

# St. Joseph's Villa

Consolidated Financial Statements

June 30, 2018 and 2017



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# ST. JOSEPH'S VILLA

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## REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of Trustees  
St. Joseph's Villa  
Richmond, Virginia

### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of St. Joseph's Villa and related entity (collectively, the "Organization"), which comprise the consolidated statements of financial position as of June 30, 2018 and 2017, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

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

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated 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 consolidated financial statements based on our audits. We did not audit the financial statements as of and for the years ended June 30, 2018 and 2017 of St. Joseph's Villa Housing Corp. ("HC"), a wholly-owned subsidiary, which statements reflect total assets of \$1,407,242 as of June 30, 2018 and \$1,500,044 as of June 30, 2017 and total revenues of \$652,277 for 2018 and \$640,474 for 2017. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it related to the amounts included for HC as of June 30, 2018 and 2017, is based solely on the reports of the other auditors. We conducted our audit for the year ended June 30, 2018, in accordance with auditing standards generally accepted in the United States. We conducted our audit for the year ended June 30, 2017 in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the organization's preparation and fair presentation of the consolidated 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 organization'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 consolidated 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, based on our audits and the reports of other auditors, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of St. Joseph's Villa and related entity as of June 30, 2018 and 2017, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States.

### **Supplemental Information**

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying supplemental information on pages 23 through 39 is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, activities, and cash flows of St. Joseph's Villa and related entity individually and is not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

A handwritten signature in black ink, appearing to read "Keita", with a long horizontal flourish extending to the right.

November 13, 2018  
Glen Allen, Virginia

## ST. JOSEPH'S VILLA

### Consolidated Statements of Financial Position June 30, 2018 and 2017

<u>Assets</u>	<u>2018</u>	<u>2017</u>
Current assets:		
Cash and cash equivalents	\$ 1,482,736	\$ 1,261,699
Accounts receivable - net	2,057,903	1,809,953
Pledges receivable - net, current	1,079,468	738,049
Other current assets	<u>134,143</u>	<u>162,729</u>
Total current assets	<u>4,754,250</u>	<u>3,972,430</u>
Assets limited as to use:		
Cash held for board-designated reserves	269,762	269,762
Cash held for residents	17,314	17,016
Cash held in escrow	391,937	366,419
Cash held for capital campaign	2,238,555	291,016
Cash restricted by grants	<u>105,068</u>	<u>155,141</u>
Total assets limited as to use	<u>3,022,636</u>	<u>1,099,354</u>
Property and equipment - net	<u>9,706,675</u>	<u>9,880,144</u>
Other assets:		
Pledges receivable - net, long-term	1,350,191	982,175
Real estate held for investment	299,811	299,811
Due from affiliates	<u>27,281</u>	<u>5,983</u>
Total other assets	<u>1,677,283</u>	<u>1,287,969</u>
	<u>\$ 19,160,844</u>	<u>\$ 16,239,897</u>

See accompanying notes to consolidated financial statements.

**ST. JOSEPH'S VILLA**

Consolidated Statements of Financial Position, Continued  
June 30, 2018 and 2017

<u>Liabilities and Net Assets</u>	<u>2018</u>	<u>2017</u>
Current liabilities:		
Long-term debt - net, current	\$ 138,220	\$ 134,046
Accounts payable - trade	366,375	273,964
Due to affiliates	43,271	5,983
Accrued interest payable	6,632	6,975
Accrued salaries and benefits	622,685	533,566
Accrued vacation	278,994	251,126
Deferred revenue	<u>78,077</u>	<u>32,612</u>
 Total current liabilities	 1,534,254	 1,238,272
 Long-term debt - net	 2,419,829	 2,545,893
Other liabilities:		
Funds held for residents	<u>15,509</u>	<u>15,012</u>
 Total liabilities	 <u>3,969,592</u>	 <u>3,799,177</u>
Net assets:		
Unrestricted - undesignated	10,275,028	10,062,185
Unrestricted - board-designated	<u>569,573</u>	<u>569,573</u>
Total unrestricted	10,844,601	10,631,758
Temporarily restricted	<u>4,346,651</u>	<u>1,808,962</u>
 Total net assets	 <u>15,191,252</u>	 <u>12,440,720</u>
	 <u>\$ 19,160,844</u>	 <u>\$ 16,239,897</u>

See accompanying notes to consolidated financial statements.

## ST. JOSEPH'S VILLA

### Consolidated Statement of Activities Year Ended June 30, 2018

	Unrestricted	Temporarily Restricted	Total
Support and revenue:			
Program service grants and fees:			
Program service grants	\$ 1,917,572	\$ -	\$ 1,917,572
Program service fees	13,461,987	-	13,461,987
Net rental income	599,452	-	599,452
Contributions and other revenue:			
Contributions	1,870,529	3,048,695	4,919,224
In-kind contributions	1,400	-	1,400
Grants	-	99,832	99,832
Special events - net	29,969	-	29,969
Miscellaneous	183,159	-	183,159
Total support and revenue	<u>18,064,068</u>	<u>3,148,527</u>	<u>21,212,595</u>
Net assets released from restrictions	<u>610,838</u>	<u>(610,838)</u>	<u>-</u>
Expenses and losses:			
Program services:			
Education	4,217,185	-	4,217,185
Developmental disabilities	5,264,360	-	5,264,360
Day treatment	1,918,974	-	1,918,974
Behavioral health services	1,362,093	-	1,362,093
Housing and homeless services	1,788,981	-	1,788,981
Hollybrook office	39,463	-	39,463
Other services	750,377	-	750,377
Housing Corporation	585,180	-	585,180
Total program services	<u>15,926,613</u>	<u>-</u>	<u>15,926,613</u>
Support services:			
Management and general	1,824,108	-	1,824,108
Fundraising	550,427	-	550,427
Total support services	<u>2,374,535</u>	<u>-</u>	<u>2,374,535</u>
Loss on property	<u>160,915</u>	<u>-</u>	<u>160,915</u>
Total expenses and losses	<u>18,462,063</u>	<u>-</u>	<u>18,462,063</u>
Change in net assets	212,843	2,537,689	2,750,532
Net assets, beginning of year	<u>10,631,758</u>	<u>1,808,962</u>	<u>12,440,720</u>
Net assets, end of year	<u>\$ 10,844,601</u>	<u>\$ 4,346,651</u>	<u>\$ 15,191,252</u>

See accompanying notes to consolidated financial statements.

## ST. JOSEPH'S VILLA

### Consolidated Statement of Activities Year Ended June 30, 2017

	Unrestricted	Temporarily Restricted	Total
Support and revenue:			
Program service grants and fees:			
Program service grants	\$ 2,304,458	\$ -	\$ 2,304,458
Program service fees	11,291,684	-	11,291,684
Net rental revenue	587,080	-	587,080
Contributions and other revenue:			
Contributions	1,880,363	1,760,673	3,641,036
In-kind contributions	1,400	-	1,400
Grants	-	149,441	149,441
Special events - net	30,244	-	30,244
Miscellaneous	225,642	-	225,642
Total support and revenue	16,320,871	1,910,114	18,230,985
Net assets released from restrictions	562,929	(562,929)	-
Expenses:			
Program services:			
Education	3,652,322	-	3,652,322
Developmental disabilities	4,255,553	-	4,255,553
Day treatment	1,728,301	-	1,728,301
Behavioral health services	1,223,509	-	1,223,509
Housing and homeless services	2,138,433	-	2,138,433
Hollybrook office	36,614	-	36,614
Other services	785,715	-	785,715
Housing Corporation	551,444	-	551,444
Total program services	14,371,891	-	14,371,891
Support services:			
Management and general	1,719,456	-	1,719,456
Fundraising	541,687	-	541,687
Total support services	2,261,143	-	2,261,143
Total expenses	16,633,034	-	16,633,034
Change in net assets	250,766	1,347,185	1,597,951
Net assets, beginning of year	10,380,992	461,777	10,842,769
Net assets, end of year	\$ 10,631,758	\$ 1,808,962	\$ 12,440,720

See accompanying notes to consolidated financial statements.



