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**100 Hickory Street
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(252) 830-0036
www.cypressglen.org**

DISCLOSURE STATEMENT

Cypress Glen Retirement Community (the "Community") must deliver a Disclosure Statement to a prospective resident prior to or at the time a prospective resident executes a Residency Agreement to provide continuing care, or prior to or at the time a prospective resident transfers any money or other property to the Community, whichever occurs first.

The Community, like all other continuing care retirement communities in the State of North Carolina, is subject to the Continuing Care Retirement Communities Act. This Disclosure Statement has not been reviewed or approved by any government agency or representative to ensure accuracy or completeness of the information set out.

February 28, 2021

Unless earlier revised, the Community intends for this Disclosure Statement to remain effective until July 28, 2022



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Attachments:

- Attachment 1 - Audited Financial Statements for The United Methodist Retirement Homes, Incorporated (includes the consolidated operations of Croasdaile Village, Cypress Glen and Wesley Pines)
- Attachment 2 - Forecasted Financial Statements for The United Methodist Retirement Homes, Incorporated (includes the consolidated operations of Croasdaile Village, Cypress Glen and Wesley Pines)
- Attachment 3 - Interim Unaudited Financial Statements for The United Methodist Retirement Homes, Incorporated (includes the consolidated operations of Croasdaile Village, Cypress Glen and Wesley Pines)
- Attachment 4 - Explanations of Material Differences
- Attachment 5 - Residency Agreements
- Attachment 6 - Communities Managed by Life Care Services LLC
- Attachment 7 - List of Extra Charges

INTRODUCTION

The Cypress Glen Retirement Community (the "Community") brings to residents of the eastern North Carolina area, who are age 62 and over, a way of retirement living known as "continuing care." This concept offers retirees a lifestyle designed to meet their unique needs while allowing them the freedom to pursue their personal interests. Continuing care communities, such as the Community, encompass these important components: a private residence, a wide array of personal services, and the security of care in the on-site Health Center.

The Community is owned and operated by The United Methodist Retirement Homes, Incorporated ("UMRH"). UMRH is a North Carolina not-for-profit corporation that is committed to providing a quality adult community that is fiscally sound and genuinely responsive to resident needs. UMRH also owns Croasdaile Village, a continuing care retirement community located in Durham, North Carolina and Wesley Pines, a continuing care retirement community located in Lumberton, North Carolina. The financial information contained in this Disclosure Statement includes financial information for UMRH and the consolidated operations of Croasdaile Village, Cypress Glen and Wesley Pines. (See further explanation under the "Financial Information" section of this Disclosure Statement.)

One of the purposes of this Disclosure Statement is to explain to prospective residents, their families, and their advisors who and what is involved in the operation of the Community. This Disclosure Statement was prepared on the basis of information available at the time of its publication and assumptions, which were believed to be realistic as of that date. Such information and assumptions are, of course, subject to change and, in particular, are significantly affected by changes in inflation and interest rates.

Since non-technical language has been used in this Disclosure Statement, the text of this booklet and the language of the Residency Agreement signed by a resident may not be the same. Although this Disclosure Statement details the provisions of the Residency Agreement, the Residency Agreement serves as the sole binding contract between the resident and UMRH.

We are pledged to the letter and spirit of U.S. policy for the achievement of equal housing opportunity throughout the Nation. We encourage and support an affirmative advertising and marketing program in which there are no barriers to obtaining housing because of race, color, religion, sex, handicap, or national origin.

THE UNITED METHODIST RETIREMENT HOMES, INCORPORATED

The United Methodist Retirement Homes, Incorporated ("UMRH") is a not-for-profit corporation originally chartered by the State of North Carolina on January 24, 1946. A Restated Charter was filed with the Department of the Secretary of State for the State of North Carolina on October 26, 1992. The principal business address of UMRH is 2600 Croasdaile Farm Parkway, Suite A-500; Durham, North Carolina 27705.

UMRH is operated as a community service organization and is tax exempt under the provisions of Section 501(c)(3) of Internal Revenue Code.

UMRH is the sole shareholder of UMRH Affordable Housing, Inc. UMRH-Affordable Housing, Inc. is located at 2600 Croasdaile Farm Parkway, Suite A-500, Durham, NC 27705. It was organized in 2002 in the State of North Carolina in conjunction with the Wesley Ridge project (see more information below). UMRH Affordable Housing, Inc. is not responsible for the contractual or financial obligations of UMRH.

UMRH is the sole member of UMRH Affordable Housing Development, LLC, located at 2600 Croasdaile Farm Parkway, Suite A-500, Durham, NC 27705. UMRH Affordable Housing Development, LLC was organized in North Carolina in 2002 to further the charitable purposes of UMRH by developing Wesley Ridge, a 24-unit affordable rental housing complex located adjacent to Wesley Pines. UMRH Affordable Housing Development, LLC is not responsible for the contractual or financial obligations of UMRH.

UMRH is affiliated with The United Methodist Retirement Homes Foundation, Inc. (the "Foundation"). The Foundation is a not-for-profit corporation, which was organized for the benefit of the retirement communities operated by UMRH. Its purpose is to raise endowment funds, to support benevolent care for those residents who are unable to pay for care, and to support special programs. The Foundation is located at 2600 Croasdaile Farm Parkway, Suite A-500, Durham, NC 27705. The Board of Trustees of UMRH are the same Board of Trustees for the Foundation. UMRH and the Foundation are jointly obligated under the terms of the various bond agreements entered into for the financing of Croasdaile Village, Cypress Glen and Wesley Pines.

UMRH is related by faith to the North Carolina Annual Conference, Southeastern Jurisdiction, of The United Methodist Church. UMRH is governed by a corporate Board of Trustees. The North Carolina Annual Conference of The United Methodist Church elects forty percent (40%) of the Board of Trustees of UMRH. The North Carolina Annual Conference of The United Methodist Church is not responsible for the financial and contractual obligations of UMRH.

UMRH is also affiliated by membership with LeadingAge North Carolina; the United Methodist Association of Health and Welfare Ministries; and LeadingAge (National).

Other than disclosed above, UMRH is not affiliated with any other religious, charitable or nonprofit organization.

BOARD OF TRUSTEES

The names and addresses of the members of the Board of Trustees of UMRH are listed below:

Ms. Deborah Montague
Chair and Trustee
501 Quinn Court
Chapel Hills, NC 27516

Ms. Nancy Van Antwerp
Secretary and Trustee
649 Lipford Dr.
Cary, NC 27519

Rev. Paul Lee
Vice Chair and Trustee
507 Ringleaf Court
Cary, NC 27513

Mr. Jonathan P. Erickson (ex-officio Trustee)
Corporate Executive Director
2600 Croasdaile Farm Parkway, Suite A-500
Durham, NC 27705

Mr. Tom Steele
Treasurer and Trustee
1698 Westbrook Avenue
Burlington, NC 27216

Trustees:

Ms. Kathryn Bradley, 120 Briarcliff Road, Durham, NC 27707
Mr. Michael Hardin, 416 Barker Ten Mile Road, Lumberton, NC 28358
Mr. Carl Hardy, 6615 Sweetgum Court, Sims, NC 27880
Mr. Lee Harris, 205 Shady Circle Dr., Rocky Mount, NC 27803
Mr. John Link, 4720 Rapids Lane, Durham, NC 27705
Rev. Gary Southern, P.O. Box 1970, Garner, NC 27529

Ex-Officio Members of the Board of Trustees:

Ms. Jo Brown, 205 John Wesley Rd., Greenville, NC 27858

Dr. Dick Evans, 449 Forrest Park, Greenville, NC 27858
Mrs. Barbara Hastings, 2600 Croasdaile Farm Pkwy, Durham, NC 27705
Rev. Robert Magnum, 1000 Wesley Pines Road, Lumberton, NC 28358

There is not any professional service firm, association, trust, partnership or corporation, in which the Executive Director, management staff or any member of the Board of Trustees has a 10 percent or greater interest in and which it is presently intended shall currently or in the future provide goods, leases or services to the Community or to residents of the Community, of an aggregate value of \$500 or more within any year. Further, there is not any professional service firm, association, trust, partnership, or corporation that currently provides any goods, leases or services of an aggregate value of \$500 or more within any year to the Community or to the residents of the Community that has a 10% or greater interest in any officer, trustee or management staff (including the Executive Director).

No Trustee or management staff of the Community (i) has been convicted of a felony or pleaded nolo contendere to a felony charge, or been held liable or enjoined in a civil action by final

judgment, if the felony or civil action involved fraud, embezzlement, fraudulent conversion, or misappropriation of property; or (ii) is subject to a currently effective injunctive or restrictive court order, or within the past five years, had any State or Federal license or permit suspended or revoked as a result of an action brought by a governmental agency or department, if the order or action arose out of or related to business activity of health care, including actions affecting a license to operate a foster care facility, nursing home, retirement home, home for aged, or facility subject to Section 58-64, North Carolina General Statutes, or a similar law in another state. UMRH is not aware of any actions (as defined) against any person (as defined) requiring disclosure.

CORPORATE EXECUTIVE DIRECTOR

Jonathan P. Erickson has been the corporate executive director over all of the UMRH retirement communities since July 2007. Mr. Erickson holds a bachelor of arts in psychology from North Park College in Chicago, Illinois, a master of science in community health from Northern Illinois University in DeKalb, Illinois, and a certification in long-term care management from the University of Connecticut. He is currently licensed as a nursing home administrator in the State of Connecticut. Mr. Erickson has been an employee of Life Care Services LLC for over 20 years and has over 30 years of experience in the senior housing industry.

EXECUTIVE DIRECTOR

Laurie H. Stallings is the executive director of the Community. She holds a bachelor's degree in social work from East Carolina University, is a graduate of the University of North Texas, Retirement Housing Professional Program, and is a licensed nursing home administrator in the State of North Carolina. Mrs. Stallings has over 30 years of experience in the long-term care industry. She is an employee of UMRH and has been at the Community since 1994.

RESIDENT COUNCIL

Administration assisted residents in establishing the Resident Council and its bylaws. The residents annually elect a council of representatives, which, in turn, forms committees in various areas of concern to advise administration. Monthly meetings are held to facilitate communication among residents, administration, and the Board of Trustees.

LIFE CARE SERVICES LLC

The Provider has retained Life Care Services LLC ("Life Care Services") to provide management services to the Community. As the nation's second largest operator of senior living communities, Life Care Services serves more than 40,000 seniors in more than 140 communities (see Exhibit A). With nearly 50 years of service, Life Care Services has developed expertise in nearly every facet of senior living management. For more information, visit Life Care Services' website: <https://www.senior-living-management.com/>.

Principal officers of Life Care Services include Joel Nelson, Diane Bridgewater, Rick Exline, Jason Victor, and Jill Sorenson.

Joel Nelson is President and Chief Executive Officer of Life Care Services. He is responsible for executing the business strategy across all business lines in the LCS Family of Companies. He provides leadership and direction for business growth, service excellence, and enhancing the company's stability and value among financial partners, property owners, and other stakeholders in the senior living field. Joel joined Life Care Services in 1986 and has held several executive roles. He is responsible for the oversight of serving more than 40,000 seniors in more than 140 communities. Joel serves on the board of managers for Life Care Companies, on the board of directors for LCS Holdings, and is a member of the Life Care Companies audit committee. He also serves on the Hexagon (insurance captive) board of directors and is a trustee for the company's 401(k) benefits program. Outside of the organization, Joel serves as co-chair of Argentum's public policy committee and sits on the National Investment Center (NIC) operator advisory board. He is past chair and current board member of ChildServe, Inc. and serves on the health services advisory board at Simpson College, Indianola, Iowa. Joel holds a bachelor's degree in business management and health care administration from Simpson College.

Diane Bridgewater is Executive Vice President and Secretary for Life Care Services. As a high-energy, results-driving executive, Diane directs all financial aspects and operating infrastructure to ensure corporate, field and community team members have the resources necessary to provide exceptional customer satisfaction to residents. She is responsible for directing all financial and business operations in addition to overseeing the company's insurance business line, information technology, compliance, regulatory and legal matters. In her executive leadership role, Diane helps to drive strategy development and execution resulting in strong financial performance and growth. She serves on the board of managers for Life Care Companies LLC; board of directors for LCS Holdings, Inc.; audit committee for Life Care Companies LLC; 401K administrative committee, investment committee and enterprise risk management committee. Outside the organization, Diane is a member of the Argentum – CFO Roundtable. In addition, she sits on Casey's General Stores board, audit committee and compensation committee. Diane is also a member of the board and audit committee at Guide One Insurance. She holds bachelor's degrees in accounting and French from the University of Northern Iowa.

Serving as Executive Vice President/Senior Managing Director of Life Plan Communities, Rick Exline leads a team of highly skilled professionals dedicated to elevating senior living experience. With over four decades of knowledge and expertise, Rick oversees the company's Life Plan Community management services, national marketing and sales, and the health care group. Collaborating with the leadership team, Rick identifies growth strategies that maximize market opportunities for single site, affiliated, and third-party managed communities. With a precise focus on performance excellence, Rick's team developed and launched the next generation opportunity platform for third-party managed Life Plan Communities. This innovation transformed the regional operations support model by relocating regional and corporate support staff. He serves on the board of managers for Life Care Companies LLC; the board of directors for LCS Holdings, Inc.; and the executive leadership and senior living management teams. Rick is also a trustee for the company's 401(k) benefits program. Outside the organization, Rick serves on the Simpson College board of trustees and is a board member for Above & Beyond Cancer. He holds dual bachelor's degrees in business administration and health care leadership.

Jason Victor is Senior Vice President, Controller and Treasurer of Life Care Services. In this role, he provides oversight and direction for the organization's financial matters, ensuring its consistent and efficient fiscal performance. Jason has responsibility for the organization's Corporate Accounting, Corporate Payroll, Community Payroll, Treasury and Tax departments. He oversees all aspects of general accounting, cash management, billing and receivables, accounts payable, payroll, consolidations, and financial reporting. In addition, Jason provides oversight and guidance related to audits, internal controls, technical accounting, tax, and financial management systems. Also, he serves on Hexagon (insurance captive) board of directors and is a trustee for the company's frozen ESOP. Jason holds a bachelor's degree in accounting and is a Certified Public Accountant with an active license in the State of Iowa. Jason began his career in 1991 with Ernst & Young in Des Moines, and later worked 10 years for a Fortune 500 organization. He joined Life Care Services in 2007.

As the Senior Vice President and Senior Director of Life Plan Communities for Life Care Services, Jill Sorenson is dedicated to providing innovative strategies to achieve performance excellence at Life Plan Communities. Jill joined Life Care Services in 1982 and has held several executive roles. In October 2019, Jill assumed oversight over the Healthpeak portfolio and moved from San Diego to St. Petersburg, FL. In this role, Jill is overseeing the operations and marketing for 13 for-profit Life Plan Communities owned by Healthpeak, a healthcare REIT. The 13 Life Plan Communities are located in Florida (9), Texas (1), Alabama (1), Michigan (1) and Pennsylvania (1). In addition, she continues to provide operational oversight over a Life Plan Community in Cupertino, CA. Jill holds a master's degree and a bachelor's degree in business administration. She also served as a CARF/CCAC site evaluator from 2000-2007. Jill has presented at various national and state industry conferences on a variety of topics affecting the senior living industry.

Management of the Community is performed by Life Care Services under contract with UMRH. Life Care Services' responsibilities include: recruiting and employing the corporate executive director; supervising the licensing, equipping, and staffing of the Community; preparing annual budgets; establishing and operating a system of financial controls for the Community, including comparative analyses with other facilities; and overseeing the food service and quality accommodations provided by the Community.

No managing member of Life Care Services (i) has been convicted of a felony or pleaded nolo contendere to a felony charge, or been held liable or enjoined in a civil action by final judgment, if the felony or civil action involved fraud, embezzlement, fraudulent conversion, or misappropriation of property; or (ii) is subject to a currently effective injunctive or restrictive court order, or within the past five years, had any State or Federal license or permit suspended or revoked as a result of an action brought by a governmental agency or department, if the order or action arose out of or related to business activity of health care, including actions affecting a license to operate a foster care facility, nursing home, retirement home, home for aged, or facility subject to Section 58-64, North Carolina General Statutes, or a similar law in another state.

Life Care Services is not financially responsible for the contractual obligations or other obligations of UMRH. The Board of Trustees of UMRH retains the ultimate responsibility for hiring managers and monitoring the operating costs, wages, salaries, expenses, fees, and overall fiscal viability of the Community.

THE COMMUNITY

Cypress Glen Retirement Community is situated on approximately 95 acres of land and is located one mile from the campus of East Carolina University. It is a continuing care retirement community designed to accommodate persons 62 years of age or older in a dignified manner. As of September 30, 2020, there were 319 residents living at the Community. Following is a breakdown of units:

Apartments	151
Cottages	59
Assisted Living	30
Memory Care Cottage	12
Skilled Nursing	30

All residences are equipped with safety features such as assist bars in the bathroom and an emergency call system, with 24-hour check. The Community also offers additional personal services to residents residing in residential living through its home care program. These residents pay a fee for these services.

In addition to the primary intent of the Community, which is to assure the residents of continuing care throughout their retirement years, the Community is designed to create an environment that will enrich the lives of the people who live and work there. The design of the main commons building provides areas for dining and meetings without detracting from the homelike environment of the Community. Some of the amenities which residents can enjoy include: a central dining room; a casual dining area; a chapel; a multi-purpose room; a health clinic; a physical and occupational therapy area; card rooms; a game room; a library; a mail area; an arts and crafts studio; lounges; a wellness center with a cardiovascular fitness room, aerobics room, a deep water salt treated pool, and a salon/spa; and a computer wired for Internet access available in the conference room.

The Health Center is licensed by the North Carolina Division of Health Service Regulation. The Health Center offers assisted living, memory care, and nursing care to the residents of the Community. Assisted living services include assistance with the activities of daily living such as ambulation, bathing, dressing, eating, personal hygiene, toileting, and the supervision or administration of medications. Memory care services include scheduled and unscheduled special care assisted living services to persons with Alzheimer's Disease or related disorders. Six of the skilled nursing facility beds are Medicare certified.

Each continuing care resident at the Community is entitled to receive a total of six (6) days of assisted living, memory care or nursing care at the Community Health Center at no additional charge, except for the charges for physician services and ancillary health services and supplies. Such six (6) days renews on an annual basis and does not accumulate. After the six (6) days of care each year, the services in assisted living, memory care and nursing care at the Community Health Center are available for the per diem charge.

SMOKE-FREE CAMPUS

The Community is a "smoke-free" campus. Smoking (including E-Cigarettes) is not allowed by residents, guests, and business invitees on the Community campus (inside or outside), except in a designated outside area. No smoking areas include, but are not limited to, the residences, hallways, dining rooms, public restrooms, lounge areas, reception areas, waiting rooms, courtyards, entrances, walking paths, driveways, and any other common areas. Smoking is only permitted at the designated area. Violation of the Smoke-Free Campus Policy can result in cancellation of the Residency Agreement for just cause.

FACILITY DEVELOPMENT/EXPANSION

In 2016, the Community began expansion plans for 18 Garden Villas and Cottages. When complete, this project will grow the total number of cottages to 64. To date, 63 cottages have been built and occupied. Three additional cottages may be built and occupied in the future within the existing cottage community. Cottages are built as pre-sales occur and the resident has paid the 10 percent Entrance Fee deposit. The Community uses the Entrance Fee deposit to begin construction of the cottage, thus eliminating the need for long-term financing for an expansion project.

The Community is currently working with LCS Development on a Long Range Master Plan for future community growth.

THE PROPOSAL

1. Criteria for Resident Acceptance and Continued Acceptance. Residency Agreements are subject to acceptance by UMRH. At the time of the execution of a Residency Agreement, the resident must be 62 years of age or older, capable of living in a residence (with or without reasonable accommodation or reasonable modification), and have sufficient financial resources to pay the Entrance Fee, Monthly Fee, and any extra charges incurred as defined in the Residency Agreement.

UMRH uses the FINAID system to financially evaluate a prospective resident's net worth and monthly income. FINAID projects income for prospective residents based on their financial assets and income sources, and compares this revenue to projected expenses such as monthly fees, personal expenses, and income taxes. Generally, a prospective resident should have a minimum net worth equal to three (3) times the amount of the Entrance Fee (prior to payment of the Entrance Fee). Generally, a prospective resident should have a minimum monthly income range of two times the Monthly Fee (including second person fees when applicable) in effect at the time of residency. Although the asset and income tests listed above are appropriate tests for financial wherewithal, the FINAID software program will be used for all applicants to measure financial qualification.

An inquiry will be made of all prospective residents regarding the prospective resident's ability to live in a residence, with or without reasonable accommodation or reasonable modification. To determine whether a prospective resident meets the health guidelines, the following information will be gathered: (1) insurance and health information will be obtained from a Confidential Data Application Form and a Personal Health History Form – to be completed by the prospective resident; (2) a Physician's Report Form will be completed by the prospective

resident's physician; and (3) a Memory Health Assessment will be administered by the Community.

After executing a Residency Agreement but prior to occupancy, UMRH can cancel the Residency Agreement if the resident does not pay his or her Entrance Fee; for non-acceptance based on the residency criteria listed above; or if the resident is unable to occupy the residence because of illness, injury or incapacity.

If the resident encounters financial difficulties after residency at the Community and is unable to pay the total Monthly Fee or the per diem charges for care in the Health Center, these charges may be deferred as long as the resident has met all "spend-down" provisions of eligibility for the Medicaid program (if applicable) and any public assistance funds. Financial assistance is not available to a resident if he/she impaired his/her ability to meet financial obligations by transferring assets other than to meet ordinary and customary living expenses or by not maintaining Medicare Part A, Medicare Part B, supplemental insurance, or other health insurance after assuming occupancy. A resident will be permitted to remain at the Community for reduced fees based on his/her ability to pay for as long as the resident establishes facts to justify the deferment. Financial assistance is only available if it does not impair UMRH's ability to operate the Community on a sound financial basis for the benefit of all residents.

UMRH has the right to cancel the resident's residency (i) if the resident does not comply with the terms of the Residency Agreement or the published operating procedures, covenants, rules, regulations or policies; or (ii) if the resident misrepresented himself/herself during the residency process; or (iii) for nonpayment of fees or charges; or (iv) if it is determined the resident's health status or behavior constitutes a substantial threat to the health or safety of the resident or others, including refusal to consent to relocation, or behavior that would result in physical damage to the property of others or the Community; or (v) if the resident's physical or mental condition cannot be cared for in the Community Health Center within the limits of its license.

2. Residency Agreements. At the time the resident makes application for residency at Cypress Glen Retirement Community, the resident will sign a Residency Agreement to reserve the residence selected and will pay an Entrance Fee deposit to Cypress Glen. For an existing residence, the balance of the Entrance Fee is due upon the earlier of the date the resident occupies the Community or within 90 days after the resident executes the Residency Agreement. For a cottage to be constructed, the resident will pay the Entrance Fee in installments:

- The first is equal to 10% of the total Entrance Fee and is paid upon resident's execution of the Residency Agreement;
- The last installment (the balance of the Entrance Fee) is due on the earlier of (i) the date the resident assumes occupancy at the Community or (ii) within thirty (30) days from the date the resident is notified that the residence is ready for occupancy.

The resident will also pay a non-refundable Application Fee. The Application Fee will be used by Cypress Glen to process resident's application for residency.

The Community offers various types of Residency Agreements for the residential apartments and cottages of the Community: a 90 Percent Return of Capital Plan; an 80 Percent Return of Capital Plan; a 50 Percent Return of Capital Plan; and a Standard Plan. The difference

between these types of plans is the amount of the Entrance Fee paid and the amount of the refund a resident (or resident's estate) is entitled to after a resident assumes occupancy at the Community as described in Paragraph 3.5 below.

3. Reimbursement of the Entrance Fee.

3.1 Nonacceptance. If the resident is not accepted for residency at the Community, the full amount of the Entrance Fee paid by the resident will be promptly refunded, without interest. If the resident's spouse or second person does not meet the requirements for residency, said person may be admitted directly into the Health Center as long as accommodations are available, such person qualifies for the care available in the Health Center, and admission is acceptable in accordance with state law and regulations. The resident will pay the full charges for such level of care.

3.2 Right of Rescission. In accordance with North Carolina laws and regulations governing continuing care retirement communities, a resident has the right to rescind the Residency Agreement within thirty (30) days following the later of (i) his/her execution of the Residency Agreement; or (ii) the receipt of a Disclosure Statement. The resident is not required to move into the Community before the expiration of the 30-day rescission period. If the resident rescinds the Residency Agreement, the full amount of the Entrance Fee paid by the resident will be refunded, without interest, within sixty (60) days of receipt of the written notice of rescission.

3.3 Cancellation Prior to Occupancy Due to Death, Illness, Injury, Incapacity or a Substantial Change in Physical, Mental or Financial Condition. If the resident dies before occupying a residence at the Community or if, on account of illness, injury, incapacity, a resident is unable to occupy the residence at the Community, then the Residency Agreement will automatically cancel. The resident may also cancel the Residency Agreement prior to occupancy due to a substantial change in the resident's physical, mental or financial condition. In all of these events of cancellation prior to occupancy, the resident or resident's estate will receive a refund of the Entrance Fee paid, without interest, less any costs specifically incurred by the Community at the resident's request. Under a Residency Agreement for an existing unit, said refund will be made within sixty (60) days of receipt of the notice of cancellation. Under a Residency Agreement for a cottage to be constructed, the refund will be paid when the cottage is reserved by a new resident and the new resident has paid the appropriate Entrance Fee installments to equal the Entrance Fee installments to be refunded to the resident.

3.4 Cancellation Prior to Occupancy for Other Reasons. If the resident cancels the Residency Agreement prior to occupancy, but after the right of rescission period, for reasons other than those stated in Paragraph 3.3 above, the resident will receive a refund of the Entrance Fee paid, without interest, less a non-refundable portion of the Entrance Fee equal to \$2,000 and less any costs specifically incurred by the Community at resident's request. Under a Residency Agreement for an existing unit, said refund will be made within sixty (60) days of receipt of the notice of cancellation. Under a Residency Agreement for a cottage to be constructed, the refund will be paid when the cottage is reserved by a new resident and the new resident has paid the appropriate Entrance Fee installments to equal the Entrance Fee installments to be refunded to the resident.

3.5 Cancellation After Occupancy. In the event the Residency Agreement is canceled after occupancy or in the event of resident's death after occupancy, refund of the Entrance Fee will be as follows:

3.5.1 90 Percent Return of Capital Residency Agreement: Under the 90 Percent Return of Capital Residency Agreement, resident or resident's estate will receive a refund of the amount of the Entrance Fee previously paid by resident, without interest, less two percent (2%) for each month of residency or portion thereof for up to five (5) months. Subject to the Community's right of offset, the refund of the Entrance Fee will not be less than ninety percent (90%). Said refund will be paid at such time as the residence is reserved by a new resident and said new resident has paid the full amount of the Entrance Fee or within two (2) years from the date of cancellation, whichever occurs first.

3.5.2 80 Percent Return of Capital Residency Agreement: Under the 80 Percent Return of Capital Residency Agreement, resident or resident's estate will receive a refund of the amount of the Entrance Fee previously paid by resident, without interest, less two percent (2%) for each month of residency or portion thereof for up to ten (10) months. Subject to the Community's right of offset, the refund of the Entrance Fee will not be less than eighty percent (80%). Said refund will be paid at such time as the residence is reserved by a new resident and said new resident has paid the full amount of the Entrance Fee or within two (2) years from the date of cancellation, whichever occurs first.

3.5.3 50 Percent Return of Capital Residency Agreement: Under the 50 Percent Return of Capital Residency Agreement, resident or resident's estate will receive a refund of the amount of the Entrance Fee previously paid by resident, without interest, less two percent (2%) for each month of residency or portion thereof for up to twenty-five (25) months. Subject to the Community's right of offset, the refund of the Entrance Fee will not be less than fifty percent (50%). Said refund will be paid at such time as the residence is reserved by a new resident and said new resident has paid the full amount of the Entrance Fee or within two (2) years from the date of cancellation, whichever occurs first.

3.5.4 Standard Residency Agreement: Under the Standard Residency Agreement, resident or resident's estate will receive a refund of the amount of the Entrance Fee previously paid by resident, without interest, less two percent (2%) for each month of residency or portion thereof for up to fifty (50) months. After fifty (50) months of occupancy, no refund of the Entrance Fee will be made. Said refund, if any, will be paid at such time as the residence is reserved by a new resident and said new resident has paid the full amount of the Entrance Fee or within two (2) years from the date of cancellation, whichever occurs first.

3.6 Cancellation Upon Death. In the event of death of the resident at any time after occupancy, the Residency Agreement shall cancel and the refund of the Entrance Fee paid by the resident will be as outlined in Paragraph 3.5 above.

3.7 Additional Cancellation Provisions Due to Cottage Not Available. If the cottage to be constructed is not available for occupancy within two (2) years after the date UMRH executes the Residency Agreement, the resident may cancel the Residency Agreement and receive a full refund of the portion of the Entrance Fee paid.

3.8 Cancellation by UMRH. Upon thirty (30) days written notice to the resident and/or his or her legal representative, UMRH may cancel the Residency Agreement at any time on the following grounds, which shall be determined by UMRH in its sole discretion:

- Resident does not comply with the terms of the Residency Agreement or the Community's procedures, covenants, rules or policies; or
- Resident misrepresents himself or fails to disclose information during the residency process; or
- Resident fails to make payment to UMRH of any fees or charges due UMRH within sixty (60) days of the date when due; or
- Resident's health status or behavior constitutes a substantial threat to the health or safety of resident, other residents, or others, including Resident's refusal to consent to relocation, or would result in physical damage to the property of the Community or others; or
- Resident's physical or mental condition cannot be cared for in the Community Health Center within the limits of the Community's license.

Cancellation by UMRH occurs only as a last resort, after it becomes clear to UMRH that cancellation is necessary, and after the resident and/or the resident's legal representative/responsible party has an opportunity to be heard. Any refund of the Entrance Fee would be computed on the same basis as stated in Paragraph 3.5 above.

4. Payment of a Monthly Fee. The resident is required to pay a Monthly Fee to the Community upon receipt of a statement and by no later than the fifteenth (15th) day of each month. If there are two residents, a second person Monthly Fee will also be paid. The Monthly Fees are paid to provide the services and amenities described in the Residency Agreement and to meet the expenses associated with the operation of the Community. UMRH may increase the Monthly Fee upon thirty (30) days written notice to the residents if UMRH deems it necessary in order to meet the financial needs of the Community and to provide the services to the residents.

5. Health Care Services. Each resident is eligible to receive a total of six (6) days each year of either assisted living care, memory care, or nursing care in the Community Health Center while a resident of his/her residence. If there are two residents under a Residency Agreement, each resident will receive six (6) days, but the days cannot be combined and used by only one resident. Such six (6) days renews on an annual basis and does not accumulate. While utilizing the six (6) days, the resident will be required to continue to pay the Monthly Fee for his/her residence, as well as any charges for physician services and ancillary health services and supplies. Once a resident is permanently relocated to assisted living, memory care or nursing care, he/she no longer qualifies for the six (6) free days and will be required to pay the per diem charge applicable to the level of care the resident needs. [NOTE: The six (6) days of care is a combined total for assisted living, memory care and nursing care at Cypress Glen Retirement Community.]

6. Relocation/Moves. UMRH reserves the right to relocate a resident to a different residence or a higher level of care after consultation with the resident, resident's family and attending physician if it is determined that such a move should be made for the benefit of the resident or for the proper operation of the Community or to meet the requirements of law.

7. Provisions for New Second Resident. No person other than the resident may occupy the residence without UMRH's prior written approval. If a second person, who is not a party to the Residency Agreement, wishes to become a resident of the Community, that person's acceptance will be in accordance with the current residency policy. An Entrance Fee as determined by the Community will be paid upon residency. In addition, each month the then-current Monthly Fee for second persons will be paid. If the second person does not meet the requirements for residency, he or she will not be permitted to occupy the residence for more than thirty (30) days, except with UMRH's written approval.

8. Provisions for Resident Marrying Resident. Should the resident marry a person who is also a resident of the Community and should they decide to occupy one residence, they must declare which residence will be occupied and which residence will be released. The refund due for the released residence will be as described in Paragraph 3.5 above. Each month, the then-current Monthly Fee for second persons shall be paid.

9. Insurance. The Residency Agreement requires that, when age eligible, the resident maintain Medicare Part A, Medicare Part B and one supplemental health insurance policy or equivalent insurance coverage acceptable to UMRH. It is also recommended that the resident carry personal property insurance and liability insurance. UMRH's insurance does not cover a resident's personal property or liability.

10. Financial Assistance. Financial assistance may be available to existing continuing care residents who live at the Community under a continuing care residency agreement. The resident cannot impair his/her ability to meet his/her financial obligations by transfer of assets other than to meet ordinary and customary living expenses or by not maintaining Medicare Part A, Medicare Part B, supplemental insurance or other health insurance as outlined in the Residency Agreement. A resident must have met all "spend-down" provisions established in UMRH's Benevolence Policy. The resident must agree to apply for public assistance funds, if available, and/or Medicaid if the Community's Health Center becomes Medicaid certified. Financial assistance funds are available as long as providing financial assistance does not impair UMRH's ability to operate the Community on a sound financial basis for the benefit of all residents.

UMRH does not offer financial assistance to those residents who are admitted directly to assisted living and memory care as private pay residents. Private pay residents are individuals who did not execute a continuing care residency agreement for residential living.

11. Tax Deductions. In accordance with the Internal Revenue Code of 1954, Section 213 and Revenue Rulings (67-185, 68-625, 76-481, 75-302, 75-303, and 93-72) and a Private Letter Ruling (8213102), residents of Cypress Glen Retirement Community may be entitled to an itemized deduction for medical expenses for that portion of the Monthly Fees and Entrance Fees, which represents medical care in the year paid. The tax regulations do not specifically provide a formal method for computing what this portion is; however, IRS Letter Ruling 8213102 indicates a method of calculating a medical expense percentage by using the ratio of medical expenses to all

expenses of the Community. Currently, this methodology is in use, but may be subject to change. Each year, the Community distributes a letter to residents describing the recommended medical expense percentages for tax purposes.

All deductions are, of course, subject to limitations imposed by the Internal Revenue Code. Residents are encouraged to consult with a qualified tax advisor before taking any tax deductions.

THE SERVICES

1. The following services are provided for the Monthly Fee:
 - Dining allowance equal to two meals per day for residents of A and B wings; three meals per day for residents of the C wing; and 25 meals per month for residents of the D wing, East wing, West wing, and cottages. Dining allowance is based on the cost of a meal in the Dining Room and operates on a declining balance beginning the first day of each month. Any remaining balance at the end of each month does not roll over into the next month. Meals and food items prepared in-house and offered in the Stewart Café may be used as part of the dining allowance. Packaged brand items are not included in the meal plans, but may be charged to the Resident's account.
 - Limited meal delivery to be provided when approved by authorized staff.
 - Consultation and preparation of routine special diets.
 - Utilities, which include heating, air conditioning, electricity, water, sewer and trash removal.
 - Standard television cable system.
 - Building janitor and maintenance.
 - Grounds keeping.
 - Weekly housekeeping services.
 - Laundry facilities for residents in the A, B and C wings; washers and dryers provided in the D wing, East wing, West wing and cottages.
 - Planned activities (social, cultural, recreational, educational, and spiritual) for those who wish to participate.
 - Services of a chaplain.
 - Services of a life enrichment director.
 - Parking for residents and guests.
 - Carpeting (except in kitchen and bath), unless some other floor surface has been installed.
 - Kitchen facilities.
 - Scheduled local transportation as published, including transportation to local medical facilities (non-emergency).
 - Limited additional storage space for A, B, C, D, East, and West wing apartments.
 - Emergency call system, with 24 hour check-in.
 - Smoke detectors.
 - Security – 24 hours a day.
 - Six (6) days of assisted living, memory care, or nursing care in the Community Health Center.
2. The following services are available for an extra charge:

- Extra meals, depending upon a resident's dining allowance.
- Extended meal delivery as approved by authorized staff.
- Guest Meals
- Alcoholic beverages in accordance with the Community's North Carolina ABC Permit.
- Preparation of special diets (beyond those which are routine), as prescribed by the resident's attending physician.
- Additional housekeeping services.
- Guest accommodations, if available.
- Personal transportation and transportation for special events and group trips.
- Community Health Center services (including assisted living, memory care, nursing care, and the services of the Clinic).
- Wireless internet.
- Certain ancillary services and supplies (such as therapies, pharmacy, laboratory, therapeutic activities, rehabilitative treatments, medical equipment, medical supplies, medical treatment, etc.).

3. The Community Health Center is the portion of the Community which is licensed to provide three levels of care: assisted living care, memory care, and nursing. The Community Health Center is staffed by licensed nursing personnel 24 hours a day. If the resident occupies the Community Health Center, the resident will be required to enter into a separate admission agreement for the applicable level of care. These separate admission agreements will outline in detail the services available in those levels of care. The resident's continuing care Residency Agreement will continue to stay in effect unless it is canceled by the Resident or by UMRH as outlined in the Residency Agreement. Services provided in the Health Center are governed by the North Carolina Division of Health Service Regulation.

4. The Health Center Clinic is available for certain examinations, consultations, tests and appointments. Such services will be at an extra charge to the resident.

5. In the event resident needs additional services, he/she may obtain these needed services from a private employee, an independent contractor, or through an agency at the resident's expense. The Community has adopted a personal service provider policy, which sets forth certain requirements and rules of conduct that govern personal service providers.

FEES

1. The fee requirements for living in an apartment or cottage at the Community are as follows:

1.1 Application Fee. Non-refundable application fee of \$250 for an individual or \$350 for a couple is required to be paid at the time of application.

1.2 Entrance Fee. Payment of an Entrance Fee assures a resident a place in the Community for life as long as the resident complies with the Residency Agreement. At the time the resident makes application for residency at the Community, the resident will sign a Residency Agreement to reserve the residence selected and will pay an Entrance Fee deposit to the Community. The balance of the Entrance Fee will be paid upon the earlier of (i)

occupancy or (ii) 90 days after the Residency Agreement is executed. For residents who enter a Residency Agreement for a cottage to be constructed, the balance of the Entrance Fee will be paid in incremental percentages on set dates with the remaining balance paid on the earlier of (i) occupancy or (ii) 30 days from the date that the resident is notified that the residence is ready for occupancy. The amount of the Entrance Fee is determined by single or double occupancy and the size and type of the apartment or cottage reserved. A schedule of Entrance Fees can be found later in this Disclosure Statement. Additional information regarding payment terms and Entrance Fee refunds can be found in Sections 2 and 3 of The Proposal section of this Disclosure Statement.

1.3 Monthly Fee. A Monthly Fee for services is required to be paid each month per person. Monthly Fees are determined by single or double occupancy and the size and type of residence reserved. Following is a table showing the average dollar amount of increase in the Monthly Fees. A table that outlines historical and current Monthly Fees can be found later in this Disclosure Statement.

Monthly Fees – Average Dollar Amount of Increase				
2017	2018	2019	2020	2021
\$79.77	\$116.22	\$120.64	\$114.89	\$113.61

1.4 Extra Charges. A list of items available for an extra charge, including the fees for such items, is included in this Disclosure Statement as Attachment 7. The list can also be obtained from the Community's Business Office and the Marketing Office.

2. Assisted Living Fees. The fee requirements for direct admission to an assisted living room at the Community have been established at \$252.00 per day for semi-private room and \$273.00 per day for a private room, with a refundable Entrance Fee of \$15,000 per person (after 50 months of occupancy, the Entrance Fee is non-refundable). There is a non-refundable application fee of \$250 per individual or \$350 for a couple. Following is a table showing the average dollar amount of increase in the assisted living fees.

Assisted Living Fees – Average Dollar Amount of Increase				
2017	2018	2019	2020	2021
\$8.33	\$8.07	\$8.35	\$8.13	\$7.50

3. Memory Care Fees. The fee requirements for direct admission to a memory care room at the Community have been established at \$288.00 per day for a private room, with a refundable Entrance Fee of \$15,000 per person (after 50 months of occupancy, the Entrance Fee is non-refundable). There is a non-refundable application fee of \$250 per individual or \$350 for a couple. Following is a table showing the average dollar amount of increase in the memory care fees.

Memory Care Fees – Average Dollar Amount of Increase				
2017	2018	2019	2020	2021
\$9.11	\$8.82	\$9.13	\$9.02	\$8.57

4. Nursing Care Fees. The per diem charges for nursing care in the Community's Health Center have been established at \$307.00 for a semi-private room and \$328.00 for a private room. Following is a table showing the average dollar amount of increase in the nursing care fees.

Nursing Care Fees – Average Dollar Amount of Increase				
2017	2018	2019	2020	2021
\$10.09	\$9.77	\$10.12	\$9.92	\$7.96

5. Adjustment of Fees. UMRH may adjust the Monthly Fee as determined by the Board of Trustees in order to maintain the desired quality of service and to operate the Community on a fiscally sound basis. The Community shall provide the resident with thirty (30) days' written notice in advance of any change in the Monthly Fees.

Residential Living Apartments

Description	Sq. Ft.	Standard Entrance Fee*	Monthly Fee
		1st person	1st person
A & B Wings		Dining Allowance = 2 Meals/day	
Studio	230	18,965	1,675.30
Single	280	23,087	1,760.41
Deluxe Single	399	32,896	2,198.26
Deluxe Studio	460	37,928	2,325.31
Combination	468	39,112	2,370.94
Deluxe Suite	560	46,171	2,499.20
1 Bedroom Main	616	47,822	2,541.14
1 Bedroom Suite	695	57,304	2,555.94
2 Bedroom Suite	840	69,259	2,676.82
2 Bedroom Deluxe Suite	935	69,259	2,676.82
1 BR Den Main	935	71,749	2,676.51
2 Bedroom Main Grand	1,120	87,054	2,800.15
D Wing		Dining Allowance = 25 Meals/month	
One Bedroom	745	91,533	2,557.18
One Bedroom Deluxe	826	96,489	2,584.38
Two Bedroom	1,076	119,860	2,904.10
Two Bedroom Deluxe	1,322	138,827	3,331.98
Three Bedroom	1,399	143,102	3,545.13
Three Bedroom Spec/Del	1,455	158,870	3,758.26
East & West Wings		Dining Allowance = 25 Meals/month	
One Bedroom Alcove	744	96,899	2,565.80
One Bedroom	805	102,475	2,583.67
One Bedroom Den	961	113,224	2,742.75
Two Bedroom	1,090	130,595	2,917.33
Two Bedroom Bay	1,301	152,812	3,544.13
Two Bedroom Greatroom	1,513	172,207	3,808.62
Second Person Fee add...		8,489	977.18

For Apartments with patios add to entrance fee: \$2,441 for Standard Agreement

*The Standard Entrance Fee Plan amortizes at 2% per month for 50 months. After 50 months, there is no refund.



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Managed by Life Care Services LLC
www.CypressGlen.org

Monthly fee includes:

- Meal Plan
- Utilities (electricity, water, sewer, trash removal and cable television)
- Weekly housekeeping
- Emergency Communications system
- Local scheduled medical appointment transportation
- Maintenance-free lifestyle
- Interesting planned activities & trips

All rates are reviewed annually
Effective: October 1, 2015

Residential Living Apartments
Guaranteed Refund Entrance Fee Options

Description	Sq. Ft.	Monthly Fee 1st person	50% ROC Entrance Fee* 1st Person	80% ROC Entrance Fee* 1st Person	90% ROC Entrance Fee* 1st Person
Apartments - A & B Wings		Dining Allowance = 2 Meals/day			
Studio	230	1,675.30	26,551	32,241	36,508
Single	280	1,760.41	32,322	39,248	44,442
Deluxe Single	399	2,198.26	46,055	55,924	63,325
Deluxe Studio	460	2,325.31	53,099	64,478	73,011
Combination	468	2,370.94	54,757	66,491	75,291
Deluxe Suite	560	2,499.20	64,640	78,492	88,880
1 Bedroom Main	616	2,541.14	66,951	81,297	92,057
1 Bedroom Suite	695	2,555.94	80,226	97,417	110,310
2 Bedroom Suite	840	2,676.82	96,963	117,741	133,324
2 Bedroom Deluxe Suite	935	2,676.82	96,963	117,741	133,324
1 BR Den Main	935	2,676.51	100,449	121,974	138,117
2 Bedroom Main Grand	1,120	2,800.15	121,876	147,992	167,579
Apartments - D Wing		Dining Allowance = 25 Meals/month			
One Bedroom	745	2,557.18	128,146	155,606	176,201
One Bedroom Deluxe	826	2,584.38	135,085	164,032	185,742
Two Bedroom	1,076	2,904.10	167,805	203,763	230,731
Two Bedroom Deluxe	1,322	3,331.98	194,358	236,007	267,243
Three Bedroom	1,399	3,545.13	200,343	243,274	275,472
Three Bedroom Spec/Del	1,455	3,758.26	222,419	270,080	305,825
Apartments - East & West Wing		Dining Allowance = 25 Meals/month			
One Bedroom Alcove	744	2,565.80	135,659	164,729	186,531
One Bedroom	805	2,583.67	143,466	174,209	197,265
One Bedroom Den	961	2,742.75	158,514	192,481	217,957
Two Bedroom	1,090	2,917.33	182,833	222,011	251,395
Two Bedroom Bay	1,301	3,544.13	213,938	259,781	294,164
Two Bedroom Greatroom	1,513	3,808.62	241,090	292,752	331,498
Second Person Fee add...		977.18	11,886	14,433	16,343

For Apartments w/patios add to entrance fee: \$3,417 for 50% ROC Agreement; \$4,150 for 80% ROC Agreement; or \$4,699 for 90% ROC Agreement

*The 50% Refund of Capital Plan (ROC) amortizes at 2% per month for 25 months with 50% refunded as outlined in the Residency Agreement.

*The 80% Refund of Capital Plan (ROC) amortizes at 2% per month for 10 months with 80% refunded as outlined in the Residency Agreement.

*The 90% Refund of Capital Plan (ROC) amortizes at 2% per month for 5 months with 90% refunded as outlined in the Residency Agreement.

