Greenfield Senior Housing, LLC

NCHFA Project No. 9197850

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

December 31, 2022 and 2021

Table of Contents

Independent Auditor's Report 1

Financial Statements:

Balance Sheets 4

Statements of Operations 6

Statements of Members' Equity (Deficit) 7

Statements of Cash Flows 8

Notes to Financial Statements 10

Supplementary Information:

Schedules of Income and Expenses 18

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Independent Auditor's Report

Members
Greenfield Senior Housing, LLC
NCHFA Project No. 9197850
Raleigh, NC

Report on the Audit of the Financial Statements

Opinion
We have audited the financial statements of Greenfield Senior Housing, LLC, which comprise the balance sheets as of December 31, 2022 and 2021, and the related statements of operations, members' equity (deficit), 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 Greenfield Senior Housing, 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 Greenfield Senior Housing, 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 Greenfield Senior Housing, 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 Greenfield Senior Housing, 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 Greenfield Senior Housing, 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.

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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
March 1, 2023

Greenfield Senior Housing, LLC
NCHFA Project No. 9197850
Balance Sheets
Years Ended December 31, 2022 and 2021 **(2 pages)**

	2022	2021
ASSETS		
Current assets:		
Cash, operating	**$ 85,916**	$ 121,365
Accounts receivable, tenants	**1,569**	2,296
Prepaid insurance	**4,223**	21,105
Total current assets	**91,708**	144,766
Restricted deposits and funded reserves		
Cash, tax and insurance escrow	**23,046**	6,268
Cash, operating reserve	**228,969**	228,501
Cash, replacement reserve	**65,407**	45,900
Cash, tenant security deposits	**26,881**	21,415
	344,303	302,084
Rental property:		
Land	**216,255**	216,255
Land improvements	**979,107**	979,107
Buildings	**8,698,956**	8,698,956
Furniture and fixtures	**251,248**	251,248
	10,145,566	10,145,566
Less accumulated depreciation	**(1,193,037)**	(860,039)
	8,952,529	9,285,527
Other assets:		
Deferred tax credit fees, net of accumulated amortization of $35,093 in 2022 and $26,320 in 2021	**96,509**	105,282
Total other assets	**96,509**	105,282
	$ 9,485,049	$ 9,837,659

Greenfield Senior Housing, LLC
NCHFA Project No. 9197850
Balance Sheets
Years Ended December 31, 2022 and 2021 **(2 pages)**

	2022	2021
LIABILITIES AND MEMBERS' EQUITY		
Current liabilities:		
Current maturities of notes payable	**$ 32,605**	$ 31,168
Accounts payable, trade	**5,744**	5,184
Accrued management fee	**2,820**	2,867
Accrued investor services fee	**-**	4,349
Accrued company administration fee	**137,870**	97,877
Accrued interest	**20,896**	18,407
Deferred development fee, current portion	**-**	9,222
Total current liabilities	**199,935**	169,074
Deposits and prepayment liabilities:		
Tenant security deposits	**26,881**	21,415
Prepaid rent	**2,104**	13,169
	28,985	34,584
Long-term liabilities:		
Accrued interest, DHIC	**16,001**	29,302
Deferred development fee, net of current portion	**317,292**	314,015
Notes payable, net of unamortized debt issuance costs of $63,545 in 2022 and $67,688 in 2021, net of current maturities	**4,431,615**	4,460,077
	4,764,908	4,803,394
Members' equity	**4,491,221**	4,830,607
	$ 9,485,049	$ 9,837,659

Greenfield Senior Housing, LLC
NCHFA Project No. 9197850
Statements of Operations
Years Ended December 31, 2022 and 2021

	2022	2021
Revenues:		
Gross rental income	$ 513,088	$ 499,877
Less:		
Vacancies	(6,948)	(4,246)
Concessions and gain or loss to lease	(9,150)	(9,608)
Net rental income	496,990	486,023
Other income:		
Interest income	755	170
Other income	9,047	19,336
Total other income	9,802	19,506
Total income	506,792	505,529
Expenses:		
Administrative	79,266	82,576
Property management fees	33,039	33,217
Professional fees	14,206	11,242
Repairs and maintenance	117,518	100,870
Utilities	42,596	34,969
Taxes and insurance	20,238	27,962
Total operating expense	306,863	290,836
Income from operations	199,929	214,693
Nonoperating expenses:		
Interest expense	153,071	157,847
Depreciation	332,998	332,997
Amortization	8,773	8,774
Investor services fee	4,480	4,349
Company administration fee	39,993	38,829
Total nonoperating expenses	539,315	542,796
Net loss	$ (339,386)	$ (328,103)

See accompanying notes.

