

Cedar Lane Senior Living III, Inc.

Financial Statements Together
With Independent Auditors' Report

December 31, 2020 and 2019

Cedar Lane Senior Living III, Inc.

Financial Statements Together
With Independent Auditors' Report
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Independent Auditors' Report

**Board of Directors
Cedar Lane Senior Living III, Inc.**

Report on the Financial Statements

We have audited the accompanying financial statements of Cedar Lane Senior Living III, Inc. (the "Entity"), which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities and change in net assets, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Entity as of December 31, 2020 and 2019, and the change in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of income and expenses and changes in fixed asset accounts on pages 16 through 18 are presented for the purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects, in relation to the financial statements as a whole.

PKF O'Connor Davies, LLP

Bethesda, Maryland
April 22, 2021

Cedar Lane Senior Living III, Inc.

Statements of Financial Position

	December 31,	
	2020	2019
ASSETS		
Cash	\$ 431,692	\$ 194,666
Tenant account receivable	961	-
Accounts receivables - other	-	3,610
Prepaid expenses	7,915	6,259
Note receivable - related party	35,240	35,240
Reserve for replacements	164,557	164,219
Tenant security deposit held in trust	47,731	47,080
Fixed assets, net	1,861,474	1,952,848
	\$ 2,549,570	\$ 2,403,922
 LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 65,342	\$ 59,833
Loan payable - PPP	243,515	-
Prepaid revenue	18,350	400
Capital lease liability	11,606	27,889
Tenant security deposit liabilities	39,299	38,963
Intercompany payable	29,922	28,028
Mortgage payable, net	1,429,444	1,471,074
Total Liabilities	1,837,478	1,626,187
Net assets without donor restrictions	712,092	777,735
	\$ 2,549,570	\$ 2,403,922

See notes to financial statements

Cedar Lane Senior Living III, Inc.

Statements of Activities and Change in Net Assets

	Year Ended December 31,	
	2020	2019
REVENUE		
Rental revenue	\$ 419,790	\$ 423,359
Dietary income	8,915	9,816
Financial income	399	1,367
Other income	<u>52,759</u>	<u>119,905</u>
Total Revenue	<u>481,863</u>	<u>554,447</u>
EXPENSES		
Administrative	26,777	26,071
Salaries and employee benefits	197,572	206,110
Utilities	23,558	24,168
Operating and maintenance	65,301	99,883
Taxes and insurance	39,063	35,863
Interest	74,460	77,439
Depreciation	<u>120,775</u>	<u>117,633</u>
Total Expenses	<u>547,506</u>	<u>587,167</u>
Change in Net Assets	(65,643)	(32,720)
NET ASSETS		
Beginning of year	<u>777,735</u>	<u>810,455</u>
End of year	<u>\$ 712,092</u>	<u>\$ 777,735</u>

See notes to financial statements

Cedar Lane Senior Living III, Inc.

Statements of Cash Flows

	Year Ended December 31,	
	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (65,643)	\$ (32,720)
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation	120,775	117,633
Interest expense related to debt issuance costs	787	787
Bad debt expense	-	304
Changes in operating assets and liabilities		
Tenant accounts receivable	(961)	186
Accounts receivable - other	3,610	13,111
Prepaid expenses	(1,656)	2,441
Note receivable	-	23,329
Accounts payable and accrued expenses	5,509	12,845
Intercompany payable	1,894	(601)
Tenant security deposits	(315)	555
Prepaid revenue	<u>17,950</u>	<u>(10,807)</u>
Net Cash from Operating Activities	<u>81,950</u>	<u>127,063</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	<u>(29,401)</u>	<u>(47,563)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Mortgage principal payments	(42,417)	(40,411)
Capital lease payments	(16,283)	(15,361)
Proceeds from PPP loan	<u>243,515</u>	<u>-</u>
Net Cash from Financing Activities	<u>184,815</u>	<u>(55,772)</u>
Net Change in Cash and Restricted Cash	237,364	23,728
CASH AND RESTRICTED CASH		
Beginning of year	<u>358,885</u>	<u>335,157</u>
End of year	<u>\$ 596,249</u>	<u>\$ 358,885</u>
SUPPLEMENTAL CASH FLOW INFORMATION		
Interest paid	\$ 73,673	\$ 76,652

See notes to financial statements

Cedar Lane Senior Living III, Inc.

