

JDV LIMITED PARTNERSHIP
AUDITED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

JDV LIMITED PARTNERSHIP
AUDITED FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED
DECEMBER 31, 2024 AND 2023

TABLE OF CONTENTS

	PAGE
INDEPENDENT AUDITORS' REPORT	1-2
FINANCIAL STATEMENTS	
BALANCE SHEETS	3-4
STATEMENTS OF OPERATIONS	5
STATEMENTS OF PARTNERS' EQUITY (DEFICIT)	6
STATEMENTS OF CASH FLOWS	7-8
NOTES TO FINANCIAL STATEMENTS	9-20
SUPPLEMENTAL INFORMATION	
SCHEDULE OF EXPENSES	21-22
INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	23-24
SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS TO THE AGENCY HEAD OR CHIEF EXECUTIVE OFFICER	25
SCHEDULE OF FINDINGS AND RESPONSES	26-27



INDEPENDENT AUDITORS' REPORT

To the Partners and Management of
JDV Limited Partnership
Lafayette, Louisiana

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of JDV Limited Partnership (a Louisiana Limited Partnership), which comprise the balance sheets as of December 31, 2024 and 2023 and the related statements of operations, partners' equity (deficit), and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of JDV Limited Partnership as of December 31, 2024 and 2023, and the results of its operations, changes in partners' equity (deficit) 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 JDV 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 these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about JDV Limited Partnership's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 JDV 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 JDV 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.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information including the Schedule of Expenses and the Schedule of Compensation, Benefits, and Other Payments to the Agency Head or Chief Executive Officer shown on pages 21 through 22 and 25 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 March 1, 2025 on our consideration of JDV 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 JDV 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 JDV Limited Partnership's internal control over financial reporting and compliance.

Monroe, Louisiana

March 1, 2025

JDV LIMITED PARTNERSHIP
BALANCE SHEETS
DECEMBER 31,

ASSETS

	2024	2023
CURRENT ASSETS		
Cash - Operations	\$ 31,090	\$ 3,509
Accounts Receivable - Tenants	12,804	7,873
Accounts Receivable - Subsidy	804	-
Due From Related Party	20,242	8,256
Prepaid Insurance	28,557	34,559
Prepaid Expenses	3,595	3,595
Total Current Assets	<u>97,092</u>	<u>57,792</u>
RESTRICTED DEPOSITS AND FUNDED RESERVES		
Operating Reserve	250,478	402,630
Replacement Reserve	67,845	39,105
Tenants' Security Deposits	25,005	26,760
Total Restricted Deposits and Funded Reserves	<u>343,328</u>	<u>468,495</u>
PROPERTY AND EQUIPMENT		
Buildings	12,997,738	12,997,738
Site Improvements	1,568,931	1,568,931
Furniture and Equipment	1,150,597	1,085,597
Total	15,717,266	15,652,266
Less: Accumulated Depreciation	(5,702,106)	(5,276,252)
Net Depreciable Assets	10,015,160	10,376,014
Land	1,458,432	1,458,432
Total Property and Equipment	<u>11,473,592</u>	<u>11,834,446</u>
OTHER ASSETS		
Syndication Costs	50,000	50,000
Utility Deposits	3,040	3,040
Total Other Assets	<u>53,040</u>	<u>53,040</u>
Total Assets	<u>\$ 11,967,052</u>	<u>\$ 12,413,773</u>

The accompanying notes are an integral part of these financial statements.

JDV LIMITED PARTNERSHP
BALANCE SHEETS
DECEMBER 31,

LIABILITIES AND PARTNERS' EQUITY

	<u>2024</u>	<u>2023</u>
CURRENT LIABILITIES		
Accounts Payable	\$ 22,660	\$ 58,008
Accrued Insurance Payable	-	7,835
Accrued Expenses	6,268	4,961
Deferred Revenue	2,718	473
Due To Related Party	17,289	-
Management Fees Payable	2,539	2,524
Current Portion of Long-Term Debt	45,600	43,274
Total Current Liabilities	<u>97,074</u>	<u>117,075</u>
 DEPOSITS		
Tenant Security Deposits	<u>25,005</u>	<u>26,760</u>
Total Deposits	<u>25,005</u>	<u>26,760</u>
 LONG-TERM LIABILITIES		
Asset Management Fee Payable	55,615	46,677
Note Payable - First Bank and Trust, Net of Unamortized Debt Issuance Costs	1,956,675	1,987,803
Note Payable - Lafayette Public Trust Financing Authority	1,000,000	1,000,000
Note Payable - JDV Development, LLC	1,059,000	1,059,000
Accrued Interest Payable - Lafayette Public Trust Financing Authority	360,000	330,000
Accrued Interest Payable - JDV Development, LLC	638,737	585,787
Due To Related Parties	1,010,840	829,856
Supervisory Management Fees Payable	197,224	177,560
Total Long-Term Liabilities	<u>6,278,091</u>	<u>6,016,683</u>
 Total Liabilities	<u>6,400,170</u>	<u>6,160,518</u>
 PARTNERS' EQUITY		
Partners' Equity	<u>5,566,882</u>	<u>6,253,255</u>
Total Partners' Equity	<u>5,566,882</u>	<u>6,253,255</u>
 Total Liabilities and Partners' Equity	<u><u>\$ 11,967,052</u></u>	<u><u>\$ 12,413,773</u></u>

The accompanying notes are an integral part of these financial statements.

