Cook Valley | | | | | |
| | Available Units | 134 | 134 | 134 | 134 |
| | Average Occupancy | 125 | 122 | 127 | 128 |
| | Percentage Occupancy | 93.3% | 91.0% | 94.6% | 95.5% |
| Meadowlark | | | | | |
| | Available Units | 26 | 26 | 26 | 26 |
| | Average Occupancy | 25 | 20 | 19 | 20 |
| | Percentage Occupancy | 96.2% | 76.9% | 74.6% | 76.9% |
| Assisted Living | | | | | |
| Glazier Commons | | | | | |
| | Available Units | 84 | 84 | 84 | 84 |
| | Average Occupancy | 70 | 64 | 63 | 63 |
| | Percentage Occupancy | 83% | 76% | 75% | 75% |
| Porter Hills Village | | | | | |
| | Available Units | 68 | 68 | 67 | 67 |
| | Average Occupancy | 58 | 55 | 58 | 60 |
| | Percentage Occupancy | 85.2% | 82.4% | 86.1% | 89.6% |
| Meadowlark | | | | | |
| | Available Units | 20 | 20 | 20 | 20 |
| | Average Occupancy | 20 | 18 | 19 | 18 |
| | Percentage Occupancy | 98.8% | 90.0% | 95.0% | 90.0% |
| Memory Care | | | | | |
| Towsley Village | | | | | |
| | Available Units | 68 | 68 | 68 | 68 |
| | Average Occupancy | 60 | 51 | 64 | 66 |
| | Percentage Occupancy | 88% | 75% | 94% | 97% |
| Porter Hills Village | | | | | |
| | Available Units | 32 | 32 | 34 | 34 |
| | Average Occupancy | 28 | 31 | 31.2 | 31 |
| | Percentage Occupancy | 86.5% | 97% | 92% | 91% |
| Meadowlark | | | | | |
| | Available Units | 10 | 10 | 10 | 10 |
| | Average Occupancy | 10 | 9 | 9.6 | 9.5 |
| | Percentage Occupancy | 99.1% | 90.0% | 96.0% | 95.0% |
| Skilled Nursing | | | | | |
| Kresge | | | | | |
| | Available Units | 82 | 85 | 85 | 85 |
| | Average Occupancy | 63 | 68 | 74.02 | 78.5 |
| | Percentage Occupancy | 77% | 80% | 87% | 92% |
| Village HRC | | | | | |
| | Available Units | 101 | 101 | 101 | 81 |
| | Average Occupancy | 87 | 75 | 75 | 66 |
| | Percentage Occupancy | 85.7% | 74.3% | 74.3% | 81.5% |
| Total | | | | | |
| | Available Units | 977 | 978 | 979 | 959 |
| | Percentage Occupancy | 89.7% | 83.9% | 87.0% | 89.2% |
| Home Care | | | | | |
| | Episodes | 1,935 | 1,829 | 1,731 | 358 |

Brio Living Services, Inc. Obligated Group
1st Quarter 2023 Management Discussion of Financial Performance and Position

| Kresge Skilled Nursing Facility Payor Mix | | | | |
|--|--------------------------|------------------|------------------|------------------|
| | <u>Fiscal Year Ended</u> | | | <u>Qtr Ended</u> |
| | <u>6/30/2020</u> | <u>6/30/2021</u> | <u>6/30/2022</u> | <u>9/30/2022</u> |
| Medicare & Medicare Advantage | 37% | 34% | 35% | 38% |
| Medicaid | 45% | 46% | 48% | 44% |
| Private & Other | 18% | 20% | 17% | 18% |

| Porter Hills Village Skilled Nursing Payor Mix | | | | |
|---|------------------------|------------------|------------------|------------------|
| | <u>Fiscal Year End</u> | | | <u>Qtr End</u> |
| | <u>6/30/2020</u> | <u>6/30/2021</u> | <u>6/30/2022</u> | <u>9/30/2022</u> |
| Medicare/Medicare Advantage | 13% | 7% | 5% | 1% |
| Medicaid | 62% | 58% | 62% | 67% |
| Private & Other | 25% | 35% | 33% | 32% |

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>Fiscal Year to Date 9/30/2022</u> | | |
|---|------------------------|--------------------|--------------------|--------------------------------------|--------------------|--------------------|
| | <u>6/30/2020</u> | <u>6/30/2021</u> | <u>6/30/2022</u> | <u>Actual</u> | <u>Budget</u> | <u>Variance</u> |
| Net Service Revenue | 60,488,411 | 58,005,767 | 61,767,504 | 16,404,624 | 17,168,013 | (763,389) |
| Net investment income | 334,736 | 3,301,817 | 4,512,036 | 125,459 | 208,000 | (82,541) |
| Contributions | 595,488 | 1,464,228 | 5,867,539 | 87,212 | 125,000 | (37,788) |
| Other | 11,866,660 | 17,422,737 | 10,926,448 | 2,159,687 | 1,975,630 | 184,057 |
| Total Operating Revenue | 73,285,295 | 80,194,549 | 83,073,527 | 18,776,982 | 19,476,643 | (699,661) |
| Operating Expenses | 65,379,098 | 64,979,722 | 68,297,171 | 16,606,677 | 17,265,437 | 658,760 |
| Interest Expense | 3,806,762 | 3,587,450 | 3,807,995 | 903,692 | 946,267 | 42,575 |
| Depreciation | 12,287,131 | 13,410,485 | 13,576,784 | 3,487,005 | 3,472,564 | (14,441) |
| Total Operating Expenses | 81,472,991 | 81,977,657 | 85,681,950 | 20,997,374 | 21,684,268 | 686,894 |
| Sub-Total | (8,187,696) | (1,783,108) | (2,608,423) | (2,220,392) | (2,207,625) | (12,767) |
| Operating Income (Loss) | (8,187,696) | (1,783,108) | (2,608,423) | (2,964,743) | (2,951,976) | (12,767) |
| Change in fair value of interest rate swap | (1,286,460) | 345,653 | 351,751 | 111,134 | - | 111,134 |
| Gain (loss) from investment in joint ventures | 3,700,235 | 8,960,431 | 4,585,387 | 542,428 | 1,142,131 | (599,703) |
| Net assets released from restriction for capital | 2,032,568 | 1,000,133 | 408,200 | - | - | - |
| Other | (894,978) | 3,562,927 | (8,424,319) | (1,598,022) | (35) | (1,597,987) |
| Total Other Changes to Net Assets Without Donor Restrictions | 3,551,365 | 13,869,144 | (3,078,981) | (944,460) | 1,142,096 | (2,086,556) |
| Increase (Decrease) in Net Assets Without Donor Restrictions | (4,636,331) | 12,086,036 | (5,687,404) | (3,909,203) | (1,809,880) | (2,099,323) |