Notes to Financial Statements
December 31, 2020 and 2019

1. Organization

Cedar Lane Senior Living III, Inc. (the "Entity") is a Maryland non-stock, non-profit corporation (formerly known as St. Mary's Home for the Elderly III, Inc.). It began operations during 2002. The Entity owns and operates a 30 unit housing project for the elderly in Leonardtown, Maryland. In conjunction with the rental units, the Entity provides support services consisting of a dining facility and a licensed congregate housing program.

The Entity is related through a common board of directors to Cedar Lane Senior Living Community I, Inc. and Cedar Lane Senior Living Community II, Inc. (the Organization). The Organization shares certain board members with Friends of Cedar Lane.

The Entity is qualified as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code, and accordingly, is not subject to federal income taxes. The Internal Revenue Service has ruled that the Entity is not a private foundation under Section 509(a)(1) of the Internal Revenue Code.

2. Summary of Significant Accounting Policies

Basis of Presentation and Use of Estimates

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") which require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Some of the more significant estimates required to be made by management include impairment loss and depreciation.

Cash and Restricted Cash

The Entity considers all highly liquid debt instruments with a maturity of three months or less at time of purchase to be cash equivalents. Restricted cash consists principally of cash held for real estate taxes, construction costs, property maintenance, insurance, minimum occupancy and property operating income requirements as required by certain loan and regulatory agreements.

Advertising

Advertising costs are charged to operations when incurred. Advertising expenses charged to operations for both the years ended December 31, 2020 and 2019 were \$1,315 and \$1,375.

Debt Issuance Costs

Debt issuance costs are reported on the statements of financial position as a direct deduction from the face amount of the debt. The debt issuance costs are being amortized over the term of the debt on a method that approximates the interest method. The Entity reflects amortization of debt issuance costs within interest expense, in accordance with U.S. GAAP.

Cedar Lane Senior Living III, Inc.

Notes to Financial Statements
December 31, 2020 and 2019

2. Summary of Significant Accounting Policies (continued)

Fixed Assets

Fixed assets are recorded at cost. Capital asset additions and improvements which meet a cost in excess of \$2,500 and useful life expected to exceed 12 months are capitalized. Depreciation is computed using the straight-line method over the estimated useful lives of the assets as follows:

Building and improvements	5-40 years
Equipment	5-15 years
Furniture and fixtures	3-10 years

Accounts Receivables and Bad Debts

Tenant receivables are charged to bad debt expense when they are determined to be uncollectible based upon a periodic review of the accounts by management. U.S. GAAP requires that the allowance method be used to recognize bad debts; however, the effect of using the direct write-off method is not materially different from the results that would have been obtained under the allowance method.

Investment in Real Estate

The Entity reviews its investment in real estate for impairment annually and whenever events or changes in circumstances indicate that the carrying value of such property may not be recoverable. For assets held and used, if management's estimate of the aggregate future cash flows to be generated by the rental property, undiscounted and without interest charges, are less than their carrying amounts, an impairment loss has occurred. The amount of the impairment loss is equal to the excess of the asset's carrying value over its estimated fair value. The determination of undiscounted cash flows requires significant estimates by management. Subsequent changes in estimated undiscounted cash flows could impact the determination of whether impairment exists. There was no impairment loss recognized during the years ended December 31, 2020 and 2019.

Rental Income and Prepaid Rent

Rental income is recognized for apartment rentals as it accrues and advance receipts of rental income are deferred and classified as liabilities until earned. All leases between the Entity and the tenants of the property are operating leases and are no longer than one year in duration.

Functional Expense Allocation

The majority of expenses can generally be directly identified with the program or supporting service to which they relate and are charged accordingly. Other expenses by function have been allocated among program and supporting service classifications on the basis of square footage of office space occupied and other bases as determined by management of the Entity to be appropriate.

Net Asset Presentation

Net assets and revenues are classified based on the existence or absence of donor imposed restrictions. Accordingly, the Entity's net assets are classified as with or without donor restrictions.

Cedar Lane Senior Living III, Inc.