JDV LIMITED PARTNERSHP
STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED DECEMBER 31,

	<u>2024</u>	<u>2023</u>
REVENUE		
Rental Income	\$ 352,644	\$ 372,306
Rental Assistance Subsidy	280,251	271,585
Vacancy	(71,949)	(90,674)
Late Fees, Forfeited Deposits, etc.	5,767	5,984
Application Fees	325	560
Total Revenue	<u>567,038</u>	<u>559,761</u>
EXPENSES		
Maintenance and Repairs	236,102	257,411
Utilities	70,155	141,730
Administrative	91,281	89,130
Management Fees	32,113	32,813
Taxes	10,430	9,019
Insurance	134,940	126,161
Interest	223,934	229,564
Depreciation and Amortization	425,854	420,434
Total Expenses	<u>1,224,809</u>	<u>1,306,262</u>
Loss From Rental Operations	<u>(657,771)</u>	<u>(746,501)</u>
OTHER INCOME (EXPENSES)		
Asset Management Fee	(8,938)	(8,665)
Supervisory Management Fee	(19,664)	(19,112)
Casualty Gain (Loss)	-	30,721
Total Income (Expenses)	<u>(28,602)</u>	<u>2,944</u>
Net Income (Loss)	<u><u>\$ (686,373)</u></u>	<u><u>\$ (743,557)</u></u>

The accompanying notes are an integral part of these financial statements.

JDV LIMITED PARTNERSHP
STATEMENTS OF PARTNERS' EQUITY (DEFICIT)
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	<u>Total</u>	<u>General Partner</u>	<u>Administrative Limited Partner</u>	<u>Investor Limited Partner</u>
Partners' Equity (Deficit), December 31, 2022	\$ 6,322,231	\$ (677)	\$ (677)	\$ 6,323,585
Contributions	674,581	674,581	-	-
Net Income (Loss)	<u>(743,557)</u>	<u>(74)</u>	<u>(74)</u>	<u>(743,409)</u>
Partners' Equity (Deficit), December 31, 2023	6,253,255	673,830	(751)	5,580,176
Net Income (Loss)	<u>(686,373)</u>	<u>(69)</u>	<u>(69)</u>	<u>(686,235)</u>
Partners' Equity (Deficit), December 31, 2024	<u><u>\$ 5,566,882</u></u>	<u><u>\$ 673,761</u></u>	<u><u>\$ (820)</u></u>	<u><u>\$ 4,893,941</u></u>
Profit and Loss Percentages	<u><u>100.00%</u></u>	<u><u>0.01%</u></u>	<u><u>0.01%</u></u>	<u><u>99.98%</u></u>

The accompanying notes are an integral part of these financial statements.

JDV LIMITED PARTNERSHP
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31,

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Income (Loss)	\$ (686,373)	\$ (743,557)
Adjustments to Reconcile Income (Loss) to Net Cash		
Provided (Used) by Operating Activities:		
Depreciation and Amortization	425,854	420,434
Amortization of Debt Issuance Cost	3,374	3,374
(Increase) Decrease in Accounts Receivable - Tenants	(4,931)	8,144
(Increase) Decrease in Accounts Receivable - Subsidy	(804)	-
(Increase) Decrease in Prepaid Insurance	6,002	(17,920)
(Increase) Decrease in Prepaid Expenses	-	6,597
Increase (Decrease) in Accounts Payable	(35,348)	(11,137)
Increase (Decrease) in Accrued Insurance Payable	(7,835)	3,329
Increase (Decrease) in Accrued Expenses	1,307	(12,985)
Increase (Decrease) in Deferred Revenue	2,245	(1,508)
Increase (Decrease) in Management Fees Payable	15	341
Increase (Decrease) in Asset Management Fees Payable	8,938	8,665
Increase (Decrease) in Supervisory Management Fees Payable	19,664	19,112
Increase (Decrease) in Accrued Interest Payable	82,950	82,950
Increase (Decrease) in Security Deposit Liability	(1,755)	4,891
Total Adjustments	499,676	514,287
Net Cash Provided (Used) by Operating Activities	(186,697)	(229,270)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Payments for Property and Equipment	(65,000)	-
Net Change in Due From Related Party	(11,986)	(8,256)
Net Cash Provided (Used) by Investing Activities	(76,986)	(8,256)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Principal Payments of Long-Term Debt	(32,176)	(41,979)
Net Change in Due To Related Parties	198,273	52,326
Capital Contribution from General Partner	-	115,210
Net Cash Provided (Used) by Financing Activities	166,097	125,557
Net Increase (Decrease) in Cash and Cash Equivalents	(97,586)	(111,969)
Cash and Cash Equivalents, Beginning of Year	472,004	583,973
Cash and Cash Equivalents, End of Year	\$ 374,418	\$ 472,004

The accompanying notes are an integral part of these financial statements.

