

**PRESBYTERIAN APARTMENTS, INC.**

Statements of Financial Position

February 28, 2017 and December 31, 2016

<b>Assets</b>	<b>February 28, 2017</b>	<b>December 31, 2016</b>
Cash and cash equivalents	\$ 54,044	60,215
Restricted deposits and funded reserves	408,847	399,989
Accounts receivable, net	35,299	20,087
Prepaid expenses and other current assets	9,860	12,460
Property and equipment (net of accumulated depreciation of \$5,625,317 and \$5,604,340 respectively)	<u>1,622,832</u>	<u>1,638,049</u>
Total assets	\$ <u><u>2,130,882</u></u>	<u><u>2,130,800</u></u>

**PRESBYTERIAN APARTMENTS, INC.**

Statements of Financial Position

February 28, 2017 and December 31, 2016

<b>Liabilities and Net Liabilities</b>	<b>February 28, 2017</b>	<b>December 31, 2016</b>
Accounts payable	\$ 81,553	115,400
Due to affiliated entity	1,204,207	1,133,256
Accrued expenses	407,596	408,245
Residents deposits	42,551	43,554
Long-term debt	<u>1,864,670</u>	<u>1,879,877</u>
Total liabilities	3,600,577	3,580,332
Net (liabilities) assets:		
Unrestricted	(1,475,836)	(1,455,674)
Temporarily restricted	<u>6,141</u>	<u>6,141</u>
Total net liabilities	(1,469,694)	(1,449,532)
Total liabilities and net liabilities	<u><u>\$ 2,130,882</u></u>	<u><u>2,130,800</u></u>

**PRESBYTERIAN APARTMENTS, INC.**

Statements of Operations and Changes in Net Assets (Liabilities)

Periods ended February 28, 2017 and year ended December 31, 2016

	<b>February 28, 2017</b>	<b>December 31, 2016</b>
Operating revenues, gains, and other support:		
Resident services	\$ 162,547	981,323
Net rental revenue	5,302	31,607
Interest and dividend income	20	154
Contributions, gifts, grants and bequests	—	1,668
Net assets released from restrictions	—	377
Total operating revenues, gains, and other support	167,868	1,015,129
Expenses:		
Recreation and special services	—	—
Social services	7,547	46,592
Building operations and maintenance	104,535	556,068
Housekeeping	4,171	23,322
General and administrative	40,707	247,873
Employee benefits	6,314	47,603
Interest	3,779	24,422
Depreciation	20,977	121,161
Total expenses	188,030	1,067,042
(Increase) decrease in unrestricted net liabilities	(20,162)	(51,913)
Temporarily restricted net assets:		
Net assets released from restrictions	—	(377)
Change in temporarily restricted net assets	—	(377)
Change in net assets	(20,162)	(52,290)
Net liabilities beginning of year	(1,449,533)	(1,397,243)
Net liabilities, end of year	\$ (1,469,694)	(1,449,533)

See accompanying notes to consolidated financial statements.

**PRESBYTERIAN APARTMENTS, INC.**

Statements of Cash Flows

Periods ended February 28, 2017 and year ended December 31, 2016

	<b>February 28, 2017</b>	<b>December 31, 2016</b>
Cash flows from operating activities:		
Change in net liabilities	\$ (20,162)	(52,290)
Adjustments to reconcile change in net liabilities to net cash provided by operating activities:		
Depreciation	20,977	121,161
Bad debt expense	(569)	11,763
Cash restricted for tenant deposits held in trust	(1,003)	7,685
Change in assets and liabilities:		
Accounts receivable	(14,643)	(19,870)
Other assets	2,600	(177)
Accounts payable	(33,847)	14,655
Accrued expenses	(649)	10,885
Net cash provided by operating activities	(47,296)	93,813
Cash flows used in investing activities:		
Acquisition of property and equipment	(5,760)	(274,513)
Deposits into reserve for replacement	(8,859)	(65,877)
Net cash used in investing activities	(14,619)	(340,390)
Cash flows from financing activities:		
Principal payments on long-term debt	(15,207)	(89,494)
Due to affiliate	70,951	353,212
Net cash provided by financing activities	55,744	263,718
Net increase (decrease) in cash and cash equivalents	(6,171)	17,141
Cash and cash equivalents, beginning of year	60,215	43,074
Cash and cash equivalents, end of year	\$ <u>54,044</u>	<u>60,215</u>