

CATHEDRAL VILLAGE

Statements of Financial Position

September 30, 2019 and December 31, 2018

Assets	September 30, 2019	December 31, 2018
Cash and cash equivalents	\$ 1,000	1,000
Investments	12,009,435	10,586,187
Statutory liquid reserve	3,320,367	2,897,200
Accounts receivable, net	1,985,416	2,094,652
Prepaid expenses	668,689	615,995
Assets whose use is limited	1,098,693	1,043,649
Promises to give, net	10,609	8,569
Property and equipment (net of accumulated depreciation of \$13,411,463 and \$10,600,003, respectively)	43,226,249	41,957,247
Financing leases (net of accumulated depreciation of \$87,506 and \$54,179, respectively)	170,601	—
Due from affiliates	6,254,276	5,972,879
Assets held in trust by others	2,497,169	2,314,889
Goodwill (net of accumulated amortization of \$211,951 and \$0, respectively)	1,624,957	1,836,908
Total assets	\$ <u>72,867,461</u>	<u>69,329,175</u>

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Statements of Financial Position

September 30, 2019 and December 31, 2018

Liabilities and Net Assets	September 30, 2019	December 31, 2018
Accounts payable	\$ 699,705	1,153,730
Accrued expenses	1,736,707	1,768,364
Accrued interest	207,199	106,424
Resident deposits	634,500	521,550
Entrance fee payable	361,075	438,750
Deferred revenue – entrance fees	24,606,324	22,295,441
Deferred energy costs	1,031,365	1,078,129
Obligations under financing leases	172,483	1,347
Long-term debt	24,489,722	25,029,467
Total liabilities	53,939,082	52,393,202
Net assets:		
Without donor restriction	16,302,489	14,585,465
With donor restriction	2,625,890	2,350,508
Total net assets	18,928,379	16,935,973
Total liabilities and net assets	\$ 72,867,461	69,329,175

CATHEDRAL VILLAGE

Statements of Operations and Changes in Net Assets

Quarters ended September 30, 2019 and year ended December 31, 2018

	September 30, 2019	December 31, 2018
Revenues and other support		
Resident services		
Resident services	\$ 18,591,201.21	22,778,753
Amortization of entrance fees	2,919,020	3,872,915
Implicit price concession	(141,720)	(223,054)
Total resident services revenue	21,368,501	26,428,614
Contributions, gifts and bequests	8,246	13,747
Net assets released from restrictions	500	127,010
Total revenues and other support	21,377,247	26,569,371
Cost of services provided		
Nursing services	5,291,677	7,383,715
Rehabilitation	774,464	862,706
Recreation and special services	567,284	839,634
Pharmacy	326,355	245,364
Social services	93,876	126,850
Physician services	259,930	332,503
Food services	3,334,890	4,162,988
Building operations and maintenance	2,948,084	3,718,783
Housekeeping	513,533	664,666
Laundry and linen	111,169	115,614
General and administrative	3,091,405	4,360,550
Employee benefits	788,095	839,179
Interest	510,053	659,817
Depreciation	2,844,787	3,443,349
Amortization	211,951	—
Fundraising	51,051	88,790
Total cost of services provided	21,718,605	27,844,508
Deficit of revenues and other support over expenses	(341,358)	(1,275,137)
Other income (expense)		
Investment income, net of investment expense	306,485	426,951
Realized gain on investments	1,020,811	409,409
Unrealized gain (loss) on investments	726,765	(1,655,392)
Gain on disposal of property and equipment	4,320	11,217
Total other income (expense)	2,058,382	(807,815)
Excess (deficit) of revenue, gains and other support over expenses and losses	1,717,024	(2,082,952)

CATHEDRAL VILLAGE

Statements of Operations and Changes in Net Assets

Quarters ended September 30, 2019 and year ended December 31, 2018

	September 30, 2019	December 31, 2018
Net assets without donor restrictions:		
Excess (deficit) of revenue, gains and other support over expenses and losses	\$ 1,717,024	(2,082,952)
Transfer to affiliated entity	—	136
Change in net assets without donor restrictions	1,717,024	(2,082,816)
Net assets with donor restrictions:		
Contributions, gifts and bequests	\$ 92,001	8,736
Change in fair value	183,881	(300,087)
Net assets released from restrictions	(500)	(127,010)
Change in net assets with donor restrictions	275,382	(418,361)
Change in net assets	1,992,406	(2,501,177)
Net assets, beginning of year	16,935,973	19,437,150
Net assets, end of year	<u>\$ 18,928,379</u>	<u>16,935,973</u>

CATHEDRAL VILLAGE

Statements of Cash Flows

Quarters ended September 30, 2019 and year ended December 31, 2018

	September 30, 2019	December 31, 2018
Cash flows from operating activities:		
Change in net assets	\$ 1,992,406	(2,501,177)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	2,844,787	3,443,349
Bad debt write-offs	186,537	282,600
Proceeds from refundable entrance fees and deposits, net of refunds	5,421,241	4,548,769
Amortization of entrance fees	(2,919,020)	(3,872,915)
Unrealized (gain) loss on investments and assets held in trust by others	(910,646)	1,955,479
Realized gain on investments	(1,020,811)	(409,409)
Realized gain on sale of property, plant and equipment	(4,320)	(11,217)
Amortization of deferred financing costs	8,696	8,002
Amortization of bond discount/premium	(20,071)	(17,030)
Amortization of goodwill	211,951	-
Deferred energy cost adjustment	(46,764)	(62,352)
Change in assets and liabilities:		
Accounts receivable	246,099	(297,459)
Entrance fee receivable	(323,400)	74,925
Promises to give	(2,040)	22,000
Other assets	(52,694)	(7,273)
Accounts payable	(454,025)	492,586
Accrued expenses and deferred revenue other	69,119	(854,088)
Net cash provided by operating activities	5,227,045	2,794,791
Cash flows used in investing activities:		
Acquisition of property and equipment	(4,280,070)	(8,541,861)
Net proceeds from the sale of investments	(152,282)	50,204
Net cash used in investing activities	(4,432,352)	(8,491,657)
Cash flows from financing activities:		
Refunds of entrance fees and deposits	(78,388)	(463,477)
Change in entrance fee payable	(77,675)	198,750
Principal payments on long-term debt	(519,133)	(308,671)
Proceeds on the issuance of bonds	—	10,200,000
Financing costs incurred	(9,236)	—
Borrowings through finance leases	203,661	—
Repayments on finance lease obligations	(32,525)	(18,710)
Change in due to/from affiliates	(281,397)	(3,911,026)
Net cash (used in) provided by financing activities	(794,692)	5,696,866
Net change in cash and cash equivalents	0	(0)
Cash and cash equivalents, beginning of year	1,000	1,000
Cash and cash equivalents, end of year	\$ 1,000	1,000