## ST. JOSEPH'S VILLA

### Consolidated Statement of Functional Expenses Year Ended June 30, 2018

	Program Services								
	Education	Developmental Disabilities	Day Treatment	Behavioral Health Services	Housing and Homeless Services	Hollybrook Office	Other Services	Housing Corp.	Total Program Services
Salaries and wages	\$ 2,287,060	\$ 3,260,729	\$ 1,173,038	\$ 651,501	\$ 739,156	\$ -	\$ 888,328	\$ 141,838	\$ 9,141,650
Employee benefits	250,065	331,095	111,105	75,062	96,984	-	103,815	31,492	999,618
Payroll taxes	229,656	313,097	114,347	202,250	89,070	-	124,988	10,430	1,083,838
Professional fees	13,032	29,566	9,516	43,132	7,018	-	126,640	8,251	237,155
Supplies	106,837	127,999	40,236	11,966	2,434	-	248,136	20,277	557,885
Contracts	-	-	-	-	-	-	-	88,169	88,169
Telephone	1,439	4,332	4,208	1,691	5,651	-	3,492	-	20,813
Postage	1,306	80	93	261	153	-	-	-	1,893
Occupancy	121,449	123,646	33,324	45,492	25,760	3,151	324,260	51,165	728,247
Equipment	9,038	14,099	5,593	2,308	5,607	-	11,438	-	48,083
Printing and publications	1,770	1,698	2,388	1,789	96	-	309	-	8,050
Travel	10,244	42,706	42,992	4,005	22,332	-	33,845	-	156,124
Conference and meetings	4,899	762	1,301	911	2,361	-	754	-	10,988
Special assistance to individuals	18,968	-	-	65	496,708	-	-	-	515,741
Membership dues	2,289	3,192	100	-	565	-	5,480	-	11,626
Technology	68,319	14,553	8,473	5,161	7,457	-	3,472	-	107,435
Internal chargeouts	427,545	432,432	102,242	109,317	12,374	13,751	(1,352,311)	-	(254,650)
Administration services	440,498	404,409	197,654	156,507	234,654	22,561	144,957	-	1,601,240
Interest expense	-	-	-	-	-	-	-	93,635	93,635
Mortgage insurance premium	-	-	-	-	-	-	-	11,943	11,943
Miscellaneous	14,780	10,398	463	741	17,333	-	317	7,112	51,144
Depreciation	207,991	149,567	71,901	49,934	23,268	-	82,457	120,868	705,986
<b>Total expenses</b>	<b>\$ 4,217,185</b>	<b>\$ 5,264,360</b>	<b>\$ 1,918,974</b>	<b>\$ 1,362,093</b>	<b>\$ 1,788,981</b>	<b>\$ 39,463</b>	<b>\$ 750,377</b>	<b>\$ 585,180</b>	<b>\$ 15,926,613</b>

See accompanying notes to consolidated financial statements.

**ST. JOSEPH'S VILLA**

**Consolidated Statement of Functional Expenses, Continued  
Year Ended June 30, 2018**

	<u>Support Services</u>			
	Management and General	Fundraising	Total Support Services	Total
Salaries and wages	\$ 1,641,926	\$ 496,737	\$ 2,138,663	\$ 11,280,313
Employee benefits	208,108	51,089	259,197	1,258,815
Payroll taxes	157,542	47,466	205,008	1,288,846
Professional fees	145,866	2,793	148,659	385,814
Supplies	13,354	1,944	15,298	573,183
Contracts	-	-	-	88,169
Telephone	6,265	926	7,191	28,004
Postage	5,273	2,449	7,722	9,615
Occupancy	303,825	-	303,825	1,032,072
Equipment	18,672	1,157	19,829	67,912
Printing and publications	58,576	18,945	77,521	85,571
Travel	6,657	4,756	11,413	167,537
Conference and meetings	12,083	2,132	14,215	25,203
Special assistance to individuals	688	-	688	516,429
Membership dues	8,010	1,462	9,472	21,098
Technology	122,270	2,167	124,437	231,872
Internal chargeouts	254,650	-	254,650	-
Administration services	(1,476,918)	(124,322)	(1,601,240)	-
Interest expense	-	-	-	93,635
Mortgage insurance premium	-	-	-	11,943
Miscellaneous	46,504	40,726	87,230	138,374
Depreciation	290,757	-	290,757	996,743
Total expenses	<u>\$ 1,824,108</u>	<u>\$ 550,427</u>	<u>\$ 2,374,535</u>	<u>\$ 18,301,148</u>

See accompanying notes to consolidated financial statements.

## ST. JOSEPH'S VILLA

### Consolidated Statement of Functional Expenses Year Ended June 30, 2017

	Program Services								Total Program Services	
	Developmental			Behavioral		Housing and		Other		Housing
	Education	Disabilities	Day Treatment	Health Services	Homeless Services	Hollybrook	Services	Corp.		
Salaries and wages	\$ 1,940,768	\$ 2,592,859	\$ 1,010,384	\$ 599,788	\$ 721,539	\$ -	\$ 789,943	\$ 128,513	\$ 7,783,794	
Employee benefits	202,294	252,370	109,214	56,474	90,695	-	84,948	23,335	819,330	
Payroll taxes	177,679	242,021	108,333	194,556	78,604	-	138,546	10,047	949,786	
Professional fees	9,410	13,230	7,734	22,084	11,287	-	127,103	8,649	199,497	
Supplies	80,939	107,273	31,869	6,679	3,216	-	186,182	12,109	428,267	
Contracts	-	-	-	-	-	-	-	85,805	85,805	
Telephone	1,350	2,882	2,692	1,753	6,226	-	4,366	-	19,269	
Postage	1,146	50	171	88	706	-	-	-	2,161	
Occupancy	127,378	97,250	33,000	36,877	25,048	3,158	300,096	60,206	683,013	
Equipment	6,289	11,487	5,123	2,375	3,252	-	13,343	-	41,869	
Printing and publications	260	1,622	7,365	1,013	79	-	787	-	11,126	
Travel	9,597	35,019	60,275	2,170	15,450	-	38,012	-	160,523	
Conference and meetings	5,058	1,226	2,499	603	709	-	871	-	10,966	
Special assistance to individuals	21,637	-	-	-	905,537	-	-	-	927,174	
Membership dues	5,375	2,931	30	25	1,065	-	19,886	-	29,312	
Technology	33,442	11,977	1	2,547	7,230	-	20,716	-	75,913	
Internal chargeouts	385,577	360,446	94,798	101,397	12,001	13,335	(1,167,166)	-	(199,612)	
Administration services	418,360	376,835	182,675	160,561	231,978	20,121	142,193	25	1,532,748	
Interest expense	-	-	-	-	-	-	-	88,433	88,433	
Mortgage insurance premium	-	-	-	-	-	-	-	12,538	12,538	
Miscellaneous	13,386	4,383	4,106	735	48	-	1,830	4,020	28,508	
Depreciation	212,377	141,692	68,032	33,784	23,763	-	84,059	117,764	681,471	
<b>Total expenses</b>	<b><u>\$ 3,652,322</u></b>	<b><u>\$ 4,255,553</u></b>	<b><u>\$ 1,728,301</u></b>	<b><u>\$ 1,223,509</u></b>	<b><u>\$ 2,138,433</u></b>	<b><u>\$ 36,614</u></b>	<b><u>\$ 785,715</u></b>	<b><u>\$ 551,444</u></b>	<b><u>\$ 14,371,891</u></b>	

See accompanying notes to consolidated financial statements.

## ST. JOSEPH'S VILLA

### Consolidated Statement of Functional Expenses, Continued Year Ended June 30, 2017

	Support Services		Total Support Services	Total
	Management and General	Fundraising		
	\$	\$		
Salaries and wages	\$ 1,497,554	\$ 451,581	\$ 1,949,135	\$ 9,732,929
Employee benefits	200,465	50,279	250,744	1,070,074
Payroll taxes	178,859	41,181	220,040	1,169,826
Professional fees	137,560	27,758	165,318	364,815
Supplies	18,222	2,431	20,653	448,920
Contracts	-	-	-	85,805
Telephone	6,786	356	7,142	26,411
Postage	6,855	2,483	9,338	11,499
Occupancy	273,464	58	273,522	956,535
Equipment	16,998	(16)	16,982	58,851
Printing and publications	38,688	30,333	69,021	80,147
Travel	9,218	2,462	11,680	172,203
Conference and meetings	7,353	2,224	9,577	20,543
Special assistance to individuals	-	-	-	927,174
Membership dues	5,646	1,858	7,504	36,816
Technology	138,535	20,361	158,896	234,809
Internal chargeouts	199,612	-	199,612	-
Administration services	(1,397,506)	(135,217)	(1,532,723)	25
Interest expense	-	-	-	88,433
Mortgage insurance premium	-	-	-	12,538
Miscellaneous	59,430	43,555	102,985	131,493
Depreciation	321,717	-	321,717	1,003,188
Total expenses	\$ 1,719,456	\$ 541,687	\$ 2,261,143	\$ 16,633,034

See accompanying notes to consolidated financial statements.

