OLIVER GARDENS LIMITED DIVIDEND HOUSING ASSOCIATION LIMITED PARTNERSHIP
MSHDA DEVELOPMENT NO. 3007

REPORT ON FINANCIAL STATEMENTS
(with supplementary information)

YEARS ENDED DECEMBER 31, 2020 AND 2019

Maner Costerisan
Certified Public Accountants
Business & Technology Advisors

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OLIVER GARDENS LIMITED DIVIDEND HOUSING ASSOCIATION LIMITED PARTNERSHIP

PARTNERS' CERTIFICATION

I hereby certify that I have examined the accompanying financial statements and supplementary information of Oliver Gardens Limited Dividend Housing Association Limited Partnership, 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, 2020.

Douglas E. Fleming

Doug Fleming
Oliver Gardens, LLC, General Partner

Partnership Employer Identification Number: 20-4533000

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INDEPENDENT AUDITOR'S REPORT

To the Partners
Oliver Gardens Limited Dividend Housing Association
Limited Partnership

Report on the Financial Statements

We have audited the accompanying financial statements of Oliver Gardens Limited Dividend Housing Association Limited Partnership, which comprise the balance sheet as of December 31, 2020, and the related statements of profit and loss, changes in partners' deficit, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility 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; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the 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, 2020, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Prior Period Financial Statements

The financial statements of Oliver Gardens Limited Dividend Housing Association Limited Partnership as of December 31, 2019, were audited by other auditors whose report dated February 24, 2020, expressed an unmodified opinion on those statements.

Other Matters

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information, as identified in the table of contents, is presented for purposes of additional analysis and is 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards,* we have also issued our report dated February 25, 2021 on our consideration of Oliver Gardens Limited Dividend Housing Association Limited Partnership's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of Oliver Gardens Limited Dividend Housing Association Limited Partnership's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Oliver Gardens Limited Dividend Housing Association Limited Partnership's internal control over financial reporting and compliance.

Maner Costerisan PC

February 25, 2021

OLIVER GARDENS LIMITED DIVIDEND HOUSING ASSOCIATION
LIMITED PARTNERSHIP
MSHDA DEVELOPMENT NO. 3007
BALANCE SHEETS
DECEMBER 31, 2020 AND 2019

	2020	2019
ASSETS		
Current assets		
Cash and cash equivalents		
Operating	$ -	$ 27,933
Operating reserve	53,516	53,873
Total cash and cash equivalents	53,516	81,806
Accounts receivable		
Resident rent	7,008	4,141
Prepaid expenses	3,626	3,431
Total current assets	64,150	89,378
Restricted cash and funded reserves		
Tenant security deposits	5,248	5,071
Real estate taxes	9,946	9,645
Insurance escrow	8,771	6,680
Replacement reserve	155,908	142,903
Operating assurance reserve	156,396	152,691
Total restricted cash and funded reserves	336,269	316,990
Long-term assets		
Rental property		
Land	685,162	685,162
Building	2,598,659	2,598,659
Site improvements	719,826	719,826
Furniture and fixtures	188,459	188,459
Total rental property	4,192,106	4,192,106
Less accumulated depreciation	(2,096,249)	(1,993,829)
Net rental property	2,095,857	2,198,277
Other assets		
Monitoring fees, net of accumulated amortization of $21,391 and $19,862 in 2020 and 2019, respectively	1,526	3,055
Total long-term assets	2,097,383	2,201,332
TOTAL ASSETS	$ 2,497,802	$ 2,607,700

See notes to financial statements.

	2020	2019
LIABILITIES AND PARTNERS' DEFICIT		
Current liabilities		
Accounts payable		
Operating	$ 7,227	$ 4,703
Utilities	-	6,921
Management fees	5,254	-
Accrued liabilities		
Wages	7,820	-
Payment in lieu of taxes (PILOT)	19,389	18,450
Interest - MSHDA	5,996	-
Checks written against future deposits	2,272	-
Mortgage - MSHDA, current portion	36,404	34,633
Total current liabilities	84,362	64,707
Deposits and prepayment liabilities		
Unearned rental revenue	388	422
Tenant security deposits	5,148	5,100
Total deposits and prepayment liabilities	5,536	5,522
Long-term liabilities		
Mortgages and notes payable		
Mortgage - MSHDA - net of current portion	1,402,596	1,439,000
HOME Loan	170,000	170,000
CDBG Loan	550,000	550,000
Less unamortized debt issuance costs	(27,900)	(29,198)
Net mortgages and notes payable	2,094,696	2,129,802
Loan from partners	300,133	300,133
Accrued interest - related party	46,258	42,828
Accrued interest - HOME and CDBG	23,849	22,139
Deferred interest - MSHDA	119,933	112,644
Developer fee payable	-	405,767
Operating advance from partners	293,868	293,868
Accrued management fees	117,750	115,395
Accrued partnership management fees	130,000	120,000
Accrued asset management fees	82,788	75,445
Total long-term liabilities	3,209,275	3,618,021
TOTAL LIABILITIES	3,299,173	3,688,250
PARTNERS' DEFICIT	(801,371)	(1,080,550)
TOTAL LIABILITIES AND PARTNERS' DEFICIT	$ 2,497,802	$ 2,607,700

See notes to financial statements.

OLIVER GARDENS LIMITED DIVIDEND HOUSING ASSOCIATION
LIMITED PARTNERSHIP
MSHDA DEVELOPMENT NO. 3007
STATEMENTS OF PROFIT AND LOSS
YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020	2019
REVENUE		
Rental revenue		
Apartments	$ 107,817	$ 96,715
Tenant assistance payments	183,303	197,045
Total rental revenue	291,120	293,760
Vacancy loss	(14,152)	(8,377)
Net rental revenue	276,968	285,383
Other revenue		
Interest	8,901	10,668
Tenant charges	350	-
Other	100	-
Total other revenue	9,351	10,668
TOTAL REVENUE	286,319	296,051
EXPENSES		
Administrative	9,977	3,519
Management fee	14,130	14,130
Salaries and wages	8,937	11,041
Audit fee	10,025	9,950
Bad debts	2,739	166
Operating and maintenance	37,412	41,677
Utilities	80,338	86,615
Depreciation and amortization	103,949	141,788
PILOT and other taxes	20,816	18,450
Payroll taxes	684	-
Insurance	13,939	12,929
Interest	92,618	88,434
Partnership management fee	10,000	10,000
Asset management fee	7,343	7,129
TOTAL EXPENSES	412,907	445,828
NET LOSS	$ (126,588)	$ (149,777)

OLIVER GARDENS LIMITED DIVIDEND HOUSING ASSOCIATION LIMITED PARTNERSHIP
MSHDA DEVELOPMENT NO. 3007
STATEMENTS OF PARTNERS' DEFICIT
YEARS ENDED DECEMBER 31, 2020 AND 2019

	Total Partners' Deficit
BALANCE, January 1, 2019	$ (930,773)
Net loss	(149,777)
BALANCE, December 31, 2019	(1,080,550)
Partner contributions	405,767
Net loss	(126,588)
BALANCE, December 31, 2020	$ (801,371)

See notes to financial statements.

