

**GOODWILL MENNONITE HOME, INC.  
d/b/a Goodwill Retirement Village**

**DISCLOSURE STATEMENT**

**November 2025**

**Issuance of a certificate of registration by the Maryland Department of Aging does not constitute approval, recommendation or endorsement of a continuing care retirement community by the 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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## **Disclaimer**

This Disclosure Statement sets forth information required to be disclosed by Sections 10-401-10-499 of the Human Services Article of the Annotated Code of Maryland. The information provided is in response to specific topics identified in the statute, and Goodwill Mennonite Home, Inc. makes no representation that all material information related to Goodwill Mennonite Home, Inc. is set forth in this Disclosure Statement.

In addition, this Disclosure Statement attempts to summarize the Residence and Care Agreement. Any discrepancy between the statements made in this Disclosure Statement and the Residence and Care Agreement shall be governed by the terms of the Residence and Care Agreement.

**GOODWILL MENNONITE HOME, INC.  
d/b/a Goodwill Retirement Village**

**DISCLOSURE STATEMENT  
November 2025**

**The following statement is given in compliance with Section 10-424-10-425 of the Human Services Article of the Annotated Code of Maryland.**

**1. Name, address and description of the facility and the name and address of any parent or subsidiary person.**

Goodwill Mennonite Home, Inc.  
d/b/a Goodwill Retirement Village  
891 Dorsey Hotel Road  
Grantsville  
Garrett County, Maryland 21536

Goodwill Mennonite Home, Inc. d/b/a Goodwill Retirement Village, a Maryland not-for-profit corporation ("Goodwill") owns and operates a continuing care retirement community (the "Community") in Garrett County, Maryland. The Community is situated among the rolling hills in beautiful Garrett County, one mile north of Grantsville, Maryland (the "Campus") and consists of independent living cottages with access to assisted living and comprehensive nursing care on a fee-for-service basis. Goodwill Mennonite Home, Inc. owns the facility and the land on which the facility is located.

**A. Mission Statement**

Goodwill's mission statement is: "Caring through Goodwill with God's Love.

**B. Description of Facility**

Goodwill has owned and operated licensed health care facilities at the Campus since 1959. The health care facilities provide Thirty-seven (32) assisted living units and one-hundred and seven (108) comprehensive nursing care beds, and feature home-cooked style meals and a busy calendar of social events and activities. During the last year, the oldest portion of the assisted living was renovated and the smaller units were combined into larger units and a new beauty shop. However, the assisted living continues to be licensed for the same number of beds as all units can be occupied as semi-private units

The Community features thirty (30) independent living cottages, paved roads, a village park with gazebo, beautiful scenery and many opportunities to socialize.

The facility has recently added a large maintenance garage for equipment and other storage.

The Campus is located off Interstate 68 at Exit 19 (Grantsville) near the intersection of Route 495 and Route 40.

## **2. Organizational structure and management**

Goodwill Mennonite Home, Inc. d/b/a Goodwill Retirement Village, ("Goodwill") is a Maryland not-for-profit corporation recognized by the Internal Revenue Service as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. Goodwill is managed under the direction of a nine (9) member Board of Trustees. Goodwill's Articles of Incorporation and Bylaws require that the members of Goodwill's Board of Trustees (except for the Community's resident representative) must be a member of the various churches in Garret County, Maryland, and Somerset County, Pennsylvania which are affiliated with the Conservative Mennonite Conference. However, no organization or constituent body of the Conservative Mennonite Conference has a contractual or financial responsibility for the obligations of Goodwill.

The President of Goodwill's Board is Shawn Bender. Mr. Bender is an executive.

The Vice President of Goodwill is Andrew Mast. Mr. Mast is a business owner.

The Secretary of Goodwill is James Dornburg. Mr. Dornburg is a physical therapist assistant.

The Treasurer of Goodwill is Nick Guingrich. Mr. Guingrich is an office manager.

Day-to-day management of the continuing care retirement community is under the direction of Anthony Lehman, Chief Executive Officer. Mr. Lehman has been employed by Goodwill since 1995, and he has held the positions of Assistant Administrator and Administrator prior to his selection as CEO. Mr. Lehman holds a Bachelor of Science degree in Psychology. He is licensed in the State of Maryland as a Nursing Home Administrator and is an approved Nursing Home Administrator Preceptor.

See Exhibit B for an organizational chart.

## **3. Statement regarding any affiliation with a religious, charitable, or other nonprofit organization, and the extent to which the organization is responsible for the financial and contractual obligations of the provider.**

Although Goodwill's Board of Trustees and officers are required to be members of certain churches in Garrett County, Maryland and Somerset County, Pennsylvania, which are affiliated with the Conservative Mennonite Conference, no organization or constituent body of the Conservative Mennonite Conference has a contractual or financial responsibility for the obligations of Goodwill.

## **4. Description of all basic fees, including entrance fees, fees for health related services, and periodic fees, collected by the provider from subscribers, setting forth the amount and frequency of the fee changes during each of the previous 5 years.**

See Exhibit C for a description of fees for the previous five years.

## **A. Independent Living**

Under the terms of Goodwill's Residence and Care Agreement, the resident pays an Entrance Fee and a Monthly Charge when the resident enters the Community and moves into an independent living cottage.

**(1) Entrance Fee.** The Entrance Fee is based upon age at occupancy, the type of cottage desired, and the number of individuals occupying the cottage. If two (2) individuals sign the Residence and Care Agreement, the age of the younger individual is used when calculating the Entrance Fee.

For individual residents sixty-one (61) years of age and older, a portion of the Entrance Fee is amortized at the rate of one percent (1%) per month for one hundred (100) months (the "Amortizing Portion of the Entrance Fee"), and another portion is one hundred percent (100%) refundable\* (the "Fully Refundable Portion of the Entrance Fee"). For individual residents who may be sixty (60) years of age, the entire Entrance Fee is amortized at the rate of one percent (1%) per month for one hundred (100) months.

For a couple, where the younger person is sixty-three (63) years of age or older, a portion of the Entrance Fee will be fully refundable\*, and another portion will be amortized at the rate of one percent (1%) per month for one hundred (100) months. For a couple, where the younger person is sixty two (62) years of age or younger, the entire Entrance Fee is amortized at the rate of one percent (1%) per month for one hundred (100) months.

\* Carefully read the Residence and Care Agreement for the conditions that must be satisfied before Goodwill is required to pay the entrance fee refund.

**(2) Monthly Charge/Maintenance Fee.** The resident is also required to pay to Goodwill a Monthly Charge of \$500. A Monthly Charge is assigned to each cottage. When two residents reside in the same cottage, one-half of the Monthly Charge is attributable to each resident. The Fee includes the following services, also described in section 15 of this disclosure statement document: removal of snow from main roads, driveways, sidewalks and common areas, and complete maintenance of all buildings, grounds, and equipment except as noted in the Residence Care Agreement.

The Monthly Charge/Maintenance Fee may be adjusted from time to time by Goodwill, in its discretion, based upon operating costs and other financial needs of Goodwill upon FORTY-FIVE (45) DAYS prior written notice to the resident.

## **B. Assisted Living/Comprehensive Care**

When a resident transfers to assisted living or comprehensive nursing care on a temporary basis, the resident pays the Monthly Charge plus the per diem charge for the assisted living or comprehensive care services. If the resident permanently transfers to the assisted living or comprehensive care, and the resident releases his/her cottage, then the resident pays the costs associated with the assisted living apartment or the comprehensive nursing care unit.

**5. Statement describing the provisions that have been or will be made to comply with the operating reserve requirements and a general statement as to the investment policy related to the required reserves, including how often the reserve fund investment is reviewed and by whom.**

Section 10-420 of the Human Services Article of the Maryland Code requires that continuing care retirement communities create an operating reserve of 25% of annual net operating expenses. Goodwill invests the operating reserve funds in low risk investment vehicles such as money market, treasury notes, fixed-income, long term growth, etc., maintaining the funds in reasonably liquid forms in the judgment of Goodwill and/or its investment broker. Goodwill's Board of Trustees reviews the operating reserve fund investments annually.

The following schedule represents the calculation of the projected operating reserve for the ten (10) year phase-in period to meet the operating reserve requirements. Please note that this schedule has been prepared based on the year in which the operating reserve is to be funded, and therefore, the actual calculation presents the operating expenses incurred from the prior year.

The operating reserve requirement was funded as of 3/31/2025

Goodwill Mennonite Home, Inc.

For the Year Ended March 31, 2025

Operating reserve

	2025
Total operating expenses per financial statements for year ending March 31, 2024	\$15,364901
Less: Depreciation and Bad Debt	<u>-931,232</u>
Operating expenses for operating reserve calc.	\$14,433,669
Statutory reserve percentage	25%
Statutory reserve amount before adjustment for certified units	<u><u>\$3,608,417</u></u>
Total certified units	56
Total number of units	180
Percentage of units certified	31.11%
Statutory reserve based on number of units	\$1,122,619

## **A copy of the most recent certified financial statements.**

The auditor for Goodwill is Gray, Griffith, & Mays. The official audit results are presented annually with comments to the Goodwill Board of Trustees and are attached to this Disclosure Statement as "Exhibit A".

