a

Licensed Continuing Care Retirement Community

of

Messiah Home

Location:

Messiah Lifeways at Messiah Village

100 Mt. Allen Drive

Mechanicsburg, Pennsylvania 17055

Telephone (717) 697-4666

Effective Date of Disclosure Statement: October 2021

EQUAL HOUSING OPPORTUNITY

This Disclosure Statement is not a contract and the Provider reserves all rights to amend, revise, update and otherwise change the Disclosure Statement at any time, in accordance with applicable laws.

The issuance of a Certificate of Authority does not constitute approval, recommendation or endorsement of the facility by the Pennsylvania Insurance Department, nor is it evidence of, nor does it attest to the accuracy or completeness of the information set forth in this Disclosure Statement.

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Important Information to Prospective Residents

Pursuant to the Pennsylvania Continuing Care Provider Registration and Disclosure Act, 40 P.S. Section 3207 et. sec., (the "Act") this Disclosure Statement is being delivered to you at the time of or prior to your execution of a "Residency Agreement," or at the time of or prior to your payment of any money to Messiah Home. A copy of the Residency Agreement is attached. Your receipt of this Disclosure Statement creates no obligation on your part to execute and deliver the Residency Agreement to Messiah Home, nor does it create any obligation on the part of Messiah Home.

This Disclosure Statement contains a fair summary of the material enclosed and other terms of the documents purported to be summarized. This Disclosure Statement is furnished to prospective Residents and their representatives, and may not be relied upon by any other person.

Summary of Disclosure Statement

The following summary is qualified in its entirety by the more detailed information appearing elsewhere and referred to in this Disclosure Statement and in the Residency Agreement attached to this Disclosure Statement.

The Facility: Messiah Home, d/b/a Messiah Lifeways at Messiah Village ("Messiah Village"), is a Pennsylvania, charitable 501(c)(3) nonprofit corporation that operates a continuing care retirement community ("CCRC"). Messiah Village is in a covenant relationship with the Brethren in Christ Church and was originally incorporated in 1896 for the purpose of addressing the needs of the aging as the Messiah Rescue and Benevolent Home. Operations began on Bailey Street in Harrisburg and later moved to a location on Paxton Street in Harrisburg. In 1964, an amendment to the Articles of Incorporation changed the legal name to Messiah Home. In 1978, Messiah Home moved to its present location in Upper Allen Township, Cumberland County, Pennsylvania. At that time Messiah Home began doing business as Messiah Village until broadening the brand name in February 2012 when it began doing business as Messiah Lifeways at Messiah Village. Effective July 1, 2012, Messiah Village underwent an internal corporate reorganization, whereby Messiah Lifeways, a newly created Pennsylvania nonprofit corporation, became the sole member and parent of Messiah Village.

Licensed Provider: The licensed provider is Messiah Home, located at 100 Mt. Allen Drive, Mechanicsburg, PA 17055. Phone: 717.591.7224.

Person to be Contacted to Discuss Living at Messiah Village:

Residential Living Welcome Center
100 Mt. Allen Drive
Mechanicsburg, PA 17055
Phone: 717.591.7224
Fax: 717.458.8722
Email: life@messiahlifeways.org
Web: MessiahLifeways.org

Description of Property: Messiah Village is located at 100 Mt. Allen Drive, Mechanicsburg, PA 17055 on 80 acres in a suburban area of Cumberland County. The Residential Living accommodations currently include 208 apartments and 154 cottages. The apartments are divided amongst two buildings on campus: Village Commons, which is the original apartment building, and Village Square, which was opened in October 2017. The campus also has 183 personal care apartments and is licensed for a 184-bed skilled nursing center. A description of the services and facilities begins on page 7.

Age Requirements: The minimum entrance age for Residential Living at Messiah Village is 62 years of age prior to the date of occupancy.

Affiliations with Religious, Fraternal, Charitable, and Non-Profit Organizations: Effective July 1, 2012, Messiah Home underwent an internal corporate reorganization, whereby Messiah Lifeways, a newly created Pennsylvania nonprofit corporation, became the sole member and parent of Messiah Home, as well as two related entities: Messiah Family Services (d/b/a Messiah Lifeways at Mount Joy Country Homes) and Messiah Lifeways Community Support Services.

Messiah Family Services (d/b/a Messiah Lifeways at Mount Joy Country Homes) is licensed as a CCRC and provides Residential Living services on approximately 31 acres of land in Mount Joy, Lancaster County, PA. Messiah Lifeways Community Support Services operates a home care agency, an adult day center, and two senior centers in Cumberland County.

The parent entity, Messiah Lifeways, elects the Messiah Home Board of Directors and holds reserve powers to approve certain corporate actions, including approval of operating and capital spending budgets, borrowings, etc. As an affiliate of Messiah Lifeways, Messiah Village supports the corporation's efforts to provide a network of services for older adults that includes resident communities, enrichment opportunities, and community support services. Messiah Lifeways provides administrative, accounting, human resources, gift development, information technology, and marketing services to Messiah Home through a Management Agreement for which Messiah Home pays a monthly fee.

Neither the Brethren in Christ Church, nor any other person or entity, is responsible for the liabilities of Messiah Home (except for Messiah Lifeways, Messiah Family Services, and Messiah Lifeways Community Support Services) or the fulfillment of its anticipated contractual obligations to its residents.

Current Resident Population: Residents by type of accommodation as of October 1, 2021:

Messiah Village Campus	**Units/Beds**	**Residents**
Residential Living Cottages	154	212
Residential Living Village Commons Apartments	124	142
Residential Living Village Square Apartments	84	108
Nursing Care	184	117
Personal Care	164/238	149

The Entrance and Monthly Fees: The following tables summarize sample fees for two-bedroom Residential Living accommodations for single occupancy residents.

	Cottages	**Apartments - Village Commons**	**Apartments - Village Square**
Entrance Fee (0% Option)	\$166,500 - \$394,300	\$168,500 - \$259,100	\$250,700 - \$377,700
Monthly Fee	\$1,484 - \$2,028	\$1,368 - \$2,195	\$2,571 - \$3,869

The monthly fee is increased for double occupancy by \$357.50 on Village Commons Apartments and Cottages and by \$514.00 on the Village Square Apartments.

Taxable Status: Messiah Home is a Pennsylvania, non-profit, charitable corporation exempt from payment of Federal Income Tax in accordance with Section 501(c)(3) of the Internal Revenue Code.

Disclosure Statement

This Disclosure Statement contains a fair summary of the documents enclosed and of the terms of the documents purported to be summarized.

Name and Business Address

Messiah Home, d/b/a Messiah Lifeways at Messiah Village ("Messiah Village"), is a Pennsylvania, charitable 501(c)(3) nonprofit corporation that operates a continuing care retirement community ("CCRC"). Messiah Village is located at 100 Mt. Allen Drive, Mechanicsburg, PA 17055 on 80 acres in a suburban area of Cumberland County. Phone: 717.591.7224. Messiah Village is an affiliated entity of Messiah Lifeways, Messiah Family Services, and Messiah Lifeways Community Support Services.

History and Organization

Messiah Village is in a covenant relationship with the Brethren in Christ Church and was originally incorporated in 1896 for the purpose of addressing the needs of the aging as the Messiah Rescue and Benevolent Home. Operations began on Bailey Street in Harrisburg and later moved to a location on Paxton Street in Harrisburg. In 1964, an amendment to the Articles of Incorporation changed the legal name to Messiah Home. In 1978, Messiah Home moved to its current location in Upper Allen Township, Cumberland County, Pennsylvania. At that time Messiah Home began doing business as Messiah Village until broadening the brand name in February 2012 when it began doing business as Messiah Lifeways at Messiah Village. Effective July 1, 2012, Messiah Village underwent an internal corporate reorganization, whereby Messiah Lifeways, a newly created Pennsylvania nonprofit corporation, became the sole member and parent of Messiah Village.

As an affiliate of Messiah Lifeways, bylaws for Messiah Village were amended and restated, effective July 1, 2012. The Board of Directors of Messiah Village will be composed of no more than 9 members and each shall be elected by Messiah Lifeways. Messiah Lifeways holds reserve powers to approve certain corporate actions, including approval of operating and capital spending budgets, borrowings, etc. As an affiliate of Messiah Lifeways, Messiah Village supports the corporation's efforts to provide a network of services for older adults that includes resident communities, enrichment opportunities, and community support services.

Controlling Parties & Description of Interest in or Occupation with the Provider

Messiah Village is governed by a Board of Directors. Under the amended and restated bylaws effective July 1, 2012, Directors are elected by Messiah Lifeways, except that the President and Chief Financial Officer of Messiah Lifeways are not elected but serve as Directors of Messiah Village by virtue of their employment by Messiah Lifeways. The Board shall at all times include

Messiah Lifeways' President (or his/her designee) and Chief Financial Officer and at least one Director who also currently serves on the Board of Directors of Messiah Lifeways. The names and business addresses of the Directors are attached as **Exhibit A.**

A description of the background and experience of management personnel of Messiah Village is attached as **EXHIBIT B**.

Disclosure of Related Party Contracts

No Officer, Director, or other person holds a 10% or greater equity or beneficial interest in Messiah Village or in an entity that has provided $500 or more in goods or services to Messiah Village.

Disclosure of Felony Convictions, Felony Charges, Civil Actions, Court Orders, License Suspensions, Etc.

Neither the Provider, nor its board members have (a) been convicted of a felony or pleaded nolo contendere to a felony charge or been held liable or enjoined in a civil action by final judgment if the felony or civil action involved fraud, embezzlement, fraudulent conversion or misappropriation of property; and neither are they (b) subject to a currently effective injunctive or restrictive order of a court of record, or within the past five years had any State or Federal license or permit suspended or revoked as a result of an action brought by a governmental agency or department, arising out of or relating to business activity or health care, including, without limitation, actions affecting a license to operate a foster care facility, nursing home, retirement home, home for the aged or facility registered under the Pennsylvania Continuing Care Provider Registration and Disclosure Act or a similar act in another state.

Affiliations with Religious, Fraternal, Charitable, and Non-Profit Organizations

Effective July 1, 2012, Messiah Village underwent an internal corporate reorganization, whereby Messiah Lifeways, a newly created Pennsylvania nonprofit corporation, became the sole member and parent of Messiah Village, as well as two related entities: Messiah Family Services, d/b/a Messiah Lifeways at Mount Joy Country Homes ("MFS") and Messiah Lifeways Community Support Services ("MLCSS").

Messiah Lifeways is a Pennsylvania non-profit corporation headquartered in Mechanicsburg, Pennsylvania that provides a network of services for adults 55 and older living in south central Pennsylvania with roots tracing back to 1896, when the Brethren in Christ Church founded Messiah Home in Harrisburg, Pennsylvania to serve older adults with Christ-like love. A covenant relationship between Messiah Lifeways (and its affiliates) and the Brethren in Christ Church continues to the present time.

At least 51% of the Messiah Lifeways Board of Directors must be active members of a Brethren in Christ Church congregation and approved by the Brethren in Christ Church's General Conference Board. The Messiah Lifeways Board of Directors appoints the Board of Directors of Messiah Village, MFS and MLCSS. The Brethren in Christ Church is not responsible for any of the financial obligations, debt or contractual obligations of any of the members of the consolidated corporation.

Messiah Lifeways operates exclusively for the support and benefit of Messiah Village, MFS, and MLCSS. Collectively, the consolidated corporation represents "Messiah Lifeways and Controlled Entities''. Messiah Lifeways provides management, administrative and related services to the affiliated organizations. The consolidated corporation exists to operate, maintain, sponsor and promote a network of residential, enrichment and community support services such as Residential Living, personal care, nursing care, at home services, adult day services, wellness, lifelong learning and other services that directly or indirectly improve the safety and well-being of persons 55 and better.

Messiah Lifeways and Messiah Village have a Management Agreement in place for Messiah Lifeways to provide to Messiah Village administration, general management, human resources, information technology, marketing, gift development, construction services, and financial functions for which Messiah Village pays a monthly management fee. Messiah Village leases office space to Messiah Lifeways for the performance of these administrative functions through a Lease Agreement.

MFS is a 501(c)(3) Pennsylvania nonprofit corporation that is licensed as a CCRC that provides Residential Living services on its campus in Mount Joy, Pennsylvania. Messiah Lifeways provides administrative, accounting and marketing services to MFS through a Management Agreement for which MFS pays a monthly fee. Messiah Village provides certain maintenance services and is reimbursed on an hourly basis.

MLCSS is a 501(c)(3) Pennsylvania nonprofit corporation which provides home care services to residents of Messiah Village and MFS as well as the surrounding communities. MLCSS also operates an adult day center, two senior centers, and respite care.

