Pennington Grove, LLC

NCHFA Project No. 9182583

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

December 31, 2022 and 2021

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Independent Auditor's Report

Members
Pennington Grove, LLC
NCHFA Project No. 9182583
Raleigh, NC

Report on the Audit of the Financial Statements

Opinion
We have audited the financial statements of Pennington Grove, LLC, 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 Pennington Grove, 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 Pennington Grove, 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 Pennington Grove, 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 Pennington Grove, 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 Pennington Grove, 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 7, 2023

Pennington Grove, LLC
NCHFA Project No. 9182583
Balance Sheets
December 31, 2022 and 2021 **(2 pages)**

	2022	2021
ASSETS		
Current assets:		
Cash, operating	$ 381,679	$ 353,064
Accounts receivable, tenants	422	1,618
Accounts receivable, other	-	5,325
Prepaid expenses	5,685	28,425
Total current assets	387,786	388,432
Restricted deposits and funded reserves:		
Cash, tax and insurance escrow	30,760	8,255
Cash, tenant security deposits	53,606	54,875
Cash, replacement reserve	112,678	88,217
Cash, operating reserve	275,322	274,771
	472,366	426,118
Rental property:		
Land	921,735	921,735
Building	8,842,158	8,842,158
Land improvements	1,210,553	1,210,553
Furnishings and equipment	255,862	255,862
	11,230,308	11,230,308
Accumulated depreciation	(1,545,608)	(1,238,440)
	9,684,700	9,991,868
Other assets:		
Deferred tax credit fees, net of accumulated amortization of $52,030 in 2022 and $41,624 in 2021	104,065	114,471
	$ 10,648,917	$ 10,920,889

Pennington Grove, LLC
NCHFA Project No. 9182583
Balance Sheets
December 31, 2022 and 2021 **(2 pages)**

	2022	2021
LIABILITIES AND MEMBERS' EQUITY		
Current liabilities:		
Current maturities of notes payable	**$ 57,727**	$ 56,008
Accounts payable and accrued expenses	**12,300**	12,691
Accrued interest	**12,369**	12,529
Total current liabilities	**82,396**	81,228
Deposits and prepayment liabilities:		
Tenant security deposits	**53,427**	53,415
Prepaid rent	**3,694**	3,668
Other deferred revenues	**6,350**	7,844
	63,471	64,927
Long-term liabilities:		
Notes payable, net of unamortized debt issuance costs of $63,124 in 2022 and $67,632 in 2021, less current portion	**3,235,711**	3,288,652
Members' equity	**7,267,339**	7,486,082
	$ 10,648,917	$ 10,920,889

Pennington Grove, LLC
NCHFA Project No. 9182583
Statements of Operations
Years Ended December 31, 2022 and 2021

	2022	2021
Revenues:		
Gross rental income	$ 641,826	$ 626,556
Excess rent	-	857
Less: Vacancies	(6,548)	(5,458)
Less: Loss to Lease	(3,266)	(375)
Net rent revenue	632,012	621,580
Interest income	1,414	225
Other income	3,249	19,400
Total revenues	636,675	641,205
Operating expenses:		
Administrative	117,321	108,932
Utilities	38,381	39,335
Management fees	38,007	36,962
Repairs and maintenance	134,792	128,636
Taxes and insurance	25,309	25,984
Total operating expenses	353,810	339,849
Income from operations	282,865	301,356
Nonoperating expenses:		
Interest - mortgage loans	119,962	121,941
Asset management fees	3,939	3,825
Incentive management fees	54,120	21,883
Depreciation	307,168	307,168
Amortization	10,406	10,406
Total nonoperating expenses	495,595	465,223
Net loss	$ (212,730)	$ (163,867)

Pennington Grove, LLC
NCHFA Project No. 9182583
Statements of Members' Equity
Years Ended December 31, 2022 and 2021

	2022			
	Investor Members	Managing Member	Total	2021
Balance, beginning	$ 7,486,062	$ 20	$ 7,486,082	$ 7,652,380
Distributions	(6,013)	-	(6,013)	(2,431)
Net loss	(212,711)	(19)	(212,730)	(163,867)
Balance, ending	$ 7,267,338	$ 1	$ 7,267,339	$ 7,486,082

Pennington Grove, LLC
NCHFA Project No. 9182583
Statements of Cash Flows
Years Ended December 31, 2022 and 2021