Notes to Financial Statements
December 31, 2020 and 2019

2. Summary of Significant Accounting Policies *(continued)*

Compensated Absences

Employees of the Entity are entitled to paid vacation days depending on job classification, length of service, and other factors. The Entity has accrued \$14,965 and \$9,997 for vacation days as of December 31, 2020 and 2019, which is included in accrued expenses in the accompanying statements of financial position.

Grants and Donations Recognition

Grants and donations are recorded as revenue in the year notification is received from the donor. Grants and donations received by the Entity are recognized as without donor restrictions unless they are received with donor restrictions. Grants with donor restrictions, remain restricted until the requirements are fulfilled. Restrictions on donated fixed assets are released when the fixed assets are placed in service.

Accounting for Uncertainty in Income Taxes

The Entity recognizes the effect of income tax positions only if those positions are more likely than not to be sustained. Management has determined that the Entity had no uncertain tax positions that would require financial statement recognition or disclosure. The Entity is no longer subject to examinations by the applicable taxing jurisdictions for periods prior to December 31, 2017.

Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is April 22, 2021.

3. Supplemental Cash Flow Information

At December 31 cash and restricted cash consisted of the following:

	<u>2020</u>	<u>2019</u>
Operating Cash		
Cash	\$ 431,692	\$ 194,666
Restricted Cash		
Reserves for replacements	<u>164,557</u>	<u>164,219</u>
Total Cash and Restricted Cash	<u>\$ 596,249</u>	<u>\$ 358,885</u>

Cedar Lane Senior Living III, Inc.

Notes to Financial Statements
December 31, 2020 and 2019

4. Reserve for Replacements

The Entity has established a reserve for replacements escrow. There are no restrictions over these funds, and funds are used for capital items and large expenditures.

The activity in these funds for the years ended December 31 are as follows:

	<u>2020</u>	<u>2019</u>
	Reserve for Replacements	Reserve for Replacements
Beginning Balance	\$ 164,219	\$ 175,292
Interest earned	338	1,155
Withdrawals	<u>-</u>	<u>(12,228)</u>
Ending Balance	<u>\$ 164,557</u>	<u>\$ 164,219</u>

5. Fixed Assets

Fixed assets consisted of the following at December 31:

	<u>2020</u>	<u>2019</u>
Land	\$ 1,057	\$ 1,057
Building and improvements	3,354,642	3,333,431
Furniture and fixtures	189,068	180,878
Equipment	201,842	201,842
Accumulated depreciation	<u>(1,885,135)</u>	<u>(1,764,360)</u>
	<u>\$ 1,861,474</u>	<u>\$ 1,952,848</u>

6. PPP Loan Payable

On May 8, 2020, the Entity received loan proceeds in the amount of \$243,515 under the Paycheck Protection Program (the "PPP"). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act (the "CARES Act"), provides for loans to qualifying entities for amounts up to 2.5 times their 2019 average monthly payroll expenses of the qualifying entity. The PPP loan bears an interest rate of 1% per annum. All or a portion of the PPP loan principal and accrued interest is forgivable as long the as the borrower uses the loan proceeds for eligible purposes, as described in the CARES Act as amended, over a period between eight to twenty-four weeks (the "Covered Period"). The amount of loan forgiveness could be reduced if the borrower terminates employees or reduces salaries below a certain threshold during the Covered Period and does not qualify for certain safe harbors. The unforgiven portion of the PPP loan, if any, is payable within two or five years from the date of the PPP loan with a deferral of payments of principal and interest until the amount of loan forgiveness is approved by the SBA. If the Entity does not apply for forgiveness, payments begin approximately 16 months after the loan date.

Cedar Lane Senior Living III, Inc.

Notes to Financial Statements
December 31, 2020 and 2019

6. PPP Loan Payable *(continued)*

As of December 31, 2020, the PPP loan is recognized as a debt on the statement of financial position. The Entity will recognize the income from the forgiveness of the PPP loan when it receives the notification of forgiveness from the United Small Business Administration (“SBA”) in accordance with Accounting Standards Codification (“ASC”) 470 Debt. Although, the Entity believes this loan will be substantially or fully forgiven, there can be no guarantee that the SBA will approve the loan forgiveness.

