Willow Creek Seniors, LLC

NCHFA Project No. 9151902

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

December 31, 2022 and 2021

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Independent Auditor's Report

Members
Willow Creek Seniors, LLC
NCHFA Project No. 9151902
Raleigh, NC

Report on the Audit of the Financial Statements

Opinion
We have audited the financial statements of Willow Creek Seniors, 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 Willow Creek Seniors, 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 Willow Creek Seniors, 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 Willow Creek Seniors, 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 Willow Creek Seniors, 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 Willow Creek Seniors, 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
February 28, 2023

Willow Creek Seniors, LLC
NCHFA Project No. 9151902
Balance Sheets
December 31, 2022 and 2021 **(2 pages)**

	2022	2021
ASSETS		
Current assets:		
Cash, operating	$ 113,608	$ 122,818
Accounts receivable, tenants	2,026	1,138
Prepaid expenses	4,736	21,111
Total current assets	120,370	145,067
Restricted deposits and funded reserves:		
Cash, tax and insurance escrow	22,389	9,215
Cash, tenant security deposits	37,548	36,928
Cash, operating reserve	173,712	173,327
Cash, replacement reserve	104,938	88,083
	338,587	307,553
Rental property:		
Land	1,098,208	1,098,208
Building	5,480,694	5,480,694
Land improvements	518,108	518,108
Furniture and fixtures	157,888	157,888
	7,254,898	7,254,898
Less accumulated depreciation	(1,296,206)	(1,117,003)
	5,958,692	6,137,895
Other assets:		
Deferred tax credit fees (net of accumulated amortization of $42,433 in 2022 and $36,580 in 2021)	45,359	51,212
Total assets	$ 6,463,008	$ 6,641,727

Willow Creek Seniors, LLC
NCHFA Project No. 9151902
Balance Sheets
December 31, 2022 and 2021 **(2 pages)**

	2022	2021
LIABILITIES AND MEMBERS' EQUITY		
Current liabilities:		
Current maturities of notes payable	**$ 33,791**	$ 33,017
Accounts payable, trade	**4,876**	5,565
Accrued interest	**8,957**	9,049
Total current liabilities	**47,624**	47,631
Deposits and prepayment liabilities:		
Tenant security deposits	**37,045**	36,235
Prepaid rent	**650**	56
	37,695	36,291
Long-term liabilities:		
Accrued interest, notes payable	**4,888**	968
Notes payable, net of unamortized debt issuance costs of $43,510 in 2022 and $47,278 in 2021, less current maturities	**3,213,238**	3,318,261
	3,218,126	3,319,229
Members' equity	**3,159,563**	3,238,576
Total liabilities and equity	**$ 6,463,008**	$ 6,641,727

Willow Creek Seniors, LLC
NCHFA Project No. 9151902
Statements of Operations
December 31, 2022 and 2021

	2022	2021
Revenue:		
Gross tenant rent potential	$ 334,854	$ 342,211
Subsidy rental income	85,540	68,191
Less:		
Vacancies	(3,802)	(5,178)
Loss to lease	(1,151)	(5,664)
Concessions	(2,300)	(2,000)
Add:		
Excess rent	19,264	6,124
Total rental income	432,405	403,684
Other income:		
Interest income	704	446
Other	3,420	9,577
Total other income	4,124	10,023
Total income	436,529	413,707
Expenses:		
Administrative	61,441	67,134
Utilities	30,929	26,217
Auditing and accounting	13,882	7,910
Management fees	26,132	24,374
Repairs and maintenance	97,056	72,111
Taxes and insurance	21,940	23,192
Total operating expense	251,380	220,938
Income from operations	185,149	192,769
Nonoperating expenses:		
Interest expense	79,106	80,382
Depreciation	179,203	179,203
Amortization	5,853	5,853
Total nonoperating expenses	264,162	265,438
Net loss	$ (79,013)	$ (72,669)

Willow Creek Seniors, LLC
NCHFA Project No. 9151902
Statements of Members' Equity
December 31, 2022 and 2021

	2022			
	Managing Member	Investor Member	Total	2021
Balance, beginning of year	**$ 325**	**$ 3,238,251**	**$ 3,238,576**	$ 3,311,245
Net loss	**(8)**	**(79,005)**	**(79,013)**	(72,669)
Balance, end of year	**$ 317**	**$ 3,159,246**	**$ 3,159,563**	$ 3,238,576

See accompanying notes.

