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**DECRO CORPORATION AND AFFILIATES  
(A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION)**

**CONSOLIDATED FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION  
WITH INDEPENDENT AUDITOR'S REPORT**

**YEAR ENDED DECEMBER 31, 2022**

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**DECRO CORPORATION AND AFFILIATES  
(A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION)**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Decro Corporation and Affiliates  
(A California Nonprofit Public Benefit Corporation)

### Opinion

We have audited the accompanying consolidated financial statements of Decro Corporation and Affiliates, which comprise the consolidated statement of financial position as of December 31, 2022, and the related consolidated statements of activities, functional expenses, changes in net assets, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Decro Corporation and Affiliates as of December 31, 2022, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of 5 of the Operating Partnerships of which the activity on these Operating Partnerships represents 0% of the total assets of the Corporation at December 31, 2022, and 0% of the total changes in net assets of the Corporation for the year ended December 31, 2022. Those statements were audited by component auditors, whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for those Operating Partnerships, is based solely on the reports of the component auditors.

### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 Decro Corporation and Affiliates 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.

### Prior Period Adjustment

As described in Note 4 to the consolidated financial statements, a prior period adjustment was made reflect a change to the equity method of accounting for various entities that were previously included in these consolidated financial statements. Our opinion is not modified with respect to that matter.

### Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Decro Corporation and Affiliates' ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated 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 generally accepted auditing standards 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 consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 Decro Corporation and Affiliates' 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 Decro Corporation and Affiliates' 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.

### Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating and combining schedule of assets, liabilities and net assets and the consolidating and combining schedule of revenues, expense, and changes in net assets are presented for purposes of additional analysis and are not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated 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 consolidated financial statements as a whole.

July 14, 2023  
Carmel, Indiana

*Dauby O'Connor & Zaleski, LLC*  
Dauby O'Connor & Zaleski, LLC  
Certified Public Accountants

**DECRO CORPORATION AND AFFILIATES  
(A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION)**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2022**

**ASSETS**

**Current assets**

Cash	\$ 4,582,941
Resident security deposits	298,096
Reserves and escrows	2,931,649
<b>Cash and cash equivalents</b>	<b><u>7,812,686</u></b>

Accounts receivable - residents, net	134,413
Accounts receivable - operations	74,224
Prepaid expenses	448,562
	<b><u>8,469,885</u></b>

**Total current assets**

**Property and equipment**

Land	31,655,388
Buildings and improvements	93,310,521
Furniture and equipment, leasehold improvements and website design	3,011,887
Construction in progress	91,401,759
	<b><u>219,379,555</u></b>
Less: Accumulated depreciation	<u>(16,511,764)</u>

**Total property and equipment**

**Other assets**

Office lease deposit	18,818
Investments in Operating Partnerships	8,139
Due from Decro Long Beach, L.P.	1,659,472
Unamortized costs, net	43,946
Miscellaneous other assets	79,437
	<b><u>1,809,812</u></b>

**Total other assets**

**\$ 213,147,488**

**DECRO CORPORATION AND AFFILIATES  
(A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION)**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2022**

**LIABILITIES AND NET ASSETS**

**Current liabilities**

Accounts payable and accrued expenses	\$ 562,242
Accounts payable - construction	21,863,166
Accrued payroll liabilities	16,008
Accrued interest payable - current portion	241,331
Prepaid rent	34,810
Current maturities of long term debt	28,587,859

**Total current liabilities** **51,305,416**

**Resident security deposits**

**313,169**

**Long term liabilities**

Due to United Way	250,000
Accrued interest payable, net of current portion	8,266,642
Long term debt, net of current maturities	140,774,182
Developer fee payable	2,913,028
Less: unamortized debt issuance costs, net	(1,376,454)

**Total long term liabilities** **150,827,398**

**Total liabilities** **202,445,983**

**Net assets**

Net assets - without donor restrictions	16,282,721
Non-controlling interest in Operating Partnerships	(5,581,216)

**Total net assets** **10,701,505**

**\$ 213,147,488**

**DECRO CORPORATION AND AFFILIATES  
(A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION)**

**CONSOLIDATED STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2022**

**Changes in net assets**

**Revenue**

Residential rental income, net of vacancy and concessions	\$ 7,256,421
Interest income	4,545
Other income	827,817

**Total revenue** **8,088,783**

**Operating expenses**

**Program expenses**

Housing management	9,421,055
Housing development	965,646

**Total program expenses** **10,386,701**

**Supporting service expenses**

Management and general	747,635
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**Total operating expenses** **11,134,336**

**Non-operating expenses**

Gain (loss) on investments in Operating Partnerships	(3,556)
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**Total non-operating expenses** **(3,556)**

**Increase (decrease) in total net assets** **(3,049,109)**

Non-controlling interest in net losses of Operating Partnerships	1,068,654
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**Increase (decrease) in total net assets  
excluding non-controlling interest** **\$ (1,980,455)**



**DECRO CORPORATION AND AFFILIATES  
(A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION)**

**CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES  
YEAR ENDED DECEMBER 31, 2022**

	<b>Housing Management</b>	<b>Housing Development</b>	<b>Total Program Expenses</b>	<b>Management and General</b>	<b>Total</b>
<b>Operating expenses</b>					
Administrative	\$ 616,311	\$ 141,473	\$ 757,784	\$ 224,149	\$ 981,933
Office lease	505	-	505	118,283	118,788
Bad debt	112,304	-	112,304	-	112,304
Professional fees	272,546	20,913	293,459	33,822	327,281
Utilities	497,747	-	497,747	-	497,747
Operating and maintenance	1,512,622	-	1,512,622	17,992	1,530,614
Property management fees	307,546	-	307,546	-	307,546
Payroll	1,241,441	578,270	1,819,711	114,064	1,933,775
Payroll taxes and benefits	1,144,437	224,990	1,369,427	53,779	1,423,206
<b>Total operating expenses</b>	<b>5,705,459</b>	<b>965,646</b>	<b>6,671,105</b>	<b>562,089</b>	<b>7,233,194</b>
<b>Non-operating expenses</b>					
Depreciation and amortization	1,842,911	-	1,842,911	4,574	1,847,485
Interest	1,850,836	-	1,850,836	180,922	2,031,758
Entity fees	21,849	-	21,849	50	21,899
<b>Total non-operating expenses</b>	<b>3,715,596</b>	<b>-</b>	<b>3,715,596</b>	<b>185,546</b>	<b>3,901,142</b>
<b>Total operating and non-operating expenses</b>	<b>\$ 9,421,055</b>	<b>\$ 965,646</b>	<b>\$ 10,386,701</b>	<b>\$ 747,635</b>	<b>\$ 11,134,336</b>

See notes to consolidated financial statements

**DECRO CORPORATION AND AFFILIATES  
(A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION)**

**CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS  
YEAR ENDED DECEMBER 31, 2022**

	Without donor restrictions		Total
	Undesignated	Non-controlling Interest	
<b>Net assets, January 1, 2022</b>	<b>\$ 19,055,230</b>	<b>\$ (3,276,885)</b>	<b>\$ 15,778,345</b>
Prior period adjustment	(792,054)	(2,727,909)	(3,519,963)
<b>Net assets, January 1, 2022 - restated</b>	<b>18,263,176</b>	<b>(6,004,794)</b>	<b>12,258,382</b>
Increase (decrease) in net assets	(1,980,455)	(1,068,654)	(3,049,109)
Capital contributions from non-controlling interests	-	2,275,925	2,275,925
Distributions to non-controlling interests	-	(652,193)	(652,193)
Syndication costs	-	(131,500)	(131,500)
<b>Net assets, December 31, 2022</b>	<b><u>\$ 16,282,721</u></b>	<b><u>\$ (5,581,216)</u></b>	<b><u>\$ 10,701,505</u></b>

