FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT

OLIVER GARDENS LIMITED DIVIDEND HOUSING ASSOCIATION LIMITED PARTNERSHIP
(A MICHIGAN LIMITED PARTNERSHIP)
MSHDA DEVELOPMENT NO.: 3007

DECEMBER 31, 2010 AND 2009

Oliver Gardens Limited Dividend Housing Association Limited Partnership
(A Michigan Limited Partnership)
MSHDA Development No.: 3007

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Oliver Gardens Limited Dividend Housing Association Limited Partnership
(A Michigan Limited Partnership)
MSHDA Development No.: 3007

December 31, 2010

PARTNERS' CERTIFICATION

I hereby certify that I have examined the accompanying financial statements and supplemental data of Oliver Gardens Limited Dividend Housing Association Limited Partnership, MSHDA Development No. 3007, and, to the best of my knowledge and belief, they represent a true statement of the data set forth therein for the year ended December 31, 2010.

Patricia Baines Lake Date
General Partner

Partnership Employer
Identification Number: 20-453000

Reznick Group
ACCOUNTING ▪ TAX ▪ BUSINESS ADVISORY

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INDEPENDENT AUDITORS' REPORT

To the Partners
Oliver Gardens Limited Dividend Housing Association Limited Partnership

We have audited the accompanying balance sheet of Oliver Gardens Limited Dividend Housing Association Limited Partnership, MSHDA Development No. 3007, as of December 31, 2010 and the related statements of operations, partners' equity (deficit) and cash flows for the year then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits. The financial statements of Oliver Gardens Limited Dividend Housing Association Limited Partnership as of December 31, 2009 were audited by other auditors, whose report dated February 15, 2010 expressed an unqualified opinion on those statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, such financial statements referred to above present fairly, in all material respects, the financial position of Oliver Gardens Limited Dividend Housing Association Limited Partnership as of December 31, 2010, and the results of its operations, changes in partners' equity (deficit) and cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued a report dated March 25, 2011, on our consideration of Oliver Gardens Limited Dividend Housing Association Limited Partnership's internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with Government Auditing Standards. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

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ACCOUNTING ▪ TAX ▪ BUSINESS ADVISORY

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental information on pages 24 through 28 is presented for the purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Reznick Group, P.C.

Skokie, Illinois
March 25, 2011

Oliver Gardens Limited Dividend Housing Association Limited Partnership
(A Michigan Limited Partnership)
MSHDA Development No.: 3007

BALANCE SHEETS

December 31, 2010 and 2009

ASSETS

	2010	2009
CASH		
General operating cash	$ 15,610	$ 34,024
Security deposit cash	4,191	4,191
	19,801	38,215
ESCROWS		
MSHDA-held replacement reserve	24,888	15,069
MSHDA-held tax and insurance escrow	11,650	16,264
Operating assurance	85,968	78,980
Operating reserve	19,973	5,668
	142,479	115,981
ACCOUNTS RECEIVABLE		
Other receivables	4,675	-
	4,675	-
OTHER CURRENT ASSETS		
Prepaid expenses - operating	1,823	2,187
	1,823	2,187
INVESTMENT IN RENTAL PROPERTY		
Land	685,162	685,162
Buildings	2,598,659	2,598,659
Land improvements	719,826	719,826
Furniture and fixtures	171,989	171,989
Accumulated depreciation	(690,416)	(520,680)
	3,485,220	3,654,956
OTHER ASSETS		
Deferred mortgage costs, net of amortization	40,874	42,172
Monitoring fees, net of amortization	16,805	18,333
	57,679	60,505
Total assets	$ 3,711,677	$ 3,871,844

(continued)

Oliver Gardens Limited Dividend Housing Association Limited Partnership
(A Michigan Limited Partnership)
MSHDA Development No.: 3007

