Consolidated Financial Statements,
Supplementary Information and Report of
Independent Certified Public Accountants

Saint John Vianney Center

June 30, 2014 and 2013

Contents

Grant Thornton

Grant Thornton LLP
2001 Market Street, Suite 700
Philadelphia, PA 19103-7080

T 215.561.4200
F 215.561.1066
GrantThornton.com
linkd.in/GrantThorntonUS
twitter.com/GrantThorntonUS

Report of Independent Certified Public Accountants

The Board of Directors
Saint John Vianney Center
Downingtown, Pennsylvania

Report on the financial statements
We have audited the accompanying consolidated financial statements of Saint John Vianney Center, which comprise the consolidated balance sheets as of June 30, 2014 and 2013, and the related consolidated statements of operations and changes in net assets and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's responsibility for the 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 of America; 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 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 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 entity'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 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 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, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Saint John Vianney Center, as of June 30, 2014 and 2013, and the results of its operations and changes in net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Supplementary information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The accompanying consolidating balance sheets as of June 30, 2014 and 2013 and the consolidating statements of operations and changes in net assets for the years then ended are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such supplementary 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 audit of the consolidated financial statements and certain additional procedures. These additional procedures included comparing and reconciling the 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 of America established by the American Institute of Certified Public Accountants. In our opinion, the supplementary information is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole.

Grant Thornton LLP

Philadelphia, Pennsylvania

November 14, 2014

Saint John Vianney Center

CONSOLIDATED BALANCE SHEETS

June 30,

	2014	2013
ASSETS		
Current		
Cash and cash equivalents	$ 1,500	$ 1,000
Patient accounts receivable		
Residents	1,200,741	1,247,530
Outpatient	47,127	66,532
Allowance for doubtful accounts	(97,315)	(115,172)
Net patient accounts receivable	1,150,553	1,198,890
Other receivables	3,251	9,556
Prepaid expenses	113,071	2,749
Related party receivables	2,219,918	854,949
Total current assets	3,488,293	2,067,144
Investments		
Unrestricted	2,699,058	2,323,657
Unrestricted - board designated depreciation reserve fund	255,287	724,744
Total investments	2,954,345	3,048,401
Property, plant and equipment, net	2,337,542	2,657,967
Patient fund escrow accounts	-	1,113
Total assets	$ 8,780,180	$ 7,774,625
LIABILITIES AND NET ASSETS		
Current		
Accounts payable	$ 267,407	$ 326,445
Accrued salaries	370,878	349,841
Accrued expenses	189,764	280,439
Related party payables	996,273	693,315
Total current liabilities	1,824,322	1,650,040
Patient fund escrow accounts	-	1,113
Total liabilities	1,824,322	1,651,153
Unrestricted net assets	6,955,858	6,123,472
Total net assets	6,955,858	6,123,472
Total liabilities and net assets	$ 8,780,180	$ 7,774,625

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

Saint John Vianney Center

CONSOLIDATED STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS

For the year ended June 30,

	2014	2013
Operating revenues:		
Net resident revenue, net of contractual allowances	$ 8,652,418	$ 8,111,836
Provision for bad debt	(22,712)	-
Net resident revenue, net of bad debt	8,629,706	8,111,836
Contribution of rental at fair value	744,372	350,000
Other operating revenue	400,820	525,238
Total operating revenues	9,774,898	8,987,074
Operating expenses:		
Administration	1,308,031	1,378,607
Annex program	256,117	262,743
Chapel	162,008	185,331
Community counseling	331,826	393,966
Consultation and education services	126,297	136,430
Depreciation	237,102	221,320
Dietary	506,970	525,523
Fringe benefits	1,078,420	1,056,411
Geriatric services	429,741	428,974
Guest house	-	319,151
Housekeeping	99,342	97,020
Marketing	190,845	304,655
Nurse administration	484,656	663,224
Outpatient services	207,421	140,556
Plant operation and maintenance	889,804	622,860
Professional care	2,133,723	1,741,361
Recreation	57,804	59,838
Rent expense	744,372	350,000
Social services	120,582	135,098
Total operating expenses	9,365,061	9,023,068
Operating income (loss)	409,837	(35,994)
Nonoperating revenue, gains and losses:		
Contributions and bequests	2,488	4,466
Interest and investment income	38,398	56,927
Realized gain on sale of investments	225,583	120,668
Unrealized gain in fair market value of investments	156,080	226,405
Nonoperating revenue, gains and losses, net	422,549	408,466
Excess of revenues over expenses	832,386	372,472
Increase in net assets	832,386	372,472
Net assets		
Beginning of year	6,123,472	5,751,000
End of year	$ 6,955,858	$ 6,123,472

