

CATHEDRAL SQUARE CORPORATION
CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2019

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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, 2019, and the related consolidated statements of activities and changes in net assets, functional expenses, 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 qualified audit opinion.

Basis for Qualified Opinion

As discussed in Note 20 to the financial statements, the Corporation's financial statements do not include the statements of financial position for limited partnerships and corporations controlled by either Cathedral Square Corporation or CSC Partners Inc., a wholly owned subsidiary of Cathedral Square Corporation as of September 30, 2019, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements. In our opinion, accounting principles generally accepted in the United States of America require that all controlled entities be consolidated.

Opinion

In our opinion, except for the effects of not consolidating all controlled entities discussed in the Basis for Qualified Opinion paragraph, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of Cathedral Square Corporation as of September 30, 2019, 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 22 through 32 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.



Certified Public Accountants

January 27, 2020
South Portland, Maine

CATHEDRAL SQUARE CORPORATION
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

September 30, 2019

ASSETS

CURRENT ASSETS	
Cash and Cash Equivalents	\$ 2,572,829
Board Restricted Cash (Note 16)	1,389,135
Accounts Receivable	347,155
Accounts Receivable - Related Parties (Note 9)	161,977
Grants Receivable	159,157
Tenant Security Deposits	157,561
Inventory	8,103
Prepaid Expenses	<u>173,567</u>
Total Current Assets	<u>4,969,484</u>
OTHER ASSETS	
Notes Receivable (Note 2)	163,445
Equity Contributions (Note 12)	2,759,901
Development Projects (Note 13)	100,901
Restricted Escrow Accounts (Note 6)	<u>1,406,444</u>
Total Other Assets	<u>4,430,691</u>
PROPERTY AND EQUIPMENT (Note 3)	
Land and Improvements	1,128,451
Buildings and Improvements	14,183,123
Furniture, Fixtures and Equipment	560,193
Construction in Process	<u>45,932</u>
Total	15,917,699
Less Accumulated Depreciation	<u>(3,477,521)</u>
NET PROPERTY AND EQUIPMENT	<u>12,440,178</u>
ENDOWMENT (Note 10)	<u>879,525</u>
TOTAL ASSETS	<u><u>\$ 22,719,878</u></u>

See accompanying notes to the financial statements.

CATHEDRAL SQUARE CORPORATION
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(Continued)

September 30, 2019

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES	
Accounts Payable	\$ 296,570
Accrued Interest Payable	24,465
Other Accrued Liabilities (Note 15)	710,204
Tenant Security Deposit and Interest	158,268
Resident Service Deposits	20,075
Deferred Revenue	223,121
Due to Related Party	7,430
Current Portion of Long-term Debt	<u>211,283</u>
Total Current Liabilities	<u>1,651,416</u>
LONG-TERM DEBT	
Notes Payable, Net of Current Portion (Notes 3 and 19)	11,154,140
Less Deferred Loan Fees	(40,069)
Deferred Interest Payable (Note 4)	<u>2,680,222</u>
Total Long-term Debt	<u>13,794,293</u>
TOTAL LIABILITIES	<u>15,445,709</u>
NET ASSETS	
Net Assets Without Donor Restrictions	6,378,053
Net Assets With Donor Restrictions (Note 10)	<u>896,116</u>
TOTAL NET ASSETS	<u>7,274,169</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 22,719,878</u></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, 2018

REVENUES	
Rental Revenue (Note 18)	\$ 2,599,641
State and Federal Assistance	1,717,839
Donations	44,126
Management and Related Service Fees (Note 9)	3,173,040
Development Fees (Note 9)	533,550
Client Fees	860,996
Grant Income	3,265,734
Investment Income	72,393
Other Income	597,893
TOTAL REVENUES	<u>12,865,212</u>
EXPENSES	
Program Services	11,316,123
Management and General	1,351,967
Fundraising	4,610
TOTAL EXPENSES	<u>12,672,700</u>
INCREASE IN NET ASSETS	192,512
NET ASSETS, Beginning of Year	<u>7,081,657</u>
NET ASSETS, End of Year	<u>\$ 7,274,169</u>

CHANGES IN NET ASSETS BY RESTRICTION TYPE

CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS	
NET ASSETS WITHOUT DONOR RESTRICTIONS, BEGINNING OF YEAR	\$ 6,600,892
Prior Period Adjustment (Note 21)	(400,000)
Total Support and Revenue	12,810,346
Net Assets Released from Restriction	39,515
Total Operating Expenses	<u>(12,672,700)</u>
NET ASSETS WITHOUT DONOR RESTRICTIONS, END OF YEAR	<u>\$ 6,378,053</u>
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS	
NET ASSETS, WITH DONOR RESTRICTIONS, BEGINNING OF YEAR	\$ 880,765
Total Support and Revenue	54,866
Net Assets Released from Restriction	<u>(39,515)</u>
NET ASSETS WITH DONOR RESTRICTIONS, END OF YEAR	<u>\$ 896,116</u>

See accompanying notes to the financial statements.

CATHEDRAL SQUARE CORPORATION
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended September 30, 2019

	Program Services				Supportive Services		Total
	Property Management	Development	SASH	Assisted Living	Management and General	Fundraising	
Payroll Costs and Benefits	\$ 3,275,795	\$ 325,721	\$ 1,987,094	\$ 2,175,303	\$ 970,637	\$ 1,903	\$ 8,736,453
Agency Call Out	-	-	-	31,028	-	-	31,028
Utilities	320,023	-	-	-	-	-	320,023
Repairs and Property Maintenance	327,291	-	-	-	-	-	327,291
Equipment and Supplies	115,586	-	22,888	32,407	-	-	170,881
Administrative	69,207	-	-	6,353	133,278	-	208,838
Employee Acquisition and Training	-	-	23,162	315	68,250	-	91,727
Marketing	6,300	-	-	-	4,705	2,707	13,712
Travel	-	-	28,373	5,226	13,757	-	47,356
Professional Fees	25,814	-	13,719	-	25,860	-	65,393
Rent	-	-	-	-	36,000	-	36,000
Vehicle	-	-	-	-	6,008	-	6,008
Resident Services	30,447	-	-	4,640	-	-	35,087
Food Services	-	-	-	153,659	-	-	153,659
Grant Expenditures	-	-	1,044,793	-	-	-	1,044,793
Nursing Services	-	-	123,717	-	-	-	123,717
Bad Debts	7,259	-	-	-	-	-	7,259
Contributions	-	-	-	-	7,340	-	7,340
Investment Expenses	-	-	-	-	6,064	-	6,064
Interest	383,983	-	-	-	-	-	383,983
Taxes and Insurance	312,844	-	-	-	36,255	-	349,099
Depreciation	440,903	-	-	-	13,917	-	454,820
Miscellaneous	-	-	7,020	15,253	29,896	-	52,169
Total Expenses	\$ 5,315,452	\$ 325,721	\$ 3,250,766	\$ 2,424,184	\$ 1,351,967	\$ 4,610	\$ 12,672,700

