

CATHEDRAL VILLAGE

Statement of Financial Position

January 31, 2017 and December 31, 2016

Assets	January 31, 2017	December 31, 2016
Cash and cash equivalents	\$ 500	501
Investments	10,241,221	10,172,427
Statutory liquid reserve	2,634,879	2,634,879
Accounts receivable, net	2,606,154	2,438,494
Prepaid expenses	796,766	639,406
Assets whose use is limited	845,999	845,991
Pledges receivable	3,120	3,120
Property and equipment (net of accumulated depreciation of \$4,386,322 and \$4,142,745, respectively)	32,939,963	33,009,404
Assets under capital leases (net of accumulated depreciation of \$24,509 and \$23,219, respectively)	29,669	30,959
Due from affiliates	923,406	1,188,783
Assets held in trust by others	2,418,975	2,419,136
Goodwill	<u>1,836,908</u>	<u>1,836,908</u>
Total assets	<u>\$ 55,277,561</u>	<u>55,220,008</u>

CATHEDRAL VILLAGE

Statement of Financial Position

January 31, 2017 and December 31, 2016

Liabilities and Net Assets	January 31, 2017	December 31, 2016
Accounts payable	\$ 1,223,780	1,266,081
Accrued expenses	1,392,394	1,246,716
Accrued interest	146,852	110,673
Resident deposits	220,250	281,500
Entrance fee payable	240,000	240,000
Deferred revenue – entrance fees	20,918,006	21,072,383
Deferred energy costs	1,197,637	1,202,833
Obligations under capital leases	40,214	42,018
Long-term debt	13,490,236	13,543,318
Total liabilities	38,869,370	39,005,522
Net assets:		
Unrestricted	13,795,232	13,601,367
Temporarily restricted	193,984	193,984
Permanently restricted	2,418,975	2,419,135
Total net assets	16,408,191	16,214,486
Total liabilities and net assets	\$ 55,277,561	55,220,008

CATHEDRAL VILLAGE

Statement of Operations and Changes in Net Assets

Month ended January 31, 2017 and year ended December 31, 2016

	January 31, 2017	December 31, 2016
Operating revenues, gains, and other support:		
Resident services, including amortization of entrance fees of \$333,210 and \$3,159,605, respectively	\$ 2,451,134	27,454,901
Interest and dividend income	5,141	411,472
Realized gain on investments	19,284	73,583
Contributions, gifts and bequests	6,492	877
Net assets released from restrictions	-	1,050,439
Total operating revenues, gains, and other support	2,482,051	28,991,272
Expenses:		
Nursing services	516,803	6,253,292
Rehabilitation	97,756	1,244,311
Recreation and special services	59,835	740,321
Pharmacy	52,672	543,781
Social services	13,633	148,599
Physician services	24,137	292,203
Food services	362,708	4,582,066
Building operations and maintenance	352,858	3,671,959
Housekeeping	61,584	754,731
Laundry and linen	7,296	85,235
General and administrative	376,992	2,851,202
Employee benefits	109,718	1,207,787
Interest	45,005	590,370
Depreciation	244,867	2,758,345
Amortization	667	4,454
Fundraising and investment fees	8,682	64,381
Total expenses	2,335,213	25,793,037
Operating income	146,838	3,198,235
Loss on early extinguishment of debt	-	(123,498)
Excess of operating revenues, gains and other support over expenses	146,838	3,074,737
Other changes:		
Unrealized gain on investments	47,027	524,715
Total other changes	47,027	524,715
Increase in unrestricted net assets	193,865	3,599,452

CATHEDRAL VILLAGE

Statement of Operations and Changes in Net Assets

Month ended January 31, 2017 and year ended December 31, 2016

	<u>January 31, 2017</u>	<u>December 31, 2016</u>
Temporarily restricted net assets:		
Contributions, gifts and bequests	\$ —	39,455
Net assets released from restrictions	—	<u>(1,050,439)</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	<u>(160)</u>	<u>(6,193)</u>
Change in permanently restricted net assets	<u>(160)</u>	<u>(6,193)</u>
Change in net assets	193,705	2,582,275
Net assets, beginning of year	<u>16,214,486</u>	<u>13,632,211</u>
Net assets, end of year	<u>\$ 16,408,191</u>	<u>16,214,486</u>

CATHEDRAL VILLAGE

Statement of Cash Flows

Month ended January 31, 2017 and year ended December 31, 2016

	January 31, 2017	December 31, 2016
Cash flows from operating activities:		
Change in net assets	\$ 193,705	2,582,275
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Depreciation	244,867	2,758,345
Bad debt write-offs	32,421	147,312
Proceeds from refundable entrance fees and deposits, net of refunds	117,583	5,002,421
Amortization of entrance fees	(333,210)	(3,159,605)
Loss on extinguishment of debt	-	123,498
Unrealized gain on investments and assets held in trust by others	(46,868)	(518,522)
Realized gain on investments	(19,284)	(73,583)
Amortization	667	1,616
Deferred energy cost adjustment	(5,196)	(44,167)
Change in assets and liabilities:		
Accounts receivable	(335,081)	471,680
Entrance fee receivable	135,000	(295,875)
Pledges receivable	-	590,607
Other assets	(157,360)	115,078
Accounts payable	(42,301)	(817,959)
Accrued expenses and deferred revenue other	181,857	(375,316)
Net cash (used in) provided by operating activities	(33,199)	6,507,804
Cash flows used in investing activities:		
Acquisition of property and equipment	(174,137)	(3,670,397)
Net proceeds from sale of investments	(2,490)	105,957
Net cash used in investing activities	(176,627)	(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	(53,748)	(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	(1,804)	(26,221)
Change in due to/from affiliates	265,377	(2,837,749)
Net cash provided (used in) by financing activities	209,825	(2,944,557)
Net decrease in cash and cash equivalents	(1)	(1,193)
Cash and cash equivalents, beginning of year	501	1,694
Cash and cash equivalents, end of year	\$ 500	501
Supplemental schedule of non-cash investing activities		
Increase in property and equipment through increase in deferred energy costs	\$ -	1,247,000