Messiah Lifeways has a Management Agreement with MLCSS to provide administration, general management, human resources, information technology, marketing, gift development, and financial functions for which MLCSS pays a monthly management fee. Messiah Village also leases space and vehicles to MLCSS in exchange for a monthly rental payment.

Neither the Brethren in Christ Church nor any other person or entity is responsible for the liabilities of Messiah Village (except for Messiah Lifeways, Messiah Family Services, and Messiah

Lifeways Community Support Services) or the fulfillment of its anticipated obligations to its residents.

Description of Physical Property

Messiah Village is located in Upper Allen Township of Cumberland County, near Mechanicsburg, Pennsylvania. The 80-acre campus is in a suburban area of Upper Allen Township in close proximity to shopping and cultural centers in the central Pennsylvania area and a PA Turnpike entrance.

The types of Residential Living accommodations available include 146 two-bedroom cottages, 8 one-bedroom cottages, 132 two-bedroom apartments, 66 one-bedroom apartments, and 10 studio apartments. The cottages are built as single level duplexes and quadruplexes. The apartments are located within two areas of campus: Village Commons, which consists of two connected mid-rise buildings; and Village Square, which includes underground parking and common areas including wellness and enrichment centers along with two new dining venues.

Messiah Village offers Personal Care in 164 two-bedroom, one-bedroom and studio apartments in a two-story and a three-story building. Messiah Village offers various levels of Personal Care Services: Basic, Personal Support, Memory Support, Health Support, and Respite. The 84 apartments in the Laurel building provide Memory and Health Support, offering programs specifically designed and programmed for persons with Alzheimer’s disease or related disorders. Included within the 164 are 26 personal care apartments in the Hopewell building that opened in December 2017.

Messiah Village offers skilled nursing care in a 184-bed skilled nursing care facility. A 18-bed neighborhood in the nursing care facility is specially designed and programmed for care of persons with Alzheimer's disease or related disorders. The facility also provides restorative care and rehabilitative services such as physical therapy, occupational therapy and speech therapy. Project Envision added two new nursing neighborhoods with 16 private accommodations each. The two new neighborhoods opened in August 2017. There was no net increase of skilled nursing beds as 32 semi-private rooms were renovated and converted to private rooms.

Other facilities and services available at Messiah Village include:

- Business Center
- Cable/Satellite TV
- Chapel
- Children's Daycare
- Community Rooms
- Craft Rooms
- Dining Venues
- Disc Golf Course
- Exercise Rooms
- Gift Shops
- Hobby Shops
- Libraries
- Nature Trail
- Home Health Services
- Pharmacy
- Physician Practice
- Picnic Pavilion
- Pond
- Professional Office Suite
- Rehabilitative Therapies
- Salons/Barber
- Security
- Shuffleboard
- Swimming Pool
- Telephone
- Transportation
- WiFi (Village Square and certain common areas on campus)

Residential Living Fees

Payment of a One-Time Entrance Fee

Continuing care services are provided to residents who occupy a Residential Living home in return for payment of an Entrance Fee and Monthly Service Fee. An Entrance Fee is a one-time fee charged to residents seeking to live in a Residential Living home as a CCRC resident.

A. Payment Schedule for Completed Residences

The payment schedule for the entrance fee shall be as follows:

a. Reservation Fee

A resident will pay $500.00 to Messiah Lifeways at Messiah Village, representing the amount of the Reservation Fee.

b. Interim Payment for Structural Upgrades

If a resident has selected any structural upgrades, then the resident will make an interim payment of 25% of the estimated cost of any structural upgrades, upon the commencement of construction of such upgrades. The charge or value of any structural upgrades is considered part of and will be added to the entrance fee for purposes of calculating the amortization of the entrance fee and any applicable entrance fee refunds.

c. Payment for Finishing Upgrades

If a resident has selected any finishing upgrades, then resident will pay the non-refundable sum of 100% of the estimated cost of any finishing upgrades, upon the commencement of construction or when resident selects the finishing upgrades, whichever is later. The charge or value of any finishing upgrades is not added to or considered part of the entrance fee for purposes of calculating the amortization schedule or any applicable entrance fee refunds.

d. Balance of Entrance Fee and Structural Upgrades

At the time of settlement, which will be prior to the designated occupancy date or occupancy, whichever is earlier, resident will pay the remaining balance of the entrance fee plus, if applicable, the remaining balance of the cost of the structural upgrades. This payment reflects the remaining balance of the total entrance fee less the reservation fee and, if applicable, the interim payment.

B. Payment Schedule for Unbuilt Residences

The payment schedule for the entrance fee shall be as follows:

a. Ten Percent (10%) Deposit of Entrance Fee

Resident will pay 10% of the entrance fee at the time of executing the Reservation Agreement.

b. Payment for Unbuilt Residence Upgrades

If a resident has selected any upgrades, then the resident shall pay a non-refundable sum of 100% of the estimated cost of any upgrades, upon the commencement of construction of such upgrades or upon selection of upgrades, whichever is later. The charge or value of any upgrades is not considered part of and will not be added to the entrance fee for purposes of calculating the amortization of the entrance fee and any applicable entrance fee refunds.

c. Balance of Entrance Fee and Structural Upgrades

At the time of Settlement, resident will pay the remaining balance of the entrance fee. This payment reflects the remaining balance of the total entrance fee less the 10% deposit fee.

Reference should be made to the Residency Agreement for further information.

Entrance Fee Plans

A resident may select one of the following entrance fee plans:

Plan A – Zero Percent Refundable Plan. Under this plan, subject to the conditions of Section 14 of the Residency Agreement, the resident or his/her estate will be entitled to the unamortized portion of the entrance fee, if any. The entrance fee will be amortized on a decreasing basis over 50 months. Should the agreement be terminated after the amortization period is completed, no refund shall be due.

Plan B – 50% Refundable Plan. Under this plan, subject to the conditions of Section 14 of the Residency Agreement, the resident or his/her estate will be entitled to a refund of fifty percent (50%) of the entrance fee. The remaining fifty percent (50%) of the entrance fee will be amortized on a decreasing basis over a period of fifty (50) months. In the event of termination of the residency agreement during the amortization period, the resident also will be entitled to any unamortized portion of the entrance fee.

Plan C – 90% Refundable Plan. Under this plan, subject to the conditions of Section 14 of the Residency Agreement, the resident or his/her estate will be entitled to a refund of ninety percent (90%) of the entrance fee. The remaining ten percent (10%) of the entrance fee will be immediately amortized in full by Messiah Village and will not be available as a refund.

The entrance fees and monthly service fees are listed in **EXHIBIT D**.

In the event that Messiah Village, subsequent to the execution of a Reservation Agreement for a new residence or a Residency Agreement for an existing residence, engages in marketing activities which include promotional offers whereby the type of residence selected by an applicant is offered for an entrance fee amount which is less than the entrance fee amount offered to the applicant under the Reservation Agreement or the Residency Agreement (as the case may be), then the applicant shall not be eligible to participate in such promotional offers, and the terms of the Reservation Agreement or the Residency Agreement (as the case may be) relative to the amount of the entrance fee shall remain in full force and effect. Promotional offers are applicable only to applicants or prospective residents who have not yet executed a Reservation Agreement or a Residency Agreement (as the case may be). Messiah Village reserves the right, in its sole discretion, to extend any promotional offers to an applicant who has already executed a Reservation Agreement or a Residency Agreement (as the case may be).

Refund Policy

Termination before Occupancy

If the resident does not terminate the Residency Agreement within the seven (7) day rescission period, but does terminate prior to the designated occupancy date or actual date of occupancy, whichever is earlier, while not precluded from taking occupancy by illness, injury, incapacity, or death; then, for a completed residence, Messiah Village will retain the reservation fee and, if applicable, the interim payment, and for unbuilt residences, Messiah Village shall retain the processing fee.

Reference should be made to the Residency Agreement for further information.

Termination after Occupancy

In the event of termination after occupancy for any reason, the following refund provisions shall apply depending on the entrance fee plan selected by the resident:

For the 0% and 50% refundable plans, the Entrance Fee, less the refund percentage times the Entrance Fee as applicable, shall be amortized by Messiah Village on a decreasing basis for a period of fifty (50) months from the Designated Occupancy Date or Date of Occupancy, whichever is earlier. After the lapse of fifty (50) months, the Entrance Fee shall be amortized in full by Messiah Village, and only the refund percentage times the Entrance Fee as applicable will be refunded subject to the conditions of Section 14 of the Residency Agreement. In the event of termination of this Agreement, during the fifty (50) month amortization period, any unamortized amounts prorated on a monthly basis, less any amounts deducted to cover costs incurred by Messiah Village to refurbish, restore or repair the Residence in the event of unreasonable wear and tear, or to cover costs incurred at the specific request of resident, or to satisfy unpaid charges, and less any deductions for financial assistance provided resident by Messiah Village in accordance with Messiah Village's Benevolent Care Policy, shall be refunded to resident subject to the conditions of Section 14 of the Residency Agreement.

For the 90% refundable plan, the refund percentage times the Entrance Fee as applicable will be refunded subject to the conditions of Section 14 of the Residency Agreement. Such refund is subject to deductions for any amounts deducted to cover costs incurred by Messiah Village to refurbish, restore or repair the Residence in the event of unreasonable wear and tear, or to cover costs incurred at the specific request of resident, or to satisfy unpaid charges, or for financial assistance provided resident by Messiah Village.

Reference should be made to the Residency Agreement for further information.

Payment of a Monthly Service Fee

Messiah Village reserves the right, at any time, upon thirty (30) days' notice to the resident, to adjust the Monthly Service Fees. The Monthly Service Fees are listed in **EXHIBIT D**.

Reference should be made to the Residency Agreement for further information.

The following services are included in the Monthly Service Fee for Residential Living:

- Use of living accommodations
- Sewer, water, and refuse collection
- Maintenance of grounds/snow removal
- Repair, maintenance, and replacement of property and equipment provided by Messiah Village
- Insurance of the building
- Television service (basic)
- Real estate taxes
- Heat and air conditioning in Allegheny and Tuscarora Apartments
- All electric and gas including heat and air conditioning in Village Square Apartments
- Monthly Dining Dollar allowance, which may be used for purchasing food services at the campus dining venues for residents or their guests (applicable to those moving in after July 1, 2015)
- Limited scheduled local transportation
- Priority admission to the Personal Care and Nursing centers, as space is available, at the rates then applicable
- Use of common facilities, such as dining venues, lobbies, chapel, library and social areas
- Recreational facilities including the indoor swimming pool, wellness center and walking trails
- Pastoral Ministries, Activities, Security, and Social Services
- Open parking spaces
- Covered parking space (Village Square Apartments only)
- Housekeeping of all public areas
- Bi-monthly housekeeping in Village Square Apartments
- Guest Wi-Fi in Village Square and Certain common areas on campus

The following services are available to residents in Residential Living on a fee-for-service basis:

- Electricity in cottage homes and Allegheny and Tuscarora Apartments
- Heat and air conditioning and gas in the cottage homes
- Meals

- Telephone and internet service
- Redecoration, including interior paint and flooring
- Personal care and nursing care on a space-available basis
- Adult day services; respite services
- Licensed Nurse to triage medical concerns
- Home care services: Personal, In-Home and Technology Solutions
- Home Health services
- Salon/Barber services
- Off campus Transportation
- Podiatrist
- Rehabilitative Therapies (physical, occupational and speech therapy)
- Prescription drugs
- Audiology Services
- Psychiatry/Psychology Services
- Special Maintenance & Grounds projects

Reference should be made to the Residency Agreement for further information. A copy is attached at **EXHIBIT C**.

Personal Care and Nursing Fees

Residents have priority access to personal care and nursing care services at Messiah Village in accordance with Messiah Village's policy. Residents must satisfy all admission criteria as a condition for eligibility to participate in the priority access policy.

The personal care and nursing care contracts signed by residents of Messiah Village are fee-for-service contracts. If a resident needs personal care or nursing care services, a new agreement is signed for that level of care.

Individuals entering Messiah Village's nursing and personal care centers pay a daily rate per person. Except for individuals entering Messiah Village's nursing center under a third party payment arrangement, individuals entering Messiah Village's nursing and personal care homes who are not Residential Living residents of Messiah Village are also required to pay a non-refundable admission fee of $500 for nursing or $750 for personal care. The schedule on the next page summarizes the daily fees for Personal Care and Nursing Care effective July 1, 2021.