See accompanying notes to the financial statements.

CATHEDRAL SQUARE CORPORATION

STATEMENT OF CASH FLOWS

For the Year Ended September 30, 2019

CASH FLOWS FROM OPERATING ACTIVITIES	
Increase in Net Assets	\$ 192,512
Adjustments to Reconcile Increase in Net Assets to Net Cash Provided by Operating Activities	
Depreciation	454,820
Amortization of Debt Issuance Costs	3,677
Interest Income - Restricted	(4,785)
Unrealized Gain on Endowment Investments	(15,377)
Charitable Donation - Buyer Credit	(80,900)
Change in Operating Assets and Liabilities	
Accounts Receivable	(119,246)
Accounts Receivable - Related Parties	(103,737)
Grants Receivable	(56,964)
Tenant Security Deposits	2,838
Prepaid Expenses	(8,168)
Inventory	1,039
Notes Receivable	8,683
Accounts Payable	157,808
Resident Service Deposits	(20,691)
Deferred Revenue	(2,260)
Accrued Interest Payable	1,578
Accrued Expenses	(49,748)
Due to Related Party	7,430
Tenant Security Deposits	(1,201)
	<u>367,308</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>367,308</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Equity Contributions	(429,574)
Net Reimbursements of Project Development Costs	1,121,869
Deposits to Restricted Escrows	(144,213)
Withdrawals from Restricted Escrows	112,257
Realized Gains on the Sale of Endowment Investments	(20,709)
Fees Paid from Endowment investments	6,064
Expenditures from Endowment investments	33,450
Interest and Dividends from Endowment Investments	(18,746)
Purchases of Property and Equipment	(89,711)
	<u>570,687</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>570,687</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Principal Payments of Short-term Debt	(400,000)
Principal Payments of Long-term Debt	(185,561)
	<u>(585,561)</u>
NET CASH USED BY FINANCING ACTIVITIES	<u>(585,561)</u>
NET INCREASE IN CASH	352,434
CASH AT BEGINNING OF YEAR	<u>3,609,530</u>
CASH AT END OF YEAR	<u>\$ 3,961,964</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:	
Cash Paid During the Year for:	
Interest	<u>\$ 382,573</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 (CSC) 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 CSC which consists of five programs: Management, SASH, Assisted Living, Memory Care at Allen Brook, and several rental projects. The statements also include CSC Partners Inc., a wholly owned subsidiary of CSC.

Management - Management accounts for all payroll related activities of CSC. 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 CSC. 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 38 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 - The Corporation owns and operates a housing project that receives funding for services from Medicaid. The project consists of 14 units for tenants with dementia.

Heineberg Senior Housing - The Corporation owns and operates a housing project subsidized by the Vermont Housing Finance Agency. The project consists of 82 units that are rented to elderly low income residents.

Whitney Hill Housing - The Corporation owns and operates a housing project subsidized by the Vermont Housing Finance Agency. The project consists of 44 units that are rented to elderly low income residents.

Ruggles House - The Corporation owns and operates a housing project funded by various housing agencies. The project consists of 15 units that are rented to elderly low income residents.

CATHEDRAL SQUARE CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
(Continued)

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

CSC McAuley - The Corporation owns and operates a housing project funded by various housing agencies. The project consists of 74 units that are rented to elderly low income residents.

Method of Accounting - The financial statements of the Corporation are prepared on the accrual basis of accounting.

Intercompany Transactions - All significant intercompany transactions and balances are eliminated in consolidation.

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.

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.

Receivables - Grants Receivable are stated at the amount management expects to collect on outstanding balances. Amounts due are recorded based on a cost reimbursement basis. Cathedral Square Corporation (CSC) bills grant providers on a quarterly basis. No allowance for the valuation of the receivables has been recorded since all amounts have been deemed collectible.

Included in Accounts Receivable are amounts due from managed properties for management and development work and are recorded at net realizable value. No allowance for the valuation of the receivables has been recorded since all amounts have been deemed collectible.

CATHEDRAL SQUARE CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
(Continued)

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

Notes Receivable - Notes receivable are reported at their outstanding principal balances. As described in Note 2, repayment of these notes is dependent on cash flows. Cathedral Square Corporation owns a general partnership interest in each of the entities. Cathedral Square considers all development fees receivable to be 100% collectable.

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.

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.

Debt Issuance Costs - Debt issuance costs incurred in connection with the issuance of long-term debt are capitalized and amortized to interest expense over the term of the debt using the straight-line method, which approximates the effective interest method. The unamortized amount is presented as a reduction of long-term debt on the balance sheet.

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.

Advertising - The Project expenses advertising costs as they are incurred.

Impairment of Long-Lived Assets - In accordance with the provisions of accounting for the impairment or disposal of long-lived assets, management reviews long-lived assets for impairment when circumstances indicate the carrying amount of an asset may not be recoverable based on the undiscounted future cash flows of the asset. If the carrying amount of an asset may not be recoverable, a write-down to fair value is recorded. Fair values are determined based on the discounted cash flows, quoted market values, or external appraisals, as applicable. There are no impairment charges taken during the year ended September 30, 2019.

Subsequent Events - Subsequent events have been evaluated through January 27, 2020, the date the financial statements were available to be issued.

