

CATHEDRAL VILLAGE

Statement of Financial Position

February 28, 2017 and December 31, 2016

Assets	February 28, 2017	December 31, 2016
Cash and cash equivalents	\$ 500	501
Investments	10,467,149	10,172,427
Statutory liquid reserve	2,682,438	2,634,879
Accounts receivable, net	2,443,313	2,438,494
Prepaid expenses	721,227	639,406
Assets whose use is limited	1,012,490	845,991
Pledges receivable	2,320	3,120
Property and equipment (net of accumulated depreciation of \$4,631,256 and \$4,142,745, respectively)	32,715,839	33,009,404
Assets under capital leases (net of accumulated depreciation of \$25,799 and \$23,219, respectively)	28,379	30,959
Due from affiliates	1,242,884	1,188,783
Assets held in trust by others	2,497,476	2,419,136
Goodwill	<u>1,836,908</u>	<u>1,836,908</u>
Total assets	<u>\$ 55,650,922</u>	<u>55,220,008</u>

CATHEDRAL VILLAGE

Statement of Financial Position

February 28, 2017 and December 31, 2016

Liabilities and Net Assets	February 28, 2017	December 31, 2016
Accounts payable	\$ 1,116,608	1,266,081
Accrued expenses	1,274,735	1,246,716
Accrued interest	183,030	110,673
Resident deposits	229,000	281,500
Entrance fee payable	240,000	240,000
Deferred revenue – entrance fees	20,910,356	21,072,383
Deferred energy costs	1,192,441	1,202,833
Obligations under capital leases	38,406	42,018
Long-term debt	13,490,336	13,543,318
Total liabilities	38,674,912	39,005,522
Net assets:		
Unrestricted	14,284,550	13,601,367
Temporarily restricted	193,984	193,984
Permanently restricted	2,497,476	2,419,135
Total net assets	16,976,011	16,214,486
Total liabilities and net assets	\$ 55,650,922	55,220,008

CATHEDRAL VILLAGE

Statement of Operations and Changes in Net Assets

Months ended February 28, 2017 and year ended December 31, 2016

	February 28, 2017	December 31, 2016
Operating revenues, gains, and other support:		
Resident services, including amortization of entrance fees of \$650,611 and \$3,159,605, respectively	\$ 4,835,198	27,454,901
Interest and dividend income	16,475	411,472
Realized gain on investments	22,552	73,583
Contributions, gifts and bequests	24,220	877
Net assets released from restrictions	—	1,050,439
	4,898,446	28,991,272
Total operating revenues, gains, and other support		
Expenses:		
Nursing services	1,023,530	6,253,292
Rehabilitation	195,262	1,244,311
Recreation and special services	115,811	740,321
Pharmacy	110,780	543,781
Social services	25,734	148,599
Physician services	48,273	292,203
Food services	669,624	4,582,066
Building operations and maintenance	667,171	3,671,959
Housekeeping	119,402	754,731
Laundry and linen	13,743	85,235
General and administrative	712,069	2,851,202
Employee benefits	223,773	1,207,787
Interest	89,167	590,370
Depreciation	491,092	2,758,345
Amortization	1,334	4,454
Fundraising and investment fees	22,072	64,381
	4,528,833	25,793,037
Total expenses		
Operating income	369,613	3,198,235
Loss on early extinguishment of debt	—	(123,498)
Excess of operating revenues, gains and other support over expenses	369,613	3,074,737
Other changes:		
Unrealized gain on investments	313,571	524,715
Total other changes	313,571	524,715
Increase in unrestricted net assets	683,183	3,599,452

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Statement of Operations and Changes in Net Assets

Months ended February 28, 2017 and year ended December 31, 2016

	February 28, 2017	December 31, 2016
	<u> </u>	<u> </u>
Temporarily restricted net assets:		
Contributions, gifts and bequests	\$ –	39,455
Net assets released from restrictions	–	(1,050,439)
	<u> </u>	<u> </u>
Change in temporarily restricted net assets	–	(1,010,984)
Permanently restricted net assets:		
Change in fair value of assets held in trust by others	78,341	(6,193)
	<u> </u>	<u> </u>
Change in permanently restricted net assets	78,341	(6,193)
Change in net assets	761,525	2,582,275
Net assets, beginning of year	16,214,486	13,632,211
Net assets, end of year	<u>\$ 16,976,011</u>	<u>16,214,486</u>

CATHEDRAL VILLAGE

Statement of Cash Flows

Months ended February 28, 2017 and year ended December 31, 2016

	February 28, 2017	December 31, 2016
Cash flows from operating activities:		
Change in net assets	\$ 761,525	2,582,275
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Depreciation	491,092	2,758,345
Bad debt write-offs	32,926	147,312
Proceeds from refundable entrance fees and deposits, net of refunds	436,084	5,002,421
Amortization of entrance fees	(650,611)	(3,159,605)
Loss on extinguishment of debt	-	123,498
Unrealized gain on investments and assets held in trust by others	(391,912)	(518,522)
Realized gain on investments	(22,552)	(73,583)
Amortization	1,334	1,616
Deferred energy cost adjustment	(10,392)	(44,167)
Change in assets and liabilities:		
Accounts receivable	(63,995)	471,680
Entrance fee receivable	26,250	(295,875)
Pledges receivable	800	590,607
Other assets	(81,820)	115,078
Accounts payable	(149,473)	(817,959)
Accrued expenses and deferred revenue other	100,376	(375,317)
Net cash provided by operating activities	480,198	6,507,803
Cash flows used in investing activities:		
Acquisition of property and equipment	(194,947)	(3,670,397)
Net proceeds from sale of investments	(172,655)	105,957
Net cash used in investing activities	(367,602)	(3,564,440)
Cash flows provided by financing activities:		
Refunds of entrance fees and deposits	-	(194,300)
Change in entrance fee payable	-	240,000
Principal payments on long-term debt	(54,884)	(205,414)
Proceeds on the issuance of bonds	-	4,540,000
Refunding, refinancing or payoff of long-term debt	-	(4,435,209)
Financing costs incurred	-	(25,664)
Repayments on capital lease obligations	(3,612)	(26,221)
Change in due to/from affiliates	(54,101)	(2,837,749)
Net cash used in financing activities	(112,596)	(2,944,557)
Net decrease in cash and cash equivalents	(0)	(1,194)
Cash and cash equivalents, beginning of year	500	1,694
Cash and cash equivalents, end of year	\$ 500	500
Supplemental schedule of non-cash investing activities		
Increase in property and equipment through increase in deferred energy costs	\$ -	1,247,000