7. Mortgage Payable

On April 21, 2008, the Entity refinanced its mortgage with Community Bank of Tri-County in the amount of \$1,850,000. On October 1, 2010, the Entity entered into a loan modification agreement with Community Bank of the Chesapeake on the unpaid principal balance of \$1,793,991. The interest is payable at a rate of 4.875%. The interest rate will change on October 1, 2025 and every 180th day thereafter to equal 3% plus the Federal Home Loan Bank Long Term Fixed Rate Advances Index with a maximum of 12.125% and a minimum of .125%. Principal and interest in the amount of \$9,494 is payable monthly through maturity in October 1, 2040. The note is secured by the property. The balance at December 31, 2020 and 2019 is \$1,443,088 and \$1,485,505. Interest expense for the years ended December 31, 2020 and 2019 is \$73,673 and \$76,652.

Annual maturities of the mortgage principal for years ending December 31 are payable as follows:

2021	\$ 43,940
2022	46,603
2023	48,927
2024	51,366
2025	53,928
Thereafter	<u>1,198,324</u>
	<u>\$ 1,443,088</u>

Costs incurred to obtain financing by the Entity are being shown net of the debt issuance costs at December 31:

	<u>2020</u>	<u>2019</u>
Mortgages payable	\$ 1,443,088	\$ 1,485,505
Debt issuance costs, net	<u>(13,644)</u>	<u>(14,431)</u>
Mortgages Payable, net	<u>\$ 1,429,444</u>	<u>\$ 1,471,074</u>
	<u>2020</u>	<u>2019</u>
Mortgages acquisition costs	\$ 23,615	\$ 23,615
Accumulated amortization	<u>(9,971)</u>	<u>(9,184)</u>
Debt issuance costs, net	<u>\$ 13,644</u>	<u>\$ 14,431</u>

Cedar Lane Senior Living III, Inc.

Notes to Financial Statements
December 31, 2020 and 2019

8. Capital Leases

The Entity has entered into a capital lease agreement for television equipment. The leased equipment is amortized on a straight line basis over 5 years beginning in September 2016. As of December 31, 2020 and 2019 the gross amount of the capital lease assets and related accumulated depreciation recorded under the leases is as follows:

	2020	2019
Television equipment	\$ 75,950	\$ 75,950
Accumulated depreciation	(64,344)	(48,061)
	\$ 11,606	\$ 27,889

The interest rate related to the lease obligation is 5.849% and the maturity date is September 22, 2021. The scheduled future minimum lease payments under capital lease obligations by years and the present value of the minimum lease payments as of December 31, 2020 are as follows:

Years Ending December 31,	Amount
2021	\$ 11,704
Total minimum future lease payments	11,704
Amount representing interest	(98)
Present value for minimum lease payments	11,606
Current portion	(11,606)
Long-term portion	\$ -

9. Liquidity and Availability of Financial Assets

The Entity's financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, are comprised of the following:

	2020	2019
Cash	\$ 431,692	\$ 194,666
Tenant receivables	961	-
Accounts receivable - ICHSP	-	3,610
Financial Assets Available within One Year	\$ 432,653	\$ 198,276

As part of the Entity's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the Entity invests cash in excess of daily requirements in short-term investments.

Cedar Lane Senior Living III, Inc.

Notes to Financial Statements
December 31, 2020 and 2019

10. Functional Expenses

The cost of providing various programs and other activities is summarized on a functional basis as follows for the years ended December 31:

	2020		
	Program Services Rental Operations	Supporting Activities- Administration	Total
Program services	\$ 197,572	\$ -	\$ 197,572
Advertising	-	1,315	1,315
Office expense	-	2,885	2,885
Legal	-	39	39
Auditing	-	10,200	10,200
Other administrative	-	12,338	12,338
Utilities	23,558	-	23,558
Operating and maintenance	65,301	-	65,301
Taxes and insurance	39,063	-	39,063
Interest	73,673	-	73,673
Other financial	787	-	787
Depreciation	120,775	-	120,775
	\$ 520,729	\$ 26,777	\$ 547,506
2019			
	Program Services Rental Operations	Supporting Activities- Administration	Total
Program services	\$ 206,110	\$ -	\$ 206,110
Advertising	-	1,375	1,375
Office expense	-	3,248	3,248
Auditing	-	9,900	9,900
Other administrative	-	11,244	11,244
Bad debt	-	304	304
Utilities	24,168	-	24,168
Operating and maintenance	99,883	-	99,883
Taxes and insurance	35,863	-	35,863
Interest	76,652	-	76,652
Other financial	787	-	787
Depreciation	117,633	-	117,633
	\$ 561,096	\$ 26,071	\$ 587,167

Cedar Lane Senior Living III, Inc.