CATHEDRAL SQUARE CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
(Continued)

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

Classification of Net Assets - Net assets of the Corporation are classified based on the presence or absence of donor-imposed restrictions. Net assets are comprised of two groups as follows:

Net Assets Without Donor Restrictions - Amounts that are not subject to usage restrictions based on donor-imposed requirements. This class also includes assets previously restricted where restrictions have expired or been met.

Net Assets with Donor Restrictions - Net assets subject to usage limitations based on donor-imposed or grantor restrictions. These restrictions may be temporary or may be based on a particular use. Restrictions may be met by the passage of time or by actions of the Corporation. Certain restrictions may need to be maintained in perpetuity.

Earnings related to restricted net assets will be included in net assets without donor restrictions unless otherwise specifically required to be included in donor-restricted net assets by the donor or by applicable state law.

Donor-restricted funds both received and expended for purposes either implicit with the gift or explicitly outlined by the donor within the same operating period have been classified as net assets without donor restrictions.

NOTE 2 - NOTES RECEIVABLE - MANAGEMENT

Notes Receivable at September 30, 2019 were:

Promissory Note - Development fee for services provided by Cathedral Square Corporation to the TSH Limited Partnership, 0% interest, due from available cash flow, due in full on May 11, 2041, secured by a mortgage deed on the real property. \$ 163,445

NOTE 3 - 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>2019</u>
<u>National Housing Trust Community Development Fund</u>	Heineberg Senior Housing	3.0%	\$715/Mo	December 31, 2025	\$ 48,811
<u>Vermont Housing and Conservation Board (VHCB)</u>	Ruggles House L.P.	0%	Deferred	October 31, 2031	195,000

CATHEDRAL SQUARE CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
(Continued)

NOTE 3 - LONG-TERM DEBT (Continued)

<u>Lender</u>	<u>Property</u>	<u>Interest Rate</u>	<u>Payments</u>	<u>Maturity</u>	<u>2019</u>
	Ruggles House L.P.	0%	Deferred	October 31, 2031	98,500
	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	30,000
	CSC McAuley LLC	0%	Deferred	September 25, 2047	700,000
	CSC McAuley LLC	0%	Deferred	September 25, 2047	492,500
<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	80,000
	CSC McAuley LLC	0%	Deferred	September 25, 2047	150,000
<u>Champlain Housing Trust</u>	Ruggles House L.P.	0%	Deferred	December 31, 2031	250,000
	CSC McAuley	0%	Deferred	August 28, 2047	148,000
<u>Peoples United Bank</u>	Heineberg Senior Housing	3.9%	\$3,145/Mo	July 28, 2021	69,276
<u>TD Bank</u>	Ruggles House L.P.	2.5%	\$1,087/Mo	June 19, 2022	141,122
<u>Vermont Community Loan Fund</u>	Memory Care at Allen Brook	5.0%	\$5,690/Mo	September 12, 2024	1,060,000

CATHEDRAL SQUARE CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
(Continued)

NOTE 3 - LONG-TERM DEBT (Continued)

<u>Lender</u>	<u>Property</u>	<u>Interest Rate</u>	<u>Payments</u>	<u>Maturity</u>	<u>2019</u>
<u>Vermont Housing Finance Agency (VHFA)</u>	Heineberg Senior Housing	6.41%	\$12,836/ Mo	March 10, 2035	1,510,941
	Whitney Hill Housing	6.57%	\$7,901/ Mo	February 10, 2037	982,128
	CSC McAuley LLC	5.054%	\$17,284/ Mo	March 1, 2047	3,078,542
	CSC McAuley LLC	0%	Deferred	March 1, 2047	510,320
	Memory Care at Allen Brook	0%	Deferred	December, 11, 2047	262,000
	Total				
Less Current Portion					211,283
					<u>\$11,154,140</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>
2020	\$ 211,283
2021	219,235
2022	307,751
2023	197,095
2024	1,182,123
Thereafter	9,247,936
Total	<u>\$ 11,365,423</u>

NOTE 4 - DEFERRED INTEREST PAYABLE

Various entities or projects have deferred interest payable arrangements at September 30, 2019 as follows:

Heineberg Senior Housing - Note Payable - VHFA	\$ 1,147,831
Heineberg Senior Housing - Note Payable - VHCB	228,136
Ruggles House Limited Partnership - Note Payable - City of Burlington	117,613
CSC McAuley, LLC - Note Payable - VHCB	770,234
CSC McAuley, LLC - Note Payable - City of Burlington	416,408
Total	<u>\$ 2,680,222</u>

CATHEDRAL SQUARE CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
(Continued)

NOTE 5 - RETIREMENT PLAN

The Corporation maintains defined contribution retirement plans 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. The Corporation also funds a defined contribution Section 457(b) plan for the CEO. During the year ended September 30, 2019, employer contributions to the retirement plans totaled \$231,304.

NOTE 6 - RESTRICTED ESCROW ACCOUNTS

The Corporation's properties have various regulatory agreements with Vermont Housing Finance Agency (VHFA). These agreements place various restrictions and requirements on the projects, including required deposits to Replacement Reserves 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 7 - 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 has acquired a surety bond for coverage of cash balances in excess of the FDIC limit.

NOTE 8 - CURRENT VULNERABILITY DUE TO CERTAIN CONCENTRATIONS

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

The Corporation is the General Partner in several limited partnerships. The Parent Corporation receives management and maintenance fees from the Partnerships as their primary source of revenue to pay for administrative costs. The Partnerships operate in a heavily regulated environment and are subject to the administrative directives of federal, state and local agencies, including but not limited to the Vermont Housing Finance Agency (VHFA) and the Department of Housing and Urban Development (HUD). In addition, the SASH and Assisted Living programs and Memory Care at Allen Brook operate, and are primarily funded by the Centers for Medicare and Medicaid Services (CMS). Such administrative directives, rules and regulations are subject to change by an act of Congress or an administrative change mandated by the agencies or other situation. Such changes may occur with little notice or with inadequate funding to pay for the related cost including the additional burden to comply with the change and the inability to pay fees owed to the Corporation.