All rates are reviewed annually

Effective: October 1, 2015

Residential Living Cottages

Choose from Standard Entrance Fee or guaranteed refund options

Styles	Sq. Ft.	Standard Entrance Fee	Monthly Fee
		1st person	1st person
Meal Plan = 25 meals/month			
The Dogwood - 1 BR	1,074	129,867	2,871
The Cypress - 2 BR	1,310	163,981	3,545
The Birch - 2 BR	1,437	168,194	3,704
The Alder - 2 BR	1,680	186,676	3,865
The Elm - 2 BR	2,042	220,451	4,188
The Willow - 2 BR	2,061	222,506	4,273
The Evergreen - 2 BR	2,250+	239,506	4,579
Second Person Fee add...		8,323	\$977.18



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OR Choose from Guaranteed Refund Entrance Fee Options

Styles	Sq. Ft.	50% ROC Entrance Fee	80% ROC Entrance Fee	90% ROC Entrance Fee	Monthly Fee
		1st person	1st person	1st person	1st person
Meal Plan = 25 meals/month					
The Dogwood - 1 BR	1,074	181,814	220,774	249,994	2,871
The Cypress - 2 BR	1,310	229,574	278,768	315,664	3,545
The Birch - 2 BR	1,437	235,472	285,930	323,774	3,704
The Alder - 2 BR	1,680	261,347	317,350	359,352	3,865
The Elm - 2 BR	2,042	308,632	374,767	424,369	4,188
The Willow - 2 BR	2,061	311,509	378,261	428,325	4,273
The Evergreen - 2 BR	2,250+	335,309	407,161	461,050	4,579
Second Person Fee add...		11,653	14,150	16,022	\$977.18

*The Standard Entrance Fee Plan amortizes at 2% per month for 50 months. After 50 months, there is no refund.

*The 50% Refund of Capital Plan (ROC) amortizes at 2% per month for 25 months with 50% refunded as outlined in the Residency Agreement.

*The 80% Refund of Capital Plan (ROC) amortizes at 2% per month for 10 months with 80% refunded as outlined in the Residency Agreement.

*The 90% Refund of Capital Plan (ROC) amortizes at 2% per month for 5 months with 90% refunded as outlined in the Residency Agreement.

The monthly fee includes:

- Meal Plan
- Utilities, which include heating, cooling, electricity, water, sewer, and trash removal
- Cable TV
- Weekly housekeeping services
- Emergency communications system

Effective: October 1, 2015

Residential Living Apartments

Description	Standard Entrance Fee		Monthly Fee
	Sq. Ft.	1st person	1st person
A & B Wings	Dining Allowance = 2 Meals/day		
Studio	230	19,344	1,738.12
Single	280	23,549	1,826.43
Deluxe Single	399	33,554	2,280.69
Deluxe Studio	460	38,687	2,412.51
Combination	468	39,894	2,459.85
Deluxe Suite	560	47,094	2,592.92
1 Bedroom Main	616	48,778	2,636.43
1 Bedroom Suite	695	58,450	2,651.79
2 Bedroom Suite	840	70,644	2,777.20
2 Bedroom Deluxe Suite	935	70,644	2,777.20
1 BR Den Main	935	73,184	2,776.88
2 Bedroom Main Grand	1,120	88,795	2,905.16
D Wing	Dining Allowance - 25 Meals/month		
One Bedroom	745	93,364	2,653.07
One Bedroom Deluxe	826	98,419	2,681.29
Two Bedroom	1,076	122,257	3,013.00
Two Bedroom Deluxe	1,322	141,604	3,456.93
Three Bedroom	1,399	145,964	3,678.07
Three Bedroom Spec/Del	1,455	162,047	3,899.19
East & West Wings	Dining Allowance - 25 Meals/month		
One Bedroom Alcove	744	98,837	2,662.02
One Bedroom	805	104,525	2,680.56
One Bedroom Den	961	115,488	2,845.60
Two Bedroom	1,090	133,207	3,026.73
Two Bedroom Bay	1,301	155,868	3,677.03
Two Bedroom Greatroom	1,513	175,651	3,951.44
Second Person Fee add...		8,659	1,013.82

For Apartments with patios add to entrance fee: \$2,441 for Standard Agreement

*The Standard Entrance Fee Plan amortizes at 2% per month for 50 months. After 50 months, there is no refund.



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Monthly fee includes:

- Meal Plan
- Utilities (electricity, water, sewer, trash)
- Basic cable television
- Weekly housekeeping
- Emergency communications system
- Local medical appointment transportation
- Maintenance-free lifestyle
- Planned activities & trips
- Wellness center

All rates are reviewed annually
Effective: October 1, 2016

**Residential Living Apartments
Guaranteed Refund Entrance Fee Options**

		Monthly Fee	50% ROC Entrance Fee*	80% ROC Entrance Fee*	90% ROC Entrance Fee*
Description	Sq. Ft.	1st person	1st Person	1st Person	1st Person
<i>Apartments - A & B Wings</i>		Dining Allowance = 2 Meals/day			
Studio	230	1,738.12	27,082	32,885	37,237
Single	280	1,826.43	32,969	40,033	45,332
Deluxe Single	399	2,280.69	46,976	57,042	64,591
Deluxe Studio	460	2,412.51	54,162	65,768	74,472
Combination	468	2,459.85	55,852	67,820	76,796
Deluxe Suite	560	2,592.92	65,932	80,060	90,656
1 Bedroom Main	616	2,636.43	68,289	82,923	93,898
1 Bedroom Suite	695	2,651.79	81,830	99,365	112,516
2 Bedroom Suite	840	2,777.20	98,902	120,095	135,990
2 Bedroom Deluxe Suite	935	2,777.20	98,902	120,095	135,990
1 BR Den Main	935	2,776.88	102,458	124,413	140,879
2 Bedroom Main Grand	1,120	2,905.16	124,313	150,952	170,930
<i>Apartments - D Wing</i>					
One Bedroom	745	2,653.07	130,710	158,719	179,726
One Bedroom Deluxe	826	2,681.29	137,787	167,312	189,457
Two Bedroom	1,076	3,013.00	171,160	207,837	235,345
Two Bedroom Deluxe	1,322	3,456.93	198,246	240,727	272,588
Three Bedroom	1,399	3,678.07	204,350	248,139	280,981
Three Bedroom Spec/Del	1,455	3,899.19	226,866	275,480	311,940
<i>Apartments - East & West Wing</i>					
One Bedroom Alcove	744	2,662.02	138,372	168,023	190,261
One Bedroom	805	2,680.56	146,335	177,693	201,211
One Bedroom Den	961	2,845.60	161,683	196,330	222,314
Two Bedroom	1,090	3,026.73	186,490	226,452	256,423
Two Bedroom Bay	1,301	3,677.03	218,215	264,976	300,046
Two Bedroom Greatroom	1,513	3,951.44	245,911	298,607	338,128
Second Person Fee add...		1,013.82	12,123	14,721	16,668

For Apartments w/patios add to entrance fee: \$3,417 for 50% ROC Agreement; \$4,150 for 80% ROC Agreement; or \$4,699 for 90% ROC Agreement

*The 50% Refund of Capital Plan (ROC) amortizes at 2% per month for 25 months with 50% refunded as outlined in the Residency Agreement.

*The 80% Refund of Capital Plan (ROC) amortizes at 2% per month for 10 months with 80% refunded as outlined in the Residency Agreement.

*The 90% Refund of Capital Plan (ROC) amortizes at 2% per month for 5 months with 90% refunded as outlined in the Residency Agreement.

All rates are reviewed annually

Effective: October 1, 2016

Residential Living Cottages

Choose from Standard Entrance Fee or guaranteed refund options

		Standard EF*	Monthly Fee
Styles	Sq. Ft.	1st person	1st person
Meal Plan = 25 meals/month			
The Dogwood - 1 BR	1,074	124,871	\$2,978.33
The Cypress - 2 BR	1,310	157,674	\$3,678.07
The Birch - 2 BR	1,437	156,846	\$3,843.08
The Alder - 2 BR	1,680	179,496	\$4,009.78
The Elm - 2 BR	2,042	211,971	\$4,344.76
The Evergreen - 2 BR	2,250+	230,294	\$4,750.76
Second Person Fee add...		\$8,659	\$1,013.82



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OR Choose from Guaranteed Refund Entrance Fee Options

		50% ROC EF	80% ROC EF	90% ROC EF	Monthly Fee
Styles	Sq. Ft.	1st person	1st person	1st person	1st person
Meal Plan = 25 meals/month					
The Dogwood - 1 BR	1,074	174,819	212,281	240,377	\$2,978.33
The Cypress - 2 BR	1,310	220,744	268,046	303,522	\$3,678.07
The Birch - 2 BR	1,437	219,584	266,638	301,929	\$3,843.08
The Alder - 2 BR	1,680	251,294	305,143	345,530	\$4,009.78
The Elm - 2 BR	2,042	296,759	360,351	408,044	\$4,344.76
The Evergreen - 2 BR	2,250+	322,412	391,500	443,316	\$4,750.76
Second Person Fee add...		12,123	14,720	16,669	\$1,013.82

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*The 80% Refund of Capital Plan (ROC) amortizes at 2% per month for 10 months with 80% refunded as outlined in the Residency Agreement.

*The 90% Refund of Capital Plan (ROC) amortizes at 2% per month for 5 months with 90% refunded as outlined in the Residency Agreement.

The Monthly fee includes:

- Meal Plan
- Utilities (heating, cooling, electricity, system water, sewer & trash removal)
- Cable TV
- Weekly housekeeping services
- Emergency communications
- Maintenance free lifestyle
- Wellness Center

Effective: October 1, 2016

Residential Living Apartments

Description	Standard Entrance Fee*		Monthly Fee
	Sq. Ft.	1st person	1st person
A & B Wings	Dining Allowance = 2 Meals/day		
Studio	230	19,731	1,803.30
Single	280	24,020	1,894.92
Deluxe Single	399	34,225	2,366.22
Deluxe Studio	460	39,460	2,502.98
Combination	468	40,692	2,552.09
Deluxe Suite	560	48,036	2,690.15
1 Bedroom Main	616	49,754	2,735.30
1 Bedroom Suite	695	59,619	2,751.23
2 Bedroom Suite	840	72,057	2,881.35
1 Bedroom Grand	859	74,648	2,814.97
1 Bedroom Den Main	935	74,648	2,881.01
2 Bedroom Deluxe Suite	935	72,057	2,881.35
1 Bedroom Flex	936	82,106	2,905.00
2 Bedroom Main Grand	1,120	90,571	3,014.10
D Wing			
One Bedroom	745	95,231	2,752.56
One Bedroom Deluxe	826	100,387	2,781.84
Two Bedroom	1,076	124,702	3,125.99
Two Bedroom Deluxe	1,322	144,436	3,586.56
Three Bedroom	1,399	148,883	3,816.00
Three Bedroom Spec/Del	1,455	165,288	4,045.41
East & West Wings			
One Bedroom Alcove	744	100,814	2,761.85
One Bedroom	805	106,615	2,781.08
One Bedroom Den	961	117,798	2,952.31
Two Bedroom	1,090	135,871	3,140.23
Two Bedroom Bay	1,301	158,986	3,814.92
Two Bedroom Greatroom	1,513	179,164	4,099.62
Second Person Fee add...		8,746	1,051.84



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Monthly fee includes:

- Meal Plan
- Utilities (electricity, water, sewer, trash)
- Basic cable television
- Weekly housekeeping
- Emergency communications system
- Local medical appointment transportation
- Maintenance-free lifestyle
- Planned activities & trips
- Wellness center

For Apartments with patios add to entrance fee: \$2,441 for Standard Agreement

*The Standard Entrance Fee Plan amortizes at 2% per month for 50 months. After 50 months, there is no refund.

All rates are reviewed annually /Effective: October 1, 2017

Residential Living Apartments
Guaranteed Refund Entrance Fee Options

		Monthly Fee	50% ROC Entrance Fee*	80% ROC Entrance Fee*	90% ROC Entrance Fee*
Description	Sq. Ft.	1st person	1st Person	1st Person	1st Person
<i>Apartments - A & B Wings</i>		Dining Allowance = 2 Meals/day			
Studio	230	1,803.30	27,624	33,543	37,983
Single	280	1,894.92	33,628	40,834	46,238
Deluxe Single	399	2,366.22	47,915	58,182	65,883
Deluxe Studio	460	2,502.98	55,244	67,082	75,961
Combination	468	2,552.09	56,969	69,177	78,332
Deluxe Suite	560	2,690.15	67,251	81,662	92,470
1 Bedroom Main	616	2,735.30	69,656	84,582	95,776
1 Bedroom Suite	695	2,751.23	83,467	101,352	114,767
2 Bedroom Suite	840	2,881.35	100,880	122,497	138,710
1 Bedroom Grand	859	2,814.97	104,507	126,902	143,697
1 Bedroom Den Main	935	2,881.01	104,507	126,901	143,697
2 Bedroom Deluxe Suite	935	2,881.35	100,880	122,497	138,710
1 Bedroom Flex	936	2,905.00	114,948	139,580	158,054
2 Bedroom Main Grand	1,120	3,014.10	126,799	153,971	174,349
<i>Apartments - D Wing</i>					
One Bedroom	745	2,752.56	133,323	161,893	183,320
One Bedroom Deluxe	826	2,781.84	140,542	170,658	193,245
Two Bedroom	1,076	3,125.99	174,583	211,994	240,052
Two Bedroom Deluxe	1,322	3,586.56	202,210	245,541	278,039
Three Bedroom	1,399	3,816.00	208,437	253,102	286,600
Three Bedroom Spec/Del	1,455	4,045.41	231,404	280,990	318,180
<i>Apartments - East & West Wing</i>					
One Bedroom Alcove	744	2,761.85	141,139	171,383	194,066
One Bedroom	805	2,781.08	149,261	181,245	205,234
One Bedroom Den	961	2,952.31	164,918	200,257	226,762
Two Bedroom	1,090	3,140.23	190,219	230,981	261,552
Two Bedroom Bay	1,301	3,814.92	222,580	270,276	306,047
Two Bedroom Greatroom	1,513	4,099.62	250,830	304,579	344,891
Second Person Fee add...		1,051.84	12,244	14,868	16,836

For Apartments w/patios add to entrance fee: \$3,417 for 50% ROC Agreement; \$4,150 for 80% ROC Agreement; or \$4,699 for 90% ROC Agreement

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*The 90% Refund of Capital Plan (ROC) amortizes at 2% per month for 5 months with 90% refunded as outlined in the Residency Agreement.

Residential Living Cottages

		Standard EF*	Monthly Fee
Styles	Sq. Ft.	1st person	1st person
Meal Plan = 25 meals/month			
The Dogwood - 1 BR	1,074	127,369	\$3,090.02
The Cypress - 2 BR	1,310	160,827	\$3,816.00
The Birch - 2 BR	1,437	159,983	\$3,987.20
The Alder - 2 BR	1,680	183,085	\$4,160.15
The Elm - 2 BR	2,042	216,211	\$4,507.69
The Evergreen - 2 BR	2,250+	234,899	\$4,928.91
The Willow - 2 BR	2,061	236,125	\$4,599.27
Second Person Fee add...		\$8,746	\$1,051.84



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		50% ROC EF	80% ROC EF	90% ROC EF	Monthly Fee
Styles	Sq. Ft.	1st person	1st person	1st person	1st person
Meal Plan = 25 meals/month					
The Dogwood - 1 BR	1,074	178,317	216,527	245,185	\$3,090.02
The Cypress - 2 BR	1,310	225,158	273,406	309,592	\$3,816.00
The Birch - 2 BR	1,437	223,976	271,971	307,967	\$3,987.20
The Alder - 2 BR	1,680	256,319	311,245	352,439	\$4,160.15
The Elm - 2 BR	2,042	302,695	367,559	416,206	\$4,507.69
The Evergreen - 2 BR	2,250+	328,859	399,328	452,181	\$4,928.91
The Willow - 2 BR	2,061	330,575	401,413	454,541	\$4,599.27
Second Person Fee add...		12,244	14,868	16,836	\$1,051.84

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- Cable TV
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- Emergency communications system
- Maintenance free lifestyle
- Wellness Center

Effective: October 1, 2017

Residential Living Apartments

		<i>Standard Entrance Fee*</i>	<i>Monthly Fee</i>
Description	Sq. Ft.	1st person	1st person
A & B Wings	Dining Allowance = 2 Meals/day		
Studio	230	20,126	1,870.92
Single	280	24,500	1,965.98
Deluxe Single	399	34,909	2,454.95
Deluxe Studio	460	40,249	2,596.84
Combination	468	41,506	2,647.79
Deluxe Suite	560	48,997	2,791.03
1 Bedroom Main	616	50,749	2,837.87
1 Bedroom Suite	695	60,811	2,854.40
2 Bedroom Suite	840	73,498	2,989.40
1 Bedroom Grand	859	76,141	2,920.53
1 Bedroom Den Main	935	76,141	2,989.05
2 Bedroom Deluxe Suite	935	73,498	2,989.40
1 Bedroom Flex	936	83,748	3,013.94
2 Bedroom Main Grand	1,120	92,382	3,127.13
D Wing	Dining Allowance - 25 Meals/month		
One Bedroom	745	97,136	2,855.78
One Bedroom Deluxe	826	102,395	2,886.16
Two Bedroom	1,076	127,196	3,243.21
Two Bedroom Deluxe	1,322	147,324	3,721.06
Three Bedroom	1,399	151,861	3,959.10
Three Bedroom Spec/Del	1,455	168,594	4,197.11
East & West Wings	Dining Allowance - 25 Meals/month		
One Bedroom Alcove	744	102,830	2,865.42
One Bedroom	805	108,747	2,885.37
One Bedroom Den	961	120,154	3,063.02
Two Bedroom	1,090	138,588	3,257.99
Two Bedroom Bay	1,301	162,165	3,957.98
Two Bedroom Greatroom	1,513	182,747	4,253.36
Second Person Fee add...		8,921	1,091.28



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- Weekly housekeeping
- Emergency communications system
- Local medical appointment transportation
- Maintenance-free lifestyle
- Planned activities & trips
- Wellness center

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Residential Living Apartments
Guaranteed Refund Entrance Fee Options

		Monthly Fee	50% ROC Entrance Fee*	80% ROC Entrance Fee*	90% ROC Entrance Fee*
Description	Sq. Ft.	1st person	1st Person	1st Person	1st Person
<i>Apartments - A & B Wings</i>		Dining Allowance = 2 Meals/day			
Studio	230	1,870.92	28,176	34,214	38,742
Single	280	1,965.98	34,300	41,651	47,163
Deluxe Single	399	2,454.95	48,873	59,346	67,202
Deluxe Studio	460	2,596.84	56,349	68,424	77,480
Combination	468	2,647.79	58,108	70,560	79,899
Deluxe Suite	560	2,791.03	68,596	83,295	94,319
1 Bedroom Main	616	2,837.87	71,049	86,273	97,692
1 Bedroom Suite	695	2,854.40	85,136	103,379	117,062
2 Bedroom Suite	840	2,989.40	102,897	124,947	141,484
1 Bedroom Grand	859	2,920.53	106,597	129,440	146,571
1 Bedroom Den Main	935	2,989.05	106,597	129,440	146,571
2 Bedroom Deluxe Suite	935	2,989.40	102,897	124,947	141,484
1 Bedroom Flex	936	3,013.94	117,247	142,372	161,215
2 Bedroom Main Grand	1,120	3,127.13	129,335	157,050	177,836
<i>Apartments - D Wing</i>		Dining Allowance - 25 Meals/month			
One Bedroom	745	2,855.78	135,990	165,131	186,986
One Bedroom Deluxe	826	2,886.16	143,353	174,072	197,110
Two Bedroom	1,076	3,243.21	178,075	216,234	244,853
Two Bedroom Deluxe	1,322	3,721.06	206,254	250,451	283,599
Three Bedroom	1,399	3,959.10	212,605	258,164	292,332
Three Bedroom Spec/Del	1,455	4,197.11	236,032	286,609	324,544
<i>Apartments - East & West Wing</i>		Dining Allowance - 25 Meals/month			
One Bedroom Alcove	744	2,865.42	143,962	174,811	197,948
One Bedroom	805	2,885.37	152,246	184,870	209,339
One Bedroom Den	961	3,063.02	168,216	204,261	231,297
Two Bedroom	1,090	3,257.99	194,024	235,600	266,783
Two Bedroom Bay	1,301	3,957.98	227,031	275,681	312,168
Two Bedroom Greatroom	1,513	4,253.36	255,846	310,671	351,789
Second Person Fee add...		1,091.28	12,489	15,165	17,173

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Residential Living Cottages

		Standard EF*	Monthly Fee
Styles	Sq. Ft.	1st person	1st person
Dining Allowance = 25 meals/month			
The Dogwood - 1 BR	1,074	129,916	\$3,205.90
The Cypress - 2 BR	1,310	164,044	\$3,959.10
The Birch - 2 BR	1,437	163,183	\$4,136.72
The Alder - 2 BR	1,680	186,747	\$4,316.16
The Elm - 2 BR	2,042	220,535	\$4,676.73
The Evergreen - 2 BR	2,250+	239,597	\$5,113.74
The Willow - 2 BR	2,061	240,848	\$4,771.74
Second Person Fee add...		\$8,921	\$1,091.28



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		50% ROC EF	80% ROC EF	90% ROC EF	Monthly Fee
Styles	Sq. Ft.	1st person	1st person	1st person	1st person
Dining Allowance = 25 meals/month					
The Dogwood - 1 BR	1,074	181,883	220,858	250,089	\$3,205.90
The Cypress - 2 BR	1,310	229,661	278,874	315,785	\$3,959.10
The Birch - 2 BR	1,437	228,456	277,411	314,126	\$4,136.72
The Alder - 2 BR	1,680	261,446	317,470	359,487	\$4,316.16
The Elm - 2 BR	2,042	308,749	374,909	424,530	\$4,676.73
The Evergreen - 2 BR	2,250+	335,436	407,316	461,224	\$5,113.74
The Willow - 2 BR	2,061	337,187	409,442	463,632	\$4,771.74
Second Person Fee add...		12,489	15,165	17,173	\$1,091.28

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- Cable TV
- Weekly housekeeping services
- Emergency communications
- Maintenance-free lifestyle
- Wellness Center

Effective: October 1, 2018

Residential Living Apartments

		<i>Standard Entrance Fee*</i>	<i>Monthly Fee</i>
Description	Sq. Ft.	1st person	1st person
A & B Wings	Dining Allowance = 2 Meals/day		
Studio	230	20,529	1,936.40
Single	280	24,990	2,034.79
Deluxe Single	399	35,607	2,540.87
Deluxe Studio	460	41,054	2,687.73
Combination	468	42,336	2,740.46
Deluxe Suite	560	49,977	2,888.72
1 Bedroom Main	616	51,764	2,937.20
1 Bedroom Suite	695	62,027	2,954.30
2 Bedroom Suite	840	74,968	3,094.03
1 Bedroom Grand	859	77,664	3,022.75
1 Bedroom Den Main	935	77,664	3,093.67
2 Bedroom Deluxe Suite	935	74,968	3,094.03
1 Bedroom Flex	936	85,423	3,119.43
2 Bedroom Main Grand	1,120	94,230	3,236.58
D Wing	Dining Allowance - 25 Meals/month		
One Bedroom	745	99,079	2,955.73
One Bedroom Deluxe	826	104,443	2,987.18
Two Bedroom	1,076	129,740	3,356.72
Two Bedroom Deluxe	1,322	150,270	3,851.30
Three Bedroom	1,399	154,898	4,097.67
Three Bedroom Spec/Del	1,455	171,966	4,344.01
East & West Wings	Dining Allowance - 25 Meals/month		
One Bedroom Alcove	744	104,887	2,965.71
One Bedroom	805	110,922	2,986.36
One Bedroom Den	961	122,557	3,170.23
Two Bedroom	1,090	141,636	3,372.02
Two Bedroom Bay	1,301	165,408	4,096.51
Two Bedroom Greatroom	1,513	186,402	4,343.40
Second Person Fee add...		9,099	1,129.47



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Monthly fee includes:

- Meal Plan
- Utilities (electricity, water, sewer, trash)
- Basic cable television
- Weekly housekeeping
- Emergency communications system
- Local medical appointment transportation
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Residential Living Apartments
Guaranteed Refund Entrance Fee Options

		Monthly Fee	50% ROC Entrance Fee*	80% ROC Entrance Fee*	90% ROC Entrance Fee*
Description	Sq. Ft.	1st person	1st Person	1st Person	1st Person
<i>Apartments - A & B Wings</i>		Dining Allowance = 2 Meals/day			
Studio	230	1,936.40	28,741	34,899	39,518
Single	280	2,034.79	34,986	42,483	48,106
Deluxe Single	399	2,540.87	49,850	60,532	68,543
Deluxe Studio	460	2,687.73	57,476	69,792	79,029
Combination	468	2,740.46	59,270	71,971	81,497
Deluxe Suite	560	2,888.72	69,968	84,961	96,206
1 Bedroom Main	616	2,937.20	72,470	87,999	99,646
1 Bedroom Suite	695	2,954.30	86,838	105,446	119,402
2 Bedroom Suite	840	3,094.03	104,955	127,446	144,313
1 Bedroom Grand	859	3,022.75	108,730	132,029	149,503
1 Bedroom Den Main	935	3,093.67	108,730	132,029	149,503
2 Bedroom Deluxe Suite	935	3,094.03	104,955	127,446	144,313
1 Bedroom Flex	936	3,119.43	119,592	145,219	164,439
2 Bedroom Main Grand	1,120	3,236.58	131,922	160,191	181,393
<i>Apartments - D Wing</i>		Dining Allowance = 25 Meals/month			
One Bedroom	745	2,955.73	138,711	168,434	190,727
One Bedroom Deluxe	826	2,987.18	146,220	177,553	201,053
Two Bedroom	1,076	3,356.72	181,636	220,558	249,750
Two Bedroom Deluxe	1,322	3,851.30	210,378	255,459	289,270
Three Bedroom	1,399	4,097.67	216,857	263,327	298,179
Three Bedroom Spec/Del	1,455	4,344.01	240,752	292,342	331,035
<i>Apartments - East & West Wing</i>		Dining Allowance = 25 Meals/month			
One Bedroom Alcove	744	2,965.71	146,842	178,308	201,907
One Bedroom	805	2,986.36	155,291	188,567	213,525
One Bedroom Den	961	3,170.23	171,580	208,347	235,922
Two Bedroom	1,090	3,372.02	198,290	240,781	272,649
Two Bedroom Bay	1,301	4,096.51	231,571	281,194	318,410
Two Bedroom Greatroom	1,513	4,402.23	260,963	316,883	358,824
Second Person Fee add...		1,129.47	12,739	15,468	17,516

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Residential Living Cottages

		Standard EF*	Monthly Fee
Styles	Sq. Ft.	1st person	1st person
Dining Allowance = 25 meals/month			
The Dogwood - 1 BR	1,074	132,514	\$3,318.11
The Cypress - 2 BR	1,310	167,325	\$4,097.67
The Birch - 2 BR	1,437	166,447	\$4,281.51
The Alder - 2 BR	1,680	190,482	\$4,467.23
The Elm - 2 BR	2,042	224,946	\$4,840.42
The Evergreen - 2 BR	2,250+	244,389	\$5,292.72
The Willow - 2 BR	2,061	245,665	\$4,938.75
Second Person Fee add...		\$9,099	\$1,129.47



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OR Choose from Guaranteed Refund Entrance Fee Options

		50% ROC EF	80% ROC EF	90% ROC EF	Monthly Fee
Styles	Sq. Ft.	1st person	1st person	1st person	1st person
Dining Allowance = 25 meals/month					
The Dogwood - 1 BR	1,074	185,520	225,274	255,090	\$3,318.11
The Cypress - 2 BR	1,310	234,255	284,453	322,101	\$4,097.67
The Birch - 2 BR	1,437	233,026	282,960	320,410	\$4,281.51
The Alder - 2 BR	1,680	266,675	323,819	366,678	\$4,467.23
The Elm - 2 BR	2,042	314,924	382,408	433,021	\$4,840.42
The Evergreen - 2 BR	2,250+	342,145	415,461	470,449	\$5,292.72
The Willow - 2 BR	2,061	343,931	417,631	472,905	\$4,938.75
Second Person Fee add...		12,739	15,468	17,516	\$1,129.47

*The Standard Entrance Fee Plan amortizes at 2% per month for 50 months. After 50 months, there is no refund.

*The 50% Refund of Capital Plan (ROC) amortizes at 2% per month for 25 months with 50% refunded as outlined in the Residency Agreement.

*The 80% Refund of Capital Plan (ROC) amortizes at 2% per month for 10 months with 80% refunded as outlined in the Residency Agreement.

*The 90% Refund of Capital Plan (ROC) amortizes at 2% per month for 5 months with 90% refunded as outlined in the Residency Agreement.

The Monthly fee includes:

- Meal Plan
- Utilities (heating, cooling, electricity, system water, sewer & trash removal)
- Cable TV
- Weekly housekeeping services
- Emergency communications
- Maintenance-free lifestyle
- Wellness Center

Effective: October 1, 2019

Residential Living Apartments

		<i>Standard Entrance Fee*</i>	<i>Monthly Fee</i>
Description	Sq. Ft.	1st person	1st person
A & B Wings	Dining Allowance = 2 Meals/day		
Studio	230	20,940	1,999.00
Single	280	25,490	2,100.00
Deluxe Single	399	36,319	2,623.00
Deluxe Studio	460	41,875	2,775.00
Combination	468	43,183	2,829.00
Deluxe Suite	560	50,977	2,982.00
1 Bedroom Main	616	52,799	3,032.00
1 Bedroom Suite	695	63,268	3,050.00
2 Bedroom Suite	840	76,467	3,194.00
1 Bedroom Grand	859	79,217	3,120.00
1 Bedroom Den Main	935	79,217	3,194.00
2 Bedroom Deluxe Suite	935	76,467	3,194.00
1 Bedroom Flex	936	87,131	3,220.00
2 Bedroom Main Grand	1,120	96,115	3,341.00
D Wing	Dining Allowance - 25 Meals/month		
One Bedroom	745	101,061	3,051.00
One Bedroom Deluxe	826	106,532	3,084.00
Two Bedroom	1,076	132,335	3,465.00
Two Bedroom Deluxe	1,322	153,275	3,976.00
Three Bedroom	1,399	157,996	4,230.00
Three Bedroom Spec/Del	1,455	175,405	4,485.00
East & West Wings	Dining Allowance - 25 Meals/month		
One Bedroom Alcove	744	106,985	3,062.00
One Bedroom	805	113,140	3,083.00
One Bedroom Den	961	125,008	3,273.00
Two Bedroom	1,090	144,469	3,481.00
Two Bedroom Bay	1,301	168,716	4,229.00
Two Bedroom Greatroom	1,513	190,130	4,545.00
Second Person Fee add...		9,281	1,166.00



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www.CypressGlen.org

Monthly fee includes:

- Meal Plan
- Utilities (electricity, water, sewer, trash)
- Basic cable television
- Weekly housekeeping
- Emergency communications system
- Local medical appointment transportation
- Maintenance-free lifestyle
- Planned activities & trips
- Wellness center

For Apartments with patios add to entrance fee: \$2,441 for Standard Agreement

*The Standard Entrance Fee Plan amortizes at 2% per month for 50 months. After 50 months, there is no refund.

All rates are reviewed annually /Effective: October 1, 2020

**Residential Living Apartments
Guaranteed Refund Entrance Fee Options**

		Monthly Fee	50% ROC Entrance Fee*	80% ROC Entrance Fee*	90% ROC Entrance Fee*
Description	Sq. Ft.	1st person	1st Person	1st Person	1st Person
<i>Apartments - A & B Wings</i>		Dining Allowance = 2 Meals/day			
Studio	230	1,999.00	29,316	35,598	40,310
Single	280	2,100.00	35,686	43,333	49,068
Deluxe Single	399	2,623.00	50,847	61,742	69,914
Deluxe Studio	460	2,775.00	58,625	71,188	80,609
Combination	468	2,829.00	60,456	73,411	83,127
Deluxe Suite	560	2,982.00	71,368	86,661	98,131
1 Bedroom Main	616	3,032.00	73,919	89,758	101,638
1 Bedroom Suite	695	3,050.00	88,575	107,556	121,791
2 Bedroom Suite	840	3,194.00	107,054	129,994	147,199
1 Bedroom Grand	859	3,120.00	110,904	134,669	152,493
1 Bedroom Den Main	935	3,194.00	110,904	134,669	152,493
2 Bedroom Deluxe Suite	935	3,194.00	107,054	129,994	147,199
1 Bedroom Flex	936	3,220.00	121,983	148,123	167,727
2 Bedroom Main Grand	1,120	3,341.00	134,561	163,396	185,021
<i>Apartments - D Wing</i>		Dining Allowance - 25 Meals/month			
One Bedroom	745	3,051.00	141,485	171,804	194,542
One Bedroom Deluxe	826	3,084.00	149,145	181,104	205,074
Two Bedroom	1,076	3,465.00	185,269	224,970	254,745
Two Bedroom Deluxe	1,322	3,976.00	214,585	260,568	295,054
Three Bedroom	1,399	4,230.00	221,194	268,593	304,142
Three Bedroom Spec/Del	1,455	4,485.00	245,567	298,189	337,655
<i>Apartments - East & West Wing</i>		Dining Allowance - 25 Meals/month			
One Bedroom Alcove	744	3,062.00	149,779	181,875	205,946
One Bedroom	805	3,083.00	158,396	192,338	217,795
One Bedroom Den	961	3,273.00	175,011	212,514	240,640
Two Bedroom	1,090	3,481.00	202,257	245,597	278,103
Two Bedroom Bay	1,301	4,229.00	236,202	286,817	324,778
Two Bedroom Greatroom	1,513	4,545.00	266,182	323,221	366,000
Second Person Fee add...		1,166.00	12,993	15,778	17,866

For Apartments w/patios add to entrance fee: \$3,417 for 50% ROC Agreement; \$4,150 for 80% ROC Agreement; or \$4,699 for 90% ROC Agreement

*The 50% Refund of Capital Plan (ROC) amortizes at 2% per month for 25 months with 50% refunded as outlined in the Residency Agreement.

*The 80% Refund of Capital Plan (ROC) amortizes at 2% per month for 10 months with 80% refunded as outlined in the Residency Agreement.

*The 90% Refund of Capital Plan (ROC) amortizes at 2% per month for 5 months with 90% refunded as outlined in the Residency Agreement.

All rates are reviewed annually /Effective: October 1, 2020

Residential Living Cottages

		Standard EF*	Monthly Fee
Styles	Sq. Ft.	1st person	1st person
Dining Allowance = 25 meals/month			
The Dogwood - 1 BR	1,074	135,164	\$3,425.00
The Cypress - 2 BR	1,310	170,672	\$4,230.00
The Birch - 2 BR	1,437	169,776	\$4,420.00
The Alder - 2 BR	1,680	194,292	\$4,612.00
The Elm - 2 BR	2,042	229,445	\$4,997.00
The Evergreen - 2 BR	2,250+	249,277	\$5,464.00
The Willow - 2 BR	2,061	250,578	\$5,099.00
Second Person Fee add...		\$9,281	\$1,166.00



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OR Choose from Guaranteed Refund Entrance Fee Options

		50% ROC EF	80% ROC EF	90% ROC EF	Monthly Fee
Styles	Sq. Ft.	1st person	1st person	1st person	1st person
Dining Allowance = 25 meals/month					
The Dogwood - 1 BR	1,074	189,230	229,779	260,191	\$3,425.00
The Cypress - 2 BR	1,310	238,941	290,142	328,544	\$4,230.00
The Birch - 2 BR	1,437	237,686	288,619	326,819	\$4,420.00
The Alder - 2 BR	1,680	272,009	330,296	374,012	\$4,612.00
The Elm - 2 BR	2,042	321,223	390,057	441,682	\$4,997.00
The Evergreen - 2 BR	2,250+	348,988	423,771	479,858	\$5,464.00
The Willow - 2 BR	2,061	350,809	425,983	482,363	\$5,099.00
Second Person Fee add...		12,993	15,778	17,866	\$1,166.00

*The Standard Entrance Fee Plan amortizes at 2% per month for 50 months. After 50 months, there is no refund.

*The 50% Refund of Capital Plan (ROC) amortizes at 2% per month for 25 months with 50% refunded as outlined in the Residency Agreement.

*The 80% Refund of Capital Plan (ROC) amortizes at 2% per month for 10 months with 80% refunded as outlined in the Residency Agreement.

*The 90% Refund of Capital Plan (ROC) amortizes at 2% per month for 5 months with 90% refunded as outlined in the Residency Agreement.

The Monthly fee includes:

- Meal Plan
- Utilities (heating, cooling, electricity, system water, sewer & trash removal)
- Cable TV
- Weekly housekeeping services
- Emergency communications
- Maintenance-free lifestyle
- Wellness Center

Effective: October 1, 2020

Garden Villas and Cottages

		Standard EF*	Monthly Fee
Styles	Sq. Ft.	1st person	1st person
Meal Plan = 25 meals/month			
Hawthorn Villa	1,530	226,287	\$3,981.00
Magnolia Villa	1,708	252,613	\$4,373.00
Oak Villa	1,865	275,834	\$4,717.00
Hawthorn Cottage	1,530	241,893	\$3,981.00
Oak Cottage	1,890	298,809	\$4,781.00
Second Person Fee add...		\$8,921	\$1,086.00



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OR Choose from Guaranteed Refund Entrance Fee Options

		50% ROC EF	80% ROC EF	90% ROC EF	Monthly Fee
Styles	Sq. Ft.	1st person	1st person	1st person	1st person
Meal Plan = 25 meals/month					
Hawthorn Villa	1,530	316,802	384,688	435,602	\$3,981.00
Magnolia Villa	1,708	353,658	429,442	486,280	\$4,373.00
Oak Villa	1,865	386,168	468,918	530,980	\$4,717.00
Hawthorn Cottage	1,530	338,650	411,218	465,644	\$3,981.00
Oak Cottage	1,890	418,333	507,976	575,207	\$4,781.00
Second Person Fee add...		12,489	15,166	17,310	\$1,086.00

*The Standard Entrance Fee Plan amortizes at 2% per month for 50 months. After 50 months, there is no refund.

*The 50% Refund of Capital Plan (ROC) amortizes at 2% per month for 25 months with 50% refunded as outlined in the Residency Agreement.

*The 80% Refund of Capital Plan (ROC) amortizes at 2% per month for 10 months with 80% refunded as outlined in the Residency Agreement.

*The 90% Refund of Capital Plan (ROC) amortizes at 2% per month for 5 months with 90% refunded as outlined in the Residency Agreement.

The Monthly fee includes:

- Meal Plan
- Utilities (heating, cooling, electricity, water, sewer, trash removal)
- Cable TV
- Weekly housekeeping services
- Emergency communications system
- Maintenance-free lifestyle
- Wellness Center

Effective: October 1, 2020

FINANCIAL INFORMATION

1. Financial Statements. UMRH operates on a fiscal year ending September 30. The financial position of UMRH is represented by the independent auditors' report prepared by Dixon Hughes Goodman LLP. The audited financial statements for UMRH present the consolidated operations for Croasdaile Village, Cypress Glen and Wesley Pines (continuing care retirement communities owned by UMRH located in North Carolina). The independent auditors' reports for the fiscal year ending September 30, 2020 for UMRH is reproduced in its entirety and is attached to this Disclosure Statement as Attachment 1.

2. Forecasted Financial Statements. Forecasted financial statements for the next five years are included as part of this Disclosure Statement as Attachment 2. These forecasted financial statements present the consolidated operations of Croasdaile Village, Cypress Glen and Wesley Pines and the individual operations for Cypress Glen.

3. Interim Unaudited Financial Statements. Interim unaudited financial statements are included as part of this Disclosure Statement as Attachment 3. These statements present the consolidated operations of Croasdaile Village, Cypress Glen and Wesley Pines and the individual operations for Cypress Glen.

4. Explanations of Material Differences. Explanations of the material differences for the Balance Sheet, Statement of Operations, and Statement of Cash Flows for the fiscal year 2020 and the actual results for the fiscal year 2020 are included as part of this Disclosure Statement as Attachment 4.

5. Reserves. In accordance with Section 58-64-33 of the North Carolina General Statutes, UMRH is required to maintain an operating reserve for the Community equal to 25 percent of the total operating costs projected for the 12-month period following the period covered by the most recent annual statement filed with the Department of Insurance. Based on the operating reserve calculation submitted to the Department of Insurance, UMRH meets the operating reserve requirement for the Community.

6. Financing. See Notes 7 and 8 of the UMRH audited financial statements for information on long-term debt and financing.

RESERVES AND INVESTMENTS

1. Reserve Requirement. In accordance with Section 58-64-33, North Carolina General Statutes, UMRH is required to maintain \$3,511,756 in an operating reserve for the Community. UMRH meets the operating reserve requirement for the Community, and management believes that UMRH will continue to possess sufficient reserves to satisfy the operating reserve requirement based on the financial forecasts.

2. Financial Assistance Funds. UMRH attempts to provide benevolent care funds to those individuals who have exhausted their resources. The funds are in the amounts necessary to make up the difference between the financial resources of the individual and the Monthly Fees for the occupancy of a unit. Some of the benevolence is covered through apportionments from the North

Carolina Annual Conference of The United Methodist Church, Southeastern Jurisdiction; benevolent care endowments; The United Methodist Retirement Homes Foundation; special offerings conducted by local churches; and individual gifts. Persons receiving benevolent care funds must be residents who have entered the Community under a continuing care residency agreement for residential living and must have met all "spend-down" provisions established in the UMRH Benevolence Policy. UMRH does not offer benevolent care funds to those residents who are admitted directly to assisted living or memory care as private pay residents. Private pay residents are individuals who did not execute continuing care residency agreement for residential living. The resident must agree to apply for public assistance funds, if available, and/or Medicaid if the Community's Health Center becomes Medicaid certified. Benevolent care funds are available as long as providing such funds do not impair UMRH's ability to operate the Community on a sound financial basis for the benefit of all residents.

The Marketing, Occupancy, and Benevolence Committee of the Board of Trustees reviews each benevolence application, provides a recommendation to the Board of Trustees, monitors the availability of benevolent funds, and projects potential future demands on benevolent funds.

3. Investments. Investment decisions are made by the Finance Committee of the Board of Trustees of UMRH. Committee members include: Lee Harris, Michael Hardin, John Link, Paul Lee, Gray Southern, and Tom Steele. Funds are invested in accordance with UMRH's Investment Policy in the following investment portfolios:

(a) *United Methodist Retirement Homes Trust Fund #1. Investment Goal* – Maintain principal values with adequate liquidity for debt/cash ratio.

(b) *United Methodist Retirement Home Reserve Fund. Investment Goal* – This Fund includes assets that may be managed for long-term capital growth with a moderate level of income.

A copy of the Investment Policy is available to residents upon request.

OTHER MATERIAL INFORMATION

As of the date of this Disclosure Statement, there is no material litigation pending against the Community.

AGREEMENTS WITH RESIDENTS

Copies of the current Residency Agreements (listed below) for the Community are attached to this Disclosure Statement as Attachment 5:

- Standard Residency Agreement

These agreements are in compliance with the pertinent specifications of Section 58-64-25 of the North Carolina General Statutes. UMRH reserves the right to offer to new prospective residents alternative forms of agreements from time to time.

ATTACHMENT 1

**Audited Financial Statements
for
The United Methodist
Retirement Homes, Incorporated
(Includes Consolidated Operations of
Croasdaile Village, Cypress Glen
and Wesley Pines)**



The United Methodist Retirement Homes, Incorporate, Its Affiliate, and Subsidiary

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Consolidated Financial Statements and Supplemental Schedules

Years Ended September 30, 2020 and 2019



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Independent Auditors' Report

Board of Trustees of
The United Methodist Retirement Homes, Incorporated,
its Affiliate, and Subsidiary

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of The United Methodist Retirement Homes, Incorporated, its Affiliate, and Subsidiary (the "Company"), which comprise the consolidated balance sheets as of September 30, 2020 and 2019, and the related consolidated statements of operations and changes in net assets, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of September 30, 2020 and 2019, and the results of their operations, changes in net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information on pages 29 - 30 is presented for purposes of additional analysis rather than to present the financial position and results of operations of the individual organizations and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Emphasis of Matter - New Accounting Pronouncements

As described in Note 1 to the consolidated financial statements, the Company adopted two new Accounting Standard Updates ("ASU's") in 2020. The primary impacts of adopting these ASU's are further discussed in Note 1. Our opinion is not modified with respect to this matter.

