



See a Social Security Number? Say Something!
Report Privacy Problems to <https://public.resource.org/privacy>
Or call the IRS Identity Theft Hotline at 1-800-908-4490



Form 990

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

The organization may have to use a copy of this return to satisfy state reporting requirements

OMB No 1545-0047

2011

Open to Public Inspection

A For the 2011 calendar year, or tax year beginning 10-01-2011 and ending 09-30-2012

B Check if applicable

☐ Address change

☐ Name change

☐ Initial return

☐ Terminated

☐ Amended return

☐ Application pending

C Name of organization

THE UNITED METHODIST RETIREMENT HOMES INC

Doing Business As

Number and street (or P O box if mail is not delivered to street address)

2600 CROASDAILE FARM PKWY NO A-500

Room/suite

City or town, state or country, and ZIP + 4

DURHAM, NC 277053153

F Name and address of principal officer

JONATHAN ERICKSON

2600 CROASDAILE FARM PKWY NO A-500

DURHAM, NC 277053153

H(a) Is this a group return for affiliates?

☐ Yes ☒ No

H(b) Are all affiliates included?

☐ Yes ☐ No

If "No," attach a list (see instructions)

H(c) Group exemption number

I Tax-exempt status

☒ 501(c)(3) ☐ 501(c) () ☐ (insert no) ☐ 4947(a)(1) or ☐ 527

J Website:

WWW UMRH ORG

K Form of organization

☒ Corporation ☐ Trust ☐ Association ☐ Other

L Year of formation

1946

M State of legal domicile

NC

Part I	Summary
Activities & Governance	1 Briefly describe the organization's mission or most significant activities OWN, OPERATE, AND MANAGE CONTINUING CARE RETIREMENT COMMUNITIES
	2 Check this box ☐ if the organization discontinued its operations or disposed of more than 25% of its net assets
	3 Number of voting members of the governing body (Part VI, line 1a) 24 4 Number of independent voting members of the governing body (Part VI, line 1b) 24 5 Total number of individuals employed in calendar year 2011 (Part V, line 2a) 618 6 Total number of volunteers (estimate if necessary) 285 7a Total unrelated business revenue from Part VIII, column (C), line 12 0 7b Net unrelated business taxable income from Form 990-T, line 34 0
	Revenue 8 Contributions and grants (Part VIII, line 1h) 600,887 9 Program service revenue (Part VIII, line 2g) 34,773,766 10 Investment income (Part VIII, column (A), lines 3, 4, and 7d) 934,727 11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e) 5,814,253 12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12) 42,123,633 Expenses 13 Grants and similar amounts paid (Part IX, column (A), lines 1–3) 471,292 14 Benefits paid to or for members (Part IX, column (A), line 4) 0 15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10) 15,437,237 16a Professional fundraising fees (Part IX, column (A), line 11e) 0 b Total fundraising expenses (Part IX, column (D), line 25) 0 17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e) 22,875,582 18 Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25) 38,784,111 19 Revenue less expenses Subtract line 18 from line 12 3,339,522
	Net Assets or Fund Balances Beginning of Current Year 155,019,750 End of Year 159,412,632 20 Total assets (Part X, line 16) 133,803,518 21 Total liabilities (Part X, line 26) 21,216,232 22 Net assets or fund balances Subtract line 21 from line 20 25,493,980

Part II

Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

Signature of officer

2013-05-20

Date

JONATHAN ERICKSON CORPORATE EXECUTIVE DIRECTOR

Type or print name and title

Paid Preparer's Use Only

Preparer's signature

TAMELA L GAINEY

Date

Check if self-employed

☐

Preparer's taxpayer identification number (see instructions)

P00437957

Firm's name (or yours if self-employed), address, and ZIP + 4

MCGLADREY LLP

230 N ELM ST STE 1100

GREENSBORO, NC 27401

EIN

42-0714325

Phone no

(336) 272-4551

May the IRS discuss this return with the preparer shown above? (see instructions)

☐ Yes ☐ No

For Paperwork Reduction Act Notice, see the separate instructions.

Cat No 11282Y

Form 990 (2011)

Check if Schedule O contains a response to any question in this Part III

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? ☐ Yes ☒ No

If "Yes," describe these new services on Schedule O

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? ☐ Yes ☒ No

If "Yes," describe these changes on Schedule O

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

[illegible][illegible]

4e	Total program service expenses	\$ 31,873,565
-----------	---------------------------------------	----------------------

Part IV

Checklist of Required Schedules

		Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A.</i> 	1	Yes
2	Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> (see instructions)? 	2	Yes
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I.</i>	3	No
4	Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? <i>If "Yes," complete Schedule C, Part II.</i>	4	No
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? <i>If "Yes," complete Schedule C, Part III.</i>	5	No
6	Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I.</i> 	6	No
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? <i>If "Yes," complete Schedule D, Part II.</i> 	7	No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III.</i> 	8	No
9	Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If "Yes," complete Schedule D, Part IV.</i> 	9	No
10	Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V.</i> 	10	Yes
11	If the organization's answer to any of the following questions is 'Yes,' then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable		
a	Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI.</i> 	11a	Yes
b	Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VII.</i> 	11b	No
c	Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VIII.</i> 	11c	No
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part IX.</i> 	11d	No
e	Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X.</i> 	11e	Yes
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? <i>If "Yes," complete Schedule D, Part X.</i> 	11f	Yes
12a	Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI, XII, and XIII.</i> 	12a	No
b	Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered 'No' to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional.</i> 	12b	Yes
13	Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E.</i>	13	No
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a	No
b	Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? <i>If "Yes," complete Schedule F, Part I.</i>	14b	No
15	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the U S ? <i>If "Yes," complete Schedule F, Part II and IV.</i>	15	No
16	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the U S ? <i>If "Yes," complete Schedule F, Part III and IV.</i>	16	No
17	Did the organization report a total of more than \$15,000, of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If "Yes," complete Schedule G, Part I.</i>	17	No
18	Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II.</i>	18	No
19	Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III.</i>	19	No
20a	Did the organization operate one or more hospitals? <i>If "Yes," complete Schedule H.</i>	20a	No
b	If "Yes" to line 20a, did the organization attach its audited financial statement to this return? Note. All Form 990 filers that operated one or more hospitals must attach audited financial statements	20b	

Part IV

Checklist of Required Schedules (continued)

21	Did the organization report more than \$5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>	21		No
22	Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>	22	Yes	
23	Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5, about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i>	23	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer questions 24b-24d and complete Schedule K. If "No," go to line 25</i>	24a	Yes	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		No
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		No
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		No
25a	Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i>	25a		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i>	25b		No
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? <i>If "Yes," complete Schedule L, Part II</i>	26		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? <i>If "Yes," complete Schedule L, Part III</i>	27		No
28	Was the organization a party to a business transaction with one of the following parties? (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28a		No
b	A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28b		No
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or owner? <i>If "Yes," complete Schedule L, Part IV</i>	28c		No
29	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>	29	Yes	
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>	30		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>	31		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>	32		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>	33	Yes	
34	Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1</i>	34	Yes	
35a	Is any related organization a controlled entity of the filing organization within the meaning of section 512(b)(13)?	35a	Yes	
b	Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i>	35b		No
36	Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>	36		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i>	37		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? Note. All Form 990 filers are required to complete Schedule O	38	Yes	

