



Financial Statements  
December 31, 2021 and 2020  
**Tungsten Village LLC**

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## Independent Auditor's Report

To the Members  
Tungsten Village LLC  
Boulder, Colorado

### Report on the Audit of the Financial Statements

#### *Opinion*

We have audited the financial statements of Tungsten Village LLC, which comprise the balance sheets as of December 31, 2021 and 2020, and the related statements of operations and members' equity and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Tungsten Village LLC as of December 31, 2021 and 2020, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinion*

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Tungsten Village LLC and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of these 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 Tungsten Village LLC's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Tungsten Village 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 Tungsten Village 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.

## Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedules of Maintenance and Operating, Utilities, Administrative, Insurance, and Interest Expenses are presented for the purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Eide Bailly LLP*

Fargo, North Dakota  
April 6, 2022

Tungsten Village LLC  
Balance Sheets  
December 31, 2021 and 2020

	2021	2020
<b>Assets</b>		
Cash		
General operating	\$ 178,403	\$ 119,221
Construction	-	8,726
	178,403	127,947
Accounts receivable	1,999	-
Prepaid expenses	16,503	13,484
Tenant security deposits	7,895	7,900
Restricted cash	128,627	2,600
Property and equipment, at cost, less accumulated depreciation	8,687,137	8,988,999
Other assets	-	202,531
Tax credit fees, net of accumulated amortization of \$14,005 in 2021 and \$4,668 in 2020	126,047	135,384
	\$ 9,146,611	\$ 9,478,845
<b>Liabilities and Members' Equity</b>		
<b>Liabilities</b>		
Accounts payable	\$ 13,233	\$ 25,217
Prepaid rent	-	1,823
Due to related party	65,935	63,146
Accrued expenses	100,381	122,392
Tenant security deposits payable	6,450	7,900
Construction note payable	-	5,943,746
Developer fee payable	-	556,660
Long-term debt, net unamortized debt issuance costs	3,982,145	1,600,000
	4,168,144	8,320,884
<b>Total liabilities</b>	<b>4,168,144</b>	<b>8,320,884</b>
<b>Members' Equity</b>	<b>4,978,467</b>	<b>1,157,961</b>
	<b>\$ 9,146,611</b>	<b>\$ 9,478,845</b>

Tungsten Village LLC  
Statements of Operations and Members' Equity  
Years Ended December 31, 2021 and 2020

	2021	2020	
Operations			
Revenue			
Tenant rent	\$ 250,658	\$ 129,529	
Rental assistance payments	183,057	55,461	
Less vacancies	<u>(13,949)</u>	<u>(50,483)</u>	
Net rental income	419,766	134,507	
Tenant charges	750	1,200	
Interest income	3	-	
Other income	<u>1,494</u>	<u>202</u>	
Total revenue	<u>422,013</u>	<u>135,909</u>	
Expenses			
Maintenance and operating	73,024	9,392	
Utilities	53,945	17,949	
Administrative	62,232	48,732	
Insurance	33,016	18,490	
Interest	233,339	86,094	
Depreciation and amortization	311,199	130,443	
Organizational expenses	<u>-</u>	<u>13,176</u>	
	<u>766,755</u>	<u>324,276</u>	
Loss Before Company Fees	(344,742)	(188,367)	
Company Administration Fee	11,716	4,740	
Investor Service Fee	<u>6,400</u>	<u>1,667</u>	
Net Loss	<u>\$ (362,858)</u>	<u>\$ (194,774)</u>	
Members' Equity			
	Managing Member	Investor Member	Total
Balance, January 1, 2020	\$ 100	\$ 835,581	\$ 835,681
Contributions	-	557,054	557,054
Syndication costs	-	(40,000)	(40,000)
Net loss	<u>(19)</u>	<u>(194,755)</u>	<u>(194,774)</u>
Balance, December 31, 2020	81	1,157,880	1,157,961
Contributions	-	4,183,364	4,183,364
Net loss	<u>(36)</u>	<u>(362,822)</u>	<u>(362,858)</u>
Balance, December 31, 2021	<u>\$ 45</u>	<u>\$ 4,978,422</u>	<u>\$ 4,978,467</u>