BALANCE SHEETS - CONTINUED

December 31, 2010 and 2009

LIABILITIES AND PARTNERS' EQUITY

	2010	2009
CURRENT LIABILITIES		
General trade payables	$ 5,696	$ 1,547
Management fees payable	10,873	10,873
Related party payable	118,154	100,118
Unearned rental income - operating	-	278
Current mortgage interest - MSHDA	7,161	7,255
Current mortgage interest - Other	14,201	4,000
Real estate taxes	16,914	16,914
Security deposit liability	4,191	4,191
Current portion of mortgages	20,303	21,000
Developer fees payable	405,767	448,729
Other accrued liabilities - operating	-	2,243
	603,260	617,148
LONG-TERM LIABILITIES		
Long-term portion of First Mortgage	1,698,223	1,718,554
Accrued principal on Second and/or Third Mortgage	1,020,133	1,020,133
Deferred interest	40,358	31,708
	2,758,714	2,770,395
CONTINGENCY	-	-
PARTNERS' EQUITY	349,703	484,301
Total liabilities and partners' equity	$ 3,711,677	$ 3,871,844

See notes to financial statements

Oliver Gardens Limited Dividend Housing Association Limited Partnership
(A Michigan Limited Partnership)
MSHDA Development No.: 3007

STATEMENTS OF OPERATIONS

Years ended December 31, 2010 and 2009

	2010	2009
INCOME		
Rental income		
Apartments - rental income	$ 80,207	$ 79,872
HAP subsidy income	167,251	165,495
Total rent potential	247,458	245,367
Vacancy loss	-	(1,412)
Net rental income	247,458	243,955
Other income		
Interest income	11,458	6,576
Total other income	11,458	6,576
TOTAL INCOME	$ 258,916	$ 250,531
EXPENSES		
Management fees (partnership's operating account)	13,680	12,449
Audit fees	6,425	8,120
Administrative	12,740	13,277
Operating and maintenance	35,078	49,510
Utilities	60,746	54,481
Depreciation and amortization	172,561	191,889
Property taxes	17,609	16,914
Insurance	7,074	7,079
Interest expenses	105,257	96,981
Partnership expenses	5,305	-
TOTAL EXPENSES	436,475	450,700
NET INCOME (LOSS)	$ (177,559)	$ (200,169)

See notes to financial statements

Oliver Gardens Limited Dividend Housing Association Limited Partnership
(A Michigan Limited Partnership)
MSHDA Development No.: 3007

STATEMENTS OF PARTNERS' EQUITY (DEFICIT)

Years ended December 31, 2010 and 2009

	General Partner	Limited Partner	
	Oliver Gardens, LLC	NEF Assignment Corporation	Total
Partners' equity, December 31, 2008	$ 68	$ 684,402	$ 684,470
Net income (loss)	(20)	(200,149)	(200,169)
Partners' equity, December 31, 2009	48	484,253	484,301
Contributions	-	42,961	42,961
Net income (loss)	(18)	(177,541)	(177,559)
Partners' equity, December 31, 2010	$ 30	$ 349,673	$ 349,703
Partners' Allocation of Net Income	0.01%	99.99%	100.00%

See notes to financial statements

Oliver Gardens Limited Dividend Housing Association Limited Partnership
(A Michigan Limited Partnership)
MSHDA Development No.: 3007

STATEMENTS OF CASH FLOWS

Years ended December 31, 2010 and 2009

	2010	2009
Reconciliation of net income (loss) to net cash provided by operating activities		
Net income (loss)	$ (177,559)	$ (200,169)
Adjustments to reconcile net income (loss) to net cash provided by operating activities		
Depreciation and amortization	172,561	191,889
(Increase) decrease in assets		
Other receivables	(4,675)	-
Prepaid expenses - operating	364	-
Increase (decrease) in liabilities		
General trade payables	4,149	(382)
Management fees payable	-	6,022
Related party payable	18,036	-
Unearned rental income - operating	(278)	278
Current mortgage interest - MSHDA	(94)	755
Current mortgage interest - other	10,201	-
Delinquent mortgage interest payments or deferred	8,650	8,752
Other accrued liabilities - operating	(2,243)	-
Tenant security deposits - net	-	(4,112)
Net cash provided by (used in) operating activities	29,112	3,033
Cash flows from investing activities		
MSHDA-held tax and insurance escrow	4,614	(5,170)
Operating assurance	(6,988)	(4,773)
Net deposit to MSHDA-held replacement reserve	(9,819)	(8,769)
Net deposit to operating reserve	(14,305)	(4,363)
Net cash provided by (used in) investing activities	(26,498)	(23,075)