Part V Statements Regarding Other IRS Filings and Tax Compliance		
Check if Schedule O contains a response to any question in this Part V ☐		
		YesNo
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable. .	73
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.	0
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1cYes
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements filed for the calendar year ending with or within the year covered by this return. .	2a618
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions).	2bYes
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?	3aNo
b	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O.	3b
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account or securities account)?	4aNo
b	If "Yes," enter the name of the foreign country: See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.	
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5aNo
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5bNo
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?	5c
6a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible?	6aNo
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b
7	Organizations that may receive deductible contributions under section 170(c).	
a	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?	7aNo
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7cNo
d	If "Yes," indicate the number of Forms 8282 filed during the year.	7d
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7eNo
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7fNo
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h
8	Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8
9	Sponsoring organizations maintaining donor advised funds.	
a	Did the organization make any taxable distributions under section 4966?	9a
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b
10	Section 501(c)(7) organizations. Enter	
a	Initiation fees and capital contributions included on Part VIII, line 12.	10a
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities.	10b
11	Section 501(c)(12) organizations. Enter	
a	Gross income from members or shareholders.	11a
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them).	11b
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?	12a
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year.	12b
13	Section 501(c)(29) qualified nonprofit health insurance issuers.	
a	Is the organization licensed to issue qualified health plans in more than one state? Note. All 501(c)(29) organizations must list in Schedule O each state in which they are licensed to issue qualified health plans, the amount of reserves required by each state, and the amount of reserves the organization allocated to each state.	13a
b	Enter the aggregate amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans.	13b
c	Enter the aggregate amount of reserves on hand.	13c
14a	Did the organization receive any payments for indoor tanning services during the tax year?	14aNo
b	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O.	14b

Part VI

Governance, Management, and Disclosure For each "Yes" response to lines 2 through 7b below, and for a "No" response to lines 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.
Check if Schedule O contains a response to any question in this Part VI ☒

Section A. Governing Body and Management

		Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year		
1a	24		
b	Enter the number of voting members included in line 1a, above, who are independent	1b	24
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2	Yes
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?	3	No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4	No
5	Did the organization become aware during the year of a significant diversion of the organization's assets?	5	No
6	Did the organization have members or stockholders?	6	No
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	7a	No
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	7b	No
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following		
a	The governing body?	8a	Yes
b	Each committee with authority to act on behalf of the governing body?	8b	Yes
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O	9	No

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)

		Yes	No
10a	Did the organization have local chapters, branches, or affiliates?	10a	No
b	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?	10b	
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	11a	No
b	Describe in Schedule O the process, if any, used by the organization to review the Form 990		
12a	Did the organization have a written conflict of interest policy? If "No," go to line 13	12a	Yes
b	Were officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	Yes
c	Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done	12c	Yes
13	Did the organization have a written whistleblower policy?	13	Yes
14	Did the organization have a written document retention and destruction policy?	14	Yes
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?		
a	The organization's CEO, Executive Director, or top management official	15a	Yes
b	Other officers or key employees of the organization	15b	Yes
	If "Yes," to line 15a or 15b, describe the process in Schedule O (see instructions)		
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a	No
b	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?	16b	

Section C. Disclosure

17	List the States with which a copy of this Form 990 is required to be filed ▶ _____
18	Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply. ☐ Own website ☐ Another's website ☒ Upon request
19	Describe in Schedule O whether (and if so, how), the organization made its governing documents, conflict of interest policy, and financial statements available to the public. See Additional Data Table.
20	State the name, physical address, and telephone number of the person who possesses the books and records of the organization ▶ STACY DOBSON 2600 CROASDAILE FARM PKWY STE A-500 DURHAM, NC 27705 (919) 384-3002

Check if Schedule O contains a response to any question in this Part VII ☐

1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons

☐ Check this box if neither the organization nor any related organizations compensated any current or former officer, director, or trustee

[illegible]

Part VII

1b	Sub-Total			
c	Total from continuation sheets to Part VII, Section A			
d	Total (add lines 1b and 1c)	780,348	0	132,865

2 Total number of individuals (including but not limited to those listed in Item 1) who received or accrued more than \$100,000 of reportable compensation from the organization. **6**

		Yes	No
3	Did the organization list any former officer, director or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i>	3	No
4	For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? <i>If "Yes," complete Schedule J for such individual</i>	4	Yes
5	Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? <i>If "Yes," complete Schedule J for such person</i>	5	No

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

(A) Name and business address	(B) Description of services	(C) Compensation
MORRISON MANAGEMENT SPECIALISTS 4721 MORRISON DRIVE STE 300 MOBILE, AL 36625	DIETARY MANAGEMENT	2,325,441
LIFE CARE SERVICES LLC 400 LOCUST STREET SUITE 820 DES MOINES, IA 50309	MANAGEMENT COMPANY	1,361,298
HERITAGE HEALTHCARE INC 536 OLD HOWELL ROAD GREENVILLE, SC 29615	THERAPY PROVIDER	1,170,668
TRI-WAVE CARPETS 3222 GUESS ROAD DURHAM, NC 27705	FLOORING CONTRACTOR	461,329
THE BRICKMAN GROUP LTD 3630 SOLUTIONS CENTER CHICAGO, IL 60677	LANDSCAPE MANAGEMENT	444,183

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization ▶19

Part VIII Statement of Revenue

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514	
Contributions, gifts, grants and other similar amounts	1a	Federated campaigns 1a					
	b	Membership dues 1b					
	c	Fundraising events 1c					
	d	Related organizations 1d					
	e	Government grants (contributions) 1e					
	f	All other contributions, gifts, grants, and similar amounts not included above 1f	922,478				
	g	Noncash contributions included in lines 1a-1f \$ 369,460					
	h	Total. Add lines 1a-1f	922,478				
Program Service Revenue			Business Code				
	2a	PATIENT SERVICES	623000	28,506,856	28,506,856		
	b	MEDICARE/MEDICAID PAYM	623000	7,454,835	7,454,835		
	c	AMORT OF ADVANCE FEES	623000	5,039,378	5,039,378		
	d	MANAGEMENT FEE	623000	871,484	871,484		
	e						
	f	All other program service revenue					
	g	Total. Add lines 2a-2f	41,872,553				
Other Revenue	3	Investment income (including dividends, interest and other similar amounts)		1,493,549		1,493,549	
	4	Income from investment of tax-exempt bond proceeds					
	5	Royalties					
	6a	(i) Real					
		12,790					
		(ii) Personal					
	b	Less rental expenses	0				
	c	Rental income or (loss)	12,790				
	d	Net rental income or (loss)	12,790				12,790
	7a	(i) Securities					
		1,474,755					
		(ii) Other					
		13,185					
	b	Less cost or other basis and sales expenses	1,063,714		1,479,808		
	c	Gain or (loss)	411,041		-1,466,623		
	d	Net gain or (loss)	-1,055,582				-1,055,582
	8a	Gross income from fundraising events (not including \$ of contributions reported on line 1c) See Part IV, line 18	a				
	b	Less direct expenses	b				
	c	Net income or (loss) from fundraising events					
9a	Gross income from gaming activities See Part IV, line 19	a					
b	Less direct expenses	b					
c	Net income or (loss) from gaming activities						
10a	Gross sales of inventory, less returns and allowances	a					
b	Less cost of goods sold	b					
c	Net income or (loss) from sales of inventory						
Miscellaneous Revenue		Business Code					
11a	MISC OPERATING REVENUE	623000	271,236			271,236	
b							
c							
d	All other revenue		20,629	17,238		3,391	
e	Total. Add lines 11a-11d		291,865				
12	Total revenue. See Instructions		43,537,653	41,889,791	0	725,384	

Part IX

Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns

All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D)

