Pennsylvania
Insurance Department

# CONTINUING CARE RETIREMENT COMMUNITIES ("CCRCs")

**PROVIDER NAME:** Moravian Village of Bethlehem **EIN:** 23-3022262

**FACILITY NAME:** Moravian Village of Bethlehem

**D/B/A NAME (if applicable):** _____

**Contact:** DAN SOOS **Telephone:** 610-625-4885 x 405

**Contact Email address:** OSOOS@Moravianvillage.com **Billing Email address:** _____

**Required Filings in the State Of:** Pennsylvania **Filings Made During the Year 2025**

## PENNSYLVANIA DOMESTIC FILERS:

The Department is paperless filings, we require a billing email addresses. Please ensure contact information on file with the Department is always maintained current. We need contact persons name (CEO or CFO), email ID and contact number with annual filings.

Filings should be made in electronic form only. Further:

1. All Pennsylvania CCRC filings are to be emailed to:
   RA-IN-CCRC@PA.gov
   a. The email subject line should begin with the EIN followed by the provider name and then facility name. **Please do not use d/b/a name for the Provider in email subject line.**
   b. Each document is to be submitted in PDF format.
   c. ZIP files cannot be accepted through the firewall and may result in a late filing. Encrypted files can be accepted and are preferable over a secured portal process.
   d. The document file name for each item should begin with the provider name and a brief document description. (i.e. CCRC Disclosure Statement).
   e. Documents requiring signature should include a wet signature PDF scan.
   f. Please provide a Company contact email address for the Department to address any inquiries and direct invoicing for electronic payment implementation.
2. Electronic filings are required.
3. The scanned documents submitted should reflect the appropriate wet signatures and notary requirement.
4. Filing fee payment can be mailed to the Department, to **ATTN: Hem Mahat,** Administration, PA Insurance Department, 1326 Strawberry Square, Harrisburg, PA 17120 and clearly identify the Provider name, EIN and CCRC renewal fee period. A scanned copy of the fee payment can be included with the electronic submission to facilitate filing review.
5. Questions can be emailed to RA-IN-CCRC@PA.gov



Bureau of Market Actions
1321 Strawberry Square | Harrisburg, Pennsylvania 17120
RA-IN-CCRC@pa.gov

| CONSOLIDATED AUDIT REQUESTS | | | |
|---|---|---|---|
| √ | **DOCUMENT** | **DUE DATE *** | **CITATION **** |
| | Request to file consolidated or combined audit filings in lieu of separate CPA reports.<br><br>Note: This request requires prior approval. If approved, the required consolidated or combined worksheets need to be subjected to audit procedures. | 30 days prior to fiscal year end | 31 Pa. Code § 147.7(c) |

| REQUIRED FILINGS | | | |
|---|---|---|---|
| √ | **DOCUMENT** | **DUE DATE *** | **CITATION **** |
| | CPA Report | Four (4) months after fiscal year end ✓ | 31 Pa. Code § 147.3(c) |
| | Disclosure of Calculation of "Statutory Liquid Reserves" must be part of the audited financial statements notes or as a supplemental schedule. Statutory Liquid Reserves amount must be part of the audited balance sheet as a separate balance sheet account. | Four (4) months after fiscal year end ✓ | 40 P.S. § 3209 And 31 Pa. Code § 151.11(d) |
| | Disclosure of all "Deferred Revenues" (Deferred Revenues - Nonrefundable portion of entrance fees reported as deferred income & amortized over the actuarially determined life expectancy of each resident.) | Four (4) months after fiscal year end ✓ | 31 Pa. Code § 151.11(d) |
| | Disclosure of funds maintained in an escrow account for entrance fees must be part of the audited financial statements notes. | Four (4) months after fiscal year end ✓ | 40 P.S. § 3212 |
| | CPA Qualification Letter | Four (4) months after fiscal year end ✓ | 31 Pa. Code §§ 147.4(e) & 147.6a |
| | CPA Awareness Letter<br>Not required annually, but must be on file for the CPA performing the current year's audit | Four (4) months after fiscal year end ✓ | 31 Pa. Code § 147.5(d) |
| | Communication of Internal Control Related Matters Noted in Audit | If issued by CPA Within 60 days of filing the CPA report N/A | 31 Pa. Code § 147.9a |
| | Notification of Adverse Financial Condition | If issued by CPA Within 5 business days of receipt, forward a copy to the Department & provide evidence of such to the CPA. N/A | 31 Pa. Code §§ 147.4(e) & 147.9 |
| | Change in CPA letters | N/A | |
| | Notification of dismissal, resignation, or replacement | Within 5 business days of CPA dismissal, resignation, or replacement | 31 Pa. Code § 147.5(c) |
| | CCRC's letter addressing whether there were disagreements 24 months prior to change | Within 10 business days of the notification letter | 31 Pa. Code § 147.5(c)(1) |



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RA-IN-CCRC@pa.gov

| √ | DOCUMENT | DUE DATE * | CITATION ** |
|---|---|---|---|
| | Letter from the former CPA stating that they agree or disagree with the contents of the letter from the CCRC regarding disagreements 24 months prior to change | Concurrently with the CCRC's letter regarding disagreements N/A | 31 Pa. Code § 147.5(c)(2) |
| | Letter with the name and address of the independent CPA or accounting firm retained to conduct the annual audit and provide an awareness letter from same | Within 60 business days of the notification letter N/A | 31 Pa. Code §§ 147.5(c)(3) & (d) |
| | Current Resident's Agreement (Complete copy required regardless if unchanged from the prior filing) | Four (4) months after fiscal year end | 31 Pa. Code § 151.8(f) |
| | Disclosure Statement ***<br><br>***Note: This must be filed by the provider and in the format presented to a current or potential resident. Disclosure statement filings are public and posted to the Insurance Department website. Please submit in PDF format to the Department.*** | Four (4) months after fiscal year end | 40 P.S. § 3207(b) and 31 Pa. Code § 151.7 |
| | Narrative statement of material differences of actual vs. pro forma income statement | Four (4) months after fiscal year end ✓ | 40 P.S. § 3207(b)(1) |
| | Pro Forma Income Statement – for the next fiscal year | Four (4) months after fiscal year end ✓ | 40 P.S. § 3207(b)(2) |
| | **AMENDMENTS TO DISCLOSURE STATEMENTS** | | |
| | An electronic filing is to be submitted and include a cover letter briefly outlining the sections of the disclosure statement amended and a redline version illustrating the changes.<br><br>Material changes in the operation of a provider or facility which require an amendment to a disclosure statement may include, but are not limited to, the following:<br><br>(1) Changes in the board of directors, officers, managing or general partners, administrators or trustees and managers which affect the management of a facility. Biographical affidavits by these individuals shall be filed with the Department at the time an amended disclosure statement is filed.<br><br>(2) New or additional mortgages, liens, security interests, loan commitments, long-term financing arrangements or leases, which transaction materially affects the real property of the facility. A copy of all pertinent documents evidencing the transactions shall be filed with the Department at the time an amended disclosure statement is filed.<br><br>***Continued on next page*** | Upon amendment or change N/A | 31 Pa. Code § 151.7(e) |



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RA-IN-CCRC@pa.gov

| √ | DOCUMENT | DUE DATE * | CITATION ** |
|---|---|---|---|
| | (3) Other material changes in the financial or factual information contained in the disclosure statement or statement in support of the provider's original application for a certificate of authority. Explanatory material and copies of pertinent documents concerning the material changes shall be filed with the Department at the time an amended disclosure statement is filed.<br><br>***Note: Amended Disclosure Statements must be filed by the provider within 30 days of amendment or change, and in the format to be presented to a current or potential resident. Amended Disclosure Statements are public documents and posted on the Department's website.*** | Upon amendment or change | 31 Pa. Code § 151.7(e) |

* There are no provisions in statute or regulation that provide for an extension or waiver of the audited financial report filing date requirements for CCRCs.

** 31 Pa. Code Chapters 147 and 151 are available on The Pennsylvania Code website at: Annual Audited Insurers' Financial Report and Continuing Care Providers.

*** **Filing fee** - There is a $750 Disclosure Statement filing fee pursuant to 31 Pa. Code § 151.14(c). Filing fee payment can be mailed to the Department, to **ATTN: Hem Mahat**, Administration, PA Insurance Department, 1326 Strawberry Square, Harrisburg, PA 17120 and clearly identify the Provider name, EIN and CCRC renewal fee period. A scanned copy of the fee payment can be included with the electronic submission to facilitate filing review.

**** Contact details should be maintained current with every annual filings. Contact person name, email address and telephone number should be filed annually. Contact person should be CEO, CFO or someone from executive board.

**INQUIRIES CAN BE MADE TO:**
Pennsylvania Insurance Department
E-mail: RA-IN-CCRC@pa.gov



pennsylvania
INSURANCE DEPARTMENT

**Continuing Care Retirement Community Provider Annual Disclosure Statement Filing Fee Invoice**

**MORAVIAN VILLAGE OF BETHLEHEM**

[redacted]

| Date | Item | Amount |
|---|---|---|
| 3/24/2026 | CCRC Annual Disclosure Statement Filing Fee | $750 |
| | **Amount due:** | **$ 750** |

This invoice is a billing of all active CCRC annual disclosure statement filing fees for 2026.