Greenfield Senior Housing, LLC
NCHFA Project No. 9197850
Statements of Members' Equity (Deficit)
Years Ended December 31, 2022 and 2021

	Managing Member	Investor Member	Total
Balance (deficit), January 1, 2021	$ (59)	$ 5,158,669	$ 5,158,610
Contributions	100	-	100
Net loss	(33)	(328,070)	(328,103)
Balance, December 31, 2021	8	4,830,599	4,830,607
Net loss	(34)	(339,352)	(339,386)
Balance (deficit), December 31, 2022	$ (26)	$ 4,491,247	$ 4,491,221

See accompanying notes.

Greenfield Senior Housing, LLC
NCHFA Project No. 9197850
Statements of Cash Flows
Years Ended December 31, 2022 and 2021 **(2 pages)**

	2022	2021
Cash flows from operating activities:		
Net loss	**$ (339,386)**	$ (328,103)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation	**332,998**	332,997
Amortization	**8,773**	8,774
Amortization of deferred financing costs	**4,143**	4,143
Change in assets and liabilities		
(Increase) decrease:		
Accounts receivable, tenants	**727**	(2,284)
Prepaid insurance	**16,882**	(9,230)
Increase (decrease):		
Accounts payable, trade	**560**	(735)
Accrued interest	**2,489**	2,495
Accrued interest, DHIC	**(13,301)**	19,481
Accrued management fee	**(47)**	281
Accrued investor services fee	**(4,349)**	(2,266)
Accrued company administration fee	**39,993**	38,829
Tenant security deposits	**5,466**	1,410
Prepaid rent	**(11,065)**	6,237
Net cash provided by operating activities	**43,883**	72,029
Cash flows from financing activities:		
Member contributions	**-**	100
Payments of notes payable	**(31,168)**	(29,714)
Payments of developer fees	**(5,945)**	(66,385)
Net cash used by financing activities	**(37,113)**	(95,999)
Net increase (decrease) in cash, restricted deposits and funded reserves	**6,770**	(23,970)
Cash, restricted deposits and funded reserves, beginning	**423,449**	447,419
Cash, restricted deposits and funded reserves, ending	**$ 430,219**	$ 423,449

Greenfield Senior Housing, LLC
NCHFA Project No. 9197850
Statements of Cash Flows
Years Ended December 31, 2022 and 2021 **(2 pages)**

	2022	2021
Supplemental disclosure of cash flow information:		
Cash paid for interest	**$ 159,740**	$ 131,728
Reconciliation of cash and restricted deposits and funded reserves to balance sheet:		
Cash, operating	**$ 85,916**	$ 121,365
Cash, tax and insurance escrow	**23,046**	6,268
Cash, operating reserve	**228,969**	228,501
Cash, replacement reserve	**65,407**	45,900
Cash, tenant security deposits	**26,881**	21,415
	$ 430,219	$ 423,449

Notes to Financial Statements

1. Nature of Operations and Significant Accounting Policies

Nature of operations

Greenfield Senior Housing, LLC (the “Company”) was organized on September 7, 2016, for the purpose of developing, owning, maintaining and operating a 69-unit apartment complex (the “project”) for rental to seniors in Chapel Hill, North Carolina commonly known as “Greenfield Commons.” The major activities of the Company are governed by the operating agreement and the loan agreements. The property was placed into service in June of 2019.

In February of 2018, the operating agreement was amended to admit a new investor member and to permit the withdrawal of the original investor member, DHIC, Inc. (“DHIC”). As a result, the Company has one managing member - Greenfield Commons Development, Inc.; and one investor member - Wincopin Circle LLLP.

Effective February 2, 2019, Wincopin Circle LLLP transferred its investor member interest to Enterprise Housing Partners XXIX Limited Partnership.

The ownership of the Company is as follows:

Greenfield Commons Development, Inc.	0.01%
Enterprise Housing Partners XXIX Limited Partnership	99.99%
	100.00%

The Company received an allocation of low-income housing tax credits from the North Carolina Housing Finance Agency under Section 42 of the Internal Revenue Code of 1986, as amended.

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.

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.

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.

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.

Restricted cash

Restricted cash consists of tenant security deposits and reserve funds held in segregated accounts for property rent up costs. The tenant security deposit account represents cash restricted for the purpose of refunding tenants' security deposits paid at the move-in date. Security deposits are refunded to the tenants at the time of move-out in accordance with the tenant lease agreement, subject to cleaning and repairs incidental to normal wear on the tenant unit.