OLIVER GARDENS LIMITED DIVIDEND HOUSING ASSOCIATION
LIMITED PARTNERSHIP
MSHDA DEVELOPMENT NO. 3007
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020	2019
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS AND RESTRICTED CASH AND FUNDED RESERVES		
Cash flows from operating activities		
Net loss	$ (126,588)	$ (149,777)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation	102,420	140,260
Amortization	1,529	1,528
Amortization of debt issuance costs	1,298	1,297
Deferred interest - MSHDA	7,289	7,459
Accounts receivable	(2,867)	898
Prepaid expenses	(195)	1,489
Accounts payable	2,524	2,738
Accrued wages and other	3,171	3,213
Accrued PILOT	939	(805)
Accrued interest	11,136	5,099
Accrued management fees	24,952	31,259
Tenant security deposits	48	29
Unearned rental revenue	(34)	(171)
Total adjustments	152,210	194,293
Net cash provided by operating activities	25,622	44,516
Cash flows from financing activities		
Payments on debt	(34,633)	(32,947)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS AND RESTRICTED CASH AND FUNDED RESERVES	(9,011)	11,569
CASH AND CASH EQUIVALENTS AND RESTRICTED CASH AND FUNDED RESERVES		
Beginning of year	398,796	387,227
End of year	$ 389,785	$ 398,796

See notes to financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting - The financial statements of the Partnership are prepared on the accrual basis of accounting and in accordance with generally accepted accounting principles.

Cash and Cash Equivalents - The Partnership's cash and cash equivalents are considered to be cash on hand demand deposits and any unrestricted investment instruments with original maturities of three months or less. As of December 31, 2020 and 2019, cash and cash equivalents consists of operating cash and operating reserve.

Restricted Cash and Funded Reserves - Tenant security deposits, reserve for replacement, reserve for taxes, reserve for insurance, and operating assurance reserve are considered restricted due to restrictions placed on these accounts.

The following table provides a reconciliation of cash and cash equivalents and restricted cash and funded reserves reported within the balance sheets that sum to the total of the same such amounts shown in the statement of cash flows as of December 31:

	2020	2019
Cash and cash equivalents	$ 53,516	$ 81,806
Restricted cash and funded reserves	336,269	316,990
Total cash and cash equivalents and restricted cash and funded reserves	$ 389,785	$ 398,796

Tenant Security Deposits - Partnership maintains accounts for security deposits received from tenants. The cash is restricted for reimbursement of the security deposits unless there is evidence of default by a tenant under the lease agreement. MSHDA regulations provide that tenant security deposits be segregated from the operating cash of the Partnership. All of the $5,148 owed to tenants has been segregated in restricted cash accounts as of December 31, 2020. As of December 31, 2019, there was $5,100 owed to tenants and the security deposit cash account was underfunded by $29.

Tax and Insurance Reserves - Tax and insurance reserves are restricted cash for payments of real estate taxes and insurance. Partnership is required to establish and maintain these reserve accounts. These accounts are used to receive monthly deposits sufficient to pay annual real estate taxes and insurance premiums that are paid from the accounts.

Replacement Reserve - A reserve for replacement is to be funded annually as required by MSHDA.

Operating Reserve - An operating reserve was established to remain in place for the duration of the compliance period. The reserve is to be used for operating expenses and other expenses benefiting the Project.

Operating Assurance Reserve - An operating reserve was established at the time of the initial disbursement of the loan proceeds from MSHDA in an amount equal to four months estimated operating expenses. The reserve may be used for operating shortfalls, replacement reserve needs, or other underfunded escrows and obligations to MSHDA.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Accounts Receivable - Accounts receivable are reported at the amount management expects to collect on balances outstanding at year-end. Accounts receivable represents the Partnership's right to consideration that is unconditional if only the passage of time is required before payment of that consideration is due. 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.

Rental Property and Depreciation - Assets are stated at cost. Depreciation is computed over the estimated useful life of the assets utilizing straight line and accelerated methods for both financial reporting and income tax purposes.

Other Assets - Deferred monitoring fees are amortized over 15 years utilizing the straight-line method commencing in 2007.

Debt Issuance Costs - Debt issuance costs are amortized over 35 years utilizing the straight-line method. Amortization of debt issuance costs is reported in the statements of profit and loss as interest expense.

Income Taxes - The income or loss of the Partnership is reportable by the Partners on their individual federal income tax return. Partnership net revenue is allocated to the Partners per the partnership agreement.

Distributions - The Partnership is subject to restrictions under agreements with the Michigan State Housing Development Authority (MSHDA) as to rental charges, operating policies and distributions to Partners.

Partners' Personal Interests - These statements do not give effect to any assets the Partners may have outside their interests in the business nor to any personal obligations, including income taxes, of the Partners.

Payment in Lieu of Taxes and Other Taxes - The Partnership is a participant in a tax abatement program with the City of Lansing providing for payment of a service fee in lieu of regular property taxes. The service fee is computed as 10% of annual shelter rents collected less utility expenses. The payments are expensed in the year in which the related rental income and utilities expense is recognized.

Advertising Costs - Advertising costs are expensed as incurred.

Impairment - The Partnership reviews its investment in rental property for impairment whenever events or changes in circumstances indicate that the carrying value of such property may not be recoverable. For assets held and used, if management's estimate of the aggregate future cash flows to be generated by the property, undiscounted and without interest charges, by the rental property including the low income housing tax credits and any estimated proceeds from the eventual disposition of the real estate are less than their carrying amounts, 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. The determination of undiscounted cash flows requires significant estimates by management. Subsequent changes in estimated undiscounted cash flows could impact the determination of whether impairment exists. No impairment loss has been recognized during the years ended December 31, 2020 and 2019.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Unearned Rental Revenue - The Partnership records unearned revenue when cash payments are received or due in advance of the Partnership's performance, including amounts which are refundable.

Revenue Recognition - The Partnership recognized net rental revenue in the period in which the rent is earned. Revenue received from contracts with tenants for housing and related services is recorded over the period of the lease term. Performance obligations identified in the contracts are satisfied on a monthly basis as housing and other services are provided to each tenant. Revenue is recognized in an amount that reflects consideration the Partnership expects to be entitled to in exchange for the housing and other related services provided. In accordance with the industry reporting practices, net rental revenue represents total possible rent revenue as if all units are 100% occupied during the year, less vacancy loss and concessions and loss to lease.

The following schedule shows the Partnership's revenues disaggregated according to the timing of transfer of goods or services for the years ended December 31:

	2020	2019
Contract revenue recognized at a point in time		
Resident charges	$ 450	$ -
Contract revenue recognized over time		
Net rental revenue	276,968	285,383
Total contract revenue	277,418	285,383
Interest revenue	8,901	10,668
Total revenue	$ 286,319	$ 296,051

Reclassification - Certain accounts in the prior year financial statements have been reclassified for comparative purposes to confirm with the presentation in the current year financial statements.

NOTE 2 - NATURE OF ORGANIZATION, RISKS, AND UNCERTAINTIES

Oliver Gardens Limited Dividend Housing Association Limited Partnership (the Partnership) was organized in 2006 as a limited partnership exclusively to acquire, rehabilitate, maintain, and operate a 30-unit rental housing project for persons of low and moderate income. Occupancy of the units began in 2007. The project is located in Lansing, Michigan. The major activities of the Partnership, including rental rates, are governed by the partnership agreement and Michigan State Housing Development Authority (MSHDA).

