# Booker Park South, LLC

## NCHFA Project No. 9264852

## Independent Auditor's Report and Financial Statements

December 31, 2022

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FORVIS

# Independent Auditor's Report

Members
Booker Park South, LLC
Raleigh, NC

## Report on the Audit of the Financial Statements

### *Opinion*

We have audited the financial statements of Booker Park South, LLC, NCHFA Project No. 9264852, which comprise the balance sheet as of December 31, 2022, and the related statements of operations, members' equity (deficit), and cash flows for the year 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 Booker Park South, LLC as of December 31, 2022, 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 audit 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 Booker Park South, LLC and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. 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 Booker Park South, LLC's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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***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 Booker Park South, 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 Booker Park South, LLC's ability to continue as a going concern for a reasonable period of time.

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

FORVIS, LLP

**High Point, NC**
**March 21, 2023**

**Booker Park South, LLC**
**NCHFA Project No. 9264852**
**Balance Sheet**
**December 31, 2022**

| | | |
|---|---|---|
| **ASSETS** | | |
| Current assets: | | |
| Cash, operating | $ | 21,253 |
| Cash, construction | | 70,437 |
| Accounts receivable, other | | 1,050 |
| Total current assets | | 92,740 |
| Restricted deposits and funded reserves: | | |
| Cash, tenant security deposits | | 500 |
| Total restricted deposits and funded reserves | | 500 |
| Rental property: | | |
| Land | | 137,095 |
| Construction in process | | 11,489,460 |
| | | 11,626,555 |
| | $ | 11,719,795 |
| **LIABILITIES AND MEMBERS' EQUITY** | | |
| Current liabilities: | | |
| Accounts payable and accrued expenses | $ | 3,543 |
| Accounts payable, construction and development | | 1,297,946 |
| Accrued management fees | | 5,100 |
| Accounts payable, affiliate | | 44,712 |
| Development fee payable | | 690,908 |
| Accrued interest | | 13,832 |
| Total current liabilities | | 2,056,041 |
| Long-term liabilities: | | |
| Construction loan payable, net of unamortized debt issuance cost of $52,488 | | 6,782,308 |
| Notes payable, net of unamortized debt issuance costs of $74,110 | | 2,815,690 |
| | | 9,597,998 |
| Members' equity | | 65,756 |
| | $ | 11,719,795 |

**See accompanying notes.**

**Booker Park South, LLC**
**NCHFA Project No. 9264852**
**Statement of Operations**
**Year Ended December 31, 2022**

| | |
|---|---|
| Other income: | |
| Other | $ 1,131 |
| Total income | 1,131 |
| Expenses: | |
| Administrative | 12,352 |
| Professional fees | 6,156 |
| Utilities | 150 |
| Management fees | 5,100 |
| Taxes and insurance | 464 |
| Total operating expense | 24,222 |
| Loss from operations | (23,091) |
| Nonoperating expenses: | |
| Interest expense | 56,210 |
| Total nonoperating expenses | 56,210 |
| Net loss | $ (79,301) |

See accompanying notes.

**Booker Park South, LLC**
**NCHFA Project No. 9264852**
**Statement of Members' Equity (Deficit)**
**Year Ended December 31, 2022**

| | Managing Member | Investor Member | Total |
|---|---|---|---|
| Balance (deficit), January 1, 2022 | $ (944,848) | $ 1,089,905 | $ 145,057 |
| Net loss | (8) | (79,293) | (79,301) |
| Balance (deficit), December 31, 2022 | $ (944,856) | $ 1,010,612 | $ 65,756 |

| | |
|---|---|
| Cash flows from operating activities: | |
| Net loss | $ (79,301) |
| Adjustments to reconcile net loss to net cash used by operating activities: | |
| Amortization of deferred financing costs | 56,210 |
| Change in assets and liabilities | |
| (Increase): | |
| Accounts receivable, other | (1,050) |
| Increase: | |
| Accounts payable and accrued expenses | 3,543 |
| Accrued management fees | 5,100 |
| Net cash used by operating activities | (15,498) |
| Cash flows from investing activities: | |
| Investment in rental property | (8,426,533) |
| Net cash used by investing activities | (8,426,533) |
| Cash flows from financing activities: | |
| Proceeds from notes payable | 2,889,800 |
| Payment of deferred financing costs | (14,472) |
| Proceeds from construction loan payable | 6,626,168 |
| Payments of notes payable | (969,840) |
| Net cash provided by financing activities | 8,531,656 |
| Net increase in cash, restricted deposits, and funded reserves | 89,625 |
| Cash, restricted deposits, and funded reserves, beginning of year | 2,565 |
| Cash, restricted deposits, and funded reserves, end of year | $ 92,190 |