See Notes to Financial Statements

Tungsten Village LLC  
Statement of Cash Flows – page 1  
Years Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Operating Activities		
Net loss	\$ (362,858)	\$ (194,774)
Adjustments to reconcile net loss to net cash (used for) from operating activities		
Depreciation	301,862	125,775
Amortization	9,337	4,668
Interest expense attributable to amortization of debt issuance costs	9,494	-
Changes in operating assets and liabilities		
Accounts receivable	(1,999)	-
Prepaid expenses	(3,019)	(13,484)
Accounts payable	3,115	10,117
Prepaid rent	(1,823)	1,823
Due to related party	2,789	63,146
Accrued expenses	(22,011)	122,392
Tenant security deposits payable	(1,450)	7,900
Net Cash (used for) from Operating Activities	<u>(66,563)</u>	<u>127,563</u>
Net Cash used for Investing Activity		
Purchase of property and equipment	<u>(15,100)</u>	<u>(4,104,729)</u>
Financing Activities		
Proceeds from construction note payable	67,876	4,346,435
Principal payment on construction note payable	(3,131,622)	(406,188)
Principal payment on BCHA carryback loan	(304,817)	-
Payment for developer's fee	(556,660)	-
Payment for other assets	-	(202,531)
Payment for tax credit fees	-	(140,052)
Payment of syndication costs	-	(40,000)
Equity contributions	4,183,364	557,054
Net Cash from Financing Activities	<u>258,141</u>	<u>4,114,718</u>
Net Change in Cash, Tenant Security Deposits, and Restricted Cash	176,478	137,552
Cash, Tenant Security Deposits, and Restricted Cash, Beginning of Year	<u>138,447</u>	<u>895</u>
Cash, Tenant Security Deposits, and Restricted Cash, End of Year	<u>\$ 314,925</u>	<u>\$ 138,447</u>
Cash	\$ 178,403	\$ 127,947
Tenant Security Deposits	7,895	7,900
Restricted Cash	<u>128,627</u>	<u>2,600</u>
Total cash, tenant security deposits, and restricted cash	<u>\$ 314,925</u>	<u>\$ 138,447</u>

See Notes to Financial Statements



	2021	2020
Supplemental Disclosure of Cash Flow Information		
Cash payments for interest, net of capitalized interest	\$ 251,151	\$ 58,788
Supplemental Disclosure of Noncash Investing and Financing Activities		
Construction note payable converted to permanent financing	\$ 2,880,000	\$ -
Increase in property and equipment from accounts payable	\$ -	\$ 15,100
Increase in property and equipment from developer fee payable	\$ -	\$ 556,660

## **Note 1 - Principal Business Activity and Significant Accounting Policies**

### **Principal Business Activity, Risks, and Uncertainty**

Tungsten Village LLC (Company) was formed November 12, 2018, as a limited liability company under the laws of the State of Colorado and shall continue in perpetual existence, unless dissolved or terminated at an earlier date. The Company was formed for the purpose to develop, construct, rehabilitate, own, maintain, and operate a 26-unit multi-family housing complex located in Nederland, Colorado. Substantially all of the Company's income is derived from the rental of its apartment units. The Company began operations in August 2020.

The Company has qualified and been allocated low-income housing tax credits pursuant to the Internal Revenue Code Section 42, which regulates the use of the complex as to occupant eligibility and unit gross rent, among other requirements. The Company must meet the provisions of these regulations during each of 15 consecutive years in order to continue to qualify to receive the tax credits. Failure to comply with occupant eligibility and unit gross rent or to correct noncompliance within a specified time period could result in recapture of the previously taken low-income housing tax credits plus interest. Such potential noncompliance may require an adjustment to the contributed capital by the members. All units within this project are subject to rent restrictions and qualified tenant restrictions as required by the Low Income Housing Tax Credit Program.