Dixon Hughes Goodman LLP

Raleigh, NC
January 26, 2021

The United Methodist Retirement Homes, Incorporated, Its Affiliate, and Subsidiary
Consolidated Balance Sheets
September 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
ASSETS		
Current assets:		
Cash	\$ 5,663,881	\$ 9,216,568
Contributions receivable, current portion	49,685	158,853
Investments	81,866,211	66,918,383
Assets limited as to use, current portion	3,052,646	1,768,520
Accounts receivable, net of allowance for uncollectible accounts of approximately \$298,000 and \$312,000 in 2020 and 2019, respectively	2,235,159	3,101,260
Other receivables	2,739,540	1,954,138
Inventories	139,029	149,874
Prepaid expenses and other current assets	1,085,104	905,082
Total current assets	<u>96,831,255</u>	<u>84,172,678</u>
Non-current assets:		
Assets limited as to use, net of current portion	39,941,382	57,058,895
Investments - restricted	7,975,444	6,224,533
Assets held for resale	215,296	214,547
Property and equipment, net	200,818,964	186,332,270
Trusts receivable	144,997	142,210
Contributions receivable, net of current portion	-	116,213
Deferred marketing costs, net	130,685	135,636
Total non-current assets	<u>249,226,768</u>	<u>250,224,304</u>
Total assets	<u><u>\$ 346,058,023</u></u>	<u><u>\$ 334,396,982</u></u>

The United Methodist Retirement Homes, Incorporated, Its Affiliate, and Subsidiary
Consolidated Balance Sheets
September 30, 2020 and 2019

(Continued)

	2020	2019
LIABILITIES AND NET ASSETS		
Current liabilities:		
Annuity payable, current portion	\$ 105,664	\$ 104,501
Bonds payable, current portion	4,345,000	4,095,000
Accounts payable	3,986,865	4,993,139
Accrued salaries and related expenses	2,885,734	2,474,367
Accrued interest payable	2,743,272	2,824,797
Provider relief advanced funding	1,425,674	-
Total current liabilities	<u>15,492,209</u>	<u>14,491,804</u>
Long-term liabilities:		
Annuity payable, less current portion	660,264	626,010
Bonds payable, less current portion	144,816,632	149,358,876
Liability to other foundations	7,714	7,610
Liability for refundable advance fees	13,707,147	13,593,336
Deferred revenue from non-refundable advance fees	72,508,136	71,157,955
Funds held for others	124,431	93,754
Interest rate swap agreement	377,025	218,782
Total long-term liabilities	<u>232,201,349</u>	<u>235,056,323</u>
Total liabilities	<u>247,693,558</u>	<u>249,548,127</u>
Net assets:		
Without donor restrictions	88,209,888	74,998,978
With donor restrictions	10,154,577	9,849,877
Total net assets	<u>98,364,465</u>	<u>84,848,855</u>
Total liabilities and net assets	<u>\$ 346,058,023</u>	<u>\$ 334,396,982</u>

The United Methodist Retirement Homes, Incorporated, Its Affiliate, and Subsidiary
Consolidated Statements of Operations and Changes in Net Assets
Years Ended September 30, 2020 and 2019

	2020	2019
Revenues, gains and other support without donor restrictions:		
Net resident and patient service revenue	\$ 63,617,176	\$ 61,162,341
Amortization of advance fees	9,216,218	7,810,813
Net assets released from restrictions	251,556	108,202
Other	68,723	35,149
Interest and dividend income	2,848,608	3,589,216
	<u>76,002,281</u>	<u>72,705,721</u>
Total revenues, gains and other support		
Expenses:		
Nursing services	16,872,756	16,187,701
Dietary and food services	9,809,173	9,308,570
Administration	11,132,481	10,038,058
Plant operations, maintenance and security	6,167,996	6,175,302
Laundry and housekeeping	3,658,278	3,402,533
Resident services - activities	2,704,408	2,632,632
Home care	3,446,646	3,462,735
Interest	3,275,570	3,423,362
Depreciation and amortization	11,833,029	10,776,582
Bad debt expense	155,917	220,150
	<u>69,056,254</u>	<u>65,627,625</u>
Total expenses		
Operating income	<u>6,946,027</u>	<u>7,078,096</u>
Non-operating gains (losses):		
Net investment gains, realized	1,131,325	668,855
Net investment gains, unrealized	3,150,291	97,720
Provider relief funding	664,231	-
Loss on disposal of property and equipment	(64,142)	(243,047)
Contributions	32,134	86,837
Construction related marketing costs	(59,965)	(790,718)
Change in fair value of interest rate swap agreement	(158,243)	(462,194)
Other	(3,097)	(114,128)
	<u>4,692,534</u>	<u>(756,675)</u>
Net non-operating gains (losses)		
Excess of revenues, gains and other support over expenses	11,638,561	6,321,421
Net assets released from restrictions for purchase of property and equipment	<u>1,572,349</u>	<u>16,876</u>
Change in net assets without donor restrictions	<u>\$ 13,210,910</u>	<u>\$ 6,338,297</u>

The United Methodist Retirement Homes, Incorporated, Its Affiliate, and Subsidiary
Consolidated Statements of Operations and Changes in Net Assets
Years Ended September 30, 2020 and 2019

(Continued)

	2020	2019
Change in net assets with donor restrictions:		
Contributions	\$ 1,530,679	\$ 1,281,174
Interest and dividend income	243,029	266,998
Net investment gains (losses), realized	46,445	(29,624)
Net investment gains (losses), unrealized	487,394	(23,930)
Change in split interest agreement	46,439	(436,367)
Change in value of pledges	(252,504)	(26,239)
Bad debt expense	27,123	3,355
Net assets released from restrictions	(1,823,905)	(125,078)
Change in net assets with donor restrictions	304,700	910,289
Change in net assets	13,515,610	7,248,586
Net assets, beginning of year	84,848,855	77,600,269
Net assets, end of year	\$ 98,364,465	\$ 84,848,855

The United Methodist Retirement Homes, Incorporated, Its Affiliate, and Subsidiary
Consolidated Statements of Cash Flows
Years Ended September 30, 2020 and 2019

	2020	2019 Adjusted
Cash flows from operating activities:		
Change in net assets	\$ 13,515,610	\$ 7,248,586
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	11,819,278	10,775,442
Amortization of deferred financing costs	85,697	79,015
Amortization of bond premium	(282,941)	(276,679)
Amortization of deferred marketing costs	13,751	1,140
Amortization of deferred revenue from advance fees	(9,216,218)	(7,810,813)
Non-refundable entrance fees received	11,585,539	23,418,965
Bad debt expense	155,917	220,150
Loss on disposal of property and equipment	64,142	243,047
Unrealized gains on assets limited as to use	(3,637,685)	(73,790)
Realized gains on assets limited as to use	(1,177,770)	(639,231)
Change in fair value of swap agreement	158,243	462,194
Net change in:		
Accounts receivable - residents and patients	710,184	(799,636)
Accounts receivable - other	(1,341,233)	1,208,956
Trusts receivable	(2,787)	49,144
Contributions receivable	225,381	22,885
Due from/to related parties	-	(67,748)
Inventories	10,845	(29,471)
Prepaid expenses and other current assets	(180,022)	104,906
Deferred marketing costs	(8,800)	(136,776)
Accounts payable	(1,348,854)	188,189
Accrued salaries and related expenses	411,367	245,980
Provider relief advanced funding	1,425,674	-
Liability to other foundations	104	(1,233)
Accrued interest payable	(81,525)	(23,392)
Funds held for others	30,677	(140,314)
Net cash provided by operating activities	22,934,574	34,269,516

The United Methodist Retirement Homes, Incorporated, Its Affiliate, and Subsidiary
Consolidated Statements of Cash Flows
Years Ended September 30, 2020 and 2019

(Continued)

	2020	2019 Adjusted
Cash flows from investing activities:		
Purchase of property and equipment	\$ (26,027,534)	\$ (33,977,377)
Net change in investments and assets limited as to use	(17,018,893)	(569,718)
Change in assets held for resale	(749)	(745)
Net cash used by investing activities	<u>(43,047,176)</u>	<u>(34,547,840)</u>
Cash flows from financing activities:		
Refunds of deposits and refundable fees	(2,008,550)	(1,728,952)
Refundable entrance fees received	1,659,052	3,340,721
Payments on bonds and note payable	(4,095,000)	(18,815,000)
Deferred costs, net	-	(114,974)
Net change in annuity obligations	35,417	343,253
Net cash used by financing activities	<u>(4,409,081)</u>	<u>(16,974,952)</u>
Change in cash	(24,521,683)	(17,253,276)
Cash, cash equivalents, and restricted cash, beginning of year	51,395,949	68,649,225
Cash, cash equivalent, and restricted cash, end of year	<u>\$ 26,874,266</u>	<u>\$ 51,395,949</u>
Supplemental cash flow information:		
Cash paid during the year for interest	<u>\$ 4,553,439</u>	<u>\$ 4,633,273</u>
Additions of property and equipment included in accounts payable	<u>\$ 3,024,919</u>	<u>\$ 2,682,339</u>

Notes to Consolidated Financial Statements

1. Summary of Significant Accounting Policies

Organization

The United Methodist Retirement Homes, Incorporated ("UMRH") is a not-for-profit corporation, which principally provides housing, health care, and other related services to residents through the ownership and operation of Wesley Pines Retirement Company in Lumberton, North Carolina, Cypress Glen Retirement Community ("Cypress Glen") in Greenville, North Carolina, and Croasdaile Village Retirement Community ("Croasdaile Village") in Durham, North Carolina. UMRH was incorporated in North Carolina in 1946. UMRH's corporate office is located in Durham, North Carolina.

The United Methodist Retirement Homes Foundation, Inc. (the "Foundation"), an affiliate of UMRH, is a not-for-profit corporation which was organized in order to raise endowment funds for the residential facilities operated by UMRH, to support benevolent care for those residents who are unable to pay for continuing care at the residential facilities operated by UMRH, and to support special programs at the residential facilities operated by UMRH. The Foundation was incorporated under the laws of the State of North Carolina in 1994.

UMRH Affordable Housing Development, LLC ("UMRH-AHD"), a subsidiary of UMRH, is a limited liability company, which was organized in North Carolina in 2002 to further the charitable purposes of UMRH by developing affordable rental housing for senior citizens. UMRH is the sole member of UMRH-AHD.

The consolidated financial statements include the financial statements of UMRH, the Foundation, and UMRH-AHD. All significant intercompany accounts and transactions have been eliminated. UMRH, the Foundation, and UMRH-AHD are collectively referred to as the "Company".

Basis of Accounting and Presentation

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting and in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Cash and Cash Equivalents

Cash and cash equivalents include short-term, highly liquid investments both readily convertible to known amounts of cash and so near maturity at acquisition (three months or less) that there is an insignificant risk of change in value because of changes in interest rates. Cash equivalents are stated at cost, which approximates fair value. Throughout the year the Company has bank balances which exceed federal depository limits.

The United Methodist Retirement Homes, Incorporated, Its Affiliate, and Subsidiary
Notes to Consolidated Financial Statements

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the balance sheets that sum to the total amounts shown in the consolidated statements of cash flows:

	<u>2020</u>	<u>2019</u>
Cash	\$ 5,663,881	\$ 9,216,568
Investments – restricted	143,912	81,801
Assets limited as to use:		
Construction funds	13,115,087	27,978,787
Debt service held by trustee	6,691,611	11,533,350
Held for others	124,431	93,754
Entrance fee escrow	234,120	237,063
Net assets with donor restrictions	<u>901,224</u>	<u>2,254,626</u>
Total cash, cash equivalents, and restricted cash shown in the consolidated statements of cash flows	<u>\$ 26,874,266</u>	<u>\$ 51,395,949</u>

Investments

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the consolidated balance sheets. Interest and dividend income are included in operating income unless the income or loss is restricted by donor or law. Gains and losses, both realized and unrealized, on investments in debt and equity securities are included in non-operating gains (losses).

Assets Limited as to Use

Assets limited as to use consist of funds held for debt service in accordance with the Company's bond issues, funds reserved by insurance regulation, construction funds, entrance fee escrow funds and funds held for residents. Net assets with donor restrictions are restricted by donors or grantors for a specific purpose.

Insurance regulation assets whose use is limited represents funds reserved to comply with North Carolina Department of Insurance regulations. The amount of this reserve is calculated annually in accordance with the requirements of N.C. General Statute 58, Article 64. These investments consist of cash, cash equivalents and other short-term investments.

Fair Value of Financial Instruments

The carrying amount of cash and cash equivalents approximates its fair value. The fair value of the Company's investments is presented in Note 3 and is based on quoted market prices. The carrying values of accounts receivable, other receivables, accounts payable, and accrued expenses approximate fair value due to the short-term nature of these instruments. The fair value of the Company's interest rate swaps is presented in Note 8. The Company's long-term debt approximates the fair values of those obligations.

Accounts Receivable, net

Accounts receivable is reported at estimated net realizable amounts from residents and responsible third-party payers. Amounts owed to the Company are reported net of allowances for uncollectible accounts. Specific resident balances are written off at the time they are determined to be uncollectible. The process for estimating the ultimate collection of receivables involves significant assumptions and judgments. In this regard, the Company has implemented a standardized approach to estimate and review the collectability of its receivables based on resident receivable aging trends. Historical collection and payer reimbursement experience is an integral part of the estimation process related to determining allowance for uncollectible accounts. In addition, the Company assesses the current state of its billing functions in order to identify any known collection or reimbursement issues to determine the impact, if any, on its reserve estimates, which involve judgment.

The United Methodist Retirement Homes, Incorporated, Its Affiliate, and Subsidiary
Notes to Consolidated Financial Statements

Revisions in reserve estimates are recorded as an adjustment to accounts receivable. Management believes that its collection and reserve processes, along with the monitoring of its billing processes, help to reduce the risk associated with material revisions to reserve estimates resulting from adverse changes in collection, reimbursement experience and billing functions.

Trusts Receivable

Trusts receivable represent the present value of irrevocable charitable remainder unitrusts (“CRUTs”) and charitable gift annuities (“CGAs”). The assets related to these CRUTs and CGAs will become the property of the designated beneficiaries upon the donor’s death. An amount equal to the receivable was recorded as net assets with donor restrictions. Adjustments to the asset to reflect changes in present value are recognized as activity through net assets with donor restrictions.

Assets Held for Resale

Assets held for resale consist of two gifted properties. One of which is stated at net book value, which approximates fair value.

Property and Equipment, net

Property and equipment are recorded at cost. Donated property is recorded at its estimated fair value at the date of receipt, which is then treated as cost. Interest is capitalized on facilities during the construction period. Depreciation is provided using the straight-line method over the estimated useful lives of the assets shown below:

Land improvements	15 to 30 years
Buildings and improvements	5 to 40 years
Equipment and fixtures	2 to 25 years

Annuity Payable

The Foundation acts as trustee for irrevocable charitable remainder unitrusts (CRUTs), charitable gift annuities (CGAs), and charitable remainder annuity trusts (“CRATs”). The assets in these trusts will remain in trust, paying distributions to the donors during their lifetimes, and the remainder assets will become the property of the designated beneficiaries upon the donors’ deaths. Such amounts received are recorded as “investments – restricted” on the consolidated balance sheets. These trusts require specified distributions to be made to the trusts’ designated beneficiaries over the trusts’ terms. The present value of the expected distributions is recorded as annuity obligations. Adjustments to the annuity obligations to reflect amortization of discounts, revaluations of the present value of the estimated future payments and changes in actuarial assumptions are recorded as a change in the value of split-interest agreements.

Funds Held for Others

This liability represents agency funds held in trust for UMRH residents. The related asset is included in assets limited as to use.

Interest Rate Swaps

The interest rate swap agreements are carried at fair value, estimated using a discounted cash flow method at a rate commensurate with the risk involved. A change in the fair value of the interest rate swap agreements is reported in non-operating gains (losses) in the consolidated statements of operations and changes in net assets.

Liability for Refundable Advance Fees

Optional entrance fee plans available to residents include a standard rate plan, a 50% refundable plan, 80% refundable plan, and a 90% refundable plan. The non-refundable portions of these fees are recorded as deferred revenue. The refundable portion is treated as a long-term liability. Refunds of refundable entrance fees are paid upon termination of the agreement (provided the resident's independent living unit is reoccupied) or within twenty-four months, whichever occurs first. The total amount of contractual refund obligations under existing contracts (that is, if all residents with a refundable balance were to have withdrawn) totaled approximately \$40,955,000 and \$44,422,000 at September 30, 2020 and 2019, respectively.

Deferred Revenue from Non-refundable Advance Fees

Deferred revenue from non-refundable advance fees represent payments made by a resident in exchange for the use and privileges of the community for life or until termination of the residency agreement. These advance fees may be partially refundable upon termination of the agreement and generally decline at a rate of 2% per month of occupancy and are paid after termination of the residency agreement (provided the resident's independent living unit is remarketed) or within twenty-four months, whichever occurs first.

Advance fees are recorded as deferred revenue and recognized as revenue earned on a straight-line basis over the estimated remaining life of each resident, beginning with the date of occupancy. Any unrecognized deferred revenue, less any related refund, at the date of death or termination of the contract is recorded as income in the period the death or termination of the contract occurs.

CARES Act Provider Relief Funding

These relief funds are considered voluntary non-exchange transactions subject to terms and conditions specified by the resource provider distributed by the Health Resources Service Administration section of the U.S. Department of Health and Human Services ("HHS"). These conditions create a restriction that such funds must be used to prevent, prepare or respond to the coronavirus ("COVID-19"), creating purpose restrictions in addition to conditions. This conditional grant revenue is recognized as other nonoperating revenue to the extent conditions/restrictions for entitlement are met for coronavirus related expenses or lost revenues. Such funds are subject to recoupment to the extent the conditions for entitlement are not met.

Net Assets

Net assets of the Company and changes therein are classified and reported as follows:

Net Assets without Donor Restrictions - Net assets that are not subject to donor-imposed stipulations.

Net Assets with Donor Restrictions - Include those net assets subject to donor-imposed stipulations that may or will be met either by action of the Company and/or the passage of time or those net assets subject to donor-imposed stipulations that they be maintained permanently by the Company. Generally, the donors of these assets permit the Company to use all or part of the income earned on related investments for general or specific purposes.

Net Assets Released from Restrictions - The Company reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of donated assets. When a donor-imposed restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of operations and changes in net assets as net assets released from restrictions.

Net Resident and Patient Service Revenues

Net resident and patient service revenues are reported at estimated net realizable amounts from patients, third-party payors, and others for services rendered, and includes estimated retroactive revenue adjustments due to future audits, reviews, and investigations. Retroactive adjustments are considered in the recognition of revenue on an estimated basis in the period the related services are rendered, and such amounts are adjusted in future periods as adjustments become known or as years are no longer subject to such audits, reviews, and investigations. Historically, such adjustments for the Company have been immaterial in relation to the consolidated financial statements as a whole.

Revenues under third-party payor agreements are subject to examination and retroactive adjustment. Provisions for estimated third-party payor settlements are provided in the period the related services are rendered. Differences between the amounts accrued and subsequent settlements are recorded in operations in the year of settlement.

Excess of Revenues, Gains and Other Support Over Expenses

The consolidated statements of operations and changes in net assets includes excess of revenues, gains and other support over expenses. Changes in net assets without donor restrictions, which are excluded from excess of revenues, gains and other support over expenses, consistent with industry practice, would include net assets released from restriction for purchase of property and equipment and contributions of long-lived assets (including assets acquired using contributions which by donor restrictions were to be used for the purposes of acquiring such assets).

Benevolent Assistance and Community Benefits

The Company currently maintains a benevolent assistance program and policy for residents holding continuing-care residency agreements in the event the resident(s) should become unable to pay for services. The Company reserves the right to change the program and policy from time to time. The benevolent assistance policy will not apply to residents who have impaired their ability to meet financial obligations by transferring assets other than to meet ordinary and customary living expenses, or by not maintaining Medicare Part A, Medicare Part B, supplemental insurance or other health insurance after assuming occupancy. Upon review of each resident's individual financial situation, the Company may permit the resident to remain at the facility for a lesser fee based on the resident's ability to pay, but only after meeting all of the "spend-down" provisions of eligibility for the Medicaid program and any public assistance funds. The Company may decline new benevolent assistance applications if it is determined that deferment of such charges may impair the Company's ability to operate on a sound financial basis. Since the Company does not expect to collect the normal charges for services provided for those residents who meet the benevolent assistance provisions, charges for such assistance are not included in net patient service revenue.

The Company also contributes certain dollars, volunteer hours, healthcare, and housing services to benefit the surrounding community. Total community benefits and charity care were \$6,143,725 and \$7,152,365 for the year ended September 30, 2020 and 2019, respectively, which was made up of \$5,792,057 and \$6,515,173 in unreimbursed healthcare, housing and services and \$351,668 and \$637,192 in community benefits for the year ended September 30, 2020 and 2019, respectively.

Continuing-Care Contracts

The Company enters into continuing-care contracts with various residents. A continuing-care contract is an agreement between a resident and the Company specifying the services and facilities to be provided to a resident over his or her remaining life. Under the contracts, the Company has the ability to increase fees as deemed necessary. At the end of each fiscal year, the Company calculates the present value of the net cost of future services to be provided to current residents and compares the amount with the deferred revenue from advance fees at that date. If the present value of the net cost of future services and use of facilities exceeds the deferred revenue from

The United Methodist Retirement Homes, Incorporated, Its Affiliate, and Subsidiary

Notes to Consolidated Financial Statements

advance fees, a liability (obligation for future costs) is recorded. No liability has been recorded as of September 30, 2020 or 2019, because the present value of the estimated net costs of future services and use of facilities is less than deferred revenues from advances fees. The present value of the net cost of future services and use of facilities was discounted at 1.49% and 1.71% in 2020 and 2019, respectively.

Concentration of Credit Risk

Concentrations of credit risk with respect to patient accounts receivable are limited due to the formalized agreements with third-party payors. The Company has significant accounts receivable (approximately 35% and 49% in 2020 and 2019, respectively) whose collectability or realizability is dependent upon the performance of certain governmental programs, primarily Medicare and North Carolina Medicaid. Management does not believe there are significant credit risks associated with these governmental programs.

Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Income Taxes

The Company is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code; accordingly, the accompanying consolidated financial statements do not reflect a provision or liability for federal and state income taxes. The Company has determined that it does not have any material unrecognized tax benefits or obligations as of September 30, 2020.

New Accounting Pronouncements

On October 1, 2019, the Company adopted Accounting Standards Update ("ASU") 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* ("ASU 2018-08"). The standard assists entities in evaluating whether transactions should be accounted for as contributions or exchange transactions and determining whether a contribution is conditional. The Company adopted the provisions of ASU 2018-08 applicable to both contributions received and contributions made in the accompanying financial statements under a modified prospective basis. Accordingly, there is no effect on net assets as a result of implementation.

During 2020, the Company adopted the Financial Accounting Standards Board ("FASB") ASU No. 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash*, which requires amounts generally described as restricted cash and restricted cash equivalents be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the consolidated statement of cash flows. This guidance is intended to improve the classification and presentation of changes in restricted cash on the consolidated statements of cash flows and will provide more consistent application of U.S. GAAP by reducing diversity in practice. The ASU also requires an entity to disclose information about the nature of restricted cash. The statement of cash flows for the year ended September 30, 2019 has been adjusted to reflect retrospective application of the new accounting guidance. Previously, the Company reflected changes in investments and assets limited as to use in investing activities. The Company has retrospectively removed these items from their respective sections in the consolidated statement of cash flows, resulting in a decrease in cash used by investing activities from \$(10,052,052) to \$(34,547,840). In addition, total ending cash presented on the consolidated statement of cash flows as of September 30, 2019 increased from \$9,216,568 (exclusive of restricted cash and restricted cash equivalents) to \$51,395,949 (inclusive of restricted cash and restricted cash equivalents).

Reclassifications

Certain reclassifications have been made to the prior periods consolidated financial statement presentation to correspond to the current year's format. Total net assets and change in net assets are unchanged due to these reclassifications.

Subsequent Events

The Company evaluated the effect subsequent events would have on the consolidated financial statements through January 26, 2021, which is the date the consolidated financial statements were issued.

2. Revenue Recognition

The Company generates revenues, primarily by providing housing and health services to its residents. The following streams of revenue are recognized as follows:

Monthly fees:

The life care contracts that residents select require an advanced fee and monthly fees based upon the type of space they are applying for. Resident fee revenue for recurring and routine monthly services is generally billed monthly in advance. Payment terms are usually due within 30 days. The services provided encompass social, recreational, dining along with assisted living and nursing care and these performance obligations are earned each month. Resident fee revenue for non-routine or additional services are billed monthly in arrears and recognized when the service is provided.

Advanced fees:

The non-refundable advanced fees are recognized as deferred revenue upon receipt of the payment and included in liabilities in the consolidated balance sheets until the performance obligations are satisfied. The refundable portion of an entrance fee is not considered part of the transaction price and as such is recorded as a liability in the consolidated balance sheets. Additionally, management has determined the contracts do not contain a significant financing component as the advanced payment assures residents the access to health care in the future. These deferred amounts are then amortized on a straight-line basis into revenue on a monthly basis over the life of the resident as the performance obligation is the material right associated with access to future services as described in FASB ASC 606-10-55 paragraph 42 and 51.

Health care services:

In the facility, the Company provides assisted and nursing care to residents who are covered by government and commercial payers. The Company is paid fixed daily rates from government payers. The fixed daily rates and other fees are billed in arrears monthly. The monthly fees represent the most likely amount to be received from the 3rd party payors. Most rates are predetermined from Medicare and Medicaid. Under ASC Topic 606, management has elected to utilize the portfolio approach in aggregating the revenues under these revenue streams.

The United Methodist Retirement Homes, Incorporated, Its Affiliate, and Subsidiary
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The Company disaggregates its revenue from contracts with customers by payor source, as the Company believes it best depicts how the nature, timing and uncertainty of its revenues and cash flows are affected by economic factors. See details on a reportable segment basis in the table below:

	September 30, 2020		
	Independent Living	Assisted Living & Memory Care	Skilled Nursing
Private pay	\$ 34,818,783	\$ 8,529,966	\$ 9,612,602
Government reimbursement	-	50,491	8,977,125
Other third-party payor programs	-	-	1,628,209
Total	\$ 34,818,783	\$ 8,580,457	\$ 20,217,936

	September 30, 2019		
	Independent Living	Assisted Living & Memory Care	Skilled Nursing
Private pay	\$ 32,527,218	\$ 8,347,363	\$ 10,196,646
Government reimbursement	-	72,151	8,189,657
Other third-party payor programs	-	-	1,829,306
Total	\$ 32,527,218	\$ 8,419,514	\$ 20,215,609

3. Investments

Aggregate fair values of investments at September 30 are summarized below:

	2020	2019
Cash and cash equivalents	\$ 6,197,785	\$ 1,464,009
Equity	36,215,052	30,969,577
Fixed income	47,428,818	40,709,330
Total investments	89,841,655	73,142,916
Short-term investments	81,866,211	66,918,383
Investments - restricted	\$ 7,975,444	\$ 6,224,533

A summary of net investment income for the years ended September 30 follows:

	2020	2019
Net realized gains	\$ 1,177,770	\$ 639,231
Net unrealized gains	3,637,685	73,790
Net investment income	\$ 4,815,455	\$ 713,021

4. Assets Limited as to Use

The composition of assets limited as to use at September 30 is set forth in the following table:

	<u>2020</u>	<u>2019</u>
Cash funds and cash equivalents	\$ 22,214,270	\$ 39,798,772
U.S. Government and agency funds	3,254,865	-
Equity	6,327,475	6,966,915
Fixed income	<u>11,197,418</u>	<u>12,061,728</u>
Total assets limited as to use	<u>\$ 42,994,028</u>	<u>\$ 58,827,415</u>
	<u>2020</u>	<u>2019</u>
Construction funds	\$ 13,115,087	\$ 27,978,786
Debt service held by trustees	12,834,305	13,242,075
Insurance regulation	13,756,260	13,169,468
Held for others	124,431	93,754
Entrance Fee Escrow	234,120	237,062
Net assets with donor restrictions	<u>2,929,825</u>	<u>4,106,270</u>
Total assets limited as to use	42,994,028	58,827,415
Less current portion required to meet current obligations	<u>(3,052,646)</u>	<u>(1,768,520)</u>
Assets limited as to use, net of current portion	<u>\$ 39,941,382</u>	<u>\$ 57,058,895</u>

5. Fair Value of Assets and Liabilities

Fair value as defined under U.S. GAAP is an exit price, representing the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. U.S. GAAP establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. These tiers include:

- Level 1: Observable inputs such as quoted prices in active markets.
- Level 2: Inputs other than quoted prices in active markets that are either directly or indirectly observable.
- Level 3: Unobservable inputs about which little or no market data exists, therefore requiring an entity to develop its own assumptions.

Assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The Company's assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the valuation of fair value assets and liabilities and their placement within the fair value hierarchy levels.

The United Methodist Retirement Homes, Incorporated, Its Affiliate, and Subsidiary
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When quoted prices are available in active markets for identical instruments, investment securities are classified within Level 1 of the fair value hierarchy. Level 1 investments include mutual funds, exchange-traded funds, government and agency bond funds, and money market funds which are valued based on prices readily available in active markets in which those securities are traded. Level 2 investments include interest rate swap agreements which are valued on a recurring basis based on inputs that are readily available in public markets or can be derived from information available in publicly quoted markets.

The Company does not have any financial assets or liabilities measured at fair value on a recurring basis categorized as Level 3, and there were no transfers in or out of Level 3 during 2020. There were no changes during 2020 to the Company's valuation techniques used to measure asset and liability fair values on a recurring basis.

The following tables set forth by level the fair value hierarchy the Company's financial assets accounted for at fair value on a recurring basis as of September 30, 2020 and 2019.

September 30, 2020				
	Level 1	Level 2	Level 3	Total
Assets:				
Mutual funds	\$ 79,141,544	\$ -	\$ -	\$ 79,141,544
Exchange-traded funds	19,127,484	-	-	19,127,484
Government and agency bond funds	4,460,487	-	-	4,460,487
Money market funds	28,749,957	-	-	28,749,957
Total assets at fair value	<u>\$131,479,472</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$131,479,472</u>
Liabilities:				
Interest rate swaps	<u>\$ -</u>	<u>\$ 377,025</u>	<u>\$ -</u>	<u>\$ 377,025</u>

The Company has \$1,356,211 of cash balances included in investments and assets limited as to use as of September 30, 2020, which are not included in the fair value hierarchy.

September 30, 2019				
	Level 1	Level 2	Level 3	Total
Assets:				
Mutual funds	\$ 66,732,025	\$ -	\$ -	\$ 66,732,025
Exchange-traded funds	19,575,949	-	-	19,575,949
Money market funds	42,964,911	-	-	42,964,911
Total assets at fair value	<u>\$129,272,885</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$129,272,885</u>
Liabilities:				
Interest rate swaps	<u>\$ -</u>	<u>\$ 218,782</u>	<u>\$ -</u>	<u>\$ 218,782</u>

The Company has \$2,697,446 of cash balances included in investments and assets limited as to use as of September 30, 2019, which are not included in the fair value hierarchy.

6. Property and Equipment

Property and equipment consists of the following at September 30:

	<u>2020</u>	<u>2019</u>
Land	\$ 6,563,698	\$ 6,563,698
Land improvements	23,930,510	18,198,208
Buildings and improvements	268,457,323	222,708,265
Equipment and fixtures	20,953,761	17,252,612
Construction in progress	<u>6,196,420</u>	<u>35,555,281</u>
Total property and equipment	326,101,712	300,278,064
Less accumulated depreciation	<u>(125,282,748)</u>	<u>(113,945,794)</u>
Property and equipment, net	<u>\$ 200,818,964</u>	<u>\$ 186,332,270</u>

Construction in progress includes various projects, the largest of which are two campus expansion projects. The Company had depreciation expense of approximately \$11,819,000 and \$10,775,000 for the years ended September 30, 2020 and 2019, respectively.

7. Bonds Payable

Bonds payable consists of the following at September 30:

	<u>2020</u>	<u>2019</u>
First Mortgage Revenue Refunding Bonds, Series 2013A:		
Serial bonds due through October 1, 2022		
yielding between 3.05% and 3.68%	\$ 90,000	\$ 120,000
Term bonds:		
Due October 1, 2033 yielding 4.60%	1,730,000	1,730,000
Due October 1, 2033 yielding 4.56%	6,370,000	6,370,000
First Mortgage Revenue Bonds, Series 2014A:		
Variable rate of 3.35% due October 1, 2024		
See related swap disclosure in Note 8	3,545,000	4,845,000
First Mortgage Revenue Bonds, Series 2014B:		
Variable rate of 3.35% due October 1, 2024		
See related swap disclosure in Note 8	8,205,000	10,040,000
First Mortgage Revenue Bonds, Series 2016A:		
Serial bonds due through October 1, 2026		
yielding between 2.500% to 2.625%	4,845,000	4,845,000
Term bonds:		
Due October 1, 2030 yielding 2.880%	8,250,000	8,250,000
Due October 1, 2030 yielding 3.250%	2,500,000	2,500,000
Due October 1, 2031 yielding 2.950%	3,000,000	3,000,000
Due October 1, 2035 yielding 3.600%	13,390,000	13,390,000
Due October 1, 2035 yielding 3.180%	2,500,000	2,500,000

The United Methodist Retirement Homes, Incorporated, Its Affiliate, and Subsidiary
Notes to Consolidated Financial Statements

First Mortgage Revenue and Revenue Refunding Bonds,
Series 2017A:

Serial bonds due through October 1, 2047 yielding between 1.84% and 3.28%	24,055,000	24,760,000
Term Bonds:		
Due October 1, 2037 yielding 3.460%	12,670,000	12,670,000
Due October 1, 2038 yielding 3.830%	2,690,000	2,690,000
Due October 1, 2042 yielding 3.530%	12,155,000	12,155,000
Due October 1, 2047 yielding 3.600%	19,040,000	19,040,000

First Mortgage Revenue Bonds, Series 2017B:

Variable rate term bonds at 2.65% due: October 1, 2041	<u>15,925,000</u>	<u>16,150,000</u>
Total bonds payable	<u>140,960,000</u>	<u>145,055,000</u>
Less current portion of bonds payable	(4,345,000)	(4,095,000)
Less deferred financing costs, net	(2,529,898)	(2,615,595)
Add unamortized premium	<u>10,731,530</u>	<u>11,014,471</u>
Bonds payable, net of current portion	<u>\$ 144,816,632</u>	<u>\$ 149,358,876</u>

In April 2013, the Company issued \$8,370,000 of tax-exempt, fixed rate First Mortgage Revenue Refunding Bonds ("2013A Bonds") through the North Carolina Medical Care Commission. The proceeds of the 2013A Bonds, net of issuance expense and fund amounts deposited into a debt service reserve fund, along with cash reserves held by the Company, were used to refund the Series 2004C Bonds total outstanding debt.

In September 2014, the Company issued \$12,025,000 of tax-exempt, variable First Mortgage Revenue Refunding Bonds ("2014A Bonds") through the North Carolina Medical Care Commission. Of this total amount, \$1,310,000 funded the partial refunding of the Series 2005B Bonds and \$10,715,000 refunded the entirety of the Series 2004A and a portion of the Series 2005A Bonds, which was funded on October 1, 2014. The interest rate on the 2014A Bonds is variable based on prevailing market rates and is reset monthly based on 82.65% of 1-Month LIBOR plus 1.692%. The Company entered into an interest rate swap agreement on the Series 2014A Bonds, which is described in Note 8.

In December 2014, the North Carolina Medical Care Commission authorized the issuance of tax-exempt, adjustable rate Retirement Facilities First Mortgage Revenue Refunding Bonds, Series 2014B ("2014B Bonds") in the aggregate principal amount of up to \$16,630,000. Of this total amount, \$6,390,000 and \$10,040,000 funded the partial refunding of the Series 2005C Bonds due October 1, 2019 and October 1, 2024, respectively. The interest rate on the 2014B Bonds is variable based on prevailing market rates and is reset monthly based on 82.65% of 1-Month LIBOR plus 1.692%. The Company entered into an interest rate swap agreement on the Series 2014B Bonds, which is described in Note 8.

In May 2016, the North Carolina Medical Care Commission authorized the issuance of tax-exempt, fixed rate Retirement Facilities First Mortgage Revenue Refunding Bonds, Series 2016A ("2016A Bonds") in the aggregate principal amount of up to \$34,485,000. The bond funds were used to refund the entirety of the 2005A Bonds due October 1, 2025 and October 1, 2035, and the remaining outstanding amount of \$22,715,000 of the 2005C Bonds due October 1, 2032.

In December 2017, the Company issued \$71,970,000 of rated tax-exempt fixed rate Series 2017A Bonds ("2017A Bonds"), consisting of serial and term maturities from October 1, 2018 to October 1, 2047 and \$31,235,000 of tax-exempt direct purchase bank revenue Series 2017B Bonds ("2017 Bonds") issued by the North Carolina Medical Care Commission and to be purchased by BB&T Community Holdings Co. The 2017B Bonds consist of

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Notes to Consolidated Financial Statements

\$16,150,000 of Series 2017B-1 Bonds to be redeemed by October 1, 2041 and \$15,085,000 of Series 2017B-2 Bonds, to be redeemed in full by October 1, 2020 with initial entrance fee proceeds received from the Project's new independent living units. The interest rate on the 2017B Bonds is variable based on prevailing market rates and is reset monthly based on 82.65% of 1-Month LIBOR plus 0.988%.

Principal repayments on bonds payable, excluding discounts and premiums, for the next five years and thereafter, are summarized as follows:

2021	\$ 4,345,000
2022	4,540,000
2023	4,720,000
2024	4,910,000
2025	5,140,000
Thereafter	<u>117,305,000</u>
	<u>\$ 140,960,000</u>

All series of bonds are subject to annual mandatory sinking fund requirements prior to their due dates. There are certain covenants associated with the bonds that are outlined in the Master Trust indentures. The most restrictive of these covenants requires maintenance of a long-term debt service coverage ratio, as defined, of not less than 1.20.

The Company incurred deferred financing costs in the amount of approximately \$2,904,000 in association with the issuance of the above Series Bonds. Amortization expense of approximately \$86,000 and \$79,000 was recognized during 2020 and 2019, respectively, to the interest expense line item on the consolidated statements of operations and changes in net assets. Accumulated amortization was \$375,000 and \$289,000 for the years ended September 30, 2020 and 2019, respectively.

8. Interest Rate Swap

Variable rate long-term debt exposes the Company to variability in interest payments due to changes in interest rates. Management believes it is prudent to limit the variability of a portion of its interest payments. To meet this objective, management entered into interest rate swap agreements to manage fluctuations in cash flows resulting from interest rate risk.

In August 2014, the Company entered into a forward interest rate swap agreement with a financial institution in conjunction with the 2014A Bonds that took effect October 1, 2014. The Company pays a fixed rate of 2.97% while the financial institution pays based on 78% of 1-Month LIBOR plus 1.3925%. The difference between the fixed and floating rates is accrued and recorded in interest expense in the accompanying consolidated statements of operations and changes in net assets. The fair value of this derivative instrument is recorded on the consolidated balance sheets as a long-term liability in 2020 and 2019.

In December 2014, the Company entered into a forward interest rate swap agreement with a financial institution in conjunction with the 2014B Bonds that took effect October 1, 2015. The Company pays a fixed rate of 3.195% while the financial institution pays based on 78% of 1-Month Libor plus 1.3925%. The difference between the fixed and floating rates is accrued and recorded in interest expense in the accompanying consolidated statements of operations and changes in net assets. The fair value of this derivative instrument is recorded on the consolidated balance sheets as a long-term liability in 2020 and 2019.

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The following schedule outlines the terms and fair values of the interest rate swap agreement.

	2014A Bond Bank Swap	2014B Bond Bank Swap
Notional amount	\$ 8,955,000	\$ 15,200,000
Trade date	8/25/2014	12/22/2014
Effective date	10/1/2014	10/1/2015
Termination date	10/1/2024	10/1/2024
Fixed rate	2.970%	3.195%
Fair value at September 30, 2018	\$ 91,175	\$ 152,237
Unrealized losses	<u>(130,788)</u>	<u>(331,406)</u>
Fair value at September 30, 2019	(39,613)	(179,169)
Unrealized losses	<u>(38,861)</u>	<u>(119,382)</u>
Fair value at September 30, 2020	<u>\$ (78,474)</u>	<u>\$ (298,551)</u>

By using an interest rate swap to hedge exposure to change in interest rates, the Company exposes itself to credit risk and market risk. Credit risk is the failure of the counterparty to perform under the terms of the derivative contract. Market risk is the adverse effect on the value of the financial instrument that results from a change in interest rates. The market risk associated with an interest rate swap is managed by establishing and monitoring parameters that limit the types and degrees of market risk that may be undertaken.

9. Benevolent Assistance and Other Contractual Adjustments

UMRH maintains records to identify and monitor the level of benevolent assistance it provides. These records include the amount of charges forgone for services and supplies furnished under its benevolent assistance policy. Amounts of benevolent assistance provided based on the cost to provide was approximately \$780,000 and \$753,000 for the years ended September 30, 2020 and 2019, respectively. The benevolent care amount includes approximately \$7,000 and \$20,000 for the years ended September 30, 2020 and 2019, respectively, of services discounted for former Methodist Retirement Community ("MRC") residents who were moved to Croasdaile Village upon the closure of MRC.

Additionally, residents in the health center and assisted living levels of care may be eligible to participate in the North Carolina Medicaid or federal Medicare programs. Contractual adjustments represent the difference between UMRH's standard rates and the rates paid by net third party payors. For the years ended September 30, 2020 and 2019, net patient service revenue was reduced by net third party payor contractual adjustments (primarily Medicaid and Medicare) of approximately \$4,229,000 and \$5,290,000, respectively.

10. Retirement Plans

Effective July 1, 2002, UMRH formed a 403(b) defined-contribution pension plan covering substantially all its employees. UMRH matches 50% of eligible employee contributions up to eight percent on employees' annual compensation. Matching contributions begin on the first payroll of the first calendar quarter after the employee's hire date. The employees are immediately vested in their contributions. UMRH matching contributions are vested after the twelfth consecutive month period beginning with the first day of the plan year and ending with the last

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day of the plan year in which the employee is credited with at least 1,000 hours of service. At the end of the plan year, UMRH's matching contributions are vested on a sliding scale from zero to 100% based on years of vesting service where employees are 100% vested after 5 years. Retirement plan expense amounted to approximately \$366,000 and \$368,000 for the years ended September 30, 2020 and 2019, respectively.

11. Net Assets with Donor Restrictions

Net assets at September 30 were available for the following purposes:

	<u>2020</u>	<u>2019</u>
Benevolent care	\$ 2,335,990	\$ 1,932,265
Split interest agreements	336,625	317,911
Use and maintenance of the Cypress Glen facility	1,377,461	1,177,120
Other	996,737	2,404,724
Facility operations and maintenance	120,714	101,302
Capital campaign	<u>13,127</u>	<u>13,114</u>
	<u>\$ 5,180,654</u>	<u>\$ 5,946,436</u>

Net assets restricted to investment in perpetuity, the income from which is expendable to support:

	<u>2020</u>	<u>2019</u>
Benevolent endowment fund	\$ 2,992,565	\$ 2,205,551
Split interest agreements	644,196	616,472
Use and maintenance of the Cypress Glen facility	649,525	649,525
Other	586,946	331,202
Facility operations and maintenance	<u>100,691</u>	<u>100,691</u>
	<u>\$ 4,973,923</u>	<u>\$ 3,903,441</u>
Total net assets with donor restrictions	<u>\$ 10,154,577</u>	<u>\$ 9,849,877</u>

12. Commitments and Contingencies

The Company is involved in litigation in the ordinary course of business related to professional liability claims. Management believes these claims, if asserted, would be settled within the limits of coverage, which is on a claims-made basis, with insurance limits of \$1,000,000 per claim and \$3,000,000 in the aggregate.

Should the policies not be renewed or replaced with equivalent insurance, claims based on occurrences during their terms but reported subsequently would be uninsured. Management anticipates that such coverage will be renewed or replaced with equivalent insurance as these policies expire.

13. Contingent Liabilities

The Company is self-insured for its employee health insurance and records an estimate for claims incurred but unpaid at year end. The estimated liability for these claims approximated \$300,000 and \$205,000 for the years ended September 30, 2020 and 2019, respectively. The liability is included in current liabilities. The total self-insurance expenses were approximately \$2,990,000 and \$3,210,000. The self-insured plan has a stop loss coverage of \$80,000 per individual per plan year (with a \$125,000 cumulative specific stop loss deductible) and has an \$1,000,000 annual aggregate.

14. Management Fees

The Company pays management fees to Life Care Services LLC ("LCS") pursuant to a Client Services Agreement dated January 1, 2018. Under this Agreement, LCS is to: (i) provide a qualified Corporate Executive Director, who is an employee of LCS; (ii) perform general, financial, personnel, facility and other management services necessary for operation of UMRH's corporate office and the operation and marketing of the communities. The term of the Client Services Agreement is five years terminable by UMRH, with six months' notice, at the conclusion of the third anniversary without cause or penalty. The Company recognized management fee expenses of approximately \$2,208,000 and \$2,112,000 for the years ended September 30, 2020 and 2019, respectively which are included in administrative expenses on the consolidated statement of operations and changes in net assets.

15. Endowment Funds

The Company's endowments consist of individual funds established for a variety of purposes including support for residents in financial need, plant operations and maintenance and other general obligations. The endowments consist of donor-restricted endowment funds. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The Board of Trustees of the Company has interpreted the State Prudent Management of Institutional Funds Act ("SPMIFA") as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Company classifies as net assets with donor restrictions (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. In accordance with SPMIFA, the Company considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the Company and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Company
- The investment policies of the Company

The United Methodist Retirement Homes, Incorporated, Its Affiliate, and Subsidiary
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Endowment Net Asset Composition by Type of Fund as of September 30, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Donor-restricted endowment	\$ <u>-</u>	\$ <u>9,173,756</u>	\$ <u>9,173,756</u>

Changes in Endowment Net Assets for the Year Ended September 30, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ -	\$ 8,915,494	\$ 8,915,494
Investment gains	-	776,868	776,868
Contributions to principal and transfers, net	-	1,530,679	1,530,679
Change in value of pledges	-	(252,837)	(252,837)
Bad debt expense, net	-	27,457	27,457
Releases from restriction	-	(1,823,905)	(1,823,905)
Endowment net assets, end of year	\$ <u>-</u>	\$ <u>9,173,756</u>	\$ <u>9,173,756</u>

Endowment Net Asset Composition by Type of Fund as of September 30, 2019

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Donor-restricted endowment	\$ <u>-</u>	\$ <u>8,915,494</u>	\$ <u>8,915,494</u>

Changes in Endowment Net Assets for the Year Ended September 30, 2019

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ -	\$ 7,990,221	\$ 7,990,221
Investment gains	-	213,444	213,444
Contributions to principal and transfers, net	-	859,791	859,791
Change in value of pledges	-	(26,239)	(26,239)
Bad debt expense, net	-	3,355	3,355
Releases from restriction	-	(125,078)	(125,078)
Endowment net assets, end of year	\$ <u>-</u>	\$ <u>8,915,494</u>	\$ <u>8,915,494</u>

Return Objectives and Risk Parameters

The Company has adopted investment and spending policies for endowment assets that attempt to emphasize long-term growth of principal while avoiding excessive risk. Short-term volatility will be tolerated in as much as it is consistent with the volatility of a comparable market index. Endowment assets include those assets of donor-restricted funds that the Company must hold in perpetuity.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Company relies on a combination strategy of capital preservation and modest capital growth. The Company targets a diversified asset allocation that places a greater emphasis on fixed income investments to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Company has a policy of utilizing the interest and dividends earned on these endowments for their restricted purposes. The Company believes the investment policy established will facilitate the growth of these endowed funds and allow for earnings on these endowed funds to be used consistent with the intent of the donors.

16. Liquidity and Availability

As part of its liquidity management, the Company has a policy to structure its financial assets to be available as its general expenses, liabilities, and other obligations come due. In addition, the Company invests cash in excess of daily operating funds in short-term investments such as mutual funds, exchange-traded funds, and, money market funds.

The following schedule reflects the Company's financial assets to meet cash needs for general expenses within one year. The financial assets were derived from the total assets on the consolidated balance sheets by excluding the assets that are unavailable for general expenses in the next 12 months. The Company seeks to maintain sufficient liquid assets to cover 120 days' operating and capital expenses.