Brio Living Services, Inc. Obligated Group
1st Quarter 2023 Management Discussion of Financial Performance and Position

YTD Operating Income was \$13k unfavorable to budget:

- Net service revenue was \$763K negative to budget primarily related to lower Home Health activity along with census and payor mix changes in Skilled Nursing
- Unrestricted contributions were behind budget \$38k
- Other revenue was \$184K positive to budget, including COVID-19 related revenue
- Operating Expenses were favorable to budget by \$687K
 - Salaries & Wages were \$801K of this positive variance due to open positions
 - Increased agency expenses driven by the staffing shortage offset approximately \$337K of the savings in Salaries & Wages

Non-Operating (Unrestricted) Results

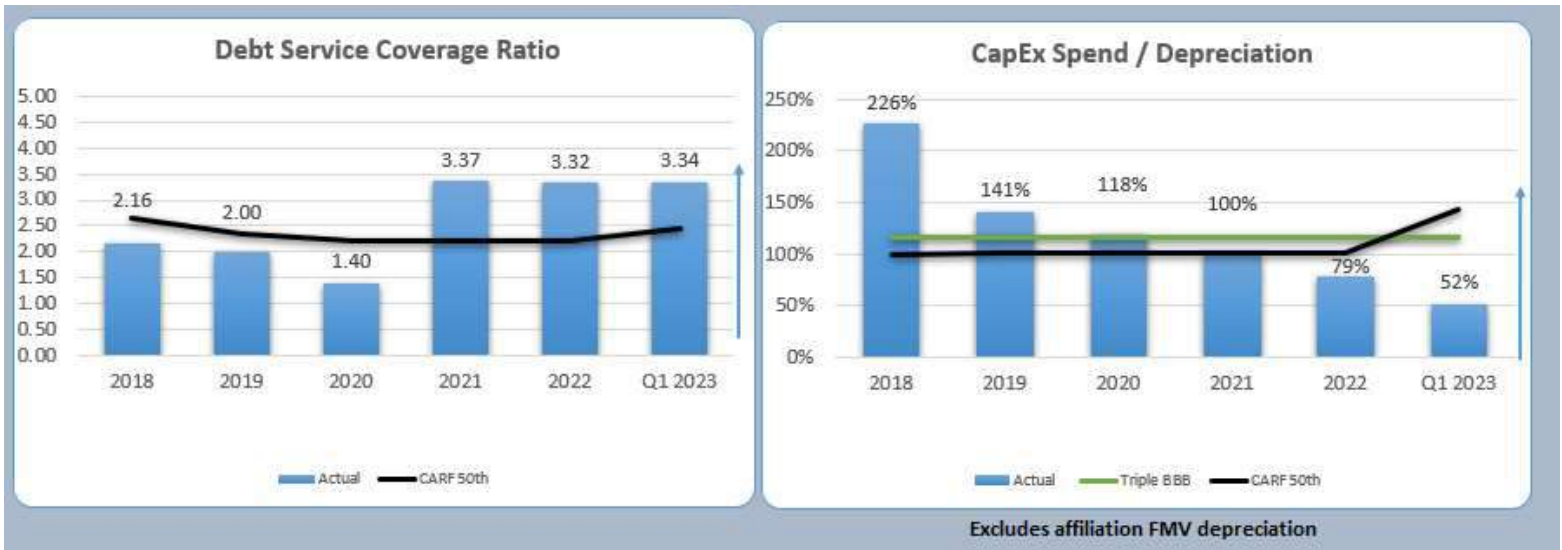
Non-operating activity was \$2.1M unfavorable to budget, due primarily to unrealized losses on investments.

