

PRESBYTERIAN APARTMENTS, INC.

Statements of Financial Position

February 29, 2016 and December 31, 2015

Assets	February 29, 2016	December 31, 2015
Cash and cash equivalents	\$ 66,515	43,074
Restricted deposits and funded reserves	345,074	334,112
Accounts receivable, net	12,052	11,980
Prepaid expenses and other current assets	33,943	12,283
Property and equipment (net of accumulated depreciation of \$5,503,624 and \$5,483,179 respectively)	<u>1,464,252</u>	<u>1,484,697</u>
Total assets	<u>\$ 1,921,837</u>	<u>1,886,146</u>

PRESBYTERIAN APARTMENTS, INC.

Statements of Financial Position

February 29, 2016 and December 31, 2015

Liabilities and Net Liabilities	February 29, 2016	December 31, 2015
Accounts payable	\$ 71,653	100,745
Due to affiliated entity	895,942	780,044
Accrued expenses	396,637	397,360
Residents deposits	36,738	35,869
Long-term debt	<u>1,954,618</u>	<u>1,969,371</u>
Total liabilities	3,355,587	3,283,389
Net (liabilities) assets:		
Unrestricted	(1,440,269)	(1,403,761)
Temporarily restricted	<u>6,518</u>	<u>6,518</u>
Total net liabilities	(1,433,750)	(1,397,243)
Total liabilities and net liabilities	<u>\$ 1,921,837</u>	<u>1,886,146</u>

PRESBYTERIAN APARTMENTS, INC.

Statements of Operations and Changes in Net Assets (Liabilities)

Years ended December 31, 2015 and 2014

	<u>2016</u>	<u>2015</u>
Operating revenues, gains, and other support:		
Resident services	\$ 163,827	1,050,459
Net rental revenue	5,193	30,967
Interest and dividend income	17	140
Contributions, gifts, grants and bequests	(653)	82,952
Net assets released from restrictions	<u>—</u>	<u>1,655</u>
Total operating revenues, gains, and other support	168,384	1,166,173
Expenses:		
Recreation and special services	—	5,277
Social services	7,213	44,100
Building operations and maintenance	114,794	581,301
Housekeeping	3,525	25,532
General and administrative	45,456	246,491
Employee benefits	9,225	66,464
Interest	4,233	27,061
Depreciation	<u>20,445</u>	<u>115,802</u>
Total expenses	<u>204,891</u>	<u>1,112,028</u>
(Increase) decrease in unrestricted net liabilities	(36,507)	54,145
Temporarily restricted net assets:		
Net assets released from restrictions	<u>—</u>	<u>(1,655)</u>
Change in temporarily restricted net assets	—	(1,655)
Change in net assets	(36,507)	52,490
Net liabilities beginning of year	<u>(1,397,243)</u>	<u>(1,449,733)</u>
Net liabilities, end of year	<u><u>\$ (1,433,750)</u></u>	<u><u>(1,397,243)</u></u>

PRESBYTERIAN APARTMENTS, INC.

Statements of Cash Flows

Years ended December 31, 2015 and 2014

	<u>2016</u>	<u>2015</u>
Cash flows from operating activities:		
Change in net liabilities	\$ (36,507)	52,490
Adjustments to reconcile change in net liabilities to net cash (used in) provided by operating activities:		
Depreciation	20,445	115,802
Bad debt expense	—	30,496
Cash restricted for tenant deposits held in trust	869	(4,200)
Change in assets and liabilities:		
Accounts receivable	(72)	(20,942)
Other assets	(21,661)	5,534
Accounts payable	(29,092)	5,209
Accrued expenses	(723)	1,915
Net cash (used in) provided by operating activities	<u>(66,741)</u>	<u>186,304</u>
Cash flows used in investing activities:		
Acquisition of property and equipment	(0)	(335,455)
Deposits into reserve for replacement	<u>(10,962)</u>	<u>(31,090)</u>
Net cash used in investing activities	<u>(10,963)</u>	<u>(366,545)</u>
Cash flows from financing activities:		
Principal payments on long-term debt	(14,753)	(86,855)
Due to affiliate	<u>115,898</u>	<u>197,174</u>
Net cash provided by financing activities	<u>101,144</u>	<u>110,319</u>
Net increase (decrease) in cash and cash equivalents	23,441	(69,922)
Cash and cash equivalents, beginning of year	<u>43,074</u>	<u>112,996</u>
Cash and cash equivalents, end of year	<u>\$ 66,515</u>	<u>43,074</u>