To avoid potential enforcement action and penalties, payment must be received on or before 4/30/2026.

For payment, please visit the electronic payment service at https://www.bpp.ob.pa.gov/customer

- If making an ACH/Intellicheck payment from a corporate account, **before making a payment,** please notify your banking institution to add the Commonwealth of Pennsylvania, ACH ID#9049039603, to allow for ACH/Intellicheck payments.
- This link will connect to Office of Budget Payment Center.
- Go to "Make a Payment for an Accounts Receivable Invoice (not related to a loan)".
- Failure to select this option (paying an Accounts Receivable) will result in the payment not applying to your customer account.
- First time users click the "New Registration" link at the bottom to create an account.
- The following information is obtained from the invoice: customer number, invoice number, invoice date and invoice amount.
- After registration, click on "Payments" in the upper right corner, select "Invoices." The system will prompt the user through the payment process.
- For Snap Pay questions, contact RA-OBCO_PYMTCENTER@pa.gov or 717-425-6724.
- If you cannot make payment online, **you must include a copy of the invoice with your check, or the payment will be returned.**

**CCRC ANNUAL DISCLOSURE STATEMENT FEE**

[redacted]

Due Date: 4/30/2026
Print Date: 3/24/2026

Payment Amount: $ 750.00
ACH 3/30/2026

**Amount Due: $ 750**

**Questions or concerns?**
Email us at ra-in-companylicense@pa.gov

# MORAVIAN VILLAGE

*A 55+ Community in the Heart of Bethlehem*



# *Disclosure Statement*

**Original March 7, 2020**
**Revision twenty -six May 17th 2026**

**610-625-4885**
**526 Wood Street**
**Bethlehem, PA 18018**

*The issuance of a certificate of authority by the Insurance Department of the Commonwealth of Pennsylvania does not constitute that department's approval, recommendation or endorsement of Moravian Village of Bethlehem, Inc., nor is it evidence of, nor does it attest to, the accuracy or completeness of the information set out in this Disclosure Statement.*

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# Continuing Care Provider Registration and Disclosure Act
# Disclosure Statement Summary

**1. Name and address of facility:**

**MORAVIAN VILLAGE OF BETHLEHEM**
**526 WOOD STREET**
**BETHLEHEM, PA 18018**

**2. Name and address of provider:**

**MORAVIAN VILLAGE OF BETHLEHEM**
**526 WOOD STREET**
**BETHLEHEM, PA 18018**

**3. Admissions contact:**

**Name:** Emily Elizabeth Rivera
**Location: 526 WOODSTREET**
**BETHLEHEM, PA 18018**

**Telephone: (**610) 625-4885 **Extension:**407

**4. Description of facilities:**

**Residential Area:** Urban **Number of Acres**: 28

**Types of residential units available:** 145 one- and two-bedroom suites, 113 cottages and 93 skilled nursing beds in the Healthcare Center.

**5. Minimum age for admission:**

55

**6. Affiliation with religious, fraternal, charitable, or other nonprofit organizations:**

Moravian Village of Bethlehem is governed by the Board of Directors of Bethlehem Area Moravians. Bethlehem Area Moravians, Inc. (B.A.M.) is subject to the constituted authorities of the Unitas Fratrum (International Moravian Church), of the Northern Province of the Moravian Church in America and of the Eastern District of said province. All enactments of the B.A.M. must conform to the principles of the Moravian Church as set forth by the Unity Synod, the synod of the Northern Province and the synod of the Eastern District.

**7. Current resident population:**

168 residents in cottages, 160 in suites, and 55 occupied skilled health care beds for a total resident population of 361 residents as of 12/31/2025.

**8. Sample of fees for a standard one-bedroom unit (no meal plan):**

| | Entrance Fee | Periodic Fee (Monthly) |
|---|---|---|
| **One Person:** | $182,500 | 3,385 |
| **Two Persons:** | $192,500 | 3,685 |

## 1. NAME, ADDRESS AND LEGAL STRUCTURE OF FACILITY AND PROVIDER:

Moravian Village of Bethlehem
526 Wood Street
Bethlehem, PA 18018
Phone: (610) 625-4885
Fax: (610) 625-4719

Moravian Village of Bethlehem is a not-for-profit corporation. An application was submitted to the Internal Revenue Service for review and was approved for exemption under Section 501 (c)(3) of the Federal Internal Revenue Code on March 2, 2000.

## 2. NAMES, ADDRESSES, AND PROFESSIONS OF DIRECTORS:

**William W. Matz, Jr.** is the President of the Moravian Village of Bethlehem Board of Directors. Mr. Matz graduated from Moravian College with a BA in Law and with his JD from Capital University Law School. He is a member of the Northampton County Bar Association and the Pennsylvania Bar Association. Mr. Matz is licensed to practice law in the State of Pennsylvania and has been a self-employed attorney in solo private practice since 1982. His business address is 211 W. Broad Street, Bethlehem, PA 18018.

**Carol Henn** is the Vice President of the Moravian Village of Bethlehem Board of Directors. Carol is Senior Philanthropic Advisor, Lehigh Valley Community Foundation (Retired). She can be contacted at 526 Wood Street, Bethlehem, Pa 18018.

**Fred Sprissler,** a member of the Moravian Village of Bethlehem Board of Directors. Mr. Sprissler graduated from University of Sciences and Temple University. He is retired Sr. VP., Corporate Services, St. Luke's Hospital. He can be contacted at 526 Wood Street, Bethlehem, Pa 18018.

**Michael Andrew Guro,** a member of the Moravian Village of Bethlehem Board of Directors. He graduated from Moravian College. He is employed as an insurance agent at GCFK Insurance, 1202 Broadway, Bethlehem, PA, 18015. Mr. Guro can be contacted at 526 Wood Street, Bethlehem Pa. 18018.

**Bruce A. Palmer,** a member of the Moravian Village of Bethlehem Board of Directors. Mr. Palmer graduated from Kutztown University. He is a CPA and retired from Buckno, Lisicky & Company, 444 Main Street, Bethlehem, PA, 18018. Mr. Palmer can be contacted at 526 Wood Street, Bethlehem, Pa 18018.

**Brad Senick,** a member of the Moravian Village of Bethlehem Board of Directors. Mr. Senick is employed by the Bethlehem Area Moravian where he serves as their Chief Operating Officer. Mr. Senick is a graduate of East Stroudsburg University. Mr. Senick can be contacted at 526 Wood Street, Bethlehem Pa 18018.

**Kay Werhun, DNP, MBA,** a member of the Moravian Village of Bethlehem Board of Directors. Mrs. Werhun is the Vice President of Integrated Care Coordination at Lehigh Valley Hospital. Mrs. Werhun received her nursing degree from Cedar Crest College, her master's degree from Desales University and a Doctorate in Nursing Practice and Health Systems Executive Leadership from the University of Pittsburgh. Ms. Werhun can be contacted at 526 Wood Street, Bethlehem Pa 18018.

**Colleen Brisendine,** a member of the Moravian Village of Bethlehem Board of Directors. Mrs Brisendine is employed by Lehigh Valley Hospital as the Vice President of Network Operations. Mrs. Brisendine can be contacted at 526 Wood Street, Bethlehem Pa 18018.

**Daniel Soos, CPA,** a member of the Moravian Village of Bethlehem Board of Directors. Mr. Soos is employed by the Bethlehem Area Moravians where he serves as Chief Executive Officer. Mr. Soos is a graduate of West Virginia University School of Business and Economics and can be contacted at 526 Wood Street, Bethlehem Pa 18018.

No Board Member has or will receive payment of any kind in their capacity as Director on the Board of Directors of Moravian Village of Bethlehem.

All Board Members are currently in good professional standing and there are no felony convictions, civil actions, court orders or license suspensions that are required to be disclosed.

Please reference the footnotes of the annual audited financial statements for related party disclosures which is located in Appendix #4

## 3. MANAGEMENT OF MORAVIAN VILLAGE OF BETHLEHEM:

### A. EXECUTIVE STAFF AND ADMINISTRATORS:

Justin Michaels, Executive Director

Daniel Soos, CPA ChiefExecutive Officer

Brad Senick, Chief Operating Officer/MVB Compliance Officer

Richard Bach, NHA

Carol White, Director of Nursing

### B. FINANCIAL INTEREST OF MANAGEMENT AND COMPLIANCE WITH LAW:

None of the Management of Moravian Village of Bethlehem has anything to disclose pursuant to Section 7(a)(3)(c)(I) or (II) of the Continuing Care Provider Registration Disclosure Act regarding non-compliance with law.

## 4. RELIGIOUS AFFILIATION:

Moravian Village of Bethlehem is related to (but not owned or operated by) the Moravian Church. There is a legal connection between Moravian Village and the Bethlehem Area Moravians, Inc.

## 5. STATEMENT OF PURPOSE:

The purposes of the corporation shall be to establish, maintain, and provide care and security for the aged; to provide a retirement community that values the quality of life in a Christian environment. Further, the organization, in an attempt to maintain a person's dignity and self-esteem, is dedicated

to the continuation and advancement of the principles and ideals of its founders by providing for the physical, spiritual, and mental well-being of its community through the progressive kinds of care provided. The corporation does not contemplate pecuniary gain or profit, incidental or otherwise.