Restricted Results

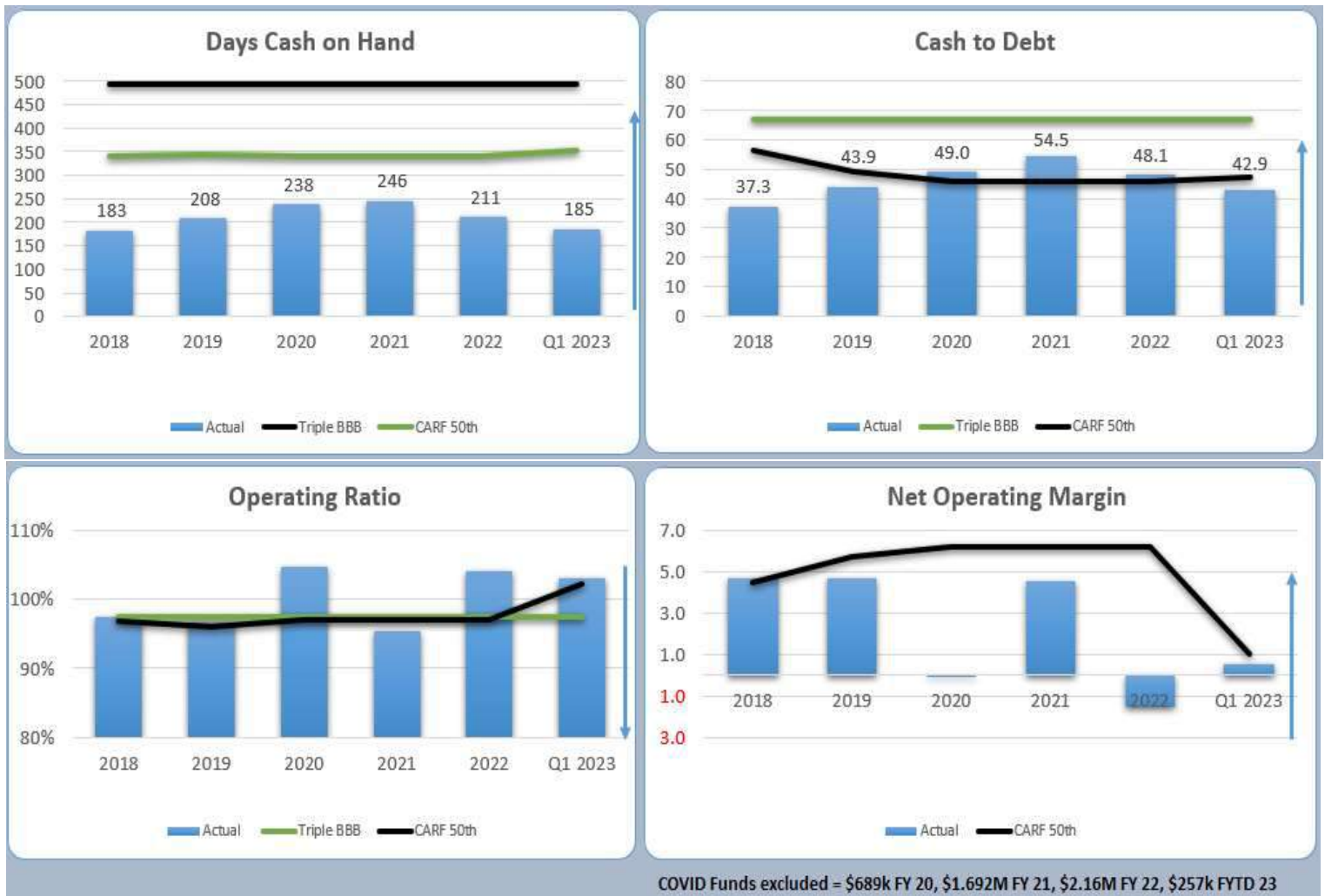
Restricted activity was approximately \$235K less than budget primarily due to unfavorable unrealized investment losses of \$827K, which was offset by restricted contributions of \$590K

Financial Position

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



Brio Living Services, Inc. Obligated Group
1st Quarter 2023 Management Discussion of Financial Performance and Position



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

Key ratios show the following:

- Net Operating Margin is currently below the CARF median and the 50th percentile. COVID-19 continues to put pressure on census thereby impacting Net Operating Margin.
- Days Cash on Hand ratio has declined due to unrealized losses on the investment portfolio, but is still well above the Covenant requirement of 150.
- Debt service coverage ratio continues to exceed the master trust indenture of 1.2

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, September 30, 2022.

Brio Living Services, Inc. Obligated Group
1st Quarter 2023 Management Discussion of Financial Performance and Position

Capital Financing Arrangements in Place 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. 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 on 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.

Brio Living Services, Inc. Obligated Group
1st Quarter 2023 Management Discussion of Financial Performance and Position

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.

Brio Living Services Combined Obligated Group
Balance Sheet
As of September 30, 2022

| | Porter Hills Village | Chelsea Retirement Community | Cook Valley Estates | Cedars of Dexter | Meadowlark | HomeCare | UMRCPH Foundation | Inter-Co Eliminations | September 30, 2022 |
|--|-------------------------------------|---|------------------------------------|-----------------------------|-------------------|--------------------|------------------------------|----------------------------------|---------------------------|
| ASSETS | | | | | | | | | |
| Current Assets | | | | | | | | | |
| Cash and cash equivalents | (23,098) | 1,958,848 | (63,911) | (2,834) | (8,036) | (29,745) | 2,820,375 | | 4,651,599 |
| Resident accounts receivable - net | 968,312 | 2,265,943 | 85,031 | 2,892 | 36,137 | 549,400 | - | | 3,907,714 |
| Accounts receivable (payable) - Affiliates | 6,754,841 | 1,959,175 | - | 3,618,612 | - | 2,203,514 | - | (12,334,608) | 2,201,534 |
| Prepaid expenses and other assets | 294,624 | 586,260 | 30,965 | 176,361 | 29,724 | 12,233 | 27,454 | | 1,157,622 |
| Total Current Assets | 7,994,679 | 6,770,226 | 52,085 | 3,795,030 | 57,825 | 2,735,403 | 2,847,829 | (12,334,608) | 11,918,469 |
| Assets limited as to use | 2,110,792 | 7,834,155 | 2,381,453 | 102,165 | 222,523 | - | 48,207,824 | | 60,858,912 |
| Property and equipment, net | 54,016,703 | 66,586,377 | 26,579,386 | 14,184,401 | 6,137,422 | 31,095 | 717,041 | | 168,252,425 |
| Investment in joint ventures and notes receivable from affiliates | 10,877,312 | 55,907,200 | - | - | - | - | - | (22,342,004) | 44,442,508 |
| | 67,004,807 | 130,327,733 | 28,960,839 | 14,286,567 | 6,359,945 | 31,095 | 48,924,865 | (22,342,004) | 273,553,846 |
| Total Assets | 74,999,486 | 137,097,958 | 29,012,924 | 18,081,597 | 6,417,770 | 2,766,497 | 51,772,694 | (34,676,612) | 285,472,314 |
| LIABILITIES | | | | | | | | | |
| Current Liabilities | | | | | | | | | |
| Accounts payable | 117,459 | 246,091 | 45,548 | 41,648 | 6,246 | 69,353 | 20,185 | | 546,531 |
| Accounts payable - affiliates | - | - | 19,717 | - | 1,841,632 | 8,696,872 | 1,776,388 | (12,334,608) | - |
| Current portion of long-term debt | 508,817 | 895,000 | 440,090 | 373,177 | 61,093 | - | - | | 2,278,177 |
| Accrued liabilities and other | 1,375,810 | 1,991,312 | 561,961 | 65,330 | 173,417 | 252,021 | 114,955 | | 4,534,807 |
| Total Current Liabilities | 2,002,085 | 3,132,403 | 1,067,317 | 480,155 | 2,082,388 | 9,018,246 | 1,911,528 | (12,334,608) | 7,359,514 |
| Long-term debt - net of current portion | 23,537,962 | 26,691,516 | 26,014,774 | 8,576,195 | 2,401,541 | - | - | (1,028,367) | 86,193,621 |
| Other long-term liabilities | (26,941) | - | - | - | - | - | - | | (26,941) |
| Deferred revenue from entrance fees | 7,773,724 | 3,483,890 | 11,203,159 | 4,028,545 | - | - | - | | 26,489,318 |
| Refundable entrance fees | 12,148,391 | 10,484,614 | 18,433,449 | 8,085,346 | - | - | - | | 49,151,800 |
| Fair value of interest rate swap | - | (39,603) | - | (104,498) | - | - | - | | (144,101) |
| Total Liabilities | 45,435,221 | 43,752,820 | 56,718,699 | 21,065,743 | 4,483,928 | 9,018,246 | 1,911,528 | (13,362,975) | 169,023,211 |
| NET ASSETS | | | | | | | | | |
| Unrestricted | 31,064,941 | 93,309,765 | (27,513,372) | (3,087,048) | 2,094,837 | (5,960,145) | 31,013,646 | (21,313,637) | 99,608,988 |
| Current Year Unrestricted Earnings | (1,500,676) | (39,175) | (192,403) | 102,901 | (160,996) | (291,604) | (1,827,250) | - | (3,909,203) |
| Current Year Earnings - Restricted | - | - | - | - | - | - | (519,517) | - | (519,517) |
| Restricted | - | 74,548 | - | - | - | - | 21,194,287 | - | 21,268,835 |
| Total Net Assets | 29,564,265 | 93,345,138 | (27,705,775) | (2,984,146) | 1,933,841 | (6,251,749) | 49,861,166 | (21,313,637) | 116,449,103 |
| Total Liabilities and Net Assets | 74,999,486 | 137,097,958 | 29,012,924 | 18,081,597 | 6,417,770 | 2,766,497 | 51,772,694 | (34,676,612) | 285,472,314 |