### **Concentrations of Credit Risk**

The Company maintains its cash accounts in various deposit accounts, the balances of which are periodically in excess of federally insured limits.

### **Property and Equipment**

Property and equipment is recorded at cost. Expenditures for renewals and improvements that significantly add to the productive capacity or extend the useful life of an asset are capitalized. Expenditures for maintenance and repairs are charged to expense. When equipment is retired or sold, the cost and related accumulated depreciation are eliminated from the accounts and the resultant gain or loss is reflected in income.

Depreciation is computed principally by the straight-line method over the following estimated useful lives:

Land improvements	15 years
Buildings and improvements	5 - 40 years
Equipment and furnishings	5 years

The Company reviews the carrying value of property and equipment for impairment whenever events and circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. In cases where undiscounted expected future cash flows are less than the carrying value, an impairment loss is recognized equal to an amount by which the carrying value exceeds the fair value of assets. The factors considered by management in performing this assessment include current operating results, trends and prospects, the manner in which the property is used, and the effects of obsolescence, demand, competition, and other economic factors. Based on this assessment there was no impairment at December 31, 2021 and 2020.

### **Tax Credit Fees**

Tax credit fees are being amortized over a 15-year life using the straight-line method of amortization. Amortization is expected to be approximately \$9,340 for each of the next five years.

### **Other Assets**

Other assets consist of prepaid debt issuance costs on permanent financing prior to conversion from construction loan to permanent financing, which happened in 2021.

### **Debt Issuance Costs**

Debt issuance costs are amortized over the period the related obligation is outstanding using the straight-line method, which is a reasonable estimate of the effective interest method. Debt issuance costs are included within long-term debt on the balance sheet. Amortization of debt issuance costs is included in interest expense in the accompanying financial statements.

### **Income Taxes**

As a limited liability company, the Company's taxable income or loss is allocated to members in accordance with the operating agreement. Therefore, no provision for income taxes has been included in the financial statements.

The Company evaluates its tax positions that have been taken or are expected to be taken on income tax returns to determine if an accrual is necessary for uncertain tax positions. As of December 31, 2021 and 2020, the unrecognized tax benefit accrual was zero. The Company will recognize future accrued interest and penalties related to unrecognized tax benefits in income tax expense if incurred.

### **Rental Income**

Housing units are rented under operating lease agreements with terms of one year or less. Rent income from tenants and rental assistance payments are recognized in the month in which it is earned rather than received. Tenant rent represents gross rent for all units in the project. Prepaid rent is recorded for rent or charges received in advance. Vacancy loss is recorded for any unrented units to arrive at net rental income.

### **Advertising and Marketing**

Advertising and marketing costs are expensed as incurred. Advertising and marketing expense totaled \$0 and \$27,423 in 2021 and 2020, respectively.

### **Organization Costs**

Costs of \$0 and \$13,176 incurred for the organization of the Company were expensed in 2021 and 2020, respectively.

### Capitalized Interest

No interest costs were capitalized in 2021. Interest in the amount of \$197,100 has been capitalized as part of the building costs, of which, \$182,323 was incurred during 2020. Interest in the amount of \$46,027 has been capitalized as part of the land costs, of which, \$30,082 was incurred during 2020.

### 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 at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

### Subsequent Events

The Company has evaluated subsequent events through April 6, 2022, the date which the financial statements were available to be issued.

### Note 2 - Restricted Cash

Restricted cash at December 31, 2021 and 2020 consists of the following:

	2021	2020
Replacement Reserve	\$ 10,634	\$ 2,600
Operating Reserve	117,993	-
	\$ 128,627	\$ 2,600

### Replacement Reserve

Pursuant to the operating agreement, the Company is to establish a replacement reserve to fund major repairs, capital expenditures, and replacement of capital items. The Company is to deposit annually, \$300 per unit per year, increasing at a rate of three percent each year. Any withdrawals for capital expenditures over \$5,000 from the replacement reserve are to be made with the consent of the investor member. In addition, the mortgage agreement requires the Company to make monthly deposits of \$650.

