

CATHEDRAL VILLAGE

Statement of Financial Position

March 31, 2017 and December 31, 2016

Assets	March 31, 2017	December 31, 2016
Cash and cash equivalents	\$ 500	501
Investments	10,574,773	10,172,427
Statutory liquid reserve	2,763,763	2,634,879
Accounts receivable, net	2,182,462	2,438,494
Prepaid expenses	807,535	639,406
Assets whose use is limited	846,116	845,991
Pledges receivable	5,020	3,120
Property and equipment (net of accumulated depreciation of \$4,881,054 and \$4,142,745, respectively)	33,067,266	33,009,404
Assets under capital leases (net of accumulated depreciation of \$27,089 and \$23,219, respectively)	27,089	30,959
Due from affiliates	1,402,373	1,188,783
Assets held in trust by others	2,483,798	2,419,136
Goodwill	1,836,908	1,836,908
Total assets	\$ <u>55,997,602</u>	<u>55,220,008</u>

CATHEDRAL VILLAGE

Statement of Financial Position

March 31, 2017 and December 31, 2016

Liabilities and Net Assets	March 31, 2017	December 31, 2016
Accounts payable	\$ 1,104,262	1,266,081
Accrued expenses	1,150,814	1,246,716
Accrued interest	220,892	110,673
Resident deposits	427,000	281,500
Entrance fee payable	240,000	240,000
Deferred revenue – entrance fees	20,922,380	21,072,383
Deferred energy costs	1,187,245	1,202,833
Obligations under capital leases	36,593	42,018
Long-term debt	13,490,719	13,543,318
Total liabilities	38,779,905	39,005,522
Net assets:		
Unrestricted	14,532,699	13,601,367
Temporarily restricted	201,201	193,984
Permanently restricted	2,483,798	2,419,135
Total net assets	17,217,697	16,214,486
Total liabilities and net assets	\$ 55,997,602	55,220,008

CATHEDRAL VILLAGE

Statement of Operations and Changes in Net Assets

Quarter ended March 31, 2017 and year ended December 31, 2016

	March 31, 2017	December 31, 2016
Operating revenues, gains, and other support:		
Resident services, including amortization of entrance fees of \$911,749 and \$3,159,605, respectively	\$ 7,083,359	27,454,901
Interest and dividend income	89,252	411,472
Realized gain on investments	18,529	73,583
Contributions, gifts and bequests	20,888	877
Net assets released from restrictions	1,000	1,050,439
Total operating revenues, gains, and other support	7,213,028	28,991,272
Expenses:		
Nursing services	1,551,574	6,253,292
Rehabilitation	282,518	1,244,311
Recreation and special services	186,291	740,321
Pharmacy	151,180	543,781
Social services	38,211	148,599
Physician services	72,410	292,203
Food services	1,012,955	4,582,066
Building operations and maintenance	978,101	3,671,959
Housekeeping	190,395	754,731
Laundry and linen	20,780	85,235
General and administrative	1,090,939	2,851,202
Employee benefits	328,631	1,207,787
Interest	139,669	594,824
Depreciation	742,180	2,758,345
Fundraising and investment fees	29,795	64,381
Total expenses	6,815,629	25,793,037
Operating income	397,399	3,198,235
Loss on early extinguishment of debt	-	(123,498)
Excess of operating revenues, gains and other support over expenses	397,399	3,074,737
Other changes:		
Unrealized gain on investments	533,933	524,715
Total other changes	533,933	524,715
Increase in unrestricted net assets	931,332	3,599,452

CATHEDRAL VILLAGE

Statement of Operations and Changes in Net Assets

Quarter ended March 31, 2017 and year ended December 31, 2016

	<u>March 31,</u> <u>2017</u>	<u>December 31,</u> <u>2016</u>
Temporarily restricted net assets:		
Contributions, gifts and bequests	\$ 8,217	39,455
Net assets released from restrictions	<u>(1,000)</u>	<u>(1,050,439)</u>
Change in temporarily restricted net assets	7,217	(1,010,984)
Permanently restricted net assets:		
Change in fair value of assets held in trust by others	<u>64,663</u>	<u>(6,193)</u>
Change in permanently restricted net assets	<u>64,663</u>	<u>(6,193)</u>
Change in net assets	1,003,211	2,582,275
Net assets, beginning of year	<u>16,214,486</u>	<u>13,632,211</u>
Net assets, end of year	<u>\$ 17,217,697</u>	<u>16,214,486</u>

CATHEDRAL VILLAGE

Statement of Cash Flows

Quarter ended March 31, 2017 and year ended December 31, 2016

	March 31, 2017	December 31, 2016
Cash flows from operating activities:		
Change in net assets	\$ 1,003,211	2,582,275
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	742,180	2,758,345
Bad debt write-offs	66,786	147,312
Proceeds from refundable entrance fees and deposits, net of refunds	907,246	5,002,421
Amortization of entrance fees	(911,749)	(3,159,605)
Loss on extinguishment of debt	-	123,498
Unrealized gain on investments and assets held in trust by others	(598,595)	(518,522)
Realized gain on investments	(18,529)	(73,583)
Amortization of bond discount/premium	851	6,952
Deferred energy cost adjustment	(15,588)	(44,167)
Change in assets and liabilities:		
Accounts receivable	(12,630)	471,680
Entrance fee receivable	201,875	(295,875)
Pledges receivable	(1,900)	590,607
Other assets	(168,129)	115,078
Accounts payable	(161,819)	(817,959)
Accrued expenses and deferred revenue other	14,317	(375,317)
Net cash provided by operating activities	<u>1,047,528</u>	<u>6,513,140</u>
Cash flows used in investing activities:		
Acquisition of property and equipment	(796,172)	(3,670,397)
Net proceeds from sale of investments	21,108	105,957
Net cash used in investing activities	<u>(775,064)</u>	<u>(3,564,440)</u>
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	(53,451)	(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	(5,425)	(26,221)
Change in due to/from affiliates	(213,590)	(2,837,749)
Net cash used in financing activities	<u>(272,465)</u>	<u>(2,949,893)</u>
Net decrease in cash and cash equivalents	(1)	(1,193)
Cash and cash equivalents, beginning of year	<u>501</u>	<u>1,694</u>
Cash and cash equivalents, end of year	<u><u>\$ 500</u></u>	<u><u>501</u></u>
Supplemental schedule of non-cash investing activities		
Increase in property and equipment through increase in deferred energy costs	<u><u>\$ -</u></u>	<u><u>1,247,000</u></u>