**DECRO CORPORATION AND AFFILIATES  
(A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION)**

**CONSOLIDATED STATEMENT OF CASH FLOWS  
YEAR ENDED DECEMBER 31, 2022**

**Reconciliation of increase (decrease) in net assets  
to net cash provided by (used in) operating activities**

Increase (decrease) in net assets	<b><u>\$ (3,049,109)</u></b>
Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used in) operating activities:	
Depreciation	1,847,485
Amortization - debt issuance costs	96,888
Gain on disposal of property and equipment	(111,537)
(Gain) loss on investments in Operating Partnerships	3,556
Changes in:	
Accounts receivable - residents, net	(4,841)
Accounts receivable - operations	(39,982)
Prepaid expenses	(108,254)
Miscellaneous other assets	(17,730)
Accounts payable and accrued expenses	81,672
Accrued payroll	(8,383)
Accrued interest payable	1,164,205
Resident security deposits liability	15,398
Prepaid rent	(45,146)
<b>Total adjustments</b>	<b><u>2,873,331</u></b>
<b>Net cash provided by (used in) operating activities</b>	<b><u>(175,778)</u></b>
<b>Cash flow from investing activities</b>	
Purchase of property and equipment	(48,855,957)
<b>Net cash provided by (used in) investing activities</b>	<b><u>(48,855,957)</u></b>
<b>Cash flow from financing activities</b>	
Principal payments on long term debt	(107,230)
Proceeds from long term debt	48,397,877
Increase in unamortized costs	(43,946)
Increase in unamortized debt issuance costs	(396,616)
Distributions to non-controlling interests in Operating Partnerships	(783,693)
Capital contributions from non-controlling interests in Operating Partnerships	2,275,925
<b>Net cash provided by (used in) financing activities</b>	<b><u>\$ 49,342,317</u></b>

See notes to consolidated financial statements

**DECRO CORPORATION AND AFFILIATES  
(A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION)**

**CONSOLIDATED STATEMENT OF CASH FLOWS  
YEAR ENDED DECEMBER 31, 2022**

<b>Net changes in cash and cash equivalents</b>	<b>\$ 310,582</b>
<b>Cash and cash equivalents at beginning of year</b>	<b><u>7,502,104</u></b>
<b>Cash and cash equivalents at end of year</b>	<b><u><u>\$ 7,812,686</u></u></b>
Cash paid for interest (including capitalized interest paid)	<b><u><u>\$ 3,408,777</u></u></b>

**Supplemental information**

Cash flow from investing activities related to the purchase of property and equipment for the year ended December 31, 2022 excludes \$7,983,064, which is included in accounts payable - construction at December 31, 2022.

**DECRO CORPORATION AND AFFILIATES  
(A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION)**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2022**

**NOTE 1-ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**ORGANIZATION**

Decro Corporation, A California nonprofit public benefit corporation, was founded in 1989 as a nonprofit organization under California law and is qualified for tax-exempt status under Section 501(c)(3) of the Internal Revenue Code. Its primary mission is to expand the availability of affordable housing for those who are homeless or at risk of becoming so and very-low and low-income individuals, seniors, and families as well as attract capital investment in economically distressed communities.

Decro Corporation is constructing eight permanent supportive and affordable housing projects – Brine Residential, Watts Works, NoHo 5050, Oatsie's Place, 11604 Vanowen Apartments and McDaniel House; developing The Brine, a multi-phase project that will benefit the Lincoln Heights community in Los Angeles, California; and renovating a historic single-family home in Highland Park as required by its entitlements for Firmin Court.

As of December 31, 2022, Decro Corporation provides management services to six California nonprofit public benefit corporations (the "Affiliated Organizations") that were or are the Managing General Partner, Co-General Partner, Development General Partner or Limited Partner in entities which operate low-income housing properties. The Affiliated Organizations are as follows: Decro Alpha, Decro Beta, Decro Chi, Decro Epsilon, Decro Kappa and Decro Management. Collectively, the Corporation and these entities are all controlled by a common board of directors.

Decro Corporation or the Affiliated Organizations have a 100% ownership interest in the following entities: Decro Orion, LLC; Decro Osborne, LLC; Brandywood Holdings, LLC; Decro Firmin, LLC; Decro Brine, LLC; Decro Brine Residential, LLC; Brine PSH, LLC; Decro Watts, LLC; Decro NoHo 5050, LLC; Decro Harvard, LLC; Decro Sherman, LLC; Decro Vanowen, LLC and Decro Nordhoff LLC (the "Ownership Entities").

Decro Corporation, Affiliated Organizations or Ownership Entities are the General Partner, Co-General Partner, Development General Partner and/or Limited Partner in 24 entities which all operate or intend to operate low-income affordable housing projects (the "Operating Partnerships"). The Ownership Entities and 18 of the Operating Partnerships are controlled by the Corporation and as such are included in these consolidated financial statements. The 18 Operating Partnerships controlled by the Corporation are as follows:

<u>Operating Partnership</u>	<u>DBA Name</u>	<u>Ownership Interest %</u>	<u>Residential Units</u>
Decro Orion Apartments, L.P.	Orion Gardens Apartments	0.006%	32
Decro Osborne Apartments, L.P.	Osborne Gardens Apartments	0.006%	51
Brandywood Holdings, L.L.L.P.	Brandywood Apartments	33.33%	90
Decro Nordhoff, L.P.	Nordhoff Apartments	100.00%	38

**DECRO CORPORATION AND AFFILIATES  
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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2022**

<u>Operating Partnership</u>	<u>DBA Name</u>	<u>Ownership Interest %</u>	<u>Residential Units</u>
Decro Saticoy, LLC	Saticoy Street Apartments	100.00%	18
Decro Heron, LLC	Heron Woods	100%	50
Decro Magnolia, LLC	Magnolia Village	100%	41
Decro Nature Walk, LLC	Nature Walk	100%	50
FL Crossing at Leesburg Ltd.	Crossings at Leesburg	0.51%	168
FL Silver Pointe Ltd.	Silver Pointe	1.00%	138
Firmin Court, L.P.	Firmin Court Apartments	0.009%	63
<b>Projects in development at December 31, 2022</b>			
The Brine, L.P.	N/A	100%	N/A
Brine Residential, L.P.	The Brine Residential	0.01%	N/A
Watts Works, L.P.	N/A	0.0051%	N/A
NoHo 5050, L.P.	NoHo 5050 Apartments	0.00495%	N/A
1043 Harvard, L.P.	McDaniel House	0.00425%	N/A
11604 Vanowen, L.P.	11604 Vanowen Apartments	0.00475%	N/A
16015 Sherman, L.P.	Oatsie's Place	0.0045%	N/A

The Affiliated Organizations, Ownership Entities and controlled Operating Partnerships (collectively, the "Affiliates") are all controlled by Decro Corporation and are reported collectively as Decro Corporation and Affiliates (the "Corporation"). See Note 4 for Operating Partnerships not controlled by the Corporation.

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of preparation of the consolidated financial statements**

The consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

The accounts of the Corporation are maintained, and the consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States of America. Accordingly, revenues are recognized when earned, and expenses are recognized when incurred. In addition, the consolidated financial statements are in conformity with the provisions required by the Not-for-Profit Entities Presentation of Financial Statements topic of the Financial Accounting Standards Board ("FASB") *Accounting Standards Codification* ("ASC") 958-205. This statement established standards for external financial reporting for Not-for-Profit Organizations.

The Not-for-Profit Entities Presentation of Financial Statements topic of the FASB ASC primarily affects the display of the consolidated financial statements and requires that the amounts for each of two classes of net assets - with or without donor restrictions in aggregate consolidated statement of financial position and the amounts of change in each of those classes of net assets be displayed in a consolidated statement of changes in net assets.

**DECRO CORPORATION AND AFFILIATES  
(A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION)**

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2022**

**Consolidation**

In accordance with FASB ASC 810-10 and FASB ASC 958-810, the consolidated financial statements include the accounts of the Corporation and Affiliated Organizations, after elimination of all material intercompany accounts, transactions, and profits.

The consolidated financial statements also consolidate the assets, liabilities, and activities of Operating Partnerships and Ownership Entities for which the Corporation or Affiliated Organizations, as the Managing General Partner, Co-General Partner, Development General Partner or Limited Partner, has a controlling financial and legal interest. All significant intercompany transactions have been eliminated in the consolidation. The interest of the Co-General Partners or Limited Partners which do not exhibit a controlling financial and legal interest are presented as non-controlling interest in Operating Partnerships on the balance sheets.

**New accounting pronouncements**

In February 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2016-02, Leases, which requires the lessee to recognize leased assets and corresponding lease liabilities on the statement of financial position. This standard was effective for the Corporation on January 1, 2022. The adoption of the lease standard did not have a material impact on the consolidated financial statements.

In March 2020, FASB issued ASU 2020-04, Reference Rate Reform (Topic 848), which provides optional guidance for a limited period of time to ease the potential burden in accounting for (or recognizing the effects of) reference rate reform on financial reporting. The standard is effective from March 2020 through December 31, 2022 and will allow the Corporation to adopt other reference rates without applying the contract modifications provisions of accounting standards generally accepted in the United States of America. During the year ended December 31, 2022, ASU 2020-04 did not have a material impact on the Corporation.