(continued)

Oliver Gardens Limited Dividend Housing Association Limited Partnership
(A Michigan Limited Partnership)
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STATEMENTS OF CASH FLOWS - CONTINUED

Years ended December 31, 2010 and 2009

	2010	2009
Cash flows from financing activities		
Mortgage principal payments	(21,027)	(20,004)
Developer fee payment	(42,962)	-
Contribution from partners	42,961	-
Net cash provided by (used in) financing activities	(21,028)	(20,004)
NET INCREASE (DECREASE) IN CASH	(18,414)	(40,046)
Cash, beginning	34,024	74,070
Cash, end	$ 15,610	$ 34,024
Supplemental disclosure of cash flow information		
Cash paid for interest	$ 86,500	$ 87,474

See notes to financial statements

Oliver Gardens Limited Dividend Housing Association Limited Partnership
(A Michigan Limited Partnership)
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NOTES TO FINANCIAL STATEMENTS

December 31, 2010 and 2009

NOTE 1 - ORGANIZATION

Oliver Gardens Limited Dividend Housing Association Limited Partnership (the Partnership), was formed as a limited partnership under the laws of the State of Michigan, on June 30, 2006, under the Michigan Uniform Limited Partnership Act, for the purpose of acquiring, rehabilitating, and operating a rental housing project as regulated by the Michigan State Housing Development Authority (MSHDA). The project consists of 30 units located in Lansing, Michigan and is currently operating under the name of Oliver Gardens. Project operations began during July, 2007.

Agreements with MSHDA provide for the regulation of rental charges, restrictions on the disposition of property, and limitations on annual cash distributions to Partners.

The building of the project has qualified for and been allocated low-income housing tax credits pursuant to Internal Revenue Code Section 42 (Section 42) which regulates the use of the project as to occupant eligibility and unit gross rent, among other requirements. The building of the project must meet the provisions of these regulations during each of 15 consecutive years in order to remain qualified to receive the credits. In addition, the Partnership has executed an Extended Use Agreement which requires the utilization of the project pursuant to Section 42 for a minimum of 30 years, even if the Partnership disposes of the project.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounts Receivable and Bad Debts

Tenant receivables are charged to bad debt expense when they are determined to be uncollectible based upon a periodic review of the accounts by management. Accounting principles generally accepted in the United States of America require that the allowance method be used to recognize bad debts; however, the effect of using the direct write-off method is not materially different from the results that would have been obtained under the allowance method.

Capitalization and Depreciation

Land, building and improvements, furniture and equipment, and land improvements are recorded at cost. Improvements are capitalized, while expenditures for maintenance and repairs are expensed. The assets are depreciated over their estimated service lives.

The estimated service lives of the asset for depreciation purposes may be different than their actual economic useful lives.

	Estimated life	Method
Buildings	27.5 years	Straight-line
Land improvements	15 years	Accelerated methods
Furniture and fixtures	5 years	Accelerated methods

Rental Income

Rental income is recognized as rentals become due. Rental payments received in advance are deferred until earned. All leases between the Partnership and the tenants of the property are operating leases.

Deferred Financing Costs and Amortization

Financing fees are amortized over the term of the loan using the straight-line method. Accounting principles generally accepted in the United States of America require that the effective yield method be used to amortize financing costs; however, the effect of using the straight-line method is not materially different from the results that would have been obtained under the effective yield method.

Tax credit fees are being amortized using the straight-line method over 15 years.

Impairment of Long-Lived Assets

The Partnership reviews its rental property for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. When recovery is reviewed, if the undiscounted cash flows estimated to be generated by the property are less than its carrying amount, management compares the carrying amount of the property to its fair value in order to determine whether an impairment loss has occurred. The amount of the impairment loss is equal to the excess of the asset's carrying value over its estimated fair value. No impairment loss has been recognized during the years ended December 31, 2010 and 2009.