CATHEDRAL SQUARE CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
(Continued)

NOTE 9 - RELATED PARTY TRANSACTIONS

CSC or CSC Partners, Inc. are either the owner, general partner, co-general partner or management agent in several partnerships and housing projects. CSC has entered into management contracts with these entities. During 2019, fees charged to these entities for management, administrative, maintenance, and resident services totaled \$3,173,040. At September 30, 2019, CSC was owed \$161,977 from these entities.

Development fees received for the development of properties at Allard Square Limited Partnership, Juniper North Bond LP, and Juniper South Allocated LP totaled \$533,550 in the year ended September 30, 2019.

CSC rents office space for \$3,000 per month from Farrell Street Senior Housing, L.P. CSC is the general partner of Farrell Street Senior Housing, L.P.

CSC entered into a Capital Advance Agreement with the U.S. Department of Housing and Urban Development (HUD) for \$3,527,800 on behalf of Farrell Street Senior Housing, LP for the construction of the project. 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 is recorded on the Partnership's books and not on CSC's books.

Pursuant to the partnership agreements, CSC is entitled to receive partnership administration fees from various partnerships in which CSC is either a General Partner or a Co-General Partner. Fees received in 2019 totaled \$42,216.

NOTE 10 - ENDOWMENT

The Corporation has established an Endowment Fund with funds assigned by donation from McAuley Square, Inc. and has adopted the investment policy of the donor. The Board of Directors of Cathedral Square Corporation has interpreted current responsibilities associated with the assignment as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment fund, absent explicit donor stipulations to the contrary. As a result of the interpretation, Cathedral Square classifies net assets with donor restrictions according to the original value of gifts donated to the permanent endowment. The remaining portion of donor-restricted net assets as well as any increases are classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the organization as directed by the investment policy.

The investment policy states 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 expenditures are to be used to provide resident services to McAuley Square tenants. Investment objectives include the preservation of the original corpus, adjusted for inflation, the preservation of capital from erosion by inflation, the minimization of administrative and management costs without undue sacrifice to the quality of investment performance or service, and to embrace socially responsible investing where feasible. The fair value of the Endowment as of September 30, 2019 was \$879,525. The full balance has been recorded as net assets with donor restrictions.

CATHEDRAL SQUARE CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
(Continued)

NOTE 10 - ENDOWMENT (Continued)

Endowment Net Asset Composition as of September 30, 2019:

	Net Assets With Donor Restrictions	Net Assets Without Donor Restrictions	Total
Donor-restricted Endowment Funds	\$ 879,525	\$ -	\$ 879,525
Board-designated Endowment Funds	-	-	-
Total Endowment Funds	<u>\$ 879,525</u>	<u>\$ -</u>	<u>\$ 879,525</u>

Changes in Endowment Net Assets consisted of the following:

Beginning Balance	\$ 864,207
Interest and Dividends	18,746
Net Appreciation	36,086
Less: Investment Fees	(6,064)
Distributions	<u>(33,450)</u>
	879,525
Net Assets Without Donor Restrictions	<u>-</u>
Net Assets With Donor Restrictions	<u>\$ 879,525</u>

NOTE 11 - INVESTMENTS

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.

CATHEDRAL SQUARE CORPORATION

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

NOTE 11 - INVESTMENTS (Continued)

The fair value of the Corporation's investments was calculated using the following input data as of September 30, 2019:

Level 1 Inputs:	
Cash	\$ 18,517
Equity Exchange Traded Securities	187,812
Exchange Traded Fixed Income Securities	122,881
Bonds	120,120
Common Stock	430,195
Total	<u>\$ 879,525</u>

Return on Investment consisted of the following:

Interest and Dividends	\$ 18,746
Gains on the Sale of Investments	20,709
Unrealized Gain on Investments	<u>15,377</u>
Total Return on Investment	<u>\$ 54,832</u>

NOTE 12 - EQUITY CONTRIBUTIONS

CSC or CSC Partners, Inc. are the co-general partners in several limited partnerships. Equity contributions to these entities at September 30, 2019 was \$2,759,901. Equity contributions are accounted for under the equity method.

NOTE 13 - DEVELOPMENT PROJECTS

As of September 30, 2019, Cathedral Square Corporation has paid \$100,901 in development costs associated with the development or redevelopment of various properties. These costs are expected to be reimbursed by the entities.

NOTE 14 - SELF INSURANCE

The Corporation maintains a self-insurance program for its unemployment costs for former employees who have terminated their employment with CSC. The Corporation is liable for direct reimbursement on claims made by former employees with the State of Vermont. CSC 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, 2019, the total accrued liability for self-insurance costs was \$6,300.

CATHEDRAL SQUARE CORPORATION

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

NOTE 15 - ACCRUED LIABILITIES - MANAGEMENT

CSC received a loan/grant from Vermont Housing Conservation Board (VHCB) 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 2012, VHCB approved CSC'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 \$2,000 additional added during both 2013 and 2014. Through September 30, 2019, \$953 of SASH expenses have been incurred to be reimbursed from the reserve. The balance of the loan/grant at September 30, 2019 is \$12,074 plus accrued interest of \$6,015 (total of \$18,089). This liability is offset by a restricted escrow account, a related loan receivable and the SASH receivable that, in total, equals the same amount.

NOTE 16 - BOARD RESTRICTED CASH

As of September 30, 2019, cash totaling \$1,389,135 has been classified as restricted cash. Use requires the consent of the Board of Directors of the Corporation.

NOTE 17 - NONCASH CHARITABLE DONATION

In connection with the purchase of property for development at Allard Square, Cathedral Square Corporation received an \$80,900 buyer credit from the seller, Snyder Braverman Development Co, LLC. In 2019, the value of the credit was transferred to Allard Square Limited Partnership as an equity contribution.