The corporation shall further buy, own, sell, assign, mortgage, or lease any interest in real estate and personal property and construct, maintain, and operate improvements thereon necessary or incidental to the accomplishment of the purpose of this corporation; borrow money and issue evidence of indebtedness and furtherance of any or all of the objects of its activities, and secure the same by mortgage, pledge, or other lien on the corporation's property.

The assets of this not for profit corporation are irrevocably dedicated to charitable and religious purposes, and upon the dissolution of the corporation or the winding up of its affairs, the assets shall be distributed exclusively to a charitable and religious purpose organization or organizations which would then qualify as an exempt organization or organizations under the provisions of Section 501(c)(3) of the Internal Revenue Code of 1986 and its regulations as they now exist or as they hereafter may be amended; and all assets remaining after the payment of the corporation's debt shall be conveyed or distributed only to an organization or organizations created and operated for not for profit purposes similar to those of the corporation.

Notwithstanding any other provision of its bylaws, the corporation shall not carry on any other activity not permitted to be carried on (a) by a corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1986 (or the corresponding provisions of any future United States Internal Revenue Law) or (b) by a corporation, contributions to which are deductible under Sections 170, 2055, and 2522 of the Internal Revenue Code of 1986 (or the corresponding provisions of any future United States Internal Revenue Law).

No substantial part of the activities of the corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the corporation shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of any candidate for public office.

## 6. LOCATION AND DESCRIPTION OF PHYSICAL PROPERTY:

Moravian Village of Bethlehem Retirement Community is located on property which is bounded by East Broad Street on the north, Stefko Boulevard on the east, south of East Market Street on the south, and Elm Street and Wall Street on the west. A portion of the property has been owned by entities of the Moravian Church continuously since approximately 1740.

**Moravian Village of Bethlehem Retirement Community consists of three (3) components:**

The first component is a one hundred forty-five (145) units, four (4) story congregate living suites. This building consists of one (1) and two (2) bedroom suites. There is a lower level consisting of underground parking. In addition to the suites, included within the building are:

Activity Areas
Administrative Offices
Beauty/Barber Shop
Kitchen 26 - Main Dining Room (Dinner)
Fitness Center
Library
Private Dining Areas
Wellness Center

Upper Deck – In-House Diner (Breakfast & Lunch)
Chapel

Underground Assigned Parking
(Additional cost)

All suite units are equipped with a security system that will provide for assistance in the need of care by use of an individual security monitoring system. Each suite includes a full and complete kitchen consisting of a refrigerator, stove, microwave, dishwasher, washer and dryer, and garbage disposal. Licensed Personal Care Services can be provided in the apartments as needed.

The second component of the Moravian Village of Bethlehem Retirement Community is the one hundred thirteen (113) one (1) and two (2) story cottage units. These cottage units consist of two (2) bedrooms, living room, dining room, kitchen, two (2) bathrooms, as well as one (1) or two (2) car garages.

The third component, attached to the congregate living suite building, is a two (2) story building consisting of ninety-three (93) beds of skilled nursing care, and a rehabilitation center providing physical, occupational and speech therapy. The Healthcare Center facility is certified for participation in the Medicare program.

Services

The services to be provided under contracts for continuing care at Moravian Village of Bethlehem include the following:

One-Hundred Forty-seven (145) Unit Congregate Living Suites

1. Optional Meal Plan
2. Housekeeping
3. 24-Hour Front Desk Service
4. Scheduled Transportation
5. Utilities – Including Internet, Cable & Landline
6. Planned Activities
7. Interior and Exterior Maintenance
8. Meal Delivery Service (Short Term Illness)
9. Star Alert Response Service
10. Access to Health Care Facilities and Services
11. Licensed Personal Care Services

One Hundred Thirteen (113) Cottage Units

1. Optional Meal Plan
2. Housekeeping
3. 24-Hour Front Desk Service
4. Scheduled Transportation
5. Utilities – Including Internet, Cable & Landline
6. Planned Activities
7. Interior and Exterior Maintenance
8. Meal Delivery Service (Short Term Illness)
9. Star Alert Response Service
10. Access to Health Care Facilities and Services
11. Landscaping & Snow Removal
12. Trash Collection

Ninety-Three (93) Beds in Nursing Care and Rehabilitation Center

The Healthcare Center facility provides 24-hour skilled and intermediate nursing care (short or long term). The rehabilitation center will provide thorough licensed therapists, physical,

occupational and speech therapy. In Addition, our Caldwell Center for Memory Care provides a secure memory care unit.

## 7. FEES:

Appendix #1 outlines the current Admission Fees for Personal Care Services and for Services in the Healthcare Center: Entrance Fees, Estate Preservation Fees (if applicable), Healthcare Fees (if applicable), Monthly Service Fees and Monthly Healthcare Payments for residents in the apartment units of the four (4) story congregate living building; the Admission Fees, Healthcare Fees (if applicable), Monthly Service Fees and Monthly Healthcare Payments for residents in the cottages, as well as the Daily Fees in the health care facilities of Moravian Village of Bethlehem. All the respective fees are subject to change with thirty (30) days' notice; sixty (60) days' notice for the Healthcare Center.

### A. CONTINUING CARE CONTRACT AS THEY RELATE TO HEALTHCARE:

Moravian Village of Bethlehem provides two contract options. Residents select the contract that best fits their lifestyle and objectives. The contract options include:

Lifecare Contract: This plan includes all the services and amenities stated in the contract and the availability of an unlimited number of covered benefit days of Personal Care Services, or care in the Healthcare Center. The fee for this plan includes a non-refundable up-front fee and ongoing monthly fee. Based on the age you enter the community, this fee can be escalated, and this contract will not be offered to individuals who enter the community on or after his/her 85th birthday.

Fee for Service Contract: This plan includes all the services and amenities provided in the contract. It does not include any covered benefit days of Personal Care Services, or care in the Healthcare Center. It does include access to these services on a fee-for-service basis.

### B. ADJUSTMENTS TO MONTHLY SERVICE FEES AND MONTHLY HEALTHCARE PAYMENTS:

All charges are subject to change at the discretion of the Board of Directors of Moravian Village of Bethlehem. Residents are notified of any change in the Monthly Service Fee (including Monthly Health Care Payment) at least sixty (60) days in the Healthcare Center. The Monthly Service Fees are subject to adjustment on an annual basis and these changes are dependent upon the financial affairs of operating Moravian Village of Bethlehem.

### C. FEE HISTORY:

Fee History for Suites and Cottages is located in Appendix #1 of this disclosure statement.

## 8. ENTRANCE FEE ESCROW ACCOUNTS AND DEBT COVENENT RESERVE FUNDING:

Moravian Village is required to manage all funds held for prospective residents in an escrow account and manage these funds in good faith and with a degree of care that protects the principal and provides for liquidity in the event of the prospective resident rescinding their contract.

All prospective escrow funds are held in an interest-bearing money market account.

## 9. FINANCIAL STATEMENTS:

Included in **Appendix 4** are the audited financial statements for the two (2) most recent fiscal year ends, and the most recent Income and Expense Projections.

## 10. DATE OF DISCLOSURE STATEMENT:

December 31, 2002. Updated May 17th, 2026

## 11. DISCLOSURE STATEMENT NOT A CONTRACT:

The information contained herein is representative of the scope of services provided but does not constitute a contract.

## 12. RESCISSION:

A prospective resident shall have the right to rescind the resident's agreement, without penalty or forfeiture, within 7 days after each of the following times:

1. The initial funds are deposited with or remitted to Moravian Village
2. The date of Execution of the Resident Agreement.

## 13. SAMPLE NOTICE OF RIGHT TO RESCIND FORM:

NOTICE OF RIGHT TO RESCIND

The date of the rescission period begins.

You may rescind and terminate your resident's agreement, without penalty or forfeiture, within 7 days of the above date. You are not required to move into the continuing care facility before the expiration of this 7-day period. No other agreement or statement you sign shall constitute a waiver of your right to rescind your agreement within the seven (7) day period.

To rescind your resident's agreement, mail or deliver a signed and dated copy of this notice, or any other dated written notice, letter or telegram, stating your desire to rescind to (name of provider/facility) at (business address) not later than midnight of (last day for rescission).

Pursuant to this notice, I hereby cancel my resident's agreement.

