

Brio Living Services, Inc. Obligated Group

4th Quarter 2025 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 fourth quarter ended June 30, 2025.**

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.

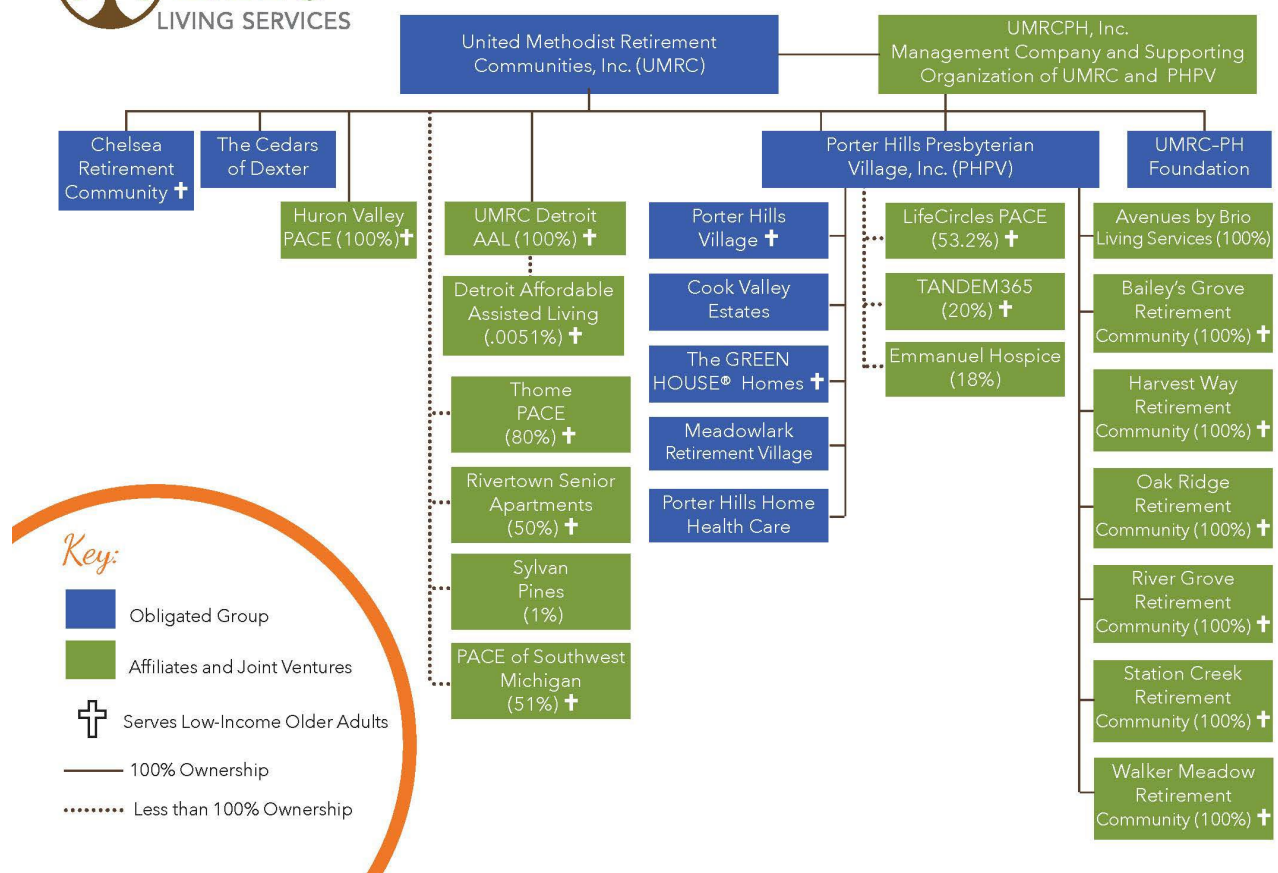
In March 2022, UMRC and Porter Hills filed for a new Assumed Name (DBA) of Brio Living Services Inc (Brio) by which it will be referenced going forward in this document.

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Entity Organizational Chart



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.

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- Meadowlark Retirement Community provides assisted living and independent living for the elderly in Sparta, Michigan.

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

- 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 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 four 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 the participant's 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.
 - LifeCircles – a PACE program in which Brio owns 53.2% of with two other unrelated partners.
 - 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.
 - As of June 30, 2024, Brio no longer has a 20% financial interest in Senior CommUnity Care of Michigan ("SCCMI"), located in Lansing, MI. Brio transferred/assigned its interest in Senior CommUnity Care of Michigan to an unrelated party. Brio has an unsecured note of approximately \$335K due from SCCMI. SCCMI will continue to make payments on this note, so long as SCCMI maintains certain financial guardrails. The note is due in full by December 2026.
 - Effective April 1, 2025, Brio finalized a partnership with Region IV Area Agency on Aging, becoming 51% owners of PACE of Southwest Michigan in St. Joseph, Michigan. Southwest Michigan PACE operates a PACE program serving in Berrien, Cass, or Van Buren Counties and opened September 2012.
- 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.
 - Emmanuel Hospice – A hospice program partnership among Brio and several other unrelated retirement communities. Brio owns a minority interest in Emmanuel Hospice.

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- Tandem 365 - A PACE-like coordination agency partnership among Brio and several other unrelated organizations. Brio owns a minority interest in Tandem 365.

Census

		Fiscal Year Ended			
		6/30/2022	6/30/2023	6/30/2024	6/30/2025
Independent Living					
Chelsea Retirement Community					
	Available Units	172	172	172	173
	Average Occupancy	157	160	156	164
	Percentage Occupancy	91.3%	93.0%	90.8%	94.8%
Porter Hills Village					
	Available Units	178	174	163	166
	Average Occupancy	155	154	153	150
	Percentage Occupancy	86.9%	88.5%	93.9%	90.4%
The Ravines***					
	Available Units	0	0	0	26
	Average Occupancy	0	0	0	7
	Percentage Occupancy	0.0%	0.0%	0.0%	26.9%
Cook Valley					
	Available Units	134	134	134	134
	Average Occupancy	127	129	127	127
	Percentage Occupancy	94.6%	96.3%	94.8%	94.5%
Meadowlark					
	Available Units	26	26	26	26
	Average Occupancy	19	23	23	21
	Percentage Occupancy	74.6%	88.5%	87.2%	80.8%
Cedars of Dexter					
	Available Units	60	60	60	60
	Average Occupancy	59	59	57	58
	Percentage Occupancy	98.5%	98.3%	95.5%	97.3%
Assisted Living					
Glazier Commons**					
	Available Units	84	84	84	66
	Average Occupancy	63	60	62	63
	Percentage Occupancy	75.0%	71.4%	73.4%	95.5%
Porter Hills Village					
	Available Units	67	67	67	67
	Average Occupancy	58	61	55	50
	Percentage Occupancy	86.1%	91.0%	82.2%	74.6%
Meadowlark					
	Available Units	20	20	20	20
	Average Occupancy	19	19	19	17
	Percentage Occupancy	95.0%	95.0%	94.4%	85.0%
Memory Care					
Towsley Village					
	Available Units	68	68	68	68
	Average Occupancy	64	64	65	63
	Percentage Occupancy	94.1%	94.1%	95.2%	92.6%
Porter Hills Village					
	Available Units	34	34	34	33
	Average Occupancy	31.2	29	28	26
	Percentage Occupancy	91.8%	85.3%	83.4%	78.8%
Meadowlark					
	Available Units	10	10	10	10
	Average Occupancy	9.6	9	10	9
	Percentage Occupancy	96.0%	90.0%	95.7%	90.0%