**Booker Park South, LLC**
**NCHFA Project No. 9264852**
**Statement of Cash Flows**
**Year Ended December 31, 2022** **(2 pages)**

| | | |
|---|---|---|
| Supplemental disclosure of cash flow information: | | |
| Cash paid for interest, including capitalized interest of $170,449 | $ | 170,449 |
| | | |
| Supplemental disclosures of noncash investing activities: | | |
| Construction costs, included in development fee payable | $ | 647,510 |
| Construction costs, included in accounts payable, affiliate | | 42,105 |
| Construction costs, included in accounts payable, construction and development | | 953,821 |
| Construction costs, included in accrued interest | | 13,832 |
| | $ | 1,657,268 |
| | | |
| Reconciliation of cash, restricted deposits and funded reserves to balance sheet: | | |
| Cash, operating | $ | 21,253 |
| Cash, construction | | 70,437 |
| Restricted deposits and funded reserves | | 500 |
| | $ | 92,190 |

**See accompanying notes.**

# Notes to Financial Statements

## 1. Nature of Operations and Significant Accounting Policies

### *Nature of operations*

Booker Park South, LLC (the "Company") was organized on September 9, 2020 for the purpose of acquiring, developing, constructing, leasing, managing, and operating a 68-unit apartment complex (the "project") for rental to seniors in Raleigh, North Carolina commonly known as "Booker Park South". The major activities of the Company are governed by the operating agreement and the loan agreements. The project is still under construction as of December 31, 2022.

In December of 2021, 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 - Booker Park South Housing, Inc.; and one investor member – Enterprise Housing Partners XXXV Limited Partnership.

The ownership of the Company is as follows:

| | |
|---|---|
| Booker Park South Housing, Inc. | 0.01% |
| Enterprise Housing Partners XXXV 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.

***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 | 10 years |

Improvements are capitalized, while expenditures for maintenance and repairs are charged to expense as incurred. As the project has not yet been placed in service at December 31, 2022, depreciation has not yet commenced.

***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.

***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.

***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.

## 2. Members' Capital Contributions

The managing member is required to make a capital contribution of $100, all of which has been received as of December 31, 2022. The investor member is required to make capital contributions of $7,266,350, subject to equity adjustors. As of December 31, 2022, the investor member has contributed $1,089,953.

## 3. Notes Payable

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

| | | |
|---|---|---|
| Note payable to the City of Raleigh in the maximum amount of $1,200,000, with interest accruing at 1%. During the construction period, no payments of principal and interest were due under the note. Upon receipt of the final disbursement of the loan, monthly payments of principal and interest shall begin, ranging from $37 to $553. All outstanding principal and interest, if any, shall be due and payable on April 1, 2044. As of December 31, 2022, the proceeds received under the loan amounted to $900,000. Interest incurred under the note during the year ended December 31, 2022 amounted to $2,992, all of which was capitalized. Accrued interest on December 31, 2022 amounted to $2,992. The note is secured by the second lien Deed of Trust on the property. | $ | 900,000 |
| Noninterest-bearing note payable to North Carolina Housing Finance Agency (“NCHFA”) in the amount of $1,800,000. No payments are due on this loan until maturity, which is the date that is 30 years from the conversion date, which is the date that the final disbursement of loan proceeds is made under the note. The final disbursement is anticipated to occur during 2023. The loan is secured by the third lien Deed of Trust on the property. | | 1,620,000 |
| Noninterest-bearing note payable to North Carolina Housing Finance Agency (“NCHFA”) in the amount of $369,800. No payments are due on this loan until January 1, 2053, the maturity date. The loan is secured by the fourth lien Deed of Trust on the property. | | 369,800 |
| Less: unamortized debt issuance costs | | (74,110) |
| | $ | 2,815,690 |

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

| | City of Raleigh | NCHFA | Total |
|---|---|---|---|
| 2023 | $ - | $ - | $ - |
| 2024 | - | - | - |
| 2025 | - | - | - |
| 2026 | - | - | - |
| 2027 | - | - | - |
| Thereafter | - | 1,989,800 | 1,989,800 |
| * | 900,000 | - | 900,000 |
| | $ 900,000 | $ 1,989,800 | $ 2,889,800 |

** Future maturities cannot be reasonably determined at December 31, 2022.*

The Company has received a commitment letter for permanent financing from Centrant Community Capital. The loan will be in the maximum amount of $3,670,718 and accrue interest at 4.75%. The loan will have a term of 18 years, with monthly payments amortized over 35 years, and a balloon payment of accrued principal and interest due at maturity. The commitment letter expires on December 31, 2023. The Company intends to use the permanent financing, along with additional equity contributions from the investor member, to repay the construction loan payable in 2023.