_____

DATE

_____

PROSPECTIVE RESIDENT'S
SIGNATURE

## 14. MORAVIAN VILLAGE OF BETHLEHEM: Suite & Cottages Fee History

***Please note: On April 1st, 2024, MVB eliminated the requirement to have a meal plan, and all contracts issued after April 1st, 2024, the monthly fees reflect this change in lower rates. Plans issued prior to April 1st, 2024, have meal plans grandfathered in and pay a higher monthly fee.***

### Suites 75% Contract

| | 4/1/2020 | 4/1/2021 | 4/1/2022 | 4/1/2023 | 4/1/2024 | 4/1/2025 | 4/1/2026 |
|---|---|---|---|---|---|---|---|
| A Suites | $2,870 | $2,950 | $3,050 | $3,225 | $3,120 | $3,250 | $3,385 |
| B Suites | $3,510 | $3,610 | $3,735 | $3,920 | $3,855 | $4,005 | $4,160 |
| C Suites | $3,585 | $3,670 | $3,820 | $4,025 | $3,995 | $4,165 | $4,335 |
| D Suites | $3,890 | $3,975 | $4,125 | $4,330 | $4,300 | $4,470 | $4,640 |
| E Suites | $4,250 | $4,335 | $4,485 | $4,675 | $4,645 | $4,835 | $5,030 |

### Suites 50% Contract – 1 Bedroom Units Only

| | | | | | 4/1/2024 | 4/1/2025 | 4/1/2026 |
|---|---|---|---|---|---|---|---|
| A Suites | | | | | $2,620 | $2,750 | $2,885 |

### Executive Suites

| | | 4/1/2021 | 4/1/2022 | 4/1/2023 | 4/1/2024 | 4/1/2025 | 4/1/2026 |
|---|---|---|---|---|---|---|---|
| A Suites | | $3,050 | $3,050 | $3,225 | $3,120 | $3,250 | $3,385 |
| B Suites | | $3,735 | $3,735 | $3,920 | $3,855 | $4,005 | $4,160 |
| Suites | | $3,820 | $3,820 | $4,025 | $3,995 | $4,165 | $4,335 |
| Suites | | $4,125 | $4,125 | $4,330 | $4,300 | $4,470 | $4,640 |
| E Suites | | $4,485 | $4,485 | $4,675 | $4,645 | $4,835 | $5,030 |

## Appendix 1

## Cottages

| | 10/1/2019 | 10/1/2020 | 10/1/2021 | 10/1/2022 | 10/1/2023 | 10/1/2024 | 10/01/2025 |
|---|---|---|---|---|---|---|---|
| A Cottages | $1,450 - $1,570 | $1,515 - $1,570 | $1,565 - $1,620 | $1,635 - $1,705 | $1,730- $1,800 | $1,795- $1,865 | $1,865- $1,935 |
| B Cottages | $1,460 - $1,590 | $1,615 - $1,675 | $1,665 - $1,725 | $1,735 - $1,795 | $1,830- $1,890 | $1,895- $1,955 | $1,965- $2,025 |
| C Cottages | $1,615 - $1,765 | $1,705 - $1,810 | $1,765 - $1,860 | $1,850 - $1,955 | $1,955- $2,060 | $2,035- $2,140 | $2,115- $2,220 |
| D Cottages | $1,755 - $1,925 | $1,825 - $1,970 | $1,885 - $2,030 | $1,970 - $2,165 | $2,075- $2,270 | $2,155- $2,350 | $2,235- $2,430 |

**Attachment "A" & "B"**

**Moravian Village of Bethlehem**
**Current Private Pay Daily Rates**
**Effective 11/1/2025**

***The following services are covered with a Medicare Qualifying Stay (EXCLUDING CO-PAYS AND DEDUCTIBLES)***

**Skilled Nursing (inclusive rate)**

| | |
|---|---|
| Private: | $475.00 per day |
| Private Room Deluxe: | $500.00 per day |

**Therapy Services**

| | |
|---|---|
| Therapy Evaluation: | $140.00 |
| Physical/Occupational Therapy: | $50.00 per 15 minutes |
| Speech Therapy: | $155.00 per 15 minutes |

**Ancillary Charges**

| | |
|---|---|
| Medical Equipment: | Varies based on cost of equipment |
| Oxygen: | $10.00 per day |
| Special Mattress Rental: | $8.00 per day (or direct cost to rent from 3rd party) |
| Laundry Charge | $5.00 per day |
| Laboratory services: | $15.00 and up |
| Pharmacy Services: | Varies depending on medications |
| Portable x-rays/diagnostic services: | Varies depending upon service |

***The following services are EXCLUDED from your Medicare benefits and will be billed monthly:***

| | |
|---|---|
| MVB Transportation: | $25.00 for non-medical |
| | $70.00 for medical |
| Guest Breakfast: | $8.00 |
| Guest Lunches/Dinner: (Healthcare Center) | $12.00 |
| Guest Lunches (Upper Deck) | prices vary according to the menu |
| Guest Dinner: (IL Dining Room) | $18.00 |
| Beauty Salon/Barber Shop: | varies depending on service |
| Storage Fee (HCC) | $5.00 per day **(for items remaining after discharge/move-out)** |

***Billed to residents by third parties***

| | |
|---|---|
| Wheelchair Van/Ambulette: | $70.00 and up |

**Personal Care (Suites Only)**

| | |
|---|---|
| Level I: | $135.00 per day |
| Level II: | $145.00 per day |

## Appendix 2

GUIDELINES FOR MORAVIAN VILLAGE

HEALTHCARE LONG TERM CARE POLICY

Policy focuses on three main elements in evaluation for long term care policy at Moravian Village.

1) Health Status-what are health impairments?
2) Functionality- does resident require assistance with ADLs?
3) Cognition- Are there any memory problems?

Moravian Village will require the following:

1) Doctor's report indicating residents past medical history, medications, functional status, and living status (i.e. Skilled Nursing, Assisted Living, and Independent Living with spouse or caregiver, Independent Living) dated within 30 days of application.
2) Face to face assessment with Wellness Coordinator and facility Medical Director's report if initial application causes concern or question.

Moravian Village may decline Unlimited days if any of the following conditions exist:

1) CVA (cerebral vascular accident)
2) Alzheimer's disease and related dementia
3) Heart disease with diabetes-other heart diagnoses will be reviewed for eligibility.
4) Assistance with ADLs
5) Use of assistive device (i.e. walker, wheelchair)
6) Progressive illnesses
7) ALS/Lou Gehrig's disease
8) Severe Mental Health history- to be reviewed.
9) Parkinson's disease and related diseases
10) Renal failure or insufficiency- kidney dialysis
11) Severe osteoarthritis, rheumatoid arthritis, degenerative arthritis.
12) Other medical conditions will be investigated further to determine eligibility for Unlimited Healthcare days by Moravian Village management.

Per the Moravian Village contract for Independent Living residents, management will seek advice from the Medical Director or other private physicians in the community, when appropriate and at managements' discretion.

## Appendix 3

# MORAVIAN VILLAGE OF BETHLEHEM

## FINANCIAL STATEMENTS

December 31, 2025 and 2024

MORAVIAN VILLAGE OF BETHLEHEM

FINANCIAL STATEMENTS
December 31, 2025 and 2024

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Moravian Village of Bethlehem
Bethlehem, Pennsylvania

***Opinion***

We have audited the financial statements of Moravian Village of Bethlehem, which comprise the statements of financial position as of December 31, 2025 and 2024, and the related statements of activities, and cash flows for the years 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 Moravian Village of Bethlehem as of December 31, 2025 and 2024, and the changes in its net deficit and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

***Basis for Opinion***

We conducted our audits 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 Moravian Village of Bethlehem and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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 Moravian Village of Bethlehem's ability to continue as a going concern for one year from the date the financial statements are available to be issued.

(Continued)

***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 Moravian Village of Bethlehem'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 Moravian Village of Bethlehem'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.

***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The statutory liquid reserve calculation is presented for 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.



Crowe LLP

Tampa,Florida
May 15, 2026

MORAVIAN VILLAGE OF BETHLEHEM
STATEMENTS OF FINANCIAL POSITION
December 31, 2025 and 2024

| | 2025 | 2024 |
|---|---|---|
| **ASSETS** | | |
| Current assets | | |
| Cash and cash equivalents | $ 7,078,967 | $ 9,623,512 |
| Statutory liquid reserve | 304,335 | 289,723 |
| Short-term investments (Note 2) | 893,277 | 532,289 |
| Accounts receivable, net | 1,196,406 | 766,089 |
| Pledges receivable | - | 37,500 |
| Prepaid expenses | 824,556 | 799,162 |
| Total current assets | 10,297,541 | 12,048,275 |
| Property and equipment | | |
| Land | 5,509,818 | 5,509,818 |
| Buildings | 68,896,576 | 67,903,097 |
| Improvements | 26,205,247 | 24,189,076 |
| Furniture, fixtures and equipment | 8,242,776 | 8,189,694 |
| Vehicles | 424,352 | 358,224 |
| Construction in progress | - | 20,246 |
| | 109,278,769 | 106,170,155 |
| Accumulated depreciation | 56,382,840 | 51,949,431 |
| Total property and equipment, net | 52,895,929 | 54,220,724 |
| Non-current assets | | |
| Cash - escrow for resident entrance fees | 131,847 | 113,317 |
| Total assets | $ 63,325,317 | $ 66,382,316 |
| **LIABILITIES AND NET DEFICIT** | | |
| Current liabilities | | |
| Current maturities of long-term debt (Note 3) | $ - | $ 11,413,629 |
| Current portion of notes payable to related parties (Note 4) | 865,043 | - |
| Accounts payable | 706,222 | 829,978 |
| Accrued payroll | 810,628 | 705,985 |
| Accrued interest payable | 21,219 | 37,044 |
| Other liabilities | 111,594 | 77,715 |
| Total current liabilities | 2,514,706 | 13,064,351 |
| Non-current liabilities | | |
| Notes payable to related parties (Note 4) | 11,893,742 | 5,171,025 |
| Entrance fee and healthcare deposits | 339,430 | 329,134 |
| Refundable entrance fees | 51,600,840 | 50,114,316 |
| Nonrefundable entrance fees | 10,709,104 | 10,309,106 |
| Total non-current liabilities | 74,543,116 | 65,923,581 |
| Net deficit | | |
| Without donor restrictions | (13,743,341) | (12,654,952) |
| With donor restrictions | 10,836 | 49,336 |
| Total net deficit | (13,732,505) | (12,605,616) |
| Total liabilities and net assets | $ 63,325,317 | $ 66,382,316 |

