

CATHEDRAL SQUARE CORPORATION  
CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2017

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CONSOLIDATED FINANCIAL STATEMENTS

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## INDEPENDENT AUDITOR'S REPORT

The Board of Directors  
Cathedral Square Corporation

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of Cathedral Square Corporation, which comprise the consolidated statement of financial position as of September 30, 2017, and the related consolidated statements of activities and changes in net assets, and cash flows for the year then ended, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Cathedral Square Corporation as of September 30, 2017, and the results of its operations and its cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

**Report on Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information included on pages 19 through 26 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

A handwritten signature in black ink, appearing to read "Otis Otwell". The signature is written in a cursive style with a large initial "O".

Certified Public Accountants

December 27, 2017  
South Portland, Maine

CATHEDRAL SQUARE CORPORATION  
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

September 30, 2017

ASSETS

CURRENT ASSETS	
Cash and Cash Equivalents	\$ 3,592,492
Board Restricted Cash (Note 15)	1,212,356
Accounts Receivable	381,414
Grants Receivable	267,565
Tenant Security Deposits	411,136
Inventory	5,338
Prepaid Expenses	<u>276,203</u>
Total Current Assets	<u>6,146,504</u>
OTHER ASSETS	
Notes Receivable	2,450
Equity Contributions (Note 11)	768,607
Development Projects (Note 12)	486,387
Restricted Escrow Accounts (Note 5)	4,146,558
Tax Credit Fees	<u>65,250</u>
Total Other Assets	<u>5,469,252</u>
PROPERTY AND EQUIPMENT (Note 2)	
Land and Improvements	6,703,194
Buildings and Improvements	68,304,922
Furniture, Fixtures and Equipment	2,876,804
Construction in Process	<u>951,926</u>
Total	78,836,846
Less Accumulated Depreciation	<u>(13,908,072)</u>
NET PROPERTY AND EQUIPMENT	<u>64,928,774</u>
ENDOWMENT (Note 10)	<u>844,279</u>
TOTAL ASSETS	<u><u>\$ 77,388,809</u></u>

See accompanying notes to the financial statements.

CATHEDRAL SQUARE CORPORATION

CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
(Continued)

September 30, 2017

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES	
Accounts Payable	\$ 327,924
Accrued Interest Payable	38,803
Other Accrued Liabilities	729,496
Tenant Security Deposit and Interest	409,552
Resident Service Deposits	32,686
Deferred Revenue	236,647
Current Portion of Long-term Debt	<u>353,162</u>
Total Current Liabilities	<u>2,128,270</u>
LONG-TERM DEBT	
Notes Payable, Net of Current Portion (Note 2)	44,513,138
Less Deferred Loan Fees	(38,028)
Tax Credit Exchange Funds (Note 16)	52,149
Deferred Interest Payable (Note 3)	<u>2,823,019</u>
Total Long-term Debt	<u>47,350,278</u>
TOTAL LIABILITIES	<u>49,478,548</u>
NET ASSETS	
Unrestricted - Non-Controlling	18,559,253
Unrestricted - Controlling	5,515,410
Temporarily Restricted (Notes 10, 15 and 18)	3,335,598
Permanently Restricted (Note 10)	<u>500,000</u>
TOTAL NET ASSETS	<u>27,910,261</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 77,388,809</u>

See accompanying notes to the financial statements.

CATHEDRAL SQUARE CORPORATION

CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

For the Year Ended September 30, 2017

REVENUES	
Rental Revenue - Tenants	\$ 3,699,795
Housing Assistance Payments (Note 19)	3,596,113
State and Federal Assistance	619,365
Donations	468,161
Management and Development Fees (Note 8)	1,280,921
Client Fees	771,257
Other Income/Grants	4,384,019
Investment Income	<u>103,105</u>
TOTAL SUPPORT AND REVENUE	<u>14,922,736</u>
EXPENSES	
Program Services	13,481,206
Management and General	1,273,962
Fundraising	<u>4,450</u>
TOTAL EXPENSES	<u>14,759,618</u>
INCREASE IN NET ASSETS	163,118
NET ASSETS, Beginning of Year	<u>27,747,143</u>
NET ASSETS, End of Year	<u><u>\$ 27,910,261</u></u>

See accompanying notes to the financial statements.

CATHEDRAL SQUARE CORPORATION

STATEMENT OF CASH FLOWS

For the Year Ended September 30, 2017

CASH FLOWS FROM OPERATING ACTIVITIES	
Increase in Net Assets	\$ 163,118
Adjustments to Reconcile Increase in Net Assets to Net Cash Provided by Operating Activities	
Depreciation and Amortization	2,133,882
Forgiveness of Debt	(25,000)
Tax Credit Exchange Income	(5,215)
Gain on Investments	(63,475)
Deferred Interest Expense	22,827
Amortization of Debt Issuance Costs	1,227
Change in Operating Assets and Liabilities	
Accounts Receivable	(99,421)
Notes Receivable	160,793
Grants Receivable	26,064
Tenant Security Deposits	(33,534)
Prepaid Expenses	(17,995)
Inventory	(7,983)
Accounts Payable	100,106
Accrued Interest Payable	12,583
Tenant Security Deposits	34,361
Accrued Expenses	33,905
Unearned Revenue	179,595
	<u>2,615,838</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>2,615,838</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Equity Contributions	(229,561)
Investments in Development Projects	(345,157)
Net Deposits to Restricted Escrows	(778,998)
Net Sales of Endowment Investments	17,949
Purchases of Property and Equipment	(3,625,222)
	<u>(4,960,989)</u>
NET CASH USED BY INVESTING ACTIVITIES	<u>(4,960,989)</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Loan Proceeds	3,769,183
Principal Payments of Long-term Debt	(319,917)
Debt Issuance Costs	(39,255)
	<u>3,410,011</u>
NET CASH PROVIDED BY FINANCING ACTIVITIES	<u>3,410,011</u>
NET INCREASE IN CASH	1,064,860
CASH AT BEGINNING OF YEAR	<u>3,739,988</u>
CASH AT END OF YEAR	<u><u>\$ 4,804,848</u></u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:	
Cash Paid During the Year for:	
Interest	<u><u>\$ 634,719</u></u>

See accompanying notes to the financial statements.



