

United Methodist Retirement Communities, Inc.
2nd Quarter 2015 Management Discussion of Financial Performance and Position

The following is a brief Management Discussion of the UMRC Obligated Group's (OG) financial activities, performance, and position **as of and for the six months ended June 30, 2015**.

Disclaimer: This release contains forward-looking statements that involve risks, uncertainties and assumptions. If such risks or uncertainties materialize or such assumptions prove incorrect, the results of this organization could differ materially from those expressed or implied by such forward-looking statements and assumptions. All statements other than statements of historical fact are statements that could be deemed forward-looking statements, including but not limited to statements of the plans, strategies and objectives of management for future operations; any statements concerning expected development, performance or market share relating to products and services; anticipated operational and financial results; any statements of expectation or belief; and any statements of assumptions underlying any of the foregoing. Risks, uncertainties and assumptions include the achievement of expected results and other risks that are described from time to time in quarterly reports. This organization assumes no obligation and does not intend to update these forward-looking statements.

Organization Overview

United Methodist Retirement Communities, Inc. (UMRC) is a Michigan nonprofit organization governed by a board of trustees that provides housing, healthcare, and other related senior services. The Obligated Group (OG) special purpose combined financials statements are prepared for the combined entities for the purpose of complying with the reporting requirements set forth in the master trust indenture agreements between U.S. Bank, National Association and UMRC. The Obligated Group consists of the following entities:

- Chelsea Retirement Community is a continuing care retirement community in Chelsea, Michigan that includes skilled nursing, dementia care, assisted living and independent living services.
- Cedars of Dexter, located in Dexter, Michigan, includes independent living cottages.
- UMRC Foundation has a primary purpose of management, stewardship and allocation of funds; creation and implementation of long and short-term fund development plans; donor communication; and recognition of certain activities and programs. UMRC is the sole corporate member of the Foundation.
- UMRC Corporate Office provides the leadership and administrative oversight and support services for the UMRC Obligated Group. Additionally, the UMRC Corporate Office provides leadership and administrative oversight to related or affiliated entities outside of the obligated group with management and/or development fees charged for services provided.

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

- UMRC is the sole stockholder in UMRC Detroit AAL, Inc., which holds a .051 % general partner interest in Detroit Affordable Assisted Living Limited Dividend Housing Association Limited Partnership (DAAL). DAAL is an 80-unit elderly affordable assisted-living facility in Detroit, Michigan under the low-income housing tax credit program. The investment in this entity is accounted for under the equity method.

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- UMRC is a 50% sponsor of Rivertown Neighborhood Senior Non-profit Housing Corporation (Rivertown Senior Apartments) which is a HUD 202 low income housing project with 50 independent living apartments.
- UMRC is a 50 % sponsor in Silver Maples of Chelsea (SMOC), a not-for-profit retirement facility which provides independent and assisted living housing and services to the residents in Chelsea, Michigan. The investment in SMOC is accounted for under the equity method.
- UMRC is a 1 % member of Sylvan Pines Limited Dividend Housing Associated, LLC (Sylvan Pines), an affordable housing project in Chelsea, Michigan with which UMRC has a management agreement, and is accounted for under the equity method.
- UMRC became a 50% member of Caring Partners Home Health, Inc., effective January 1, 2015. This is a non-profit home health provider that is based on Ann Arbor, Michigan and services primarily Washtenaw County in Michigan. This is accounted for under the equity method.
- UMRC is involved in three PACE programs. These programs operate as Programs of All-inclusive Care for the Elderly (PACE). Once an individual has been enrolled in the PACE program, all of his or her medical needs must be provided, according to the participant plan, through the staff of the PACE and its network of providers. The PACE programs UMRC is involved with, and accounts for under the equity method, include:
 - UMRC has an 80% controlling financial interest in Washtenaw PACE, Inc. d/b/a Huron Valley PACE that is located in Ypsilanti, Michigan. Huron Valley PACE serves Washtenaw and Monroe Counties as well as parts of Oakland, Wayne and Livingston Counties.
 - UMRC has a 20% financial interest in Senior CommUnity Care of Michigan which anticipates operating a PACE program in Lansing, Michigan with a projected opening date of Spring 2015.
 - UMRC has an 80% controlling financial interest in Thome PACE which anticipates operating a PACE program in Jackson, Michigan with a projected opening date of late 2015.