Pursuant to the limited partnership agreement, effective June 30, 2006 the Partnership's profit and loss is allocated, other than special allocations, as follows:

	Profit	Loss
General partner		
Oliver Gardens, LLC	0.01%	0.01%
Limited partner		
NEF Assignment Corporation	99.99%	99.99%

NOTE 2 - NATURE OF ORGANIZATION, RISKS, AND UNCERTAINTIES (continued)

The Partnership is required to disclose significant concentrations of credit risk regardless of the degree of such risk. Financial instruments which potentially subject the Partnership to concentrations of credit risk consist principally of temporary cash investments.

The Partnership places its temporary cash investments with FDIC insured financial institutions and MSHDA. Although such investments and cash balances may exceed the federally insured limits at certain times during the year and at year-end they are, in the opinion of management, subject to minimal risk.

The Partnership evaluates events and transactions that occur after year end for potential recognition or disclosure in the financial statements. These subsequent events have been considered through February 25, 2021, which is the date the financial statements were available to be issued.

In the preparation of tax returns, tax positions are taken based on interpretation of federal, state, and local income tax laws. Management periodically reviews and evaluates the status of uncertain tax positions and makes estimates of amounts, including interest and penalties, ultimately due or owed. No amounts have been identified, or recorded, as uncertain tax positions. Federal, state, and local tax returns generally remain open for examination by the various taxing authorities for a period of three to four years.

The extent of the impact of COVID-19 on operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, impact on tenants, employees, and vendors, all of which are uncertain and cannot be predicted. At this point, the extent to which COVID-19 may impact the financial condition and results of operations is uncertain. On January 20, 2021, the Center for Disease Control and Prevention (CDC) extended the federal moratorium on tenant evictions until March 31, 2021.

The process of preparing financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of 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 revenues and expenses during the reporting period. Actual results may differ from estimated amounts.

NOTE 3 - CONTRACT ASSETS AND CONTRACT LIABILITIES

Opening and closing balances of accounts receivable, unearned rental revenue, and tenant security deposits liability consist of the following as of December 31:

	2020	2019
Contract assets:		
Accounts receivable - resident rent, beginning of year	$ 4,141	$ 3,240
Accounts receivable - resident rent, end of year	$ 7,008	$ 4,141
Contract liabilities:		
Unearned rental revenue, beginning of year	$ 422	$ 593
Unearned rental revenue, end of year	$ 388	$ 422
Tenant security deposits liability, beginning of year	$ 5,100	$ 5,071
Tenant security deposits liability, end of year	$ 5,148	$ 5,100

NOTE 4 – MORTGAGES AND NOTES PAYABLE

Mortgages and notes payable at December 31 consists of the following:

	2020	2019
First mortgage dated October 17, 2006, held by MSHDA in the original amount of $1,775,482. Interest accrues at a rate of 5.5%, although an amount equal to 0.5% is deferred until the principal portion of the mortgage is paid in full. Monthly payments of principal and interest are $8,961. Total interest incurred in 2020 and 2019 was $86,180 and $82,039, respectively. The total amount deferred was $7,289 and $7,459 in 2020 and 2019, respectively. Deferred interest of $119,933 and $112,644 remained payable at December 31, 2020 and 2019, respectively. The note is secured by land and substantially all property owned by the Partnership and matures on February 1, 2043.	$ 1,439,000	$ 1,473,633
CDBG loan, originally dated May 31, 2006, was assigned to and assumed by the Partnership. The loan is held by the City of Lansing, Michigan under the Community Development Block Grant Program in the amount of $550,000. The loan bears interest at 0.5%, compounded annually, on $150,000 of the loan. Accrued interest of $11,179 and $10,377 remained payable at December 31, 2020 and 2019, respectively. No principal or interest is due until the loan matures in full on May 2, 2046. The loan is secured by land and substantially all property owned by the Partnership.	550,000	550,000
HOME loan, originally dated June 1, 2006, was assigned to and assumed by the Partnership. The loan is held by the City of Lansing, Michigan under the HOME Investments Partnership Program in the amount of $170,000. The loan bears interest at 0.5%, compunded annually. Accrued interest of $12,670 and $11,762 remained payable at December 31, 2020 and 2019, respectively. No principal or interest is due until the loan matures in full on December 31, 2041. The note is secured by land and substantially all property owned by the Partnership.	170,000	170,000
Total	2,159,000	2,193,633
Less current portion	(36,404)	(34,633)
	$ 2,122,596	$ 2,159,000

The fair value of the mortgages and notes payable is estimated based on the current rates offered to the Partnership for debt of the same remaining maturities. At December 31, 2020 and 2019, the fair value of the mortgages and notes payable approximates the amounts recorded in the financial statements.

NOTE 4 – MORTGAGES AND NOTES PAYABLE (continued)

The mortgages and notes payable mature as follows:

Year Ending December 31,	
2021	$ 36,404
2022	38,267
2023	40,225
2024	42,283
2025	44,446
2026 and thereafter	1,957,375
	$ 2,159,000

NOTE 5 - SUPPLEMENTAL CASH FLOW INFORMATION

Supplemental cash flow information for the year ended December 31 are as follows:

	2020	2019
Cash paid during the year for interest	$ 72,895	$ 74,580

NOTE 6 - RELATED PARTY TRANSACTIONS

The following are descriptions of transactions with related parties and identity of interest companies as defined by MSHDA guidelines.

Note Payable

The Partnership has a loan with Lansing Housing Commission, an affiliate of the General Partner, originally dated December 31, 2007. The loan bears interest at 1%, compounded annually. Interest expense for the years ended December 31, 2020 and 2019 was $3,430 and $3,396, respectively. Accrued interest of $46,258 and $42,828 remained payable at December 31, 2020 and 2019, respectively. No principal or interest is due until the loan matures on January 1, 2048. The note is secured by land and substantially all real property owned by the Partnership. The balance of the note payable was $300,133 for the years ended December 31, 2020 and 2019.

NOTE 6 - RELATED PARTY TRANSACTIONS (continued)

Management Fees

The Partnership entered into a property management agreement with Lansing Housing Commission, an affiliate of the General Partner. For the years ended December 31, 2020 and 2019, the maximum management fee allowed was up to $534 per unit per year, as defined by MSHDA. Beginning March 1, 2020, the Property was no longer managed by Lansing Housing Commission. Management fees incurred and owed to Lansing Housing Commission for the years ended December 31, 2020 and 2019 were $2,355 and $14,130, respectively. No management fees were paid to Lansing Housing Commission during 2020 or 2019. As of December 31, 2020 and 2019, accrued management fees owed to Lansing Housing Commission were $117,750 and $115,395, respectively.

Asset Management Fees

According to the partnership agreement, the Limited Partner is entitled to a cumulative annual asset management fee of $5,000 per annum, increasing 3% annually. For the years ended December 31, 2020 and 2019, the Partnership incurred asset management fee expense of $7,343 and $7,129, respectively. No asset management fees were paid during 2020 or 2019. As of December 31, 2020 and 2019, accrued asset management fees were $82,788 and $75,445, respectively.

Partnership Management Fees

According to the partnership agreement, the General Partner is entitled to a cumulative annual partnership management fee of $10,000 per annum. For the years ended December 31, 2020 and 2019, the Partnership incurred partnership management fee expense of $10,000. As of December 31, 2020 and 2019, accrued partnership management fees were $130,000 and $120,000, respectively.