CATHEDRAL SQUARE CORPORATION  
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Nature of Activities - Cathedral Square Corporation is a non-profit Corporation organized for the purpose of providing support services to the elderly, handicapped and persons with other special needs.

Basis of Consolidation - The consolidated financial statements include the accounts of Cathedral Square Corporation (CSC) which consists of four programs: Management, SASH, Assisted Living and Memory Care. CSC also includes entities controlled by CSC or CSC Partners Inc., a wholly owned subsidiary of CSC.

Management - Management accounts for all payroll related activities of Cathedral Square Corporation. Programs and entities are charged a fee for services rendered by the employees of CSC. In addition, management provides service to entities which are independent of Cathedral Square Corporation. These services consist of development, management, and maintenance of housing projects along with other special assistance designed to improve the quality of life of the residents of the housing projects.

Support and Services at Home (SASH) - SASH is a caring partnership connecting statewide health and long term care systems to nonprofit affordable housing providers. The program is part of the Blueprint for Health, Vermont's health care reform initiative. The program helps Vermont's most vulnerable citizens, seniors and individuals with special needs, access to care and support services they need to stay healthy while living comfortably and safely at home.

Assisted Living Operations - The Assisted Living Residence at Cathedral Square Senior Living consists of 29 units within the 108 unit building located at 3 Cathedral Square, Burlington, Vermont. Personal care services are available 24 hours a day and three meals per day are provided.

Memory Care at Allen Brook - Memory Care at Allen Brook consists of 14 units. The property is still under development as of September 30, 2017.

The consolidation also includes the entities controlled by either CSC or CSC Partners Inc., a wholly owned subsidiary of Cathedral Square Corporation (CSC). CSC or CSC Partners Inc. is the general partner in the following partnerships, whose statements of financial position and results of operations are included in these financial statements.

CSC McAuley, LLC	CSSL Limited Partnership
Essex Senior Housing LP	Farrell Street Senior Housing LP
GWC II Limited Partnership	Rail City Housing, LP
Richmond Terrace LP	Ruggles House Limited Partnership
SH Limited Partnership	TSH Limited Partnership
TSH Two Limited Partnership	Allard Square Limited Partnership

CATHEDRAL SQUARE CORPORATION  
NOTES TO THE FINANCIAL STATEMENTS  
(Continued)

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(Continued)

CSC also controls the following non-profit entities through common board control. The statements of financial position and results of operations are also included in these financial statements.

Heineberg Senior Housing  
Monroe Place Corporation  
Whitney Hill Housing

Jeri Hill Housing  
South Burlington Community Housing Corporation

All significant intercompany transactions and balances are eliminated in consolidation.

Non-Controlling Interest in Affiliates - Non-Controlling Net Assets represent the limited partner interests, which are owned by parties other than Cathedral Square Corporation, in low income housing tax credit real estate subsidiaries and other affiliates. These entities are included in the consolidated financials.

Income Taxes - No provision for taxes on income is made in the Corporation's financial statements since, as a not-for-profit corporation, it is exempt from income taxes under Internal Revenue Code 501(c)(3).

In accordance with accounting principles generally accepted in the United States of America, management has evaluated its exposure to material tax positions and determined that there are no such tax positions requiring accounting recognition. Informational returns filed by the Corporation are subject to examination by the Internal Revenue Service for a period of three years. While no informational returns are currently being examined by the Internal Revenue Service, the three previous tax years remain open. No interest or penalties from federal or state tax authorities were recorded in the accompanying financial statements.

Housing Subsidy Covenants - Several of the consolidated entities have entered into housing subsidy covenants with Vermont Housing and Conservation Board (VHCB), as a condition of loans made by VHCB. Pursuant to these covenants, tenants' incomes must fall within certain affordability guidelines.

Several of the consolidated entities have entered into housing subsidy covenants with the Vermont Housing Finance Agency (VHFA), as a condition of allocation of low-income housing tax credits by VHFA. Pursuant to this covenant, the partnerships shall remain in compliance with Section 42 for the compliance period and an extended use period, unless terminated sooner.

Cash - For purposes of reporting cash flows, cash includes cash on hand and amounts due from banks. The statement of cash flows does not include tenant security deposits in cash. These funds are held in trust and may be returned to the tenants.

CATHEDRAL SQUARE CORPORATION

NOTES TO THE FINANCIAL STATEMENTS  
(Continued)

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(Continued)

Tax Credit Fees - Tax credit fees are being amortized over fifteen years using the straight line method.

Deferred Loan Fees - Deferred loan fees are being amortized over the term of the related note payable.

Rental Income - Rental income is recognized as rents become due under the terms of the operating leases with project residents. All receivables are recorded at net realizable value. Cathedral Square Corporation does not charge interest on past due receivables. Most receivables are collected within 90 days.

Fixed Income Securities - Fixed Income securities consist of mutual funds and are carried at Fair Value.

Inventory - Inventories are stated at cost using First In, First Out (FIFO) Method.

Functional Allocation of Expenses - The costs of providing various programs and supporting activities have been summarized on a functional basis in the statement of activities and the supplementary information to the financial statements. Accordingly, certain costs have been allocated between the programs and supporting services based on estimated personnel time and space utilized for the related activity.

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Property and Equipment - Property and equipment are carried at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets.

Subsequent Events - Subsequent events have been evaluated through December 27, 2017, the date the financial statements were available to be issued.

