



**ABBATE DEMARINIS, LLP**  
Certified Public Accountants & Consultants

**ST. MICHAEL'S HOME, INC.**  
**(A Not-For-Profit Corporation)**

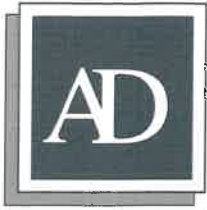
**FINANCIAL STATEMENTS**

**As of and for the Years Ended**  
**December 31, 2018 and 2017**

**ST. MICHAEL'S HOME, INC.**  
**(A Not-For-Profit Corporation)**

**CONTENTS**

	<b><u>PAGES</u></b>
<b>Independent Auditors' Report</b>	1
<b>Financial Statements</b>	
Statements of Financial Position	2
Statements of Activities and Changes in Net Assets	3 – 4
Statements of Cash Flows	5
Notes to Financial Statements	6 – 10
<b>Independent Auditors' Report on Supplementary Information</b>	11
<b>Supplementary Information</b>	
Schedule I - Schedule of Selected Expenses	12
Schedule II – Schedule of Selected Non-Operating Support	13



**ABBATE DEMARINIS, LLP**  
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*Independent Auditors' Report*

Board of Trustees of  
St. Michael's Home, Inc.

**Report on the Financial Statements**

We have audited the accompanying financial statements of St. Michael's Home, Inc., which comprise the statements of financial position as of December 31, 2018 and 2017, and the related statements of activities and changes in net assets, and cash flows for the years 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

*Opinion*

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of St. Michael's Home, Inc., as of December 31, 2018 and 2017, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

CERTIFIED PUBLIC ACCOUNTANTS  
October 24, 2019

**ST. MICHAEL'S HOME, INC.**  
**(A Not-For-Profit Corporation)**

**STATEMENTS OF FINANCIAL POSITION**

**December 31, 2018 and 2017**

	<b><u>2018</u></b>	<b><u>2017</u></b>
<b><u>ASSETS</u></b>		
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	\$ 20,612	\$ 13,164
Accounts Receivable	29,234	21,073
Other Receivable	-	250,000
Prepaid Expenses and Other Current Assets	57,179	66,344
Mortgage Escrows	<u>120,837</u>	<u>80,947</u>
<b>TOTAL CURRENT ASSETS</b>	<u>227,862</u>	<u>431,528</u>
<b>PROPERTY AND EQUIPMENT - NET (Note 3)</b>	11,354,517	11,040,240
<b>OTHER ASSETS</b>		
Beneficial Interest in Split-Interest Agreements (Note 4)	540,931	600,124
Assets Whose Use is Limited (Note 5)	<u>5,709,659</u>	<u>4,168,317</u>
<b>TOTAL OTHER ASSETS</b>	<u>6,250,590</u>	<u>4,768,441</u>
<b>TOTAL ASSETS</b>	<u>\$ 17,832,969</u>	<u>\$ 16,240,209</u>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
<b>CURRENT LIABILITIES</b>		
Accounts Payable	\$ 127,793	\$ 1,399,484
Accrued Expenses	34,586	78,980
Mortgage Payable - Current Portion (Note 6)	<u>54,054</u>	<u>51,777</u>
<b>TOTAL CURRENT LIABILITIES</b>	<u>216,433</u>	<u>1,530,241</u>
<b>MORTGAGE PAYABLE LESS CURRENT PORTION (Note 6)</b>	<u>1,700,295</u>	<u>1,746,679</u>
<b>TOTAL LIABILITIES</b>	<u>1,916,728</u>	<u>3,276,920</u>
<b>COMMITMENTS AND CONTINGENCIES (Note 7)</b>		
<b>NET ASSETS</b>		
Without Donor Restrictions	9,665,651	8,194,848
With Donor Restrictions (Notes 4 and 5)	<u>6,250,590</u>	<u>4,768,441</u>
<b>TOTAL NET ASSETS</b>	<u>15,916,241</u>	<u>12,963,289</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 17,832,969</u>	<u>\$ 16,240,209</u>

The accompanying notes are an integral part of these financial statements.