Willow Creek Seniors, LLC
NCHFA Project No. 9151902
Statements of Cash Flows
December 31, 2022 and 2021

	2022	2021
Cash flows from operating activities:		
Net loss	$ (79,013)	$ (72,669)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation	179,203	179,203
Amortization of intangible assets	5,853	5,853
Amortization of deferred financing costs	3,768	3,768
Change in assets and liabilities		
(Increase) decrease:		
Accounts receivable, tenants	(888)	724
Prepaid expenses	16,375	(8,262)
Increase (decrease):		
Accounts payable, trade	(689)	(7,637)
Accrued interest, notes payable	3,828	(22,935)
Tenant security deposits	810	1,165
Prepaid rent	594	(455)
Net cash provided by operating activities	129,841	78,755
Cash flows from financing activities:		
Payments of development fee	-	(10,000)
Payments of notes payable	(108,017)	(35,590)
Net cash used by financing activities	(108,017)	(45,590)
Net increase in cash and restricted deposits and funded reserves	21,824	33,165
Cash and restricted deposits and runded reserves, beginning of year	430,371	397,206
Cash and restricted deposits and funded reserves, end of year	$ 452,195	$ 430,371
Supplemental disclosure of cash flow information:		
Cash paid for interest	$ 71,510	$ 99,549
Reconciliation of cash, cash equivalents, restricted deposits and funded reserves to the balance sheet:		
Cash, operations	$ 113,608	$ 122,818
Tenant security deposits, held in trust	37,548	36,928
Tax and insurance escrow	22,389	9,215
Replacement reserve	104,938	88,083
Operating reserve	173,712	173,327
	$ 452,195	$ 430,371

Notes to Financial Statements

1. Nature of Operations and Significant Accounting Policies

Nature of operations

Willow Creek Seniors, LLC (the "Company") was organized for the purpose of developing, owning, maintaining and operating a 53-unit apartment complex for rental to elderly individuals 55 years or older in Cary, North Carolina commonly known as "Willow Creek." The major activities of the Company are governed by the operating agreement and the loan agreements. The property was placed into service in September of 2015.

In September 2014, 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 - Davis Drive Development, Inc.; and one investor member - Community Equity Fund XIX Limited Partnership.

The ownership of the Company is as follows:

Davis Drive Development, Inc.	0.01%
Community Equity Fund XIX Limited Partnership	99.99%
	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	7 to 10 years

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

Rental income and prepaid rents

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 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.

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.

Advertising

The Company expenses advertising costs as they are incurred. Advertising expenses for the years ended December 31, 2022 and 2021 amounted to $63 and $69, respectively.

Subsequent events evaluation

The Company evaluated the effect subsequent events would have on the financial statements through February 28, 2023, which is the date the financial statements were available to be issued.

Debt issuance costs

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

2. Members' Capital Contributions

The managing member is required to make a capital contribution of $398, all of which has been contributed as of December 31, 2022. The investor member is required to make capital contributions of $3,984,182, including an upward credit adjuster of $1,255, all of which has been contributed as of December 31, 2022.

3. Notes Payable

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

	2022	2021
First mortgage loan with M&F Bank in the amount of $1,075,000 bearing interest at 5.875% with all outstanding principal and accrued interest due June 1, 2034. The loan was funded on May 3, 2016 from Centrant Community Capital ("Centrant"). On October 1, 2021, the loan was sold to M&F Bank but continues to be serviced by Centrant. The outstanding principal balance will be repaid with 216 consecutive monthly principal and interest payments of $6,360 beginning July 1, 2016 and continuing on the first day of each month through June 1, 2034, at which time all outstanding principal and interest, if any, shall be due. Accrued interest amounted to $4,754 and $4,846 at December 31, 2022 and 2021, respectively. During the years ended December 31, 2022 and 2021, interest expense amounted to $57,561 and $58,629, respectively, and interest paid amounted to $57,652 and $58,715, respectively. Deferred loan costs amortized to interest expense for the years ended December 31, 2022 and 2021 amounted to $3,205. The loan is secured by a first lien Deed of Trust on the property.	**$ 971,109**	$ 989,778
Note payable to North Carolina Housing Finance Agency ("NCHFA") in the maximum amount of $795,000, with interest accruing at 1%. During the construction period, no payments of principal and interest are due under the note. 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 on May 3, 2016. The Company is required to make monthly payments ranging from $744 to $4,097. From January 2022 to June 2022, monthly payments of $1,284 were made. From July 2022 through December 2022, monthly payments of $1,264 were made. All outstanding principal and interest, if any, shall be due and payable on June 1, 2036. For the years ended December 31, 2022 and 2021, interest expensed and paid amounted to $7,472 and $7,551, respectively. The note is secured by the second lien Deed of Trust on the property.	**742,993**	750,805

