

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**FORM 10-Q**

**QUARTERLY REPORT UNDER SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the quarterly period ended: June 30, 2023**

OR

**TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the transition period from \_\_\_\_\_ to \_\_\_\_\_**

**Commission File No. 000-55611**

**Hubilu Venture Corporation**

(Exact Name of Registrant as Specified in its Charter)

Delaware  
(State or other Jurisdiction of  
Incorporation or Organization)

47-3342387  
(I.R.S. Employer  
Identification No.)

205 South Beverly Drive, Suite 205  
Beverly Hills, CA  
(Address of Principal Executive Offices)

90212  
(Zip Code)

Registrant's telephone number, including area code: (310) 308-7887

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§230.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer  (Do not check if a smaller reporting company)

Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes  No

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
N/A	HBUV	OTC Pink

APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY  
PROCEEDINGS DURING THE PRECEDING FIVE YEARS:

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Section 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court.

Yes  No

APPLICABLE ONLY TO CORPORATE ISSUERS

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: As of August 10, 2023 the number of shares outstanding of the issuer's sole class of common stock, \$0.001 par value per share, is 26,237,125.



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**Part I – FINANCIAL INFORMATION**

**Item 1. Financial Statements**

**HUBILU VENTURE CORPORATION  
CONDENSED CONSOLIDATED BALANCE SHEETS**

	<u>June 30, 2023</u>	<u>December 31, 2022</u>
	(Unaudited)	
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash	\$ 31,592	\$ 92,068
Total current assets	<u>31,592</u>	<u>92,068</u>
<b>Property and equipment:</b>		
Land	11,800,304	11,800,304
Building and capital improvements	5,678,888	5,458,695
Property acquisition and financing	298,704	296,463
Less: accumulated depreciation	(677,651)	(564,647)
Total property and equipment, net	<u>17,100,245</u>	<u>16,990,815</u>
Security deposits	<u>6,783</u>	<u>6,783</u>
Total assets	<u>\$ 17,138,620</u>	<u>\$ 17,089,666</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)</b>		
<b>Current liabilities:</b>		
Advanced rents received	\$ 14,375	\$ -
Accrued interest	10,962	9,415
Security deposits payable	275,679	246,669
Due to related party, current maturities	474,271	474,271
Mortgages payable, current maturities	567,450	1,640,175
Dividends payable	166,381	153,514
Total current liabilities	<u>1,509,118</u>	<u>2,524,044</u>
Promissory notes, related parties	-	89,593
Mortgages payable	15,977,758	14,848,206
Preferred shares payable	<u>520,400</u>	<u>520,400</u>
Total liabilities	<u>18,007,276</u>	<u>17,982,243</u>
<b>Stockholders' equity (deficit):</b>		
Common stock, \$0.001 par value, 100,000,000 shares authorized, 26,237,125 shares issued and outstanding	26,237	26,237
Additional paid-in capital	847,990	821,981
Accumulated deficit	(1,742,883)	(1,740,795)
Total stockholders' equity (deficit)	<u>(868,656)</u>	<u>(892,577)</u>
Total liabilities and stockholders' equity (deficit)	<u>\$ 17,138,620</u>	<u>\$ 17,089,666</u>

See accompanying notes to financial statements.

**HUBILU VENTURE CORPORATION**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
(Unaudited)

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2023	2022	2023	2022
Rental Income	\$ 426,098	\$ 393,803	\$ 834,936	\$ 783,740
Operating expenses:				
General and administrative expenses:				
Salaries and benefits	15,700	12,500	31,600	49,375
Utilities	8,485	18,159	25,885	32,585
Professional fees	35,756	41,997	54,556	42,247
Property taxes	49,815	43,959	91,361	105,191
Other general and administrative expenses	21,724	31,498	49,419	116,861
Total general and administrative expenses	131,480	148,113	252,821	346,259
Depreciation	56,982	50,287	113,004	99,514
Total operating expenses	188,462	198,400	365,825	445,773
Net operating income	237,636	195,403	469,111	337,967
Other income (expense):				
Other income	-	-	-	29,800
Interest expense	(235,997)	(227,445)	(471,199)	(447,635)
Total other income (expense)	(235,997)	(227,445)	(471,199)	(417,835)
Net income (loss)	\$ 1,639	\$ (32,042)	\$ (2,088)	\$ (79,868)
Weighted average common shares outstanding - basic	26,237,125	26,237,125	26,237,125	26,237,125
Net income (loss) per common share - basic	\$ 0.00	\$ (0.00)	\$ (0.00)	\$ (0.00)
Weighted average common shares outstanding - diluted	26,346,409	26,237,125	26,237,125	26,237,125
Net income (loss) per common share - diluted	\$ 0.00	\$ (0.00)	\$ (0.00)	\$ (0.00)

See accompanying notes to financial statements.