**ST. MICHAEL'S HOME, INC.**  
**(A Not-For-Profit Corporation)**

**STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS**

**For the Year Ended December 31, 2018**

	<b><u>2018</u></b>		
	<b><u>Without Donor Restrictions</u></b>	<b><u>With Donor Restrictions</u></b>	<b><u>Total</u></b>
<b>OPERATING SUPPORT</b>			
Revenues - Resident Fees	\$ 1,255,310	\$ -	\$ 1,255,310
<b>Expenses (Schedule I)</b>			
Care of Residents	1,387,510	-	1,387,510
Administrative Expenses	546,108	-	546,108
<b>Total Expenses</b>	<u>1,933,618</u>	<u>-</u>	<u>1,933,618</u>
<b>NET OPERATING SUPPORT LOSS BEFORE NON OPERATING SUPPORT</b>	<u>(678,308)</u>	<u>-</u>	<u>(678,308)</u>
<b>NON OPERATING SUPPORT</b>			
Contributions and Pledges	170,223	3,287,307	3,457,530
Bequests and Memorials	38,703	-	38,703
Holiday Appeals	86,655	-	86,655
Chapel Income	3,602	-	3,602
Dinner Dance Event - Net (Schedule II)	95,512	-	95,512
Investment Income	-	3,857	3,857
Pledges – Club 1000	2,000	-	2,000
Loss on Beneficial Interest in Split-interest Agreements	-	(59,193)	(59,193)
Other Income	2,594	-	2,594
<b>TOTAL NON OPERATING SUPPORT</b>	<u>399,289</u>	<u>3,231,971</u>	<u>3,631,260</u>
<b>(DECREASE) INCREASE IN NET ASSETS</b>	(279,019)	3,231,971	2,952,952
<b>NET ASSETS - BEGINNING OF YEAR</b>	8,194,848	4,768,441	12,963,289
<b>NET ASSETS RELEASED FROM RESTRICTIONS</b>	<u>1,749,822</u>	<u>(1,749,822)</u>	<u>-</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 9,665,651</u>	<u>\$ 6,250,590</u>	<u>\$ 15,916,241</u>

The accompanying notes are an integral part of these financial statements.

**ST. MICHAEL'S HOME, INC.**  
**(A Not-For-Profit Corporation)**

**STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS**

**For the Year Ended December 31, 2017**

	<b><u>2017</u></b>		
	<b><u>Without Donor Restrictions</u></b>	<b><u>With Donor Restrictions</u></b>	<b><u>Total</u></b>
<b>OPERATING SUPPORT</b>			
Revenues - Resident Fees	\$ 1,255,305	\$ -	\$ 1,255,305
<b>Expenses (Schedule I)</b>			
Care of Residents	1,390,125	-	1,390,125
Administrative Expenses	599,653	-	599,653
<b>Total Expenses</b>	<u>1,989,778</u>	<u>-</u>	<u>1,989,778</u>
<b>NET OPERATING SUPPORT LOSS BEFORE NON OPERATING SUPPORT</b>	<u>(734,473)</u>	<u>-</u>	<u>(734,473)</u>
<b>NON OPERATING SUPPORT</b>			
Contributions and Pledges	147,181	4,233,449	4,380,630
Bequests and Memorials	45,383	-	45,383
Holiday Appeals	96,894	-	96,894
Chapel Income	6,129	-	6,129
Dinner Dance Event - Net (Schedule II)	117,102	-	117,102
Investment Income	-	5,923	5,923
Pledges – Club 1000	3,000	-	3,000
Gain on Beneficial Interest in Split-interest Agreements	-	45,361	45,361
Other Income	2,074	-	2,074
<b>TOTAL NON OPERATING SUPPORT</b>	<u>417,763</u>	<u>4,284,733</u>	<u>4,702,496</u>
<b>(DECREASE) INCREASE IN NET ASSETS</b>	(316,710)	4,284,733	3,968,023
<b>NET ASSETS - BEGINNING OF YEAR</b>	7,446,202	1,549,064	8,995,266
<b>NET ASSETS RELEASED FROM RESTRICTIONS</b>	<u>1,065,356</u>	<u>(1,065,356)</u>	<u>-</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 8,194,848</u>	<u>\$ 4,768,441</u>	<u>\$ 12,963,289</u>

The accompanying notes are an integral part of these financial statements.

