

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code). ▶ Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089 2022 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 12/31/2022	
A This return/report is for:	☐ a multiemployer plan ☐ a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.) ☒ a single-employer plan ☐ a DFE (specify) _____
B This return/report is:	☐ the first return/report ☐ the final return/report ☐ an amended return/report ☐ a short plan year return/report (less than 12 months)
C If the plan is a collectively-bargained plan, check here.	▶ ☐
D Check box if filing under:	☒ Form 5558 ☐ automatic extension ☐ the DFVC program ☐ special extension (enter description)
E If this is a retroactively adopted plan permitted by SECURE Act section 201, check here.	▶ ☐

Part II	Basic Plan Information —enter all requested information
1a Name of plan MERCY HOUSING, INC. 403(B) PLAN	1b Three-digit plan number (PN) ▶ 002
	1c Effective date of plan 01/01/2001
2a Plan sponsor's name (employer, if for a single-employer plan) Mailing address (include room, apt., suite no. and street, or P.O. Box) City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions) MERCY HOUSING, INC. 1600 BROADWAY, SUITE 2000 DENVER, CO 80202	2b Employer Identification Number (EIN) 47-0646706 2c Plan Sponsor's telephone number 303-830-3300 2d Business code (see instructions) 531190

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	10/16/2023	RENEE NAGLE
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

For Paperwork Reduction Act Notice, see the Instructions for Form 5500.

Form 5500 (2022)
v. 220413

3a Plan administrator's name and address ☒ Same as Plan Sponsor		3b Administrator's EIN
		3c Administrator's telephone number
4 If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report: a Sponsor's name c Plan Name		4b EIN 4d PN
5 Total number of participants at the beginning of the plan year		5 2239
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d).		
a(1) Total number of active participants at the beginning of the plan year		6a(1) 1562
a(2) Total number of active participants at the end of the plan year		6a(2) 1602
b Retired or separated participants receiving benefits		6b 13
c Other retired or separated participants entitled to future benefits.....		6c 673
d Subtotal. Add lines 6a(2) , 6b , and 6c		6d 2288
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.		6e 8
f Total. Add lines 6d and 6e		6f 2296
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....		6g 2265
h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested.....		6h 0
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)		7
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 2F 2G 2M 2S 2T 3D 3H		
b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:		
9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	
10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)		
a Pension Schedules (1) ☒ R (Retirement Plan Information) (2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) ☐ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary	b General Schedules (1) ☒ H (Financial Information) (2) ☐ I (Financial Information – Small Plan) (3) ☐ A (Insurance Information) (4) ☒ C (Service Provider Information) (5) ☐ D (DFE/Participating Plan Information) (6) ☐ G (Financial Transaction Schedules)	

Part III Form M-1 Compliance Information (to be completed by welfare benefit plans)

11a If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

If "Yes" is checked, complete lines 11b and 11c.

11b Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

11c Enter the Receipt Confirmation Code for the 2022 Form M-1 annual report. If the plan was not required to file the 2022 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code _____

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2022
		This Form is Open to Public Inspection.

For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 12/31/2022		
A Name of plan MERCY HOUSING, INC. 403(B) PLAN	B Three-digit plan number (PN) ▶	002
C Plan sponsor's name as shown on line 2a of Form 5500 MERCY HOUSING, INC.	D Employer Identification Number (EIN) 47-0646706	

Part I	Service Provider Information (see instructions)
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You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

- a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... ☒ Yes ☐ No
- b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
TRANSAMERICA RETIREMENT SOLUTIONS
13-3689044

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
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2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

TRANSAMERICA RETIREMENT SOLUTIONS

13-3689044

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
12 15 28 37 38 50 54 59 61 62 63 64 65	RECORDKEEPER	188506	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☒ No ☐

(a) Enter name and EIN or address (see instructions)

NATIONAL FINANCIAL SERVICES

04-3523567

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
33 71	SECURITIES BROKER	0	Yes ☒ No ☐	Yes ☐ No ☒	0	Yes ☒ No ☐

