

JDV LIMITED PARTNERSHIP
AUDITED FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

JDV LIMITED PARTNERSHIP
AUDITED FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2022 AND 2021

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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, 2022 and 2021 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, 2022 and 2021, 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 20 and 22 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 7, 2023 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 7, 2023

JDV LIMITED PARTNERSHP
BALANCE SHEETS
DECEMBER 31,

ASSETS

	2022	2021
CURRENT ASSETS		
Cash - Operations	\$ 65,964	\$ 24,576
Accounts Receivable - Tenants	16,017	36,494
Prepaid Insurance	16,639	13,221
Prepaid Expenses	10,192	10,192
Total Current Assets	108,812	84,483
 RESTRICTED DEPOSITS AND FUNDED RESERVES		
Operating Reserve	443,774	163,774
Replacement Reserve	52,366	13,879
Flood Insurance Escrow	-	165,386
Tenants' Security Deposits	21,869	24,449
Total Restricted Deposits and Funded Reserves	518,009	367,488
 PROPERTY AND EQUIPMENT		
Buildings	12,997,738	12,988,135
Site Improvements	1,568,931	1,568,931
Furniture and Equipment	1,085,597	933,621
Total	15,652,266	15,490,687
Less: Accumulated Depreciation	(4,855,818)	(4,382,345)
Net Depreciable Assets	10,796,448	11,108,342
Land	1,458,432	1,794,132
Total Property and Equipment	12,254,880	12,902,474
 OTHER ASSETS		
Tax Credit Costs	82,500	82,500
Total	82,500	82,500
Less: Accumulated Amortization	(82,500)	(74,250)
Net Amortizable Assets	-	8,250
Syndication Costs	50,000	50,000
Utility Deposits	3,040	3,040
Total Other Assets	53,040	61,290
 Total Assets	 \$ 12,934,741	 \$ 13,415,735

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

JDV LIMITED PARTNERSHP
BALANCE SHEETS
DECEMBER 31,

LIABILITIES AND PARTNERS' EQUITY

	2022	2021
CURRENT LIABILITIES		
Accounts Payable	\$ 69,145	\$ 18,627
Accrued Insurance Payable	4,506	3,732
Accrued Expenses	17,946	27,796
Deferred Revenue	1,981	5,964
Management Fees Payable	2,183	2,275
Asset Management Fee Payable	38,012	29,479
Accrued Interest Payable - First Bank and Trust	-	11,617
Current Portion of Long-Term Debt	40,239	36,177
Deferred Developer Fee Payable	559,371	-
Total Current Liabilities	733,383	135,667
 DEPOSITS		
Tenant Security Deposits	21,869	24,449
Total Deposits	21,869	24,449
 LONG-TERM LIABILITIES		
Note Payable - First Bank and Trust, Net of Unamortized Debt Issuance Costs	2,029,443	2,066,589
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	300,000	270,000
Accrued Interest Payable - JDV Development, LLC	532,837	479,887
Deferred Developer Fee Payable	-	559,371
Due To Related Parties	777,530	598,046
Supervisory Management Fees Payable	158,448	139,956
Total Long-Term Liabilities	5,857,258	6,172,849
Total Liabilities	6,612,510	6,332,965
 PARTNERS' EQUITY		
Partners' Equity	6,322,231	7,082,770
Total Partners' Equity	6,322,231	7,082,770
Total Liabilities and Partners' Equity	\$ 12,934,741	\$ 13,415,735

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

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

	2022	2021
REVENUE		
Rental Income	\$ 407,779	\$ 428,696
Rental Assistance Subsidy	223,661	198,895
Vacancy	(133,548)	(137,509)
Late Fees, Forfeited Deposits, etc.	8,118	5,620
Rental Concessions	-	(387)
Application Fees	1,185	1,404
Total Revenue	507,195	496,719
 EXPENSES		
Maintenance and Repairs	140,536	125,996
Utilities	133,077	118,482
Administrative	76,826	78,876
Management Fees	30,610	28,000
Taxes	9,016	8,045
Insurance	74,121	62,642
Interest	238,905	233,183
Depreciation and Amortization	510,267	503,297
Total Expenses	1,213,358	1,158,521
 Loss From Rental Operations	(706,163)	(661,802)
 OTHER INCOME (EXPENSES)		
Asset Management Fee	(8,533)	(7,576)
Supervisory Management Fee	(18,492)	(17,371)
Gain (Loss) on Sale of Land	(55,700)	-
Casualty Gain (Loss)	28,349	280,815
Total Income (Expenses)	(54,376)	255,868
 Net Income (Loss)	\$ (760,539)	\$ (405,934)