**HUBILU VENTURE CORPORATION**  
**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (DEFICIT)**  
(Unaudited)

For the Three Months Ended June 30, 2023

	Common Stock		Additional Paid-In Capital	Accumulated Deficit	Total Stockholders' Deficit
	Shares	Amount			
Balance, March 31, 2023	26,237,125	\$ 26,237	\$ 834,914	\$ (1,744,522)	\$ (883,371)
Imputed interest	-	-	13,076	-	13,076
Net income	-	-	-	1,639	1,639
Balance, June 30, 2023	<u>26,237,125</u>	<u>\$ 26,237</u>	<u>\$ 847,990</u>	<u>\$ (1,742,883)</u>	<u>\$ (868,656)</u>

For the Three Months Ended June 30, 2022

	Common Stock		Additional Paid-In Capital	Accumulated Deficit	Total Stockholders' Deficit
	Shares	Amount			
Balance, March 31, 2022	26,237,125	\$ 26,237	\$ 784,123	\$ (1,674,335)	\$ (863,975)
Imputed interest	-	-	8,095	-	8,095
Net loss	-	-	-	(32,042)	(32,042)
Balance, June 30, 2022	<u>26,237,125</u>	<u>\$ 26,237</u>	<u>\$ 792,218</u>	<u>\$ (1,706,377)</u>	<u>\$ (887,922)</u>

For the Six Months Ended June 30, 2023

	Common Stock		Additional Paid-In Capital	Accumulated Deficit	Total Stockholders' Deficit
	Shares	Amount			
Balance, December 31, 2022	26,237,125	\$ 26,237	\$ 821,981	\$ (1,740,795)	\$ (892,577)
Imputed interest	-	-	26,009	-	26,009
Net loss	-	-	-	(2,088)	(2,088)
Balance, June 30, 2023	<u>26,237,125</u>	<u>\$ 26,237</u>	<u>\$ 847,990</u>	<u>\$ (1,742,883)</u>	<u>\$ (868,656)</u>

For the Six Months Ended June 30, 2022

	Common Stock		Additional Paid-In Capital	Accumulated Deficit	Total Stockholders' Deficit
	Shares	Amount			
Balance, December 31, 2021	26,237,125	\$ 26,237	\$ 775,755	\$ (1,626,509)	\$ (824,517)
Imputed interest	-	-	16,463	-	16,463
Net loss	-	-	-	(79,868)	(79,868)
Balance, June 30, 2022	<u>26,237,125</u>	<u>\$ 26,237</u>	<u>\$ 792,218</u>	<u>\$ (1,706,377)</u>	<u>\$ (887,922)</u>

See accompanying notes to financial statements.

**HUBILU VENTURE CORPORATION**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Unaudited)

	For the Six Months Ended June 30,	
	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net loss	\$ (2,088)	\$ (79,868)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation	113,004	99,514
Imputed interest	26,009	16,463
Cumulative preferred stock dividends payable	12,867	33,004
Increase (decrease) in current liabilities:		
Accounts payable	-	(2,373)
Advanced rents received	14,375	-
Accrued expenses	1,547	7,835
Security deposits payable	29,010	62,505
Net cash provided by operating activities	<u>194,724</u>	<u>137,080</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property and equipment	(222,434)	(332,460)
Net cash used in investing activities	<u>(222,434)</u>	<u>(332,460)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds received from mortgages payable	102,100	603,100
Repayments on mortgages payable	(134,866)	(370,387)
Net cash provided by (used in) financing activities	<u>(32,766)</u>	<u>232,713</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>(60,476)</b>	<b>37,333</b>
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	92,068	203,738
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>\$ 31,592</u>	<u>\$ 241,071</u>
<b>SUPPLEMENTAL INFORMATION:</b>		
Interest paid	\$ 443,643	\$ 423,337
Income taxes paid	\$ -	\$ 63,707
<b>Non-cash investing and financing transactions:</b>		
Acquisitions of assets financed through debt	<u>\$ -</u>	<u>\$ 2,720,393</u>

See accompanying notes to financial statements.

**HUBILU VENTURE CORPORATION**  
**Notes to the Consolidated Financial Statements**  
**June 30, 2023**  
**(unaudited)**

**NOTE 1 – NATURE OF BUSINESS**

Hubilu Venture Corporation (“the Company”) was incorporated under the laws of the state of Delaware on March 2, 2015 and is a publicly traded real estate consulting, asset management and business acquisition company, which specializes in acquiring student housing income properties and development/business opportunities located near the Los Angeles Metro/subway stations and within the Los Angeles area.

**NOTE 2 – BASIS OF PRESENTATION AND ABILITY TO CONTINUE AS A GOING CONCERN**

The accompanying consolidated financial statements include the accounts of the Company and each of its wholly owned subsidiaries: Akebia Investments LLC, Zinnia Investments, LLC, Sunza Investments, LLC, Lantana Investments LLC, Elata Investments, LLC, Trilosa Investments, LLC, Kapok Investements, LLC, Boabab Investments, LLC and Mopane Investments, LLC. All intercompany transactions have been eliminated on consolidation.

