Ripley Station Housing, LLC

NCHFA Project No. 9000988

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

December 31, 2022 and 2021

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FORVIS

Independent Auditor's Report

Member
Ripley Station Housing, LLC
NCHFA Project No. 9000988
Raleigh, NC

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Ripley Station Housing, LLC, which comprise the balance sheets as of December 31, 2022 and 2021, and the related statements of operations, member's 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 Ripley Station 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 Ripley Station 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 Ripley Station 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 Ripley Station 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 Ripley Station 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.

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

Ripley Station Housing, LLC
NCHFA Project No. 9000988
Balance Sheets
December 31, 2022 and 2021 **(2 pages)**

	2022	2021
ASSETS		
Current assets:		
Cash, operating	**$ 76,878**	$ 55,778
Accounts receivable, tenants	**2,690**	11,350
Accounts receivable, other	**5,239**	3,277
Prepaid expenses	**2,937**	14,685
Total current assets	**87,744**	85,090
Restricted deposits and funded reserves:		
Cash, construction	**48**	48
Tenant security deposits	**26,791**	25,446
Real estate tax and insurance escrow	**15,684**	4,146
Replacement reserve	**245,068**	162,978
Operating reserve	**96,670**	96,631
	384,261	289,249
Rental property:		
Land	**211,000**	211,000
Buildings	**2,836,569**	2,836,569
Land improvements	**29,127**	29,127
Furnishings and equipment	**180,064**	180,064
	3,256,760	3,256,760
Accumulated depreciation	**(1,997,790)**	(1,917,901)
	1,258,970	1,338,859
	$ 1,730,975	$ 1,713,198

Ripley Station Housing, LLC
NCHFA Project No. 9000988
Balance Sheets
December 31, 2022 and 2021 **(2 pages)**

	2022	2021
LIABILITIES AND MEMBER'S DEFICIT		
Current liabilities:		
Current portion of mortgages payable	**$ 18,459**	$ 17,592
Accounts payable	**13,505**	4,413
Accrued interest	**3,097**	3,168
Total current liabilities	**35,061**	25,173
Deposits and prepayment liabilities:		
Tenant security deposits	**26,791**	25,446
Prepaid rent	**169**	465
	26,960	25,911
Long-term liabilities:		
Mortgages payable, net of unamortized debt issuance costs of $11,894 in 2022 and $15,793 in 2021, less current maturities	**1,322,156**	1,336,716
Note payable, affiliate	**75,000**	75,000
Accrued interest	**483,633**	484,055
	1,880,789	1,895,771
Member's deficit	**(211,835)**	(233,657)
	$ 1,730,975	$ 1,713,198

Ripley Station Housing, LLC
NCHFA Project No. 9000988
Statements of Operations
Years Ended December 31, 2022 and 2021

	2022	2021
Revenues:		
Gross rental income	**$ 426,601**	$ 418,543
Less:		
Vacancies	**(8,544)**	(9,540)
Concessions and loss to lease	**(13,093)**	(17,342)
Total rental income	**404,964**	391,661
Other income:		
Interest income	**244**	129
Tenant charges	**5,069**	15,535
Other	**3,592**	9,534
Total other income	**8,905**	25,198
Total income	**413,869**	416,859
Expenses:		
Administrative	**57,315**	58,820
Utilities	**47,113**	47,147
Professional fees	**10,636**	12,979
Property management	**34,486**	32,733
Repairs and maintenance	**118,095**	139,907
Taxes and insurance	**12,552**	13,126
Total expenses	**280,197**	304,712
Income from operations	**133,672**	112,147
Nonoperating expenses:		
Interest expense	**53,037**	53,876
Depreciation	**79,889**	124,625
Company fees	**50,000**	10,000
Casualty loss (gain)	**(71,076)**	13,399
Total nonoperating expenses	**111,850**	201,900
Net income (loss)	**$ 21,822**	$ (89,753)

See accompanying notes.

Ripley Station Housing, LLC
NCHFA Project No. 9000988
Statements of Member's Deficit
Years Ended December 31, 2022 and 2021

Deficit, January 1, 2021	$ (143,904)
Net loss	(89,753)
Deficit, December 31, 2021	(233,657)
Net income	**21,822**
Deficit, December 31, 2022	**$ (211,835)**

Ripley Station Housing, LLC
NCHFA Project No. 9000988
Statements of Cash Flows
Years Ended December 31, 2022 and 2021