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, 2022 AND 2021

	<u>Total</u>	<u>General Partner</u>	<u>Administrative Limited Partner</u>	<u>Investor Limited Partner</u>
Partners' Equity (Deficit), December 31, 2020	\$ 7,488,704	\$ (560)	\$ (560)	\$ 7,489,824
Net Income (Loss)	<u>(405,934)</u>	<u>(41)</u>	<u>(41)</u>	<u>(405,852)</u>
Partners' Equity (Deficit), December 31, 2021	7,082,770	(601)	(601)	7,083,972
Net Income (Loss)	<u>(760,539)</u>	<u>(76)</u>	<u>(76)</u>	<u>(760,387)</u>
Partners' Equity (Deficit), December 31, 2022	<u>\$ 6,322,231</u>	<u>\$ (677)</u>	<u>\$ (677)</u>	<u>\$ 6,323,585</u>
Profit and Loss Percentages	<u>100.00%</u>	<u>0.01%</u>	<u>0.01%</u>	<u>99.98%</u>

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

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

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Income (Loss)	\$ (760,539)	\$ (405,934)
Adjustments to Reconcile Income (Loss) to Net Cash		
Provided (Used) by Operating Activities:		
Depreciation and Amortization	513,641	506,671
Casualty (Gain) Loss	(28,349)	(280,815)
Loss on Sale of Land	55,700	-
(Increase) Decrease in Accounts Receivable - Tenants	20,477	(19,626)
(Increase) Decrease in Accounts Receivable - Other	-	1,977
(Increase) Decrease in Prepaid Insurance	(3,418)	(162)
(Increase) Decrease in Prepaid Expenses	-	(1,590)
Increase (Decrease) in Accounts Payable	50,518	854
Increase (Decrease) in Accrued Insurance Payable	774	162
Increase (Decrease) in Accrued Expenses	(9,850)	4,363
Increase (Decrease) in Deferred Revenue	(3,983)	4,154
Increase (Decrease) in Management Fees Payable	(92)	454
Increase (Decrease) in Asset Management Fees Payable	8,533	7,576
Increase (Decrease) in Supervisory Management Fees Payable	18,492	17,371
Increase (Decrease) in Accrued Interest Payable	71,333	82,950
Increase (Decrease) in Security Deposit Liability	(2,580)	(191)
Total Adjustments	691,196	324,148
Net Cash Provided (Used) by Operating Activities	(69,343)	(81,786)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisition/Construction of Property and Equipment - Flood Restoration	-	(331,945)
Insurance Proceeds Received - Flood Restoration	-	492,673
Acquisition/Construction of Property and Equipment - Fire Restoration	(288,572)	-
Insurance Proceeds Received - Fire Restoration	126,798	-
Proceeds from Sale of Land	280,000	-
Net Cash Provided (Used) by Investing Activities	118,226	160,728
CASH FLOWS FROM FINANCING ACTIVITIES:		
Principal Payments of Long-Term Debt	(36,458)	(38,361)
Net Change in Due To Related Parties	179,484	93,804
Net Cash Provided (Used) by Financing Activities	143,026	55,443
Net Increase (Decrease) in Cash and Cash Equivalents	191,909	134,385
Cash and Cash Equivalents, Beginning of Year	392,064	257,679
Cash and Cash Equivalents, End of Year	\$ 583,973	\$ 392,064

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

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

	2022	2021
Supplemental Disclosures of Cash Flow Information:		
Cash and Cash Equivalents		
Cash - Operations	\$ 65,964	\$ 24,576
Operating Reserve	443,774	163,774
Replacement Reserve	52,366	13,879
Flood Insurance Escrow	-	165,386
Tenants' Security Deposits	21,869	24,449
Total Cash and Cash Equivalents	\$ 583,973	\$ 392,064
Cash paid During the Year for Interest	\$ 164,198	\$ 146,859

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

JDV LIMITED PARTNERSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

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, 2022, there were uninsured deposits in the amount of \$337,949.

JDV LIMITED PARTNERSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

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, 2022 and 2021, accumulated amortization amounted to - \$82,500 and \$74,250, respectively.

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, 2022, 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 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, 2022 AND 2021

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 2019.