The financial statements have been prepared by the Company in accordance with accounting principles generally accepted in the United States of America (“US GAAP”) on the basis that the Company will continue as a going concern, which assumes that the Company will be able to meet its obligations and continue its operations for the next year. Realization values may be substantially different from carrying values as shown and these financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. At June 30, 2023, the Company had not yet achieved profitable operations, had an accumulated deficit of \$1,742,883 and expects to incur further losses in the development of its business, all of which casts substantial doubt upon the Company’s ability to continue as a going concern and, therefore, that it may be unable to realize its assets and discharge its liabilities in the normal course of business. The ability of the Company to continue as a going concern is dependent on the Company obtaining adequate capital to fund operating losses until it becomes profitable. Management intends to focus on raising additional funds either by way of debt or equity issuances in order to continue operations. The Company cannot provide any assurance or guarantee that it will be able to obtain additional financing or generate revenues sufficient to maintain operations.

**NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Preparation and Summary of Significant Accounting Policies**

The accompanying unaudited condensed consolidated financial statements have been prepared by the Company in accordance with Securities and Exchange Commission rules and regulations and generally accepted accounting principles in the United States of America (“US GAAP”) and in the opinion of management contain all adjustments necessary to present fairly the financial position, results of operations and cash flows for the periods presented. The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. These condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and related notes thereto included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2022.

**Reclassification**

Certain reclassifications have been made to the prior years’ financial statements to conform to current year presentation. These reclassifications had no effect on previously reported results of operations or retained earnings.



## **Fair Value Measurements**

The fair value hierarchy under GAAP is based on three levels of inputs, of which the first two are considered observable and the last unobservable, that may be used to measure fair value which are the following:

Level 1 quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 observable inputs other than Level 1, quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets and liabilities in markets that are not active, and model-derived prices whose inputs are observable or whose significant value drivers are observable; and

Level 3 assets and liabilities whose significant value drivers are unobservable by little or no market activity and that are significant to the fair value of the assets or liabilities.

## **Recent Accounting Standards**

From time to time, new accounting pronouncements are issued by the FASB that are adopted by the Company as of the specified effective date.

Management does not believe that any recently issued, but not yet effective, accounting pronouncements, if currently adopted, would have a material effect on the Company's financial statements.

## **NOTE 4 - PROPERTY ACQUISITIONS - Related Party**

As of June 30, 2023, we have not acquired any additional properties since the year ended December 31, 2022.

On January 1, 2023 we refinanced 2029 W. 41<sup>st</sup> Place in Los Angeles. Terms of the refinance are as follows: (1) A first position note with payment on principal balance of \$820,000 issued by the Property Owner, Boabab Investments, LLC, owing to lender, Belladonna Lily Investments, Inc., whose terms of payments due are interest only, on unpaid principal at the rate of 6% per annum. Interest only is payable in monthly installments of \$4,100 or more starting on February 1, 2023 and continuing until the 31<sup>st</sup> day of December 2029, at which time the entire principal balance together with interest due thereon, shall become due and payable.

In February 2023, we entered a three-month loan extension with Center Street Lending on 1733 W. 37<sup>th</sup> Place with a due date of June 22, 2023. In June, we extended our loan again to September 22, 2023.

**NOTE 5 - INVESTMENTS IN REAL ESTATE- Related party**

The change in the real estate property investments for the six months ended June 30, 2023 and the year ended December 31, 2022 is as follows:

	Six months ended June 30, 2023	Year ended December 31, 2022
Balance, beginning of the period	\$ 17,555,462	\$ 14,255,927
Acquisitions:	-	2,739,632
Real estate investment property, at cost	17,662,446	16,995,559
Capital improvements	222,434	559,903
Balance, end of the period	<u>\$ 17,777,896</u>	<u>\$ 17,555,462</u>

The change in the accumulated depreciation for the six months ended June 30, 2023 and 2022 is as follows:

	June 30, 2023	June 30, 2022
Balance, beginning of the period	\$ 564,647	\$ 356,036
Depreciation charge for the period	113,004	99,514
Balance, end of the period	<u>\$ 677,651</u>	<u>\$ 455,550</u>

The Company's real estate investments as of June 30, 2023 is summarized as follows:

	Initial Cost to the Company		Capital Improvements	Accumulated Depreciation	Encumbrances	Security Deposits	Closing Costs
	Land	Building					
3711 South Western Ave	\$ 508,571	\$ 383,716	\$ 76,763	\$ 109,592	\$ 643,585	\$ 20,984	-
2909 South Catalina	565,839	344,856	17,381	94,530	580,752	14,400	-
3910 Wisconsin Ave	337,500	150,000	88,833	39,727	685,644	16,000	28,444
3910 Walton Ave	318,098	191,902	115,571	40,289	534,316	11,000	-
1557 West 29th	496,609	146,891	24,286	27,810	599,612	-	14,251
1267 West 38 <sup>th</sup> Street	420,210	180,090	31,421	33,336	601,165	11,000	15,701
1618 West 38th	508,298	127,074	14,732	17,189	631,090	12,000	-
4016 Dalton Avenue	424,005	106,001	66,217	20,739	605,040	5,580	27,678
1981 West Estrella Avenue	651,659	162,915	72,501	28,505	891,693	17,000	21,981
2115 Portland Street	753,840	188,460	5,063	23,269	906,983	8,125	-
717 West 42 <sup>nd</sup> Place	376,800	94,200	-	21,958	470,735	1,350	-
3906 Denker Street	428,000	107,000	60,210	17,566	583,485	8,500	-
3408 S Budlong Street	499,200	124,800	55,298	16,715	724,144	9,840	-
3912 S. Hill Street	483,750	161,250	188,535	29,207	651,589	18,000	-
4009 Brighton Avenue	442,700	158,300	174,763	18,438	714,259	2,500	13,040
3908 Denker Avenue	534,400	158,300	112,002	15,703	625,593	4,500	20,243
4021 Halldale Avenue	487,500	162,500	45,188	12,609	759,442	18,000	37,234
1284 W. 38 <sup>th</sup> Street	551,250	183,750	-	13,001	831,200	12,000	16,623
4505 Orchard Avenue	506,250	145,776	180,963	19,523	642,986	18,000	27,037
3777 Ruthelen Street	559,200	139,800	26,857	11,645	705,011	13,900	11,019
3791 Normandie Avenue	480,000	160,000	7,000	14,340	761,184	12,000	27,394
2029 W. 41 <sup>st</sup> Place	540,000	180,000	135,605	27,673	820,000	19,000	15,742
4517 Orchard Avenue	453,750	151,250	100,401	16,472	633,250	10,000	8,853
1733 W. 37 <sup>th</sup> Street	472,875	157,625	12,842	7,815	667,450	12,000	13,464
	<u>\$ 11,800,304</u>	<u>\$ 4,066,456</u>	<u>\$ 1,612,433</u>	<u>\$ 677,651</u>	<u>\$ 16,270,208</u>	<u>\$275,679</u>	<u>\$298,704</u>

**NOTE 6 – ADVANCED RENTS RECEIVED**

The Company received \$14,375 of rents in advance as of June 30, 2023. There was no rental income received in advance as of December 31, 2022.

**NOTE 7 - PROPERTY INDEBTEDNESS**

The Company's mortgages are summarized as follows:

	Principal balance		Interest rate	Maturity date
	June 30, 2023	December 31, 2022		
3711 South Western Ave	\$ 643,585	\$ 643,585	5.00%	December 1, 2029
2909 South Catalina Street	491,159	436,939	3.10%	August 12, 2046
-Second Note	89,593	-	6.00%	June 20, 2029
3910 Walton Ave.	534,316	539,547	5.00%	August 01, 2049
3910 Wisconsin Street	685,644	691,349	5.225%	March 1, 2052
1557 West 29 Street	599,612	605,129	4.975%	June 1, 2051
1267 West 38 Street	601,165	606,053	4.95%	June 1, 2051
4016 Dalton Avenue	605,040	609,959	4.975%	June 1, 2051
1618 West 38 Street				
- First Note	481,090	484,883	6.30%	January 1, 2050
- Second Note	150,000	150,000	6.00%	December 10, 2023
1981 Estrella Ave	891,693	899,278	5.225%	June 1, 2051
717 West 42 Place				
- First Note	335,767	336,267	6.85%	October 31, 2025
- Second Note	134,968	134,968	6.85%	April 30, 2029
2115 Portland Street				
- First Note	587,207	591,836	6.00%	June 1, 2049
-Second Note	319,776	319,776	5.00%	April 30, 2024
3906 Denker				
-First Note	398,485	401,181	6.00%	March 1, 2050
-Second Note	185,000	185,000	6.85%	February 14, 2025
3408 Budlong				
-First Note	604,144	609,626	4.875%	December 1, 2051
-Second Note	120,000	120,000	5.00%	November 1, 2029
3912 S. Hill Street				
-First Note	499,589	503,094	6.425%	December 1, 2050
- Second Note	152,000	152,000	6.425%	November 1, 2026
4009 Brighton Avenue	714,259	720,010	4.875%	November 1, 2051
3908 Denker Avenue	625,593	630,515	4.975%	December 1, 2051
4021 Halldale Avenue	759,442	766,071	6.75%	October 1, 2052
1284 W. 38 <sup>th</sup> Street				
-First Note	643,200	648,605	4.625%	March 1, 2052
-Second Note	188,000	188,000	5.25%	June 20, 2029
4505 Orchard Avenue	642,986	648,282	5.00%	October 1, 2029
3777 Ruthelen Street	705,011	711,326	4.625%	March 1, 2052
3791 S. Normandie Avenue				
- First Note	611,184	615,682	5.225%	April 1, 2052
-Second Note	150,000	150,000	5.00%	January 4, 2029
2029 W. 41 <sup>st</sup> Place	820,000	809,900	6.00%	December 31, 2029
4517 Orchard Avenue				
-First Note	475,250	479,070	5.225%	April 1, 2052
-Second Note	158,000	158,000	5.00%	March 1, 2029
1733 W. 37 <sup>th</sup> Place				
-First Note	567,450	567,450	7.5%	September 22, 2023
-Second Note	100,000	100,000	6.00%	May 1, 2029
Hubilu General Loan	275,000	275,000	6.00%	On Demand
	<u>\$ 16,545,208</u>	<u>\$ 16,488,381</u>		
Less: current maturities	567,450	1,640,175		
Mortgages payable	<u>\$ 15,977,758</u>	<u>\$ 14,848,206</u>		

