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

REPORT ON FINANCIAL STATEMENTS
(with supplementary information)

YEARS ENDED DECEMBER 31, 2021 AND 2020

Maner Costerisan

TABLE OF CONTENTS

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, 2021.

Doug Fleming
Oliver Gardens, LLC, General Partner

Partnership Employer Identification Number: 20-4533000

Maner Costerisan

2425 E. Grand River Ave.,
Suite 1, Lansing, MI 48912
517.323.7500
517.323.6346

INDEPENDENT AUDITOR'S REPORT

To the Partners of
Oliver Gardens Limited Dividend Housing Association
Limited Partnership

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Oliver Gardens Limited Dividend Housing Association Limited Partnership, MSHDA Development No. 3007, which comprise the balance sheets as of December 31, 2021 and 2020, and the related statements of profit and loss, changes in partners' deficit, and cash flows for the years then ended, and the related notes to the financial statements.

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

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Oliver Gardens Limited Dividend Housing Association Limited Partnership and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Oliver Gardens Limited Dividend Housing Association Limited Partnership's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Oliver Gardens Limited Dividend Housing Association Limited Partnership's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Oliver Gardens Limited Dividend Housing Association Limited Partnership's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information, as identified in the table of contents, is presented for purposes of additional analysis as required by the *Michigan State Housing Development Authority*, 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 audit 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 March 24, 2022 on our consideration of the 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 the 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

March 24, 2022

OLIVER GARDENS LIMITED DIVIDEND HOUSING ASSOCIATION
LIMITED PARTNERSHIP
MSHDA DEVELOPMENT NO. 3007
BALANCE SHEETS
DECEMBER 31, 2021 AND 2020

	2021	2020
ASSETS		
Current assets		
Cash and cash equivalents		
Operating	$ 2,575	$ -
Operating reserve	-	53,516
Total cash and cash equivalents	2,575	53,516
Accounts receivable		
Resident rent	3,865	7,008
Prepaid expenses	3,705	3,626
Total current assets	10,145	64,150
Restricted cash and funded reserves		
Tenant security deposits	4,714	5,248
Taxes escrow	9,852	9,946
Insurance escrow	9,557	8,771
Replacement reserve	162,586	155,908
Operating assurance reserve	139,642	156,396
Total restricted cash and funded reserves	326,351	336,269
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	(2,197,206)	(2,096,249)
Net rental property	1,994,900	2,095,857
Other assets		
Monitoring fees, net of accumulated amortization of $22,917 and $21,391 in 2021 and 2020, respectively	-	1,526
Total long-term and other assets	1,994,900	2,097,383
TOTAL ASSETS	$ 2,331,396	$ 2,497,802

See notes to financial statements.

	2021	2020
LIABILITIES AND PARTNERS' DEFICIT		
Current liabilities		
Accounts payable		
Operating	$ 479	$ 7,227
Management fees	1,335	5,254
Accrued liabilities		
Wages	-	7,820
Payment in lieu of taxes (PILOT)	17,251	19,389
Interest - MSHDA	5,844	5,996
Checks written against future deposits	-	2,272
Mortgage - MSHDA, current portion	38,267	36,404
Total current liabilities	63,176	84,362
Deposits and prepayment liabilities		
Unearned rental revenue	1,617	388
Tenant security deposits	4,614	5,148
Total deposits and prepayment liabilities	6,231	5,536
Long-term liabilities		
Mortgages and notes payable		
Mortgage - MSHDA - net of current portion	1,364,329	1,402,596
HOME Loan	170,000	170,000
CDBG Loan	550,000	550,000
Less unamortized debt issuance costs	(26,602)	(27,900)
Net mortgages and notes payable	2,057,727	2,094,696
Loan from partners	300,133	300,133
Accrued interest - related party	49,687	46,258
Accrued interest - HOME and CDBG	25,560	23,849
Deferred interest - MSHDA	127,045	119,933
Operating advance from partners	293,868	293,868
Accrued management fees	117,750	117,750
Accrued partnership management fees	140,000	130,000
Accrued asset management fees	90,351	82,788
Total long-term liabilities	3,202,121	3,209,275
TOTAL LIABILITIES	3,271,528	3,299,173
PARTNERS' DEFICIT	(940,132)	(801,371)
TOTAL LIABILITIES AND PARTNERS' DEFICIT	$ 2,331,396	$ 2,497,802