Use of Estimates

The preparation of financial statements in conformity with accounting principles 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 financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Reclassifications

Reclassifications may have been made to the prior year balances to conform to the current year presentation. Such reclassifications were made for comparative purposes only and do not restate the prior year financial statements.

Income Taxes

The Partnership has elected to be treated as a pass-through entity for income tax purposes and, as such, is not subject to income taxes. Rather, all items of taxable income, deductions and tax credits are passed through to and are reported by its owners on their respective income tax returns. The Partnership's federal tax status as a pass-through entity is based on its legal status as a partnership. Accordingly, the Partnership is not required to take any tax positions in order to qualify as a pass-through entity. The Partnership is required to file and does file tax returns with the Internal Revenue Service and other taxing authorities. Accordingly, these financial statements do not reflect a provision for income taxes and the Partnership has no other tax positions which must be considered for disclosure.

Recent Accounting Pronouncements

In June 2009, the Financial Accounting Standards Board (FASB) issued the Accounting Standards Codification (Codification). Effective July 1, 2009, the Codification is the single source of authoritative accounting principles recognized by the FASB to be applied by nongovernmental entities in the preparation of financial statements in conformity with U.S. generally accepted accounting principles (GAAP). The Codification is intended to reorganize, rather than change, existing GAAP. Accordingly, all references to currently existing GAAP have been removed and have been replaced with plain English explanations of the Partnership's accounting policies. The adoption of the Codification did not have a material impact on the Partnership's financial position or results of operations.

NOTE 3 - CASH

The Partnership maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Partnership has no experienced any losses in such accounts. Management believes the Partnership is not exposed to any significant credit risk on cash.

NOTE 4 - ESCROW DEPOSITS AND RESTRICTED RESERVES

According to the partnership loan, and other regulatory agreements, the Partnership is required to maintain certain escrow deposits and restricted reserves. The following schedule shows the activity in such accounts during 2010 and 2009.

Operating Assurance Reserve

According to the regulatory agreement, the Partnership is required to establish an operating assurance reserve in the initial amount $135,000. During 2010 and 2009, the reserve has been funded as required.

Replacement Reserve

According to the regulatory agreement, the Partnership is required to establish and maintain a replacement reserve equal to not less than $250 per unit per year increasing at a rate equal to 3% per annum. During 2010 and 2009, the reserve has been funded as required.

Real Estate Tax and Insurance Escrow

The Partnership is required to establish and maintain a tax and insurance escrow to fund payment in lieu of property taxes and insurance expenses. During 2010 and 2009, the reserve has been funded as required.

	Balance January 1, 2010	Additions and interest	Withdrawls and transfers	Balance December 31, 2010
Replacement reserve	$ 15,069	$ 9,819	$ -	$ 24,888
Tax and insurance escrow	16,264	20,178	24,792	11,650
Operating assurance	78,980	6,988	-	85,968
ORC	5,668	14,305	-	19,973
Total	$ 115,981	$ 51,290	$ 24,792	$ 142,479

	Balance January 1, 2009	Additions and interest	Withdrawls and transfers	Balance December 31, 2009
Replacement reserve	$ 6,300	$ 8,769	$ -	$ 15,069
Tax and insurance escrow	11,094	22,084	16,914	16,264
Operating assurance	74,207	4,773	-	78,980
ORC	1,305	4,363	-	5,668
Total	$ 92,906	$ 39,989	$ 16,914	$ 115,981

NOTE 5 - CAPITALIZED COSTS

The costs incurred to obtain financing and tax credit fees have been capitalized and are being amortized as described below:

	Amortization period	2010	2009
Loan fees	35 years	$ 45,415	$ 45,415
Compliance fees	15 years	9,000	9,000
Tax credit fees	15 years	13,917	13,917
Total		68,332	68,332
Less: Accumulated amortization		(10,653)	(7,827)
Net capitalized costs		$ 57,679	$ 60,505

Amortization expense for 2010 and 2009 amounted to $2,285 and $2,285, respectively. Estimated amortization expense for each of the ensuing years through December 31, 2015 is $2,285 per year.