Operating Results

The interim financial statements are prepared under the same methodology as the audited year-end financial statements. However, certain items in the interim financial statements may be recorded in different sections of the income statement. Typically the only material item relates to assets released from restriction. For this report those amounts have been excluded. Explanations below are for areas that have a variance of 5% or more from budget.

Census

Location	YTD 2015 Budget	YTD 2015 Actual	Variance	YTD 2014 Actual	Variance
CRC Independent Living (122 units)	84.8%	89.1%	4.3%	84.9%	4.2%
CRC Assisted Living (152 units)	92.8%	91.6%	(1.2%)	87.3%	4.3%
CRC Skilled Nursing (85 beds)	92.9%	92.1%	(0.8%)	94.7%	(2.6%)
Cedars of Dexter – Ind. Living (60 units)	98.3%	99.7%	1.6%	99.4%	0.3%

In aggregate, census is approximately .8% over budget and 2% above last year.

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Revenue

Overall operating revenue is 2.1%, or \$330k, over budget.

- Census higher than budget resulted in resident revenue \$90K over budget.
- Unrestricted contribution revenue is \$180K above budget due to a large bequest received in March 2015.
- Life lease revenue is \$50K over budget due to 2 unit turnovers which resulted in additional one time life lease revenue.

Expenses

Overall operating expenses are 2.3% above budget and consistent with revenues above budget. Key variances include:

- Employee benefits are 9% below budget due to lower health insurance costs than planned. The budget included a 10% increase and actual costs are flat.
- Food costs are 16% over budget as a result of changes to menu options to enhance the dining experience for residents.
- Utilities are 8% under budget due cost savings measures undertaken and utility prices locked in when possible.
- Repairs and maintenance costs are 38% above budget due to significant water leaks in several buildings (and the resulting repairs), and higher than planned plowing/salting expenses.
- Bad Debts are \$40,000 (86%) higher than budget due to an increased aging in the A/R balance. Efforts are focused on reducing A/R balances to historical levels.
- Miscellaneous expense is 5% over budget due to contracted IT staff and EAGLE training during March. Additionally, there was a consulting engagement and sponsorship expense planned for as part of the budget. Actual expenses were incurred earlier in the year than planned. These expenses will be within budget at year end.
- Interest expense is 7% below budget due to continued favorable rates on variable interest borrowings below budget amounts. Interest expenses is above last year by \$140,000 because interest during Q1 and Q2 2014 related to the Glazier Commons building was being capitalized.

Non-Operating Results

The budget for non-operating revenues and expenses includes only interest/dividend income, restricted contributions and development expenses. Development expenses primarily relate to corporate office staff time and effort in developing new business opportunities and existing efforts related to UMRC affiliates outside of the obligated group. Variances from budget include:

- Restricted contributions are \$665,000 over budget due a large grant received higher than budgeted. The budget for this gift was \$1.5M and actual gift received was \$2M. This gift was restricted by the donor for use with our affiliate Thome PACE and there is a corresponding negative variance in the grant distribution line.

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- Net development costs are \$130,000 under budget due less than expected time spent on development projects in Q1 and Q2. This is expected to increase to be more in line with budget by year end.
- The decrease in investment in affiliate is net. There is an increase of \$250K for the investment in Silver Maples is due to positive operating results, offset by a loss on investment in PACE is due to year 2 losses for Huron Valley PACE. This is expected as part of the PACE pro-forma and is expected to turn positive by the end of year 3 of operations. This will be 2016 for Huron Valley PACE, 2018 for Senior CommUnity Care and 2019 for Thome PACE.
- Interest and investment returns combined are approximately \$538,000 favorable to budget but behind last year. Current year overall market returns are positive but lower than last year due to increase volatility in the markets based on our diversified investment portfolio.

Financial Position

Ratio	2014 Year-end	2015 Year-to- Date	CARF Median	CARF 75th
Operating Margin Ratio	5.2%	1.9%	-0.4%	2.5%
Net Operating Margin Ratio	11.5%	11.1%	5.4%	11.1%
Days Cash on Hand	378	342	279	402
Days in A/R (net of allowances)	22.5	29.8	23	15
Average Age of Plant	12.4	12.3	12.5	10.4
LTD as a % of Total Capital Ratio (rolling 4 quarter)	37.6%	36.9%	77.4%	59.1%
Debt Service Coverage Ratio	4.2	2.8	2.8	4.3

Overall financial position for the Obligated Group continues to be strong compared to peers. Key ratios show the following:

- Operating margin and net operating margin are between the median and 75th percentile of peer organizations, indicating strong profitability from operations. Operating results are consistent with budget.
- Days cash on hand is between the 50th and 75th percentile of peer organizations and indicates more than adequate cash reserves.
- Days in A/R is above median. Efforts are focused on reducing time to collect.
- Average age of plant is consistent with the median of peer organizations. Decrease is due to new building placed in service fall 2014
- Long-term debt to capital is better than the 75th percentile of peer organizations and debt service coverage is consistent with the median indicating relatively low debt leverage.
- Debt service coverage ratio is consistent with peer median.
- Debt service coverage ratio and days cash on hand exceed threshold amounts from the master trust indenture of 1.35 and 175 respectively.

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Capital Financing

During December of 2014, the Obligated Group refinanced \$11.5M of bonds from 2010 that were used to partially fund the construction of the Cedars of Dexter. The current principal balance is at \$11.4M. The new UMRC Series 2014 limited obligation revenue bonds closed on December 15, 2014 at a rate that should allow annual costs savings with lower interest expenses. These bonds were issued through the Economic Development Corporation of the Village of Dexter and concurrently acquired by a financial institution as part of a bond purchase agreement. The bond purchase agreement has a mandatory tender date of December 15, 2024. The Series 2014 bonds carry a variable interest rate of 67% of one-month LIBOR plus 1.0988% payable in monthly installments of principal and interest with a maturity date of January 1, 2041. An interest swap was entered into in 2010 that essentially fixed the interest rate at 1.765 percent on 50 percent of the principal balance of the original series 2010 bonds. The interest rate swap expires on December 5, 2015.

On December 19, 2014 Thome PACE closed on a \$4M line of credit to fund construction of the building. This borrowing is recorded on the Thome PACE financials but is guaranteed by the UMRC OG. The balance in this line of credit is \$2.3M as of June 30, 2015.

As of June 30, 2015, UMRC OG has 2 other outstanding debt issuances.

- UMRC Series 2012 limited obligation revenue bonds with an original issuance of \$10M, current principal balance of \$8.4M, with monthly principal and interest payments through the maturity date of November 15, 2027. These are variable rate bonds issued through the Economic Development Corporation of the Village of Chelsea and concurrently acquired by a financial institution as part of a bond purchase agreement. The bond purchase agreement has a mandatory tender date of November 1, 2019. These bonds carry a variable interest rate of 65% of the combined one-month LIBOR and 115 basis points. An interest rate swap was entered into that essentially fixes the interest rate at 1.05% on 50 percent of the outstanding principal balance. The interest rate swap expires November 1, 2019.
- UMRC Series 2013 limited obligation revenue bonds with an original issuance of \$11M, current principal balance of \$11M, with annual principal payments and semi-annual interest payments through the maturity date of November 15, 2043. These are fixed rate bonds issued through the Michigan Strategic Fund. These bonds carry an average fixed interest rate of 6.02%.

The bonds are collateralized by a mortgage on certain real estate and related buildings and land of UMRC. The 2012 and 2014 bonds are also guaranteed by the UMRC Foundation. Under the terms of the limited obligation revenue bond agreements, UMRC is limited in additional borrowings and is required to satisfy certain measures of financial performance as long as the bonds are outstanding, including minimum liquidity and minimum debt service coverage.

Questions are welcome and can be directed to:

Steve Fetyko, Vice President and CFO - 734-433-100 ext. 7511 or sfetyko@umrc.com

Attached are interim financial statements as of, and for the period ending, June 30, 2015.