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

Saint John Vianney Center

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the year ended June 30,

	2014	2013
Cash flows from operating activities		
Increase in net assets	$ 832,386	$ 372,472
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Provision for bad debt	22,712	-
Unrealized gain in fair market value of investments	(156,080)	(226,405)
Realized gain on sale of investments	(225,583)	(120,668)
Depreciation	237,102	221,320
Write-off of medical software	206,000	-
Changes in working capital which (used) or provided cash		
Accounts receivable	25,625	(303,139)
Other receivables	6,305	(9,556)
Related party receivables	(1,364,969)	(458,955)
Prepaid expenses	(110,322)	17,391
Accounts payable	(59,038)	(73,433)
Accrued salaries	21,037	(7,448)
Accrued expenses	(90,675)	53,851
Related party payable	302,958	652,807
Net cash (used in) provided by operating activities before trading securities	(352,542)	118,237
Change in investments trading securities, net	475,719	579,962
Net cash provided by operating activities	123,177	698,199
Cash flows from investing activities		
Purchase of property, plant and equipment, net	(122,677)	(698,199)
Net cash used in investing activities	(122,677)	(698,199)
Net increase in cash and cash equivalents	500	-
Cash and cash equivalents		
Beginning of year	1,000	1,000
End of year	$ 1,500	$ 1,000

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

NOTE A - NATURE OF OPERATIONS AND PRINCIPLES OF CONSOLIDATION

Saint John Vianney Center (the "Center") provides inpatient and outpatient psychological care to priests and religious personnel and bills the respective insurance companies, religious orders or diocese. The Center is a corporation whose members consist of the following: the Archbishop of Philadelphia, the Moderator of the Curia and the Secretary for Clergy.

The Center is the sole corporate member of Catholic Clinical Consultants ("CCC"). CCC provides behavioral health management and clinical services to skilled nursing facilities, adult day care programs, assisted living facilities, and other community based programs. The financial statements consolidate CCC into the Center (collectively referred to as the "Organization").

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Presentation

The accompanying consolidated financial statements have been prepared on the accrual basis in conformity with accounting principles generally accepted in the United States of America. The Organization's net assets and its revenues, expenses, gains and losses are classified into three categories, based on the existence or absence of donor-imposed restrictions. The categories are permanently restricted, temporarily restricted and unrestricted net assets.

Unrestricted net assets are free of donor-imposed restrictions.

Temporarily restricted net assets include gifts, pledges, trusts, remainder interests, income and appreciation, for which donor-imposed restrictions have not been met. Such restrictions include purpose restrictions where donors have specified the purpose for which the net assets are to be spent, and/or time restrictions imposed by donors or implied by the nature of the gift.

Permanently restricted net assets include gifts, pledges, trusts, and remainder interests, which require by donor restriction that the corpus be invested in perpetuity and only the income be made available for operations in accordance with donor restrictions.

As of June 30, 2014 and 2013, there were no temporarily or permanently restricted net assets.

2. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Estimates include depreciation on property, plant and equipment and allowance for doubtful accounts on patient accounts receivable. Actual results could differ from those estimates.

(Continued)

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

3. Cash and Cash Equivalents

The Organization considers investments in highly liquid securities, authorized by management, purchased with a maturity of three months or less from the date purchased to be cash equivalents. The Organization maintains cash balances with financial institutions that at times may exceed Federal Deposit Insurance Corporation limits. Management does not believe the credit risk related to these deposits to be significant.

4. Pledges/Contributions

Unconditional promises to give (pledges) are recorded as receivables and revenues at fair value at the date the promise is received within the appropriate net asset category. Donor-restricted gifts which are received and either spent or deemed spent within the same year are reported as unrestricted revenues and expenses. Gifts of long-lived assets are reported at fair value as unrestricted revenue. Gifts specified for the acquisition or construction of long-lived assets are reported as unrestricted net assets when the assets are placed in service.

