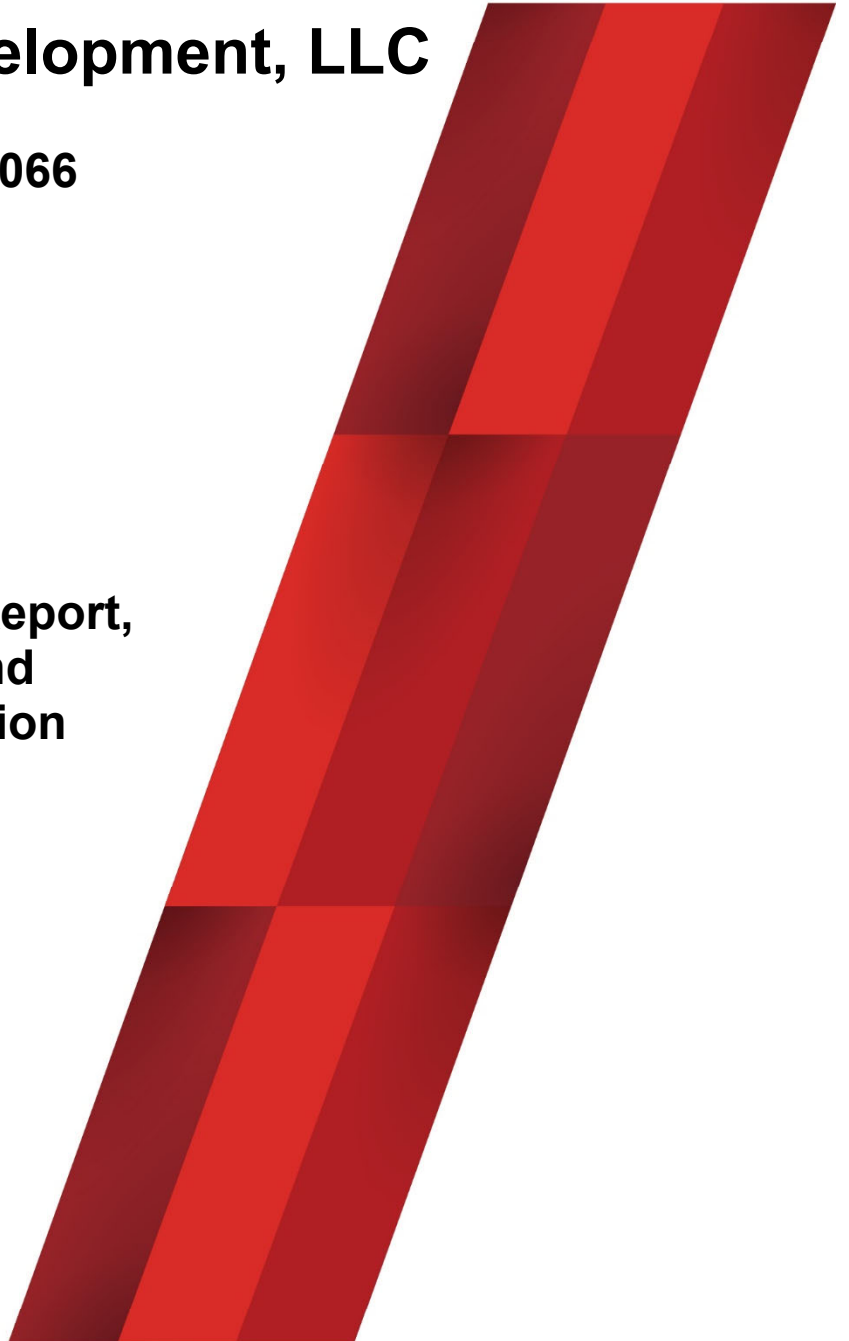


# **Carlton Place Development, LLC**

**NCHFA Project No. 9001066**

**Independent Auditor's Report,  
Financial Statements, and  
Supplementary Information**

**December 31, 2022 and 2021**



# Table of Contents

<b>Independent Auditor's Report</b> .....	1
<b>Financial Statements:</b>	
Balance Sheets.....	4
Statements of Operations.....	6
Statements of Members' Equity.....	7
Statements of Cash Flows.....	8
Notes to Financial Statements.....	10
<b>Supplementary Information:</b>	
Schedules of Income and Expenses .....	16