In June 2016, the FASB issued ASU 2016-13, Financial Instruments - Credit Losses. The ASU sets forth a "current expected credit loss" (CECL) model which requires the Corporation to measure all expected credit losses for financial instruments held at the reporting date based on historical experience, current conditions, and reasonable supportable forecasts. This replaces the existing incurred loss model and is applicable to the measurement of credit losses on financial assets. Receivables arising from operating leases are not within the scope of this standard, but rather, are accounted for in accordance with the Leases standard. The new standard is effective for the Corporation beginning January 1, 2023. Management continues to evaluate the impact of the standard.

**Functional allocation of expenses**

The costs of providing the various programs and other activities have been summarized on a functional basis. Accordingly, certain costs have been allocated among the programs and supporting services benefited based upon direct expenditures incurred or based upon time spent in the activities. For the year ended December 31, 2022, fundraising costs were insignificant to the consolidated financial statements as a whole.

**DECRO CORPORATION AND AFFILIATES  
(A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION)**

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2022**

**Cash**

For the consolidated statement of cash flows, all unrestricted investments with the original maturities of three months or less are cash. As of December 31, 2022, cash consists of checking, savings and petty cash accounts.

**Investments in Operating Partnerships**

The Corporation accounts for its investments in Operating Partnerships in accordance with the equity method of accounting, under which the investment is carried at cost and is adjusted for the Corporation's share of each Operating Partnership's net income or loss and by cash distributions received. Equity in loss of each investment in Operating Partnership allocated to the Corporation is recognized to the extent of the Corporation's investment balance in each Operating Partnership unless the Corporation has guaranteed obligations of the Operating Partnership or is otherwise committed to provide further financial support. As of December 31, 2022, the Corporation has guaranteed obligations and committed further financial support of the Operating Partnerships. Previously unrecognized equity in loss of any Operating Partnership is recognized in the year in which equity in income is earned by such Operating Partnership or additional investment is made by the Corporation. Distributions received subsequent to the elimination of an investment balance for any such Operating Partnership are recorded as other income from Operating Partnerships.

The Corporation assesses the carrying value of its investment in Operating Partnerships at least annually in the fourth quarter or whenever there are indications that a permanent impairment may have occurred. If the carrying value of an investment in an Operating Partnership exceeds the estimated value derived by management, the Corporation reduces its investment in any such Operating Partnership (unless the impairment is considered to be temporary) and includes such reduction in impairment losses.

The Corporation does not consolidate the accounts and activities of the Operating Partnerships, in which they do not have substantial participatory rights under FASB ASC 810-10 and 958-810 Consolidation, because the Corporation considers the other members to have substantial participatory rights.

Additional advances and capital contributions that are not required under the terms of the Operating Partnerships' partnership agreements, but which are made to the Operating Partnerships, are recorded as investment in Operating Partnerships. Certain advances during the construction phase are considered by the Corporation to be voluntary short-term advances to the respective Operating Partnerships.

**Resident tenant receivable and bad debt policy**

Resident tenant rent charges for the current month are due on the first of the month. Resident tenants who are evicted or move out are charged with damages or cleaning fees, if applicable. Resident tenant receivables consist of amounts due for rents, damages and cleaning fees. The Corporation does not accrue interest on the resident receivable balances.



**DECRO CORPORATION AND AFFILIATES  
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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2022**

Resident receivables are charged to bad debt expense when they are determined to be uncollectible based upon a monthly 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 material to the consolidated financial statements for the year ended December 31, 2022. Bad debts expensed for the year ended December 31, 2022 totaled \$112,304.

**Property and equipment**

Land, buildings and improvements, furniture and equipment, leasehold improvements, and website design are recorded at cost. Building and improvement costs are depreciated under the straight-line method over an estimated useful life of 3 - 40 years. Furniture and equipment are depreciated under the straight-line method over an estimated useful life of 5-15 years. Lease hold improvement costs are depreciated under the straight-line method over the estimated lease period of 3 years. Website design costs are depreciated under the straight-line method over an estimated useful life of 3 years. Expenditures for maintenance and repairs are charged to expense as incurred.

The Corporation is subject to the provisions of the Impairment or Disposal of Long-Lived Assets topic of the FASB ASC 360-10. Impairment or Disposal of Long-Lived Assets has no retroactive impact on the Corporation's consolidated financial statements. The standard requires impairment losses to be recorded on long-lived assets when indicators of impairment are present and the undiscounted cash flows estimated to be generated by those assets (excluding interest) are less than the carrying amount of the assets. In such cases, the carrying value of assets to be held and used are adjusted to their estimated fair value and assets held for sale are adjusted to their estimated fair value less selling expenses. There were no impairment losses recognized during the year ended December 31, 2022.

**Rent revenue**

Rental income is recognized as rents become due. Rental payments received in advance are deferred until earned. All leases between the Corporation and the residents are operating leases under FASB ASC 842 and are not within the scope of FASB ASU 2014-09 and will be for terms of no longer than one year.

**Grant revenue**

The Corporation recognizes revenues from grants and contributions of cash and other assets upon satisfaction of the grantor or donor stipulations, which entitle the Corporation to the assets promised. These assets are recognized as either with or without restriction. Net assets - without donor restriction do not contain grantor or donor stipulations that limit their use. They are available currently for use based on the discretion of the Corporation's management. Grants and contributions that contain grantor or donor stipulations that limit their use are considered net assets - with donor restriction because they are available only for the use stipulated by the grantor or donor. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets - with donor restrictions are reclassified to net assets - without donor restrictions and reported in the statements of activities as net assets released from restrictions.

**DECRO CORPORATION AND AFFILIATES  
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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2022**

**Advertising costs**

Advertising costs related to rental properties are expensed as incurred and are included in housing management in the consolidated statement of activities.

**Debt issuance costs**

The Corporation is subject to the provisions of the Interest-Imputation of Interest topic of the FASB ASC 835-30 which requires unamortized debt issuance costs to be presented as a reduction of the outstanding debt and the amortization of the debt issuance costs to be presented as a component of interest expense. Generally accepted accounting principles require that the effective yield method be used to amortize debt issuance costs; however, the effect of using the straight-line method is not material to the consolidated financial statements for the year ended December 31, 2022.

**Property taxes**

The Corporation is exempt from some, but not all, real property taxes. For those properties that are required to pay property taxes, such taxes are expensed in the year of the lien on the property such that twelve months of expense are charged to operations each year.

**Use of estimates in the preparation of consolidated financial statements**

The preparation of consolidated financial statements in conformity with accounting standards generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Concentration of credit risk**

The Corporation maintains various cash balances with various regional and national financial institutions that are insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000. At times, the account balances may exceed the FDIC insurance limits. The Corporation has not experienced any losses in such accounts. Management believes that the Corporation is not exposed to any significant credit risk on cash and cash equivalents.

The Corporation's operations are concentrated in the multifamily real estate market. In addition, the Corporation operates in a heavily regulated environment. The operations of the Corporation are subject to the administrative directives, rules and regulations of federal, state and local regulatory agencies. Such administrative directives, rules and regulations are subject to change by an act of Congress or an administrative change mandated by the respective agency. Such changes may occur with little notice or inadequate funding to pay for the related cost, including the additional administrative burden, if any, to comply with a change.

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2022**

**Fair value**

The Corporation is subject to the provisions of the Fair Value Measurement topic of the FASB ASC 820-10 which provides guidance for assets and liabilities which are required to be measured at fair value and requires expanded disclosure for fair value measurement. The standard applies whenever other standards require or permit assets or liabilities to be measured at fair value and does not require any new fair value measurements. The Fair Value Measurement did not have a material impact on the Corporation's consolidated financial statements for the year ended December 31, 2022.

**Accounting for uncertainty in income taxes**

The Corporation is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and state income tax, and has been classified as an other than private foundation. Accordingly, no provision for federal and state taxes on revenue and income has been recognized in the accompanying financial statements. Generally, the Federal and State tax returns were subject to examinations from the three years after the later of the original or extended due date, or the date filed with the applicable tax authorities.

Even though the Corporation is recognized as tax exempt, it still may be liable for tax on its unrelated business income (UBI). The Corporation evaluates uncertain tax positions through its review of the sources of income to identify UBI and certain other matters, including those which may affect its tax exempt status. The effect of the uncertainty would be recorded if the outcome was considered probable and reasonably estimable. As of December 31, 2022, the Corporation had no uncertain tax positions requiring accrual.

