WESLEY CHAPEL DEVELOPMENT LIMITED PARTNERSHIP

FINANCIAL STATEMENTS

DECEMBER 31, 2018 AND 2017

WESLEY CHAPEL DEVELOPMENT LIMITED PARTNERSHIP

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INDEPENDENT AUDITORS' REPORT

To the Partners
Wesley Chapel Development Limited Partnership

Report on the Financial Statements

We have audited the accompanying financial statements of Wesley Chapel Development Limited Partnership, (a Louisiana Limited Partnership), which comprise the balance sheets as of December 31, 2018 and 2017, 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.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Wesley Chapel Development Limited Partnership as of December 31, 2018 and 2017, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental information on pages 21 through 27 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 audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 26, 2019, on our consideration of Wesley Chapel Development Limited Partnership's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Wesley Chapel Development Limited Partnership's internal control over financial reporting and compliance.

Bond + Jousignant, LLC

Monroe, Louisiana
February 26, 2019

WESLEY CHAPEL DEVELOPMENT LIMITED PARTNERSHIP
BALANCE SHEETS
DECEMBER 31, 2018 AND 2017

ASSETS

	2018	2017
CURRENT ASSETS		
Cash and Cash Equivalents	$ 16,776	$ 13,384
Accounts Receivable - Tenants	15,013	16,210
Accounts Receivable - HUD	2,573	4,916
Accounts Receivable - Other	4,971	-
Prepaid Expenses	10,000	10,000
Total Current Assets	49,333	44,510
RESTRICTED DEPOSITS AND FUNDED RESERVES		
Replacement Reserve Escrow	179,364	143,279
Operating Deficit Reserve	401,637	400,434
Tenants' Security Deposits	14,915	13,608
Real Estate Tax and Insurance Escrow	24,888	31,012
Total Restricted Deposits and Funded Reserves	620,804	588,333
PROPERTY AND EQUIPMENT		
Buildings	9,094,470	9,094,470
Land Improvements	291,259	291,259
Furniture and Equipment	660,184	660,184
Total	10,045,913	10,045,913
Less: Accumulated Depreciation	(2,030,285)	(1,722,342)
Net Depreciable Assets	8,015,628	8,323,571
Land	90,000	90,000
Total Property and Equipment	8,105,628	8,413,571
OTHER ASSETS		
Permanent Credit Fees	86,559	86,559
Tax Credit Fees	85,000	85,000
Less: Accumulated Depreciation	(61,177)	(50,101)
Net Amortizable Assets	110,382	121,458
Utility Deposits	2,167	2,167
Total Other Assets	112,549	123,625
TOTAL ASSETS	$ 8,888,314	$ 9,170,039

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

WESLEY CHAPEL DEVELOPMENT LIMITED PARTNERSHIP
BALANCE SHEETS
DECEMBER 31, 2018 AND 2017

LIABILITIES AND PARTNERS' EQUITY

	2018	2017
CURRENT LIABILITIES		
Accounts Payable	$ 16,895	$ 10,388
Prepaid Rent	1,056	1,722
Accrued Interest Payable	9,224	9,273
Management Fees Payable	3,093	3,158
Asset Management Fees Payable - TCAP	10,800	10,800
Asset Management Fees Payable - Limited Partner	24,157	15,914
Current Portion of Long-Term Debt	25,281	23,835
Total Current Liabilities	90,506	75,090
DEPOSITS		
Tenants' Security Deposits	14,913	13,607
Total Deposits	14,913	13,607
LONG-TERM LIABILITIES		
Mortgage Payable	1,547,913	1,568,827
Notes Payable - TCAP	1,000,000	1,000,000
Notes Payable - Partners for Progress	500,000	500,000
Accrued Interest - TCAP Funds	209,083	178,667
Deferred Developer Fees	71,282	71,282
Due to Affiliates	119,237	104,553
Total Long-Term Liabilities	3,447,515	3,423,329
Total Liabilities	3,552,934	3,512,026
PARTNERS' EQUITY		
Partners' Equity (Deficit)	5,335,380	5,658,013
TOTAL LIABILITIES AND PARTNERS' EQUITY	$ 8,888,314	$ 9,170,039