Brio Living Services Combined Obligated Group
Combining Statement of Activities
For the Three Months Ended September 30, 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 | 4,994,324 | 8,625,813 | 766,125 | 636,305 | 624,879 | 757,179 | - | - | 16,404,624 | 17,168,013 | (763,389) |
| Investment Income - unrestricted | - | 26,897 | 504 | - | 756 | - | 97,302 | - | 125,459 | 208,000 | (82,541) |
| Life Lease Amortization | 314,424 | 126,007 | 406,639 | 111,966 | - | - | - | - | 959,036 | 977,381 | (18,345) |
| Contributions - unrestricted | - | - | - | - | - | - | 87,212 | - | 87,212 | 125,000 | (37,788) |
| Covid Funding | 100,000 | 151,151 | - | - | 5,981 | - | - | - | 257,131 | 73,540 | 183,591 |
| Supplemental charges and misc revenue | 430,001 | 67,576 | 194,863 | 3,695 | 49,881 | 11,889 | - | (96,625) | 661,281 | 517,709 | 143,572 |
| Net Assets released from restrictions used in operations | - | - | - | - | - | - | 282,239 | - | 282,239 | 407,000 | (124,761) |
| Total Operating Revenue | 5,838,748 | 8,997,443 | 1,368,132 | 751,966 | 681,497 | 769,068 | 466,753 | (96,625) | 18,776,983 | 19,476,643 | (699,661) |
| Operating Expenses | | | | | | | | | | | |
| Salaries and Wages | 3,028,237 | 3,934,509 | 276,151 | 136,396 | 366,443 | 659,744 | 262,745 | - | 8,664,225 | 9,465,693 | 801,468 |
| Employee Benefits | 592,906 | 797,566 | 42,506 | 31,698 | 81,236 | 160,578 | 61,637 | - | 1,768,128 | 1,796,584 | 28,456 |
| Operating Supplies & Expenses | 392,020 | 679,400 | 76,861 | 41,779 | 50,687 | 8,085 | 1,479 | - | 1,250,311 | 1,271,123 | 20,813 |
| Professional Services & Consultant Fees | 297,594 | 469,276 | 12,836 | - | 1,628 | 7,532 | 11,928 | - | 800,794 | 463,915 | (336,879) |
| Repairs & Maintenance | 113,006 | 187,505 | 61,919 | 72,023 | 17,890 | 3,038 | - | (96,625) | 358,756 | 335,227 | (23,529) |
| Utilities | 227,289 | 245,024 | 97,696 | 35,107 | 19,800 | - | - | - | 624,916 | 559,656 | (65,260) |
| Depreciation and Amortization | 813,884 | 1,151,744 | 545,961 | 144,307 | 79,327 | 189 | 7,241 | - | 2,742,654 | 2,728,213 | (14,442) |
| Interest | 242,725 | 301,301 | 278,175 | 55,541 | 25,951 | - | - | - | 903,692 | 946,267 | 42,574 |
| Real Estate Taxes | 10,139 | 210,500 | 6,111 | 80,633 | 14,565 | - | - | - | 321,948 | 353,473 | 31,525 |
| Quality Assurance Assessment | 144,701 | 104,553 | - | - | - | - | - | - | 249,254 | 271,636 | 22,382 |
| Other | 65,134 | 224,070 | 31,999 | 12,525 | 13,144 | 36,442 | 87,397 | - | 470,710 | 494,553 | 23,843 |
| Management Fees | 806,645 | 1,222,754 | 201,998 | 112,864 | 95,626 | 188,596 | 86,342 | - | 2,714,825 | 2,855,009 | 140,184 |
| Grant Expenses | - | 64,545 | - | - | - | - | 62,616 | - | 127,161 | 142,920 | 15,759 |
| Total Operating Expenses | 6,734,278 | 9,592,747 | 1,632,213 | 722,874 | 766,297 | 1,064,205 | 581,385 | (96,625) | 20,997,374 | 21,684,268 | 686,894 |
| Sub-Total | (895,530) | (595,304) | (264,082) | 29,092 | (84,800) | (295,137) | (114,632) | - | (2,220,391) | (2,207,625) | (12,766) |
| Affiliation Actg Appraisal - FMV Depreciation | 723,709 | - | (71,678) | - | 92,321 | - | - | - | 744,351 | 744,351 | (0) |
| Operating Income (Loss) | (1,619,238) | (595,304) | (192,403) | 29,092 | (177,121) | (295,137) | (114,632) | - | (2,964,742) | (2,951,976) | (12,766) |
| Non-Operating Income (Loss) | | | | | | | | | | | |
| Net unrealized gain / loss on investments | - | (76,574) | - | - | - | - | (1,515,497) | - | (1,592,071) | - | (1,592,071) |
| Change in fair value of interest rate swap agreements | - | 37,324 | - | 73,809 | - | - | - | - | 111,134 | - | 111,134 |
| Net gain on joint ventures | 161,644 | 380,784 | - | - | - | - | - | - | 542,428 | 1,142,131 | (599,703) |
| Total Non-Operating Income (Loss) | 161,644 | 341,534 | - | 73,809 | - | - | (1,515,497) | - | (938,509) | 1,142,131 | (2,080,641) |
| Sub-total | (1,457,594) | (253,770) | (192,403) | 102,901 | (177,121) | (295,137) | (1,630,129) | - | (3,903,252) | (1,809,845) | (2,093,407) |
| Net transfers (to) from affiliates | (43,082) | 214,595 | - | - | 16,125 | 3,533 | (197,121) | - | (5,951) | (35) | (5,916) |
| Net Income (loss) | (1,500,676) | (39,175) | (192,403) | 102,901 | (160,996) | (291,604) | (1,827,250) | - | (3,909,202) | (1,809,880) | (2,099,322) |
| Temporarily Restricted Net Assets | | | | | | | | | | | |
| Restricted contributions | - | - | - | - | - | - | 589,767 | - | 589,767 | 0 | 589,767 |
| Restricted investment income | - | - | - | - | - | - | (827,045) | - | (827,045) | 117,000 | (944,045) |
| Change in present value of pledges receivable | - | - | - | - | - | - | - | - | 0 | 3,000 | (3,000) |
| Change in interest and present value of charitable remainder trusts | - | - | - | - | - | - | - | - | 0 | 2,500 | (2,500) |
| Net assets released from restriction | - | - | - | - | - | - | (282,239) | - | (282,239) | (407,000) | 124,761 |
| Increase / (Decrease) in temporarily restricted net assets | - | - | - | - | - | - | (519,517) | - | (519,517) | (284,500) | (235,017) |
| Change in Net Assets | (1,500,676) | (39,175) | (192,403) | 102,901 | (160,996) | (291,604) | (2,346,767) | - | (4,428,719) | (2,094,380) | (2,334,339) |