	2022	2021
Note payable to Wake County, North Carolina, in the amount of $583,000 with interest accruing at 1%. Interest only payments were due monthly through March, 2016. Annual payments of principal and interest ranging from $15,233 to $5,375 are due beginning April 1 , 2016 and continue annually until April 1, 2036 (the maturity date), at which time all outstanding principal and accrued interest shall be due and payable. Total payments on the note amounted to $10,955 during 2022. Accrued interest as of both December 31, 2022 and 2021 amounted to $4,203. During the years ended December 31, 2022 and 2021, total interest expense amounted to $5,433 and $5,489, respectively. During the years ended December 31, 2022 and 2021, interest paid amounted to $5,433 and $5,489 respectively. Deferred loan costs amortized to interest expense amounted to $223 during each of the years ended December 31, 2022 and 2021. The loan is secured by a third lien Deed of Trust on the property.	**$ 538,053**	$ 543,575
Note payable to the Town of Cary in the amount of $100,000, bearing interest at 1% and maturing on December 31, 2035. Interest and payments will be deferred for construction and rent-up. Payments for years one through 20 will be based on a pro-rata split of available net income with other subordinate lenders, ranging from $6,373 to $1,158. During 2022 and 2021, payments of $1,966 and $1,997 respectively, were made. Accrued 2021 interest as of December 31, 2022 and 2021 amounted to $958 and $968, respectively. During the years ended December 31, 2022 and 2021, interest expense amounted to $942 and $952 respectively. Interest paid during the years ended December 31, 2022 and 2021 amounted to $952 and $962 respectively. Deferred loan costs amortized to interest expense amounted to $77, during the years ended December 31, 2022 and 2021. The loan is collateralized by a fourth lien Deed of Trust on the property.	**94,167**	95,181
Note payable to DHIC, Inc. ("DHIC"), an affiliate of the managing member, in the amount of $400,000, with interest accruing at 1%. No payments are due until maturity on September 18, 2034. Accrued interest at December 31, 2022 and 2021 amounted to $3,930 and $0 respectively. Interest expense amounted to $3,930 and $3,993 for each of the years ended December 31, 2022 and 2021, respectively. Deferred loan costs amortized to interest expense amounted to $213 during each of the years ended December 31, 2022 and 2021. The loan is collateralized by a fifth lien Deed of Trust on the property.	**321,631**	396,631
Noninterest-bearing note payable to North Carolina Housing Finance Agency ("NCHFA") in the amount of $622,586. No payments are due on this loan until maturity on November 1, 2045, at which time all outstanding principal and accrued interest shall be due and payable. Deferred loan costs amortized to interest expense amounted to $50 during each of the years ended December 31, 2022 and 2021. The note is secured by a sixth lien Deed of Trust on the property.	**622,586**	622,586
Less: unamortized debt issuance costs	**(43,510)**	(47,278)
	3,247,029	3,351,278
Less current maturities	**(33,791)**	(33,017)
	$ 3,213,238	$ 3,318,261

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

2023	$ 33,791
2024	34,521
2025	35,253
2026	43,789
2027	44,591
Thereafter	3,098,594
	$ 3,290,539

Interest costs incurred on notes payable during the years ended December 31, 2022 and 2021, amounted to $75,338 and $76,614, respectively.

4. Related-Party Transactions

Development fee

The Company incurred a development fee of $636,000 payable to DHIC for services rendered to the Company for overseeing the construction of the complex. As of December 31, 2022 and 2021, all of the development fee has been earned and paid.

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 payable, as defined, (see Note 7) and is not cumulative. The fee is equal to one hundred percent of net cash flow available to pay the incentive management fee, up to a maximum of $53,000 per year. No incentive management fees were incurred for the years ended December 31, 2022 and 2021.

5. Reserves

Replacement reserve

The operating agreement and the 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 upon the achievement of 100% qualified occupancy, as defined, prorated in the year occupancy is achieved. 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 written consent from the investor member except in an emergency situation, as well as written consent from NCHFA.