**UNITED METHODIST RETIREMENT COMMUNITIES, INC. OBLIGATED GROUP
COMBINED BALANCE SHEET**

	ASSETS		LIABILITIES AND NET ASSETS	
	<u>6/30/2015</u>	<u>12/31/2014</u>		
	<u>6/30/2015</u>	<u>12/31/2014</u>		
CURRENT ASSETS			CURRENT LIABILITIES	
Cash and cash equivalents	3,258,972	4,172,414	Current portion of long-term debt	1,075,374
Cash held in escrow	648,382	61,460	Cedars of Dexter Deposits	647,384
Contributions Receivable - Current	2,347,369	376,432	Accounts payable	724,719
Due from Affiliate	386,199	226,111	Due to Affiliate	2,000,000
Accounts Receivable	2,468,281	1,785,011	Accrued and other liabilities	1,231,823
Investments	23,613,368	23,959,622	Deferred Life Lease Revenue	2,902,537
Assets limited as to use	229,369	135,684	Liability under split-interest agreements	33,996
Prepaid expenses and other current assets	574,394	1,242,263	Total current liabilities	<u>8,615,833</u>
Total current assets	<u>33,526,334</u>	<u>31,958,997</u>		
			LONG TERM DEBT	29,741,824
CONTRIBUTIONS RECEIVABLE	640,865	562,467		30,154,792
INVESTMENTS	4,250,837	4,250,837	REFUNDABLE LIFE LEASE PROCEEDS	8,215,710
CEDARS OF DEXTER CONTINGENCY FUND	1,604,415	1,603,262		8,305,160
LIMITED USE FUNDS			INTEREST RATE SWAP	84,647
Debt Service Reserve Fund	809,788	809,788		107,273
Restricted Deposit	250,000	-	LIABILITY UNDER SPLIT-INTEREST AGREEMENTS	<u>165,961</u>
Total Limited Use Funds	<u>1,059,788</u>	<u>809,788</u>	Total liabilities	<u>46,823,975</u>
PROPERTY AND EQUIPMENT	53,867,164	54,679,434		45,335,012
OTHER ASSETS			NET ASSETS	
Loan to Affiliate	1,045,895	1,045,895	Unrestricted:	
Bond issue costs & Bond Discount	908,142	928,954	Undesignated	28,458,417
Pledged Assets held by Affiliate	-	-	Board designated	22,334,159
Investment in Affiliate	6,315,747	5,146,238	Total unrestricted	<u>50,792,576</u>
Beneficial Interest in Perpetual Trusts	296,292	296,292	Restricted:	
Total other assets	<u>8,566,076</u>	<u>7,417,379</u>	Temporarily restricted	1,854,794
			Permanently restricted	4,044,134
			Total restricted	<u>5,898,928</u>
			Total net assets	<u>56,691,504</u>
Total assets	<u>103,515,479</u>	<u>101,282,164</u>	Total liabilities and net assets	<u>103,515,479</u>
				101,282,164