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Skilled Nursing				
Kresge				
Available Units	85	85	85	85
Average Occupancy	74	79	81	82
Percentage Occupancy	87.1%	92.9%	95.4%	96.1%
Village HRC*				
Available Units	81	61/39	39	39
Average Occupancy	58	40	37	38
Percentage Occupancy	71.6%	80%	95.1%	96.9%
Green House Homes				
Available Units	20	20	20	20
Average Occupancy	17	19	18	19
Percentage Occupancy	85.0%	95.0%	89.3%	95.0%
Total				
Available Units	1039	984	982	993
Percentage Occupancy	87.6%	92.0%	90.7%	90.0%
Home Care				
Episodes and Visits	1,731	1,553	1,720	1,458
*HRC reduced available beds from 61 to 39 during FY23				
**18 of the licensed units are not in service at Glazier Commons. Without these units, occupancy would be 93% in FY24 and 91% in FY23				
***See note at the end of the MD&A discussing the Ravines				

Kresge Skilled Nursing Facility Payor Mix				
	Fiscal Year Ended			
	6/30/2022	6/30/2023	6/30/2024	6/30/2025
Medicare & Medicare Advantage	35%	38%	38%	42%
Medicaid	48%	44%	41%	42%
Private & Other	17%	18%	21%	16%

Porter Hills Village Skilled Nursing Payor Mix				
	Fiscal Year Ended			
	6/30/2022	6/30/2023	6/30/2024	6/30/2025
Medicare/Medicare Advantage	5%	0.5%	0.0%	0.0%
Medicaid	62%	62.0%	63.7%	69.9%
Private & Other	33%	37.5%	36.3%	30.1%

As of December 31, 2022, Village HRC completed the transition to reduce licensed beds from 81 to 39.

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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.

Summary Statement of Activities	Fiscal Year-end			Fiscal Year to Date 06/30/2025		
	6/30/2022	6/30/2023	6/30/2024	Actual	Budget	Variance
Net Service Revenue	61,767,504	64,846,215	69,058,000	72,033,000	71,632,000	401,000
Net investment income	4,512,036	1,576,721	2,017,000	4,309,000	1,329,000	2,980,000
Contributions	5,867,539	400,874	836,000	801,000	500,000	301,000
Other	10,926,448	10,740,816	10,876,000	10,813,000	9,659,000	1,154,000
Total Operating Revenue	83,073,527	77,564,626	82,787,000	87,956,000	83,120,000	4,836,000
Operating Expenses	68,297,171	69,265,253	71,840,000	74,329,000	72,590,000	(1,739,000)
Interest Expense	3,807,995	3,551,716	3,510,000	3,286,000	3,859,000	573,000
Depreciation*	13,576,784	13,193,024	13,152,000	12,942,000	13,477,000	535,000
Total Operating Expenses	85,681,950	86,009,993	88,502,000	90,557,000	89,926,000	(631,000)
Operating Income (Loss)	(2,608,423)	(8,445,367)	(5,715,000)	(2,601,000)	(6,806,000)	4,205,000
Change in fair value of interest rate swap	351,751	117,262	(259,000)	(244,000)	-	(244,000)
Gain (loss) from investment in joint ventures	4,585,387	8,494,816	4,063,000	239,000	3,667,000	(3,428,000)
Net assets released from restriction for capital	408,200	1,429,572	1,852,000	1,500,000	-	1,500,000
Other	(8,424,319)	805,202	2,042,200	275,000	(94,000)	369,000
Total Other Changes to Net Assets Without Donor Restrictions	(3,078,981)	10,846,852	7,698,200	1,770,000	3,573,000	(1,803,000)
Increase (Decrease) in Net Assets Without Donor Restrictions	(5,687,404)	2,401,485	1,983,200	(831,000)	(3,233,000)	2,402,000
<p>* Includes 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. Depreciation amount as of 6/30/23, 6/30/24 and 6/30/25 is \$3M.</p>						

YTD Operating Income \$4.2 million favorable to budget:

- Operating revenues are favorable to budget primarily due to investment income.
- Operating expenses are unfavorable to budget due to salaries & wages.

Non-Operating (Unrestricted) Results

Non-operating activity is unfavorable to budget \$1.8 million related to operating results of the Pace entities.

Restricted Results

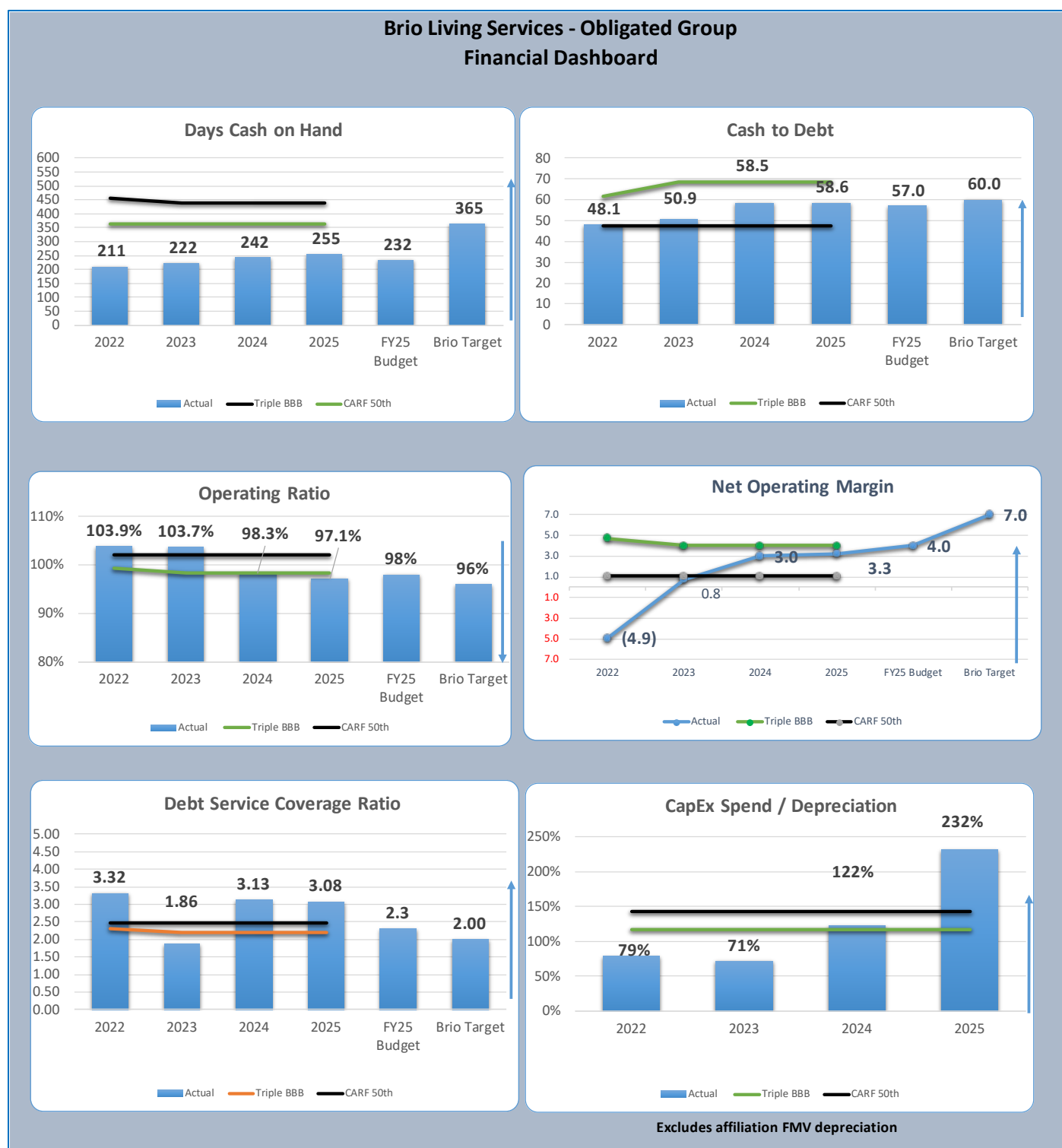
Restricted net assets increased approximately \$6.2 million during the fiscal year from investment income and contributions. See the statement of activities for more information.