Brio Living Services, Inc
Obligated Group
Statement of Cash Flows
Year to Date as of September 30, 2022

Cash Flow from Operating Activities

| | |
|--|----------------------|
| Increase (decrease) in net assets: | (\$4,428,719) |
| Adjustments to reconcile increase in net assets to net cash from operating activities: | |
| Depreciation | 3,487,006 |
| Amortization of deferred life lease revenue | (959,036) |
| Realized and unrealized (gains)/loss on investments | 2,293,657 |
| Gain from investments in joint ventures | (542,428) |
| Provision for bad debts | 209,393 |
| Decrease (increase) in operating assets: | |
| Accounts receivable | 134,025 |
| Accounts receivable - affiliates | (1,375,751) |
| Pledges receivable | 225,107 |
| Prepaid expenses and other current assets | (963,277) |
| Increase (decrease) in operating liabilities: | |
| Accounts payable | (1,236,655) |
| Accrued and other liabilities | 775,576 |
| Interest rate swap | (111,134) |
| Net cash provided by operating activities | <u>(\$2,492,236)</u> |

Cash flow from investing activities

| | |
|--|----------------------|
| Additions to property and equipment | (1,425,411) |
| Net investment activity (purchase/sales) | (1,003,578) |
| Investment in related organizations | 409,500 |
| Net cash used in investing activities | <u>(\$2,019,489)</u> |

Cash flows from financing activities

| | |
|---|------------------|
| Proceeds from life lease obligations | 3,468,062 |
| Refund of life lease obligations | (2,645,823) |
| Principal payments on long term debt | (427,502) |
| Net cash provided by (used in) financing activities | <u>\$394,737</u> |

| | |
|---|---------------------------|
| Net increase (decrease) in cash and cash equivalents | (4,116,988) |
| Cash and Cash equivalents beginning of year | 8,768,587 |
| Cash and restricted cash - end of year | <u>\$4,651,599</u> |

