

CATHEDRAL OF ST. AUGUSTINE'S

**FINANCIAL STATEMENTS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2016**

Logan & Associates, P.C.

Certified Public Accountants

INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

**To the Trustees
Cathedral of St. Augustine's
Flint, Michigan**

Management is responsible for the accompanying financial statements of Cathedral of St. Augustine's (a nonprofit organization), which comprise the statement of financial position as of December 31, 2016, and the related statements of activities and cash flows for the Twelve months then ended, and the related notes to the financial statements in accordance with accounting principles generally accepted in the United States of America.

We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.



January 31, 2017

**CATHEDRAL OF ST. AUGUSTINE'S
STATEMENT OF FINANCIAL POSITION
December 31, 2016**

Assets

Current assets:	
Cash and cash equivalents	\$ 211,289
Credit card receivable	5,500
Pledge receivables	1,200,000
Supplies inventory	675
Charitable reliance contribution	589,800
Total current assets	<u>2,007,264</u>
Restricted cash - bond servicing	1,855,000
Property and equipment:	
Land and buildings	18,080,000
Equipment	125,000
Furniture	3,500
Less accumulated depreciation	(51,416)
	<u>18,157,084</u>
Other assets:	
28 Michigan Cemeteries	26,500,000
Total assets	<u><u>48,519,348</u></u>

Liabilities and Net Assets

Current liabilities:	
Accounts payable and accrued expenses	30,500
Credit cards payable	2,700
Total current liabilities	<u>33,200</u>
Long-Term Debt:	
Bonds payable	26,500,000
Mortgage payable	600,500
Total liabilities	<u><u>27,133,700</u></u>
Net assets	
Unrestricted	19,530,648
Temporarily restricted	1,855,000
Total net assets	<u><u>21,385,648</u></u>
Total liabilities and net assets	<u><u>\$ 48,519,348</u></u>

See accountant's compilation report

CATHEDRAL OF ST. AUGUSTINE'S
STATEMENT OF ACTIVITIES
For The Twelve Months Ending
December 31, 2016

	2016
SUPPORT AND REVENUE - Unrestricted:	
Tithes	\$ 33,645
Offerings	22,765
Church School/Children's Church:	
Children's Church	227
Church School	766
Church School/Children's Church-Other	
	35,515
Total Church School/Children's Church	36,508
Annual Days	
Church Anniversary	12,515
Alter Circle Annual Day	1,737
Men's/Women's Annual Day	3,527
Mission/Ministry Annual Day	1,173
Total Annual Days	18,952
Leasing Income	25,565
Income from Professional Services	37,535
MI Cemeteries:	
Cemetery operating income, net	535,765
Pledge Contribution Income:	
Crematorium income	5,431
Pre-needs income	7,355
At-needs income	2,371
Flowers & Winter Beautification income	12,545
Other misc cemetery income	177,545
	741,012
Total Support and Revenue	915,982
EXPENSES - Unrestricted:	
Depreciation	13,083
Loan Payments - Credit Card	2,735
Loan Payment - Mortgage	32,545
Loan Payment - Bond Interest	75,525
Professional Services	16,325
Support Services, Management, and General	16,325
DTE Payment	6,542
Professional Insurance	14,575
Board of Trustees 401K	1,645
Total Expenses	179,300
INCREASE IN NET ASSETS	736,682
NET ASSETS:	
Beginning of year	20,648,966
End of year	\$ 21,385,648

See accountant's compilation report

CATHEDRAL OF ST. AUGUSTINE'S STATEMENT OF CASH FLOWS
For The Twelve Months Ending December 31, 2016

Cash flows from operating activities:

Change in net assets	\$ 736,682
Adjustments to reconcile change in net assets to net cash used by operating activities:	
Depreciation	2,308
(Increase)/ decrease in accounts receivables	-
(Increase)/ decrease in credit card receivable	3,200
(Increase)/ decrease in pledges receivables	429,333
(Increase)/ decrease in supplies inventory	535
(Increase)/ decrease in charitable reliance contribution	(484,654)
Increase/(decrease) in credit cards payable	1,500
Increase/(decrease) in accounts payable	15,500
Net cash provided/(used) by operating activities	704,404

Cash flows from investing activities:

Purchase of 28 MI Cemeteries	(26,500,000)
Purchase of land and buildings	(1,281,336)
Net decrease in furniture and equipment	(78,279)
Net cash provided/(used) by investing activities	(27,859,615)

Cash flows from financing activities:

Proceeds from bonds payable	26,500,000
Mortgage payable	600,500
Net cash provided/(used) by financing activities	27,100,500

Net increase/(decrease) in cash and cash equivalents **(54,711)**

Cash - Beginning of year **266,000**

Cash - End of year **\$ 211,289**

See accountant's compilation report

CATHEDRAL OF ST. AUGUSTINE'S
NOTES TO FINANCIAL
STATEMENTS
December 31, 2016

NOTE 1 **Nature of Activities and Summary of Significant Accounting Policies**

Organization

Cathedral of St. Augustine's ("the Cathedral") is organized as a faith-based religious organization and is recognized as an ecclesiastical tax-exempt non-profit entity consistent with IRS Publication 1828 and Internal Revenue Code Section 557. The Cathedral is registered in the state of Michigan, Department of Licensing and Regulatory Affairs (LARA) under corporate identification number 775302, as an Ecclesiastical Faith-Based Religious Organization. The Cathedral's charter specifically authorizes the corporation to own, operate, manage, and administer cemeteries consistent with its By-laws in consideration of regulatory statutes that govern cemeteries that a non-profit corporation owns. It is the objective of the Cathedral of St. Augustine's to acquire, own, operate, and manage cemeteries available for sale within the state of Michigan. The Cathedral of St. Augustine's is a faith-based affiliate of St. Augustine's National Foundation.

Basis of Accounting

The accompanying financial statements have been prepared using the accrual basis of accounting in accordance with generally accepted accounting principles.

Basis of Presentation

As noted above, the accompanying financial statements have been prepared using the accrual basis of accounting in accordance with generally accepted accounting principles. Accordingly, management made certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Company and changes therein are classified and reported as follows:

Unrestricted - net assets that are not subject to donor-imposed stipulations.

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

Permanently restricted - net assets required to be maintained in perpetuity.

**CATHEDRAL OF ST. AUGUSTINE'S NOTES
TO FINANCIAL STATEMENTS
December 31, 2016**

NOTE 1 Nature of Activities and Summary of Significant Accounting Policies (Cont'd)

Revenue Recognition

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. All donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restriction.

Donations of property, equipment and library books are recorded as support at their estimated fair value at the date of donation. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire the equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Cathedral reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Foundation reclassifies temporarily restricted net assets to unrestricted net assets at that time.

Property and Equipment

Property and equipment is stated at cost or approximate market value at the date acquired, if acquired by gift. Depreciation is provided over the estimated useful lives of the assets using the straight-line method of depreciation.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Income Tax Status

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

The Company's Forms 990, *Return of Organization Exempt from Income Tax*, for the years ending 2013, 2014, and 2015 are subject to examination by the IRS, generally for three years after they were filed.

**CATHEDRAL OF ST. AUGUSTINE'S NOTES
TO FINANCIAL STATEMENTS
December 31, 2016**

NOTE 1 Nature of Activities and Summary of Significant Accounting Policies (Cont'd)

Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 2 Subsequent Events

On November 24th, 2015, Michigan Treasury Strategic Fund approved Capital Access to Wall Street funding in the amount of \$26,500,000 on behalf of the Cathedral of St. Augustine's. A \$100,000 Trust; Restricted was established for the purchase of 28 cemeteries located throughout the state of Michigan. The total purchase price of the 28 cemeteries is adjusted to \$18,000,000. Consummation of transaction is pending approval of the US Federal District Court Northern District Atlanta Georgia. On August 17, 2015, Cathedral of St. Augustine's acquired the rights to purchase Knollwood Memorial Park Cemetery. The Sellers granted Cathedral an "Equity Contribution" toward the purchase prices that is comprised of a credit in excess of Six Hundred. As well, a credit that is accrued as a result of monthly income earned from forward market sales and professional services in an amount in excess of \$32,000. Cathedral of St. Augustine's have been granted authorization of Sellers to Manage and Operate Marketing and Sales Services for the Knollwood Cemetery pursuant to approval of State of Michigan Cemetery Commission.

Management has evaluated subsequent events through December 31, 2016, the date on which the financial statements were available to be issued.