Check if Schedule O contains a response to any question in this Part IX

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.		(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1	Grants and other assistance to governments and organizations in the United States See Part IV, line 21				
2	Grants and other assistance to individuals in the United States See Part IV, line 22	441,292	441,292		
3	Grants and other assistance to governments, organizations, and individuals outside the United States See Part IV, lines 15 and 16				
4	Benefits paid to or for members				
5	Compensation of current officers, directors, trustees, and key employees	639,744		639,744	
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7	Other salaries and wages	12,425,403	11,237,991	1,187,412	
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	146,224	113,183	33,041	
9	Other employee benefits	1,496,498	1,283,716	212,782	
10	Payroll taxes	1,050,933	911,952	138,981	
11	Fees for services (non-employees)				
a	Management	1,623,750	269,631	1,354,119	
b	Legal	82,185		82,185	
c	Accounting	97,515		97,515	
d	Lobbying				
e	Professional fundraising See Part IV, line 17				
f	Investment management fees	163,417		163,417	
g	Other	378,586	303,178	75,408	
12	Advertising and promotion	218,098	2,513	215,585	
13	Office expenses	2,806,721	2,696,081	110,640	
14	Information technology				
15	Royalties				
16	Occupancy	1,299,711	854,300	445,411	
17	Travel	45,315	22,150	23,165	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials				
19	Conferences, conventions, and meetings	76,735	33,109	43,626	
20	Interest	4,120,119	4,013,820	106,299	
21	Payments to affiliates				
22	Depreciation, depletion, and amortization	5,510,014	3,621,732	1,888,282	
23	Insurance	502,563		502,563	
24	Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24f If line 24f amount exceeds 10% of line 25, column (A) amount, list line 24f expenses on Schedule O)				
a	CONTRACTED LABOR	3,538,874	3,107,264	431,610	
b	ANCILLARY EXPENSES	1,777,507	1,777,507		
c	EQUIPMENT RENTAL	574,831	457,074	117,757	
d	PATIENT DISCOUNTS	388,851	388,851		
e					
f	All other expenses	803,384	338,221	465,163	
25	Total functional expenses. Add lines 1 through 24f	40,208,270	31,873,565	8,334,705	0
26	Joint costs. Check here ☐ if following SOP 98-2 (ASC 958-720) Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X

Balance Sheet

					(A)		(B)
					Beginning of year		End of year
Assets	1	Cash—non-interest-bearing			800	1	800
	2	Savings and temporary cash investments			11,844,218	2	19,046,643
	3	Pledges and grants receivable, net			1,563,846	3	1,782,444
	4	Accounts receivable, net			2,457,408	4	2,317,874
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L				5	
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B). Complete Part II of Schedule L				6	
	7	Notes and loans receivable, net				7	
	8	Inventories for sale or use			103,591	8	103,092
	9	Prepaid expenses and deferred charges			506,453	9	648,823
	10a	Land, buildings, and equipment, cost or other basis. Complete Part VI of Schedule D	10a	141,747,348			
	b	Less: accumulated depreciation	10b	40,276,002	104,098,414	10c	101,471,346
	11	Investments—publicly traded securities			29,926,850	11	28,651,474
	12	Investments—other securities. See Part IV, line 11			30,745	12	30,937
	13	Investments—program-related. See Part IV, line 11				13	
	14	Intangible assets				14	
	15	Other assets. See Part IV, line 11			4,487,425	15	5,359,199
	16	Total assets. Add lines 1 through 15 (must equal line 34)			155,019,750	16	159,412,632
Liabilities	17	Accounts payable and accrued expenses			4,319,938	17	4,202,381
	18	Grants payable				18	
	19	Deferred revenue			39,842,305	19	41,966,725
	20	Tax-exempt bond liabilities			88,442,929	20	86,456,851
	21	Escrow or custodial account liability. Complete Part IV of Schedule D				21	
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L				22	
	23	Secured mortgages and notes payable to unrelated third parties				23	
	24	Unsecured notes and loans payable to unrelated third parties				24	
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D			1,198,346	25	1,292,695
	26	Total liabilities. Add lines 17 through 25			133,803,518	26	133,918,652
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here ☒ and complete lines 27 through 29, and lines 33 and 34.						
	27	Unrestricted net assets			18,812,019	27	23,034,543
	28	Temporarily restricted net assets			637,428	28	542,102
	29	Permanently restricted net assets			1,766,785	29	1,917,335
	Organizations that do not follow SFAS 117, check here ☐ and complete lines 30 through 34.						
	30	Capital stock or trust principal, or current funds				30	
	31	Paid-in or capital surplus, or land, building or equipment fund				31	
	32	Retained earnings, endowment, accumulated income, or other funds				32	
	33	Total net assets or fund balances			21,216,232	33	25,493,980
	34	Total liabilities and net assets/fund balances			155,019,750	34	159,412,632

Part XI Reconciliation of Net Assets

Check if Schedule O contains a response to any question in this Part XI

1	Total revenue (must equal Part VIII, column (A), line 12)	1	43,537,653
2	Total expenses (must equal Part IX, column (A), line 25)	2	40,208,270
3	Revenue less expenses Subtract line 2 from line 1	3	3,329,383
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	21,216,232
5	Other changes in net assets or fund balances (explain in Schedule O)	5	948,365
6	Net assets or fund balances at end of year Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B))	6	25,493,980

Part XII Financial Statements and Reporting

Check if Schedule O contains a response to any question in this Part XII

		Yes	No
1	Accounting method used to prepare the Form 990 ☐ Cash ☒ Accrual ☐ Other If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O		
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?		No
b	Were the organization's financial statements audited by an independent accountant?	Yes	
c	If "Yes," to 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O	Yes	
d	If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a separate basis, consolidated basis, or both ☐ Separate basis ☒ Consolidated basis ☐ Both consolidated and separated basis		
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?		No
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits		

SCHEDULE A
(Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No 1545-0047

2011

Open to Public
Inspection

Name of the organization THE UNITED METHODIST RETIREMENT HOMES INC	Employer identification number 56-0634527
---	--

Part I Reason for Public Charity Status (All organizations must complete this part.) See instructions

The organization is not a private foundation because it is (For lines 1 through 11, check only one box)

1

☐

A church, convention of churches, or association of churches **section 170(b)(1)(A)(i).**

2

☐

A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E)

3

☐

A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**

4

☐

A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state

5

☐

An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II)

6

☐

A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**

7

☐

An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)** (Complete Part II)

8

☐

A community trust described in **section 170(b)(1)(A)(vi)** (Complete Part II)

9

☒

An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See **section 509(a)(2).** (Complete Part III)

10

☐

An organization organized and operated exclusively to test for public safety Se**section 509(a)(4).**

11

☐

An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2) See **section 509(a)(3).** Check the box that describes the type of supporting organization and complete lines 11e through 11h

a

☐

Type I

b

☐

Type II

c

☐

Type III - Functionally integrated

d

☐

Type III - Other

e

☐

By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2)

f

☐

If the organization received a written determination from the IRS that it is a Type I, Type II or Type III supporting organization, check this box

g

☐

Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

(i)

a person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the the supported organization?

(ii)

a family member of a person described in (i) above?