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

WESLEY CHAPEL DEVELOPMENT LIMITED PARTNERSHIP
STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

	2018	2017
REVENUE		
Tenant Rents	$ 607,809	$ 606,685
Less Vacancies, Concessions, Etc.	(10,221)	(8,481)
Late Fees, Deposit Forfeitures, Etc.	3,731	3,339
Total Revenue	601,319	601,543
EXPENSES		
Maintenance and Repairs	158,092	153,908
Utilities	46,416	29,728
Administrative	138,149	132,988
Management Fees	37,244	37,136
Taxes	9,023	8,205
Insurance	57,737	48,554
Interest	146,082	147,488
Depreciation and Amortization	319,020	319,020
Total Expenses	911,763	877,027
Income (Loss) from Rental Operations	(310,444)	(275,484)
OTHER INCOME AND (EXPENSES)		
Interest Income	1,609	1,467
Asset Management Fee - TCAP	(5,555)	(5,400)
Asset Management Fee - Limited Partner	(8,243)	(8,065)
Total Other Income (Expense)	(12,189)	(11,998)
Net Income (Loss)	$ (322,633)	$ (287,482)

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

WESLEY CHAPEL DEVELOPMENT LIMITED PARTNERSHIP
STATEMENTS OF PARTNERS' EQUITY (DEFICIT)
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

		GENERAL PARTNER	LIMITED PARTNERS	
	Total	Wesley Chapel Development, LLC	Alliant ALP 65, LLC	Alliant Tax Credit Fund 65, Ltd.
Partners' Equity (Deficit), January 1, 2017	$ 5,945,495	$ (734)	$ (182)	$ 5,946,411
Net Income (Loss)	(287,482)	(29)	(29)	(287,424)
Partners' Equity (Deficit), December 31, 2017	$ 5,658,013	$ (763)	$ (211)	$ 5,658,987
Net Income (Loss)	(322,633)	(32)	(32)	(322,567)
Partners' Equity (Deficit), December 31, 2018	$ 5,335,380	$ (795)	$ (243)	$ 5,336,420
Profit and Loss Percentages	100.00%	0.01%	0.01%	99.98%

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

WESLEY CHAPEL DEVELOPMENT LIMITED PARTNERSHIP
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Income (Loss)	$ (322,633)	$ (287,482)
Adjustments to Reconcile Net Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Depreciation and Amortization	319,020	319,020
(Increase) Decrease in:		
Accounts Receivable - Tenants	1,197	(13,802)
Accounts Receivable - HUD	2,343	2,170
Accounts Receivable - Other	(4,971)	-
Prepaid Expense	-	(1,487)
Real Estate Tax and Insurance Escrow	6,124	(10,011)
Increase (Decrease) in:		
Accounts Payable	6,507	2,078
Management Fees Payable	(65)	(33)
Prepaid Rent	(666)	387
Accrued Interest Payable	(49)	(195)
Asset Management Fee Payable - TCAP	-	5,400
Asset Management Fee Payable - Limited Partner	8,243	8,065
Net Security Deposits Received (Paid)	(2)	2
Net Cash Provided (Used) by Operating Activities	15,048	24,112
CASH FLOWS FROM INVESTING ACTIVITIES:		
Deposits to Reserve for Replacements	(36,085)	(28,956)
Deposits to Operating Reserve	(1,203)	(1,199)
Net Cash Provided (Used) by Investing Activities	(37,288)	(30,155)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Increase (Decrease) in Due to Related Parties	14,684	-
Payments on Mortgage Payable	(22,146)	(20,604)
Interest on Loan Fees	2,678	2,712
Increase (Decrease) in Accrued Interest - TCAP Funds	30,416	30,417
Net Cash Provided (Used) by Financing Activities	25,632	12,525
Net Increase (Decrease) in Cash and Cash Equivalents	3,392	6,482
Cash and Cash Equivalents, Beginning of Year	13,384	6,902
Cash and Cash Equivalents, End of Year	$ 16,776	$ 13,384

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

WESLEY CHAPEL DEVELOPMENT LIMITED PARTNERSHIP
STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

	2018	2017
Supplemental Disclosures of Cash Flow Information:		
Cash Paid During the Year for:		
Interest	$ 113,037	$ 114,554

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

NOTE A – ORGANIZATION

Wesley Chapel Development Limited Partnership, (the Partnership) was organized in 2008 as a limited partnership to own, rehabilitate, develop, construct, maintain, and operate an eighty-two-unit apartment complex intended for rental to persons of low and moderate income. These apartments are located in Baton Rouge, Louisiana and are collectively known as Bayou Ridge Apartments (the Complex). Each building 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 homes as to occupant eligibility and unit gross rent, among other requirements. The major activities of the Partnership are governed by the Amended and Restated Articles of Partnership in Commendam, including amendments (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.