NOTE 2 - LONG-TERM DEBT

Long-term debt consists of the following:

<u>Lender</u>	<u>Property</u>	<u>Interest Rate</u>	<u>Payments</u>	<u>Maturity</u>	<u>2017</u>
<u>Vermont Housing and Conservation Board (VHCB)</u>	Ruggles House L.P.	0%	Deferred	October 31, 2031	\$ 195,000
	Ruggles House L.P.	0%	Deferred	October 31, 2031	98,500

CATHEDRAL SQUARE CORPORATION  
NOTES TO THE FINANCIAL STATEMENTS  
(Continued)

NOTE 2 - LONG-TERM DEBT

<u>Lender</u>	<u>Property</u>	<u>Interest Rate</u>	<u>Payments</u>	<u>Maturity</u>	<u>2017</u>
	Heineberg Senior Housing	0%	Deferred	March 10, 2035	625,000
	Whitney Hill Housing	0%	Deferred	March 10, 2037	673,283
	CSC McAuley LLC	0%	Deferred	September 25, 2047	492,500
	CSC McAuley LLC	0%	Deferred	September 25, 2047	30,000
	CSC McAuley LLC	0%	Deferred	September 25, 2047	700,000
	Farrell Street Senior Housing	1.00%	Deferred	December 15, 2045	359,500
	Farrell Street Senior Housing	0%	Deferred	December 15, 2045	540,500
	Farrell Street Senior Housing	0%	Deferred	October 31, 2046	240,000
	Rail City Housing LP	0%	Deferred	February 7, 2038	440,000
	Rail City Housing LP	0%	Deferred	February 7, 2038	200,000
	CSSL LP	0%	Deferred	September 30, 2049	1,025,000
	CSSL LP	0%	Deferred	September 30, 2049	492,500
	GWC II LP	0%	Deferred	February 11, 2040	300,000
	GWC II LP	0%	Deferred	February 11, 2040	307,000
	TSH LP	0%	Deferred	May 11, 2041	593,095
	TSH LP	0%	Deferred	May 11, 2041	283,000
	TSH Two LP	0%	Deferred	September 19, 2052	610,000

CATHEDRAL SQUARE CORPORATION  
NOTES TO THE FINANCIAL STATEMENTS  
(Continued)

NOTE 2 - LONG-TERM DEBT

<u>Lender</u>	<u>Property</u>	<u>Interest Rate</u>	<u>Payments</u>	<u>Maturity</u>	<u>2017</u>
	SH LP	0%	Deferred	July 15, 2043 or date of payment on Town of Shelburne note	175,000
	SH LP	0%	Deferred	July 15, 2043	590,000
	Richmond Terrace LP	0%	Deferred	April 22, 2044	300,000
<u>Essex Senior Housing Inc.</u>	TSH II Limited Partnership	0%	Deferred	February 20, 2068	320,000
<u>City of Burlington</u>	Ruggles House L.P.	0%	Deferred	Sale/Change of Use	110,000
	Heineberg Senior Housing	0%	Deferred	Sale/Change of Use	150,000
	CSC McAuley LLC	0%	Deferred	September 25, 2047	150,000
	CSC McAuley LLC	0%	Deferred	September 25, 2047	80,000
	CSSL LP	0%	Deferred	September 30, 2039	245,200
	TSH LP	0%	Deferred	September 28, 2040	300,000
<u>City of South Burlington</u>	Farrell Street Senior Housing	0%	Deferred	April 16, 2047	433,030
	GWC II LP	0%	Deferred	February 11, 2040	600,000
<u>Champlain Housing Trust</u>	Ruggles House L.P.	0%	Deferred	December 31, 2031	250,000
	CSC McAuley LLC	0%	Deferred	August 28, 2047	148,000
<u>TD Bank</u>	Ruggles House L.P.	2.5%	\$1,087/Mo	June 19, 2022	160,734
<u>Vermont Housing Finance Agency (VHFA)</u>	Heineberg Senior Housing	6.41%	\$12,836/Mo	March 2035	1,618,014
	Whitney Hill Housing	6.57%	\$7,901/Mo	February 2037	1,038,748

CATHEDRAL SQUARE CORPORATION  
NOTES TO THE FINANCIAL STATEMENTS  
(Continued)

NOTE 2 - LONG-TERM DEBT

<u>Lender</u>	<u>Property</u>	<u>Interest Rate</u>	<u>Payments</u>	<u>Maturity</u>	<u>2017</u>
	Jeri Hill Housing	6.75%	\$5,459/Mo	August, 2037	716,575
	CSC McAuley LLC	5.054%	\$8,086/Mo Beg. 4/1/2017	March 1, 2014	3,176,918
	CSC McAuley LLC	0%	Deferred	March 1, 2047	510,320
	Rail City Housing LP	7.38%	\$290/Mo	February 10, 2038	37,248
	Rail City Housing LP	6.1%	\$5,151	February 10, 2038	733,782
	GWC II LP	0%	Deferred	Upon default or the final day of Housing Credit Subsidy Covenant extended use period.	2,340,000
	SH LP	6.95%	\$2,648/Mo	October 10, 2044	390,738
	Richmond Terrace LP	5.95%	\$3,876/Mo	February 10, 2044	625,871
<u>Peoples United Bank</u>	Heineberg Senior Housing	3.9%	\$3,145/Mo	July 2021	136,484
	Farrell Street Senior Housing	3.5%	\$6,614/Mo	May 1, 2022	1,051,703
	CSSL LP	4.0%	\$12,127/Mo	July 1, 2025	2,102,548
	TSH LP	6.22%	\$3,873/Mo	May 12, 2027	587,828
<u>National Housing Trust Community Development Fund</u>	Heineberg Senior Housing	3.0%	\$715/Mo Beg. 2/1/2016	December 31, 2025	62,597
<u>Town of Essex</u>	Essex Senior Housing LP	0%	Deferred	December 18, 2047	490,000
<u>Town of Shelburne</u>	SH LP	0%	Deferred	November 15, 2043	581,250

CATHEDRAL SQUARE CORPORATION  
NOTES TO THE FINANCIAL STATEMENTS  
(Continued)

NOTE 2 - LONG-TERM DEBT (Continued)

<u>Lender</u>	<u>Property</u>	<u>Interest Rate</u>	<u>Payments</u>	<u>Maturity</u>	<u>2017</u>
<u>Department of Housing and Urban Development (HUD)</u>	Farrell Street Senior Housing	0%	Deferred	May 1, 2047	3,527,800
	Essex Senior Housing LP	0%	Deferred	February 1, 2049	5,392,200
	TSH Two LP	0%	Deferred	October 1, 2053	4,543,800
<u>USDA Rural Development</u>	Rail City Housing LP	5.625%	Deferred - \$1,238/Mo Beg. 3/28/2028	February 7, 2038	583,606
	Rail City Housing LP	5.375%	\$1,874/Mo	December 4, 2038	848,863
	SH LP	3.625%	\$2,123	July 23, 2044	983,382
<u>Vermont Community Loan Fund</u>	Memory Care of Allenbrook	5.0%	Interest only until September 15, 2019	September 15, 2024	569,183
Total					44,866,300
Less Current Portion					353,162
					<u>\$44,513,138</u>