MORAVIAN VILLAGE OF BETHLEHEM
STATEMENTS OF ACTIVITIES
Years ended December 31, 2025 and 2024

| | 2025 | 2024 |
|---|---|---|
| **Net deficit without donor restrictions** | | |
| Revenues | | |
| Nursing services | $ 9,446,404 | $ 8,840,041 |
| Apartment building | 7,345,837 | 6,543,680 |
| Personal care | 962,872 | 530,802 |
| Cottages | 2,434,468 | 2,422,467 |
| Investment income | 66,744 | 115,979 |
| Other revenue | 564,653 | 383,091 |
| Amortization of entrance fees | 2,059,791 | 1,635,788 |
| Total revenue | 22,880,769 | 20,471,848 |
| Expenses | | |
| Nursing healthcare | 3,822,117 | 3,552,823 |
| Dietary | 3,061,515 | 3,053,630 |
| Housekeeping | 788,116 | 639,601 |
| Activities and social services | 425,856 | 396,255 |
| Maintenance | 1,838,103 | 1,739,765 |
| Healthcare admissions | 114,910 | 135,199 |
| Security | 260,354 | 231,398 |
| Therapy | 1,027,127 | 749,865 |
| Pharmacy | 309,175 | 227,830 |
| Administrative | 5,375,274 | 4,878,903 |
| Sales and marketing | 341,371 | 302,965 |
| Depreciation and amortization | 4,433,409 | 4,098,007 |
| Interest | 562,927 | 603,373 |
| Charitable support | 389,803 | 355,104 |
| Bad debt expense | 40,640 | 95,833 |
| Real estate taxes | 1,359,241 | 1,322,534 |
| Total expenses | 24,149,938 | 22,383,085 |
| Change in net deficit without donor restrictions before other income | (1,269,169) | (1,911,237) |
| Other income | | |
| Net assets released from restrictions | 184,695 | 180,131 |
| Total other income | 184,695 | 180,131 |
| Change in net deficit without donor restrictions | (1,084,474) | (1,731,106) |
| **Net assets with donor restrictions** | | |
| Contributions | 142,280 | 222,102 |
| Net assets released from restrictions | (184,695) | (180,131) |
| Change in net assets with donor restrictions | (42,415) | 41,971 |
| **Total change in net deficit** | (1,126,889) | (1,689,135) |
| Net deficit, beginning of year | (12,605,616) | (10,916,481) |
| **Net deficit, end of year** | $ (13,732,505) | $ (12,605,616) |

MORAVIAN VILLAGE OF BETHLEHEM
STATEMENTS OF CASH FLOWS
Years ended December 31, 2025 and 2024

| | 2025 | 2024 |
|---|---|---|
| **Cash flows from operating activities** | | |
| Changes in net deficit | $ (1,126,889) | $ (1,689,135) |
| Adjustments to reconcile changes in net deficit to net cash from operating activities | | |
| Depreciation | 4,433,409 | 4,064,563 |
| Amortization of deferred financing fees | 47,406 | 33,444 |
| Amortization of entrance fees | (2,059,791) | (1,635,788) |
| Realized gain on short-term investments | (58,980) | (115,979) |
| Changes in assets and liabilities | | |
| Accounts receivable | (430,317) | (305,825) |
| Pledges receivable | 37,500 | (37,500) |
| Prepaid expenses | (25,394) | (72,029) |
| Accounts payable | (123,756) | 174,628 |
| Net proceeds from nonrefundable entrance fees | 1,659,793 | 1,238,852 |
| Accrued payroll, interest payable, and other liabilities | 122,697 | 112,245 |
| Net cash from operating activities | 2,475,678 | 1,767,476 |
| **Cash flows from investing activities** | | |
| Capital expenditures | (3,108,614) | (3,234,322) |
| Net (purchases) sales of short-term investments | (411,230) | 279,954 |
| Net purchases of investments - healthcare services reserve | 109,222 | 325,131 |
| Net cash used in investing activities | (3,410,622) | (2,629,237) |
| **Cash flows from financing activities** | | |
| Principal payments of long-term debt | (11,437,332) | (622,383) |
| Net proceeds from refundable entrance fees | 2,296,816 | 2,379,920 |
| Payments on related party notes | (235,943) | - |
| Proceeds from related party notes | 7,800,000 | - |
| Net cash from financing activities | (1,576,459) | 1,757,537 |
| Change in cash, cash equivalents, and restricted cash | (2,511,403) | 895,776 |
| Cash, cash equivalents, and restricted cash at beginning of year | 10,026,552 | 9,130,776 |
| **Cash, cash equivalents, and restricted cash at end of year** | $ 7,515,149 | $ 10,026,552 |
| **Supplemental disclosures of cash flow information** | | |
| Cash paid for interest | $ 578,752 | $ 605,374 |

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Nature of Activities: Moravian Village of Bethlehem (the "Village") is a continuing care retirement community consisting of a 93 bed health care and rehabilitation center along with a 145 unit congregate apartment building and 113 cottage units on a 28 acre site in Bethlehem, Pennsylvania.

Basis of Accounting: The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Financial Statement Presentation: The financial statements report the changes in and totals of each net asset class based on the existence of donor restrictions, as applicable. Net assets are classified as without donor restrictions or with donor restrictions:

Net assets without donor restrictions are net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Village. Net assets without donor restrictions include undesignated net assets.

Net assets with donor restrictions are net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature and will be met by actions of the Village or by the passage of time.

Liquidity and Availability: Financial assets available for general expenditure, that is, without donor restrictions limiting their use, within one year of the balance sheet date, comprise the following:

| | 2025 | 2024 |
|---|---|---|
| Cash and cash equivalents | $ 7,078,967 | $ 9,623,512 |
| Statutory liquid reserve | 304,335 | 289,723 |
| Accounts receivable, net | 1,196,406 | 766,089 |
| Short-term investments | 893,277 | 532,289 |
| Pledges receivable | - | 37,500 |
| Less: net assets with donor restrictions | (10,836) | (49,336) |
| | $ 9,462,149 | $ 11,199,777 |

As part of the Village's liquidity management plan, management invests cash in excess of daily requirements in short-term investments, bank certificates and money market funds. During 2024, the Village was required by its debt covenants to maintain at least 100 days of normal operating expenses; this requirement does not apply in 2025, as the refinanced debts do not include such covenants. The Village has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Village typically collects accounts receivable within one year of the date of service.

Use of Estimates: The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Cash and Cash Equivalents: The Village considers all cash and short-term investments with original maturities of three months or less to be cash and cash equivalents. The Village maintains a substantial portion of its cash and cash equivalents in local financial institutions. The Village's cash accounts with financial institutions, at times, exceeds federally insured limits of $250,000. The Village's maximum risk was approximately $6,980,000 and $8,330,000 at December 31, 2025 and 2024, respectively. Additionally, for purposes of the statements of cash flows, the Village considers all statutory liquid reserves and cash - escrow for resident entrance fees that are highly liquid investments purchased with an original maturity date of three months or less to be cash equivalents.

Investments: All investments are valued at their fair values in the statements of financial position. Investment income is included in the change in net assets. See Note 2 for additional information on the Village's investments.

Accounts Receivable: The accounts receivable balance represents the unpaid amounts billed to residents and third-party payors. Contractual adjustments, discounts, and implicit price concessions are recorded to report receivables for health care services at net realizable value. The Village does not accrue interest on past due accounts receivable.

Property and Equipment: Property and equipment are stated at cost or, if donated to the Village, at fair value on the date of acquisition less accumulated depreciation. Additions and improvements in excess of $5,000 are capitalized; expenditures for routine maintenance are charged to operations. Depreciation is provided over the estimated useful lives of the various classes of assets on the straight-line method. The estimated useful lives are as follows:

| | |
|---|---|
| Buildings | 40 years |
| Improvements | 10-20 years |
| Furniture, fixtures, equipment, and vehicles | 5-7 years |

Impairment of Long-Lived Assets: On an ongoing basis, the Village reviews long-lived assets for impairment whenever events or circumstances indicate that the carrying amounts may be overstated. The Village recognizes impairment losses if the undiscounted cash flows expected to be generated by the assets are less than the carrying value of the related assets. The impairment loss adjusts the assets to fair value. As of December 31, 2025 and 2024, management recognized no impairment loss. Management believes no further impairments exist.

Escrow Account: At December 31, 2025 and 2024, entrance fees have been deposited in a Village escrow account comprised of cash and cash equivalents and credited to each resident.