Financial assets available for general expenditure within one year of the balance sheet date, consist of the following:

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 5,663,881	\$ 9,216,568
Contributions receivable, current portion	49,685	158,853
Accounts receivable	2,235,159	3,101,260
Other receivables	2,739,540	1,954,138
Investments	<u>81,866,211</u>	<u>66,918,383</u>
	<u>\$ 92,554,476</u>	<u>\$ 81,349,202</u>

17. Schedule of Expenses by Natural Classification and Function

The following is a schedule of expenses by both natural classification and function for the year ended September 30, 2020:

	September 30, 2020			
	Program Services	Management and General	Fundraising	Total
Salaries and benefits	\$ 24,170,658	\$ 6,851,527	\$ 181,062	\$ 31,203,247
Fees for services	5,106,872	1,499,975	21,145	6,627,992
Supplies	5,024,982	599,838	620	5,625,440
Medical and personal care	2,877,871	-	-	2,877,871
Occupancy	2,229,945	16,670	-	2,246,615
Insurance	705,892	59,825	-	765,717
Interest	3,271,133	4,437	-	3,275,570
Depreciation and amortization	11,510,439	322,590	-	11,833,029
Other	2,585,191	1,985,506	30,076	4,600,773
Total expense	<u>\$ 57,482,983</u>	<u>\$ 11,340,368</u>	<u>\$ 232,903</u>	<u>\$ 69,056,254</u>

The following is a schedule of expenses by both natural classification and function for the year ended September 30, 2019:

	September 30, 2019			
	Program Services	Management and General	Fundraising	Total
Salaries and benefits	\$ 24,516,264	\$ 4,674,535	\$ 184,531	\$ 29,375,330
Fees for services	5,344,671	1,694,454	44,296	7,083,421
Supplies	4,604,598	153,030	850	4,758,478
Medical and personal care	3,279,884	-	-	3,279,884
Occupancy	2,186,721	17,378	-	2,204,099
Insurance	630,016	55,479	-	685,495
Interest	3,418,789	4,573	-	3,423,362
Depreciation and amortization	10,343,324	433,257	-	10,776,581
Other	2,139,200	1,871,915	29,860	4,040,975
Total expense	<u>\$ 56,463,467</u>	<u>\$ 8,904,621</u>	<u>\$ 259,537</u>	<u>\$ 65,627,625</u>

18. COVID-19 Pandemic

In response to the global COVID-19 pandemic across the United States, the federal government and a large number of state governments, including North Carolina, have imposed strict measures to curtail aspects of public life in an effort to control further spreading of COVID-19, including limitations on public gatherings, wearing of masks in public, and restrictions on restaurant and other businesses operating capacity.

An outbreak of an infectious disease, including the growth in the magnitude or severity of COVID-19 cases in the Company's service area, could result in an abnormally high demand for health care services, potentially inundating hospitals with patients in need of intensive care services. The treatment of this highly contagious disease could also result in a temporary shutdown of some or portions of the Company's facilities, diversion of patients, or staffing shortages. Further, the changing global economic conditions or potential global health concerns surrounding the COVID-19 pandemic may also affect the Company's partners, suppliers, distributors and payors, potentially disrupting or delaying the Company's supply chain and delaying reimbursement by governmental, commercial or private payors, as well as impacting their creditworthiness and ability to pay. At this time, it is not possible to accurately predict the significance of the duration of the COVID-19 pandemic, the impact on operating income, the costs associated with responding to this pandemic, or what federal funds may continue be made available to help recover from this crisis.

In addition to the direct impact to the health care industry, global investment and financial markets have experienced substantial volatility, with significant declines attributed to COVID-19 concerns and associated economic impacts of the curtailment of public life described above. As with nearly all industries and companies operating through the COVID-19 pandemic, the Company expects to encounter further volatility and disruption in its operations and in the local, national and global economies.

Although the Company has activated plans to address the COVID-19 threat and is operating pursuant to infectious disease protocols and its emergency preparedness plan, the potential impact of the COVID-19 pandemic is difficult to predict and could materially adversely impact the Company's financial condition, liquidity and results of operations in the future.

On March 27, 2020, the federal Coronavirus Aid, Relief and Economic Security (CARES) Act was signed into law, which is intended to provide economic relief and emergency assistance for individuals, families and businesses affected by COVID-19. Various state governments are also taking action to provide economic relief and emergency assistance. The Company received approximately \$2,090,000 in general Provider Relief Funds ("PRF") in fiscal year 2020.

In October and November 2020, HHS issued Post-Payment Notices of Reporting Requirements ("PPNRR") which establish the reporting criteria for providers which received PRF funding under the CARES Act. The guidance provided in this PPNRR and responses to frequently asked questions is advisory in nature and provided clarifying guidance, which was used as the basis for determining the amount of PRF recognized as income for the year ended September 30, 2020. The Company recognized all but \$1,425,674 as nonoperating gains (losses) in fiscal year 2020 as the conditions for entitlement to such funding for healthcare related expenses or lost revenues to prevent, prepare for or respond to COVID-19, have been met, resulting in the simultaneous release of restrictions pursuant to the guidance in the November 2020 PPNRR. The \$1,425,674 is recorded as unearned provider relief advanced funding on the consolidated balance sheet. The Company has until June 30, 2021 to utilize remaining funds toward expenses attributable to COVID-19 but not reimbursed by other sources or to lost revenues per the terms and conditions.

On December 27, 2020, the federal Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA Act) was signed into law. The CRRSA Act, as well as a revised PPNRR issued in January 2021 as a result, provided additional guidance relating to the determination of lost revenues and COVID-19 related expenses under the terms and conditions of the PRF funding received by the Company. Under U.S. GAAP, the issuance of the CRRSA Act is a non-recognized subsequent event, and therefore the methodology used by the Company for recognizing revenue was not changed for the year ended September 30, 2020 to incorporate provisions of the CRRSA Act. As such, amounts recognized as other nonoperating gains (losses) for the year ended to September 30, 2020 are subject to change and those changes could be material. The funds are also subject to future audits and potential adjustment and certain amounts may need to be repaid to the government.



Supplementary Information

The United Methodist Retirement Homes, Inc., Its Affiliate and Subsidiary
Consolidating Balance Sheet Information
September 30, 2020

	Corporate	Wesley Pines	Cypress Glen	Croasdaile Village	Eliminating Entries	Total UMRH	UMRH Foundation	Eliminating Entries	Obligated Group	UMRH AHD	Consolidated
ASSETS											
Current assets:											
Cash	\$ 5,486,527	\$ 400	\$ 2,175	\$ 550	\$ -	\$ 5,489,652	\$ 87,492	\$ -	\$ 5,577,144	\$ 86,737	\$ 5,663,881
Contributions receivable, current portion	-	35,403	474,155	84,020	-	593,578	49,685	(593,578)	49,685	-	49,685
Investments	95,522,471	-	-	-	(13,656,260)	81,866,211	-	-	81,866,211	-	81,866,211
Assets limited as to use - debt service, current portion	-	-	199,657	2,603,109	-	2,802,766	-	-	2,802,766	-	2,802,766
Assets limited as to use, current portion	-	14,267	229,443	5,870	-	249,580	-	-	249,580	300	249,880
Accounts receivable, net of allowance for uncollectible accounts	-	507,118	164,836	1,563,205	-	2,235,159	-	-	2,235,159	-	2,235,159
Other receivables	45,111	178,811	898,050	1,617,568	-	2,739,540	-	-	2,739,540	-	2,739,540
Due from related parties	2,078,557	-	30,085,026	69,052,539	(101,066,393)	149,729	-	(149,729)	-	-	-
Inventories	-	34,089	29,269	75,671	-	139,029	-	-	139,029	-	139,029
Prepaid expenses and other current assets	74,352	216,473	251,207	543,072	-	1,085,104	-	-	1,085,104	-	1,085,104
Total current assets	103,207,018	986,561	32,333,818	75,545,604	(114,722,653)	97,350,348	137,177	(743,307)	96,744,218	87,037	96,831,255
Non-current assets:											
Assets limited as to use - statutory operating reserve	-	2,157,921	3,348,322	8,150,017	-	13,656,260	100,000	-	13,756,260	-	13,756,260
Assets limited as to use - debt service, net of current portion	-	-	1,529,886	21,616,740	-	23,146,626	-	-	23,146,626	-	23,146,626
Assets limited as to use, net of current portion	674,525	-	1,377,461	234,120	-	2,286,106	752,390	-	3,038,496	-	3,038,496
Investments - restricted	-	-	-	-	-	-	7,975,444	-	7,975,444	-	7,975,444
Assets held for resale	182,746	32,550	-	-	-	215,296	-	-	215,296	-	215,296
Property and equipment, net	300,350	12,392,708	37,087,314	151,038,592	-	200,818,964	-	-	200,818,964	-	200,818,964
Trusts receivable	-	-	-	-	-	-	144,997	-	144,997	-	144,997
Contributions receivable, net of current portion	-	601,047	2,788,497	2,896,953	-	6,286,497	-	(6,286,497)	-	-	-
Deferred costs, net	-	-	8,727	121,958	-	130,685	-	-	130,685	-	130,685
Total non-current assets	1,157,621	15,184,226	46,140,207	184,058,380	-	246,540,434	8,972,831	(6,286,497)	249,226,768	-	249,226,768
Total assets	\$ 104,364,639	\$ 16,170,787	\$ 78,474,025	\$ 259,603,984	\$ (114,722,653)	\$ 343,890,782	\$ 9,110,008	\$ (7,029,804)	\$ 345,970,986	\$ 87,037	\$ 346,058,023
LIABILITIES AND NET ASSETS											
Current liabilities:											
Annuity payable, current portion	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 105,664	\$ -	\$ 105,664	\$ -	\$ 105,664
Bonds payable, current portion	-	86,000	994,000	3,265,000	-	4,345,000	-	-	4,345,000	-	4,345,000
Accounts payable	681,725	243,495	700,902	2,338,555	-	3,964,677	22,188	-	3,986,865	-	3,986,865
Accrued salaries and related expenses	535,817	398,350	796,083	1,155,484	-	2,885,734	-	-	2,885,734	-	2,885,734
Accrued interest payable	-	177,972	324,191	2,241,109	-	2,743,272	-	-	2,743,272	-	2,743,272
Provider relief advanced funding	1,425,674	-	-	-	-	1,425,674	-	-	1,425,674	-	1,425,674
Insurance regulation - statutory operating reserve	-	2,157,921	3,348,322	8,150,017	(13,656,260)	-	-	-	-	-	-
Due to related parties	99,137,565	1,928,828	-	-	(101,066,393)	-	-	-	-	-	-
Contributions payable, current portion	-	-	-	-	-	-	593,578	(593,578)	-	-	-
Total current liabilities	101,780,781	4,992,566	6,163,498	17,150,165	(114,722,653)	15,364,357	721,430	(593,578)	15,492,209	-	15,492,209
Long-term liabilities:											
Annuity payable, less current portion	-	-	-	-	-	-	660,264	-	660,264	-	660,264
Bonds payable, less current portion	-	8,504,119	14,984,023	121,328,490	-	144,816,632	-	-	144,816,632	-	144,816,632
Liability to other foundations	-	-	-	-	-	-	7,714	-	7,714	-	7,714
Liability for refundable advance fees	-	48,223	5,646,930	8,011,994	-	13,707,147	-	-	13,707,147	-	13,707,147
Deferred revenue from non-refundable advance fees	-	1,776,361	16,495,985	54,235,790	-	72,508,136	-	-	72,508,136	-	72,508,136
Contributions payable, less current portion	-	-	-	-	-	-	6,286,497	(6,286,497)	-	-	-
Due to related parties	-	-	-	-	-	-	149,729	(149,729)	-	-	-
Funds held for others	-	12,952	107,825	3,654	-	124,431	-	-	124,431	-	124,431
Interest rate swap agreement	-	-	52,726	324,299	-	377,025	-	-	377,025	-	377,025
Total long-term liabilities	-	10,341,655	37,287,489	183,904,227	-	231,533,371	7,104,204	(6,436,226)	232,201,349	-	232,201,349
Total liabilities	101,780,781	15,334,221	43,450,987	201,054,392	(114,722,653)	246,897,728	7,825,634	(7,029,804)	247,693,558	-	247,693,558
Net assets:											
Without donor restrictions	1,909,333	198,801	30,261,307	55,566,408	-	87,935,849	187,302	-	88,123,151	86,737	88,209,888
With donor restrictions	674,525	637,765	4,761,731	2,983,184	-	9,057,205	1,097,072	-	10,154,277	300	10,154,577
Total net assets	2,583,858	836,566	35,023,038	58,549,592	-	96,993,054	1,284,374	-	98,277,428	87,037	98,364,465
Total liabilities and net assets	\$ 104,364,639	\$ 16,170,787	\$ 78,474,025	\$ 259,603,984	\$ (114,722,653)	\$ 343,890,782	\$ 9,110,008	\$ (7,029,804)	\$ 345,970,986	\$ 87,037	\$ 346,058,023

See Independent Auditors' Report.

The United Methodist Retirement Homes, Inc., Its Affiliate and Subsidiary
Consolidating Statement of Operations and Changes in Net Assets Information
September 30, 2020

	Corporate	Wesley Pines	Cypress Glen	Croasdaile Village	Total UMRH	UMRH Foundation	Eliminating Entries	Obligated Group	UMRH AHD	Consolidated
Unrestricted revenues, gains and other support:										
Net resident and patient service revenue	\$ -	\$ 7,827,063	\$ 15,862,774	\$ 39,927,339	\$ 63,617,176	\$ -	\$ -	\$ 63,617,176	\$ -	\$ 63,617,176
Amortization of advance fees	-	378,212	2,340,030	6,497,976	9,216,218	-	-	9,216,218	-	9,216,218
Net assets released from restriction	996	64,390	66,801	105,953	238,140	120,629	(107,213)	251,556	-	251,556
Other	31,429	(168)	2,738	34,724	68,723	-	-	68,723	-	68,723
Interest and dividend income	2,686,046	-	33,243	125,917	2,845,206	3,140	-	2,848,346	262	2,848,608
Total unrestricted revenues, gains and other support	2,718,471	8,269,497	18,305,586	46,691,909	75,985,463	123,769	(107,213)	76,002,019	262	76,002,281
Expenses:										
Nursing services	-	3,889,517	4,056,037	8,927,202	16,872,756	-	-	16,872,756	-	16,872,756
Dietary and food services	-	1,284,384	2,808,440	5,716,349	9,809,173	-	-	9,809,173	-	9,809,173
Administration	4,905,599	810,366	1,797,982	3,597,296	11,111,243	128,251	(107,213)	11,132,281	200	11,132,481
Plant operations, maintenance and security	-	634,653	2,050,150	3,483,193	6,167,996	-	-	6,167,996	-	6,167,996
Laundry and housekeeping	-	433,983	839,467	2,384,828	3,658,278	-	-	3,658,278	-	3,658,278
Resident services - activities	-	121,740	540,176	2,042,492	2,704,408	-	-	2,704,408	-	2,704,408
Home care	-	-	-	3,446,646	3,446,646	-	-	3,446,646	-	3,446,646
Interest	-	352,174	757,009	2,166,387	3,275,570	-	-	3,275,570	-	3,275,570
Depreciation and amortization	162,956	624,892	2,884,100	8,161,081	11,833,029	-	-	11,833,029	-	11,833,029
Bad debt expense	-	96,840	8,972	50,105	155,917	-	-	155,917	-	155,917
Total expenses	5,068,555	8,248,549	15,742,333	39,975,579	69,035,016	128,251	(107,213)	69,056,054	200	69,056,254
Operating income (loss)	(2,350,084)	20,948	2,563,253	6,716,330	6,950,447	(4,482)	-	6,945,965	62	6,946,027
Non-operating gains (losses):										
Net investment gains, realized	1,131,325	-	-	-	1,131,325	-	-	1,131,325	-	1,131,325
Net investment gains, unrealized	3,093,170	-	17,078	40,043	3,150,291	-	-	3,150,291	-	3,150,291
Provider relief funding	-	5,975	331,998	326,258	664,231	-	-	664,231	-	664,231
Gain (loss) on disposal of property and equipment	(366)	(2,307)	(11,078)	(50,391)	(64,142)	-	-	(64,142)	-	(64,142)
Contributions	16,194	649	614	11,621	29,078	3,056	-	32,134	-	32,134
Construction related marketing costs	-	-	(59,765)	(200)	(59,965)	-	-	(59,965)	-	(59,965)
Change in fair value of interest rate swap agreement	-	-	(26,110)	(132,133)	(158,243)	-	-	(158,243)	-	(158,243)
Other	-	1,053	(4,517)	367	(3,097)	-	-	(3,097)	-	(3,097)
Net non-operating gains (losses)	4,240,323	5,370	248,220	195,565	4,689,478	3,056	-	4,692,534	-	4,692,534
Excess of revenues, gains and other support over expenses	1,890,239	26,318	2,811,473	6,911,895	11,639,925	(1,426)	-	11,638,499	62	11,638,561
Net assets released from restrictions for purchase of property and equipment	-	-	16,656	1,555,693	1,572,349	-	-	1,572,349	-	1,572,349
Change in net assets without donor restrictions	1,890,239	26,318	2,828,129	8,467,588	13,212,274	(1,426)	-	13,210,848	62	13,210,910
Change in net assets with donor restrictions:										
Contributions	905	7,323	1,072,287	389,880	1,470,395	60,284	-	1,530,679	-	1,530,679
Interest and dividend income	-	16,327	125,352	70,483	212,162	30,867	-	243,029	-	243,029
Investment income (loss)	-	36,705	269,733	158,690	465,128	68,711	-	533,839	-	533,839
Change in split interest agreement	-	6,021	20,501	20,280	46,802	(363)	-	46,439	-	46,439
Change in value of pledges	-	-	(6,490)	(246,014)	(252,504)	-	-	(252,504)	-	(252,504)
Recovery of bad debt (bad debt expense)	-	-	675	26,448	27,123	-	-	27,123	-	27,123
Net assets released from donor restriction	(996)	(8,425)	(73,868)	(1,619,987)	(1,703,276)	(120,629)	-	(1,823,905)	-	(1,823,905)
Change in net assets with donor restrictions	(91)	57,951	1,408,190	(1,200,220)	265,830	38,870	-	304,700	-	304,700
Change in net assets	1,890,148	84,269	4,236,319	7,267,368	13,478,104	37,444	-	13,515,548	62	13,515,610
Net assets, beginning of year	693,710	752,297	30,786,719	51,282,224	83,514,950	1,246,930	-	84,761,880	86,975	84,848,855
Net assets, end of year	\$ 2,583,858	\$ 836,566	\$ 35,023,038	\$ 58,549,592	\$ 96,993,054	\$ 1,284,374	\$ -	\$ 98,277,428	\$ 87,037	\$ 98,364,465

ATTACHMENT 2

**Forecasted Financial Statements
for
The United Methodist
Retirement Homes, Incorporated
Includes**

- **Consolidated Operations of Croasdaile Village, Cypress Glen and Wesley Pines**
- **Individual Operations of Cypress Glen**



The United Methodist Retirement Homes, Incorporated

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Forecasted Financial Statements

Years Ending September 30, 2021 through 2025



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Independent Accountants' Compilation Report

Board of Trustees of
The United Methodist Retirement Homes, Incorporated
Durham, NC

Management is responsible for the accompanying forecast of The United Methodist Retirement Homes, Incorporated ("UMRH"), which comprises the forecasted balance sheets as of September 30, 2021 through 2025, and the forecasted statements of operations and changes in net assets, and cash flows for the years then ending, and the related summaries of significant assumptions and accounting policies in accordance with guidelines for the presentation of a forecast established by the American Institute of Certified Public Accountants (AICPA). We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not examine or review the forecast nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on this forecast.

The forecasted results may not be achieved, as there will usually be differences between the forecasted and actual results because events and circumstances frequently do not occur as expected, and these differences may be material. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

The accompanying forecasts and this report are intended solely for the information and use of UMRH and to comply with the requirements of North Carolina General Statutes, Chapter 58, Article 64, they are not intended to be and should not be used by anyone other than these specified parties.

As disclosed in Note 1 to the audited consolidated financial statements for UMRH and Affiliates, accounting principles generally accepted in the United States of America require that the financial statements for affiliates meeting certain criteria be consolidated with the parent organization's financial statements. For purposes of this forecast, the financial statements of two affiliates, which should be consolidated with UMRH's financial statements under accounting principles generally accepted in the United States of America, have been excluded from the forecasted financial statements. The effects of this departure from accounting principles generally accepted in the United States of America on the forecasted financial position, results of operations and cash flows have not been determined.



The accompanying supplementary information on pages 15 - 23 is presented for purposes of additional analysis and is not a required part of the forecast. Such information is the responsibility of management. The supplementary information was subject to our compilation engagement. We have not examined or reviewed the supplementary information and do not express an opinion, a conclusion, nor provide any assurance on such information.

Dixon Hughes Goodman LLP

Raleigh, NC
February 25, 2021

The United Methodist Retirement Homes, Incorporated
Forecasted Consolidated Balance Sheets
September 30, 2021 through 2025
(dollars in thousands)

	2021	2022	2023	2024	2025
ASSETS					
Current assets:					
Cash	\$ 18,528	\$ 12,284	\$ 10,805	\$ 10,708	\$ 9,415
Contributions receivable from UMRH Foundation, current portion	443	293	143	119	119
Investments	82,904	83,903	85,761	87,827	89,860
Assets limited as to use - debt service, current portion	987	978	970	963	958
Assets limited as to use - all other, current portion	250	250	250	250	250
Accounts receivable, net	2,278	2,354	2,433	2,515	2,599
Other receivables	3,992	8,926	9,113	9,319	9,538
Due from related parties	150	150	150	150	150
Inventories	137	141	146	150	155
Prepaid expenses and other current assets	1,114	1,147	1,177	1,215	1,249
Total current assets	110,783	110,426	110,948	113,216	114,293
Assets limited as to use:					
Assets limited as to use - statutory operating reserve	14,496	15,891	16,486	16,933	17,475
Assets limited as to use - debt service, net of current portion	5,025	5,032	4,962	4,959	4,776
Assets limited as to use - all other, net of current portion	2,321	2,122	2,158	2,195	2,233
	21,842	23,045	23,606	24,087	24,484
Property and equipment, net	196,036	193,227	190,983	189,436	188,997
Other assets:					
Assets held for resale	216	217	218	218	219
Contributions receivable from UMRH Foundation, net of current portion	6,287	6,287	6,287	6,161	6,161
Deferred marketing costs, net	131	116	102	87	72
	6,634	6,620	6,607	6,466	6,452
Total assets	\$ 335,295	\$ 333,318	\$ 332,144	\$ 333,205	\$ 334,226
LIABILITIES AND NET ASSETS					
Current liabilities:					
Bonds payable, current portion	\$ 4,540	\$ 4,720	\$ 4,910	\$ 5,140	\$ 5,350
Accounts payable	3,238	3,341	3,449	3,548	3,664
Accrued salaries and related expenses	3,174	3,657	4,115	4,954	3,272
Accrued interest payable	1,312	1,297	1,282	1,266	1,247
Total current liabilities	12,264	13,015	13,756	14,908	13,533
Long-term liabilities:					
Bonds payable, less current portion	140,070	135,062	129,846	124,201	118,501
Liability for refundable advanced fees	14,733	14,819	15,191	15,788	16,544
Deferred revenue for non-refundable advanced fees	67,478	68,084	68,230	68,854	70,212
Fund held for others	124	124	124	124	124
Interest rate swap agreement	377	377	377	377	377
Total long-term liabilities	222,782	218,466	213,768	209,344	205,758
Total liabilities	235,046	231,481	227,524	224,252	219,291
Net assets:					
Net assets without donor restrictions	91,343	92,931	95,714	100,047	106,029
Net assets with donor restrictions	8,906	8,906	8,906	8,906	8,906
Total net assets	100,249	101,837	104,620	108,953	114,935
Total liabilities and net assets	\$ 335,295	\$ 333,318	\$ 332,144	\$ 333,205	\$ 334,226

The United Methodist Retirement Homes, Incorporated
Forecasted Consolidated Statements of Operations and Changes in Net Assets
For the years ending September 30, 2021 through 2025
(dollars in thousands)

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Revenue:					
Net resident services, apartments	\$ 30,990	\$ 32,175	\$ 33,406	\$ 34,684	\$ 36,012
Net resident services, health care center	20,911	21,451	22,007	22,582	23,176
Net resident services, assisted living	9,327	9,665	10,016	10,379	10,755
Net resident services, memory care	1,212	1,248	1,285	1,324	1,364
Net resident services, home care	2,871	2,985	3,105	3,229	3,358
Amortization of advanced fees	9,260	8,784	9,110	9,373	9,709
Net assets released from restriction	120	93	93	93	93
Other	1,466	41	41	41	41
Interest and dividend income	1,916	2,435	2,496	2,556	2,620
	<u>78,073</u>	<u>78,877</u>	<u>81,559</u>	<u>84,261</u>	<u>87,128</u>
Total revenue					
Expenses:					
Health care center	14,924	15,376	15,842	16,322	16,816
Assisted living	3,298	3,398	3,499	3,604	3,713
Memory care	479	494	509	524	540
Home care	2,758	2,841	2,926	3,014	3,104
Resident services	2,709	2,790	2,874	2,961	3,050
Dietary and food service	11,064	11,413	11,773	12,146	12,529
Housekeeping	3,784	3,898	4,014	4,136	4,261
Laundry	198	204	210	216	223
Plant	6,712	6,917	7,127	7,345	7,569
General and administration	11,602	11,957	12,335	12,636	13,035
Depreciation	13,824	12,268	12,126	11,870	11,225
Interest	3,465	5,733	5,541	5,154	5,081
	<u>74,817</u>	<u>77,289</u>	<u>78,776</u>	<u>79,928</u>	<u>81,146</u>
Total expenses					
Excess of revenue over expenses	3,256	1,588	2,783	4,333	5,982
Net assets beginning of year	96,993	100,249	101,837	104,620	108,953
	<u>\$ 100,249</u>	<u>\$ 101,837</u>	<u>\$ 104,620</u>	<u>\$ 108,953</u>	<u>\$ 114,935</u>
Net assets end of year					

The United Methodist Retirement Homes, Incorporated
Forecasted Consolidated Statements of Cash Flows
For the years ending September 30, 2021 through 2025
(dollars in thousands)

	2021	2022	2023	2024	2025
Operating activities:					
Change in net assets	\$ 3,256	\$ 1,588	\$ 2,783	\$ 4,333	\$ 5,982
Adjustments to reconcile change in net assets to net cash from operating activities:					
Depreciation	13,824	12,268	12,126	11,870	11,225
Amortization of deferred financing costs	85	105	110	160	72
Amortization of bond premium	(292)	(393)	(416)	(665)	(422)
Amortization of advanced fees	(9,260)	(8,784)	(9,110)	(9,373)	(9,709)
Non-refundable entrance fees received	6,394	15,083	15,402	15,750	16,118
Bad debt expense	145	164	168	173	178
Net change in:					
Accounts receivable - residents and patients	(188)	(240)	(247)	(255)	(262)
Accounts receivable - other	(1,252)	(4,934)	(187)	(206)	(219)
Contributions receivable/(payable)	150	150	150	150	-
Due to/from related parties	(1,431)	15	14	15	15
Inventories	2	(4)	(5)	(4)	(5)
Prepaid expenses and other current assets	(29)	(33)	(30)	(38)	(34)
Accounts payable	(725)	103	108	99	116
Accrued salaries and related expenses	291	483	458	839	(1,682)
Accrued interest payable	(1,432)	(15)	(15)	(16)	(19)
Net cash provided by operating activities	9,538	15,556	21,309	22,832	21,354
Investing activities:					
Purchase of property and equipment	(9,039)	(9,459)	(9,882)	(10,323)	(10,786)
Net change in investments and assets limited as to use	18,026	(2,193)	(2,411)	(2,540)	(2,425)
Change in assets held for resale	(2)	(1)	(1)	-	(1)
Net cash provided by (used in) investing activities	8,985	(11,653)	(12,294)	(12,863)	(13,212)
Financing activities:					
Refunds of deposits and refundable fees	(2,421)	(7,591)	(7,791)	(7,218)	(6,401)
Refundable entrance fees received	1,281	1,984	2,017	2,062	2,106
Payments on bonds and note payable	(4,345)	(4,540)	(4,720)	(4,910)	(5,140)
Net cash used in financing activities	(5,485)	(10,147)	(10,494)	(10,066)	(9,435)
Change in cash	13,038	(6,244)	(1,479)	(97)	(1,293)
Cash, beginning of year	5,490	18,528	12,284	10,805	10,708
Cash, end of year	\$ 18,528	\$ 12,284	\$ 10,805	\$ 10,708	\$ 9,415

Summary of Significant Forecasted Assumptions and Accounting Policies

1. Nature of Business

The United Methodist Retirement Homes, Incorporated ("UMRH") is a not-for-profit corporation, which principally provides housing, health care, and other related services to residents through the ownership and operation of Wesley Pines Retirement Community ("Wesley Pines") in Lumberton, North Carolina, Cypress Glen Retirement Community ("Cypress Glen") in Greenville, North Carolina, and Croasdaile Village Retirement Community ("Croasdaile Village") in Durham, North Carolina. UMRH was incorporated in North Carolina in 1946. UMRH's corporate office is located in Durham, North Carolina.

The financial forecast presents, to the best of management's knowledge and belief, the expected financial position, results of operations, and cash flows for the forecast period of UMRH, excluding its two affiliates UMRH Affordable Housing Development, LLC ("UMRH-AHD") and The United Methodist Retirement Homes Foundation, Inc. (the "Foundation"). UMRH-AHD is a limited liability company, which was organized in North Carolina in 2002 to further the charitable purposes of UMRH by developing affordable rental housing for senior citizens. UMRH is the sole member of UMRH-AHD. The Foundation is a not-for-profit corporation which was organized in order to raise endowment funds for the residential facilities operated by UMRH, to support benevolent care for those residents who are unable to pay for continuing care at the residential facilities operated by UMRH, and to support special programs at the residential facilities operated by UMRH. Accordingly, this forecast reflects management's judgment as of February 25, 2021, the date of completion of this forecast, of the expected conditions and its course of action.

The assumptions disclosed herein are those that management believes are significant to the forecasted statements. UMRH recognizes that there will be differences between forecasted and actual results because events and circumstances frequently do not occur as expected, and those differences may be material.

2. Significant Accounting Policies

Basis of Presentation

The financial statements included in the forecast have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") with the exception of excluding its two Affiliates. Significant accounting policies are described in the appropriate assumptions and notes to the forecasted financial statements. The assumptions described are not all-inclusive, however.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash

Short-term investments presented as investments in the consolidated balance sheets are not considered cash equivalents since UMRH considers them part of their investing activities. Throughout the year UMRH has bank balances which exceed federal depository limits.

The United Methodist Retirement Homes, Incorporated
Summary of Significant Forecasted Assumptions and Accounting Policies

Investments

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the balance sheets. Interest and dividend income are included in operating income unless the income or loss is restricted by donor or law. Gains and losses, both realized and unrealized, on investments in debt and equity securities are included in non-operating gains (losses).

Assets Limited as to Use

Assets limited as to use consist of funds held for debt service in accordance with UMRH's bond issues, funds reserved by insurance regulation, entrance fee escrow funds and funds held for residents. Net assets with donor restrictions are restricted by donors or grantors for a specific purpose.

Insurance regulation assets whose use is limited represents funds reserved to comply with North Carolina Department of Insurance regulations. The amount of this reserve is calculated annually in accordance with the requirements of N.C. General Statute 58, Article 64. These investments consist of cash, cash equivalents and other short-term investments.

Accounts Receivable, net

Accounts receivable are reported at estimated net realizable amounts from residents and responsible third-party payers. Amounts owed to UMRH are reported net of allowances for uncollectible accounts. Specific resident balances are written off at the time they are determined to be uncollectible. The process for estimating the ultimate collection of receivables involves significant assumptions and judgments. In this regard, UMRH has implemented a standardized approach to estimate and review the collectability of its receivables based on resident receivable aging trends. Historical collection and payer reimbursement experience is an integral part of the estimation process related to determining allowance for uncollectible accounts. In addition, UMRH assesses the current state of its billing functions in order to identify any known collection or reimbursement issues to determine the impact, if any, on its reserve estimates, which involve judgment. Revisions in reserve estimates are recorded as an adjustment to accounts receivable. Management believes that its collection and reserve processes, along with the monitoring of its billing processes, help to reduce the risk associated with material revisions to reserve estimates resulting from adverse changes in collection, reimbursement experience and billing functions.

Inventories

Inventories are stated at average cost (approximately first-in, first-out) not in excess of net realizable value.

Assets Held for Resale

Assets held for resale consist of two gifted properties. One of which is stated at net book value, which approximates fair value.

Property and Equipment

Property and equipment are recorded at cost. Donated property is recorded at its estimated fair value at the date of receipt, which is then treated as cost. The cost of major renewals and betterments are capitalized and depreciated over their estimated useful lives. Upon disposition of equipment, the asset and related accumulated depreciation accounts are relieved and the related gain or loss is credited or charged to operating gains or losses. Expenditures for repairs and maintenance are charged to expense as incurred.

The United Methodist Retirement Homes, Incorporated
Summary of Significant Forecasted Assumptions and Accounting Policies

Depreciation is computed using the straight-line method based on the following estimated useful lives:

Land improvements	8 to 30 years
Buildings and improvements	5 to 40 years
Furniture and equipment	2 to 25 years

Funds Held for Others

The liability balance represents agency funds held in trust for UMRH residents. The related asset is included in assets limited as to use. Activity related to these funds is not recorded in UMRH's statements of forecasted operations and changes in net assets.

Interest Rate Swaps

The interest rate swap agreements are carried at fair value, estimated using a discounted cash flow method at a rate commensurate with the risk involved. A change in the fair value of the interest rate swap agreements is reported in non-operating gains (losses) in the consolidated statements of operations and changes in net assets.

Liability for Refundable Advance Fees

Optional Entrance Fee plans available to residents include a standard rate plan, a 50% refundable, 80% refundable, and a 90% refundable plan. The non-refundable portions of these fees are recorded as deferred revenue for non-refundable advanced fees. The refundable portion is treated as a long-term liability. Refunds of refundable entrance fees are paid upon termination of the agreement (provided the resident's independent living unit is reoccupied) or within twenty-four months, whichever occurs first.

Deferred Revenue for Non-refundable Advance Fees

Deferred revenue from non-refundable advance fees represents payments made by a resident in exchange for the use and privileges of the community for life or until termination of the residency agreement. These advance fees may be partially refundable upon termination of the agreement and generally decline at a rate of 2% per month of occupancy and are paid after termination of the residency agreement (provided the resident's independent living unit is reoccupied) or within twenty-four months, whichever occurs first.

Advance fees are recorded as deferred revenue and recognized as revenue earned on a straight-line basis over the estimated remaining life, actuarially adjusted annually, of each resident beginning with the date of occupancy. Any unrecognized deferred revenue, less any related refund, at the date of death or termination of the contract is recorded as income in the period the death or termination of the contract occurs.

Revenue Recognition

UMRH generates revenues, primarily by providing housing and health services to its residents. The following streams of revenue are recognized as follows:

Monthly fees:

The life care contracts that residents select require an advanced fee and monthly fees based upon the type of space they are applying for. Resident fee revenue for recurring and routine monthly services is generally billed monthly in advance. Payment terms are usually due within 30 days. The services provided encompass social, recreational, dining along with assisted living and nursing care and these performance obligations are earned each month. Resident fee revenue for non-routine or additional services are billed monthly in arrears and recognized when the service is provided.

The United Methodist Retirement Homes, Incorporated

Summary of Significant Forecasted Assumptions and Accounting Policies

Advanced fees:

The non-refundable advanced fees are recognized as deferred revenue upon receipt of the payment and included in liabilities in the consolidated balance sheets until the performance obligations are satisfied. The refundable portion of an entrance fee is not considered part of the transaction price and as such is recorded as a liability in the consolidated balance sheets. Additionally, management has determined the contracts do not contain a significant financing component as the advanced payment assures residents the access to health care in the future. These deferred amounts are then amortized on a straight-line basis into revenue on a monthly basis over the life of the resident as the performance obligation is the material right associated with access to future services as described in FASB ASC 606-10-55 paragraph 42 and 51.

Health care services:

In the facility, UMRH provides assisted and nursing care to residents who are covered by government and commercial payers. UMRH is paid fixed daily rates from government payers. The fixed daily rates and other fees are billed in arrears monthly. The monthly fees represent the most likely amount to be received from the 3rd party payors. Most rates are predetermined from Medicare and Medicaid. Under ASC Topic 606, management has elected to utilize the portfolio approach in aggregating the revenues under these revenue streams.

Net Assets

Net assets of UMRH and changes therein are classified and reported as follows:

Net Assets without Donor Restrictions - Net assets that are not subject to donor-imposed stipulations.

Net Assets with Donor Restrictions - include those net assets subject to donor-imposed stipulations that may or will be met either by action of UMRH and/or the passage of time or those net assets subject to donor-imposed stipulations that they be maintained permanently by UMRH. Generally, the donors of these assets permit UMRH to use all or part of the income earned on related investments for general or specific purposes.

Net Assets Released from Restrictions - UMRH reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of donated assets. When a donor-imposed restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of operations and changes in net assets as net assets released from restrictions.

Net Resident and Patient Service Revenues

Net resident and patient service revenues are reported at estimated net realizable amounts from patients, third-party payors, and others for services rendered, and includes estimated retroactive revenue adjustments due to future audits, reviews, and investigations. Retroactive adjustments are considered in the recognition of revenue on an estimated basis in the period the related services are rendered, and such amounts are adjusted in future periods as adjustments become known or as years are no longer subject to such audits, reviews, and investigations. Historically, such adjustments for UMRH have been immaterial in relation to the consolidated financial statements as a whole.

Revenues under third-party payor agreements are subject to examination and retroactive adjustment. Provisions for estimated third-party payor settlements are provided in the period the related services are rendered. Differences between the amounts accrued and subsequent settlements are recorded in operations in the year of settlement.

Benevolent Assistance

UMRH currently maintains a benevolent assistance program and policy for residents holding continuing care residency agreements in the event the resident(s) should become unable to pay for services. UMRH reserves the right to change the program and policy from time to time. The benevolent assistance policy will not apply to residents

The United Methodist Retirement Homes, Incorporated
Summary of Significant Forecasted Assumptions and Accounting Policies

who have impaired their ability to meet financial obligations by transferring assets other than to meet ordinary and customary living expenses, or by not maintaining Medicare Part A, Medicare Part B, supplemental insurance or other health insurance after assuming occupancy. Upon review of each resident's individual financial situation, UMRH may permit the resident to remain at the facility for a lesser fee based on the resident's ability to pay, but only after meeting all of the "spend-down" provisions of eligibility for the Medicaid program and any public assistance funds. UMRH may decline new benevolent assistance applications if it is determined that deferment of such charges may impair the UMRH's ability to operate on a sound financial basis. Since UMRH does not expect to collect the normal charges for services provided for those residents who meet the benevolent assistance provisions, charges for such assistance are not included in revenue.

Continuing-Care Contracts

UMRH enters into continuing-care contracts with various residents. A continuing-care contract is an agreement between a resident and UMRH specifying the services and facilities to be provided to a resident over his or her remaining life. Under the contracts, UMRH has the ability to increase fees as deemed necessary. No obligation for future costs associated with these contracts has been provided by UMRH because management believes that future cash inflows will be sufficient to cover such costs.

Concentration of Credit Risk

Concentrations of credit risk with respect to patient accounts receivable are limited due to the formalized agreements with third-party payors. UMRH has significant accounts receivable whose collectability or realizability is dependent upon the performance of certain governmental programs, primarily Medicare and North Carolina Medicaid. Management does not believe there are significant credit risks associated with these governmental programs. An allowance for uncollectible accounts is provided in an amount equal to the estimated losses to be incurred in collection of the receivables. The allowance is based on historical collection experience and a review of the current status of the existing receivables.

Income Taxes

UMRH has been recognized by the Internal Revenue Service as a not-for-profit corporation as described in Section 501(c)(3) of the Internal Revenue Code ("IRC") and is exempt from federal income taxes pursuant to Section 501(a) of the IRC. Accordingly, no provision for income taxes is included in the accompanying forecasted financial statements.

Restricted Cash

During 2020 UMRH adopted FASB ASU No. 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash*. The amendment's in this update require that a statement of cash flows explain the cash during the period in the total of cash, cash equivalents and amounts generally described as restricted cash or restricted cash equivalents. Amounts generally described as restricted cash and restricted cash equivalents should be included with cash and cash equivalents which reconciling the beginning of period and end of period total amounts shown on the statements of cash flows. As of September 30, 2020, UMRH had approximately \$26,870,000 invested in cash, cash equivalents, and restricted cash on the statements of cash flows. For purposes of the forecast, management has not presented restricted cash on the statement of cash flows.

3. Summary of Significant Forecasted Balance Sheet Assumptions

Cash

Forecasted cash is a result from the application of all other assumptions.

The United Methodist Retirement Homes, Incorporated
Summary of Significant Forecasted Assumptions and Accounting Policies

Investments

Forecasted short-term investments are a result of all other forecasted changes. The forecasted amounts do not include any estimate for a change in the fair value of the underlying securities.

Accounts Receivable, net

The 2021 forecasted accounts receivable is based on the 2021 budget. Forecasted accounts receivable are based on the percentage change in forecasted operating revenues and are forecasted to increase by an average of approximately 3.4% in 2022 through 2025. Other receivables are forecasted to increase by an average of approximately 18% in 2022 through 2025.

Assets Limited as to Use

Forecasted assets limited as to use is based on the forecasted change in restricted cash.

Inventories

The 2021 balances are based on the 2021 budget. Inventories are forecasted to increase by an average of approximately 3.1% in years 2022 through 2025.

Prepaid Expenses and other current assets

The 2021 balances are based on the 2021 budget. Prepaid expenses and other current assets are forecasted to increase by an average of approximately 2.9% in years 2022 through 2025.

Property and Equipment

The 2021 property and equipment additions are based on UMRH's budgeted additions. Additions are estimated to be as follows (dollars in thousands).

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Beginning of year, property and equipment	\$ 326,102	\$ 335,141	\$ 344,600	\$ 354,482	\$ 364,805
Additions	<u>9,039</u>	<u>9,459</u>	<u>9,882</u>	<u>10,323</u>	<u>10,786</u>
End of year, property and equipment	335,141	344,600	354,482	364,805	375,591
Accumulated depreciation	<u>(139,105)</u>	<u>(151,373)</u>	<u>(163,499)</u>	<u>(175,369)</u>	<u>(186,594)</u>
Total property and equipment, net	<u>\$ 196,036</u>	<u>\$ 193,227</u>	<u>\$ 190,983</u>	<u>\$ 189,436</u>	<u>\$ 188,997</u>

Forecasted depreciation is computed on the straight-line method over the estimated lives of depreciable property and equipment. The forecast assumes all disposals during the forecast period will be fully depreciated with no resulting gain or loss.

Contributions Receivable from UMRH Foundation

Contributions receivable from UMRH Foundation are forecasted to decrease in future years at the completion of various renovation and expansion projects.

Due from Related Party

Due from related parties represents the net amount due to affiliates of UMRH. The 2021 balance is based on the 2021 budget and forecasted to remain consistent from 2022 through 2025.

The United Methodist Retirement Homes, Incorporated
Summary of Significant Forecasted Assumptions and Accounting Policies

Accounts Payable and Accrued Salaries and Related Expenses

The 2021 balances are based on the 2021 budget. Forecasted accounts payable and accrued expenses are based on the percentage change in forecasted operating expenses and capital expenditures less depreciation expense and are forecasted to increase by an average of approximately 1.9% in years 2022 through 2025.

Deferred Entrance Fee Revenue and Entrance Fees Earned

Forecasted annual resident entry fees are based on estimated average unit prices times an actuarial forecasted number of units released coupled with a 1.0% per year increase in the average entry fee for the years 2022 through 2025. Forecasted refunds are based on actuarial estimates of the number of refunds times the estimated average refund potential. Amortization into revenue of these advance fees is computed using the straight-line method over the estimated remaining life expectancy of the resident.

Long-Term Debt

In April 2013, UMRH issued \$8,370,000 of tax-exempt, fixed rate First Mortgage Revenue Refunding Bonds ("2013A Bonds") through the North Carolina Medical Care Commission. The proceeds of the 2013A Bonds, net of issuance expense and fund amounts deposited into a debt service reserve fund, along with cash reserves held by UMRH, were used to refund the Series 2004C Bonds total outstanding debt.

In September 2014, UMRH issued \$12,025,000 of tax-exempt, variable First Mortgage Revenue Refunding Bonds ("2014A Bonds") through the North Carolina Medical Care Commission. Of this total amount, \$1,310,000 funded the partial refunding of the Series 2005B Bonds and \$10,715,000 refunded the entirety of the Series 2004A and a portion of the Series 2005A Bonds, which was funded on October 1, 2014. The interest rate on the 2014A Bonds is variable based on prevailing market rates and is reset monthly based on 82.65% of 1-Month LIBOR plus 1.692%. UMRH entered into an interest rate swap agreement on the Series 2014A Bonds, which is described below.

In December 2014, the North Carolina Medical Care Commission authorized the issuance of tax-exempt, adjustable rate Retirement Facilities First Mortgage Revenue Refunding Bonds, Series 2014B ("2014B Bonds") in the aggregate principal amount of up to \$16,630,000. Of this total amount, \$6,390,000 and \$10,040,000 funded the partial refunding of the Series 2005C Bonds due October 1, 2019 and October 1, 2024, respectively. The interest rate on the 2014B Bonds is variable based on prevailing market rates and is reset monthly based on 82.65% of 1-Month LIBOR plus 1.692%. UMRH entered into an interest rate swap agreement on the Series 2014B Bonds, which is described below.

In May 2016, the North Carolina Medical Care Commission authorized the issuance of tax-exempt, fixed rate Retirement Facilities First Mortgage Revenue Refunding Bonds, Series 2016A ("2016A Bonds") in the aggregate principal amount of up to \$34,485,000. The bond funds were used to refund the entirety of the 2005A Bonds due October 1, 2025 and October 1, 2035, and the remaining outstanding amount of \$22,715,000 of the 2005C Bonds due October 1, 2032.