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Financial Position

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



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

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Key ratios show the following:

- Net Operating Margin is less than budget primarily from lower than planned occupancy in AL, MC and IL rental at Porter Hills Village and from unfavorable salaries and wages.
- Days Cash on Hand ratio is strong due to positive investment results and from the receipt of entrance fee proceeds from the new Ravines building that opened at Porter Hills Village.
- Debt service coverage ratio is favorable from realized investment income/gains.

Questions are welcome and can be directed to:

Kalen Carlson, CFO - 616-202-1591 or kcarlson@mybrio.org

Attached are financial statements as of and YTD through June 30, 2025.

Capital Financing Arrangements in Place as of June 30, 2025

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 SOFR and 115 basis points through November 15, 2017, increasing to a variable interest rate of 65% of the combined one-month SOFR 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 updated bond purchase agreement has a mandatory tender date of December 2034. The Series 2014 bonds carry a variable interest rate of 79% of one-month SOFR plus 1.58% payable in monthly installments of principal and interest with a maturity date of January 1, 2041. The debt is hedged 50%; the hedged interest rate is 4.662%. The interest rate swap expires December 2034.
- 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 \$1.4M as of June 30, 2025.
- 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 \$3.8M as of June 30, 2025.
- 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

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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.
- In May 2024, the Obligated Group issued direct purchase draw-down tax exempt bonds of \$15M for a new 26-unit independent living project at Porter Hills Village. The bonds are variable rate, with 50% of the notional amount hedged with a swap. The floating rate interest is 79% of (1M SOFR plus 2%). The hedged/fixed rate is 4.95%. The first principal payment is due June 1, 2026. The bonds have a mandatory tender date in 10 years from date of closing. The final maturity date is April 1, 2050.
- In December 2024, Huron Valley PACE closed on one taxable loan and one tax exempt loan. The combined \$4M of loan proceeds will be used towards the purchase and improvement of a new building in Monroe, Michigan. The new site will operate as a second day center for PACE residents. This debt is guaranteed by the Obligated Group of Brio.

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.

New Independent Living Project at Porter Hills Village- The Ravines

Brio Living Services Obligated Group has completed construction of a new building consisting of 26 IL units on the existing campus of Porter Hills Village. The new project/build is called "The Ravines". Each of the IL units are life lease units. The type of life leases being offered are 50%, 65% and 90% refundable. The Ravines building replaced townhomes that have previously been demolished and taken out of inventory. Construction of the new building commenced in May 2024, and the certificate of occupancy was received in April 2025. As of June 30, 2025, 10 units have been occupied, with an additional 11 depositors awaiting move in. See above regarding financing of project.

Brio Living Services
Balance Sheet - Obligated Group
As of June 30, 2025

	Cook Valley	Cedars of Dexter	Porter Hills Village	Chelsea Retirement Community	Meadowlark	UMRCPH Foundation	Home Health - West	Eliminations	Total	Audited 6/30/2024
	6/30/2025	6/30/2025	6/30/2025	6/30/2025	6/30/2025	6/30/2025	6/30/2025		6/30/2025	Prior FY End
ASSETS										
Current Assets										
Cash and cash equivalents	(236,795)	(255,664)	(72,993)	17,625,593	(5,589)	1,438,333	4,099		18,496,984	16,229,584
Accounts receivable - residents	281,312	4,290	763,801	2,660,857	811	-	468,469		4,179,540	4,349,533
Prepaid expenses and other assets	29,332	210,120	355,392	1,165,728	5,541	17,003	21,238		1,804,354	1,001,406
AR / (AP) Intercompany	6,050,233	6,166,226	(2,216,938)	3,482,836	(2,906,665)	(513,261)	(8,537,955)		1,524,476	687,403
Total Current Assets	6,124,082	6,124,972	(1,170,738)	24,935,014	(2,905,902)	942,075	(8,044,149)		26,005,354	22,267,926
Investments										
Assets limited as to use	2,437,385	144,823	2,269,036	2,908,633	216,061	77,894,510	-		85,870,448	76,989,930
Property and equipment, net	25,659,791	13,528,948	69,908,013	62,095,361	5,574,344	655,016	47,483		177,468,956	167,888,364
Investment in and notes receivable from aff	-	-	14,238,819	24,050,242	-	-	-	9,996,545	48,285,606	45,921,946
Total Investments	28,097,176	13,673,771	86,415,868	89,054,236	5,790,405	78,549,526	47,483	9,996,545	311,625,010	290,800,240
Total Assets	34,221,258	19,798,743	85,245,130	113,989,250	2,884,503	79,491,601	(7,996,666)	9,996,545	337,630,364	313,068,166
Total Liabilities and Net Assets										
LIABILITIES										
Current Liabilities										
Accounts Payable	577,843	172,123	366,274	349,839	26,588	33,814	8,133		1,534,614	2,489,896
Current portion of long-term debt	751,644	406,849	3,750,332	1,045,000	41,721	-	-		5,995,546	2,415,275
Accrued liabilities and other	441,542	61,214	991,748	1,408,536	181,297	99,287	67,992		3,251,616	3,007,169
Total Current Liabilities	1,771,029	640,186	5,108,354	2,803,375	249,606	133,101	76,125		10,781,776	7,912,340
Long Term Liabilities										
Long-term debt - net of current portion	24,174,192	7,482,493	33,663,479	24,605,940	2,219,122	-	-	(1,009,785)	91,135,441	82,749,244
Deferred revenue from entrance fees	13,965,771	4,373,193	10,294,831	3,144,664	-	-	-		31,778,459	28,789,766
Refundable entrance fees	22,921,045	9,201,916	16,709,727	10,824,059	-	-	-		59,656,747	54,880,585
Fair value of interest rate swap	-	65,028	294,974	(6,772)	-	-	-		353,230	167,133
Total Long Term Liabilities	61,061,008	21,122,630	60,963,011	38,567,891	2,219,122	-	-	(1,009,785)	182,923,877	166,586,728
Total Liabilities	62,832,037	21,762,816	66,071,365	41,371,266	2,468,728	133,101	76,125	(1,009,785)	193,705,653	174,499,068
NET ASSETS										
Unrestricted	(28,582,791)	(2,340,806)	24,179,113	70,173,745	1,034,842	34,525,725	(7,637,494)	11,006,330	102,358,664	102,358,661
Current year earnings	(27,988)	376,733	(5,005,348)	2,369,691	(619,067)	2,509,919	(435,297)		(831,357)	-
Current year earnings - restricted	-	-	-	-	-	6,186,967	-		6,186,967	-
Restricted	-	-	-	74,548	-	36,135,889	-		36,210,437	36,210,437
Total Net Assets	(28,610,779)	(1,964,073)	19,173,765	72,617,984	415,775	79,358,500	(8,072,791)	11,006,330	143,924,711	138,569,098
Total Liabilities and Net Assets	34,221,258	19,798,743	85,245,130	113,989,250	2,884,503	79,491,601	(7,996,666)	9,996,545	337,630,364	313,068,166