The Affiliates are treated as pass-through entities for income tax purposes and, as such, are not subject to income taxes. Rather, all items of taxable income, deductions and tax credits are passed through to and are reported by their owners on their respective income tax returns. These entities' federal tax statuses as pass-through entities are based on their legal status as limited partnerships and limited liability companies. Accordingly, these entities are not required to take any tax positions in order to qualify as pass-through entities. These entities are required to file and do file tax returns with the Internal Revenue Service and other taxing authorities. Accordingly, these consolidated financial statements do not reflect a provision for income taxes and these entities have no other tax positions which they must consider for disclosure. There has been no interest or penalties recognized in the consolidated statement of activities or consolidated statements of financial position as of and for the year ended December 31, 2022. Generally, the federal returns are subject to examination for three years after the later of the original or extended due date or the date filed with the applicable tax authority.

**Subsequent events**

Management performed an evaluation of the Corporation's activity through July 14, 2023, the audit report date, and has concluded that there are no subsequent events requiring disclosure through the date these consolidated financial statements were available to be issued.

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2022**

**NOTE 2-RESERVES AND ESCROWS**

The Corporation maintains externally restricted reserves and escrows due to various operating agreements, regulatory agreements and loan documents requiring the establishment of funded reserves and escrows mostly for the replacement of property and equipment, unusual operating costs, or property taxes and insurance. The reserves and escrows must be maintained in separate accounts. Certain lenders require prior authorization for withdrawals from the reserve and escrow accounts. Reserves and escrows consist of the following at December 31:

<b>Externally restricted</b>	
Escrow reserves	\$ 209,822
Reserves for replacements	1,222,488
Operating reserves	<u>1,499,339</u>
	<b><u>\$ 2,931,649</u></b>

**NOTE 3-CONSTRUCTION IN PROGRESS**

At December 31, 2022, the Corporation has eight properties currently in development, respectively. The Operating Partnerships have entered into various architect and construction contracts with third parties to complete the development. As of December 31, 2022, accounts payable – construction totaled \$21,863,166. The estimated costs to complete the properties in development is approximately \$229,226,880. The further development of Brine, L.P. is currently being determined and negotiated by management.

As of December 31, 2022, property development costs had been incurred on the following properties:

Firmin Court, LLC	\$ 1,929,455
The Brine, L.P.	5,842,234
Watts Works, L.P.	8,882,051
Brine Residential, L.P.	23,757,896
NoHo 5050, L.P.	11,305,134
1043 Harvard, L.P.	12,515,325
11604 Vanowen, L.P.	14,951,846
16015 Sherman, L.P.	<u>12,217,818</u>
	<b><u>\$91,401,759</u></b>

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2022**

**NOTE 4-INVESTMENTS IN OPERATING PARTNERSHIPS**

The Corporation owns the Co-General Partner or Development General Partner interest in the following entities, which were formed to acquire, rehabilitate, construct, own, and operate low-income residential rental housing properties.

<u>Operating Partnership</u>	<u>DBA Name</u>	<u>Ownership Interest %</u>	<u>Residential Units</u>
Pico New Hampshire United Methodist Housing, L.P.	Casa Shalom	0.51%	30
JW Apartments, L.P.	James Woods Apartments	0.0034%	61
LDK Senior Apartments, L.P.	LDK Senior Apartments	0.0024%	67
Peppertree of Banning, L.P.	Peppertree Apartments	0.05%	81
Barstow Suncrest Apartments, L.P.	Suncrest Apartments	0.05%	81
Valle Verde of Orange Cove, L.P.	Valle Verde Apartments	0.05%	73

FASB ASC 958-810 requires consolidation of the Operating Partnerships unless other partners in these Operating Partnerships have substantive participating rights. The Corporation has determined that the other Co-General Partner or Managing General Partner in these Operating Partnerships has substantive participating rights, and therefore has not consolidated these entities.

Effective January 1, 2022, the Corporation determined that its participating rights in Peppertree of Banning, L.P., Barstow Suncrest Apartments, L.P., and Valle Verde of Orange Cove, L.P. are not substantial and as a result the Corporation recognized a prior period adjustment to disaggregate these entities.

The Corporation's investments in Operating Partnerships after elimination of investments in which the Corporation exhibits substantive participating rights is as follows:

<b>Investment at January 1</b>	\$ 11,695
Corporation's share of income (losses) for the year	<u>( 3,556)</u>
<b>Investment at December 31</b>	<b><u><u>\$( 8,139)</u></u></b>

The summarized combined balance sheet of the Operating Partnerships and the summarized combined statement of operations are as follows:

**COMBINED BALANCE SHEET**

**ASSETS**

Property and equipment, net	\$ 50,976,144
Cash	958,627
Restricted cash and reserves	1,905,098
Other assets	<u>384,666</u>
<b>Total assets</b>	<b><u><u>\$54,224,535</u></u></b>

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2022**

**LIABILITIES AND PARTNERS' EQUITY (DEFICIT)**

Mortgage notes payable and accrued interest	\$ 48,149,504
Accounts payable and accrued expenses	7,157,398
Resident security deposits	<u>256,590</u>
<b>Total liabilities</b>	<b>55,563,492</b>
<b>Partners' equity (deficit)</b>	<b><u>( 1,338,957)</u></b>
<b>Total liabilities and Partners' equity (deficit)</b>	<b><u>\$54,224,535</u></b>

**COMBINED STATEMENT OF OPERATION**

<b>Revenue</b>	
Rents	\$ 3,939,364
Interest	1,181
Other	<u>117,963</u>
<b>Total revenue</b>	<b><u>4,058,508</u></b>
<b>Expenses</b>	
Administrative	600,223
Operating and maintenance	2,576,548
Taxes and insurance	421,999
Interest	1,832,306
Depreciation and amortization	2,054,835
Impairment loss	<u>5,134,302</u>
<b>Total expenses</b>	<b><u>12,620,213</u></b>
<b>Net income (loss)</b>	<b><u>\$( 8,561,705)</u></b>

During the year ended December 31, 2022, Barstow Suncrest Apartments, L.P. recognized an impairment loss of \$5,134,302.

The Operating Partnerships have mortgage notes and loans payable with various lenders. The property and equipment of the various Operating Partnerships are pledged as collateral on the mortgage notes and loans payable. The various Operating Partnerships hold reserves required under their respective loan agreements or Partnership Agreements.

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2022**

**NOTE 5-LONG TERM DEBT**

The Corporation and Affiliates have entered into debt agreements with various financial institutions and governmental agencies to fund acquisitions, pre-development costs, construction, and normal operations. The various debt agreements have terms ranging from one to fifty-seven years, interest rates from 0% to 10.5%, and may have various debt service requirements. Certain agreements are secured by a deed of trust. At December 31, 2022, \$169,362,041 remains payable.

Interest has not been imputed on any of the debt agreements that carry below-market rates as they are payable to governmental entities and carry legal restrictions. The restrictions require the Corporation to use the property for low income housing, as defined by the mortgages' regulatory agreements or other restriction agreements. Certain mortgages provide for the deferral of interest payments. Deferred interest and accrued interest on long term debt totaled \$8,507,973 at December 31, 2022. For the year ended December 31, 2022, the Corporation has incurred interest of \$4,572,982, of which \$2,638,105 was capitalized into construction in progress, \$1,934,877 was expensed, and \$3,408,777 was paid.

On June 1, 2022, the Corporation entered into a loan agreement for a revolving line of credit with KeyBank National Association up to the aggregate principal amount outstanding at any one time of \$2,000,000. The line of credit matured on June 1, 2023 which was extended to September 1, 2023. The Corporation is currently negotiating an extension to September 1, 2024. The loan incurs variable interest equal to 3% plus the Daily Simple SOFR Rate.

The Corporation entered into loan agreements in the amounts of \$111,537 through the Paycheck Protection Program with the U.S. Small Business Administration, as authorized by the Coronavirus Aid, Relief and Economic Security Act ("CARES Act"). Pursuant to the CARES Act, the loans were applied to fund payroll, mortgage, and utility costs. Principal and accrued interest is eligible for forgiveness if conditions are met, as provided in the CARES Act. During the year ended December 31, 2022, the conditions of forgiveness were met and the principal and accrued interest were forgiven in the amount of \$111,537, which is included in other income on the consolidated statement of activities.