(iii)

a 35% controlled entity of a person described in (i) or (ii) above?

h

☐

Provide the following information about the supported organization(s)

	Yes	No
11g(i)		
11g(ii)		
11g(iii)		

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1- 9 above or IRC section (see instructions))	(iv) Is the organization in col (i) listed in your governing document?		(v) Did you notify the organization in col (i) of your support?		(vi) Is the organization in col (i) organized in the U S ?		(vii) Amount of support?
			Yes	No	Yes	No	Yes	No	
Total									

Part II

Support Schedule for Organizations Described in IRC 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)
(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support						
Calendar year (or fiscal year beginning in)	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants ")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total. Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 Public Support. Subtract line 5 from line 4						

Section B. Total Support							
Calendar year (or fiscal year beginning in)		(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
7	Amounts from line 4						
8	Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9	Net income from unrelated business activities, whether or not the business is regularly carried on						
10	Other income (Explain in Part IV) Do not include gain or loss from the sale of capital assets						
11	Total support (Add lines 7 through 10)						
12	Gross receipts from related activities, etc (See instructions)					12	
13	First Five Years If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and stop here						

Section C. Computation of Public Support Percentage		
14	Public Support Percentage for 2011 (line 6 column (f) divided by line 11 column (f))	14
15	Public Support Percentage for 2010 Schedule A, Part II, line 14	15
16a	33 1/3% support test—2011. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization	☐
b	33 1/3% support test—2010. If the organization did not check the box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization	☐
17a	10%-facts-and-circumstances test—2011. If the organization did not check a box on line 13, 16a, or 16b and line 14 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization	☐
b	10%-facts-and-circumstances test—2010. If the organization did not check a box on line 13, 16a, 16b, or 17a and line 15 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization	☐
18	Private Foundation If the organization did not check a box on line 13, 16a, 16b, 17a or 17b, check this box and see instructions	☐

Part IIISupport Schedule for Organizations Described in IRC 509(a)(2)

(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support						
Calendar year (or fiscal year beginning in)	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")	585,445	679,526	720,870	600,887	922,478	3,509,206
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose	30,413,105	32,682,793	33,410,086	34,773,766	41,872,553	173,152,303
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1 through 5	30,998,550	33,362,319	34,130,956	35,374,653	42,795,031	176,661,509
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						0
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						0
c Add lines 7a and 7b						0
8 Public Support (Subtract line 7c from line 6)						176,661,509

Section B. Total Support						
Calendar year (or fiscal year beginning in)	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
9 Amounts from line 6	30,998,550	33,362,319	34,130,956	35,374,653	42,795,031	176,661,509
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	1,452,481	1,104,942	1,057,816	1,165,812	1,506,339	6,287,390
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b	1,452,481	1,104,942	1,057,816	1,165,812	1,506,339	6,287,390
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)	5,691,143	5,509,384	5,816,315	5,801,463	291,865	23,110,170
13 Total support (Add lines 9, 10c, 11 and 12)	38,142,174	39,976,645	41,005,087	42,341,928	44,593,235	206,059,069
14 First Five Years If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and stop here	☐					

Section C. Computation of Public Support Percentage		
15 Public Support Percentage for 2011 (line 8 column (f) divided by line 13 column (f))	15	85.730 %
16 Public support percentage from 2010 Schedule A, Part III, line 15	16	82.790 %

Section D. Computation of Investment Income Percentage		
17 Investment income percentage for 2011 (line 10c column (f) divided by line 13 column (f))	17	3.050 %
18 Investment income percentage from 2010 Schedule A, Part III, line 17	18	3.250 %
19a 33 1/3% support tests—2011. If the organization did not check the box on line 14, and line 15 is more than 33 1/3% and line 17 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization	☐	
b 33 1/3% support tests—2010. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3% and line 18 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization	☐	
20 Private Foundation If the organization did not check a box on line 14, 19a or 19b, check this box and see instructions	☐	

Part IV **Supplemental Information.** Supplemental Information. Complete this part to provide the explanation required by Part II, line 10; Part II, line 17a or 17b; or Part III, line 12. Also complete this part for any additional information. (See instructions).

Facts And Circumstances Test

Explanation

SCHEDULE D
(Form 990)

Supplemental Financial Statements

Department of the Treasury
Internal Revenue Service

► Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b

► Attach to Form 990. ► See separate instructions.

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
THE UNITED METHODIST RETIREMENT HOMES INC

Employer identification number
56-0634527

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

	(a) Donor advised funds	(b) Funds and other accounts
1	Total number at end of year	
2	Aggregate contributions to (during year)	
3	Aggregate grants from (during year)	
4	Aggregate value at end of year	
5	Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? ☐ Yes ☐ No	
6	Did the organization inform all grantees, donors, and donor advisors in writing that grant funds may be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit ☐ Yes ☐ No	

Part II Conservation Easements. Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

1

Purpose(s) of conservation easements held by the organization (check all that apply)

☐ Preservation of land for public use (e g , recreation or pleasure)

☐ Preservation of an historically importantly land area

☐ Protection of natural habitat

☐ Preservation of a certified historic structure

☐ Preservation of open space

2

Complete lines 2a–2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year

	Held at the End of the Year
a	Total number of conservation easements
b	Total acreage restricted by conservation easements
c	Number of conservation easements on a certified historic structure included in (a)
d	Number of conservation easements included in (c) acquired after 8/17/06

3

Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the taxable year ► _____

4

Number of states where property subject to conservation easement is located ► _____

5

Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds?

☐ Yes ☐ No

6

Staff and volunteer hours devoted to monitoring, inspecting and enforcing conservation easements during the year ► _____

7

Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year
► \$ _____

8

Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and 170(h)(4)(B)(ii)?

☐ Yes ☐ No

9

In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets. Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

1a

If the organization elected, as permitted under SFAS 116, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items

b

If the organization elected, as permitted under SFAS 116, to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items

(i) Revenues included in Form 990, Part VIII, line 1

► \$ _____

(ii) Assets included in Form 990, Part X

► \$ _____

2

If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 relating to these items

a

Revenues included in Form 990, Part VIII, line 1

► \$ _____

b

Assets included in Form 990, Part X

► \$ _____

Part III

Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets (continued)

3

Using the organization's accession and other records, check any of the following that are a significant use of its collection items (check all that apply)

a

☐ Public exhibition

b

☐ Scholarly research

c

☐ Preservation for future generations

d

☐ Loan or exchange programs

e

☐ Other

4

Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV

5

During the year, did the organization solicit or receive donations of art, historical treasures or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection?

☐ Yes

☐ No

Part IV

Escrow and Custodial Arrangements. Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a

Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X?

☐ Yes

☐ No

b

If "Yes," explain the arrangement in Part XIV and complete the following table

	Amount
1c	
1d	
1e	
1f	

c

Beginning balance

d

Additions during the year

e

Distributions during the year

f

Ending balance

2a

Did the organization include an amount on Form 990, Part X, line 21?

☐ Yes

☐ No

b

If "Yes," explain the arrangement in Part XIV

Part V

Endowment Funds. Complete if the organization answered "Yes" to Form 990, Part IV, line 10.

	(a)Current Year	(b)Prior Year	(c)Two Years Back	(d)Three Years Back	(e)Four Years Back
1a Beginning of year balance	2,055,865	2,291,134	1,893,373	1,823,773	
b Contributions	577,293	429,226	510,626	261,816	
c Investment earnings or losses	251,659	-4,112	251,738	43,683	
d Grants or scholarships	26,425	23,200	19,400	235,899	
e Other expenditures for facilities and programs	713,465	636,898	345,203		
f Administrative expenses	270	285			
g End of year balance	2,144,657	2,055,865	2,291,134	1,893,373	

2

Provide the estimated percentage of the year end balance held as

a

Board designated or quasi-endowment ▶ 0 %

b

Permanent endowment ▶ 73 750 %

c

Term endowment ▶ 26 250 %

3a

Are there endowment funds not in the possession of the organization that are held and administered for the organization by

(i)

unrelated organizations

3a(i)

☐ Yes

☐ No

(ii)

related organizations

3a(ii)

☐ Yes

☐

b

If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?