JDV LIMITED PARTNERSHP
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31,

	<u>2024</u>	<u>2023</u>
Supplemental Disclosures of Cash Flow Information:		
Cash and Cash Equivalents		
Cash - Operations	\$ 31,090	\$ 3,509
Operating Reserve	250,478	402,630
Replacement Reserve	67,845	39,105
Tenants' Security Deposits	25,005	26,760
Total Cash and Cash Equivalents	<u>\$ 374,418</u>	<u>\$ 472,004</u>
 Cash paid During the Year for Interest	 <u>\$ 137,610</u>	 <u>\$ 143,240</u>

The accompanying notes are an integral part of these financial statements.

JDV LIMITED PARTNERSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE A – ORGANIZATION

JDV Limited Partnership (The Partnership) was organized in 2011 as a limited partnership to develop, construct, own, maintain, and operate a 73-unit rental apartment complex for persons of low and moderate income. The apartment complex is located in the city of Lafayette, Louisiana, and is currently known as Uptown Lofts. Each building of the apartment complex has qualified and been allocated low-income housing tax credits pursuant to Internal Revenue Code Section 42 (Section 42), which regulates the use of the apartment complex as to occupant eligibility and unit gross rent, among other requirements. The major activities of the Partnership are governed by the Amended and Restated Partnership Agreement and are subject to the administrative directives, rules, and regulations of federal and state regulatory agencies, including but not limited to, the state housing finance agency. Such administrative directives, rules, and regulations are subject to change by federal and state agencies. The Partnership was placed in service on December 17, 2012.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements follows.

Basis of Accounting

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

Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of the statements of cash flows, cash and cash equivalents represent unrestricted cash, restricted deposits, funded reserves and all highly liquid and unrestricted and restricted debt instruments purchased with a maturity of three months or less.

Cash and Other Deposits

The Partnership has various checking and escrow accounts and other deposits at local financial institutions. Noninterest-bearing and interest-bearing accounts, in the aggregate, are insured up to \$250,000 at each financial institution by the Federal Deposit Insurance Corporation (FDIC). As of December 31, 2024, there were no uninsured deposits.

JDV LIMITED PARTNERSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property, Equipment and Depreciation

Land, buildings, improvements, and equipment are recorded at cost. Improvements are capitalized, while expenditures for maintenance and repairs are charged to expense as incurred. Upon disposal of depreciable property, the appropriate property accounts are reduced by the related costs and accumulated depreciation. The resulting gains and losses are reflected in the statements of operations. Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations using the straight-line method over their estimated service lives as follows:

Buildings	40 years
Furniture, Fixtures and Equipment	10 years
Site Improvements	20 years

Amortization

Organization costs are expensed as incurred. Tax credit costs are amortized over the ten year tax credit period. As of December 31, 2024 and 2023, tax credit costs were fully amortized.

Debt Issuance Costs

Debt issuance costs, net of accumulated amortization, are reported as a direct reduction of the obligation to which such costs relate. Amortization of debt issuance costs is reported as a component of interest expense and is computed using the interest method.

Tenants' Security Deposits

Tenants' security deposits are held in a separate bank account in the name of the apartment complex. At December 31, 2024, this account was funded in an amount equal to the security deposit liability.

Rental Income and Accounts Receivable

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

Tenant rent charges for the current month are due on the first of the month. Tenants who are evicted or move out are charged with damages or cleaning fees, if applicable. Tenant receivable consists of amounts due for rental income, other tenant charges and charges for damages and cleaning fees in excess of forfeited security deposits. The Partnership does not accrue interest on the tenant receivable balances.

JDV LIMITED PARTNERSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Rental Income and Accounts Receivable (Continued)

The Partnership uses the direct write-off method to provide for uncollectible accounts. Use of this method does not result in a material difference from the valuation method required by accounting principles generally accepted in the United States of America.

Income Taxes

No provision or benefit for income taxes has been included in these financial statements since taxable income or loss passes through to, and is reportable by, the partners individually. The time limit for taxing authorities to examine the Partnership's income tax returns is generally three years from the date of filing or the due date, whichever is later, unless civil or criminal fraud is proven, for which there is no time limit. The Partnership files income tax returns in the U.S. federal jurisdiction, and various state jurisdictions. The Partnership is no longer subject to U.S. federal and state income tax examinations by tax authorities for years before 2021.