(a) Enter name and EIN or address (see instructions)

INNOVEST PORTFOLIO SOLUTIONS, LLC

84-1612955

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
27 50	INVESTMENT ADVISOR	37552	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

3. If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
TRANSAMERICA RETIREMENT SOLUTIONS	12 15 28 37 38 50 54 59 61 62 63 64 65	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
DFA-DIMENSIONAL 6300 BEE CAVE RD BUILDING ONE AUSTIN, TX 78746	REVENUE SHARING SEE ATTACHMENT TO LINE 2(H)	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
NATIONAL FINANCIAL SERVICES	33 71	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
DFA-DIMENSIONAL 6300 BEE CAVE RD BUILDING ONE AUSTIN, TX 78746	REVENUE SHARING SEE ATTACHMENT TO LINE 2(H)	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
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(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)
(complete as many entries as needed)

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

SCHEDULE H (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2022 This Form is Open to Public Inspection
For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 12/31/2022		
A Name of plan MERCY HOUSING, INC. 403(B) PLAN	B Three-digit plan number (PN) ►	002
C Plan sponsor's name as shown on line 2a of Form 5500 MERCY HOUSING, INC.	D Employer Identification Number (EIN) 47-0646706	

Part I	Asset and Liability Statement		
1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.			
Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash.....	1a	8	0
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions.....	1b(1)	112722	118053
(2) Participant contributions.....	1b(2)	158362	169006
(3) Other.....	1b(3)	1501	5267
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit).....	1c(1)	77189	39223
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common.....	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants).....	1c(7)		
(8) Participant loans.....	1c(8)	1659317	2028400
(9) Value of interest in common/collective trusts.....	1c(9)		
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts.....	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)	77427681	65795106
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other	1c(15)		

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	79436780	68155055

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through 1j)	1k		

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	79436780	68155055
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Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income

		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	3353548	
(B) Participants	2a(1)(B)	5427399	
(C) Others (including rollovers)	2a(1)(C)	569304	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		9350251
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	206	
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)	101848	
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		102054
(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	1314478	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		1314478
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		
(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities.....	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		-15569135
c Other income	2c		
d Total income. Add all income amounts in column (b) and enter total	2d		-4802352
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	6246204	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		6246204
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		7111
h Interest expense	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)	37552	
(4) Other	2i(4)	188506	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		226058
j Total expenses. Add all expense amounts in column (b) and enter total	2j		6479373
Net Income and Reconciliation			
k Net income (loss). Subtract line 2j from line 2d	2k		-11281725
l Transfers of assets:			
(1) To this plan	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☒ Unmodified (2) ☐ Qualified (3) ☐ Disclaimer (4) ☐ Adverse

b Check the appropriate box(es) to indicate whether the IQPA performed an ERISA section 103(a)(3)(C) audit. Check both boxes (1) and (2) if the audit was performed pursuant to both 29 CFR 2520.103-8 and 29 CFR 2520.103-12(d). Check box (3) if pursuant to neither.

(1) ☒ DOL Regulation 2520.103-8 (2) ☐ DOL Regulation 2520.103-12(d) (3) ☐ neither DOL Regulation 2520.103-8 nor DOL Regulation 2520.103-12(d).

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: COHN REZNICK LLP

(2) EIN: 22-1478099

d The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l.

During the plan year:

a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)

	Yes	No	Amount
4a	X		215969

	Yes	No	Amount
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)		X	
4b		X	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X	
4c		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)		X	
4d		X	
e Was this plan covered by a fidelity bond?	X		3000000
4e	X		3000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
4f		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
4g		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
4h		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	X		
4i	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked and see instructions for format requirements.)		X	
4j		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?		X	
4k		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
4l		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)		X	
4m		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.		X	
4n		X	

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year? ☐ Yes ☒ No
If "Yes," enter the amount of any plan assets that reverted to the employer this year _____.