## **6. A description of the long-term financing for the facility.**

Goodwill does not have any long-term financing.

## **7. Financial Ratios**

Net Operating Ratio: - -7.65%

Net Operating Margin Ratio – Adjusted: - -7.65%

Operating Ratio: 106.25%

Operating Margin Ratio: -10.58%

Total Excess Margin Ratio: -10.56%

Days Cash on Hand: 162.77

Debt Service Coverage Ratio: No Debt Service

Age of Facility: 15.35

- 8. Cash flow forecast statement for the current and next two fiscal years. - Attached**
- 9. The names and occupations of the officers, directors, trustees, managing or general partners, and any other persons with a 10% or greater equity or beneficial interest in Goodwill , and a description of the financial interest in or occupation with Goodwill.**

As a not-for-profit, nonstock Corporation, no individual person owns or has an equitable or beneficial financial interest in Goodwill.

Board of Trustees:

Shawn Bender, President  
Andrew Mast, Vice President  
James Dornburg, Secretary  
Nich Guingrich, Treasurer  
Mildred Yoder  
Kenton Bender  
Kris Graber  
Mike Gregory  
Gordon Bender  
James Yoder

Occupation:

Executive  
Business Owner  
PTA  
Office Manger  
Nurse  
Business Owner  
Nurse  
Manager  
Retired, Resident, GRV  
Retired, Alternate Resident, GRV

- 10. The name and address of any professional service firm, association, trust, partnership, company, or corporation in which a person identified in item 9 has a 10% or greater financial interest and which is anticipated to provide goods, premises, or services to the facility or GOODWILL of a value of \$10,000 or more within any fiscal year, including a description of the goods, premises, or services and their anticipated cost to the facility or provider. However, the disclosure of salary, wage, or benefit information of employees of the provider is not required.**

In Fiscal year 2024, Byco Enterprises, 11746 Bittinger Road, Grantsville, MD 21536 installed a new stormwater inlet, and other minor plumbing and electrical repairs for a total cost of \$37,923.

No trustee has any financial interest or occupation with Goodwill Mennonite Home, Inc.

- 11. Name and address of the manager/management company if the facility is managed on a day-to-day basis by a person other than an individual directly employed by GOODWILL, and a description of the business experience, if any, of the manager or company in the operation or management of similar**

## **facilities.**

Goodwill is not managed by a third-party manager or management company.

## **12. Description of any matter in which an individual identified in item 9 was convicted of felony or pleaded nolo contendere to a felony charge, if the felony involved fraud, embezzlement, fraudulent conversion, or misappropriation as a fiduciary; or has been subject to an effective injunctive or restrictive order of a court of record or, within the past 10 years, had any state or federal license or permit suspended or revoked as a result of an action brought by a governmental agency, arising out of or relating to business activity or health care, including actions affecting a license to operate any facility or service for aging, impaired, or dependent persons.**

None of the members of the Board of Trustees of Goodwill nor any member of the senior management team has ever been: (a) Been convicted of, or pleaded nolo contendere to, a felony charge involving fraud, embezzlement, fraudulent conversion, or misappropriation of property; (b) Been convicted of, or pleaded nolo contendere to, a felony charge involving fraud, embezzlement, fraudulent conversion, or misappropriation of property; (c) Been subject to an effective injunctive or restrictive order of a court of record arising out of or relating to business activity or health care, including actions affecting a license to operate any facility or service for aging, impaired, or dependent persons; or (d) Been subject to an effective injunctive or restrictive order of a court of record arising out of or relating to business activity or health care, including actions affecting a license to operate any facility or service for aging, impaired, or dependent persons.

## **13. A description of the form of governance of Goodwill, including the composition of the governing body, and a statement that the provider shall satisfy the requirements of §§10-426 and §§10-427 of this subtitle.**

Goodwill, as a not-for-profit corporation, is managed under the direction of its nine (9) member Board of Trustees.

Goodwill's Articles of Incorporation and Bylaws require that the members of Goodwill's Board of Trustees (except for the Community's resident representative) must be members of the various churches in Garrett County, Maryland, and Somerset County, Pennsylvania which are affiliated with the Conservative Mennonite Conference. However, no organization or constituent body of the conservative Mennonite Conference has a contractual or financial responsibility for the obligations of Goodwill.

One resident of Goodwill's Continuing Care Retirement Community is a member of the Board of Trustees. When the subscriber board member position becomes vacant, a replacement candidate is nominated by the executive committee in consultation with management and the resident association and then presented for approval at the next corporation meeting.

In addition, a Goodwill officer will meet at least quarterly with the residents to present a summary of Goodwill's operations, significant changes, and the goals and objectives. The officer shall receive and answer questions from residents at this annual meeting.

**14. A description of the conditions under which Goodwill may be issued a certificate of registration and may use escrowed deposits, and a statement of the amount of the subscriber's deposit that may be used.**

The portion of the Entrance Fee to be refunded after the Occupancy Date, if any, is not held in trust or escrow for the benefit of Resident after the Occupancy Date. Carefully read the Residence and Care Agreement for the conditions that must be satisfied before Goodwill is required to pay the Entrance Fee refund.

**15. Summary of basic services provided under the continuing care agreement, including the extent to which health related services are furnished, that clearly states which services are indicated in the agreement as included in the basic fee or fees and which services are or will be made available at or by Goodwill at an extra charge.**

The resident's rights under the Residence and Care Agreement are not proprietary and do not include any right, title or interest in the real or personal property of Goodwill, nor does any resident have the right to transfer, convey, assign or divide his or her rights under the Residence and Care Agreement. The resident's rights are primarily for services with a contractual right to occupancy.

**A. Residential Facilities and Services**

The following benefits and services are available to all residents and are included in the basic fees (see section 4 on page 4):

- Independent living cottages with neutral-colored walls, washer, dryer, range, sink, garbage disposal and refrigerator in the kitchen area, individual thermostatic control for heating, an emergency call system, pre-wiring for a telephone and pre-wiring for cable television reception;
- Private connected garage for each cottage;
- Free parking for resident and resident's guests in designated areas;
- Use of all public rooms and outdoor areas;
- Housekeeping services in the assisted living apartments and comprehensive nursing care facility;
- Monitoring of emergency alarms;
- Removal of snow from main roads, driveways, sidewalks and common areas;
- Complete maintenance of all buildings, grounds, and equipment, except as noted

- in the Residence and Care Agreement;
- Supervision of buildings and grounds; and
- Individual mailboxes.

Services or items not listed above are not included as part of the services and items received under the Monthly Charge. The following services are available to residents of Goodwill for purchase at additional cost on an individual basis:

- Utilities
- Beauty salon and barber shop;
- Transportation to appointments if arranged in advance;
- Fax transmission;
- Copier use; and
- Group trips arranged for special cultural, social, sporting and scenic excursions.

## **B. Assisted Living and Comprehensive Nursing Care**

If a resident relocates to an assisted living apartment or comprehensive nursing care unit on a temporary basis, the resident will sign another agreement and pay the Monthly Charge for the independent living accommodation in addition to the Daily Rate for the new accommodation and for any additional services that are required. If the resident transfers on a permanent basis to an assisted living apartment or comprehensive nursing care unit, the resident will enter into a new agreement for the type of accommodation that he or she is entering, be responsible for the Daily Rate for the new accommodation and for any additional services that are required, and will release the independent living cottage.

### **1. Assisted Living**

The Daily Rates for assisted living depend upon the level of care provided to the resident. However, the following items/services are included in all of the Daily Rates for the assisted living apartment:

- Apartment with single room and private bathroom;
- Locks on apartment door and locked drawer in apartment;
- Three meals per day and snacks as appropriate;
- Registered dietician review of meals;
- Utility services (heat, electricity, water, sewage);
- Trash removal;
- Bed and bath linens (Resident may provide their own);
- Bed, bedside table and lamp, chair, dresser (Resident may provide their own);
- All building maintenance services and supplies;
- Social services and activities programming;
- Emergency nurse call system;
- Housekeeping services;
- Nursing services as described in the Residence and Care Agreement.

Some of the items and services not covered by the Daily Rate that are available in the Community include:

- Physician services;
- Medications;
- Medical equipment and supplies;
- Therapy services;
- Dental services;
- Podiatry services;
- Vision services;
- Beautician and barber services;
- Name tags for clothing;
- Transportation services;
- Private TV and cable services;
- Private telephone and telephone charges;
- High speed wireless internet;
- Specially prepared food except if ordered by the physician;
- Audiology services;
- Psychiatric services; and
- Psychology services.

## **2. Comprehensive Nursing Care**

Goodwill participates in the Medicare and Medicaid programs. The items and services included in the Daily Rate for comprehensive nursing care are:

- Room;
- Board;
- Social services; and
- Nursing care, including the provision of:
  - the administration of prescribed medications, treatments and diet;
  - care to prevent skin breakdown, bedsores and deformities;
  - care to keep the resident comfortable, clean and well-groomed; and
  - care necessary to encourage, assist and train the resident in self-care and group activities.