	2022	2021
Cash flows from operating activities:		
Net loss	**$ (212,730)**	$ (163,867)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation	**307,168**	307,168
Amortization	**10,406**	10,406
Amortization of deferred financing costs	**4,508**	4,508
Change in assets and liabilities:		
Accounts receivable, tenants	**1,196**	(1,618)
Accounts receivable, other	**5,325**	(4,776)
Prepaid expenses	**22,740**	(11,320)
Accounts payable, trade	**(391)**	(10,159)
Accrued interest	**(160)**	(149)
Tenant security deposit	**12**	(825)
Prepaid rent	**26**	(6,495)
Other deferred revenue	**(1,494)**	(1,494)
Net cash provided by operating activities	**136,606**	121,379
Cash flows from financing activities:		
Member distributions	**(6,013)**	(2,431)
Payments of notes payable	**(55,730)**	(54,231)
Net cash used by financing activities	**(61,743)**	(56,662)
Net increase in cash and restricted deposits and funded reserves	**74,863**	64,717
Cash and restricted deposits and funded reserves, beginning of year	**779,182**	714,465
Cash and restricted deposits and funded reserves, end of year	**$ 854,045**	$ 779,182
Supplemental disclosure of cash flow information:		
Cash paid for interest	**$ 115,614**	$ 117,582
Reconciliation of cash and restricted deposits and funded reserves to the balance sheet:		
Cash, operating	**$ 381,679**	$ 353,064
Restricted deposits and funded reserves	**472,366**	426,118
	$ 854,045	$ 779,182

Notes to Financial Statements

1. Nature of Operations and Significant Accounting Policies

Nature of operations

Pennington Grove, LLC (the “Company”) was organized for the purpose of developing, constructing, owning, maintaining and operating an 83-unit multifamily apartment complex for rental to adults, ages 55 and above in Garner, North Carolina commonly known as “Pennington Grove.” 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 2017.

In July 2016, 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 had one managing member – Pennington Grove Senior Housing, Inc.; one investor member – RBC Tax Credit Equity, LLC; and one special investor member – RBC Tax Credit Manager II, Inc. Effective January 18, 2017, RBC Tax Credit Equity, LLC assigned its investor member interest to RBC Tax Credit Equity Fund 70 Limited Partnership.

The ownership of the Company is as follows:

Pennington Grove Senior Housing, Inc.	0.009%
RBC Tax Credit Manager II, Inc.	0.001%
RBC Tax Credit Equity Fund-70 Limited Partnership	99.990%
	100.00%

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
Furnishings and equipment	5-10 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.

Restricted cash

Restricted cash consists of tenant security deposits, escrow deposits held by lenders for property taxes and insurance, operating reserves and replacement reserves. The tenant security deposit account represents cash restricted for the purpose of refunding tenant's 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.

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 and 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.

Rental Income

Rental income is recognized as rentals become due. Rental payments secured in advance are deferred until earned. All leases between the Company and the tenants of the property are operating leases.

Other assets

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

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 evaluation

The Company evaluated the effect subsequent events would have on the financial statements through March 7, 2023 , which is the date the financial statements were available to be issued.

2. 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. ("Centrant"), in the amount of $1,850,000, bearing interest at 5.25% and maturing on September 1, 2036. Monthly payments of principal and interest of $10,216 are due beginning October 1, 2018 and continue annually until September 1, 2036 (the maturity date), at which time all outstanding principal and accrued interest shall be due and payable. Accrued interest amounted to $7,565 and $7,701 at December 31, 2022 and 2021, respectively. Interest expense amounted to $91,526 and $93,111 for the years ended December 31, 2022 and 2021, respectively. Interest paid amounted to $91,661 and $93,240 for the years ended December 31, 2022 and 2021, respectively. Deferred loan costs amortized to interest expense for each years ended December 31, 2022 and 2021 amounted to $3,251. The loan is secured by a first lien Deed of Trust on the property.	**$ 1,729,035**	$ 1,759,965

