

The Pines at Davidson, Inc.  
**BALANCE SHEETS**  
**AS OF MARCH 31, 2022 (UNAUDITED) AND DECEMBER 31, 2021**

	3/31/22	12/31/21
<b>CURRENT ASSETS</b>		
Cash & Cash Equivalents	\$ 3,640,177	\$ 8,677,042
Cash held under bond agreement for payment of:		
Interest	8	1,298,413
Principal	4	1,310,000
Accounts receivable	85,020	87,716
Interest receivable	183,705	180,757
Prepaid expenses & other current assets	349,974	397,366
<b>TOTAL CURRENT ASSETS</b>	<u>4,258,888</u>	<u>11,951,294</u>
<b>PROPERTY PLANT &amp; EQUIPMENT</b>		
Land & land improvements	18,524,539	16,365,962
Building and building improvements	118,271,839	118,271,839
Equip, furn and fixtures	17,843,384	17,579,445
Construction in progress	4,440,732	3,752,496
<b>TOTAL PROPERTY AND EQUIPMENT</b>	<u>159,080,494</u>	<u>155,969,742</u>
Less accumulated depreciation	<u>(50,742,469)</u>	<u>(49,367,236)</u>
<b>PROPERTY AND EQUIPMENT - NET</b>	108,338,025	106,602,506
<b>OTHER ASSETS</b>		
Board designated funds		
Willis J Hidell and Peggy Hidell operating fund	714,506	714,506
Operating Reserve as required by North Carolina General Statute	6,729,000	6,729,000
Other	32,834,145	32,834,145
Cash and investments whose use is limited -		
Held under bond agreement	-	15
Villas at Poplar Hill entrance deposits	-	20
Other investments	-	-
Temporarily restricted donor assets		
Restricted pledges receivable	1,165,571	1,188,141
Donor restricted cash and investments	15,101,430	15,954,344
Debt issuance costs	-	-
Pledges receivable - long term portion	-	-
	<u>56,544,652</u>	<u>57,420,171</u>
	<u>\$ 169,141,565</u>	<u>\$ 175,973,971</u>
<b>LIABILITIES AND FUND BALANCE</b>		
<b>LIABILITIES:</b>		
Accounts payable and accrued expenses	\$ 4,028,991	\$ 7,547,356
Interest payable	639,240	1,297,166
Refundable Advance-Paycheck Protection Program	-	-
Current portion of long term debt	1,350,000	1,310,000
Total current liabilities	<u>6,018,231</u>	<u>10,154,522</u>
<b>LONG-TERM DEBT, NET</b>	61,036,583	62,403,684
<b>OTHER LONG TERM LIABILITIES:</b>		
Deferred entrance fee revenue	52,011,458	49,090,747
Refundable entrance fees	3,579,653	3,470,928
Entrance fee deposits	728,759	2,503,374
Total liabilities	<u>123,374,684</u>	<u>127,623,255</u>
<b>NET ASSETS:</b>		
Without donor restrictions		
Board designated	19,509,900	19,509,900
Undesignated	9,989,981	11,698,331
Total net assets without donor restrictions	<u>29,499,881</u>	<u>31,208,231</u>
With donor restrictions:		
Temporary donor restrictions	16,297,000	17,142,485
Total net assets	45,796,881	48,350,716
<b>TOTAL</b>	<u>\$ 169,171,565</u>	<u>\$ 175,973,971</u>

**The Pines at Davidson, Inc.**  
**Statements of Unrestricted Revenues, Expenses**  
**and Other Changes in Net Assets without Donor Restrictions**  
**For the 3 months ended March 31, 2022 (unaudited) and the year ended December 31, 2021**

	<b>2022</b>	<b>2021</b>
	<b>(3 months)</b>	<b>(12 months)</b>
<b>OPERATING REVENUE AND SUPPORT:</b>		
Resident service fees	\$5,774,862	\$20,852,248
Amortization of deferred entrance fees	1,108,928	5,102,364
Interest income	153,709	594,304
Other operating revenue	208,164	1,252,591
Total operating revenue and support	<u>7,245,663</u>	<u>27,801,507</u>
<b>OPERATING EXPENSES:</b>		
Salaries and benefits	3,517,981	13,384,555
Depreciation	1,375,233	5,334,017
Other operating expenses	1,831,576	7,562,909
Interest and amortization expense	622,142	2,558,024
Total operating expenses	<u>7,346,932</u>	<u>28,839,505</u>
<b>INCREASE IN NET ASSETS WITHOUT DONOR RESTRICTIONS FROM OPERATIONS</b>	(101,269)	(1,037,998)
<b>OTHER CHANGES:</b>		
Contributions without donor restrictions	0	5,325
COVID-19 grant revenue (Provider Relief Funds)	0	1,493,900
Net assets released from donor restrictions		
for buildings & equipment	0	734,399
Net increase/(decrease)in fair value of investments	(1,607,081)	(1,093,089)
Change in value of unrestricted pledges	0	0
<b>CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS</b>	<u>(1,708,350)</u>	<u>102,537</u>
<b>NET ASSETS WITHOUT DONOR RESTRICTIONS:</b>		
BEGINNING OF YEAR	<u>31,208,231</u>	<u>31,105,694</u>
END OF YEAR	<u>\$29,499,881</u>	<u>\$31,208,231</u>