5. Resident Service Revenues and Allowances

Resident service revenue is accounted for at various established rates according to patient classification as the services are provided.

The Organization provides an allowance for doubtful accounts for estimated losses resulting from the unwillingness or inability of residents to make payments for services. The allowance is determined by analyzing historical data and trends. Accounts receivable are charged off against the allowance for doubtful accounts when management determines that recovery is unlikely and the Organization ceases collection efforts. Write-offs have been consistent with management's expectations.

For receivables associated with services provided to residents or patients who have third-party coverage, the Organization analyzes contractually due amounts and provides an allowance for doubtful accounts and a provision for bad debt, if necessary (for example, for expected uncollectible deductibles and copayments on accounts for which the third-party payor has not yet paid, or for payors who are known to be having financial difficulties that make the realization of amounts due unlikely).

For receivables associated with self-pay residents or patients, the Organization records a significant provision for bad debt on the basis of its past experience and on its review of individual receivable accounts to evaluate the ability and willingness of residents and patients to pay amounts due for the portion of their bill for which they are financially responsible.

(Continued)

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Net residential fees and net health care revenues for the years ended June 30, 2014 and 2013, net of contractual allowances and discounts (but before the provision for bad debt), recognized in the periods from these major payor sources based on primary insurance designation, are as follows:

Net resident revenue	Third-Party Payors	Self-Pay	Total All Payors
2014	$ 552,470	$ 8,099,948	$ 8,652,418
2013	$ 581,205	$ 7,530,631	$ 8,111,836

Deductibles and copayments under third-party payment programs within the third-party payor amounts above are the residents' responsibility, and the Organization considers these amounts in its determination of the provision for bad debt based on collection experience.

The Organization records a significant provision for bad debt on the basis of its past experience and on its review of individual receivable accounts to evaluate the ability and willingness of residents to pay amounts due for the portion of their bill for which they are financially responsible. The Organization has not experienced significant changes in write-off trends for the years ended June 30, 2014 and 2013.

6. Investments in the Trustee Account of the Archdiocese of Philadelphia for Estates and Trusts

The investment in the Trustee Account of the Archdiocese of Philadelphia ("Trustee Account") and other investments are reported at fair value. The investment in the Trustee Account and other investments held by the Organization do not have a readily determinable fair value, and as such, have elected to use the net asset value (the "NAV") per share as calculated on the reporting entity's measurement date as the fair value of the investment, based on the NAV of the investment as a practical expedient.

Realized gains and losses at the manager level are spread to the participant accounts monthly. Gains and losses created at the participant level due to unit sales are recorded in the specific participant accounts. Unrealized gains and losses are included in the consolidated statement of operations and changes in net assets as net appreciation or depreciation in the fair value of investments.

Assets which have been designated by the Board of Directors for funding annual depreciation are classified as board-designated investments.

The Organization has designated its investment portfolio as trading.

7. Property, Plant and Equipment

Property, plant and equipment are carried at cost. Expenditures for major renewals and betterments are capitalized. Maintenance and repairs are charged to expense as incurred. Depreciation is computed using the straight-line method over the estimated useful lives of the assets.

(Continued)

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Recovery periods are based on the following ranges of useful lives:

Land improvements	5 - 20 years
Building improvements	5 - 40 years
Furniture and fixtures	3 - 20 years

8. Long-Lived Assets

The Organization continually evaluates whether events and circumstances have occurred that indicate the remaining estimated useful life of long-lived assets may warrant revision or that the remaining balance may not be recoverable. When factors indicate that long-lived assets should be evaluated for possible impairment, the Organization uses an estimate of the related undiscounted operating income over the remaining life of the long-lived asset in measuring whether the long-lived asset is recoverable. The impairment loss on these assets is measured as the excess of the carrying amount of the asset over its fair value. Fair value is based on market prices where available, or discounted cash flows. Management believes that no revision to the remaining useful lives or write-down of long-lived assets were required at June 30, 2014 and 2013.

9. Excess of Revenues over Expenses

The consolidated statement of operations and changes in net assets includes excess of revenues over expenses. Changes in unrestricted net assets which are excluded from excess of revenues over expenses, consistent with industry practice, included permanent transfers of assets to and from affiliates for other than goods and services and contributions of long-lived assets (including assets acquired using contributions which by donor restriction were to be used for the purposes of acquiring such assets).