FASB ASC 360, *Property, Plant, and Equipment*

FASB ASC 360, *Property, Plant, and Equipment* requires that long-lived assets and certain identifiable intangibles held and used by an entity be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Application of the impairment provisions of FASB ASC 360, *Property, Plant, and Equipment* has not materially affected the Partnership's reported earnings, financial condition or cash flows.

NOTE C – RESERVE REQUIREMENTS

Operating Reserve

The General Partner shall establish and at all times maintain an Operating Deficit Reserve account in an amount (the "Operating Reserve Amount") equal to the greater of \$260,000, or an amount equal to six (6) months of operating expenses, required debt service payments and required reserve payments (other than the funding of the Operating Reserve Amount), which amount shall be determined in connection with the calculation of rental achievement. The Operating Reserve Amount shall be funded in full from the Investor Limited Partner contribution made pursuant to Section 3.4D of the Partnership Agreement (unless required sooner by the credit agency or first mortgage lender). The Operating Deficit Reserve account shall be held in a dual signature bank account of the Partnership requiring the signature of the General Partner and the Administrative Limited Partner (and shall not require approval of any lender). The General Partner shall be entitled to withdraw funds from such account to fund operating expenses required from time to time, any time after the operating deficit guaranty period has expired or prior thereto if the General Partner has made operating loans in the required amount set forth in Section 4.3 of the Partnership Agreement; provided, however, that the Administrative Limited Partner shall approve any expenditures from such account. Any funds withdrawn from the Operating deficit

JDV LIMITED PARTNERSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE C – RESERVE REQUIREMENTS (CONTINUED)

Operating Reserve (Continued)

Reserve account in accordance herewith shall be replenished out of cash flow in accordance with the priorities set forth in Section 9.2A of the Partnership Agreement. After expiration of the compliance period and to the extent permitted by the mortgage lenders, the balance of the Operating Deficit Reserve account shall be released as cash flow and distributed in accordance with Section 9.2A of the Partnership Agreement. For the year ended December 31, 2020, there was an approved withdrawal in the amount of \$88,711 for appliance replacements. During the year ended December 31, 2022, there was an increase in the amount of \$280,000 in the Operating Reserve Account due to proceeds received from the sale of land, described further under Note O. For the year ended December 31, 2024, there was a withdrawal in the amount of \$152,152 that was not submitted or approved by the Administrative Limited Partner. As of December 31, 2024 and 2023, this account had a balance of \$250,478 and \$402,630, respectively.

Replacement Reserve

Commencing in the month following the month in which completion occurs, unless required by any lender, the General Partner shall set aside, in a separate Partnership bank account, a repair and replacement reserve (the “Replacement Reserve account”), to be funded on a monthly basis at an annual rate equal to the greater of (a) \$300 per apartment unit (which annual rate shall be adjusted, on January 1 of 2018 and January 1 of each fifth year thereafter, to equal the product of \$300 (or such previously adjusted amount if greater than \$300) multiplied by the consumer price index adjustment as of the adjustment date), or (b) that required by the first mortgage lender. \$27,741 is due annually from 2023 to 2027. The General Partner shall be entitled to withdraw funds from such account to fund capital expenditures and effectuate repairs and replacements required from time to time; provided, however, that the Administrative Limited Partner shall approve any expenditures from such account, either in an approved annual budget for the apartment complex or, if not so approved, upon the request of the General Partner. For the year ended December 31, 2024, \$28,741 was required to be funded to the Replacement Reserve account. The actual amount funded during the year ended December 31, 2024 was \$28,740, which resulted in the account being underfunded by \$1 for the year ended December 31, 2024. For the year ended December 31, 2023, \$28,741 was required to be funded to the Replacement Reserve account. The actual amount funded during the year ended December 31, 2023 was \$23,826, which resulted in the account being underfunded by \$4,915 for the year ended December 31, 2023. As of December 31, 2024, the account was underfunded by a total amount of \$88,795. As of December 31, 2024 and 2023, this account had a balance of \$67,845 and \$39,105, respectively.

JDV LIMITED PARTNERSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE C – RESERVE REQUIREMENTS (CONTINUED)

Replacement Reserve (Continued)

Replacement Reserve Account activity for the years ended December 31, 2024 and 2023 is as follows:

Beginning Balance 12/31/2022	\$	52,366
Deposits		23,826
Interest		—
Withdrawals		(37,087)
Ending Balance 12/31/2023		39,105
Deposits		28,740
Interest		—
Withdrawals		(—)
Ending Balance 12/31/2024	\$	<u>67,845</u>

NOTE D – PARTNERS AND CONTRIBUTIONS

The Partnership has a General Partner – JDV Development, LLC, an Administrative Limited Partner – Alliant ALP 65, LLC and an Investor Limited Partner – Alliant Tax Credit Fund 65, Ltd. The Partnership records capital contributions as received and distributions as paid. For the years ended December 31, 2024 and 2023, capital contributions were received in the amount of \$0 and \$674,581 from the General Partner, respectively, and no capital contributions were received from the other Partners. For the years ended December 31, 2024 and 2023, no distributions were paid. Total contributions received from the Investor Limited Partner as of December 31, 2014 is \$13,395,154. During the year ended December 31, 2023, no actual cash changed hands due to the unpaid deferred developer fee being reclassified to capital contribution from the General Partner, to offset, satisfying the full payment of the deferred developer fees.