## Independent Auditor's Report

Members  
Carlton Place Development, LLC  
NCHFA Project No. 9001066  
Raleigh, NC

### Report on the Audit of the Financial Statements

#### ***Opinion***

We have audited the financial statements of Carlton Place Development, LLC, NCHFA Project No. 9001066, which comprise the balance sheets as of December 31, 2022 and 2021, and the related statements of operations, members' equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Carlton Place Development, LLC as of December 31, 2022 and 2021, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Carlton Place Development, LLC and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Carlton Place Development, LLC's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

## ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not absolute assurance, and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Carlton Place Development, LLC's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Carlton Place Development, LLC's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

# FORVIS

## 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 are presented for 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.

FORVIS,LLP

High Point, NC  
May 10, 2023

**Carlton Place Development, LLC**  
**NCHFA Project No. 9001066**  
**Balance Sheets**  
**December 31, 2022 and 2021**

(2 pages)

	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>		
Current assets:		
Cash, operating	\$ 122,871	\$ 132,531
Accounts receivable, tenants	6,156	14,950
Accounts receivable, other	1,395	1,395
Due from related party	6,100	6,100
Prepaid expenses	<u>9,213</u>	<u>31,828</u>
Total current assets	<u>145,735</u>	<u>186,804</u>
Restricted deposits and funded reserves:		
Cash, replacement reserve	217,233	185,536
Cash, operating reserve	240,492	240,001
Cash, escrow	30,258	7,540
Cash, tenant security deposits	<u>33,611</u>	<u>31,306</u>
	<u>521,594</u>	<u>464,383</u>
Rental property, at cost:		
Land	738,426	738,426
Land improvements	671,481	671,481
Building	8,490,718	8,479,674
Furnishings and equipment	<u>387,527</u>	<u>387,527</u>
	10,288,152	10,277,108
Accumulated depreciation	<u>(4,331,528)</u>	<u>(4,084,184)</u>
	<u>5,956,624</u>	<u>6,192,924</u>
	<u>\$ 6,623,953</u>	<u>\$ 6,844,111</u>

See accompanying notes.

**Carlton Place Development, LLC**  
**NCHFA Project No. 9001066**  
**Balance Sheets**  
**December 31, 2022 and 2021**

(2 pages)

	<u>2022</u>	<u>2021</u>
<b>LIABILITIES AND MEMBERS' EQUITY</b>		
Current liabilities:		
Current maturities of mortgages payable	\$ 69,471	\$ 66,028
Accounts payable and accrued expenses	15,997	15,227
Accounts payable, management company	3,362	2,931
Accrued interest payable	<u>11,751</u>	<u>11,711</u>
Total current liabilities	<u>100,581</u>	<u>95,897</u>
Deposits and prepayment liabilities:		
Tenant security deposits	33,611	31,306
Prepaid rent	<u>8,821</u>	<u>8,157</u>
	<u>42,432</u>	<u>39,463</u>
Long-term liabilities:		
Accrued interest, affiliate, net of current maturities	418,923	474,867
Mortgages payable, net of unamortized debt issuance costs of \$34,346 in 2022 and \$36,661 in 2021, net of current maturities	<u>3,670,745</u>	<u>3,738,199</u>
	<u>4,089,668</u>	<u>4,213,066</u>
Members' equity	<u>2,391,272</u>	<u>2,495,685</u>
	<u>\$ 6,623,953</u>	<u>\$ 6,844,111</u>