Healthcare Services Reserve: At December 31, 2025 and 2024, the healthcare service reserve represents administration's estimate of the funds that will be used to meet the contractual obligations of the Village of the Resident Unlimited Health Care contracts held. All funds are held in operational cash or short-term investments with maturities less than 90 days.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Entrance Fees: Entrance fees represent payments received from residents prior to occupancy, entitling the resident to occupy a specific unit. The amount of the payment is related to the size and location of the accommodations selected by the resident. Upon entering into a Residence and Care Agreement, the resident pays an entrance fee which has refundable and nonrefundable components. Refunds of refundable entrance fees are made only upon re-occupancy of the unit and receipt of the new residents' entrance fee. The Village offers two entrance fee plans for the apartments and one for the cottages. The plans offer varying ratios of the refundable portion and time periods.

Nonrefundable entrance fees are amortized on a straight-line basis over the life-expectancy of the resident.

Residents are offered a healthcare benefit upon admission into the facility. A deposit is required for this benefit and the deposit is amortized on a straight-line basis over the life-expectancy of the resident. In addition, residents are charged a monthly service fee for the healthcare benefit, which is recorded and recognized as revenue when earned.

Fair Value of Financial Instruments: The Village's carrying amount for its financial instruments which include cash and cash equivalents, accounts receivable, pledges receivable, accounts payable, and long-term debt, approximates fair value.

Regulatory Requirements: Under the provision of the Pennsylvania Continuing Care Provider Registration and Disclosure Act (the "Act"), the Village must maintain a statutory minimum liquid reserve as of the fiscal year end that is equal to the greater of 10 percent of their budgeted operating expenses for next fiscal year, exclusive of depreciation, amortization, and intercompany expenses multiplied by the ratio of health care residents to total residents or their next fiscal year end interest expense multiplied by the ratio of health care residents to total residents. For the years ended December 31, 2025 and 2024, the statutory minimum liquid reserve requirement is approximately $440,000 and $290,000, respectively. Under the provisions and related amendments of the Act, the Village's combined cash and cash equivalents and cash escrows satisfy this requirement at December 31, 2025 and 2024. Liquid Reserves as shown in the Statutory Liquid Reserve Calculation reflects certain unrestricted cash and cash equivalent accounts, less the estimated costs of Resident Unlimited Health Care contracts for the next fiscal year. Management believes the Village is in compliance with all other requirements of the Act as of December 31, 2025 and 2024.

Healthcare and Residential Revenue: Healthcare and residential revenue is reported at the amount that reflects the consideration to which the Village expects to be entitled in exchange for providing patient care. These amounts are due from patients, third-party payors (including health insurers and government programs), and others and includes variable consideration for retroactive revenue adjustments due to settlement of audits, reviews, and investigations. Generally, the Village bills patients and third-party payors several days after the services are performed and/or the patient is discharged from the facility. Revenue is recognized as performance obligations are satisfied.

Performance obligations are determined based on the nature of the services provided by the Village. The Village measures the performance obligation when services are performed for the patients and at that point in time, revenue is recognized.

The Village determines the transaction price based on standard charges for goods and services provided, reduced by the contractual adjustments provided to third-party payors, discounts provided to uninsured patients in accordance with the Village's policy, and/or implicit price concessions provided to uninsured patients. The Village determines its estimates of contractual adjustments and discounts based on contractual agreements, its discount policy, and historical experience. The Village determines its estimate of implicit price concessions based on its historical collection experience from that category of payor. Agreements with third-party payors typically provide for payments at amounts less than established charges.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

A summary of the payment arrangements with major third-party payors follows:

Medicare: Certain health care services are paid at prospectively determined rates per discharge based on clinical, diagnostic and other factors. Certain services are paid based on cost-reimbursement methodologies subject to certain limits.

Other: Payment agreements with certain commercial insurance carriers, health maintenance organizations and preferred provider organizations. The basis for payment to the Village under these agreements include prospectively determined rates per procedure and/or discounts from established charges.

For the years ended December 31, 2025 and 2024, approximately 20% and 15%, respectively, of net patient service revenue are from participation in the Medicare and state-sponsored programs. Laws and regulations concerning government programs, including Medicare, are complex and subject to varying interpretation. As a result of investigations by governmental agencies, various health care organizations have received requests for information and notices regarding alleged noncompliance with those laws and regulations, which, in some instances have resulted in organizations entering into significant settlement agreements. Compliance with such laws and regulations may also be subject to future government review and interpretation as well as significant regulatory action, including fines, penalties, and potential exclusion from the related programs. There can be no assurance that regulatory authorities will not challenge the Village's compliance with these laws and regulations, and it is not possible to determine the impact (if any) such claims or penalties would have upon the Village. In addition, the contracts the Village has with commercial payors also provide for retroactive audit and review of claims.

Settlements with third-party payors for retroactive adjustments due to audits, reviews or investigations are considered variable consideration and are included in the determination of the estimated transaction price for providing patient care. These settlements are estimated based on the terms of the payment agreement with the payor, correspondence from the payor and the Village's historical settlement activity, including an assessment to ensure that it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the retroactive adjustment is subsequently resolved. Estimated settlements are adjusted in future periods as adjustments become known or as years are settled or are no longer subject to such audits, reviews, and investigations. Adjustments arising from a change in transaction price were not significant for the years ended December 31, 2025 and 2024.

Generally, patients who are covered by third-party payors are responsible for related deductibles and coinsurance, which vary in amount. The Village also provides services to uninsured patients, and offers those uninsured patients a discount, either by policy or law, from standard charges. The Village estimates the transaction price for patients with deductibles and coinsurance, and from those who are uninsured, based on historical experience and current market conditions. The initial estimate of the transaction price is determined by reducing the standard charge by any contractual adjustments, discounts, and implicit price concessions. Subsequent changes to the estimate of the transaction price are generally recorded as adjustments to patient service revenue in the period of the change. For the years ended December 31, 2025 and 2024, no significant adjustments to revenue were recognized due to changes in the estimates of implicit price concessions for performance obligations satisfied in prior years. Subsequent changes that are determined to be the result of an adverse change in the patient's ability to pay are recorded as bad debt expense. Bad debt expense for the year ended December 31, 2025 and 2024 was approximately $40,600 and $96,000, respectively.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Consistent with the Village's mission, care is provided to patients regardless of their ability to pay. Therefore, the Village has determined it has provided implicit price concessions to uninsured patients and patients with other uninsured balances (for example, copays and deductibles). The implicit price concessions included in estimating the transaction price represent the difference between amounts billed to patients and the amounts the Village expects to collect based on its collection history with those patients. Patients who meet the Village's criteria for charity care are provided care without charge or at amounts less than established rates. Such amounts determined to qualify as charity care are not reported as revenue.

Total revenues, excluding investment income, other revenues, and amortization of entrance fees, were derived from the following payors for the years ended December 31:

| | 2025 | 2024 |
|---|---|---|
| Private pay | $ 14,430,408 | $ 14,647,158 |
| Medicare | 4,095,981 | 2,695,071 |
| Other | 1,663,192 | 994,761 |
| Total | $ 20,189,581 | $ 18,336,990 |

The Village has elected the practical expedient and does not adjust the promised amount of consideration from patients and third-party payors for the effects of a significant financing component due to the Village's expectation that the period between the time the service is provided to a patient and the time that the patient or a third-party payor pays for that service will be one year or less. However, the Village does, in certain instances, enter into payment agreements with patients that allow payments in excess of one year. For those cases, the financing component is not deemed to be significant to the contract. The Village has applied the practical expedient and all incremental customer contract acquisition costs are expensed as they are incurred as the amortization period of the asset that the Village otherwise would have recognized is one year or less in duration.

Contributions: Contributions received and unconditional promises to give are recorded as revenue without donor restrictions or revenue with donor restrictions depending on the existence of donor restrictions and the nature of such restrictions, if they exist.

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 and reported in the statements of activities as net assets released from restrictions.

Donor restricted gifts that are received for which their restricted purpose is met during the same year are initially recorded as net assets with donor restrictions and reclassified as net assets without donor restrictions.

Change in Net Deficit Without Donor Restrictions Before Other Income: The statements of activities include change in net deficit without donor restrictions before other income. Other income and donor-restricted net asset activity are excluded from this performance indicator.

Income Taxes: The Village is exempt from income taxes on income from related activities under Section 501(c)(3) of the U.S. Internal Revenue Code and corresponding state law. Accordingly, no provision has been made for federal or state income taxes. Additionally, the Village has been determined not to be a private foundation under Section 509(a) of the Internal Revenue Code.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

U.S. GAAP requires that a tax position is recognized as a benefit only if it is "more likely than not" that the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized is the largest amount of tax benefit that is greater than 50% likely of being realized on examination. For tax positions not meeting the "more likely than not" test, no tax benefit is recorded.

The Village's Form 990 is open to examination by the Internal Revenue Service or the State of Pennsylvania for the last three years. The Village does not expect the total amount of unrecognized tax benefits to significantly change in the next 12 months. The Village recognizes interest and/or penalties related to income tax matters in income tax expense. The Village did not have any amounts accrued for interest and penalties at December 31, 2025 and 2024.

Subsequent Events: Management has performed an analysis of the activities and transactions subsequent to December 31, 2025 to determine the need for any adjustment to and/or disclosures within the financial statements for the year ended December 31, 2025. Management has performed their analysis through May 15, 2026, the date the financial statements were available to be issued.

**NOTE 2 - INVESTMENTS AND FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS**

U.S. GAAP defines fair value as the price that would be received for an asset or paid to transfer a liability (an exit price) in the Village's principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date.