## ST. JOSEPH'S VILLA

### Consolidated Statements of Cash Flows Years Ended June 30, 2018 and 2017

	2018	2017
Cash flows from operating activities:		
Change in net assets	\$ 2,750,532	\$ 1,597,951
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	996,743	1,003,188
Amortization of deferred financing costs	12,156	2,897
Loss on property	160,915	-
Changes in assets and liabilities:		
Accounts receivable - net	(247,950)	(490,544)
Pledges receivable - net	(709,435)	(1,068,698)
Other current assets	28,586	38,409
Due from affiliate	(21,298)	4,924
Accounts payable - trade	92,411	(35,759)
Due (from) to affiliate	37,288	(7,189)
Accrued interest payable	(343)	(332)
Accrued salaries and benefits	89,119	121,057
Accrued vacation	27,868	31,370
Accrued other	(1,350)	-
Deferred revenue	45,465	(19,040)
Funds held for residents - net	199	(58)
Board-designated reserve	-	25,001
Restricted for grants	50,073	(25,625)
Other current liabilities	-	(2,545)
Net cash provided by operating activities	3,310,979	1,175,007
Cash flows from investing activities:		
Net change in cash held in escrow	(25,518)	(28,692)
Proceeds from sale of property and equipment	29,086	-
Purchase of property and equipment	(1,011,925)	(575,671)
Net cash used in investing activities	(1,008,357)	(604,363)

See accompanying notes to consolidated financial statements.

**ST. JOSEPH'S VILLA**

Consolidated Statements of Cash Flows, Continued  
Years Ended June 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Cash flows from financing activities:		
Principal payments on long-term debt	\$ (134,046)	\$ (129,998)
Net change in cash held for the capital campaign	<u>(1,947,539)</u>	<u>(146,416)</u>
 Net cash used in financing activities	 <u>(2,081,585)</u>	 <u>(276,414)</u>
 Net change in cash and cash equivalents	 221,037	 294,230
 Cash and cash equivalents, beginning of year	 <u>1,261,699</u>	 <u>967,469</u>
 Cash and cash equivalents, end of year	 <u>\$ 1,482,736</u>	 <u>\$ 1,261,699</u>
 Supplemental disclosure of cash flow information:		
Cash paid for interest	<u>\$ 81,822</u>	<u>\$ 88,765</u>
 Supplemental disclosure of noncash information:		
Accrual for property and equipment acquisition	<u>\$ 1,350</u>	<u>\$ -</u>

See accompanying notes to consolidated financial statements.

## ST. JOSEPH'S VILLA

### Notes to Consolidated Financial Statements

#### 1. Summary of Significant Accounting Policies:

**Organization:** St. Joseph's Villa (the "Villa") is a nonprofit corporation organized in 1834 for the primary purposes of providing for the health, education and general welfare of children and their families. The Villa serves families primarily in Virginia.

Hollybrook Apartments, owned by St. Joseph's Villa Housing Corp. (the "Housing Corp."), is organized under Section 202 of the National Housing Act to acquire, renovate, own and operate a 60-unit apartment complex located in Richmond, Virginia (the "Development") and provide low cost housing for people with disabilities under operating lease arrangements. The Development is regulated by the United States Department of Housing and Urban Development ("HUD") as to rental rates and operating methods. The Development has a Section 8 Housing Assistance Payment agreement with HUD and a significant portion of the Development's rental income is received from HUD under this agreement.

**Principles of Consolidation:** The accompanying consolidated financial statements include the resources and activities of St. Joseph's Villa and St. Joseph's Villa Housing Corp. (collectively, the "Organization"). All significant intercompany transactions and accounts are eliminated.

**Basis of Accounting:** The Organization prepares its consolidated financial statements in accordance with accounting principles generally accepted in the United States ("GAAP"), which require reporting information regarding its financial position and activities according to these three classes of net assets:

Unrestricted net assets are net assets that are not subject to donor-imposed stipulations. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as unrestricted support. If the Board of Trustees specifies a purpose where none has been stated by the original donor, such assets are classified as Board-designated within unrestricted net assets.

Temporarily restricted net assets are net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the consolidated statements of activities as net assets released from restrictions.

Permanently restricted net assets are subject to donor-imposed stipulations that the original fair value of the gift be maintained permanently by the Organization and use of all or part of the income earned on any related investments is for general or specific purposes. There were no permanently restricted net assets at June 30, 2018 and 2017.

## ST. JOSEPH'S VILLA

### Notes to Consolidated Financial Statements, Continued

#### 1. Summary of Significant Accounting Policies, Continued:

**Estimates:** The preparation of consolidated financial statements in conformity with GAAP 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 consolidated financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Cash and Cash Equivalents:** The Organization considers as cash equivalents all short term, highly liquid investments with maturities of three months or less at date of acquisition.

**Concentrations of Credit Risk:** The Organization maintains its cash and cash equivalent balances in financial institutions with high credit quality ratings. The balances in the financial institutions are insured by the Federal Deposit Insurance Corporation up to \$250,000. The Organization periodically has balances in excess of the insured limits.

The Organization's accounts receivable and pledges receivable are due from government agencies, corporations, and individuals located primarily in Central Virginia. The Organization believes its credit risk related to these receivables is limited due to the nature of its customers and donors. The ability to collect receivables is affected by the general economic conditions.

**Accounts Receivable:** Accounts receivable represent receivables recorded at the original invoiced amount and do not bear interest. Receivables are recorded net of an allowance for doubtful accounts. The Organization evaluates the collectability of its accounts receivables based on a combination of factors, including the age of the receivable, on a monthly basis. Accounts receivable are written off when deemed uncollectible. The allowance for doubtful accounts was \$237 as of June 30, 2018, and \$638 as of June 30, 2017.

**Pledges Receivable:** Unconditional promises to give are recognized as unrestricted, temporarily restricted, or permanently restricted support as appropriate. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of future cash flows. Amortization of the discount is included in contribution revenue. The allowance is based on prior years' experience and management's analysis of specific pledges. The allowance for doubtful pledges was \$9,251 as of June 30, 2018, and \$19,396 as of June 30, 2017.

**Assets Limited as to Use:** Assets limited as to use includes restricted capital campaign cash, assets designated and held aside by a mortgagee for insurance premiums and taxes and to meet reserve requirements for HUD, and amounts received from residents for security and other deposits. Assets limited as to use are held in interest bearing cash accounts.



## ST. JOSEPH'S VILLA

### Notes to Consolidated Financial Statements, Continued

#### 1. Summary of Significant Accounting Policies, Continued:

**Property and Equipment:** Property and equipment are recorded at cost for purchased assets and at fair value for donated items. Major repairs and betterments are capitalized and normal maintenance and repairs are charged to expense as incurred. Depreciation is calculated on a straight-line basis over the estimated useful lives of the related assets, which range from three to fifty years. Upon retirement or sale of an asset, the cost and accumulated depreciation are removed from the accounts and any gain or loss is reflected in operations.

**Real Estate Held for Investment:** Investments in real estate are recorded at fair value at the time of purchase or donation to the Organization. Management evaluates the investments for impairment in accordance with GAAP. The Organization did not identify any impairment during 2018 or 2017.

**Deferred Financing Costs:** Deferred financing costs totaling \$57,937, incurred in connection with obtaining a mortgage note payable, were capitalized and are being amortized over the term of the note using the effective interest method. Accumulated amortization was \$23,744 as of June 30, 2018, and \$11,588 as of June 30, 2017. Amortization expense was \$12,156 for 2018 and \$2,897 for 2017. Amortization of debt issuance costs is reported as a component of interest expense.

**Functional Allocation of Expenses:** The costs of providing the various programs and activities have been summarized on a functional basis in the consolidated statements of activities and functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**Advertising Expenses:** The Organization expenses advertising costs as they are incurred. Advertising expense amounted to \$57,088 for 2018 and \$51,154 for 2017.

**Income Taxes:** The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

**Income Tax Uncertainties:** Management has evaluated the effects of accounting guidance related to uncertain income tax positions and concluded that the Organization had no significant financial statement exposure to uncertain income tax positions at June 30, 2018 and 2017. The Organization is not currently under audit by any tax jurisdiction.