5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	5b(2) EIN(s)	5b(3) PN(s)

5c Was the plan a defined benefit plan covered under the PBGC insurance program at any time during this plan year? (See ERISA section 4021 and instructions.) ☐ Yes ☐ No ☐ Not determined
If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year _____.

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2022 This Form is Open to Public Inspection.
For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 12/31/2022		
A Name of plan MERCY HOUSING, INC. 403(B) PLAN		B Three-digit plan number (PN) 002
C Plan sponsor's name as shown on line 2a of Form 5500 MERCY HOUSING, INC.		D Employer Identification Number (EIN) 47-0646706
Part I Distributions		
All references to distributions relate only to payments of benefits during the plan year.		
1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....		1 0
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): 13-3689044		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....		3 395
Part II Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part.)		
4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? ☐ Yes ☐ No ☐ N/A If the plan is a defined benefit plan, go to line 8.		
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.		
6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived).....		6a
b Enter the amount contributed by the employer to the plan for this plan year.....		6b
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....		6c
If you completed line 6c, skip lines 8 and 9.		
7 Will the minimum funding amount reported on line 6c be met by the funding deadline? ☐ Yes ☐ No ☐ N/A		
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? ☐ Yes ☐ No ☐ N/A		
Part III Amendments		
9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box..... ☐ Increase ☐ Decrease ☐ Both ☐ No		
Part IV ESOPs (see instructions). If this is not a plan described under section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.		
10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?..... ☐ Yes ☐ No		
11 a Does the ESOP hold any preferred stock?..... ☐ Yes ☐ No		
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.)..... ☐ Yes ☐ No		
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?..... ☐ Yes ☐ No		
For Paperwork Reduction Act Notice, see the Instructions for Form 5500.		
Schedule R (Form 5500) 2022 v. 220413		

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that (1) contributed more than 5% of total contributions to the plan during the plan year or (2) was one of the top-ten highest contributors (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

14	Enter the number of deferred vested and retired participants (inactive participants), as of the beginning of the plan year, whose contributing employer is no longer making contributions to the plan for:		
	a The current plan year. Check the box to indicate the counting method used to determine the number of inactive participants: ☐ last contributing employer ☐ alternative ☐ reasonable approximation (see instructions for required attachment).....	14a	
	b The plan year immediately preceding the current plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment)	14b	
	c The second preceding plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment)	14c	
15	Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:		
	a The corresponding number for the plan year immediately preceding the current plan year.....	15a	
	b The corresponding number for the second preceding plan year.....	15b	
16	Information with respect to any employers who withdrew from the plan during the preceding plan year:		
	a Enter the number of employers who withdrew during the preceding plan year	16a	
	b If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers.....	16b	
17	If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐		

Part VI	Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans
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18	If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐
19	If the total number of participants is 1,000 or more, complete lines (a) through (c) a Enter the percentage of plan assets held as: Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____% b Provide the average duration of the combined investment-grade and high-yield debt: ☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more c What duration measure was used to calculate line 19(b)? ☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify): _____
20	PBGC missed contribution reporting requirements. If this is a multiemployer plan or a single-employer plan that is not covered by PBGC, skip line 20. a Is the amount of unpaid minimum required contributions for all years from Schedule SB (Form 5500) line 40 greater than zero? ☐ Yes ☐ No b If line 20a is "Yes," has PBGC been notified as required by ERISA sections 4043(c)(5) and/or 303(k)(4)? Check the applicable box: ☐ Yes. ☐ No. Reporting was waived under 29 CFR 4043.25(c)(2) because contributions equal to or exceeding the unpaid minimum required contribution were made by the 30th day after the due date. ☐ No. The 30-day period referenced in 29 CFR 4043.25(c)(2) has not yet ended, and the sponsor intends to make a contribution equal to or exceeding the unpaid minimum required contribution by the 30th day after the due date. ☐ No. Other. Provide explanation _____

Mercy Housing, Inc. 403(b) Plan

**Financial Statements
(With Supplementary Information)
and Independent Auditor's Report**

December 31, 2022 and 2021

Mercy Housing, Inc. 403(b) Plan

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Independent Auditor's Report

