



MESSIAH
Lifeways
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Agenda

- ★ Year to Date Financial Performance
- ★ COVID-19 Funding
- ★ Status of Budget for Fiscal Year 2022
 - Rate Increases July 1





This slide represents the overall structure of Messiah Lifeways and Controlled Entities. ML at Messiah Village is the Mechanicsburg campus. ML Community Support Services is the organization that holds Adult Day and At Home services, along with the Mechanicsburg Senior Center programming. ML at Mount Joy Country Homes is the organization with the campus at Mount Joy. And Messiah Lifeways is the management organization that provides support to these three organizations for Human Resources, Finance, Technology, Executive Team, etc.

Year to Date Financial Performance

- ★ Financial information shared is ML at Messiah Village only
- ★ Financial year is July 1 to June 30



ML at MV: Assets at March 31, 2021

| | |
|------------------------------------|-----------------------|
| Cash and Cash Equivalents | \$ 13,121,312 |
| Receivables | 4,034,356 |
| Investments | 64,078,991 |
| Property, Plant and Equipment, net | 106,856,338 |
| Other Assets | 2,377,912 |
| Total Assets | \$ 190,468,909 |

Within Cash and Cash Equivalents, there is approximately \$4 million held in what is known as “Debt Service Reserve Funds”, which is required for our debt to make sure we can make future debt payments. The remaining \$9 million is available for use. Investments of \$64 million include the investments held and restricted via endowment. The Endowment Fund is approximately \$23 million of this total, which includes \$21 million for future benevolent care and \$2 million for the music therapy program.

ML at MV: Liabilities at March 31, 2021

| | |
|-----------------------------------|-----------------------|
| Accounts Payable/Accrued Expenses | \$ 4,427,521 |
| Debt and Financial Instruments | 84,334,954 |
| Deferred Revenue - Entrance Fees | 32,411,002 |
| Refundable Entrance Fees | 16,616,332 |
| Other Liabilities | 508,958 |
| Total Liabilities | \$ 138,298,767 |

Within the Debt line item includes the funding borrowed to build Village Square, Hopewell, and Greenwood/Engle. This is debt that will span over many future years, and cannot be refinanced without penalties before certain future dates.

ML at MV: Net Assets at March 31, 2021

Net Assets is the net worth of the organization, and is assets less liabilities. "With Donor Restrictions" are those net assets that have permanent or temporary restrictions as to use, such as the Endowment Fund.

| | |
|----------------------------|----------------------|
| Without Donor Restrictions | \$ 28,090,152 |
| With Donor Restrictions | 24,079,990 |
| Total Net Assets | \$ 52,170,142 |



ML at MV: Revenue

| | Nine Months Ended (000s) | | |
|---------------------------|--------------------------|------------------|-------------------|
| | 3/31/21 | 3/31/20 | Difference |
| Net Resident Services | \$ 32,840 | \$ 37,920 | (\$ 5,080) |
| Other Revenue | 565 | 853 | (288) |
| COVID-19 Relief Funding | 1,563 | - | 1,563 |
| Releases from Restriction | 1,016 | 1,102 | (86) |
| Total | \$ 35,984 | \$ 39,875 | (\$ 3,891) |

COVID-19 has impacted revenue for the comparative period in Nursing, Enhanced Living, Dining, Wellness, Pathways, and Salon Services. Releases from Restriction mainly represents the support from the Endowment Fund for benevolent care (those who have outlived resources).

ML at MV: Expenses

| | Nine Months Ended (000s) | | |
|-------------------------------|--------------------------|------------------|-----------------|
| | 3/31/21 | 3/31/20 | Difference |
| Salaries, Wages, and Benefits | \$ 16,069 | \$ 15,306 | \$ 763 |
| Other Expenses | 16,274 | 15,756 | 518 |
| Depreciation Expense | 5,786 | 5,718 | 68 |
| Interest Expense | 2,352 | 2,536 | (184) |
| Total | \$ 40,481 | \$ 39,316 | \$ 1,165 |

Salaries, wages, and benefits have increased due to overtime, hazard pay, and working bonuses to retain team members during the pandemic. Other expenses have increased due to COVID-19 supplies and response costs.