Related Party 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, 2020 and 2019 were $0 and $6,010, respectively. As of December 31, 2020 and 2019, $293,868 remains payable. The advances are non-interest bearing, and payable from surplus cash, as defined in the regulatory agreement.

Developer Fee

The Partnership has incurred a developer fee to LHC Non-Profit Development Corporation, an affiliate of the General Partner, in the amount of $561,993 for overseeing the construction and development of the project. As required by the development agreement, the general partner was required to make a capital contribution of $405,767, sufficient to satisfy the remaining portion of the developer fee, which in turn was immediately payable to the developer for the year ended December 31, 2020. For statement of cash flow purposes this was considered a non-cash transaction.

NOTE 6 - RELATED PARTY TRANSACTIONS (continued)

Related party transactions for the year ending December 31, 2020 are summarized as follows:

2020								
Name of Related Party	Relationship	Brief Description of Work/Services Performed	Partnership or Operating Account	Balance, 12/31/2019	2020 Services Invoiced	2020 Payments	Balance, 12/31/2020	Terms of Settlement
Lansing Housing Commission	Affiliate of general partner	Note payable	Operating	$ 300,133	$ -	$ -	$ 300,133	Long-term payable
NEF Assignment Corporation	Limited partner	Asset management fees	Partnership	75,445	7,343	-	82,788	Payable from surplus
Lansing Housing Commission	Affiliate of general partner	Management fees	Operating	115,395	2,355	-	117,750	Payable from surplus cash
Oliver Gardens, LLC	General partner	Partnership management fees	Partnership	120,000	10,000	-	130,000	Payable from surplus cash
Lansing Housing Commission	Affiliate of general partner	Operating advance	Operating	293,868	-	-	293,868	Payable from surplus cash
LHC Non-Profit Development Corporation	Affiliate of general partner	Developer fee	Partnership	405,767	-	(405,767)	-	Settled

NOTE 6 - RELATED PARTY TRANSACTIONS (continued)

Related party transactions for the year ending December 31, 2019 are summarized as follows:

2019

Name of Related Party	Relationship	Brief Description of Work/Services Performed	Partnership or Operating Account	Balance, 12/31/2018	2019 Services Invoiced	2019 Payments	Balance, 12/31/2019	Terms of Settlement
Lansing Housing Commission	Affiliate of general partner	Note payable	Operating	$ 300,133	$ -	$ -	$ 300,133	Long-term payable
NEF Assignment Corporation	Limited partner	Asset management fees	Partnership	68,316	7,129	-	75,445	Payable from surplus
Lansing Housing Commission	Affiliate of general partner	Management fees	Operating	101,265	14,130	-	115,395	Payable from surplus cash
Oliver Gardens, LLC	General partner	Partnership management fees	Partnership	110,000	10,000	-	120,000	Payable from surplus cash
Lansing Housing Commission	Affiliate of general partner	Operating advance	Operating	287,858	6,010	-	293,868	Payable from surplus cash
LHC Non-Profit Development Corporation	Affiliate of general partner	Developer fee	Partnership	405,767	-	-	405,767	Payable from surplus cash

NOTE 7 - DISTRIBUTION OF CASH FLOW

In accordance with the partnership agreement, cash flow shall be distributed in the following order and priority:

(i) First, to the Limited Partner to the extent of any amount that the Limited Partner is entitled to receive to satisfy any payment required pursuant to the credit adjusters section in the partnership agreement.
(ii) Second, to the developer to pay any unpaid balance on the deferred development fee.
(iii) Third, payment of any accrued and payable asset management fees to the asset manager.
(iv) Fourth, to the operating reserve account until such time as the account is equal to the operating reserve target amount.
(v) Fifth, to pay any accrued and unpaid interest and unpaid principal on loans made by the Limited Partner.
(vi) Sixth, to pay any accrued and unpaid interest and unpaid principal on loans made by the General Partner.

NOTE 7 - DISTRIBUTION OF CASH FLOW (continued)

(vii) Seventh, to the General Partner (in order of loans made, with earlier loans repaid in full before subsequent loans are repaid) to repay any amounts treated as loans to the Partnership (without interest) by the General Partner pursuant to the partnership agreement.
(viii) Eighth, a total of $10,000 to the General Partner as a partnership management fee, on a cumulative basis.
(ix) Ninth, if any remaining cash flow shall be distributed, it is distributable 80% to the General Partner and 20% to the Limited Partner.

NOTE 8 - CURRENT VULNERABILITY DUE TO CERTAIN CONCENTRATIONS

The Partnership’s operations are concentrated in the real estate rental market. In addition, the Partnership operates in a heavily regulated environment. The operations of the project are subject to administrative directives, rules and regulations of federal, state and local agencies, including, but not limited to MSHDA. Such administrative directives, rules and regulations are subject to change by an act of Congress or an administrative change mandated by MSHDA. Such changes may occur with little notice or inadequate funding to pay the related cost, including the additional administrative burden, to comply with a change.

NOTE 9 - 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 10 - CARES ACT

The Partnership did not receive financial relief funds established by the CARES Act, either directly or indirectly, during the year ended December 31, 2020.

SUPPLEMENTARY INFORMATION

SCHEDULE OF DIFFERENCES TO
MONTHLY INCOME AND EXPENDITURE REPORTS
DECEMBER 31, 2020

Compliance Variance Notes

Account Balance Variances

Account 1 **Accrued Expenses (L2)**

If "Other" selected above, provide name of account

RECONCILIATION

Balance per MIE:	6,921
Balance per Balance Sheet or Income Statement:	0
Variance	6,921
Variance Percentage	692100.00%

Balance per MIE:		6,921
Reconciling Items:		
	Amounts	
Audit AJE	(6,921)	
Total Adjustments:		(6,921)
Balance Per Balance Sheet or Income Statement:		0

Explanation:

Adjusting entry was made to remove old utility payable that was carried over from prior management company.

SCHEDULE OF DIFFERENCES TO
MONTHLY INCOME AND EXPENDITURE REPORTS
DECEMBER 31, 2020

Account 2 **Deferred Developer Fee Payable (PL1)**

If "Other" selected above, provide name of account

RECONCILIATION

Balance per MIE: 405,767

Balance per Balance Sheet or Income Statement: 0

Variance 405,767

Variance Percentage ############

Balance per MIE: 405,767

Reconciling Items:

	Amounts
AJE for deemed contribution from GP	(405,767)

Total Adjustments: (405,767)

Balance Per Balance Sheet or Income Statement: 0

Explanation:

Adjusting entry was made to record a contribution from the GP to satisfy outstanding balance of deferred developer fee as required by development agreement.

SCHEDULE OF DIFFERENCES TO MONTHLY INCOME AND EXPENDITURE REPORTS

DECEMBER 31, 2020

Account 3 **Vacancy Loss (1b)**

If "Other" selected above, provide name of account

RECONCILIATION

Balance per MIE:	23,905
Balance Per Balance Sheet or Income Statement:	14,152
Variance	9,753
Variance Percentage	68.92%

Balance per MIE:		23,905
Reconciling Items:		
	Amounts	
Reclass balance received from prior tenant	(9,758)	
Misc other adjustment	5	
Total Adjustments:		(9,753)
Balance Per Balance Sheet or Income Statement:		14,152

Explanation:

Entry was made to reclassify payment made on balance owed from prior tenant that was initially recorded to other income.