**NOTE 8 – PROMISSORY NOTES PAYABLE-Related Party**

Esteban Coaloa, who was owed \$89,593 as part of the purchase of 2909 S. Catalina Street, Los Angeles, CA, passed away in 2017. Effectively, Mr. Coaloa is no longer an officer of the Company, therefore the loan is now payable to his family trust and is no longer a related party transaction. The promissory notes, related parties balance as of December 31, 2022 was \$89,593, which was reclassified and added to the mortgages payable amount during the first quarter of 2023. As of June 30, 2023, there were no other promissory notes held by related parties.

**NOTE 9 –RELATED PARTY TRANSACTIONS**

As of June 30, 2023, Jacaranda Investments, Inc., has provided advances totaling \$474,271 (December 31, 2022: \$474,271). These advances are unsecured and do not carry a contractual interest rate or repayment terms. In connection with these advances, the Company has recorded an imputed interest charge of \$26,009 and which was credited to additional paid-in capital for the six months ended June 30, 2023. See additional related party transactions in Note 4 and 5.

**NOTE 10 – SERIES 1 CONVERTIBLE PREFERRED SHARES**

On September 8, 2016, the Company authorized and designated 2,000,000 shares of Series 1 convertible preferred stock (the “Preferred Stock”).

Effective September 30, 2019, the 5% Voting, Cumulative Convertible Series 1 Preferred Stock date of conversion has been extended to the September 30, 2029.

The Preferred Stock has the following rights and privileges:

*Voting* – The holders of the Preferred Stock shall be entitled to the number of votes equal to the number of shares of common stock into which such shares of Preferred Stock could be converted.

*Conversion* – Each share of Preferred Stock, is convertible at the option of the holder, into shares of common stock, at the lesser of \$0.50 per share or a ten percent (10%) discount to the average closing bid price of the common stock 5 days prior to the notice of conversion. The Preferred Stock is also subject to certain adjustments for dilution, if any, resulting from future stock issuances, including for any subsequent issuance of common stock at a price per share less than that paid by the holders of the Preferred Stock.

*Dividends* – The holders of the Preferred Stock in preference to the holders of common stock, are entitled to receive dividends at the rate of 5% per annum, in kind, which shall accrue quarterly. Such dividends are cumulative. No such dividends have been declared to date.

*Liquidation* – In the event of any liquidation, dissolution, winding-up or sale or merger of the Company, whether voluntarily or involuntarily, each holder of Preferred Stock is entitled to receive, in preference to the holders of common stock, a per-share amount equal to the original issue price of \$1.00 (as adjusted, as defined), plus all declared but unpaid dividends.

	<u># of Shares</u>	<u>Amount</u>	<u>Dividend in Arrears</u>	<u>Total</u>
Balance, December 31, 2022	520,400	\$ 520,400	\$ 153,514	\$ 673,914
Dividends accrued	-	-	12,867	12,867
Balance, June 30, 2023	<u>520,400</u>	<u>\$ 520,400</u>	<u>\$ 166,381</u>	<u>\$ 686,781</u>

#### **NOTE 11 – CONTINGENCY/LEGAL**

As of June 30, 2023, and during the preceding ten years, no director, person nominated to become a director or executive officer, or promoter of the Company has been involved in any legal proceeding that would require disclosure hereunder.

From time to time, the Company may become subject to various legal proceedings and claims that arise in the ordinary course of our business activities. However, litigation is subject to inherent uncertainties for which the outcome cannot be predicted. Any adverse result in these or other legal matters could arise and cause harm to the Company's business. The Company currently is not a party to any claim or litigation, the outcome of which, if determined adversely to the Company, would individually or in the aggregate be reasonably expected to have a material adverse effect on the Company's business.

#### **NOTE 12 - SUBSEQUENT EVENTS**

We have evaluated subsequent events from the balance sheet date through June 30, 2023, the date at which the financial statements were issued, and determined that there were no items that require adjustment to or disclosure in the financial statements.