## ST. JOSEPH'S VILLA

### Notes to Consolidated Financial Statements, Continued

#### 1. Summary of Significant Accounting Policies, Continued:

**Contributions:** Unconditional contributions are recognized as revenues when received. They are recognized at fair value and are classified in the appropriate net asset class based on donor stipulations. Conditional contributions are recognized as revenues when conditions are substantially met.

Contributions of donated noncash assets are recorded at their fair value in the period received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skill, are provided by individuals possessing those skills, and that would typically need to be purchased if not provided by donation are recorded at their fair values in the period received.

**Reclassifications:** Certain prior year balances have been reclassified to conform with the current year presentation.

**Subsequent Events:** Management has evaluated subsequent events through November 13, 2018, the date the consolidated financial statements were available to be issued, and has determined there are no subsequent events to be reported in the accompanying consolidated financial statements.

#### 2. Housing Assistance Payment Contract:

HUD has contracted with the Housing Corp. to make housing assistance payments on behalf of qualified tenants. The contract is subject to renewal, and if not renewed, could substantially impact the rental income of the Development. The current contract for the Housing Corp. will expire May 2033. The Housing Corp. received assistance payments of \$459,873 in 2018 and \$452,226 in 2017.

#### 3. Pledges Receivable:

The present value of estimated future cash flows of pledges receivable is discounted at the risk-free rate of 2.73% at June 30, 2018 and 1.89% at June 30, 2017. Future cash flows are expected to be received as follows at June 30:

	<u>2018</u>	<u>2017</u>
Amounts due in:		
Less than one year	\$ 1,088,719	\$ 757,445
One to five years	<u>1,468,634</u>	<u>1,034,898</u>
	2,557,353	1,792,343
Less:		
Allowance for doubtful pledges	(9,251)	(19,396)
Discount on pledges receivable	<u>(118,443)</u>	<u>(52,723)</u>
	<u>\$ 2,429,659</u>	<u>\$ 1,720,224</u>

## ST. JOSEPH'S VILLA

### Notes to Consolidated Financial Statements, Continued

#### 4. Property and Equipment:

Property and equipment consisted of the following at June 30:

	<u>2018</u>	<u>2017</u>
Land	\$ 1,150,257	\$ 1,340,257
Land improvements	7,898,118	7,564,840
Buildings and storage sheds	13,832,619	13,583,614
Furniture and equipment	349,022	294,391
Computer equipment	303,595	303,595
Vehicles	431,328	430,686
Construction in process	732,603	380,559
	<u>24,697,542</u>	<u>23,897,942</u>
Less accumulated depreciation	<u>(14,990,867)</u>	<u>(14,017,798)</u>
	<u>\$ 9,706,675</u>	<u>\$ 9,880,144</u>

#### 5. Fair Value Measurements:

The Organization follows FASB guidance, which provides a framework for measuring fair value under GAAP, for all financial assets and liabilities measured at fair value on a recurring basis.

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The guidance requires that valuation techniques maximize the use of observable inputs and minimize the use of unobservable inputs. The guidance also establishes a fair value hierarchy which prioritizes the valuation inputs into three broad levels. Based on the underlying inputs, each fair value measurement in its entirety is reported in one of the three levels.

These levels are:

Level 1 – Valuation is based upon quoted prices for identical instruments traded in active markets. Level 1 assets and liabilities include debt and equity securities traded in an active exchange market, as well as certain U.S. Treasury securities that are traded by dealers or brokers in active markets.

Level 2 – Valuation is based upon quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model based valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

## ST. JOSEPH'S VILLA

### Notes to Consolidated Financial Statements, Continued

#### 5. Fair Value Measurements, Continued:

Level 3 – Valuation is determined using model-based techniques that use significant assumptions not observable in the market and significant to the fair value measurement. These values are generally determined using pricing models for which the assumptions utilize management's estimates of market participant assumptions.

Assets measured at fair value on a recurring basis included pledges receivable of \$2,429,659 at June 30, 2018, and \$1,720,224 at June 30, 2017, using Level 3 criteria. There were no liabilities measured at fair value on a recurring basis at June 30, 2018 and 2017.

The table below sets forth a summary of changes in the fair value of pledges receivable:

Balance at July 1, 2016	\$ 651,526
New pledges received	1,654,954
Collections on pledges	(500,939)
Write-offs	(33,283)
Change in fair value	(37,038)
Change in allowance for doubtful pledges	<u>(14,996)</u>
Balance at June 30, 2017	1,720,224
New pledges received	2,207,578
Collections on pledges	(1,387,098)
Write-offs	(55,470)
Change in fair value	(65,720)
Change in allowance for doubtful pledges	<u>10,145</u>
Balance at June 30, 2018	<u>\$ 2,429,659</u>

#### 6. Long-Term Debt:

The Organization entered into a mortgage note payable in the amount of \$3,223,200, bearing interest at 3.07% per annum. The mortgage note is payable in monthly installments of principal and interest of \$17,989 with a maturity date of June 1, 2033. The balance of the mortgage note was \$2,592,242 as of June 30, 2018 and was \$2,726,289 as of June 30, 2017.

## ST. JOSEPH'S VILLA

### Notes to Consolidated Financial Statements, Continued

#### 6. Long-Term Debt, Continued:

The estimated annual principal maturities for subsequent years ending June 30 are as follows:

Year Ending June 30,	Amount
2019	\$ 138,220
2020	142,523
2021	146,961
2022	151,537
2023	156,255
Thereafter	1,856,746
	\$ 2,592,242

The following are the components of the mortgage as of June 30, 2018 and 2017:

	2018	2017
Mortgages payable	\$ 2,592,242	\$ 2,726,288
Debt issuance costs, net of \$23,744 and \$11,588 accumulated amortization, respectively	(34,193)	(46,349)
	2,558,049	2,679,939
Less current portion	(138,220)	(134,046)
	\$ 2,419,829	\$ 2,545,893

The deferred financing costs are amortized over the life of the mortgage loan payable and reported as interest expense within the consolidated schedules of functional expenses. The amount expensed was \$12,156 for 2018 and \$2,897 for 2017.

#### 7. Related Party Transactions:

The Villa is associated with St. Joseph's Villa Foundation (the "Foundation"), a non-consolidated affiliated organization. The Foundation made unrestricted contributions to the Organization of \$1,266,610 during 2018 and \$1,319,414 during 2017.

#### 8. Defined Contribution Plan:

The Organization has a defined contribution 403(b) retirement plan in which all employees may participate. Under the plan, the Organization contributes a match up to 5% of eligible employees' salaries. Contributions to the plan totaled \$197,301 for 2018 and \$163,514 for 2017. The contract is assigned to the employee and remains with them upon separation of service.

## ST. JOSEPH'S VILLA

### Notes to Consolidated Financial Statements, Continued

#### 9. Commitments:

##### Office Equipment

The Organization leases equipment under an operating lease agreement. Lease expense was \$46,748 for 2018, and \$37,729 for 2017. Estimated future minimum lease payment under this long-term operating lease is \$44,296 for 2019.

##### Building Lease

The Organization leases a building under an operating lease agreement. Lease expense was \$19,000 for 2018, and \$18,000 for 2017. Estimated future minimum lease payment under this long-term operating lease is \$53,424 for 2019, \$55,091 for 2020, \$35,091 for 2021, and \$5,848 for 2022.

#### 10. Deferred Compensation Agreement:

The Organization also has a nonqualified executive deferred executive compensation agreement with the Chief Executive Officer. The effective date of this agreement was August 1, 2011. The unfunded plan allows for a lump sum deferral plus annual additions. Earnings accrue on the unpaid balance and are credited to the deferred compensation account. The executive's interest in the deferred compensation is nontransferable. The benefit payment begins on the first day of the month next following the date on which the executive's employment terminates or no later than the calendar year in which the executive turns age seventy and one half. The agreement includes a provision of death and disability. Any benefit under the agreement is a mere contractual obligation of the Organization and the Organization is self-insured for this commitment.

#### 11. Leases:

The Organization leases a property located at 8000 Brook Road, Henrico, Virginia, to a third party. The leased property consists of office space that is included in property and equipment – net in the accompanying consolidated financial statements. The lease will terminate December 2018.