Current portions of long-term debt are due within the next five years as follows:

<u>Year Ending September 30</u>	<u>Total Amount</u>
2018	\$ 353,162
2019	373,670
2020	392,791
2021	409,250
2022	1,181,723
Thereafter	42,155,704
Total	<u>\$44,866,300</u>

CATHEDRAL SQUARE CORPORATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 (Continued)

NOTE 3 - DEFERRED INTEREST PAYABLE

Various entities have deferred interest payable arrangements at September 30, 2017 as follows:

Heineberg Senior Housing - Note Payable - VHCB	\$ 1,372,793
Ruggles House Limited Partnership - Note Payable – City of Burlington (Home)	118,225
CSC McAuley, LLC - Note Payable - VHCB	770,234
CSC McAuley, LLC - Note Payable - City of Burlington	416,408
Farrell Street Senior Housing LP - Note Payable - VHCB	38,921
Rail City Housing, LP - Notes Payable - USDA Rural Development	<u>106,438</u>
Total	<u>\$ 2,823,019</u>

NOTE 4 - RETIREMENT PLAN

The Corporation maintains a retirement plan for its employees under Section 403(b) of the Internal Revenue Code. Contributions are made by the Corporation and, in addition, employees may make voluntary, tax-deferred contributions from their compensation. During the year ended September 30, 2017, employer contributions to the retirement plan totaled \$190,365.

NOTE 5 - RESTRICTED ESCROW ACCOUNTS

The Corporation's properties have various regulatory agreements with either Vermont Housing Finance Agency or the Department of Housing and Urban Development. These agreements place various restrictions and requirements on the projects, including required deposits to Replacement Reserves, Residual Receipts, Sinking Funds, and Operating Reserve accounts.

The Projects are required to make deposits monthly into reserves from operations or surplus cash or hold funds in escrow. Written agency approval is often required to make withdrawals of these funds.

NOTE 6 - SIGNIFICANT CONCENTRATIONS OF CREDIT RISK

Cathedral Square Corporation maintains the majority of its cash balances at several banking institutions in Burlington, Vermont. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. Cathedral Square Corporation acquired a surety bond for coverage up to \$7,709,476 of cash balances in excess of the FDIC limit.



CATHEDRAL SQUARE CORPORATION  
NOTES TO THE FINANCIAL STATEMENTS  
(Continued)

NOTE 7 - OTHER CONCENTRATIONS

A substantial portion of the Corporation's assets are concentrated in multifamily real estate.

The SASH program operates, and is primarily funded by the Centers for Medicare and Medicaid Services (CMS).

NOTE 8 - RELATED PARTY TRANSACTIONS

CSC or CSC Partners, Inc. is either the co-general partner or management agent in several partnerships. At September 30, 2017, Cathedral Square Corporation was owed \$69,816 from these entities. This amount is included in Accounts Receivable. Cathedral Square Corporation has entered into management contracts with these entities. During 2017, management fees charged totaled \$152,621. Cathedral Square Corporation also provides onsite administrative support and maintenance services to these entities, which totaled \$633,203 in 2017.

NOTE 9 - CAPITAL ADVANCES

Cathedral Square Corporation has entered into a Capital Advance Agreement with the U.S. Department of Housing and Urban Development (HUD) for \$3,527,800. The capital advance is non-interest bearing, matures May 1, 2047 and is secured by the real estate and personal property of Farrell Street Senior Housing, LP. The capital advance has been assigned to the Partnership and is accounted for on the Partnership's books as long-term debt.

South Burlington Community Housing Corporation has also entered into a Capital Advance Agreement with HUD. The advance of \$632,700 is non-interest bearing, matures April 1, 2041, and is secured by the real estate and personal property. The capital advance is reported as temporarily restricted net assets.

Monroe Place Corporation has also entered into a Capital Advance Agreement with HUD. The advance of \$940,800 is non-interest bearing, matures June 1, 2037 and is secured by the real estate and personal property. The capital advance is reported as temporarily restricted net assets.

No repayment of the capital advances is required so long as use restrictions are maintained.

NOTE 10 - INVESTMENTS

During 2016, the Corporation established an Endowment Fund with funds received by donation from McAuley Square, Inc. The corporation adopted the investment policy of the donor which stipulated that the original corpus of the Endowment, \$500,000, must be preserved. The remainder can be distributed up to 5% annually at the sole discretion of the board of directors. The fair value of the Endowment as of September 30, 2017 was \$844,279.

Of this amount, \$500,000 has been recorded as permanently restricted net assets. The remaining \$344,279 is recorded as temporarily restricted net assets, see note 21.

CATHEDRAL SQUARE CORPORATION  
NOTES TO THE FINANCIAL STATEMENTS  
(Continued)

NOTE 10 - INVESTMENTS (Continued)

Return on Investment consisted of the following:

Interest and Dividends	\$ 7,549
Realized Gain on Sale of Investments	383
Unrealized Gain on Investments	71,082
Total Return on Investments	<u>\$ 79,014</u>

Changes in Restricted Net Assets consisted of the following:

Beginning Balance	\$ 798,753
Dividends	7,549
Net Appreciation	71,465
Less: Investment Fees	(5,904)
Transfers	(27,584)
	<u>844,279</u>
Less: Permanently Restricted	500,000
Temporarily Restricted Net Assets	<u>\$ 344,279</u>

Pursuant to the FASB ASC 820-10-50, the Corporation is required to make disclosures about the calculations (i.e. "inputs") used to generate fair value measurements, including their classification within a hierarchy that prioritizes the inputs to the fair value measurements. The three levels of the fair value hierarchy are as follows:

- Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2: Observable quoted prices in active markets for similar assets or liabilities or identical assets or liabilities in inactive markets; and
- Level 3: Inputs that are not based on observable market data.