NOTE 18 - MASTER LEASE

A Master Lease was executed in 2001 with the Lund Family Center by the former owners of the McAuley Square properties. The lease has been assigned to Cathedral Square Corporation. Pursuant to this agreement, the Lund Family Center leases all seven units in building 1. The lease was renewed in December 2016 for a period of 5 years with an option to renew for two additional 5 year terms. The lease calls for annual increases of not less than 2% and not higher than 5% or such amount as may be secured in a project based voucher contract with Burlington Housing Authority. Future base rentals pursuant to the lease agreement are as follows:

Years Ending September 30,	
2020	\$ 89,021
2021	90,802
2022	22,812

NOTE 19 - HOME PROGRAM

Pursuant to loan agreements with the City of Burlington, CSC McAuley, LLC must designate nineteen (19) dwelling units as HOME units to comply with affordability and other specified requirements for a period of twenty (20) years. Failure to comply with these requirements may result in repayment of funds.

CATHEDRAL SQUARE CORPORATION

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

NOTE 20 - ENTITIES OMITTED FROM THE CONSOLIDATED FINANCIAL STATEMENTS

These consolidated financial statements do not include the Limited Partnerships controlled by either CSC or CSC Partners Inc., a wholly owned subsidiary of Cathedral Square Corporation (CSC). CSC does not believe it is practical or meaningful to include the statements of financial position and the results of operations of the following partnerships in the consolidated statements:

CSSL Limited Partnership	TSH Two Limited Partnership
Essex Senior Housing LP	Farrell Street Senior Housing LP
GWC II Limited Partnership	Rail City Housing LP
Richmond Terrace LP	TSH Limited Partnership
SH Limited Partnership	Elm Place Limited Partnership
Allard Square Limited Partnership	Whitcomb Woods Limited Partnership
Juniper North Bond LP	Juniper South Allocated LP

CSC also does not believe it is practical or meaningful to include the statements of financial position and results of operations of the following entities, related through common board control, in the consolidated statements:

Jeri Hill Housing Corporation
Monroe Place Corporation
South Burlington Community Housing Corporation

Separate financial statements for all of the above entities have been prepared and forwarded to the appropriate funding agencies.

The exclusion of the above entities represents a departure from Generally Accepted Accounting Principles which would require these entities to be included in consolidated financial statements.

If the financial statements had been consolidated with these entities, the total assets, liabilities, and net assets would have increased by \$78,554,962, \$45,002,543 and \$33,552,419, respectively, and revenue and expenses would have increased by \$7,281,816 and \$8,776,734 respectively, at September 30, 2019.

NOTE 21 - PRIOR PERIOD ADJUSTMENT

An overstatement related to previously reported pass-through income was discovered during the current year. In 2018, revenue was recorded following the receipt of the proceeds from VHCB in connection with development of Juniper North Bond Limited Partnership, instead of the loan obligation. The loan was subsequently repaid in 2019. Accordingly, an adjustment of \$400,000 was recorded to reduce prior year Net Assets. A corresponding entry was made to reduce Investment in Juniper North Bond Limited Partnership.

CATHEDRAL SQUARE CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

NOTE 22 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Corporation's working capital and cash flows are derived from monthly revenues consisting of rent, housing assistance payments, state and federal assistance, management fees, and investment activities from endowment funds. In addition, the Corporation received development fees, grants, and donations. The Corporation is regulated by entities including VHFA and VHCB.

The following reflects the Corporation's financial assets as of the statement of financial position date, reduced by amounts not available for general use because of contractual and donor restrictions, and board imposed designations within one year of the statement of financial position date. Amounts not available include balances retained in endowment funds, board restricted cash, and long-term investing in capital reserves that could be drawn upon if approved by VHFA.

The Corporation manages its liquidity by developing and adopting annual operating budgets that provide sufficient funds for general expenditures in meeting its liabilities and other obligations as they become due.

Cash and Cash Equivalents	\$ 5,525,969
Grants Receivable	159,157
Accounts Receivable	509,132
Endowment Fund	<u>879,525</u>
Total Financial Assets	<u>7,073,783</u>
Less Donor, Board, and Contractually Restricted Balances:	
Restricted Escrow Accounts	(1,406,444)
Board Restricted Cash	(1,389,135)
Tenant Security Deposits	(157,561)
Endowment Fund - Donor Restricted	<u>(879,525)</u>
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	<u>\$ 3,241,118</u>

NOTE 23 - METHODS USED FOR ALLOCATION OF EXPENSES AMONG PROGRAM AND SUPPORTING SERVICES

The costs of providing various program and supporting activities have been included on a functional and natural basis. These expenses require allocation on a reasonable basis that is consistently applied, which is on the basis of time and effort studies.

CATHEDRAL SQUARE CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
(Continued)

NOTE 24 - ADOPTION OF ACCOUNTING PRONOUNCEMENT

In August 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. ASU 2016-14 requires significant changes to the financial reporting model of organizations who follow the not-for-profit reporting model. The changes include reducing the classes of net assets from three classes to two; net assets with donor restrictions and net assets without donor restrictions. The ASU also requires changes in the way certain information is aggregated and reported by the Corporation, including required disclosures about liquidity and availability of resources and increased disclosures on functional expenses. The new standard is effective for the Corporation's year ending September 30, 2019 and thereafter and must be applied on a retrospective basis. The Corporation has adjusted the presentation of these statements accordingly. The Corporation adopted the ASU effective October 1, 2018.