Some of the Items and services available in the Community that are not included in the Daily Rate are listed below. The services marked (\*) may have a separate supply charge. Residents will be notified of those charges at the time the supplies are ordered.

- Catheter Care\*, colostomy care\*, decubitus care\*, suctioning\*, tracheotomy care\*, tube feeding\*, incontinent care\*, IV therapy\*, laundry\* (All of these services are included in the Daily Rate but they may have a supply charge.)
- Laboratory services;
- Oxygen Therapy\*;
- Radiology;

- Physician services;
- Medications;
- Medical equipment and supplies;
- Physical and Occupational Therapy services\*;
- Dental services;
- Podiatry services;
- Vision services;
- Beautician and barber services;
- Name tags for clothing;
- Transportation services;
- Private TV and cable services;
- Private telephone and telephone charges;
- High speed wireless internet;
- Specially prepared food except if ordered by the physician;
- Audiology services;
- Speech therapy;
- Psychiatric services; and
- Psychology services.

**16. Statement that Goodwill shall amend its Disclosure Statement if an amendment is necessary.**

Goodwill will amend promptly this Disclosure Statement if, at any time, Goodwill or the Department of Aging is of the opinion that an amendment is necessary to prevent the Disclosure Statement from containing any material misstatement of facts, as required by Continuing Care regulation to be stated in this Disclosure Statement, or omits a material fact required by regulation to be stated in this Disclosure Statement.

**17. Description of any activity involving a renovation or an expansion during the preceding fiscal year or proposed for the current fiscal year.**

In FY 25, a large portion of the roofing was replaced with steel roofing.

**18. Description of any financial arrangements Goodwill has made to address the renewal and replacement of the buildings and improvements at the facility.**

Goodwill has not established a special renewal or replacement fund.

**19. Statement if it is Goodwill's policy to impose a surcharge on some, but not all, subscribers because of some condition or circumstance and that the surcharge will not be considered part of the entrance fee in the statutory refund.**

Goodwill does not currently impose any surcharge.

## **20. A description of the existence and role of the Residents' Association.**

Residents have the right to participate fully in a Residents' Association and to meet privately to conduct business. However, on February 18, 2004, the residents chose not to form a Residents' Association. Therefore, Goodwill will continue to work closely with the residents to encourage their suggestions and to address all of their concerns.

## **21. A description of the internal grievance procedure.**

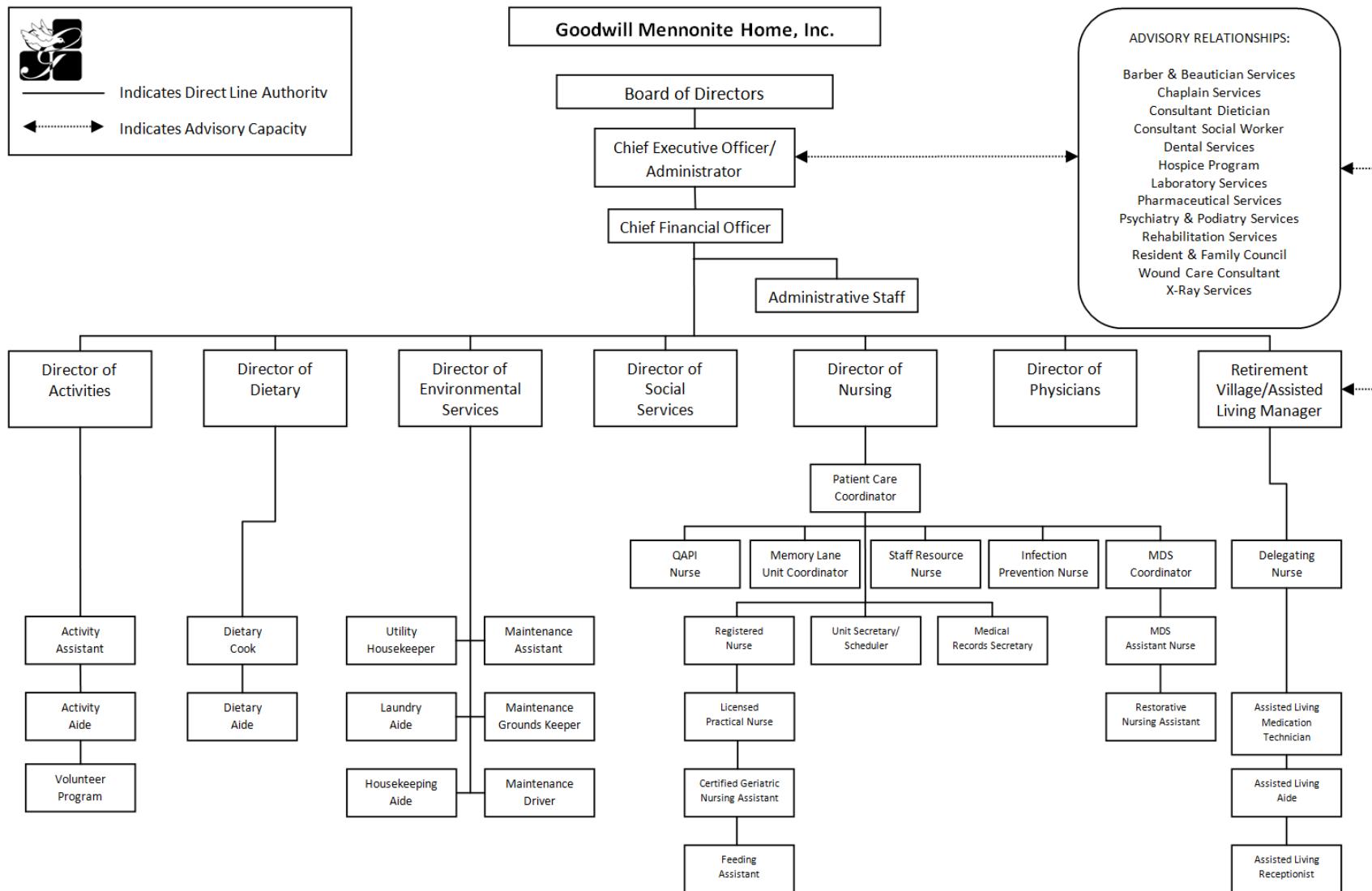
Goodwill has established an internal grievance procedure to address resident grievances. A resident or group of residents collectively may submit a grievance in writing to the Retirement Village Manager. Goodwill will send a written acknowledgement to the resident or group of residents within five days after receipt of the written grievance. Goodwill will assign personnel to investigate the grievance. A resident or group of residents who file a written grievance are entitled to a meeting with management of Goodwill within 30 days after receipt of the written grievance, in order to present the grievance. Goodwill will provide a response in writing within 45 days after receipt of the written grievance as to the investigation and resolution of the grievance.

Within 30 days after Goodwill provides its response to the grievance, a resident, group of residents, or Goodwill may seek mediation through one of the community mediation centers in the State or another mediation provider. If a resident, group of residents, or Goodwill seeks mediation under the preceding sentence, the mediation shall be nonbinding.

**EXHIBIT A: MOST RECENT CERTIFIED FINANCIAL STATEMENT UNDER GAAP**

Goodwill Mennonite Home, Inc., Financial Report, March 31, 2025, AND 2024 – Attached

## EXHIBIT B - ORGANIZATIONAL CHART



## EXHIBIT C - FEES

**Rates for the Comprehensive Care (“SNF”) and Assisted Living accommodations are per diem rates unless otherwise specified.**

**SNF (Skilled Nursing)**

Semi-Private Room Rates	1/1/21	1/1/22	4/1/23	2/1/24	4/1/2025
Light level of care	\$280.00	\$280.00	\$320.00	\$340.00	\$360.00
Moderate level of care	\$322.00	\$322.00	\$362.00	\$382.00	\$400.00
Heavy level of care	\$354.00	\$354.00	\$394.00	\$414.00	\$434.00

**Private Room Rates**

Light level of care	\$293.00	\$293.00	\$333.00	\$353.00	\$375.00
Moderate level of care	\$335.00	\$335.00	\$375.00	\$395.00	\$415.00
Heavy level of care	\$367.00	\$367.00	\$407.00	\$427.00	\$449.00

**Assisted Living**

	1/1/21	1/1/22	4/1/23	2/1/24	4/1/25
Level 1- Low level of care	\$129	\$129	\$139	\$149	\$154
Level 2 - Moderate level of care	\$147	\$147	\$157	\$167	\$172
Level 3 - High level of care	\$196	\$196	\$199	\$199	\$199

**Retirement Village**

	10/1/21	1/1/22	4/1/23	4/1/24	4/1/2025
Monthly Maintenance Fee	\$350.00	\$500.00	\$500.00	\$500.00	\$500.00
Entrance Fee –Two Bedroom*	\$110,000.00	\$125,000.00	\$125,000.00	\$125,000.00	\$140,000.00
Entrance Fee – One Bedroom*	\$100,000.00	\$115,000.00	\$115,000.00	\$115,000.00	\$125,000.00

\* Carefully read the Residence and Care Agreement for the conditions that must be satisfied before Goodwill is required to pay the entrance fee refund.