3b

☐ Yes

☐

4

Describe in Part XIV the intended uses of the organization's endowment funds

Part VI

Land, Buildings, and Equipment. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b)Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		6,060,019		6,060,019
b Buildings		116,031,936	30,385,072	85,646,864
c Leasehold improvements				
d Equipment		7,869,321	4,795,414	3,073,907
e Other		11,786,072	5,095,516	6,690,556
Total. Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).)				101,471,346

Part XI

Reconciliation of Change in Net Assets from Form 990 to Financial Statements

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	43,537,653
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	40,208,270
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	3,329,383
4	Net unrealized gains (losses) on investments	4	1,137,860
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	-189,495
9	Total adjustments (net) Add lines 4 - 8	9	948,365
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	4,277,748

Part XII

Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

1	Total revenue, gains, and other support per audited financial statements	1	43,584,981
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12		
a	Net unrealized gains on investments	2a	1,137,860
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIV)	2d	-1,090,532
e	Add lines 2a through 2d	2e	47,328
3	Subtract line 2e from line 1	3	43,537,653
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIV)	4b	
c	Add lines 4a and 4b	4c	0
5	Total Revenue Add lines 3 and 4c. (This should equal Form 990, Part I, line 12)	5	43,537,653

Part XIII

Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements	1	39,307,233
2	Amounts included on line 1 but not on Form 990, Part IX, line 25		
a	Donated services and use of facilities	2a	
b	Prior year adjustments	2b	
c	Other losses	2c	
d	Other (Describe in Part XIV)	2d	
e	Add lines 2a through 2d	2e	0
3	Subtract line 2e from line 1	3	39,307,233
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIV)	4b	901,037
c	Add lines 4a and 4b	4c	901,037
5	Total expenses Add lines 3 and 4c. (This should equal Form 990, Part I, line 18)	5	40,208,270

Part XIV

Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9, Part III, lines 1a and 4, Part IV, lines 1b and 2b, Part V, line 4, Part X, Part XI, line 8, Part XII, lines 2d and 4b, and Part XIII, lines 2d and 4b. Also complete this part to provide any additional information.

Identifier	Return Reference	Explanation
DESCRIPTION OF INTENDED USE OF ENDOWMENT FUNDS	PART V, LINE 4	AS DICTATED BY THE DONOR, EARNINGS ON THE ENDOWMENT FUNDS WILL SUPPORT BENEVOLENT NEEDS AT THE COMMUNITY AND EMPLOYEE SCHOLARSHIPS
DESCRIPTION OF UNCERTAIN TAX POSITIONS UNDER FIN 48	PART X	THE COMPANY IS EXEMPT FROM FEDERAL INCOME TAXES UNDER SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE, ACCORDINGLY, THE ACCOMPANYING 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, 2012. THE COMPANY BELIEVES THAT THEY ARE NO LONGER SUBJECT TO INCOME TAX EXAMINATIONS FOR YEARS PRIOR TO SEPTEMBER 30, 2009.
PART XI, LINE 8 - OTHER ADJUSTMENTS		CHANGE IN SPLIT INTEREST AGREEMENT -140,299 CHANGE IN VALUE OF PLEDGES -165,496 CHANGE IN VALUE OF INTEREST RATE SWAP AGREEMENT 116,300 TOTAL TO SCHEDULE D, PART XI, LINE 8 -189,495
		PART XII, LINE 2D - OTHER ADJUSTMENTS CHANGE IN SPLIT INTEREST AGREEMENTS - (140,299) CHANGE IN VALUE OF PLEDGES - (165,496) SPECIFIC INDIVIDUAL ASSISTANCE - (414,867) BEAUTY & BARBER EXPENSE - (97,319) PATIENT SERVICE REVENUE DISCOUNTS - (388,851) CHANGE IN VALUE OF INTEREST RATE SWAP AGREEMENT - 116,300 PART XIII, LINE 4B - OTHER ADJUSTMENTS SPECIFIC INDIVIDUAL ASSISTANCE - 414,867 PATIENT SERVICE REVENUE DISCOUNTS - 388,851 BEAUTY & BARBER EXPENSE - 97,319

Schedule I
(Form 990)

Department of the Treasury
Internal Revenue Service

Grants and Other Assistance to Organizations,
Governments and Individuals in the United States

Complete if the organization answered "Yes," to Form 990, Part IV, line 21 or 22.
▶ Attach to Form 990

OMB No 1545-0047

2011

Open to Public
Inspection

Name of the organization
THE UNITED METHODIST RETIREMENT HOMES INC

Employer identification number
56-0634527

Part I

General Information on Grants and Assistance

- 1

Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance?

☒ Yes ☐ No
- 2

Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States

Part II

Grants and Other Assistance to Governments and Organizations in the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 21 for any recipient that received more than \$5,000. Check this box if no one recipient received more than \$5,000. Use Part IV and Schedule I-1 (Form 990) if additional space is needed ▶ ☐

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance

2

Enter total number of section 501(c)(3) and government organizations listed in the line 1 table ▶

3

Enter total number of other organizations listed in the line 1 table ▶

Part III

Grants and Other Assistance to Individuals in the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 22.
Use Schedule I-1 (Form 990) if additional space is needed.

(a)Type of grant or assistance	(b)Number of recipients	(c)Amount of cash grant	(d)Amount of non-cash assistance	(e)Method of valuation (book, FMV, appraisal, other)	(f)Description of non-cash assistance
(1) BENEVOLENT ASSISTANCE FOR RESIDENTS	24	414,867	0		
(2) NURSING SCHOLARSHIPS	4	2,661	0		
(3) STUDENT SCHOLARSHIPS	17	23,764	0		

Part IV

Supplemental Information. Complete this part to provide the information required in Part I, line 2, and any other additional information.

Identifier	Return Reference	Explanation
PROCEDURE FOR MONITORING GRANTS IN THE U S	PART I, LINE 2	SCHEDULE I, PART I, LINE 2 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 UNITED METHODIST RETIREMENT HOMES HAS FOUR POST-SECONDARY EDUCATION SCHOLARSHIP PROGRAMS FOR EMPLOYEES OF UNITED METHODIST RETIREMENT HOMES AND ITS CONTRACTORS THE SCHOLARSHIPS ARE FUNDED BY DONORS AND ARE AWARDED ANNUALLY SCHOLARSHIP RECIPIENTS ARE NOMINATED BY THEIR MANAGEMENT AND ARE SELECTED BY A THREE-MEMBER COMMITTEE COMPRISING THE MANAGER OF THE SCHOLARSHIP APPLICANTS, THE UNITED METHODIST RETIREMENT HOMES DIRECTOR OF HUMAN RESOURCES, AND THE VICE PRESIDENT OF THE UNITED METHODIST RETIREMENT HOMES FOUNDATION THE COMMITTEE MAKES SELECTIONS OF SCHOLARSHIP RECIPIENTS BASED ON THE POLICY FOR DONOR-DIRECTED SCHOLARSHIP FUNDS, AND ON THE DONOR'S CRITERIA FOR AWARDING THE SCHOLARSHIP

Schedule J
(Form 990)

Compensation Information

OMB No 1545-0047

2011

Open to Public Inspection

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

▶ Complete if the organization answered "Yes" to Form 990, Part IV, question 23.

▶ Attach to Form 990. ▶ See separate instructions.

Name of the organization

THE UNITED METHODIST RETIREMENT HOMES INC

Employer identification number

56-0634527

Part I

Questions Regarding Compensation

		Yes	No
1a	Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items		
	☐ First-class or charter travel ☐ Travel for companions ☐ Tax idemnification and gross-up payments ☐ Discretionary spending account ☐ Housing allowance or residence for personal use ☐ Payments for business use of personal residence ☐ Health or social club dues or initiation fees ☐ Personal services (e g , maid, chauffeur, chef)		
b	If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all the expenses described above? If "No," complete Part III to explain		
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?	Yes	
3	Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director Check all that apply		
	☒ Compensation committee ☒ Independent compensation consultant ☐ Form 990 of other organizations ☐ Written employment contract ☒ Compensation survey or study ☒ Approval by the board or compensation committee		
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization		
a	Receive a severance payment or change-of-control payment?		No
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?		No
c	Participate in, or receive payment from, an equity-based compensation arrangement?		No
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III		
	Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.		
5	For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of		
a	The organization?		No
b	Any related organization?		No
	If "Yes," to line 5a or 5b, describe in Part III		
6	For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of		
a	The organization?		No
b	Any related organization?		No
	If "Yes," to line 6a or 6b, describe in Part III		
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III		No
8	Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regs section 53 4958-4(a)(3)? If "Yes," describe in Part III		No
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)?		