Year	Amortization
2011	$ 2,285
2012	2,285
2013	2,285
2014	2,285
2015	2,285
Thereafter	46,254
Total	$ 57,679

NOTE 6 - LONG-TERM DEBT

	2010	2009
The first mortgage, dated October 17, 2006, is held by MSHDA in the amount of $1,775,482. Although interest is accrued at 5.5%, an amount equal to 0.5% is deferred until the principal portion of the mortgage is paid in full. The note is secured by land and substantially all real property owned by the Partnership.	$ 1,718,526	$ 1,739,554
The HOME loan, orginally dated June 1, 2006, was assigned and assumed by the Partnership. The loan is held by MSHDA under the HOME Investments Partnership Program in the amount of $170,000. The loan bears interest at 1% per annum. No principal or interest is due until the loan matures. The loan matures on December 31, 2041. The note is secured by land and substantially all real property owned by the Partnership.	170,000	170,000
The CDBG loan, originally dated May 31, 2006, was assigned and assumed by the Partnership. The loan is held my MSHDA under the Community Development Block Grant (CDBG) Program in the amount of $550,000. The loan bears interest at 1% per annum. No prinicpal or interest is due until the loan matures. The loan matures on May 31, 2046. The note is secured by land and substantially all real property owned by the Partnership.	550,000	550,000

Oliver Gardens Limited Dividend Housing Association Limited Partnership
(A Michigan Limited Partnership)
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NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2010 and 2009

	2010	2009
The Lansing Housing Commission Note, originally dated December 31, 2007, was assigned and assumed by the Partnership. The loan is held by LHC in the amount of $300,133. The loan bears interest at 1% per annum. No principal or interest is due until the loan matures. The loan matures on January 1, 2048. The note is secured by land and substantially all real property owned by the Partnership.	300,133	300,133
Totals	$ 2,738,659	$ 2,759,687

Aggregate maturities of long-term debt are as follows:

	First Mortgage	Home Loan	CDBG Loan	LHC Note	Total
2011	$ 20,303	$ -	$ -	$ -	$ 20,303
2012	21,342	-	-	-	21,342
2013	22,434	-	-	-	22,434
2014	23,582	-	-	-	23,582
2015	24,788	-	-	-	24,788
Thereafter	1,606,077	170,000	550,000	300,133	2,626,210
Total	$ 1,718,526	$ 170,000	$ 550,000	$ 300,133	2,738,659
Less current maturities					(20,303)
Net long-term portion					$ 2,718,356

NOTE 7 - RELATED PARTY TRANSACTIONS

Developer Fee

According to the Development Agreement, the developer, LHC Non-Profit Development Corporation, an affiliate of the General Partner, is entitled to a developer fee in the amount of $561,993. During 2010 and 2009, the Partnership paid developer fees in the amount of $42,962 and $0, respectively, out of equity proceeds. As of December 31, 2010 and 2009, developer fees payable were $405,767 and $448,729, respectively.

Property Management Fees

The Partnership had entered into a property management agreement with the Lansing Housing Commission. (Lansing), an affiliate of the General Partner. The agreement requires that the Partnership pay a property management fee not to exceed the amount of $461 per unit annually. During 2010 and 2009, total management fees incurred amounted to $13,680 and $12,449, respectively. As of December 31, 2010 and 2009, management fees paid amounted to $13,680 and $32,453, respectively.

Asset Management Fee

According to the partnership agreement, the Limited Partner is entitled to an annual asset management of 3 percent of net operating cash flow and is cumulative as defined by the partnership agreement. During 2010 and 2009, asset management fees incurred were $5,305 and $0, respectively. During 2010 and 2009, asset management fees paid amounted to $5,305 and $0, respectively.

Advances

An affiliate of the General Partner has advanced funds to the Partnership to cover operating expenses. Advances received by the Partnership during the years ended December 31, 2010 and 2009 totaled $18,036 and $45,304, respectively. As of December 31, 2010 and 2009, $118,154 and $100,118, respectively, remained payable. The advances are non-interest bearing, due on demand, and payable from surplus cash as defined.