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	15 years
Building	40 years
Furnishings and equipment	5 years

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

Other assets

Deferred tax credit fees are being amortized using the straight-line method over the 15-year monitoring period.

Debt issuance costs

Debt issuance costs represent costs incurred in conjunction with acquiring debt facilities. In accordance with GAAP, the debt issuance costs are presented as an offset of the related debt instruments within the liabilities section of the Balance Sheet. Amortization expense is included in interest expense on the accompanying Statement of Operations. The costs are amortized over the terms of the related debt using a method that approximates the effective interest method.

Revenue recognition

Rental revenue attributed to residential leases is recorded on a straight-line basis over the term of the lease. Leases are for periods of up to one year, with rental payments due monthly. Payments made in advance of scheduled due dates are deferred as Prepaid Rent and classified accordingly on the Balance Sheet until earned.

Other income includes fees for late payments, cleaning, damages, laundry facilities and other charges and is recorded when earned (when services are provided or when the tenant incurs the charge) and when collectability is reasonably assured. Advance receipts of revenue are deferred and classified as liabilities until earned.

Advertising

The Company expenses advertising costs as they are incurred. Advertising expenses for the years ended December 31, 2022 and 2021 amounted to $0 and $69, respectively.

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.

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 loss was recognized during 2022 and 2021.

Concentrations of credit risk

The Company maintains its cash in financial institutions insured by the 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.

Subsequent events

The Company evaluated the effect subsequent events would have on the financial statements through March 1, 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 investor member is required to make capital contributions of $5,755,927, net of $61,963 downward credit adjuster, all of which has been contributed as of December 31, 2022 and 2021.

3. Notes Payable

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

	2022	2021
Note payable to Centrant Community Capital, Inc. in the amount of $2,000,000, with interest accruing at 5.76% with all outstanding principal and accrued interest due March 1, 2038. Monthly payments of principal and interest of $11,084 are due beginning April 1, 2020 and continue the first day of each month through March 1, 2038 (the maturity date). The March 1, 2038 monthly payment shall also include balloon payment of principal and any unpaid interest. During the years ended December 31, 2022 and 2021, interest expense amounted to $112,691 and $113,825, respectively. Accrued interest as of December 31, 2021 and 2020 amounted to $9,346 and $9,443, respectively. During the years ended December 31, 2022 and 2021, interest paid amounted to $112,788 and $113,917, respectively. Deferred loan costs amortized to interest expense for each of the years ended December 31, 2022 and 2021 amounted to $3,959. The loan is secured by a first lien Deed of Trust on the property.	**$ 1,947,074**	$ 1,967,294
Note payable to North Carolina Housing Finance Agency ("NCHFA") in the maximum amount of $1,200,000, with interest accruing at 1.5% beginning on the conversion date. During the construction period, no payments of principal and interest are due under the note, and interest does not accrue. On the conversion date, which is the date that final disbursement is made under the note, monthly payments of principal and interest shall begin. The final disbursement occurred in March 2020. All outstanding principal and interest, if any, shall be due and payable on April 1, 2040. The Company is required to make monthly payments ranging from $1,435 to $12,357, beginning on April 1, 2020. In 2022, monthly payments of $2,374 were made from January through March and monthly payments of $2,386 were made from April through December. During the years ended December 31, 2022 and 2021, interest expense amounted to $17,636 and $17,798, respectively. Accrued interest as of December 31, 2022 and 2021 amounted to $1,463 and $1,477, respectively. During the years ended December 31, 2022 and 2021, interest paid amounted to $17,650 and $17,811, respectively. Deferred loan costs amortized to interest expense for each of the years ended December 31, 2022 and 2021 amounted to $184. The note is secured by the second lien Deed of Trust on the property.	**1,170,691**	1,181,639
Noninterest-bearing note payable to Town of Chapel Hill in the amount of $450,000. No payments are due on this loan until maturity on April 12, 2037 at which time all outstanding principal shall be due and payable. The note is secured by a third lien Deed of Trust on the property.	**450,000**	450,000

	2022	2021
Noninterest-bearing note payable to Town of Chapel Hill in the amount of $700,000. No payments are due on this loan until maturity on February 2, 2038, at which time all outstanding principal shall be due and payable. The note is secured by a fourth lien Deed of Trust on the property.	**$ 700,000**	$ 700,000
Note payable to DHIC, Inc. ("DHIC"), an affiliate of the managing member, in the amount of $260,000, with interest accruing at 1%. The note shall be repaid from net cash flow, as defined in the operating agreement (see Note 7), beginning March 15, 2020. All outstanding principal and interest shall be due at maturity on July 1, 2048. Accrued interest at December 31, 2022 and 2021 amounted to $10,087 and $7,487, respectively. Interest expense amounted to $2,600 for each of the years ended December 31, 2022 and 2021. The loan is collateralized by a fifth lien Deed of Trust on the property.	**260,000**	260,000
Less: unamortized debt issuance costs	**(63,545)**	(67,688)
	$ 4,464,220	$ 4,491,245