In December 2017, UMRH issued \$71,970,000 of rated tax-exempt fixed rate Series 2017A Bonds ("2017A Bonds"), consisting of serial and term maturities from October 1, 2018 to October 1, 2047 and \$31,235,000 of tax-exempt direct purchase bank revenue Series 2017B Bonds ("2017 Bonds") issued by the North Carolina Medical Care Commission and to be purchased by BB&T Community Holdings Co. The 2017B Bonds consist of \$16,150,000 of Series 2017B-1 Bonds to be redeemed by October 1, 2041 and \$15,085,000 of Series 2017B-2 Bonds, to be redeemed in full by October 1, 2020 with initial entrance fee proceeds received from the Project's new independent living units. The interest rate on the 2017B Bonds is variable based on prevailing market rates and is reset monthly based on 82.65% of 1-Month LIBOR plus 0.988%.

The United Methodist Retirement Homes, Incorporated
Summary of Significant Forecasted Assumptions and Accounting Policies

Principal repayments, excluding discounts and premiums, for the next five years and thereafter, are summarized as follows (in thousands):

2021	\$	4,345
2022		4,540
2023		4,720
2024		4,910
2025		5,140
Thereafter		<u>117,305</u>
	\$	<u>140,960</u>

Interest Rate Swaps

Variable rate long-term debt exposes UMRH to variability in interest payments due to changes in interest rates. Management believes it is prudent to limit the variability of a portion of its interest payments. To meet this objective, management entered into interest rate swap agreements to manage fluctuations in cash flows resulting from interest rate risk. The 2021 balance is based on the 2021 budget and is forecasted to remain consistent over the forecasted period.

In August 2014, UMRH entered into a forward interest rate swap agreement with a financial institution in conjunction with the 2014A Bonds that took effect October 1, 2014. UMRH pays a fixed rate of 2.97% while the financial institution pays based on 78% of 1-Month LIBOR plus 1.3925%. The difference between the fixed and floating rates is accrued and recorded in interest expense in the accompanying consolidated statements of operations and changes in net assets. The fair value of this derivative instrument is recorded on the consolidated balance sheets as a long-term liability.

In December 2014, UMRH entered into a forward interest rate swap agreement with a financial institution in conjunction with the 2014B Bonds that took effect October 1, 2015. UMRH pays a fixed rate of 3.195% while the financial institution pays based on 78% of 1-Month Libor plus 1.3925%. The difference between the fixed and floating rates is accrued and recorded in interest expense in the accompanying consolidated statements of operations and changes in net assets. The fair value of this derivative instrument is recorded on the consolidated balance sheets as a long-term liability.

By using an interest rate swap to hedge exposure to change in interest rates, UMRH exposes itself to credit risk and market risk. Credit risk is the failure of the counterparty to perform under the terms of the derivative contract. Market risk is the adverse effect on the value of the financial instrument that results from a change in interest rates. The market risk associated with an interest rate swap is managed by establishing and monitoring parameters that limit the types and degrees of market risk that may be undertaken.

4. Summary of Significant Forecasted Assumptions for Revenues and Expenses

Resident Services

Apartments, Health Care Center, Assisted Living, Memory Care and Home Care revenue is reported at the estimated net realizable amounts from residents. They are based on average daily fees and occupancy levels. Daily rates are forecasted based on 2021 budgeted rates for each type of unit. Apartment revenues are forecasted to increase on average approximately 3.8% in years 2022 through 2025. Health Care Center revenues are forecasted to increase on average approximately 2.6% in years 2022 through 2025. Assisted Living revenues are forecasted to increase on average approximately 3.6% in years 2022 through 2025. Memory Care revenues are forecasted to increase on average approximately 3.0% in years 2022 through

The United Methodist Retirement Homes, Incorporated
Summary of Significant Forecasted Assumptions and Accounting Policies

2025. Home Care revenues are forecasted to increase on average approximately 4.0% in years 2022 through 2025.

Interest and Dividend Income

Interest and dividend income is forecasted to increase on average approximately 8.6% in years 2022 through 2025.

Other Revenue

Other revenue is based on budgeted other revenue for 2021 and is projected to remain consistent throughout the projection period with the exception of 2021 where it is forecasted UMRH will recognized the \$1,425 in provider relief funding.

Expenses

2021 expenses, which include resident care, dietary, housekeeping, plant, and general and administrative expenses are forecasted based on the 2021 budget. Expenses are forecasted to increase approximately 2.1% in years 2022 through 2025.

5. Debt Service Coverage Ratio

Credit analysts and lenders generally consider the debt service coverage ratio to be an important factor in evaluating a continuing care retirement community's ability to fund annual debt service with cash flow from net cash revenues and net entrance fees. The debt service coverage ratio computation is not defined by GAAP and is described as a non-GAAP metric. The lack of standardization in calculating debt service coverage ratios makes it difficult to draw relevant comparisons among companies.

The debt service coverage ratio as calculated below comes from the 2014 Financial Ratios & Trends of CARF-CCAC Accredited Organizations, calculated using annual debt service (the current year's capitalized interest cost plus interest expense and scheduled principal payments) in the denominator as annual debt service. (dollars in thousands):

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Excess of revenue over expenses	\$ 3,256	\$ 1,588	\$ 2,783	\$ 4,333	\$ 5,982
Interest expense	3,465	5,733	5,541	5,154	5,081
Depreciation	13,824	12,268	12,126	11,870	11,225
Net proceeds from advance fees	5,254	9,476	9,628	10,594	11,823
Amortization of advanced fees	<u>(9,260)</u>	<u>(8,784)</u>	<u>(9,110)</u>	<u>(9,373)</u>	<u>(9,709)</u>
Cash available for debt service (1)	<u>\$ 16,539</u>	<u>\$ 20,281</u>	<u>\$ 20,968</u>	<u>\$ 22,578</u>	<u>\$ 24,402</u>
Interest (A)	\$ 3,465	\$ 5,733	\$ 5,541	\$ 5,154	\$ 5,081
Principal payments	<u>4,345</u>	<u>4,540</u>	<u>4,720</u>	<u>4,910</u>	<u>5,140</u>
Annual Debt Service (2)	<u>\$ 7,810</u>	<u>\$ 10,273</u>	<u>\$ 10,261</u>	<u>\$ 10,064</u>	<u>\$ 10,221</u>
Debt Service Coverage Ratio (1/2)	<u>2.12</u>	<u>1.97</u>	<u>2.04</u>	<u>2.24</u>	<u>2.39</u>

(A) Interest includes interest capitalized and interest expense as assumed by management.



Supplementary Information

Wesley Pines Retirement Community
Forecasted Balance Sheets
September 30, 2021 through 2025
(dollars in thousands)

	2021	2022	2023	2024	2025
ASSETS					
Current assets:					
Cash	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions receivable from					
UMRH Foundation, current portion	35	35	35	35	35
Assets limited as to use - all other, current portion	14	14	14	14	14
Accounts receivable, net	514	527	539	553	566
Other receivables	16	17	17	18	18
Inventories	32	33	34	35	36
Prepaid expenses and other current assets	222	228	233	239	246
Total current assets	<u>833</u>	<u>854</u>	<u>872</u>	<u>894</u>	<u>915</u>
Assets limited as to use:					
Assets limited as to use - statutory operating reserve					
current portion	2,230	2,300	2,392	2,456	2,596
Property and equipment, net	<u>12,114</u>	<u>11,953</u>	<u>11,827</u>	<u>11,721</u>	<u>11,640</u>
Other assets:					
Assets held for resale	33	33	33	33	34
Contributions receivable from					
UMRH Foundation, net of current portion	601	601	601	601	601
	<u>634</u>	<u>634</u>	<u>634</u>	<u>634</u>	<u>635</u>
Total assets	<u>\$ 15,811</u>	<u>\$ 15,741</u>	<u>\$ 15,725</u>	<u>\$ 15,705</u>	<u>\$ 15,786</u>
LIABILITIES AND NET ASSETS (DEFICIT)					
Current liabilities:					
Bonds payable, current portion	\$ 98	\$ 213	\$ 238	\$ 516	\$ 245
Accounts payable	322	333	339	351	362
Accrued salaries and related expenses	442	513	581	705	451
Accrued interest payable	32	31	31	30	28
Insurance regulation - statutory operating reserve	2,230	2,300	2,392	2,456	2,596
Due to related parties	2,791	4,092	6,056	7,854	10,065
Total current liabilities	<u>5,915</u>	<u>7,482</u>	<u>9,637</u>	<u>11,912</u>	<u>13,747</u>
Long-term liabilities:					
Bonds payable, less current portion	8,401	8,178	7,928	7,386	7,129
Liability for refundable advanced fees	48	48	45	45	43
Deferred revenue for non-refundable advanced fees	1,842	1,658	1,029	685	705
Fund held for others	13	13	13	13	13
Total long-term liabilities	<u>10,304</u>	<u>9,897</u>	<u>9,015</u>	<u>8,129</u>	<u>7,890</u>
Total liabilities	<u>16,219</u>	<u>17,379</u>	<u>18,652</u>	<u>20,041</u>	<u>21,637</u>
Net assets (deficit):					
Net deficit without donor restrictions	(1,046)	(2,276)	(3,565)	(4,974)	(6,489)
Net assets with donor restrictions	638	638	638	638	638
Total net assets (deficit)	<u>(408)</u>	<u>(1,638)</u>	<u>(2,927)</u>	<u>(4,336)</u>	<u>(5,851)</u>
Total liabilities and net assets (deficit)	<u>\$ 15,811</u>	<u>\$ 15,741</u>	<u>\$ 15,725</u>	<u>\$ 15,705</u>	<u>\$ 15,786</u>

Wesley Pines Retirement Community
Forecasted Statements of Operations and Changes in Net Assets (Deficit)
For the years ending September 30, 2021 through 2025
(dollars in thousands)

	2021	2022	2023	2024	2025
Revenue:					
Net resident services, apartments	\$ 894	\$ 925	\$ 958	\$ 991	\$ 1,026
Net resident services, health care center	5,093	5,187	5,282	5,380	5,480
Net resident services, assisted living	1,947	2,015	2,086	2,159	2,234
Net resident services, memory care					
Amortization of advanced fees	260	270	243	150	100
Net assets released from restriction	35	25	25	25	25
Other	13	-	-	-	-
Total revenue	<u>8,242</u>	<u>8,422</u>	<u>8,594</u>	<u>8,705</u>	<u>8,865</u>
Expenses:					
Health care center	3,646	3,755	3,868	3,984	4,103
Assisted living	465	479	493	508	523
Resident services	128	131	135	140	144
Dietary and food service	1,378	1,419	1,461	1,505	1,550
Housekeeping	504	519	534	550	567
Plant	666	686	706	728	749
General and administration	926	955	983	1,011	1,041
Depreciation	645	542	526	523	518
Interest	357	372	363	338	332
Corporate allocation - depreciation	11	10	5	4	3
Corporate allocation - all other	761	784	809	823	850
Total expenses	<u>9,487</u>	<u>9,652</u>	<u>9,883</u>	<u>10,114</u>	<u>10,380</u>
Deficiency of revenue over expenses and change in net assets	(1,245)	(1,230)	(1,289)	(1,409)	(1,515)
Net assets (deficit) beginning of year	<u>837</u>	<u>(408)</u>	<u>(1,638)</u>	<u>(2,927)</u>	<u>(4,336)</u>
Net assets (deficit) end of year	<u>\$ (408)</u>	<u>\$ (1,638)</u>	<u>\$ (2,927)</u>	<u>\$ (4,336)</u>	<u>\$ (5,851)</u>

Wesley Pines Retirement Community
Forecasted Statements of Cash Flows
For the years ending September 30, 2021 through 2025
(dollars in thousands)

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Operating activities:					
Change in net assets	\$ (1,245)	\$ (1,230)	\$ (1,289)	\$ (1,409)	\$ (1,515)
Adjustments to reconcile change in net assets to net cash from operating activities:					
Depreciation	645	542	526	523	518
Amortization of deferred financing costs	2	4	4	10	5
Amortization of bond premium	(7)	(14)	(16)	(36)	(17)
Amortization of advanced fees	(260)	(270)	(243)	(150)	(100)
Non-refundable entrance fees received	325	118	120	122	125
Bad debt expense	90	101	103	106	108
Net change in:					
Accounts receivable - residents and patients	(97)	(114)	(115)	(120)	(121)
Accounts receivable - other	163	-	-	-	(2)
Due to/from related parties	862	1,301	1,964	1,798	2,212
Inventories	2	(1)	(1)	(1)	(1)
Prepaid expenses and other current assets	(6)	(6)	(5)	(6)	(7)
Accounts payable	79	11	6	12	11
Accrued salaries and related expenses	47	71	68	123	(254)
Accrued interest payable	(146)	(1)	-	(1)	(2)
Net cash provided by operating activities	<u>454</u>	<u>512</u>	<u>1,122</u>	<u>971</u>	<u>960</u>
Investing activities:					
Purchase of property and equipment	<u>(366)</u>	<u>(382)</u>	<u>(400)</u>	<u>(417)</u>	<u>(437)</u>
Financing activities:					
Refunds of deposits and refundable fees	(2)	(32)	(509)	(316)	(7)
Payments on bonds and note payable	<u>(86)</u>	<u>(98)</u>	<u>(213)</u>	<u>(238)</u>	<u>(516)</u>
Net cash used in financing activities	<u>(88)</u>	<u>(130)</u>	<u>(722)</u>	<u>(554)</u>	<u>(523)</u>
Change in cash	-	-	-	-	-
Cash, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Cypress Glen Retirement Community
Forecasted Balance Sheets
September 30, 2021 through 2025
(dollars in thousands)

	2021	2022	2023	2024	2025
ASSETS					
Current assets:					
Cash	\$ 2	\$ 2	\$ 2	\$ 2	\$ 2
Contributions receivable from					
UMRH Foundation, current portion	324	174	24	-	-
Assets limited as to use - debt service, current portion	199	199	198	198	197
Assets limited as to use - all other, current portion	229	229	229	229	229
Accounts receivable, net	174	180	186	192	198
Other receivables	1,817	2,362	2,396	2,440	2,491
Due from related parties	28,068	24,192	22,097	20,500	18,601
Inventories	29	30	31	33	34
Prepaid expenses and other current assets	258	265	272	279	286
Total current assets	<u>31,100</u>	<u>27,633</u>	<u>25,435</u>	<u>23,873</u>	<u>22,038</u>
Assets limited as to use:					
Assets limited as to use - statutory operating reserve	3,512	3,619	3,733	3,846	3,967
Assets limited as to use - debt service, net of current portion	1,530	1,530	1,530	1,530	1,535
Assets limited as to use - all other, net of current portion	1,412	1,447	1,483	1,520	1,558
current portion	<u>6,454</u>	<u>6,596</u>	<u>6,746</u>	<u>6,896</u>	<u>7,060</u>
Property and equipment, net	39,001	41,062	43,277	45,680	48,243
Other assets:					
Contributions receivable from					
UMRH Foundation, net of current portion	2,788	2,788	2,788	2,662	2,662
Deferred costs, net	9	8	7	6	5
	<u>2,797</u>	<u>2,796</u>	<u>2,795</u>	<u>2,668</u>	<u>2,667</u>
Total assets	<u>\$ 79,352</u>	<u>\$ 78,087</u>	<u>\$ 78,253</u>	<u>\$ 79,117</u>	<u>\$ 80,008</u>
LIABILITIES AND NET ASSETS					
Current liabilities:					
Bonds payable, current portion	\$ 1,022	\$ 483	\$ 403	\$ 397	\$ 197
Accounts payable	786	815	841	870	901
Accrued salaries and related expenses	864	991	1,112	1,333	890
Accrued interest payable	225	222	220	218	216
Insurance regulation - statutory operating reserve	3,512	3,619	3,733	3,846	3,967
Total current liabilities	<u>6,409</u>	<u>6,130</u>	<u>6,309</u>	<u>6,664</u>	<u>6,171</u>
Long-term liabilities:					
Bonds payable, less current portion	13,976	13,500	13,103	12,696	12,487
Liability for refundable advanced fees	6,406	6,840	7,340	7,890	8,475
Deferred revenue for non-refundable advanced fees	15,587	13,469	12,238	11,387	11,092
Fund held for others	108	108	108	108	108
Interest rate swap agreement	53	53	53	53	53
Total long-term liabilities	<u>36,130</u>	<u>33,970</u>	<u>32,842</u>	<u>32,134</u>	<u>32,215</u>
Total liabilities	<u>42,539</u>	<u>40,100</u>	<u>39,151</u>	<u>38,798</u>	<u>38,386</u>
Net assets:					
Net assets without donor restrictions	32,202	33,526	34,791	36,158	37,461
Net assets with donor restrictions	4,611	4,461	4,311	4,161	4,161
Total net assets	<u>36,813</u>	<u>37,987</u>	<u>39,102</u>	<u>40,319</u>	<u>41,622</u>
Total liabilities and net assets	<u>\$ 79,352</u>	<u>\$ 78,087</u>	<u>\$ 78,253</u>	<u>\$ 79,117</u>	<u>\$ 80,008</u>

Cypress Glen Retirement Community
Forecasted Statements of Operations and Changes in Net Assets
For the years ending September 30, 2021 through 2025
(dollars in thousands)

	2021	2022	2023	2024	2025
Revenue:					
Net resident services, apartments	\$ 9,970	\$ 10,319	\$ 10,680	\$ 11,054	\$ 11,441
Net resident services, health care center	3,047	3,130	3,215	3,303	3,394
Net resident services, assisted living	2,532	2,608	2,687	2,767	2,850
Net resident services, memory care	1,212	1,248	1,285	1,324	1,364
Amortization of advanced fees	2,100	2,113	1,988	1,978	2,019
Net assets released from restriction	22	20	20	20	20
Other	715	3	3	3	3
Total revenue	19,598	19,441	19,878	20,449	21,091
Expenses:					
Health care center	2,495	2,574	2,655	2,739	2,826
Assisted living	1,138	1,173	1,208	1,244	1,282
Memory care	479	494	509	524	540
Resident services	573	591	609	627	646
Dietary and food service	2,959	3,053	3,151	3,252	3,356
Housekeeping	970	1,000	1,030	1,062	1,095
Plant	2,333	2,406	2,482	2,560	2,641
General and administration	1,832	1,885	1,945	2,004	2,065
Depreciation	3,007	3,082	3,158	3,213	3,306
Interest	744	691	663	631	610
Corporate allocation - depreciation	17	17	8	6	5
Corporate allocation - all other	1,261	1,301	1,345	1,370	1,416
Total expenses	17,808	18,267	18,763	19,232	19,788
Excess of revenue over expenses	1,790	1,174	1,115	1,217	1,303
Net assets released from donor restrictions for purchase of property and equipment	150	150	150	150	-
Change in net assets without donor restrictions	\$ 1,940	\$ 1,324	\$ 1,265	\$ 1,367	\$ 1,303
Change in net assets with donor restrictions Net assets released from restrictions	(150)	(150)	(150)	(150)	-
Change in net assets	1,790	1,174	1,115	1,217	1,303
Net assets beginning of year	35,023	36,813	37,987	39,102	40,319
Net assets end of year	\$ 36,813	\$ 37,987	\$ 39,102	\$ 40,319	\$ 41,622

Cypress Glen Retirement Community
Forecasted Statements of Cash Flows
For the years ending September 30, 2021 through 2025
(dollars in thousands)

	2021	2022	2023	2024	2025
Operating activities:					
Change in net assets	\$ 1,790	\$ 1,174	\$ 1,115	\$ 1,217	\$ 1,303
Adjustments to reconcile change in net assets to net cash from operating activities:					
Depreciation	3,007	3,082	3,158	3,213	3,306
Amortization of deferred financing costs	21	23	23	27	5
Amortization of bond premium	(8)	(16)	(17)	(37)	(17)
Amortization of advanced fees	(2,100)	(2,113)	(1,988)	(1,978)	(2,019)
Non-refundable entrance fees received	2,430	3,367	3,413	3,475	3,548
Bad debt expense	2	10	10	10	11
Net change in:					
Accounts receivable - residents and patients	(11)	(16)	(16)	(16)	(17)
Accounts receivable - other	(919)	(544)	(34)	(45)	(51)
Contributions receivable/(payable)	150	150	150	150	-
Due to/from related parties	2,014	3,876	2,097	1,598	1,900
Inventories	-	(1)	(1)	(2)	(1)
Prepaid expenses and other current assets	(4)	(7)	(7)	(7)	(7)
Accounts payable	87	29	26	29	31
Accrued salaries and related expenses	68	127	121	221	(443)
Accrued interest payable	(99)	(3)	(2)	(2)	(2)
Net cash provided by operating activities	<u>6,428</u>	<u>9,138</u>	<u>8,048</u>	<u>7,853</u>	<u>7,547</u>
Investing activities:					
Purchase of property and equipment	(4,921)	(5,143)	(5,373)	(5,616)	(5,869)
Assets limited as to use	(34)	(35)	(36)	(36)	(42)
Net cash used in investing activities	<u>(4,955)</u>	<u>(5,178)</u>	<u>(5,409)</u>	<u>(5,652)</u>	<u>(5,911)</u>
Financing activities:					
Refunds of deposits and refundable fees	(1,493)	(4,072)	(3,306)	(2,970)	(2,434)
Refundable entrance fees received	1,014	1,134	1,150	1,172	1,195
Payments on bonds and note payable	(994)	(1,022)	(483)	(403)	(397)
Net cash used in financing activities	<u>(1,473)</u>	<u>(3,960)</u>	<u>(2,639)</u>	<u>(2,201)</u>	<u>(1,636)</u>
Change in cash	-	-	-	-	-
Cash, beginning of year	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>
Cash, end of year	<u>\$ 2</u>	<u>\$ 2</u>	<u>\$ 2</u>	<u>\$ 2</u>	<u>\$ 2</u>

Croasdaile Village Retirement Community
Forecasted Balance Sheets
September 30, 2021 through 2025
(dollars in thousands)

	2021	2022	2023	2024	2025
ASSETS					
Current assets:					
Cash	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1
Contributions receivable from					
UMRH Foundation, current portion	84	84	84	84	84
Assets limited as to use - debt service, current portion	788	779	771	765	761
Assets limited as to use - all other, current portion	6	6	6	6	6
Accounts receivable, net	1,590	1,648	1,708	1,770	1,835
Other receivables	2,151	6,540	6,692	6,853	7,019
Due from related parties	86,189	84,985	87,460	90,651	93,475
Inventories	76	78	80	83	85
Prepaid expenses and other current assets	559	576	593	611	630
Total current assets	<u>91,444</u>	<u>94,697</u>	<u>97,395</u>	<u>100,824</u>	<u>103,896</u>
Assets limited as to use:					
Assets limited as to use - statutory operating reserve	8,754	9,972	10,361	10,631	10,913
Assets limited as to use - debt service, net of current portion	3,495	3,502	3,432	3,429	3,241
Assets limited as to use - all other, net of current portion	234	-	-	-	-
current portion	<u>12,483</u>	<u>13,474</u>	<u>13,793</u>	<u>14,060</u>	<u>14,154</u>
Property and equipment, net	144,643	139,954	135,605	131,737	128,787
Other assets:					
Contributions receivable from					
UMRH Foundation, net of current portion	2,897	2,897	2,897	2,897	2,897
Deferred costs, net	122	108	95	81	67
	<u>3,019</u>	<u>3,005</u>	<u>2,992</u>	<u>2,978</u>	<u>2,964</u>
Total assets	<u>\$ 251,589</u>	<u>\$ 251,130</u>	<u>\$ 249,785</u>	<u>\$ 249,599</u>	<u>\$ 249,801</u>
LIABILITIES AND NET ASSETS					
Current liabilities:					
Bonds payable, current portion	\$ 3,420	\$ 4,024	\$ 4,269	\$ 4,227	\$ 4,908
Accounts payable	1,387	1,431	1,475	1,520	1,568
Accrued salaries and related expenses	1,303	1,549	1,782	2,219	1,297
Accrued interest payable	1,054	1,043	1,032	1,018	1,003
Insurance regulation - statutory operating reserve	8,754	9,972	10,361	10,631	10,913
Total current liabilities	<u>15,918</u>	<u>18,019</u>	<u>18,919</u>	<u>19,615</u>	<u>19,689</u>
Long-term liabilities:					
Bonds payable, less current portion	117,693	113,384	108,816	104,119	98,886
Liability for refundable advanced fees	8,279	7,930	7,805	7,852	8,025
Deferred revenue for non-refundable advanced fees	50,050	52,957	54,963	56,783	58,415
Fund held for others	4	4	4	4	4
Interest rate swap agreement	324	324	324	324	324
Total long-term liabilities	<u>176,350</u>	<u>174,599</u>	<u>171,912</u>	<u>169,082</u>	<u>165,654</u>
Total liabilities	<u>192,268</u>	<u>192,618</u>	<u>190,831</u>	<u>188,697</u>	<u>185,343</u>
Net assets:					
Net assets without donor restrictions	56,338	55,529	55,971	57,919	61,475
Net assets with donor restrictions	2,983	2,983	2,983	2,983	2,983
Total net assets	<u>59,321</u>	<u>58,512</u>	<u>58,954</u>	<u>60,902</u>	<u>64,458</u>
Total liabilities and net assets	<u>\$ 251,589</u>	<u>\$ 251,130</u>	<u>\$ 249,785</u>	<u>\$ 249,599</u>	<u>\$ 249,801</u>

Croasdaile Village Retirement Community
Forecasted Statements of Operations and Changes in Net Assets
For the years ending September 30, 2021 through 2025
(dollars in thousands)

	2021	2022	2023	2024	2025
Revenue:					
Net resident services, apartments	\$ 20,126	\$ 20,931	\$ 21,768	\$ 22,639	\$ 23,545
Net resident services, health care center	12,771	13,134	13,510	13,899	14,302
Net resident services, assisted living	4,848	5,042	5,243	5,453	5,671
Net resident services, home care	2,871	2,985	3,105	3,229	3,358
Amortization of advanced fees	6,900	6,401	6,879	7,245	7,590
Net assets released from restriction	63	48	48	48	48
Other	718	18	18	18	18
Total revenue	<u>48,297</u>	<u>48,559</u>	<u>50,571</u>	<u>52,531</u>	<u>54,532</u>
Expenses:					
Health care center	8,784	9,048	9,319	9,599	9,887
Assisted living	1,695	1,746	1,798	1,852	1,908
Home care	2,758	2,841	2,926	3,014	3,104
Resident services	2,008	2,068	2,130	2,194	2,260
Dietary and food service	6,727	6,941	7,161	7,389	7,623
Housekeeping	2,310	2,379	2,450	2,524	2,599
Laundry	198	204	210	216	223
Plant	3,713	3,825	3,939	4,057	4,179
General and administration	3,679	3,787	3,904	4,020	4,141
Depreciation	10,100	8,574	8,408	8,108	7,380
Interest	2,364	4,670	4,515	4,185	4,139
Corporate allocation - depreciation	44	43	21	16	13
Corporate allocation - all other	3,146	3,242	3,348	3,409	3,520
Total expenses	<u>47,526</u>	<u>49,368</u>	<u>50,129</u>	<u>50,583</u>	<u>50,976</u>
Excess (deficiency) of revenue over expenses and change in net assets	771	(809)	442	1,948	3,556
Net assets beginning of year	<u>58,550</u>	<u>59,321</u>	<u>58,512</u>	<u>58,954</u>	<u>60,902</u>
Net assets end of year	<u>\$ 59,321</u>	<u>\$ 58,512</u>	<u>\$ 58,954</u>	<u>\$ 60,902</u>	<u>\$ 64,458</u>

Croasdaile Village Retirement Community
Forecasted Statements of Cash Flows
For the years ending September 30, 2021 through 2025
(dollars in thousands)

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Operating activities:					
Change in net assets	\$ 771	\$ (809)	\$ 442	\$ 1,948	\$ 3,556
Adjustments to reconcile change in net assets to net cash from operating activities:					
Depreciation	10,100	8,574	8,408	8,108	7,380
Amortization of deferred financing costs	62	78	83	123	62
Amortization of bond premium	(277)	(363)	(382)	(593)	(387)
Amortization of advanced fees	(6,900)	(6,401)	(6,879)	(7,245)	(7,590)
Non-refundable entrance fees received	3,639	11,598	11,869	12,153	12,445
Bad debt expense	53	53	55	57	59
Net change in:					
Accounts receivable - residents and patients	(80)	(111)	(115)	(119)	(124)
Accounts receivable - other	(533)	(4,389)	(152)	(161)	(166)
Due to/from related parties	(17,135)	1,218	(2,462)	(3,177)	(2,809)
Inventories	-	(2)	(2)	(3)	(2)
Prepaid expenses and other current assets	(16)	(17)	(17)	(18)	(19)
Accounts payable	(953)	44	44	45	48
Accrued salaries and related expenses	147	246	233	437	(922)
Accrued interest payable	(1,187)	(11)	(11)	(14)	(15)
Net cash provided by (used in) operating activities	<u>(12,309)</u>	<u>9,708</u>	<u>11,114</u>	<u>11,541</u>	<u>11,516</u>
Investing activities:					
Purchase of property and equipment	(3,704)	(3,885)	(4,059)	(4,240)	(4,430)
Assets limited as to use	19,937	236	78	9	191
Net cash provided by (used in) investing activities	<u>16,233</u>	<u>(3,649)</u>	<u>(3,981)</u>	<u>(4,231)</u>	<u>(4,239)</u>
Financing activities:					
Refunds of deposits and refundable fees	(926)	(3,489)	(3,976)	(3,931)	(3,961)
Refundable entrance fees received	267	850	867	890	911
Payments on bonds and note payable	(3,265)	(3,420)	(4,024)	(4,269)	(4,227)
Net cash used in financing activities	<u>(3,924)</u>	<u>(6,059)</u>	<u>(7,133)</u>	<u>(7,310)</u>	<u>(7,277)</u>
Change in cash	-	-	-	-	-
Cash, beginning of year	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>
Cash, end of year	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 1</u>

ATTACHMENT 3

**Interim Unaudited Financial Statements
for
The United Methodist
Retirement Homes, Incorporated
Includes**

- **Consolidated Operations of Croasdaile Village, Cypress Glen and Wesley Pines**
- **Individual Operations of Cypress Glen**

The United Methodist Retirement Homes, Inc., Its Affiliate and Subsidiary
Consolidating Balance Sheet Information
January 31, 2021

	Corporate	Wesley Pines	Cypress Glen	Croasdaile Village	Eliminating entries	UMRH	UMRH Foundation	Eliminating entries	Obligated Group	UMRH AHD	Consolidated
ASSETS											
Current assets:											
Cash	2,520,455	400	2,175	550	-	2,523,580	87,603	-	2,611,183	86,740	2,697,923
Contributions receivable, current portion	-	36,228	656,200	90,687	-	783,115	51,290	(783,115)	51,290	-	51,290
Investments	103,391,010	-	-	-	(14,495,716)	88,895,294	-	-	88,895,294	-	88,895,294
Assets limited as to use - debt service, current portion	-	-	133,097	1,773,449	-	1,906,546	-	-	1,906,546	-	1,906,546
Assets limited as to use - all other, current portion	109	11,174	368,894	51,058	-	431,236	-	-	431,236	300	431,536
Accounts receivable, net of allowance for uncollectible accounts	-	616,443	169,478	1,735,291	-	2,521,212	-	-	2,521,212	-	2,521,212
Other receivables	22,776	335,312	285,019	907,448	-	1,550,554	34	-	1,550,588	-	1,550,588
Due from related parties	2,460,264	-	31,448,687	69,595,106	(103,354,418)	149,640	-	(149,640)	-	-	-
Inventories	225	45,278	29,918	66,268	-	141,690	-	-	141,690	-	141,690
Prepaid expenses and other current assets	216,294	132,074	179,484	321,937	-	849,789	-	-	849,789	-	849,789
Total current assets	108,611,133	1,176,909	33,272,952	74,541,794	(117,850,134)	99,752,655	138,927	(932,755)	98,958,826	87,040	99,045,867
Non-current assets:											
Assets limited as to use - statutory operating reserve	-	2,229,585	3,511,756	8,754,375	-	14,495,716	100,000	-	14,595,716	-	14,595,716
Assets limited as to use - debt service, net of current portion	-	-	1,505,745	19,028,541	-	20,534,287	-	-	20,534,287	-	20,534,287
Assets limited as to use - all other, net of current portion	674,525	-	1,590,711	234,120	-	2,499,356	931,205	-	3,430,561	-	3,430,561
Investments - restricted	-	-	-	-	-	-	8,687,971	-	8,687,971	-	8,687,971
Assets held for resale	182,834	32,550	-	-	-	215,384	-	-	215,384	-	215,384
Property and equipment, net	262,252	12,288,189	37,232,878	151,019,204	-	200,802,523	-	-	200,802,523	-	200,802,523
Trusts receivable	-	-	-	-	-	-	144,997	-	144,997	-	144,997
Contributions receivable, net of current portion	-	657,484	3,091,539	3,141,406	-	6,890,430	(6,796)	(6,890,430)	(6,796)	-	(6,796)
Deferred costs, net	-	-	8,433	117,399	-	125,832	-	-	125,832	-	125,832
Total non-current assets	1,119,611	15,207,808	46,941,063	182,295,046	-	245,563,528	9,857,377	(6,890,430)	248,530,475	-	248,530,475
Total assets	109,730,744	16,384,717	80,214,015	256,836,840	(117,850,134)	345,316,183	9,996,303	(7,823,185)	347,489,302	87,040	347,576,342
LIABILITIES AND NET ASSETS											
Current liabilities:											
Annuity payable, current portion	-	-	-	-	-	-	105,664	-	105,664	-	105,664
Bonds payable, current portion	-	98,000	1,012,000	3,375,000	-	4,485,000	-	-	4,485,000	-	4,485,000
Accounts payable	411,822	139,253	711,970	960,248	-	2,223,293	-	-	2,223,293	-	2,223,293
Accrued salaries and related expenses	700,429	354,455	699,114	1,003,660	-	2,757,658	-	-	2,757,658	-	2,757,658
Accrued interest payable	-	114,232	207,744	1,471,906	-	1,793,882	-	-	1,793,882	-	1,793,882
Insurance regulation - statutory operating reserve	-	2,229,585	3,511,756	8,754,375	(14,495,716)	-	-	-	-	-	-
Due to related parties	101,043,793	2,310,624	-	-	(103,354,418)	-	-	-	-	-	-
Contributions payable, current portion	-	-	-	-	-	-	783,115	(783,115)	-	-	-
Total current liabilities	102,156,045	5,246,149	6,142,584	15,565,189	(117,850,134)	11,259,834	888,779	(783,115)	11,365,498	-	11,365,498
Long-term liabilities:											
Annuity payable, less current portion	-	-	-	-	-	-	654,843	-	654,843	-	654,843
Bonds payable, less current portion	-	8,405,897	14,595,507	119,632,688	-	142,634,092	-	-	142,634,092	-	142,634,092
Qualified intermediate-term debt	-	-	-	-	-	-	-	-	-	-	-
Liability of other foundations	-	-	-	-	-	-	7,714	-	7,714	-	7,714
Liability for refundable advance fees	-	48,223	5,583,329	7,785,858	-	13,417,409	-	-	13,417,409	-	13,417,409
Deferred revenue from non-refundable advance fees	-	1,786,947	16,939,199	54,496,869	-	73,223,015	-	-	73,223,015	-	73,223,015
Deferred revenue - other	1,342,300	-	-	-	-	1,342,300	-	-	1,342,300	-	1,342,300
Contributions payable, less current portion	-	-	-	-	-	-	6,890,430	(6,890,430)	-	-	-
	(20)	-	-	-	-	(20)	-	-	(20)	-	(20)
Due to related parties	(20)	-	-	-	-	-	149,640	(149,640)	-	-	-
Funds held for others	-	9,859	249,508	3,729	-	263,096	-	-	263,096	-	263,096
Interest rate swap agreement	-	-	52,726	377,025	-	377,025	-	-	377,025	-	377,025
Total long-term liabilities	1,342,280	10,250,926	37,420,269	182,243,442	-	231,256,917	7,702,627	(7,040,070)	231,919,475	-	231,919,475
Total liabilities	103,498,324	15,497,075	43,562,854	197,808,632	(117,850,134)	242,516,751	8,591,406	(7,823,185)	243,284,973	-	243,284,973
Net assets:											
Unrestricted	5,557,787	192,615	31,193,325	55,748,785	-	92,692,512	187,413	-	92,879,925	86,740	92,966,665
Temporarily restricted	109	470,639	3,542,940	1,576,980	-	5,590,668	696,785	-	6,287,453	300	6,287,753
Permanently restricted	674,525	224,388	1,914,896	1,702,443	-	4,516,252	520,699	-	5,036,951	-	5,036,951
Total net assets	6,232,420	887,642	36,651,161	59,028,208	-	102,799,432	1,404,897	-	104,204,329	87,040	104,291,369
Total liabilities and net assets	109,730,744	16,384,717	80,214,015	256,836,840	(117,850,134)	345,316,183	9,996,303	(7,823,185)	347,489,302	87,040	347,576,342

The United Methodist Retirement Homes, Inc., Its Affiliate and Subsidiary
Consolidated Statements of Cash Flows
January 31, 2021

	Corporate	Wesley Pines	Cypress Glen	Croasdaile Village	UMRH	UMRH Foundation	Obligated Group	UMRH AHD	Consolidated
Cash flow from operating activities:									
Change in net assets	3,648,563	51,076	1,628,123	478,616	5,806,378	120,522	5,926,900	3	5,926,903
Adjustments to reconcile change in net assets to net cash provided by operating activities:									
Depreciation and amortization	47,941	205,204	1,011,690	3,227,207	4,492,042	-	4,492,042	-	4,492,042
Amortization of deferred financing costs	-	632	7,112	9,834	17,578	-	17,578	-	17,578
Amortization of deferred marketing costs	-	-	73	13,678	13,751	-	13,751	-	13,751
Amortization of bond premium	-	(854)	(628)	(73,636)	(75,118)	-	(75,118)	-	(75,118)
Amortization of deferred revenue from advance	-	(87,767)	(789,854)	(2,091,583)	(2,969,204)	-	(2,969,204)	-	(2,969,204)
Non-refundable entrance fees received	-	99,354	1,450,561	3,295,038	4,844,952	-	4,844,952	-	4,844,952
Bad debt expense	-	25,080	177	4,637	29,894	-	29,894	-	29,894
Loss on disposal of property and equipment	-	-	27,102	25,909	53,011	-	53,011	-	53,011
Loss on early extinguishment of debt	-	-	-	-	-	-	-	-	-
Change in fair value of swap agreement	-	-	-	-	-	-	-	-	-
Net change in:									
Accounts receivable - residents and patient	-	(134,405)	(4,819)	(176,722)	(315,946)	-	(315,946)	-	(315,946)
Accounts receivable - other	22,335	(156,501)	219,093	(610,618)	(525,690)	(34)	(525,724)	-	(525,724)
Investments/insurance regulation	(7,868,539)	71,664	163,434	604,358	(7,029,083)	(712,527)	(7,741,610)	-	(7,741,610)
Assets limited as to use	(109)	(68,571)	(425,435)	2,768,312	2,274,197	(178,815)	2,095,383	-	2,095,383
Trusts receivable	-	-	-	-	-	-	-	-	-
Contributions receivable	89	(57,262)	(485,086)	(251,121)	(793,380)	798,571	5,191	-	5,191
Due to/from related parties	1,524,412	381,797	(1,363,662)	(542,567)	(20)	-	(20)	-	(20)
Inventories	(225)	(11,189)	(649)	9,404	(2,659)	-	(2,659)	-	(2,659)
Prepaid expenses and other current assets	(141,943)	84,399	71,723	221,136	235,315	-	235,315	-	235,315
Deferred marketing costs	-	-	220	(9,118)	(8,898)	-	(8,898)	-	(8,898)
Accounts payable	(1,767,472)	(18,824)	96,807	(394,478)	(2,083,967)	(22,186)	(2,106,153)	-	(2,106,153)
Accrued salaries and related expenses	164,612	(43,895)	(96,969)	(151,825)	(128,076)	-	(128,076)	-	(128,076)
Liability to other foundations	-	-	-	-	-	-	-	-	-
COVID funding	(83,374)	-	-	-	(83,374)	-	(83,374)	-	(83,374)
Accrued interest payable	-	(63,740)	(116,447)	(769,202)	(949,389)	-	(949,389)	-	(949,389)
Funds held for others	-	(3,093)	141,683	75	138,665	-	138,665	-	138,665
Net cash provided by operating activities	(4,453,709)	273,103	1,534,250	5,587,334	2,940,978	5,532	2,946,510	3	2,946,512
Cash flow from investing activities:									
Purchase of property and equipment	1,487,726	(186,103)	(1,270,093)	(4,217,560)	(4,186,031)	-	(4,186,031)	-	(4,186,031)
Change in assets held for resale	(88)	-	-	-	(88)	-	(88)	-	(88)
Net cash used in investing activities	1,487,638	(186,103)	(1,270,093)	(4,217,560)	(4,186,119)	-	(4,186,119)	-	(4,186,119)
Cash flow from financing activities:									
Refunds of deposits and refundable fees	-	(1,000)	(221,575)	(110,258)	(332,833)	-	(332,833)	-	(332,833)
Refundable entrance fees received	-	-	334,418	262,484	596,903	-	596,903	-	596,903
Payments on bonds and note payable	-	(86,000)	(377,000)	(1,522,000)	(1,985,000)	-	(1,985,000)	-	(1,985,000)
Deferred financing costs, net	-	-	-	-	-	-	-	-	-
Proceeds from issuance of bonds	-	-	-	-	-	-	-	-	-
Net change in annuity obligations	-	-	-	-	-	(5,421)	(5,421)	-	(5,421)
Net cash provided (used) by financing activities	-	(87,000)	(264,157)	(1,369,774)	(1,720,931)	(5,421)	(1,726,352)	-	(1,726,352)
Change in cash	(2,966,072)	-	-	-	(2,966,072)	111	(2,965,961)	3	(2,965,958)
Cash, beginning of year	5,486,527	400	2,175	550	5,489,652	87,492	5,577,144	86,737	5,663,881
Cash, end of year	2,520,455	400	2,175	550	2,523,580	87,603	2,611,183	86,740	2,697,923

The United Methodist Retirement Homes, Inc., Its Affiliate and Subsidiary
Consolidating Statement of Operations and Changes in Net Assets Information
January 31, 2021

	Corporate	Wesley Pines	Cypress Glen	Croasdaile Village	UMRH	UMRH Foundation	Eliminating entries	Obligated Group
Unrestricted revenues, gains and other support:								
Net resident and patient service revenue								
Net resident and patient service revenue	-	2,714,674	5,437,148	13,198,317	21,350,139	-	-	21,350,139
Amortization of advance fees	-	87,767	789,854	2,091,583	2,969,204	-	-	2,969,204
Net assets released from restriction	741	13,713	129,831	200,693	344,977	-	-	344,977
Other	118	173	90,796	182,909	273,995	-	-	273,995
Interest and dividend income	2,195,206	-	7,479	17,272	2,219,957	30	-	2,219,987
Total unrestricted revenues, gains and other support	2,196,065	2,816,326	6,455,108	15,690,773	27,158,272	30	-	27,158,302
Expenses:								
Nursing services	-	1,352,472	1,436,224	3,228,148	6,016,844	-	-	6,016,844
Dietary and food services	-	441,072	956,313	1,949,387	3,346,772	-	-	3,346,772
Adminstration	1,777,784	284,318	618,571	1,407,395	4,088,069	2,734	-	4,090,802
Plant operations, maintenance and security	-	205,432	755,813	1,302,576	2,263,821	-	-	2,263,821
Laundry and housekeeping	-	155,610	313,596	914,730	1,383,936	-	-	1,383,936
Resident services - activities	-	38,887	189,690	757,451	986,028	-	-	986,028
Home care	-	-	-	1,120,076	1,120,076	-	-	1,120,076
Interest	-	114,438	235,953	1,549,713	1,900,104.29	-	-	1,900,104
Depreciation and amortization	47,941	205,204	1,011,763	3,240,885	4,505,793	-	-	4,505,793
Bad debt expense	-	25,080	177	4,637	29,894	-	-	29,894
Total expenses	1,825,726	2,822,513	5,518,100	15,474,997	25,641,336	2,734	-	25,644,070
Operating income (loss)	370,339	(6,186)	937,008	215,776	1,516,936	(2,704)	-	1,514,233
Non-operating gains (losses):								
Interest and dividend income	-	-	-	-	-	-	-	-
Net investment gain, realized	5,327	-	-	-	5,327	-	-	5,327
Net investment gain, unrealized	3,271,633	-	(6,071)	(15,456)	3,250,106	-	-	3,250,106
Loss on disposal of property and equipment	-	-	(27,102)	(25,909)	(53,011)	-	-	(53,011)
Contributions	1,130	-	209	375	1,714	2,814	-	4,528
Loss on extinguishment of debt	-	-	-	-	-	-	-	-
Construction related marketing costs	-	-	-	-	-	-	-	-
Change in fair value of interest rate swap agreement	-	-	-	-	-	-	-	-
Other	25	-	77	247	349	-	-	349
Net non-operating gains (losses)	3,278,115	-	(32,886)	(40,743)	3,204,486	2,814	-	3,207,300
Excess of revenues, gains and other support over expenses	3,648,454	(6,186)	904,122	175,033	4,721,422	111	-	4,721,533
Net assets released from restrictions for purchase of property and equipment	-	-	27,896	7,349	35,245	-	-	35,245
Change in unrestricted net assets	3,648,454	(6,186)	932,018	182,382	4,756,667	111	-	4,756,778
Change in temporarily restricted net assets:								
Contributions	850	14,288	295,194	262,353	572,685	12,523	-	585,208
Interest and dividend income	-	15,182	128,243	65,737	209,163	28,650	-	237,813
Investment gain (loss)	-	41,255	362,868	178,716	582,839	77,854	-	660,692
Change in split interest agreement	-	-	8,794	-	8,794	-	-	8,794
Change in value of pledges	-	-	-	(5,767)	(5,767)	-	-	(5,767)
Recovery of bad debt, net (bad debt expense)	-	-	-	577	577	-	-	577
Net assets released from restriction	(741)	(13,713)	(157,727)	(208,042)	(380,222)	-	-	(380,222)
Change in temporarily restricted net assets	109	57,012	637,372	293,575	988,067	119,027	-	1,107,094