Principal payments of long term debt for the next five years and thereafter are approximately as follows:

2023	\$ 28,587,859
2024	7,483,703
2025	279,884
2026	290,060
2027	300,657
Thereafter	<u>132,419,878</u>
	<b>169,362,041</b>
Less: Unamortized debt issuance costs, net	<u>( 1,376,454)</u>
	<b><u>\$ 167,985,587</u></b>

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2022**

Debt issuance costs were incurred in connection with the long-term debt. These costs are being amortized using the straight-line method over the term of the long-term debt. Amortization expense for the year ended December 31, 2022 was \$96,888, and is included in housing management on the consolidated statement of activities. Debt issuance costs net of accumulated amortization is \$1,376,454 as of December 31, 2022.

**NOTE 6-LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

The Corporation manages its liquidity by completing annual operating budgets that provide sufficient funds for general expenditures in meeting liabilities and other obligations as they become due and maintains cash and cash equivalents that may be drawn upon as needed during the year to manage cash flow and make necessary expenditures. The Corporation's cash and cash equivalents is available within one year of the consolidated statement of financial position date to meet cash needs for general expenditures.

There are funds (resident security deposits, reserves and escrows) established by the lenders and the Corporation that may be drawn upon in the event of financial distress or an immediate liquidity need resulting from events outside the typical life cycle of converting financial assets to cash or settling financial liabilities.

The following reflects the organizations current financial assets as of December 31, 2022, reduced by amounts not available for general use within one year because of internal or external designations. Amounts not available include amounts set aside as required by the various lenders, grantors or Board of Directors. Some of these amounts could be drawn upon if needed with approval from the various lenders or Board of Directors.

Cash and cash equivalents	\$ 7,812,686
Accounts receivable - residents, net	134,413
Accounts receivable - operations	74,224
Prepaid expenses	<u>448,562</u>
<b>Total current financial assets</b>	<b>8,469,885</b>
<b>Externally-imposed restrictions</b>	
Reserves and escrows	( 2,931,649)
<b>Internal designations</b>	
Resident security deposits	<u>( 298,096)</u>
	<b><u>\$ 5,240,140</u></b>

**NOTE 7-DUE FROM DECRO LONG BEACH, L.P.**

In prior years, the Corporation, as the guarantor of Decro Long Beach, L.P. (a former related party), advanced funds for the construction of the property owned by Decro Long Beach, L.P. At December 31, 2022, \$1,659,472 remains receivable from annual cash flow of the property. As of the audit report date, the Corporation is in dispute with Decro Long Beach, L.P. regarding the timing of the repayment of this receivable. Management anticipates the dispute will be settled and has estimated that all amounts will be received. As such, no allowance for doubtful accounts has been recorded.



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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2022**

**NOTE 8-GRANT REVENUE**

In prior years the Corporation was awarded funds from the United Way of Greater Los Angeles (the "United Way") in the amount of \$250,000 to support development costs incurred by Watts Works, L.P. These funds must be repaid once the development property receives permanent financing. At December 31, 2022, \$250,000, remains payable to the United Way.

During the year ended December 31, 2022, the Corporation was awarded funds from the Conrad N. Hilton Foundation in the amount of \$300,000 to support development costs incurred by Watts Works, L.P. As of December 31, 2022, grant funds totaling \$300,000 were used in accordance with the requirements of the grant and \$300,000 of grant revenue was recognized and included in other income on the consolidated statement of activities.

**NOTE 9-COMMITMENTS AND CONTINGENCIES**

The Corporation has provided guarantees in the normal course of business in its role as general partner and other business activities. These guarantees relate to, but are not limited to, construction completion, delivery of tax credits to the limited partner, funding operating deficits, and maintaining compliance with various regulatory agreements and/or Section 42 of the Internal Revenue Code. The amount and length of the guarantees vary by each respective agreement.

In connection with the development of the Operating Partnerships, The Corporation has the option to purchase the properties at the close of the projects' 15-year compliance periods.

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**SUPPLEMENTARY INFORMATION**  
**CONSOLIDATING AND COMBINING SCHEDULE OF ASSETS, LIABILITIES AND NET ASSETS**  
**YEAR ENDED DECEMBER 31, 2022**

ASSETS	Decro Corporation	Decro Alpha	Decro Beta	Decro Chi	Decro Epsilon	Decro Kappa	Decro Management	Decro Orion Apartments, L.P.	Decro Osborne Apartments, L.P.
<b>Current assets</b>									
Cash and cash equivalents	\$ 1,120,452	\$ 19	\$ -	\$ 74	\$ 12	\$ 498	\$ 901	\$ 511,254	\$ 692,620
Accounts receivable - residents, net	-	-	-	-	-	-	-	-	3,888
Accounts receivable - operations	42,482	-	-	-	-	-	2,500	3,751	-
Accounts receivable - related parties	13,259,933	-	-	-	639,700	-	-	-	-
Prepaid expenses	4,008	-	-	-	-	-	-	10,063	27,468
<b>Total current assets</b>	<b>14,426,875</b>	<b>19</b>	<b>-</b>	<b>74</b>	<b>639,712</b>	<b>498</b>	<b>3,401</b>	<b>525,068</b>	<b>723,976</b>
<b>Property and equipment, net</b>	<b>3,565</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,027,223</b>	<b>10,994,391</b>
<b>Other assets</b>									
Office lease deposit	18,818	-	-	-	-	-	-	-	-
Investments in Operating Partnerships	(1,893,903)	23,920	-	-	(840,538)	-	-	-	-
Due from Decro Long Beach, L.P.	-	1,659,472	-	-	-	-	-	-	-
Miscellaneous other assets	51	-	-	-	-	-	-	-	-
<b>Total other assets</b>	<b>(1,875,034)</b>	<b>1,683,392</b>	<b>-</b>	<b>-</b>	<b>(840,538)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total assets</b>	<b>\$ 12,555,406</b>	<b>\$ 1,683,411</b>	<b>\$ -</b>	<b>\$ 74</b>	<b>\$ (200,826)</b>	<b>\$ 498</b>	<b>\$ 3,401</b>	<b>\$ 9,552,291</b>	<b>\$ 11,718,367</b>
<b>LIABILITIES AND NET ASSETS</b>									
<b>Current liabilities</b>									
Accounts payable and accrued expenses	\$ 49,728	\$ -	\$ -	\$ -	\$ (1)	\$ -	\$ 9,133	\$ 38,980	\$ 69,345
Accounts payable - related parties	-	1,455	1,097	1,685	3,005	2,810	77,276	12,500	64,926
Accrued payroll	16,008	-	-	-	-	-	-	-	-
Accrued interest payable - current	16,988	-	-	-	-	-	-	1,220	30,188
Prepaid rent	-	-	-	-	-	-	-	-	39
Current maturities of long term debt	2,586,900	-	-	-	-	-	-	5,786	31,303
<b>Total current liabilities</b>	<b>2,669,624</b>	<b>1,455</b>	<b>1,097</b>	<b>1,685</b>	<b>3,004</b>	<b>2,810</b>	<b>86,409</b>	<b>58,486</b>	<b>195,801</b>
<b>Resident security deposits</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>37,089</b>	<b>45,293</b>
<b>Long term liabilities</b>									
Due to United Way	250,000	-	-	-	-	-	-	-	-
Accrued interest payable, net of current portion	-	-	-	-	-	-	-	2,820,267	4,532,972
Long term debt, net of current maturities	-	-	-	-	-	-	-	5,622,121	9,201,294
Less: unamortized debt issuance costs, net	-	-	-	-	-	-	-	(71,824)	(194,575)
Prepaid lease	-	-	-	-	-	-	-	-	-
Developer fee payable	480,921	-	-	-	-	-	-	-	-
<b>Total long term liabilities</b>	<b>730,921</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,370,564</b>	<b>13,539,691</b>
<b>Total liabilities</b>	<b>3,400,545</b>	<b>1,455</b>	<b>1,097</b>	<b>1,685</b>	<b>3,004</b>	<b>2,810</b>	<b>86,409</b>	<b>8,466,139</b>	<b>13,780,785</b>
<b>Net assets</b>	<b>9,154,861</b>	<b>1,681,956</b>	<b>(1,097)</b>	<b>(1,611)</b>	<b>(203,830)</b>	<b>(2,312)</b>	<b>(83,008)</b>	<b>1,086,152</b>	<b>(2,062,418)</b>
	<b>\$ 12,555,406</b>	<b>\$ 1,683,411</b>	<b>\$ -</b>	<b>\$ 74</b>	<b>\$ (200,826)</b>	<b>\$ 498</b>	<b>\$ 3,401</b>	<b>\$ 9,552,291</b>	<b>\$ 11,718,367</b>

**DECRO CORPORATION AND AFFILIATES  
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**SUPPLEMENTARY INFORMATION  
CONSOLIDATING AND COMBINING SCHEDULE OF ASSETS, LIABILITIES AND NET ASSETS  
YEAR ENDED DECEMBER 31, 2022**