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

	2022	2021
Balance, beginning	**$ 88,083**	$ 71,930
Funding	**16,765**	16,121
Interest earned, net of fees	**90**	32
Balance, ending	**$ 104,938**	$ 88,083

Operating reserve

The operating agreement and NCHFA loan agreements require the Company to fund an operating reserve account in the amount of $171,125 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 reserve for the years ended December 31, 2022 and 2021 is as follows:

	2022	2021
Balance, beginning	**$ 173,327**	$ 172,944
Interest earned, net of fees	**385**	383
Balance, ending	**$ 173,712**	$ 173,327

6. 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 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 March 31, 2014 until March 30, 2017, but shall be automatically renewed for a period of one year unless, on or before 60 days prior to the expiration, either party hereto shall notify the other in writing of an intention to terminate this agreement. The total management fee expense for the years ended December 31, 2022 and 2021 was $26,132 and $24,374, respectively.

7. Company Profits, Losses and Distributions

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

Operating cash flow at December 31, 2022:	$	19,147
First, to the investor member for any credit deficiency and then to repay any loans made to the investor member to the Company;		-
Second, to replenish with operating reserve account to the required amount;		-
Third, to pay the deferred developer fee;		-
Fourth, to repay the managing member for any development advances, operating deficit loans, and other loans made by the managing member to the Company		(19,147)
Fifth, to distribute ten percent of the amount remaining after required distributions to the investor member per the operating agreement;		-
Sixth, to pay the incentive management fee;		-
		-
Thereafter, the balance to the members in accordance with their percentage interests:		
Managing member - 0.01%		-
Investor member - 99.99%		-
	$	-

**Includes $31,269 of undistributed net cash flow from the year ended December 31, 2021*.

8. Contingencies, Risks and Uncertainties

The Company's sole asset is its 53-unit housing complex located in Cary, 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

Willow Creek Seniors, LLC
NCHFA Project No. 9151902
Schedules of Income and Expenses
December 31, 2022 and 2021 **(3 pages)**

	2022	2021
Rental income:		
Residential income	**$ 432,405**	$ 403,684
Interest income:		
Interest income	**$ 704**	$ 446
Other income:		
Application fees	**$ 940**	$ 580
Laundry and vending	**676**	1,235
Late fees	**480**	474
Damages and cleaning fees	**1,324**	-
Grant Revenue	**-**	6,480
Other	**-**	808
	$ 3,420	$ 9,577
Administrative expenses:		
Administrative payroll	**$ 24,769**	$ 29,541
Payroll taxes	**2,722**	3,220
Workers compensation	**549**	754
Other payroll related	**846**	651
Advertising	**63**	69
Telephone, internet and cable	**7,926**	7,823
Administrative supplies and expenses	**4,491**	4,479
Administrative training expenses	**992**	223
Criminal background, credit check expenses	**780**	858
Other administrative expense	**100**	1,095
Bank fees	**557**	315
Resident services	**17,646**	18,106
	$ 61,441	$ 67,134
Property management fees	**$ 26,132**	$ 24,374
Auditing and accounting	**$ 13,882**	$ 7,910

Willow Creek Seniors, LLC
NCHFA Project No. 9151902
Schedules of Income and Expenses
December 31, 2022 and 2021 **(3 pages)**

	2022	2021
Repairs and maintenance:		
Maintenance payroll	**$ 17,191**	$ 18,579
Repairs expense	**30,382**	13,718
Painting and decorating	**7,223**	2,182
Snow removal	**290**	-
Elevator maintenance	**12,092**	2,445
Grounds maintenance	**9,121**	14,619
Garbage and trash removal	**7,763**	7,428
Cleaning expense (janitorial)	**8,464**	5,029
Exterminating	**644**	710
Fire alarm expense	**1,775**	6,483
Security	**2,111**	918
	$ 97,056	$ 72,111
Utilities:		
Electricity	**$ 13,574**	$ 12,408
Water	**6,049**	4,810
Sewer	**11,306**	8,999
	$ 30,929	$ 26,217
Taxes and insurance:		
Property and liability insurance	**$ 18,021**	$ 18,512
Other insurance	**3,491**	4,252
Other taxes, licenses and fees (state charges)	**428**	428
	$ 21,940	$ 23,192
Amortization	**$ 5,853**	$ 5,853
Depreciation	**$ 179,203**	$ 179,203

Willow Creek Seniors, LLC
NCHFA Project No. 9151902
Schedules of Income and Expenses
December 31, 2022 and 2021 **(3 pages)**

	2022	2021
Interest expense - mortgage loans:		
1st mortgage interest - Centrant	**$ 57,561**	$ 58,629
2nd mortgage interest - NCHFA RPP	**7,472**	7,551
3rd mortgage interest - Wake County	**5,433**	5,489
Deferred mortgage interest - Town of Cary	**942**	952
Deferred mortgage interest - DHIC	**3,930**	3,993
Amortization of deferred financing costs	**3,768**	3,768
	$ 79,106	$ 80,382