	Corporate	Wesley Pines	Cypress Glen	Croasdaile Village	UMRH	UMRH Foundation	Eliminating entries	Obligated Group
Change in permanently restricted net assets:								
Contributions	-	250	42,345	2,660	45,255	1,385	-	46,640
Interest and dividend income	-	-	-	-	-	-	-	-
Investment gain (loss)	-	-	-	-	-	-	-	-
Change in split interest agreement	-	-	16,388	-	16,388	-	-	16,388
Change in value of pledges	-	-	-	-	-	-	-	-
Recovery of bad debt, net (bad debt expense)	-	-	-	-	-	-	-	-
Net assets released from restriction	-	-	-	-	-	-	-	-
Change in permanently restricted net assets	-	250	58,733	2,660	61,643	1,385	-	63,028
Change in net assets	3,648,563	51,076	1,628,123	478,616	5,806,378	120,522	-	5,926,900
Net assets, beginning of year	2,583,857	836,566	35,023,038	58,549,592	96,993,054	1,284,375	-	98,277,429
Net assets, end of year	6,232,420	887,642	36,651,161	59,028,208	102,799,432	1,404,897	-	104,204,329

Cypress Glen Retirement Community Balance Sheet

Classification	January-21	December-20	Variance	September-20	Variance
Assets					
Current assets					
Cash & cash equivalents	2,686.52	2,175.00	511.52	2,175.00	511.52
Contributions receivable - UMRH Foundation	656,199.68	667,116.19	(10,916.51)	474,155.49	182,044.19
Assets limited as to use	501,990.78	283,645.00	218,345.78	429,100.39	72,890.39
Accounts receivable - members, net	169,259.64	194,168.92	(24,909.28)	164,828.45	4,431.19
Accounts receivable - others	285,237.25	267,445.80	17,791.45	898,057.14	(612,819.89)
Due from related parties	31,449,352.47	31,178,850.81	270,501.66	30,085,025.86	1,364,326.61
Inventories	29,993.31	28,513.23	1,480.08	29,269.36	723.95
Prepaid expenses	179,483.90	185,783.67	(6,299.77)	251,207.19	(71,723.29)
Total current assets	33,274,203.55	32,807,698.62	466,504.93	32,333,818.88	940,384.67
Non-current assets					
Assets limited as to use					
Debt service	1,638,842.04	1,603,359.51	35,482.53	1,729,542.84	(90,700.80)
Insurance regulation - statutory operating reserve	3,511,756.00	3,511,756.00	-	3,348,322.00	163,434.00
Residents' funds	249,507.74	64,210.32	185,297.42	107,825.21	141,682.53
Temporarily restricted investments	1,710,097.60	1,722,833.16	(12,735.56)	1,499,078.76	211,018.84
Subtotal	7,110,203.38	6,902,158.99	208,044.39	6,684,768.81	425,434.57
Less current obligation requirements	501,990.78	283,645.00	218,345.78	429,100.39	72,890.39
Non-current assets limited as to use	6,608,212.60	6,618,513.99	(10,301.39)	6,255,668.42	352,544.18
Property & equipment, net	37,232,878.00	36,947,971.33	284,906.67	37,087,314.11	145,563.89
Contributions receivable - UMRH Foundation	3,091,538.77	3,108,979.01	(17,440.24)	2,788,497.11	303,041.66
Deferred costs, net	8,433.35	8,506.68	(73.33)	8,726.67	(293.32)
Total assets	80,215,266.27	79,491,669.63	723,596.64	78,474,025.19	1,741,241.08
Liabilities and net assets					
Current liabilities					
Current portion of long-term debt	1,012,000.00	1,009,000.00	(3,000.00)	994,000.00	(18,000.00)
Accounts payable	712,481.56	309,292.33	(403,189.23)	700,900.63	(11,580.93)
Accrued payroll & benefits	699,113.84	614,698.97	(84,414.87)	796,082.86	96,969.02
Accrued interest payable	207,744.47	155,603.55	(52,140.92)	324,191.28	116,446.81
Insurance regulation - statutory operating reserve	3,511,756.00	3,511,756.00	-	3,348,322.00	(163,434.00)
Total current liabilities	6,143,095.87	5,600,350.85	(542,745.02)	6,163,496.77	20,400.90
Long-term liabilities					
Long-term debt, less current portion	14,595,192.49	14,667,519.49	72,327.00	14,984,023.49	388,831.00
Liability for refundable advance fees	5,639,140.70	5,849,788.15	210,647.45	5,856,400.55	217,259.85
Deferred revenue from non-refundable advance fees	16,883,387.03	16,892,927.88	9,540.85	16,286,514.44	(596,872.59)
Residents' funds	249,507.74	64,210.32	(185,297.42)	107,825.21	(141,682.53)
Interest rate swap agreement	52,726.45	52,726.45	-	52,726.45	-
Total long-term liabilities	37,419,954.41	37,527,172.29	107,217.88	37,287,490.14	(132,464.27)
Total liabilities	43,563,050.28	43,127,523.14	(435,527.14)	43,450,986.91	(112,063.37)
Net assets					
Unrestricted	31,193,714.86	30,865,218.13	(328,496.73)	30,261,306.92	(932,407.94)
Temporarily restricted	3,542,940.26	3,600,450.68	57,510.42	2,905,568.40	(637,371.86)
Permanently restricted	1,914,895.79	1,898,477.68	(16,418.11)	1,856,162.96	(58,732.83)
Total net assets	36,651,550.91	36,364,146.49	(287,404.42)	35,023,038.28	(1,628,512.63)
Total liabilities and net assets	80,214,601.19	79,491,669.63	(722,931.56)	78,474,025.19	(1,740,576.00)

Cypress Glen Retirement Community Income Statement

January-21			ACCOUNT		January YTD			Annual
Budget	Actual	Variance	Number	Description	Budget	Actual	Variance	Budget
Independent Living Revenue								
750,880.00	751,283.87	403.87	1593610001	Monthly Fees - 1st Person	3,014,350.00	3,008,377.17	(5,972.83)	8,905,870.00
59,063.00	66,287.92	7,224.92	1593610301	Monthly Fees - 2nd Person	238,325.00	271,391.97	33,066.97	701,741.00
-	(3,556.32)	(3,556.32)	1593610601	Discount - Absence	-	(15,157.38)	(15,157.38)	-
(140.00)	(8,940.94)	(8,800.94)	1593610901	Discount - Administration	(560.00)	(69,984.92)	(69,424.92)	(1,680.00)
(8,101.00)	(1,797.00)	6,304.00	1593611201	Discount - Benevolent	(32,404.00)	(10,828.56)	21,575.44	(97,211.00)
1,500.00	250.00	(1,250.00)	1593612101	Admission Fee	6,000.00	850.00	(5,150.00)	18,000.00
3,333.00	3,791.86	458.86	1593612701	Assistance-in-Living	13,332.00	11,238.96	(2,093.04)	40,000.00
9,403.00	6,184.20	(3,218.80)	1593613001	Beauty & Barber	37,481.00	30,463.40	(7,017.60)	109,474.00
(6,582.00)	(4,311.44)	2,270.56	1593613301	Contra - Beauty & Barber	(26,237.00)	(21,304.78)	4,932.22	(76,632.00)
21.00	21.00	-	1593613601	Cable Fees	84.00	84.00	-	252.00
1,810.00	685.00	(1,125.00)	1593613901	Chapel	7,240.00	4,152.00	(3,088.00)	21,720.00
1,063.00	399.40	(663.60)	1593615001	Gift Shop	4,252.00	3,318.80	(933.20)	12,750.00
267.00	-	(267.00)	1593615101	Guest Room	1,068.00	-	(1,068.00)	3,200.00
467.00	-	(467.00)	1593615401	Housekeeping	1,868.00	30.00	(1,838.00)	5,600.00
2,333.00	1,108.45	(1,224.55)	1593616001	Lounge/Cafe	9,332.00	4,147.04	(5,184.96)	28,000.00
1,333.00	85.83	(1,247.17)	1593616301	Maintenance Services	5,332.00	10,716.82	5,384.82	16,000.00
3,750.00	3,160.13	(589.87)	1593616601	Meals - Catering	15,000.00	13,501.15	(1,498.85)	45,000.00
7,500.00	3,563.92	(3,936.08)	1593616901	Meals - Guests & Employees	30,000.00	12,130.87	(17,869.13)	90,000.00
2,083.00	6,662.63	4,579.63	1593617201	Meals - Residents	8,332.00	26,573.37	18,241.37	25,000.00
66.00	160.10	94.10	1593626501	Medical Supplies	262.00	337.00	75.00	766.00
5,534.00	5,543.34	9.34	1593617501	Telephone	22,136.00	22,286.17	150.17	66,409.00
335.00	-	(335.00)	1593617801	Transportation	1,335.00	-	(1,335.00)	3,898.00
4,333.00	4,623.45	290.45	1593630401	Other	17,332.00	18,135.87	803.87	52,000.00
840,251.00	835,205.40	(5,045.60)	Total Independent Living Revenue		3,373,860.00	3,320,458.95	(53,401.05)	9,970,157.00

Memory Care Revenue								
102,672.00	98,208.00	(4,464.00)	1592620001	Room & Board	407,376.00	402,912.00	(4,464.00)	1,208,880.00
(25.00)	-	25.00	1592622101	Discount - Administration	(100.00)	-	100.00	(300.00)
(311.00)	-	311.00	1592622401	Discount - Free Days	(1,244.00)	(3,456.00)	(2,212.00)	(3,732.00)
6.00	-	(6.00)	1592625301	Assistance In Living	24.00	-	(24.00)	70.00
-	-	-	1592626301	Drugs	-	0.16	0.16	-
565.00	730.62	165.62	1592626501	Medical Supplies	2,242.00	2,558.05	316.05	6,654.00
1.00	-	(1.00)	1592629501	Oxygen	4.00	-	(4.00)	12.00
102,908.00	98,938.62	(3,969.38)	Total Memory Care Revenue		408,302.00	402,014.21	(6,287.79)	1,211,584.00

Assisted Living Revenue								
218,426.00	185,493.00	(32,933.00)	1595620001	Room & Board	841,726.00	738,486.00	(103,240.00)	2,621,249.00
(17.00)	-	17.00	1595622101	Discount - Administrative	(68.00)	-	68.00	(200.00)
(992.00)	(3,822.00)	(2,830.00)	1595622401	Discount - Free Days	(3,968.00)	(10,374.00)	(6,406.00)	(11,904.00)
(8,526.00)	-	8,526.00	1595622701	Discount - Benevolent	(34,104.00)	-	34,104.00	(102,309.00)
33.00	-	(33.00)	1595625301	Assistance In Living	132.00	-	(132.00)	400.00
2.00	10.38	8.38	1595626201	Drugs	8.00	25.69	17.69	24.00

Cypress Glen Retirement Community Income Statement

January-21			ACCOUNT		January YTD			Annual
Budget	Actual	Variance	Number	Description	Budget	Actual	Variance	Budget
1,969.00	2,173.26	204.26	1595626501	Medical Supplies	7,590.00	8,836.07	1,246.07	23,633.00
34.00	-	(34.00)	1595629201	Medical Equipment	132.00	-	(132.00)	410.00
93.00	8.91	(84.09)	1595629501	Oxygen	360.00	143.91	(216.09)	1,119.00
211,022.00	183,863.55	(27,158.45)	Total Assisted Living Revenue		811,808.00	737,117.67	(74,690.33)	2,532,422.00

HC - Private Pay Revenue

209,895.00	208,188.00	(1,707.00)	1597620001	Room & Board	772,274.00	796,292.00	24,018.00	2,577,840.00
(71.00)	(1,010.00)	(939.00)	1597622101	Discount - Administrative	(284.00)	(1,010.00)	(726.00)	(850.00)
(767.00)	(1,968.00)	(1,201.00)	1597622401	Discount - Free Days	(3,068.00)	(12,464.00)	(9,396.00)	(9,204.00)
(9,048.00)	(7,838.00)	1,210.00	1597622701	Discount - Benevolent	(36,192.00)	(47,639.85)	(11,447.85)	(108,576.00)
200,009.00	197,372.00	(2,637.00)	Net Private Pay Room & Board		732,730.00	735,178.15	2,448.15	2,459,210.00
2.00	0.48	(1.52)	1597626201	Drugs	5.00	11.43	6.43	20.00
3,608.00	3,405.93	(202.07)	1597626501	Medical Supplies	13,277.00	13,752.48	475.48	44,386.00
73.00	44.68	(28.32)	1597627101	Supplements/Nutrition	269.00	156.38	(112.62)	898.00
12.00	-	(12.00)	1597627401	Occupational Therapy	44.00	-	(44.00)	145.00
1,514.00	-	(1,514.00)	1597627701	Physical Therapy	5,571.00	1,490.00	(4,081.00)	18,624.00
28.00	2.37	(25.63)	1597629501	Oxygen	105.00	125.22	20.22	348.00
27.00	-	(27.00)	1597627801	Ambulance/Transportation	99.00	-	(99.00)	332.00
100.00	70.00	(30.00)	1597630401	Other	400.00	308.23	(91.77)	1,200.00
(331.00)	-	331.00	1597630701	Contractual Discount - Ancillaries	(1,219.00)	(541.55)	677.45	(4,073.00)
5,033.00	3,523.46	(1,509.54)	Net Private Pay Ancillaries		18,551.00	15,302.19	(3,248.81)	61,880.00
205,042.00	200,895.46	(4,146.54)	Total Private Pay Revenue		751,281.00	750,480.34	(800.66)	2,521,090.00

HC - HMO A Revenue

1,415.00	4,264.00	2,849.00	1597620005	Room & Board	5,614.00	25,256.00	19,642.00	16,659.00
748.00	3,027.73	2,279.73	1597623605	Contractual Discount - R & B	2,968.00	13,467.79	10,499.79	8,808.00
2,163.00	7,291.73	5,128.73	Net HMO A Room & Board		8,582.00	38,723.79	30,141.79	25,467.00
157.00	192.81	35.81	1597626205	Drugs	624.00	1,325.95	701.95	1,853.00
39.00	141.62	102.62	1597626505	Medical Supplies	155.00	1,222.83	1,067.83	460.00
518.00	1,250.00	732.00	1597627405	Occupational Therapy	2,056.00	6,790.00	4,734.00	6,102.00
437.00	1,250.00	813.00	1597627705	Physical Therapy	1,733.00	6,630.00	4,897.00	5,141.00
188.00	-	(188.00)	1597628005	Speech Therapy	746.00	210.00	(536.00)	2,213.00
-	-	-	1597628905	Laboratory	-	65.57	65.57	-
-	175.91	175.91	1597629505	Oxygen	-	196.91	196.91	-
-	-	-	1597630105	X-ray	-	603.49	603.49	-
(1,339.00)	(3,010.34)	(1,671.34)	1597630705	Contractual Discount - Ancillaries	(5,314.00)	(17,044.75)	(11,730.75)	(15,769.00)
-	0.00	0.00	Net HMO A Ancillaries		-	0.00	-	-
2,163.00	7,291.73	5,128.73	Total HMO A Revenue		8,582.00	38,723.79	30,141.79	25,467.00

HC - HMO B Revenue

3,685.00	490.00	(3,195.00)	1597627403	Occupational Therapy	14,541.00	950.00	(13,591.00)	43,232.00
4,686.00	880.00	(3,806.00)	1597627703	Physical Therapy	18,489.00	7,870.00	(10,619.00)	54,971.00
463.00	-	(463.00)	1597628003	Speech Therapy	1,825.00	810.00	(1,015.00)	5,426.00
(2,908.00)	(448.05)	2,459.95	1597630703	Contractual Discount - Ancillaries	(11,473.00)	(2,742.91)	8,730.09	(34,116.00)

Cypress Glen Retirement Community Income Statement

January-21			ACCOUNT		January YTD			Annual
Budget	Actual	Variance	Number	Description	Budget	Actual	Variance	Budget
5,926.00	921.95	(5,004.05)		Total HMO B Revenue	23,382.00	6,887.09	(16,494.91)	69,513.00

HC - Medicare Part A Revenue

12,872.00	23,104.00	10,232.00	1597620006	Room & Board	51,073.00	71,850.00	20,777.00	151,559.00
7,758.00	24,741.68	16,983.68	1597623606	Contractual Discount - R & B	30,781.00	48,705.72	17,924.72	91,341.00
20,630.00	47,845.68	27,215.68		Net Medicare Part A Room & Board	81,854.00	120,555.72	38,701.72	242,900.00
959.00	3,493.09	2,534.09	1597626206	Drugs	3,805.00	10,197.05	6,392.05	11,291.00
379.00	297.56	(81.44)	1597626506	Medical Supplies	1,504.00	1,768.54	264.54	4,463.00
2.00	-	(2.00)	1597627106	Supplements/Nutrition	8.00	123.43	115.43	24.00
4,077.00	3,860.00	(217.00)	1597627406	Occupational Therapy	16,177.00	17,080.00	903.00	48,005.00
3,938.00	3,830.00	(108.00)	1597627706	Physical Therapy	15,625.00	17,280.00	1,655.00	46,367.00
2,067.00	-	(2,067.00)	1597628006	Speech Therapy	8,202.00	2,580.00	(5,622.00)	24,340.00
39.00	-	(39.00)	1597626206	Ambulance/Transportation	155.00	-	(155.00)	460.00
-	-	-	1597629406	Medical Equipment	-	72.00	72.00	-
13.00	-	(13.00)	1597628906	Laboratory	51.00	1,406.62	1,355.62	151.00
-	-	-	1597629506	Oxygen	-	93.64	93.64	-
195.00	31.82	(163.18)	1597630106	X-ray	774.00	218.08	(555.92)	2,297.00
(11,669.00)	(11,512.47)	156.53	1597630706	Contractual Discount - Ancillaries	(46,301.00)	(50,819.36)	(4,518.36)	(137,398.00)
-	-	0.00		Net Medicare Part A Ancillaries	-	0.00	(0.00)	-
20,630.00	47,845.68	27,215.68		Total Medicare Part A Revenue	81,854.00	120,555.72	38,701.72	242,900.00

HC - Medicare Part B Revenue

8,050.00	5,800.00	(2,250.00)	1597627407	Occupational Therapy	31,762.00	26,030.00	(5,732.00)	94,438.00
14,465.00	11,990.00	(2,475.00)	1597627707	Physical Therapy	57,070.00	54,590.00	(2,480.00)	169,682.00
1,668.00	1,980.00	312.00	1597628007	Speech Therapy	6,580.00	7,680.00	1,100.00	19,562.00
(8,165.00)	(6,204.98)	1,960.02	1597630707	Contractual Discount - Ancillaries	(32,215.00)	(27,389.42)	4,825.58	(95,783.00)
16,018.00	13,565.02	(2,452.98)		Total Medicare Part B Revenue	63,197.00	60,910.58	(2,286.42)	187,899.00
249,779.00	270,519.84	20,740.84		Total Health Center Revenue	928,296.00	977,557.52	49,261.52	3,046,869.00

Other Operating Revenue

1,623.00	542.79	(1,080.21)	1599692200	Investment Interest/Dividends	6,492.00	7,479.38	987.38	19,476.00
158.00	159.00	1.00	1599692600	Methodist Conference - General Giving	632.00	636.75	4.75	1,900.00
5,917.00	629.00	(5,288.00)	1599699600	Net Assets Released From Restriction	23,668.00	129,193.95	105,525.95	71,000.00
210.00	198.75	(11.25)	1599696000	Miscellaneous Operating Revenue	840.00	90,795.74	89,955.74	2,520.00
7,908.00	1,529.54	(6,378.46)		Total Other Operating Revenue	31,632.00	228,105.82	196,473.82	94,896.00
1,411,868.00	1,390,056.95	(21,811.05)		Total Operating Revenue	5,553,898.00	5,665,254.17	111,356.17	16,855,928.00

General & Administrative Expense

19,038.00	19,036.19	1.81	1501720000	Administrator	115,773.00	111,754.06	4,018.94	267,755.00
15,678.00	15,677.99	0.01	1501722800	Department Managers & Assistants	62,049.00	62,683.32	(634.32)	185,763.00
6,189.00	7,212.77	(1,023.77)	1501721600	Clerical & Secretary	24,537.00	30,408.04	(5,871.04)	73,688.00
15,064.00	14,690.72	373.28	1501724800	Marketing	58,790.00	53,231.05	5,558.95	178,284.00
1,911.00	1,962.05	(51.05)	1501720200	Accounting Assistants	7,583.00	7,987.94	(404.94)	22,729.00
1,289.00	796.55	492.45	1501720300	Accounting Clerk	4,847.00	3,810.39	1,036.61	14,908.00

Cypress Glen Retirement Community

Income Statement

January-21			ACCOUNT		January YTD			Annual
Budget	Actual	Variance	Number	Description	Budget	Actual	Variance	Budget
9,921.00	9,534.93	386.07	1501724000	Human Resources	39,096.00	38,659.54	436.46	118,345.00
1,929.00	3,433.70	(1,504.70)	1501739900	Accrued PTO	7,716.00	8,786.07	(1,070.07)	23,150.00
71,019.00	72,344.90	(1,325.90)		Total Salaries & Wages	320,391.00	317,320.41	3,070.59	884,622.00
5,236.00	5,114.25	121.75	1501730000	Payroll Taxes & Insurance	23,722.00	18,100.01	5,621.99	65,326.00
10,579.00	10,794.31	(215.31)	1501731000	Insurance	42,527.00	43,983.81	(1,456.81)	127,138.00
1,976.00	3,049.42	(1,073.42)	1501733000	Retirement	9,408.00	10,426.96	(1,018.96)	25,116.00
3,149.00	3,086.25	62.75	1501731400	Nurse Practitioner Program	12,596.00	10,853.08	1,742.92	37,786.00
956.00	876.65	79.35	1501732000	Other	3,824.00	3,920.95	(96.95)	11,475.00
21,896.00	22,920.88	(1,024.88)		Total Employee Benefits	92,077.00	87,284.81	4,792.19	266,841.00
597.00	-	597.00	1501735400	Training & Meetings	2,388.00	20.00	2,368.00	7,150.00
517.00	-	517.00	1501735600	Travel & Transportation	2,068.00	-	2,068.00	6,200.00
609.00	-	609.00	1501735700	Employee Retention	2,436.00	523.43	1,912.57	7,300.00
17.00	-	17.00	1501735800	Employee Screening	68.00	80.08	(12.08)	214.00
-	92.37	(92.37)	1501762800	Supply - Durable/Expendable Goods	-	1,008.29	(1,008.29)	-
2,335.00	3,388.36	(1,053.36)	1501764300	Supply - Office	9,340.00	9,839.21	(499.21)	28,029.00
425.00	-	425.00	1501764500	Supply - Computer & Peripheral Equipment	1,700.00	928.70	771.30	5,100.00
209.00	3,092.50	(2,883.50)	1501764700	Supply - IT & Communication Equipment	836.00	4,283.26	(3,447.26)	2,500.00
3,285.00	3,674.96	(389.96)	1501741500	Computer Line Charges	13,140.00	12,202.55	937.45	39,416.00
167.00	176.73	(9.73)	1501740600	Bad Debts	668.00	176.73	491.27	2,000.00
-	-	-	1501740900	Bank Service Charges	-	39.00	(39.00)	-
492.00	-	492.00	1501741800	Consultants	1,968.00	-	1,968.00	5,900.00
5,679.00	4,219.00	1,460.00	1501742100	Contributions	22,716.00	19,927.36	2,788.64	68,153.00
1,418.00	1,153.34	264.66	1501743900	Dues & Subscriptions	5,672.00	5,291.32	380.68	17,025.00
60.00	40.00	20.00	1501743300	Waste Disposal	240.00	175.00	65.00	720.00
-	2,891.45	(2,891.45)	1501745400	Extraordinary Expense	-	5,536.65	(5,536.65)	-
18,172.00	17,947.00	225.00	1501749300	Insurance General	72,688.00	74,788.00	(2,100.00)	218,058.00
3,775.00	3,147.00	628.00	1501749900	Labor - Outside Contract	15,100.00	12,588.00	2,512.00	45,300.00
4,000.00	4,000.00	-	1501751100	Legal & Professional - Cost Report	4,000.00	4,000.00	-	4,000.00
167.00	-	167.00	1501751400	Legal & Professional - Legal	668.00	-	668.00	2,000.00
40.00	-	40.00	1501751700	Legal & Professional - Other	160.00	-	160.00	475.00
391.00	353.83	37.17	1501752000	Licenses & Fees	1,564.00	1,636.57	(72.57)	4,688.00
671.00	62.68	608.32	1501753200	Maintenance & Repair - Equipment	2,684.00	2,058.99	625.01	8,052.00
1,984.00	1,789.18	194.82	1501754800	Managed Services - SaaS	7,936.00	6,450.23	1,485.77	23,803.00
9,710.00	2,760.00	6,950.00	1501756800	Marketing - IL	38,840.00	31,066.68	7,773.32	116,525.00
83.00	-	83.00	1501755900	Marketing - AL	332.00	49.00	283.00	1,000.00
445.00	403.32	41.68	1501760400	Postage	1,780.00	1,120.21	659.79	5,335.00
417.00	119.25	297.75	1501760500	Public Relations	1,668.00	5,602.69	(3,934.69)	5,000.00
23.00	23.00	-	1501761000	Rental & Leasing	92.00	92.00	-	276.00
168.00	-	168.00	1501761300	Safety Program	672.00	-	672.00	2,020.00
-	-	-	1501766100	Taxes - Real Estate	-	-	-	7,034.00
3,787.00	3,643.95	143.05	1501766400	Telephone	15,148.00	14,658.66	489.34	45,443.00
59,643.00	52,977.92	6,665.08		Total Other Expense	226,572.00	214,142.61	12,429.39	678,716.00
152,558.00	148,243.70	4,314.30		Total General & Administrative	639,040.00	618,747.83	20,292.17	1,830,179.00

Cypress Glen Retirement Community

Income Statement

January-21			ACCOUNT		January YTD			Annual
Budget	Actual	Variance	Number	Description	Budget	Actual	Variance	Budget
Plant Expense								
16,578.00	11,006.11	5,571.89	1569722800	Department Managers & Assistants	65,116.00	53,724.83	11,391.17	196,588.00
2,392.00	1,207.48	1,184.52	1569721600	Clerical & Secretary	8,856.00	5,478.98	3,377.02	27,795.00
25,911.00	23,700.25	2,210.75	1569723200	General Maintenance	99,599.00	100,473.14	(874.14)	303,238.00
14,543.00	25,015.47	(10,472.47)	1569726000	Security	57,734.00	97,501.03	(39,767.03)	174,042.00
(2,917.00)	(16,478.00)	13,561.00	1569729800	Refurbishment Credits	(11,668.00)	(16,478.00)	4,810.00	(35,000.00)
692.00	(2,443.14)	3,135.14	1569739900	Accrued PTO	2,768.00	(511.72)	3,279.72	8,300.00
57,199.00	42,008.17	15,190.83		Total Salaries & Wages	222,405.00	240,188.26	(17,783.26)	674,963.00
5,026.00	5,442.47	(416.47)	1569730000	Payroll Taxes & Insurance	19,614.00	21,769.09	(2,155.09)	59,512.00
8,265.00	9,660.18	(1,395.18)	1569731000	Insurance	33,023.00	35,741.21	(2,718.21)	99,113.00
1,392.00	2,079.28	(687.28)	1569733000	Retirement	5,396.00	5,971.56	(575.56)	16,410.00
(750.00)	(4,930.00)	4,180.00	1569739800	Refurbishment Credits	(3,000.00)	(4,930.00)	1,930.00	(9,000.00)
103.00	-	103.00	1569732000	Other	412.00	1,250.00	(838.00)	1,230.00
14,036.00	12,251.93	1,784.07		Total Employee Benefits	55,445.00	59,801.86	(4,356.86)	167,265.00
280.00	-	280.00	1569735000	Uniforms	1,120.00	909.43	210.57	3,360.00
23.00	148.28	(125.28)	1569735200	Recruiting & Relocation	92.00	794.13	(702.13)	275.00
251.00	-	251.00	1569735400	Training & Meetings	1,004.00	18.00	986.00	3,000.00
142.00	-	142.00	1569735600	Travel & Transportation	568.00	-	568.00	1,700.00
92.00	146.00	(54.00)	1569735700	Employee Related Miscellaneous	368.00	808.08	(440.08)	1,100.00
39.00	54.75	(15.75)	1569735800	Employee Screening	156.00	212.26	(56.26)	471.00
2,172.00	1,041.14	1,130.86	1569740300	Auto & Bus	8,688.00	6,662.04	2,025.96	26,077.00
3,333.00	2,356.10	976.90	1569741200	Cable TV	13,332.00	4,748.58	8,583.42	40,000.00
4,393.00	3,740.77	652.23	1569743300	Disposal & Trucking	17,572.00	16,427.88	1,144.12	52,710.00
48.00	10.75	37.25	1569743900	Dues & Subscriptions	192.00	43.00	149.00	580.00
-	-	-	1569745400	Extraordinary Expense	-	258.10	(258.10)	-
1,568.00	3,187.50	(1,619.50)	1569745700	Extermination Service	6,272.00	7,487.25	(1,215.25)	18,808.00
125.00	113.51	11.49	1569749000	Hazardous Waste Disposal	500.00	384.10	115.90	1,500.00
948.00	439.23	508.77	1569752000	License & Fees	3,792.00	3,879.97	(87.97)	11,375.00
4,581.00	17,639.81	(13,058.81)	1569752900	Maintenance & Repair - Building	18,324.00	30,943.95	(12,619.95)	54,979.00
15,321.00	8,700.00	6,621.00	1569753500	Maintenance & Repair - Grounds	61,284.00	56,600.00	4,684.00	183,850.00
3,210.00	444.35	2,765.65	1569753200	Maintenance & Repair - Equipment	12,840.00	13,658.54	(818.54)	38,525.00
6,963.00	8,141.04	(1,178.04)	1569753800	Maintenance & Repair - HVAC	27,852.00	21,412.37	6,439.63	83,561.00
835.00	1,661.19	(826.19)	1569754100	Maintenance & Repair - Scheduled Refurbishment	3,340.00	7,516.62	(4,176.62)	10,000.00
492.00	791.30	(299.30)	1569754400	Maintenance & Repair - TV/Telephone	1,968.00	2,873.17	(905.17)	5,900.00
382.00	382.76	(0.76)	1569754800	Managed Services - SaaS	1,528.00	1,531.13	(3.13)	4,580.00
417.00	-	417.00	1569761000	Rental & Leasing	1,668.00	-	1,668.00	5,000.00
167.00	158.68	8.32	1569762500	Supply - Chemical	668.00	461.02	206.98	2,000.00
2,417.00	7,076.99	(4,659.99)	1569762800	Supply - Durable/Expendable Goods	9,668.00	24,734.76	(15,066.76)	29,000.00
600.00	-	600.00	1569763700	Supply - Minor Equipment	2,400.00	-	2,400.00	7,200.00
86.00	93.55	(7.55)	1569764300	Supply - Office	344.00	356.94	(12.94)	1,033.00
9,169.00	3,313.29	5,855.71	1569764900	Supply - Repairs - Buildings	36,676.00	13,152.48	23,523.52	110,030.00
-	-	-	1569765200	Supply - Repairs - Grounds	-	573.29	(573.29)	-
58,054.00	59,640.99	(1,586.99)		Total Other Expense	232,216.00	216,447.09	15,768.91	696,614.00
14,583.00	19,226.27	(4,643.27)	1569767300	Utilities - Gas	58,332.00	47,524.03	10,807.97	175,000.00

Cypress Glen Retirement Community Income Statement

January-21			ACCOUNT		January YTD			Annual
Budget	Actual	Variance	Number	Description	Budget	Actual	Variance	Budget
38,406.00	34,750.61	3,655.39	1569767000	Utilities - Electric	153,624.00	143,577.73	10,046.27	460,873.00
13,171.00	10,867.64	2,303.36	1569767900	Utilities - Water	52,684.00	48,249.16	4,434.84	158,056.00
66,160.00	64,844.52	1,315.48		Total Utility Expense	264,640.00	239,350.92	25,289.08	793,929.00
195,449.00	178,745.61	16,703.39		Total Plant Expense	774,706.00	755,788.13	18,917.87	2,332,771.00

Environmental Services Expense

7,767.00	7,531.66	235.34	1531722800	Department Managers & Assistants	30,034.00	30,841.48	(807.48)	91,391.00
38,328.00	31,955.54	6,372.46	1531723800	Housekeepers	138,941.00	128,137.03	10,803.97	441,906.00
6,615.00	5,969.05	645.95	1531724200	Janitors	24,208.00	24,980.63	(772.63)	75,914.00
3,884.00	2,972.88	911.12	1531724400	Laundry	14,627.00	12,452.11	2,174.89	45,404.00
1,500.00	(23.39)	1,523.39	1531739900	Accrued PTO	6,000.00	3,261.81	2,738.19	18,000.00
58,094.00	48,405.74	9,688.26		Total Salaries & Wages	213,810.00	199,673.06	14,136.94	672,615.00
4,789.00	4,204.53	584.47	1531730000	Payroll Taxes & Insurance	17,736.00	17,173.31	562.69	55,667.00
8,621.00	11,193.48	(2,572.48)	1531731000	Insurance	34,376.00	37,497.66	(3,121.66)	103,308.00
586.00	710.18	(124.18)	1531733000	Retirement	2,205.00	2,143.44	61.56	6,855.00
133.00	-	133.00	1531732000	Other	532.00	1,250.00	(718.00)	1,600.00
14,129.00	16,108.19	(1,979.19)		Total Employee Benefits	54,849.00	58,064.41	(3,215.41)	167,430.00
4.00	-	4.00	1531735000	Uniforms	16.00	-	16.00	50.00
13.00	-	13.00	1531735200	Recruiting & Relocation	52.00	-	52.00	160.00
84.00	-	84.00	1531735400	Training & Meetings	336.00	-	336.00	1,000.00
8.00	-	8.00	1531735600	Travel & Transportation	32.00	-	32.00	100.00
90.00	-	90.00	1531735700	Employee Retention	360.00	160.02	199.98	1,085.00
30.00	101.10	(71.10)	1531735800	Employee Screening	120.00	346.52	(226.52)	364.00
-	153.20	(153.20)	1531745400	Extraordinary Expense	-	848.77	(848.77)	-
250.00	-	250.00	1531753200	Maintenance & Repair - Equipment	1,000.00	-	1,000.00	3,000.00
1,333.00	2,417.54	(1,084.54)	1531762200	Supply - Central Laundry	5,332.00	5,061.42	270.58	16,000.00
500.00	-	500.00	1531762500	Supply - Chemical	2,000.00	131.89	1,868.11	6,000.00
4,200.00	4,405.67	(205.67)	1531762800	Supply - Durable/Expendable Goods	16,800.00	16,612.08	187.92	50,400.00
1,050.00	834.78	215.22	1531763400	Supply - Linen	4,200.00	3,372.55	827.45	12,600.00
100.00	-	100.00	1531763700	Supply - Minor Equipment	400.00	-	400.00	1,200.00
750.00	-	750.00	1531760100	Outside Cleaning	32,000.00	29,300.00	2,700.00	38,000.00
8,412.00	7,912.29	499.71		Total Other Expense	62,648.00	55,833.25	6,814.75	129,959.00
80,635.00	72,426.22	8,208.78		Total Environmental Services Expense	331,307.00	313,570.72	17,736.28	970,004.00

Food & Beverage Expense

26,903.00	27,278.40	(375.40)	1529722800	Department Managers & Assistants	106,405.00	109,296.76	(2,891.76)	318,024.00
-	2,065.14	(2,065.14)	1529721600	Clerical & Secretary	-	9,345.81	(9,345.81)	-
20,021.00	18,747.64	1,273.36	1529722400	Cooks	79,490.00	80,210.09	(720.09)	238,735.00
43,701.00	44,955.94	(1,254.94)	1529722900	Dietary Aides	172,688.00	186,167.26	(13,479.26)	516,355.00
20,974.00	17,736.77	3,237.23	1529727400	Wait Staff/Host	82,963.00	81,472.85	1,490.15	249,392.00
5,723.00	4,088.75	1,634.25	1529722000	Coffee Shop/Cafe	22,702.00	17,758.37	4,943.63	67,837.00
2,508.00	2,059.22	448.78	1529739900	Accrued PTO	10,032.00	4,104.55	5,927.45	30,100.00
119,830.00	116,931.86	2,898.14		Total Salaries & Wages	474,280.00	488,355.69	(14,075.69)	1,420,443.00
10,252.00	10,365.05	(113.05)	1529730000	Payroll Taxes & Insurance	40,623.00	41,843.26	(1,220.26)	121,869.00

Cypress Glen Retirement Community Income Statement

January-21			ACCOUNT		January YTD			Annual
Budget	Actual	Variance	Number	Description	Budget	Actual	Variance	Budget
15,533.00	15,707.57	(174.57)	1529731000	Insurance	62,103.00	62,335.88	(232.88)	186,295.00
1,581.00	2,441.28	(860.28)	1529733000	Retirement	6,251.00	7,323.56	(1,072.56)	18,686.00
250.00	-	250.00	1529732000	Other	1,000.00	2,820.00	(1,820.00)	3,000.00
27,616.00	28,513.90	(897.90)		Total Employee Benefits	109,977.00	114,322.70	(4,345.70)	329,850.00
333.00	-	333.00	1529735000	Uniforms	1,332.00	78.57	1,253.43	4,000.00
83.00	-	83.00	1529735200	Recruiting & Relocation	332.00	-	332.00	1,000.00
500.00	-	500.00	1529735400	Training & Meetings	2,000.00	18.00	1,982.00	6,000.00
100.00	-	100.00	1529735600	Travel & Transportation	400.00	-	400.00	1,200.00
293.00	-	293.00	1529735700	Employee Retention	1,172.00	783.16	388.84	3,525.00
179.00	71.55	107.45	1529735800	Employee Screening	716.00	370.20	345.80	2,153.00
8.00	-	8.00	1529743900	Dues & Subscriptions	32.00	-	32.00	100.00
-	4,510.63	(4,510.63)	1529745400	Extraordinary Expense	-	25,116.35	(25,116.35)	-
82,022.00	78,343.09	3,678.91	1529746000	Food	328,088.00	320,638.14	7,449.86	984,264.00
103.00	-	103.00	1529752000	Licenses & Fees	412.00	-	412.00	1,240.00
2,108.00	2,557.70	(449.70)	1529753200	Maintenance & Repair - Equipment	8,432.00	6,590.46	1,841.54	25,292.00
75.00	67.00	8.00	1529754800	Managed Services - SaaS	300.00	268.00	32.00	904.00
601.00	255.00	346.00	1529761000	Rental & Leasing	2,404.00	680.00	1,724.00	7,210.00
3,439.00	2,582.00	857.00	1529762500	Supply - Chemical	13,756.00	10,948.01	2,807.99	41,271.00
6,682.00	4,514.20	2,167.80	1529762800	Supply - Durable/Expendable Goods	26,728.00	15,259.37	11,468.63	80,189.00
417.00	-	417.00	1529763400	Supply - Linens	1,668.00	423.30	1,244.70	5,000.00
167.00	-	167.00	1529763700	Supply - Minor Equipment	668.00	-	668.00	2,000.00
75.00	-	75.00	1529764300	Supply - Office	300.00	-	300.00	900.00
167.00	-	167.00	1529764500	Supply - Computer & Peripheral Equipment	668.00	-	668.00	2,000.00
3,333.00	(27,663.44)	30,996.44	1529765500	Supply - Silverware/Dishes	13,332.00	(27,538.87)	40,870.87	40,000.00
100,685.00	65,237.73	35,447.27		Total Other Expense	402,740.00	353,634.69	49,105.31	1,208,248.00
248,131.00	210,683.49	37,447.51		Total Food & Beverage Expense	986,997.00	956,313.08	30,683.92	2,958,541.00

Health Center Expense

20,437.00	18,957.85	1,479.15	1537722800	Department Managers & Assistants	81,089.00	84,263.61	(3,174.61)	243,139.00
5,681.00	6,987.15	(1,306.15)	1537726800	Supervisor	22,541.00	24,351.38	(1,810.38)	67,054.00
3,291.00	3,193.68	97.32	1537720600	Activities Staff	13,058.00	12,696.72	361.28	38,846.00
2,633.00	2,539.46	93.54	1537725000	Medical Records	10,447.00	11,130.66	(683.66)	31,422.00
3,972.00	6,700.03	(2,728.03)	1537725200	Medicine Aides	15,777.00	16,626.51	(849.51)	48,043.00
5,249.00	5,249.99	(0.99)	1537723500	Health Services Coordinator	20,826.00	21,732.20	(906.20)	61,800.00
46,496.00	55,942.38	(9,446.38)	1537721800	CNA	184,642.00	194,777.41	(10,135.41)	553,222.00
8,015.00	10,161.93	(2,146.93)	1537724600	LPN	31,831.00	31,169.15	661.85	95,272.00
21,236.00	33,212.45	(11,976.45)	1537725800	RN	83,843.00	113,188.29	(29,345.29)	251,295.00
2,822.00	2,981.12	(159.12)	1537726100	Ward Clerks	11,115.00	11,403.04	(288.04)	33,145.00
5,948.00	5,948.11	(0.11)	1537726200	Social Services Director	23,601.00	23,800.53	(199.53)	71,433.00
5,610.00	5,692.32	(82.32)	1537726500	Staff Development	22,259.00	23,125.03	(866.03)	67,214.00
2,417.00	6,088.59	(3,671.59)	1537739900	Accrued PTO	9,668.00	13,566.23	(3,898.23)	29,000.00
133,807.00	163,655.06	(29,848.06)		Total Salaries & Wages	530,697.00	581,830.76	(51,133.76)	1,590,885.00
11,634.00	14,934.43	(3,300.43)	1537730000	Payroll Taxes & Insurance	46,188.00	50,301.90	(4,113.90)	138,746.00
24,240.00	18,602.25	5,637.75	1537731000	Insurance	96,934.00	71,881.83	25,052.17	290,795.00

Cypress Glen Retirement Community

Income Statement

January-21			ACCOUNT		January YTD			Annual
Budget	Actual	Variance	Number	Description	Budget	Actual	Variance	Budget
2,094.00	3,459.18	(1,365.18)	1537733000	Retirement	8,306.00	9,257.40	(951.40)	24,916.00
208.00	-	208.00	1537732000	Other	832.00	2,090.00	(1,258.00)	2,500.00
38,176.00	36,995.86	1,180.14		Total Employee Benefits	152,260.00	133,531.13	18,728.87	456,957.00
125.00	503.98	(378.98)	1537735200	Recruiting & Relocation	500.00	2,679.82	(2,179.82)	1,500.00
483.00	-	483.00	1537735400	Training & Meetings	1,932.00	36.00	1,896.00	5,800.00
350.00	-	350.00	1537735600	Travel & Transportation	1,400.00	-	1,400.00	4,200.00
292.00	59.95	232.05	1537735700	Employee Retention	1,168.00	568.05	599.95	3,500.00
100.00	-	100.00	1537735800	Employee Screening	400.00	365.08	34.92	1,197.00
2,824.00	1,652.20	1,171.80	1537741800	Consultants	11,296.00	6,317.80	4,978.20	33,892.00
-	27.87	(27.87)	1537743600	Drugs - House Use	-	59.76	(59.76)	-
202.00	202.38	(0.38)	1537743900	Dues & Subscriptions	808.00	804.63	3.37	2,414.00
392.00	279.25	112.75	1537745300	Resident Centered Care	1,568.00	1,324.81	243.19	4,700.00
-	1,646.04	(1,646.04)	1537745400	Extraordinary Expense	-	15,239.02	(15,239.02)	-
268.00	207.50	60.50	1537752000	Licenses & Fees	1,072.00	2,001.53	(929.53)	3,215.00
497.00	363.32	133.68	1537753200	Maintenance & Repair - Equipment	1,988.00	1,871.28	116.72	5,960.00
78.00	54.00	24.00	1537754800	Managed Services - SaaS	312.00	216.00	96.00	940.00
1,625.00	1,562.00	63.00	1537758900	Medical Director Fees	6,500.00	6,248.00	252.00	19,497.00
892.00	2,534.50	(1,642.50)	1537759500	Medical Supplies - House Use	3,568.00	6,991.86	(3,423.86)	10,700.00
-	-	-	1537760600	Therapy Supplies - House Use	-	7.95	(7.95)	-
-	225.00	(225.00)	1537761000	Rental & Leasing	-	325.00	(325.00)	-
834.00	3,559.95	(2,725.95)	1537762800	Supply - Durable/Expendable Goods	3,336.00	3,785.68	(449.68)	10,000.00
1,144.00	-	1,144.00	1537763700	Supply - Minor Equipment	4,576.00	-	4,576.00	13,731.00
392.00	774.39	(382.39)	1537764300	Supply - Office	1,568.00	1,630.92	(62.92)	4,700.00
10,498.00	13,652.33	(3,154.33)		Total HC Administrative	41,992.00	50,473.19	(8,481.19)	125,946.00
1.00	0.15	0.85	1537770001	Drugs	1.00	3.80	(2.80)	8.00
1,553.00	1,616.86	(63.86)	1537770301	Medical Supplies	5,714.00	6,588.52	(874.52)	19,099.00
73.00	22.34	50.66	1537770901	Supplements/Nutrition	269.00	78.19	190.81	898.00
9.00	-	9.00	1537771201	Occupational Therapy	32.00	-	32.00	109.00
919.00	-	919.00	1537771501	Physical Therapy	3,380.00	834.71	2,545.29	11,300.00
16.00	0.65	15.35	1537773301	Oxygen	61.00	74.41	(13.41)	203.00
2,571.00	1,640.00	931.00		Total Private Pay	9,457.00	7,579.63	1,877.37	31,617.00
155.00	192.59	(37.59)	1537770005	Drugs	616.00	1,311.71	(695.71)	1,829.00
20.00	67.44	(47.44)	1537770305	Medical Supplies	79.00	645.83	(566.83)	233.00
135.00	425.14	(290.14)	1537771205	Occupational Therapy	536.00	2,610.71	(2,074.71)	1,591.00
140.00	411.75	(271.75)	1537771505	Physical Therapy	555.00	2,460.62	(1,905.62)	1,646.00
32.00	-	32.00	1537771805	Speech Therapy	127.00	23.09	103.91	377.00
-	-	-	1537772705	Laboratory	-	65.57	(65.57)	-
-	158.46	(158.46)	1537773305	Oxygen	-	174.46	(174.46)	-
-	-	-	1537773905	X-ray	-	603.49	(603.49)	-
482.00	1,255.38	(773.38)		Total HMO A	1,913.00	7,895.48	(5,982.48)	5,676.00
2,269.00	329.74	1,939.26	1537771203	Occupational Therapy	8,953.00	639.72	8,313.28	26,619.00
2,832.00	478.10	2,353.90	1537771503	Physical Therapy	11,174.00	4,770.07	6,403.93	33,222.00
276.00	-	276.00	1537771803	Speech Therapy	1,086.00	529.83	556.17	3,231.00
5,377.00	807.84	4,569.16		Total HMO B	21,213.00	5,939.62	15,273.38	63,072.00