**Carlton Place Development, LLC**  
**NCHFA Project No. 9001066**  
**Statements of Operations**  
**Years Ended December 31, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
Revenues:		
Gross rent potential	\$ 789,769	\$ 774,226
Less: Vacancies	(11,715)	(27,233)
Gain (loss) to lease	<u>(20,100)</u>	<u>(24,180)</u>
Net rent revenue	757,954	722,813
Other income	<u>10,712</u>	<u>30,463</u>
Total revenues	<u>768,666</u>	<u>753,276</u>
Operating expenses:		
Administrative	124,891	129,568
Utilities	72,830	52,009
Management fees	40,604	38,545
Repairs and maintenance	202,420	188,122
Taxes and insurance	47,468	45,096
Asset management fees	<u>-</u>	<u>17,313</u>
Total operating expenses	<u>488,213</u>	<u>470,653</u>
Income from operations	<u>280,453</u>	<u>282,623</u>
Nonoperating (income) expenses:		
Interest income	(1,455)	(267)
Interest expense	105,386	106,590
Deferred interest	30,006	30,006
Amortization	-	5,788
Depreciation	248,726	247,317
Loss on disposal	<u>2,203</u>	<u>-</u>
Total nonoperating expenses	<u>384,866</u>	<u>389,434</u>
Net loss	<u>\$ (104,413)</u>	<u>\$ (106,811)</u>

See accompanying notes.



**Carlton Place Development, LLC**  
**NCHFA Project No. 9001066**  
**Statements of Members' Equity**  
**Years Ended December 31, 2022 and 2021**

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Balance, December 31, 2020	\$ 2,602,496
Net loss	<u>(106,811)</u>
Balance, December 31, 2021	2,495,685
Net loss	<u>(104,413)</u>
Balance, December 31, 2022	<u><u>\$ 2,391,272</u></u>

**Carlton Place Development, LLC**  
**NCHFA Project No. 9001066**  
**Statements of Cash Flows**  
**Years Ended December 31, 2022 and 2021**

(2 pages)

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities:		
Net loss	\$ (104,413)	\$ (106,811)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation	248,726	247,317
Loss on disposal	2,203	-
Amortization of intangible assets	-	5,788
Amortization of deferred financing costs	2,315	2,315
Deferred interest	30,006	30,006
Change in assets and liabilities		
Accounts receivable, tenants	8,794	(4,093)
Due from related party	-	(6,100)
Prepaid expenses	22,615	(9,729)
Accounts payable and accrued expenses	770	(4,277)
Accounts payables affiliate	-	(87,083)
Accrued interest	40	(162)
Accrued interest, affiliate	(85,950)	-
Accrued asset management fees	431	(375)
Tenant security deposit	2,305	4,838
Prepaid rent	664	6,786
Net cash provided by operating activities	<u>128,506</u>	<u>78,420</u>
Cash flows from investing activities:		
Purchase of fixed assets	<u>(14,629)</u>	<u>-</u>
Net cash used by investing activities	<u>(14,629)</u>	<u>-</u>
Cash flows from financing activities:		
Payment of mortgages payable	<u>(66,326)</u>	<u>(64,921)</u>
Net cash used by financing activities	<u>(66,326)</u>	<u>(64,921)</u>
Net increase in cash and restricted deposits and funded reserves	47,551	13,499
Cash and restricted deposits and funded reserves, beginning of year	<u>596,914</u>	<u>583,415</u>
Cash and restricted deposits and funded reserves, end of year	<u>\$ 644,465</u>	<u>\$ 596,914</u>

See accompanying notes.

**Carlton Place Development, LLC**  
**NCHFA Project No. 9001066**  
**Statements of Cash Flows**  
**Years Ended December 31, 2022 and 2021**

**(2 pages)**

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	<u>2022</u>	<u>2021</u>
Supplemental disclosure of cash flow information:		
Cash paid for interest	<u>\$ 188,981</u>	<u>\$ 104,437</u>
Reconciliation of cash and restricted deposits and funded reserves to the balance sheet:		
Cash	\$ 122,871	\$ 132,531
Restricted deposits and funded reserves	<u>521,594</u>	<u>464,383</u>
	<u>\$ 644,465</u>	<u>\$ 596,914</u>

## Notes to Financial Statements

### 1. Nature of Operations and Significant Accounting Policies

#### *Nature of operations*

Carlton Place Development, LLC (the “Company”) was organized for the purpose of acquiring, developing, financing, constructing, owning, maintaining, and operating an 80-unit apartment complex for rental to individuals and families consisting of 64 low-income units and 16 market-rate units located in Raleigh, North Carolina commonly known as “Carlton Place Apartments.” The major activities of the Company are governed by the operating agreement and the loan agreements. The property was placed into service in December of 2006.

