

PRESBYTERIAN SENIOR LIVING - AFFORDABLE HOUSING

Consolidated Statement of Financial Position

September 30, 2020 and December 31, 2019

Assets	September 30, 2020	December 31, 2019
Cash and cash equivalents	\$ 4,182,953	2,736,267
Investments	397,163	379,039
Restricted deposits and funded reserves	13,038,437	12,182,620
Accounts receivable, net	220,770	301,463
Prepaid expenses and other current assets	967,069	530,487
Property and equipment (net of accumulated depreciation \$57,831,342 and \$52,814,682, respectively)	151,338,110	144,778,361
Finance leases (net of accumulated depreciation \$37,368 and \$70,940, respectively)	160,241	38,972
Assets under operating leases	27,063	46,073
Other assets	<u>2,098,472</u>	<u>2,116,375</u>
Total assets	<u>\$ 172,430,279</u>	<u>163,109,657</u>

PRESBYTERIAN SENIOR LIVING - AFFORDABLE HOUSING

Consolidated Statement of Financial Position

September 30, 2020 and December 31, 2019

Liabilities and Net Assets	September 30, 2020	December 31, 2019
	<u> </u>	<u> </u>
Accounts payable	\$ 1,311,624	2,900,496
Accrued expenses	3,492,759	1,165,422
Accrued interest	2,738,321	2,548,227
Resident deposits	796,581	749,959
Deferred revenue – entrance fees	2,318,541	2,489,641
Due to Presbyterian Senior Living	8,388,661	7,123,651
Obligations under financing leases	161,850	40,544
Long-term debt/note to Presbyterian Senior Living	46,355,459	44,543,196
Long-term debt	53,215,597	47,298,620
Obligations under operating leases	27,063	46,073
Total liabilities	<u>118,806,456</u>	<u>108,905,829</u>
Net assets:		
Without donor restriction (including tax credit equity of \$709,046 and \$765,880, respectively)	53,617,041	54,197,046
With donor restriction	6,782	6,782
Total net assets	<u>53,623,823</u>	<u>54,203,828</u>
Total liabilities and net assets	<u>\$ 172,430,279</u>	<u>163,109,658</u>

PRESBYTERIAN SENIOR LIVING - AFFORDABLE HOUSING

Consolidated Statement of Operations and Change in Net Assets

Quarters ended September 30, 2020 and year ended December 31, 2019

	<u>September 30,</u> <u>2020</u>	<u>December 31,</u> <u>2019</u>
Revenues and other support		
Resident services		
Resident services	\$ 9,448,771	11,936,610
Amortization of entrance fees	289,924	339,072
Sales of other services and materials	44,345	106
Net rental income and developer's fees	<u>624,181</u>	<u>745,795</u>
Total resident services revenue	10,407,222	13,021,583
Contributions, grants, gifts and bequests	702,265	244,642
Net assets released from restriction-Paycheck Protection grant	<u>701,400</u>	<u>—</u>
Total revenues and other support	<u>11,810,887</u>	<u>13,266,225</u>
Costs of services provided		
Social services	453,040	602,004
Building operations and maintenance	4,567,794	6,199,929
Housekeeping	14,602	10,576
General and administrative	2,388,381	3,045,464
Employee benefits	328,712	379,992
Interest	1,422,070	1,891,012
Depreciation	3,846,016	5,077,081
Amortization	<u>136,297</u>	<u>252,108</u>
Total cost of services provided	<u>13,156,913</u>	<u>17,458,165</u>
Deficit of revenues and other support over expenses	(1,346,026)	(4,191,941)
Other income (expense)		
Investment income, net of investment expense	65,180	141,738
Realized gain on investments	—	5,067
Unusual non-recurring expenses - Covid-19	(26,328)	—
Unrealized gain on investment	<u>18,123</u>	<u>17,388</u>
Total other income	<u>56,975</u>	<u>164,193</u>
Deficit of revenues, gains and other support over expenses and losses	(1,289,051)	(4,027,748)
Net Assets without donor restrictions:		
Deficit of revenues, gains and other support over expenses and losses	(1,289,051)	(4,027,748)
Equity received from tax credit limited partner	<u>709,046</u>	<u>765,880</u>
Change in net assets without donor restrictions	<u>(580,005)</u>	<u>(3,261,869)</u>
Net assets with donor restriction:		
Contributions, gifts and bequests	701,400	—
Net assets released from restriction-Paycheck Protection grant	<u>(701,400)</u>	<u>—</u>
Change in net assets with donor restriction	<u>—</u>	<u>—</u>
Change in net assets	(580,005)	(3,261,869)
Net assets, beginning of year	<u>54,203,828</u>	<u>57,465,697</u>
Net assets, end of year	<u>\$ 53,623,823</u>	<u>54,203,828</u>

PRESBYTERIAN SENIOR LIVING - AFFORDABLE HOUSING

Combined Statement of Partners' Equity

Quarters ended September 30, 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	(24,017)	733,063	-	709,046
Net loss	<u>2,255,543</u>	<u>(3,510,971)</u>	<u>(33,622)</u>	<u>(1,289,050)</u>
Partners' equity, December 31, 2020	11,418,752	41,873,266	331,804	53,623,823

PRESBYTERIAN SENIOR LIVING - AFFORDABLE HOUSING

Consolidated Statements of Cash Flows

Quarters ended September 30, 2020 and year ended December 31, 2019

	<u>September 30,</u> <u>2020</u>	<u>December 31,</u> <u>2019</u>
Cash flows from operating activities:		
Change in net assets	\$ (580,005)	(3,261,869)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	3,846,016	5,077,081
Bad debt write-offs	28,014	24,334
Net proceeds from entrance fees and deposits	322,622	949,547
Amortization of entrance fees	(289,924)	(339,072)
Unrealized gain on investments	(18,123)	(17,388)
Realized gain on investment	-	(5,067)
Amortization of other deferred costs	63,349	78,621
Amortization of deferred financing costs	14,743	20,314
Amortization of goodwill	71,458	171,500
Changes in assets and liabilities:		
Decrease (increase) in accounts receivable	52,678	(60,575)
Increase in other assets	(553,486)	(94,469)
(Decrease) increase in accounts payable	(1,588,872)	1,156,031
Increase in accrued expenses	<u>2,517,432</u>	<u>122,388</u>
Net cash provided by operating activities	3,885,900	3,821,377
Cash flows from investing activities:		
Acquisition of property and equipment, net of disposals	(10,527,034)	(9,663,043)
Net proceeds from (purchase of) sale of investments	<u>(855,817)</u>	<u>161,316</u>
Net cash used in investing activities	(11,382,851)	(9,501,727)
Cash flows from financing activities:		
Refunds of entrance fees and deposits	(157,176)	(79,083)
Principal payments on and redemptions of long-term debt	(1,228,881)	(1,925,938)
Proceeds from issuance of long-term debt	8,943,379	6,604,184
Borrowings through capital lease obligations	141,842	27,000
Repayments on finance lease obligations	(20,536)	(21,536)
Net increase in due to	<u>1,265,010</u>	<u>1,347,063</u>
Net cash provided by financing activities	<u>8,943,638</u>	<u>5,951,690</u>
Net increase in cash and cash equivalents	1,446,687	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><u>4,182,953</u></u>	<u><u>2,736,267</u></u>