To the Plan Administrator
Mercy Housing, Inc. 403(b) Plan

Opinion

We have audited the financial statements of Mercy Housing, Inc. 403(b) Plan (the "Plan"), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 ("ERISA"), which comprise the statements of net assets available for benefits as of December 31, 2022 and 2021, and the related statements of changes in net assets available for benefits 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 net assets available for benefits of the Plan as of December 31, 2022 and 2021, and the changes in its net assets available for benefits 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 the Plan 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 the Plan's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Management is also responsible for maintaining a current Plan instrument, including all Plan amendments, administering the Plan, and determining that the Plan's transactions that are presented and disclosed in the financial statements are in conformity with the Plan's provisions, including maintaining sufficient records with respect to each of the participants, to determine the benefits due or which may become due to such participants.

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 the Plan'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 the Plan'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.

Supplemental Schedules Required by ERISA

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental Schedule of Delinquent Participant Contributions (Schedule H, Line 4a) for the year ended December 31, 2022 and the Schedule of Assets (Held at End of Year) (Schedule H, Line 4i) as of December 31, 2022, are presented for purposes of additional analysis and are not a required part of the financial statements but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. 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 audits 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 GAAS.

In forming our opinion on the supplemental schedules, we evaluated whether the supplemental schedules, including their form and content, are presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

In our opinion, the information in the accompanying schedules is fairly stated, in all material respects, in relation to the financial statements as a whole, and the form and content are presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

CohnReznick LLP

Bethesda, Maryland
October 13, 2023

Mercy Housing, Inc. 403(b) Plan

**Statements of Net Assets Available for Benefits
December 31, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
Assets		
Investments, at fair value		
Mutual funds	\$ 65,795,106	\$ 77,427,681
Interest-bearing cash	<u>39,223</u>	<u>77,189</u>
Total investments	<u>65,834,329</u>	<u>77,504,870</u>
Receivables		
Employer contributions	118,053	112,722
Participants' contributions	169,005	158,362
Accrued interest - notes receivable from participants	5,267	1,501
Notes receivable from participants	<u>2,028,400</u>	<u>1,659,317</u>
Total receivables	<u>2,320,725</u>	<u>1,931,902</u>
Noninterest-bearing cash	<u>-</u>	<u>8</u>
Net assets available for benefits	<u><u>\$ 68,155,054</u></u>	<u><u>\$ 79,436,780</u></u>

See Notes to Financial Statements.

Mercy Housing, Inc. 403(b) Plan

**Statements of Changes in Net Assets Available for Benefits
Years Ended December 31, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
Investment income		
Net (depreciation)/appreciation in fair value of investments	\$ (15,569,134)	\$ 9,031,212
Interest	206	-
Dividends	<u>1,314,478</u>	<u>1,202,386</u>
Total investment (loss)/income	<u>(14,254,450)</u>	<u>10,233,598</u>
Interest on notes receivable from participants	<u>101,848</u>	<u>97,937</u>
Contributions		
Employer contributions	3,353,548	3,238,965
Participants' contributions	5,427,399	5,114,615
Participant rollover contributions	<u>569,304</u>	<u>161,051</u>
Total contributions	<u>9,350,251</u>	<u>8,514,631</u>
Total additions and investment income (loss)	<u>(4,802,351)</u>	<u>18,846,166</u>
Deductions from net assets attributed to		
Benefits paid to participants	6,253,314	6,938,477
Investment management fees	37,555	33,619
Administrative expenses	<u>188,506</u>	<u>188,992</u>
Total deductions	<u>6,479,375</u>	<u>7,161,088</u>
Net (decrease) increase in net assets available for benefits	(11,281,726)	11,685,078
Net assets available for benefits		
Beginning	<u>79,436,780</u>	<u>67,751,702</u>
End	<u>\$ 68,155,054</u>	<u>\$ 79,436,780</u>

See Notes to Financial Statements.