ASSETS	Brandywood Holdings, L.L.L.P.	Decro Nordhoff, L.P.	Saticoy Apartments	Decro Firmin, LLC	Firmin Court, L.P.	The Brine, L.P.	Watts Works, L.P.	Noho 5050, L.P.
<b>Current assets</b>								
Cash and cash equivalents	\$ 162,896	\$ 492,604	\$ 327,199	\$ (10,075)	\$ 1,200,082	\$ 123,668	\$ 4,893	\$ 53,456
Accounts receivable - residents, net	12,271	16,557	39,539	-	-	-	880	-
Accounts receivable - operations	-	-	-	-	-	16,644	-	7,750
Accounts receivable - related parties	-	(55,147)	-	405	-	-	5,233	41,100
Prepaid expenses	26,013	15,541	7,160	-	-	-	-	-
<b>Total current assets</b>	<b>201,180</b>	<b>469,555</b>	<b>373,898</b>	<b>(9,670)</b>	<b>1,200,082</b>	<b>140,312</b>	<b>11,006</b>	<b>102,306</b>
<b>Property and equipment, net</b>	<b>1,291,889</b>	<b>1,963,938</b>	<b>566,100</b>	<b>2,228,955</b>	<b>41,174,487</b>	<b>17,387,755</b>	<b>9,271,161</b>	<b>13,573,961</b>
<b>Other assets</b>								
Office lease deposit	-	-	-	-	-	-	-	-
Investments in Operating Partnerships	-	-	-	1,020,000	-	-	-	-
Due from Decro Long Beach, L.P.	-	-	-	-	-	-	-	-
Miscellaneous other assets	7,634	-	-	-	61,946	-	-	-
<b>Total other assets</b>	<b>7,634</b>	<b>-</b>	<b>-</b>	<b>1,020,000</b>	<b>61,946</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total assets</b>	<b>\$ 1,500,703</b>	<b>\$ 2,433,493</b>	<b>\$ 939,998</b>	<b>\$ 3,239,285</b>	<b>\$ 42,436,515</b>	<b>\$ 17,528,067</b>	<b>\$ 9,282,167</b>	<b>\$ 13,676,267</b>
<b>LIABILITIES AND NET ASSETS</b>								
<b>Current liabilities</b>								
Accounts payable and accrued expenses	\$ 17,159	\$ 60,681	\$ 26,800	\$ 140,535	\$ 4,436,983	\$ 35,993	\$ 793,323	\$ 2,002,302
Accounts payable - related parties	-	40,000	19,500	1,080,674	314,379	7,649,375	918,543	2,960
Accrued payroll	-	-	-	-	-	-	-	-
Accrued interest payable - current	15,708	4,051	5,417	99,591	-	19,475	-	32,415
Prepaid rent	244	-	-	-	-	-	-	-
Current maturities of long term debt	-	40,660	37,777	-	19,190,433	3,895,000	2,800,000	-
<b>Total current liabilities</b>	<b>33,111</b>	<b>145,392</b>	<b>89,494</b>	<b>1,320,800</b>	<b>23,941,795</b>	<b>11,599,843</b>	<b>4,511,866</b>	<b>2,037,677</b>
<b>Resident security deposits</b>	<b>20,276</b>	<b>28,471</b>	<b>19,009</b>	<b>-</b>	<b>-</b>	<b>4,100</b>	<b>-</b>	<b>4,050</b>
<b>Long term liabilities</b>								
Due to United Way	-	-	-	-	-	-	-	-
Accrued interest payable, net of current portion	-	-	-	(99,591)	603,534	-	79,884	-
Long term debt, net of current maturities	6,989,000	2,180,309	1,721,376	1,001,346	10,619,474	-	4,734,346	10,366,650
Less: unamortized debt issuance costs, net	(131,788)	(135,479)	(49,344)	-	(396,616)	-	-	-
Prepaid lease	-	-	-	-	-	6,000,000	-	-
Developer fee payable	-	-	-	-	3,987,013	-	-	287,654
<b>Total long term liabilities</b>	<b>6,857,212</b>	<b>2,044,830</b>	<b>1,672,032</b>	<b>901,755</b>	<b>14,813,405</b>	<b>6,000,000</b>	<b>4,814,230</b>	<b>10,654,304</b>
<b>Total liabilities</b>	<b>6,910,599</b>	<b>2,218,693</b>	<b>1,780,535</b>	<b>2,222,555</b>	<b>38,755,200</b>	<b>17,603,943</b>	<b>9,326,096</b>	<b>12,696,031</b>
<b>Net assets</b>	<b>(5,409,896)</b>	<b>214,800</b>	<b>(840,537)</b>	<b>1,016,730</b>	<b>3,681,315</b>	<b>(75,876)</b>	<b>(43,929)</b>	<b>980,236</b>
	<b>\$ 1,500,703</b>	<b>\$ 2,433,493</b>	<b>\$ 939,998</b>	<b>\$ 3,239,285</b>	<b>\$ 42,436,515</b>	<b>\$ 17,528,067</b>	<b>\$ 9,282,167</b>	<b>\$ 13,676,267</b>

**DECRO CORPORATION AND AFFILIATES  
(A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION)**

**SUPPLEMENTARY INFORMATION  
CONSOLIDATING AND COMBINING SCHEDULE OF ASSETS, LIABILITIES AND NET ASSETS  
YEAR ENDED DECEMBER 31, 2022**