Brio Living Services Inc
Census Report - 2022-23 Fiscal Year

| | Capacity | 22-Jul | 22-Aug | 22-Sep | FYTD | Budget | Payer Mix | Payer Mix Budget |
|------------------------|----------|--------|--------|--------|-------|--------|-----------|------------------|
| Skilled Nursing | | | | | | | | |
| Kresge | 85 | | | | | | | |
| Census | | 80 | 79 | 77 | 78.54 | 77 | | |
| Occupancy % | | 93.6% | 92.5% | 91.0% | 92.4% | 90.6% | | |
| Budget Occupancy % | | 90.6% | 90.6% | 90.6% | | | | |
| Resident Days | | 2,467 | 2,438 | 2,321 | 7,226 | 7,084 | | |
| Private Pay | | 455 | 370 | 235 | 1,060 | 920 | 14.67% | 13.0% |
| Medicaid | | 942 | 1,094 | 1,111 | 3,147 | 3,588 | 43.55% | 50.6% |
| Medicare | | 722 | 590 | 648 | 1,960 | 1,564 | 27.12% | 22.1% |
| Medicare HMO | | 239 | 292 | 275 | 806 | 828 | 11.15% | 11.7% |
| Commercial Ins | | 109 | 92 | 52 | 253 | 184 | 3.50% | 2.6% |
| Village HRC | 61 / 39 | | | | | | | |
| Census | | 53 | 49 | 43 | 48 | 59 | | |
| Occupancy % | | 86.7% | 79.5% | 70.0% | 78.8% | 96.8% | | |
| Budget Occupancy % | | 100.0% | 96.7% | 93.4% | | | | |
| Resident Days | | 1,639 | 1,504 | 1,281 | 4,424 | 5,430 | | |
| Private Pay | | 482 | 410 | 447 | 1,339 | 1,656 | 30.3% | 30.5% |
| Medicaid | | 994 | 950 | 802 | 2,746 | 2,670 | 62.1% | 49.2% |
| Medicare | | 35 | 28 | - | 63 | 1,104 | 1.4% | 20.3% |
| Commercial Ins | | 128 | 116 | 32 | 276 | - | 6.2% | 0.0% |
| Green House | 20 | | | | | | | |
| Census | | 17 | 18.5 | 19.4 | 18.2 | 19 | | |
| Occupancy % | | 83.7% | 92.7% | 97.2% | 91.1% | 95.0% | | |
| Budget Occupancy % | | 90.0% | 90.0% | 90.0% | | | | |
| Resident Days | | 519 | 575 | 583 | 1,677 | 1,748 | | |
| Private Pay | | 103 | 124 | 103 | 330 | 736 | 19.7% | 42.1% |
| Medicaid | | 416 | 451 | 480 | 1,347 | 1,012 | 80.3% | 57.9% |
| Medicare | | - | - | - | - | - | 0.0% | 0.0% |
| Commercial Ins | | - | - | - | - | - | 0.0% | 0.0% |

Brio Living Services Inc
Census Report - 2022-23 Fiscal Year

| | Capacity | 22-Jul | 22-Aug | 22-Sep | FYTD | Budget | Payer Mix | Payer Mix Budget |
|---------------------------|----------|--------|--------|--------|-------|--------|-----------|---------------------|
| Assisted Living | | | | | | | | |
| Glazier Commons AL | 84 | | | | | | | |
| Census | | 63 | 64 | 60 | 63 | 64 | | |
| Occupancy % | | 75.2% | 76.7% | 71.6% | 74.5% | 76.2% | | |
| Budget Occupancy % | | 76.2% | 76.2% | 76.2% | | | | |
| Resident Days | | 1,958 | 1,996 | 1,804 | 5,758 | 5,888 | | |
| Village AL | 67 | | | | | | | |
| Census | | 61 | 60 | 60 | 60 | 57 | | |
| Occupancy % | | 91.1% | 88.9% | 89.4% | 89.8% | 85.6% | | |
| Budget Occupancy % | | 85.6% | 85.6% | 85.6% | | | | |
| Resident Days | | 1,892 | 1,846 | 1,796 | 5,534 | 5,274 | | |
| Meadowlark AL | 20 | | | | | | | |
| Census | | 18 | 18 | 18 | 18 | 19 | | |
| Occupancy % | | 89.4% | 89.7% | 92.3% | 90.4% | 95.0% | | |
| Budget Occupancy % | | 95.0% | 95.0% | 95.0% | | | | |
| Resident Days | | 554 | 556 | 554 | 1,664 | 1,748 | | |
| Memory Care | | | | | | | | |
| Towsley Village MC | 68 | | | | | | | |
| Census | | 67 | 65 | 66 | 65.77 | 63 | | |
| Occupancy % | | 97.9% | 95.0% | 97.4% | 96.7% | 92.6% | | |
| Budget Occupancy % | | 92.6% | 92.6% | 92.6% | | | | |
| Resident Days | | 2,063 | 2,002 | 1,986 | 6,051 | 5,796 | | |
| Village MC | 34 | | | | | | | |
| Census | | 32 | 31 | 30 | 31 | 32 | | |
| Occupancy % | | 93.2% | 92.1% | 88.8% | 91.4% | 93.7% | | |
| Budget Occupancy % | | 93.7% | 93.7% | 93.7% | | | | |
| Resident Days | | 982 | 971 | 906 | 2,859 | 2,932 | | |
| Meadowlark MC | 10 | | | | | | | |
| Census | | 9 | 10 | 10 | 9 | 9 | | |
| Occupancy % | | 85.2% | 100.0% | 99.7% | 94.9% | 90.0% | | |
| Budget Occupancy % | | 90.0% | 90.0% | 90.0% | | | | |
| Resident Days | | 264 | 310 | 299 | 873 | 828 | | |