**ST. MICHAEL'S HOME, INC.**  
**(A Not-For-Profit Corporation)**

**STATEMENTS OF CASH FLOWS**

**For the Years Ended December 31, 2018 and 2017**

	<u>2018</u>	<u>2017</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Increase in Net Assets	\$ 2,952,952	\$ 3,968,023
<b>Adjustments to Reconcile Increase in Net Assets to Net Cash Provided by Operating Activities</b>		
Amortization	7,923	7,923
Depreciation	176,259	180,369
Loss (Gain) on Beneficial Interest in Split-interest Agreements	59,193	(45,361)
<b>(Increase) Decrease in Assets</b>		
Accounts Receivable	(8,161)	(5,338)
Other Receivable	250,000	(250,000)
Prepaid Expenses and Other Current Assets	9,165	5,156
Mortgage Escrows	(39,890)	4,967
<b>Increase (Decrease) in Liabilities</b>		
Accounts Payable	(1,271,691)	1,316,703
Accrued Expenses	(44,394)	8,450
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>2,091,356</u>	<u>5,190,892</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of Property and Equipment	(490,536)	(1,989,320)
Increase in Assets Whose Use is Limited	(1,541,342)	(3,178,050)
<b>NET CASH USED BY INVESTING ACTIVITIES</b>	<u>(2,031,878)</u>	<u>(5,167,370)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payments on Mortgage Payable	(52,030)	(49,840)
<b>NET CASH USED BY FINANCING ACTIVITIES</b>	<u>(52,030)</u>	<u>(49,840)</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	7,448	(26,318)
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>13,164</u>	<u>39,482</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u>\$ 20,612</u>	<u>\$ 13,164</u>

The accompanying notes are an integral part of these financial statements.

**ST. MICHAEL'S HOME, INC.**  
**(A Not-For-Profit Corporation)**

**NOTES TO FINANCIAL STATEMENTS**

**As of and for the Years Ended December 31, 2018 and 2017**

(1) **Nature of Operations** - St. Michael's Home, Inc. (the "Home") is a not-for-profit corporation dedicated to the purpose of providing living facilities and services for the aged.

(2) **Summary of Significant Accounting Policies** - The significant accounting policies followed by the Home is summarized below:

**Basis of Accounting** - The Home utilizes the accrual basis of accounting and report accordingly.

**Use of Estimates** - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of 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.

**Reclassifications** - Certain amounts in the prior year presented have been reclassified to conform to the current period financial statement presentation. These reclassifications have no effect on previously reported net income.

**Cash and Cash Equivalents** - The Home considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents

**Net Resident Service Revenues** - Net resident service revenues are recorded at the standard private pay rates and written down via contractual allowances to arrive at the expected net realizable amounts from residents, third-party payors, and others for room and board services provided.

The Home has agreements with third-party payors that provide payments to the Home at amounts different from its standard rates. Services provided to Medicare beneficiaries are paid under terms of a prospective payment system at predetermined rates based on clinical, diagnostic, and other factors. Services provided to Medicaid beneficiaries are paid at prospectively determined rates per day. These rates vary per a resident classification system that is based on clinical, diagnostic, and other factors, and the reimbursement methodology is subject to various limitations and prospective and retroactive adjustments. The Home is exposed to the risk of changes in Medicare and Medicaid revenues as they are subject to audit by the third-party payors and retroactive adjustment. Provisions for estimated retroactive adjustments both positive and negative has been made in the financial statements if they can be reasonably estimated.

Differences between the estimated amounts accrued and subsequent settlements are reflected during the year of settlement, in the statement of operations as adjustments to net patient service revenues. Medicaid cost reports, which serve as the basis for final settlement, remain open for audit and settlement.

**Receivables and Bad Debts** - Accounts receivable represents net realizable amounts due from private and third-party payors for amounts billed to residents for services provided. Accounts receivable are stated at the amount the Home expects to collect. The Home provides an allowance for doubtful accounts equal to the estimated uncollectible amounts. The Home's estimate is based on historical collection experience and a review of the status of resident accounts receivable. It is reasonably possible that the Home's estimate of the allowance for doubtful accounts will change. The allowance for doubtful accounts was \$0 as of December 31, 2018 and 2017, respectively.



**ST. MICHAEL'S HOME, INC.**  
**(A Not-For-Profit Corporation)**

**NOTES TO FINANCIAL STATEMENTS**

**As of and for the Years Ended December 31, 2018 and 2017**

**(2) Summary of Significant Accounting Policies (continued)**

**Investment Valuation and Income Recognition** – Investments are recorded at fair value and are categorized based upon a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. Fair value of a financial instrument is the amount that would be received in an asset sale or paid to transfer a liability in an orderly transaction between market participants on the measurement date. The categorization of financial instruments within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The hierarchy is prioritized into three level defined as follows:

Level 1 – Inputs are based on quoted prices in active markets for identical assets or liabilities that are accessible at the measurement date.