	2022	2021
Cash flows from operating activities:		
Net income (loss)	$ **21,822**	$ (89,753)
Adjustments to reconcile net income (loss) to net cash providedby operating activities:		
Depreciation	**79,889**	124,625
Amortization of debt issuance costs	**3,899**	3,899
Casualty loss (gain)	**(71,076)**	13,399
Change in assets and liabilities:		
Accounts receivable, tenants	**8,660**	(2,444)
Accounts receivable, other	**(1,962)**	10,912
Prepaid expenses	**11,748**	(6,311)
Accounts payable	**9,092**	(16,112)
Accrued interest	**(493)**	(482)
Tenant security deposits	**1,345**	(480)
Prepaid rent	**(296)**	(412)
Net cash provided by operating activities	**62,628**	36,841
Cash flows from investing activities:		
Insurance proceeds received	**71,076**	-
Investment in rental property	**-**	(88,212)
Net cash provided (used) by investing activities	**71,076**	(88,212)
Cash flows from financing activities:		
Principal payments on mortgages payable	**(17,592)**	(16,766)
Net cash used by financing activities	**(17,592)**	(16,766)
Net increase (decrease) in cash and restricted deposits and funded reserves	**116,112**	(68,137)
Cash and restricted deposits and funded reserves, beginning of year	**345,027**	413,164
Cash and restricted deposits and funded reserves, end of year	$ **461,139**	$ 345,027
Supplemental disclosure of cash flow information:		
Cash paid for interest	$ **49,631**	$ 50,459
Reconciliation of cash and restricted deposits and funded reserves to balance sheet:		
Cash, operating	$ **76,878**	$ 55,778
Restricted deposits and funded reserves	**384,261**	289,249
	$ **461,139**	$ 345,027

See accompanying notes.

Notes to Financial Statements

1. Nature of Operations and Significant Accounting Policies

Nature of operations

Ripley Station Limited Partnership was organized on May 25, 1995 for the purpose of developing, constructing, owning and operating a 48-unit low-income housing complex (the "Project") located in Raleigh, North Carolina. The Project was completed and began rental operations in November 1996.

Effective November 14, 1995, the partnership agreement was amended to admit a new limited partner, The Bank of America Housing Fund I Limited Partnership, and to permit the withdrawal of the original limited partner, DHIC, Inc. (DHIC). The general partner was Ripley Station, Inc.

Effective November 4, 2015, The Bank of America Housing Fund I Limited Partnership transferred its combined 99% limited partner interest to Community Revitalization and Preservation Corporation ("CRPC"). On November 23, 2015, the Partnership converted to a limited liability company, Ripley Station Housing, LLC, (the "Company"), and Ripley Station, Inc. assigned its 1% membership interest to CRPC. As a result, effective November 23, 2015, CRPC is the sole member of the Company.

The Project 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.

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 provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated useful lives under the straight-line method. The estimated lives used in determining depreciation are:

Buildings	5 to 40 years
Land improvements	15 to 20 years
Furnishings and equipment	5 to 12 years

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

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.

Cash and cash equivalents

For purposes of the statements of cash flows, the Company considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

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.

Debt issuance costs

Loan costs are being amortized to interest expense over the lives of the related loans.

Advertising

The Company expenses advertising costs as they are incurred. Advertising expenses for the years ended December 31, 2022 and 2021 were $125 and $116, respectively.

Loan costs 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.

2. Mortgages and Notes Payable

Mortgages and notes payable as of December 31, 2022 and 2021 are as follows:

	2022	2021
On February 17, 2016, the Company entered into a loan agreement with Centrant Community Capital ("Centrant") with a principal balance of $875,000 for project renovations and to pay off the Wells Fargo previous first mortgage loans. Under the terms of the loan, monthly payments of principal and interest of $4,602 commencing on April 1, 2016 are due through February 1, 2026, with a balloon payment at maturity on March 1, 2026 for all remaining principal and interest then due. Interest shall accrue on the loan at a rate of 4.82% per annum. The loan is secured by a first deed of trust on the property and its improvements. Accrued interest at December 31, 2022 and December 31, 2021 amounted to $3,097 and $3,168, respectively. Interest expense for the years ended December 31, 2022 and 2021 amounted to $37,561 and $38,391, respectively. Deferred financing costs amortized to interest expense amounted to $3,144 during each of the years ended December 31, 2022 and 2021. Interest paid during the years ended December 31, 2022 and 2021 amounted to $37,632 and $38,458, respectively.	**$ 771,146**	$ 788,738
Second mortgage with the City of Raleigh is in the amount of $583,479. Interest at 6.5% per annum shall accrue with no payments due during the construction phase. Principal and accrued interest are to be paid annually after the construction phase and until maturity, December 31, 2025, at an amount equal to 50% of net cash flow as determined for the calendar year ending prior to each annual payment date. Net cash flow is defined as gross revenue collections less project operating expenses, debt service on the first mortgage, replacement reserve funding, payment of investor services fees and company fees, funding of the operating reserve, and repayment of all member advances to the Project. On February 17, 2016, the loan was modified to extend the maturity date of the loan to February 1, 2026, to reduce the interest rate to 2%, and to change the annual payment amount. Under the terms of the modification agreement, commencing February 17, 2016, monthly payments of principal and interest shall be made in the amount of $1,000. Any unpaid principal and accrued interest shall be due in full on the maturity date. The loan is secured by a second deed of trust on the property and its improvements. Interest expense for the years ended December 31, 2022 and 2021 amounted to $11,577 and $11,586, respectively. Accrued interest at December 31, 2022 and 2021 amounted to $483,633 and $484,055, respectively. Deferred financing costs amortized to interest expense amounted to $755 during each of the years ended December 31, 2022 and 2021. Interest paid during each of the years ended December 31, 2022 and 2021 amounted to $12,000.	**581,363**	581,363