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, 2021 AND 2020

	2021	2020
REVENUE		
Rental revenue		
Apartments	$ 117,070	$ 107,817
Tenant assistance payments	174,050	183,303
Total rental revenue	291,120	291,120
Vacancy loss and other	(28,714)	(14,152)
Net rental revenue	262,406	276,968
Other revenue		
Interest	8,687	8,901
Tenant charges	525	350
Other	350	100
Total other revenue	9,562	9,351
TOTAL REVENUE	271,968	286,319
EXPENSES		
Administrative	10,132	9,977
Management fee	16,020	14,130
Salaries and wages	12,330	8,937
Audit fee	8,000	10,025
Bad debts	6,786	2,739
Operating and maintenance	36,172	37,412
Utilities	83,106	80,338
Depreciation and amortization	102,483	103,949
PILOT and other taxes	17,525	20,816
Payroll taxes	993	684
Insurance	15,098	13,939
Interest	84,521	92,618
Partnership management fee	10,000	10,000
Asset management fee	7,563	7,343
TOTAL EXPENSES	410,729	412,907
NET LOSS	$ (138,761)	$ (126,588)

See notes to financial statements.

OLIVER GARDENS LIMITED DIVIDEND HOUSING ASSOCIATION
LIMITED PARTNERSHIP
MSHDA DEVELOPMENT NO. 3007
STATEMENTS OF CHANGES IN PARTNERS' DEFICIT
YEARS ENDED DECEMBER 31, 2021 AND 2020

	Total Partners' Deficit
BALANCE, January 1, 2020	$ (1,080,550)
Partner contributions	405,767
Net loss	(126,588)
BALANCE, December 31, 2020	(801,371)
Net loss	(138,761)
BALANCE, December 31, 2021	$ (940,132)

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, 2021 AND 2020

	2021	2020
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS AND RESTRICTED CASH AND FUNDED RESERVES		
Cash flows from operating activities		
Net loss	$ (138,761)	$ (126,588)
Adjustments to reconcile net loss to net cash provided (used) by operating activities		
Depreciation	100,957	102,420
Amortization	1,526	1,529
Amortization of debt issuance costs	1,298	1,298
Deferred interest - MSHDA	7,112	7,289
Accounts receivable	3,143	(2,867)
Prepaid expenses	(79)	(195)
Accounts payable	(6,748)	2,524
Accrued wages and other	(10,092)	3,171
Accrued PILOT	(2,138)	939
Accrued interest	4,988	11,136
Accrued management fees	13,644	24,952
Tenant security deposits	(534)	48
Unearned rental revenue	1,229	(34)
Total adjustments	114,306	152,210
Net cash provided (used) by operating activities	(24,455)	25,622
Cash flows from financing activities		
Payments on mortgages and notes payable	(36,404)	(34,633)
NET DECREASE IN CASH AND CASH EQUIVALENTS AND RESTRICTED CASH AND FUNDED RESERVES	(60,859)	(9,011)
CASH AND CASH EQUIVALENTS AND RESTRICTED CASH AND FUNDED RESERVES		
Beginning of year	389,785	398,796
End of year	$ 328,926	$ 389,785

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, 2021 and 2020, cash and cash equivalents consists of operating cash and operating reserve.

Restricted Cash and Funded Reserves

Tenant security deposits, replacement reserve, taxes escrow, insurance escrow, 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 statements of cash flows as of December 31:

	2021	2020
Cash and cash equivalents	$ 2,575	$ 53,516
Restricted cash and funded reserves	326,351	336,269
Total cash and cash equivalents and restricted cash and funded reserves	$ 328,926	$ 389,785

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 deposits owed to tenants has been segregated in restricted cash accounts as of December 31, 2021 and 2020.

Taxes and Insurance Escrows

Taxes and insurance escrows are restricted cash for payments in lieu of taxes (PILOT) and insurance. Partnership is required to establish and maintain these reserve accounts. These accounts are used to receive monthly deposits sufficient to pay annual PILOT and insurance premiums that are paid from the accounts.

Replacement Reserve

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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, 2021 and 2020.

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 financial reporting practices, net rental revenue represents total possible rent revenue as if all units are 100% occupied during the year, less vacancy loss.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue Recognition (continued)

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:

	2021	2020
Contract revenue recognized at a point in time		
Tenant charges	$ 525	$ 350
Contract revenue recognized over time		
Net rental revenue	262,406	276,968
Total contract revenue	262,931	277,318
Interest	8,687	8,901
Other	350	100
TOTAL REVENUE	$ 271,968	$ 286,319

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 March 24, 2022, 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. During 2021 and 2020, a federal moratorium on tenant evictions was in effect.