Notes to Financial Statements
December 31, 2020 and 2019

11. Pension Plan

The Entity established a 401(k) retirement plan (the Plan) on September 1, 2008. The Plan is a defined contribution plan under Section 401(k) of the Internal Revenue Service Code ("IRC") of 1986 covering substantially all employees of the Entity who have completed 90 days of service and are age 18 or older. The Entity adopted the Safe Harbor provisions under IRC Section 401(k)(12) for the 2015 plan year with a non-elective employer contribution of 3% of the participant's eligible compensation.

For the years ended December 31, 2020 and 2019, the amount allocable to the Entity under the terms of the above and included in health insurance and other employee benefits in the accompanying statements of activities and change in net assets was \$4,957 and \$4,590. As of December 31, 2020 and 2019, \$5,275 and \$5,348, remains payable and included in accounts payable and accrued expenses in the accompanying statements of financial position.

12. Line of Credit

On June 30, 2009, the Entity established a line of credit with Community Bank of the Chesapeake for the amount of \$100,000 with an interest rate of 5%. As of December 31, 2020 and 2019, there is no balance due on the line of credit.

13. Related Party

Intercompany Transactions

The Entity, Cedar Lane Senior Living Community, Inc. ("CLSLC I") and Cedar Lane Senior Living Community II, Inc. ("CLSLC II") (related parties via a common board of directors) all utilize a centralized operating cash account for cash disbursements of certain expenses that are shared among the related parties. The vast majority of cash receipts are deposited into the respective entity's operating account and cash is transferred from there into the centralized account in amounts needed to cover each entity's share of the disbursements. The Entities use accounting software that maintains a separate set of accounting records for each entity making the cash position easily identifiable and traceable to the accounting records. For the years ended December 31, 2020 and 2019, the Entity has an intercompany payable for operational expenses of \$29,922 and \$28,028.

These amounts have historically been paid within 12 months following year end and are appropriately classified as current assets or liabilities.

Surplus Cash Note Receivable

In June 2016, the Entity executed a Surplus Cash Note with Cedar Lane Senior Living Community I, Inc. totaling advances of \$108,000. The prime rate plus 3.714% note matures in May 2052, at which time the entire principal and accrued interest balance is owed. The current amount receivable at December 31, 2020 and 2019 is \$35,240.

Cedar Lane Senior Living III, Inc.

Notes to Financial Statements
December 31, 2020 and 2019

13. Related Party (continued)

Donations

Friends of Cedar Lane, an affiliate of the Entity, has historically made donations to the property for capital projects. For the year ended December 31, 2019, funds in the amount of \$29,482 were donated to the property for a beautification project approved by the board of directors. No amounts were donated for the year ended December 31, 2020.

14. Congregate Housing Services Program

The Entity has entered into an agreement with the Maryland Department of Aging (the "MDA") in which the Entity shall provide congregate housing services (including food, housekeeping and personal services) to eligible residents and the MDA shall pay the Entity operating subsidies to provide such services. Eligibility determinations and subsidy calculations are subject to review by the MDA. The agreement expired on June 30, 2020 and was not renewed. Congregate Housing Services revenue included in other operating income on the statement of activities and change on net assets amounted to \$15,525 and \$36,336 for the years ended December 31, 2020 and 2019. There was no amount receivable at December 31, 2020. At December 31, 2019, there was \$3,610 due and included in accounts receivable - other.

15. Concentrations

Financial instruments that potentially subject the Entity to concentrations of credit risk consist principally of cash. The Entity places its cash with various financial institutions. At times the cash balances may be in excess of the Federal Deposit Insurance Corporation insurance limits.