* Certain classifications vary from actual audit report.

Brio Living Services
Statement of Activities - Obligated Group
Fiscal Year to Date Ending June 30, 2025

	Chelsea Retirement									
	Cook Valley	Cedars of Dexter	Porter Hills Village	Community	Meadowlark	UMRCPH Foundation	Home Health - West	Total	Budget	Variance
Operating Revenue										
Net Service Revenue	4,573,506	2,764,232	20,172,805	38,701,692	2,797,363	-	3,023,856	72,033,454	71,632,482	400,972
Investment Income - unrestricted	693	-	3,862	483,363	717	3,820,559	-	4,309,193	1,329,443	2,979,751
Entrance Fee Amortization	2,089,680	581,191	1,538,062	463,456	-	-	-	4,672,388	4,524,947	147,440
Contributions	-	-	-	-	-	804,138	-	804,138	500,000	304,138
COVID Funding	-	-	392,762	544,061	-	-	-	936,824	705,492	231,332
Supplemental charges and misc revenue	737,119	211,591	1,962,745	850,133	65,331	1,000	27,190	3,855,109	3,227,791	627,317
Net assets released from restriction used in operations	-	-	-	-	-	1,345,288	-	1,345,288	1,200,000	145,289
Total Operating Revenue	7,400,998	3,557,014	24,070,236	41,042,705	2,863,411	5,970,985	3,051,046	87,956,394	83,120,155	4,836,239
Operating Expenses										
Salaries and wages	1,331,855	518,922	11,501,814	18,484,308	1,447,138	1,157,160	2,211,535	36,652,730	35,405,079	(1,247,651)
Employee Benefits	210,077	137,875	2,467,194	3,698,001	304,663	203,404	511,539	7,532,752	8,014,695	481,942
Operating supplies & expenses	326,745	145,795	1,673,353	3,265,701	196,130	58,046	74,783	5,740,555	6,113,573	373,020
Professional Services & Consultant Fees	127,605	83,266	945,231	735,138	91,492	244,991	45,573	2,273,296	2,296,309	23,012
Repairs & maintenance	509,412	311,378	499,766	864,730	60,754	-	-	2,246,040	1,904,599	(341,442)
Utilities	614,487	132,282	1,078,015	1,021,443	103,924	-	-	2,950,151	2,574,009	(376,141)
Depreciation and Amortization	2,128,606	554,779	2,929,537	4,046,803	275,981	24,687	4,373	9,964,766	10,499,599	534,833
Interest	923,532	361,651	783,003	1,131,087	81,285	5,620	-	3,286,178	3,858,587	572,409
Real Estate Taxes	389,493	301,354	281,929	735,095	65,854	-	-	1,773,724	1,651,188	(122,536)
Quality assurance assessment	-	-	40,483	700,976	-	-	-	741,460	765,363	23,903
Other	130,740	27,892	759,727	528,603	29,578	245,824	218,539	1,940,903	1,520,340	(420,563)
Management Fees	1,050,053	501,000	3,771,000	5,581,994	477,997	362,003	420,000	12,164,048	12,161,000	(3,047)
Grant Expenses	-	-	11,443	(938)	-	302,844	-	313,349	185,000	(128,350)
Total Operating Expenses	7,742,605	3,076,194	26,742,495	40,792,941	3,134,796	2,604,579	3,486,342	87,579,952	86,949,341	(630,611)
Sub-total	(341,607)	480,820	(2,672,259)	249,764	(271,385)	3,366,406	(435,296)	376,442	(3,829,186)	4,205,628
Affiliation Acct Appraisal - FMV Depreciation	(286,714)	-	2,894,835	-	369,288	-	-	2,977,408	2,977,405	(4)
Total Operating Income	(54,893)	480,820	(5,567,094)	249,764	(640,673)	3,366,406	(435,296)	(2,600,966)	(6,806,591)	4,205,632
Non-Operating Income (Loss)										
Net unrealized gain / loss on investments	-	-	-	-	-	441,801	-	441,801	-	441,801
Change in fair value of interest rate swap agreements	-	(104,087)	(118,840)	(21,104)	-	-	-	(244,030)	-	(244,031)
Net gain on joint ventures	-	-	390,213	(150,793)	-	-	-	239,420	3,667,213	(3,427,792)
Non-Operating Income (Loss)	-	(104,087)	271,373	(171,897)	-	441,801	-	437,191	3,667,213	(3,230,022)
Net transfers (to) from affiliates	26,905	-	290,374	2,291,824	21,606	(2,798,250)	-	(167,541)	(94,000)	(73,541)
Net assets released from restriction for capital	-	-	-	-	-	1,499,963	-	1,499,963	-	1,499,963
Net Income (loss)	(27,988)	376,733	(5,005,347)	2,369,691	(619,067)	2,509,920	(435,296)	(831,353)	(3,233,378)	2,402,032
Temporarily Restricted net Assets										
Restricted Contributions	-	-	-	-	-	6,571,912	-	6,571,912	7,500,000	(928,088)
Restricted investment income	-	-	-	-	-	2,835,384	-	2,835,384	-	2,835,384
Change in pledges bad debt	-	-	-	-	-	(82,459)	-	(82,459)	50,000	(132,459)
Change in interest and present value of charitable rema	-	-	-	-	-	(292,620)	-	(292,620)	-	(292,619)
Net assets released from restriction	-	-	-	-	-	(2,845,251)	-	(2,845,251)	(1,200,000)	(1,645,252)
Increase / (Decrease) in temporarily restricted net assets	-	-	-	-	-	6,186,966	-	6,186,966	6,350,000	(163,034)
Change in Net Assets	(27,988)	376,733	(5,005,347)	2,369,691	(619,067)	8,696,886	(435,296)	5,355,613	3,116,622	2,238,998