NOTE E – LONG-TERM DEBT

Note Payable – First Bank and Trust

The construction loan was converted to permanent financing on November 14, 2013 with First Bank and Trust in the amount of \$2,320,000. The loan is a sixteen-year term loan with a thirty-year amortization bearing an interest rate equal to 7.00% per annum. The loan is paid in 191 monthly principal and interest payments of \$15,435 each, beginning January 1, 2014, and one last principal and interest payment estimated at \$1,666,902 on December 1, 2029, the maturity date. During the year ended December 31, 2020, the Partnership entered into a Forbearance, Extension/Modification Agreement with First Bank and Trust. The monthly principal and interest payments were deferred for three months during the year ended December 31, 2020. The loan is collateralized primarily by a mortgage on the Partnership's land and buildings. As of December 31, 2024 and 2023, the balance of this loan was \$2,015,210 and \$2,047,386, respectively.

JDV LIMITED PARTNERSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE E – LONG-TERM DEBT (CONTINUED)

Note Payable – First Bank and Trust (Continued)

	2024	2023
Note Payable – First Bank and Trust	\$ 2,015,210	\$ 2,047,386
Less: Unamortized Debt Issuance Costs	(12,935)	(16,309)
Note Payable – First Bank and Trust, Net	<u>\$ 2,002,275</u>	<u>\$ 2,031,077</u>

Note Payable – Lafayette Public Trust Financing Authority

The Partnership entered into a loan agreement with Lafayette Public Trust Financing Authority on April 8, 2011. The maximum loan amount that can be drawn is \$1,000,000 at an interest rate equal to 3.00% per annum. The principal balance of this note and all accrued, but unpaid interest shall be due and payable consisting of 50% out of Net Cash Flow from the operations of the Partnership in accordance with the priorities set forth in Section 9.2(A) of the Amended and Restated Partnership Agreement of the Partnership dated January 31, 2012, until the entire principal balance and all accrued interest is paid in full. The maturity date of the loan is December 30, 2027. The loan is primarily collateralized by a second mortgage on the Partnership's real property. As of December 31, 2024 and 2023, \$1,000,000 and \$1,000,000 was owed on the loan with interest accrued of \$360,000 and \$330,000, respectively.

Note Payable – JDV Development, LLC

The Partnership entered into a credit sale with mortgage agreement with JDV Development, LLC, the General Partner, on December 8, 2011. The maximum loan amount that can be drawn is \$1,059,000 at an interest rate equal to 5.00% per annum. The principal balance of this note and all accrued, but unpaid interest shall be due and payable on the maturity date, December 30, 2027. The loan is primarily collateralized by a mortgage on the Partnership's real property. As of December 31, 2024 and 2023, \$1,059,000 and \$1,059,000 was owed on the loan with interest accrued of \$638,737 and \$585,787, respectively.

Maturities of Long-Term Debt

Aggregate maturities of long-term debt for the next five years and thereafter are as follows:

Year Ending December 31	Amount
2025	\$ 45,600
2026	\$ 48,897
2027	\$ 2,111,432
2028	\$ 56,222
2029	\$ 1,812,060
Thereafter	\$ —

JDV LIMITED PARTNERSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE F – MANAGING AGENT’S COMPENSATION

Effective June 1, 2019, the Partnership entered into a new Property Management Agreement with NDC Asset Management, LLC. The Partnership shall pay NDC Asset Management, LLC a monthly compensation for the management services of six percent (6%) of the total monthly gross receipts from the Project. Management Fees incurred during the years ended December 31, 2024 and 2023 were \$32,113 and \$32,813, respectively. At December 31, 2024 and 2023, the Partnership owed Management Fees in the amount of \$2,539 and \$2,524, respectively.