Replacement reserve activity for the years ended December 31, 2021 and 2020 is as follows:

	2021	2020
Balance, January 1	\$ 2,600	\$ -
Deposits	67,034	2,600
Withdrawals	(59,000)	-
Balance, December 31	\$ 10,634	\$ 2,600

### Operating Reserve

Pursuant to the operating agreement, the Company is to establish and maintain an operating reserve equal to \$118,000. The reserve is to be funded upon the third and fourth capital installments. The managing member shall fund the reserve to maintain the minimum balance as necessary. The managing member may make withdrawals subject to the investor member's approval. The reserve shall be maintained in an interest-bearing account in a bank approved by the investor member. The operating reserve was funded from capital contributions during 2021.

### Insurance Escrow

The Company plans to establish an insurance escrow to pay insurance premiums. This account will be used to receive monthly deposits to pay the annual insurance premiums. As of December 31, 2021 and 2020, the insurance escrow has not been funded.

### Lease-up Reserve

Pursuant to the terms of the operating agreement, the Company is to maintain a lease-up reserve of \$24,990 to be funded by the second capital installment. The reserve is to be used to pay operating expenses from completion date to stabilization date or loan conversion whichever is later. As of December 31, 2021 and 2020, the lease-up reserve has not been funded.

**Note 3 - Property and Equipment**

Property and equipment at December 31, 2021 and 2020 consists of the following:

	2021	2020
Land and Improvements	\$ 927,846	\$ 927,846
Buildings and Improvements	7,939,813	7,939,813
Equipment and Furnishings	247,116	247,116
	9,114,775	9,114,775
Accumulated depreciation	(427,638)	(125,776)
	\$ 8,687,137	\$ 8,988,999

**Note 4 - Accrued Expenses**

Accrued expenses at December 31, 2021 and 2020 consists of the following:

	2021	2020
Interest		
Construction note	\$ -	\$ 27,304
FirstBank	13,063	-
BCHA 6% - \$500,000	2,811	46,027
BCHA 3% - \$400,000	30,963	18,411
BCHA 1% - \$260,000	8,429	3,989
BCHA 3% - \$440,000	28,660	20,252
Investor service fee (Note 9)	-	1,667
Company administration fee (Note 9)	16,455	4,740
Other accrued liabilities	-	2
	\$ 100,381	\$ 122,392

**Note 5 - Construction Note Payable**

The Company financed the construction of the project in part with a construction note payable with FirstBank, in an amount up to \$7,127,134. The note accrues interest at a rate of 5%. Monthly payments of interest are to be made through the expected conversion date, June 2021. During 2021, the construction note payable converted to permanent financing (Note 6). As of December 31, 2020, the balance of the construction note payable is \$5,943,746. During 2021, the Company incurred interest of \$63,573 on the construction note payable. During 2020, the Company incurred interest of \$232,980 on the construction note payable, of which \$0 and \$161,455 was capitalized as part of the buildings costs and \$63,573 and \$71,525 was expensed. The note is secured by a security agreement, assignment of rent, and fixture financing statement.

**Note 6 - Long-Term Debt**

Long-term debt as of December 31, 2021 and 2020 consists of:

	2021	2020
<b>Non Related Party</b>		
5.0% \$2,880,000 note payable to FirstBank, monthly payments of principal and interest in the amount of \$14,656, due June 2037, secured by deed of trust, security agreement, fixture filing and assignment of leases and rents	\$ 2,850,289	\$ -
Unamortized debt issuance costs, based upon an effective interest rate of 5.94%	(193,038)	-
	2,657,251	-
<b>Related Party</b>		
6.0%, \$500,000 note payable to Boulder County Housing Authority (BCHA), payments are to be made from available cash flow, unpaid principal and interest due December 2054, secured by a deed of trust on the property	224,894	500,000
3.0%, \$400,000 note payable to BCHA, payments are to be made from available cash flow, unpaid principal and interest due December 2054, secured by a deed of trust on the property	400,000	400,000
1.0%, \$260,000 note payable to BCHA, payments are to be made from available cash flow, unpaid principal and interest due December 2054, secured by a deed of trust on the property	260,000	260,000
3.0%, \$440,000 note payable to BCHA, payments are to be made from available cash flow, unpaid principal and interest due December 2054, secured by a deed of trust on the property	440,000	440,000
Total long-term debt, net of unamortized debt issuance costs	\$ 3,982,145	\$ 1,600,000