	2022	2021
Note payable to Wake County, North Carolina, in the amount of $950,000, bearing interest at 1% and maturing on August 1, 2037. Interest only payments are due monthly through July 1, 2018. Annual payments of principal and interest ranging from $20,873 to $4,703 are due beginning August 1, 2018 and continue annually until August 1, 2037 (the maturity date), at which time all outstanding principal and accrued interest shall be due and payable. During 2022, a payment of $19,734 was made. Accrued interest amounted to $3,567 at both December 31, 2022 and 2021. Interest expense amounted to $8,959 and $9,069 for the years ended December 31, 2022 and 2021, respectively. Interest paid amounted to $8,959 and $9,069 for the years ended December 31, 2022 and 2021, respectively. Deferred loan costs amortized to interest expense for each of the years ended December 31, 2022 and 2021 amounted to $850. The loan is secured by a second lien Deed of Trust on the property.	**$ 885,526**	$ 896,301
Note payable to North Carolina Housing Finance Agency ("NCHFA"), in the amount of $800,000, with interest accruing at 2%. During the construction period, no payments of principal and interest are due under the note. Monthly payments of principal and interest shall begin the month following the conversion date, which occurred on August 21, 2018. All outstanding principal and interest, if any, shall be due and payable on September 1, 2038. During 2022, monthly payments of $2,421 were made from January through September and monthly payments of $2,411 were made from October through December. Accrued interest amounted to $1,237 and $1,261 at December 31, 2022 and 2021, respectively. Interest expense amounted to $14,969 and $15,253 for the years ended December 31, 2022 and 2021, respectively. Interest paid amounted to $14,992 and $15,276 for the years ended December 31, 2022 and 2021, respectively. Deferred loan costs amortized to interest expense for each of the years ended December 31, 2022 and 2021 amounted to $407. The note is secured by the third lien Deed of Trust on the property.	**742,001**	756,026
	3,356,562	3,412,292
Less: unamortized debt issuance costs	**(63,124)**	(67,632)
Less: current maturities	**(57,727)**	(56,008)
	$ 3,235,711	$ 3,288,652

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

2023	$ 57,727
2024	58,736
2025	59,800
2026	60,850
2027	61,910
Thereafter	3,057,539
	$ 3,356,562

3. Related-Party Transactions

Asset management fee

The Company is required to pay a cumulative, annual asset management fee equal to $3,500 to RBC Tax Credit Equity, LLC or its affiliate for an annual review of the operations of the Company. The asset management fee is to be paid quarterly in advance and increases 3% annually. Any unpaid fees shall accumulate and shall be payable out of available net cash flow, as defined in the operating agreement (see Note 6). The fee shall commence upon the first anniversary of the initial closing, as defined in the operating agreement, which occurred during 2018. As such, asset management fees incurred during the years ended December 31, 2022 and 2021 amounted to $3,939 and $3,825, respectively. As of December 31, 2022 and 2021, no amount remained payable.

Incentive management fee

The Company has entered into an incentive management fee agreement with the managing member for its services in managing the business. This management fee is based on net cash flow of the Company, as defined, (see Note 6) and is not cumulative. The fee is equal to 90% of net cash flow available for distribution after payment of other items that precede the incentive management fee in the net cash flow priority as set forth in the operating agreement. For the years ended December 31, 2022 and 2021, incentive management fees amounted to $54,120 and $21,883, respectively. As of December 31, 2022 and 2021, no amounts remained payable.

Remainder distribution

The Company is required to pay excess cash flow, as defined in Note 6, to the members in accordance with their percentage interest. A remainder distribution of $6,013 and $2,431 was paid to the investor members in 2022 from 2021 excess cash flow and in 2021 from 2020 excess cash flow, respectively.

4. Reserves

Replacement reserve

The operating agreement and the Centrant and NCHFA loan agreements 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 on the date of substantial completion, which occurred during December 2017. 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 without prior approval of the special investor member, and written consent from NCHFA. In addition, written consent is required from Centrant for withdrawals exceeding $2,500 during any twelve month period. An analysis of the reserve for the years ended December 31, 2022 and 2021 is as follows:

	2022	2021
Balance, beginning	**$ 88,217**	$ 64,845
Funding	**24,274**	23,342
Interest, net of fees	**187**	30
Balance, ending	**$ 112,678**	$ 88,217

Operating reserve

The operating agreement and Centrant and NCHFA loan agreements require the Company to fund an operating reserve account in the amount of $273,704 into a segregated reserve account to fund operating expenses in excess of operating revenues. Funding shall commence on the earlier of the loan conversion date, or upon receipt of the investor member's third capital contribution, which was received in March, 2018. In addition, in accordance with the operating agreement, the Company shall deposit amounts sufficient to maintain a minimum balance of $256,000 using net cash flow, as defined in the operating agreement (see Note 6). The managing member shall not utilize the operating reserve without prior approval of the special investor member, and written consent from NCHFA. Centrant must approve any single disbursements from the operating reserve in excess of $2,500, as well as withdrawals exceeding $5,000 in any single calendar year. An analysis of the operating reserve for the years ended December 31, 2022 and 2021 is as follows:

	2022	2021
Balance, beginning	**$ 274,771**	$ 274,655
Interest, net of fees	551	116
Balance, ending	**$ 275,322**	$ 274,771

5. Property Management Agreement

The Company has 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 an amount equal to 6% of gross operating revenues received from the preceding month. Such fee shall be paid out of the general operating account on the first of each month. The term of the agreement is from December 1, 2016 until December 1, 2019, but shall be automatically renewed for a period of three years unless, on or before 30 days prior to the expiration, there is mutual consent of both parties to terminate this agreement. The total management fee expense for the years ended December 31, 2022 and 2021 amounted to $38,007 and $36,962, respectively.