NOTE G – TRANSACTIONS WITH AFFILIATES AND RELATED PARTIES

Asset Management Fee

Commencing in the year in which completion occurs and for each year thereafter, the Partnership shall pay to the Investor Limited Partner an Asset Management Fee of \$6,500 per annum, one-half payable on April 1st and the balance on October 1st (provided, however, that the Asset Management Fee shall be payable only to the extent sufficient cash flow is available pursuant to Section 9.2A of the Partnership Agreement, and any portion of the Asset Management fee which cannot be paid shall accrue with interest until there is sufficient cash flow or sale or refinancing transaction proceeds to pay the outstanding accrued amount), for its services in reviewing the informational reports, financial statements and tax returns furnished to it pursuant to Article 13 of the Partnership Agreement. The Asset Management Fee shall be adjusted annually based on the consumer price index adjustment. The Asset Management Fee shall not include any costs (including without limitation reasonable attorneys’ fees) incurred by the Limited Partners in connection with any request by the General Partner and/or the Partnership for the consent of a Limited Partner which is required under any Article of the Partnership Agreement other than Article 13 of the Partnership Agreement. It being expressly understood and agreed that such costs of the Limited Partners in connection with any such request shall be a Partnership expense, unless otherwise agreed by the Limited Partners and the General Partner. For the years ended December 31, 2024 and 2023, Asset Management Fees were incurred in the amount of \$8,938 and \$8,665, respectively. As of December 31, 2024 and 2023, Asset Management Fees were owed in the amount of \$55,615 and \$46,677, respectively, to the Investor Limited Partner.

Supervisory Management Fee

Commencing in the year in which rental achievement occurs and for each year thereafter, the Partnership shall pay to JDV Development, LLC, the General Partner, a Supervisory Management Fee in an amount equal to \$200 per tax credit apartment unit of the apartment complex for such year pursuant to Section 9.2A(x) of the Partnership Agreement. The Supervisory Management Fee shall be adjusted annually based on the consumer price index. In no event will the sum of the fees payable pursuant to the Supervisory Management Agreement plus any fees payable to the General Partner or any affiliate under the Management Agreement exceed ten percent (10%) of effective gross income per year determined on a cumulative noncompounded basis. The fee shall be considered earned and payable when any benchmarks or conditions to payment of the fee are met by the General Partner but shall be paid at the time and

JDV LIMITED PARTNERSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE G – TRANSACTIONS WITH AFFILIATES AND RELATED PARTIES (CONTINUED)

Supervisory Management Fee (Continued)

manner mentioned earlier. For the years ended December 31, 2024 and 2023, Supervisory Management Fees were incurred in the amount of \$19,664 and \$19,112, respectively. As of December 31, 2024 and 2023, Supervisory Management Fees were owed in the amount of \$197,224 and \$177,560, respectively.

Developer Fee

On August 16, 2010, the Partnership entered into a Development Services Agreement with JDV Development, LLC (the “Developer”), who is also the General Partner. The developer has provided and will continue to provide certain services with respect to the apartment complex during the construction and development. The developer shall receive a fee in the amount of \$2,050,524 for its services. Pursuant to section 3.1 of the Limited Partnership Agreement (LPA) and Schedule thereto, if the Development Fee has not been paid in full by December 18, 2022, the General Partner shall be required to make a loan or capital contribution (pursuant to the specific terms of the LPA) on that date in an amount sufficient to pay-off the unpaid balance of the Development Fee. During the year ended December 31, 2023, no actual cash changed hands due to the unpaid deferred developer fees in the amount of \$559,371 being reclassified to capital contributions from the General Partner, to offset, satisfying the full payment of the deferred developer fees. As of December 31, 2023, there were no developer fees remaining to be paid.

Due From Related Party

During the year ended December 31, 2023, the Partnership advanced funds in the amount of \$8,256 to cover operating costs on behalf of Studio 114, LLC, an affiliated entity. As of December 31, 2024 and 2023, Studio 114, LLC owed \$20,242 and \$8,256 to the Partnership, respectively.

Due To Related Party

During the year ended December 31, 2023, JDV Development, LLC, the General Partner, paid property insurance in the amount of \$52,326 on behalf of the Partnership. During the year ended December 31, 2022, JDV Development, LLC, the General Partner, paid property insurance and payroll costs in the amount of \$13,500 on behalf of the Partnership. During the years ended December 31, 2022 and 2020, JDV Development, LLC advanced funds in the amount of \$165,984 and \$150,000 to cover operating costs of the Partnership, respectively. As of December 31, 2024 and 2023, the Partnership owed \$1,010,840 and \$829,856 to JDV Development, LLC, respectively.