	2022	2021
Note payable to DHIC, Inc. ("DHIC"), an affiliate of the member, in the amount of $75,000. The note is noninterest bearing unless in default and is payable in one single payment on February 16, 2026.	**$ 75,000**	$ 75,000
	1,427,509	1,445,101
Less: unamortized debt issuance costs:	**(11,894)**	(15,793)
Less: current maturities	**(18,459)**	(17,592)
	$ 1,397,156	$ 1,411,716

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

	Centrant	City of Raleigh	DHIC	Total
2023	$ 18,459	$ -	$ -	$ 18,459
2024	19,369	-	-	19,369
2025	20,323	581,363	-	601,686
2026	712,995	-	75,000	787,995
2027	-	-	-	-
	$ 771,146	$ 581,363	$ 75,000	$ 1,427,509

3. Related-Party Transactions

Management services fee

Pursuant to a management services agreement dated February 17, 2016, the Company shall pay an annual management services fee to DHIC equal to one hundred percent of net income available for distribution, as determined by CRPC in its sole discretion. For the years ended December 31, 2022 and 2021, management services fees of $50,000 and $10,000, respectively, were paid.

4. Reserves

Operating reserve funding

Prior to the conversion of the Company to a limited liability company on November 23, 2015, the partnership agreement required the Company to fund an operating reserve account in the amount of $86,000 using capital contributions received from the previous limited partner. The general partner was required to obtain the permission of the limited partner to use the operating reserve. The operating reserve was to be used only to fund operating deficits and before the previous general partner made any operating deficit contribution required by the partnership agreement. The operating reserve was maintained throughout the term of the partnership.

In accordance with the Centrant loan agreement entered into during February 2016, an operating reserve is to be maintained in an amount of $60,000 throughout the life of the loan. Any single withdrawal exceeding $2,500, or aggregate withdrawals exceeding $5,000 in any single calendar year shall require prior written consent by Centrant, provided further that withdrawals from the account shall not reduce its balance, without the prior written consent of Centrant, to an amount which is less than that figure which is equal to three months of annualized operating expenses, including debt service payments and replacement reserve deposits, for the Project. An analysis of the operating reserve for the years ended December 31, 2022 and 2021 is as follows:

	2022	2021
Balance, beginning	**$ 96,631**	$ 96,592
Interest earned (service fees), net	**39**	39
Balance, ending	**$ 96,670**	$ 96,631

Replacement reserve funding

Prior to the conversion of the Company to a limited liability company on November 23, 2015, the partnership agreement required the Company to fund a replacement reserve using cash flow from operations, as defined, in accordance with the schedule included in the partnership agreement through 2011 and then per the annual budget. Scheduled deposits to the replacement reserve were cumulative and had to be funded prior to payment of the investor services fee and the partnership management fee and before funding of the operating reserve. Funds in the replacement reserve were to be used by the previous general partner to make major repairs; however, withdrawals of more than $10,000 required approval by the previous limited partner.

In accordance with the Centrant loan agreement entered into during February 2016, the replacement reserve is to be funded in the amount of $350 per unit per year in the first year, commencing April 2016, and increasing by 4% annually thereafter. Upon deposit into the fund of an amount equal to 30% of the current annual income of the Project, such monthly deposits may be discontinued and no further deposits need be made into the replacement reserve as long as the 30% level is maintained. Withdrawals in excess of $2,500 in aggregate during any 12-month period require prior written consent by Centrant. An analysis of the replacement reserve for the years ended December 31, 2022 and 2021 is as follows:

	2022	2021
Balance, beginning	**$ 162,978**	$ 227,100
Annual funding	**81,964**	20,440
Authorized withdrawals	**-**	(84,583)
Interest, net of fees	**126**	21
Balance, ending	**$ 245,068**	$ 162,978

5. Commitments and Contingencies

Property management agreement

The Company has entered into a management agreement with Community Management Corporation, an unaffiliated management company, to provide property management services to the Project. The management agent will be compensated at the rate of 8.35% of gross collections, as defined. The term of the agreement is two years from the date of initial occupancy and renews for successive terms automatically under certain conditions, as defined. Management fee expense amounted to $34,486 in 2022 and $32,733 in 2021. Included in accounts payable at December 31, 2022 and 2021 is $2,807 and $2,528, respectively, in accrued management fees.