Effective September 14, 2011, Nationwide Housing Fund XXVII - Apollo Tax Credit Fund - L, LLC transferred its investor member interest to Nationwide Housing Fund XVIII - Apollo Tax Credit Fund - L, LLC. The Company has one managing member - Carlton Place, Inc., and one special investor member - RBC Community Investments Manager II, Inc. (formerly Apollo Housing Manager II, Inc.).

Effective January 1, 2022, Nationwide Housing Fund XVIII - Apollo Tax Credit Fund - L, LLC and RBC Community Investments Manager II, Inc. assigned their Investor Member and Special Investor Member interests in the Company to Community Revitalization and Preservation Corporation (“CRPC”).

#### *Basis of accounting*

The financial statements of the Company are prepared on the accrual basis of accounting and in accordance with generally accepted accounting principles.

The following is a summary of significant accounting policies consistently applied in the preparation of these financial statements.

#### *Income taxes*

As a limited liability company, the Company’s taxable income or loss is allocated to the members in accordance with the operating agreement and is reflected in their income taxes; accordingly, the accompanying financial statements do not reflect a provision or liability for federal and state income taxes.

#### *Rental property*

Rental property is stated at cost. Depreciation is computed primarily using the straight-line method over the estimated useful lives of the assets as follows:

Land improvements	20 years
Building	40 years
Furniture and equipment	5 to 10 years

Improvements are capitalized, while expenditures for maintenance and repairs are charged to expense as incurred.

### ***Cash and cash equivalents***

For purposes of the statement of cash flows, the Company considers all unrestricted, highly liquid investments with an initial maturity of three months or less to be cash equivalents. The Company's deposited funds are in institutions insured by the Federal Deposit Insurance Corporation and the U.S. Treasury.

### ***Use of estimates***

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

### ***Impairment of long-lived assets***

The Company reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Recoverability is measured by a comparison of the carrying amount to the future net undiscounted cash flow expected to be generated and any estimated proceeds from the eventual disposition. If the long-lived asset is considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying amount exceeds the fair value as determined from an appraisal, discounted cash flows analysis, or other valuation technique. No impairment losses were recognized during 2022 or 2021.

### ***Accounts receivable 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. Accounting principles generally accepted in the United States of America require 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.

### ***Other assets***

Deferred tax credit fees are being amortized over 15 years, the tax credit compliance period.

### ***Debt issuance costs***

Loan costs are being amortized to interest expense over the life of the related loan.

### ***Concentrations of credit risk***

The Company maintains its cash in financial institutions insured by Federal Deposit Insurance Corporation (FDIC). Deposit accounts, at times, may exceed federally insured limits. The Company has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

### ***Advertising***

The Company expenses advertising costs as they are incurred. Advertising expenses for the years ended December 31, 2022 and 2021 were \$1,595 and \$200, respectively.

### ***Subsequent events evaluation***

The Company evaluated the effect subsequent events would have on the financial statements through May 10, 2023, which is the date the financial statements were available to be issued.

## 2. Members' Capital Contributions

The managing member is required to make a capital contribution of \$100, all of which has been contributed as of December 31, 2022 and 2021. The former investor member and special investor member are required to make capital contributions of \$5,808,822 and \$10, respectively, of which \$5,800,454 and \$0 has been contributed, respectively, as of December 31, 2022 and 2021.