SCHEDULE OF DIFFERENCES TO
MONTHLY INCOME AND EXPENDITURE REPORTS
DECEMBER 31, 2020

Account 4 **Other Income - Other (2i)**

If "Other" selected above, provide name of account

RECONCILIATION

Balance per MIE:	10,158
Balance Per Balance Sheet or Income Statement:	100
Variance	10,058
Variance Percentage	10058.00%

Balance per MIE: 10,158

Reconciling Items:

	Amounts
Reclass balance received from prior tenant	(9,758)
Misc other adjustment	(300)

Total Adjustments: (10,058)

Balance Per Balance Sheet or Income Statement: 100

Explanation:

Entry was made to reclassify payment made on balance owed from prior tenant that was initially recorded to other income.

OLIVER GARDENS

MSHDA NO. 3007

SCHEDULE I

FUNDS AVAILABLE FOR DISTRIBUTION

December 31, 2020

SECTION 1

1	Operating Cash	$ -0-	
2	MSHDA-Held Operating Reserve Account	53,516	
3	Other Non-Restricted Cash Reserve Accounts	-0-	
4	TOTAL AVAILABLE CASH (PER AUDIT) (ADD Lines 1 through Line 3)		$ 53,516

SECTION 2

ADD:

5	Resident Rent Receivable	$ 7,008	
6	Other Resident Charges	-0-	
7	Non-Resident Receivable	-0-	
8	Unadjusted Items-Accounts Receivable	-0-	
9	Subsidy Receivable	-0-	
10	Development Cost Escrow Interest	-0-	
11	Tax/Insurance Escrow Surplus (Deficit)	-0-	
12	Escrow Draws Receivable	-0-	
13	TOTAL ADDITIONS (ADD Lines 5 through Line 12)		$ 7,008
14	TOTAL CASH AND ADDITIONS (Line 4 PLUS Line 13)		60,524

SECTION 3

DEDUCT:

15	Trade Accounts And Surcharges Payable, Accrued Expenses Liabilities And Other Short-term Operating Liabilities	$ 322,706	
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	388	
23	Delinquent Mortgage Principal Payments or Deferred Mortgage Principle Payment as a Result of Mortgage Workout	-0-	
24	Delinquent Interest Payment or Deferred Mortgage Interest Payment as a Result of Mortgage Workout	-0-	
25	R/R Deferrals, Delinquent MSHDA Loans/Grants	-0-	
26	Security Deposit Not Funded (Over Funded)	(100)	
27	One Month's Gross Rent Potential	24,260	
28	TOTAL DEDUCTIONS (ADD Lines 15 through 27)		$ 347,254

29	**SURPLUS FUNDS** (Line 14 MINUS Line 28). Insert the actual amount even if it is negative.		$ (286,730)

SECTION 4

30	Replacement Reserve Needs	$ 306,387	
31	Subtotal (Line 29 MINUS Line 30)	(593,117)	
32	Amenity Improvement/Deferred Maintenance Loan	-0-	
33	Subtotal (Line 31 MINUS Line 32)	(593,117)	
34	Amount of Workout Repayment Obligations	-0-	
35	Subtotal (Line 33 MINUS Line 34)	(593,117)	
36	Amount of MSHDA Subsidy Repayment Obligations	-0-	
37	Subtotal (Line 35 MINUS Line 36)	(593,117)	

The following developments have additional surplus cash repayment requirements as identified on Lines 38-41. All others go to Line 42.

Duvernay Park #1039
The Depot #971
Maplewood Manor #3180

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	**MAPLEWOOD MANOR #3180** (25%) **OR VILLAGE OF APPLEDORN #3539** (50%)**-** % of Outstanding Balance of Preservation Fund Loan	-0-	
41	**MAPLEWOOD MANOR #3180 OR VILLAGE OF APPLEDORN #3539 -** Surplus cash to be distributed to Preservation Fund Loan (Less of Line 37 or Line 40, if Line 37 negative enter -0-)	-0-	
42	**SURPLUS FUNDS** (LINE 37 MINUS LINES 38, 39 AND 41)		$ (593,117)

All properties with MSHDA HOME Loans complete Lines 43 and 44. All others go to Line 45.

SECTION 5

43	Outstanding Balance of MSHDA HOME Loan	-0-	
44	Amount to be Repaid on HOME Loan Enter 25% Line 42, or if Line 42 is negative enter -0-. Lakewood Manor #924 is required to submit 60% The following are NOT required to submit HOME loan payments from surplus cash: Gardenview Estates #3181 Orianna Ridge #1074 Research Park #300 Rosewood Park #1022 Rouge Woods #3223 The Depot #971	-0-	
45	**SURPLUS FUNDS AVAILABLE FOR DISTRIBUTION (LINE 42 MINUS LINE 44)**		$ (593,117)
46	Current Years Maximum Potential L.D. Payment		276,211
47	Subtotal (Line 45 MINUS Line 46)		(869,328)
48	Sum of Lines 2 and 10	$ 53,516	
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 59 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 ELIGIBILITY 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 44 (MSHDA HOME Loan)	$	-0-
55	The amount from Line 49 (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-
59	The amount from Line 41 (Preservation Fund Loan)	$	-0-

OLIVER GARDENS MSHDA NO.3007

SCHEDULE II
FUNDS AVAILABLE FOR DISTRIBUTION
December 31, 2020

1.	OWNER INITIAL EQUITY		$ 1,150,880
1a.	SECTION 8/236 PRESERVATION		$ -0-
2.	MAXIMUM L.D. PAYMENT:		$ 276,211
3.	CUMULATIVE %	24%	$ 276,211
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	AVAILABLE FOR DISTRIBUTION	POTENTIAL L.D.	L.D. 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
2011	(70,288)	161,123	0	594,452
2012	(98,798)	184,141	0	778,593
2013	(64,204)	195,650	0	974,243
2014	(14,414)	207,158	0	1,181,401
2015	(64,160)	218,667	0	1,400,068
2016	(513,747)	230,176	0	1,630,244
2017	(926,715)	241,685	0	1,871,929
2018	(993,076)	253,194	0	2,125,123
2019	(1,034,491)	264,702	0	2,389,825
2020	(593,117)	276,211	0	2,666,036