Personal Care		**Daily Rate Per Person**	
		Single	**Double**
Basic Services			
Juniata	(250 Sq. Ft.)	$123.50	N/A
Delaware	(275 Sq. Ft.)	$126.50	N/A
Ohio	(377 Sq. Ft.)	$195.00	$123.50
Susquehanna/Brandywine	(492 Sq. Ft.)	$208.00	$127.50
Winfield	(532 Sq. Ft.)	$225.00	$144.00
Bradford/Belmont	(592-608 Sq. Ft.)	$231.50	$152.50
Augusta	(767 Sq. Ft.)	$240.00	$159.00
Personal Support Services			
Juniata	(250 Sq. Ft.)	$195.00	N/A
Delaware	(275 Sq. Ft.)	$199.00	N/A
Ohio	(377 Sq. Ft.)	$244.00	$176.50
Susquehanna/Brandywine	(492 Sq. Ft.)	$265.50	$200.50
Winfield	(532 Sq. Ft.)	$281.00	$214.50
Bradford/Belmont	(592-608 Sq. Ft.)	$288.00	$223.50
Augusta	(767 Sq. Ft.)	$295.00	$230.50
Memory and Health Support Services			
Juniata	(250 Sq. Ft.)	$259.50	N/A
Delaware	(275 Sq. Ft.)	$259.50	N/A
Ohio	(377 Sq. Ft.)	$289.00	$222.50

Susquehanna/Brandywine	(492 Sq. Ft.)	$321.50	$259.50
Winfield	(532 Sq. Ft.)	$336.00	$273.50
Bradford/Belmont	(592-608 Sq. Ft.)	$343.50	$282.00
Augusta	(767 Sq. Ft.)	$350.50	$289.00

Nursing	**Daily Rate Per Person**	
	Semi-Private	**Private**
Long-Term Nursing Care	$427.50	$470.50 - $472.50
Memory Care Neighborhood	$449.00	$491.50

Frequency and Average Dollar Amount of Increase in Periodic Rates for the Previous Five Years

Messiah Village has been operating as a licensed CCRC since 1986. The frequency and average dollar amount of the increase in periodic rates for the previous 5 years is shown in **EXHIBIT E**.

Average Annual Cost of Providing Services

The average annual cost for providing services from the previous operating fiscal year is available at **EXHIBIT F**.

Escrow and Reserve Funds

Reserve Funds

Under Section 9 of the Continuing Care Provider Registration and Disclosure Act ("Act 82"), a provider must establish and maintain a specified dollar amount of liquid reserves.

Messiah Village has designated its Heritage Fund to meet the reserve requirements of Act 82. These funds ($42,606,828 as of June 30, 2021) are invested in instruments which are easily converted to cash such as money market funds, marketable securities and mutual funds.

This reserve requirement is shown as a separate line item on the Balance Sheet. These funds are invested by PNC Investment Advisors in consultation with the Chief Financial Officer and the Finance and Shared Services Committee of the Messiah Lifeways Board of Directors.

The minimum liquid reserve amount for Messiah Village was determined to be $2,575,000. Calculations establishing the reserve requirement are described below.

Budget Operating Expenses for the Year Ending June 30, 2022	$ 49,168,271
Less: Budgeted Depreciation and Amortization Expense	$ (7,755,468)
Expenses Subject to Minimum Liquid Reserve Requirement	$ 41,412,803
Percentage of Residents Subject to Entrance Fee Agreements	62.18%
Subtotal	$ 25,750,481
Statutory Requirement	10%
Statutory Minimum Liquid Reserve	$ 2,575,048

Entrance Fee Escrow Account

Any and all deposits made prior to the occupancy date by the resident toward the total entrance fee for a Residential Living unit will be deposited into an escrow account subject to release in accordance with the guidelines established by the Department of Insurance. The Escrow Agent is Branch Banking and Trust Co. (BB&T) PO Box 2887 Wilson, NC 27894-2887.

Reference should be made to the Residency Agreement for further information.

Financial Statements

A copy of the financial statements for Messiah Lifeways and Controlled Entities for fiscal years ended June 30, 2021 and June 30, 2020, prepared and audited by Baker Tilly Virchow Krause, LLP, certified public accountants, are attached as **EXHIBIT H.**

A Projected Financial Analysis was prepared by the Secretary-Treasurer Tracy L. Biesecker, MBA, NHA, and is attached as **EXHIBIT G**.

Residency Agreement

The Residency Agreement governs the relationship and explains the mutual obligations between the resident and Messiah Village. All terms of the agreement are reflected in the Residency Agreement and its attached exhibits. The Residency Agreement also provides a grievance procedure that includes a voluntary mediation provision and a mandatory, binding arbitration provision. Residents should review the Residency Agreement for further explanation. See **EXHIBIT C**.

Right to Rescind

Resident may rescind and terminate the Residency Agreement without penalty or forfeiture within seven (7) days of signing the Residency Agreement. Residents are not required to move into the Residential Living cottage or apartment before the expiration of this seven (7) day period. To rescind their Residency Agreement, resident must mail or deliver a signed and dated copy of a Rescission Notice or any other dated written notice, letter or telegram, stating their desire to rescind to Messiah Village. A Notice of Right to Rescind is included in the Residency Agreement.

Resident Right to Organize

Residents shall have the right to elect a Residents' Association to represent the welfare and concerns of the residents. A representative of Messiah Village designated by a member of the Board of Directors will hold quarterly meetings with residents for purposes of free discussion of topics related to living at Messiah Village. Residents will be given at least seven (7) days' notice of all such meetings.

Receipt

The undersigned hereby acknowledges delivery and receipt of Messiah Lifeways at Messiah Village Disclosure Statement dated _______________ and all attachments including a copy of the Residency Agreement and the Notice of Right to Rescind.

____

Signature of First Resident

____

Signature of Co-Resident

____

Signature of Responsible Party/Family Member (if applicable)

____

Date

MESSIAH LIFEWAYS AT MESSIAH VILLAGE
EXHIBIT "A"
Messiah Home Board of Directors

Name	Business Address
Karl Brummer, Chair	100 Mt. Allen Drive, Mechanicsburg, PA 17055
Kelli Mills, Vice Chair	100 Mt. Allen Drive, Mechanicsburg, PA 17055
Tracy Biesecker, Corporate Secretary/ Treasurer	100 Mt. Allen Drive, Mechanicsburg, PA 17055
Ramona S. Engle	100 Mt. Allen Drive, Mechanicsburg, PA 17055

MESSIAH LIFEWAYS AT MESSIAH VILLAGE
EXHIBIT “B”
Business Experience of Key Management Personnel, Controlling Parties, & Operating Officers

Karl J. Brummer, MBA, SPHR, President & CEO. Mr. Brummer serves as Chairman of the Board of Trustees for Messiah Home. Mr. Brummer began serving as President & CEO of Messiah Lifeways in September 2021. Prior to this role, Mr. Brummer served as the Senior Vice President at Messiah Lifeways for eight years, and was responsible for overseeing Human Resources, Enrichment Services and Community Support Services. Prior to that, he served at another CCRC, where his role was the Senior Executive Vice President for six years. His previous industry experiences include a variety of human resources and leadership roles domestically and internationally. He serves as the Secretary & Treasurer for the Brethren in Christ Church Foundation and has served as an adjunct instructor at Elizabethtown College, Eastern University, Harrisburg University and Messiah University. He has served on numerous advisory boards of directors for local non-profit organizations. Mr. Brummer holds a bachelor’s degree in Human Resource Management from Messiah College and an MBA from Kutztown University; he is a Certified Aging Services Professional (CASP), a Senior Certified Human Resource Professional (SHRM-SCP) and a Senior Professional in Human Resources (SPHR).

Tracy L. Biesecker, MBA, NHA, CASP, Chief Financial Officer. Ms. Biesecker is responsible to secure, manage, and plan for the current and future financial and information resources necessary to fulfill the mission of Messiah Lifeways and its affiliates. In her role, Ms. Biesecker provides oversight and support to the Fiscal Services Department, Information Technology Department, Compliance and Risk Management, and Clinical Informatics. Ms. Biesecker began working as Messiah Lifeways CFO in May 2018, and has been with the organization since December 2017. Prior to joining Messiah Lifeways, she served as Executive Director at SpiriTrust Lutheran, The Village at Gettysburg, in Gettysburg, Pennsylvania. Previous industry experience includes Vice President of Operations and Technology and Director of Financial Services at another senior living community for an eleven-year tenure, and four-year tenure at the public accounting firm of PricewaterhouseCoopers where she audited clients in the senior living, healthcare, and banking industries. She holds a Bachelor of Science in Accounting and a minor in Information Systems from Pennsylvania State University and a Masters of Business Administration from Shippensburg University. Ms. Biesecker holds a Nursing Home Administrators license in the state of Pennsylvania and an inactive license as a CPA within Pennsylvania.

Kelli Mills, MHA, BSW, NHA, Vice President of Operations. Ms. Mills began her employment as a Certified Nursing Assistant at Messiah Village in 1989, from which she advanced to the role of Program Coordinator and assisted in the opening of the Messiah Village Adult Day Center following her completion of her undergraduate degree in 1993. Ms. Mills served Messiah Lifeways in a variety of roles over a 10 year period (Neighborhood Manager, Admissions Director, Director of Social Services, and ANHA). After gaining additional work experience with other organizations in Hospice and acute care settings, she returned to Messiah Lifeways in February of 2009 as the Administrator of Residential Living. She held this role from 2009-2016 when she transitioned to her current role as VP of Operations. Her responsibilities include providing supervision and support to the following Departments and Levels of Living: Residential Living, Personal Care, Nursing, Campus Services, Construction Services, Rehab Services, Dining Services, and Mount Joy Country Homes. Ms. Mills' previous experience includes working for Pinnacle Health Hospice and Holy Spirit Hospital, serving in the role of medical social worker and acute care discharge planner. Ms. Mills earned her bachelor's degree from Millersville University, her NHA from York College and a Masters of Health Administration from the Indiana University of Pennsylvania. She is a licensed nursing home administrator.

Christina Weber, MSW, LSW, Vice President of Human Resources and Community Support Services. Ms. Weber began serving in this role in September 2021. Her responsibilities at Messiah Lifeways include overseeing the Human Resources and Community Support Services departments. In this role, she serves as the chief human resources officer and is responsible for the supervision, planning and execution of all human resources functions and programs. In addition, Ms. Weber provides vision, direction and oversight to all service lines occurring in the community at large, with the goal of attaining sustainable and useful services and operations that support the Messiah Lifeways mission. Prior to assuming her current position, she supported older adults in the community and on campus through her work as the Senior Director of Community Support Services with Messiah Lifeways Community Support Services ("CSS"). At CSS she focused on building a stable and engaged workforce that is trained to offer high quality service through At Home, Messiah Lifeways' non-medical home care agency, Adult Day Services and its two senior centers. Ms. Weber is a licensed social worker and has a Master's Degree in Social Work from Temple University and she is a graduate of Goshen College in Goshen, Indiana with a Bachelor of Arts in Communications.

Alicia Titus, MBA, joined Messiah Lifeways in 2018 as Vice President for Mission Advancement and in her role, oversees Marketing and Communications, Enrichment Services, and the Welcome Centers. Ms. Titus previously served as Senior Vice President of Education and Research at LeadingAge PA, an association that represents not-for-profit senior service providers across Pennsylvania where she supported members through the development of member education and resources to help them navigate current and anticipated consumer trends and shifts. Additionally, her professional experience includes conducting market research and demographic trend analysis, competitor profiles, penetration analysis and market strategies for the development of new senior housing products and/or programs. Alicia holds two undergraduate degrees in Marketing & Information Systems from Penn State University and an MBA with a concentration in Healthcare Management from Lebanon Valley College.