NOTE C - INVESTMENTS

Non-Pension Assets Portfolio

For administrative and other needs, the Archdiocese of Philadelphia formed the Non-Pension Assets Portfolio (the "NPAP") to pool together certain investments in order to more efficiently manage the investments of various entities and related organizations within the Archdiocese of Philadelphia. The investments in the NPAP are held by a custodian and are managed based on sub-accounts as follows:

Equity Sub-Account (or "fund") - Invests in common stocks and is managed by multiple investment managers.

Fixed Income Sub-Account (or "fund") - Invests in mutual funds, corporate obligations, United States Treasury obligations and municipal obligations and is managed by multiple investment managers.

Liquidity Sub-Account (or "fund") - Investments are liquid in nature and are used to buy and sell units of the Equity and Fixed Income funds or expected short-term needs.

(Continued)

NOTE C - INVESTMENTS - Continued

The NPAP is unitized on a periodic basis to allow for the investment, at unit value, by entities in the NPAP. The Archdiocese of Philadelphia's investment in the NPAP is stated at unit value.

The Investment Committee of the Archdiocese of Philadelphia has primary responsibility for determining the allocation of amounts to be invested among the funds. Management is responsible for ensuring that investment allocations among the funds are maintained as determined by the Investment Committee of the Archdiocese of Philadelphia.

At June 30, 2014 and 2013, the Organization held the following within the NPAP:

	Ownership	
	2014	2013
Equity sub-account	$ 1,667,486	$ 2,062,327
Fixed income sub-account	1,286,859	986,074
Total ownership	$ 2,954,345	$ 3,048,401

NOTE D - PROPERTY, PLANT AND EQUIPMENT

	June 30,	
	2014	2013
Land improvements	$ 203,559	$ 165,709
Building and improvements	4,353,071	4,332,364
Furniture and equipment	1,371,513	1,301,209
Construction in progress	68,620	280,804
	5,996,763	6,080,086
Accumulated depreciation	(3,659,221)	(3,422,119)
Property, plant and equipment, net	$ 2,337,542	$ 2,657,967

Depreciation expense was $237,102 and $221,320 for the years ended June 30, 2014 and 2013, respectively.

The land on which the Organization is located is owned by the Archdiocese of Philadelphia. The Organization occupies this land and does not make a rental payment to the Archdiocese of Philadelphia for its use. The cost of this land is not reflected on the consolidated financial statements of the Organization. Rent expense and contribution revenue have been recorded at fair market value and have been reported in the consolidated statements of operations and changes in net assets.

NOTE E - PENSIONS

The eligible lay employees of the Organization are covered under the Archdiocese of Philadelphia Lay Employees' Retirement Plan (the "Plan"), which is a defined benefit pension plan covering substantially all lay employees of the Archdiocese of Philadelphia, its institutions and parishes once age and service requirements are met. The Plan is administered by the Trustees of the Plan. The Organization made annual contributions to the Plan at an average rate of 6.25% and 5.00% of the salaries of eligible employees for the years ended June 30, 2014 and 2013, respectively. The amount expensed by the Organization for contributions to the Plan was $167,836 and $125,553 for the years ended June 30, 2014 and 2013, respectively. Separate accounts for vested benefits and pension fund assets are not maintained for each institution.

NOTE F - INCOME TAXES

The Organization is a nonprofit organization which has been granted exempt status from federal taxation under Section 501(c)(3) of the Internal Revenue Code. Management has assessed that there are no uncertain tax positions required to be reported.

The Organization follows the accounting guidance for uncertainties in income tax positions which requires that a tax position be recognized or derecognized based on a "more likely than not" threshold. This applies to positions taken or expected to be taken in a tax return. The Organization does not believe its financial statements include material uncertain tax positions. As of June 30, 2014, the Organization's tax years ended June 30, 2011 through June 30, 2013 for federal tax jurisdiction remain open to examination.

NOTE G - MEDICAL MALPRACTICE INSURANCE

The Organization insures against the risks of malpractice losses resulting from claims against the Organization by participating in Pennsylvania's Medical Care Availability and Reduction of Error Fund (the "MCARE Fund"). With respect to the primary malpractice insurance risk not covered by the MCARE Fund, the Organization participates, on an occurrence basis, in the Archdiocese of Philadelphia Institutions' general professional liability insurance program.