Cypress Glen Retirement Community Income Statement

January-21			ACCOUNT		January YTD			Annual
Budget	Actual	Variance	Number	Description	Budget	Actual	Variance	Budget
941.00	3,493.09	(2,552.09)	1537770006	Drugs	3,734.00	10,159.00	(6,425.00)	11,081.00
165.00	118.04	46.96	1537770306	Medical Supplies	655.00	851.67	(196.67)	1,943.00
2.00	-	2.00	1537770906	Supplements/Nutrition	8.00	112.26	(104.26)	24.00
1,153.00	2,190.42	(1,037.42)	1537771206	Occupational Therapy	4,575.00	7,192.33	(2,617.33)	13,577.00
1,233.00	2,219.22	(986.22)	1537771506	Physical Therapy	4,892.00	7,318.44	(2,426.44)	14,516.00
570.00	-	570.00	1537771806	Speech Therapy	2,262.00	335.21	1,926.79	6,713.00
30.00	-	30.00	1537772406	Ambulance	119.00	-	119.00	353.00
-	-	-	1537773206	Medical Equipment	-	72.00	(72.00)	-
13.00	-	13.00	1537772706	Laboratory	51.00	1,406.62	(1,355.62)	151.00
-	-	-	1537773306	Oxygen	-	67.75	(67.75)	-
195.00	31.82	163.18	1537773906	X-ray	774.00	218.08	555.92	2,297.00
4,302.00	8,052.59	(3,750.59)		Total Medicare A	17,070.00	27,733.36	(10,663.36)	50,655.00
4,820.00	3,237.39	1,582.61	1537771207	Occupational Therapy	19,018.00	15,927.72	3,090.28	56,546.00
8,678.00	7,284.88	1,393.12	1537771507	Physical Therapy	34,236.00	33,262.74	973.26	101,793.00
1,030.00	1,277.12	(247.12)	1537771807	Speech Therapy	4,063.00	4,913.08	(850.08)	12,078.00
14,528.00	11,799.39	2,728.61		Total Medicare B	57,317.00	54,103.54	3,213.46	170,417.00
209,741.00	237,858.45	(28,117.45)		Total Health Center Expense	831,919.00	869,086.71	(37,167.71)	2,495,225.00

Memory Care Expense

4,609.00	4,660.45	(51.45)	1544722800	Department Managers & Assistants	18,023.00	18,139.02	(116.02)	54,005.00
22,875.00	27,162.42	(4,287.42)	1544721800	CNA	90,272.00	99,739.57	(9,467.57)	270,114.00
2,839.00	2,892.67	(53.67)	1544725800	RN	11,264.00	11,623.31	(359.31)	33,507.00
2,737.00	2,627.67	109.33	1544720600	Activities	10,702.00	10,671.53	30.47	32,069.00
275.00	1,332.08	(1,057.08)	1544739900	Accrued PTO	1,100.00	4,024.71	(2,924.71)	3,300.00
33,335.00	38,675.29	(5,340.29)		Total Salaries & Wages	131,361.00	144,198.14	(12,837.14)	392,995.00
3,155.00	3,626.61	(471.61)	1544730000	Payroll Taxes & Insurance	12,468.00	12,581.70	(113.70)	37,387.00
2,522.00	2,840.47	(318.47)	1544731000	Insurance	10,076.00	11,362.83	(1,286.83)	30,220.00
449.00	700.13	(251.13)	1544733000	Retirement	1,767.00	1,900.63	(133.63)	5,274.00
56.00	-	56.00	1544732000	Other	224.00	605.00	(381.00)	675.00
6,182.00	7,167.21	(985.21)		Total Employee Benefits	24,535.00	26,450.16	(1,915.16)	73,556.00
18.00	-	18.00	1544735200	Recruiting & Relocation	72.00	-	72.00	220.00
188.00	-	188.00	1544735400	Training & Meetings	752.00	200.00	552.00	2,250.00
38.00	-	38.00	1544735600	Travel & Transportation	152.00	-	152.00	450.00
102.00	-	102.00	1544735700	Employee Retention	408.00	59.81	348.19	1,225.00
33.00	-	33.00	1544735800	Employee Screening	132.00	111.09	20.91	386.00
170.00	182.88	(12.88)	1544740000	Activities	680.00	670.20	9.80	2,040.00
21.00	17.55	3.45	1544743900	Dues & Subscriptions	84.00	76.05	7.95	250.00
-	-	-	1544745400	Extraordinary Expense	-	2,815.30	(2,815.30)	-
54.00	50.00	4.00	1544752000	Licenses & Fees	216.00	185.00	31.00	650.00
115.00	-	115.00	1544762800	Supply - Durable/Expendable Goods	460.00	352.49	107.51	1,385.00
50.00	22.70	27.30	1544764300	Supply - Office	200.00	22.70	177.30	600.00
33.00	-	33.00	1544764500	Supply - Computer & Peripheral Equipment	132.00	-	132.00	400.00
241.00	382.45	(141.45)	1544770301	Resident Ancillaries	957.00	1,168.33	(211.33)	2,842.00
1,063.00	655.58	407.42		Total Other Expense	4,245.00	5,660.97	(1,415.97)	12,698.00

Cypress Glen Retirement Community Income Statement

January-21			ACCOUNT		January YTD			Annual Budget
Budget	Actual	Variance	Number	Description	Budget	Actual	Variance	
40,580.00	46,498.08	(5,918.08)		Total Memory Care Expense	160,141.00	176,309.27	(16,168.27)	479,249.00

Resident Services Expense

6,364.00	4,549.66	1,814.34	1563721200	Bus Driver/Valet	25,251.00	23,029.56	2,221.44	75,364.00
4,259.00	4,258.25	0.75	1563720400	Activities Director	16,898.00	17,160.10	(262.10)	50,267.00
-	(363.38)	363.38	1563720600	Activities Staff	-	1,418.51	(1,418.51)	-
5,279.00	5,516.40	(237.40)	1563721400	Chaplain	20,946.00	21,380.25	(434.25)	62,777.00
4,871.00	5,344.77	(473.77)	1563720900	ILPS Service Aides	19,332.00	23,541.18	(4,209.18)	58,034.00
4,898.00	4,897.49	0.51	1563726400	Social Services Staff	19,152.00	19,328.23	(176.23)	57,388.00
6,173.00	5,025.55	1,147.45	1563726200	Arts & Crafts Director	24,493.00	23,994.55	498.45	73,132.00
283.00	168.46	114.54	1563739900	Accrued PTO	1,132.00	5,461.07	(4,329.07)	3,400.00
32,127.00	29,397.20	2,729.80		Total Salaries & Wages	127,204.00	135,313.45	(8,109.45)	380,362.00
2,749.00	2,596.94	152.06	1563730000	Payroll Taxes & Insurance	10,896.00	12,058.07	(1,162.07)	32,655.00
7,906.00	5,792.89	2,113.11	1563731000	Insurance	31,616.00	24,903.10	6,712.90	94,840.00
678.00	968.36	(290.36)	1563733000	Retirement	2,678.00	2,979.99	(301.99)	8,006.00
54.00	-	54.00	1563732000	Other	216.00	625.00	(409.00)	650.00
11,387.00	9,358.19	2,028.81		Total Employee Benefits	45,406.00	40,566.16	4,839.84	136,151.00
4.00	-	4.00	1563735200	Recruiting & Relocation	16.00	-	16.00	45.00
283.00	-	283.00	1563735400	Training & Meetings	1,132.00	36.00	1,096.00	3,400.00
142.00	-	142.00	1563735600	Travel & Transportation	568.00	-	568.00	1,700.00
54.00	-	54.00	1563735700	Employee Retention	216.00	105.36	110.64	650.00
11.00	-	11.00	1563735800	Employee Screening	44.00	42.97	1.03	138.00
1,725.00	716.26	1,008.74	1563740000	Activities Expense	6,900.00	3,711.06	3,188.94	20,700.00
158.00	145.76	12.24	1563743900	Dues & Subscriptions	632.00	2,122.24	(1,490.24)	1,891.00
-	14.99	(14.99)	1563745400	Extraordinary Expense	-	176.77	(176.77)	-
458.00	-	458.00	1563749900	Labor - Outside Contract	1,832.00	-	1,832.00	5,500.00
51.00	-	51.00	1563752000	Licenses & Fees	204.00	-	204.00	610.00
142.00	-	142.00	1563753200	Maintenance & Repair - Equipment	568.00	458.50	109.50	1,700.00
458.00	-	458.00	1563754800	Managed Services - SaaS	1,832.00	1,273.08	558.92	5,500.00
-	-	-	1563761000	Rental & Leasing	-	86.26	(86.26)	-
208.00	571.15	(363.15)	1563762800	Supply - Durable/Expendable Goods	832.00	1,575.08	(743.08)	2,500.00
685.00	444.13	240.87	1563763000	Supply - Gift Shop	2,740.00	2,010.61	729.39	8,225.00
192.00	-	192.00	1563763700	Supply - Minor Equipment	768.00	-	768.00	2,300.00
63.00	-	63.00	1563764300	Supply - Office	252.00	339.05	(87.05)	750.00
42.00	228.40	(186.40)	1563764500	Supply - Computer & Peripheral Equipment	168.00	228.40	(60.40)	500.00
-	1,475.00	(1,475.00)	1563764700	Supply - IT & Communication Equipment	-	1,475.00	(1,475.00)	-
36.00	102.01	(66.01)	1563770301	Resident Ancillaries	144.00	170.04	(26.04)	432.00
4,712.00	3,697.70	1,014.30		Total Other Expense	18,848.00	13,810.42	5,037.58	56,541.00
48,226.00	42,453.09	5,772.91		Total Resident Services Expense	191,458.00	189,690.03	1,767.97	573,054.00

Assisted Living Expense

6,668.00	7,085.23	(417.23)	1543726800	Supervisor	26,457.00	27,736.51	(1,279.51)	80,070.00
37,436.00	39,195.46	(1,759.46)	1543721800	CNA	148,014.00	152,408.75	(4,394.75)	443,643.00
10,701.00	17,581.33	(6,880.33)	1543724600	LPN	42,360.00	63,234.03	(20,874.03)	127,562.00

Cypress Glen Retirement Community
Income Statement

January-21			ACCOUNT		January YTD			Annual
Budget	Actual	Variance	Number	Description	Budget	Actual	Variance	Budget
7,593.00	9,467.07	(1,874.07)	1543725200	Medicine Aides	29,804.00	34,265.53	(4,461.53)	90,080.00
6,192.00	2,803.76	3,388.24	1543725800	RN	24,589.00	13,182.14	11,406.86	73,893.00
849.00	474.13	374.87	1543726100	Ward Clerks	3,369.00	2,530.69	838.31	9,998.00
2,919.00	2,440.99	478.01	1543720600	Activities	11,582.00	11,017.18	564.82	34,541.00
300.00	1,304.78	(1,004.78)	1543739900	Accrued PTO	1,200.00	1,496.31	(296.31)	3,600.00
72,658.00	80,352.75	(7,694.75)		Total Salaries & Wages	287,375.00	305,871.14	(18,496.14)	863,387.00
6,343.00	7,476.38	(1,133.38)	1543730000	Payroll Taxes & Insurance	25,121.00	26,541.02	(1,420.02)	75,607.00
14,387.00	12,896.97	1,490.03	1543731000	Insurance	57,530.00	48,865.57	8,664.43	172,598.00
921.00	1,068.62	(147.62)	1543733000	Retirement	3,635.00	3,049.58	585.42	10,891.00
117.00	-	117.00	1543732000	Other	468.00	1,500.00	(1,032.00)	1,400.00
21,768.00	21,441.97	326.03		Total Employee Benefits	86,754.00	79,956.17	6,797.83	260,496.00
1.00	3.70	(2.70)	1543730000	Drugs	4.00	9.68	(5.68)	12.00
939.00	1,086.75	(147.75)	1543770301	Medical Supplies	3,621.00	4,178.07	(557.07)	11,274.00
34.00	-	34.00	1543773001	Medical Equipment	132.00	-	132.00	410.00
44.00	1.46	42.54	1543773301	Oxygen	171.00	57.24	113.76	531.00
31.00	-	31.00	1543735200	Recruiting & Relocation	124.00	45.48	78.52	375.00
49.00	-	49.00	1543735400	Training & Meetings	196.00	36.00	160.00	600.00
83.00	-	83.00	1543735700	Employee Related Miscellaneous	332.00	150.91	181.09	1,000.00
27.00	-	27.00	1543735800	Employee Screening	108.00	94.22	13.78	329.00
-	40.00	(40.00)	1543741800	Consultants	-	404.00	(404.00)	-
1,208.00	1,131.91	76.09		Total Other Expense	4,688.00	4,975.60	(287.60)	14,531.00
95,634.00	102,926.63	(7,292.63)		Total Assisted Living Expense	378,817.00	390,802.91	(11,985.91)	1,138,414.00
1,070,954.00	1,039,835.27	31,118.73		Total Operating Expense	4,294,385.00	4,270,308.68	24,076.32	12,777,437.00

Cypress Glen Retirement Community Income Statement

January-21			ACCOUNT		January YTD			Annual Budget
Budget	Actual	Variance	Number	Description	Budget	Actual	Variance	

Revenue Summary

840,251.00	835,205.40	(5,045.60)		Total Independent Living	3,373,860.00	3,320,458.95	(53,401.05)	9,970,157.00
102,908.00	98,938.62	(3,969.38)		Total Memory Care	408,302.00	402,014.21	(6,287.79)	1,211,584.00
211,022.00	183,863.55	(27,158.45)		Total Assisted Living	811,808.00	737,117.67	(74,690.33)	2,532,422.00
249,779.00	270,519.84	20,740.84		Total Health Center	928,296.00	977,557.52	49,261.52	3,046,869.00
7,908.00	1,529.54	(6,378.46)		Total Other	31,632.00	228,105.82	196,473.82	94,896.00
1,411,868.00	1,390,056.95	(21,811.05)		Total Operating Revenue	5,553,898.00	5,665,254.17	111,356.17	16,855,928.00

Expense Summary

152,558.00	148,243.70	4,314.30		Total General & Administrative	639,040.00	618,747.83	20,292.17	1,830,179.00
195,449.00	178,745.61	16,703.39		Total Plant	774,706.00	755,788.13	18,917.87	2,332,771.00
80,635.00	72,426.22	8,208.78		Total Environmental Services	331,307.00	313,570.72	17,736.28	970,004.00
248,131.00	210,683.49	37,447.51		Total Food & Beverage	986,997.00	956,313.08	30,683.92	2,958,541.00
209,741.00	237,858.45	(28,117.45)		Total Health Center	831,919.00	869,086.71	(37,167.71)	2,495,225.00
40,580.00	46,498.08	(5,918.08)		Total Memory Care	160,141.00	176,309.27	(16,168.27)	479,249.00
48,226.00	42,453.09	5,772.91		Total Resident Services	191,458.00	189,690.03	1,767.97	573,054.00
95,634.00	102,926.63	(7,292.63)		Total Assisted Living	378,817.00	390,802.91	(11,985.91)	1,138,414.00
1,070,954.00	1,039,835.27	31,118.73		Total Operating Expense	4,294,385.00	4,270,308.68	24,076.32	12,777,437.00
340,914.00	350,221.68	9,307.68		Net Operating Income/(Loss)	1,259,513.00	1,394,945.49	135,432.49	4,078,491.00

Non-Operating Revenue/(Expense)

175,000.00	269,389.20	94,389.20	1599693800	Amortization of Deferred Revenue	700,000.00	789,853.76	89,853.76	2,100,000.00
-	-	-	1599691800	Contribution Revenue	-	209.00	209.00	-
-	(604.50)	(604.50)	1599693100	Unrealized Gain/(Loss) on Investments	-	(6,070.50)	(6,070.50)	-
(250,583.00)	(253,205.55)	(2,622.55)	1585709500	Depreciation Expense	(1,002,332.00)	(1,011,689.89)	(9,357.89)	(3,007,000.00)
-	(73.33)	(73.33)	1585710100	Amortization Expense	-	(293.32)	(293.32)	-
(61,990.00)	(61,051.20)	938.80	1587713500	Interest Expense	(247,960.00)	(235,418.37)	12,541.63	(743,894.00)
-	(4,075.95)	(4,075.95)	1585699100	Gain/(Loss) on Sale of Other Assets	-	(27,101.61)	(27,101.61)	-
-	-	-	1599699100	Other Revenue/(Expense)	-	77.00	77.00	-
-	27,896.38	27,896.38	1599699700	Net Assets Released From Restriction	-	27,896.38	27,896.38	-
(137,573.00)	(21,724.95)	115,848.05		Total Non-Operating Revenue/(Expense)	(550,292.00)	(462,537.55)	87,754.45	(1,650,894.00)
203,341.00	328,496.73	125,155.73		Net Income/(Loss)	709,221.00	932,407.94	223,186.94	2,427,597.00

ATTACHMENT 4

Explanations of Material Differences

Balance Sheet

Statement of Operations

Statement of Cash Flows

The United Methodist Retirement Homes, Inc.
Explanation of Material Differences
Between Previous Pro Forma Balance Sheet Projection for 2020
and 2020 Actual Results from Operations

The following explanation is provided pursuant to the requirements of North Carolina G.S. 58-64-30. Set forth below is a comparison on the 2020 actual results with the projected results for 2020.

Sources and (Uses)

(Figures stated below are in thousands)

	2020 Actual	2020 Projected	Fav/(Unfav) Difference	Variance Percentage
<u>Assets</u>				
Current Assets:				
Cash (1)	5,490	9,875	(4,385)	-44.41%
Short-term investments (2)	81,866	68,289	13,577	19.88%
Accounts receivable, net (3)	4,975	5,606	(631)	-11.26%
Assets limited as to use, current portion (4)	3,052	5,583	(2,531)	-45.33%
Inventories and prepaid expenses (5)	1,224	1,106	118	10.67%
Contributions receivable from UMRH Foundation, current portion (6)	594	1,980	(1,386)	-70.00%
Due from related party, current	150	146	4	2.74%
Total current assets	97,351	92,585	4,766	
Assets limited as to use:				
Insurance regulation	13,656	13,656	-	0.00%
Other assets limited as to use (7)	25,433	21,030	4,403	20.94%
Assets limited as to use, non-current	39,089	34,686	4,403	
Property and equipment, net	200,819	199,905	914	0.46%
Assets held for resale	215	216	(1)	-0.46%
Contributions receivable from UMRH Foundation, net of current portion (8)	6,286	4,836	1,450	29.98%
Deferred marketing costs, net	131	136	(5)	-3.68%
Total non-current assets	6,632	5,188	1,444	
Total assets	343,891	332,364	6,210	
<u>Liabilities and Net Assets</u>				
Current Liabilities:				
Current maturities of long-term debt	4,345	4,345	-	0.00%
Accounts payable and accrued expenses (9)	11,019	8,403	2,616	31.13%
Total current liabilities	15,364	12,748	2,616	
Long-term liabilities				
Liability for refundable advance fees and deposits	13,707	14,248	(541)	-3.80%
Deferred revenue from non-refundable advance fees	72,508	70,328	2,180	3.10%
Long-term debt, less current portion	144,817	144,816	1	0.00%
Funds held for others (10)	125	93	32	34.41%
Interest rate swap agreement (11)	377	219	158	72.15%
Total long-term liabilities	231,534	229,704	1,830	
Total liabilities	246,898	242,452	4,446	
Net assets:				
Without donor restriction	87,936	81,122	6,814	8.40%
With donor restriction	9,057	8,790	267	3.04%
Total liabilities and net assets	343,891	332,364	11,527	

The United Methodist Retirement Homes, Inc.
Explanation of Material Differences Footnotes
Balance Sheet

Variances of 10% or greater between actual and projected results are considered material variances which are explained below:

1. Cash Excessive funds were moved to short-term investments.
2. Short-term investments Monies were added from cash and additional funds were moved from the construction accounts to reimburse for costs incurred.
3. Accounts receivable, net Collection efforts exceeded expectation due in part to COVID and reduced censuses.
4. Assets limited as to use, current portion The construction funds on the expansion were included in current assets limited as to use on the forecast and in long-term assets limited as to use on the audit.
5. Inventories and prepaid expenses Prepaids expenses were more than the forecast mostly due to the prepayment of an annual software contract.
6. Contributions receivable from UMRH Foundation, current portion Since the change in this number is dependent upon donations to the UMRH Foundation for the benefit of UMRH, the forecast conservatively assumes no change year over year. The variance is due to greater than anticipated donations.
7. Other assets limited as to use The construction funds on the expansion were included in current assets limited as to use on the forecast and in long-term assets limited as to use on the audit.
8. Contributions receivable from UMRH Foundation, net of current portion Since the change in this number is dependent upon donations to the UMRH Foundation for the benefit of UMRH, the forecast conservatively assumes no change year over year. The variance is due to greater than anticipated donations.
9. Accounts payable and accrued expenses Accrued interest was underestimated on the forecast. Provider relief advanced funding from COVID was not expected in the forecast.
10. Funds held for others Resident deposits exceeded expectation. The forecast assumes no change for conservatism.

11. Interest rate swap agreement The forecast assumes no change year over year. The variance represents the actual change.

The United Methodist Retirement Homes, Inc.
Explanation of Material Differences
Between Previous Pro Forma Statement of Operations and Change in Net Deficits for 2020
and 2020 Actual Results from Operations

The following explanation is provided pursuant to the requirements of North Carolina G.S. 58-64-30. Set forth below is a comparison on the 2020 actual results with the projected results for 2020.

Sources and (Uses)

(Figures stated below are in thousands)

	2020 Actual	2020 Projected	Fav/(Unfav) Difference	Variance Percentage
Revenues				
Apartments	31,640	31,562	78	0.25%
Health care	20,572	20,540	32	0.16%
Assisted living	8,580	8,826	(246)	-2.79%
Home care	2,824	2,918	(94)	-3.22%
Amortization of deferred residence fees (1)	9,216	11,321	(2,105)	-18.59%
Investment income (2)	2,845	2,002	843	42.11%
Net assets released from restrictions (3)	238	63	175	277.78%
Other (4)	70	35	35	100.00%
Total revenue	75,985	77,267	(1,282)	
Expenses				
Health care	14,841	14,649	192	1.31%
Assisted living	2,813	2,742	71	2.59%
Resident services	2,704	2,613	91	3.48%
Home care	2,666	2,671	(5)	-0.19%
Dietary	9,809	10,117	(308)	-3.04%
Housekeeping	3,658	3,744	(86)	-2.30%
Plant	6,168	6,831	(663)	-9.71%
General and administration	11,267	10,933	334	3.05%
Depreciation and amortization	11,833	11,975	(142)	-1.19%
Interest (5)	3,276	4,595	(1,319)	-28.71%
Total expenses	69,035	70,870	(1,835)	
Operating income (loss)	6,950	6,397	553	
Non-operating gains (losses) (6)	6,262	-	6,262	0.00%
Change in unrestricted net assets	13,212	6,397	6,815	
Change in donor restricted net assets (7)	266	-	13,077	0.00%
Change in net assets	13,478	6,397	7,081	
Net assets, beginning of the year	83,515	83,515	-	
Net assets, end of the year	96,993	89,912	7,081	

The United Methodist Retirement Homes, Inc.
Explanation of Material Differences Footnotes
Operating Statement

Variances of 10% or greater between actual and projected results are considered material variances which are explained below:

1. Amortization of deferred residence fees Delays in construction limited resident move-ins, thus reducing the collection and amortization of their entrance fees.
2. Investment income Actual investment returns exceeded what was expected in the forecast.
3. Net assets released from restriction The forecast assumes no change in temporarily restricted net assets for conservatism. The audit reflects the actual use of these funds.
4. Other revenue This is revenue considered to be operating but inconsistent and irregular in occurrence. The actual income exceeded the forecasted expectation.
5. Interest expense Variable rates were more favorable than what was forecasted.
6. Non-operating gains (losses) Due to the uncertainty and volatility of investment gains or losses, contributions, changes in the fair value of interest rate swap agreements and gains or losses on the disposal of PP&E, the forecast conservatively assumes zero.
7. Change in donor restricted net assets For conservatism, the forecast assumes no change in temporarily restricted net assets unless there is certainty in the use of or receipt of funds.

The United Methodist Retirement Homes, Inc.
Explanation of Material Differences
Between Previous Pro Forma Statement of Cash Flows Projection for 2020
and 2020 Actual Results from Operations

The following explanation is provided pursuant to the requirements of North Carolina G.S. 58-64-30. Set forth below is a comparison on the 2020 actual results with the projected results for 2020.

Sources and (Uses)

(Figures stated below are in thousands)

	2020 Actual	2020 Projected	Fav/(Unfav) Difference	Variance Percentage
Cash flows from operating activities				
Change in net assets (1)	13,478	6,397	7,081	111%
Adjustments to reconcile increase in net assets to net cash from operating activities				
Depreciation	11,819	11,975	(156)	-1%
Amortization of deferred financing costs	86	82	4	5%
Amortization of bond premium	(283)	(280)	(3)	1%
Amortization of marketing costs	14	-	14	
Amortization of deferred resident fees (2)	(9,216)	(11,321)	2,105	-19%
Proceeds from non-refundable advance fees	11,586	11,822	(236)	-2%
Bad debt expense	156	148	8	5%
Loss on disposal of property & equipment (3)	64	-	64	100%
Change in fair value of swap agreement (4)	158	-	158	100%
Net change in:				
Current assets (5)	(878)	(748)	(130)	17%
Current liabilities (6)	427	(1,879)	2,306	-123%
Short term investments (7)	(14,947)	(1,957)	(12,990)	664%
Net cash from operating activities	12,464	14,239	(1,775)	-12%
Cash flows from investing activities				
Additions to property and equipment and construction in progress	(26,028)	(25,547)	(481)	2%
Assets limited as to use (8)	14,458	16,918	(2,460)	-15%
Change in assets held for resale (9)	(1)	(2)	1	-50%
Net cash from investing activities	(11,571)	(8,631)	(2,940)	34%
Cash flows from financing activities				
Proceeds from refundable advance fees (10)	1,659	1,145	514	45%
Refunds of entrance fees (11)	(2,009)	(1,824)	(185)	10%
Principal payments on debt	(4,095)	(4,095)	-	0%
Net cash from financing activities	(4,445)	(4,774)	329	-7%
Net change in cash	(3,552)	834	(4,386)	-526%
Cash at beginning of year	9,041	9,041	-	0%
Cash at end of year	5,489	9,875	(4,386)	-44%

The United Methodist Retirement Homes, Inc.
Explanation of Material Differences Footnotes
Cash Flow

Variances of 10% or greater between actual and projected results are considered material variances which are explained below:

1. Change in net assets See various explanations in footnotes to operating statement.
2. Amortization of deferred resident fees Delays in construction limited resident move-ins, thus reducing the collection and amortization of their entrance fees.
3. Loss on disposal of property & equipment This is not separately categorized in the cash flow on the forecast as it is on the audit.
4. Change in fair value of swap agreement The forecast assumes no change year over year. The variance represents the actual change.
5. Current assets See the variances listed on the balance sheet material differences spreadsheet in the current assets section.
6. Current liabilities See the variances listed on the balance sheet material differences spreadsheet in the current liabilities section.
7. Short-term investments See the variances listed on the balance sheet material differences spreadsheet in the current liabilities section.
8. Assets limited as to use See the variances listed on the balance sheet material differences spreadsheet in the current liabilities section.
9. Change in assets held for resale Fewer costs were incurred on these assets than anticipated in the forecast.
10. Proceeds from refundable advance fees Greater than forecasted entrance fees were received.
11. Refunds of entrance fees Greater than forecasted entrance fees were refunded.

ATTACHMENT 5

Agreements with Residents

- **Standard Residency Agreement**



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Standard Residency Agreement

02/03/2018



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Exhibit A – Options and Custom Features Added at Resident's Request

GLOSSARY

The following terms are described as used in the accompanying Residency Agreement. Reference to the Residency Agreement and the context in which the terms are used is recommended to provide a fuller understanding of each of the terms:

"Agreement" means the Residency Agreement, entered into between the Resident and The United Methodist Retirement Homes, Incorporated, which outlines the contractual obligations of both parties.

"Community" means the continuing care retirement community known as "Cypress Glen Retirement Community," including all of the residences, common areas, and site amenities.

"Entrance Fee" means payment that assures a resident a place at the Community for life as long as the resident complies with terms of this Agreement. At the time the resident makes application for residency at the Community, the resident will sign a Residency Agreement to reserve the residence selected and will pay an Entrance Fee deposit to the Community. The balance of the Entrance Fee will be paid on the earlier of (i) occupancy or (ii) 90 days after the Residency Agreement is executed. Specific information is located in Paragraph 1.2 of this Agreement.

"Extra Charges" means the additional fees required to be paid for the additional services and amenities requested by Resident, as set forth in Paragraph 2.2 of this Agreement.

"Health Center" means the portion of the Community, which is licensed to provide three levels of care: assisted living care, memory care, and nursing care, as described in Section 4 of the Agreement.

"Monthly Fee" means that fee payable each month by the Resident as set forth in

Paragraphs 1.3 and 1.4 of the Agreement, in consideration for the services and amenities provided to the residents of the Community described in Paragraph 2.1 of this Agreement. If there are Joint Residents under this Agreement, the Monthly Fee will include a "Second Person Monthly Fee."

"Residence" means the apartment or cottage at the Community identified in the introductory paragraph of the Agreement, in which the Resident has the right to live pursuant to this Agreement in exchange for paying the Entrance Fee and the Monthly Fee.

"Resident" or "you" means the Resident(s) who sign this Agreement. Sometimes a second resident (if there are two of you) is referred to in this Agreement as the "Joint Resident." Further, both Residents may be referred to as "Joint Residents." Unless otherwise indicated, "you" refers to both of you if there are two of you.

"Responsible Party" refers to that person who may act on resident's behalf, including signing this Agreement.

"The United Methodist Retirement Homes, Incorporated" or "we" or "our" or "us" means the owner of the retirement community known as Cypress Glen Retirement Community, including all of the residences, common areas, and site amenities associated with these areas. The United Methodist Retirement Homes, Incorporated is a North Carolina non-profit corporation.



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Residency Agreement Standard

INTRODUCTION

This Standard Residency Agreement ("Agreement") is entered into by The United Methodist Retirement Homes, Incorporated ("UMRH," "we," "us," or "our") and _____ (individually or collectively, "you," "your," or "Resident"). Cypress Glen Retirement Community is a continuing care retirement community located at 100 Hickory Street; Greenville, NC 27858 ("Cypress Glen" or "Community").

We will provide residential housing for seniors along with a wide array of personal services and amenities outlined in this Agreement. Subject to the conditions contained in this Agreement, we agree to make available to you the Residence described as follows:

Residence Number _____
Residence Style _____

You may select certain options and custom features in the Residence at an additional charge, which shall not be subject to any refund provision herein. Any such options and custom features selected and paid for by you will become our property. Such options and custom features must be approved by the Executive Director of the Community prior to adding them to the Residence. The Executive Director of the Community has consented to your request to add the options and custom features set forth on Exhibit A attached to this Agreement. You agree to pay the amount(s) set forth on Exhibit A to cover the charges for such items.

As a Resident of the Community, you are offered lifetime use of your Residence and lifetime access to the Community Health Center, subject to the terms and conditions of this Agreement.

To be accepted for residency, you must meet our residency criteria, which includes: having reached the age of 62 (or sharing your Residence with a Joint Resident who is 62 or older); financial guidelines; and the ability to live in a residence (with or without reasonable accommodation and/or reasonable modification) – all as outlined in our current residency policy.

The purpose of this Agreement is to set forth your rights and duties as a Resident of the Community and to delineate the services to be provided at the Community.

1. CHARGES FOR RESIDENCE AND PRIMARY SERVICES.

1.1 Application Fee. Prior to or upon your execution of this Agreement, you will pay to us a non-refundable Application Fee of \$_____. The Application Fee will be used by us to process your application for residency.

1.2 Entrance Fee. In order to reside at the Community for life, subject to this Agreement, and to receive the services and amenities described below, you agree to pay to us (in addition to the Monthly Fee described below) an Entrance Fee in the amount of \$_____ (includes first and second person, if applicable). The total amount of the Entrance Fee shall be payable as follows:

1.2.1 Ten percent (10%) of the total Entrance Fee is \$_____, less any previously paid Future Resident Fee (\$_____), equals \$_____, which amount is due and payable upon your execution of this Agreement.

1.2.2 The balance of \$_____ of the Entrance Fee shall be paid on the date you assume occupancy at the Community or within ninety (90) days from the date this Agreement is executed by you, whichever is earlier.

1.3 Monthly Fee. You are obligated to begin paying a Monthly Fee (or a pro rata portion thereof) on the date you assume occupancy at the Community or within ninety (90) days from the date this Agreement is executed by you, whichever is earlier. Thereafter, the Monthly Fee is due upon receipt of a statement from us and by no later than the fifteenth (15th) of each month. The Monthly Fee is initially set at a specific amount that can be increased as described in Paragraph 1.6 below. A

"Second Person Monthly Fee" shall become part of the Monthly Fee and shall be paid if two persons are Joint Residents under this Agreement. If there are Joint Residents under this Agreement and one Joint Resident dies, the Second Person Monthly Fee shall cease and the remaining Resident shall continue to pay the Monthly Fee without the Second Person Monthly Fee component.

1.4 Initial Monthly Fee. The initial Monthly Fee payable by you is \$_____ per month and an additional \$_____ per month as a Second Person Monthly Fee component of the Monthly Fee if two persons reside as Joint Residents pursuant to this Agreement.

1.5 Continuance of Monthly Fee. Payment of the Monthly Fee will continue as follows:

1.5.1 In the event of your death (in the case of Joint Residents, the death of the surviving Resident), until your estate removes all of your personal property from the Residence and from any storage unit.

1.5.2 In the event of your permanent relocation to Health Center Level Services or Comparable Facility for Health Center Level Services (see definitions in Paragraphs 4.1 and 4.2), or to another care facility licensed to provide the appropriate care you need, until you or your personal representative removes all of your personal property from the Residence and from any storage unit.

1.5.3 In the event of cancellation of this Agreement as outlined in Section 7 or 8, until expiration of the cancellation period and continues until you remove all of

your personal property from the Residence and from any storage unit.

1.6 Increase in Monthly Fee.

The Monthly Fee is paid to us to provide the services and amenities described in this Agreement and is intended to meet the expenses associated with the operation of the Community. We may increase the Monthly Fee (which includes the Second Person Monthly Fee where applicable) upon thirty (30) days' written notice if we, in our sole discretion, deem it necessary to meet the financial needs of the Community or to provide quality services to the Residents.

1.7 Reduction in Monthly Fee Due to Absence. Upon the request of the Resident, the Community will provide a reduction in the Monthly Fee when a Resident is absent from the Community, equal to the raw food costs determined through the Community's budgeting process, outlined as follows:

- Two (2) Meals a Day Plan: Must be absent from the Community for more than forty-five (45) consecutive days to qualify for the reduction. The reduction begins on day 46.
- Twenty-Five (25) Meals a Month Plan: Must be absent from the Community for more than ninety (90) consecutive days to qualify for the reduction. The reduction begins on day 91.

1.8 Reserve Funds. The amount of the Monthly Fee also is and will continue to be affected by our policy of maintaining reserve funds for the financial security of the Community.

1.9 Late Payment Charge. We will charge a late payment charge in the amount of twenty-five dollars (\$25.00) if the Monthly Fees or any Extra Charges are not paid by the fifteenth (15th) day of the month.

Balances over thirty (30) days old will be assessed a one percent (1%) interest charge per month. If we hire a collection agency or attorney to collect the Monthly Fee and Extra Charges past due from you, you are to pay any and all costs of collection, including reasonable attorney's fees, costs, and expenses associated with such collection efforts.

2. DESCRIPTION OF PRIMARY AND SUPPLEMENTAL SERVICES.

2.1 Services Provided for the Monthly Fee. We will provide you, in consideration for the Monthly Fee referred to above, the following services and amenities at the Community:

- Dining allowance equal to two (2) meals per day for residents of A and B wings; three (3) meals per day for residents of the C wing; and twenty-five (25) meals per month for residents of the D wing, East wing, West wing, and cottages;
- Limited meal delivery to be provided when approved by authorized staff;
- Consultation and preparation of routine special diets;
- Utilities, which include heating, air conditioning, electricity, water, sewer and trash removal;
- Standard television cable system;
- Building janitor and maintenance;
- Grounds keeping;
- Weekly housekeeping services;
- Laundry facilities for residents in the A, B and C wings; washers and dryers provided in the D wing, East wing, West wing and cottages;
- Planned activities (social, cultural, recreational, educational, and spiritual) for those who wish to participate;
- Services of a chaplain;

- Services of a life enrichment director;
- Parking for residents and guests;
- Carpeting (except in kitchen and bath), unless some other floor surface has been installed;
- Kitchen facilities;
- Scheduled local transportation as published by us, including transportation to local medical facilities (non-emergency);
- Limited additional storage space for A, B, C, D, East and West wing apartments;
- Emergency call system, with 24-hour check-in;
- Smoke detectors;
- Security – 24 hours a day; and
- Six (6) days each year of assisted living, memory care or nursing care in the Community Health Center as outlined in Paragraph 4.4.

2.2 Supplemental Services Provided for Extra Charge. Supplemental services, when available, will be provided at Extra Charge and are described below. A list of Extra Charges for these supplemental services can be obtained from administration.

- Extra meals, depending upon a resident's dining allowance;
- Extended meal delivery as approved by authorized staff;
- Preparation of special diets (beyond those which are routine), as prescribed by your attending physician;
- Additional housekeeping services;
- Guest accommodations, if available;
- Guest meals;
- Personal transportation and transportation for special events and group trips;
- Community Health Center services as outlined in Section 4 (including

assisted living, memory care, nursing care, and the services of the Clinic);

- Wireless Internet; and
- Certain ancillary services and supplies (such as therapies, pharmacy, laboratory, therapeutic activities, rehabilitative treatments, medical equipment, medical supplies, medical treatment, etc.) as outlined in Paragraph 4.10.

3. TERMS OF RESIDENCY.

3.1 Use of the Residence. The Residence is for living only and will not be used for carrying on any business or profession, nor in any manner in violation of zoning restrictions. This Agreement is not a lease, and grants you only the right to live in the Residence, access to other facilities of the Community, and to available services and amenities, subject to the terms and conditions of this Agreement.

3.2 Duration of Your Right to Occupy the Residence. You may reside in your Residence for as long as you (or either of you in the case of Joint Residents) live unless you (both of you in the case of Joint Residents) are not capable of occupancy as set forth in our residency policy, or this Agreement is canceled by you or by us. If, in the opinion of your attending physician or the Medical Director, your physical or mental health requires that you need assisted living services, memory care services, or nursing care services, you will be requested to relocate to the Community Health Center or Comparable Facility (as defined in Paragraph 4.2).

3.3 Occupants of the Residence. Except as hereinafter provided, no person other than you (both of you in the case of Joint Residents) may occupy the Residence. In the event that a second person who is not a party to this Agreement is accepted for residency in the Residence after the date we

sign this Agreement (said acceptance to be in accordance with our current residency policy), an Entrance Fee in an amount to be determined by us (which will be no more than one-half of the then-current Entrance Fee for the Residence) shall be paid upon residency, and each month thereafter, the then-current Second Person Monthly Fee shall be paid as part of the Monthly Fee. If such second person does not meet the requirements for residency, such second person will not be permitted to occupy the Residence for more than thirty (30) days, except with our express written approval.

If the Resident marries a person who is also a resident of the Community, and should they decide to occupy one residence as Joint Residents, they must declare which residence will be occupied and which residence will be released. The refund due for the released residence, if any, will be provided as described in Paragraph 9.5 of this Agreement.

3.4 Guests. Guests are welcome to stay in your Residence for short stays not to exceed ten (10) consecutive days. Such stay shall not, in the opinion of the Executive Director, adversely affect the operation of the Community or be inconsistent with the welfare of our residents.

3.5 Release. We are not responsible for theft, loss of or damage to your personal property, unless such theft, loss or damage is caused by our negligence or the negligence of our agents or employees, and you hereby release us from such liability.

3.6 Insurance. Our insurance does not cover your personal property or your liability. It is recommended that you carry personal property insurance and liability insurance at your own expense to cover against any loss or damage to your personal

property or to the property of others caused by your negligence or that of your guests. If requested by us, you agree to provide us with proof of such insurance coverage.

3.7 Removal and Storage of Resident's Personal Property.

3.7.1 Within thirty (30) days following the date of your death (the death of the surviving Resident in the case of Joint Residents). If your personal property is not removed from the Residence and from any storage unit within such thirty (30) days, we will continue to charge your estate the Monthly Fee as outlined in Paragraph 1.5.1 above, or we may remove and store such personal property at the expense and risk of your estate. Your Entrance Fee will continue to amortize, if applicable, until the Residence and any storage unit is completely vacated. We will only allow the executor(s) named in your Will to remove or dispose of your personal property in your living accommodation and any related storage unit at the Community. Members of your family or those to whom you have granted power of attorney will not be allowed access to your personal property after your death, unless they are the executor(s) named in your Will.

3.7.2 Within thirty (30) days following the date notice is delivered to you of your permanent relocation to the Community Health Center or Comparable Facility for Health Center Level Services (see definitions in Paragraphs 4.1 and 4.2), or to another care facility licensed to provide the appropriate care you need. If your personal property is not removed from your

Residence and from any storage unit within such thirty (30) days, we will continue to charge you the Monthly Fee as outlined in Paragraph 1.5.2 above, or we may remove and store such personal property at your expense and risk.

3.7.3 At the end of the cancellation period outlined in Section 7 or 8. If your personal property is not removed from your Residence and from any storage unit by the end of the cancellation period, we will continue to charge you the Monthly Fee as outlined in Paragraph 1.5.3 above, or we may remove and store such personal property at your expense and risk. Your Entrance Fee will continue to amortize, if applicable, until the Residence and any storage unit is completely vacated.

3.8 Furnishings. Furnishings within the Residence will not be provided by us except as stated in Paragraph 2.1. Furnishings provided by you shall not be such as to interfere with your health, safety or general welfare, or that of other residents or others.

3.9 Emergency Entry and Relocation. We may enter your Residence should it be necessary in an emergency to protect your health or safety or the health or safety of other residents. If relocation is recommended by the Medical Director or your attending physician, we will request that you relocate to another residence within the Community, or to the Community Health Center or a Comparable Facility (as defined in Paragraph 4.2), or to a hospital or other health care facility for the protection of your health or safety or for the health or safety of the other residents of the Community.

3.10 Alterations by You. You may not undertake any alterations to your Residence without our prior written approval. Said alterations will be set forth in a separate addendum to this Agreement, signed by you and us.

3.11 Condition of Residence. Upon vacating the Residence, you agree to leave it in good and clean condition. You shall be liable to us for any charges incurred to restore your Residence to good and clean condition, except for normal wear and tear.

3.12 Rights of Second Single Resident. When two Joint Residents reside in a single Residence under this Agreement, upon the death or permanent relocation of one Resident to a different level of care at the Community, or other inability of that Resident to continue residing in the Residence, the remaining Resident may continue to reside in the Residence under the terms of this Agreement and shall pay the Monthly Fee.

3.13 Smoke-Free Community. The Community is a smoke-free community, pursuant to its Smoke-Free Community Policy (a copy of which is available upon request), wherein the campus and buildings have been designated as "smoke free". Smoking (including E-Cigarettes) is not allowed by residents, guests, staff, and business invitees in any part of the Community (except in designated outdoor areas), including, but not limited to, the residences, the Community Health Center (including the assisted living facility, memory care unit, and the nursing facility), hallways, dining rooms, public restrooms, lounge areas, reception areas, waiting rooms, courtyards, entrances, walking paths, driveways, and any other common areas of the Community. Outside designated smoking areas will be posted. Violation of the Smoke-Free Community Policy can result in our

cancellation of this Agreement for just cause as outlined in Paragraph 8.1 hereof.

3.14 Firearms Policy. The Community has adopted a policy governing the possession of firearms at the Community. Firearms need to be registered with the Community and properly secured. In the event that you are unable to safely maintain a firearm, we will contact your designated power of attorney, legal representative or family member to remove any firearms from your Residence.

4. THE COMMUNITY HEALTH CENTER.

4.1 Description. The Community Health Center is the portion of the Community which is licensed to provide three levels of care: assisted living care, memory care, and nursing care (collectively "Health Center Level Services"). The Community Health Center is staffed by licensed nursing personnel 24 hours a day.

4.2 Alternate Accommodations. You will be given priority over non-residents for admission to the Community Health Center. In the event the Community Health Center is fully occupied when you are determined to need such care, you agree to relocate to an alternate health care facility that provides services similar to the Community Health Center or to another care facility licensed to provide the appropriate care you need (a "Comparable Facility") until an appropriate space becomes available for you at the Community. We will not be responsible for the charges associated with the Comparable Facility. Upon your relocation to a Comparable Facility, you shall continue to pay the Monthly Fee in accordance with Paragraph 1.5.2 above.

4.3 Clinic. The Clinic is available for certain examinations,

consultations, tests and appointments. Such services will be at an Extra Charge to you.

4.4 Six (6) Days of Assisted Living, Memory Care or Nursing Care. You are eligible to receive a total of six (6) days each year of either assisted living care, memory care or nursing care in the Community Health Center while you are a resident of your Residence. In the case of Joint Residents, each of you will receive six (6) days, but the days cannot be combined and used by only one of you. Such six (6) days renews on an annual basis and does not accumulate. You are required to pay the charges for physician services and any additional health services as outlined in Paragraph 4.10. Once you are permanently assigned to assisted living, memory care or nursing care in the Community Health Center or Comparable Facility, you no longer qualify for the six (6) free days of assisted living, memory care or nursing care and will be required to pay the per diem charge for such care. **[NOTE: The six (6) days of care is a combined annual total for assisted living, memory care and nursing care at the Community.]**

4.5 Transfer to Health Center Level Services. In the event your physical or mental health is determined by us to be appropriate for Health Center Level Services, you agree to relocate to the Community Health Center or a Comparable Facility. Such a determination will be made by us after a review by the Director of Nursing, the Medical Director and the Executive Director in consultation with your attending physician, your personal representative, and you to the extent possible.

4.6 Temporary Relocation to the Community Health Center. In the event you require temporary care in the Community Health Center (beyond the six (6) days of care as outlined in Paragraph 4.4, if applicable), you will pay the per diem

charge applicable to the level of care needed by you, as well as the charges for physician services and any additional health services as outlined in Paragraph 4.10. In addition, you will continue to pay the Monthly Fee for your Residence in accordance with Paragraph 1.5.2 above.