## ST. JOSEPH'S VILLA

### Notes to Consolidated Financial Statements, Continued

#### 12. Temporarily Restricted Net Assets:

Temporarily restricted net assets were restricted for the following purposes at June 30:

	<u>2018</u>	<u>2017</u>
RiseUP capital campaign	\$ 4,241,583	\$ 1,653,822
Program service needs	<u>105,068</u>	<u>155,140</u>
	<u>\$ 4,346,651</u>	<u>\$ 1,808,962</u>

Temporarily restricted net assets were released from donor restrictions by incurring expenses to satisfy the following restricted purposes for the years ended June 30:

	<u>2018</u>	<u>2017</u>
RiseUP capital campaign	\$ 460,932	\$ 439,113
Education	-	8,048
Grants and contributions	<u>149,906</u>	<u>115,768</u>
	<u>\$ 610,838</u>	<u>\$ 562,929</u>

#### 13. Board-Designated Net Assets:

Board-designated net assets were restricted for the following purposes at June 30:

	<u>2018</u>	<u>2017</u>
Developers fee	\$ 269,762	\$ 269,762
Real estate held for investment	<u>299,811</u>	<u>299,811</u>
	<u>\$ 569,573</u>	<u>\$ 569,573</u>

## ST. JOSEPH'S VILLA

### Notes to Consolidated Financial Statements, Continued

#### 14. Recent Accounting Guidance:

In August 2016, FASB issued ASU No. 2016-14, "Not-For-Profit Entities (Topic 958): Presentation of Financial Statements of Not-For-Profit Entities", which both simplifies certain aspects of reporting required by not-for-profit organizations and increases disclosures with a goal to improve the usefulness of not-for-profit financial statements to the various stakeholders, including management, directors, lenders, and donors. Significant changes include the following:

- Replaces the existing three classes of net assets (unrestricted, temporarily restricted, and permanently restricted) with two new classes of net assets – net assets with donor restrictions and net assets without donor restrictions
- Changes the net asset classification of the underwater amounts of donor-restricted endowment funds to be shown as a component of *net assets with donor restrictions* and requires additional disclosures for underwater endowment funds
- Requires all not-for-profits to provide expenses by nature and function
- Requires expansive disclosures (both quantitative and qualitative) of information about liquidity and availability of resources.

The amendments in this ASU are effective for fiscal years beginning after December 15, 2017, with early adoption permitted. The Organization has elected not to early adopt this ASU at this time.

#### 15. Federal Grant Reporting Requirements:

The accompanying consolidated financial statements and schedules include the federal grant activity of St. Joseph's Villa Housing Corp., which was audited and reported on separately by other auditors whose reports were dated September 28, 2018 and 2017. Those reports include the schedule of federal awards and expenditures for St. Joseph's Villa Housing Corp. presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administration Guidance, Cost Principles, and Audit Requirements for Federal Awards*.



**SUPPLEMENTAL INFORMATION**

Consolidating Schedules

June 30, 2018

## ST. JOSEPH'S VILLA

### Consolidating Statement of Financial Position June 30, 2018

<u>Assets</u>	<u>St. Joseph's Villa</u>	<u>Housing Corp.</u>	<u>Eliminations</u>	<u>Consolidated Total</u>
Current assets:				
Cash and cash equivalents	\$ 1,431,615	\$ 51,121	\$ -	\$ 1,482,736
Accounts receivable - net	2,031,892	26,011	-	2,057,903
Pledges receivable - net, current	1,079,468	-	-	1,079,468
Other current assets	<u>118,971</u>	<u>15,172</u>	<u>-</u>	<u>134,143</u>
 Total current assets	 <u>4,661,946</u>	 <u>92,304</u>	 <u>-</u>	 <u>4,754,250</u>
Assets limited as to use:				
Cash held for board-designated reserves	269,762	-	-	269,762
Cash held for residents	-	17,314	-	17,314
Cash held in escrow	-	391,937	-	391,937
Cash held for capital campaign	2,238,555	-	-	2,238,555
Cash restricted by grants	<u>105,068</u>	<u>-</u>	<u>-</u>	<u>105,068</u>
 Total assets limited as to use	 <u>2,613,385</u>	 <u>409,251</u>	 <u>-</u>	 <u>3,022,636</u>
 Property and equipment - net	 <u>8,800,988</u>	 <u>905,687</u>	 <u>-</u>	 <u>9,706,675</u>
Other assets:				
Pledges receivable - net, long-term	1,350,191	-	-	1,350,191
Real estate held for investment	299,811	-	-	299,811
Due from affiliates	<u>27,281</u>	<u>-</u>	<u>-</u>	<u>27,281</u>
 Total other assets	 <u>1,677,283</u>	 <u>-</u>	 <u>-</u>	 <u>1,677,283</u>
	<u>\$ 17,753,602</u>	<u>\$ 1,407,242</u>	<u>\$ -</u>	<u>\$ 19,160,844</u>

See Report of Independent Accountants.

## ST. JOSEPH'S VILLA

### Consolidating Statement of Financial Position, Continued June 30, 2018

<u>Liabilities and Net Assets</u>	<u>St. Joseph's Villa</u>	<u>Housing Corp.</u>	<u>Eliminations</u>	<u>Consolidated Total</u>
Current liabilities:				
Long-term debt - net, current	\$ -	\$ 138,220	\$ -	\$ 138,220
Accounts payable - trade	348,170	18,205	-	366,375
Due to affiliates	43,271	-	-	43,271
Accrued interest payable	-	6,632	-	6,632
Accrued salaries and benefits	609,114	13,571	-	622,685
Accrued vacation	272,466	6,528	-	278,994
Deferred revenue	<u>78,039</u>	<u>38</u>	<u>-</u>	<u>78,077</u>
 Total current liabilities	 1,351,060	 183,194	 -	 1,534,254
 Long-term debt - net	 -	 2,419,829	 -	 2,419,829
Other liabilities:				
Funds held for residents	<u>-</u>	<u>15,509</u>	<u>-</u>	<u>15,509</u>
 Total liabilities	 <u>1,351,060</u>	 <u>2,618,532</u>	 <u>-</u>	 <u>3,969,592</u>
Net assets (deficit):				
Unrestricted - undesignated	11,486,318	(1,211,290)	-	10,275,028
Unrestricted - board-designated	<u>569,573</u>	<u>-</u>	<u>-</u>	<u>569,573</u>
Total unrestricted	12,055,891	(1,211,290)	-	10,844,601
Temporarily restricted	<u>4,346,651</u>	<u>-</u>	<u>-</u>	<u>4,346,651</u>
 Total net assets (deficit)	 <u>16,402,542</u>	 <u>(1,211,290)</u>	 <u>-</u>	 <u>15,191,252</u>
	<u>\$ 17,753,602</u>	<u>\$ 1,407,242</u>	<u>\$ -</u>	<u>\$ 19,160,844</u>

See Report of Independent Accountants.

## ST. JOSEPH'S VILLA

### Consolidating Statement of Activities Year Ended June 30, 2018

	St. Joseph's Villa	Housing Corp.	Eliminations	Consolidated Total
Unrestricted net assets:				
Unrestricted support and revenue:				
Program service fees and grants:				
Program service grants	\$ 1,917,572	\$ -	\$ -	\$ 1,917,572
Program service fees	13,461,987	-	-	13,461,987
Net rental income	-	599,452	-	599,452
Contributions and other revenue:				
Contributions	1,870,529	-	-	1,870,529
In-kind contributions	1,400	-	-	1,400
Special events - net	29,969	-	-	29,969
Miscellaneous	140,508	52,825	(10,174)	183,159
Total unrestricted support and revenue	<u>17,421,965</u>	<u>652,277</u>	<u>(10,174)</u>	<u>18,064,068</u>
Net assets released from restriction	<u>610,838</u>	<u>-</u>	<u>-</u>	<u>610,838</u>
Expenses and losses:				
Program services:				
Education	4,217,185	-	-	4,217,185
Developmental disabilities	5,264,360	-	-	5,264,360
Day treatment	1,918,974	-	-	1,918,974
Behavioral health services	1,362,093	-	-	1,362,093
Housing and homeless services	1,788,981	-	-	1,788,981
Hollybrook office	39,463	-	-	39,463
Other services	750,377	-	-	750,377
Housing Corporation	-	595,354	(10,174)	585,180
Support services:				
Management and general	1,824,108	-	-	1,824,108
Fundraising	550,427	-	-	550,427
Loss on property	<u>160,915</u>	<u>-</u>	<u>-</u>	<u>160,915</u>
Total expenses and losses	<u>17,876,883</u>	<u>595,354</u>	<u>(10,174)</u>	<u>18,462,063</u>
Changes in unrestricted net assets	<u>155,920</u>	<u>56,923</u>	<u>-</u>	<u>212,843</u>

See Report of Independent Accountants.