	A	C	D	E	F	G	H	K	L	M	N	O
1	**SCHEDULE I - INPUT**				**YES**		Are all account variances reconciled, Schedule 2, and Surplus Fu					
2	NAME:	OLIVER GARDENS			4		Number of account variances from 'Variances' tab (cell J103 of 'V					
3	NO:	3007			4		Number of reconciliations on 'Compliance' tab					
4	PARTNERSHIP NAME:	Oliver Gardens LDHA LP			0		Number of Schedule 2 variances (cell I122 on 'Variances' tab)and					
5	YE:	December 31, 2020			YES		Surplus Funds Detail and Variance Reconciliation (cell C10,C16,					
6	Schedule 1	1										
7	**CONTACT INFORMATION**				Unqualified		Audit Opinion					
8		ACCOUNTING FIRM			Accrual Basis		Basis of Accounting					
9	Firm Name	Maner Costerisan			NO		Was a management letter issued?					
10	Contact Name	Keith Pfeifle					Compliance Report					
11	Phone Number	(517) 323-7500			NO		Were any material weaknesses noted in internal control?					
12	Email Address	kpfeifle@manercpa.com			InternalControlWeakne		If yes, click cell to left to provide explanation that is noted in repor					
13		MANAGEMENT AGENT			YES		If material weaknesses were noted, was explanation provided?					
14	Name	Michigan Asset Group LLC			YES		Were noncompliance issues noted?					
15	Contact Name	Matt Hanna			Account Bal Variance(s)		If yes, what type of issues?					
16	Phone Number	(517)580-3445			AcctBalVariances		Select cell to left to enter Account Balance Variances					
17	Email Address	matt@miasset.com			OtherNonCompliance		Select cell to left to enter Account Balance Variances					
18		OWNER			YES		If noncompliance issues were noted, was explanation provided?					
19	Name	Oliver Gardens, LLC										
20	Contact Name	Doug Fleming										
21	Phone Number	(517)487-6550										
22	Email Address	DFleming@lanshc.org										
23												
24												
25	**Line # From Sch 1and/or 2**	**BALANCE SHEET**	**Amount**		****** If you have a line item that is not included on the balance sheet, but you need to enter it to have the schedule 1 calculate correctly, select an "X" in column E next to the applicable line item. If you have the "X" selected, the total will not be included in the total assets or liabilities.**							
26												
27		**Assets**										
28												
29		**Cash**										
30	1	**General Operating Cash**			**PAYMENT SUMMARY**							
31		**Security Deposit Cash**	5,248		0		Tax & Insurance Escrow Deficit					
32	2	**MSHDA-Held Operating Reserve Cash**	53,516		0		Amenity Improvement/Deferred Maintenance Loan					
33	3	Other Non-Restricted Cash Reserve Accounts			0		Workout Repayment Obligations					
34		Partnership Cash			0		HOME Loan					
35					0		HOME Preservation Initiative Loan or Preservation Loan					
36		**Escrows**			0		Repayable Subsidy Payable					
37		**MSHDA-Held Replacement Reserve**	155,908		0		Small Size/Security Loan					
38		**MSHDA-Held Tax Escrow**	9,946		0		Operating Reserve Cash					
39		**MSHDA-Held Insurance Escrow**	8,771		0		Replacement Reserve Needs/Replacement Reserve					
40		**DCE Principal**			0		MSHDA Subsidy Repayment Obligation					
41	10	**Development Cost Escrow Interest**			0		Deferred Mortgage Interest					
42		Operating Assurance Reserve (OAR)	156,396		0		Deferred Mortgage Principal					
43		Sinking Fund			0		Second or Third Mortgage					
44		Operating Reserve			0		Operating Assurance Reserve (OAR)					
45		Subordinate Debt Payment Reserve			0		Subordinate Debt Payment Reserve					
46		Operating Deficit Reserve (ODR)			0		TCAP Interest and/or Principal					
47		Transition and Stabilization Reserve			0		Operating Deficit Reserve (ODR)					
48		New Reg Residual Receipts										
49		New Reg Threshold										
50		Other Escrows			0		Service Fund					
51					0		NSP Loan Payment					
52		**Accounts Receivable**			0		Community Development Fund					
53	5	**Resident Rent Receivable**	7,008		0		NR4 - Threshold					
54	6	**Other Resident Charges**			0		ResRec					
55	12	**Escrow Draws Receivable**										
56	5	**Allowance for Doubtful Accounts**										
57	7	**Laundry and Carport Receivable**										
58		**Commercial Income Receivable**										
59		**Interest Income Receivable**										
60	7	**Receivable from Other Developments**										
61	6	**Other Current Resident Receivable**										
62	7	**Non-Resident Receivable**										
63	9	**HUD Subsidy Receivable**			INSTRUCTIONS:							
64	9	**MSHDA Subsidy Receivable - Tenant Based**			All yellow shaded cells are entry fields.							
65	9	**MSHDA Subsidy Receivable - Development Based**			All blue shaded cells are accounts that are used in the Schedule 1.							
66	9	**Other Subsidy Receivable**			The numbers in Column A are the corresponding line numbers from the Schedule 1.							
67	7	**Related Party Receivable**			All bolded accounts are to be separated and not grouped with others.							
68		**Partnership**										
69		**Other Receivables**			Select the developments in the pull down list in cell "C2". When you have the development name selected, the corresponding MSHDA Number and Schedule 1 will be automatically							
70												

	A	C	D	E	F	G	H	K	L	M	N	O
71		**Other Current Asset**			Enter the applicable year end in cell "C5". Enter the applicable contact information, and accounting basis and internal control and compliance information in the yellow cells. The Schedules will automatically calculate on the Schedule 1, Schedule 2, and Schedule 3 tabs. The prior year Schedule 2 information will automatically fill if you enter the prior year detail in the bottom section of the Input tab. After you have completed the worksheet verify there are no "Not Acceptable" errors in the following section. **NOTE: This is not all of the items that will be checked by the asset manager.**							
72		**Prepaid Expenses - Partnership**										
73		**Prepaid Expenses - Operating**	3,626									
74												
75		**Investment in Rental Property**										
76		Land	685,162									
77		Building	2,598,659									
78		Building Improvements										
79		Land Improvements	719,826									
80		Furniture & Fixtures	188,459									
81		Equipment & Vehicles										
82		Accumulated Depreciation	(2,096,249)									
83					**Following are checks that the worksheet is entered correctly. If an item shows "Not Acceptable", view comment on cell for an explanation of the error.**							
84		**Other Assets**										
85		Deferred Mortgage Costs, net of amortization			Acceptable		Partnership Name, Year End & Contact Information					
86		Organizational Costs, net of amortization	1,526		Acceptable		Internal Control and Compliance Letter Detail					
87		Syndication Costs, net of amortization			Acceptable		Assets = Liabilities & Owner's Equity					
88		Monitoring Fees, net of amortization			Acceptable		Rent Potential					
89		Deposits			Acceptable		Repayable Subsidy					
90					Acceptable		Small Size Loan					
91		**TOTAL ASSETS**	**2,497,802**		Acceptable		Security Loan					
92					Acceptable		HOME Preservation Loan					
93		**Liabilities & Owner's Equity**			Acceptable		Schedule 1-B Information (Cash Flow Question)					
94					Acceptable		Schedule 1-B & 1-D Surplus Cash Allocation					
95		**Accounts Payable & Accrued Expenses**			Acceptable		Schedule 2 Cut-off Date					
96	15	**General Trade Payables**	20,301		Acceptable		Schedule 2 Owner's Equity					
97		**Construction Payables**			Acceptable		Schedule 2 Cumulative LD					
98		**Partnership Payables**			Acceptable		Schedule 2 Non-Cumulative LD					
99	15	Payroll Payable			Acceptable		Current Year Cumulative Carryforward					
100	15	**Management Fees Payable**										
101	15	Utilities Payable										
102	15	**Auditing Fees Payable**										
103	15	**Short-term Notes Payable - operating**										
104		**Short-term Notes Payable - partnership**										
105	15	**Payable to Other Developments**										
106		**Short-Term Related Party Advances/Liabilities**	46,258									
107	15	**Owner Advances - operating**	300,133									
108		**Owner Advances - operating - Non-repayable**	293,868									
109		**Owner Advances - partnership**										
110	15	Surcharges Payable										
111	15	**Related Party Payable**										
112	16	**HUD Subsidy Payable**										
113	0	**Repayable Subsidy**										
114	16	**MSHDA Resident-Based Subsidy Payable**										
115	16	**Other Subsidy Payable**										
116	22	**Unearned Rental Income - operating**	388									
117		**Unearned Rental Income - congregate care**										
118		Current Mortgage Interest - MSHDA	5,996									
119		Current Mortgage Interest - HOME	12,670									
120		Current Mortgage Interest - Other	11,179									
121	24	**Delinquent Mortgage Interest Payments**										
122	23	**Delinquent Mortgage Principal Payments**										
123	24	**Deferred Mortgage Interest Payments Due to Mortgage Workout (or if Sch 1-J, HOME interest)**										
124	23	**Deferred Mortgage Principal Payments Due to Mortgage Workout (or if Sch 1-J, deferred HOME principal)**										
125		Real Estate Taxes	19,389									
126		**Security Deposit Liability**	5,148									
127		Current Portion of Mortgages	36,404									
128		**Developer Fees Payable**										
129		Other Accrued Liabilities - operating (not included on Schedule 1)										
130	15	Other Accrued Liabilities - operating	2,272									
131		Other Accrued Liabilities - partnership	932,788									
132												
133		**Long-term Liabilities**										
134		Long-term Portion of First Mortgage	1,374,696									
135		**Deferred Interest on Second and/or Third Mortgage**										
136		**Accrued Principal on Second and/or Third Mortgage**										