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:

	2021	2020
Contract assets		
Accounts receivable - resident rent, beginning of year	$ 7,008	$ 4,141
Accounts receivable - resident rent, end of year	3,865	7,008
Contract liabilities		
Unearned rental revenue, beginning of year	388	593
Unearned rental revenue, end of year	1,617	388
Tenant security deposits liability, beginning of year	5,148	5,071
Tenant security deposits liability, end of year	4,614	5,148

OLIVER GARDENS LIMITED DIVIDEND HOUSING ASSOCIATION
LIMITED PARTNERSHIP
MSHDA DEVELOPMENT NO. 3007
NOTES TO FINANCIAL STATEMENTS

NOTE 4 - MORTGAGES AND NOTES PAYABLE

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

	2021	2020
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 2021 and 2020 was $78,083 and $86,180, respectively. The total amount deferred was $7,112 and $7,289 in 2021 and 2020, respectively. Deferred interest of $127,045 and $119,933 remained payable at December 31, 2021 and 2020, respectively. The note is secured by land and substantially all property owned by the Partnership and matures on February 1, 2043.	$ 1,402,596	$ 1,439,000
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 $11,981 and $11,179 remained payable at December 31, 2021 and 2020, 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%, compounded annually. Accrued interest of $13,579 and $12,670 remained payable at December 31, 2021 and 2020, 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	2,122,596	2,159,000
Less current portion	(38,267)	(36,404)
	$ 2,084,329	$ 2,122,596

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, 2021 and 2020, 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,	
2022	$ 38,267
2023	40,225
2024	42,283
2025	44,446
2026	46,720
2027 and thereafter	1,910,655
	$ 2,122,596

NOTE 5 - SUPPLEMENTAL CASH FLOW INFORMATION

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

	2021	2020
Cash paid during the year for interest	$ 71,123	$ 72,895

NOTE 6 - RELATED PARTY TRANSACTIONS

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

Loan from Partners

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, 2021 and 2020 was $3,421 and $3,430, respectively. Accrued interest of $49,687 and $46,258 remained payable at December 31, 2021 and 2020, 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, 2021 and 2020.

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, 2021 and 2020, the maximum management fee allowed was up to $534 per unit per year, as approved by MSHDA. Beginning March 1, 2020, the Property was no longer managed by Lansing Housing Commission. Management fees incurred to Lansing Housing Commission for the years ended December 31, 2021 and 2020 were $0 and $2,355, respectively. No management fees were paid to Lansing Housing Commission during 2021 or 2020. As of December 31, 2021 and 2020, accrued management fees owed to Lansing Housing Commission were $117,750.

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, 2021 and 2020, the Partnership incurred asset management fee expense of $7,563 and $7,343, respectively. No asset management fees were paid during 2021 or 2020. As of December 31, 2021 and 2020, accrued asset management fees were $90,351 and $82,788, 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, 2021 and 2020, the Partnership incurred partnership management fee expense of $10,000. As of December 31, 2021 and 2020, accrued partnership management fees were $140,000 and $130,000, respectively.

Related Party Advances

An affiliate of the general partner has advanced funds to the Partnership to cover operating expenses. As of December 31, 2021 and 2020, $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, during 2020, 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 30, 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, 2021 are summarized as follows:

2021								
Name of Related Party	Relationship	Brief Description of Work/Services Performed	Partnership or Operating Account	Balance, 12/31/2020	2021 Services Invoiced	2021 Payments	Balance, 12/31/2021	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	82,788	7,563	-	90,351	Payable from surplus cash
Lansing Housing Commission	Affiliate of general partner	Management fees	Operating	117,750	-	-	117,750	Payable from surplus cash
Oliver Gardens, LLC	General partner	Partnership management fees	Partnership	130,000	10,000	-	140,000	Payable from surplus cash
Lansing Housing Commission	Affiliate of general partner	Operating advance	Operating	293,868	-	-	293,868	Payable from surplus cash

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 cash
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 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.
(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.

SUPPLEMENTARY INFORMATION

SCHEDULE OF DIFFERENCES TO
MONTHLY INCOME AND EXPENDITURE REPORTS
DECEMBER 31, 2021

Compliance Variance Notes

Account Balance Variances

Account 1	**Long-Term Related Party Loans (F14)**		
If "Other" selected above, provide name of account			
	RECONCILIATION		
	Balance per MIE:	300,133	
	Balance per Balance Sheet or Income Statement:	230,351	
	Variance	69,782	
	Variance Percentage	30.29%	
	Balance per MIE:		300,133
	Reconciling Items:		
		Amounts	
	Management Entry	(69,782)	
	Total Adjustments:		(69,782)
	Balance Per Balance Sheet or Income Statement:		230,351
	Explanation:		
	Management made an entry subsequent to December MIE submission to reocrd partnership and asset management fee.		