Level 2 – Inputs are other than quoted prices included in level 1 that are observable for the asset or liability, either directly or indirectly (i.e. – quoted prices of similar assets or liabilities in active markets, or quoted prices for identical or similar assets or liabilities in markets that are not active).

Level 3 – Inputs are unobservable inputs (i.e. – a company's own data) for the asset or liability and should be used to measure fair value to the extent that relevant observable inputs are not available.

The Home invests in various marketable securities and mutual funds and is reported at fair market value based upon quoted market prices (level 1). Unrealized holding gains and losses are excluded from earnings and are reported as a separate component of members' deficit until realized. Purchases and sales of securities are recorded on a trade-date basis. Realized gains and losses from the sales of securities are included in earnings and are determined on a specific identification basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

On an annual basis, individual investments are reviewed for impairment to determine whether the fair value is less than its cost. If a decline in fair value is less than its cost, this impairment is assessed as either temporary or other-than-temporary. There were no temporary or other-than-temporary impairments recorded during the years ended December 31, 2018 and 2017, respectively.

**Property and Equipment** – Property and equipment is recorded at cost and includes expenditures for additions and improvements that extend the useful lives of the building and equipment. Expenditures for maintenance and repairs are charged to expense as incurred. Upon retirement or disposal, the related costs and accumulated depreciation are reduced by the carrying amounts. Gains or losses on these transactions are included in income or expense as incurred. Property and equipment are depreciated using the straight-line method over their estimated useful lives.

**Deferred Financing Fees** – Deferred financing fees are recorded at cost and is comprised of all mortgage related closing costs. Deferred financing fees are amortized using the straight-line method over the life of the mortgage. Deferred financing fees are presented in the balance sheet as a reduction of long-term debt.

**ST. MICHAEL'S HOME, INC.**  
**(A Not-For-Profit Corporation)**

**NOTES TO FINANCIAL STATEMENTS**

**As of and for the Years Ended December 31, 2018 and 2017**

**(2) Summary of Significant Accounting Policies (continued)**

**Long-Lived Assets** – Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset not to be recoverable. If the sum of the future cash flows (undiscounted and without interest charges) expected to result from the use of the intangible asset and its eventual disposition is less than the carrying amount of the asset, an impairment loss is recognized to the extent the carrying amount of the asset exceeds its fair value.

**Net Assets** - Net assets of the Home consist of the following:

*Without Donor Restrictions* - These net assets are available for general obligations of the Home.

*With Donor Restrictions* - These net assets are restricted by donors and/or the Board of Directors to be used for some specific purpose. Income and capital gains may or may not be used depending on the donor/endowment agreement.

**Contributions and Pledges** - Contributions and pledges are recorded as revenue when either unsolicited cash is received or the year in which the donors promise to give becomes due and collectible. Contributions and pledges are classified as either, unrestricted, temporarily restricted or permanently restricted revenue based upon donor-imposed restrictions. Pledges are recognized in the year in which they become due and collectible.

**Fair Value of Instruments** – The fair value of current assets and liabilities approximate carrying value because of the short-term nature of these items. The recorded value of the credit line approximates its fair value, as interest approximates market rates.

**Federal Income Taxes** - The Home is a Not-For-Profit Organization as described in Section 501 (c) (3) of the Internal Revenue Code ("IRC") and is exempt from Federal income taxes pursuant to Section 501(a) of the IRC.

**(3) Property and Equipment** – Property and Equipment consists of the following as of December 31:

	<u>2018</u>	<u>2017</u>
Uniondale Land	\$ 3,361,972	\$ 3,361,972
Land, Buildings, and Improvements	4,742,195	4,742,195
Furniture and Equipment	681,887	673,099
Construction in Progress:		
Uniondale Building	4,116,008	4,116,008
Uniondale Startup Costs	<u>2,842,155</u>	<u>2,360,407</u>
Total at Cost	15,744,217	15,253,681
Less: Accumulated Depreciation	<u>(4,389,700)</u>	<u>(4,213,441)</u>
Property and Equipment - Net	<u>\$ 11,354,517</u>	<u>\$ 11,040,240</u>

Depreciation for the years ended December 31, 2018 and 2017 was \$176,259 and \$180,369, respectively.