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

2023	$ 32,605
2024	34,024
2025	35,421
2026	36,798
2027	37,883
Thereafter	4,351,034
	$ 4,527,765

4. Related-Party Transactions

Development fee

The Company incurred a development fee of $897,000 payable to DHIC for services rendered to the Company for overseeing the construction of the project. As of December 31, 2022 and 2021, the total fee has been earned. As of December 31, 2022 and 2021, $317,292 and $323,237, respectively, remained payable. The deferred portion of the development fee, as defined in the amended and restated development services agreement, shall be repaid out of available cash flow, as defined in the operating agreement (see Note 7), and shall accrue interest at a rate of 5%. Interest on the fee commenced in July 2020, and totaled $16,001 and $19,481 for the years ended December 31, 2022 and 2021, respectively. As of December 31, 2022 and 2021, interest of $16,001 and $29,302 remained payable, respectively. Any unpaid development fee and accrued interest thereon shall be due in full on December 31, 2033.

Investor services fee

The Company is required to pay the investor member a cumulative, annual investor services fee of $4,100 to be increased annually by 3%. In the initial year of operations, the fee is to be prorated for the number of months that the Company receives rental income. This fee is compensation for property management oversight, tax credit compliance and monitoring and related services. The investor services fee is payable annually, out of the Company's available cash flow (see Note 7). For the years ended December 31, 2022 and 2021, $4,480 and $4,349 was incurred, respectively, of which $0 and $4,349 remained payable, respectively.

Company administration fee

Beginning in 2019, the Company shall pay to DHIC, Inc., the administrator, over the term of the agreement, an annual company administration fee of $36,600. After 2019, the company administration fee shall increase at the rate of 3% per year. The company administration fee is paid out of the Company's available cash flow (see Note 7). Company administration fees of $39,993 and $38,829 were incurred during the years ended December 31, 2022 and 2021, respectively. As of December 31, 2022 and 2021, accrued company administration fees were $137,870 and $97,877, respectively.

5. Reserves

Replacement reserve

The operating agreement and the NCHFA loan agreement require the Company to fund a replacement reserve using cash flow from operations, as defined. Reserve additions of $250 per unit per year, increasing at 4% each year, are required to be made annually, commencing the second full month following the completion date, as defined. This reserve is utilized to fund major repairs, capital expenditures and replacements of capital items in the project. The managing member shall not utilize the replacement reserve for any capital expenditure which causes total withdrawals from the replacement reserve account to exceed $5,000 during any calendar year without written consent from the investor member. In addition, all withdrawals from the reserve require written consent from NCHFA. An analysis of the replacement reserve for the years ended December 31, 2022 and 2021 is as follows:

	2022	2021
Balance, beginning	**$ 45,900**	$ 27,228
Funding	**19,404**	18,658
Interest, net of fees	**103**	14
Balance, ending	**$ 65,407**	$ 45,900

Operating reserve

The operating agreement and the NCHFA loan agreement require the Company to fund an operating reserve account in the initial amount of $220,358 upon the payment of the fourth installment of the investor member's capital contribution. The reserve shall be deposited into a segregated reserve account to fund operating expenses in excess of operating revenues. The managing member shall not utilize the operating reserve without written consent from the investor member, as well as written consent from NCHFA. An analysis of the operating reserve for the years ended December 31, 2022 and 2021 is as follows:

	2022	2021
Balance, beginning	**$ 228,501**	$ 228,388
Interest, net of fees	**468**	113
Balance, ending	**$ 228,969**	$ 228,501

6. Property Management Agreement

In April 2020, the Company entered into a management agreement with Community Management Corporation ("CMC"), an unaffiliated management company, to provide property management services to the Project. The management agent will be compensated a monthly fee of 6.76% of all income collected for the property. Such fee shall be paid on the first of each month. The total management fee expense for the years ended December 31, 2022 and 2021, was $33,039 and $33,217, respectively. As of December 31, 2022 and 2021, management fees of $2,820 and $2,867 remained payable, respectively.