OLIVER GARDENS MSHDA NO. 3007

SCHEDULE I

FUNDS AVAILABLE FOR DISTRIBUTION

December 31, 2021

SECTION 1			
1	Operating Cash	$ 2,575	
2	MSHDA-Held Operating Reserve Account	-0-	
3	Other Non-Restricted Cash Reserve Accounts	-0-	
4	TOTAL AVAILABLE CASH (PER AUDIT) (ADD Lines 1 through Line 3)		$ 2,575
SECTION 2			
ADD:			
5	Resident Rent Receivable	$ 3,865	
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)		$ 3,865
14	TOTAL CASH AND ADDITIONS (Line 4 PLUS Line 13)		6,440
SECTION 3			
DEDUCT:			
15	Trade Accounts And Surcharges Payable, Accrued Expenses Liabilities And Other Short-term Operating Liabilities	$ 232,165	
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	1,617	
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)		$ 257,942
29	**SURPLUS FUNDS** (Line 14 MINUS Line 28). Insert the actual amount even if it is negative.		$ (251,502)

SECTION 4

30	Replacement Reserve Needs	$ 321,403	
31	Subtotal (Line 29 MINUS Line 30)	(572,905)	
32	Amenity Improvement/Deferred Maintenance Loan	-0-	
33	Subtotal (Line 31 MINUS Line 32)	(572,905)	
34	Amount of Workout Repayment Obligations	-0-	
35	Subtotal (Line 33 MINUS Line 34)	(572,905)	
36	Amount of MSHDA Subsidy Repayment Obligations	-0-	
37	Subtotal (Line 35 MINUS Line 36)	(572,905)	

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)		$ (572,905)

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	170,000	
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)**		$ (572,905)
46	Current Years Maximum Potential L.D. Payment		287,720
47	Subtotal (Line 45 MINUS Line 46)		(860,625)
48	Sum of Lines 2 and 10	$ -0-	
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, 2021

1.	OWNER INITIAL EQUITY		$	1,150,880
1a.	SECTION 8/236 PRESERVATION		$	-0-
2.	MAXIMUM L.D. PAYMENT:		$	287,720
3.	CUMULATIVE %	25%	$	287,720
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
2021	(572,905)	287,720	0	2,953,756

	A	C	D	E	F	H–O
1	**SCHEDULE I - INPUT**				**YES**	Are all account variances reconciled, Schedule 2, and Surplus F
2	NAME:	OLIVER GARDENS			1	Number of account variances from 'Variances' tab (cell J103 of
3	NO:	3007			1	Number of reconciliations on 'Compliance' tab
4	PARTNERSHIP NAME:	Oliver Gardens LDHA LP			0	Number of Schedule 2 variances (cell I122 on 'Variances' tab)ar
5	YE:	December 31, 2021			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 rep
13		MANAGEMENT AGENT			YES	If material weaknesses were noted, was explanation provided?
14	Name	Michigan Asset Group LLC			NO	Were noncompliance issues noted?
15	Contact Name	Matt Hanna				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**	2,575		**PAYMENT SUMMARY**	
31		**Security Deposit Cash**	4,714		0	Tax & Insurance Escrow Deficit
32	2	**MSHDA-Held Operating Reserve Cash**			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	Preservation, MRF, or HOME Preservation Initiative Loan
36		**Escrows**			0	Repayable Subsidy Payable
37		**MSHDA-Held Replacement Reserve**	162,586		0	Small Size/Security Loan
38		**MSHDA-Held Tax Escrow**	9,852		0	Operating Reserve Cash
39		**MSHDA-Held Insurance Escrow**	9,557		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)	139,642		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**	3,865		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**				
65	9	**MSHDA Subsidy Receivable - Development Based**			All yellow shaded cells are entry fields.	
66	9	**Other Subsidy Receivable**			All blue shaded cells are accounts that are used in the Schedule 1.	
67	7	**Related Party Receivable**			The numbers in Column A are the corresponding line numbers from the Schedule 1.	
68		**Partnership**			All bolded accounts are to be separated and not grouped with others.	
69		**Other Receivables**			Select the developments in the pull down list in cell "C2". When you have the	