The fair value of the Corporation's investments consisted of the following at September 30, 2017:

Level 1 Inputs:	
Cash	\$ 33,758
Exchanged Traded Equities	212,605
Exchanged Traded Bonds	213,568
Common Stocks	384,348
Total	<u>\$ 844,279</u>

CATHEDRAL SQUARE CORPORATION  
NOTES TO THE FINANCIAL STATEMENTS  
(Continued)

NOTE 11 - EQUITY CONTRIBUTIONS

CSC or CSC Partners, Inc. are the co-general partners in several limited partnerships. Equity contributions to these entities at September 30, 2017 was \$768,607. Equity contributions are accounted for under the equity method.

NOTE 12 - DEVELOPMENT PROJECTS

As of September 30, 2017, Cathedral Square Corporation has paid \$486,387 in development costs associated with the development or redevelopment of various properties. These costs are expected to be refunded by the entities.

NOTE 13 - SELF INSURANCE

Effective November 25, 2013, the Corporation maintains a self-insurance program for its unemployment costs for former employees who have terminated their employment with Cathedral Square Corporation. The Corporation is liable for direct reimbursement on claims made by former employees with the State of Vermont. Cathedral Square Corporation participates in a trust to maintain deposits and process claims. The trust has established a stop-loss reserve fund to pay claims in excess of \$25,000 or 10% of the Corporation's taxable wages, whichever is greater, up to twice the threshold for accessing the fund. Stop-loss reserve fund payments are at the sole discretion of the Trustees. Self-insurance costs are accrued based on claims reported as of the balance sheet date as well as an estimated liability for claims incurred but not reported. As of September 30, 2017, the total accrued liability for self-insurance costs was \$6,300.

NOTE 14 - ACCRUED LIABILITIES - MANAGEMENT

Cathedral Square Corporation received a loan/grant from Vermont Housing Conservation Board for the purpose of assisting elderly people to purchase shares in a Williston cooperative. No interest is due on the loan/grant and no repayment plan is scheduled. The notes receivable consist of loans to elderly people to assist them with the purchase of shares in the cooperative. During fiscal year 2012, Vermont Housing Conservation Board approved Cathedral Square Corporation's request to reserve up to \$2,000 per year for a period of three years to cover unforeseen SASH expenses at Williston Woods. The initial \$2,000 reserve was established during fiscal year 2012, with an additional \$2,000 added during fiscal year 2013 and fiscal year 2014. Through, September 30, 2017, \$953 of SASH expenses have been incurred to be reimbursed from the reserve. The balance of the loan/grant at September 30, 2017 is \$12,074 plus accrued interest of \$5,948 (total of \$18,022). This liability is offset by a restricted escrow account, a related loan receivable and the SASH reserve, that in total, equal the same amount.

NOTE 15 - BOARD RESTRICTED CASH

As of September 30, 2017, cash totaling \$1,212,356 has been classified as restricted cash. Use requires the consent of the Board of Directors of the Corporation.

CATHEDRAL SQUARE CORPORATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 (Continued)

NOTE 16 - VHFA TAX CREDIT EXCHANGE FUNDS

VHFA has issued permanent financing to GWC II Limited Partnership through the Tax Credit Exchange Program authorized by the American Recovery and Reinvestment Act (ARRA) of 2009, Section 1602. The total amount of the exchange funds awarded was \$78,223.

Repayment of the funds will be required in the event of noncompliance with the ARRA Exchange Assistance documents at any time throughout the first fifteen years of the project term. As security for the operation of the project in compliance with all applicable ARRA requirements and Low Income Housing Tax Credit program requirements throughout the project term, among other things, VHFA will hold a promissory note secured by a mortgage and security agreement also held by the agency.

One fifteenth (1/15<sup>th</sup>) of the original principal amount of the note will be unconditionally and permanently forgiven on each annual anniversary of the first day of the tax credit period, as determined in accordance with Section 42(i)(1) of the Internal Revenue Code of 1986, as amended, and the balance of the note will be unconditionally and permanently forgiven following the last day of said tax credit period.

Pursuant to the forgiveness terms of the note, the Partnership recognizes grant income of \$5,215, one fifteenth (1/15<sup>th</sup>) of the original principal amount, on an annual basis.

NOTE 17 - COMMITMENTS

During 2017, the Organization entered into a purchase and sale agreement to purchase land at Allard Square. The Project is scheduled to be completed in December 2018. This purchase is expected to be accomplished through a limited partnership.

On October 23, 2017, the CSC Board of Directors approved a resolution for the purchase rights of Lot 2 at Cambrian Rise in Burlington, Vermont, for a housing project called Juniper House. This purchase is expected to be accomplished through a limited partnership.

NOTE 18 - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets at September 30, 2017 consist of the following:

Investments Restricted by Donor	\$ 344,279
Grant Funds Received in 2017 and Not Expended	205,463
Capital Advances	1,573,500
Board-Restricted Cash	<u>1,212,356</u>
	<u>\$3,335,598</u>

NOTE 19 - HOUSING ASSISTANCE PAYMENTS

The U.S. Department of Housing and Urban Development (HUD) has contracted with several of the consolidated entities under Section 202 of the Housing Act of 1959, to provide project rental assistance on behalf of eligible families.