	2010	2009
Developer fee payable	$ 405,767	$ 448,729
Property management fee	$ 10,873	$ 10,873
Advances	118,154	100,118
Total	$ 129,027	$ 110,991

NOTE 8 - PARTNERS' EQUITY

The Partnership has one General Partner, Oliver Gardens, LLCs., which has .01% interest and one limited partner, NEF Assignment Corporation which has a 99.99% interest. According to the partnership agreement, the General Partner agreed to make capital contributions of $100. As of December 31, 2010, the General Partner has contributed $100.

According to the partnership agreement, the Limited Partner agreed to make capital contributions of $1,150,880 based on project tax credits. The installments are subject to adjustment depending on certain contributions being met, primarily related to the amount and timing of low-income housing tax credits the Partnership is able to obtain. There were downward low-income housing tax credits adjusters that decreased the Limited Partner's required capital contribution by $32,508. As of December 31, 2010 and 2009, NEF Assignment Corporation has contributed $1,118,372. As of December 31, 2010, the Limited Partner owes $0 to the Partnership.

NOTE 9 - PAYMENT IN LIEU OF TAXES

The Partnership entered into an agreement with the City of Lansing, in Ingham County, Michigan for payments in lieu of taxes (PILOT). Real estate taxes will be accrued annually based on 10% of the net of the 95% of collected rental income less utility expenses. This program is expected to continue for the life of the mortgage.

NOTE 10 - CONTINGENCY

The Partnership's low-income housing tax credits are contingent on its ability to maintain compliance with applicable sections of Section 42. Failure to maintain compliance with occupant eligibility, and/or unit gross rent, or to correct noncompliance within a specified time period could result in recapture of previously taken tax credits plus interest. In addition, such potential noncompliance may require an adjustment to the contributed capital by the Limited Partner.

NOTE 11 - SUBSEQUENT EVENTS

Events that occur after the balance sheet date but before the financial statements were issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the balance sheet date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the balance sheet date, require disclosure in the accompanying notes. Management evaluated the activity of the Partnership through March 25, 2011 (the date the financial statements were issued) and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.

SUPPLEMENTAL INFORMATION

SUPPORTING DATA REQUIRED BY MSHDA

Oliver Gardens Limited Dividend Housing Association Limited Partnership
(A Michigan Limited Partnership)
MSHDA Development No.: 3007

SUPPLEMENTAL INFORMATION

December 31, 2010

TRADE ACCOUNTS PAYABLE/ACCRUED LIABILITIES/ ANY OTHER SHORT-TERM OPERATING LIABILITIES

Balance per the December MIE report	$	85,384
Reconciling items:		
Trade - Due to affiliates		32,770
Management fees payable		10,873
Miscellaneous invoices under $3,000		5,696
Balance per the balance sheet as of December 31, 2010	$	134,723

OTHER

Balance per the December MIE report	$	8,305
Reconciling items:		
National Equty Fund		(5,305)
Plant Moran		(3,000)
Balance per the balance sheet as of December 31, 2010	$	-