Brio Living Services, Inc
Obligated Group
Statement of Cash Flows
YTD as of June 30, 2025

Cash Flow from Operating Activities

Increase (decrease) in net assets:	\$ 5,355,613
Adjustments to reconcile increase in net assets to net cash from operating activities:	
Depreciation	12,942,174
Amortization of deferred life lease revenue	(4,672,388)
Realized and unrealized (gains)/loss on investments	(7,586,378)
Gain from investments in joint ventures	(239,420)
Provision for bad debts	376,471
Decrease (increase) in operating assets:	
Accounts receivable	(206,478)
Accounts receivable - affiliates	(837,073)
Pledges receivable	1,942,089
Prepaid expenses and other current assets	(802,948)
Increase (decrease) in operating liabilities:	
Accounts payable	(955,282)
Accrued and other liabilities	244,447
Interest rate swap	244,030
Net cash provided by operating activities*	<u>\$ 5,804,857</u>

Cash flow from investing activities

Additions to property and equipment	(22,522,766)
Net investment activity (purchase/sales)	(2,452,851)
Payments on notes receivable	81,487
Investment in related organizations	(2,040,000)
Net cash used in investing activities	<u>\$ (26,934,129)</u>

Cash flows from financing activities

Change in line of credit	3,403,694
Proceeds from construction loan	10,315,028
Proceeds from life lease obligations*	17,387,402
Refund of life lease obligations*	(5,091,132)
Principal payments on long term debt	(2,618,320)
Net cash provided by (used in) financing activities	<u>\$ 23,396,673</u>

Net increase (decrease) in cash and cash equivalents	2,267,400
Cash and Cash equivalents beginning of year	16,229,584
Cash and restricted cash - end of year	<u>\$ 18,496,984</u>

* A portion of the proceeds & refunds relates to operating activities

	31	31	30	31	30	31	31	28	31	30	31	30	365				
	Capacity	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	FYTD	Budget	Payer Mix	Payer Mix Budget
Skilled Nursing																	
Kresge																	
	85																
Census		80	81	82	84	84	83	82	81	83	81	78	82	81.70	81		
Occupancy %		94.1%	94.8%	96.4%	98.6%	99.1%	97.6%	96.0%	95.8%	97.5%	95.0%	92.1%	96.4%	96.1%	95.3%		
Budget Occupancy %		95.3%	95.3%	95.3%	95.3%	95.3%	95.3%	95.3%	95.3%	95.3%	95.3%	95.3%	95.3%				
Resident Days		2,480	2,499	2,458	2,597	2,526	2,571	2,530	2,281	2,570	2,422	2,428	2,458	29,820	29,565		
Private Pay		314	327	308	291	355	392	478	301	351	396	549	62	4,124	5,475	13.83%	18.5%
Medicaid		1,058	1,074	1,077	1,154	1,103	1,095	916	948	1,045	875	824	1,237	12,406	12,045	41.60%	40.7%
Medicare		644	648	622	648	601	639	530	369	372	460	468	431	6,432	6,935	21.57%	23.5%
Medicare HMO		355	344	389	433	368	428	594	624	785	665	584	649	6,218	4,015	20.85%	13.6%
Commercial Ins		109	106	62	71	99	17	12	39	17	26	3	79	640	1,095	2.15%	3.7%
Village HRC																	
	39																
Census		39	38	38	38	38	37	37	36	37	39	39	38	37.8	38		
Occupancy %		100.0%	98.5%	98.5%	96.3%	97.2%	95.0%	95.1%	92.3%	93.7%	99.0%	99.8%	96.8%	96.9%	97.4%		
Budget Occupancy %		97.4%	97.4%	97.4%	97.4%	97.4%	97.4%	97.4%	97.4%	97.4%	97.4%	97.4%	97.4%				
Resident Days		1,209	1,191	1,153	1,164	1,137	1,148	1,150	1,008	1,133	1,158	1,207	1,133	13,791	13,870		
Private Pay		341	314	283	310	338	400	361	382	418	468	496	473	4,584	6,241	33.2%	45.0%
Medicaid		868	877	870	854	799	748	789	626	715	690	711	660	9,207	7,629	66.8%	55.0%
Medicare		-												-	-	0.0%	0.0%
Commercial Ins		-												-	-	0.0%	0.0%
Green House																	
	20																
Census		17	17	19	20	19	18	20	20	20	20	20	20	19	19		
Occupancy %		85.0%	85.0%	94.7%	97.7%	93.7%	91.5%	99.8%	100.0%	100.0%	100.0%	100.0%	100.0%	95.6%	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%				
Resident Days		527	527	568	606	562	567	619	560	620	600	620	600	6,976	6,935		
Private Pay		124	124	195	248	232	157	154	110	6	64	124	120	1,658	3,101	23.8%	44.7%
Medicaid		403	403	373	358	330	410	465	450	614	536	496	480	5,318	3,834	76.2%	55.3%
Medicare		-												-	-	0.0%	0.0%
Commercial Ins		-												-	-	0.0%	0.0%
Assisted Living																	
Glazier Commons AL																	
	66																
Census		63	63	63	60	62	65	65	64	64	63	64	66	63	62		
Occupancy %		95.8%	96.0%	95.3%	90.9%	93.4%	97.8%	98.2%	96.3%	96.9%	95.4%	96.3%	99.6%	96.0%	93.9%		
Budget Occupancy %		93.9%	93.9%	93.9%	93.9%	93.9%	93.9%	93.9%	93.9%	93.9%	93.9%	93.9%	93.9%				
Resident Days		1,960	1,965	1,887	1,860	1,850	2,000	2,010	1,779	1,982	1,888	1,971	1,972	23,124	22,630		
Village AL																	
	67																
Census		51	52	52	50	51	51	50	50	49	50	49	50	50	62		
Occupancy %		76.0%	77.5%	77.5%	75.1%	75.8%	75.5%	75.0%	74.2%	73.0%	73.9%	72.7%	74.6%	75.1%	92.7%		
Budget Occupancy %		92.7%	92.7%	92.7%	92.7%	92.7%	92.7%	91.0%	91.0%	91.0%	91.0%	91.0%	91.0%				
Resident Days		1,578	1,609	1,557	1,559	1,523	1,568	1,558	1,392	1,516	1,486	1,511	1,499	18,356	22,666		
Meadowlark AL																	
	20																
Census		19	18	17	17	17	17	18	18	17	14	15	14	17	20		
Occupancy %		94.7%	88.9%	83.2%	87.3%	85.5%	86.9%	89.7%	92.3%	85.3%	71.2%	73.4%	69.2%	84.0%	97.5%		
Budget Occupancy %		97.6%	97.6%	97.5%	97.6%	97.5%	97.6%	97.6%	97.5%	97.6%	97.5%	97.6%	97.5%				
Resident Days		587	551	499	541	513	539	556	517	529	427	455	415	6,129	7,121		