Part II **Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees.** Use Schedule J-1 if additional space needed.

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions on row (ii) Do not list any individuals that are not listed on Form 990, Part VII

Note. The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, columns (D) and (E) for that individual

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1) JONATHAN ERICKSON	(i) (ii)	131,593 0	30,084 0	536 0	4,958 0	26,322 0	193,493 0	 0
(2) STACY DOBSON	(i) (ii)	126,778 0	12,500 0	113 0	3,800 0	9,822 0	153,013 0	 0

Part III **Supplemental Information**

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 4c, 5a, 5b, 6a, 6b, 7, and 8. Also complete this part for any additional information.

Identifier	Return Reference	Explanation
------------	------------------	-------------

Schedule K (Form 990)	Supplemental Information on Tax Exempt Bonds ▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Schedule O (Form 990). ▶ Attach to Form 990. ▶ See separate instructions.								OMB No 1545-0047	
									2011	
	Department of the Treasury Internal Revenue Service Name of the organization THE UNITED METHODIST RETIREMENT HOMES INC	Employer identification number 56-0634527								

Part I

Bond Issues

(a) Issuer Name	(b) Issuer EIN	(c) CUSIP #	(d) Date Issued	(e) Issue Price	(f) Description of Purpose	(g) Defeased		(h) On Behalf of Issuer		(i) Pool financing	
						Yes	No	Yes	No	Yes	No
A NORTH CAROLINA MEDICAL CARE COMMISSION	52-1309402	65820YDR4	02-01-2005	20,790,000	BUILD 59 NEW APARTMENTS		X		X		X
B NORTH CAROLINA MEDICAL CARE COMMISSION	52-1309402	65820YEW2	09-01-2005	47,835,000	REFUND SERIES 2000 BOND BALANCES		X		X		X
C NORTH CAROLINA MEDICAL CARE COMMISSION	52-1309402	NONEAVAIL	02-04-2010	14,300,000	REPLACEMENT HEALTHCARE CENTER		X		X		X
D NORTH CAROLINA MEDICAL CARE COMMISSION	52-1309402	NONEAVAIL	02-18-2010	12,880,000	CONVERT 2005B BONDS TO BQ STATUS		X		X		X

Part II

Proceeds

				A		B		C		D	
1	Amount of bonds retired										
2	Amount of bonds defeased										
3	Total proceeds of issue			20,790,000		47,835,000		14,300,000		12,880,000	
4	Gross proceeds in reserve funds			2,036,537		3,011,368					
5	Capitalized interest from proceeds										
6	Proceeds in refunding escrow										
7	Issuance costs from proceeds			415,800		956,700					
8	Credit enhancement from proceeds										
9	Working capital expenditures from proceeds										
10	Capital expenditures from proceeds			18,337,663				10,401,084			
11	Other spent proceeds										
12	Other unspent proceeds					43,866,932				12,880,000	
13	Year of substantial completion			2005		2005		2010		2010	
14	Were the bonds issued as part of a current refunding issue?			Yes	No	Yes	No	Yes	No	Yes	No
					X		X		X	X	
15	Were the bonds issued as part of an advance refunding issue?				X	X			X		X
16	Has the final allocation of proceeds been made?			X		X		X		X	
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?			X		X		X		X	

Part III

Private Business Use

				A		B		C		D	
				Yes	No	Yes	No	Yes	No	Yes	No
1	Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds?				X		X		X		X
2	Are there any lease arrangements that may result in private business use of bond-financed property?				X		X		X		X

Part III

Private Business Use (Continued)

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
3a	Are there any management or service contracts that may result in private business use?		X		X		X		X
b	If 'Yes' to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?								
c	Are there any research agreements that may result in private business use of bond-financed property?		X		X		X		X
d	If 'Yes' to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?								
4	Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government								
5	Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government								
6	Total of lines 4 and 5								
7	Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?	X		X		X		X	

Part IV

Arbitrage

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Has a Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate, been filed with respect to the bond issue?	X		X		X		X	
2	Is the bond issue a variable rate issue?		X		X	X		X	
3a	Has the organization or the governmental issuer entered into a hedge with respect to the bond issue?		X		X		X	X	
b	Name of provider								
c	Term of hedge							5 000000000000	
d	Was the hedge superintegrated?								X
e	Was a hedge terminated?								X
4a	Were gross proceeds invested in a GIC?		X		X		X		X
b	Name of provider								
c	Term of GIC								
d	Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?								
5	Were any gross proceeds invested beyond an available temporary period?		X		X		X		X
6	Did the bond issue qualify for an exception to rebate?		X		X		X		X

Part V

Procedures To Undertake Corrective Action

Check the box if the organization established written procedures to ensure that violations of federal tax requirements are timely identified and corrected through the voluntary closing agreement program if self-remediation is not available under applicable regulations ☐ Yes ☒ No

Part VI

Supplemental Information

Complete this part to provide additional information for responses to questions on Schedule K (see instructions)

Identifier	Return Reference	Explanation
------------	------------------	-------------

SCHEDULE M
(Form 990)

NonCash Contributions

OMB No 1545-0047

2011

Open to Public Inspection

►Complete if the organization answered "Yes" on Form 990, Part IV, lines 29 or 30.
► Attach to Form 990.

Name of the organization
THE UNITED METHODIST RETIREMENT HOMES INC

Employer identification number
56-0634527

Part I

Types of Property

	(a) Check if applicable	(b) Number of Contributions or items contributed	(c) Contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining contribution amounts
1 Art—Works of art				
2 Art—Historical treasures				
3 Art—Fractional interests				
4 Books and publications				
5 Clothing and household goods				
6 Cars and other vehicles				
7 Boats and planes				
8 Intellectual property				
9 Securities—Publicly traded	X	6	369,460	AVG HIGH/LOW PRICES
10 Securities—Closely held stock				
11 Securities—Partnership, LLC, or trust interests				
12 Securities—Miscellaneous				
13 Qualified conservation contribution—Historic structures				
14 Qualified conservation contribution—Other				
15 Real estate—Residential				
16 Real estate—Commercial				
17 Real estate—Other				
18 Collectibles				
19 Food inventory				
20 Drugs and medical supplies				
21 Taxidermy				
22 Historical artifacts				
23 Scientific specimens				
24 Archeological artifacts				
25 Other ► (_____)				
26 Other ►(_____)				
27 Other ►(_____)				
28 Other ► (_____)				
29 Number of Forms 8283 received by the organization during the tax year for contributions for which the organization completed Form 8283, Part IV, Donee Acknowledgement			29	
30a During the year, did the organization receive by contribution any property reported in Part I, lines 1-28 that it must hold for at least three years from the date of the initial contribution, and which is not required to be used for exempt purposes for the entire holding period?				Yes No
b If "Yes," describe the arrangement in Part II				
31 Does the organization have a gift acceptance policy that requires the review of any non-standard contributions?				Yes
32a Does the organization hire or use third parties or related organizations to solicit, process, or sell non-cash contributions?				No
b If "Yes," describe in Part II				
33 If the organization did not report revenues in column (c) for a type of property for which column (a) is checked, describe in Part II				

Part III

Supplemental Information. Complete this part to provide the information required by Part I, lines 30b, 32b, and 33. Also complete this part for any additional information.