UNITED METHODIST RETIREMENT COMMUNITIES, INC. OBLIGATED GROUP

COMBINING STATEMENT OF OPERATIONS

6/30/2015

	Actual						Budget						6/30/2014 Actual
	<u>Chelsea Retirement Community</u>	<u>Cedars of Dexter</u>	<u>UMRC Heritage Foundation</u>	<u>UMRC Corporate Office</u>	<u>Inter-Co Eliminations</u>	<u>Total</u>	<u>Chelsea Retirement Community</u>	<u>Cedars of Dexter</u>	<u>UMRC Heritage Foundation</u>	<u>UMRC Corporate Office</u>	<u>Inter-Co Eliminations</u>	<u>Total</u>	
Operating revenue:													
Net resident revenue	13,989,717	1,001,294	-	-	-	14,991,011	13,906,925	995,115	-	-	-	14,902,040	14,111,341
Life Lease revenue	-	336,889	-	-	-	336,889	-	285,000	-	-	-	285,000	359,779
Unrestricted Contributions	-	-	463,913	-	-	463,913	-	-	284,000	-	-	284,000	175,426
Other	74,064	14,568	-	897,071	(854,033)	131,670	77,100	-	-	900,312	(854,033)	123,379	179,185
Total operating revenue	14,063,781	1,352,751	463,913	897,071	(854,033)	15,923,483	13,984,025	1,280,115	284,000	900,312	(854,033)	15,594,419	14,825,731
Operating expenses:													
Health care services:													
Salaries, wages and purch. Labor	6,645,899	301,330	172,384	675,099	-	7,794,712	6,536,167	270,825	191,412	584,115	-	7,582,519	7,206,595
Employee benefits	1,442,652	42,734	40,200	120,550	-	1,646,136	1,565,399	57,373	52,131	127,284	-	1,802,187	1,629,694
Food	509,782	46,411	-	-	-	556,193	432,711	48,519	-	-	-	481,230	487,296
Medical care	413,232	-	-	-	-	413,232	433,711	-	-	-	-	433,711	408,039
Utilities	424,849	55,419	1,237	8,545	-	490,505	478,355	52,204	1,500	2,300	-	534,359	445,010
Repairs and maintenance	655,917	137,430	-	-	-	793,347	433,450	140,500	-	-	-	573,950	653,333
Supplies	322,379	22,904	-	-	-	345,283	293,131	17,897	-	-	-	311,028	309,397
Provider tax	154,115	-	-	-	-	154,115	162,237	-	-	-	-	162,237	163,222
Bad debts	86,066	-	-	-	-	86,066	46,066	-	-	-	-	46,066	63,386
Miscellaneous	1,267,650	91,109	124,113	335,285	(854,033)	964,124	1,196,505	86,435	178,110	310,525	(854,033)	917,542	989,879
Depreciation	1,313,004	315,670	1,870	21,475	-	1,652,019	1,313,004	315,670	1,870	21,475	-	1,652,019	1,579,525
Interest expense	391,091	118,113	-	-	-	509,204	419,187	129,820	-	-	-	549,007	359,866
Grant Distributions	-	-	16,824	-	-	16,824	-	-	19,000	-	-	19,000	-
Real estate taxes	140,228	156,108	-	-	-	296,336	142,104	157,791	-	-	-	299,895	289,872
Total operating expenses	13,766,864	1,287,228	356,628	1,160,954	(854,033)	15,717,641	13,452,027	1,277,034	444,023	1,045,699	(854,033)	15,364,750	14,585,114
Operating Income (Loss) - before other operating activities	296,917	65,523	107,285	(263,883)	-	205,842	531,998	3,081	(160,023)	(145,387)	-	229,669	240,617
Non Operating Income (Expense)													
Restricted Contributions	-	-	2,184,861	-	-	2,184,861	-	-	1,520,000	-	-	1,520,000	238,625
Restricted Grant Distribution	-	-	(2,000,000)	-	-	(2,000,000)	-	-	(1,500,000)	-	-	(1,500,000)	-
Development Costs	-	-	-	(123,980)	-	(123,980)	-	-	-	(256,420)	-	(256,420)	(196,593)
Investment in Affiliate	-	-	-	(134,044)	-	(134,044)	-	-	-	-	-	-	(570,155)
Loss on Refinance	-	-	(9,427)	-	-	(9,427)	-	-	-	-	-	-	-
Interest/Dividend Income	-	-	156,168	-	-	156,168	-	-	60,000	-	-	60,000	118,006
Realized Investment Gains	-	-	367,319	-	-	367,319	-	-	-	-	-	-	4,291,081
Unrealized Investment Gains	-	-	74,985	-	-	74,985	-	-	-	-	-	-	(2,799,974)
Change in Value of Swaps	(21,183)	43,809	-	-	-	22,626	-	-	-	-	-	-	361
Change in Net Assets	275,734	109,332	881,191	(521,907)	-	744,350	531,998	3,081	(80,023)	(401,807)	-	53,249	1,321,968

UNITED METHODIST RETIREMENT COMMUNITIES, INC.
OBLIGATED GROUP
STATEMENT OF CASH FLOWS
YEAR ENDED 6/30/2015

CASH FLOWS FROM OPERATING ACTIVITIES	
Increase in net assets	744,352
Adjustments to reconcile increase in net assets to net cash from operating activities:	
Change in value of beneficial interest in perpetual trusts	-
Depreciation	1,652,019
Amortization of Deferred Life Lease Revenue	(336,889)
Amortization of bond issue costs	20,812
Realized and unrealized (gains)/loss on investments	(442,304)
Loss on disposal of fixed assets	-
Bad debt expense	86,066
Decrease (Increase) in operating assets:	
Accounts receivable	(769,336)
Prepaid expenses and other current assets	667,869
Contribution receivable	(2,049,335)
Increase (decrease) in operating liabilities:	
Accounts payable	(216,280)
Accrued and other liabilities	44,059
Interest Rate Swap	(22,626)
Liability under split-interest agreements	(13,938)
Net cash provided by operating activities	<u>(635,531)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Additions to property and equipment	(839,749)
Change in escrows and reserves	(931,760)
Purchase of investments	(280,672)
Proceeds from sale of investments	1,069,230
Investment in related organizations	<u>670,403</u>
Net cash used in investing activities	<u>(312,548)</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Proceeds from Cedars of Dexter Life Leases	586,921
Refunds of life lease entrance fees	(139,316)
Proceeds from issuance of debt	-
Principal payments on long-term debt	(412,968)
Net cash provided by (used in) financing activities	<u>34,637</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(913,442)
CASH AND CASH EQUIVALENTS - Beginning of year	<u>4,172,414</u>
CASH AND CASH EQUIVALENTS - End of period	<u>3,258,972</u>