		31	31	30	31	30	31	31	28	31	30	31	30	365				Payer Mix
	Capacity	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	FYTD	Budget	Payer Mix	Budget	
Memory Care																		
Towsley Village MC	68																	
Census		64	65	65	66	60	59	61	62	64	66	64	64	63	64			
Occupancy %		93.6%	96.1%	95.6%	96.9%	88.4%	87.4%	90.3%	91.4%	93.5%	96.5%	94.1%	94.0%	93.2%	94.1%			
Budget Occupancy %		94.1%	94.1%	94.1%	94.1%	94.1%	94.1%	94.1%	94.1%	94.1%	94.1%	94.1%	85.0%					
Resident Days		1,974	2,026	1,950	2,042	1,803	1,843	1,904	1,741	1,971	1,969	1,983	1,917	23,123	23,360			
Village MC	33																	
Census		29	27	29	29	26	24	24	26	27	26	24	25	26	31			
Occupancy %		86.7%	81.6%	87.6%	88.3%	78.9%	72.0%	73.9%	78.1%	81.8%	79.6%	72.7%	76.6%	79.8%	93.9%			
Budget Occupancy %		93.9%	93.9%	93.9%	93.9%	93.9%	93.9%	93.9%	93.9%	93.9%	93.9%	93.9%	93.9%					
Resident Days		887	835	867	903	781	737	756	722	837	788	744	758	9,615	11,315			
Meadowlark MC	10																	
Census		9	10	10	9	6	7	9	10	8	10	8	9	9	10			
Occupancy %		90.3%	98.4%	97.3%	92.9%	63.7%	68.7%	86.5%	98.6%	83.2%	97.0%	82.3%	93.3%	87.6%	95.1%			
Budget Occupancy %		95.2%	95.2%	95.0%	95.2%	95.0%	95.2%	95.2%	95.0%	95.2%	95.0%	95.2%	95.0%					
Resident Days		280	305	292	288	191	213	268	276	258	291	255	280	3,197	3,471			
Independent Living																		
Life Lease Move Ins																		
Actual		1	3	4	2	2	4	1	2	3	1	11	9	43				
Budget		3	3	3	3	2	2	2	2	3	3	3	3	32				
Life Lease Move Outs																		
Actual		1	6	2	2	3	3	3	4	3	1	3	2	33				
Budget		3	3	3	3	2	2	2	2	3	3	3	3	32				
CRC IL	173																	
Census		158	159	160	162	163	163	165	166	165	170	171	172	164	160			
Occupancy %		91.3%	91.7%	92.4%	93.7%	94.2%	94.1%	95.3%	96.0%	95.6%	98.2%	98.9%	99.2%	95.0%	92.5%			
Budget Occupancy %		92.5%	92.5%	92.5%	92.5%	92.5%	92.5%	92.5%	92.5%	92.5%	92.5%	92.5%	92.5%					
Resident Days		4,895	4,917	4,797	5,025	4,887	5,044	5,112	4,650	5,126	5,097	5,303	5,148	60,001	58,400			
Village Center Rental	50																	
Census		39	39	39	39	38	37	37	36	36	37	35	36	37	44			
Occupancy %		77.5%	78.8%	78.0%	78.6%	75.0%	73.7%	73.0%	72.0%	72.0%	73.1%	70.3%	72.7%	74.6%	88.0%			
Budget Occupancy %		88.0%	88.0%	88.0%	88.0%	88.0%	88.0%	88.0%	88.0%	88.0%	88.0%	88.0%	88.0%					
Resident Days		1,201	1,222	1,170	1,219	1,125	1,142	1,132	1,008	1,116	1,096	1,089	1,091	13,611	16,060			
Garden Apartments IL																		
Census	103	98	98	98	100	101	101	102	101	99	99	98	98	99	98			
Occupancy %		94.8%	95.0%	95.5%	97.4%	98.1%	98.1%	98.8%	98.0%	96.1%	96.1%	95.0%	94.8%	96.5%	95.1%			
Budget Occupancy %		95.1%	95.1%	95.1%	95.1%	95.1%	95.1%	95.1%	95.1%	95.1%	95.1%	95.1%	95.1%					
Resident Days		3,028	3,034	2,952	3,110	3,030	3,131	3,155	2,825	3,069	2,970	3,032	2,929	36,265	35,770			
Village Town Homes IL																		
Census	13	13	13	13	13	13	13	13	13	13	13	13	13	13	13			
Occupancy %		100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	99.8%	100.0%	100.0%	100.0%			
Budget Occupancy %		100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%					
Resident Days		403	403	390	403	390	403	403	364	403	390	402	390	4,744	4,745			
Village Ravines IL	26																	
Census												1	7					
Occupancy %												4.1%	27.1%					
Resident Days												33	211					
Cedars of Dexter IL	60																	
Census		60	60	59	59	58	58	57	58	57	58	57	60	58.4	-			
Occupancy %		100.0%	99.9%	98.3%	98.3%	97.2%	96.7%	95.0%	96.0%	95.1%	96.6%	95.8%	99.9%	97.4%	96.7%			
Budget Occupancy %		96.7%	96.7%	96.7%	96.7%	96.7%	96.7%	96.7%	96.7%	96.7%	96.7%	96.7%	96.7%					
Resident Days		1,860	1,858	1,770	1,828	1,749	1,798	1,767	1,613	1,769	1,738	1,782	1,798	21,330				
Cook Valley IL	134																	
Census		131	130	126	126	126	127	126	124	124	124	127	128	126.6	-			
Occupancy %		97.8%	97.3%	94.2%	94.0%	94.0%	94.6%	94.3%	92.7%	92.5%	92.2%	94.4%	95.5%	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%					
Resident Days		4,061	4,041	3,785	3,906	3,780	3,929	3,918	3,479	3,843	3,707	3,923	3,838	46,210				
Meadowlark IL	26																	
Census		18	20	20	22	23	23	23	20	20	20	21	20	21	24			
Occupancy %		69.7%	76.4%	76.9%	82.8%	88.5%	89.5%	88.1%	77.3%	78.4%	76.9%	79.0%	77.6%	80.1%	92%			
Budget Occupancy %		92.3%	92.3%	92.3%	92.3%	92.3%	92.3%	92.3%	92.3%	92.3%	92.3%	92.3%	92.3%					
Resident Days		562	616	600	667	690	721	710	563	632	600	637	605	7,603	8,760			