## SUPPLEMENTARY INFORMATION

CATHEDRAL SQUARE CORPORATION  
CONSOLIDATING SCHEDULE OF FINANCIAL POSITION

September 30, 2017

	<u>ASSETS</u>							
	Management	Assisted Living Operations	SASH	Memory Care at Allen Brook	Non Profit Housing Projects	For Profit Housing Projects	Eliminations	Total
<b>CURRENT ASSETS</b>								
Cash and Cash Equivalents	\$ 849,940	\$ 187,242	\$ 498,181	\$ 66,266	\$ 231,622	\$ 1,759,241	\$ -	\$ 3,592,492
Board Restricted Cash	1,212,356	-	-	-	-	-	-	1,212,356
Accounts Receivable	54,248	113,920	78,676	-	10,694	54,060	69,816	381,414
Grants Receivable	28,050	-	164,085	-	12,745	62,685	-	267,565
Tenant Security Deposits	-	-	-	250	121,260	289,626	-	411,136
Inventory	-	5,338	-	-	-	-	-	5,338
Due from Intercompany	372,133	111,067	-	-	-	1,762	(484,962)	-
Prepaid Expenses	158,662	-	-	-	16,031	101,510	-	276,203
<b>Total Current Assets</b>	<b>2,675,389</b>	<b>417,567</b>	<b>740,942</b>	<b>66,516</b>	<b>392,352</b>	<b>2,268,884</b>	<b>(415,146)</b>	<b>6,146,504</b>
<b>OTHER ASSETS</b>								
Notes Receivable	174,578	-	-	-	-	-	(172,128)	2,450
Equity Contributions	2,080,911	-	-	-	-	-	(1,312,304)	768,607
Development Projects	486,387	-	-	-	-	-	-	486,387
Restricted Escrow Accounts	16,525	-	-	1,000	868,436	3,260,597	-	4,146,558
Tax Credit Fees	-	-	-	-	-	65,250	-	65,250
<b>Total Other Assets</b>	<b>2,758,401</b>	<b>-</b>	<b>-</b>	<b>1,000</b>	<b>868,436</b>	<b>3,325,847</b>	<b>(1,484,432)</b>	<b>5,469,252</b>
<b>PROPERTY AND EQUIPMENT</b>								
Land & Land Improvements	-	-	-	-	751,160	5,952,034	-	6,703,194
Building and Improvements	-	-	-	-	9,828,481	58,476,441	-	68,304,922
Furniture, Fixtures & Equipment	237,859	-	-	4,855	742,518	1,891,572	-	2,876,804
Construction in Process	-	-	-	951,926	-	-	-	951,926
<b>Total</b>	<b>237,859</b>	<b>-</b>	<b>-</b>	<b>956,781</b>	<b>11,322,159</b>	<b>66,320,047</b>	<b>-</b>	<b>78,836,846</b>
Less Accumulated Depreciation	(186,328)	-	-	-	(4,264,854)	(9,456,890)	-	(13,908,072)
<b>NET PROPERTY AND EQUIPMENT</b>	<b>51,531</b>	<b>-</b>	<b>-</b>	<b>956,781</b>	<b>7,057,305</b>	<b>56,863,157</b>	<b>-</b>	<b>64,928,774</b>
<b>ENDOWMENT</b>	<b>844,279</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>844,279</b>
<b>TOTAL ASSETS</b>	<b>\$ 6,329,600</b>	<b>\$ 417,567</b>	<b>\$ 740,942</b>	<b>\$ 1,024,297</b>	<b>\$ 8,318,093</b>	<b>\$ 62,457,888</b>	<b>\$ (1,899,578)</b>	<b>\$ 77,388,809</b>

CATHEDRAL SQUARE CORPORATION  
CONSOLIDATING SCHEDULE OF FINANCIAL POSITION  
(Continued)

September 30, 2017

LIABILITIES AND NET ASSETS

	Management	Assisted Living Operations	SASH	Memory Care at Allen Brook	Non Profit Housing Projects	For Profit Housing Projects	Eliminations	Total
<b>CURRENT LIABILITIES</b>								
Accounts Payable	\$ 32,040	\$ 14,943	\$ 63,466	\$ 42,465	\$ 21,007	\$ 154,003	\$ -	\$ 327,924
Accrued Interest Payable	-	-	-	-	12,669	26,134	-	38,803
Other Accrued Liabilities	437,405	29,887	203,790	-	12,146	46,268	-	729,496
Tenant Security Deposits	-	-	-	-	120,435	289,117	-	409,552
Due to Intercompany	-	118,408	162,064	-	9,063	125,611	(415,146)	-
Resident Service Deposits	-	32,686	-	-	-	-	-	32,686
Deferred Revenue	24,018	2,028	205,463	-	3,057	2,081	-	236,647
Current Portion of Long-term Debt	-	-	-	-	136,697	216,465	-	353,162
<b>Total Current Liabilities</b>	<b>493,463</b>	<b>197,952</b>	<b>634,783</b>	<b>42,465</b>	<b>315,074</b>	<b>859,679</b>	<b>(415,146)</b>	<b>2,128,270</b>
<b>LONG-TERM DEBT</b>								
Notes Payable	-	-	-	569,183	4,884,004	39,803,013	(743,062)	44,513,138
Less: Deferred Loan Fees	-	-	-	-	-	(38,028)	-	(38,028)
Tax Credit Exchange Funds	-	-	-	-	-	52,149	-	52,149
Deferred Interest Payable	-	-	-	-	1,372,793	1,450,226	-	2,823,019
<b>Total Long-term Debt</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>569,183</b>	<b>6,256,797</b>	<b>41,267,360</b>	<b>(743,062)</b>	<b>47,350,278</b>
<b>Total Liabilities</b>	<b>493,463</b>	<b>197,952</b>	<b>634,783</b>	<b>611,648</b>	<b>6,571,871</b>	<b>42,127,039</b>	<b>(1,158,208)</b>	<b>49,478,548</b>
<b>NET ASSETS</b>								
Unrestricted - Non-Controlling	-	-	-	-	-	18,559,253	-	18,559,253
Unrestricted - Controlling	3,779,502	219,615	(99,304)	412,649	172,722	1,771,596	(741,370)	5,515,410
Temporarily Restricted	1,556,635	-	205,463	-	1,573,500	-	-	3,335,598
Permanently Restricted	500,000	-	-	-	-	-	-	500,000
<b>TOTAL NET ASSETS</b>	<b>5,836,137</b>	<b>219,615</b>	<b>106,159</b>	<b>412,649</b>	<b>1,746,222</b>	<b>20,330,849</b>	<b>(741,370)</b>	<b>27,910,261</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 6,329,600</b>	<b>\$ 417,567</b>	<b>\$ 740,942</b>	<b>\$ 1,024,297</b>	<b>\$ 8,318,093</b>	<b>\$ 62,457,888</b>	<b>\$ (1,899,578)</b>	<b>\$ 77,388,809</b>