JDV LIMITED PARTNERSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE G – TRANSACTIONS WITH AFFILIATES AND RELATED PARTIES (CONTINUED)

Amounts due from related party at December 31, 2024 and 2023, consist of the following:

	2024	2023
Studio 114, LLC, an affiliated entity, for Operating Advances	\$ 20,242	\$ 8,256
Total	<u>\$ 20,242</u>	<u>\$ 8,256</u>

Amounts due to related parties at December 31, 2024 and 2023, consist of the following:

	2024	2023
JDV Development, LLC, the General Partner, for Property Insurance, Payroll Costs, and Operating Advances	\$ 1,010,840	\$ 829,856
JDV Development, LLC, the General Partner, for Supervisory Management Fees	197,224	177,560
JDV Development, LLC, the General Partner, for Developer Fees	—	—
JDV Development, LLC, the General Partner, for Note Payable and Accrued Interest	1,697,738	1,644,787
Alliant Tax Credit Fund 65, Ltd, the Investor Limited Partner for asset management fees	55,615	46,677
Total	<u>\$ 2,961,417</u>	<u>\$ 2,698,880</u>

NOTE H – PARTNERSHIP PROFITS AND LOSSES AND DISTRIBUTIONS

All profits and losses, other than from capital transactions detailed in the Amended and Restated Partnership Agreement, are allocated .01% to the General Partner, .01% to the Administrative Limited Partner and 99.98% to Investor Limited Partner.

Subject to Lender approval (if required), Cash Flow for each fiscal year or portion thereof of the Partnership shall be paid out in the following order and priority:

First, to the Investor Limited Partner in an amount equal to any unpaid housing tax credit shortfall payment;

Second, to replenish any funds disbursed from the Operating Deficit Reserve account pursuant to Section 4.4 of the Partnership Agreement until the Operating Deficit Reserve account is funded to the Operating Reserve Amount;

Third, to pay interest on any loans, including voluntary loans (but excluding operating loans and deferred developer fee), from partners or their affiliates, prorate in accordance with the amount of interest accrued as of the date of such distribution;

JDV LIMITED PARTNERSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE H – PARTNERSHIP PROFITS AND LOSSES AND DISTRIBUTIONS (CONTINUED)

Fourth, to repay principal of any loans, including voluntary loans (but excluding operating loan and deferred developer fee), payable to partners and their affiliates, pro rata in accordance with the amount of the principal balances as of the date of such distribution;

Fifth, to pay in full any unpaid Asset Management Fees;

Sixth, to pay in full any unpaid Developer Fee;

Seventh, to pay in full any operating loans;

Eighth, to pay the second mortgage loan and then to pay the third mortgage loan;

Ninth, to pay the Supervisory Management Fee due pursuant to the Supervisory Management Agreement; and

After making the payments listed, the remaining Cash Flow, if any, shall be distributed to the Partners in accordance with the following percentages:

General Partner	0.01%
Administrative Limited Partner	0.01%
Investor Limited Partner	<u>99.98%</u>
Total	100.00%

NOTE I – ADVERTISING

The Partnership expenses advertising costs as such cost are incurred. The Partnership incurred advertising costs in the amount of \$0 and \$0 for the years ended December 31, 2024 and 2023, respectively.

NOTE J – TAXABLE INCOME (LOSS)

A reconciliation of financial statement net income (loss) to taxable income (loss) of the Partnership for the years ended December 31, 2024 and 2023, is as follows:

Financial statement net income (loss)	<u>2024</u>	<u>2023</u>
Adjustments:	\$ (686,373)	\$ (743,557)
Excess of depreciation and amortization for income tax reporting purposes over financial reporting purposes	(102,227)	1,031
Other Book/Tax Timing Differences	<u>—</u>	<u>—</u>
Taxable income (loss) as shown on tax return	<u>\$ (788,600)</u>	<u>\$ (742,526)</u>

JDV LIMITED PARTNERSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE K – CONTINGENCY

The apartment complex's low-income housing tax credits are contingent on the ability of the Partnership to maintain compliance with applicable sections of Section 42 of the Internal Revenue Code. 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.

NOTE L – PROPERTY TAXES

During the years ended December 31, 2024 and 2023, the Partnership was exempt from property taxes.

NOTE M – CASUALTY GAIN

During the year ended December 31, 2022, the apartment complex was damaged by a fire. The Partnership paid construction costs related to the fire in the amount of \$131,938. During the year ended December 31, 2022, the Partnership received insurance proceeds related to the claim in the amount of \$126,798. The Partnership disposed of fixed asset costs related to the claim in the amount of \$122,335 with an unrecoverable book value of \$93,791, which resulted in a net casualty gain of \$28,349 from the disposal and restoration related to the fire. During the year ended December 31, 2023, the Partnership received insurance proceeds related to the claim in the amount of \$30,721.

NOTE N – CURRENT VULNERABILITY DUE TO CERTAIN CONCENTRATIONS

The Partnership's sole asset is Uptown Lofts. The Partnership's operations are concentrated in the low-income real estate market. In addition, the Partnership operates in a heavily regulated environment. The operations of the Partnership are subject to the administrative directives, rules and regulations of federal and state regulatory agencies, including but not limited to, the state housing financing agency. Such administrative directives, rules and regulations are subject to change by federal and state agencies. Such changes may occur with little notice or inadequate funding to pay for related cost, including the additional administrative burden, to comply with a change.