		31	31	30	31	30	31	31	28	31	30	31	30	365				
	Capacity	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	FYTD	Budget	Payer Mix	Payer Mix Budget	
Home Health																		
Episodes		111	109	111	148	129	107	137	143	119	127	120	97	1,458				
Budgeted Episodes		128	128	128	128	128	128	129	129	129	129	129	129		1,542			
Visits		24	48	25	31	25	30	26	20	28	21	30	13	321				
Budgeted Visits		29.7	29.7	29.7	29.7	29.7	29.7	29.7	29.7	29.7	29.7	29.7	29.7		356			
		135	157	136	179	154	137	163	163	147	148	150	110					
PACE																		
Life Circles Combined																		
Total Participants		424	423	428	433	438	436	440	441	440	452	460	461	440	-			
Budget		413	416	418	421	423	426	428	431	433	436	438	441					
Huron Valley PACE																		
Total Participants		283	284	287	278	282	289	293	290	291	289	290	289	287	-			
Budget		282	285	287	290	292	295	297	300	302	305	307	310					
Thome PACE																		
Total Participants		234	240	243	242	244	247	247	244	248	246	247	248	244	-			
Budget		227	229	230	232	233	235	236	238	239	241	242	244					
Pace SW MI																		
Total Participants												247	247					
Avenues																		
Total Members		45	45	45	46	51	52	56	56	57	60	60	68	53	-			
Budget		41	43	45	46	48	50	52	55	58	61	63	66					
Emmanuel Hospice																		
# of Days		6,132	6,217	5,804	6,547	6,538	6,370	5,709	4,795	4,693	5,012	5,109		62,926	67,999			
Affordable Housing																		
Bailey's Grove	43																	
Census		36	37	37	37	37	37	37	38	38	40	40	42	38	40			
Occupancy %		83.7%	86.0%	86.0%	86.0%	86.0%	86.0%	86.0%	88.4%	88.4%	93.0%	93.0%	97.7%	88.4%	93.0%			
Harvest Way	45																	
Census		42	42	43	41	41	41	40	39	39	40	40	42	41	44			
Occupancy %		93.3%	93.3%	95.6%	91.1%	91.1%	91.1%	88.9%	86.7%	86.7%	88.9%	88.9%	93.3%	90.7%	97.8%			
Oak Ridge	45																	
Census		41	40	39	39	38	39	38	40	40	40	40	40	40	44			
Occupancy %		91.1%	88.9%	86.7%	86.7%	84.4%	86.7%	84.4%	88.9%	88.9%	88.9%	88.9%	88.9%	87.8%	97.8%			
River Grove	46																	
Census		46	45	44	46	45	44	44	42	40	41	41	43	43	44			
Occupancy %		100.0%	97.8%	95.7%	100.0%	97.8%	95.7%	95.7%	91.3%	87.0%	89.1%	89.1%	93.5%	94.4%	95.7%			
Station Creek	49																	
Census		47	46	45	44	44	43	43	46	46	46	48	49	46	48			
Occupancy %		95.9%	93.9%	91.8%	89.8%	89.8%	87.8%	87.8%	93.9%	93.9%	93.9%	98.0%	100.0%	93.0%	98.0%			
Walker Meadow	42																	
Census		38	38	38	38	36	36	36	36	36	35	35	36	37	40			
Occupancy %		90.5%	90.5%	90.5%	90.5%	85.7%	85.7%	85.7%	85.7%	85.7%	83.3%	83.3%	85.7%	86.9%	95.2%			
Rivertown	80																	
Census		63	63	64	63	63	67	70	74	70	69	69	69	67	70			
Occupancy %		78.8%	78.8%	80.0%	78.8%	78.8%	83.8%	87.5%	92.5%	87.5%	86.3%	86.3%	86.3%	83.8%	87.5%			
Sylvan Pines	98																	
Census		95	95	95	96	96	95	96	98	97	97	95	95	96				
Occupancy %		96.9%	96.9%	96.9%	98.0%	98.0%	96.9%	98.0%	100.0%	99.0%	99.0%	96.9%	96.9%	97.8%	96.9%			

Brio Living Services, Inc. Obligated Group
Days Cash on Hand - Liquidity Covenant
Rolling 12 Months Ended June 30, 2025

Total Unrestricted Cash and Investments

Cash and cash equivalents	18,497,000
Assets limited as to use	85,870,000
Deduct Restricted Cash & Investments	
Life lease escrow	(610,000)
Assets limited as to use under indenture	(7,366,000)
Investment with donor restrictions	(42,397,000)

(A) Total Unrestricted Cash and Investments

53,994,000

Operating expenses, less certain noncash expenses

Operating expenses	90,557,000
Deduct:	
Depreciation expense	(12,942,000)
Provision for bad debts	(376,000)

(B) Operating expenses, less certain noncash expenses

77,239,000

Days Cash on Hand (A)/[(B)/365]

255

Required Days Cash on Hand

150

Brio Living Services, Inc. Obligated Group
Historical Debt Service Coverage Ratio
Rolling 12 Months Ended June 30, 2025

Total Funds Available for Debt Service

Increase (Decrease) in net assets without donor restrictions	(831,000)
Add (deduct):	
Depreciation expense	12,942,000
Interest expense	3,286,000
Amortization of entrance fees	(4,672,000)
Proceeds from nonrefundable and refundable entrance fees - Turnover units	13,137,000
Refunds of nonrefundable and refundable entrance fees	(4,505,000)
Net unrealized (gain)/loss on investments	(442,000)
Net unrealized (gain)/loss on investment in joint ventures	(239,000)
Change in fair value of interest rate swap agreements	244,000
Net transfers to affiliates	168,000
Distribution from joint ventures	-
Net assets released from restriction for capital purchases	(1,345,000)

(A) Income Available for Debt Services

17,743,000

(B) Debt Service Requirements

5,767,000

Historical Debt Service Coverage Ratio (A)/(B)