4.7 Permanent Relocation to Health Center Level Services. In the event you require permanent care in the Community Health Center (beyond the six (6) days of care as outlined in Paragraph 4.4, if applicable), you will pay the per diem charge applicable to the level of care needed by you, as well as the charges for physician services and any additional health services as outlined in Paragraph 4.10. If you are determined appropriate for Health Center Level Services, and are permanently relocated to the Community Health Center or a Comparable Facility, you will be required to release your Residence to us, and remove all of your personal property from the Residence and from any storage unit as outlined in Paragraph 3.7.2. We shall have the right to reassign the Residence for occupancy by others except as provided in Paragraph 3.12. Release of the Residence due to your permanent relocation to the Community Health Center or to a Comparable Facility does not qualify you for a refund of the Entrance Fee, unless this Agreement is canceled. Subject to the terms and conditions of this Agreement, you will continue to pay the Monthly Fee in accordance with Paragraph 1.5.2 above.

4.8 Relocation within the Community Health Center. We reserve the right to relocate you to a different level of care within the Community Health Center if you require such care. Such relocation will be made after a review by the Director of Nursing, the Medical Director and the Executive Director in consultation with your attending physician, your personal

representative, and you to the extent possible.

4.9 Return to Residence. If we subsequently determine, in consultation with your attending physician, your personal representative and you to the extent possible, that you can resume occupancy in a residence equivalent to the residence you previously occupied, you shall have the right to relocate to such equivalent residence as soon as one is available. Upon reoccupying a residence, your Monthly Fee will be based on the then-current Monthly Fee for the residence.

4.10 Medical Director, Attending Physician, and Additional Health Services. We have designated a licensed physician to serve as Medical Director of the Community Health Center. You are required to have a local attending physician. You may engage the services of the Medical Director at your own expense. If your personal physician will be providing you with services in the Community Health Center, he/she may do so upon providing us with his/her credentials and with proof of liability insurance, and he/she agrees to abide by our policies and procedures. We will not be responsible for the charges for medical treatment or services by the Medical Director or your attending physician, nor will we be responsible for the charges for medication, prescribed therapy, nursing supplies, and other medical and miscellaneous supplies and services associated with medical treatment.

4.11 Advanced Payment for Medical Treatment. In the event we incur or advance payment for your medical treatment or for medication, prescribed therapy, nursing supplies, and other medical and miscellaneous supplies and services associated with medical treatment (even in the event such medical care is given at the direction of your attending physician or the

Medical Director without your prior approval), you shall promptly reimburse us for such payments. Upon cancellation of this Agreement for any reason, any amounts due to us under this Paragraph 4.11 shall be offset against any refund of the Entrance Fee.

4.12 Medicare and Health Insurance. The Community Health Center has received Medicare certification on six (6) of its nursing beds. When eligible, you are required to maintain Medicare Part A, Medicare Part B, and one supplemental health insurance policy or equivalent insurance coverage acceptable to us to assure your ability to fully cover a Medicare-qualified stay in the Community Health Center or a Comparable Facility. You shall furnish to us such evidence of coverage as we may from time to time request. Such supplemental insurance should cover Medicare co-insurance and deductibles. Should your supplemental health insurance or equivalent coverage not fully cover a Medicare-qualified stay in the Community Health Center or a Comparable Facility, or should you fail to purchase supplemental health insurance or equivalent coverage to fully cover a Medicare-qualified stay in the Community Health Center or a Comparable Facility, you shall be financially responsible for paying deductibles, co-insurance amounts, and any other charges for each Medicare-qualified admission and stay in the Community Health Center or a Comparable Facility. If you are eligible to receive the six (6) days of nursing care in the Community Health Center as provided in Paragraph 4.4 and your stay in the Community Health Center is a Medicare-qualified stay, such six (6) days will be applied after the expiration of your Medicare-qualified stay providing you have Medicare Part A, Medicare Part B and acceptable supplemental health insurance or equivalent insurance coverage.

If you are not eligible for Medicare, you shall maintain health insurance coverage acceptable to us and shall furnish us with evidence of such coverage upon our request. Should your health insurance not fully cover your stay in the Community Health Center or a Comparable Facility, you shall be financially responsible for paying deductibles, co-insurance amounts, and any other charges for each admission and stay in the Community Health Center or a Comparable Facility.

If failure to maintain Medicare Part A, Medicare Part B, supplemental health insurance or other health insurance coverage causes depletion of your resources and impairs your ability to meet your financial obligations, we need not defer your financial obligations to us as outlined in Paragraph 6.1, and we retain the right to cancel the Residency Agreement as provided in Section 8.

4.13 Managed Care. If you have chosen to participate in a managed care program as an alternative to Medicare Part A, Medicare Part B, and supplemental insurance coverage, the terms of this Agreement governing nursing care will include the following provisions:

4.13.1 Participating Provider. If the Community Health Center is a participating provider with your managed care program and your stay is a Medicare-qualified stay, the Community agrees to be reimbursed at the rate negotiated with your managed care program. Such a managed care stay in the Community Health Center will not reduce the number of days of care you are eligible to receive without additional charge pursuant to Paragraph 4.4, as applicable. You will continue to pay the Monthly Fee for your Residence in accordance with

Paragraph 1.5.2 above, as well as any charges for physician services and any additional health services as outlined in Paragraph 4.10.

4.13.2 Not a Participating Provider. If the Community Health Center is not an approved participating provider with your managed care program and you choose to receive health care services at a managed care participating provider, then you agree that you must relocate for as long as necessary for those services to be provided, and be responsible for all charges for health care services. In addition, while receiving health care services at the managed care participating provider, you will continue to pay the Monthly Fee for your Residence in accordance with Paragraph 1.5.2 above. Such a stay at a managed care participating provider will not reduce the number of days of care that you are eligible to receive without additional charge pursuant to Paragraph 4.4, as applicable.

4.13.3 Negotiated Managed Care Rate. If the Community Health Center is not a participating provider in your managed care program and your stay is a Medicare-qualified stay, we will attempt to negotiate a reimbursement rate with your managed care program. If we are able to negotiate an acceptable rate, we agree to accept as full payment the rate provided by your managed care program. Such a managed care stay in the Community Health Center will not reduce the number of days of care that you are eligible to receive without additional charge pursuant to Paragraph 4.4, as applicable. You will continue to pay

the Monthly Fee for your Residence in accordance with Paragraph 1.5.2 above, as well as any charges for physician services and any additional health services as outlined in Paragraph 4.10.

4.13.4 No Negotiated Managed Care Rate. If the Community Health Center is not a participating provider in your managed care program and a negotiated rate is not agreed upon and you would still like to receive nursing care in the Community Health Center during a Medicare-qualified stay, then each day of your stay in the Community Health Center will reduce by one day the number of days of care you are eligible to receive without additional charge pursuant to Paragraph 4.4, as applicable. During any such Medicare-qualified stay in the Community Health Center, you agree that you will continue to pay the Monthly Fee for your Residence in accordance with Paragraph 1.5.2 above and any charges for physician services and any additional health services as outlined in Paragraph 4.10. If at any time during any such Medicare-qualified stay in the Community Health Center you are no longer eligible to receive any of the days of care provided for in Paragraph 4.4, then you agree to pay the per diem charge for your care in the Community Health Center, the Monthly Fee for your Residence in accordance with Paragraph 1.5.2 above, and any charges for physician services and any additional health services as outlined in Paragraph 4.10.

4.13.5 Post Medicare-Qualified Stay. At the conclusion of each such Medicare-qualified

stay, you will be entitled to care in the Community Health Center in accordance with the terms of this Agreement other than as provided in this Paragraph 4.13, as adjusted to reflect any reduction during such stay in the number of days of care that you are eligible to receive without additional charge as provided in Paragraph 4.4, as applicable.

4.14 Long-Term Care Insurance. We will use reasonable efforts to assist you in working with your long-term care insurance provider to obtain the benefits to which you may be entitled.

4.15 Transfer to Hospital or Other Care Facility. If we determine after consultation with your attending physician, your personal representative and you to the extent possible, that you need care beyond that which the Community Health Center is licensed to provide, you will be transferred to a hospital or other care facility. Our staff will not accompany you to the hospital or other facility. We shall not be responsible for any charges associated with the transfer and health care expenses or charges incurred by you after such a transfer. You shall continue to pay the Monthly Fee for your Residence in accordance with Paragraph 1.5 above.

4.16 Community Health Center Admission Agreement. If you require care in the Community Health Center, you agree to enter into a separate admission agreement for the appropriate level of care, which will be signed by you and us.

4.17 Under Age 62. If you are under the age of 62 when you occupy your Residence under this Agreement, you are not eligible to receive the six (6) days of care in the Community Health Center as described in Paragraph 4.4 until you attain

the age of 62. During this time, you will be entitled to Health Center Level Services at the then-current per diem charge being charged to nonresidents until age 62.

5. REPRESENTATIONS.

5.1 Our Representations. We represent and warrant that we are a nonprofit corporation. We are exempt from payment of Federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended. We are affiliated with the North Carolina Conference of The United Methodist Church of the Southeastern Jurisdiction. The North Carolina Conference of The United Methodist Church of the Southeastern Jurisdiction is not responsible for our financial or contractual obligations.

5.2 Your Representations. You represent and warrant that the representations made in the application for residency, your personal health history, and the confidential financial statement are true and correct and may be relied upon by us as a basis for your acceptance for residency at the Community. You also represent and warrant that you have not made any gift of your property in contemplation of the execution of this Agreement.

6. PROMISES.

6.1 Our Promises. It is and shall be our declared policy to operate as a nonprofit organization. We will not cancel this Agreement without just cause as specified in Section 8. Further, we shall not cancel this Agreement solely by reason of your financial inability to pay the full Monthly Fee or the per diem charge for care in the Community Health Center, provided you have met all "spend-down" provisions of eligibility for the Medicaid program and any public assistance funds. This provision shall not apply if you have impaired your ability to meet your financial obligations hereunder

by transfer of assets other than to meet ordinary and customary living expenses or by not maintaining Medicare Part A, Medicare Part B, supplemental insurance, or other health insurance after assuming occupancy. You shall be permitted to remain at the Community for a reduced fee based on your ability to pay for as long as you establish facts to justify deferment of such charges and when deferment of such charges can, in our sole discretion, be granted without impairing our ability to operate the Community on a sound financial basis for the benefit of all residents.

6.2 Your Promises. You agree to comply with all policies and procedures of the Community as now existing or as hereafter amended; to pay the Entrance Fee, Monthly Fee, and any other charges as provided in this Agreement; to not impair your ability to meet the financial obligations under this Agreement by transferring assets, other than to meet ordinary and customary living expenses, or by not maintaining Medicare Part A, Medicare Part B, supplemental insurance or other health insurance, without our consent; to apply for public assistance funds (if available) and/or Medicaid (if the Community Health Center becomes Medicaid certified) if you should need financial assistance as outlined in Paragraph 6.1 above while receiving Health Center Level Services; and to abide by all other terms of this Agreement.

7. CANCELLATION BY RESIDENT.

7.1 Right of Rescission. Within thirty (30) days following the later of the execution of this Agreement by you or the receipt of a Disclosure Statement from us, you may rescind this Agreement by giving us written notice. You shall not be required to move into the Residence prior to the expiration of the thirty (30) day rescission period. However, if you occupy the

Residence during the rescission period and then rescind this Agreement, you will only be charged a Monthly Fee for the period of time that you actually occupied the Residence. Refund of the amount of the Entrance Fee paid shall be as outlined in Paragraph 9.2.

7.2 Cancellation Prior to Occupancy. You may cancel this Agreement for any reason at any time before you move into the Community by giving us written notice signed by you (both of you in the case of Joint Residents). Refund of the amount of the Entrance Fee paid shall be as outlined in Paragraph 9.3 or 9.4. If you die prior to occupying the Residence or if, on account of illness, injury or incapacity, you are precluded from occupying the Residence under the terms of this Agreement, this Agreement will automatically cancel upon our receipt of notice of your death, illness, injury or incapacity. If you elect to cancel this Agreement because of a substantial change in your physical, mental, or financial condition prior to occupancy, then this Agreement will cancel upon written notice from you. Refund of the Entrance Fee shall be as outlined in Paragraph 9.3.

7.3 Cancellation After Occupancy. You may cancel this Agreement for any reason after moving into the Community by giving us thirty (30) days' prior written notice of cancellation, which shall be effective and irrevocable upon delivery. Cancellation shall occur thirty (30) days after written notice is delivered, and you must remove your personal property from the Residence and from any storage unit within said thirty (30) day notice period as outlined in Paragraph 3.7.3. You are obligated to pay the Monthly Fee during the thirty (30) days, and thereafter if the Residence has not been released to us in accordance with Paragraph 1.5.3 above. Refund of the Entrance Fee shall be as outlined in Paragraph 9.5.

7.4 Cancellation Due to Death After Occupancy. This Agreement will automatically cancel upon your death (unless you have a surviving Joint Resident). Your estate must remove your personal property from the Residence and from any storage unit within thirty (30) days after your death as outlined in Paragraph 3.7.1. Your estate will be obligated to pay the Monthly Fee as outlined in Paragraph 1.5.1 above. Refund of the Entrance Fee shall be as outlined in Paragraph 9.5.

8. CANCELLATION BY UMRH.

8.1 Cancellation Upon Notice. We may, upon notice and opportunity to cure as hereinafter provided, cancel this Agreement for just cause. Just cause shall include the occurrence of any of the following events (hereinafter referred to as a "Default"):

8.1.1 Noncompliance.

You do not comply with the terms of this Agreement or the published operating procedures, covenants, rules, regulations, and policies now existing or later amended by us.

8.1.2 Misrepresentation.

You misrepresent yourself or fail to disclose information during the residency process.

8.1.3 Nonpayment. You fail to pay any charges to us, subject to the provisions of Paragraph 6.1, within forty-five (45) days of the date when such charges are due.

8.1.4 Threat to Health or Safety. Your health status or behavior constitutes a substantial threat to the health, safety or peace of yourself, other residents, or others including your refusal to consent to

relocation, or behavior that would result in physical damage to the property of the Community or others.

8.1.5 Change in Condition. There is a major change in your physical or mental condition and your condition cannot be cared for in the Community Health Center within the limits of our license.

8.2 Default Notice. Prior to cancellation for any Default described in Paragraph 8.1.1, 8.1.2 or 8.1.3 above, we shall give you notice in writing of such Default, and you shall have at least thirty (30) days thereafter within which to correct such Default. No Default shall eliminate your obligation to pay the Monthly Fee. If you correct such Default within such time, this Agreement shall not be canceled. If you fail to correct such Default within such time, this Agreement shall cancel at the expiration of such thirty (30) days.

In the event of the occurrence of a Default described in Paragraph 8.1.4 or 8.1.5 above, if we or the Medical Director determines that either the giving of notice of Default or the lapse of time as above provided might be detrimental to you or others, then such notice and/or waiting period prior to cancellation shall not be required. Also, in the event of the occurrence of a Default described in Paragraph 8.1.4 or 8.1.5, we are expressly authorized by you to transfer you to an appropriate hospital or other facility, and we will promptly notify your personal representative or attending physician.

9. REFUND OF ENTRANCE FEE.

9.1 Nonacceptance by Us. If we do not accept you for residency at the Community, the full amount of the Entrance Fee you have paid will be promptly refunded to you, without interest.

9.2 Right of Rescission. If you rescind this Agreement as provided in Paragraph 7.1, you shall receive a full refund of the portion of the Entrance Fee paid by you, without interest, within sixty (60) days of our receipt of the written notice of rescission.

9.3 Cancellation Prior to Occupancy Due to Death, Illness, Injury, or Incapacity. If, prior to occupancy and after your right of rescission period has expired, you die or you cancel this Agreement because of illness, injury or incapacity, you or your estate will receive a refund of the portion of the Entrance Fee you have paid, without interest, less any costs specifically incurred by us at your request and set forth on Exhibit A or in writing in a separate addendum to this Agreement, signed by you and us. Said refund shall be paid within sixty (60) days following (i) the date of automatic cancellation of this Agreement; or (ii) the date of our receipt of your written notice of cancellation.

9.4 Cancellation Prior to Occupancy for Other Reasons. If you cancel this Agreement for reasons other than those stated in Paragraphs 9.2 or 9.3 above, you shall receive a refund of the Entrance Fee paid, less a non-refundable portion of the Entrance Fee equal to Two Thousand Dollars (\$2,000) and less any costs specifically incurred by us at your request and set forth on Exhibit A or in writing in a separate addendum to this Agreement, signed by you and us. Said refund shall be paid within sixty (60) days after our receipt of the written notice of cancellation.

9.5 Cancellation After Occupancy. In the event you or we cancel this Agreement after occupancy or in the event of your death (the death of the survivor in the case of Joint Residents), you or your estate will be reimbursed the amount of the Entrance Fee previously paid by you, less

two percent (2%) for each month of residency or portion thereof, for up to fifty (50) months. After fifty (50) months of occupancy, no refund of the Entrance Fee will be made. Said refund, if any, will be paid, without interest, at such time as a new resident has paid the full amount of the Entrance Fee for your Residence or within two (2) years from the date of cancellation, whichever occurs first.

9.6 Offset Against Entrance Fee Refund. In the event of cancellation of this Agreement as described in Paragraph 9.5 above, we will offset against any Entrance Fee refund due to you or your estate the following:

9.6.1 The amount of any unpaid Monthly Fees, prorated Monthly Fees for the period of time the Residence was occupied (which shall include the period of time until you or your personal representative removes all of your personal property from the Residence and from any storage unit) after cancellation of this Agreement, any Extra Charges, or other charges deferred by us on your behalf under Paragraph 6.1; and

9.6.2 Any health care expenses incurred on your behalf and other amounts payable to us, which remain unreimbursed; and

9.6.3 Any charges incurred to restore the Residence to good condition, normal wear and tear excepted, as outlined in Paragraph 3.11; and

9.6.4 Any charges incurred as a result of options and custom features added to the Residence at your request as outlined in Exhibit A

or in a separate addendum to this Agreement.

10. MISCELLANEOUS.

10.1 Nature of Rights. You understand and agree that (i) this Agreement or your rights (including the use of the Residence) under it may not be assigned, and no rights or benefits under this Agreement shall inure to the benefit of your heirs, legatees, assignees, or representatives, except as to receipt of the amounts described in Section 9; (ii) this Agreement and your contractual right to occupy the Community will exist and continue to exist during your lifetime unless canceled as provided herein; (iii) this Agreement grants you the right to occupy and use space in the Community but does not give you exclusive possession of the Residence against us, and you will not be entitled to any rights of specific performance but will be limited to such remedies as set forth herein and as provided by continuing care law; (iv) this Agreement is not a lease or easement and does not transfer or grant you any interest in real property owned by us; and (v) this Agreement grants to us complete decision-making authority regarding the management and operation of the Community.

10.2 Release. We are not responsible for theft, loss of or damage to your personal property, unless such theft, loss or damage is caused by our negligence or the negligence of our agents or employees, and you hereby release us from any such liability. You may want to obtain at your own expense insurance to protect against such losses.

10.3 Amendment. This Agreement may be amended by agreement of the parties to this Agreement. No amendment of this Agreement shall be valid unless in writing and signed by you and us.

10.4 Law Changes. This Agreement may be modified by us at any time in order to comply with applicable laws or regulations. Further, we may change any part of the Community, including the Residence, to meet the requirements of any applicable law or regulation.

10.5 Entire Agreement. This Agreement and any addenda or amendments thereto contain our entire understanding with respect to your residency at the Community.

10.6 Monthly Statement. You shall receive a monthly statement from us showing the total amount of fees and other charges owed by you, which shall be paid upon receipt and by no later than the fifteenth (15th) day of each month.

10.7 Responsible Party for Business and Financial Decision Making. Prior to assuming residency at the Community, you agree to execute and deliver to us a Durable Power of Attorney, trust documents, or other documentation naming a responsible party for business and financial decision-making. These documents should be drafted to remain effective notwithstanding your incompetence or disability and shall be in a form acceptable to us. You agree to keep such documents in effect as long as this Agreement is in effect. The person(s) named as your responsible party shall not be a person(s) employed by us or any other entity engaged in the management of the Community.

10.8 Disposition of Furniture, Possessions, and Property. You agree to make provision by Will or otherwise for the disposition of all of your furniture, property, and possessions located on the premises of the Community within sixty (60) days after the date of residency.

10.9 Nonwaiver. If we fail to insist in any instance upon performance of any of the terms, promises, or conditions of this Agreement, it shall not be construed as a waiver or relinquishment of the future performance of any such terms, promises, or conditions, but your obligation with respect to such future performances shall continue in full force and effect.

10.10 Notices. Any notice required to be given to us under this Agreement shall be in writing and sent certified mail, return receipt requested, with all postage and charges prepaid, or hand-delivered to the Executive Director of the Community at 100 Hickory Street; Greenville, North Carolina 27858. Such notices shall be dated and signed.

Any notice required to be given to you shall be delivered to you at the Community or at such other place as you shall designate to us in writing and sent by certified mail or hand delivered. All notices mailed in accordance with this Paragraph shall be deemed to be given when mailed whether or not they are actually received.

10.11 Indemnity. We will not be liable for and you agree to indemnify, defend and hold us harmless from claims, damages and expenses, including attorneys' fees and court costs, resulting from any injury or death to persons and any damages to property caused by, resulting from, attributable to, or in any way connected with your negligent or intentional act or omission or that of your guests.

10.12 Severability. The invalidity of any restriction, condition or other provision of this Agreement, or any part of the same, shall not impair or affect in any way the validity or enforceability of the rest of this Agreement.

10.13 Subordination. You agree that all your rights under this Agreement will always be subordinate and junior to the lien of all mortgages or other documents creating liens encumbering the Community, which have been or will be executed by us. Upon request, you agree to execute, acknowledge and deliver to such lender(s) such further written evidence of such subordination as such lender(s) may reasonably require. Except to the extent of your obligation to pay the Monthly Fee and Second Person Monthly Fee, you shall not be liable for any such indebtedness.

10.14 Capacity. This Agreement has been executed on our behalf by our duly authorized agent, and no officer, director, agent or employee of ours shall have any personal liability hereunder to you under any circumstances. This Agreement will become effective upon acceptance and signature by us.

10.15 Resident. In the case of Joint Residents, the rights and obligations of each are joint and several, except as the context of this Agreement otherwise requires.

10.16 Reimbursement for Loss or Damage. You or your responsible party, if applicable, agree to reimburse us for any loss or damage to the Community caused by your intentional, careless, or negligent acts or omissions or that of your guests.

10.17 Charges for Collection. You agree to reimburse us for any charges we incur to collect any unpaid amounts you or estate owes to us under this Agreement.

10.18 Sale or Transfers of Interest. We may sell or transfer our interest in the Community provided the buyer will agree to assume this Agreement and all other existing Residency Agreements. Upon the assumption of this Agreement by a buyer of the Community

and its agreement to perform this Agreement and all other agreements, we will have no further obligation hereunder. Your signature hereto constitutes your consent and approval of any such future transaction.

10.19 Private Employee of Resident. If you need additional services, you can obtain these needed services from a private employee, an independent contractor, or through an agency (personal service provider). In such instances, we strongly advise you to obtain these needed services from a licensed and/or certified home health agency. In any event, you must comply with our policy regarding personal service providers, and ensure that your private employee, independent contractor, or person you employ through an agency complies with our policies and rules of conduct set forth in our policy. If you fail to follow or enforce the policies and rules set forth therein, then we may elect, in our sole option, to cancel this Agreement.

10.20 Tax Considerations. You should consult with your tax advisor regarding the tax considerations associated with this Agreement as more fully explained in our Disclosure Statement.

10.21 Management. We have engaged the services of Life Care Services LLC ("LCS") to manage Cypress Glen. We are not affiliated with LCS nor is LCS responsible for our contractual or financial obligations or the contractual or financial obligations of Cypress Glen.

10.22 Governing Law. This Agreement will be governed, interpreted and construed according to the laws of the State of North Carolina.

10.23 Survival of Representations and Obligations. Your representations and obligations under this Agreement, including but not limited to, your obligation to pay all sums owed by you to us, and your

agreement to indemnify us as set forth in Paragraph 10.11, and our representations and obligations under this Agreement, will survive any cancellation of your residency in the Community, regardless of the reason for such cancellation and regardless of whether it is initiated by you or by us.

11. MEDIATION AND ARBITRATION.

11.1 Mediation. In the event a dispute, claim or controversy of any kind arises between the parties – except for those disputes, claims or controversies arising under Paragraph 11.3 below – that cannot be resolved by mutual agreement, the parties agree to submit such dispute, claim or controversy to a neutral mediator for possible resolution. The parties will jointly agree on a neutral mediator. Each party shall submit all evidence or information in writing to the mediator in support of its contentions or allegations and any defense either party may have with respect to the dispute, claim or controversy. Each party shall have the right to a hearing before the mediator and to personally present information pertinent to such dispute, claim or controversy. The mediator shall assist each party, in an unbiased manner, in reaching an amicable agreement regarding the dispute, claim or controversy. If an amicable agreement is not reached, or if either party fails or refuses to negotiate or mediate in good faith to resolve the matter, or if a neutral mediator cannot be agreed upon between the parties, then the parties agree to submit such dispute, claim or controversy to an arbitration process as outlined below.

11.2 Arbitration. In the event a dispute, claim or controversy of any kind arising out of or relating to this Agreement – except for those disputes, claims or controversies arising under Paragraph 11.3 below – cannot be resolved through

mediation as described in Paragraph 11.1 above, the parties agree that said dispute, claim, or controversy will be submitted to and determined by arbitration in Pitt County, North Carolina in accordance with the Federal Arbitration Act. You and we will jointly agree on an arbitrator and the arbitrator will be selected according to the procedure set forth in state law, if applicable. In reaching a decision, the arbitrator shall prepare findings of fact and conclusions of law. Any direct arbitration costs incurred by you will be borne by you. Costs of arbitration, including our legal costs and attorneys' fees, arbitrators' fees, and similar costs, will be borne by all residents of the Community provided that the arbitrator may choose to award the costs of arbitration against us if the arbitrator determines that the proposed resolution urged by us was not reasonable. If the issue affects more than one (1) resident, we may elect to join all affected residents into a single arbitration proceeding, and you hereby consent to such joinder.

You may withdraw your agreement to arbitrate within thirty (30) days after signing this Agreement by giving written notice of your withdrawal to us. This arbitration clause binds all parties to this Agreement and their spouses, heirs, representatives, executors, administrators, successors, and assigns, as applicable. After cancellation of this Agreement, this arbitration clause shall remain in effect for the resolution of all claims and disputes that are unresolved as of that date.

11.3 Voluntary Arbitration of Negligent Health Care Claims. For all claims for damages in personal injury or wrongful death actions, based on alleged negligence in the provision of health care, the parties may voluntarily elect to submit to arbitration pursuant to the procedures set forth in Article 1H of Chapter 90 of the North Carolina General Statutes. N.C. G.S.

§90-21.60(b) prohibits any contract from requiring prior agreement of the parties to arbitrate negligent health care claims. Thus, Paragraphs 11.1 and 11.2 do not apply to personal injury or wrongful death actions based on alleged negligence in the provision of health care. If the parties agree to arbitrate such actions, said arbitration will be governed in accordance with N.C.G.S. §90-21.60, *et seq.*

[Signature Page Follows]

You hereby certify that you received a copy of this Agreement and a copy of our most current Disclosure Statement dated _____, 20____.

Executed this _____ day of _____, 20____.

RESIDENT

Witness

RESIDENT

Witness

**THE UNITED METHODIST
RETIREMENT HOMES,
INCORPORATED
d/b/a Cypress Glen Retirement
Community**

By _____
Executive Director

Date: _____

By _____
Authorized Agent of UMRH

Date: _____

Attachment: Exhibit A



CG Standard Residency Agreement
(2018.02.03) CLEAN.docx

Exhibit A

Options and Custom Features Added at Resident's Request:		Amount
		\$
		\$
		\$
		\$
		\$
		\$
Total		\$

Initials _____
Community

Resident(s)

Resident(s)

WBD(US) 41242208v3

ATTACHMENT 6

**Communities Managed by
Life Care Services LLC**

**SENIOR LIVING COMMUNITIES MANAGED
BY LIFE CARE SERVICES
AS OF 1/4/2021**

Alabama, Birmingham – Galleria Woods
Alabama, Hoover – Danberry at Inverness
Arizona, Chandler – Clarendale of Chandler
Arizona, Peoria – Sierra Winds
Arizona, Phoenix – Sagewood
Arizona, Tempe (Phoenix) – Friendship Village of Tempe
California, Cupertino – Forum at Rancho San Antonio, The
California, San Diego – Casa de las Campanas
California, San Luis Obispo – Villaggio at San Luis Obispo
California, San Rafael – Aldersly
California, Santa Rosa – Arbol Residences of Santa Rosa
Connecticut, Essex – Essex Meadows
Connecticut, Mystic – StoneRidge
Connecticut, Southbury – Pomperaug Woods
Florida, Boca Raton – Toby & Leon Cooperman Sinai Residences of Boca Raton
Florida, Bradenton – Freedom Village of Bradenton
Florida, Celebration – Windsor at Celebration
Florida, Clearwater – Regency Oaks
Florida, Jacksonville – Cypress Village
Florida, Leesburg – Lake Port Square
Florida, Naples – The Glenview at Pelican Bay
Florida, Palm City – Sandhill Cove
Florida, Port Charlotte – South Port Square
Florida, Seminole – Freedom Square of Seminole
Florida, Seminole – Lake Seminole Square
Florida, Sun City Center – Freedom Plaza
Florida, The Villages – Freedom Point at The Villages
Georgia, Evans – Brandon Wilde
Georgia, Savannah – Marshes of Skidaway Island, The
Georgia, Stone Mountain – Park Springs
Hawaii, Honolulu – Hale Ola Kino
Illinois, Addison – Clarendale of Addison
Illinois, Algonquin – Clarendale of Algonquin
Illinois, Chicago – Clare, The
Illinois, Godfrey – Asbury Village
Illinois, Lincolnshire – Sedgebrook
Illinois, Mokena – Clarendale of Mokena
Illinois, Naperville – Monarch Landing
Illinois, St. Charles – River Glen of St. Charles
Illinois, Wheaton – Wyndemere
Indiana, Carmel – Magnolia Springs at Bridgewater
Indiana, Carmel – Rose Senior Living – Carmel
Indiana, Greenwood (Indianapolis) – Greenwood Village South
Indiana, Indianapolis – Magnolia Springs Southpointe
Indiana, Indianapolis – Marquette
Indiana, North Manchester – Peabody Retirement Community
Indiana, Schererville – Clarendale of Schererville
Indiana, Terre Haute – Westminster Village
Indiana, West Lafayette – Westminster Village West Lafayette

Iowa, Ames – Green Hills Retirement Community
Iowa, Cedar Rapids – Cottage Grove Place
Kansas, Atchison – Dooley Center
Kansas, Bel Aire – Catholic Care Center
Kentucky, Florence – Magnolia Springs Florence
Kentucky, Lexington – Magnolia Springs Lexington
Kentucky, Lexington – Richmond Place Senior Living
Kentucky, Louisville – Magnolia Springs East
Kentucky, Louisville – Magnolia Springs at Whipps Mill
Maryland, Annapolis – Baywoods of Annapolis
Maryland, Columbia – Residences at Vantage Point
Maryland, Pikesville (Baltimore) – North Oaks
Maryland, Timonium – Mercy Ridge
Maryland, Towson (Baltimore) – Blakehurst
Michigan, Battle Creek – NorthPointe Woods
Michigan, Clinton Township – Rose Senior Living – Clinton Township
Michigan, Dearborn – Henry Ford Village
Michigan, East Lansing – Burcham Hills
Michigan, Holland – Freedom Village
Michigan, Kalamazoo – Friendship Village
Michigan, Novi – Rose Senior Living at Providence Park
Michigan, Waterford – Canterbury-on-the-Lake
Minnesota, Champlin – Champlin Shores
Minnesota, Plymouth – Trillium Woods
Minnesota, Vadnais Heights – Gable Pines
Missouri, Higginsville – John Knox Village East
Missouri, St. Peters – Clarendale of St. Peters
Nebraska, Lincoln – Woodlands at Hillcrest, The
New Hampshire, Keene – Hillside Village
New Jersey, Bridgewater – Delaney of Bridgewater, The
New Jersey, Bridgewater – Laurel Circle
New Jersey, Burlington – Masonic Village at Burlington
New Jersey, Lakewood – Harrogate
New York, Levittown – Village Green A Carlisle Assisted Living Community
New York, Patchogue – Village Walk Patchogue
New York, Rye Brook – Broadview Senior Living at Purchase College
New York, Staten Island – Brielle at Seaview, The
North Carolina, Chapel Hill – Cedars of Chapel Hill, The
North Carolina, Charlotte – Cypress of Charlotte, The
North Carolina, Durham – Croasdaile Village
North Carolina, Greensboro – WhiteStone
North Carolina, Greenville – Cypress Glen Retirement Community
North Carolina, Lumberton – Wesley Pines Retirement Community
North Carolina, Raleigh – Cypress of Raleigh, The
North Carolina, Wilmington – Plantation Village
Ohio, Avon – Rose Senior Living – Avon
Ohio, Beachwood – Rose Senior Living – Beachwood
Ohio, Dublin – Friendship Village of Dublin
Ohio, Mason – Magnolia Springs Loveland
Oklahoma, Bartlesville – Green Country Village
Oregon, Dallas – Dallas Retirement Village
Oregon, Salem – Capital Manor

Pennsylvania, Coatesville – Freedom Village at Brandywine
Pennsylvania, Reading – Heritage of Green Hills, The
Pennsylvania, Warrington – Solana Doylestown, The
South Carolina, Greenville – Rolling Green Village
South Carolina, Hilton Head Island – Bayshore on Hilton Head Island
South Carolina, Hilton Head Island – Cypress of Hilton Head, The
Tennessee, Brentwood – Heritage at Brentwood, The
Tennessee, Hendersonville – Clarendale at Indian Lake
Tennessee, Memphis – Heritage at Irene Woods
Tennessee, Nashville – Clarendale at Bellevue Place
Texas, Austin – Westminster
Texas, Bedford – Parkwood Healthcare
Texas, Bedford – Parkwood Retirement
Texas, Dallas – Autumn Leaves
Texas, Dallas – Monticello West
Texas, Dallas – Signature Pointe
Texas, Dallas – Walnut Place
Texas, Georgetown – Delaney at Georgetown Village, The
Texas, League City – Delaney at South Shore, The
Texas, Lubbock – Carillon
Texas, Richmond – Delaney at Parkway Lakes, The
Texas, Spring – Village at Gleannloch Farms, The
Texas, Temple – Meridian of Temple
Texas, The Woodlands – Village at the Woodlands Waterway, The
Texas, Victoria – Copperfield Village
Texas, Victoria – Greatwood Homes of Victoria
Texas, Waco – Delaney at Lake Waco, The
Utah, Taylorsville – Summit Vista
Vermont, White River – Village at White River Junction, The
Virginia, Fairfax – Virginian, The
Virginia, Gainesville – Heritage Village Assisted Living and Memory Care
Virginia, Virginia Beach – Atlantic Shores
Washington, Issaquah – Timber Ridge at Talus
Wisconsin, Greendale – Harbour Village
Wisconsin, Mequon – Newcastle Place
Wisconsin, Milwaukee – Eastcastle Place

ATTACHMENT 7

List of Extra Charges

<p style="text-align: center;"><u>Master Charge List</u> Rates in effect October 1, 2020 thru September 30, 2021</p>	
Amenities	
Guest Room	\$65.00 per night; Fee charged without 24 hour cancelation notice
Roll-away Bed	\$12.00/night
Beauty Shop Charges	Services rendered by licensed beauticians
Shampoo Only	\$5.50
Shampoo w/style & Blow Dry	\$22.00
Shampoo & Blow Dry (Men Only)	\$12.00
Medicated Shampoo	\$2.60
Style Only	\$18.00
Cut (women)	\$20.00
Cut (men) Note; Clean Hair Please	\$15.00
Partial Cut	\$10.00
Conditioner	\$2.60 plus other services
Perm	\$64.00
Color rinse	\$3.00 plus set
Color Package	\$68.00 includes cut, blow dry/style & conditioning
Highlight when added as a service with getting color	\$32.00
Heat Cap (conditioner)	\$10.00 plus other services
Simple Up-do	\$25.00 includes shampoo & style –based on hair length and complexity of style.
Up-do	\$35.00
Eyebrow arch	\$7.00
Brow tint	\$10.50
Facial Trim (female)	\$4.50
Neck line trim	\$4.00
Eyebrow waxing	\$10.00
Hair Removal- Lip	\$8.00
Hair Removal- Chin& Neck	\$11.00
Re-comb	\$10.00
	\$5.50
<i>Moustache Trim</i>	
	\$7.50
<i>Beard Trim</i>	
<p>Chemical use: The licensed beauticians provide chemicals for these services. They do not guarantee the style or service if you provide your own chemicals. There will be no price reduction for the use of your chemicals. We strongly suggest that you use the chemicals provided by our licensed beauticians. Our beauticians reserve the right to refuse to use your chemicals if they are old or in an unlabeled container. This is for your own safety and well-being.</p>	

<u>Masseuse Charges</u>	Services rendered by a licensed masseuse.
<u>Relaxing Massage</u>	
<u>30 minutes</u>	\$35.00
<u>60 minutes</u>	\$60.00
<u>90 minutes</u>	\$85.00
<u>2 hours</u>	\$110.00
<u>Myokinesthetic Treatments</u>	
<u>1st Visit</u>	\$45.00 includes postural analysis and determination of treatment and application
<u>2nd – 6th Visit</u>	\$30.00
<u>7th visit</u>	\$45.00 includes re-evaluation of posture and determination of new treatment schedule as needed.
<u>8th- 12th Visit</u>	\$30.00
<u>Manicurist Charges</u>	Services rendered by a licensed manicurist
<u>Manicure</u>	\$23.00
<u>Pedicure</u>	\$30.00
<u>Acrylic Nail Repairs</u>	\$3.50
<u>Polish Change</u>	\$10.00
<u>Acrylic Nails</u>	\$45.00
<u>Fill In</u>	\$30.00
<u>Buff & Polish</u>	\$18.00
<u>Nail Trim and Shape</u>	\$13.00
<u>Toenail Trim</u>	\$18.00
<u>Toenail Trim & polish</u>	\$26.00
<u>Salon Staff House Calls</u>	\$7.00 this charge is for IL residents only
Beauticians, Manicurists, and Masseuse may not accept tips.	

<u>Cable Charges</u> Independent & Assisted	Included in daily rate and monthly fees, unless otherwise stated by contract or agreement
Memory Care	No charge
Skilled	No charge
<u>Telephone Charges</u> Initial Setup	\$95.00 per line
Monthly Telephone Charge	\$25.00 per line
Telephone Transfer Charge to higher level of Care	No Charge
Telephone Transfer Charge for convenience move	\$75.00 per move
Voicemail- Message Line	\$21.00 set-up charge/ \$6.95 a month
Caller ID	No Charge
Disconnect	No Charge
Long Distance Charges	Expanded Local Calling for Greenville – Free. Please refer to Information Section in telephone book. State-to-State cost is .027 cents a minute In-state calls are .044 cents a minute.
International Charges	Rates vary; Please contact Business Office for rates.
WIFI- Wireless Secure Connection	\$35.00 per connect
Shred Charge- Front desk staff will weigh your documents using a tray.	\$0.40 per pound Residents will be billed in one pound increments. Magazines, newspapers or envelopes will not be accepted.

Housekeeping	There is no charge for weekly housekeeping. For additional services, charges are as follows:
Housekeeping service	\$16.00/hour
Carpet Cleaning	\$65.00/room
<u>Deep Cleaning – Annual Clean based on move-in date.</u> <u>(In addition to the one time per year at no charge)</u>	No Charge
Studio- A/B	\$80.00
Single- A/B	\$80.00
Deluxe Studio- A/B	\$80.00
Deluxe Single- A/B	\$80.00
Combination- A/B	\$120.00
Deluxe Suite- A/B	\$120.00
Two Bedroom Suite-A/B	\$150.00
Deluxe Patio Suite	\$150.00
One Bedroom Apt.-D	\$150.00
One Bedroom Deluxe-D	\$150.00
Two Bedroom –D	\$160.00
Two Bedroom Grand-A/B	\$160.00
Two Bedroom Deluxe-D	\$160.00
Three Bedroom-D	\$170.00
Three Bedroom Special-D	\$170.00
Three Bedroom Deluxe-D	\$170.00
One Bedroom Alcove-W	\$150.00
One Bedroom East	\$150.00
One Bedroom Den	\$150.00
Two Bedroom-East/ West	\$160.00
Two Bedroom Bay	\$160.00
Two Bedroom Great room	\$160.00
The Alder	\$200.00
The Birch	\$190.00
The Cypress	\$190.00
The Dogwood	\$180.00
The Elm	\$220.00
The Evergreen	\$240.00

The services listed below are some of the services nursing and independence plus can provide for independent residents.

Independence Plus Services	Personal Service Rates
Service/ hour M-F	\$21.50
Weekends	\$23.84
New Year's, Memorial Day, July 4 th , Labor Day, Thanksgiving Day, and Christmas Day	\$28.75
Single non-licensed task by doctor's order. (Service no longer than 15 minutes) Examples: Vital Signs, Height & Weight, Application of TED Hose	\$5.47 per task
Whirlpool Bath (Does not apply to SNF or AL)	\$22.19
Chronic " Episodic" Event Assistance	\$13.55 per visit
Daily Medication Monitoring Based on frequency of visits.	1 time a day- \$69.67 per week 2 times a day- \$76.02 per week 3 times a day- \$32.34 per week 4 times a day- \$88.67 per week
Medication Preparation	\$57.02 per week
Staff Accompaniment to Doctor's Office	\$20.97 per hour
IL Blood draw in Clinic	\$10.49 plus supplies
IL Blood draw on Assisted Living or Skilled Care	\$13.45 plus supplies
IL In Apartment Blood Draw	\$17.47 plus supplies
IL Blood glucose check in Clinic or Assisted Living	\$10.49 plus supplies
Dressing Change (Resident comes to AL, Skilled or Clinic)	\$13.45 plus supply costs
IL In Apartment/Cottage Dressing Change	\$17.47 plus supply costs
Non-Emergency Visits By Nurse	\$17.47 per visit
In room visit for Independent Cath. change	\$20.97 plus supplies
Emergency Transportation of Lab work	\$16.13

Maintenance	
Relocation Refurbishment Fee Includes Telephone Transfer Fee To a:	
Healthcare Room to another Healthcare Room (Includes Assisted Living, and Memory Care)	\$425.00
Studio- A/B	\$1,555.00
Single – A/B	\$1,855.00
Deluxe Single-A/B	\$2,600.00
Deluxe Studio- A/B	\$2,990.00
Combination- A/B	\$3,045.00
Deluxe Suite- A/B	\$3,640.00
One Bedroom Main- A/B	\$4,005.00
One Bedroom Suite-A/B	\$4,520.00
Two Bedroom Suite-A/B	\$5,460.00
Two Bedroom Deluxe Suite	\$5,460.00
One Bedroom – D	\$4,845.00
One Bedroom Deluxe-D	\$5,370.00
Two Bedroom-D	\$6,995.00
Two Bedroom Grand- A/B	\$7,280.00
Two Bedroom Deluxe-D	\$8,595.00
Three Bedroom-D	\$9,100.00
Three Bedroom Special-D	\$9,460.00
Three Bedroom Deluxe-D	\$9,800.00
One Bedroom Alcove-W	\$4,840.00
One Bedroom East	\$5,235.00
One Bedroom Den	\$6,250.00
Two Bedroom East/West	\$7,085.00
Two Bedroom Bay	\$8,460.00
Two Bedroom Great room	\$9,840.00
The Alder	\$10,920.00
The Birch	\$9,345.00
The Cypress	\$8,515.00
The Dogwood	\$6,985.00
The Elm	\$13,275.00
Evergreen	\$14,625.00

Key Replacement	\$14.00
Key Fob	\$15.00
Pendant Replacement	\$50.00
Maintenance Services One-hour increments only. Services will be scheduled by the Director of Facility Services	\$24.00 per hour plus supplies
Pine Straw, Seasonal Flowers, and other plantings	Current Market price plus labor from landscaping maintenance provider
Lawn Care Services	Current Market price plus labor from landscaping maintenance provider
Meals	
Guest Continental Breakfast	\$5.00
Guest Breakfast	\$8.25
Guest Lunch	\$12.00
Guest Dinner	\$12.00
Guest Soup and salad bar are not sold separately;	
Guest Children 7- 12	\$8.50
Guest Children under 6	\$6.00
Guest Children under two	free
Resident meals beyond # provided for in contract	\$7.14 (see “Dining Dollars” information)
Future Residency Agreement meals	\$7.14 for any meal
Dining Dollars Benefit	May use dining dollars for one guest meal one time per month
Delivery (First 3 days per spell of illness)	No charge
Meal Delivery – illness (after 3 days) or convenience	\$2.50 per meal
Supplemental service: Preparation of special diets and textures as prescribed by your physician	\$2.50 per meal Applies to Independent Living Residents only
Transportation	
Local Medical- scheduled	No charge
Personal (M-F 8am-5pm)	\$10.00 per hour (1 hour min.) and \$.50 per mile
Personal (Non-business hours)	\$15.00 per hour and \$.50 per mile
Skilled Nursing Daily Rate	
Private Room	\$328.00
Semiprivate Room	\$307.00
Assisted Living Daily Rate	
Private Room	\$273.00
Semiprivate Room	\$252.00
Memory Care Cottage Daily Rate	\$288.00
Typing Services	\$5.00 per page
Copying Services	\$.06 per page after 20 pages

Space Use	Charges apply to outside groups
Four Seasons Room/Café	\$175.00
Auditorium	\$175.00
Private Dining Room	No charge with \$225.00 food cost
Parlor	\$100.00
Barnes Private Dining Room	\$125.00
Classroom	\$100.00
D - Wing Game Room	\$125.00
Conference Room	\$100.00
Wellness Center Aerobics Room	\$100.00
Computer Connection/Setup	\$25.00
Pet Deposit	\$500.00 per pet(nonrefundable); see pet policy for details. Effective January 1, 2021
Pricing effective: October 1, 2020	

Revised 2/9/2021