## 4. Construction Loan Payable

The Company obtained a construction loan from South State Bank in the maximum amount of $10,300,000, bearing interest at the 30-day SOFR rate plus 2.01% (variable), for the purposes of constructing the project. As of December 31, 2022, the interest rate on the loan was 6.33%. The construction loan has a maturity date of December 12, 2023, which the owners intend to repay through closing on permanent financing for the first-lien mortgage, as well as additional capital contributions from the investor member. As of December 31, 2022, the outstanding balance on the loan was $6,782,308 net of unamortized debt issuance costs of $52,488. Total interest incurred under the loan for the year ended December 31, 2022 amounted to $143,547, all of which was capitalized. Interest expense for the year ended December 31, 2022 amounted to $55,141, consisting solely of debt issuance costs amortized to interest expense. Accrued interest at December 31, 2022 amounted to $10,840.

## 5. Related-Party Transactions

***Accounts payable - affiliate***

As of December 31, 2022, accounts payable, affiliate consisted of $44,712, in advances from DHIC for development and operational costs.

***Development fee***

The Company shall incur a development fee totaling $918,000 payable to DHIC for services rendered to the Company for overseeing the construction of the project. As of December 31, 2022, $871,153 of the total fee has been incurred and capitalized. As of December 31, 2022, $690,908 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 8), and shall accrue interest at a rate of 8%. As of December 31, 2022, the final investor member contributions have not been received and, accordingly, the deferred portion of the development fee is not yet known. Any unpaid development fee and accrued interest thereon shall be due in full on or before the end of the tax credit compliance period.

***Investor services fee***

The Company is required to pay the investor member a cumulative, annual investor services fee of $5,000 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. The fee is to commence upon the later of 2023, or the first calendar year in which 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 8). No investor services fee was incurred for the year ended December 31, 2022.

***Company administration fee***

Beginning in 2023, the Company shall pay to Booker Park South Housing, Inc., the administrator, over the term of the agreement, an annual company administration fee of $27,650. In the initial year of operations, the fee is to be prorated for the number of months that the Company receives rental income. The fee is to commence upon the later of 2023, or the first calendar year in which the Company receives rental income. 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 8). No amount is deducted as an expense by the Company until such amount is paid. No company administration fee was incurred for the year ended December 31, 2022.

***Purchase of land from related party***

The Company purchased the land on which the project was built on September 20, 2021 for $1,080,000 from College Park Collaborative, LLC. The Company and College Park Collaborative, LLC (the "entities") are commonly controlled by DHIC, Inc., whose subsidiaries are the managing members of each respective entity. As the entities are commonly controlled, no profit or loss should be recognized by the buyers or the seller in this related party transaction. The difference between the net book value of the land sold and the cumulative purchase price is instead viewed as a transfer of equity between affiliates. Accordingly, equity distributions totaling $944,948 have been recognized by the Company at the date of sale related to this purchase.

As part of the purchase of the land from College Park Collaborative, LLC, the Company held a note payable to College Park Collaborative, LLC, dated September 20, 2021 in the total principal amount of $969,840. The note was unsecured, and bore interest at a rate of 3.00%. All accrued interest and principal remaining on the note as of December 31, 2042 shall be due and payable in full on such date. In December 2022, the note was repaid in full using loan proceeds obtained from the NCHFA loans. During the year ended December 31, 2022, interest under the note was incurred in the amount of $29,532, all of which was capitalized. Interest paid under the note for the year ended December 31, 2022 amounted to $37,742. Booker

## 6. Reserves

***Replacement reserve***

The operating agreement and the NCHFA RPP 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 earlier of second full month following the completion date of the project, as defined in the operating agreement, or the first month following the conversion date of the NCHFA RPP loan. 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, withdrawals may not be made from the account without prior NCHFA written approval. As of December 31, 2022, the replacement reserve has not yet been funded.