## 3. Mortgages Payable

Details of the mortgages payable at December 31, 2022 and 2021 are as follows:

	<u>2022</u>	<u>2021</u>
<p>Note payable to Providence Bank in the principal sum of \$1,464,000 with interest at 7.25% for years one through 18. Years 19 through 30, interest shall be at a rate not to exceed 11.25% and not less than 7.25%. Monthly payments of \$9,988 began on March 1, 2008 and continue until maturity date of February 1, 2038. The loan was originally funded from Centrant Community Capital ("Centrant"). In 2010, the loan was sold to Providence Bank but continues to be serviced by Centrant. At December 31, 2022 and 2021, accrued interest amounted to \$6,648 and \$6,881, respectively. Interest expense for the years ended December 31, 2022 and 2021 amounted to \$81,079 and \$83,783, respectively. Deferred financing fees amortized to interest expense amounted to \$2,315 for each of the years ended December 31, 2022 and 2021. Interest paid during the years ended December 31, 2022 and 2021 amounted to \$81,312 and \$84,000, respectively. The note is secured by a first deed of trust.</p>	\$ 1,100,433	\$ 1,138,977
<p>Note payable to the City of Raleigh in the principal sum of \$1,200,000 with interest at 2%. Monthly payments of principal and interest in the amount of \$3,125 began on May 1, 2007 and continue until of April 1, 2037 (maturity date). At December 31, 2022 and 2021, accrued interest amounted to \$1,617. Interest expense for the years ended December 31, 2022 and 2021 amounted to \$19,236 and \$17,735, respectively. Interest paid during the years ended December 31, 2022 and 2021 amounted to \$19,236 and \$17,765, respectively. The note is secured by a second deed of trust.</p>	951,887	970,152
<p>Note payable to the County of Wake, North Carolina, in the amount of \$250,000 with interest accruing at 2% effective January 1, 2007. Annual payments of principal and interest in the amount of \$12,000 began on January 1, 2008 and continue annually until January 1, 2027 (the maturity date) at which time all outstanding principal and accrued interest shall be due and payable. At December 31, 2022 and 2021, accrued interest amounted to \$3,486 and \$3,213, respectively. Interest expense for the years ended December 31, 2022 and 2021 amounted to \$2,756 and \$2,757, respectively. Interest paid during the years ended December 31, 2022 and 2021 amounted to \$2,483 and \$2,672, respectively. The loan is secured by a third lien on the property.</p>	128,321	137,838

**Carlton Place Development, LLC**  
**NCHFA Project No. 9001066**  
**Notes to Financial Statements**

	<u>2022</u>	<u>2021</u>
Note payable to DHIC, Inc. ("DHIC"), an affiliate of the managing member, in the amount of \$478,987 payable in full with 2% interest by December 20, 2035. At December 31, 2022 and 2021 accrued interest amounted to \$71,844 and \$148,214, respectively. Interest expense amounted to \$9,580 for each of the years ended December 31, 2022 and 2021. Interest paid during the years ended December 31, 2022 and 2021 amounted to \$85,950 and \$0, respectively. The loan is secured by a fourth lien on the property.	\$ 478,987	\$ 478,987
Note payable to DHIC in the amount of \$408,516 payable in full with 5% interest by August 9, 2025. At December 31, 2022 and 2021, accrued interest amounted to \$347,079 and \$326,653, respectively. Interest expense amounted to \$20,426 for the years ended December 31, 2022 and 2021. The loan is secured by a fifth lien on the property.	408,516	408,516
Non-interest-bearing note payable to North Carolina Housing Finance Agency ("NCHFA") in the amount of \$706,418. No principal payments are due on this loan until the loan matures on October 1, 2036, at which time all outstanding principal and accrued interest shall be due and payable. The loan is secured by a sixth lien upon the property.	<u>706,418</u>	<u>706,418</u>
	<b>3,774,562</b>	3,840,888
Less: unamortized debt issuance costs	<b>(34,346)</b>	(36,661)
Less: current maturities	<u><b>(69,471)</b></u>	<u>(66,028)</u>
	<u><b>\$ 3,670,745</b></u>	<u>\$ 3,738,199</u>

Total estimated principal maturities of the mortgages payable subsequent to December 31, 2022 are as follows:

2023	\$ 69,471
2024	73,131
2025	485,526
2026	81,222
2027	164,923
Thereafter	<u>2,900,289</u>
	<u><b>\$ 3,774,562</b></u>

#### **4. Related-Party Transactions**

##### ***Management Services Fee***

Pursuant to a management services agreement dated January 2, 2022, the Company shall pay an annual management services fee to DHIC equal to 100% of net income available for distribution, as determined at the sole discretion of the manager (the sole member of the Company). For the years ended December 31, 2022 and 2021, no management services fees were paid.