Brio Living Services Inc
Census Report - 2022-23 Fiscal Year

| | Capacity | 22-Jul | 22-Aug | 22-Sep | FYTD | Budget | Payer Mix | Payer Mix Budget |
|------------------------------|----------|--------|--------|--------|--------|--------|-----------|------------------|
| Independent Living | | | | | | | | |
| Life Lease Turns | | | | | | | | |
| Actual | | 1 | 4 | 4 | 9 | | | |
| Budget | | 3 | 3 | 4 | 10 | | | |
| Life Lease Refunds | | | | | | | | |
| Actual | | 5 | 4 | 2 | 11 | | | |
| Budget | | 3 | 3 | 4 | 10 | | | |
| CRC IL | 172 | | | | | | | |
| Census | | 161 | 162 | 163 | 162 | 160 | | |
| Occupancy % | | 93.4% | 93.9% | 94.9% | 94.1% | 93.0% | | |
| Budget Occupancy % | | 93.0% | 93.0% | 93.0% | | | | |
| Resident Days | | 4,982 | 5,007 | 4,896 | 14,885 | 14,720 | | |
| Village Center Rental | 53 | | | | | | | |
| Census | | 41 | 41 | 42 | 41 | 44 | | |
| Occupancy % | | 78.1% | 77.2% | 79.2% | 78.2% | 83.0% | | |
| Budget Occupancy % | | 83.0% | 83.0% | 83.0% | | | | |
| Resident Days | | 1,284 | 1,269 | 1,259 | 3,812 | 4,048 | | |
| Garden Apartments IL | 103 | | | | | | | |
| Census | | 96 | 96 | 97 | 96 | 100 | | |
| Occupancy % | | 92.8% | 93.6% | 94.2% | 93.5% | 97.1% | | |
| Budget Occupancy % | | 97.1% | 97.1% | 97.1% | | | | |
| Resident Days | | 2,962 | 2,990 | 2,910 | 8,862 | 9,200 | | |
| Village Town Homes IL | 22 | | | | | | | |
| Census | | 16 | 15 | 15 | 15 | 16 | | |
| Occupancy % | | 88.9% | 83.3% | 83.3% | 85.2% | 88.9% | | |
| Budget Occupancy % | | 88.9% | 88.9% | 88.9% | | | | |
| Resident Days | | 496 | 465 | 450 | 1,411 | 1,472 | | |
| Cedars of Dexter IL | 60 | | | | | | | |
| Census | | 58 | 59 | 60 | 59 | 57 | | |
| Occupancy % | | 97.0% | 98.3% | 100.0% | 98.4% | 95.0% | | |
| Budget Occupancy % | | 95.0% | 95.0% | 95.0% | | | | |
| Resident Days | | 1,805 | 1,829 | 1,800 | 5,434 | | | |
| Cook Valley IL | 134 | | | | | | | |
| Census | | 128 | 128 | 129 | 128 | 130 | | |
| Occupancy % | | 95.5% | 95.6% | 96.1% | 95.7% | 97.0% | | |
| Budget Occupancy % | | 97.0% | 97.0% | 97.0% | | | | |
| Resident Days | | 3,968 | 3,970 | 3,865 | 11,803 | | | |
| Meadowlark IL | 26 | | | | | | | |
| Census | | 19 | 20 | 21 | 20 | 22 | | |
| Occupancy % | | 71.7% | 77.7% | 81.9% | 77.0% | 85% | | |
| Budget Occupancy % | | 84.6% | 84.6% | 84.6% | | | | |
| Resident Days | | 578 | 626 | 639 | 1,843 | 2,024 | | |

Brio Living Services Inc
Census Report - 2022-23 Fiscal Year

| | Capacity | 22-Jul | 22-Aug | 22-Sep | FYTD | Budget | Payer Mix | Payer Mix Budget |
|---------------------------|----------|--------|--------|--------|--------|--------|-----------|------------------|
| Home Health | | | | | | | | |
| Episodes | | 126 | 111 | 121 | 358 | | | |
| Budgeted Episodes | | 197 | 197 | 197 | | 591 | | |
| Average \$ per Case | | 2,116 | 2,244 | 2,154 | | 2,192 | | |
| PACE | | | | | | | | |
| Life Circles Combined | | | | | | | | |
| Total Participants | | 358 | 359 | 363 | 360 | 374 | | |
| Budget | | 364 | 369 | 374 | | | | |
| Huron Valley PACE | | | | | | | | |
| Total Participants | | 268 | 272 | 279 | 273 | 274 | | |
| Budget | | 266 | 270 | 274 | | | | |
| Thome PACE | | | | | | | | |
| Total Participants | | 203 | 209 | 208 | 207 | 203 | | |
| Budget | | 198 | 200 | 203 | | | | |
| Avenues | | | | | | | | |
| Total Members | | 42 | 42 | 42 | 42 | 44 | | |
| Emmanuel Hospice | | | | | | | | |
| # of Days | | 4,854 | 4,877 | | 9,731 | 6,092 | | |
| Affordable Housing | | | | | | | | |
| Bailey's Grove | 43 | | | | | | | |
| Census | | 39 | 35 | 38 | 37 | | | |
| Occupancy % | | 90.7% | 81.4% | 88.4% | 86.8% | 96.5% | | |
| Harvest Way | 45 | | | | | | | |
| Census | | 45 | 45 | 45 | 45 | | | |
| Occupancy % | | 100.0% | 100.0% | 100.0% | 100.0% | 98.9% | | |
| Oak Ridge | 45 | | | | | | | |
| Census | | 45 | 45 | 45 | 45 | | | |
| Occupancy % | | 100.0% | 100.0% | 100.0% | 100.0% | 97.7% | | |
| River Grove | 46 | | | | | | | |
| Census | | 45 | 46 | 46 | 46 | | | |
| Occupancy % | | 97.8% | 100.0% | 100.0% | 99.3% | 98.0% | | |
| Station Creek | 49 | | | | | | | |
| Census | | 45 | 49 | 49 | 48 | | | |
| Occupancy % | | 91.8% | 100.0% | 100.0% | 97.3% | 97.6% | | |
| Walker Meadow | 42 | | | | | | | |
| Census | | 39 | 40 | 41 | 40 | | | |
| Occupancy % | | 92.9% | 95.2% | 97.6% | 95.2% | 97.4% | | |
| Rivertown | 80 | | | | | | | |
| Census | | 63 | 62 | 67 | 64 | | | |
| Occupancy % | | 78.8% | 77.5% | 83.8% | 80.0% | 98.0% | | |
| Sylvan Pines | 98 | | | | | | | |
| Census | | 97 | 98 | 97 | 97 | | | |
| Occupancy % | | 99.0% | 100.0% | 99.0% | 99.3% | 97.7% | | |