MESSIAH LIFEWAYS AT MESSIAH VILLAGE

EXHIBIT "C"

Residency Agreement

(Separate attachment)

MESSIAH LIFEWAYS AT MESSIAH VILLAGE

EXHIBIT "D"

Entrance Fees and Monthly Service Fees Effective 7/1/2021

	Cottage Type	Bed-rooms	Baths	Living Sq. Ft.	Garage	Entrance Fee (1)	Monthly Fee (2)
Cottages							
Franklin	Quadruple	1	1	730	–	$100,900	$1,290.50
Cumberland I	Duplex	2	1	940	1	$166,500	$1,484.00
Lancaster	Quadruple	2	1	910	1	$181,100	$1,502.00
Cumberland II	Duplex	2	2	1,300	1	$217,500	$1,537.50
Chester	Duplex	2	2	1,245	1	$233,100	$1,537.50
Washington	Terrace	2	2	1,545	1	$274,700	$1,618.00
Jefferson	Terrace	2	2	1,516	1	$262,100	$1,583.50
Chester II	Duplex	2	2	1,496	1	$289,300	$1,571.50
Northampton I	Duplex	2	2	1,640	1	$294,500	$1,702.00
Northampton II	Duplex	2	2	1,640	1	$301,700	$1,702.00
Northampton III	Single	2	2	1,640	1	$316,300	$1,782.00
Cambria	Single	3	2	1,635	1	$325,700	$1,782.00
Somerset I	Duplex	2	2	1,856	1	$335,000	$1,898.50
Somerset II	Duplex	2	2	1,887	2	$367,300	$1,930.00
Somerset III	Single	2	2	1,893	2	$394,300	$2,028.00
Village Commons Apartments							
Conestoga		Studio	1	420	–	$72,800	$1,163.50
Tioga		1	1	575	–	$108,200	$1,368.50

Tioga II		1	2	788	–	$148,800	$1,516.50
Lycoming		2	1	880	–	$168,500	$1,725.50
Lehigh		2	2	880	–	$168,500	$1,725.50
Clarion		2	2	880-1,048	–	$174,800	$1,787.00
York		2	2	1,003	–	$187,300	$1,815.00
Montgomery		2	2	1,100	–	$208,100	$2,071.50
Cameron I		2	1.5	1,188	–	$214,300	$2,128.00
Cameron II		2	2	1,173	–	$214,300	$2,128.00
Clearfield		2	2	1,200	–	$228,900	$1,973.50
Westmoreland		2	2	1,472	–	$259,100	$2,195.00
Village Square Apartments							
Crimson I		1	1	793	–	$170,600	$1,776.50
Crimson II		1	1	793	–	$174,800	$1,776.50
Seneca I		1	1.5	980	–	$212,300	$2,198.50
Seneca II		1	1.5	980	–	$215,300	$2,198.50
Chapman		1	1.5	1,098	–	$241,300	$2,465.50
Hudson		2	2	1,145	–	$250,700	$2,571.50
Wellington		2	2	1,224	–	$268,500	$2,750.00
Brooks		2	2	1,300	–	$282,900	$2,921.50
Park Hill		2	2.5	1,365	–	$300,700	$3,068.50
Vista		2	2.5	1,394	–	$306,900	$3,134.00
North Star I		2	2.5	1,719	–	$372,500	$3,868.50
North Star II		2	2.5	1,719	–	$377,700	$3,868.50

(1) Entrance Fees reflect base prices at a 0% refund option. Upgrade features such as finished basements, four-season rooms, additional rooms and other options may be available with adjustments to the base price. Pricing available for additional refund options of 50% and 90%.

(2) A second person fee of $357.50 per month will be charged for double occupancy in cottages and Village Commons apartments and a second person fee of $514.00 per month will be charged for double occupancy in Village Square apartments.

In the event that a resident subsequently marries or an additional occupant moves in with an existing resident, please refer to the Residency Agreement for full details regarding additional fees.

MESSIAH LIFEWAYS AT MESSIAH VILLAGE

EXHIBIT “E”

Table Showing Frequency & Average Dollar Amount of Each Increase in Periodic Rates for the Previous Five Years

(Residential Living Monthly Fee, Personal Care Rates, and Nursing Care Rates)

	Average Dollar and Percentage Increase in Selected Rates				
	7/1/17	**7/1/18**	**7/1/19**	**7/1/20**	**7/1/21**
Residential Living - Monthly Charge	$46	$70	$63	$62	$62
	4.0%	4.0%	3.5%	4%	3.5%
Personal Care Daily Rate - Basic Services	$6	$6	$5	$5	$8
	4.0%	4.0%	3.5%	3.5%	4.5%
Personal Care Daily Rate - Personal Support	$7	$7	$6	$7	$10
	4.0%	4.0%	3.5%	3.5%	4.5%
Personal Care Daily Rate - Memory and Health Support	$9	$9	$7	$10	$13
	4.0%	4.0%	3.5%	3.5%	4.5%
Nursing Care Daily Rate	$15	$16	$14	$17	$20

Messiah Lifeways at Messiah Village received its Certificate of Authority during the fiscal year ending June 30, 1986 and is licensed to operate as a Continuing Care Retirement Community.

MESSIAH LIFEWAYS AT MESSIAH VILLAGE

EXHIBIT "F"

Average Cost of Providing Care & Services during the Year Ending June 30, 2021

Total Residential Living Operating Expenses	$10,298,305
Resident Days	167,779
Average Annual Cost per Resident Day	$61.38
Average Annual Cost per Resident	$22,404

MESSIAH LIFEWAYS AT MESSIAH VILLAGE
EXHIBIT "G"
Projected Financial Analysis

MESSIAH LIFEWAYS AT MESSIAH VILLAGE
STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS
FOR THE PERIODS ENDED JUNE 30

	BUDGET 2022
REVENUES	
Net Resident Services Revenues	$ 43,692,791
Other Revenue	949,701
Contributions and Releases From Restriction	1,572,040
TOTAL REVENUE	46,214,532
EXPENSES	
Salaries, Wages and Benefits	19,420,542
Fees, Purchased Services and Supplies	14,884,482
Administrative	469,916
Building Operations and Maintenance	1,996,615
Insurance and Real Estate Taxes	1,590,416
Interest Expense	3,050,832
Depreciation and Amortization	7,755,468
TOTAL EXPENSES	49,168,271
OPERATING INCOME (LOSS)	(2,953,739)
NONOPERATING GAINS (LOSSES)	
Contributions, Grants and Bequests	25,000
Investment Return	1,842,419
Other Non-Operating Gains (Losses)	(24,000)
CHANGE IN UNRESTRICTED NET ASSETS	(1,110,320)
NET ASSETS WITH DONOR RESTRICTIONS	
Contributions:	
Purpose Restricted	50,000
Held in Perpetuity	305,000
Investment Return	1,328,878
Net Assets Released From Restriction Used For Operations	(1,372,040)
CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS	311,838
CHANGE IN NET ASSETS	$ (798,482)

MESSIAH LIFEWAYS AT MESSIAH VILLAGE

EXHIBIT “H”

Financial Statements

Messiah Lifeways and Controlled Entities

Consolidated Financial Statements
and Supplementary Information

June 30, 2021 and 2020

Independent Auditors' Report

To the Board of Directors of
Messiah Lifeways and Controlled Entities

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Messiah Lifeways and Controlled Entities, which comprise the consolidated balance sheets as of June 30, 2021 and 2020, and the related consolidated statements of operations and changes in net assets and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Messiah Lifeways and Controlled Entities as of June 30, 2021 and 2020, and the results of their operations and changes in net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information on pages 25 through 28 is presented for purposes of additional analysis rather than to present the financial position, results of operations and changes in net assets of the individual companies and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Baker Tilly US, LLP

Philadelphia, Pennsylvania
September 22, 2021

Messiah Lifeways and Controlled Entities

Consolidated Balance Sheets
June 30, 2021 and 2020

	2021	2020
Assets		
Current Assets		
Cash and cash equivalents	$ 11,041,989	$ 13,482,573
Current portion of assets whose use is limited	1,930,776	1,894,171
Accounts receivable:		
Residents, net	1,242,067	1,824,432
Other	662,471	645,708
Prepaid expenses and other current assets	897,119	869,889
Total current assets	15,774,422	18,716,773
Assets Whose Use is Limited, Net	2,663,294	2,677,292
Investments	67,662,153	52,978,678
Act 82 Reserve	2,645,000	2,788,000
Property and Equipment, Net	116,781,086	122,216,095
Contract Acquisition Costs, Net	284,723	350,103
Other Assets	1,059,531	1,094,838
Total assets	$ 206,870,209	$ 200,821,779
Liabilities and Net Assets		
Current Liabilities		
Current maturities of long-term debt	$ 1,836,638	1,763,691
Accounts payable:		
Trade	1,136,714	1,471,630
Construction	15,855	101,755
Accrued expenses	3,059,118	3,483,812
Deferred grant revenue	-	935,132
Current portion of split-interest obligations	71,627	82,385
Refundable entrance fees	2,154,684	1,673,661
Total current liabilities	8,274,636	9,512,066
Long-Term Debt, Net	78,945,453	80,677,891
Refundable Entrance Fees and Deposits	22,786,006	23,048,813
Deferred Revenues From Entrance Fees	35,894,204	36,756,262
Derivative Financial Instruments	3,831,240	5,805,253
Split-Interest Obligations, Net	366,275	438,980
Total liabilities	150,097,814	156,239,265
Net Assets		
Without donor restrictions	31,593,959	24,554,258
With donor restrictions	25,178,436	20,028,256
Total net assets	56,772,395	44,582,514
Total liabilities and net assets	$ 206,870,209	$ 200,821,779

See notes to consolidated financial statements

	2021	2020
Revenues Without Donor Restrictions		
Net resident service revenues	$ 44,681,688	$ 51,247,430
Other revenues	2,082,402	2,594,460
Grant revenue	1,890,112	902,281
Contributions and net assets released from restriction used for operations	1,343,319	1,454,040
Total revenues without donor restrictions	49,997,521	56,198,211
Expenses		
Salaries, wages and benefits	25,306,826	25,647,605
Fees, purchased services and supplies	12,212,135	12,385,713
Depreciation and amortization	8,272,631	8,188,733
Interest	3,135,167	3,346,343
Building operations and maintenance	2,292,341	2,467,449
Other operating expenses	1,147,118	1,610,412
Insurance and real estate taxes	2,048,920	1,916,523
Total expenses	54,415,138	55,562,778
Operating (loss) income	(4,417,617)	635,433
Nonoperating Gains (Losses)		
Investment return	9,350,250	737,615
Contributions	130,465	238,707
Change in value of split-interest obligations	8,386	(115,677)
Change in fair value of derivative financial instruments	1,974,013	(2,938,959)
Loss on disposal of property and equipment	(67,603)	(425,461)
Revenues in excess of (less than) expenses	6,977,894	(1,868,342)
Net Assets Released From Restriction Used for Property and Equipment	61,807	74,226
Change in net assets without donor restrictions	7,039,701	(1,794,116)
Net Assets With Donor Restrictions		
Contributions:		
Purpose restricted	183,241	255,928
Held in perpetuity	1,225,654	197,168
Investment return	5,039,567	361,289
Change in value of split-interest obligation	2,814	(33,566)
Change in cash surrender value of life insurance and agency endowment, net of expense	(8,080)	(36,231)
Net assets released from restriction used for:		
Operations	(1,231,209)	(1,301,153)
Property and equipment	(61,807)	(74,226)
Change in net assets with donor restrictions	5,150,180	(630,791)
Change in net assets	12,189,881	(2,424,907)
Net Assets, Beginning	44,582,514	47,007,421
Net Assets, Ending	$ 56,772,395	$ 44,582,514

See notes to consolidated financial statements

Messiah Lifeways and Controlled Entities

Consolidated Statements of Cash Flows
Years Ended June 30, 2021 and 2020

	2021	2020
Cash Flows From Operating Activities		
Change in net assets	$ 12,189,881	$ (2,424,907)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	8,272,631	8,188,733
Loss on disposal of property and equipment	67,603	425,461
Amortization of bond premium	(160,734)	(167,839)
Amortization of debt issuance costs	104,200	107,361
Bad debt expense	99,996	330,006
Proceeds from entrance fees and entrance fee deposits, existing units	4,334,548	6,025,199
Amortization of entrance fees	(4,732,041)	(4,844,376)
Net realized and unrealized gains and losses on investments	(13,029,608)	535,572
Change in fair value of derivative financial instruments	(1,974,013)	2,938,959
Change in value of split-interest obligations	(11,200)	115,677
Contributions received restricted for long-term purposes	(1,408,895)	(453,076)
Changes in assets and liabilities:		
Accounts receivable, resident and other	630,306	(838,346)
Prepaid expenses and other current assets	(27,230)	(185,252)
Other assets	35,307	7,930
Accounts payable, trade	(334,916)	269,154
Accrued expenses	(424,694)	108,311
Deferred grant revenue	(935,132)	935,132
Net cash provided by operating activities	2,696,009	11,073,699
Cash Flows From Investing Activities		
Net purchases of assets whose use is limited and investments	(1,510,867)	(531,185)
Purchase of property and equipment	(2,925,745)	(4,836,677)
Net cash used in investing activities	(4,436,612)	(5,367,862)
Cash Flows From Financing Activities		
Repayment of long-term debt	(1,602,957)	(1,696,853)
Proceeds from refundable entrance fees, existing units	2,642,537	1,526,874
Refunds of entrance fees	(3,053,586)	(2,787,271)
Net repayments on split-interest obligations	(72,263)	(82,385)
Contributions received restricted for long-term purposes	1,408,895	453,076
Net cash used in financing activities	(677,374)	(2,586,559)
Net change in cash, cash equivalents and restricted cash and cash equivalents	(2,417,977)	3,119,278
Cash, Cash Equivalents, and Restricted Cash and Cash Equivalents, Beginning	18,054,036	14,934,758
Cash, Cash Equivalents, and Restricted Cash and Cash Equivalents, Ending	$ 15,636,059	$ 18,054,036
Reconciliation of Cash, Cash Equivalents and Restricted Cash and Cash Equivalents		
Cash and cash equivalents	$ 11,041,989	$ 13,482,573
Assets whose use is limited	4,594,070	4,571,463
Total cash, cash equivalents and restricted cash and cash equivalents	$ 15,636,059	$ 18,054,036
Supplemental Disclosure of Cash Flow Information		
Cash paid for interest, net of capitalized interest	$ 3,221,713	$ 3,480,326
Supplemental Disclosure of Noncash Investing and Financing Activity		
Obligations incurred for the acquisition of property and equipment	$ 15,855	$ 101,755

See notes to consolidated financial statements

1. Nature of Operations, Principles of Consolidation and Summary of Significant Accounting Policies

Organization

Messiah Lifeways and Controlled Entities (collectively, the Corporation) is comprised of the following:

Messiah Lifeways (ML) is a not-for-profit holding company (parent) which controls the following: Messiah Home d/b/a Messiah Lifeways at Messiah Village (the Village), Messiah Family Services d/b/a Messiah Lifeways at Mount Joy Country Homes (Mount Joy) and Messiah Lifeways Community Support Services (MLCSS). ML is the sole member of these three entities.