ML at MV: Net Result

| | Nine Months Ended (000s) | |
|--|-----------------------------|---------------|
| | 3/31/21 | 3/31/20 |
| Total Revenue | \$ 35,984 | \$ 39,874 |
| Total Expenses | 40,481 | 39,316 |
| Net Operating Income (Loss) | (\$ 4,497) | \$ 559 |

The Budget for ML at MV was approximately to be a net break even for the nine months period ending March 31, 2021.

ML at MV: Cash Flow

| | Nine Months Ended (000s) | |
|--|--------------------------|-----------------|
| | 3/31/21 | 3/31/20 |
| Net Cash Provided by Operating Activities | \$ 47 | \$ 7,833 |
| Net Cash Used in Investing Activities | (3,299) | (4,255) |
| Net Cash Used in Financing Activities | (9) | (1,861) |
| Net Change in Cash and Cash Equivalents | (\$ 3,261) | \$ 1,717 |


Within the Investing Activities section, \$1.8 million was spent on property, plant and equipment which includes apartment and cottage turnover refurbishments, replacement of the fire alarm system in Village Commons, and kitchen work at the Evergreen in Village Center.

COVID-19 Funding

| Source of COVID-19 Relief Funding | ML at MV |
|---|------------------|
| CARES Act - Pennsylvania Act 24 | 393,686 |
| CARES Act - Renew Cumberland Grant | 328,500 |
| Communicative Technology Grant | 2,350 |
| HHS Provider Relief Fund - Phases 1, 2, 3 | 926,988 |
| HHS Provider Relief Fund - Quality Incentive Payments | 27,452 |
| HHS Provider Relief Fund - SNF Infection Control | 276,800 |
| HHS Provider Relief Fund - SNF Targeted | 510,000 |
| Total | <u>2,465,775</u> |

This funding was received from April 2020 through December 2020. \$1.6 million was spent in the time period July 1 through December 31, while \$900 thousand was spent in the prior fiscal year months of April to June.

Utilization of COVID-19 Funds

- ★ Personal Protective Equipment (PPE): Masks, gowns, face shields, etc.
 - ★ Screening costs: Staffing and equipment
 - ★ Testing costs: Staffing and Facility Costs
 - ★ Disinfecting costs
 - ★ “Red Zone” Staffing and Set up costs
 - ★ Hazard Pay
 - ★ Lost revenue
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Status of Budget for Fiscal Year 2022