**ST. JOSEPH'S VILLA**

Consolidating Statement of Activities, Continued  
Year Ended June 30, 2018

	St. Joseph's Villa	Housing Corp.	Eliminations	Consolidated Total
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Temporarily restricted net assets:				
Temporarily restricted support and revenue:				
Contributions	\$ 3,048,695	\$ -	\$ -	\$ 3,048,695
Grants	99,832	-	-	99,832
Net assets released from restrictions	<u>(610,838)</u>	<u>-</u>	<u>-</u>	<u>(610,838)</u>
 Changes in temporarily restricted net assets	 <u>2,537,689</u>	 <u>-</u>	 <u>-</u>	 <u>2,537,689</u>
 Change in net assets	 2,693,609	 56,923	 -	 2,750,532
 Net assets (deficit), beginning of year	 <u>13,708,933</u>	 <u>(1,268,213)</u>	 <u>-</u>	 <u>12,440,720</u>
 Net assets (deficit), end of year	 <u>\$ 16,402,542</u>	 <u>\$ (1,211,290)</u>	 <u>\$ -</u>	 <u>\$ 15,191,252</u>

See Report of Independent Accountants.

## ST. JOSEPH'S VILLA

### Consolidating Statement of Functional Expenses Year Ended of June 30, 2018

	<u>Program Services</u>			<u>Support Services - St. Joseph's Villa</u>			Total Expenses
	St. Joseph's Villa	Housing Corp.	Total Program Services	Management and General	Fundraising	Eliminations	
Salaries and wages	\$ 8,999,812	\$ 141,838	\$ 9,141,650	\$ 1,641,926	\$ 496,737	\$ -	\$ 11,280,313
Employee benefits	968,126	31,492	999,618	208,108	51,089	-	1,258,815
Payroll taxes	1,073,408	10,430	1,083,838	157,542	47,466	-	1,288,846
Professional fees	228,904	8,251	237,155	145,866	2,793	-	385,814
Supplies	537,608	20,277	557,885	13,354	1,944	-	573,183
Contracts	-	88,169	88,169	-	-	-	88,169
Telephone	20,813	-	20,813	6,265	926	-	28,004
Postage	1,893	-	1,893	5,273	2,449	-	9,615
Occupancy	677,082	61,339	738,421	303,825	-	(10,174)	1,032,072
Equipment	48,083	-	48,083	18,672	1,157	-	67,912
Printing and publications	8,050	-	8,050	58,576	18,945	-	85,571
Travel	156,124	-	156,124	6,657	4,756	-	167,537
Conference and meetings	10,988	-	10,988	12,083	2,132	-	25,203
Special assistance to individuals	515,741	-	515,741	688	-	-	516,429
Membership dues	11,626	-	11,626	8,010	1,462	-	21,098
Technology	107,435	-	107,435	122,270	2,167	-	231,872
Internal chargeouts	(254,650)	-	(254,650)	254,650	-	-	-
Administration services	1,601,240	-	1,601,240	(1,476,918)	(124,322)	-	-
Interest expense	-	93,635	93,635	-	-	-	93,635
Mortgage insurance premium	-	11,943	11,943	-	-	-	11,943
Miscellaneous	44,032	7,112	51,144	46,504	40,726	-	138,374
Depreciation	585,118	120,868	705,986	290,757	-	-	996,743
<b>Total expenses</b>	<b>\$ 15,341,433</b>	<b>\$ 595,354</b>	<b>\$ 15,936,787</b>	<b>\$ 1,824,108</b>	<b>\$ 550,427</b>	<b>\$ (10,174)</b>	<b>\$ 18,301,148</b>

See Report of Independent Accountants.

Consolidating Schedules

June 30, 2017



## ST. JOSEPH'S VILLA

### Consolidating Statement of Financial Position June 30, 2017

<u>Assets</u>	<u>St. Joseph's Villa</u>	<u>Housing Corp.</u>	<u>Eliminations</u>	<u>Consolidated Total</u>
Current assets:				
Cash and cash equivalents	\$ 1,203,256	\$ 58,443	\$ -	\$ 1,261,699
Accounts receivable - net	1,780,357	29,596	-	1,809,953
Pledges receivable - net, current	738,049	-	-	738,049
Other current assets	<u>147,483</u>	<u>15,246</u>	<u>-</u>	<u>162,729</u>
 Total current assets	 <u>3,869,145</u>	 <u>103,285</u>	 <u>-</u>	 <u>3,972,430</u>
Assets limited as to use:				
Cash held for board-designated reserves	269,762	-	-	269,762
Cash held for residents	-	17,016	-	17,016
Cash held in escrow	-	366,419	-	366,419
Cash held for capital campaign	291,016	-	-	291,016
Cash restricted by grants	<u>155,141</u>	<u>-</u>	<u>-</u>	<u>155,141</u>
 Total assets limited as to use	 <u>715,919</u>	 <u>383,435</u>	 <u>-</u>	 <u>1,099,354</u>
 Property and equipment - net	 <u>8,866,820</u>	 <u>1,013,324</u>	 <u>-</u>	 <u>9,880,144</u>
Other assets:				
Pledges receivable - net, long-term	982,175	-	-	982,175
Real estate held for investment	299,811	-	-	299,811
Due from affiliate	<u>5,983</u>	<u>-</u>	<u>-</u>	<u>5,983</u>
 Total other assets	 <u>1,287,969</u>	 <u>-</u>	 <u>-</u>	 <u>1,287,969</u>
	 <u>\$ 14,739,853</u>	 <u>\$ 1,500,044</u>	 <u>\$ -</u>	 <u>\$ 16,239,897</u>

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## ST. JOSEPH'S VILLA

### Consolidating Statement of Financial Position, Continued June 30, 2017

<u>Liabilities and Net Assets</u>	<u>St. Joseph's Villa</u>	<u>Housing Corp.</u>	<u>Eliminations</u>	<u>Consolidated Total</u>
Current liabilities:				
Long-term debt - net, current	\$ -	\$ 134,046	\$ -	\$ 134,046
Accounts payable - trade	210,566	63,398	-	273,964
Due to affiliate	5,983	-	-	5,983
Accrued interest payable	-	6,975	-	6,975
Accrued salaries and benefits	530,836	2,730	-	533,566
Accrued vacation	251,126	-	-	251,126
Deferred revenue	<u>32,409</u>	<u>203</u>	<u>-</u>	<u>32,612</u>
Total current liabilities	1,030,920	207,352	-	1,238,272
Long-term debt - net	-	2,545,893	-	2,545,893
Other liabilities:				
Funds held for residents	<u>-</u>	<u>15,012</u>	<u>-</u>	<u>15,012</u>
Total liabilities	<u>1,030,920</u>	<u>2,768,257</u>	<u>-</u>	<u>3,799,177</u>
Net assets (deficit):				
Unrestricted - undesignated	11,330,398	(1,268,213)	-	10,062,185
Unrestricted - board-designated	<u>569,573</u>	<u>-</u>	<u>-</u>	<u>569,573</u>
Total unrestricted	11,899,971	(1,268,213)	-	10,631,758
Temporarily restricted	<u>1,808,962</u>	<u>-</u>	<u>-</u>	<u>1,808,962</u>
Total net assets (deficit)	<u>13,708,933</u>	<u>(1,268,213)</u>	<u>-</u>	<u>12,440,720</u>
	<u>\$ 14,739,853</u>	<u>\$ 1,500,044</u>	<u>\$ -</u>	<u>\$ 16,239,897</u>

See Report of Independent Accountants.