Mercy Housing, Inc. 403(b) Plan

Notes to Financial Statements December 31, 2022 and 2021

Note 1 - Description of the Plan

The following description of the Mercy Housing, Inc. 403(b) Plan (the "Plan") provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

The Plan Administrator is Mercy Housing, Inc. through the Audit Committee. The Audit Committee is responsible for the operation and management of the Plan, interpreting the Plan's provisions and recommending any changes to the Plan.

Transamerica Retirement Solutions, the trustee and record keeper, maintains individual participants' accounting records, calculates the allocation of contributions and income to the participants' accounts on a daily basis, and prepares statements, which are sent directly to the participants.

State Street Bank and Trust Company, the asset custodian of the Plan, holds the Plan's investment assets and executes transactions therein.

General

The Plan is a 403(b) plan covering all employees of Mercy Housing, Inc., Mercy Services Corporation, and Mercy Portfolio Services (the Organization or Employer) who regularly work 20 hours or more a week. Participants can enroll in the Plan on the first day of employment. During 2012, the Plan was amended and is no longer considered a "church plan" as defined in Internal Revenue Code (the "IRC") (Section 414(e)). Effective January 1, 2012, the Plan was amended to change the Employer's type of entity from a Nonelecting church (i.e. a church which has not made an election to be subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA") under Code Section 410(d)) to a 501(c)(3) organization and to remove the annualization option for Employer Matching Contributions. As of January 1, 2012, the Plan elected to be subject to ERISA under a Section 404(c) plan. Effective January 1, 2014, the Plan was amended to clarify that 15-year Special 403(b) Catch-Up Contributions are permitted. Participants in the Plan who have completed at least 15 years of Service with a Participating Employer who is a "qualified organization", as defined, may make catch-up contributions to the extent permitted by the IRC.

Contributions

Each year, participants may contribute up to the maximum annual amount allowed under Internal Revenue Service ("IRS") regulations. Participants who have attained age 50 before the end of the Plan year are eligible to make catch-up contributions. Participants may also contribute amounts representing distributions or rollovers from other qualified defined benefit or contribution pension plans and Individual Retirement Accounts. The Plan includes an auto-enrollment provision whereby all newly eligible employees are automatically enrolled in the Plan unless they affirmatively elect not to participate in the Plan. Automatically enrolled participants have their deferral rate set at 1% of eligible compensation and their contributions invested in a designated balanced fund until changed by the participant. Participants direct the investment of their contributions into various investment options offered by the Plan. The Plan currently offers 18 investment options for participants. Effective April 1, 2020, the Plan was amended to permit Roth elective deferrals and Roth rollover contributions.

After completing one year of employment, the Organization matches, dollar for dollar, an employee's contributions up to 2%. Effective January 1, 2018, the Organization will match, dollar for dollar, an employee's contribution up to 4%. The Organization also makes a contribution to the Plan for eligible employees who have completed three to six years and seven or more years of employment. Employees with at least three but less than seven years' tenure may receive an additional contribution equal to 1% of compensation. Employees with seven or more years' tenure may receive an additional

Mercy Housing, Inc. 403(b) Plan

Notes to Financial Statements December 31, 2022 and 2021

contribution equal to 1% for a total of an additional 2% of compensation. The employees need not contribute to the Plan in order to receive these contributions. Contributions are subject to certain IRS limitations.

Participant accounts

Each participant's account is credited with the participant's contribution and allocations of the Employer's contribution and Plan earnings. Participant accounts are charged with an allocation of administrative expenses that are paid by the Plan. Allocations are based upon participant earnings or account balances or specific participant transactions, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Vesting

Participants are immediately 100% vested in their contributions, the Employer's contributions, plus the actual earnings thereon.