3.1

Required Historical Debt Service Coverage Ratio

1.2

	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
Chelsea Retirement Community						
Independent Living:						
Entrance Fee	\$37,762-\$443,745	\$39,650-\$465,932	\$40,840-\$489,229	\$71,349-\$518,583	\$74,135-\$560,070	\$78,662-\$616,077
Monthly Fee (incl Rentals)	\$2,040-\$5,570	\$2,110-\$5,764	\$2,173-\$5,937	\$2,257-\$6,352	\$1,889-\$6,712	\$1,965-\$6,981
Assisted Living (daily rate)	\$243-\$295	\$249-\$301	\$249-\$301	\$288-\$312	\$299-\$324	\$312-\$339
Memory Care (daily rate)	\$241-\$295	\$302	\$302	\$314	\$329	\$344
Skilled Nursing Facility (daily rate)	\$302-\$411	\$356-\$423	\$433	\$449	\$471	\$499
Porter Hills Village						
Independent Living:						
Entrance Fee	\$169,007+	\$177,458+	\$186,331+	\$200,306+	\$220,307-\$830,378	\$279,485-\$892,657
Monthly Fee (incl Rentals)	\$1,061-\$1,863	\$1,114-\$1,956	\$1,720-\$3,051	\$2,760-\$3,350	\$2,791-\$3,373	\$2,931 -\$3,897
Assisted Living (daily rate)	\$153-\$204	\$159-\$207	\$162-\$212	\$170-\$316	\$176-\$393	\$182-\$402
Memory Care (daily rate)	\$222-\$227	\$222-\$227	\$226-\$316	\$237-\$332	\$246-\$344	\$255-\$356
Skilled Nursing Facility (daily rate)	\$311-\$473	\$324-\$490	\$332-\$515	\$342-\$530	\$424-\$555	\$445-\$578
Cedars of Dexter						
Independent Living:						
Entrance Fee	\$171,499-\$497,596	\$180,073-\$522,475	\$185,475-\$538,149	\$194,749-\$565,065	\$204,486-\$593,309	\$214,710-\$622,974
Monthly Fee	\$2,847-\$3,622	\$2,932-\$3,729	\$3,020-\$3,841	\$3,231-\$4,400	\$3,418-\$4,649	\$3,555-\$4,835
Cook Valley Estates						
Independent Living:						
Entrance Fee	\$254,465+	\$267,189+	\$275,205+	\$283,461+	\$383,427-\$1,270,768	\$412,184-\$1,366,075
Monthly Fee	\$958-\$2,069	\$1,006-\$3,098	\$2,200-\$3,522	\$2,840-\$3,747	\$2,975-\$3,926	\$3,168-\$4,179
Meadowlark Retirement Community						
Independent Living:						
Monthly Fee	\$2,100-\$3,000	\$2,168-\$3,098	\$2,244-\$3,206	\$2,401-\$3,431	\$2,545-\$3,637	\$2,672-\$3,819
Assisted Living (daily rate)	\$4,100-\$5,000	\$4,233-\$5,163	\$4,381-\$5,344	\$4,688-\$5,718	\$4,969-\$6,061	\$5,217 -\$6,364
Memory Care (daily rate)	\$6,100	\$6,298	\$6,518	\$6,975	\$7,392	\$7,762

As of June 30, 2025, the Chelsea Retirement Community has a wait list of 45 prospective residents who have escrowed deposits with the Corporation for independent living life lease units. There are also approximately 223 residents on the waitlist for rental units.

As of June 30, 2025, the Cedars of Dexter has a wait list of 74 prospective residents who have escrowed deposits with the Corporation for independent living units.

As of June 30, 2025, Porter Hills Village has a wait list of 90 prospective residents who have escrowed deposits with PHPV for independent living units.

As of June 30, 2025, Cook Valley Estates has a wait list of 98 prospective residents who have escrowed refundable deposits for independent living units.

BLOOMFIELD 60870-13 2379159v1

Brio Living Services, Inc.

Active CUSIPS as of June 30, 2025

CUSIP	Series of Debt
594698KZ4	Series 2013
594698LA8	Series 2013
594698LB6	Series 2013
594698LC4	Series 2013
594698LD2	Series 2013
594698LE0	Series 2013
594698LF7	Series 2013
594698QW5	Series 2019
594698QX3	Series 2019
594698QY1	Series 2019
594698QZ8	Series 2019
594698RA2	Series 2019
594698RB0	Series 2019
594698RC8	Series 2019
594698RD6	Series 2019
386211BB1	Series 2020
386211BC9	Series 2020
386211BD7	Series 2020
594698RQ7	Series 2020
594698RR5	Series 2020
594698RS3	Series 2020

Brio received questions after the June 4, 2025 continuing disclosure call. The questions have been shown below, along with responses from Brio's management.

Question: For the re-positioning project at Porter Hills Village that's estimated at \$100 - \$110 million. Does that include any expectations on using entrance fees to pay down the debt? Or is that the estimated total cost of the project excluding cash received from entrance fees

Response: Since the June 4th investor call, the sub contractor bid process was started and is substantially complete for Phase 1. Currently, Phase 1 costs are estimated to be \$111.5 million. These costs include construction, financing costs and funded interest. Phase 1 would be funded from loan proceeds.

Phase 2 costs are estimated to total \$20M is expected to be paid for by fundraising and entrance fee proceeds.

The Porter Hills Project is pending Board approval. The Board meets in late August and will vote on the project. More information will be posted on EMMA in October/November.

Question: For the 26 new independent living units soon to open, when are you anticipating that to come on line and start to lease up? What are the entrance fees associated with that project?

Response:

- As of June 30, 2025, 10 residents fully paid their entrance fees for the Ravines. Most of these residents selected the 50% refundable option and paid \$375K or \$425K. One resident selected the 90% option and paid \$625K. Total entrance fees collected for these 10 residents: \$4,250,000
- In July 2025, two residents paid their entrance fees, totaling \$760,000
- There are reservations for 9 apartments with move in dates scheduled for August and September. Entrance fees are expected to be \$375K or \$425K.
- There are 5 apartments left to sell/reserve.

Question: Sounds like the Reconciliation Bill making its way through the House and Senate will leave the provider tax for nursing homes and intermediate care unscathed. I'm curious how significant is the provider tax for the obligated group?

Response: Brio has kept in close contact with the reimbursement experts at Plante Moran. At this time, we are unable to estimate the impact to Medicaid funding .

Question: How many PACE members do you cover?

Response: As of June 30, 2025, there were 1,245 members enrolled in the Pace programs managed by Brio.

Question: Is the new JV already established with operating assets/income? Or was this first started on 4/1?

Response: Pace Southwest Michigan has been in operating since 2011. There is currently one location in St. Joseph, with an expansion in process in Niles, Michigan.

Question: I noticed Thome Pace and LifeCircles are not fully controlled. Are there reasons why a JV structure makes more sense in this space?

Response: The JV arrangements have been helpful from a financial perspective when forming a new Pace. Brio currently operates all Pace entities in the portfolio.

Question: How does the business model differ for PACE members vs traditional skilled nursing residents? I assume it's lower reimbursement on perhaps a monthly basis, but with substantially lower costs?

Response: Pace receives a capitated monthly amount for each member, depending on care needs/other factors. Pace aims to provide proactive vs. reactive care in order to keep residents out of the hospital/nursing homes and in their own homes. Ultimately, the care model should result in a high standard of whole-person care at a lower cost. Yes, the reimbursement and costs are designed to be lower than skilled nursing.

Question: What's driven the continued growth in this area?

Response: Brio believes in the Pace model and the proven outcomes. Additionally, Michigan is one of the best states for Pace due to the support from Pace association and Governor Whitmer.

Question: Are PACE programs funded at all by provider taxes? Are they impacted by any reported changes from the House and Senate versions of the Reconciliation Bill?

Response: The question is around if Pace reimbursement is at risk related to funding cuts. Brio is watching information closely- as well as the Pace association. At this time, we do not have enough information to forecast a negative impact on reimbursement. We believe there is enough data proving the success of the Pace program and that Pace is the model of the future.