6. Company Profits, Losses and Distributions

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

1. To the investor member until the aggregate amount of distributions made to the investor member for the current and all prior years equals the investor member's assumed tax liability for the current and all prior years;
2. To the investor member in an amount equal to any unpaid tax credit shortfall, for any outstanding investor member loans and for any other amounts due and owing to the investor member;
3. To the special investor member for any asset management fees that were not paid in full when due;
4. To the managing member until the aggregate amount of distributions made to the managing member for the current and all prior years equals the managing member's assumed tax liability for the current and all prior years;
5. To replenish the operating reserve to a minimum balance of $256,000;
6. To pay all amounts due under the amended and restated development agreement;
7. To pay any outstanding operating deficit loans and management member loans based on respective balances of each;
8. 90% of the remaining net cash flow to the payment of the incentive management fee;
9. Thereafter, the balance to the members in accordance with their percentage interests, provided, however, that if the amount of the distribution to the investor member is less than 10% of the aggregate amount distributed for items number 8 (incentive management fee) and 9, then the investor member shall receive a priority distribution in an amount such that, when added to the sum distributable to the investor member under item 9, shall equal 10% of the aggregate amount distributed pursuant to items 8 and 9.

7. Contingencies, Risks and Uncertainties

The Company's sole asset is its 83-unit housing complex located in Garner, 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.

Supplementary Information

	2022	2021
Rental income:		
Residential income	$ 632,012	$ 621,580
Interest income:		
Interest income	$ 1,414	$ 225
Other income:		
Application fees	$ 1,040	$ 960
Laundry and vending	105	184
Damages and cleaning	179	1,869
Late fees	427	501
Grant revenue	-	14,392
Other	1,498	1,494
	$ 3,249	$ 19,400
Administrative expenses:		
Office payroll and related expenses	$ 57,657	$ 59,989
Payroll taxes	3,360	2,459
Audit and accounting	13,882	7,910
Office expenses	6,864	4,281
Advertising	88	(36)
Telephone, internet and cable	8,327	9,465
Meetings	636	240
Resident services	22,508	20,367
Consulting	-	862
Administrative supplies and expenses	2,007	1,594
Bad debts	39	1
Miscellaneous administrative	1,953	1,800
	$ 117,321	$ 108,932
Utilities:		
Electricity	$ 18,583	$ 16,312
Water and sewer	19,798	23,023
	$ 38,381	$ 39,335
Management fees:		
Property management fees	$ 38,007	$ 36,962

Pennington Grove, LLC
NCHFA Project No. 9182583
Schedules of Income and Expenses
Years Ended December 31, 2022 and 2021 **(2 pages)**

	2022	2021
Repairs and maintenance:		
Repairs supplies	**$ 49,243**	$ 45,024
Repairs and maintenance payroll	**31,493**	41,549
Garbage and trash	**7,774**	6,914
Janitor and cleaning	**21,425**	11,932
Grounds maintenance	**15,440**	16,326
Painting and decorating	**2,411**	741
Exterminating	**1,026**	996
Fire protection	**5,672**	4,744
Miscellaneous repairs	**308**	410
	$ 134,792	$ 128,636
Taxes and insurance:		
Property insurance	**$ 24,027**	$ 24,679
Other insurance	**528**	527
Property taxes	**754**	778
	$ 25,309	$ 25,984
Interest expense - mortgage loans:		
Interest expense - Centrant	**$ 91,526**	$ 93,111
Interest expense - Wake County	**8,959**	9,069
Interest expense - NCHFA	**14,969**	15,253
Amortization of deferred financing costs	**4,508**	4,508
	$ 119,962	$ 121,941
Asset management fees	**$ 3,939**	$ 3,825
Incentive management fees	**$ 54,120**	$ 21,883
Depreciation	**$ 307,168**	$ 307,168
Amortization	**$ 10,406**	$ 10,406