***Due from related party***

At December 31, 2022 and 2021, due from related party consisted of \$6,100, receivable from the managing member of the Company for payments made by the Company related to a transfer of membership interests effective January 1, 2022.

***Special member asset management fee***

The Company paid, as an operational expense of the Company, an annual fee equal to \$5,000 to the former special investor member for an annual review of the operations of the Company and the apartment complex beginning in 2007. Such fee was paid quarterly and was cumulative to the extent not paid in full in any quarter. Such fee increased annually by 4%. During the years ended December 31, 2022 and 2021, \$0 and \$8,656, respectively, has been earned. As of December 31, 2022 and 2021, no amounts remained payable.

***Managing member asset management fee***

The Company paid, as an operational expense of the Company after payment of the former special investor member asset management fee, an annual fee equal to \$5,000 to the managing member or its affiliate beginning in 2007. Such was paid quarterly on the first business day of each quarter and was cumulative to the extent not paid in full for any year. Such increased annually by 4%. During the years ended December 31, 2022 and 2021, \$0 and \$8,657, respectively, has been earned. As of December 31, 2022 and 2021, no amounts remained payable.

**5. Reserves**

***Replacement reserve***

The operating agreement requires the Company to fund a replacement reserve using cash flow from operations, as defined. Reserve additions of \$20,000, increasing at 3% each year, are required to be made annually commencing January 1, 2007. The loan agreement with Providence Bank requires the reserve to be funded to 30% of the current annual income of the property before deposits may be discontinued. This reserve is utilized to fund major repairs, capital expenditures and replacements of capital items in the project. All withdrawals exceeding \$2,000 during any twelve-month period must be approved by Providence Bank.

An analysis of the reserve for the years ended December 31, 2022 and 2021 is as follows:

	<u>2022</u>	<u>2021</u>
Balance, beginning	\$ 185,536	\$ 155,208
Funding	31,156	30,252
Interest	<u>541</u>	<u>76</u>
Balance, ending	<u>\$ 217,233</u>	<u>\$ 185,536</u>

The required funding for 2022 and 2021 was \$31,159 and \$30,252, respectively. As of December 31, 2022, the replacement reserve is adequately funded.



**Operating reserve**

The operating agreement requires the Company to fund an operating reserve account in an aggregate amount of \$239,000 (with \$133,558 being funded at the time of the third capital contribution and \$105,442 being funded at the time of the fourth capital contribution) into a segregated reserve account to fund operating expenses and debt service in excess of operating revenues. The loan agreement with Providence Bank requires all withdrawals exceeding \$2,000 and fund withdrawals totaling more than \$5,000 in any single calendar year must be approved by Providence Bank. An analysis of the operating reserve for the years ended December 31, 2022 and 2021 is as follows:

	<u>2022</u>	<u>2021</u>
Balance, beginning	\$ 240,001	\$ 239,892
Interest earned	<u>491</u>	<u>109</u>
Balance, ending	<u>\$ 240,492</u>	<u>\$ 240,001</u>

**6. Property Management Agreement**

Effective March 26, 2020, the Company changed property management providers and entered into an agreement with Community Management Corporation (“CMC”), an unaffiliated entity. In accordance with the agreement, the management fee is equal to 5.28% of monthly gross receipts of the project, as defined. The term of the agreement is from March 27, 2020 until March 26, 2023, but shall be automatically renewed for a period of one year unless, on or before 30 days prior to the expiration, either party hereto shall notify the other in writing of an intention to terminate this agreement. Management fee expense for the years ended December 31, 2022 and 2021, amounted to \$40,604 and \$38,545, respectively.