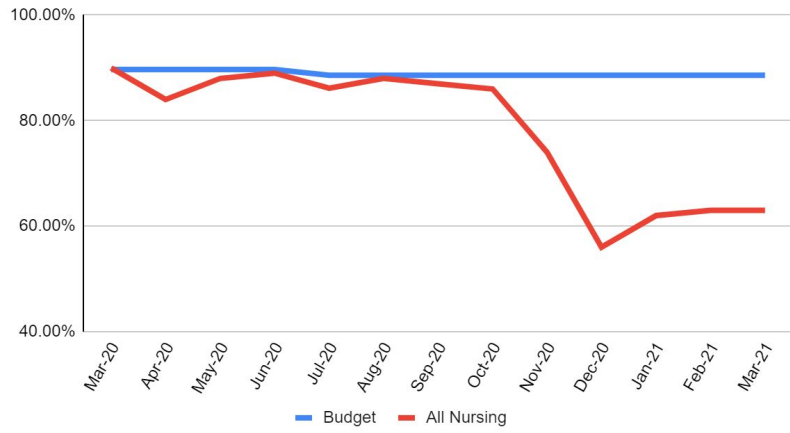


Occupancy Challenges

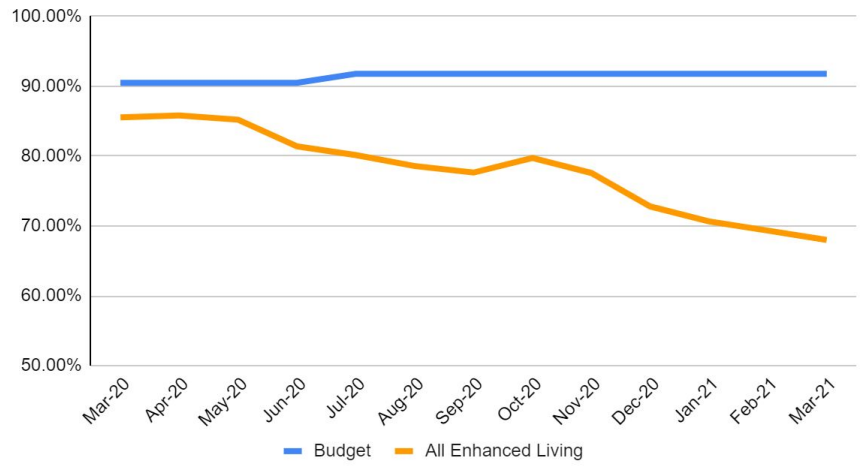
- ❑ COVID-19 Outbreak in November/December impacted occupancy within Nursing
- ❑ Throughout the year, Enhanced Living occupancy has declined
- ❑ Residential Living occupancy has remained strong throughout the pandemic



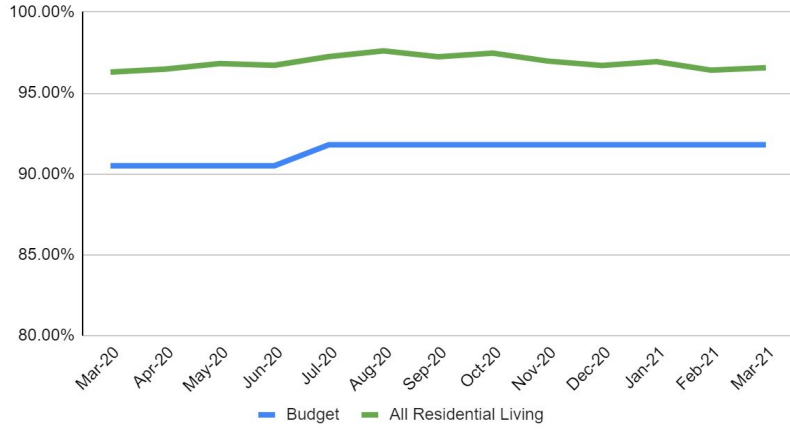
MV - Nursing Occupancy




MV - Enhanced Living Occupancy



MV - Residential Living Occupancy



Overall Budget Timeline

- ❑ January - March Budget Managers throughout Messiah Lifeways worked on proposed budgets
 - ❑ April - Board met and approved rate adjustments; Held on approving overall budget due to uncertainty with occupancies
 - ❑ Expense budgets reviewed closely for new projected occupancies
 - ❑ Staffing adjustments were made
 - ❑ June 8th - Final budget scheduled to be approved by the Board of Directors
- 

Rates

| Rate Increases: | 2022 | 2021 | 2020 | 2019 | 2018 |
|--|-------------|-------------|-------------|-------------|-------------|
| MV Nursing Private, Daily Fees | 4.5% | 4.0% | 3.5% | 4.0% | 4.0% |
| MV Nursing Greenwood/Engle, Daily Fees | 4.5% | 4.0% | 3.5% | 4.5% | n/a |
| MV Nursing Semi-Pvt, Daily Fees | 4.5% | 4.0% | 3.5% | 4.0% | 4.0% |
| ML Enhanced Living, Daily Fees | 4.5% | 3.5% | 3.5% | 4.0% | 4.0% |
| MV Residential Living, Monthly Fees | 3.5% | 4.0% | 3.5% | 4.0% | 4.0% |

Rates were approved as required by notification timelines within the state nursing regulations and within admission contracts.

Questions?