A fair value hierarchy requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. There are three levels of inputs that may be used to measure fair value:

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date. The fair values of money markets and equities that are readily marketable are determined by obtaining quoted prices from nationally recognized securities exchanges.

Level 2: Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data. The Village's certificates of deposit are recorded at fair value using quoted market prices of similar securities with similar due dates. The Village obtained the fair values from the financial institutions which utilizes internal models with observable market data inputs to estimate the value of these instruments (market approach valuation technique).

Level 3: Significant unobservable inputs that reflect a reporting entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability. The Village does not have any financial instruments utilizing Level 3 inputs.

In many cases, a valuation technique used to measure fair value includes inputs from multiple levels of the fair value hierarchy. The lowest level of significant input determines the placement of the entire fair value measurement in the hierarchy.

**NOTE 2 - INVESTMENTS AND FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS**
(Continued)

Assets Measured on a Recurring Basis

The following tables present the Village's assets measured at fair value on a recurring basis at December 31 are summarized below:

| | Level One | Level Two | Level Three | Total |
|---|---|---|---|---|
| 2025 | | | | |
| Assets | | | | |
| Short-term investments | | | | |
| Equities | $ 893,277 | $ - | $ - | $ 893,277 |
| Total assets | $ 893,277 | $ - | $ - | $ 893,277 |

| | Level One | Level Two | Level Three | Total |
|---|---|---|---|---|
| 2024 | | | | |
| Assets | | | | |
| Short-term investments | | | | |
| Equities | $ 532,289 | $ - | $ - | $ 532,289 |
| Total assets | $ 532,289 | $ - | $ - | $ 532,289 |

**NOTE 3 - LONG-TERM DEBT**

A summary of long-term debt at December 31, 2025 and 2024 is as follows:

| | 2025 | 2024 |
|---|---|---|
| Fixed Series 2018 Revenue Note due in monthly principal and interest payments with a fixed interest rate of 3.75% beginning October 2018, maturity in August 2025. The bonds are secured by the assets of the Village. | $ - | $ 11,437,332 |
| Less: deferred financing costs, amortized over the effective interest method over the debt term | - | (23,703) |
| Total debt | - | 11,413,629 |
| Less: current portion | - | (11,413,629) |
| Total long-term debt | $ - | $ - |

The Note agreements required the Village to meet certain financial covenants. The Village was in compliance with its financial covenants for the year ended December 31, 2024. Note that the balance of the long-term debt was repaid in August 2025.

**NOTE 3 - LONG-TERM DEBT** (Continued)

On October 7, 2025, the Company entered into a revolving line of credit agreement with a financial institution providing for borrowings of up to $2,000,000. The agreement matures on October 7, 2026. Borrowings under the line bear interest at a variable rate based on the Wall Street Journal prime rate (8.50% at inception). The line of credit is available for general working capital purposes.

There were no amounts outstanding under the line of credit as of December 31, 2025 and 2024. Accordingly, the full borrowing capacity of $2,000,000 was available at December 31, 2025.

**NOTE 4 - NOTES PAYABLE TO RELATED PARTIES**

The Village has a note payable to Bethlehem Area Moravians, Inc. ("BAM"), a related party, with interest payable monthly at 3% at both December 31, 2025 and 2024, to finance the development phase costs related to sales, marketing, administrative, and pre-construction expenditures. No principal payments can be made without bank approval. In February 2025, this note payable maturity date was extended through December 2030. The principal balance of this note is $4,271,025 at both December 31, 2025 and 2024, respectively. For the years ended December 31, 2025 and 2024, interest expense incurred under this long-term debt obligation was $128,131 for both years.

In June 2023, the Village received a note from Moravian Development Corporation ("MDC"), a related party, with interest payable monthly at 3%, to assist with the payoff of the Village's variable rate debt. The note required interest only payments through its amended maturity. In August 2025, the note was refinanced for a total principal balance of $7,700,000 ($6,800,000 of new borrowings). The date of maturity was extended through December 2030 and the note requires monthly payments through maturity. The principal balance of this note totaled $7,534,281 and $900,000 at December 31, 2025 and 2024, respectively. For the years ended December 31, 2025 and 2024, interest expense incurred under this related party debt obligation totaled $96,422 and $27,000, respectively.

In August 2025, the Organization entered into a loan agreement with BAM. The loan has a principal balance of $1,000,000 and bears interest at 3% per annum, subject to adjustment annually, not to exceed 5%. The note is payable in monthly installments beginning October 1, 2025, and is amortized over a five-year period. The loan is secured by substantially all assets of the Village. As of December 31, 2025, the outstanding balance on the related party note was $953,478. For the years ended December 31, 2025, interest expense incurred under this long-term debt obligation was $9,767. This note had no outstanding balance at December 31, 2024.

**NOTE 5 - RETIREMENT PLAN**

The Village participates in a 403(b) plan administered by American Funds. The plan covers full-time and regular part-time employees, who have reached the age of 21. Upon meeting eligibility requirements, an employee may elect to participate in the plan at any period during the year. In addition to the employee's contributions to the plan, the Village may elect to make a discretionary annual contribution. For the years ended December 31, 2025 and 2024 the Village elected to make contributions totaling $102,498 and $98,643, respectively. These contributions are accrued in accrued salaries and wages on the statements of financial position.

**NOTE 6 - FUNCTIONAL EXPENSES**

Expenses related to providing the Village's services were as follows for the years ended December 31:

| | Program Services | Management and General | 2025 |
|---|---|---|---|
| Salaries | $ 6,678,035 | $ 877,860 | $ 7,555,895 |
| Employee benefits | 1,021,945 | 139,356 | 1,161,301 |
| Payroll taxes | 588,357 | 80,230 | 668,587 |
| Accounting fees | - | 84,050 | 84,050 |
| Legal fees | - | 6,508 | 6,508 |
| Supplies | 519,775 | 26,174 | 545,949 |
| Telephone | 11,837 | - | 11,837 |
| Postage and shipping | - | 6,318 | 6,318 |
| Occupancy | 2,301,066 | 185,414 | 2,486,480 |
| Equipment rental and maintenance | 974,311 | 225,873 | 1,200,184 |
| Printing and publications | 35,918 | - | 35,918 |
| Travel | - | 1,163 | 1,163 |
| Interest | 539,224 | - | 539,224 |
| Depreciation | 4,457,112 | - | 4,457,112 |
| Bad debt expense | - | 40,640 | 40,640 |
| Other expenses | 3,475,595 | 1,873,177 | 5,348,772 |
| | $ 20,603,175 | $ 3,546,763 | $ 24,149,938 |

| | Program Services | Management and General | 2024 |
|---|---|---|---|
| Salaries | $ 6,356,145 | $ 800,287 | $ 7,156,432 |
| Employee benefits | 814,743 | 111,101 | 925,844 |
| Payroll taxes | 554,620 | 75,630 | 630,250 |
| Accounting fees | - | 70,346 | 70,346 |
| Legal fees | - | 114,499 | 114,499 |
| Supplies | 540,128 | 23,452 | 563,580 |
| Telephone | 12,138 | - | 12,138 |
| Postage and shipping | - | 6,004 | 6,004 |
| Occupancy | 2,088,424 | 182,918 | 2,271,342 |
| Equipment rental and maintenance | 997,556 | 205,598 | 1,203,154 |
| Printing and publications | 32,445 | - | 32,445 |
| Travel | 250 | 2,146 | 2,396 |
| Interest | 603,373 | - | 603,373 |
| Depreciation | 4,098,007 | - | 4,098,007 |
| Bad debt expense | - | 95,833 | 95,833 |
| Other expenses | 2,629,902 | 1,967,540 | 4,597,442 |
| | $ 18,727,731 | $ 3,655,354 | $ 22,383,085 |

**NOTE 6 - FUNCTIONAL EXPENSES** (Continued)

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include employee benefits and payroll taxes, which are allocated on the basis of estimates of time and effort.

**NOTE 7 - RELATED PARTY TRANSACTIONS**

The Village has an agreement in perpetuity with BAM in which the Village accrues 1% of gross revenue annually to be paid to BAM in recognition of the historical link between the entities. For the years ended December 31, 2025 and 2024, $100,000 was incurred under this arrangement. The payment of the donation is subject to the financial viability of the Village as well as other contingencies that may be required. As of December 31, 2025 and 2024, the accrued agreement in perpetuity amount was $100,000. This accrual has been included in accounts payable on the statements of financial position at December 31, 2025 and 2024.

A competitive bid was received and accepted for insurance services by a Member of the Board through GCFK Insurance. Insurance expense for the years ended December 31, 2025 and 2024 related to GCFK amounted to approximately $556,000 and $527,000, respectively.

The Village pays rent to a related party for use of an office building. Such rent expense was approximately $84,000 for the years ended December 31, 2025 and 2024 is included within administrative expenses on the statements of activities.

The Village paid a related party for landscaping services in the amount of approximately $104,000 and $119,000 for the years ended December 31, 2025 and 2024, respectively. This expense is included within maintenance expenses within the statements of activities.