NOTE O – SALE OF LAND

On May 11, 2022, the Partnership sold and transferred land to Monroe Lafayette, LLC whose sole member is the Lafayette Public Trust Financing Authority, the sole member of the General Partner. In full consideration for the transfer and conveyance of the property, \$280,000 was transferred to the Partnership's Operating Reserve, as further described in the First Amendment to the Amended and Restated Articles of Partnership in Commendam.

JDV LIMITED PARTNERSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE P – SUBSEQUENT EVENTS

The Partnership has evaluated subsequent events through March 1, 2025, the date which the financial statements were available for issue.

SUPPLEMENTAL INFORMATION

JDV LIMITED PARTNERSHP
SCHEDULE OF EXPENSES
FOR THE YEARS ENDED DECEMBER 31,

	2024	2023
MAINTENANCE AND REPAIRS		
Salaries	\$ 80,285	\$ 68,606
Supplies	3,529	69,661
Appliance	49,935	6,072
Electrical	-	3,435
Elevator	14,841	17,381
Janitorial	24,845	14,397
Decorating	1,748	4,686
Grounds	437	96
Pest Control	5,015	2,951
Security	1,033	493
Fire and Safety	16,953	7,043
HVAC Replacement	25,785	54,107
Miscellaneous Costs	11,696	8,483
Total Maintenance and Repairs	<u>\$ 236,102</u>	<u>\$ 257,411</u>
UTILITIES		
Electricity	\$ 20,427	\$ 25,538
Gas	13,993	13,471
Water and Sewer	19,879	20,048
Garbage and Trash Removal	15,856	82,673
Total Utilities	<u>\$ 70,155</u>	<u>\$ 141,730</u>
ADMINISTRATIVE		
Manager Salaries	\$ 49,706	\$ 47,024
Bookkeeping/Accounting	809	924
Legal Expenses	-	1,963
Telephone	4,037	4,324
Internet Service	2,031	2,323
Office Expense	5,012	7,396
Travel and Training	903	1,664
Bank Charges	516	616
Bad Debts	17,193	12,625
Professional Fees	8,889	7,831
Other Administrative Expenses	2,185	2,440
Total Administrative	<u>\$ 91,281</u>	<u>\$ 89,130</u>
TAXES		
Payroll Taxes	\$ 10,430	\$ 9,019
Total Taxes	<u>\$ 10,430</u>	<u>\$ 9,019</u>

JDV LIMITED PARTNERSHIP
SCHEDULE OF EXPENSES
FOR THE YEARS ENDED DECEMBER 31,

	<u>2024</u>	<u>2023</u>
INSURANCE		
Property and Liability Insurance	\$ 115,964	\$ 106,815
Fidelity Bond	480	208
Workmen's Compensation Insurance	5,285	5,230
Health Insurance	13,144	13,842
Other Insurance Expense	67	66
Total Insurance	<u>\$ 134,940</u>	<u>\$ 126,161</u>
INTEREST EXPENSE		
Interest on First Mortgage	\$ 140,984	\$ 146,614
Interest on JDV Development, LLC	52,950	52,950
Interest on Lafayette Public Trust Financing Authority	30,000	30,000
Total Interest Expense	<u>\$ 223,934</u>	<u>\$ 229,564</u>



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

To the Partners and Management of
JDV Limited Partnership
Lafayette, Louisiana

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 JDV Limited Partnership, which comprise the balance sheet as of December 31, 2024, and the related statements of operations, partners' equity (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 1, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered JDV Limited Partnership's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of JDV Limited Partnership's internal control. Accordingly, we do not express an opinion on the effectiveness of JDV 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 JDV Limited Partnership'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 JDV 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, noncompliance with which could have a direct and material effect on the financial statements. 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*.

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 JDV Limited Partnership's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering JDV Limited Partnership's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Monroe, Louisiana

March 1, 2025

JDV LIMITED PARTNERSHIP

SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS
TO THE AGENCY HEAD OR CHIEF EXECUTIVE OFFICER

FOR THE YEAR ENDED DECEMBER 31, 2024

Please refer to the Schedule of Compensation, Benefits and Other Payments to the Agency Head or Chief Executive Officer included in the Lafayette Public Trust Financing Authority's audit report for information relative to compensation, benefits and other payments to the agency head or chief executive officer.

JDV Limited Partnership
Schedule of Findings and Responses
For the Year Ended December 31, 2024

SECTION I – SUMMARY OF AUDIT RESULTS**Financial Statement Audit**

Type of auditors' report issued:	Unmodified	
Internal Control over financial reporting:		
Material Weaknesses identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Significant deficiencies identified that are not considered to be material weaknesses?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> None Noted
Noncompliance material to financial statements noted?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> None Noted

SECTION II – FINDINGS - FINANCIAL STATEMENTS AUDIT

None

JDV Limited Partnership
Summary Schedule of Prior Audit Findings
For the Year Ended December 31, 2023

The status of the prior year audit findings are summarized as follows:

None