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 accounting principles generally accepted in the United States of America.

Change in Accounting Principle

During 2016, the Partnership adopted the provisions of Accounting Standards Update 2015-03, *Simplifying the Presentation of Debt Issuance Costs* (ASU 2015-03). Under this new accounting policy, the Partnership has retrospectively presented all debt issuance costs as a direct deduction from the carrying amount of the related obligation in the balance sheet. Amortization of the debt issuance costs is calculated using the interest method and is included as a component of interest expense.

Use of Estimates

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

Cash and Cash Equivalents

For purposes of the statement of cash flow, cash and cash equivalents represent unrestricted cash and all highly liquid and unrestricted debt instruments purchased with a maturity of three months or less.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Other Deposits

The Partnership has various checking, escrow, and other deposits at several financial institutions. Accounts at the financial institutions are insured by the Federal Deposit Insurance Corporation up to $250,000 per institution. At December 31, 2018, the Partnership had uninsured deposits of $331,002.

Tenant Receivable and Bad Debt Policy

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

The Partnership provides an allowance for doubtful accounts equal to the estimated uncollectible amounts. The Partnership's estimate is based on historical collection experience and a review of the current status of tenant accounts receivable. It is reasonably possible that the Partnership's estimate of the allowance for doubtful accounts will change. At December 31, 2018 and 2017, accounts receivable are presented net of an allowance for doubtful accounts of $0 and $0, respectively.

Capitalization and Depreciation

Land, buildings, improvements and equipment are recorded at cost. Depreciation is provided in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives using the straight-line method. 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 statement of operations. Estimated useful lives used for depreciation purposes are as follows:

Buildings	40 years
Land Improvements	20 years
Furniture and Equipment	10 years

Amortization

Organization costs are expensed as incurred.

Tax credit monitoring fees are amortized over the fifteen year Low-Income Tax Credit Compliance period, using the straight-line method.

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.

Rental Income

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

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

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

Impairment of Long-Lived Assets

The Partnership reviews its rental property for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. When recovery is reviewed, if the undiscounted cash flows estimated to be generated by the property are less than their carrying amounts, management compares the carrying amount of the property to its fair value in order to determine whether an impairment loss has occurred. The amount of the impairment loss is equal to the excess of the asset's carrying value over its estimated fair value. No impairment loss has been recognized during the years ended December 31, 2018 and 2017.

Subsequent Events

Events that occur after the balance sheet date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the balance sheet date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the balance sheet date, require disclosure in the accompanying notes. Management evaluated the activity of the partnership through February 26, 2019 (the date the financial statements were available to be issued) and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.

NOTE C – RESTRICTED DEPOSITS AND FUNDED RESERVES

Operating Deficit Reserve

The General Partners shall establish and at all times maintain an operating deficit reserve in an amount equal to the greater of $396,050, or an amount equal to six (6) months of operating expenses, required debt service payments and required replacement reserve payments, which amount shall be determined in connection with the calculation of Rental Achievement. The operating deficit reserve shall be funded from the capital contribution of the Investor Limited Partner made pursuant to the Partnership Agreement. The operating deficit reserve shall be held by the lender of the Permanent Loan and shall be jointly held in the name of the Partnership and the Administrative Limited Partner. Any withdrawal from the account requires the consent of the Administrative Limited Partner. Funding amounted to $1,203 in 2018 and $1,199 in 2017. There were no withdrawals during either year. At December 31, 2018 and 2017, the balance in this account was $401,637 and $400,434, respectively.

NOTE C – RESTRICTED DEPOSITS AND FUNDED RESERVES (CONTINUED)

Replacement Reserve

Upon commencement of Permanent Financing, the General Partner shall set aside, in a separate Partnership bank account, a repair and replacement reserve, to be funded on a monthly basis at an annual rate equal to the greater of (a) $350 per unit (which annual rate shall be adjusted, on January 1, 2014, and January 1 of each year thereafter, to equal the product of $350 (or such previously adjusted amount if greater than $350) multiplied by three percent (3%), or (b) that required by the permanent lender. Funding amounted to $36,085 in 2018 and $28,956 in 2017. Withdrawals amounted to $0 in 2018 and $0 in 2017. At December 31, 2018 and 2017, the balance in this account was $179,364 and $143,279, respectively.