The Village is a not-for-profit corporation that operates a continuing care retirement community. The Village provides housing, healthcare and other related services to older adults through the operation of nursing facilities, personal care units, independent living cottages and independent living apartments.

Mount Joy is a not-for-profit corporation that provides housing to residents 55 and older through the operation of independent living cottages located in Mount Joy, Pennsylvania.

MLCSS is a not-for-profit corporation that provides a network of community services for older adults that includes home care, an adult day program and a senior center.

As a ministry of the Brethren in Christ Church, the Corporation's mission is to "responsibly enhance the lives of older adults with Christ-like love". The Corporation offers a network of opportunities for adults 55 and older in South Central, PA.

The Village and Mount Joy both received a Certificate of Authority from the Pennsylvania Insurance Department to operate a Continuing Care Retirement Community (CCRC) under the Pennsylvania Continuing Care Provider Registration and Disclosure Act (Act 82).

The Corporation's operations are located in Mechanicsburg and Mount Joy, Pennsylvania. Their primary market area includes the greater Harrisburg area and surrounding communities.

Principles of Consolidation

The consolidated financial statements include the accounts of ML, the Village, Mount Joy and MLCSS after elimination of all significant intercompany balances and transactions.

Cash and Cash Equivalents and Restricted Cash and Cash Equivalents

For purposes of the consolidated statements of cash flows, cash, cash equivalents, and restricted cash and cash equivalents includes investments in highly liquid debt instruments purchased with an original maturity of three months or less.

Accounts Receivable, Residents

The Corporation assesses collectability on all resident accounts prior to providing services. An allowance for uncollectible accounts is recognized to reduce accounts receivable to its net realizable value for impairment of revenues for changes in resident credit worthiness. The allowance is estimated by management based on factors such as aging of the accounts receivable, and anticipated collection of the consideration. Accounts are written off through bad debt expense when the Corporation has exhausted all collection efforts and accounts are deemed impaired.

The allowance for uncollectable accounts totaled approximately $489,000 and $479,000 at June 30, 2021 and 2020, respectively.

Investments and Investment Risk

Investments include assets set aside by the board of directors for future capital improvements and charity care, over which the board retains control and may, at its discretion, subsequently use for other purposes; assets to be held by the Corporation in perpetuity; assets whose use by the Corporation has been limited by donors to specific purposes; and assets designated as a required reserve in accordance with Act 82.

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the consolidated balance sheets. Investment income or loss (including interest, dividends, capital gain distributions and realized and unrealized gains and losses) is included in revenues in excess of (less than) expenses unless the income or loss is restricted by donor or law. Interest income is measured as earned on the accrual basis. Dividends are measured using the ex-dividend date. Purchases and sales of securities and realized gains and losses are recorded on a trade-date basis.

The Village and Mount Joy's investments are comprised of a variety of financial instruments and are managed by investment advisors. The fair values reported in the consolidated balance sheets are subject to various risks including changes in the equity markets, the interest rate environment and general economic conditions. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the fair value of investment securities, it is reasonably possible that the amounts reported in the consolidated balance sheets could change materially in the near term.

Assets Whose Use is Limited

Assets whose use is limited generally includes board designated assets, assets held by a bond trustee under trust indentures, escrow funds held by the Borough of Mount Joy in connection with Mount Joy's multi-year expansion plan, and entrance fee deposits for new independent living cottage units. Amounts available to meet current liabilities of the Corporation have been classified as current assets in the consolidated balance sheets.

Property and Equipment

Property and equipment acquisitions are recorded at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Depreciation was $8,207,251 in 2021 and $8,085,847 in 2020.

Gifts of long-lived assets such as land, buildings, or equipment are reported as without donor- restricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service.

Contract Acquisition Costs, Net

Contract acquisition costs include incremental costs of obtaining residency agreements that would not have been incurred if the agreements were not obtained and are recorded at cost. Contract acquisition costs are amortized over the estimate life expectancy of the residents using the straight-line method, which approximates the period of time that goods and services are expected to be transferred to residents. Amortization of contract costs was $65,380 and $102,886 during the years ended June 30, 2021 and 2020, respectively.

Entrance Fees

The Village

Under certain entrance fee plans for independent living units, the Village receives payments in advance, in accordance with the terms of Residency Agreements. The entrance fee plans primarily consist of two refundable options and a nonrefundable option. The two refundable options have a guaranteed refund component of either 50 percent or 90 percent of the entrance fee paid with the balance refundable on a decreasing basis for 50 months. The nonrefundable option has no guaranteed refund component and is refundable on a decreasing basis for 50 months. In 2015, the 90 percent refund option was changed so that the 10 percent remaining balance is not available for refund.

Refunds to residents are paid after the independent living unit has been re-occupied by another resident and the entrance fee for the re-occupied independent living unit has been paid in full. At June 30, 2021, the gross amount of contractual refund obligations under the Village's existing resident agreements approximates $27,188,000.

At the end of each year, management estimates the portion of entrance fee refunds that will be paid the following year to Village residents who executed Residency Agreements. These amounts were approximately $1,825,000 and $1,431,000 at June 30, 2021 and 2020, respectively, and are classified as current liabilities in the consolidated balance sheets.

Mount Joy

Under entrance free plans for its independent living units, Mount Joy receives payments in advance, in accordance with the terms of Residency Agreements. The entrance fee plans primarily consist of three refundable options that had a guaranteed refund component of either 90 percent, 65 percent, or 50 percent of the entrance fee paid with the balance refundable on a decreasing basis for 10, 35 or 50 months. In 2016, the 90 percent refund option was changed so that the 10 percent remaining balance is not available for refund. In January 2019, the entrance plan options changed. There are currently two refundable options and a nonrefundable option. One refundable option has a guaranteed refund component of 50 percent with the balance refundable on a decreasing basis for 50 months. Another refundable option has a guaranteed refund component of 90 percent with the remaining 10 percent not available for refund. The nonrefundable option has no guaranteed refund component and is refundable on a decreasing basis for 50 months.

Refunds to residents are paid after the independent living unit has been re-occupied by another resident and the entrance fee for the re-occupied independent living unit has been paid in full. At June 30, 2021, the gross amount of contractual refund obligations under Mount Joy's existing resident agreements approximates $8,972,000.

At the end of each year, management estimates the portion of entrance fee refunds that will be paid the following year to Village residents who executed Residency Agreements. These amounts were approximately $278,000 and $243,000 at June 30, 2021 and 2020, respectively, and are classified as current liabilities in the consolidated balance sheets.

General

The guaranteed refund component of entrance fees received is not amortized to revenue, and is classified as refundable entrance fees and deposits in the accompanying consolidated balance sheets. The balance of entrance fees received is amortized to revenue using the straight-line method over the annually adjusted estimated remaining life expectancies of the residents, and is classified as deferred revenues from entrance fees in the accompanying consolidated balance sheets.

The majority of services provided to the Village's and Mount Joy's independent living residents are paid for on a "fee-for-service" basis and are not included under the entrance fee plans.

Split-Interest Agreements

The Village receives charitable gift annuities as contributions. Under these agreements, the Village recorded the assets at fair value and the liabilities to the donor or their beneficiaries at the present value of the estimated future payments to be distributed by the Village to such individuals. The amount of the contribution is the difference between the asset and liability and is recorded as net assets without donor-restricted contributions, unless otherwise restricted by the donor.

Starting in March 2016, the Village has received as contributions, charitable gift annuities. These arrangements represent contracts between the Mennonite Foundation (the Foundation) and the donors. Donors transfer cash or investments to the Foundation and, in turn, receive periodic distributions from the Foundation. The contributions received by the Village are the unconditional rights to receive the remainder interest in the gift annuities. The amount of the contribution is the difference between the asset received by the Foundation and the present value of the estimated future payments to be distributed by the Foundation to the annuitants. These contributions are recorded as with or without donor restrictions contributions, in accordance with donor restrictions.

Debt Issuance Costs

Debt issuance costs incurred in connection with the issuance of long-term debt are amortized using the effective-interest method, over the period of the related debt. Amortization expense, which is included as a component of interest expense, was $104,200 in 2021 and $107,361 in 2020.

Derivative Financial Instruments

The Village entered into interest rate swap agreements, which are considered derivative financial instruments, to manage its interest rate risk on its long-term debt. The interest rate swap agreements are reported at fair value in the consolidated balance sheets and related changes in fair value are reported in the consolidated statements of operations and changes in net assets as change in fair value of derivative financial instruments.

Net Assets

Net assets, revenues, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions - net assets available for use in general operations and not subject to donor restrictions. All revenue not restricted by donors and donor-restricted contributions whose restrictions are met in the same period in which they are received are accounted for in net assets without donor restrictions.

Net Assets With Donor Restrictions - net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. All revenues restricted by donors as to either timing or purpose of the related expenditures or required to be maintained in perpetuity as a source of investment income are accounted for in net assets with donor restrictions. When a donor restriction expires, that is when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Net Resident Service Revenues

Net resident service revenues are reported at the amount that reflects the consideration the Corporation expects to receive in exchange for the services provided. These amounts are due from residents or third-party payors and include variable consideration for retroactive adjustments, if any, under reimbursement programs. Performance obligations are determined based on the nature of the services provided. Net resident service revenues are recognized as performance obligations are satisfied.

Net resident service revenues are primarily comprised of skilled nursing, personal care and independent living revenue streams, which are primarily derived from providing housing, skilled nursing, personal care and independent living services to residents at a stated daily or monthly fee, net of any explicit or implicit price concessions. The Corporation has determined that the services included in the stated daily or monthly fee for each level of care represents a series of distinct services that have the same timing and pattern of transfer. Therefore, the Corporation considers the services provided to residents in each level of care to be one performance obligation which is satisfied over time as services are provided. As such, skilled nursing, personal care and independent living revenues are recognized on a daily or month-to-month basis as services are rendered.

Revenue from nonrefundable entrance fees received are recognized through amortization of the nonrefundable entrance fee using the straight-line method over annually adjusted estimated remaining life expectancies of the residents which approximates the period of time the goods and services under the agreements are expected to be transferred to residents. The unamortized portion is classified as deferred revenues from entrance fees in the consolidated balance sheets. Amortization of nonrefundable entrance fees was $4,732,041 in 2021 and $4,844,376 in 2020.

The Corporation receives revenue for services under third-party payor programs, including Medicare, Medicaid and other third-party payors. Settlements with third-party payors for retroactive adjustments due to audits, reviews or investigations are included in the determination of the estimated transaction price for providing services. The Corporation estimates the transaction price based on the terms of the contract and correspondence with the third-party payor and historical payment trends, and retroactive adjustments are recognized in future periods as final settlements are determined.

Grant Revenue

Grant revenue includes amounts received from federal, state and local funding sources related to the COVID-19 pandemic. The Corporation accounts for this funding in accordance with the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958-605 guidance for conditional contributions and, accordingly, revenues are measured and recognized when barriers are substantially met, which occurs when the Corporation complies with the terms and conditions related to the purpose of the grant rather than those that are administrative in nature.

In March 2020, the Coronavirus Aid, Relief and Economic Security (CARES) Act was signed into law to combat the financial effects of COVID-19. The CARES Act created a Provider Relief Fund (PRF) to provide financial support for hospitals and other healthcare providers. The Corporation received $440,734 during 2021 and $1,423,960 during 2020 related to the PRF. The Corporation has incurred lost revenues and eligible expenses in accordance with the terms and conditions of the PRF of $1,356,099 and $508,595 as of June 30, 2021 and 2020, respectively, which were recognized and included in grant revenues in the accompanying consolidated statements of operations the year ended June 30, 2021 and 2020, respectively.