Prices increased due to improvements, services and rates within the competitive marketplace.

**Goodwill Mennonite Home, Inc.**

Financial Statements  
(Including Supplementary Information  
And Independent Auditor's Reports)

March 31, 2025

# Goodwill Mennonite Home, Inc.

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Financial Statements  
March 31, 2025

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## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
Goodwill Mennonite Home, Inc.  
Grantsville, Maryland

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the financial statements of Goodwill Mennonite Home, Inc. (a nonprofit organization) which comprise the statement of financial position as of March 31, 2025, and the related statement of operations and changes in net assets, the statement of functional expenses, and the statement of cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Goodwill Mennonite Home, Inc. as of March 31, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Goodwill Mennonite Home, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### ***Responsibilities of Management for the Financial Statements***

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Goodwill Mennonite Homes, Inc.'s ability to continue as a going concern for one year after the date that the financial statements are issued.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Goodwill Mennonite Home Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Goodwill Mennonite Home Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

*Gray, Griffith & Mays, a.c.*

December 2, 2025  
Morgantown, West Virginia

# Goodwill Mennonite Home, Inc.

## STATEMENT OF FINANCIAL POSITION

March 31, 2025

### ASSETS

Current assets:

Cash and cash equivalents	\$ 891,213
Resident receivables, net	1,253,146
Note receivable - current portion	92,226
Inventory	52,116
Prepaid expenses	177,226
Funded statutory reserve	1,122,619
Patient funds	28,896
Total current assets	<u>3,617,442</u>
Property and equipment, net	11,915,391
Other non-current assets:	
Investments	1,537,900
Endowment fund	50,000
Note receivable	799,520
Total assets	<u><u>\$ 17,920,253</u></u>

### LIABILITIES AND NET ASSETS

Current liabilities:

Accounts payable	\$ 85,922
Accrued payroll	392,757
Payroll taxes withheld and accrued	10,744
Compensated absences	668,112
Medicaid working capital advancement	76,150
Deposits on accounts due to residents	219,851
Patient funds	28,896
Refundable advances, current portion	78,762
Deferred revenue from advance fees, current portion	305,614
Total current liabilities	<u>1,866,808</u>

Long-term liabilities:

Refundable advances, net of current portion	664,720
Deferred revenue from advance fees, net of current portion	<u>623,039</u>
Total liabilities	<u>3,154,567</u>

Net assets:

Without donor restrictions	14,715,686
With donor restrictions	50,000
	<u>14,765,686</u>
Total liabilities and net assets	<u><u>\$ 17,920,253</u></u>

The accompanying notes are an integral part of these financial statements.

# Goodwill Mennonite Home, Inc.

## STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS

Year Ended March 31, 2025

### Changes in net assets without donor restrictions:

#### Revenue and support:

Net resident services revenue	\$ 13,888,327
Amortization of advanced fees	275,644
Maintenance and other fees	155,724
Other services	86,571
Grant income	11,621
Donations	2,558
Interest and dividends	186,515
Miscellaneous income	<u>159,365</u>
Total revenues and support	<u>14,766,325</u>

#### Expenses:

Program services	14,948,969
Management and general	<u>1,376,284</u>
Total expenses	<u>16,325,253</u>

Excess (deficiency) of revenues over expenses without  
donor restriction

(1,558,928)

### Change in net assets with donor restrictions

Change in net assets	(1,558,928)
Net assets, beginning of year	<u>16,324,614</u>
Net assets, end of year	<u>\$ 14,765,686</u>

The accompanying notes are an integral part of these financial statements.

# Goodwill Mennonite Home, Inc.

## STATEMENT OF FUNCTIONAL EXPENSES

Year Ended March 31, 2025

	Program Services	Management and General	Total
Salaries and wages	\$ 8,111,718	\$ 759,919	\$ 8,871,637
Employee benefits	1,950,527	128,241	2,078,768
Payroll taxes	611,892	57,044	668,936
Consultants and contracted services	959,772	39,592	999,364
Physician and pharmacy	81,500	-	81,500
Supplies	690,622	2,074	692,696
Food	693,653	-	693,653
Office supplies	-	68,675	68,675
Professional fees	-	159,426	159,426
Utilities	481,092	24,816	505,908
Maintenance and repairs	266,138	-	266,138
Insurance	132,667	65,414	198,081
Advertising and promotion	1,874	-	1,874
Dues and licenses	-	26,389	26,389
Depreciation	909,281	20,066	929,347
Taxes	51,981	-	51,981
Gas and fuel	6,252	-	6,252
Travel	-	14,320	14,320
Miscellaneous	-	10,308	10,308
<b>Total</b>	<b>\$ 14,948,969</b>	<b>\$ 1,376,284</b>	<b>\$ 16,325,253</b>

The accompanying notes are an integral part of these financial statements

# Goodwill Mennonite Home, Inc.

## STATEMENT OF CASH FLOWS

March 31, 2025

### Cash flows from operating activities:

Change in net assets	\$ (1,558,928)
Adjustments to reconcile changes in net assets to net cash provided by operating activities:	
Depreciation	929,347
Amortization of deferred revenue from advance fees	(275,644)
Provision for credit losses	208,577
Net change in:	
Resident receivables	(241,621)
Prepaid expenses	(138,694)
Accounts payable and accrued expenses	54,544
Deferred revenue and refundable advances	1,800
Contingent liability	(274,000)
Net cash used in operating activities	<u><u>(1,294,619)</u></u>

### Cash flows from investing activities:

Purchase of property, equipment, and improvements	(411,972)
Proceeds from maturity of certificates of deposit	1,700,000
Purchase of investments	(249,834)
Proceeds from note receivable	89,496
Net cash provided by investing activities	<u><u>1,127,690</u></u>

### Cash flows from financing activities:

Receipt of security deposits	14,853
Net cash provided by financing activities	<u><u>14,853</u></u>
Net decrease in cash and cash equivalents	(152,076)
Cash, cash equivalents and restricted cash, beginning of year	<u><u>1,072,185</u></u>
Cash, cash equivalents and restricted cash, end of year	<u><u>\$ 920,109</u></u>

The accompanying notes are an integral part of these financial statements.

# Goodwill Mennonite Home, Inc.

## NOTES TO THE FINANCIAL STATEMENTS

March 31, 2025

### 1 – DESCRIPTION OF ORGANIZATION

Goodwill Mennonite Home, Inc. (the “Organization”) is nonprofit charitable religious organization chartered in April 1958 and incorporated in 1959. The Organization is sponsored by three local Mennonite churches, and in 2005, the Organization became a certified continuing care retirement community (CCRC). The Organization’s campus, located in Garrett County, Maryland, features a continuum of care including an independent living retirement village, assisted living apartments, and a skilled nursing home.

The Organization operates a 108-bed skilled nursing facility (the “Nursing Home”), a 42-unit assisted living facility providing housing for residents who do not need special care (the “Assisted Living”), and a 30-unit independent living village (the “Retirement Village”) consisting of 15 duplex houses designed for occupancy by retired individuals who are taking up residence in the interest of receiving the “Assurance of Care” as offered by the Organization. Retirement Village residents are given priority access to Assisted Living and the Nursing Home if their situation changes and they need such care.

### 2 – SIGNIFICANT ACCOUNTING POLICIES

#### Basis of Accounting

The financial statements of the Organization have been prepared in accordance with U.S. generally accepted accounting principles ("US GAAP"), which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

*Net Assets without Donor Restrictions* – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

*Net Assets with Donor Restrictions* – Net assets subject to donor-(or certain grantor-) imposed restrictions. The Organization reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends, or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-imposed restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of operations as net assets released from restrictions.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities. Donor restricted contributions whose restrictions are met in the same reporting period are reported as unrestricted support.

## Goodwill Mennonite Home, Inc.

NOTES TO THE FINANCIAL STATEMENTS  
March 31, 2025

### Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Management evaluates the estimates and assumptions based upon historical experience and other factors. However, actual results could differ from those estimates. Significant estimates used in preparing these financial statements include provision for credit losses related to resident accounts receivable, estimated third-party payor settlements, useful lives of fixed assets, and the allocation of functional expenses.

### Excess (Deficiency) Revenues Over Expenses

The statement of operations and changes in net assets includes excess (deficiency) of revenues over expenses. Changes in net assets without donor restrictions which are excluded from excess (deficiency) of revenues over expenses, consistent with industry practice, include unrealized gains and losses on investments other than trading securities, and contributions of long-lived assets (including assets acquired using contributions by the donor, restricted to be used for the purpose of acquiring such assets).