The MCARE Fund is funded on a "pay as you go basis" and assesses health care providers, based on a percentage of the rates established by the Joint Underwriting Association (also a Commonwealth agency) for basic coverage. The MCARE Act of 2002 provides for a further reduction to the current MCARE coverage of $500 per occurrence to $250 per occurrence and the eventual phase-out of the MCARE Fund, subject to the approval of the PA Insurance Commissioner. To date, the PA Insurance Commissioner has deferred the change in coverage and eventual phase-out of the MCARE Fund to future years.

NOTE H - RELATED PARTY TRANSACTIONS

The Organization is covered under various insurance, retirement and other plans of the Archdiocese of Philadelphia. The transactions with the Archdiocese of Philadelphia and affiliates charged to expense for the years ended:

	June 30, 2014	June 30, 2013
Management fee	$ 514,767	$ 536,780
Pension	167,836	125,553
Insurance	182,930	202,894
	$ 865,533	$ 865,227

For the years ended June 30, 2014 and 2013, the Organization recorded in other operating revenue and received $256,117 and $262,743, respectively, from the Archdiocese of Philadelphia to fund the Annex portion of the Serenity and Transparency Program.

For the years ended June 30, 2014 and 2013, the Organization recorded in other operating revenue and received $125,000 and $242,000, respectively, from Catholic Social Services to fund the Community Counseling Program.

Due from (to) related parties are as follows:

	June 30, 2014	June 30, 2013
Due from Catholic Health Care Services	$ 2,211,948	$ 825,444
Due from Catholic Social Services	7,970	15,409
Due from others	-	14,096
	$ 2,219,918	$ 854,949
Due to the Archdiocese of Philadelphia	$ (11,588)	$ (46,929)
Due to others	(18,330)	(20,659)
Due to Catholic Health Care Services	(966,355)	(625,727)
	$ (996,273)	$ (693,315)

NOTE I - FAIR VALUE MEASUREMENTS

Accounting Standards Codification ("ASC") 820, *Fair Value Measurements and Disclosures*, establishes a single authoritative definition of fair value, sets a framework for measuring fair value, and requires additional disclosures about fair value measurements. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under ASC 820 are described as follows:

Level 1 Quoted prices in active markets for identical assets or liabilities as of the measurement date.

Level 2 Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the same term of the assets or liabilities.

Level 3 Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

Fair value calculations may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Fair value measurements of investments in entities that calculate NAV per share or its equivalent are as follows:

	Fair value		Unfunded	Redemption	Redemption notice
	2014	2013	commitments	frequency	period
Archdiocese NPAP [a]	$ 2,954,345	$ 3,048,401	$ -	Daily	1 day

[a] A pooled investment portfolio comprised of equity and fixed income securities. The primary objective of the NPAP is preservation of capital while reducing, to the greatest extent possible, the possibility of loss. The investment strategy and long-term asset allocation for the NPAP takes into consideration the specific spending requirements and the present and future needs of the Archdiocese of Philadelphia and its respective participating Ecclesiastical Organizations. Therefore, the desired minimum rate of return is equal to the Consumer Price Index ("CPI") plus three percent (3%) on an annualized basis. The fair values are estimated using the NAV per share of the investments.

(Continued)

NOTE I - FAIR VALUE MEASUREMENTS - Continued

The following table presents the fair values of the underlying investments held by the Organization by level within the fair value hierarchy, as of June 30, 2014 and 2013.

	Quoted prices in active markets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total fair value
2014				
Assets				
Investments	$ -	$ 2,954,345	$ -	$ 2,954,345
Total	$ -	$ 2,954,345	$ -	$ 2,954,345
2013				
Assets				
Investments	$ -	$ 3,048,401	$ -	$ 3,048,401
Total	$ -	$ 3,048,401	$ -	$ 3,048,401

NOTE J - FUNCTIONAL EXPENSES

The Organization provides a variety of services, as described in Note B. Expenses related to providing these services are as follows:

	Year ended June 30, 2014	Year ended June 30, 2013
Behavioral health services	$ 6,732,482	$ 6,810,216
Administrative	2,632,579	2,212,852
	$ 9,365,061	$ 9,023,068

NOTE K - SUBSEQUENT EVENTS

Management has evaluated subsequent events for the year ended June 30, 2014, the date of the consolidated financial statements, through November 14, 2014, which is the date the consolidated financial statements were available to be issued. Pursuant to the requirements, there were no events or transactions occurring during the subsequent event reporting period which require recognition or disclosure in the consolidated financial statements.

