

CATHEDRAL VILLAGE

Statements of Financial Position

June 30, 2017 and December 31, 2016

Assets	June 30, 2017	December 31, 2016
Cash and cash equivalents	\$ 1,000	501
Investments	10,862,475	10,172,427
Statutory liquid reserve	2,832,059	2,634,879
Accounts receivable, net	2,398,212	2,438,494
Prepaid expenses	686,989	639,406
Assets whose use is limited	899,064	845,991
Pledges receivable	-	3,120
Property and equipment (net of accumulated depreciation of \$5,631,151 and \$4,142,745, respectively)	33,239,534	33,009,404
Assets under capital leases (net of accumulated depreciation of \$30,959 and \$23,219, respectively)	23,220	30,959
Due from affiliates	1,534,642	1,188,783
Assets held in trust by others	2,519,592	2,419,136
Goodwill	1,836,908	1,836,908
Total assets	\$ <u>56,833,695</u>	<u>55,220,008</u>

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Statements of Financial Position

June 30, 2017 and December 31, 2016

Liabilities and Net Assets	June 30, 2017	December 31, 2016
Accounts payable	\$ 1,059,856	1,266,081
Accrued expenses	1,241,472	1,246,716
Accrued interest	109,173	110,673
Resident deposits	438,250	281,500
Entrance fee payable	240,000	240,000
Deferred revenue – entrance fees	21,527,806	21,072,383
Deferred energy costs	1,171,657	1,202,833
Obligations under capital leases	31,126	42,018
Long-term debt	13,206,490	13,543,318
Total liabilities	39,025,830	39,005,522
Net assets:		
Unrestricted	15,138,404	13,601,367
Temporarily restricted	149,868	193,984
Permanently restricted	2,519,592	2,419,135
Total net assets	17,807,864	16,214,486
Total liabilities and net assets	\$ 56,833,695	55,220,008

CATHEDRAL VILLAGE

Statements of Operations and Changes in Net Assets

Periods ended June 30, 2017 and year ended December 31, 2016

	June 30, 2017	December 31, 2016
Operating revenues, gains, and other support:		
Resident services, including amortization of entrance fees of \$1,731,366 and \$3,159,605, respectively	\$ 14,048,013	27,454,901
Interest and dividend income	150,784	411,472
Realized gain on investments	55,044	73,583
Contributions, gifts and bequests	51,689	877
Net assets released from restrictions	59,511	1,050,439
Total operating revenues, gains, and other support	14,365,042	28,991,272
Expenses:		
Nursing services	3,115,755	6,253,292
Rehabilitation	535,012	1,244,311
Recreation and special services	368,916	740,321
Pharmacy	303,618	543,781
Social services	83,533	148,599
Physician services	144,820	292,203
Food services	2,089,343	4,582,066
Building operations and maintenance	1,877,923	3,671,959
Housekeeping	372,506	754,731
Laundry and linen	43,091	85,235
General and administrative	2,254,361	2,851,202
Employee benefits	642,109	1,207,787
Interest	280,255	594,824
Depreciation	1,496,146	2,758,345
Fundraising and investment fees	62,113	64,381
Total expenses	13,669,501	25,793,037
Operating income	695,540	3,198,235
Loss on early extinguishment of debt	-	(123,498)
Excess of operating revenues, gains and other support over expenses	695,540	3,074,737
Other changes:		
Unrealized gain on investments	841,497	524,715
Total other changes	841,497	524,715
Increase in unrestricted net assets	1,537,038	3,599,452

CATHEDRAL VILLAGE

Statements of Operations and Changes in Net Assets

Periods ended June 30, 2017 and year ended December 31, 2016

	<u>June 30,</u> <u>2017</u>	<u>December 31,</u> <u>2016</u>
Temporarily restricted net assets:		
Contributions, gifts and bequests	\$ 15,395	39,455
Net assets released from restrictions	<u>(59,511)</u>	<u>(1,050,439)</u>
Change in temporarily restricted net assets	(44,116)	(1,010,984)
Permanently restricted net assets:		
Change in fair value of assets held in trust by others	<u>100,457</u>	<u>(6,193)</u>
Change in permanently restricted net assets	<u>100,457</u>	<u>(6,193)</u>
Change in net assets	1,593,378	2,582,275
Net assets, beginning of year	<u>16,214,486</u>	<u>13,632,211</u>
Net assets, end of year	<u>\$ 17,807,864</u>	<u>16,214,486</u>

CATHEDRAL VILLAGE

Statements of Cash Flows

Periods ended June 30, 2017 and year ended December 31, 2016

	June 30, 2017	December 31, 2016
Cash flows from operating activities:		
Change in net assets	\$ 1,593,378	2,582,275
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	1,496,146	2,758,345
Bad debt write-offs	193,155	147,312
Proceeds from refundable entrance fees and deposits, net of refunds	2,343,539	5,002,421
Amortization of entrance fees	(1,731,366)	(3,159,605)
Loss on extinguishment of debt	-	123,498
Unrealized gain on investments and assets held in trust by others	(941,954)	(518,522)
Realized gain on investments	(55,044)	(73,583)
Amortization of bond discount/premium	1,703	6,952
Deferred energy cost adjustment	(31,176)	(44,167)
Change in assets and liabilities:		
Accounts receivable	(277,249)	471,680
Entrance fee receivable	124,375	(295,875)
Pledges receivable	3,120	590,607
Other assets	(47,583)	115,078
Accounts payable	(206,225)	(817,959)
Accrued expenses and deferred revenue other	(6,744)	(375,317)
Net cash provided by operating activities	2,458,076	6,513,140
Cash flows used in investing activities:		
Acquisition of property and equipment	(1,718,537)	(3,670,397)
Net proceeds from sale of investments	(43,758)	105,957
Net cash used in investing activities	(1,762,295)	(3,564,440)
Cash flows from financing activities:		
Refunds of entrance fees and deposits	-	(194,300)
Change in entrance fee payable	-	240,000
Principal payments on long-term debt	(338,531)	(210,750)
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	(10,892)	(26,221)
Change in due to/from affiliates	(345,859)	(2,837,749)
Net cash used in financing activities	(695,282)	(2,949,893)
Net increase (decrease) in cash and cash equivalents	499	(1,193)
Cash and cash equivalents, beginning of year	501	1,694
Cash and cash equivalents, end of year	\$ 1,000	501
Supplemental schedule of non-cash investing activities		
Increase in property and equipment through increase in deferred energy costs	\$ -	1,247,000