### Cash and Cash Equivalents

The Organization considers all cash and highly liquid financial instruments with original maturities of three months or less, which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents. As of March 31, 2025, the Organization had cash on deposit with financial institutions that exceeded Federal Deposit Insurance Corporation (FDIC) limits. However, management believes these institutions are financially sound and do not present a significant risk to the Organization.

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the statement of financial position to the sum of the corresponding amounts within the statement of cash flows:

Cash and cash equivalents	\$ 891,213
Custodial patient funds	<u>28,896</u>
Total cash, cash equivalents, and restricted cash as shown in the statement of cash flows	<u>\$ 920,109</u>

### Resident Accounts Receivable

Resident accounts receivable consist primarily of net resident service revenue billed to clients that was uncollected at March 31, 2025. Resident accounts receivable consists primarily of amounts due from private paying residents and the State of Maryland for Medicare and Medicaid reimbursement for services provided prior to March 31, 2025.

## Goodwill Mennonite Home, Inc.

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### NOTES TO THE FINANCIAL STATEMENTS March 31, 2025

Under the Medicare and Medicaid reimbursement and other third-party agreements, amounts collected for services to residents under these agreements are computed at contractually agreed upon rates. Resident accounts receivable has been adjusted to reflect contractually agreed upon rates and to reflect the difference between charges and the reimbursable amounts under these third-party contracts.

The Organization records resident accounts receivable net of an allowance for credit losses in accordance with ASU 2016-13 *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments (CECL)*, as amended. The Organization recognizes an allowance for credit losses based on historical payment patterns and other relevant information, such as payer mix, and payer economic conditions. The Organization utilized a combination of historical loss data and qualitative adjustments to estimate expected credit losses. Key assumptions used in the estimation process include historical loss data and the assessment of collectability of major individual balances. Accounts are written off when all collection efforts are exhausted.

#### Inventory

Inventory consists of linens and personal protection equipment and supplies and is valued at cost.

#### Property and Equipment

Property and equipment is recorded at cost at the date of purchase or at fair value at the date of donation. On February 24, 2025, the Organization increased the capitalization policy for fixed assets from \$1,500 to \$2,500 for any asset with an estimated useful life of two years or more. Depreciation is computed by the straight-line method based on estimated useful lives ranging from 3 to 50 years depending on the fixed asset's classification.

Impairment losses are recognized on the statement of operations and changes in net assets as a component of operating income (loss) as they are determined. The Organization reviews its long-lived assets whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. In that event, the Organization calculates the estimated future net cash flows to be generated by the asset. If the future cash flows are less than the carrying value of the asset, an impairment loss is recognized for the difference between the estimated fair value and the carrying value of the assets. No such losses were recognized for the year ended March 31, 2025.

#### Endowment Fund

The Organization is subject to the Maryland Uniform Prudent Management of Institutional Funds Act (MUPMIFA) and thus, classifies amounts in its donor restricted endowment fund as net assets without donor restrictions because those net assets are time-restricted. The Organization has interpreted MUPMIFA as not requiring the maintenance of purchasing power of the original gift amount contributed to the endowment fund unless a donor stipulates to the contrary. As a result of this interpretation, when reviewing its donor-restricted endowment funds, the Organization considers a fund to be underwater if the fair value of the fund is less than the sum of (a)

## Goodwill Mennonite Home, Inc.

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### NOTES TO THE FINANCIAL STATEMENTS March 31, 2025

the original value of the initial and subsequent gift amounts donated to the fund, and (b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument. The Organization has interpreted MUPMIFA to permit spending from underwater funds in accordance with the prudent measures required under the law. The Organization's policy is not to spend funds from underwater endowment funds.

#### Investments

The Organization's investments are comprised of stocks, certificates of deposits held by investment managers, and a flex insured deposit account. The fair values reported in the statement of financial position 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 investment securities and the level of uncertainty related to changes in the fair value of investment securities, it is possible that the amounts reported in the statement of financial position could change materially in the near term.

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the statement of financial position. Certificates of deposit are measured at cost and have original maturities beyond three months and are continually renewed. Investment income or loss (including realized gains and losses on investments, interest, and dividends) is included in the excess of revenues over expenses unless the income or loss is restricted by donor or law. Unrealized gains and losses on investments are excluded from the excess of revenues over expenses unless the investments are trading securities.

#### Funded Statutory Reserve

The funded statutory reserve is measured at cost and is a portion of the investment portfolio allocable to this purpose in the statement of financial position and includes the Maryland Department of Aging Operating Reserve, as detailed in Note 5 of these financial statements.

#### Compensated Absences

The Organization's employees earn vacation and sick time depending upon their length of service to the Organization and are eligible to use this time in the year it is earned. Accumulated unpaid vacation and sick can be carried over to the subsequent year, subject to certain limitations. The Organization accrued liability for compensated absences was \$668,112 as of March 31, 2025.

#### Revenue Recognition

##### *Revenue from Exchange Transactions*

###### Resident Services Revenues

Resident revenues are derived from services rendered to patients for skilled and intermediate nursing, assisted living and independent living. Net services revenue is reported at the amount that reflects the consideration to which the Organization

## Goodwill Mennonite Home, Inc.

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### NOTES TO THE FINANCIAL STATEMENTS March 31, 2025

expects to be entitled in exchange for providing services to residents. These amounts are due from patients, governmental programs, and other third-party payors, and include variable consideration for retroactive revenue adjustments due to settlement of audits, reviews, and investigations. The Organization recognizes revenue as its performance obligations are completed. Routine services are treated as a single performance obligation satisfied over time as services are rendered. These routine services represent a bundle of services that are not capable of being distinct. The performance obligations are satisfied over time as the resident simultaneously receives and consumes the benefits of the health care services provided.

Additionally, there may be ancillary services which are not included in the daily rates for routine services but instead are treated as separate performance obligations satisfied at a point in time when those services are rendered. The Organization determines the transaction price based on established billing rates reduced by explicit price concessions provided to third party payors. Implicit price concessions are based on explicit price concessions and historical experience. The Organization considers the patient's ability and intent to pay the amount of consideration upon admission. Subsequent changes resulting from a patient's ability or intent to pay are recorded as a provision for credit losses, which is included as an offsetting component of net resident services revenue in the statement of operations.

Services rendered to Medicare and Medicaid program beneficiaries are paid at prospectively determined rates per day. The rates for these residents vary with predetermined and varying rates depending on the resident's classification. The Organization performs services prior to billing the resident or third-party payor and revenue is recognized as the performance obligation is satisfied.

Other payment agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations provide for payment using prospectively determined rates for established charges and daily rates.

Residents may be responsible for deductibles and coinsurance for services covered by third-party payors. The Organization determines the transaction price for services provided by reducing the standard charge by any explicit price concessions with the third-party payer, any discount offered to residents in accordance with their policies, and the implicit price concession based on historical experience and current market conditions.

Some settlements are subject to audit, review or further investigation. These investigations will sometimes provide information that may lead to a financial settlement. As pertinent information is received from these investigations conducted by the third-party payors, the Organization will develop an estimate to recognize when appropriate. This estimate is subject to change as additional information is obtained. Subsequent changes to the estimate of the transaction price are generally recorded as adjustments to resident services revenue in the period of the change.

## Goodwill Mennonite Home, Inc.

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### NOTES TO THE FINANCIAL STATEMENTS March 31, 2025

Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. The Organization believes that it is in compliance with all applicable laws and regulations and is not aware of any pending or threatened investigations involving allegations of potential wrongdoing. While no such regulatory inquiries have been made, compliance with such laws and regulations can be subject to future review and interpretation. The results of such governmental review could include fines, penalties, and exclusion from participation in the Medicare and Medicaid programs.

#### Independent Living

The Organization offers to its residents independent living facilities within their Retirement Village which do not include access to skilled nursing facilities.

For the independent living facilities within the Retirement Village, residents enter into an agreement with the Organization ("Residence and Care Agreement") which involves the residents providing an advanced entrance fee in exchange for living in the unit of which a portion is amortizable. The Organization views the amortizable portion of the advanced entrance fee as the transaction price. The agreements are in effect until termination per the criteria in the agreement. The agreements typically allow for refunds of the consideration paid – the nature of these constraints are detailed in Note 10. The Organization recognizes revenue as it meets its performance obligation and recognizes a contract liability due to the constraints detailed in Note 10. As the constraints are resolved, the Organization begins to recognize the contract liability as revenue which is reported as amortization from advanced fees on the statement of operations.

#### Ancillary Services

The Organization offers to its patients, residents and guests various ancillary goods and services which include barbershop/beautician services, meals, transportation services, and other miscellaneous services. The Organization views its performance obligation related to these services as the delivery of the goods or services. These goods and services are priced at market rate which the Organization recognizes as the transaction price for these goods and services. The Organization charges for these goods and services as the Organization's performance obligation is met by performing the services or providing the goods. The revenue for these goods and services are included in other services revenues as shown on the statement of operations.