Land use restriction agreement

The Company has entered into a land use restriction agreement with the North Carolina Federal Tax Reform Allocation Committee (NCTRAC) in connection with its allocation of low-income housing tax credits. Under the agreement, the Company has agreed to use the property to rent to tenants whose income is 50% or less of the area median gross income as determined under Section 42 of the Internal Revenue Code. The agreement's original term expired in August 2011, at which time it was extended another 15 years until August 2026.

In addition, as part of its loan agreement with the City of Raleigh (see Note 2), the Company is required, among other things, to rent to tenants whose income does not exceed 50% of the county median family income, as defined. The agreement also sets limits on the amount of rents that may be charged.

6. Casualty Event

In February 2021, 4 units at the project were damaged due to a kitchen fire, resulting in fire and water damage. As a result of the casualty event, the Company disposed of $36,327 of property and equipment and $18,928 of accumulated depreciation associated with the disposed assets. As the insurance claim was not finalized as of December 31, 2021, the disposals resulted in a casualty loss of $13,399. During the year ended December 31, 2022, the insurance claim was finalized, and insurance proceeds in the amount of $71,076 were received by the Company, resulting in a casualty gain of $71,076.

7. Contingencies, Risks, and Uncertainties

The Company's sole asset is its 48-unit low-income housing complex located in Raleigh, 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.

8. Subsequent Events

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.

Supplementary Information

Ripley Station Housing, LLC
NCHFA Project No. 9000988
Schedules of Income and Expenses
Years Ended December 31, 2022 and 2021 **(3 pages)**

	2022	2021
Rental income:		
Residential income	$ 404,964	$ 391,661
Interest income:		
Interest income	$ 244	$ 129
Tenant charges:		
Late fees	$ 2,795	$ 2,627
Damages and cleaning fees	1,734	12,248
Application fees	540	660
	$ 5,069	$ 15,535
Other income:		
Legal fees	$ 614	$ 307
Other fees	380	43
Grant revenue	-	9,184
Other revenue	2,598	-
	$ 3,592	$ 9,534
Administrative:		
Office payroll and related expenses	$ 6,463	$ 6,088
Office expense	1,586	1,824
Manager salaries	22,194	15,438
Telephone	1,380	1,333
Office supplies	3,235	2,234
Bad debts	7,993	12,329
Miscellaneous	5,558	13,009
Payroll taxes	3,324	1,439
Employee health insurance	5,582	5,126
	$ 57,315	$ 58,820

Ripley Station Housing, LLC
NCHFA Project No. 9000988
Schedules of Income and Expenses
Years Ended December 31, 2022 and 2021 **(3 pages)**

	2022	2021
Utilities:		
Electricity	$ 7,374	$ 7,695
Water	18,317	17,921
Sewer	21,422	21,531
	$ 47,113	$ 47,147
Professional fees:		
Auditing	$ 10,434	$ 5,670
Bookkeeping	202	161
Attorney fee	-	7,148
	$ 10,636	$ 12,979
Property management:		
Management fees	$ 34,486	$ 32,733
Repairs and maintenance:		
Repairs and maintenance payroll	$ 18,037	$ 3,784
Security contract	193	221
Grounds maintenance	13,389	14,038
Repairs supplies	6,286	12,689
Repairs contract	36,930	50,340
HVAC repairs and maintenance	12,617	6,511
Painting/decorating	7,081	11,786
Janitor and cleaning contract	6,284	14,978
Exterminating	1,489	1,419
Garbage and trash	12,542	12,184
Other repairs and maintenance	3,247	11,957
	$ 118,095	$ 139,907

Ripley Station Housing, LLC
NCHFA Project No. 9000988
Schedules of Income and Expenses
Years Ended December 31, 2022 and 2021 **(3 pages)**

	2022	2021
Taxes and insurance:		
Real estate taxes	$ 190	$ 179
Property insurance	11,373	12,015
Other insurance	989	932
	$ 12,552	$ 13,126
Interest expense:		
Interest expense- Centrant	$ 37,561	$ 38,391
Interest expense - City of Raleigh	11,577	11,586
Amortization of debt issuance costs	3,899	3,899
	$ 53,037	$ 53,876
Depreciation:		
Depreciation	$ 79,889	$ 124,625
Company fees:		
Management services fee	$ 50,000	$ 10,000
Casualty loss (gain)	$ (71,076)	$ 13,399