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

JDV LIMITED PARTNERSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE C – RESERVE REQUIREMENTS (CONTINUED)

Operating Reserve (Continued)

the Partnership Agreement; provided, however, that the Administrative Limited Partner shall approve any expenditures from such account. Any funds withdrawn from the Operating deficit 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. As of December 31, 2022 and 2021, this account had a balance of \$443,774 and \$163,774, 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. 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, 2022, \$23,826 was required to be funded to the Replacement Reserve account. The actual amount funded during the year ended December 31, 2022 was \$38,487, which resulted in the account being adequately funded for the year ended December 31, 2022. For the year ended December 31, 2021, \$23,826 was required to be funded to the Replacement Reserve account. The actual amount funded during the year ended December 31, 2021 was \$7,930, which resulted in the account being underfunded by \$15,896 for the year ended December 31, 2021. As of December 31, 2022, the account was underfunded by a total amount of \$83,879. As of December 31, 2022 and 2021, this account had a balance of \$52,366 and \$13,879, respectively.

JDV LIMITED PARTNERSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE C – RESERVE REQUIREMENTS (CONTINUED)

Replacement Reserve (Continued)

Replacement Reserve Account activity for the years ended December 31, 2022 and 2021 is as follows:

Beginning Balance 12/31/2020	\$	20,610
Deposits		7,930
Interest		–
Withdrawals		(14,661)
Ending Balance 12/31/2021		13,879
Deposits		38,487
Interest		–
Withdrawals		(–)
Ending Balance 12/31/2022	\$	52,366

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, 2022 and 2021, no capital contributions were received from the Partners. For the years ended December 31, 2022 and 2021, no distributions were paid. Total contributions received from the Investor Limited Partner as of December 31, 2014 is \$13,395,154.

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, 2022 and 2021, the balance of this loan was \$2,089,365 and \$2,125,823, respectively.

JDV LIMITED PARTNERSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE E – LONG-TERM DEBT (CONTINUED)

Note Payable – First Bank and Trust (Continued)

	<u>2022</u>	<u>2021</u>
Note Payable – First Bank and Trust	\$ 2,089,365	\$ 2,125,823
Less: Unamortized Debt Issuance Costs	<u>(19,683)</u>	<u>(23,057)</u>
Note Payable – First Bank and Trust, Net	<u>\$ 2,069,682</u>	<u>\$ 2,102,766</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, 2022 and 2021, \$1,000,000 and \$1,000,000 was owed on the loan with interest accrued of \$300,000 and \$270,000, 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, 2022 and 2021, \$1,059,000 and \$1,059,000 was owed on the loan with interest accrued of \$532,837 and \$479,887, 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
2023	\$ 40,239
2024	\$ 43,148
2025	\$ 46,268
2026	\$ 49,612
2027	\$ 2,112,199
Thereafter	\$ 1,856,899

JDV LIMITED PARTNERSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

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, 2022 and 2021 were \$30,610 and \$28,000, respectively. At December 31, 2022 and 2021, the Partnership owed Management Fees in the amount of \$2,183 and \$2,275, 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, 2022 and 2021, Asset Management Fees were incurred in the amount of \$8,533 and \$7,576, respectively. As of December 31, 2022 and 2021, Asset Management Fees were owed in the amount of \$38,012 and \$29,479, 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, 2022 AND 2021

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

Supervisory Management Fee (Continued)

manner mentioned earlier. For the years ended December 31, 2022 and 2021, Supervisory Management Fees were incurred in the amount of \$18,492 and \$17,371, respectively. As of December 31, 2022 and 2021, Supervisory Management Fees were owed in the amount of - \$158,448 and \$139,956, 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. As of December 31, 2022 and 2021, the Partnership owed \$559,371 and \$559,371 in deferred developer fees, respectively.

Due To Related Party

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, 2022 and 2021, the Partnership owed \$777,530 and \$598,046 to JDV Development, LLC, respectively.

Amounts due to related parties at December 31, 2022 and 2021, consist of the following:

	<u>2022</u>	<u>2021</u>
JDV Development, LLC, the General Partner, for Property Insurance, Payroll Costs, and Operating Advances	\$ 777,530	\$ 598,046
JDV Development, LLC, the General Partner, for Supervisory Management Fees	158,448	139,956
JDV Development, LLC, the General Partner, for Developer Fees	559,371	559,371
JDV Development, LLC, the General Partner, for Note Payable and Accrued Interest	\$ 1,591,837	\$ 1,538,887
Alliant Tax Credit Fund 65, Ltd, the Investor Limited Partner for asset management fees	\$ 38,012	\$ 29,479
Total	<u>\$ 3,125,198</u>	<u>\$ 2,865,739</u>

JDV LIMITED PARTNERSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

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;

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%

JDV LIMITED PARTNERSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE I – ADVERTISING

The Partnership expenses advertising costs as such cost are incurred. The Partnership incurred advertising costs in the amount of \$1,553 and \$2,457 for the years ended December 31, 2022 and 2021, 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, 2022 and 2021, is as follows:

Financial statement net income (loss)	2022	2021
Adjustments:	<u>\$ (760,539)</u>	<u>\$ (405,934)</u>
Excess of depreciation and amortization for income tax reporting purposes over financial reporting purposes	(133,679)	15,741
Other Book/Tax Timing Differences	70,367	42,531
Taxable income (loss) as shown on tax return	<u>\$ (823,851)</u>	<u>\$ (347,662)</u>

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, 2022 and 2021, the Partnership was exempt from property taxes.