Future maturities of long-term debt are as follows:

Year Ended December 31,	Amount
2022	\$ 65,638
2023	33,550
2024	34,890
2025	37,101
2026	39,027
Thereafter	3,964,977
Unamortized debt issuance costs	(193,038)
	\$ 3,982,145

The Company has loan agreements containing certain covenants related to, among other matters, the maintenance of debt coverage ratios. As of December 31, 2021, the Company failed to comply with these ratios. The Company has obtained a waiver for the violation from the lender.

#### **Note 7 - Property Taxes**

The Company is exempt from property taxes under C.R.S 29-4-507 through Tungsten GP, LLC. Currently there is no expiration date on the property tax exemption for so long as Tungsten GP, LLC owns interest in the Company.

#### **Note 8 - Related Party Transactions**

##### **Developer Fees**

The Company has entered into a development agreement with BCHA, the sole member of the managing member, for the services provided in connection with the development and construction of the project in the amount of \$793,735, which has been capitalized as part of the building. Developer fees are expected to be paid from various capital installments. During 2021 and 2020, the Company paid \$556,660 and \$150,866, respectively, for developer fees. During 2020, this payment is included in the purchase of property and equipment on the statement of cash flow. As of December 31, 2021 and 2020, the Company owes BCHA \$0 and \$556,660, respectively, for developer fees.

##### **Mortgage Notes and Accrued Interest**

The Company has entered into multiple loan agreements with BCHA (Note 6). During 2021 and 2020, the Company incurred total interest of \$45,009 and \$88,679, respectively, on the BCHA mortgage notes payable, of which \$0 and \$74,110, respectively, has been capitalized to property and equipment and land, while \$45,009 and \$14,569, respectively, has been expensed. As of December 31, 2021 and 2020, the Company owes BCHA \$70,863 and \$88,679, respectively, for accrued interest (Note 4).



### **Management Fees**

The Company has entered into a management agreement with BCHA to provide management services for the project. Under the terms of the agreement, the Company is to pay management fees equal to \$10,000 annually. During 2021 and 2020, the Company incurred management fees of \$10,000 and \$3,333, respectively, to BCHA.

BCHA is periodically reimbursed for various office expenses, payroll and other operating expenses incidental to the operations of the project. There were no reimbursements during 2021 and 2020. As of December 31, 2021 and 2020, the Company owed BCHA \$65,935 and \$63,146, respectively, for the various costs paid on behalf of the project.

### **Investor Service Fee**

Pursuant to the operating agreement, the Company is to pay the investor member a cumulative fee equal to \$5,000 annually, commencing on the later of the year 2020 or the first calendar year the Company receives rental income. The fee is for services provided for the review of the operations of the Company and shall be payable from cash flow. The fee is to increase by 3% annually. During 2021 and 2020, the Company incurred \$6,400 and \$1,667, respectively, for investor service fees. As of December 31, 2021 and 2020, the Company owed \$0 and \$1,667, respectively, for investor service fees.

### **Company Administration Fee**

Pursuant to the operating agreement, the Company is to pay the managing member a cumulative fee equal to \$11,375 annually, commencing on the later of the year 2020 or the first calendar year the Company receives rental income. The fee is for services provided in the administration of the project and shall be payable from cash flow. The fee is to increase by 3% annually. During 2021 and 2020, the Company incurred \$11,716 and \$4,740, respectively, for company administration fees. As of December 31, 2021 and 2020, the Company owed the managing member \$16,455 and \$4,740, respectively, for accrued company administration fees.

