

PRESBYTERIAN SENIOR LIVING - AFFORDABLE HOUSING

Consolidated Statement of Financial Position

September 30, 2019 and December 31, 2018

Assets	September 30, 2019	December 31, 2018
Cash and cash equivalents	\$ 3,213,494	2,432,533
Investments	345,056	329,664
Restricted deposits and funded reserves	12,190,165	12,370,857
Accounts receivable, net	57,778	61,716
Prepaid expenses and other current assets	904,359	394,356
Property and equipment (net of accumulated depreciation \$51,277,577 and \$50,070,312, respectively)	126,166,642	123,024,962
Finance leases (net of accumulated depreciation \$19,019 and \$14,432, respectively)	9,747	12,846
Other assets	2,306,521	2,366,497
Total assets	\$ <u>145,193,763</u>	<u>140,993,431</u>

PRESBYTERIAN SENIOR LIVING - AFFORDABLE HOUSING

Consolidated Statement of Financial Position

September 30, 2019 and December 31, 2018

Liabilities and Net Assets	September 30, 2019	December 31, 2018
Accounts payable	\$ 1,969,978	1,638,072
Accrued expenses	1,998,995	1,303,103
Accrued interest	2,344,634	2,161,559
Resident deposits	742,110	708,168
Due to Presbyterian Senior Living	4,636,012	3,120,450
Obligations under financing leases	9,100	12,570
Long-term debt/note to Presbyterian Senior Living	41,384,525	40,012,830
Long-term debt	34,311,292	32,607,790
Total liabilities	<u>87,396,647</u>	<u>81,564,542</u>
Net assets:		
Without donor restriction (including tax credit equity of \$973,680 and \$5,733,195, respectively)	57,790,334	59,422,106
With donor restriction	6,782	6,783
Total net assets	<u>57,797,116</u>	<u>59,428,889</u>
Total liabilities and net assets	<u>\$ 145,193,763</u>	<u>140,993,431</u>

PRESBYTERIAN SENIOR LIVING - AFFORDABLE HOUSING

Consolidated Statement of Operations and Change in Net Assets

Quarters ended September 30, 2019 and year ended December 31, 2018

	<u>September 30, 2019</u>	<u>December 31, 2018</u>
Revenues and other support		
Resident services		
Resident services	\$ 7,979,142	9,975,440
Sales of other services and materials	76	9,491
Net rental income and developer's fees	<u>508,350</u>	<u>531,160</u>
Total resident services revenue	8,487,568	10,516,091
Contributions, grants, gifts and bequests	180,299	215,157
Net assets released from restrictions	<u>-</u>	<u>40</u>
Total revenues and other support	<u>8,667,866</u>	<u>10,731,288</u>
Costs of services provided		
Social services	416,402	546,980
Building operations and maintenance	4,255,976	5,620,858
Housekeeping	7,935	25,348
General and administrative	1,918,083	2,551,294
Employee benefits	278,799	389,999
Interest	1,009,079	1,305,971
Depreciation	3,431,487	4,322,825
Amortization	61,465	95,069
Fundraising and investment fee	<u>973</u>	<u>1,392</u>
Total cost of services provided	<u>11,380,199</u>	<u>14,859,736</u>
Deficit of revenues and other support over expenses	(2,712,333)	(4,128,447)
Other income (expense)		
Investment income, net of investment expense	96,299	91,149
Realized gain (loss) on investments	5,067	(13,349)
Unrealized gain (loss) on investment	<u>5,514</u>	<u>(32,381)</u>
Total other income	<u>106,879</u>	<u>45,419</u>
Deficit of revenues, gains and other support over expenses and losses	(2,605,453)	(4,083,029)
Net Assets without donor restrictions:		
Deficit of revenues, gains and other support over expenses and losses	(2,605,453)	(4,083,029)
Equity received from tax credit limited partner	<u>973,680</u>	<u>5,733,195</u>
Change in net assets without donor restrictions	<u>(1,631,774)</u>	<u>1,650,166</u>
Net assets with donor restriction:		
Net assets released from restrictions	<u>-</u>	<u>(40)</u>
Change in net assets with donor restriction	<u>-</u>	<u>(40)</u>
Change in net assets	(1,631,774)	1,650,126
Net assets, beginning of year	<u>59,428,889</u>	<u>57,778,763</u>
Net assets, end of year	<u>\$ 57,797,116</u>	<u>59,428,889</u>

PRESBYTERIAN SENIOR LIVING - AFFORDABLE HOUSING

Combined Statement of Partners' Equity

Quarters ended September 30, 2019 and year ended December 31, 2018

	<u>General Partner</u>	<u>Investor Limited Partner</u>	<u>Special Limited Partner</u>	<u>Total</u>
Partners' equity, December 31, 2018	\$ 11,759,680	47,243,164	426,045	59,428,889
Contributions	(66,767)	2,540,447	-	2,473,680
Net loss	<u>(423,572)</u>	<u>(3,633,761)</u>	<u>(48,120)</u>	<u>(4,105,453)</u>
Partners' equity, December 31, 2019	11,269,341	46,149,850	377,925	57,797,116

PRESBYTERIAN SENIOR LIVING - AFFORDABLE HOUSING

Consolidated Statements of Cash Flows

Quarters ended September 30, 2019 and year ended December 31, 2018

	<u>September 30,</u> <u>2019</u>	<u>December 31,</u> <u>2018</u>
Cash flows from operating activities:		
Change in net assets	\$ (1,631,774)	1,650,126
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	3,431,487	4,322,825
Bad debt write-offs	1,532	34,390
Net proceeds from entrance fees and deposits	33,942	60,286
Unrealized (gain) loss on investments	(5,514)	32,381
Realized (gain) loss on investment	(5,067)	13,349
Amortization of other deferred costs	59,975	95,069
Amortization of deferred financing costs	8,942	29,132
Changes in assets and liabilities:		
Increase in accounts receivable	(146,994)	(18,794)
Increase in other assets	(510,003)	(100,394)
Increase (decrease) in accounts payable	481,306	(1,780,901)
Increase in accrued expenses	878,969	472,136
Net cash provided by operating activities	<u>2,596,801</u>	<u>4,809,606</u>
Cash flows from investing activities:		
Acquisition of property and equipment, net of disposals	(6,570,069)	(7,037,761)
Net proceeds from sale (purchase of) of investments	<u>175,881</u>	<u>(1,166,161)</u>
Net cash used in investing activities	(6,394,188)	(8,203,922)
Cash flows from financing activities:		
Principal payments on and redemptions of long-term debt	(486,773)	(2,693,089)
Proceeds from issuance of long-term debt	3,553,028	9,712,533
Refunding, refinancing, or payoff of long-term debt	-	(4,195,688)
Borrowings through capital lease obligations	-	14,334
Repayments on finance lease obligations	(3,470)	(3,196)
Net decrease (increase) in due to	<u>1,515,563</u>	<u>(58,649)</u>
Net cash provided by financing activities	<u>4,578,347</u>	<u>2,776,245</u>
Net increase (decrease) in cash and cash equivalents	780,961	(618,072)
Cash and cash equivalents, beginning of year	<u>2,432,533</u>	<u>3,050,605</u>
Cash and cash equivalents, end of year	<u>\$ 3,213,494</u>	<u>2,432,533</u>