#### **Forward Looking Statements**

This Quarterly Report on Form 10-Q, including "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Item 2 of Part I of this report include forward-looking statements within the meaning of Section 27A of the Securities Exchange Act of 1934, as amended, and the Private Securities Litigation Reform Act of 1995 (collectively, the "Reform Act"). The Reform Act provides a safe harbor for forward-looking statements to encourage companies to provide prospective information about themselves so long as they identify these statements as forward-looking and provide meaningful cautionary statements identifying important factors that could cause actual results to differ from the projected results. All statements, other than statements of historical fact that we make in this Quarterly Report on Form 10-Q are forward-looking. The words "anticipates," "believes," "expects," "intends," "will continue," "estimates," "plans," "projects," the negative of these terms and similar expressions are intended to identify forward-looking statements. However, the absence of these words does not mean the statement is not forward-looking.

Forward-looking statements involve risks, uncertainties or other factors which may cause actual results to differ materially from the future results, performance or achievements expressed or implied by the forward-looking statements. These statements are based on our management's beliefs and assumptions, which in turn are based on currently available information. Certain risks, uncertainties or other important factors are detailed in this Quarterly Report on Form 10-Q and may be detailed from time to time in other reports we file with the Securities and Exchange Commission, including on Forms 8-K and 10-K. Examples of forward looking statements in this Quarterly Report on Form 10-Q include, but are not limited to, our expectations regarding our ability to generate operating cash flows and to fund our working capital and capital expenditure requirements. Important assumptions relating to the forward-looking statements include, among others, assumptions regarding demand for our future products, the timing and cost of capital expenditures, competitive conditions and general economic conditions. These assumptions could prove inaccurate. Although we believe that the estimates and projections reflected in the forward-looking statements are reasonable, our expectations may prove to be incorrect. Important factors that could cause actual results to differ materially from the results and events anticipated or implied by such forward-looking statements include:

- the risks of a start-up company;
- management's plans, objectives and budgets for its future operations and future economic performance;
- capital budget and future capital requirements;
- meeting future capital needs;
- our dependence on management and the need to recruit additional personnel;
- limited trading for our common stock, if listed or quoted
- the level of future expenditures;
- impact of recent accounting pronouncements;
- the outcome of regulatory and litigation matters; and
- the assumptions described in this report underlying such forward-looking statements. Actual results and developments may materially differ from those expressed in or implied by such statements due to a number of factors, including:
  - those described in the context of such forward-looking statements;
  - the political, social and economic climate in which we conduct operations; and
  - the risk factors described in other documents and reports filed with the Securities and Exchange Commission

We operate in a very competitive and rapidly changing environment. New risks emerge from time to time. It is not possible for us to predict all of those risks, nor can we assess the impact of all of those risks on our business or the extent to which any factor may cause actual results to differ materially from those contained in any forward-looking statement. We believe these forward-looking statements are reasonable. However, you should not place undue reliance on any forward-looking statements, which are based on current expectations. Further, forward-looking statements speak only as of the date they are made, and unless required by law, we expressly disclaim any obligation or undertaking to update publicly any of them in light of new information or future events.

## Item 2. Management's Discussion and Analysis of Financial Conditions and Results of Operations

The following is management's discussion and analysis of financial condition and results of operations and is provided as a supplement to the accompanying unaudited financial statements and notes to help provide an understanding of our financial condition, results of operations and cash flows during the periods included in the accompanying unaudited financial statements.

In this Quarterly Report on Form 10-Q, "Company," "the Company," "us," and "our" refer to Hubilu Venture Corporation, a Delaware corporation, unless the context requires otherwise.

We intend the following discussion to assist in the understanding of our financial position and our results of operations for the three and six months ended June 30, 2023 and 2022, respectively. You should refer to the Financial Statements and related Notes in conjunction with this discussion.

### Results of Operations

The following discussion of our financial condition and results of operations should be read in conjunction with our unaudited financial statements for the three and six months ended June 30, 2023 and 2022, respectively, together with notes thereto, which are included in this Quarterly Report on Form 10-Q.

#### Three months ended June 30, 2023, compared to the three months ended June 30, 2022

**Revenues.** Our revenues increased \$32,295 to \$426,098 for the three months ended June 30, 2023, compared to \$393,803 for the comparable period in 2022. The increase is due to additional property acquisitions.

**Operating expenses.** In total, operating expenses decreased \$9,938 to \$188,462 for the three months ended June 30, 2023, compared to \$198,400 for the comparable period in 2022.

General and administrative expenses decreased \$16,633 to \$131,480 for the three months ended June 30, 2023, compared to \$148,113 for the comparable period in 2022.

Depreciation expense increased \$6,695 to \$56,982 for the three months ended June 30, 2023, compared to \$50,287 for the comparable period in 2022.

Property tax expense increased \$5,856 to \$49,815 for the three months ended June 30, 2023, compared to \$43,959 for the comparable period in 2022.

Salaries and benefits expense increased \$3,200 to \$15,700 for the three months ended June 30, 2023, compared to \$12,500 for the comparable period in 2022.

Utilities expense decreased \$9,674 to \$8,485 for the three months ended June 30, 2023, compared to \$18,159 for the comparable period in 2022.

