

**PRESBYTERIAN SENIOR LIVING - AFFORDABLE HOUSING**

Consolidated Statement of Financial Position

March 31, 2018 and December 31, 2017

<b>Assets</b>	<b>March 31, 2018</b>	<b>December 31, 2017</b>
Cash and cash equivalents	\$ 2,997,444	3,050,605
Investments	361,166	366,545
Restricted deposits and funded reserves	11,249,113	11,213,545
Accounts receivable, net	88,317	77,312
Prepaid expenses and other current assets	713,458	406,030
Property and equipment (net of accumulated depreciation of \$44,148,931 and \$42,897,399, respectively)	120,948,199	120,321,497
Assets under capital lease (net of accumulated depreciation of \$14,089 and \$13,058, respectively)	344	1,375
Other assets	2,330,506	2,349,498
Total assets	\$ <u>138,688,547</u>	<u>137,786,407</u>

**PRESBYTERIAN SENIOR LIVING - AFFORDABLE HOUSING**

Consolidated Statement of Financial Position

March 31, 2018 and December 31, 2017

<b>Liabilities and Net Assets</b>	<b>March 31, 2018</b>	<b>December 31, 2017</b>
Accounts payable	\$ 2,843,927	3,418,973
Accrued expenses	1,079,526	1,107,136
Accrued interest	1,941,161	1,885,389
Resident deposits	640,588	647,882
Due to Presbyterian Senior Living	2,887,016	3,179,099
Obligations under capital lease	359	1,432
Long-term debt/note to Presbyterian Senior Living	38,907,979	34,135,951
Long-term debt	<u>32,649,386</u>	<u>35,631,781</u>
Total liabilities	<u>80,949,943</u>	<u>80,007,643</u>
Net assets:		
Unrestricted	57,731,757	57,771,940
Temporarily restricted	<u>6,847</u>	<u>6,823</u>
Total net assets	<u>57,738,604</u>	<u>57,778,763</u>
Total liabilities and net assets	<u>\$ 138,688,547</u>	<u>137,786,407</u>

**PRESBYTERIAN SENIOR LIVING - AFFORDABLE HOUSING**

Consolidated Statement of Operations and Change in Net Assets

Quarter ended March 31, 2018 and year ended December 31, 2017

	<b>March 31, 2018</b>	<b>December 31, 2017</b>
Operating revenues, gains, and other support:		
Resident services	\$ 2,439,073	9,499,641
Sales of other services and materials	2,367	12,606
Net rental income and developer's fees	169,831	1,368,700
Interest and dividend income	9,496	61,132
Realized loss on investments	2,099	3,348
Contributions, grants, gifts and bequests	4,016	123,827
Net assets released from restrictions	—	215
Total operating revenues, gains, and other support	<u>2,626,882</u>	<u>11,069,470</u>
Expenses:		
Social services	113,194	466,442
Building operations and maintenance	1,465,837	5,393,896
Housekeeping	6,354	37,768
General and administrative	530,573	2,484,647
Employee benefits	77,950	450,843
Interest	316,638	1,134,322
Depreciation	1,045,281	4,067,047
Amortization	29,757	80,331
Fundraising and investment fee	352	1,275
Total expenses	<u>3,585,937</u>	<u>14,116,573</u>
Operating loss	(959,055)	(3,047,103)
Equity received from tax credit limited partner	<u>927,021</u>	<u>3,196,000</u>
Deficit of operating revenues, gains and other support	(32,034)	148,897
Other changes:		
Unrealized (loss) gain on investment	<u>(8,126)</u>	<u>30,729</u>
Total other changes	<u>(8,126)</u>	<u>30,729</u>
Decrease in unrestricted net assets	(40,160)	179,626
Temporarily restricted net assets:		
Net assets released from restrictions	<u>—</u>	<u>(215)</u>
Change in temporarily restricted net assets	—	(215)
Change in net assets	(40,160)	179,411
Net assets, beginning of year	<u>57,778,762</u>	<u>57,599,351</u>
Net assets, end of year	<u>\$ 57,738,602</u>	<u>57,778,762</u>

**PRESBYTERIAN SENIOR LIVING - AFFORDABLE HOUSING**

Combined Statement of Partners' Equity

Quarter ended March 31, 2018 and year ended December 31, 2017

	<u>General Partner</u>	<u>Investor Limited Partner</u>	<u>Special Limited Partner</u>	<u>Total</u>
Partners' equity, December 31, 2017	\$ 10,226,833	47,064,159	487,770	57,778,762
Contributions	(33,526)	960,537	-	927,011
Net loss	<u>280,233</u>	<u>(1,232,677)</u>	<u>(14,728)</u>	<u>(967,171)</u>
Partners' equity, December 31, 2018	10,473,541	46,792,019	473,042	57,738,602

**PRESBYTERIAN SENIOR LIVING - AFFORDABLE HOUSING**

Consolidated Statements of Cash Flows

Quarter ended March 31, 2018 and year ended December 31, 2017

	<u>March 31,</u> <u>2018</u>	<u>December 31,</u> <u>2017</u>
Cash flows from operating activities:		
Change in net assets	\$ (40,160)	179,411
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	1,045,281	4,067,047
Bad debt write-offs	3,530	58,890
Net proceeds from entrance fees and deposits	(7,294)	49,986
Unrealized loss (gain) on investments	8,126	(30,729)
Realized gain on investment	(2,099)	(3,348)
Amortization of other deferred costs	28,395	80,331
Amortization of deferred financing costs	14,117	19,223
Changes in assets and liabilities:		
Increase in accounts receivable	(14,536)	(77,329)
Increase in other assets	(318,194)	(80,689)
Increase (decrease) in accounts payable	(575,046)	97,587
Increase in accrued expenses	28,165	384,331
Net cash provided by operating activities	<u>170,285</u>	<u>4,744,710</u>
Cash flows from investing activities:		
Acquisition of property and equipment, net of disposals	(1,670,952)	(7,477,678)
Net proceeds from investments	<u>(36,215)</u>	<u>(515,228)</u>
Net cash used in investing activities	<u>(1,707,167)</u>	<u>(7,992,906)</u>
Cash flows from financing activities:		
Principal payments on and redemptions of long-term debt	(344,325)	(3,575,157)
Proceeds from issuance of long-term debt	5,954,750	6,485,077
Refunding, refinancing, or payoff of long-term debt	(3,833,547)	-
Repayments on capital lease obligations	(1,073)	(4,222)
Net (decrease) increase in due to	<u>(292,083)</u>	<u>697,308</u>
Contributions restricted for long-term purposes	-	-
Net cash provided by financing activities	<u>1,483,723</u>	<u>3,603,006</u>
Net (decrease) increase in cash and cash equivalents	(53,160)	354,810
Cash and cash equivalents, beginning of year	<u>3,050,603</u>	<u>2,695,793</u>
Cash and cash equivalents, end of year	\$ <u><u>2,997,444</u></u>	\$ <u><u>3,050,603</u></u>