The Corporation also received $9,345 during 2021 and $393,686 during 2020 of CARES funding that was passed through the State of Pennsylvania Department of Human Services (DHS) under Act 24 of 2020. The Corporation has incurred lost revenues and eligible expenses in accordance with the terms and conditions of the state funding of $9,345 and $393,686 as of June 30, 2021 and 2020, respectively, which were recognized and included in grant revenues in the accompanying consolidated statements of operations the year ended June 30, 2021 and 2020, respectively.

The Corporation also received $350,151 during 2021 of other state and local funding that was recognized and included in grant revenues in the accompanying consolidated statements of operations during the year ended June 30, 2021.

Deferred grant revenue includes deferred revenue related to payments received of $935,132 from the PRF, which the Corporation determined the recognition criteria was not met as of June 30, 2020.

Management believes that the Corporation complied with all the terms and conditions for the PRF and state and local funding. However, the Department of Health and Human Services (HHS) and DHS have indicated the payments are subject to future reporting and audit requirements. Further, noncompliance with the terms and conditions of the PRF and state and local funding, which can be subject to future government review and interpretation, could result in repayment of some or all of the support. An estimate of the possible effects cannot be made as of the date these consolidated financial statements were issued and it's unknown whether there will be further developments in regulatory guidance.

The Corporation received and recognized $174,517 from the Federal Emergency Management Agency (FEMA) during 2021. Subsequent to June 30, 2021 the Corporation received $353,806 of funding from the American Rescue Plan and $120,276 from FEMA, that was not recognized during 2021.

Charity Care

The Village also provides charity care to residents who meet certain criteria without charge or at amounts less than its established rates. Because the Village does not pursue collection of amounts determined to qualify as charity care, such amounts are not reported as revenues. The costs associated with charity care services provided are estimated by applying a cost-to-charge ratio to the amount of gross uncompensated charges for the residents receiving charity care. The Village provided charity care at a cost of approximately $1,300,000 in 2021 and $900,000 in 2020.

Medical Assistance Reimbursement and Cost of Providing Care

The Village provides nursing care to Medical Assistance program beneficiaries at amounts less than its cost of providing care. The Village maintains records to identify and monitor the difference between the cost of providing care to Medical Assistance program beneficiaries and the payments received for services rendered. The costs associated with the services provided to Medical Assistance program beneficiaries include both direct costs and estimated indirect costs.
The difference between the estimated cost of providing care to Medical Assistance program beneficiaries and the payments received for services rendered was approximately $4,331,000 in 2021 and $2,630,000 in 2020.

Self-Insured Health Insurance

ML sponsors a self-funded employee benefit plan (the Plan) to provide healthcare benefits and services for its eligible employees and their dependents. ML contracts with an insurance company to provide certain administrative and other services in connection with the Plan. The contract also provides for a schedule of excess loss of $80,000 per participant and $1,000,000 in the aggregate.

Use of Estimates

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

Income Taxes

ML, the Village, Mount Joy and MLCSS are not-for-profit corporations as described in Section 501(c)(3) of the Internal Revenue Code and are exempt from federal income taxes on their exempt income under Section 501(a) of the Internal Revenue Code.

Measure of Operations

The Corporation's operating (loss) income includes all operating revenues and expenses that are an integral part of its program and supporting activities. Nonoperating activities are limited to resources that generate return from investments and other activities considered to be more unusual and nonrecurring in nature.

Revenues in Excess of (Less Than) Expenses

The consolidated statements of operations and changes in net assets includes the determination of revenues in excess of (less than) expenses. Changes in without donor restricted net assets which are excluded from the determination of revenues in excess of (less than) expenses, consistent with industry practice, include contributions of long-lived assets (including assets acquired using contributions which by donor restriction were to be used for the purposes of acquiring such assets).

Subsequent Events

The Corporation evaluated subsequent events for recognition or disclosure through September 22, 2021, the date the consolidated financial statements were issued.

2. Net Resident Service Revenues

The Corporation disaggregates revenue from contracts with customers by type of service and payor source as this depicts the nature, amount, timing and uncertainty of its revenue and cash flows as affected by economic factors. Resident services revenue consists of the following for the years ended June 30:

	2021			
	Skilled Nursing	**Personal Care**	**Independent Living**	**Total**
Private	$ 14,266,144	$ 11,384,619	$ 8,553,330	$ 34,204,093
Medicare	1,315,549	-	-	1,315,549
Medical assistance	3,656,855	-	-	3,656,855
Commercial insurance	773,150	-	-	773,150
Subtotal	$ 20,011,698	$ 11,384,619	$ 8,553,330	39,949,647
Amortization of entrance fees				4,732,041
Total				$ 44,681,688

	2020			
	Skilled Nursing	**Personal Care**	**Independent Living**	**Total**
Private	$ 15,521,732	$ 13,002,063	$ 8,204,147	$ 36,727,942
Medicare	4,514,402	-	-	4,514,402
Medical assistance	3,894,984	-	-	3,894,984
Commercial insurance	1,265,726	-	-	1,265,726
Subtotal	$ 25,196,844	$ 13,002,063	$ 8,204,147	46,403,054
Amortization of entrance fees				4,844,376
Total				$ 51,247,430

Payment terms and conditions for the Corporation's resident contracts vary by contract type and payor source, although terms generally include payment to be made within 30 days. Net resident service fee revenues for recurring and routine monthly services are generally billed monthly in advance. Net resident service fee revenues for ancillary services are generally billed monthly in arrears. Additionally, nonrefundable entrance fees are generally billed and collected in advance of move-in. Revenues collected from residents in advance are recognized as deferred revenue from entrance fees until the performance obligations are satisfied and are included in deferred revenues from entrance fees in the accompanying balance sheet. In 2021 and 2020, the Corporation recognized approximately $4,533,000 and $4,580,000, respectively of revenue that was included in the deferred revenue from entrance fees balance as of July 1, 2020 and 2019, respectively. The Corporation applies the practical expedient in ASC 606 and therefore does not disclose amounts for remaining performance obligations that have original expected durations of one year or less.

The Village has agreements with third-party payors that provide for payments to the Village at amounts different from its established rates. A summary of the principal payment arrangements with major third-party payors follows:

- **Medical Assistance** - Nursing services provided to Medical Assistance program beneficiaries are paid at prospectively determined rates per day. These rates vary according to a resident-specific classification system that is based on clinical, diagnostic and other factors and the reimbursement methodology is subject to various limitations and adjustments.

  The Department of Human Services (DHS) in the Commonwealth of Pennsylvania has implemented its mandatory Medical Assistance managed care program, Community HealthChoices (CHC). The primary goals of CHC are to better coordinate health care coverage and improve access to medical care. The services for which Medical Assistance program beneficiaries are eligible did not change under CHC.

  CHC became effective for the Village on January 1, 2020. Under CHC, each Medical Assistance program beneficiary is able to choose a managed care organization (MCO). The initial rate paid by the MCOs is subject to a "floor" equal to the average of each prior four quarters Medical Assistance rates. In addition, MCOs and nursing facilities may agree to higher or lower negotiated rates under an alternative payment methodology agreement. The rate "floors" are expected to be in effect for 36 months.

- **Medicare** - Nursing and ancillary services provided to Medicare Part A beneficiaries are paid at prospectively determined rates per day. These rates vary according to a resident-specific classification system that is based on clinical, diagnostic and other factors and the reimbursement methodology is subject to various limitations and adjustments.

  As described above, the Medicare Part A rates are based on clinical, diagnostic and other factors. The determination of these rates is partially based on the Village's clinical assessment of its residents. The Village is required to clinically assess its residents at predetermined time periods throughout the year. The documented assessments are subject to review and adjustment by the Medicare Part A program.

3. Fair Value Measurements, Assets Whose Use is Limited, Investments and Financial Instruments

Fair Value Measurements

For financial instruments required to be measured at fair value on a recurring basis, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is measured using a hierarchy prioritizing the inputs used in determining valuations into three levels. The level within the fair value hierarchy is based on the lowest level input that is significant to the fair value measurement.

The levels of the fair value hierarchy are as follows:

Level 1 - Unadjusted quoted prices in active markets that are accessible to the Corporation for identical instruments.

Level 2 - Significant inputs, other than Level 1 inputs that are observable either directly or indirectly for substantially the full term of the instruments through corroboration with observable market data.

Level 3 - Significant unobservable inputs. The Corporation held no Level 3 instruments as of June 30, 2021 or 2020.

The Corporation reports its investments and derivative financial instruments as fair value on a recurring basis in accordance with the fair value hierarchy. The fair values of the Corporation's investments and derivative financial instruments were determined using the following inputs at June 30:

	2021		
	Total	**Level 1**	**Level 2**
Assets:			
Investments:			
Marketable equity securities	$ 12,698,063	$ 12,698,063	$ -
Exchange traded funds	7,315,228	7,315,228	-
Equity mutual funds:			
Large value	16,221,621	16,221,621	-
International	5,153,232	5,153,232	-
Mid-cap growth	3,803,703	3,803,703	-
Small-cap growth	1,817,663	1,817,663	-
Small value	1,119,411	1,119,411	-
Fixed income mutual funds	18,718,980	18,718,980	-
Common trust fund	2,128,662	-	2,128,662
Corporate notes and bonds	97,248	-	97,248
Total investments	$ 69,073,811	$ 66,847,901	$ 2,225,910
Liability:			
Derivative financial instruments	$ 3,831,240	$ -	$ 3,831,240

	2020		
	Total	**Level 1**	**Level 2**
Assets:			
Investments:			
Marketable equity securities	$ 8,488,692	$ 8,488,692	$ -
Exchange traded funds	5,356,027	5,356,027	-
Equity mutual funds:			
Large value	11,697,708	11,697,708	-
International	5,490,960	5,490,960	-
Mid-cap growth	3,342,879	3,342,879	-
Small-cap growth	1,316,864	1,316,864	-
Small value	1,396,068	1,396,068	-
Fixed income mutual funds	15,690,978	15,690,978	-
Common trust fund	1,714,230	-	1,714,230
Corporate notes and bonds	78,762	-	78,762
Total investments	$ 54,573,168	$ 52,780,176	$ 1,792,992
Liability:			
Derivative financial instruments	$ 5,805,253	$ -	$ 5,805,253

The following reconciles investments by caption on the consolidated balance sheets:

	2021	2020
Total reported at fair values in the tables above	$ 69,073,811	$ 54,573,168
Plus cash and cash equivalents included in investments	1,233,342	1,193,510
Less Act 82 reserve	(2,645,000)	(2,788,000)
Investments	$ 67,662,153	$ 52,978,678

Valuation Methodologies

Investments are valued at fair value based on quoted market prices in active markets for marketable equity securities, exchange traded funds and mutual funds or estimated using quoted prices for corporate notes and bonds.

The Corporation invests in The Brethren in Christ Common Trust Funds whereby the common collective trusts allocates shares to participants based upon the relationship of the individual participants' investments of the total investments. The Corporation is invested in the Common Trust Funds Total Market Growth with Income Fund which is comprised of Level 1 equity securities and mutual funds. There are no restrictions on the funds and they may be withdrawn at any time.

The Corporation measures its derivative financial instruments (interest rate swap agreements) at fair value based on proprietary models of an independent third party valuation specialist. The fair value takes into consideration the prevailing interest rate environment and the specific terms and conditions of the derivative financial instruments, and considers the credit risk of the Corporation. The method used to determine the fair value calculates the estimated future payments required by the derivative financial instruments and discounts these payments using an appropriate discount rate. The value represents the estimated exit price the Corporation would pay to terminate the agreements.