#### *Donations and Grants*

All donations, grants, and other awards are considered to be available without restricted use unless specifically restricted by the donor/grantor. Amounts received that are designated for future periods or restricted by the donor/grantor for specific purposes are reported as restricted support that increases net assets with donor restrictions. However, if a restriction is fulfilled in the same time period in which the donation, grant, or award is received, the Organization reports the support as without restrictions.

## Goodwill Mennonite Home, Inc.

NOTES TO THE FINANCIAL STATEMENTS  
March 31, 2025

### Advertising Costs

Advertising costs are expensed as incurred and approximated \$1,874 during the year ended March 31, 2025.

### Functional Allocation of Expenses

The costs of program and supporting service activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Expenses that can be identified with a program or supporting service are charged directly to the program or supporting service. Expenses that apply to more than one functional category have been allocated based on estimates made by management. Indirect costs related to repairs and maintenance are allocated based on the square footage utilized by function. Indirect costs that are related to wages and employee benefits are allocated by the number of hours and/or employees.

### Income Taxes

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. During the year March 31, 2025, management has determined there were no unrelated business activities subject to the unrelated business income tax (UBIT). The Organization is required to file an annual Form 990 which are subject to examination by taxing authorities generally three years after they were filed. All significant tax positions have been considered by management, and it has determined that it is more likely than not that all tax positions would be sustained upon examination by taxing authorities.

### Subsequent Events

The Organization evaluated the effect subsequent events would have on the financial statements through the date of the Auditor's report, which is the date the financial statements were available to be issued.

## 3 –LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

Cash and cash equivalents	\$ 891,213
Resident receivable, net	1,253,146
Certificates of deposit, net of restricted portion	1,537,900
	<u>\$ 3,682,259</u>

The Organization's general checking account is maintained at a level to cover day-to-day operating expenses with the excess swept into a money market account, which is available for operations. These accounts normally have enough funds to cover over two months of general operating expenses. If excess funds are needed, the Organization has broker certificates of deposit that could be made available.

## Goodwill Mennonite Home, Inc.

NOTES TO THE FINANCIAL STATEMENTS  
March 31, 2025

### 4 – PATIENT RECEIVABLES

Resident receivables as of March 31, 2025 have been disclosed net of an allowance for credit losses of \$423,555. The Organization records receivables net of explicit price concessions for balances paid by third party payers which include Medicare, Medicaid and private insurance.

### 5 – INVESTMENTS

The Organization maintains a conservative strategy of investing with the primary objective of principal preservation. In accordance with this strategy, the Organization invests its cash reserves into certificates of deposit through a brokerage firm investment account.

Total investments, stated at fair value, consist of the following at March 31:

Investments:

Cash and cash equivalents	\$ 250,459
Certificates of deposit held by investment managers	2,450,000
Marketable equity securities	<u>10,060</u>
Total investments	<u>2,710,519</u>
Less: funded statutory reserve	(1,122,619)
Less: endowment fund	<u>(50,000)</u>
Net investments	<u>\$ 1,537,900</u>

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of fair value hierarchy are described as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the entity has the ability access.

Level 2 – Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

## Goodwill Mennonite Home, Inc.

### NOTES TO THE FINANCIAL STATEMENTS

March 31, 2025

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following table sets forth, by level within FASB ASC 820's fair value hierarchy, the Organization's financial assets and liabilities accounted for at fair value on a recurring basis as of March 31, 2025. As required by FASB ASC 820, assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The Organization's assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the valuation of fair value assets and liabilities and their placement within the fair value hierarchy levels.

	(Level 1)	(Level 2)	(Level 3)	Total
Assets measured at fair value:				
Cash and cash equivalents	\$ -	\$ 250,459	\$ -	\$ 250,459
Certificates of deposit	-	2,450,000	-	2,450,000
U.S. common and preferred stock	10,060	-	-	10,060
	<u>\$ 10,060</u>	<u>\$ 2,700,459</u>	<u>\$ -</u>	<u>\$ 2,710,519</u>

## 6 – FUNDED STATUTORY RESERVE

Human Services Article §10-420 of the Annotated Code of Maryland requires that continuing care retirement communities create an operating reserve of 25% of annual net operating expenses. The reserve is required to be invested in low-risk investment vehicles and in a reasonably liquid form. The Organization designates a portion of its invested cash and certificates of deposit to satisfy this reserve requirement and it is reviewed annually by the Organization's Board of Directors.

## Goodwill Mennonite Home, Inc.

NOTES TO THE FINANCIAL STATEMENTS  
March 31, 2025

The total amount of the statutory reserve as of March 31, 2025 was calculated as follows:

Operating expenses - previous year	\$ 15,364,901
Less: depreciation expense - previous year	(931,232)
Net operating expense	<u>14,433,669</u>
Statutory reserve percentage	25%
Statutory reserve amount before adjustment for certified units	<u>\$ 3,608,417</u>
Total certified units	56
Total number of units	<u>180</u>
Percentage of units certified	31.11%
Statutory reserve based on percentage of units certified	<u>\$ 1,122,619</u>

### 7 – NOTE RECEIVABLE

In June 2020, the Organization loaned \$1,400,000 to Rosedale College. The loan is to be repaid in monthly payments of \$8,800 at a variable interest rate of 1 – 2%. The loan is not collateralized. Interest is recognized monthly on the outstanding balance of the note receivable. As of March 31, 2025, the remaining principal of the loan was \$891,746, and the amount of principal due within one year is approximately \$92,226.

### 8 – PROPERTY AND EQUIPMENT

Property and equipment consisted of the following for the year ended March 31, 2025:

Land	\$ 686,689
Buildings	21,161,709
Equipment	2,121,982
Land improvements	1,875,689
Vehicles	<u>332,282</u>
Total property and equipment	26,178,351
Less: accumulated depreciation	<u>(14,262,960)</u>
Property and equipment, net	<u>\$ 11,915,391</u>

Depreciation expense for the year ended March 31, 2025 was \$929,347.

## Goodwill Mennonite Home, Inc.

NOTES TO THE FINANCIAL STATEMENTS  
March 31, 2025

### 9 – RESIDENT SERVICES REVENUES

A summary of resident services revenue net of explicit and implicit price concessions for all payors for the year ended March 31, 2025 are as follows:

Medicare	\$ 1,827,768
Medicaid	11,986,185
Other	<u>4,068,800</u>
Resident service revenue, at gross charge	17,882,753
Less: explicit and implicit price concessions	<u>(3,994,426)</u>
Net resident services revenue	<u>\$ 13,888,327</u>

### 10 – DEPOSITS AND ADVANCE FEES

The Organization has a contract with the resident or residents, if a couple, that enters the Retirement Village. Each contract includes a refundable priority list deposit, a non-refundable \$300 application fee, with the balance of the contract price due when moving into the unit.

The contract price for the unit is called the entrance fee. The total fee charges is based on the age of the resident(s) occupying the unit. The entrance fee is comprised of an amortizable refundable portion and possibly a fully refundable portion depending on the age of the resident. The fully refundable portion of the entrance fee is 100% refundable when the occupant(s) leave the unit. It is recorded as a non-current liability as refundable advances, net of estimated refunds expected within one year. The amortizable portion of the fee is recorded as deferred revenue from advanced fees, net of estimated refunds expected within one year, and is amortized at 1% per month over 100 months. If the occupant leaves before the fee is fully amortized, the remaining balance is refunded to the occupant(s) or their representative.

As of March 31, 2025, the following is a detail of the entrance fees in the statement of financial position:

Entrance fees liability - current portion:	
Amortizable entrance fees - estimated refunds	\$ 56,235
Amortizable entrance fees - current deferred revenue	<u>249,379</u>
Deferred revenue from advance fees - current portion	305,614
Refundable advances - estimated refunds	<u>78,762</u>
Total entrance fees liability - current portion	<u>384,376</u>

## Goodwill Mennonite Home, Inc.

### NOTES TO THE FINANCIAL STATEMENTS

March 31, 2025

Entrance fees liability - noncurrent portion	
Refundable advances, net of current portion	664,720
Deferred revenue from advance fees, net of current portion	623,039
Total entrance fees liability - noncurrent portion	<u>1,287,759</u>
Total refundable entrance fees	743,482
Total amortizable entrance fees	928,653
Total refundable and amortizable entrance fees	<u>\$ 1,672,135</u>

For those residents entering the Assisted Living, a deposit equaling two months of rent is required. These deposits are recorded as a liability for deposits on accounts due to residents and totaled \$219,851 as of March 31, 2025.

### 11 – THIRD-PARTY RATE ADJUSTMENTS AND REVENUE

Net resident services revenue is reported at estimated net realizable amounts from residents, third-party payers, and other for services rendered. Revenue under third-party payer agreements is subject to audit and retroactive adjustment.

Revenue from the Medicaid program accounts for a significant percentage of the Organization's net resident services revenue for the Nursing Home. Laws and regulations governing the Medicaid program are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change in the near term. The Medicaid program has advanced to the Organization a working capital adjustment and the outstanding balance is \$76,150 as of March 31, 2025.