SCHEDULE OF UNADJUSTED ITEMS

Description of Variances	Amount of over / under statement
None	$ -

OLIVER GARDENS MSHDA NO. 3007

SCHEDULE I
FUNDS AVAILABLE FOR DISTRIBUTION
December 31, 2010

SECTION 1			
1	Operating Cash	$ 15,610	
2	MSHDA-Held Operating Reserve Account	85,968	
3	Other Non-Restricted Cash Reserve Accounts	19,973	
4	TOTAL AVAILABLE CASH (PER AUDIT)		$ 121,551
SECTION 2			
ADD:			
5	Resident Rent Receivable	$ -0-	
6	Other Resident Charges	-0-	
7	Non-Resident Receivable	4,675	
8	Unadjusted Items-Accounts Receivable	-0-	
9	Subsidy Receivable	-0-	
10	Development Cost Escrow Interest	-0-	
11	Tax/Insurance Escrow Surplus (Deficit)	7,183	
12	Escrow Draws Receivable	-0-	
13	TOTAL ADDITIONS		$ 11,858
14	TOTAL CASH AND ADDITIONS		133,409
SECTION 3			
DEDUCT:			
15	Trade Accounts And Surcharges Payable, Accrued Expenses Liabilities And Other Short-term Operating Liabilities	$ 134,723	
16	Subsidy Payable	-0-	
17	Unadjusted Items-Liabilities	-0-	
18	Unused Authorized Section 236 Excess Income	-0-	
19	Unapproved Section 236 Excess Income Payable to HUD	-0-	
20	Authorized Section 236 Excess Income Payable to HUD	-0-	
21	Approved Undisbursed Limited Dividend (L.D.) Payments	-0-	
22	Prepaid Rent/Unearned Rental Income	-0-	
23	Delinquent Mortgage Principal Payments or Deferred Mortgage Principle Payment as a Result of Mortgage Workout	-0-	
24	Delinquent Interest Payment	-0-	
25	R/R Deferrals, Delinquent MSHDA Loans/ Grants	-0-	
26	Security Deposit Not Funded (Over Funded)	-0-	
27	One Month's Gross Rent Potential	20,364	
28	TOTAL DEDUCTIONS		$ 155,087
29	**SURPLUS FUNDS** (LINE 14 MINUS LINE 28). Insert the actual amount even if it is negative.		$ (21,678)

SUPPLEMENTAL INFORMATION - CONTINUED

December 31, 2010

SECTION 4

30	Replacement Reserve Needs	$ -0-	
31	Subtotal (Line 29 minus Line 30)	(21,678)	
32	Amenity Improvement/Deferred Maintenance Loan	-0-	
33	Subtotal (Line 31 Minus Line 32)	(21,678)	
34	Amount of Workout Repayment Obligations	-0-	
35	Subtotal (Line 33 Minus Line 34)	(21,678)	
36	Amount of MSHDA Subsidy Repayment Obligations	-0-	
37	Subtotal (Line 35 Minus Line 36)	(21,678)	

NOTE: Complete Line 38 for Duvernay Park #1039; Line 39 for The Depot #971; all others go to Line 40.

38	**DUVERNAY PARK -** Surplus cash to be distributed to replacement reserve. (Line 37 if positive, if negative enter -0-)	-0-	
39	**THE DEPOT -** Surplus cash to be distributed to deferred interest (25% of Line 37, if negative enter -0-)	-0-	
40	**SURPLUS FUNDS AVAILABLE FOR DISTRIBUTION (LINE 37 MINUS LINES 38 AND 39)**		$ (21,678)
41	Current Years Maximum Potential L.D. Payment		$ 161,123

NOTE: Complete Lines 42 through 46 only for developments with MSHDA HOME Loans; all others go to Line 47.
Excluding Orianna Ridge #1074 and Rosewood Park #1022, which have no HOME loans due from surplus cash.

SECTION 5

42	HOME Loan Repayment – Step 1	$ -0-	
43	HOME Loan Repayment – Step 2	-0-	
44	Outstanding Balance of MSHDA HOME Loan	-0-	
45	Amount to Be Repaid on MSHDA HOME Loan, if negative enter -0-	-0-	
46	Net Potential L.D. Payment (Line 42 Minus Line 45)	-0-	
47	Subtotal (Line 40 minus Line 41; or Line 40 minus the Sum of Line 45 and Line 46 for HOME loan recipiants)		$ (182,801)
48	Sum of Lines 2 and 10	$ 85,968	
49	**OPERATING RESERVE CASH TO BE SUBMITTED TO MSHDA**: DEDUCT LINE 48 FROM LINE 47. If LINE 47 is negative, insert “0”.		$ -0-

SECTION 6

SUMMARY OF CHECKS AND/OR MSHDA-HELD RESERVE TRANSFERS DUE:

A SEPARATE CHECK AND/OR MSHDA-HELD RESERVE TRANSFER REQUEST MUST BE SUBMITTED FOR EACH AMOUNT REPORTED ON LINES 50 THROUGH 58 WITHIN 120 DAYS AFTER THE DEVELOPMENT'S YEAR-END. PLEASE INDICATE THE PURPOSE ON EACH CHECK OR MSHDA-HELD RESERVE TRANSFER REQUEST. FAILURE TO COMPLY WITH THIS REQUEST WILL AFFECT THE MANAGEMENT AGENT'S ELIGIBILIGY FOR PREMIUM MANAGEMENT FEES.