SUPPLEMENTARY INFORMATION

Saint John Vianney Center

CONSOLIDATING BALANCE SHEET

June 30, 2014

ASSETS	Saint John Vianney Center	Catholic Clinical Consultants	Eliminations	Consolidated total
Current				
Cash and cash equivalents	$ 1,500	$ -	$ -	$ 1,500
Patient accounts receivable				
Residents	954,917	245,824	-	1,200,741
Outpatient	47,127	-	-	47,127
Allowance for doubtful accounts	(97,315)	-	-	(97,315)
Net patient accounts receivable	904,729	245,824	-	1,150,553
Other receivables	26	3,225	-	3,251
Prepaid expenses	85,719	27,352	-	113,071
Related party receivables	2,215,719	66,763	(62,564)	2,219,918
Total current assets	3,207,693	343,164	(62,564)	3,488,293
Investments				
Unrestricted	2,699,058	-	-	2,699,058
Unrestricted - board designated depreciation reserve fund	255,287	-	-	255,287
Total investments	2,954,345	-	-	2,954,345
Property, plant and equipment, net	2,334,348	3,194	-	2,337,542
Patient fund escrow accounts	-	-	-	-
Total assets	$ 8,496,386	$ 346,358	$ (62,564)	$ 8,780,180
LIABILITIES AND NET ASSETS				
Current				
Accounts payable	$ 241,479	$ 25,928	$ -	$ 267,407
Accrued salaries	296,083	74,795	-	370,878
Accrued expenses	79,251	110,513	-	189,764
Related party payables	219,538	839,299	(62,564)	996,273
Total current liabilities	836,351	1,050,535	(62,564)	1,824,322
Total liabilities	836,351	1,050,535	(62,564)	1,824,322
Unrestricted net assets	7,660,035	(704,177)	-	6,955,858
Total net assets	7,660,035	(704,177)	-	6,955,858
Total liabilities and net assets	$ 8,496,386	$ 346,358	$ (62,564)	$ 8,780,180

Saint John Vianney Center

CONSOLIDATING BALANCE SHEET

June 30, 2013

ASSETS	Saint John Vianney Center	Catholic Clinical Consultants	Eliminations	Consolidated total
Current				
Cash and cash equivalents	$ 1,000	$ -	$ -	$ 1,000
Patient accounts receivable				
Residents	1,085,888	161,642	-	1,247,530
Outpatient	66,532	-	-	66,532
Allowance for doubtful accounts	(115,172)	-	-	(115,172)
Net patient accounts receivable	1,037,248	161,642	-	1,198,890
Other receivables	40	9,516	-	9,556
Prepaid expenses	2,701	48	-	2,749
Related party receivables	852,598	52,468	(50,117)	854,949
Total current assets	1,893,587	223,674	(50,117)	2,067,144
Investments				
Unrestricted	2,323,657	-	-	2,323,657
Unrestricted - board designated depreciation reserve fund	724,744	-	-	724,744
Total investments	3,048,401	-	-	3,048,401
Property, plant and equipment, net	2,657,967	-	-	2,657,967
Patient fund escrow accounts	1,113	-	-	1,113
Total assets	$ 7,601,068	$ 223,674	$ (50,117)	$ 7,774,625
LIABILITIES AND NET ASSETS				
Current				
Accounts payable	$ 317,656	$ 8,789	$ -	$ 326,445
Accrued salaries	275,320	74,521	-	349,841
Accrued expenses	163,170	117,269	-	280,439
Related party payables	244,062	499,370	(50,117)	693,315
Total current liabilities	1,000,208	699,949	(50,117)	1,650,040
Patient fund escrow accounts	1,113	-	-	1,113
Total liabilities	1,001,321	699,949	(50,117)	1,651,153
Unrestricted net assets	6,599,747	(476,275)	-	6,123,472
Total net assets	6,599,747	(476,275)	-	6,123,472
Total liabilities and net assets	$ 7,601,068	$ 223,674	$ (50,117)	$ 7,774,625