### 12 – CONCENTRATION OF CREDIT RISK

For the year ended March 31, 2025, approximately 77% of net resident services revenue was the result of providing services to Medicaid and Medicare program beneficiaries. The Organization bills a set rate for services each month, based on pre-approved rates. These amounts may be adjusted when the programs are audited by the State of Maryland, which may result in a payable to or receivable from the programs.

Due to the significance of Medicaid and Medicare program revenues to the Organization, any change in the reimbursement methodologies employed by the Medicaid and Medicare programs for nursing home services could significantly impact the financial operations and financial position of the Organization.

Additionally, the Organization relies on some vendors to be their only source provider for some products and services, which could have a negative impact on the Organization should one of these vendors be lost in the near term.

## Goodwill Mennonite Home, Inc.

NOTES TO THE FINANCIAL STATEMENTS  
March 31, 2025

### Custodial Credit Risk

The Organization maintains its cash and cash equivalents in several financial institutions. As of March 31, 2025, the Organization had deposits in excess of the \$250,000 Federal Deposit Insurance Corporation (FDIC) limit of \$622,421.

The custodial accounts held for residents are separately insured.

As of March 31, 2025, all brokered certificates of deposit were fully insured by the FDIC.

### 13 – COMMITMENT AND CONTINGENCIES

As described in Note 10 to these financial statements, residents of the Retirement Village pay an entrance fee when they move in that is amortized as income over 100 months. If the resident stays in the Retirement Village beyond the 100-month period, the Organization ceases to recognize any income from the entrance fees from the occupant moving forward. The Organization currently has several residents who have lived in the Retirement Village in excess of 100 months.

Additional commitments and contingencies are as follows:

**Health Insurance:** The Organization provides health insurance coverage for eligible employees. As of March 31, 2025, the Organization had a self-insured plan where they reimburse the insurance company on a claims basis. Because of the possible delay in payment of claims on a timely basis by the insurance company, unpaid claims could exist as of the financial statement date. The policy includes a stop-loss insurance that is responsible for claims over \$50,000. At the end of the current year, the Organization opted to switch to an Individual Coverage Health Reimbursement Arrangement to replace the aforementioned self-funded insurance plan.

**Unemployment Insurance:** The Organization does not pay into the State of Maryland Unemployment Fund but reimburses the State of Maryland for unemployment benefits that are paid to their employees. The State of Maryland required that the Organization provide an irrevocable letter of credit to the state of \$103,491 as of March 31, 2025.

**General and Professional Liability Insurance:** The Organization has a general and professional liability insurance policy with a coverage limit of \$1,000,000 per occurrence and \$3,000,000 annually.

**Litigation Settlement:** During the prior fiscal year, the Organization was named as a defendant in a disputed breach of contract action by Patriot Medical Laboratories, LLC d/b/a CAIN Diagnostics in the Circuit Court of Garret County, Maryland. This disputed claim was for \$292,000 related to the cost of COVID testing. The Organization recorded a \$274,000 contingent liability in prior year relating to this litigation. The Organization settled this dispute in January 2025 for \$190,000, resulting in a \$84,000 gain that is included in miscellaneous income as

## Goodwill Mennonite Home, Inc.

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NOTES TO THE FINANCIAL STATEMENTS  
March 31, 2025

reported on the statement of operation and changes in net assets for the year ended March 31, 2025.

### 14 – RELATED-PARTY TRANSACTIONS

The Organization has entered into various contracts with members of the Board of Directors, their family members, and/or companies owned and/or managed by them. These contracts include constructions contracts and services to the Organization. Construction contracts are put out to bid and normally awarded to the lowest bidder unless they do meet the request for proposal stipulations.

During the year ended March 31, 2025, the Organization was invoiced \$37,923 from Byco Enterprises, Inc. for services performed during the year then ended. Byco Enterprises, Inc. was owned and operated by Tim Bender, who serves as the Organization's Board President, until his retirement in June 2024.

Additionally, during the year ended March 31, 2025, the Organization was invoiced \$2,749 from Pillar Innovations, for services performed during the year then ended. The Organization's Board Treasurer is employed by Pillar Innovations as a product manager for a product unrelated to the services performed for the Organization.

### 15 – OBLIGATION TO PROVIDE FUTURE SERVICES

The Organization annually calculates the present value of the net cost of future services and the use of facilities, including depreciation, to be provided to current residents of the Retirement Village and compares that amount with the balance of deferred revenue from advanced fees. If the present value of the net cost of future services and the use of the facilities, including depreciation, exceeds the deferred revenue from advanced fees, a liability is recorded as obligation to provide future services with the corresponding charge to expense. If the deferred revenue from advanced fees exceeds the present value of the net cost of future services and the use of facilities, including depreciation, the liability is reduced with a corresponding charge to income. The obligation is discounted at 5.5%. For the year ended March 31, 2025, the Organization calculated the liability to be \$0.

### 16 – DEFINED CONTRIBUTION PLAN

The Organization has a 403(b) plan in which employees can contribute to the plan up the limits established by the Internal Revenue Service. The Organization does not contribute to the plan. Employees become eligible to participate in the plan upon hire and are immediately vested in the contributions and earnings on those contributions.

**ACCOMPANYING FINANCIAL  
INFORMATION**



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**INDEPENDENT AUDITOR'S REPORT ON  
ACCOMPANYING FINANCIAL INFORMATION**

To the Board of Directors  
Goodwill Mennonite Home, Inc.  
Grantsville, Maryland

We have audited the financial statements of Goodwill Mennonite Home, Inc. ("the Organization") as of and for the year ended March 31, 2025, and have issued our report thereon dated December 2, 2025, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole.

The accompanying schedules of activities by service entity are presented for the purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements as a whole.

*Gray, Griffith & Mays, a.c.*

Morgantown, West Virginia  
December 2, 2025

# Goodwill Mennonite Home, Inc.

## SCHEDULE OF ACTIVITIES – NURSING HOME

Year Ended March 31, 2025

### Changes in net assets without donor restriction:

#### Revenue and support:

Net resident revenue	\$ 12,334,211
Other services	62,133
Donations	2,558
Interest and dividends	186,515
Miscellaneous income	149,885
Grant income	11,621
<b>Total revenue and support</b>	<b>12,746,923</b>

#### Expenses:

Salaries and wages	7,886,412
Employee benefits	1,837,909
Payroll taxes	594,519
Consultants and contracted services	928,711
Physician and pharmacy	81,500
Supplies	662,165
Food	551,421
Office supplies	66,734
Professional fees	153,445
Utilities	369,253
Maintenance and repairs	193,208
Insurance	129,107
Advertising and promotion	933
Dues and licenses	26,265
Depreciation	618,233
Miscellaneous	10,308
Travel	14,320
Gas and fuel	6,252
<b>Total expenses</b>	<b>14,130,695</b>

### Change in Net Assets without Donor

#### Restrictions from operations

(1,383,772)

**Net Assets - beginning of year**

12,115,325

**Net Assets - end of year**

\$ 10,731,553

# Goodwill Mennonite Home, Inc.

## SCHEDULE OF ACTIVITIES – RETIREMENT VILLAGE

Year Ended March 31, 2025

### Changes in net assets without donor restriction:

#### Revenue and support:

Amortization of advanced fees	\$ 275,644
Maintenance and other fees	155,724
Miscellaneous income	10
<b>Total revenue and support</b>	<b>431,378</b>

#### Operating expenses:

Salaries and wages	55,413
Employee benefits	18,685
Payroll taxes	4,239
Supplies	268
Professional fees	5,981
Utilities	24,947
Maintenance and repairs	50,717
Insurance	31,879
Advertising and promotion	941
Taxes	51,981
Depreciation	70,551
<b>Total expenses</b>	<b>315,602</b>

### Change in Net Assets without Donor

Restrictions from operations	<u>115,776</u>
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<b>Net Assets - beginning of year</b>	<u>(150,825)</u>
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<b>Net Assets - end of year</b>	<u>\$ (35,049)</u>
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# Goodwill Mennonite Home, Inc.