**7. Current Vulnerability Due to Certain Concentrations**

The Company’s sole asset is its 80-unit housing complex located in Raleigh, North Carolina consisting of 64 low-income units and 16 market-rate units. The Company’s operations are concentrated in the affordable housing real estate market. In addition, the Company operates in a heavily regulated environment. The operations of the Company are subject to the administrative directives, rules and regulations of federal, state and local regulatory agencies, including, but not limited to, the State Housing Agency. Such administrative directives, rules and regulations are subject to change by an act of Congress or an administrative change mandated by the State Housing Agency. Such changes may occur with little notice or inadequate funding to pay for the related cost, including the additional administrative burden, to comply with a change.

***Supplementary Information***

**Carlton Place Development, LLC**  
**NCHFA Project No. 9001066**  
**Schedules of Income and Expenses**  
**Years Ended December 31, 2022 and 2021**

(2 pages)

	<u>2022</u>	<u>2021</u>
Rental income:		
Residential income	<u>\$ 757,954</u>	<u>\$ 722,813</u>
Interest income:		
Interest income	<u>\$ 1,455</u>	<u>\$ 267</u>
Other income:		
Laundry and vending	\$ 88	\$ 2,571
Late fees	6,011	5,101
Application fees	885	1,385
Damages and cleaning	2,016	6,713
Grant revenue	-	13,368
Other miscellaneous income	1,712	1,325
	<u>\$ 10,712</u>	<u>\$ 30,463</u>
Administrative:		
Advertising/marketing/renting expenses	\$ 1,595	\$ 200
Office supplies	10,354	9,403
Office payroll and related expenses	77,785	90,697
Accounting fees	12,674	7,690
Telephone	12,175	11,544
Bad debt	7,302	8,677
Miscellaneous	3,006	1,357
	<u>\$ 124,891</u>	<u>\$ 129,568</u>
Utilities:		
Water	\$ 27,147	\$ 18,408
Sewer	29,661	19,544
Electricity	16,022	14,057
	<u>\$ 72,830</u>	<u>\$ 52,009</u>
Management fees:		
Property management	<u>\$ 40,604</u>	<u>\$ 38,545</u>

Carlton Place Development, LLC  
NCHFA Project No. 9001066  
Schedules of Income and Expenses  
Years Ended December 31, 2022 and 2021

(2 pages)

	<u>2022</u>	<u>2021</u>
Repairs and maintenance:		
Repairs and maintenance payroll	\$ 70,345	\$ 53,087
Repairs supplies	65,434	79,782
Exterminating	1,688	2,000
Painting and decorating	6,870	8,975
Security equipment and maintenance	1,750	-
Repairs contracts	19,806	18,512
Grounds maintenance	20,735	10,958
Janitor and cleaning contract	382	633
Garbage and trash	15,410	14,175
	<u>\$ 202,420</u>	<u>\$ 188,122</u>
Taxes and insurance:		
Real estate taxes	\$ 164	\$ 302
Property insurance	22,273	25,018
Other insurance	25,031	19,776
	<u>\$ 47,468</u>	<u>\$ 45,096</u>
Asset management fees:		
Asset management fees	<u>\$ -</u>	<u>\$ 17,313</u>
Interest expense:		
Interest expense - Providence	\$ 81,079	\$ 83,783
Interest expense - City of Raleigh	19,236	17,735
Interest expense - Wake County	2,756	2,757
Amortization of deferred financing costs	2,315	2,315
	<u>\$ 105,386</u>	<u>\$ 106,590</u>
Deferred interest:		
Interest expense - DHIC	<u>\$ 30,006</u>	<u>\$ 30,006</u>
Depreciation and amortization:		
Depreciation	\$ 248,726	\$ 247,317
Amortization	-	5,788
Loss on disposal	2,203	-
	<u>\$ 250,929</u>	<u>\$ 253,105</u>