Payment of benefits

On termination of service due to death, a single lump-sum cash payment will be made to the participant's designated beneficiary. For participant balances in excess of \$5,000 for termination of service for other reasons, a participant may receive the value of the vested interest in his or her account as a lump-sum distribution. The Plan has a small sum cashout provision for participant balances of \$5,000 or less that allows (1) involuntary cashout distributions of account balances of terminated vested Participants of \$1,000 or less and (2) automatic rollover provisions of terminated vested Participants with account balances of greater than \$1,000 and less than \$5,000, in which the account balance is automatically rolled over to an Individual Retirement Account unless the participant elects a distribution.

Participants may withdraw all or a portion of their account balance when they reach age 59½.

The Plan is required by law to distribute participant benefits no later than April 1st of the calendar year following the year in which the participant reaches age 70½. However, if the participant is still working for the Employer at the time they reach 70½ and they are not a 5% owner of the Employer, they may delay payment until April 1st of the calendar year following the year of retirement or choose to delay the rest of the benefit payments until April 1st of the calendar year following the year of retirement if benefit payments have already begun.

The Plan allows hardship withdrawals under certain conditions related to medical needs, purchase of a principal residence, post-secondary education, or possible eviction from a principal residence. However, a participant must exhaust the loan provisions discussed below before he or she may apply for a hardship withdrawal.

Participants attain his or her normal retirement date when they reach age 65.

Notes receivable from participants

Participants may borrow from their fund accounts a minimum of \$1,000 and up to a maximum of \$50,000 or 50% of their account balance, whichever is less. Participants may borrow two loans at a time. The loans are secured by the balance in the participant's account. The loan interest rate, determined quarterly, is set at 2% above the prime rate. Principal and interest is paid ratably through payroll deductions and must be repaid within five years unless the loan is used to purchase a principal residence or the participant is on authorized leave for military service for a period which extends the maturity date of the loan beyond five years. If the loan is used to purchase a principal residence, the repayment period may be set for a loan term that will extend up to 30 years.

Mercy Housing, Inc. 403(b) Plan

Notes to Financial Statements December 31, 2022 and 2021

Note 2 - Summary of accounting policies

Basis of accounting

The financial statements of the Plan are prepared under the accrual method of accounting.

Use of estimates

The preparation of financial statements in accordance 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 changes therein and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Investment valuation and income recognition

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Plan's Investment Committee determines the Plan's valuation policies utilizing information provided by the investment adviser and custodians. See Note 3 for discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net depreciation includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Notes receivable from participants

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Interest income is recorded on the accrual basis. Related fees are recorded as administrative expenses and are expensed when they are incurred. No allowance for credit losses has been recorded as of December 31, 2022 and 2021. If a participant ceases to make loan repayments and the Plan Administrator deems the participant loan to be in default, the participant loan balance is reduced and a benefit payment is recorded.

Payment of benefits

Benefits are recorded when paid.

Other fees

Investment management fees and fees incurred for plan service charges and loan processing fees are charged directly to the participant's account and are included as expenses in the accompanying statements of changes in net assets available for benefits. Other investment related expenses are included in net appreciation and depreciation of fair value of investments.

Subsequent events

The Plan has evaluated subsequent events through October 13, 2023, the date the financial statements were available to be issued.

Mercy Housing, Inc. 403(b) Plan

Notes to Financial Statements December 31, 2022 and 2021

Note 3 - Fair value measurements

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") and the lowest priority to unobservable inputs ("Level 3"). The three levels of the fair value hierarchy under Financial Accounting Standards Board issued Accounting Standards Codification 820 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 Plan has the ability to 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; and
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

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 maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2022 and 2021.

Mutual and Money Market Funds: Valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value ("NAV") and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

Mercy Housing, Inc. 403(b) Plan

Notes to Financial Statements December 31, 2022 and 2021

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2022 and 2021:

	2022			
	Total	Level 1	Level 2	Level 3
Mutual funds and money market funds	\$ 65,834,329	\$ 65,834,329	\$ -	\$ -
Total assets at fair value	<u>\$ 65,834,329</u>	<u>\$ 65,834,329</u>	<u>\$ -</u>	<u>\$ -</u>
	2021			
	Total	Level 1	Level 2	Level 3
Mutual funds and money market funds	\$ 77,504,870	\$ 77,504,870	\$ -	\$ -
Total assets at fair value	<u>\$ 77,504,870</u>	<u>\$ 77,504,870</u>	<u>\$ -</u>	<u>\$ -</u>

Note 4 - Plan termination

Although Mercy Housing, Inc. intends to continue the Plan, it has the right under the Plan to amend, change, or end the benefits under the Plan at any time.