### **Operating Deficit Guaranty**

Pursuant to the operating agreement, the managing manager is required to fund operating deficits during the period beginning upon the date that stabilized operations is achieved and for five years thereafter as defined in the agreement. The managing manager shall be obligated to provide funds in the form of a loan not to exceed \$234,000, shall bear no interest, and shall be repayable solely from net cash flow as allowed in the operating agreement.

**Distributions of Cash Flow**

Pursuant to the operating agreement, net cash flow shall be distributed to the members in the following order and priority after payment of the priority distribution to the investor member and any development costs.

1. First, to the Investor Member in an amount equal to the credit deficiency;
2. Second, to the Investor Member in the amount of the maximum federal corporate income tax liability that would be imposed on the Investor Member and its partners from the transaction giving rise to sale or refinancing proceeds;
3. Third, to the Investor Member in the amount of any unpaid investor services fee;
4. Fourth, from and after the fourth installment of the Investor Member's capital contribution to fund the operating reserve up to the operating reserve amount;
5. Fifth, to pay any deferred portion of the property management fee in accordance with the property management agreement;
6. Sixth, to pay the deferred development fee;
7. Seventh, to the Managing Member to repay any operating deficit contribution;
8. Eighth, to pay the company administration fee;
9. Ninth, to pay the seller carryback loan until it is paid in full, thereafter, to pay the BCHA CDOH loan until it is paid in full, thereafter, to pay the BCHA worth cause loan until it is paid in full, and thereafter, to pay the BCHA development Loan until it is paid off;
10. Any remaining cash flow shall constitute net cash flow which is distributable to the members in accordance with Section 8.01 of the operating agreement.

**Note 9 - Members' Equity**

Members	Profit and Loss Percentages
Managing Tungsten GP, LLC	0.01%
Investor Enterprise FB Housing Fund I, LLLP	99.99%
	100.00%

Pursuant to the operating agreement, the investor member is to make capital contributions in the amount of \$5,570,542. During 2021 and 2020, the investor member made capital contributions of \$4,183,364 and \$557,054, respectively to the Company and paid \$40,000 of syndication costs in 2020. As of December 31, 2021 and 2020, the investor member has made total contributions of \$5,570,542 with an upward adjustment of \$5,457 and \$1,392,635, respectively, to the Company.

Pursuant to the operating agreement, the managing member is to make capital contributions in the amount of \$100. As of December 31, 2021 and 2020, the managing member has contributed \$100 to the Company.

Profit or loss is allocated to the members in accordance with the operating agreement. The members have certain rights and obligations as outlined in the operating agreement.



Supplementary Information  
December 31, 2021 and 2020  
**Tungsten Village LLC**

Tungsten Village LLC

Schedules of Maintenance and Operating, Utilities, Administrative, Insurance, and Interest Expenses  
Years Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Maintenance and Operating		
Reimbursed salaries and benefits	\$ 29,740	\$ 4,589
Snow removal	19,232	-
Supplies	5,178	316
Contracted services	3,667	688
Other maintenance and operating	7,145	843
Trash removal	8,062	2,956
	<u>\$ 73,024</u>	<u>\$ 9,392</u>
Utilities		
Electricity	\$ 24,728	\$ 9,138
Water and sewer	29,217	8,811
	<u>\$ 53,945</u>	<u>\$ 17,949</u>
Administrative		
Reimbursed management salaries and benefits	\$ 44,725	\$ 17,360
Management fees	10,000	3,333
Other administrative	4,286	616
Audit and accounting	2,565	-
Legal	120	-
Advertising and marketing	-	27,423
Bad debt	536	-
	<u>\$ 62,232</u>	<u>\$ 48,732</u>
Insurance		
Insurance	\$ 28,014	\$ 15,899
Other taxes, licenses, permits, and financial	5,002	2,591
	<u>\$ 33,016</u>	<u>\$ 18,490</u>
Interest		
Construction note	\$ 63,575	\$ 71,525
FirstBank note	124,755	-
BCHA notes	45,009	14,569
	<u>\$ 233,339</u>	<u>\$ 86,094</u>