Identifier	Return Reference	Explanation
METHOD FOR DETERMINING NUMBER OF CONTRIBUTORS	PART I, COLUMN (B)	THE NUMBER OF CONTRIBUTORS REFERENCED IN PART I, COLUMN B IS REPRESENTATIVE OF THE NUMBER OF CONTRIBUTIONS

SCHEDULE O
(Form 990 or 990-EZ)Department of the Treasury
Internal Revenue Service**Supplemental Information to Form 990 or 990-EZ****Complete to provide information for responses to specific questions on
Form 990 or to provide any additional information.**
▶ **Attach to Form 990 or 990-EZ.**

OMB No 1545-0047

2011**Open to Public
Inspection**Name of the organization
THE UNITED METHODIST RETIREMENT HOMES INC**Employer identification number**

56-0634527

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION A, LINE 2	JONATHAN ERICKSON (CORPORATE EXECUTIVE DIRECTOR) AND STACY DOBSON (CHIEF FINANCIAL OFFICER) SERVE AS OFFICERS OF UNITED METHODIST RETIREMENT HOMES AFFORDABLE HOUSING, INC JONATHAN ERICKSON IS THE PRESIDENT OF UMRH AFFORDABLE HOUSING, INC THE FOLLOWING MEMBERS OF THE BOARD OF TRUSTEES ARE ALSO MEMBERS OF THE BOARD OF TRUSTEES FOR CYPRESS GLEN RETIREMENT COMMUNITY, A RELATED ENTITY DISCLOSED ON SCHEDULE R JONATHAN ERICKSON, NANCY SMITH MARKS, JULIUS ADAMS, JONATHAN BIGSS, RICHARD H EVANS, ROBBY LOWRY, DONALD E METZGER, WALTER PORIES, GREG WALLACE, MARK STEPHENS, CAROL GOEHRING, MARY LAMM, GARY WHALEY, CONNIE MOSELEY, CARL HAMILL, LEE HARRISS, DONNS BANKS, JERRY HOPFENGARDNER, JOHN GRISSOM, PAUL CUNNINGHAM, LINDA TAYLOR, HOPE WARD, JERRY WOODARD, AND SAM WYNN THE FOLLOWING MEMBERS OF THE BOARD OF TRUSTEES ARE ALSO MEMBERS OF THE BOARD OF TRUSTEES FOR UNITED METHODIST RETIREMENT HOMES FOUNDATION, INC, A RELATED ENTITY DISCLOSED ON SCHEDULE R JONATHAN ERICKSON, STACY DOBSON, JULIUS ADAMS, JONATHAN BIGGS, CARL HAMILL, LEE HARRISS, AND NANCY MARKS

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 11	THE ORGANIZATION'S CHIEF FINANCIAL OFFICER REVIEWS THE 990 RETURN

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 12C	THE UMRH, INC BOARD FILLS OUT THE CONFLICT OF INTEREST POLICY FORM EACH SEPTEMBER NOTING ANY CONTINUED CONFLICTS OF INTEREST NEW BOARD MEMBERS ARE ORIENTED TO THE POLICY AND SIGN THE FORM UPON BECOMING MEMBERS EACH BOARD MEMBER IS REQUIRED TO DISCLOSE ANY CONFLICTS TO THE CHAIRMAN PRIOR TO A VOTE BEING TAKEN THE MEMBER MUST ABSTAIN FROM VOTING THE CONFLICT OF INTEREST POLICY IS ALSO REVIEWED FOR THE EMPLOYEES AT ORIENTATION AND AT ANNUAL REVIEW

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 15	THE ORGANIZATION ROUTINELY CONSULTS THE SERVICES OF AN OUTSIDE AGENCY TO EVALUATE THE ORGANIZATION'S WAGE SCALES AND PAY GRADES. THE RESULTING WAGE SCALE AND THE EMPLOYEE'S PERFORMANCE AND ACCOMPLISHMENTS ARE CONSIDERED IN THE ANNUAL REVIEW PROCESS. IN SOME INSTANCES, A SOFTWARE PROGRAM CALLED "PERFORMANCE NOW" IS USED TO SIMPLIFY THE COMMUNICATION OF THE REVIEW AND ITS RESULTS.

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION C, LINE 19	THE ORGANIZATION MAKES ITS GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY, AND FINANCIAL STATEMENTS AVAILABLE TO THE PUBLIC UPON REQUEST

Identifier	Return Reference	Explanation
CHANGES IN NET ASSETS OR FUND BALANCES	FORM 990, PART XI, LINE 5	NET UNREALIZED GAINS ON INVESTMENTS 1,137,860 CHANGE IN SPLIT INTEREST AGREEMENT -140,299 CHANGE IN VALUE OF PLEDGES -165,496 CHANGE IN VALUE OF INTEREST RATE SWAP AGREEMENT 116,300 TOTAL TO FORM 990, PART XI, LINE 5 948,365

Identifier	Return Reference	Explanation
	FORM 990, PART XII, LINE 2C	THE ORGANIZATION'S OVERSIGHT OF THE AUDIT OF ITS FINANCIAL STATEMENTS AND THE SELECTION OF AN INDEPENDENT ACCOUNTANT HAS NOT CHANGED SINCE THE PRIOR YEAR

Identifier	Return Reference	Explanation
	FORM 990, PART VII, SECTION A	HOURS TO RELATED ORGANIZATION JONATHAN ERICKSON - 1 HOUR PER WEEK TO CYPRESS GLEN RETIREMENT COMMUNITY AS A MEMBER OF THE BOARD OF TRUSTEES AND 1 HOUR PER WEEK TO UNITED METHODIST HOMES FOUNDATION, INC AS A MEMBER OF THE BOARD OF TRUSTEES THE FOLLOWING MEMBERS OF THE BOARD OF TRUSTEES ARE ALSO MEMBERS OF THE BOARD OF TRUSTEES FOR CYPRESS GLEN RETIREMENT COMMUNITY AND PROVIDE 1 HOUR OF SERVICE PER WEEK NANCY SMITH MARKS, JULIUS ADAMS, JONATHAN BIGGS, RICHARD H EVANS, ROBBY LOWRY, DONALD E. METZGER, WALTER PORIES, GREG WALLACE, MARK STEPHENS, CAROL GOEHRING, MARY LAMM, GARY WHALEY, CONNIE MOSELEY, CARL HAMILL, LEE HARRISS, DONNS BANKS, JERRY HOPFENGARDNER, JOHN GRISSOM, PAUL CUNNINGHAM, LINDA TAYLOR, HOPE WARD, JERRY WOODARD, AND SAM WYNN THE FOLLOWING MEMBERS OF THE BOARD OF TRUSTEES ARE ALSO MEMBERS OF THE BOARD OF TRUSTEES FOR UNITED METHODIST RETIREMENT HOMES FOUNDATION, INC AND PROVIDE 1 HOUR OF SERVICE PER WEEK STACY DOBSON, JULIUS ADAMS, JONATHAN BIGGS, CARL HAMILL, LEE HARRISS, AND NANCY MARKS

Identifier	Return Reference	Explanation
	FORM 990, SCHEDULE R, PART V, LINE 2	TRANSACTIONS WITH RELATED ORGANIZATIONS THE FILING ORGANIZATION AND UMRH AFFORDABLE HOUSING, INC SHARE A FACILITY THAT HAS A NET BOOK BASIS OF \$85,646,864 (COST = \$116,031,936 AND ACCUMULATED DEPRECIATION = \$30,385,072) THE FILING ORGANIZATION AND UMRH AFFORDABLE HOUSING, INC SHARE TWO EMPLOYESS, JONATHAN ERICKSON (\$162,212 REPORTABLE COMPENSATION AND \$26,322 OTHER COMPENSATION BOTH PAID BY THE FILING ORGANIZATION) AND STACY DOBSON (\$139,390 REPORTABLE COMPENSATION AND \$9,822 OTHER COMPENSATION BOTH PAID BY THE FILING ORGANIZATION)