Note 5 - Tax status

The Plan has been designed to qualify under Section 403(b) of the IRC. The terms of the Plan have been prepared to conform with the sample language provided by the IRS in Revenue Procedure 2007-71 or the draft Listing of Required Modification issued April 4, 2009. The Plan Administrator intends to apply for a determination letter on the Plan once the IRS opens such a program. The Plan is required to operate in conformity with the IRC to maintain tax-exempt status for Plan participants under Section 403(b).

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the Plan and recognize a tax liability if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

Note 6 - Risk and uncertainties

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits.

Note 7 - Party-in-interest transactions

Fees paid by the Plan to the trustee for administration and investment management services amounted to \$188,506 and \$188,992, respectively, for the years ended December 31, 2022 and 2021. Fees paid by the Plan to an investment consultant, for investment management services amounted to \$37,555 and \$33,619, respectively, for the years ended December 31, 2022 and 2021. The Plan has a cash reserve account that is managed by State Street Bank and Trust Company. As of December 31, 2022 and 2021, the balance in the account was \$39,223 and 77,189, respectively.

Mercy Housing, Inc. 403(b) Plan

**Notes to Financial Statements
December 31, 2022 and 2021**

Note 8 - Nonexempt transactions

As reported on the supplemental Schedule of Delinquent Participant Contributions (Schedule H, Line 4a), certain Plan contributions and loan remittances were not remitted to the trust within the time frame specified by the Department of Labor's regulations 29 (CFR 2510.3-102), thus constituting nonexempt transactions between the Plan and the Company for the year ended December 31, 2021. The late contributions were corrected during the year ended December 31, 2022.

Supplementary Information

Mercy Housing, Inc. 403(b) Plan
Plan Employer Identification Number (EIN): 47-0646706
Plan Number (PN): 002

Schedule of Delinquent Participant Contributions (Schedule H, Line 4a)
Year Ended December 31, 2022

Year	Participant contributions transferred late to Plan	Check here if participant loan repayments are included	Total that constitute nonexempt prohibited transactions			Total fully corrected under VFCP and Prohibited Transaction Exemption 2002-51
			Contributions not corrected	Contributions corrected outside Voluntary Fiduciary Correction Program ("VFCP")	Contributions pending correction in VFCP	
2021	\$ 215,969	X	\$ -	\$ 215,969	\$ -	\$ -

See Independent Auditor's Report.

Mercy Housing, Inc. 403(b) Plan
Plan Employer Identification Number (EIN): 47-0646706
Plan Number (PN): 002