Professional fees expense decreased \$6,241 to \$35,756 for the three months ended June 30, 2023, compared to \$41,997 for the comparable period in 2022.

Interest expense increased \$8,552 to \$235,997 for the three months ended June 30, 2023, compared to \$227,445 for the comparable period in 2022. The increase is due to the acquisition of more properties.

**Net Loss.** Our net loss increased \$33,681 to \$1,639 of net income for the three months ended June 30, 2023, compared to \$32,042 of net loss for the comparable period in 2022. The decrease is attributable to the revenue and expenses discussed above.

## **Six months ended June 30, 2023 compared to the six months ended June 30, 2022**

**Revenues.** Our revenues increased \$51,196 to \$834,936 for the six months ended June 30, 2023, compared to \$783,740 for the comparable period in 2022. The increase is due to additional property acquisitions.

**Operating expenses.** In total, operating expenses decreased \$79,948 to \$365,825 for the six months ended June 30, 2023, compared to \$445,773 for the comparable period in 2022.

General and administrative expenses decreased \$93,438 to \$252,821 for the six months ended June 30, 2023, compared to \$346,259 for the comparable period in 2022.

Depreciation expense increased \$13,490 to \$113,004 for the six months ended June 30, 2023, compared to \$99,514 for the comparable period in 2022.

Property tax expense decreased \$13,830 to \$91,361 for the six months ended June 30, 2023, compared to \$105,191 for the comparable period in 2022. The decrease is due to the timing of payments.

Salaries and benefits expense decreased \$17,775 to \$31,600 for the six months ended June 30, compared to \$49,375 for the comparable period in 2022.

Utilities expense decreased \$6,700 to \$25,885 for the six months ended June 30, 2023, compared to \$32,585 for the comparable period in 2022.

Professional fees expense increased \$12,309 to \$54,556 for the six months ended June 30, 2023, compared to \$42,247 for the comparable period in 2022.

Mortgage Interest expense increased \$23,564 to \$471,199 for the three months ended June 30, 2023, compared to \$447,635, for the comparable period in 2022. The increase is due to the acquisition of more properties.

**Net Loss.** Our net loss decreased \$77,780 to \$2,088 of net loss for the six months ended June 30, 2023, compared to \$79,868 of net loss for the comparable period in 2022. The decrease is attributable to the revenue and expenses discussed above.

**Liquidity and Capital Resources.** For the six months ended June 30, 2023, we did not borrow any money from our majority shareholder. Since 2015, Jacaranda Investments, Inc., provided us with \$492,500 in related party advances. We have not been advanced any more money since 2018. Jacaranda Investments, Inc. has agreed not to seek repayment of its advances until we are financially able to repay them. In 2021, \$18,229 was repaid to Jacaranda Investments, Inc. leaving the balance at \$474,271. We intend to seek additional financing for our working capital, in the form of equity or debt, to provide us with the necessary capital to accomplish our plan of operation. There can be no assurance that we will be successful in our efforts to raise additional capital.

Our total assets are \$17,138,620, as of June 30, 2023, consisting of \$11,800,304 in real estate, building and capital improvements of \$5,678,888, \$298,704 in property acquisition and financing, net of \$677,651 in depreciation, \$31,592 in cash and \$6,783 in security deposits.

Our total liabilities are \$18,007,276 as of June 30, 2023.

Our total stockholders' deficit is \$868,656 as of June 30, 2023.

Our net cash provided by operations was \$194,724 for the six months ended June 30, 2023.

Our investing activities used a total of \$222,434 for the six months ended June 30, 2023.

We had \$32,766 in cash used in financing activities for the six months ended June 30, 2023.



We do not now have funds sufficient for pursuing our plan of operation, but we are in the process of trying to increase rents to finance our operations through rental cash flow. If operating difficulties or other factors (many of which are beyond our control) delay our realization of revenues or cash flows from rental income, we may be limited in our ability to pursue our business plan. Moreover, if unexpected expenses arise due to unanticipated pressures or if we decide to expand our business plan beyond its currently anticipated level or otherwise, we will require additional financing to fund our operations, in addition to anticipated cash generated from our operations. Additional financing might not be available on terms favorable to us, or at all. If adequate funds were not available or were not available on acceptable terms, our ability to fund our operations, take advantage of unanticipated opportunities, develop or enhance our business or otherwise respond to competitive pressures would be significantly limited. In a worst-case scenario, we might not be able to fund our operations or to remain in business, which could result in a total loss of our stockholders' investment. If we raise additional funds through the issuance of equity or convertible debt securities, the percentage ownership of our stockholders would be reduced, and these newly issued securities might have rights, preferences or privileges senior to those of existing stockholders.

Belladonna Lily Investments, Inc., a Wyoming Corporation is not, and has never been a related party to Hubilu Venture Corporation. Neither Hubilu, nor David Behrend has, nor ever had any ownership interest, nor controlling interest in Belladonna, and David Behrend was not an officer of Belladonna during, or after the reporting period.

The Company had no formal long-term lines or credit or other bank financing arrangements as of June 30, 2023.