SUPPLEMENTARY INFORMATION

CATHEDRAL SQUARE CORPORATION
CONSOLIDATING SCHEDULE OF FINANCIAL POSITION

September 30, 2019

ASSETS

	Management	Assisted Living Operations	SASH	Memory Care at Allen Brook	Ruggles House	Heineberg Housing	Whitney Hill Housing	CSC McAuley LLC	Eliminations	Total
CURRENT ASSETS										
Cash and Cash Equivalents	\$ 1,555,664	\$ 149,099	\$ 510,160	\$ 54,872	\$ 1,010	\$ 67,510	\$ 104,196	\$ 130,318	\$ -	\$ 2,572,829
Board Restricted Cash	1,389,135	-	-	-	-	-	-	-	-	1,389,135
Accounts Receivable	8,270	133,617	4,813	171,503	1,573	2,530	4,273	20,576	-	347,155
Accounts Receivable - Related Parties	394,330	52,675	-	-	-	-	-	-	(285,028)	161,977
Grants Receivable	37,648	-	121,509	-	-	-	-	-	-	159,157
Tenant Security Deposits	-	-	-	5,578	7,815	62,163	36,829	45,176	-	157,561
Inventory	-	5,451	-	2,652	-	-	-	-	-	8,103
Prepaid Expenses	148,278	-	-	-	-	6,767	18,522	-	-	173,567
Total Current Assets	3,533,325	340,842	636,482	234,605	10,398	138,970	163,820	196,070	(285,028)	4,969,484
OTHER ASSETS										
Notes Receivable	163,445	-	-	-	-	-	-	-	-	163,445
Equity Contributions	2,759,901	-	-	-	-	-	-	-	-	2,759,901
Development Projects	100,901	-	-	-	-	-	-	-	-	100,901
Restricted Escrow Accounts	72,011	-	-	54,904	91,229	349,286	396,054	442,960	-	1,406,444
Total Other Assets	3,096,258	-	-	54,904	91,229	349,286	396,054	442,960	-	4,430,691
PROPERTY AND EQUIPMENT										
Land and Improvements	-	-	-	270,934	-	58,558	218,985	579,974	-	1,128,451
Building and Improvements	-	-	-	1,350,609	879,868	4,881,900	1,588,924	5,481,822	-	14,183,123
Furniture, Fixtures and Equipment	241,259	-	-	65,749	15,000	141,872	81,513	14,800	-	560,193
Construction in Process	-	-	-	36,885	-	-	9,047	-	-	45,932
Total	241,259	-	-	1,724,177	894,868	5,082,330	1,898,469	6,076,596	-	15,917,699
Less Accumulated Depreciation	(217,568)	-	-	(76,020)	(84,282)	(2,116,030)	(618,447)	(365,174)	-	(3,477,521)
NET PROPERTY AND EQUIPMENT	23,691	-	-	1,648,157	810,586	2,966,300	1,280,022	5,711,422	-	12,440,178
ENDOWMENT										
	879,525	-	-	-	-	-	-	-	-	879,525
TOTAL ASSETS	\$ 7,532,799	\$ 340,842	\$ 636,482	\$ 1,937,666	\$ 912,213	\$ 3,454,556	\$ 1,839,896	\$ 6,350,452	\$ (285,028)	\$ 22,719,878

CATHEDRAL SQUARE CORPORATION
CONSOLIDATING SCHEDULE OF FINANCIAL POSITION
(Continued)

September 30, 2019

LIABILITIES AND NET ASSETS

	Management	Assisted Living Operations	SASH	Memory Care at Allen Brook	Ruggles House	Heineberg Housing	Whitney Hill Housing	CSC McAuley, LLC	Eliminations	Total
CURRENT LIABILITIES										
Accounts Payable	\$ 92,878	\$ 10,354	\$ 145,346	\$ 10,751	\$ 3,668	\$ 6,794	\$ 4,604	\$ 22,175	\$ -	\$ 296,570
Accrued Interest Payable	-	-	-	2,208	108	5,598	3,585	12,966	-	24,465
Other Accrued Liabilities	497,568	35,937	149,822	14,251	650	8,440	2,400	1,136	-	710,204
Tenant Security Deposits	-	-	-	5,578	7,815	62,163	36,829	45,883	-	158,268
Due to Intercompany	-	139,587	431	132,942	1,146	3,132	3,375	4,415	(285,028)	-
Resident Service Deposits	-	20,075	-	-	-	-	-	-	-	20,075
Deferred Revenue	12,618	2,420	205,463	355	5	1,006	55	1,199	-	223,121
Due to Related Party	7,430	-	-	-	-	-	-	-	-	7,430
Current Portion of Long-term Debt	-	-	-	15,639	9,621	101,770	31,217	53,036	-	211,283
Total Current Liabilities	610,494	208,373	501,062	181,724	23,013	188,903	82,065	140,810	(285,028)	1,651,416
LONG-TERM DEBT										
Notes Payable	-	-	-	1,306,361	785,001	2,302,258	1,624,194	5,136,326	-	11,154,140
Less Deferred Loan Fees	-	-	-	(9,567)	-	-	-	(30,502)	-	(40,069)
Other Note Payable	-	-	-	-	20,000	-	-	-	(20,000)	-
Deferred Interest Payable	-	-	-	-	117,613	1,375,967	-	1,186,642	-	2,680,222
Total Long-term Debt	-	-	-	1,296,794	922,614	3,678,225	1,624,194	6,292,466	(20,000)	13,794,293
Total Liabilities	610,494	208,373	501,062	1,478,518	945,627	3,867,128	1,706,259	6,433,276	(305,028)	15,445,709
NET ASSETS										
Net Assets With Donor Restrictions	6,026,189	132,469	135,420	459,148	(33,414)	(412,572)	133,637	(82,824)	20,000	6,378,053
Net Assets Without Donor Restrictions	896,116	-	-	-	-	-	-	-	-	896,116
TOTAL NET ASSETS	6,922,305	132,469	135,420	459,148	(33,414)	(412,572)	133,637	(82,824)	20,000	7,274,169
TOTAL LIABILITIES AND NET ASSETS	\$ 7,532,799	\$ 340,842	\$ 636,482	\$ 1,937,666	\$ 912,213	\$ 3,454,556	\$ 1,839,896	\$ 6,350,452	\$ (285,028)	\$ 22,719,878

CATHEDRAL SQUARE CORPORATION
CONSOLIDATING SCHEDULE OF ACTIVITIES
For the Year Ended September 30, 2019