Brio Living Services, Inc. Obligated Group
Days Cash on Hand - Liquidity Covenant
Rolling 12 Months Ended September 30, 2022

| | September 30, 2022 |
|--|---------------------------|
| Total Unrestricted Cash and Investments | |
| Cash and cash equivalents | 4,651,599 |
| Assets limited as to use | 57,078,449 |
| Deduct Restricted Cash & Investments | |
| Life lease escrow | (250,660) |
| Thome PACE financing agreement | - |
| Assets limited as to use under indenture | (7,570,883) |
| Investment with donor restrictions | (16,968,854) |
| | 36,939,650 |
| (A) Total Unrestricted Cash and Investments | 36,939,650 |
| Operating expenses, less certain noncash expenses | |
| Operating expenses | 86,814,558 |
| Deduct: | |
| Depreciation expense | (13,653,113) |
| Provision for bad debts | (172,775) |
| | 72,988,670 |
| (B) Operating expenses, less certain noncash expenses | 72,988,670 |
| Days Cash on Hand (A)/[(B)/365] | 185 |
| Required Days Cash on Hand | 150 |

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

Total Funds Available for Debt Service

| | |
|---|-------------------|
| Increase (Decrease) in net assets without donor restrictions | (8,859,805) |
| Add (deduct): | |
| Depreciation expense | 13,653,113 |
| Interest expense | 3,782,970 |
| Amortization of entrance fees | (4,204,534) |
| Proceeds from nonrefundable and refundable entrance fees - Turnover units | 13,514,334 |
| Refunds of nonrefundable and refundable entrance fees | (6,600,244) |
| Net unrealized (gain)/loss on investments | 9,738,374 |
| Net unrealized (gain)/loss on investment in joint ventures | 816,597 |
| Change in fair value of interest rate swap agreements | (431,596) |
| Change in value of charitable gift annuities | 13,237 |
| Net transfers to affiliates | 24,144 |
| Net assets released from restriction for capital purchases | _____ |
| (A) Income Available for Debt Services | 21,446,590 |
| (B) Debt Service Requirements | 6,417,748 |
| Historical Debt Service Coverage Ratio (A)/(B) | 3.34 |
| Required Historical Debt Service Coverage Ratio | 1.20 |

| | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|--|--------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Chelsea Retirement Community | | | | | | |
| Independent Living: | | | | | | |
| Entrance Fee | \$35,595-\$346,395 | \$36,663-\$356,787 | \$37,762-\$443,745 | \$39,650-\$465,932 | \$40,840-\$489,229 | \$71,349-\$518,583 |
| Monthly Fee (incl Rentals) | \$1,914-\$5,245 | \$1,971-\$5,399 | \$2,040-\$5,570 | \$2,110-\$5,764 | \$2,173-\$5,937 | \$2,257-\$6,352 |
| Assisted Living (daily rate) | \$256-\$277 | \$263-\$285 | \$243-\$295 | \$249-\$301 | \$249-\$301 | \$288-\$312 |
| Memory Care (daily rate) | \$227-\$277 | \$233-\$285 | \$241-\$295 | \$302 | \$302 | \$314 |
| Skilled Nursing Facility (daily rate) | \$294-\$389 | \$302-\$398 | \$302-\$411 | \$356-\$423 | \$433 | \$449 |
| Porter Hills Village | | | | | | |
| Independent Living: | | | | | | |
| Entrance Fee | \$157,033+ | \$160,959+ | \$169,007+ | \$177,458+ | \$186,331+ | \$200,306+ |
| Monthly Fee (incl Rentals) | \$1,000-\$1,800 | \$1,025-\$1,800 | \$1,061-\$1,863 | \$1,114-\$1,956 | \$1,720-\$3,051 | \$2,760-\$3,350 |
| Assisted Living (daily rate) | \$150-\$210 | \$150-\$210 | \$153-\$204 | \$159-\$207 | \$162-\$212 | \$170-\$316 |
| Memory Care (daily rate) | \$200-\$224 | \$200-\$224 | \$222-\$227 | \$222-\$227 | \$226-\$316 | \$237-\$332 |
| Skilled Nursing Facility (daily rate) | \$300-\$455 | \$308-\$466 | \$311-\$473 | \$324-\$490 | \$332-\$515 | \$342-\$530 |
| Cedars of Dexter | | | | | | |
| Independent Living: | | | | | | |
| Entrance Fee | \$161,654-\$469,03 | \$166,504-\$483,103 | \$171,499-\$497,596 | \$180,073-\$522,475 | \$185,475-\$538,149 | \$194,749-\$565,065 |
| Monthly Fee | \$2,672-\$3,371 | \$2,765-\$3,482 | \$2,847-\$3,622 | \$2,932-\$3,729 | \$3,020-\$3,841 | \$3,231-\$4,400 |
| Cook Valley Estates | | | | | | |
| Independent Living: | | | | | | |
| Entrance Fee | \$236,437+ | \$242,348+ | \$254,465+ | \$267,189+ | \$275,205+ | \$283,461+ |
| Monthly Fee | \$869-\$1,950 | \$912-\$1,999 | \$958-\$2,069 | \$1,006-\$3,098 | \$2,200-\$3,522 | \$2,840-\$3,747 |
| Meadowlark Retirement Community | | | | | | |
| Independent Living: | | | | | | |
| Monthly Fee | \$1,950-\$2,850 | \$2,050-\$2,950 | \$2,100-\$3,000 | \$2,168-\$3,098 | \$2,244-\$3,206 | \$2,401-\$3,431 |
| Assisted Living (daily rate) | \$3,800-\$4,700 | \$3,950-\$4,850 | \$4,100-\$5,000 | \$4,233-\$5,163 | \$4,381-\$5,344 | \$4,688-\$5,718 |
| Memory Care (daily rate) | \$5,700 | \$5,900 | \$6,100 | \$6,298 | \$6,518 | \$6,975 |

As of September 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 September 30, 2022, the Cedars of Dexter has a wait list of 62 prospective residents who have escrowed deposits with the Corporation for independent living units.

As of September 30, 2022, Porter Hills Village has a wait list of 38 prospective residents who have escrowed deposits with PHPV for independent living units.

As of September 30, 2022, Cook Valley Estates has a wait list 57 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 September 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 November 15, 2022.



By: _____

Print Name: Kim Hoppe

Title: CFO