**ST. MICHAEL'S HOME, INC.**  
**(A Not-For-Profit Corporation)**

**NOTES TO FINANCIAL STATEMENTS**

**As of and for the Years Ended December 31, 2018 and 2017**

- (4) **Beneficial Interest in Split-Interest Agreements** - The Home is a beneficiary of two charitable gift annuity agreements, Katherine Malta Trust (50.0% interest) and the Petsas Trust (11.11% interest), whereby the donors contributed assets to a third-party trustee and the income in certain instances is paid to beneficiaries over a specified period of time, or the beneficiaries received special distributions. In addition, certain trusts have a required minimum distribution to both the Home and others. Both trusts provide that a portion of the trust assets becomes available to the Home after a specified period of time. These accounts are restricted by donors and are included net assets with donor restrictions. The assets measured at fair value categorized by the fair value hierarchy (level 1) consists of the following as of December 31:

	<u>2018</u>	<u>2017</u>
Cash	\$ 27,538	\$ 25,197
Commodities	3,395	832
Equity Securities	451,366	473,957
Exchange Traded Funds	-	81,029
Fixed Income Securities	47,416	9,927
Mutual Funds	<u>11,215</u>	<u>9,182</u>
Total Beneficial Interest in Split-Interest Agreements	<u>\$ 540,930</u>	<u>\$ 600,124</u>

- (5) **Assets Whose Use is Limited** – The Home has various assets whose use are restricted by the donors and Board of Directors to be used for the construction of the Uniondale expansion. These assets are restricted by donors and are included net assets with donor restrictions. The assets measured at fair value categorized by the fair value hierarchy (level 1) consists of the following as of December 31:

	<u>2018</u>	<u>2017</u>
Cash	\$ 5,270,681	\$ 3,765,829
U.S. Government Obligations	<u>438,978</u>	<u>402,488</u>
Total Assets Whose Use is Limited	<u>\$ 5,709,659</u>	<u>\$ 4,168,317</u>

- (6) **Mortgage Payable** – Mortgage payable consists of the following as of December 31:

	<u>2018</u>	<u>2017</u>
Mortgage Payable	\$ 1,800,897	\$ 1,852,927
Less: Unamortized Debt Issue Costs	<u>(46,548)</u>	<u>(54,471)</u>
Total Mortgage Payable Less Unamortized Debt Issue Costs	1,754,349	1,798,456
Less: Current Maturities	<u>(54,054)</u>	<u>(51,777)</u>
Mortgage Payable - Long-term	<u>\$ 1,700,295</u>	<u>\$ 1,746,679</u>

**ST. MICHAEL'S HOME, INC.**  
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**NOTES TO FINANCIAL STATEMENTS**

**As of and for the Years Ended December 31, 2018 and 2017**

**(6) Mortgage Payable (continued)**

On November 18, 2014, the Home obtained a mortgage from Alma Bank for the purchase of the Uniondale property with a principal of \$2,000,000. The mortgage is payable in 119 fixed monthly payments currently at \$10,904 (principal and interest inclusive) based upon a 25-year amortization period with a balloon payment at maturity. The initial interest rate is fixed at 4.25% for the first five years after which the rate will adjust to the five-year federal home loan bank rate plus a margin of 2.25% for the next five years. The Uniondale land and building are pledged as collateral on the mortgage. Capitalized interest for the years ended December 31, 2018 and 2017 was \$78,820 and \$81,011, respectively, and is included in property and equipment on the balance sheet as the building is not in service as of December 31, 2018 and 2017.

In connection with the mortgage, the Company incurred financing costs of \$79,230 which are being amortized over the life of the mortgage. Amortization of unamortized debt issue costs for the years ended December 31, 2018 and 2017 was \$7,923. Estimated amortization for each of the five succeeding years is \$7,923.

Future maturities of the Mortgage Payable are as follows:

2018	\$ 54,054
2019	56,431
2020	58,913
2021	61,504
2022	64,209
Thereafter	<u>1,505,786</u>
	<u>\$1,800,897</u>

**(7) Commitments and Contingencies**

**Litigation** – From time to time, the Home may be subject to legal proceedings arising out of the ordinary course of business. Although management cannot predict the outcome of such proceedings, management does not consider such proceedings to result in a material adverse effect on its financial position or its results of operations or its cash flows.

**(8) Concentration of Credit Risk** – For the years ended December 31, 2018 and 2017, the Center had cash balances in major financial institutions which at times may have exceeded Federal Depository Insurance limits. These financial institutions have strong credit ratings and management believes that credit risk related to these deposits is minimal.

**(9) Subsequent Events** – Management of the Home has evaluated subsequent events through October 24, 2019, the date the financial statements were available to be issued. No significant events have been identified that would require adjustment to or disclosure in the accompanying financial statements.