	A	C	D	E	F	G	H	K	L	M	N	O
137	43	**MSHDA HOME Loan**			***** Only include HOME loans that were processed through MHSD**							
138	0	**HOME Perservation Initiative Loan**										
139	32	**Amenity Improvement/Deferred Maintenance Loan**										
140	0	**Small Size Loan**										
141	0	**Security Loan**										
142	0	**Preservation Fund Loan**										
143		**TCAP Loan**										
144		**Deferred Interest on HOME,TCAP, or Preservation Loan**	119,933									
145		**1602 Loan**										
146	0	**NSP Loan**										
147		Other Long-term Liabilities (L11 from MIE Balance Sheet tab)	117,750									
148		Other Long-term Liabilities (L12 from MIE Balance Sheet tab)										
149												
150		Owners' Equity	(801,371)									
151												
152		**TOTAL LIABILITIES & OWNERS' EQUITY**	**2,497,802**									
153												
154												
155												
156		**INCOME STATEMENT INFORMATION**										
157		**INCOME:**										
158		RENTAL INCOME										
159		Apartments	107,817									
160		**MSHDA Subsidy Income**	183,303									
161		**HAP Subsidy Income**										
162		**Other Subsidy Income**										
163		Total Rent Potential	291,120									
164		**Vacancy Loss**	14,152									
165		Net Rental Revenue	276,968									
166		OTHER INCOME										
167		Carport Income										
168		Sec 236 Interest Subsidy										
169		Interest Income	8,901									
170		Laundry Income										
171		Tenant Charges	350									
172		**Congregate Services Income**										
173		Commercial Income										
174		Other Income	100									
175		Total Other Income	9,351									
176		TOTAL INCOME	286,319									
177												
178		**EXPENSES:**										
179		**Management Fees (Development's Operating Account)**	14,130									
180		**Management Fees (Partnership's Operating Account)**										
181		**Premium Management Fees**										
182		COE Salaries & Travel										
183		Marketing										
184		Legal										
185		Marketing Rent Concession										
186		Rent Free Units										
187		General Administrative	7,426									
188		Payroll - Marketing										
189		Payroll - Administrative	6,516									
190		Payroll - Maintenance	2,421									
191		Payroll - Janitorial	335									
192		Payroll - Grounds										
193		Payroll - Security										
194		Payroll Benefits	2,280									
195		Payroll Taxes	684									
196		Bad Debt	2,739									
197		Audit Fees	10,025									
198		Miscellaneous Administrative (from 7k on MIE)	271									
199		Utilities	80,338									
200		Operating & Maintenance	37,077									
201		Property Taxes	20,816									
202		Interest	92,618									
203		Insurance	13,939									
204		Regulatory and Bond Fees										
205		ARRA Regulatory Fees										
206		Depreciation & Amortization	103,949									
207		Partnership Expenses	17,343									
208		**Congregate Services Expense**										
209		Other										
210		Total Expenses	412,907									
211		**NET INCOME/LOSS**	**(126,588)**									
212												

	A	C	D	E	F	G	H	K	L	M	N	O
213		**Developer Fees Info (Only Applicable to Schedule 1-J and 1-K, and 1-Q)**										
214	0	Deferred Developer Fees Beginning Balance	405,767									
215	0	Developer Fees Paid in Current Year	405,767									
216	0	Developer Fees Waived in Current Year										
217	0	Deferred Developer Fees Ending Balance	0									
218	0	CARRINGTON PLACE only: Amount to amortize principal balance										
219												
220		**Proforma Information(Only Applicable to Schedule 1-A, 1-J, 1-K, 1-L, and 1-Q)**										
221	0	Prior Years Cumulative ODR Draws										
222	0	Prior Year ODR Payments Made from Surplus Cash										
223	0	Current Year ODR Draws										
224	0	Cumulative Allowable ODR Draws - "Total 1.0 DCR and Maintained DCR"										
227												
228		**SECTION 236 EXCESS INCOME**										
229	18	Unused Authorized Section 236 Excess Income										
230	19	Unapproved Section 236 Excess Income Payable to HUD										
231	20	Authorized Section 236 Excess Income Payable to HUD										
232												
233		**TAX & INSURANCE ESCROW ANALYSIS INFORMATION**										
234	11	Tax/Insurance Escrow Surplus (Deficit)										
235												
236		**SCHEDULE OF UNADJUSTED ITEMS**										
237	8	Unadjusted Items-Accounts Receivable										
238	17	Unadjusted Items-Liabilities										
239												
254		**SMALL SIZE & SECURITY LOAN INFORMATION**										
255		Small Size Loan										
256	0	Beginning of Year Balance	0									
257	0	Current Year Repayments										
258	0	Current Year Draws										
259	0	End of Year Balance	0									
260	0	Amount of Small Size Loan proceeds applied against mortgage payments during current year										
261		Security Loan										
262	0	Beginning of Year Balance	0									
263	0	Current Year Repayments										
264	0	Current Year Draws										
265	0	End of Year Balance	0									
266	0	Security loan proceeds applied against current year's mortgage payment										
267	0	Did the development receive security loan proceeds during year?										
268	0	Is the Security Revenue reported on the mortgage loan commitment report (Developmental Rental Schedule)?										
269	0	Total Security Expenditures reported on the mortgage loan commitment report (Total Development Expenditures)?										
270		Classification of Security Expenditures										
271	0	Equipment										
272	0	Payroll & Payroll Taxes										
273	0	Contractual Services										
274	0	Other										
275												
276		**MISCELLANEOUS INFORMATION**										
277		Surity Bond Coverage										
278	21	Approved Undisbursed Limited Dividend (L.D.) Payments										
279	25	R/R Deferrals, Delinquent MSHDA Loans/ Grants										
280	26	Security Deposit Under (Over) Funded	(100)									
281	27	One Month's Gross Rent Potential	24,260									
282	30	Replacement Reserve Needs	306,387									
283	34	Amount of Workout Repayment Obligations										
284	36	MSHDA Subsidy portion payable to MSHDA										
285		Deferred Mortgage Principal (Applicable only to 1-H)										
286		Deferred Mortgage Interest (Applicable only to 1-H)										
287	0	Restricted DCE Interest - Prior Year										
288		Restricted DCE Interest - Current Year										
289	0	Prior Year's Cumulative L.D. Payment										
290												
291		**SURPLUS CASH ALLOCATIONS**										
292		**Schedule 1-B and 1-D** - If surplus funds are available, are they to be transferred to MSHDA's Community Development Fund, or to a second mortgage?	2nd Mortgage									
293												
294												
295												