**United Methodist Retirement Communities
 Census Report - Attachment to Exhibit C
 Chelsea Retirement Community (CRC)**

Jun-15

Location	2015 Budget	Jun-15 Actual	Variance	Jun-14 Actual	Variance		YTD 2015 Budget	YTD 2015 Actual	Variance	YTD 2014 Actual	Variance
<i>CRC Independent Living</i>											
Average Census	103.50	110.33	6.83	100.97	9.37		103.50	108.72	5.22	98.46	10.27
Average Occupancy %	84.84%	90.44%	5.60%	87.04%	3.40%		84.84%	89.12%	4.28%	84.88%	4.24%
Resident Days	3,105	3,310	205	3,029	281		9,315	19,679	10,364	17,821	1,858
<i>CRC Glazier AL/Commons</i>											
Average Census	62.00	60.50	-1.50	41.53	18.97		62.00	60.23	-1.77	41.99	18.24
Average Occupancy %	93.94%	91.67%	-2.27%	86.53%	5.14%		93.94%	91.25%	-2.69%	87.48%	3.77%
Resident Days	1,860	1,815	-45	1,246	569		11,222	10,901	-321	7,600	3,301
<i>Towsley Village</i>											
Average Census	79.00	83.83	4.83	90.70	-6.87		79.00	78.94	-0.06	88.89	-9.95
Average Occupancy %	91.86%	97.48%	5.62%	88.92%	8.56%		91.86%	91.80%	-0.06%	87.15%	4.65%
Resident Days	2,370	2,515	145	2,721	-206		14,299	14,289	-10	16,089	-1,800
<i>Kresge Nursing</i>											
Average Census	79.00	79.23	0.23	80.93	-1.70		79.00	78.28	-0.72	80.51	-2.23
Average Occupancy %	92.94%	93.22%	0.27%	95.22%	-2.00%		92.94%	92.10%	-0.84%	94.72%	-2.62%
Resident Days											
Private	360	417	57	406	11		2,172	2,800	628	2,428	372
Medicaid	690	651	-39	676	-25		4,163	3,922	-241	4,035	-113
Medicare	990	973	-17	930	43		5,973	5,103	-870	5,753	-650
Medicare HMO	240	262	22	266	-4		1,448	2,027	579	1,778	249
Commercial Ins	90	74	-16	150	-76		543	317	-226	578	-261
Total	2,370	2,377	7	2,428	-51		14,299	14,169	-130	14,572	-403

Census	
YTD 2015	Jun-15
92.13%	94.01%
YTD 2014	Jun-14
89.91%	91.03%

The Cedars of Dexter Independent Living

Capacity							60				
Average Census	59.00	60.00	1.00	60.00	0.00		59.00	59.83	0.83	59.67	0.16
Average Occupancy %	98.33%	100.00%	1.67%	100.00%	0.00%		98.33%	99.72%	1.38%	99.45%	0.27%

UNITED METHODIST RETIREMENT COMMUNITIES, INC. OBLIGATED GROUP

Exhibit A - Schedule 1

Debt Service Coverage Ratio	
Rolling 4 quarter basis (4/1/14-3/31/15)	
Change in Unrestricted Net Assets	675,778
Plus:	
Entrance Fees Received	1,104,621
Depreciation, Amortization	3,206,144
Interest Expense	966,924
Other Adjustments	
Unrealized (Gains) / Losses in Investments	1,399,566
Unrealized (Gains) / Losses in Joint Venture	265,729
Change in Value of Swap	(59,458)
Loss on advanced refunding	127,692
Less:	
Refunds on Entrance Fees	(530,408)
Initial Entrance Fees	(1,104,621)
Amortization of Entrance Fees	(614,913)
Net Income Available for Debt Service	5,437,054
Historical Annual Debt Service Requirement:	1,956,630
Historical Debt Service Coverage Ratio	2.78
Liquidity Ratio	
(i) Unrestricted Cash and Investments	25,918,935
(ii) Operating Expenses (incl. dev. Exp)	31,016,633
Less:	
Depreciation Expense	(3,210,792)
Bad Debt Expense	(180,400)
Adjusted Expenses	27,625,441
(iii) Adjusted Expenses / 365	75,686
(i) / (iii) Days Cash on Hand	342.45