Investment Return

Investment return without donor restrictions is comprised of the following:

	2021	2020
Interest, dividends and capital gain distributions, net of expenses	$ 893,643	$ 1,074,912
Net realized gains and losses on sales of investments	1,081,328	(41,094)
Net unrealized gains and losses on investments	7,375,279	(296,203)
Total	$ 9,350,250	$ 737,615

Investment return with donor restrictions is comprised of the following:

	2021	2020
Interest, dividends and capital gain distributions, net of expenses	$ 466,566	$ 559,564
Net realized gains and losses investments	533,465	31,959
Net unrealized gains and losses on investments	4,039,536	(230,234)
Total	$ 5,039,567	$ 361,289

Statutory Minimum Liquid Reserve

In compliance with Section 9 of Act 82, the board of directors designated a portion of investments be "reserved" to meet the requirements of Act 82. The amounts designated were approximately $2,575,000 and $70,000 for the Village and Mount Joy, respectively, at June 30, 2021 and $2,720,000 and $68,000 for the Village and Mount Joy, respectively, at June 30, 2020. At June 30, 2021, the reserve was calculated as follows:

	Village	Mount Joy
Budgeted operating expenses for the year ending June 30, 2022	$ 49,168,271	$ 1,215,719
Less budgeted depreciation and amortization expense	(7,755,468)	(515,555)
Expenses subject to minimum liquid reserve requirement	41,412,803	700,164
Percentage of residents subject to entrance fee agreements at June 30, 2021	62.18 %	100 %
Subtotal	25,750,481	700,164
Statutory requirement	10 %	10 %
Statutory minimum liquid reserve requirement	$ 2,575,048	$ 70,016 (a)
Budgeted debt service requirements for the year ended June 30, 2022:		
Bonds:		
Principal	$ 1,683,373	$ -
Interest	2,197,245	-
Total budgeted debt service requirements	3,880,618	-
Percentage of residents subject to entrance fee agreements at June 30, 2021	62.18 %	100 %
Statutory minimum liquid reserve requirement	$ 2,412,968	$ - (b)
Greater of (a) or (b) above	$ 2,575,000	$ 70,000

Interest Rate Swap Agreements

In August 2009, in connection with a bank qualified tax-exempt term loan, the Village entered into an interest rate swap agreement (the 2009 Swap). According to the terms of the agreement, if 68 percent of the one-month LIBOR (0.06 percent at June 30, 2021) is less than the fixed rate of 2.985 percent, the Village must make a monthly payment to the counterparty. Conversely, if 68 percent of the one-month LIBOR is more than the fixed rate of 2.985 percent, the counterparty must make a monthly payment to the Village. The monthly payments are calculated by multiplying the notional amount ($5,740,000 at June 30, 2021) by the difference between 68 percent of the one-month LIBOR and the fixed rate of 2.985 percent. The agreement is scheduled to expire in July 2027. The bank qualified tax-exempt term loan was refinanced in May 2015. The interest rate swap agreement is still in place and is being used to fix the interest rate on a portion of the 2015B Bonds (Note 6).

In November 2018, in connection with a bank qualified tax-exempt term loan, the Village entered into an interest rate swap agreement (the 2018 Swap). According to the terms of the agreement, if 78 percent of the one-month LIBOR (0.07 percent at June 30, 2021) is less than the fixed rate of 2.221 percent, the Village must make a monthly payment to the counterparty. Conversely, if 78 percent of the one-month LIBOR is more than the fixed rate of 2.221 percent, the counterparty must make a monthly payment to the Village. The monthly payments are calculated by multiplying the notional amount ($35,473,133 at June 30, 2021) by the difference between 78 percent of the one-month LIBOR and the fixed rate of 2.221 percent. The agreement is scheduled to expire in July 2028. The interest rate swap agreement is being used to fix the interest rate on a portion of the 2015 Bonds and 2018 Bonds (Note 6).

The payments to or from the counterparty are classified as a component of interest expense in the consolidated statements of operations and changes in net assets, or capitalized to property and equipment in the consolidated balance sheets, if the funds from bond issues are used to finance construction. As a result of the swap agreements, additional interest of approximately $877,000 and $452,000 was incurred during 2021 and 2020, respectively.

The fair value of the agreements is estimated to be the amount the Village would pay or receive to terminate the agreements at June 30, 2021 and 2020. The Village estimates that it would have paid $3,831,240 and $5,805,253 on June 30, 2021 and 2020, respectively, to terminate the agreements. These amounts are classified as derivative financial instruments in the consolidated balance sheets.

Changes in the fair value of the agreements are included in revenues in excess of (less than) expenses since the agreements were not designated as hedging instruments. The change in the fair value of the agreements is classified as change in fair value of derivative financial instruments in the consolidated statements of operations and changes in net assets and was $1,974,013 and ($2,938,959) in 2021 and 2020, respectively.

4. Liquidity and Availability of Resources

Financial assets available for general expenditure within one year of the balance sheet date, consist of the following at June 30:

	2021	2020
Cash and cash equivalents	$ 11,041,989	$ 13,482,573
Accounts receivable, resident, net	1,242,067	1,824,432
Accounts receivable, other	662,471	645,708
Investments	67,662,153	52,978,678
Less, net assets with donor restrictions	(25,178,436)	(20,028,256)
Total	$ 55,430,244	$ 48,903,135

The Corporation designated a portion of its investments "reserved" to comply with the requirements of Act 82. Although the Corporation does not intend to utilize the reserves for general expenditures as part of its annual budget and approval process, amounts designated as the reserves could be made available as necessary. The Act 82 reserves do not have third party restrictions or limitations on the withdrawal and subsequent liquidation of such funds.

As part of the Corporation's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. In addition, the Corporation invests excess cash in short-term investments. Additionally, certain board-designated assets included in assets whose use is limited are designed for charity care, future capital expenditures and an operating reserve.

5. Property and Equipment, Net

Property and equipment are as follows:

	2021	2020
Land	$ 2,949,483	$ 2,949,483
Land improvements	5,804,071	5,752,129
Buildings and fixed equipment	185,214,409	182,832,447
Furniture and moveable equipment	15,635,777	15,074,146
Vehicles	1,212,083	1,182,846
Total	210,815,823	207,791,051
Less accumulated depreciation	94,260,278	86,310,703
Total	116,555,545	121,480,348
Construction-in-progress	225,541	735,747
Property and equipment, net	$ 116,781,086	$ 122,216,095

6. Long-Term Debt

Series A of 2015 Bonds

In May 2015, the West Shore Area Authority issued, on behalf of the Village, $24,080,000, of tax-exempt fixed rate revenue bonds, Series A of 2015 (the 2015A Bonds). The proceeds from the 2015A Bonds were used to refund the Series 2008B Bonds and the 2009 Term Loan, finance the cost of renovation of existing facilities, finance the costs of expansion, establish a debt service reserve fund and to pay the costs of issuing the 2015 Bonds.

The 2015A Bonds are comprised of $250,000 of serial bonds due July 2035; plus interest payable semi-annually at 4.3 percent; and $19,345,000 of term bonds due in varying annual installments beginning July 2022 through July 2035, plus interest payable semi-annually at 5.0 percent.

The Corporation is joint and severally obligated under the terms of the 2015A bonds.

Series B of 2015 Bonds

In October 2015, the West Shore Area Authority issued, on behalf of the Village, $54,725,000 of tax-exempt variable rate revenue bonds, Series B (the 2015B Bonds). The proceeds from the 2015B Bonds were used to finance the construction of Project Envision and for payment of certain costs of issuing the 2015B Bonds.

The 2015B Bonds are due in varying annual installments through July 2045 plus interest payable monthly at a rate equal to (79 percent of 1-Month LIBOR) plus 1.59 percent (1.66 percent at June 30, 2021).

The Corporation is joint and severally obligated under the terms of the 2015B bonds.

Series 2018 Bonds

In November 2018, the West Shore Area Authority issued, on behalf of the Village, $8,130,000, of tax-exempt fixed rate revenue bonds (the 2018 Bonds). The proceeds from the 2018 Bonds were used to refinance the Series 2008 Bonds, establish a debt service reserve fund, and to pay the costs of issuing the 2018 Bonds.

The 2018 Bonds are comprised of $850,000 of serial bonds due in variable annual installments through July 2023 plus interest payable semi-annually at interest rates ranging from 4.0 percent to 5.0 percent; $1,800,000 of term bonds due July 2028; plus interest payable semi-annually at 5.0 percent; $1,565,000 of term bonds due July 2031; plus interest payable semi-annually at 5.0 percent and $3,210,000 of term bonds due July 2035, plus interest payable semi-annually at 5.0 percent.

The Corporation is joint and severally obligated under the terms of the 2018 bonds.

Security

The 2018 Bonds, 2015A Bonds, and 2015B Bonds are secured on a parity basis by a first mortgage lien on and security interest in the Corporation's property and equipment, a security interest in the Corporation's revenues, as defined in the applicable agreements, and funds held by trustee under trust indentures.

Long-Term Debt Summary

Long-term debt is as follows at June 30:

	2021	2020
2018 Bonds	$ 7,425,000	$ 7,685,000
2015B Bonds	53,885,190	54,333,147
2015A Bonds	19,345,000	20,240,000
Long-term debt	80,655,190	82,258,147
Bond premium	1,280,300	1,441,034
Less current maturities	(1,836,638)	(1,763,691)
Less unamortized debt issuance costs	(1,153,399)	(1,257,599)
Long-term debt, net	$ 78,945,453	$ 80,677,891

Scheduled maturities of long-term debt and bond premium amortization are as follows:

	Debt Maturities	Amortization of Bond Premium
Years ending June 30:		
2022	$ 1,683,373	$ 153,265
2023	1,738,373	145,437
2024	1,817,570	137,244
2025	1,900,091	128,653
2026	1,971,545	119,629
Thereafter	71,544,238	596,072
Total	$ 80,655,190	$ 1,280,300

The bond premium is being amortized over the life of the 2015 Bonds and 2018 Bonds using the effective interest method. Amortization totaled $160,734 during 2021 and $167,839 during 2020.

7. Accrued Expenses

Accrued expenses are as follows at June 30:

	2021	2020
Salaries and wages and related payroll taxes	$ 450,559	$ 1,070,199
Paid time off	1,385,212	1,154,185
Interest	818,052	848,064
Other	405,295	411,364
Total	$ 3,059,118	$ 3,483,812

8. Net Assets With Donor Restrictions

Net assets with donor restrictions are available for the following at June 30:

	2021	2020
Purpose restricted:		
Charity care	$ 9,347,102	$ 5,418,611
Lifeways Connection, capital and other	351,830	355,795
	9,698,932	5,774,406
Held in perpetuity with investment return available for:		
Charity care	13,866,479	13,642,825
Music therapy	1,586,539	585,539
Lifelong learning	26,486	25,486
	15,479,504	14,253,850
Total	$ 25,178,436	$ 20,028,256

9. Donor-Restricted Endowment Fund

The Corporation's endowment fund includes donor-restricted funds. As required by U.S. GAAP, net assets associated with endowment funds are classified and reported based upon the existence or absence of donor-imposed restrictions.

The Corporation interprets relevant Pennsylvania state law governing the net asset classification of donor-restricted endowment funds to be held in perpetuity as requiring the preservation of the fair value of the original gift as of the gift date absent explicit donor stipulations to the contrary. As a result, the Village classifies as amounts held in perpetuity (a) the original value of all gifts donated; and (b) the present value of pledges and planned gifts that are designated as gifts to be held in perpetuity to the endowment fund. The remaining portion of the donor-restricted endowment fund not classified as held in perpetuity represents the return on net assets held in perpetuity and is generally classified as purpose restricted net assets. However, from time to time, the fair value of assets associated with the Corporation's donor-restricted endowment fund may fall below the level required to be retained as a fund of perpetual duration. In accordance with accounting principles generally accepted in the United States of America, deficiencies of this nature are reported in net assets without donor restriction. There were no such deficiencies as of June 30, 2021 or 2020.

The Corporation adopted an investment policy for all investment funds including its donor-restricted endowment fund. The policy states that the donor-restricted endowment fund shall be invested under the assumption that it shall exist in perpetuity. Therefore, the investment guidelines are based upon an investment time horizon of greater than five years so that interim fluctuations shall be viewed with appropriate perspective.

A total-return objective consistent with prudent risk-limits allows the investments to satisfy long-term objectives. In a total return strategy, investment results are achieved through capital appreciation and current yield. Asset allocation guidelines ensure adequate diversification in order to reduce the volatility of investment returns. The donor-restricted endowment fund is invested so as to maintain a risk level no greater than a standard deviation of 75 percent of the standard deviation of the general market as measured by the S&P 500 Index when measured over a five and ten (if available) year period.

The Corporation's investment policy, which includes the spending policy, states that the donor-restricted endowment fund shall be invested so as to generate a cash flow equal to a range of 4.0 percent to 7.0 percent of the average market value of the donor-restricted endowment fund for the past three years measured as of June 30. As part of the budget process, a specific percentage within the prescribed range is identified on an annual basis and approved by the Corporation's board of directors. This approved percentage of the donor-restricted endowment fund balance is generally released from purpose restricted net assets evenly over four quarters. This policy ensures that the competing needs of current and future generations of residents are in equilibrium.