16. Contingency

The Entity's primary asset is 30 units in a three story apartment building. The Entity's operations are concentrated in the multifamily real estate market. The Entity, as an owner of real estate, is subject to various federal, state and local environmental laws. While the Entity is currently in compliance with existing laws, the Entity cannot predict the impact of new or future changes in laws or regulations on its properties.

The Entity is currently involved in a legal proceeding instituted by a tenant on a claim that occurred during 2019 arising in the ordinary course of business. The case is scheduled for jury trial. All trials are delayed due to the COVID-19 environment until at least April 23, 2021. The insurance company is defending the claim and the Entity has adequate coverage for any loss in excess of the deductible. In the opinion of management, with all allegations of negligence having been denied, there is no material adverse effect on the Entity's financial position or operations in these financial statements.

Cedar Lane Senior Living III, Inc.

Notes to Financial Statements
December 31, 2020 and 2019

17. Risks and Uncertainties

The coronavirus outbreak may have an adverse effect on the results of operations. Given the uncertainty around the extent and timing of the potential future spread or mitigation of the coronavirus and around the imposition or relaxation of protective measures, management cannot reasonably estimate the impact to future results of operations, cash flows, or financial condition.

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Cedar Lane Senior Living III, Inc.

Supplementary Information
Years Ended December 31, 2020 and 2019

Cedar Lane Senior Living III, Inc.

Schedules of Other Income and Expenses

	Year Ended	
	December 31,	
	2020	2019
OTHER INCOME		
Laundry and vending	\$ 2,820	\$ 3,295
Miscellaneous tenant charges	647	630
Cable income	29,048	29,038
Grant income	15,525	36,336
Donations	-	29,482
Miscellaneous revenue	4,719	21,124
	\$ 52,759	\$ 119,905
 ADMINISTRATIVE		
Advertising	\$ 1,315	\$ 1,375
Office expense	2,885	3,248
Legal expense - project	39	-
Audit expense	10,200	9,900
Other professional fees	3,057	2,251
Bad debt	-	304
Miscellaneous administrative expense	9,281	8,993
	\$ 26,777	\$ 26,071
 UTILITIES		
Electricity	\$ 17,445	\$ 18,078
Water and sewer	6,113	6,044
Gas	-	46
	\$ 23,558	\$ 24,168
 OPERATING AND MAINTENANCE		
Supplies	\$ 4,045	\$ 7,511
Contracts	27,851	40,149
Grounds	3,157	3,143
Trash removal	5,570	4,222
Exterminating	409	1,103
Elevator	7,334	8,710
Security	1,661	1,508
Miscellaneous operating expenses	15,274	33,537
	\$ 65,301	\$ 99,883

See independent auditors' report

Cedar Lane Senior Living III, Inc.

Schedules of Other Income and Expenses *(continued)*

	Year Ended December 31,	
	<u>2020</u>	<u>2019</u>
TAXES AND INSURANCE		
Payroll taxes - project share	\$ 14,495	\$ 14,147
Property and liability insurance	15,838	13,450
Other taxes, licenses and permits	<u>8,730</u>	<u>8,266</u>
	<u>\$ 39,063</u>	<u>\$ 35,863</u>
INTEREST		
Amortization of debt issuance costs	\$ 787	\$ 787
Interest on mortgage payable	<u>73,673</u>	<u>76,652</u>
	<u>\$ 74,460</u>	<u>\$ 77,439</u>

See independent auditors' report

Cedar Lane Senior Living III, Inc.

Schedule of Changes in Fixed Asset Accounts
Year Ended December 31, 2020

	Beginning Balance	Additions	Deductions	Ending Balance
Land	\$ 1,057	\$ -	\$ -	\$ 1,057
Building and improvements	3,333,431	21,211	-	3,354,642
Furniture and fixtures	180,878	8,190	-	189,068
Equipment	201,842	-	-	201,842
Total Fixed Assets	3,717,208	\$ 29,401	\$ -	3,746,609
Accumulated depreciation	(1,764,360)	\$ (120,775)	\$ -	(1,885,135)
Total Net Book Value	\$ 1,952,848			\$ 1,861,474
Fixed asset additions				
Door replacements		\$ 21,211		
Furniture and Fixtures				
Countertops		\$ 5,460		
Patio furniture		2,730		
		\$ 8,190		

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