The Pines at Davidson, Inc.  
**Statements of Changes in Net Assets**  
For the 3 months ended March 31, 2022 (unaudited) and the year ended December 31, 2021

	2022 (3 months)	Audited 2021 (12 months)
<b>NET ASSETS WITHOUT DONOR RESTRICTIONS:</b>		
Total unrestricted revenue and support	\$ 7,245,663	\$ 27,806,832
Total unrestricted expenses	(7,346,932)	(28,839,505)
Net assets released from donor restrictions for buildings and equipment	0	734,399
Net increase in fair value of investments	(1,607,081)	(1,093,089)
COVID-19 grant revenue (Provider Relief Funding)	0	1,493,900
Change in value of unrestricted pledges	0	0
<b>CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS</b>	<b>(1,708,350)</b>	<b>102,537</b>
<b>NET ASSETS WITH TEMPORARY DONOR RESTRICTIONS:</b>		
Contributions	50,412	534,482
Interest income	69,301	278,919
Net assets released from donor restrictions	(35,000)	(1,301,556)
Net increase in fair value of investments	(960,198)	2,023,180
Change in value of temporarily restricted pledges and other assets	0	99,608
<b>CHANGE IN NET ASSETS WITH TEMPORARY DONOR RESTRICTIONS</b>	<b>(875,485)</b>	<b>1,634,633</b>
<b>CHANGE IN NET ASSETS</b>	<b>(2,583,835)</b>	<b>1,737,170</b>
<b>NET ASSETS:</b>		
Beginning of period	48,350,716	46,613,546
End of period	<u>\$ 45,766,881</u>	<u>\$ 48,350,716</u>

The Pines at Davidson, Inc.

Statements of Cash Flows

For the 3 months ended March 31, 2022 (unaudited) and the year ended December 31, 2021

	2022 (3 months)	Audited 2021 (12 months)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ (2,583,835)	\$ 1,737,170
Adjustments to reconcile change in net assets to net cash used in operations:		
Depreciation	1,375,233	5,334,017
Amortization	12,465	71,130
Amortization of deferred entrance fees	(1,077,626)	(4,985,496)
Amortization of improvement deposits	(31,302)	(116,868)
Amortization of bond premium	(29,566)	(118,268)
Change in net unrealized gains on investments	2,567,279	(930,091)
Change in value of long-term pledges	0	(99,608)
Restricted contributions	(50,412)	(534,482)
Restricted interest income	(69,301)	(278,919)
Refundable advance-Paycheck Protection Program	0	(1,493,900)
Changes in operating assets and liabilities-net	(1,936,764)	1,467,028
<b>Net cash provided by operating activities</b>	<b>(1,823,829)</b>	<b>51,713</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property & equipment	(5,303,139)	(15,360,835)
Sale (purchase) of long-term investments and board-designated funds - net	(1,691,795)	(604,934)
Sale (purchase) of cash and investments held under bond agreement - net	0	0
Purchases of assets limited as to use, net	0	0
<b>Net cash provided used in investing activities</b>	<b>(6,994,934)</b>	<b>(15,965,769)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Restricted contributions	50,412	534,482
Restricted interest income	69,301	278,919
Change in pledges receivable, net	0	0
Net proceeds from issuance of long-term debt	0	9,176,647
Cash paid for deferred financing costs	0	0
Repayment of long term debt	(1,310,000)	(13,129,285)
Issuance of bond premium		
Net proceeds from entrance fees	4,062,257	20,579,376
Net proceeds from improvement deposits	76,107	186,847
Net entrance fee deposits received	(1,774,615)	(3,076,767)
<b>Net cash provided by financing activities</b>	<b>1,173,462</b>	<b>14,550,219</b>
Increase in cash, cash equivalents and restricted cash	(7,645,301)	(1,363,837)
Cash, cash equivalents and restricted cash Beginning of period	11,285,490	12,649,327
End of period	<b>\$ 3,640,189</b>	<b>\$ 11,285,490</b>