## ST. JOSEPH'S VILLA

### Consolidating Statement of Activities Year Ended June 30, 2017

	St. Joseph's Villa	Housing Corp.	Eliminations	Consolidated Total
Unrestricted net assets:				
Unrestricted support and revenue:				
Program service fees and grants:				
Program service grants	\$ 2,304,458	\$ -	\$ -	\$ 2,304,458
Program service fees	11,291,684	-	-	11,291,684
Net rental revenue	-	587,080	-	587,080
Contributions and other revenue:				
Contributions	1,880,363	-	-	1,880,363
In-kind contributions	1,400	-	-	1,400
Special events - net	30,244	-	-	30,244
Miscellaneous	182,126	53,394	(9,878)	225,642
Total unrestricted support and revenue	<u>15,690,275</u>	<u>640,474</u>	<u>(9,878)</u>	<u>16,320,871</u>
Net assets released from restriction	<u>562,929</u>	<u>-</u>	<u>-</u>	<u>562,929</u>
Expenses:				
Program services:				
Education	3,652,322	-	-	3,652,322
Developmental disabilities	4,255,553	-	-	4,255,553
Day treatment	1,728,301	-	-	1,728,301
Behavioral health services	1,223,509	-	-	1,223,509
Housing and homeless services	2,138,433	-	-	2,138,433
Hollybrook office	36,614	-	-	36,614
Other services	785,715	-	-	785,715
Housing Corporation	-	561,322	(9,878)	551,444
Support services:				
Management and general	1,719,456	-	-	1,719,456
Fundraising	541,687	-	-	541,687
Total expenses	<u>16,081,590</u>	<u>561,322</u>	<u>(9,878)</u>	<u>16,633,034</u>
Changes in unrestricted net assets	<u>171,614</u>	<u>79,152</u>	<u>-</u>	<u>250,766</u>

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**ST. JOSEPH'S VILLA**

Consolidating Statement of Activities, Continued  
Year Ended June 30, 2017

	St. Joseph's Villa	Housing Corp.	Eliminations	Consolidated Total
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Temporarily restricted net assets:				
Temporarily restricted support and revenue:				
Contributions	\$ 1,760,673	\$ -	\$ -	\$ 1,760,673
Grants	149,441	-	-	149,441
Net assets released from restrictions	<u>(562,929)</u>	<u>-</u>	<u>-</u>	<u>(562,929)</u>
 Changes in temporarily restricted net assets	 <u>1,347,185</u>	 <u>-</u>	 <u>-</u>	 <u>1,347,185</u>
 Changes in net assets	 1,518,799	 79,152	 -	 1,597,951
Net assets (deficit), beginning of year	<u>12,190,134</u>	<u>(1,347,365)</u>	<u>-</u>	<u>10,842,769</u>
Net assets (deficit), end of year	<u>\$ 13,708,933</u>	<u>\$ (1,268,213)</u>	<u>\$ -</u>	<u>\$ 12,440,720</u>

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## ST. JOSEPH'S VILLA

### Consolidating Statement of Functional Expenses Year Ended June 30, 2017

	Program Services			Support Services - St. Joseph's Villa			Total Expenses
	St. Joseph's Villa	Housing Corp.	Total Program Services	Management and General	Fundraising	Eliminations	
Salaries and wages	\$ 7,655,281	\$ 128,513	\$ 7,783,794	\$ 1,497,554	\$ 451,581	\$ -	\$ 9,732,929
Employee benefits	795,995	23,335	819,330	200,465	50,279	-	1,070,074
Payroll taxes	939,739	10,047	949,786	178,859	41,181	-	1,169,826
Professional fees	190,848	8,649	199,497	137,560	27,758	-	364,815
Supplies	416,158	12,109	428,267	18,222	2,431	-	448,920
Contracts	-	85,805	85,805	-	-	-	85,805
Telephone	19,269	-	19,269	6,786	356	-	26,411
Postage	2,161	-	2,161	6,855	2,483	-	11,499
Occupancy	622,807	70,084	692,891	273,464	58	(9,878)	956,535
Equipment	41,869	-	41,869	16,998	(16)	-	58,851
Printing and publications	11,126	-	11,126	38,688	30,333	-	80,147
Travel	160,523	-	160,523	9,218	2,462	-	172,203
Conference and meetings	10,966	-	10,966	7,353	2,224	-	20,543
Special assistance to individuals	927,174	-	927,174	-	-	-	927,174
Membership dues	29,312	-	29,312	5,646	1,858	-	36,816
Technology	75,913	-	75,913	138,535	20,361	-	234,809
Internal chargeouts	(199,612)	-	(199,612)	199,612	-	-	-
Administration services	1,532,723	25	1,532,748	(1,397,506)	(135,217)	-	25
Interest expense	-	88,433	88,433	-	-	-	88,433
Mortgage insurance premium	-	12,538	12,538	-	-	-	12,538
Miscellaneous	24,488	4,020	28,508	59,430	43,555	-	131,493
Depreciation	563,707	117,764	681,471	321,717	-	-	1,003,188
<b>Total expenses</b>	<b>\$ 13,820,447</b>	<b>\$ 561,322</b>	<b>\$ 14,381,769</b>	<b>\$ 1,719,456</b>	<b>\$ 541,687</b>	<b>\$ (9,878)</b>	<b>\$ 16,633,034</b>

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St. Joseph's Villa Schedules

June 30, 2018 and 2017

## ST. JOSEPH'S VILLA

### Statements of Financial Position June 30, 2018 and 2017

<u>Assets</u>	<u>2018</u>	<u>2017</u>
Current assets:		
Cash and cash equivalents	\$ 1,431,615	\$ 1,203,256
Accounts receivable	2,031,892	1,780,357
Pledges receivable - net, current	1,079,468	738,049
Other current assets	118,971	147,483
Total current assets	4,661,946	3,869,145
Assets limited as to use:		
Cash held for board-designated reserves	269,762	269,762
Cash held for capital campaign	2,238,555	291,016
Cash restricted by grants	105,068	155,141
Total assets limited as to use	2,613,385	715,919
Property and equipment - net	8,800,988	8,866,820
Other assets:		
Pledges receivable - net, long-term	1,350,191	982,175
Real estate held for investment	299,811	299,811
Due from affiliate	27,281	5,983
Total other assets	1,677,283	1,287,969
	\$ 17,753,602	\$ 14,739,853
<u>Liabilities and Net Assets</u>		
Current liabilities:		
Accounts payable - trade	\$ 348,170	\$ 210,566
Due to affiliate	43,271	5,983
Accrued salaries and benefits	609,114	530,836
Accrued vacation	272,466	251,126
Deferred revenue	78,039	32,409
Total current liabilities	1,351,060	1,030,920
Net assets:		
Unrestricted - undesignated	11,486,318	11,330,398
Unrestricted - board-designated	569,573	569,573
Total unrestricted	12,055,891	11,899,971
Temporarily restricted	4,346,651	1,808,962
Total net assets	16,402,542	13,708,933
	\$ 17,753,602	\$ 14,739,853

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## ST. JOSEPH'S VILLA

### Statement of Activities Year Ended June 30, 2018

	Unrestricted	Temporarily Restricted	Total
Support and revenue:			
Program service fees and grants:			
Program service grants	\$ 1,917,572	\$ -	\$ 1,917,572
Program service fees	13,461,987	-	13,461,987
Contributions and other revenue:			
Contributions	1,870,529	3,048,695	4,919,224
In-kind contributions	1,400	-	1,400
Special events - net	29,969	-	29,969
Miscellaneous	140,508	-	140,508
Grants	-	99,832	99,832
Total support and revenue	17,421,965	3,148,527	20,570,492
Net assets released from restrictions	610,838	(610,838)	-
Expenses and losses:			
Program services:			
Education	4,217,185	-	4,217,185
Developmental disabilities	5,264,360	-	5,264,360
Day treatment	1,918,974	-	1,918,974
Behavioral health services	1,362,093	-	1,362,093
Housing and homeless services	1,788,981	-	1,788,981
Hollybrook office	39,463	-	39,463
Other services	750,377	-	750,377
Total program services	15,341,433	-	15,341,433
Support services:			
Management and general	1,824,108	-	1,824,108
Fundraising	550,427	-	550,427
Total support services	2,374,535	-	2,374,535
Loss on property	160,915	-	160,915
Total expenses and losses	17,876,883	-	17,876,883
Changes in net assets	155,920	2,537,689	2,693,609
Net assets, beginning of year	11,899,971	1,808,962	13,708,933
Net assets, end of year	\$ 12,055,891	\$ 4,346,651	\$ 16,402,542