50	The amount from Line 11, if a deficit (Tax/Insurance Escrow)	$	-0-
51	The lesser of Line 31 or Line 32-Amenity Improvement/Deferred Maintenance Loan (If Line 31 is negative, insert "0")	$	-0-
52	The lesser of Line 33 or Line 34-Workout Repayment Obligations (If Line 33 is negative, insert "0")	$	-0-
53	The lesser of Line 35 or Line 36-MSHDA Subsidy Repayment Obligations (If Line 35 is negative, insert "0")	$	-0-
54	The amount from Line 43 (MSHDA HOME Loan)	$	-0-
55	The amount from Line 47 (Operating Reserve Cash)	$	-0-
56	The lesser or Line 29 or Line 30-Replacement Reserve Needs (If Line 29 is negative, insert “0”).	$	-0-
57	The amount from Line 38 (Replacement Reserve)	$	-0-
58	The amount from Line 39 (Deferred Interest)	$	-0-

Oliver Gardens Limited Dividend Housing Association Limited Partnership
(A Michigan Limited Partnership)
MSHDA Development No.: 3007

SUPPLEMENTAL INFORMATION - CONTINUED

December 31, 2010

OLIVER GARDENS MSHDA NO.3007

SCHEDULE II
FUNDS AVAILABLE FOR DISTRIBUTION
December 31, 2010

1.	OWNER INITIAL EQUITY		$ 1,150,880
1a.	SECTION 8/236 PRESERVATION TRANSACTION		$ -0-
2.	MAXIMUM L.D. PAYMENT:		$ 161,123
3.	CUMULATIVE %	14%	$ 161,123
4.	NON-CUMULATIVE %	0%	$ -0-
	CUT-OFF DATE:	February 11, 2008	

5. SALE/PRESERVATION TRANSACTION

CLOSING DATE:

I.	II.	III.	IV.	V.
YEAR OF OPERATION	SURPLUS FUNDS AVAILABLE FOR DISTRIBUTION	POTENTIAL L.D.	L.D./HOME LOAN PAID	CARRY FORWARD
2008	(31,528)	122,592	0	122,592
2009	(83,207)	149,614	0	272,206
2010	(21,678)	161,123	0	433,329

Reznick Group
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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Partners
Oliver Gardens Limited Dividend Housing Association Limited Partnership

We have audited the financial statements of Oliver Gardens Limited Dividend Housing Association Limited Partnership, MSHDA Development No. 3007, as of and for the year ended December 31, 2010, and have issued our report thereon dated March 25, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Oliver Gardens Limited Dividend Housing Association Limited Partnership's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the entity's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether Oliver Gardens Limited Dividend Housing Association Limited Partnership's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. In addition, we performed tests of compliance with specific provisions of the MSHDA Regulatory Agreement, MSHDA Directives and HUD regulations and procedures included in the HUD subsidy contract, HOME requirements and MSHDA Multifamily Audit Guidelines. However, providing an opinion on compliance with those provisions and requirements was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

We have compared the December 31, 2010 Monthly Income and Expense Report submitted to MSHDA with balances in the financial statements for the year ended December 31, 2010 audited by us and covered by our report dated March 25, 2011. The account balances set forth therein are in material agreement (defined by MSHDA as differences not exceeding 10% and $3,000).

In addition, we have reviewed the trade accounts payable balance listed on Schedule B of the August 2010 Monthly Income and Expense Report submitted to MSHDA: the account balance was in material agreement.

Additionally, no management letter was issued in relation to our audit of the financial statements of Oliver Gardens Limited Dividend Housing Association Limited Partnership as of and for the year ended December 31, 2010.

This report is intended solely for the information and use of the partners, management and the Michigan State Housing Development Authority and is not intended to and should not be used by anyone other than these specified parties.

Reznick Group, P.C.

Skokie, Illinois
March 25, 2011