**SUPPLEMENTARY INFORMATION**

MORAVIAN VILLAGE OF BETHLEHEM
STATUTORY LIQUID RESERVE CALCULATION
December 31, 2025

| | | |
|---|---|---|
| Budgeted operating expenses for fiscal year ended December 31, 2025 net of depreciation, amortization, and intercompany expenses | $ | 18,360,729 |
| Minimum rate - 10% | | 10% |
| | | 1,836,073 |
| Ratio of healthcare residents to total residents | | 0.18 |
| | | 304,335 |
| Budgeted interest expense for fiscal year ended December 31, 2025 | | 373,525 |
| Ratio of healthcare residents to total residents | | 0.18 |
| | | 68,709 |
| Requirement - greater of the above calculations | | 304,335 |
| Liquid reserves | | 1,057,048 |
| Statutory liquid reserve requirement | | 304,335 |
| Overfunded, met requirement | $ | 752,713 |

See Independent Auditor's Report.

**Crowe LLP**
Independent Member Crowe Global
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Tampa, FL 33602
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May 15, 2026

Ms. Rucha B Megha, CPA, CMA, MBA
Financial Analyst, Division of Market Analysis and CCRC
Pennsylvania Insurance Department | Bureau of Market Actions
1321 Strawberry Square | Harrisburg, PA 17120

Mr. Dan Soos
Moravian Village of Bethlehem
526 Wood Street
Bethlehem, PA 18018

**Letter of Qualification of Independent Certified Public Accountant**

Greetings:

In accordance with the Commonwealth's insurance department regulations, this letter details our qualifications as independent certified public accountants for the Moravian Village of Bethlehem (the Organization) as follows:

1. We are independent with respect to the Organization and conform to the standards of the profession as contained in the Code of Professional Ethics and pronouncements of the American Institute of Certified Public Accountants, Inc., and the C.P.A. Law (63 P.S. §§ 9.1-9.16(b)) or similar laws.

2. Partner background and experience:

   - Tomas Birriel, CPA – 17 years of public accounting experience in auditing and accounting services, with 11 of these years auditing healthcare providers.

3. We understand that the audited financial report of the Organization and the independent certified public accountant's opinion thereon will be filed in compliance with chapter 147 and that the Commissioner will be relying on this information in the monitoring and regulation of the financial position of the Organization.

4. We consent to the requirements of § 147.11 (relating to definitions, availability and maintenance of independent certified public accountant workpapers) and that we agree to make available for review by the Commissioner, the Commissioner's designee or Department examiners, the workpapers, as defined in § 147.11.

5. Our independent certified public accounting firm and CPAs are properly licensed by the state licensing authority and we are members in good standing in the American Institute of Certified Public Accountants, Inc. and Pennsylvania Institute of Certified Public Accountants.

6. We are in compliance with § 147.6 (relating to qualifications of independent certified public accountants).
    - Tomas Birriel is serving this engagement for the second year for the 2025 financial statement audit.

Should you have any questions, please contact me at (813) 209-2464.

Sincerely,



Tomas Birriel, CPA
Partner

**Crowe LLP**
Independent Member Crowe Global

401 E Jackson St # 2900
Tampa, FL 33602
Tel +1 813.209.2464
www.crowe.com

May 15, 2026

Ms. Rucha B Megha, CPA, CMA, MBA
Financial Analyst, Division of Market Analysis and CCRC
Pennsylvania Insurance Department | Bureau of Market Actions
1321 Strawberry Square | Harrisburg, PA 17120

Mr. Dan Soos
Moravian Village of Bethlehem
526 Wood Street
Bethlehem, PA 18018

**Letter of Awareness of Independent Certified Public Accountant**

Greetings:

We have been engaged by Moravian Village of Bethlehem ("Moravian") to perform an audit in accordance with auditing standards generally accepted in the United States of America of Moravian's financial statements for the year ended December 31, 2025. In connection therewith, we acknowledge the following:

We are aware of the provisions relating to the accounting and financial reporting matters in the Pennsylvania insurance code and related rules and regulation of the Pennsylvania Insurance Department that are applicable to audits of financial statements of continuing care retirement communities. After completion of our audits, we will express our opinion on the financial statements of Moravian Village of Bethlehem as to their conformity with generally accepted accounting principles.

This letter is furnished solely for filing with the Pennsylvania Insurance Department and should not be used for any other purpose. Should you have any questions, please contact me at (813) 209.2464.

Sincerely,

Tomas Birriel, CPA
Partner

**Moravian Village of Bethlehem**
**2025 Statement of Material Differences**

| Income | 2025 Actual Results | 2025 Proforma Budget | Difference | % Difference | |
|---|---|---|---|---|---|
| Independent Living | $ 8,952,549 | $ 8,414,191 | $ 538,358 | 6.40% | **1** |
| Health Care Services | 10,932,388 | 9,523,806 | 1,408,582 | 14.79% | **2** |
| Amortization of Entrance Fees | 2,189,791 | 1,650,000 | 539,791 | 32.71% | **3** |
| Charitable/Donated Care | (389,803) | (375,000) | (14,803) | 3.95% | |
| Ancillaries/Inv Inc/Contributions | 1,338,124 | 685,900 | 652,224 | 95.09% | |
| Total Income | 23,023,049 | 19,898,897 | 3,124,152 | 16% | |
| **Expenses** | | | | | |
| Salaries/Payroll Taxes/Fringe Benefits | 9,321,717 | 8,948,035 | 373,682 | 4.18% | **4** |
| Nursing/Health Care Costs | 2,861,211 | 2,209,221 | 651,990 | 29.51% | **5** |
| Dietary | 1,520,095 | 1,531,500 | (11,405) | -0.74% | |
| Occupancy Costs | 4,091,175 | 3,770,040 | 321,135 | 8.52% | **6** |
| General & Administration | 1,318,764 | 1,330,828 | (12,064) | -0.91% | |
| Interest | 539,224 | 571,105 | (31,881) | -5.58% | **7** |
| Bad Debt | 40,640 | 0 | 40,640 | 100.00% | |
| Depreciation and Amortization | 4,457,112 | 4,123,703 | 333,409 | 8.09% | **8** |
| | 24,149,938 | 22,484,432 | 1,665,506 | 7% | |
| Projected Change in Net Assets | (1,126,889) | (2,585,535) | 1,458,646 | -56% | |

**Narrative**

**1.** Overall Independent living census exceeded the budget for 2025. This was mostly driven by the census in the Suites building, which was +10 in occupancy over budget at year end. Although Cottage census was slightly underbudget for the year at -1, most of our vacant cottages were under contract at year end for occupancy in the 1st and 2nd quarter 2026.

**2.** Health care services is overbudget primarily due to personal care services provided to our residents in 2025. This was a net increase of almost 550K for the period. Although overall bed nights were lower for 2025, general health care revenue was higher mostly due to the loss of individuals on our life care insurance plan, which pay significantly lower rates than our general health care residents.

**3.** Amortization income is higher due to our overall higher independent living census. Current market rate entrance fees are also higher than the fees our previous residents paid, which leads to higher overall amortization.

**4.** Overall salaries is down vs. 2024 staffing levels, however, we approximate budget due to an almost 18% increase in health care for our staff. For 2025, Moravian Village elected to absorb the health care increases on behalf of the staff to keep it overall affordable for them. The staffing decrease is primarily in the health care segment and Moravian Village needed to fill these vacant positions primarily through 3rd party health care agencies. This is partially the increase in overall health care costs.

**5.** Increase in primarily due to health care agency usage. We have also seen a commodity increase in health care supplies between 6% and 10%

**6**. Occupancy costs continue to out pace budget as we continue to invest in our grounds and facilities. Many of these items are not considered to be capitalizable, consequently, they are expensed in the financial statements.

**7.** In 2025, Moravian Village's parent and sister organization paid off Moravian Village's external bank debt and brought this debt in house. In conjunction with this refinancement, Moravian Village paid off $3,000,000 of debt outright. Related party debt is not a fixed rate instrument at 3% with an aggressive paydown timeline as Moravian Village continues to implement its de-leveraging plan, which is one of our strategic goals.

**8.** 3.1 million dollars in capital investment for 2025. Most of this is depreciated over 5 years, maintaining our current conservative on the treatment of long lived capital assets.

**Moravian Village of Bethlehem**
**2026 Proforma Budget**

| **Revenues** | **2026 Budget** |
|---|---|
| Independent Living | $ 8,930,743 |
| Health Care Services (net of allowances) | 10,454,983 |
| Amortization/Termination Income | 2,050,000 |
| Ancillary Medical Services/Contributions | 655,200 |
| Charitable/Donated Care | (425,000) |
| Total Revenues | 21,665,926 |
| | |
| **Expenses** | |
| | |
| Salaries/Payroll Taxes/Fringe Benefits | 9,575,904 |
| Health Care Costs | 2,578,584 |
| Dietary Costs | 1,498,998 |
| Occupancy Costs | 3,689,619 |
| General & Administration | 1,362,967 |
| Interest | 373,525 |
| Bad Debt | 40,000 |
| Total Expenses before Depreciation & Amortization) | 19,119,597 |
| | |
| Operating Income before Depreciation & Amortization | 2,546,329 |
| **Change in Net Assets Before Depreciation** | 2,546,329 |
| | |
| Depreciation/Amortization | 4,100,000 |
| **Change in Net Assets** | $ (1,553,671) |