ASSETS	1043 Harvard, L.P.	11604 Vanowen, L.P.	16015 Sherman, L.P.	Brine Residential, L.P.	Decro Heron, LLC	Decro Magnolia, LLC	Decro Nature Walk, LLC	FL Crossing at Leesburg Ltd.	FL Silverpointe Ltd.	Eliminations	Total
<b>Current assets</b>											
Cash and cash equivalents	\$ 837,826	\$ 337,742	\$ 126,355	\$ 991,576	\$ 113,235	\$ 103,935	\$ 191,247	\$ 279,102	\$ 151,115	-	\$ 7,812,686
Accounts receivable - residents, net	-	-	-	-	8,481	13,840	6,951	26,512	5,494	-	134,413
Accounts receivable - operations	-	-	-	-	-	1,097	-	-	-	-	74,224
Accounts receivable - related parties	-	-	-	2,614,001	-	-	-	-	-	(16,505,225)	-
Prepaid expenses	93,586	-	-	6,000,000	46,818	52,174	79,969	49,316	36,446	(6,000,000)	448,562
<b>Total current assets</b>	<b>931,412</b>	<b>337,742</b>	<b>126,355</b>	<b>9,605,577</b>	<b>168,534</b>	<b>171,046</b>	<b>278,167</b>	<b>354,930</b>	<b>193,055</b>	<b>(22,505,225)</b>	<b>8,469,885</b>
<b>Property and equipment, net</b>	<b>16,367,158</b>	<b>18,772,041</b>	<b>15,024,265</b>	<b>25,077,896</b>	<b>3,448,080</b>	<b>3,104,371</b>	<b>4,338,013</b>	<b>11,744,820</b>	<b>6,178,192</b>	<b>(8,670,470)</b>	<b>202,867,791</b>
<b>Other assets</b>											
Office lease deposit	-	-	-	-	-	-	-	-	-	-	18,818
Investments in Operating Partnerships	-	-	-	-	-	-	-	-	-	1,698,660	8,139
Due from Decro Long Beach, L.P.	-	-	-	-	-	-	-	-	-	-	1,659,472
Miscellaneous other assets	-	-	-	-	-	170	582	35,000	18,000	-	123,383
<b>Total other assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>170</b>	<b>582</b>	<b>35,000</b>	<b>18,000</b>	<b>1,698,660</b>	<b>1,809,812</b>
<b>Total assets</b>	<b>\$ 17,298,570</b>	<b>\$ 19,109,783</b>	<b>\$ 15,150,620</b>	<b>\$ 34,683,473</b>	<b>\$ 3,616,614</b>	<b>\$ 3,275,587</b>	<b>\$ 4,616,762</b>	<b>\$ 12,134,750</b>	<b>\$ 6,389,247</b>	<b>\$ (29,477,035)</b>	<b>\$ 213,147,488</b>
<b>LIABILITIES AND NET ASSETS</b>											
<b>Current liabilities</b>											
Accounts payable and accrued expenses	\$ 2,425,310	\$ 2,103,401	\$ 2,476,522	\$ 7,448,793	\$ 13,755	\$ 9,362	\$ 16,890	\$ 40,582	\$ 14,407	-	\$ 22,229,983
Accounts payable - related parties	(62,266)	3,454	66,456	405	25,000	-	5,000	(25,000)	-	(10,007,809)	195,425
Accrued payroll	-	-	-	-	-	-	-	-	-	-	16,008
Accrued interest payable - current	-	-	-	-	4,517	3,899	4,613	2,278	971	-	241,331
Prepaid rent	-	-	-	-	610	3,202	1,374	17,374	11,967	-	34,810
Current maturities of long term debt	-	-	-	-	-	-	-	-	-	-	28,587,859
<b>Total current liabilities</b>	<b>2,363,044</b>	<b>2,106,855</b>	<b>2,542,978</b>	<b>7,449,198</b>	<b>43,882</b>	<b>16,463</b>	<b>27,877</b>	<b>35,234</b>	<b>27,345</b>	<b>(10,007,809)</b>	<b>51,305,416</b>
<b>Resident security deposits</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13,358</b>	<b>16,783</b>	<b>11,748</b>	<b>67,331</b>	<b>45,661</b>	<b>-</b>	<b>313,169</b>
<b>Long term liabilities</b>											
Due to United Way	-	-	-	-	-	-	-	-	-	-	250,000
Accrued interest payable, net of current portion	-	195,235	134,341	-	-	-	-	-	-	-	8,266,642
Long term debt, net of current maturities	12,515,170	14,157,740	10,386,324	21,093,745	3,781,877	3,390,131	4,758,124	12,194,356	6,060,799	-	140,774,182
Less: unamortized debt issuance costs, net	-	-	-	-	(54,870)	(50,249)	(67,800)	(145,134)	(78,775)	-	(1,376,454)
Prepaid lease	-	-	-	-	-	-	-	-	-	(6,000,000)	-
Developer fee payable	949,444	1,242,048	863,364	1,600,000	-	-	-	-	-	(6,497,416)	2,913,028
<b>Total long term liabilities</b>	<b>13,464,614</b>	<b>15,595,023</b>	<b>11,384,029</b>	<b>22,693,745</b>	<b>3,727,007</b>	<b>3,339,882</b>	<b>4,690,324</b>	<b>12,049,222</b>	<b>5,982,024</b>	<b>(12,497,416)</b>	<b>150,827,398</b>
<b>Total liabilities</b>	<b>15,827,658</b>	<b>17,701,878</b>	<b>13,927,007</b>	<b>30,142,943</b>	<b>3,784,247</b>	<b>3,373,128</b>	<b>4,729,949</b>	<b>12,151,787</b>	<b>6,055,030</b>	<b>(22,505,225)</b>	<b>202,445,983</b>
<b>Net assets</b>	<b>1,470,912</b>	<b>1,407,905</b>	<b>1,223,613</b>	<b>4,540,530</b>	<b>(167,633)</b>	<b>(97,541)</b>	<b>(113,187)</b>	<b>(17,037)</b>	<b>334,217</b>	<b>(6,971,810)</b>	<b>10,701,505</b>
	<b>\$ 17,298,570</b>	<b>\$ 19,109,783</b>	<b>\$ 15,150,620</b>	<b>\$ 34,683,473</b>	<b>\$ 3,616,614</b>	<b>\$ 3,275,587</b>	<b>\$ 4,616,762</b>	<b>\$ 12,134,750</b>	<b>\$ 6,389,247</b>	<b>\$ (29,477,035)</b>	<b>\$ 213,147,488</b>

**DECRO CORPORATION AND AFFILIATES**  
**(A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION)**

**SUPPLEMENTARY INFORMATION**  
**CONSOLIDATING AND COMBINING SCHEDULE OF REVENUE, EXPENSES AND CHANGES IN NET ASSETS**  
**YEAR ENDED DECEMBER 31, 2022**

	Decro Corporation	Decro Alpha	Decro Beta	Decro Chi	Decro Epsilon	Decro Kappa	Decro Management	Decro Orion Apartments, L.P.	Decro Osborne Apartments, L.P.
<b>Revenue</b>									
Residential rental income, net of vacancy and concessions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 405,308	\$ 639,969
Interest income	-	-	-	-	-	-	-	60	66
Developer fee revenue	2,188,880	-	-	-	-	-	-	-	-
Management fees	131,268	-	-	-	-	-	-	-	-
Other income	479,731	-	-	-	-	-	-	3,762	7,148
<b>Total revenue</b>	<b>2,799,879</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>409,130</b>	<b>647,183</b>
<b>Operating expenses</b>									
<b>Program expenses</b>									
Housing management	518,092	-	-	-	-	-	-	900,132	1,218,043
Housing development	965,646	-	-	-	-	-	-	-	-
<b>Total program expenses</b>	<b>1,483,738</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>900,132</b>	<b>1,218,043</b>
<b>Supporting service expenses</b>									
Management and general	741,363	850	228	1,151	1,125	1,500	1,418	-	-
<b>Total operating expenses</b>	<b>2,225,101</b>	<b>850</b>	<b>228</b>	<b>1,151</b>	<b>1,125</b>	<b>1,500</b>	<b>1,418</b>	<b>900,132</b>	<b>1,218,043</b>
<b>Non-operating expenses</b>									
Gain (loss) on investments in Operating Partnerships	(481,070)	(16)	-	-	21,006	-	-	-	-
<b>Total non-operating expenses</b>	<b>(481,070)</b>	<b>(16)</b>	<b>-</b>	<b>-</b>	<b>21,006</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Increase (decrease) in total net assets</b>	<b>93,708</b>	<b>(866)</b>	<b>(228)</b>	<b>(1,151)</b>	<b>19,881</b>	<b>(1,500)</b>	<b>(1,418)</b>	<b>(491,002)</b>	<b>(570,860)</b>
Non-controlling interest in net losses of Operating Partnerships	-	-	-	-	-	-	-	490,973	570,826
<b>Increase (decrease) in total net assets excluding non-controlling interest</b>	<b>\$ 93,708</b>	<b>\$ (866)</b>	<b>\$ (228)</b>	<b>\$ (1,151)</b>	<b>\$ 19,881</b>	<b>\$ (1,500)</b>	<b>\$ (1,418)</b>	<b>\$ (29)</b>	<b>\$ (34)</b>
<b>Net assets, January 1, 2022</b>	<b>\$ 9,841,474</b>	<b>\$ 1,682,822</b>	<b>\$ (869)</b>	<b>\$ (460)</b>	<b>\$ (223,711)</b>	<b>\$ (812)</b>	<b>\$ (81,590)</b>	<b>\$ 1,581,347</b>	<b>\$ (1,491,558)</b>
Increase (decrease) in net assets	93,708	(866)	(228)	(1,151)	19,881	(1,500)	(1,418)	(491,002)	(570,860)
Capital contributions from controlling interests	-	-	-	-	-	-	-	-	-
Capital contributions from non-controlling interests	-	-	-	-	-	-	-	-	-
Distributions to controlling interests	-	-	-	-	-	-	-	-	-
Distributions to non-controlling interests	-	-	-	-	-	-	-	(4,193)	-
Syndication costs	-	-	-	-	-	-	-	-	-
Prior period adjustment	(780,321)	-	-	-	-	-	-	-	-
<b>Net assets, December 31, 2022</b>	<b>\$ 9,154,861</b>	<b>\$ 1,681,956</b>	<b>\$ (1,097)</b>	<b>\$ (1,611)</b>	<b>\$ (203,830)</b>	<b>\$ (2,312)</b>	<b>\$ (83,008)</b>	<b>\$ 1,086,152</b>	<b>\$ (2,062,418)</b>

**DECRO CORPORATION AND AFFILIATES  
(A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION)**

**SUPPLEMENTARY INFORMATION  
CONSOLIDATING AND COMBINING SCHEDULE OF REVENUE, EXPENSES AND CHANGES IN NET ASSETS  
YEAR ENDED DECEMBER 31, 2022**