CATHEDRAL SQUARE CORPORATION  
CONSOLIDATING SCHEDULE OF ACTIVITIES

For the Year Ended September 30, 2017

	Management	Assisted Living Operations	SASH	Memory Care at Allen Brook	Non Profit Housing Projects	For Profit Housing Projects	Eliminations	Total
<b>REVENUES</b>								
Rental Revenue - Tenants	\$ -	\$ -	\$ -	\$ -	\$ 1,247,525	\$ 2,452,270	\$ -	\$ 3,699,795
Housing Assistance Payments	-	-	-	-	655,877	2,940,236	-	3,596,113
State and Federal Assistance	-	619,365	-	-	-	-	-	619,365
Donations	55,512	-	-	412,649	-	-	-	468,161
Management and Development Fees	4,000,805	-	-	-	-	-	(2,719,884)	1,280,921
Client Fees	-	771,257	-	-	-	-	-	771,257
Other Income/Grants	760,613	-	3,281,721	-	87,819	280,590	(26,724)	4,384,019
Investment Income	76,627	-	-	-	16,663	9,815	-	103,105
<b>TOTAL SUPPORT AND REVENUE</b>	<b>4,893,557</b>	<b>1,390,622</b>	<b>3,281,721</b>	<b>412,649</b>	<b>2,007,884</b>	<b>5,682,911</b>	<b>(2,746,608)</b>	<b>14,922,736</b>
<b>EXPENSES</b>								
Program Services	2,971,024	1,232,292	3,276,689	-	2,044,068	6,703,741	(2,746,608)	13,481,206
Management and General	1,273,962	-	-	-	-	-	-	1,273,962
Fundraising	4,450	-	-	-	-	-	-	4,450
<b>TOTAL OPERATING EXPENSES</b>	<b>4,249,436</b>	<b>1,232,292</b>	<b>3,276,689</b>	<b>-</b>	<b>2,044,068</b>	<b>6,703,741</b>	<b>(2,746,608)</b>	<b>14,759,618</b>
<b>INCREASE (DECREASE) IN NET ASSETS</b>	<b>644,121</b>	<b>158,330</b>	<b>5,032</b>	<b>412,649</b>	<b>(36,184)</b>	<b>(1,020,830)</b>	<b>-</b>	<b>163,118</b>
<b>NET ASSETS, Beginning of Year</b>	<b>5,192,016</b>	<b>61,285</b>	<b>101,127</b>	<b>-</b>	<b>1,782,406</b>	<b>21,351,679</b>	<b>(741,370)</b>	<b>27,747,143</b>
<b>NET ASSETS, End of Year</b>	<b>\$ 5,836,137</b>	<b>\$ 219,615</b>	<b>\$ 106,159</b>	<b>\$ 412,649</b>	<b>1,746,222</b>	<b>\$ 20,330,849</b>	<b>\$ (741,370)</b>	<b>\$ 27,910,261</b>



## CATHEDRAL SQUARE CORPORATION

## STATEMENT OF CASH FLOWS

For the Year Ended September 30, 2017

	Management	Assisted Living Operations	SASH	Memory Care at Allen Brook	Non Profit Housing Projects	For Profit Housing Projects	Eliminations	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>								
Increase (Decrease) in Net Assets	\$ 644,121	\$ 158,330	\$ 5,032	\$ 412,649	\$ (36,184)	\$ (1,020,830)	\$ -	\$ 163,118
Adjustments to Reconcile Increase (Decrease) in Net Assets to Net Cash Provided (Used) by Operating Activities								
Depreciation and Amortization	27,340	-	-	-	369,200	1,737,342	-	2,133,882
Forgiveness of Debt	-	-	-	-	-	(25,000)	-	(25,000)
Tax Credit Exchange Grant Income	-	-	-	-	-	(5,215)	-	(5,215)
Gain on Investments	(63,475)	-	-	-	-	-	-	(63,475)
Deferred Interest Expense	-	-	-	-	-	22,827	-	22,827
Amortization of Debt Issuance Costs	-	-	-	-	-	1,227	-	1,227
Change in Operating Assets and Liabilities								
Accounts Receivable	143,000	(72,742)	(77,020)	-	1,603	456	(94,718)	(99,421)
Notes Receivable	160,793	-	-	-	-	-	-	160,793
Grants Receivable	(20,550)	-	88,500	-	(9,573)	(32,313)	-	26,064
Tenant Security Deposits	-	-	-	(250)	14,108	(47,392)	-	(33,534)
Prepaid Expenses	(12,671)	-	-	-	6,795	(12,119)	-	(17,995)
Inventory	-	(290)	-	-	-	(7,693)	-	(7,983)
Due from Intercompany	198,435	(51,410)	8,152	-	795	-	(155,972)	-
Accounts Payable	4,375	4,230	61,176	42,465	(27,756)	15,616	-	100,106
Accrued Interest Payable	-	-	-	-	(428)	13,011	-	12,583
Tenant Security Deposits	-	-	-	-	(14,363)	48,724	-	34,361
Accrued Expenses	38,810	(3,812)	(23,062)	-	(828)	22,797	-	33,905
Due to Intercompany	-	(247,010)	(45,126)	-	1,940	39,506	250,690	-
Unearned Revenue	14,018	(8,928)	174,172	-	2,475	(2,142)	-	179,595
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>1,134,196</b>	<b>(221,632)</b>	<b>191,824</b>	<b>454,864</b>	<b>307,784</b>	<b>748,802</b>	<b>-</b>	<b>2,615,838</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>								
Equity Contributions	(579,561)	-	-	-	-	-	350,000	(229,561)
Investments in Development Projects	(345,157)	-	-	-	-	-	-	(345,157)
Net Deposits to Restricted Escrows	2,417	-	-	(1,000)	(90,619)	(689,796)	-	(778,998)
Net Sales of Endowment Investments	17,949	-	-	-	-	-	-	17,949
Purchases of Property and Equipment	-	-	-	(956,781)	(8,071)	(2,660,370)	-	(3,625,222)
<b>NET CASH USED BY INVESTING ACTIVITIES</b>	<b>(904,352)</b>	<b>-</b>	<b>-</b>	<b>(957,781)</b>	<b>(98,690)</b>	<b>(3,350,166)</b>	<b>350,000</b>	<b>(4,960,989)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>								
Capital Contributions	-	-	-	-	-	350,000	(350,000)	-
Loan Proceeds	-	-	-	569,183	-	3,200,000	-	3,769,183
Principal Payments of Long-term Debt	-	-	-	-	(129,051)	(190,866)	-	(319,917)
Debt Issuance Costs	-	-	-	-	-	(39,255)	-	(39,255)
<b>NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>569,183</b>	<b>(129,051)</b>	<b>3,319,879</b>	<b>(350,000)</b>	<b>3,410,011</b>
<b>NET INCREASE (DECREASE) IN CASH</b>	<b>229,844</b>	<b>(221,632)</b>	<b>191,824</b>	<b>66,266</b>	<b>80,043</b>	<b>718,515</b>	<b>-</b>	<b>1,064,860</b>
<b>CASH AT BEGINNING OF YEAR</b>	<b>1,832,452</b>	<b>408,874</b>	<b>306,357</b>	<b>-</b>	<b>151,579</b>	<b>1,040,726</b>	<b>-</b>	<b>3,739,988</b>
<b>CASH AT END OF YEAR</b>	<b>\$ 2,062,296</b>	<b>\$ 187,242</b>	<b>\$ 498,181</b>	<b>\$ 66,266</b>	<b>\$ 231,622</b>	<b>\$ 1,759,241</b>	<b>\$ -</b>	<b>\$ 4,804,848</b>
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:</b>								
Cash Paid During the Year for:								
Interest	\$ -	\$ -	\$ -	\$ -	\$ 231,629	\$ 403,090	\$ -	\$ 634,719