Schedule of Assets (Held at End of Year) (Schedule H, Line 4a)
December 31, 2022

(a)	(b) Identity of issuer, borrower, lessor or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par or maturity value	(d) Cost (A)	(e) Current value
	American Funds EuroPacific Gr R6	Mutual fund		\$ 2,481,078
	DFA US Large Cap Value I	Mutual fund		5,547,918
	Oakmark International Institutional	Mutual fund		602,181
	PIMCO Total Return Instl	Mutual fund		3,457,497
	T. Rowe Price Instl Large Cap Growth	Mutual fund		7,716,236
	Vanguard Developed Mkt Index Adm	Mutual fund		2,503,233
	Vanguard FTSE Social Index Admiral	Mutual fund		1,451,129
	Vanguard Institutional Index I	Mutual fund		4,946,427
	Vanguard Mid Cap Index Adm	Mutual fund		1,108,576
	Vanguard Short-Term Bond Index Adm	Mutual fund		814,067
	Vanguard Small Cap Index Adm	Mutual fund		2,341,298
	Vanguard Target Retirement 2025	Mutual fund		6,953,714
	Vanguard Target Retirement 2035	Mutual fund		9,281,997
	Vanguard Target Retirement 2045	Mutual fund		5,690,623
	Vanguard Target Retirement 2055	Mutual fund		3,938,197
	Vanguard Target Retirement 2065 Inv	Mutual fund		255,356
	Vanguard Target Retirement Income	Mutual fund		4,339,802
	Vanguard Treasury Money Market Inv	Mutual fund		2,365,777
*	State Street Bank & Trust Co.	Cash reserve account		39,223
				<u>65,834,329</u>
*	Notes receivable from participants	Interest rates of 5.25% to 10.25% secured by participant accounts		<u>2,028,400</u>
				<u><u>\$ 67,862,729</u></u>

* Indicates Party-In-Interest to the Plan.

See Independent Auditor's Report.



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Schedule C, Line 2(h) Formula Descriptions

Mercy Housing, Inc. 403(b) Plan
EIN No.: 47-0646706, Plan No. 002
Plan Year Ending: 12/31/2022

Indirect Compensation in the form of revenue sharing was paid to the following Service Providers:

TRANSAMERICA RETIREMENT SOLUTIONS 13-3689044
NATIONAL FINANCIAL SERVICES 04-3523567

Revenue amounts are shown in annualized basis points of plan assets invested in applicable fund

Fund Family	Fund Name	Start Date	End Date	Revenue to Transamerica Retirement Solutions	Revenue to National Financial Services
DFA-DIMENSIONAL	DFA US LARGE CAP VALUE	1/1/2022	12/31/2022	1.940	0.060

Mercy Housing, Inc. 403(b) Plan
EIN No.: 47-0646706, Plan No. 002
Schedule H, Line 4i - Schedule of Assets
Plan Year Ending: 12/31/2022

(a)	(b) Identity of Issuer, Borrower, Lessor or Similar Party	(c) Description of Investment, Including Maturity Date, Rate of Interest, Par or Maturity Value	(d) CURRENT VALUE
*	State Street Bank & Trust Co.	Cash Reserve Account	\$ 39,223
	American Funds	American Funds EuroPacific Gr R6	\$ 2,481,078
	Dimensional	DFA US Large Cap Value I	\$ 5,547,918
	Oakmark	Oakmark International Instl	\$ 602,181
	PIMCO	PIMCO Total Return Instl	\$ 3,457,497
	T. Rowe Price	T. Rowe Price Lrg Cp Gr I	\$ 7,716,236
	Vanguard	Vanguard Developed Mkt Index Adm	\$ 2,503,233
	Vanguard	Vanguard FTSE Social Index Admiral	\$ 1,451,129
	Vanguard	Vanguard Instl Index	\$ 4,946,427
	Vanguard	Vanguard Mid Cap Index Adm	\$ 1,108,576
	Vanguard	Vanguard Short Term Bond Index Adm	\$ 814,067
	Vanguard	Vanguard Small Cap Index Adm	\$ 2,341,298
	Vanguard	Vanguard Target Retirement 2025	\$ 6,953,714
	Vanguard	Vanguard Target Retirement 2035	\$ 9,281,997
	Vanguard	Vanguard Target Retirement 2045	\$ 5,690,623
	Vanguard	Vanguard Target Retirement 2055	\$ 3,938,197
	Vanguard	Vanguard Target Retirement 2065 Inv	\$ 255,356
	Vanguard	Vanguard Target Retirement Income	\$ 4,339,802
	Vanguard	Vanguard Treasury Money Market Inv	\$ 2,365,777
		Mutual Fund Total	\$ 65,795,106
*	Participants	Notes Receivable with interest rates of 5.25% to 10.25%	\$ 2,028,400
		TOTAL PLAN ASSETS	\$ 67,862,729

* Indicates Party-In-Interest to the Plan