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## ST. JOSEPH'S VILLA

### Statement of Activities Year Ended June 30, 2017

	Unrestricted	Temporarily Restricted	Total
Support and revenue:			
Program service fees and grants:			
Program service grants	\$ 2,304,458	\$ -	\$ 2,304,458
Program service fees	11,291,684	-	11,291,684
Contributions and other revenue:			
Contributions	1,880,363	1,760,673	3,641,036
In-kind contributions	1,400	-	1,400
Special events - net	30,244	-	30,244
Miscellaneous	182,126	-	182,126
Grants	-	149,441	149,441
Total support and revenue	15,690,275	1,910,114	17,600,389
Net assets released from restrictions	562,929	(562,929)	-
Expenses:			
Program services:			
Education	3,652,322	-	3,652,322
Developmental disabilities	4,255,553	-	4,255,553
Day treatment	1,728,301	-	1,728,301
Behavioral health services	1,223,509	-	1,223,509
Housing and homeless services	2,138,433	-	2,138,433
Hollybrook office	36,614	-	36,614
Other services	785,715	-	785,715
Total program services	13,820,447	-	13,820,447
Support services:			
Management and general	1,719,456	-	1,719,456
Fundraising	541,687	-	541,687
Total support services	2,261,143	-	2,261,143
Total expenses	16,081,590	-	16,081,590
Changes in net assets	171,614	1,347,185	1,518,799
Net assets, beginning of year	11,728,357	461,777	12,190,134
Net assets, end of year	\$ 11,899,971	\$ 1,808,962	\$ 13,708,933

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**ST. JOSEPH'S VILLA**

Statement of Functional Expenses  
Year Ended June 30, 2018

	Program Services							Total Program Services	
	Developmental		Day Treatment	Behavioral		Housing and	Hollybrook		Other
	Education	Disabilities		Health Services	Homeless Services	Office	Services		
Salaries and wages	\$ 2,287,060	\$ 3,260,729	\$ 1,173,038	\$ 651,501	\$ 739,156	\$ -	\$ 888,328	\$ 8,999,812	
Employee benefits	250,065	331,095	111,105	75,062	96,984	-	103,815	968,126	
Payroll taxes	229,656	313,097	114,347	202,250	89,070	-	124,988	1,073,408	
Professional fees	13,032	29,566	9,516	43,132	7,018	-	126,640	228,904	
Supplies	106,837	127,999	40,236	11,966	2,434	-	248,136	537,608	
Telephone	1,439	4,332	4,208	1,691	5,651	-	3,492	20,813	
Postage	1,306	80	93	261	153	-	-	1,893	
Occupancy	121,449	123,646	33,324	45,492	25,760	3,151	324,260	677,082	
Equipment	9,038	14,099	5,593	2,308	5,607	-	11,438	48,083	
Printing and publications	1,770	1,698	2,388	1,789	96	-	309	8,050	
Travel	10,244	42,706	42,992	4,005	22,332	-	33,845	156,124	
Conference and meetings	4,899	762	1,301	911	2,361	-	754	10,988	
Special assistance to individuals	18,968	-	-	65	496,708	-	-	515,741	
Membership dues	2,289	3,192	100	-	565	-	5,480	11,626	
Technology	68,319	14,553	8,473	5,161	7,457	-	3,472	107,435	
Internal chargeouts	427,545	432,432	102,242	109,317	12,374	13,751	(1,352,311)	(254,650)	
Administration services	440,498	404,409	197,654	156,507	234,654	22,561	144,957	1,601,240	
Miscellaneous	14,780	10,398	463	741	17,333	-	317	44,032	
Depreciation	207,991	149,567	71,901	49,934	23,268	-	82,457	585,118	
Total expenses	<u>\$ 4,217,185</u>	<u>\$ 5,264,360</u>	<u>\$ 1,918,974</u>	<u>\$ 1,362,093</u>	<u>\$ 1,788,981</u>	<u>\$ 39,463</u>	<u>\$ 750,377</u>	<u>\$ 15,341,433</u>	

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**ST. JOSEPH'S VILLA**

Statement of Functional Expenses, Continued  
Year Ended June 30, 2018

	Support Services		Total Support Services	Total
	Management and General	Fundraising		
Salaries and wages	\$ 1,641,926	\$ 496,737	\$ 2,138,663	\$ 11,138,475
Employee benefits	208,108	51,089	259,197	1,227,323
Payroll taxes	157,542	47,466	205,008	1,278,416
Professional fees	145,866	2,793	148,659	377,563
Supplies	13,354	1,944	15,298	552,906
Telephone	6,265	926	7,191	28,004
Postage	5,273	2,449	7,722	9,615
Occupancy	303,825	-	303,825	980,907
Equipment	18,672	1,157	19,829	67,912
Printing and publications	58,576	18,945	77,521	85,571
Travel	6,657	4,756	11,413	167,537
Conference and meetings	12,083	2,132	14,215	25,203
Special assistance to individuals	688	-	688	516,429
Membership dues	8,010	1,462	9,472	21,098
Technology	122,270	2,167	124,437	231,872
Internal chargeouts	254,650	-	254,650	-
Administration services	(1,476,918)	(124,322)	(1,601,240)	-
Miscellaneous	46,504	40,726	87,230	131,262
Depreciation	290,757	-	290,757	875,875
Total expenses	<u>\$ 1,824,108</u>	<u>\$ 550,427</u>	<u>\$ 2,374,535</u>	<u>\$ 17,715,968</u>

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**ST. JOSEPH'S VILLA**

Statement of Functional Expenses, Continued  
Year Ended June 30, 2017

	Program Services							Total Program Services
	Developmental			Behavioral	Housing and	Hollybrook	Other	
	Education	Disabilities	Day Treatment	Health Services	Homeless Services	Office	Services	
Salaries and wages	\$ 1,940,768	\$ 2,592,859	\$ 1,010,384	\$ 599,788	\$ 721,539	\$ -	\$ 789,943	\$ 7,655,281
Employee benefits	202,294	252,370	109,214	56,474	90,695	-	84,948	795,995
Payroll taxes	177,679	242,021	108,333	194,556	78,604	-	138,546	939,739
Professional fees	9,410	13,230	7,734	22,084	11,287	-	127,103	190,848
Supplies	80,939	107,273	31,869	6,679	3,216	-	186,182	416,158
Telephone	1,350	2,882	2,692	1,753	6,226	-	4,366	19,269
Postage	1,146	50	171	88	706	-	-	2,161
Occupancy	127,378	97,250	33,000	36,877	25,048	3,158	300,096	622,807
Equipment	6,289	11,487	5,123	2,375	3,252	-	13,343	41,869
Printing and publications	260	1,622	7,365	1,013	79	-	787	11,126
Travel	9,597	35,019	60,275	2,170	15,450	-	38,012	160,523
Conference and meetings	5,058	1,226	2,499	603	709	-	871	10,966
Special assistance to individuals	21,637	-	-	-	905,537	-	-	927,174
Membership dues	5,375	2,931	30	25	1,065	-	19,886	29,312
Technology	33,442	11,977	1	2,547	7,230	-	20,716	75,913
Internal chargeouts	385,577	360,446	94,798	101,397	12,001	13,335	(1,167,166)	(199,612)
Administration services	418,360	376,835	182,675	160,561	231,978	20,121	142,193	1,532,723
Miscellaneous	13,386	4,383	4,106	735	48	-	1,830	24,488
Depreciation	212,377	141,692	68,032	33,784	23,763	-	84,059	563,707
Total expenses	<u>\$ 3,652,322</u>	<u>\$ 4,255,553</u>	<u>\$ 1,728,301</u>	<u>\$ 1,223,509</u>	<u>\$ 2,138,433</u>	<u>\$ 36,614</u>	<u>\$ 785,715</u>	<u>\$ 13,820,447</u>

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**ST. JOSEPH'S VILLA**

Statement of Functional Expenses, Continued  
Year Ended June 30, 2017

	Support Services			
	Management and General	Fundraising	Total Support Services	Total
Salaries and wages	\$ 1,497,554	\$ 451,581	\$ 1,949,135	\$ 9,604,416
Employee benefits	200,465	50,279	250,744	1,046,739
Payroll taxes	178,859	41,181	220,040	1,159,779
Professional fees	137,560	27,758	165,318	356,166
Supplies	18,222	2,431	20,653	436,811
Telephone	6,786	356	7,142	26,411
Postage	6,855	2,483	9,338	11,499
Occupancy	273,464	58	273,522	896,329
Equipment	16,998	(16)	16,982	58,851
Printing and publications	38,688	30,333	69,021	80,147
Travel	9,218	2,462	11,680	172,203
Conference and meetings	7,353	2,224	9,577	20,543
Special assistance to individuals	-	-	-	927,174
Membership dues	5,646	1,858	7,504	36,816
Technology	138,535	20,361	158,896	234,809
Internal chargeouts	199,612	-	199,612	-
Administration services	(1,397,506)	(135,217)	(1,532,723)	-
Miscellaneous	59,430	43,555	102,985	127,473
Depreciation	321,717	-	321,717	885,424
Total expenses	\$ 1,719,456	\$ 541,687	\$ 2,261,143	\$ 16,081,590

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