Changes in with and without donor restrictions endowment net assets for the year ended June 30 are comprised of the following:

	With Donor Restrictions		
	Purpose Restricted	**Held in Perpetuity**	**Total**
Endowment net assets, June 30, 2019	$ 6,310,055	$ 14,056,682	$ 20,366,737
Investment return	361,289	-	361,289
Contributions	-	197,168	197,168
Change in cash surrender value of life insurance and value of agency endowment	(41,807)	-	(41,807)
Change in value of split-interest obligation	(726)	-	(726)
Net assets released from restrictions	(1,210,200)	-	(1,210,200)
Endowment net assets, June 30, 2020	5,418,611	14,253,850	19,672,461
Investment return	5,039,567	-	5,039,567
Contributions	-	1,225,654	1,225,654
Change in cash surrender value of life insurance and value of agency endowment	(8,080)	-	(8,080)
Change in value of split-interest obligation	10,922	-	10,922
Net assets released from restrictions	(1,102,980)	-	(1,102,980)
Endowment net assets, June 30, 2021	$ 9,358,040	$ 15,479,504	$ 24,837,544

10. Retirement Plan

The Corporation sponsors a 403(b) Plan. The Corporation's contribution to the plan was approximately $637,000 for 2021 and $629,000 for 2020. Effective July 2021 the Corporation suspended employer contributions indefinitely.

11. Functional Expenses

The Corporation provides housing, healthcare and other related services to residents within its geographic location. The consolidated financial statements report certain expense categories that are attributable to more than one program service or support function. Therefore, these expenses require an allocation on a reasonable basis that is consistently applied. Expenses relating to providing these services are approximately as follows:

	2021			
	Program Service	General and Administrative	Fundraising	Total
Salaries and wages	$ 17,441,070	$ 2,241,424	$ 185,805	$ 19,868,299
Employee benefits	4,747,222	637,570	53,735	5,438,527
Fees, purchased services and supplies	11,862,171	344,239	5,725	12,212,135
Depreciation and amortization	7,675,202	569,799	27,630	8,272,631
Interest	3,135,167	-	-	3,135,167
Building operations and maintenance	2,290,583	1,743	15	2,292,341
Other operating expenses	490,509	644,385	12,224	1,147,118
Insurance	463,226	83,584	3,545	550,355
Real estate taxes	1,290,502	191,344	16,719	1,498,565
Total	$ 49,395,652	$ 4,714,088	$ 305,398	$ 54,415,138

	2020			
	Program Service	General and Administrative	Fundraising	Total
Salaries and wages	$ 17,774,188	$ 2,307,565	$ 198,802	$ 20,280,555
Employee benefits	4,700,740	604,602	61,708	5,367,050
Fees, purchased services and supplies	11,816,323	561,601	7,789	12,385,713
Depreciation and amortization	7,580,001	577,840	30,892	8,188,733
Interest	3,346,343	-	-	3,346,343
Building operations and maintenance	2,453,184	13,917	348	2,467,449
Other operating expenses	917,941	662,940	29,521	1,610,412
Insurance	384,984	73,018	2,893	460,885
Real estate taxes	1,254,097	185,472	16,069	1,455,638
Total	$ 50,227,801	$ 4,986,955	$ 348,022	$ 55,562,778

12. Medical Malpractice Claims Coverage

The Corporation maintains professional liability coverage on a claims-made basis through commercial insurance carriers. Other than for premiums paid under this policy, no provision has been made for estimated losses. Management believes no incidents occurred or will be asserted that will exceed the Corporation's insurance coverages or will have a material adverse effect on the consolidated financial statements. The Corporation has a line of credit and a letter of credit with a financial institution in the amounts of $1,000,000 and $36,171, respectively, to their insurance coverage. There was no balance outstanding at June 30, 2021 and 2020 on the line of credit. The line of credit bears interest at LIBOR plus 1.75 percent and expires August 12, 2023.

13. Concentrations of Credit Risk

The Corporation grants credit without collateral to its residents, some of whom are insured under third-party payor arrangements primarily with Medical Assistance, Medicare and various commercial insurance companies.

The Corporation maintains cash accounts, which, at times, may exceed federally insured limits. The Corporation has not experienced any losses from maintaining cash accounts in excess of federally insured limits. Management believes it is not subject to any significant credit risk on its cash accounts.

14. Contingencies

Real Estate Taxes

As a not-for-profit corporation in the Commonwealth of Pennsylvania, the Village is an organization which receives an exemption from real property taxes relating to portions of its property. However, a number of cities, municipalities and school districts in the Commonwealth of Pennsylvania have challenged and continue to challenge the real estate tax exemption of not-for-profit corporations. The possible future financial effect of this matter on the Village, if any, is not determinable.

Senior Living Industry

The senior living services industry is subject to numerous laws, regulations and administrative directives of federal, state and local governments and agencies. Compliance with these laws, regulations and administrative directives is subject to future government review and interpretation as well as regulatory actions unknown or unasserted at this time. Government activity continues to increase with respect to investigations and allegations concerning possible violations by healthcare providers of fraud and abuse statutes and regulations, which could result in the imposition of significant fines and penalties as well as significant repayments for resident services previously billed. Management is not aware of any material incidents of noncompliance; however, the possible future effects of this matter on the Corporation, if any, are not determinable.

COVID-19

The spread of COVID-19 around the world has caused volatility in the U.S. market, supply chains,

businesses and communities. The Corporation's evaluation of the effects of these events is ongoing as of the date the accompanying consolidated financial statements were issued. COVID-19 may impact various parts of the Corporation's future operations and financial performance, including but not limited to additional costs for emergency preparedness, disease control and containment, potential shortages of personnel, supply chain disruption or declines in revenue. The extent of the impact will depend on future developments, including the duration and spread of the outbreak and related governmental or other regulatory actions.

Messiah Lifeways and Controlled Entities

Consolidating Schedule, Balance Sheet
June 30, 2021

	Messiah Lifeways	Messiah Village	Mount Joy Country Homes	Community Support Services	Eliminations	Consolidated
Assets						
Current Assets						
Cash and cash equivalents	$ 1,993,088	$ 8,600,069	$ 366,097	$ 82,735	$ -	$ 11,041,989
Current portion of assets whose use is limited	-	1,930,776	-	-	-	1,930,776
Accounts receivable:						
Residents, net	-	1,130,781	(976)	112,262	-	1,242,067
Other	36,361	604,900	-	21,210	-	662,471
Affiliate	1,449,760	2,531,080	100	7,960	(3,988,900)	-
Prepaid expenses and other current assets	299,702	544,455	32,762	20,200	-	897,119
Total current assets	3,778,911	15,342,061	397,983	244,367	(3,988,900)	15,774,422
Assets Whose Use is Limited, Net	-	2,654,068	9,226	-	-	2,663,294
Investments	-	64,974,031	2,688,122	-	-	67,662,153
Act 82 Reserve	-	2,575,000	70,000	-	-	2,645,000
Property and Equipment, Net	85,919	105,463,523	11,138,698	92,946	-	116,781,086
Contract Acquisition Costs, Net	-	284,723	-	-	-	284,723
Other Assets	25,000	1,034,531	-	-	-	1,059,531
Total assets	$ 3,889,830	$ 192,327,937	$ 14,304,029	$ 337,313	$ (3,988,900)	$ 206,870,209

Messiah Lifeways and Controlled Entities

Consolidating Schedule, Balance Sheet
June 30, 2021

	Messiah Lifeways	Messiah Village	Mount Joy Country Homes	Community Support Services	Eliminations	Consolidated
Liabilities and Net Assets (Deficit)						
Current Liabilities						
Current maturities of long-term debt	$ -	$ 1,836,638	$ -	$ -	$ -	$ 1,836,638
Accounts payable:						
Trade	132,667	979,038	21,415	3,594	-	1,136,714
Construction	-	15,855	-	-	-	15,855
Affiliate	172,998	534,971	584,163	2,696,768	(3,988,900)	-
Accrued expenses	458,965	2,450,446	-	149,707	-	3,059,118
Current portion of split-interest obligations	-	71,627	-	-	-	71,627
Refundable entrance fees	-	1,876,427	278,257	-	-	2,154,684
Total current liabilities	764,630	7,765,002	883,835	2,850,069	(3,988,900)	8,274,636
Long-Term Debt, Net	-	78,945,453	-	-	-	78,945,453
Refundable Entrance Fees and Deposits	-	14,509,340	8,276,666	-	-	22,786,006
Deferred Revenues From Entrance Fees	-	32,395,363	3,498,841	-	-	35,894,204
Derivative Financial Instruments	-	3,831,240	-	-	-	3,831,240
Split-Interest Obligations, Net	-	366,275	-	-	-	366,275
Total liabilities	764,630	137,812,673	12,659,342	2,850,069	(3,988,900)	150,097,814
Net Assets (Deficit)						
Without donor restrictions	3,122,617	29,369,975	1,617,810	(2,516,443)	-	31,593,959
With donor restrictions	2,583	25,145,289	26,877	3,687	-	25,178,436
Total net assets (deficit)	3,125,200	54,515,264	1,644,687	(2,512,756)	-	56,772,395
Total liabilities and net assets (deficit)	$ 3,889,830	$ 192,327,937	$ 14,304,029	$ 337,313	$ (3,988,900)	$ 206,870,209

Messiah Lifeways and Controlled Entities

Consolidating Schedule, Statement of Operations and Changes in Net Assets (Deficit)
Year Ended June 30, 2021

	Messiah Lifeways	Messiah Village	Mount Joy Country Homes	Community Support Services	Eliminations	Consolidated
Revenues Without Donor Restrictions						
Net resident service revenues	$ -	$ 43,340,110	$ 1,341,578	$ -	$ -	$ 44,681,688
Other revenues	6,193,750	774,239	-	1,510,732	(6,396,319)	2,082,402
Grant revenue	-	1,738,011	-	152,101	-	1,890,112
Contributions and net assets released from restriction used for operations	52	1,335,886	-	7,381	-	1,343,319
Total revenues without donor restrictions	6,193,802	47,188,246	1,341,578	1,670,214	(6,396,319)	49,997,521
Expenses						
Salaries, wages and benefits	3,539,074	20,318,713	-	1,452,879	(3,840)	25,306,826
Fees, purchased services and supplies	793,734	17,113,875	181,514	359,179	(6,236,167)	12,212,135
Depreciation and amortization	29,092	7,708,175	514,352	21,012	-	8,272,631
Interest	-	3,135,167	-	-	-	3,135,167
Building operations and maintenance	6,183	2,059,374	330,605	52,491	(156,312)	2,292,341
Other operating expenses	656,653	478,653	4,012	7,800	-	1,147,118
Insurance and real estate taxes	318,215	1,546,844	183,761	100	-	2,048,920
Total expenses	5,342,951	52,360,801	1,214,244	1,893,461	(6,396,319)	54,415,138
Operating income (loss)	850,851	(5,172,555)	127,334	(223,247)	-	(4,417,617)
Nonoperating Gains (Losses)						
Investment return	(1,339)	8,809,911	541,678	-	-	9,350,250
Contributions	3,754	98,471	-	28,240	-	130,465
Change in value of split-interest obligations	-	8,386	-	-	-	8,386
Change in fair value of derivative financial instruments	-	1,974,013	-	-	-	1,974,013
Loss on disposal of property and equipment	-	(67,294)	(309)	-	-	(67,603)
Revenues in excess of (less than) expenses	853,266	5,650,932	668,703	(195,007)	-	6,977,894
Net Assets Released From Restriction Used for Property and Equipment	-	34,376	-	27,431	-	61,807
Change in net assets without donor restrictions	853,266	5,685,308	668,703	(167,576)	-	7,039,701

Messiah Lifeways and Controlled Entities

Consolidating Schedule, Statement of Operations and Changes in Net Assets (Deficit)
Year Ended June 30, 2021

	Messiah Lifeways	Messiah Village	Mount Joy Country Homes	Community Support Services	Eliminations	Consolidated
Net Assets With Donor Restrictions						
Contributions:						
Purpose restricted	$ -	$ 147,403	$ 700	$ 35,138	$ -	$ 183,241
Held in perpetuity	-	1,225,654	-	-	-	1,225,654
Investment return	-	5,039,567	-	-	-	5,039,567
Change in value of split-interest obligation	-	2,814	-	-	-	2,814
Change in cash surrender value of life insurance and agency endowment, net of expense	-	(8,080)	-	-	-	(8,080)
Net assets released from restriction used for:						
Operations	(52)	(1,223,776)	-	(7,381)	-	(1,231,209)
Property and equipment	-	(34,376)	-	(27,431)	-	(61,807)
Change in net assets with donor restrictions	(52)	5,149,206	700	326	-	5,150,180
Change in net assets	853,214	10,834,514	669,403	(167,250)	-	12,189,881
Net Assets (Deficit), Beginning	2,271,986	43,680,750	975,284	(2,345,506)	-	44,582,514
Net Assets (Deficit), Ending	$ 3,125,200	$ 54,515,264	$ 1,644,687	$ (2,512,756)	$ -	$ 56,772,395