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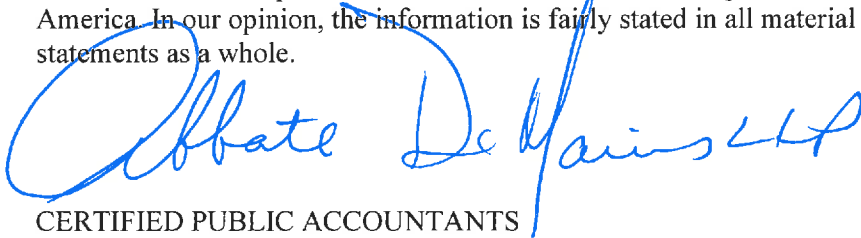
**ABBATE DEMARINIS, LLP**  
Certified Public Accountants & Consultants

*Independent Auditors' Report on Supplementary Information*

Board of Trustees of  
St. Michael's Home, Inc.

We have audited the financial statements of St. Michael's Home, Inc. as of and for the years ended December 31, 2018 and 2017, and have issued our report thereon dated October 24, 2019, which contained an unqualified opinion on those financial statements. Our audits were performed for the purpose of forming an opinion on the financial statements as a whole.

The accompanying supplementary information 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  
October 24, 2019

**ST. MICHAEL'S HOME, INC.**  
**(A Not-For-Profit Corporation)**

**SUPPLEMENTARY INFORMATION - STATEMENTS OF ACTIVITIES**

**For the Years Ended December 31, 2018 and 2017**

**Schedule I - Schedule of Selected Expenses**

	<u>2018</u>	<u>2017</u>
<b>Care of Residents Expenses</b>		
Salaries	\$ 665,809	\$ 656,003
Employee Benefits	87,812	94,212
Payroll Taxes	57,355	55,004
Amortization Expense	7,131	7,131
Automobile Expense	699	2,348
Cleaning Service	4,365	3,970
Depreciation Expense	158,633	162,332
Food	180,615	164,324
Household Supplies	9,317	5,308
Insurance	69,362	83,278
Outside Services	11,628	9,097
Repairs and Maintenance	63,971	69,038
Resident Activities	8,740	9,550
Utilities	<u>62,073</u>	<u>68,530</u>
<b>Total Care of Residents Expenses</b>	<b><u>\$ 1,387,510</u></b>	<b><u>\$ 1,390,125</u></b>
<b>General and Administrative Expenses</b>		
Salaries	\$ 343,824	\$ 356,137
Employee Benefits	45,338	51,154
Payroll Taxes	29,612	29,865
Advertising	1,294	6,091
Amortization Expense	792	792
Bank Charges	557	1,007
Christmas Expense	977	2,126
Depreciation Expense	17,626	18,037
Equipment Rental	3,877	4,241
Household Supplies	1,035	590
Insurance	7,707	9,253
Office Expenses	19,805	15,374
Other	9,592	35,625
Payroll Services	8,323	7,449
Postage and Delivery	6,983	7,826
Professional Fees	22,399	26,227
Real Estate Taxes	4,124	3,583
Repairs and Maintenance	11,289	12,183
Utilities	<u>10,954</u>	<u>12,093</u>
<b>Total General and Administrative Expenses</b>	<b><u>\$ 546,108</u></b>	<b><u>\$ 599,653</u></b>

See Independent Auditors' Report on Supplementary Information

**ST. MICHAEL'S HOME, INC.**  
**(A Not-For-Profit Corporation)**

**SUPPLEMENTARY INFORMATION - STATEMENTS OF ACTIVITIES**

**For the Years Ended December 31, 2018 and 2017**

**Schedule II - Schedule of Selected Non Operating Support**

	<u>2018</u>	<u>2017</u>
<b>Annual Dinner Dance Event</b>		
<b>Dinner Dance Income</b>		
Journals	\$ 58,352	\$ 70,520
Raffles	29,310	23,795
Ticket Sales	40,340	43,725
Dinner Dance Donations	<u>23,875</u>	<u>46,325</u>
<b>    Total Dinner Dance Income</b>	<u>151,877</u>	<u>184,365</u>
<b>Dinner Dance Expenses</b>		
Advertising	750	768
Printing	9,595	10,813
Raffle and Awards	7,587	7,772
Hotel Rental	32,897	41,650
Miscellaneous	<u>5,536</u>	<u>6,260</u>
<b>    Total Dinner Dance Expenses</b>	<u>56,365</u>	<u>67,263</u>
<b>Net Profit</b>	<u>\$ 95,512</u>	<u>\$ 117,102</u>