	A	C	D	E
70				
71		**Other Current Asset**		
72		**Prepaid Expenses - Partnership**		
73		**Prepaid Expenses - Operating**	3,705	
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	(2,197,206)	
83				
84		**Other Assets**		
85		Deferred Mortgage Costs, net of amortization		
86		Organizational Costs, net of amortization		
87		Syndication Costs, net of amortization		
88		Monitoring Fees, net of amortization		
89		Deposits		
90				
91		**TOTAL ASSETS**	**2,331,396**	
92				
93		**Liabilities & Owner's Equity**		
94				
95		**Accounts Payable & Accrued Expenses**		
96	15	**General Trade Payables**	479	
97		**Construction Payables**		
98		**Partnership Payables**		
99	15	Payroll Payable		
100	15	**Management Fees Payable**	1,335	
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**	49,687	
107	15	**Owner Advances - operating**	230,351	
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**	1,617	
117		**Unearned Rental Income - congregate care**		
118		Current Mortgage Interest - MSHDA	5,844	
119		Current Mortgage Interest - HOME		
120		Current Mortgage Interest - Other		
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	17,251	
126		**Security Deposit Liability**	4,614	
127		Current Portion of Mortgages	38,267	
128		**Developer Fees Payable**		
129		Other Accrued Liabilities - operating (not included on Schedule 1)		
130	15	Other Accrued Liabilities - operating		
131		Other Accrued Liabilities - partnership		
132				
133		**Long-term Liabilities**		
134		Long-term Portion of First Mortgage	1,887,727	
135		**Deferred Interest on Second and/or Third Mortgage**	152,605	
136		**Accrued Principal on Second and/or Third Mortgage**		
137	43	**MSHDA HOME Loan**	170,000	

development name selected, the corresponding MSHDA Number and Schedule 1 will be automatically filled in cells "C3" and "C6".
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.

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.

Acceptable	Partnership Name, Year End & Contact Information
Acceptable	Internal Control and Compliance Letter Detail
Acceptable	Assets = Liabilities & Owner's Equity
Acceptable	Rent Potential
Acceptable	Repayable Subsidy
Acceptable	Small Size Loan
Acceptable	Security Loan
Acceptable	HOME Preservation Loan
Acceptable	Schedule 1-B Information (Cash Flow Question)
Acceptable	Schedule 1-B & 1-D Surplus Cash Allocation
Acceptable	Schedule 2 Cut-off Date
Acceptable	Schedule 2 Owner's Equity
Acceptable	Schedule 2 Cumulative LD
Acceptable	Schedule 2 Non-Cumulative LD
Acceptable	Current Year Cumulative Carryforward

***** Only include HOME loans that were processed through MHS**

	A	C	D	E	F	G	H	K	L	M	N	O
138	0	**HOME Preservation Initiative Loan**										
139	32	**Amenity Improvement/Deferred Maintenance Loan**										
140	0	**Small Size Loan**										
141	0	**Security Loan**										
142	0	**Preservation or MRF Loan**										
143		**TCAP Loan**	300,133									
144		**Deferred Interest on HOME,TCAP, MRF or Preservation Loan**										
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	(940,132)									
151												
152		**TOTAL LIABILITIES & OWNERS' EQUITY**	**2,331,396**									
153												
154												
155												
156		**INCOME STATEMENT INFORMATION**										
157		**INCOME:**										
158		RENTAL INCOME										
159		Apartments	117,473									
160		**MSHDA Subsidy Income**	174,050									
161		**HAP Subsidy Income**										
162		**Other Subsidy Income**										
163		Total Rent Potential	291,523									
164		**Vacancy Loss**	29,117									
165		Net Rental Revenue	262,406									
166		OTHER INCOME										
167		Carport Income										
168		Sec 236 Interest Subsidy										
169		Interest Income	8,687									
170		Laundry Income										
171		Tenant Charges	525									
172		**Congregate Services Income**										
173		Commercial Income										
174		Other Income	350									
175		Total Other Income	9,562									
176		TOTAL INCOME	271,968									
177												
178		**EXPENSES:**										
179		**Management Fees (Development's Operating Account)**	16,020									
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	10,132									
188		Payroll - Marketing										
189		Payroll - Administrative	9,165									
190		Payroll - Maintenance	3,165									
191		Payroll - Janitorial										
192		Payroll - Grounds										
193		Payroll - Security										
194		Payroll Benefits										
195		Payroll Taxes	993									
196		Bad Debt	6,786									
197		Audit Fees	8,000									
198		Miscellaneous Administrative (from 7k on MIE)										
199		Utilities	83,106									
200		Operating & Maintenance	36,172									
201		Property Taxes	17,525									
202		Interest	84,521									
203		Insurance	15,098									
204		Regulatory and Bond Fees										
205		ARRA Regulatory Fees										
206		Depreciation & Amortization	102,483									
207		Partnership Expenses	17,563									
208		**Congregate Services Expense**										
209		Other										
210		Total Expenses	410,729									
211		**NET INCOME/LOSS**	**(138,761)**									