Identifier	Return Reference	Explanation
	FORM 990, PART VII, SECTION A, COLUMN F	THE ORGANIZATION, IN A FULL TRANSPARENCY POSTURE TO REPORTING, IS REPORTING ALL BENEFITS IN FULL IN COLUMN F, PART VII AND NOT APPLYING THE \$10,000 PER ITEM EXCEPTION FOR CERTAIN BENEFITS

SCHEDULE R
(Form 990)

Related Organizations and Unrelated Partnerships

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization

THE UNITED METHODIST RETIREMENT HOMES INC

Employer identification number

56-0634527

Part I

Identification of Disregarded Entities (Complete if the organization answered "Yes" on Form 990, Part IV, line 33.)

(a) Name, address, and EIN of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
(1) UMRH AFFORDABLE HOUSING DEVELOPMENT LLC 2600 CROASDAILE FARM PKWY STE A-500 DURHAM, NC 277053153 04-3701058	DEVELOP AFFORDABLE HOUSING	NC	182	87,867	N/A

Part II

Identification of Related Tax-Exempt Organizations (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization	
						Yes	No
(1) CYPRESS GLEN RETIREMENT COMMUNITY 2600 CROASDAILE FARM PARKWAY SUITE DURHAM, NC 27705 56-1961935	CONTINUING CARE RETIREMENT COMMUNITY	NC	501(C)(3)	LINE 9	N/A		No
(2) UNITED METHODIST RETIREMENT HOMES FOUNDATION INC 2600 CROASDAILE FARM PARKWAY SUITE DURHAM, NC 27705 56-1870172	CONTRIBUTE FUNDS TO UMRH, INC AND CYPRESS GLEN RETIREMENT COMMUNITY	NC	501(C)(3)	LINE 11A	N/A		No

Part III

Identification of Related Organizations Taxable as a Partnership (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a partnership during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512- 514)	(f) Share of total income	(g) Share of end-of- year assets	(h) Dispropportionate allocations?		(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	

Part IV

Identification of Related Organizations Taxable as a Corporation or Trust (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a corporation or trust during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership
(1) UMRH AFFORDABLE HOUSING INC 2600 CROASDAILE FARM PARKWAY SUITE DURHAM, NC 27705 01-0724816	OPERATE AFFORDABLE HOUSING	NC	N/A	C	43,361	31,173	100 000 %

Part V

Transactions With Related Organizations (Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35, 35A, or 36.)

Note. Complete line 1 if any entity is listed in Parts II, III or IV

1

During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?

a

Receipt of (i) interest (ii) annuities (iii) royalties (iv) rent from a controlled entity

b

Gift, grant, or capital contribution to related organization(s)

c

Gift, grant, or capital contribution from related organization(s)

d

Loans or loan guarantees to or for related organization(s)

e

Loans or loan guarantees by related organization(s)

f

Sale of assets to related organization(s)

g

Purchase of assets from related organization(s)

h

Exchange of assets with related organization(s)

i

Lease of facilities, equipment, or other assets to related organization(s)

j

Lease of facilities, equipment, or other assets from related organization(s)

k

Performance of services or membership or fundraising solicitations for related organization(s)

l

Performance of services or membership or fundraising solicitations by related organization(s)

m

Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)

n

Sharing of paid employees with related organization(s)

o

Reimbursement paid to related organization(s) for expenses

p

Reimbursement paid by related organization(s) for expenses

q

Other transfer of cash or property to related organization(s)

r

Other transfer of cash or property from related organization(s)

Yes

No

1a

1b

1c

1d

1e

1f

1g

1h

1i

1j

1k

1l

1m

1n

1o

1p

1q

1r

No

No

Yes

Yes

No

No

No

No

No

No

Yes

No

Yes

Yes

No

No

No

No

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds

(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount involved	(d) Method of determining amount involved
(1) UMRH AFFORDABLE HOUSING INC	M	85,646,864	
(2) UMRH AFFORDABLE HOUSING INC	N	346,504	
(3)			
(4)			
(5)			
(6)			

Schedule R (Form 990) 2011

Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization. See instructions regarding exclusion for certain investment partnerships.

[illegible]

Part VII

Supplemental Information

Complete this part to provide additional information for responses to questions on Schedule R (see instructions)

Identifier	Return Reference	Explanation	
------------	------------------	-------------	--

Form 990, Part VII - Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
ARTHUR SPRAGUE TRUSTEE	1 00	X						0	0	0
JAYNE HUGGINS TRUSTEE	1 00	X						0	0	0
STACY DOBSON CHIEF FINANCIAL OFFICER	40 00			X				139,391	0	13,622
HOWARD DEWITT EXEC DIRECTOR - CROASDAILE	40 00			X				137,495	0	5,951
WADE ROZIER EXEC DIRECTOR - WESLEY PIN	40 00			X				119,803	0	29,990
HEATHER MARCH CAMPUS ADMINISTRATOR	40 00					X		120,128	0	23,010
CAROL MARKETING MARKETING DIRECTOR	40 00					X		101,318	0	29,012

Additional Data

Software ID:

Software Version:

EIN: 56-0634527

Name: THE UNITED METHODIST RETIREMENT HOMES INC

Form 990, Part VII - Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)							(D) Reportable compensation from the organization (W- 2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099- MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former				
JONATHAN ERICKSON CORP EXEC DIRECTOR	40 00	X		X				162,213	0	31,280	
DONALD METZGER CHAIR	1 00	X		X				0	0	0	
GARY WHALEY 1ST VICE CHAIR	1 00	X		X				0	0	0	
JULIUS ADAMS 2ND VICE CHAIR	1 00	X		X				0	0	0	
NANCY SMITH MARKS SECRETARY	1 00	X		X				0	0	0	
LEE HARRISS TREASURER	1 00	X		X				0	0	0	
JONATHAN BIGGS TRUSTEE	1 00	X						0	0	0	
RICHARD EVANS TRUSTEE	1 00	X						0	0	0	
CARL HAMILL TRUSTEE	1 00	X						0	0	0	
JOHN GRISSOM TRUSTEE	1 00	X						0	0	0	
ROBBY LOWRY TRUSTEE	1 00	X						0	0	0	
CONNIE MOSELEY TRUSTEE	1 00	X						0	0	0	
WALTER PORIES TRUSTEE	1 00	X						0	0	0	
MARK STEPHENS TRUSTEE	1 00	X						0	0	0	
JERRY WOODARD TRUSTEE	1 00	X						0	0	0	
GREG WALLACE TRUSTEE	1 00	X						0	0	0	
PAUL CUNNINGHAM TRUSTEE	1 00	X						0	0	0	
HOPE WARD TRUSTEE	1 00	X						0	0	0	
CAROL GOEHRING TRUSTEE	1 00	X						0	0	0	
DONNA BANKS TRUSTEE	1 00	X						0	0	0	
WILLIE JOHNSON TRUSTEE	1 00	X						0	0	0	
JERRY HOPFENGARDNER TRUSTEE	1 00	X						0	0	0	
LINDA TAYLOR TRUSTEE	1 00	X						0	0	0	
MARY LAMM TRUSTEE	1 00	X						0	0	0	
SAM WYNN TRUSTEE	1 00	X						0	0	0	