CATHEDRAL SQUARE CORPORATION  
SUPPLEMENTARY INFORMATION  
SCHEDULE OF REVENUES AND EXPENSES  
For the Years Ended September 30, 2017

MANAGEMENT

REVENUES

Management and Maintenance Fees	\$ 3,597,555
Development Fees	403,250
Other Income	760,613
Donations	55,512
Gain on Investment	63,475
Interest Income	13,152
	<hr/>
Total Revenues	4,893,557

EXPENSES

Administrative	
Salaries	622,188
Payroll Taxes	47,471
Pension	27,870
Life/Disability	6,271
Insurance	214,200
Workers Compensation	14,347
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Total Administrative Expenses	932,347
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Housing Operations

Salaries	1,147,406
Payroll Taxes	87,000
Pension	47,171
Life/Disability	11,514
Insurance	359,835
Workers Compensation	46,709
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Total Housing Operations Expenses	1,699,635
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Housing Services

Salaries	657,682
Payroll Taxes	49,386
Pension	26,163
Life/Disability	6,552
Insurance	172,062
Workers Compensation	14,975
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Total Housing Services Expenses	926,820
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## CATHEDRAL SQUARE CORPORATION

## SUPPLEMENTARY INFORMATION

SCHEDULE OF REVENUES AND EXPENSES  
(Continued)

For the Year Ended September 30, 2017

MANAGEMENT

Development	
Salaries	244,597
Payroll Taxes	18,541
Pension	11,527
Life/Disability	4,534
Insurance	59,701
Workers Compensation	5,669
Total Development Expenses	<u>344,569</u>
Unallocated Expenses	
Vehicle	8,588
Dues and Subscriptions	8,912
Telephone	21,211
Office Expense	18,135
Education	29,073
Rent	38,750
Audit	23,036
Legal	1,151
Computer	62,622
Depreciation	27,340
Postage	11,104
Employee Appreciation	4,192
Travel	25,147
Marketing	16,649
Contributions	1,007
Other	49,148
Total Unallocated Expenses	<u>346,065</u>
Total Operating Expenses	<u>4,249,436</u>
INCREASE IN NET ASSETS	<u><u>\$ 644,121</u></u>

CATHEDRAL SQUARE CORPORATION  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF REVENUES AND EXPENSES

For the Year Ended September 30, 2017

ASSISTED LIVING

	<u>Personal Care</u>	<u>Kitchen</u>	<u>Total</u>
REVENUES			
Medicaid	\$ 619,365	\$ -	\$ 619,365
Client Fees	485,988	285,269	771,257
Total Revenues	<u>1,105,353</u>	<u>285,269</u>	<u>1,390,622</u>
EXPENSES			
Compensation	638,129	108,706	746,835
Agency Call Out	95,068	-	95,068
Payroll Taxes	48,658	8,281	56,939
Health Insurance	113,521	7,519	121,040
Life/Disability	4,452	707	5,159
Workers Compensation	43,207	3,200	46,407
Pension	22,783	1,289	24,072
Education	-	185	185
Supplies	9,335	11,017	20,352
Food	-	91,184	91,184
Travel	2,522	417	2,939
Other	1,276	20,836	22,112
Total Operating Expenses	<u>978,951</u>	<u>253,341</u>	<u>1,232,292</u>
INCREASE IN NET ASSETS	<u>\$ 126,402</u>	<u>\$ 31,928</u>	<u>\$ 158,330</u>

CATHEDRAL SQUARE CORPORATION  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF REVENUES AND EXPENSES

For the Year Ended September 30, 2017

SASH

REVENUES	
Grant Income	<u>\$ 3,281,721</u>
Total Revenues	<u>3,281,721</u>
EXPENSES	
Compensation	1,399,739
Payroll Taxes	105,075
Health Insurance	215,959
Life/Disability	13,601
Workers Compensation	32,079
Pension	53,562
Recruitment	2,885
Education	26,568
Supplies	3,954
Legal	11,313
Travel	31,659
Information Technology	2,924
Nursing	143,305
Functional Team	14,488
Grant Expenditures	1,200,917
Other	<u>18,661</u>
Total Operating Expenses	<u>3,276,689</u>
INCREASE IN NET ASSETS	<u>\$ 5,032</u>