Saint John Vianney Center

CONSOLIDATING STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS

For the year ended June 30, 2014

	Saint John Vianney Center	Catholic Clinical Consultants	Consolidated total
Operating revenues:			
Net resident revenue, net of contractual allowances	$ 7,735,646	$ 916,772	$ 8,652,418
Provision for bad debt	(22,712)	-	(22,712)
Net resident revenue, net of bad debt	7,712,934	916,772	8,629,706
Contribution of rental at fair value	744,372	-	744,372
Other operating revenue	275,820	125,000	400,820
Total operating revenues	8,733,126	1,041,772	9,774,898
Operating expenses:			
Administration	1,207,441	100,590	1,308,031
Annex program	256,117	-	256,117
Chapel	162,008	-	162,008
Community counseling	-	331,826	331,826
Consultation and education services	126,297	-	126,297
Depreciation	236,170	932	237,102
Dietary	506,970	-	506,970
Fringe benefits	879,256	199,164	1,078,420
Geriatric services	-	429,741	429,741
Housekeeping	99,342	-	99,342
Marketing	190,845	-	190,845
Nurse administration	484,656	-	484,656
Outpatient services	-	207,421	207,421
Plant operation and maintenance	889,804	-	889,804
Professional care	2,133,723	-	2,133,723
Recreation	57,804	-	57,804
Rent expense	744,372	-	744,372
Social services	120,582	-	120,582
Total operating expenses	8,095,387	1,269,674	9,365,061
Operating income (loss)	637,739	(227,902)	409,837
Nonoperating revenue, gains and losses:			
Contributions and bequests	2,488	-	2,488
Interest and investment income	38,398	-	38,398
Realized gain on sale of investments	225,583	-	225,583
Unrealized gain in fair market value of investments	156,080	-	156,080
Nonoperating revenue, gains and losses, net	422,549	-	422,549
Excess of (deficiency in) revenues over expenses	1,060,288	(227,902)	832,386
Increase (decrease) in net assets	1,060,288	(227,902)	832,386
Net assets			
Beginning of year	6,599,747	(476,275)	6,123,472
End of year	$ 7,660,035	$ (704,177)	$ 6,955,858

Saint John Vianney Center

CONSOLIDATING STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS

For the year ended June 30, 2013

	Saint John Vianney Center	Catholic Clinical Consultants	Consolidated total
Operating revenues:			
Net resident revenue, net of contractual allowances and provision for bad debt of $-0-	$ 7,251,765	$ 860,071	$ 8,111,836
Net resident revenue, net of bad debt	7,251,765	860,071	8,111,836
Contribution of rental at fair value	350,000	-	350,000
Other operating revenue	283,238	242,000	525,238
Total operating revenues	7,885,003	1,102,071	8,987,074
Operating expenses:			
Administration	1,262,974	115,633	1,378,607
Annex program	262,743	-	262,743
Chapel	185,331	-	185,331
Community counseling	-	393,966	393,966
Consultation and education services	136,430	-	136,430
Depreciation	221,320	-	221,320
Dietary	525,523	-	525,523
Fringe benefits	870,226	186,185	1,056,411
Geriatric services	-	428,974	428,974
Guest house	319,151	-	319,151
Housekeeping	97,020	-	97,020
Marketing	304,655	-	304,655
Nurse administration	663,224	-	663,224
Outpatient services	-	140,556	140,556
Plant operation and maintenance	622,860	-	622,860
Professional care	1,741,361	-	1,741,361
Recreation	59,838	-	59,838
Rent expense	350,000	-	350,000
Social services	135,098	-	135,098
Total operating expenses	7,757,754	1,265,314	9,023,068
Operating income (loss)	127,249	(163,243)	(35,994)
Nonoperating revenue, gains and losses:			
Contributions and bequests	4,400	66	4,466
Interest and investment income	56,927	-	56,927
Realized gain on sale of investments	120,668	-	120,668
Unrealized gain in fair market value of investments	226,405	-	226,405
Nonoperating revenue, gains and losses, net	408,400	66	408,466
Excess of (deficiency in) revenues over expenses	535,649	(163,177)	372,472
Increase (decrease) in net assets	535,649	(163,177)	372,472
Net assets			
Beginning of year	6,064,098	(313,098)	5,751,000
End of year	$ 6,599,747	$ (476,275)	$ 6,123,472