	A	C	D	E	F	G	H	K	L	M	N	O
212												
213		**Developer Fees Info (Only Applicable to Schedule 1-J and 1-K, and 1-Q)**										
214	0	Deferred Developer Fees Beginning Balance	0									
215	0	Developer Fees Paid in Current Year										
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	321,403									
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												

	A	C	D	E	F	G	H	K	L	M	N	O
294												
295												
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			(572,905)		287,720		0		2,953,756	
300												
301												
302	3	Cumulative LD Payment Percentage **-OR-**	25.00%	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.	2,666,036									
309	IV	L.D. Payments Made in Current Year										
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			
327		2020	(593,117)		276,211		0		2,666,036			

Maner Costerisan

2425 E. Grand River Ave.,
Suite 1, Lansing, MI 48912
517.323.7500
517.323.6346

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 of
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, 2021, 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 March 24, 2022.

Report on 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 or significant deficiencies may exist that were not identified.

Report on 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.* However, we noted the following immaterial instances of noncompliance with MSHDA guidelines:

Vacancy loss for the years ended December 31, 2021, and 2020 are $29,117 and $14,147, respectively. The change in vacancy loss is greater than the 5% and $5,000 year-over-year change MSHDA benchmark.

Resident bad debts for the years ended December 31, 2021 and 2020 are $6,786 and $2,739, respectively. The change in resident bad debts is greater than the 5% and $3,000 year-over-year change MSHDA benchmark.

> We have compared the December 31, 2021 Monthly Income and Expense Report submitted to MSHDA with balances in the financial statements for the year ended December 31, 2021 audited by us and covered by our report dated March 24, 2022. 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, 2021.

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

March 24, 2022

Maner Costerisan

2425 E. Grand River Ave.,
Suite 1, Lansing, MI 48912
517.323.7500
517.323.6346

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING MSHDA ELECTRONIC SUBMISSION AGREED-UPON PROCEDURES

To the Partners of
Oliver Gardens Limited Dividend Housing Association
Limited Partnership

We have performed the procedure described in the third paragraph of this report on the electronic submission of certain financial information that was included with the related hard copy documents within the audit reporting package submitted to Michigan State Housing Development Authority (MSHDA). Oliver Gardens Limited Dividend Housing Association Limited Partnership is responsible for the accuracy and completeness of the electronic submission.

Oliver Gardens Limited Dividend Housing Association Limited Partnership and MSHDA have agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of determining whether the electronic submission of certain financial information agrees with the related hard copy documents within the audit reporting package. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and the associated findings are as follows:

> We compared the items listed in the electronic submission with the corresponding items listed in the audit report submitted to MSHDA. The results of the performance of our agreed-upon procedures indicate agreement of the electronically submitted information in MSHDA's Excel audit template and related audit report submitted to MSHDA.

We were engaged by Oliver Gardens Limited Dividend Housing Association Limited Partnership to perform this agreed-upon procedure engagement and conducted our engagement in accordance with the attestation standards established by the AICPA 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 of certain financial information agrees with the related hard copy documents within the audit reporting package. 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 are required to be independent of Oliver Gardens Limited Dividend Housing Association Limited Partnership and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

We were engaged to perform an audit of the financial statements of Oliver Gardens Limited Dividend Housing Association Limited Partnership in accordance with the MSHDA Audit Guide as of and for the year ended December 31, 2021 and have issued our reports thereon dated March 24, 2022. Our opinion on the fair representation of the supplementary financial information dated March 24, 2022 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 MSHDA, which includes the auditor's report, is available in its entirety from Oliver Gardens Limited Dividend Housing Association Limited Partnership. 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 these specified parties.

Maner Costerisan PC

March 24, 2022

Maner Costerisan

2425 E. Grand River Ave.,
Suite 1, Lansing, MI 48912
517.323.7500
517.323.6346

March 24, 2022

To the Partners of
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, 2021, and have issued our report thereon dated March 24, 2022. 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 2021. 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 March 24, 2022.

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