	Brandywood Holdings, L.L.L.P.	Decro Nordhoff, L.P.	Saticoy Apartments	Decro Firmin, LLC	Firmin Court, L.P.	The Brine, L.P.	Watts Works, L.P.	Noho 5050, L.P.
<b>Revenue</b>								
Residential rental income, net of vacancy and concessions	\$ 1,117,603	\$ 477,143	\$ 316,696	\$ -	\$ -	\$ 105,040	\$ -	\$ -
Interest income	67	90	61	-	3,729	164	-	-
Developer fee revenue	-	-	-	-	-	-	-	-
Management fees	-	-	-	-	-	-	-	-
Other income	26,465	7,849	4,095	-	3,908	7,000	-	-
<b>Total revenue</b>	<b>1,144,135</b>	<b>485,082</b>	<b>320,852</b>	<b>-</b>	<b>7,637</b>	<b>112,204</b>	<b>-</b>	<b>-</b>
<b>Operating expenses</b>								
<b>Program expenses</b>								
Housing management	910,711	596,222	299,845	987	241,245	274,310	1,567	-
Housing development	-	-	-	-	-	-	-	-
<b>Total program expenses</b>	<b>910,711</b>	<b>596,222</b>	<b>299,845</b>	<b>987</b>	<b>241,245</b>	<b>274,310</b>	<b>1,567</b>	<b>-</b>
<b>Supporting service expenses</b>								
Management and general	-	-	-	-	-	-	-	-
<b>Total operating expenses</b>	<b>910,711</b>	<b>596,222</b>	<b>299,845</b>	<b>987</b>	<b>241,245</b>	<b>274,310</b>	<b>1,567</b>	<b>-</b>
<b>Non-operating expenses</b>								
Gain (loss) on investments in Operating Partnerships	-	-	-	-	-	-	-	-
<b>Total non-operating expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Increase (decrease) in total net assets</b>	<b>233,424</b>	<b>(111,140)</b>	<b>21,007</b>	<b>(987)</b>	<b>(233,608)</b>	<b>(162,106)</b>	<b>(1,567)</b>	<b>-</b>
Non-controlling interest in net losses of Operating Partnerships	(155,624)	-	-	-	233,587	-	1,567	-
<b>Increase (decrease) in total net assets excluding non-controlling interest</b>	<b>\$ 77,800</b>	<b>\$ (111,140)</b>	<b>\$ 21,007</b>	<b>\$ (987)</b>	<b>\$ (21)</b>	<b>\$ (162,106)</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Net assets, January 1, 2022</b>	<b>\$ (5,406,320)</b>	<b>\$ 325,940</b>	<b>\$ (861,544)</b>	<b>\$ 1,017,717</b>	<b>\$ 4,046,423</b>	<b>\$ 86,230</b>	<b>\$ (42,362)</b>	<b>\$ 980,236</b>
Increase (decrease) in net assets	233,424	(111,140)	21,007	(987)	(233,608)	(162,106)	(1,567)	-
Capital contributions from controlling interests	-	-	-	-	-	-	-	-
Capital contributions from non-controlling interests	-	-	-	-	-	-	-	-
Distributions to controlling interests	(79,000)	-	-	-	-	-	-	-
Distributions to non-controlling interests	(158,000)	-	-	-	-	-	-	-
Syndication costs	-	-	-	-	(131,500)	-	-	-
Prior period adjustment	-	-	-	-	-	-	-	-
<b>Net assets, December 31, 2022</b>	<b>\$ (5,409,896)</b>	<b>\$ 214,800</b>	<b>\$ (840,537)</b>	<b>\$ 1,016,730</b>	<b>\$ 3,681,315</b>	<b>\$ (75,876)</b>	<b>\$ (43,929)</b>	<b>\$ 980,236</b>

**DECRO CORPORATION AND AFFILIATES**  
**(A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION)**

**SUPPLEMENTARY INFORMATION**  
**CONSOLIDATING AND COMBINING SCHEDULE OF REVENUE, EXPENSES AND CHANGES IN NET ASSETS**  
**YEAR ENDED DECEMBER 31, 2022**

	1043 Harvard, L.P.	11604 Vanowen, L.P.	16015 Sherman, L.P.	Brine Residential, L.P.	Decro Heron, LLC	Decro Magnolia, LLC	Decro Nature Walk, LLC	FL Crossing at Leesburg Ltd.	FL Silverpointe Ltd.	Eliminations	Total
<b>Revenue</b>											
Residential rental income, net of vacancy and concessions	\$ -	\$ -	\$ -	\$ -	\$ 424,993	\$ 353,317	\$ 414,147	\$ 1,768,327	\$ 1,233,878	\$ -	\$ 7,256,421
Interest income	-	-	-	-	-	114	(45)	158	81	-	4,545
Developer fee revenue	-	-	-	-	-	-	-	-	-	(2,088,880)	100,000
Management fees	-	-	-	-	-	-	-	-	-	(72,053)	59,215
Other income	-	-	-	-	18,016	14,582	16,101	63,427	16,518	-	668,602
<b>Total revenue</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>443,009</b>	<b>368,013</b>	<b>430,203</b>	<b>1,831,912</b>	<b>1,250,477</b>	<b>(2,160,933)</b>	<b>8,088,783</b>
<b>Operating expenses</b>											
<b>Program expenses</b>											
Housing management	9,958	1,440	1,174	9,088	563,180	442,921	517,511	1,916,833	1,069,849	(72,053)	9,421,055
Housing development	-	-	-	-	-	-	-	-	-	-	965,646
<b>Total program expenses</b>	<b>9,958</b>	<b>1,440</b>	<b>1,174</b>	<b>9,088</b>	<b>563,180</b>	<b>442,921</b>	<b>517,511</b>	<b>1,916,833</b>	<b>1,069,849</b>	<b>(72,053)</b>	<b>10,386,701</b>
<b>Supporting service expenses</b>											
Management and general	-	-	-	-	-	-	-	-	-	-	747,635
<b>Total operating expenses</b>	<b>9,958</b>	<b>1,440</b>	<b>1,174</b>	<b>9,088</b>	<b>563,180</b>	<b>442,921</b>	<b>517,511</b>	<b>1,916,833</b>	<b>1,069,849</b>	<b>(72,053)</b>	<b>11,134,336</b>
<b>Non-operating expenses</b>											
Gain (loss) on investments in Operating Partnerships	-	-	-	-	-	-	-	-	-	456,524	(3,556)
<b>Total non-operating expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>456,524</b>	<b>(3,556)</b>
<b>Increase (decrease) in total net assets</b>	<b>(9,958)</b>	<b>(1,440)</b>	<b>(1,174)</b>	<b>(9,088)</b>	<b>(120,171)</b>	<b>(74,908)</b>	<b>(87,308)</b>	<b>(84,921)</b>	<b>180,628</b>	<b>(1,632,356)</b>	<b>(3,049,109)</b>
Non-controlling interest in net losses of Operating Partnerships	9,958	1,440	1,174	9,087	-	-	-	84,488	(178,822)	-	1,068,654
<b>Increase (decrease) in total net assets excluding non-controlling interest</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (1)</b>	<b>\$ (120,171)</b>	<b>\$ (74,908)</b>	<b>\$ (87,308)</b>	<b>\$ (433)</b>	<b>\$ 1,806</b>	<b>\$ (1,632,356)</b>	<b>\$ (1,980,455)</b>
<b>Net assets, January 1, 2022</b>	<b>\$ 1,480,870</b>	<b>\$ 1,409,345</b>	<b>\$ 1,224,787</b>	<b>\$ 2,273,693</b>	<b>\$ (47,462)</b>	<b>\$ (22,633)</b>	<b>\$ (25,879)</b>	<b>\$ 337,884</b>	<b>\$ 423,589</b>	<b>\$ (5,468,454)</b>	<b>\$ 13,038,703</b>
Increase (decrease) in net assets	(9,958)	(1,440)	(1,174)	(9,088)	(120,171)	(74,908)	(87,308)	(84,921)	180,628	(1,632,356)	(3,049,109)
Capital contributions from controlling interests	-	-	-	-	-	-	-	-	-	-	-
Capital contributions from non-controlling interests	-	-	-	2,275,925	-	-	-	-	-	-	2,275,925
Distributions to controlling interests	-	-	-	-	-	-	-	(27,000)	(23,000)	129,000	-
Distributions to non-controlling interests	-	-	-	-	-	-	-	(243,000)	(247,000)	-	(652,193)
Syndication costs	-	-	-	-	-	-	-	-	-	-	(131,500)
Prior period adjustment	-	-	-	-	-	-	-	-	-	-	(780,321)
<b>Net assets, December 31, 2022</b>	<b>\$ 1,470,912</b>	<b>\$ 1,407,905</b>	<b>\$ 1,223,613</b>	<b>\$ 4,540,530</b>	<b>\$ (167,633)</b>	<b>\$ (97,541)</b>	<b>\$ (113,187)</b>	<b>\$ (17,037)</b>	<b>\$ 334,217</b>	<b>\$ (6,971,810)</b>	<b>\$ 10,701,505</b>