	Management	Assisted Living Operations	SASH	Memory Care at Allen Brook	Ruggles House	Heineberg Housing	Whitney Hill Housing	CSC McAuley, LLC	Eliminations	Total
REVENUES										
Rental Revenue	\$ -	\$ -	\$ -	\$ 118,090	\$ 168,762	\$ 923,394	\$ 473,809	\$ 915,586	\$ -	\$ 2,599,641
State and Federal Assistance	-	774,671	-	943,168	-	-	-	-	-	1,717,839
Donations	19,632	-	88	24,406	-	-	-	-	-	44,126
Management and Related Service Fees	4,251,684	-	-	-	-	-	-	-	(1,078,644)	3,173,040
Development Fees	533,550	-	-	-	-	-	-	-	-	533,550
Client Fees	-	686,318	-	174,678	-	-	-	-	-	860,996
Grant Income	63,650	-	3,198,147	15,000	-	-	3,962	4,975	(20,000)	3,265,734
Investment Income	67,104	-	-	176	152	1,702	1,342	1,917	-	72,393
Other Income	478,937	-	87,371	2,885	3,737	8,996	6,222	60,703	(50,958)	597,893
TOTAL SUPPORT AND REVENUE	5,414,557	1,460,989	3,285,606	1,278,403	172,651	934,092	485,335	983,181	(1,149,602)	12,865,212
EXPENSES										
Program Services	3,601,516	1,556,268	3,270,766	1,183,628	165,761	906,989	466,701	977,625	(813,131)	11,316,123
Management and General	1,385,417	-	-	110,225	20,035	69,984	37,472	65,305	(336,471)	1,351,967
Fundraising	4,610	-	-	-	-	-	-	-	-	4,610
TOTAL OPERATING EXPENSES	4,991,543	1,556,268	3,270,766	1,293,853	185,796	976,973	504,173	1,042,930	(1,149,602)	12,672,700
INCREASE (DECREASE) IN NET ASSETS	423,014	(95,279)	14,840	(15,450)	(13,145)	(42,881)	(18,838)	(59,749)	-	192,512
TOTAL NET ASSETS, Beginning of Year	6,499,291	227,748	120,580	474,598	(20,269)	(369,691)	152,475	(23,075)	20,000	7,081,657
TOTAL NET ASSETS, End of Year	\$ 6,922,305	\$ 132,469	\$ 135,420	\$ 459,148	\$ (33,414)	\$ (412,572)	\$ 133,637	\$ (82,824)	\$ 20,000	\$ 7,274,169
CHANGES TO NET ASSETS WITHOUT DONOR RESTRICTIONS:										
BEGINNING OF THE YEAR	\$ 6,018,526	\$ 227,748	\$ 120,580	\$ 474,598	\$ (20,269)	\$ (369,691)	\$ 152,475	\$ (23,075)	\$ 20,000	\$ 6,600,892
Prior Period Adjustment	(400,000)	-	-	-	-	-	-	-	-	(400,000)
Total Support and Revenue	5,359,691	1,460,989	3,285,606	1,278,403	172,651	934,092	485,335	983,181	(1,149,602)	12,810,346
Net Assets Released from Restriction	39,515	-	-	-	-	-	-	-	-	39,515
Total Operating Expenses	(4,991,543)	(1,556,268)	(3,270,766)	(1,293,853)	(185,796)	(976,973)	(504,173)	(1,042,930)	1,149,602	(12,672,700)
NET ASSETS WITHOUT DONOR RESTRICTIONS, END OF YEAR	\$ 6,026,189	\$ 132,469	\$ 135,420	\$ 459,148	\$ (33,414)	\$ (412,572)	\$ 133,637	\$ (82,824)	\$ 20,000	\$ 6,378,053
CHANGES TO NET ASSETS WITH DONOR RESTRICTIONS:										
BEGINNING OF THE YEAR	\$ 880,765	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 880,765
Total Support and Revenue	54,866	-	-	-	-	-	-	-	-	54,866
Net Assets Released from Restriction	(39,515)	-	-	-	-	-	-	-	-	(39,515)
NET ASSETS WITH DONOR RESTRICTIONS, END OF YEAR	\$ 896,116	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 896,116

CATHEDRAL SQUARE CORPORATION

SUPPLEMENTARY INFORMATION

SCHEDULE OF REVENUES AND EXPENSES

For the Year Ended September 30, 2019

MANAGEMENT

REVENUES

Management and Related Service Fees	\$ 4,251,684
Development Fees	533,550
Grant Income	63,650
Donations	19,632
Gain on the Sale of Investments	20,709
Unrealized Gain on Investments	15,377
Income from Investments	18,746
Interest Income	12,272
Other Income	478,937
	<hr/>
Total Revenues	5,414,557

EXPENSES

Administrative	
Salaries	674,707
Payroll Taxes	49,317
Pension	30,779
Life/Disability	6,706
Insurance	224,953
Workers Compensation	15,818
	<hr/>
Total Administrative Expenses	1,002,280
Housing Operations	
Salaries	1,399,081
Payroll Taxes	109,511
Pension	46,905
Life/Disability	13,390
Insurance	408,544
Workers Compensation	57,678
	<hr/>
Total Housing Operations Expenses	2,035,109
Housing Services	
Salaries	900,218
Payroll Taxes	65,565
Pension	34,199
Life/Disability	8,403
Insurance	212,181
Workers Compensation	20,120
	<hr/>
Total Housing Services Expenses	1,240,686

CATHEDRAL SQUARE CORPORATION

SUPPLEMENTARY INFORMATION

SCHEDULE OF REVENUES AND EXPENSES
(Continued)

For the Year Ended September 30, 2019

MANAGEMENT

Development	
Salaries	238,658
Payroll Taxes	17,911
Pension	9,873
Life/Disability	4,721
Insurance	48,368
Workers Compensation	6,190
Total Development Expenses	<u>325,721</u>
Unallocated Expenses	
Vehicle	6,008
Dues and Subscriptions	5,486
Telephone	16,952
Office Expense	24,722
Education	44,975
Rent	36,000
Audit	22,668
Legal	3,166
Computer	74,244
Consulting	26
Depreciation	13,917
Postage	11,126
Printing	748
Employee Appreciation	6,515
Travel	13,757
Marketing	7,412
Contributions	7,340
Investment Expenses	39,514
Other	53,171
Total Unallocated Expenses	<u>387,747</u>
Total Operating Expenses	<u>4,991,543</u>
INCREASE IN NET ASSETS	<u>\$ 423,014</u>