***Operating reserve***

The operating agreement requires the Company to fund an operating reserve account in the initial amount of $262,050 upon the payment of the third installment of the investor member's capital contribution. In addition, the NCHFA RPP loan agreement also requires the Company to fund an operating reserve in the greater of $1,500 per unit, or six month's debt service and operating expenses (the "required minimum balance"), on or before the conversion date of the loan. 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. The NCHFA's prior written approval is also required if the balance in the account is below the required minimum balance, or if the disbursement would cause the account to fall below the required minimum balance. As of December 31, 2022, the investor member's third capital contribution has not been received, and the NCHFA RPP loan has not yet converted to its permanent phase and, accordingly, the operating reserve account has not yet been funded.

***Lease-up reserve***

The operating agreement requires the Company to establish a lease-up reserve fund of $27,200, before the first certificate of occupancy is issued for any part of the project, or 60 days prior to construction completion. In addition, the NCHFA RPP loan agreement also requires the Company to fund a lease-up reserve fund, in the amount of $300 per unit The Company shall utilize the lease-up reserve to pay operating expenses to the extent funds are not available from other sources until the later of the stabilization date, as defined in the operating agreement, or receipt of the final disbursement of the permanent loan and repayment of the construction loan. Thereafter, the lease-up reserve account shall be closed and any balance remaining shall be transferred to the replacement reserve. The lease-up reserve was not funded during the year ended December 31, 2022.

## 7. 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 5.531% of gross operating revenues received from the preceding month, as defined in the agreement. Such fee shall be paid out of the general operating account on a monthly basis. The term of the agreement is from September 27, 2021 until September 27, 2024, but shall be automatically renewed for periods 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. An additional one-time leasing and rent-up fee is to be paid to the management agent to cover the agent's staff costs, overhead, and travel time for the period prior to occupancy, in the amount of $300 per unit, to be earned throughout the process of initial occupancy. The management fee expense for the year ended December 31, 2022 amounted to $5,100, inclusive of rent-up fees of $5,100, all of which remained payable at December 31, 2022.

## 8. Distribution of Cash Flow

Payment of fees and other expenses contingent upon cash flow shall be made annually in the following order of priority:

1. To repay the City of Raleigh loan in accordance with its terms;
2. To the investor member, an amount equal to the credit deficiency;
3. 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 income tax rate then in effect;
4. To pay the Investor Services Fee in accordance with the Investor Services Agreement;
5. To fund the operating reserve up to the operating reserve amount;
6. To pay the deferred development fee, including accrued interest;
7. To repay the College Park Collaborative, LLC loan;
8. To the managing member to repay any operating deficit contribution, credit adjuster advance, additional advance, or development advance;
9. To pay the company administration fee in accordance with the Company Administration Agreement;
10. Any remaining cash flow shall constitute net cash flow which is distributable to the members in an amount of 90% to the managing member and 10% to the investor member.

## 9. 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.

## 10. Construction Contract

The Company entered into a construction contract with Weaver Cooke Construction, LLC in September 2021 for services related to the construction of the project. The total construction contract amounts to $10,233,804, including change orders of $413,161. Total costs incurred under the construction contract through December 31, 2022 amounted to $9,584,075, all of which has been capitalized to the rental property. As of December 31, 2022, $1,283,417 remained payable, including retainage payable of $777,536.

## 11. Current Vulnerability Due to Certain Concentrations

The Company's sole asset is its 68-unit 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.

## 12. Operating Deficit Contribution

In accordance with the operating agreement, if at any time or from time to time after the later of the stabilization date or loan conversion, an operating deficit exists (as defined in the operating agreement), then the managing member shall contribute funds to the Company as a contribution to capital in an amount equal to the amount of the operating deficit. The managing member's maximum operating deficit contribution over the course of the agreement is $262,000. The managing member's obligation to make operating deficit contributions shall terminate on the date that the following have occurred simultaneously: (i) the project has operated at the required debt service coverage determined by the audited financial statements for a period of at least two consecutive fiscal years, which two year period shall have commenced not earlier than three years after the first day of the year in which the later of the stabilization date or loan conversion occurs, as defined in the operating agreement, (ii) the property tax exemption is in full force and effect (see Note 9) or the project has operated at the required debt service coverage ratio for the two year period without the property tax exemption, and (iii) the balance in the operating reserve equals or exceeds $262,050. Operating deficit contributions shall be repayable to the managing member, without interest, solely from cash flow, as defined in the operating agreement (see Note 8).

## 13. Subsequent Events

The Company evaluated the effect subsequent events would have on the financial statements through March 21, 2023, which is the date the financial statements were available to be issued.