STATEMENT OF ACTIVITIES – ASSISTED LIVING  
Year Ended March 31, 2025

## Changes in net assets without donor restriction:

### Revenue and support:

Net resident revenue	\$ 1,554,116
Other services	24,438
Donations	-
Miscellaneous income	9,470
Grant income	-
<b>Total revenue and support</b>	<b>1,588,024</b>

### Operating expenses:

Salaries and wages	929,812
Employee benefits	222,174
Payroll taxes	70,178
Consultants and contracted services	70,653
Supplies	30,263
Food	142,232
Office supplies	1,941
Utilities	111,708
Maintenance and repairs	22,213
Insurance	37,095
Dues and licenses	124
Depreciation	240,563
<b>Total expenses</b>	<b>1,878,956</b>

### Change in Net Assets without Donor

Restrictions from operations	<u>(290,932)</u>
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<b>Net Assets - beginning of year</b>	<u>4,360,114</u>
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<b>Net Assets - end of year</b>	<u>\$ 4,069,182</u>
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**GOODWILL MENNONITE HOME, INC.**  
**Statements of Activities - Budgeted and Projected**  
**For the Years Ended March 31, 2026 and 2027**

	<u>2026</u>	<u>Projected 2027</u>
<b>CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS:</b>		
<b>SUPPORT AND REVENUE:</b>		
Goodwill Nursing Home revenue and support	\$ 12,722,822	\$ 13,097,177
Retirement Village revenue	441,353	450,626
Assisted Living Revenue	1,625,422	1,673,691
<b>TOTAL SUPPORT AND REVENUE</b>	<u>14,789,598</u>	<u>15,221,493</u>
<b>EXPENSES:</b>		
Nursing Home expenses	13,280,871	13,326,844
Retirement Village expenses	304,710	308,703
Assisted Living expenses	1,784,527	1,803,655
<b>TOTAL EXPENSES</b>	<u>15,370,107</u>	<u>15,439,202</u>
<b>CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS FROM OPERATIONS</b>	<b>(580,510)</b>	<b>(217,709)</b>
<b>CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS</b>		
Net assets released from restriction	-	-
<b>CHANGE IN NET ASSETS</b>	<b>(580,510)</b>	<b>(217,709)</b>
<b>NET ASSETS - BEGINNING OF YEAR</b>	<u>14,765,686</u>	<u>14,185,176</u>
<b>NET ASSETS - END OF YEAR</b>	<u><u>\$ 14,185,176</u></u>	<u><u>\$ 13,967,468</u></u>

**GOODWILL MENNONITE HOME, INC.**  
**Schedules of Activities - Nursing Home - Budgeted and Projected**  
**For the Years Ended March 31, 2026 and 2027**

	<u>2026</u>	<u>Projected 2027</u>
<b>CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS:</b>		
<b>SUPPORT AND REVENUE:</b>		
Net resident revenue	\$ 12,457,553	\$ 12,831,280
Other services	62,754	63,382
Donations	15,000	15,000
Miscellaneous	1,000	1,000
Interest and dividends	186,515	186,515
<b>TOTAL SUPPORT AND REVENUE</b>	<b><u>12,722,822</u></b>	<b><u>13,097,177</u></b>
<b>EXPENSES:</b>		
Salaries and wages	7,925,844	8,005,103
Employee benefits	889,851	800,866
Payroll taxes	597,492	603,467
Consultants and contracted services	937,998	947,378
Physician and pharmacy	82,315	83,138
Supplies	672,097	678,818
Food	562,449	573,698
Office supplies	67,401	68,075
Professional fees	154,979	156,529
Utilities	372,946	376,675
Maintenance and repairs	195,140	197,091
Insurance	135,562	142,340
Advertising and promotion	942	952
Dues and licenses	26,528	26,793
Depreciation	624,415	630,659
Miscellaneous	10,411	10,515
Travel	13,000	13,130
Gas and fuel	11,500	11,615
<b>TOTAL EXPENSES</b>	<b><u>13,280,871</u></b>	<b><u>13,326,844</u></b>
<b>CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS</b>		
<b>FROM OPERATIONS</b>	<b>(558,049)</b>	<b>(229,667)</b>
<b>CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS</b>		
Net assets released from restriction	-	-
<b>CHANGE IN NET ASSETS</b>	<b>(558,049)</b>	<b>(229,667)</b>
<b>NET ASSETS - BEGINNING OF YEAR</b>	<b><u>10,731,553</u></b>	<b><u>10,173,504</u></b>
<b>NET ASSETS - END OF YEAR</b>	<b><u>\$ 10,173,504</u></b>	<b><u>\$ 9,943,837</u></b>

**GOODWILL MENNONITE HOME, INC.**  
**Schedules of Activities - Assisted Living - Budgeted and Projected**  
**For the Years Ended March 31, 2026 and 2027**

	<u>2026</u>	<u>Projected 2027</u>
<b>CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS:</b>		
<b>REVENUE:</b>		
Net resident revenue	\$ 1,600,739	\$ 1,648,762
Other Revenue	24,682	24,929
<b>TOTAL REVENUE</b>	<u>1,625,422</u>	<u>1,673,691</u>
<b>EXPENSES:</b>		
Salaries and wages	939,110	957,892
Employee benefits	107,569	96,812
Payroll taxes	71,582	73,013
Contracted services	71,360	72,073
Supplies	30,566	30,871
Food	145,077	147,978
Office supplies	1,960	1,980
Utilities	112,825	113,953
Maintenance and repairs	22,435	22,659
Insurance	38,950	40,897
Dues	125	126
Depreciation	242,969	245,398
<b>TOTAL EXPENSES</b>	<u>1,784,527</u>	<u>1,803,655</u>
<b>CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS FROM OPERATIONS</b>	 (159,105)	 (129,964)
<b>CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS</b>		
Net assets released from restriction	-	-
<b>CHANGE IN NET ASSETS</b>	 (159,105)	 (129,964)
<b>NET ASSETS - BEGINNING OF YEAR</b>	 <u>4,069,182</u>	 <u>3,910,077</u>
<b>NET ASSETS - END OF YEAR</b>	 <u>\$ 3,910,077</u>	 <u>\$ 3,780,113</u>

**GOODWILL MENNONITE HOME, INC.**  
**Schedules of Activities - Retirement Village - Budgeted and Projected**  
**For the Years Ended March 31, 2026 and 2027**

	<u>2026</u>	<u>Projected 2027</u>
<b>CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS:</b>		
<b>REVENUE:</b>		
Amortization of advanced fees	\$ 278,400	\$ 281,184
Maintenance and other fees	161,953	168,431
Other revenue	1,000	1,010
<b>TOTAL REVENUE</b>	<b>441,353</b>	<b>450,626</b>
 <b>EXPENSES:</b>		
Salaries and wages	55,967	57,086
Payroll taxes	9,047	8,142
Employee benefits	4,324	4,410
Professional fees	271	273
Supplies	500	505
Utilities	25,196	25,448
Maintenance and repairs	51,224	51,736
Insurance	33,473	35,147
Advertising and promotion	950	960
Taxes	52,501	53,026
Depreciation	71,257	71,969
<b>TOTAL EXPENSES</b>	<b>304,710</b>	<b>308,703</b>
 <b>CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS</b>		
<b>FROM OPERATIONS</b>	<b>136,644</b>	<b>141,922</b>
 <b>CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS</b>		
Net assets released from restriction	-	-
<b>CHANGE IN NET ASSETS</b>	<b>136,644</b>	<b>141,922</b>
 <b>NET ASSETS - BEGINNING OF YEAR</b>		
	<b>(35,049)</b>	<b>101,595</b>
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 101,595</b>	<b>\$ 243,517</b>

**GOODWILL MENNONITE HOME, INC.**  
**Statements of Forecasted Cash Flows**  
**For the Years Ended March 31, 2027, 2028, and 2029**

	<u>2027</u>	<u>2028</u>	<u>2029</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Changes in net assets:	\$ (580,510)	\$ (217,709)	\$ (52,362)
Adjustments to reconcile change in net assets to net cash provided by operating activities:			
Depreciation	938,640	948,027	957,507
(Increase) Decrease in accounts receivable	(30,600)	(31,212)	(31,836)
(Increase) Decrease in inventories	(1,428)	(1,457)	(1,486)
(Increase) Decrease in prepaid expense	510	520	531
Increase (Decrease) in accounts payable	3,500	3,570	3,641
Increase (Decrease) in accrued wages and payroll taxes withheld	30,000	30,000	30,000
Increase (Decrease) in compensated absences	45,000	45,900	46,818
Increase (Decrease) in deposits on accounts due to residents	3,899	3,938	3,977
Increase (Decrease) in deferred revenue from advance fees	<u>(278,400)</u>	<u>(281,184)</u>	<u>(283,996)</u>
<b>NET CASH FLOWS PROVIDED BY (USED FOR) OPERATING ACTIVITIES</b>	<u>130,611</u>	<u>500,393</u>	<u>672,794</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Sale of investments	750,000	750,000	750,000
Collection of note receivable	120,000	120,000	120,000
Purchases of investments	(750,000)	(750,000)	(1,000,000)
Capital expenditures	<u>(485,000)</u>	<u>(435,000)</u>	<u>(415,000)</u>
<b>NET CASH FLOWS PROVIDED BY (USED FOR) INVESTMENT ACTIVITIES</b>	<u>(365,000)</u>	<u>(315,000)</u>	<u>(545,000)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Receipt of refundable fees	280,000	280,000	280,000
Refunds of refundable fees	<u>(140,000)</u>	<u>(140,000)</u>	<u>(140,000)</u>
<b>NET CASH FLOWS PROVIDED BY (USED FOR) FINANCING ACTIVITIES</b>	<u>140,000</u>	<u>140,000</u>	<u>140,000</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(94,389)</b>	<b>325,393</b>	<b>267,794</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>920,709</b>	<b>826,320</b>	<b>1,151,714</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>\$ 826,320</b>	<b>\$ 1,151,714</b>	<b>\$ 1,419,507</b>