7. Company Profits, Losses and Distributions

Distributable net cash flow is payable annually in the following order:

1. To the investor member, an amount equal to the credit deficiency;
2. To the investor member, an amount sufficient to pay federal income taxes on taxable income allocated to the investor member for such fiscal year by the Company, assuming the investor member is subject to the maximum corporate federal tax rate then in effect;
3. To fund the operating reserve up to the operating reserve amount;
4. To pay the deferred development fee, including any accrued interest;
5. To pay the investor services fee in accordance with the investor services agreement;
6. To the managing member to repay any operating deficit contribution;
7. To pay the company administration fee in accordance with the company administration agreement;
8. Any remaining cash flow shall constitute net cash flow which is distributable to the members in the amount of 90% to the managing member and 10% to the investor member.

8. Real Estate Tax Exemption

The managing member is wholly owned by a 501(c)(3) organization which qualifies the Company for full exemption for property taxes. The owner of the managing member is required to maintain in good standing its 501(c)(3) non-profit status. The tax-exemption is subject to change by an act of State Legislature. Such change may occur with little notice and would materially impact the rental operations of the project.

9. Contingencies, Risks and Uncertainties

The Company's sole asset is its 69-unit housing complex located in Chapel Hill, North Carolina. 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.

10. Operating Deficit Guarantee

In accordance with the First Amended and Restated Operating Agreement, an affiliate of the managing member guarantees to the investor member: the payment of any development advances required; to fund any operating deficit contributions not funded from the operating reserve up to a maximum of $220,000 through achievement of operating at the required debt service coverage for a period of at least two consecutive years and the balance of the operating reserve totals at least $220,358; the payment of any required credit adjuster advances and additional advances; the purchase of interest of the investor member and the indemnification of the Company and the investor member. As of December 31, 2022 and 2021, no amounts have been advanced under these guarantees.

Supplementary Information

Greenfield Senior Housing, LLC
NCHFA Project No. 9197850
Schedules of Income and Expenses
Years Ended December 31, 2022 and 2021 **(3 pages)**

	2022	2021
Rental income:		
Residential income	**$ 496,990**	$ 486,023
Other income:		
Application fees	**$ 445**	$ 385
Laundry and vending	**600**	600
Late fees	**567**	809
Other miscellaneous income	**7,435**	17,542
	$ 9,047	$ 19,336
Administrative expenses:		
Administrative payroll	**$ 48,717**	$ 53,488
Advertising	**-**	69
Telephone, internet and cable	**8,264**	8,601
Administrative supplies and expenses	**2,978**	3,911
Health insurance	**6,335**	7,004
Payroll taxes	**5,429**	6,329
Bad debt	**1,395**	-
Other administrative expenses	**6,148**	3,174
	$ 79,266	$ 82,576
Property management fees	**$ 33,039**	$ 33,217
Professional fees:		
Auditing and accounting	**$ 13,882**	$ 9,860
Legal fee	**324**	520
Consulting fees	**-**	862
	$ 14,206	$ 11,242

Greenfield Senior Housing, LLC
NCHFA Project No. 9197850
Schedules of Income and Expenses
Years Ended December 31, 2022 and 2021 **(3 pages)**

	2022	2021
Repairs and maintenance:		
Maintenance payroll	**$ 29,432**	$ 41,446
Repairs expense	**32,462**	27,967
Painting and decorating	**2,635**	908
Grounds maintenance	**12,724**	12,156
Cleaning expense	**1,271**	162
Exterminating	**828**	2,700
HVAC expense	**1,921**	837
Security	**1,289**	255
Garbage and trash removal	**1,473**	4,089
Stormwater fees	**10,008**	-
Other repairs and maintenance	**23,475**	10,350
	$ 117,518	$ 100,870
Utilities:		
Electricity	**$ 19,751**	$ 17,905
Water and sewer	**22,445**	16,464
Other utilities	**400**	600
	$ 42,596	$ 34,969
Taxes and insurance:		
Property and liability insurance	**$ 19,991**	$ 17,611
Other taxes and fees	**247**	10,351
	$ 20,238	$ 27,962
Depreciation	**$ 332,998**	$ 332,997
Amortization	**$ 8,773**	$ 8,774
Interest expense - mortgage loans:		
Interest expense - Centrant loan	**$ 112,691**	$ 113,825
Interest expense - DHIC deferred loan	**2,600**	2,600
Interest expense - NFCHA Loan	**17,636**	17,798
Interest on developer fee	**16,001**	19,481
Amortization of deferred financing costs	**4,143**	4,143
	$ 153,071	$ 157,847

	2022	2021
Investor services fee	**$ 4,480**	$ 4,349
Company administration fee	**$ 39,993**	$ 38,829