The Company has no current plans for the purchase or sale of any plant or equipment.

The Company has no current plans to make any changes in the number of employees.

### **Impact of Inflation**

The Company believes that inflation has had a negligible effect on operations over the past quarter.

### **Capital Expenditures**

The Company expended \$222,434 in capital and building improvements during the six months ended June 30, 2023.

### **IMPACT OF RECENT ACCOUNTING PRONOUNCEMENTS**

For information on the impact of recent accounting pronouncements on our business, see note 3 of the Notes to the Consolidated Financial Statements.

### **Item 3. Quantitative and Qualitative Disclosures about Market Risk**

As a “*smaller reporting company*” as defined by Item 10 of Regulation S-K, we are not required to provide information required by this item.

### **Item 4. Controls and Procedures**

#### **(a) Evaluation of Disclosure Controls and Procedures**

We conducted an evaluation, under the supervision and with the participation of the Chief Executive Officer and Chief Financial Officer, of the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(f) under the Securities Exchange Act of 1934 as amended (the “Exchange Act”). Based on this evaluation, the Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures as of the end of the fiscal quarter covered by this quarterly report on Form 10-Q were effective at a reasonable assurance level to ensure that information required to be disclosed by us in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission rules and forms.

#### **(b) Changes in Internal Controls over Financial Reporting**

During the six-month period ended June 30, 2023, there has been no change in internal control over financial reporting that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

## PART II — OTHER INFORMATION

### Item 1. Legal Proceedings

None.

### Item 1A. Risk Factors

As a “smaller reporting company” as defined by Item 10 of Regulation S-K, we are not required to provide information required by this item.

### Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None.

### Item 3. Defaults Upon Senior Securities

None.

### Item 4. Mine Safety Disclosures

None.

### Item 5. Other Information

None.

### Item 6. Exhibits

(a) The following exhibits are filed with this quarterly report on Form 10-Q or are incorporated herein by reference:

Exhibit Number	Description
31.1	<a href="#">Certification of the Chief Executive Officer pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934*.</a>
31.2	<a href="#">Certification of the Chief Financial Officer pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934*.</a>
32.1	<a href="#">Certification of the Chief Executive Officer pursuant to 18 U.S.C Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002*.</a>
32.2	<a href="#">Certification of the Chief Financial Officer pursuant to 18 U.S.C Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002*.</a>
101.INS	Inline XBRL Instance Document
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

\* Filed herewith.

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

**HUBILU VENTURE CORPORATION**

July 31, 2023

*/s/ David Behrend*

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David Behrend  
Chairman and Chief Executive Officer (Principal Executive Officer) and Chief Financial Officer (Principal Accounting and Financial Officer)

## CERTIFICATION PURSUANT TO SECTION 302 (a) OF THE SARBANES-OXLEY ACT OF 2002

I, David Behrend, Chairman and Chief Executive Officer, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Hubilu Venture Corporation (the “registrant”);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;
3. Based on my knowledge, the financial statements and other financial information included in this quarterly report fairly presents in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;
4. The registrant’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, is made known to us by others within the entity, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant’s internal controls over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal controls over financial reporting; and

5. The registrant’s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal controls over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s Board of Directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal controls over financial reporting.

Dated: July 31, 2023

*/s/ David Behrend*

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David Behrend  
Chief Executive Officer  
(Principal Executive Officer)

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**CERTIFICATION PURSUANT TO SECTION 302 (a) OF THE SARBANES-OXLEY ACT OF 2002**

I, David Behrend, Chief Financial Officer of Hubilu Venture Corporation, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Hubilu Venture Corporation (the “registrant”);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;
3. Based on my knowledge, the financial statements and other financial information included in this quarterly report fairly presents in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;
4. The registrant’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, is made known to us by others within the entity, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant’s internal controls over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal controls over financial reporting; and

5. The registrant’s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal controls over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s Board of Directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal controls over financial reporting.

Dated: July 31, 2023

*/s/ David Behrend*

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David Behrend  
Chief Financial Officer  
(Principal Financial Officer)

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**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350 AS ADOPTED PURSUANT TO SECTION 906 OF THE  
SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of Hubilu Venture Corporation (the “Company”) for the period ending June 30, 2023, as filed with the Securities and Exchange Commission on or about the date hereof (“Report”), I, David Behrend, the Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as enacted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: July 31, 2023

*/s/ David Behrend*

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David Behrend  
Chief Executive Officer  
(Principal Executive Officer)

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**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ENACTED PURSUANT TO SECTION 906 OF THE  
SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of Hubilu Venture Corporation (the “Company”) for the period ending June 30, 2023 as filed with the Securities and Exchange Commission on or about the date hereof (“Report”), I, David Behrend, Chief Financial Officer of the Company, certify pursuant to 18 U.S.C. Section 1350, as enacted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: July 31, 2023

*/s/ David Behrend*

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David Behrend  
Chief Financial Officer  
(Principal Financial Officer)

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