	A	C	D	E	F	G	H	K	L	M	N	O
296		**SCHEDULE II INPUT INFORMATION**			**Current Year Schedule 2 Summary**							
297		Development does not complete a Schedule 2			Suplus Funds Available for Dist		Potential LD		LD/HOME Paid		Cumulative Carryforward	
298	1	Owner's Initial Equity	1,150,880									
299	1A	Section 8/236 Preservation Transaction Recomputed Initial Equity			(593,117)		276,211		0		2,666,036	
300												
301												
302	3	Cumulative LD Payment Percentage **-OR-**	24.00%	You must enter LD % **-OR-** the fixed amount. Do **NOT** enter numbers in both fields.								
303		fixed amount from regulatory agreement										
304	4	Non-Cumulative LD Payment Percentage **-OR-**		You must enter LD % **-OR-** the fixed amount. Do **NOT** enter numbers in both fields.								
305		fixed amount from regulatory agreement										
306		Cut-off Date	2/11/2008	** If the cut-off date is the current year, it will calculate the prorated amount for you.								
307		Sale/Preservation Transaction Closing Date										
308		Prior Year Cumulative Carryforward L.D.	2,389,825									
309	IV	L.D. Payments Made in Current Year	0									
310												
311		Starting Year of Schedule II	2008									
312		**THE PRIOR YEAR SCHEDULE 2 INFORMATION IS NOT REQUIRED. IF YOU ENTER THE FOLLOWING PRIOR YEAR INFORMATION IT WILL PREPARE THE SCHEDULE 2 THAT IS REQUIRED IN THE AUDIT REPORT.**										
313												
314		Schedule II Prior Year Information	Surplus Funds Available for Distribution		Potential LD		LD/HOME Paid		Cumulative Carryfwd of L.D.			
315		2008	(31,528)		122,592		0		122,592			
316		2009	(83,207)		149,614		0		272,206			
317		2010	(21,678)		161,123		0		433,329			
318		2011	(70,288)		161,123		0		594,452			
319		2012	(98,798)		184,141		0		778,593			
320		2013	(64,204)		195,650		0		974,243			
321		2014	(14,414)		207,158		0		1,181,401			
322		2015	(64,160)		218,667		0		1,400,068			
323		2016	(513,747)		230,176		0		1,630,244			
324		2017	(926,715)		241,685		0		1,871,929			
325		2018	(993,076)		253,194		0		2,125,123			
326		2019	(1,034,491)		264,702		0		2,389,825			

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INDEPENDENT AUDITOR'S 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, 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, the financial statements of Oliver Gardens Limited Dividend Housing Association Limited Partnership, which comprise the balance sheet as of December 31, 2020, and the related statements of profit and loss, changes in partners' deficit, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated February 25, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Oliver Gardens Limited Dividend Housing Association Limited Partnership's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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 Oliver Gardens Limited Dividend Housing Association Limited Partnership's internal control. Accordingly, we do not express an opinion on the effectiveness of the Oliver Gardens Limited Dividend Housing Association Limited Partnership's internal control.

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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, including compliance with specific provisions of MSHDA Regulatory Agreement, MSHDA Directives, and HUD regulations and procedures included in the HUD subsidy contract, HOME requirements, and MSHDA Multifamily Audit Guidelines, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions 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, 2020 Monthly Income and Expense Report submitted to MSHDA with balances in the financial statements for the year ended December 31, 2020 audited by us and covered by our report dated February 25, 2021. The account balances set forth therein are in material agreement (defined by MSHDA as differences not exceeding 10% and $3,000), unless noted in the MSHDA input template and supplementary information.

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, 2020.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Maner Costerisan PC

February 25, 2021

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Partners
Oliver Gardens Limited Dividend Housing Association
Limited Partnership

We have performed the procedures described in the second paragraph of this report, which were agreed to by Oliver Gardens Limited Dividend Housing Association Limited Partnership and the Michigan State Housing Development Authority (MSHDA), on whether the electronic submission of certain information agrees with the related information included as supplementary information within the audit reporting package. Oliver Gardens Limited Dividend Housing Association Limited Partnership is responsible for the accuracy and completeness of the electronic submission. The sufficiency of these procedures is solely the responsibility of Oliver Gardens Limited Dividend Housing Association Limited Partnership and MSHDA. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

We compared the information contained in the electronic submission with the corresponding information included as supplementary information within the annual audited financial statements submitted to MSHDA. The results of the performance of our agreed-upon procedures indicate agreement of the electronically submitted information and related information included as supplementary information with the annual audited financial statements submitted to MSHDA.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on whether the electronic submission agrees with related information included as supplementary information within the annual audited financial statements submitted to MSHDA. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We were engaged to perform an audit in accordance with the MSHDA *Multi-Family Annual Certified Audit Guidelines* by Oliver Gardens Limited Dividend Housing Association Limited Partnership as of and for the year ended December 31, 2020, and have issued our reports thereon dated February 25, 2021. The electronic submission information was included within the scope or was a by-product of that audit. Further, our opinion on the fair presentation of the supplementary information dated February 25, 2021, was expressed in relation to the basic financial statements of Oliver Gardens Limited Dividend Housing Association Limited Partnership taken as a whole.

A copy of the reporting package required by the MSHDA *Multi-Family Annual Certified Audit Guidelines*, which includes the auditor's reports, is available in its entirety from Oliver Gardens Limited Dividend Housing Association Limited Partnership. We have not performed any additional auditing procedures since the date of the aforementioned audit reports. Further, we take no responsibility for the security of the information transmitted electronically to MSHDA.

This report is intended solely for the information and use of Oliver Gardens Limited Dividend Housing Association Limited Partnership and MSHDA and is not intended to be and should not be used by anyone other than those specified parties. The purpose of this report on applying the agreed-upon procedures is solely to describe the procedures performed relative to the MSHDA electronic submission, and not to provide an opinion or conclusion. Accordingly, this report is not suitable for any other purpose.

Maner Costerisan PC

February 25, 2021

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February 25, 2021

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 for the year ended December 31, 2020, and have issued our report thereon dated February 25, 2021. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards,* as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by Oliver Gardens Limited Dividend Housing Association Limited Partnership are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2020. We noted no transactions during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was:

> Management's estimate of the useful lives of fixed assets is based on depreciable lives as defined in Note 1 of the financial statements. We evaluated the key factors and assumptions used to develop the useful lives in determining that it is reasonable in relation to the financial statements taken as a whole.

The disclosures in the financial statements are neutral, consistent, and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. We did not identify any sensitive disclosures.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated February 25, 2021.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Oliver Gardens Limited Dividend Housing Association Limited Partnership's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Oliver Gardens Limited Dividend Housing Association Limited Partnership's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Information in Documents Containing Audited Financial Statements

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content and methods of preparing the information to determine that the information complies with U.S. generally accepted accounting principles, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of the Partners and management of Oliver Gardens Limited Dividend Housing Association Limited Partnership and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Maner Costerisan PC