

PRESBYTERIAN SENIOR LIVING - AFFORDABLE HOUSING

Consolidated Statement of Financial Position

March 31, 2020 and December 31, 2019

Assets	March 31, 2020	December 31, 2019
Cash and cash equivalents	\$ 3,968,489	2,736,267
Investments	297,961	379,039
Restricted deposits and funded reserves	12,258,996	12,182,620
Accounts receivable, net	203,715	301,463
Prepaid expenses and other current assets	983,293	530,487
Property and equipment (net of accumulated depreciation \$55,357,030 and \$52,814,682, respectively)	146,160,055	144,778,361
Finance leases (net of accumulated depreciation \$78,821 and \$15,965, respectively)	48,661	38,972
Assets under operating leases	39,379	46,073
Other assets	2,054,332	2,116,375
Total assets	\$ <u>166,014,883</u>	<u>163,109,657</u>

PRESBYTERIAN SENIOR LIVING - AFFORDABLE HOUSING

Consolidated Statement of Financial Position

March 31, 2020 and December 31, 2019

Liabilities and Net Assets	March 31, 2020	December 31, 2019
Accounts payable	\$ 2,840,576	2,900,496
Accrued expenses	1,107,522	1,165,422
Accrued interest	2,608,386	2,548,227
Resident deposits	769,873	749,959
Deferred revenue – entrance fees	2,447,964	2,489,641
Due to Presbyterian Senior Living	8,786,039	7,123,651
Obligations under financing leases	50,086	40,544
Long-term debt/note to Presbyterian Senior Living	44,589,131	44,543,196
Long-term debt	48,818,941	47,298,620
Obligations under operating leases	39,379	46,073
Total liabilities	<u>112,057,897</u>	<u>108,905,829</u>
Net assets:		
Without donor restriction (including tax credit equity of \$-44,677 and \$765,880, respectively)	53,950,203	54,197,046
With donor restriction	6,782	6,782
Total net assets	<u>53,956,986</u>	<u>54,203,828</u>
Total liabilities and net assets	<u>\$ 166,014,883</u>	<u>163,109,658</u>

PRESBYTERIAN SENIOR LIVING - AFFORDABLE HOUSING

Consolidated Statement of Operations and Change in Net Assets

Quarter ended March 31, 2020 and year ended December 31, 2019

	<u>March 31,</u> <u>2020</u>	<u>December 31,</u> <u>2019</u>
Revenues and other support		
Resident services		
Resident services	\$ 3,064,068	11,936,610
Amortization of entrance fees	87,224	339,072
Sales of other services and materials	-	106
Net rental income and developer's fees	<u>261,339</u>	<u>745,795</u>
Total resident services revenue	3,412,631	13,021,583
Contributions, grants, gifts and bequests	<u>679,484</u>	<u>244,642</u>
Total revenues and other support	<u>4,092,115</u>	<u>13,266,225</u>
Costs of services provided		
Rehabilitation	-	-
Recreations and special services	-	-
Social services	133,031	602,004
Building operations and maintenance	1,503,739	6,199,929
Housekeeping	2,181	10,576
General and administrative	705,120	3,045,464
Employee benefits	110,263	379,992
Interest	453,253	1,891,012
Depreciation	1,255,554	5,077,081
Amortization	62,540	252,108
Fundraising and investment fee	-	-
Total cost of services provided	<u>4,225,681</u>	<u>17,458,165</u>
Deficit of revenues and other support over expenses	(133,566)	(4,191,941)
Other income (expense)		
Investment income, net of investment expense	12,479	141,738
Realized gain on investments	-	5,067
Unrealized (loss) gain on investment	<u>(81,078)</u>	<u>17,388</u>
Total other (expense) income	<u>(68,599)</u>	<u>164,193</u>
Deficit of revenues, gains and other support over expenses and losses	(202,165)	(4,027,748)
Net Assets without donor restrictions:		
Deficit of revenues, gains and other support over expenses and losses	(202,165)	(4,027,748)
Equity received from tax credit limited partner	<u>(44,677)</u>	<u>765,880</u>
Change in net assets without donor restrictions	<u>(246,842)</u>	<u>(3,261,869)</u>
Net assets with donor restriction:		
Contributions, gifts and bequests	-	-
Interest and dividend income	-	-
Unrealized gain on investments	-	-
Net assets released from restrictions	-	-
Change in net assets with donor restriction	<u>-</u>	<u>-</u>
Change in net assets	(246,842)	(3,261,869)
Net assets, beginning of year	<u>54,203,828</u>	<u>57,465,697</u>
Net assets, end of year	<u>\$ 53,956,986</u>	<u>54,203,828</u>

PRESBYTERIAN SENIOR LIVING - AFFORDABLE HOUSING

Combined Statement of Partners' Equity

Quarter ended March 31, 2020 and year ended December 31, 2019

	<u>General Partner</u>	<u>Investor Limited Partner</u>	<u>Special Limited Partner</u>	<u>Total</u>
Partners' equity, December 31, 2019	\$ 9,187,227	44,651,175	365,426	54,203,828
Contributions	-	(44,677)	-	(44,677)
Net loss	<u>908,559</u>	<u>(1,100,598)</u>	<u>(10,126)</u>	<u>(202,165)</u>
Partners' equity, December 31, 2020	10,095,786	43,505,900	355,300	53,956,986

PRESBYTERIAN SENIOR LIVING - AFFORDABLE HOUSING

Consolidated Statements of Cash Flows

Quarter ended March 31, 2020 and year ended December 31, 2019

	<u>March 31,</u> <u>2020</u>	<u>December 31,</u> <u>2019</u>
Cash flows from operating activities:		
Change in net assets	\$ (246,842)	(3,261,869)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	1,255,554	5,077,081
Bad debt write-offs	3,575	24,334
Net proceeds from entrance fees and deposits	124,914	949,547
Amortization of entrance fees	(87,224)	(339,072)
Unrealized loss (gain) on investments	81,078	(17,388)
Realized gain on investment	-	(5,067)
Amortization of other deferred costs	19,168	78,621
Amortization of deferred financing costs	4,914	20,314
Amortization of goodwill	42,875	171,500
Changes in assets and liabilities:		
Decrease (increase) in accounts receivable	94,173	(60,575)
Increase in other assets	(452,807)	(94,469)
(Decrease) increase in accounts payable	(59,920)	1,156,031
Increase in accrued expenses	2,258	122,388
Net cash provided by operating activities	<u>781,717</u>	<u>3,821,377</u>
Cash flows from investing activities:		
Acquisition of property and equipment, net of disposals	(2,646,938)	(9,663,043)
Net proceeds from (purchase of) sale of investments	<u>(76,377)</u>	<u>161,316</u>
Net cash used in investing activities	<u>(2,723,315)</u>	<u>(9,501,727)</u>
Cash flows from financing activities:		
Refunds of entrance fees and deposits	(59,454)	(79,083)
Principal payments on and redemptions of long-term debt	(520,501)	(1,925,938)
Proceeds from issuance of long-term debt	2,081,843	6,604,184
Borrowings through capital lease obligations	17,570	27,000
Repayments on finance lease obligations	(8,028)	(21,536)
Net decrease in due to	<u>1,662,388</u>	<u>1,347,063</u>
Net cash provided by financing activities	<u>3,173,819</u>	<u>5,951,690</u>
Net increase in cash and cash equivalents	1,232,222	271,341
Cash and cash equivalents, beginning of year	<u>2,736,267</u>	<u>2,464,926</u>
Cash and cash equivalents, end of year	<u>\$ 3,968,489</u>	<u>2,736,267</u>