NOTE M – CASUALTY GAIN

During the year ended December 31, 2021, the apartment complex was damaged by a flood. The Partnership paid construction costs related to the flood in the amount of \$331,945. During the year ended December 31, 2021, the Partnership received insurance proceeds related to the claim in the amount of \$492,673. The Partnership disposed of fixed asset costs related to the claim in the amount of \$273,366 with an unrecoverable book value of \$211,858, which resulted in a net casualty gain of \$280,815 from the disposal and restoration related to the flood.

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

JDV LIMITED PARTNERSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE M – CASUALTY GAIN (CONTINUED)

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.

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.

NOTE P – SUBSEQUENT EVENTS

The Partnership has evaluated subsequent events through March 7, 2023, the date which the financial statements were available for issue.

SUPPLEMENTAL INFORMATION

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

	<u>2022</u>	<u>2021</u>
MAINTENANCE AND REPAIRS		
Salaries	\$ 67,288	\$ 58,360
Supplies	10,917	3,752
Appliance	2,461	6,075
Electrical	1,501	-
Elevator	13,349	10,640
Janitorial	7,373	7,763
Decorating	3,987	4,603
Grounds	5,831	11,285
Pest Control	3,171	4,801
Security	506	432
Fire and Safety	8,097	2,620
HVAC Replacement	1,385	12,647
Miscellaneous Costs	14,670	3,018
Total Maintenance and Repairs	<u>\$ 140,536</u>	<u>\$ 125,996</u>
UTILITIES		
Electricity	\$ 28,442	\$ 26,572
Gas	7,282	14,452
Water and Sewer	25,932	27,172
Garbage and Trash Removal	71,421	50,286
Total Utilities	<u>\$ 133,077</u>	<u>\$ 118,482</u>
ADMINISTRATIVE		
Manager Salaries	\$ 46,428	\$ 42,533
Bookkeeping/Accounting	869	798
Legal Expenses	570	1,107
Advertising	1,553	2,457
Telephone	3,457	3,349
Internet Service	1,691	1,314
Office Expense	7,432	6,721
Travel and Training	1,695	1,192
Bank Charges	432	564
Bad Debts	2,321	5,866
Professional Fees	8,450	8,935
Other Administrative Expenses	1,928	4,040
Total Administrative	<u>\$ 76,826</u>	<u>\$ 78,876</u>

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

	2022	2021
TAXES		
Payroll Taxes	\$ 9,016	\$ 8,045
Total Taxes	\$ 9,016	\$ 8,045
 INSURANCE		
Property and Liability Insurance	\$ 57,999	\$ 51,354
Fidelity Bond	288	297
Workmen's Compensation Insurance	4,547	3,262
Health Insurance	10,999	7,729
Other Insurance Expense	288	-
Total Insurance	\$ 74,121	\$ 62,642
 INTEREST EXPENSE		
Interest on First Mortgage	\$ 155,955	\$ 150,233
Interest on JDV Development, LLC	52,950	52,950
Interest on Lafayette Public Trust Financing Authority	30,000	30,000
Total Interest Expense	\$ 238,905	\$ 233,183



**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, 2022, 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 7, 2023.

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.

Little & Associates, LLC

Monroe, Louisiana
March 7, 2023

JDV LIMITED PARTNERSHIP

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

FOR THE YEAR ENDED DECEMBER 31, 2022

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, 2022

SECTION I – SUMMARY OF AUDIT RESULTS

Financial Statement Audit

Type of auditors’ report issued:		Unmodified
Internal Control over financial reporting:		
Material Weaknesses identified?	___ Yes	_X_ No
Significant deficiencies identified that are not considered to be material weaknesses?	___ Yes	_X_ None Noted
Noncompliance material to financial statements noted?	___ Yes	_X_ None Noted

SECTION II – FINDINGS - FINANCIAL STATEMENTS AUDIT

None

JDV Limited Partnership
Summary Schedule of Prior Audit Findings
For the Year Ended December 31, 2021

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

None