

PRESBYTERIAN SENIOR LIVING - AFFORDABLE HOUSING

Consolidated Statement of Financial Position

September 30, 2022 and December 31, 2021

Assets	2022	2021
Cash and cash equivalents	\$ 2,192,917	2,258,190
Investments	389,341	524,783
Restricted deposits and funded reserves	12,802,946	12,619,780
Accounts receivable, net	68,798	125,159
Other assets	1,627,784	1,016,235
Assets held for sale	4,143,722	–
Property and equipment (net of accumulated depreciation \$56,106,796 and \$62,442,282, respectively)	139,702,611	144,382,908
Due from Presbyterian Senior Living	–	6,952
Total assets	<u>\$ 160,928,120</u>	<u>160,934,006</u>

PRESBYTERIAN SENIOR LIVING - AFFORDABLE HOUSING

Consolidated Statement of Financial Position

September 30, 2022 and December 31, 2021

Liabilities and Net Assets	2022	2021
Accounts payable	\$ 165,625	1,266,450
Accrued expenses	896,878	1,544,681
Other liabilities	3,678,315	3,011,731
Resident deposits	862,064	813,853
Due to Presbyterian Senior Living	542,661	—
Long-term debt/note to Presbyterian Senior Living	56,756,889	54,160,953
Long-term debt	33,417,099	32,840,381
Total liabilities	<u>96,319,530</u>	<u>93,638,048</u>
Net assets:		
Without donor restriction (including tax credit equity of \$1,302,355 and \$13,115,211, respectively)	64,600,449	67,289,074
With donor restriction	8,141	6,884
Total net assets	<u>64,608,590</u>	<u>67,295,958</u>
Total liabilities and net assets	<u>\$ 160,928,120</u>	<u>160,934,006</u>

PRESBYTERIAN SENIOR LIVING - AFFORDABLE HOUSING

Consolidated Statement of Operations and Change in Net Assets

Quarters ended September 30, 2022 and year ended December 31, 2021

Net Assets Without Donor Restrictions	<u>2022</u>	<u>2021</u>
Revenues, gains and other support:		
Resident services		
Resident services	\$ 9,092,616	11,906,311
Net rental income and developer's fees	149,627	163,755
Total resident services	<u>9,242,243</u>	<u>12,070,066</u>
Contributions, grants, gifts and bequests	732	74,135
Net assets released from restrictions	3,854	7,429
Total operating revenues and other support	<u>9,246,829</u>	<u>12,151,630</u>
Expenses:		
Social services	503,621	628,286
Building operations and maintenance	5,011,656	6,138,585
Housekeeping	18,063	21,612
General and administrative	2,275,139	3,036,086
Employee benefits	206,581	244,981
Interest	1,195,182	1,683,989
Depreciation	3,846,115	4,935,539
Amortization	62,456	86,455
Total expenses	<u>13,118,813</u>	<u>16,775,532</u>
Unusual non-recurring expenses - Covid-19	917	-
Deficit of revenues and other support over expenses	<u>(3,872,901)</u>	<u>(4,623,903)</u>
Other income (loss):		
Investment income, net of investment expense	20,908	74,077
Realized gain on investments	10,840	-
Unrealized (loss) gain on investment	(149,826)	9,484
Total other income (loss)	<u>(118,078)</u>	<u>83,560</u>
Deficit of revenues, gains and other support over expenses and losses	<u>(3,990,979)</u>	<u>(4,540,342)</u>
Equity received from tax credit limited partner	1,302,355	13,115,211
Change in net assets without donor restrictions	<u>(2,688,624)</u>	<u>8,574,868</u>
Net Assets With Donor Restrictions:		
Contributions, gifts and bequests	5,111	7,529
Net assets released from restrictions	(3,854)	(7,429)
Change in net assets with donor restriction	<u>1,257</u>	<u>100</u>
Change in net assets	<u>(2,687,367)</u>	<u>8,574,968</u>
Net assets, beginning of year	<u>67,295,958</u>	<u>58,720,989</u>
Net assets, end of year	<u>\$ 64,608,590</u>	<u>67,295,958</u>

PRESBYTERIAN SENIOR LIVING - AFFORDABLE HOUSING

Combined Statement of Partners' Equity

Quarters ended September 30, 2022 and year ended December 31, 2021

	<u>Partner</u>	<u>Investor Partner</u>	<u>Special Partner</u>	<u>Total</u>
Partners' equity, December 31, 2021	\$ 16,576,945	50,442,876	276,137	67,295,958
Contributions	(6,928)	1,381,687	-	1,374,759
Net gain (loss)	<u>227,383</u>	<u>(4,258,030)</u>	<u>(31,480)</u>	<u>(4,062,127)</u>
Partners' equity, December 31, 2022	16,797,399	47,566,533	244,657	64,608,590

PRESBYTERIAN SENIOR LIVING - AFFORDABLE HOUSING

Consolidated Statements of Cash Flows

Quarters ended September 30, 2022 and year ended December 31, 2021

	<u>2022</u>	<u>2021</u>
Cash Flows From Operating Activities:		
Change in net assets	\$ (2,687,367)	8,574,968
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	3,846,115	4,935,539
Provision for doubtful collections	5,647	26,069
Proceeds from entrance fees and deposits	49,234	10,177
Unrealized loss (gain) on investments	149,826	(9,484)
Realized gain on investment	(10,840)	-
Amortization of deferred financing costs	8,323	11,098
Change in assets and liabilities:		
Accounts receivable	49,971	(10,736)
Other assets	(611,549)	70,897
Accounts payable	(1,078,395)	132,923
Other liabilities	181,886	258,672
Accrued expenses	(184,945)	236,202
Net cash (used in) provided by operating activities	<u>(282,094)</u>	<u>14,236,325</u>
Cash Flows From Investing Activities:		
Acquisition of property and equipment, net of disposals	(3,309,538)	(10,366,034)
Net proceeds from sale of investments	<u>(187,584)</u>	<u>222,905</u>
Net cash used in investing activities	<u>(3,497,122)</u>	<u>(10,143,129)</u>
Cash Flows From Financing Activities:		
Principal payments on and redemptions of long-term debt	(926,612)	(1,367,184)
Proceeds from issuance of long-term debt	4,090,941	7,053,567
Refunding, refinancing, or payoff of long-term debt	-	(11,000,000)
Change in due from/to affiliates	<u>549,613</u>	<u>(309,892)</u>
Net cash provided by (used in) financing activities	<u>3,713,943</u>	<u>(5,623,510)</u>
Net decrease in cash and cash equivalents	(65,273)	(1,530,314)
Cash and cash equivalents, beginning of year	<u>2,258,190</u>	<u>3,788,504</u>
Cash and cash equivalents, end of year	<u>\$ 2,192,917</u>	<u>2,258,190</u>