CATHEDRAL SQUARE CORPORATION
SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES AND EXPENSES

For the Year Ended September 30, 2019

ASSISTED LIVING OPERATIONS

	<u>Personal Care</u>	<u>Kitchen</u>	<u>Total</u>
REVENUES			
Medicaid	\$ 774,671	\$ -	\$ 774,671
Client Fees	401,985	284,333	686,318
Total Revenues	<u>1,176,656</u>	<u>284,333</u>	<u>1,460,989</u>
EXPENSES			
Administrative Compensation	853,374	122,238	975,612
Agency Call Out	12,657	-	12,657
Payroll Taxes	65,493	9,334	74,827
Health Insurance	208,093	36,471	244,564
Life/Disability	6,794	1,117	7,911
Workers Compensation	58,975	5,849	64,824
Pension	25,695	3,848	29,543
Education	315	-	315
Supplies	9,394	14,233	23,627
Food	-	102,539	102,539
Travel	4,643	583	5,226
Other	1,744	12,879	14,623
Total Operating Expenses	<u>1,247,177</u>	<u>309,091</u>	<u>1,556,268</u>
INCREASE IN NET ASSETS FROM OPERATIONS	<u>\$ (70,521)</u>	<u>\$ (24,758)</u>	<u>\$ (95,279)</u>
INCREASE IN NET ASSETS			<u>\$ (95,279)</u>

CATHEDRAL SQUARE CORPORATION
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF REVENUES AND EXPENSES

For the Year Ended September 30, 2019

SASH

REVENUES	
Grant Income	3,198,147
Donations	88
Other Income	87,371
	<hr/>
Total Revenues	3,285,606
	<hr/>
EXPENSES	
Salaries	1,479,692
Payroll Taxes	113,182
Health Insurance	272,884
Life/Disability	14,782
Workers Compensation	38,408
Pension	68,146
Recruitment	4,429
Education	18,733
Supplies	4,689
Legal	6,279
Travel	23,819
Consulting	7,440
Information Technology	5,855
Nursing	123,717
Functional Team	11,925
Grant Expenditures	1,055,489
Other	21,297
	<hr/>
Total Operating Expenses	3,270,766
	<hr/>
INCREASE IN NET ASSETS	\$ 14,840
	<hr/> <hr/>

CATHEDRAL SQUARE CORPORATION
SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES AND EXPENSES
For the Year Ended September 30, 2019

MEMORY CARE AT ALLEN BROOK

REVENUES

Tenant Rental Income	\$ 72,762
Rental Assistance	45,328
Medicaid	943,168
Client Fees - Personal care	90,563
Client Fees - Kitchen	84,115
Donations	24,406
Grant Income	15,000
Interest Income	176
Other Income	2,885

Total Revenues	<u>1,278,403</u>
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EXPENSES

Administrative	
Management Fees	11,256
Administrative Salaries	66,828
Legal and Accounting	3,552
Other Administrative	7,241
Total Administrative	<u>88,877</u>

Services

Salaries	552,858
Agency Call Out	18,371
Payroll Taxes	43,020
Pension	11,859
Life/Disability	3,882
Insurance	137,127
Workers Compensation	29,276
Resident Services	59,564
Food	51,120
Supplies	8,780
Other	630

Total Resident Services	<u>916,487</u>
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Utilities

Electricity	12,568
Fuel	7,540
Water and Sewer	10,746
Other Utilities	5,834

Total Utilities	<u>36,688</u>
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CATHEDRAL SQUARE CORPORATION

SUPPLEMENTARY INFORMATION

SCHEDULE OF REVENUES AND EXPENSES
(Continued)

For the Year Ended September 30, 2019

MEMORY CARE AT ALLEN BROOK

Maintenance and Repairs	
Maintenance Salaries	33,420
Cleaning and Supplies	9,925
Maintenance Contracts	20,200
Trash Removal	1,844
Snow Removal	9,525
Miscellaneous Maintenance	650
	<hr/>
Total Maintenance and Repairs	75,564
	<hr/>
General Expenses	
Payroll Taxes	11,916
Property and Liability Insurance	3,757
Health Insurance	47,628
Workers Compensation	5,556
Interest Expense	52,766
Depreciation	44,606
	<hr/>
Total General Expenses	166,229
	<hr/>
Total Operating Expenses	1,283,845
	<hr/>
INCREASE IN NET ASSETS FROM OPERATIONS	(5,442)
Asset Management Fees	10,008
	<hr/>
INCREASE IN NET ASSETS	\$ (15,450)
	<hr/>

CATHEDRAL SQUARE CORPORATION
SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES AND EXPENSES
For the Year Ended September 30, 2019

RUGGLES HOUSE

REVENUES	
Tenant Rental Income	\$ 80,044
Rental Assistance	88,718
Interest Income	152
Other Income	<u>3,737</u>
Total Revenues	<u>172,651</u>
EXPENSES	
Administrative	
Management Fees	8,580
Administrative Salaries	11,736
Legal and Accounting	3,500
Other Administrative	<u>11,540</u>
Total Administrative	<u>35,356</u>
Resident Services	<u>19,567</u>
Utilities	
Electricity	10,227
Fuel	7,654
Water and Sewer	4,493
Other Utilities	<u>3,324</u>
Total Utilities	<u>25,698</u>
Maintenance and Repairs	
Maintenance Salaries	14,568
Cleaning and Supplies	5,357
Maintenance Contracts	15,853
Trash Removal	1,989
Snow Removal	4,831
Miscellaneous Maintenance	<u>790</u>
Total Maintenance and Repairs	<u>43,388</u>

CATHEDRAL SQUARE CORPORATION
SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES AND EXPENSES
(Continued)

For the Year Ended September 30, 2019

RUGGLES HOUSE

General Expenses	
Property and Liability Insurance	5,750
Real Estate Taxes	2,840
Payroll Taxes	3,408
Health Insurance	13,596
Workers Compensation	1,596
Interest Expense	3,677
Depreciation	<u>30,920</u>
Total General Expenses	<u>61,787</u>
Total Expenses	<u>185,796</u>
INCREASE IN NET ASSETS	<u><u>\$ (13,145)</u></u>