Balance, December 31, 2017	$	143,279
Deposits:		
Monthly Deposits: $2,391.67 x 12		28,700
Additional Deposits:		7,000
Interest Earned		385
Withdrawals:		-
Balance, December 31, 2018	$	179,364

Tenants' Security Deposits

This account shall consist of deposits made by tenants that are held in a separate bank account in the name of the project until either returned or forfeited. At December 31, 2018, this account was funded in an amount equal to the security deposit liability.

Real Estate Tax and Insurance Escrow

Transfers of sufficient sums are to be made to this account for payment of insurance and real estate taxes. Deposits of $42,021 and $40,011 were made during 2018 and 2017, respectively, and withdrawals of $48,145 and $30,000 were made during 2018 and 2017, respectively. At December 31, 2018 and 2017, the balance in this account was $24,888 and $31,012, respectively.

NOTE D – PARTNERS' CAPITAL

The Partnership has one General Partner – Wesley Chapel Development, LLC; and two Limited Partners – Alliant ALP 65, LLC (Administrative Limited Partner) and Alliant Tax Credit Fund 65, Ltd. (Investor Limited Partner). The final capital contribution of $5,089,480 was contributed by the Limited Partners during 2014.

NOTE E – LONG-TERM DEBT

Mortgage Payable

Permanent financing was obtained from Home Federal Bank in July 2014 in the principal amount of $1,700,000. The loan bears interest at 6.84% with monthly principal and interest installments of $11,265. The loan has a term of sixteen (16) years with a thirty (30) year amortization period and a balloon payment due on the maturity date of August 1, 2030. The non-recourse loan is collateralized by a first mortgage on the Partnership's land and buildings. For the years ended December 31, 2018 and 2017, the partnership maintained a debt service coverage ratio of 88% and 111%, respectively. At December 31, 2018 and 2017, respectively, the balance of this loan was $1,618,185 and $1,640,331 and accrued interest was $9,224 and $9,273.

Debt issuance costs, net of accumulated amortization, of $44,991 and $47,669 as of December 31, 2018 and 2017, respectively, are amortized using an imputed interest rate of 1.96%.

Tax Credit Assistance Program (TCAP) Loan

The Partnership entered into a nonrecourse loan agreement with Louisiana Housing Corporation from the federal Tax Credit Assistance Program in the principal amount of $1,000,000 bearing fixed interest of 3% per annum, and having a maturity date of March 1, 2041, with annual payment of principal and interest equal to 75% of surplus cash, which is defined in the TCAP Loan documents as cash (excluding tenant security deposits) remaining at the end of the year after (A) payment of all operating expenses for such fiscal year; (B) payment of all sums due to currently required to be paid under the terms of any Permanent Loan documents; (C) payment of all amounts required to be deposited into any reserve fund for the payment of operating expenses, any reserve for replacements, or any other special reserve funds required to be maintained under the Permanent Loan documents or the TCAP Loan documents; and (D) asset management fees and tax credit adjuster payment payable to the Investor Limited Partner. At December 31, 2018, the balance of the loan was $1,000,000 and accrued interest was $209,083.

Notes Payable - Partners for Progress

In July 2014 during closing of the first mortgage, Partners for Progress, an affiliate of the General Partner, loaned the Partnership $500,000. The non-recourse loan has zero percent interest (0%) and a thirty year term. The maturity date of the loan is in July 2044. Payments of principal are deferred until there is sufficient income and cash flow to pay on the note. At December 31, 2018 the balance of the loan was $500,000 and accrued interest was $0.

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

Year Ending December 31,	Amount
2019	$ 25,281
2020	27,066
2021	28,976
2022	31,021
2023	33,211
Thereafter	$ 2,972,630

NOTE F – TRANSACTIONS WITH AFFILIATES AND RELATED PARTIES

Due to Affiliates

Due to East Baton Rouge Parish Housing Authority

The East Baton Rouge Parish Housing Authority, an affiliate of the General Partner, has paid certain operating and development costs on behalf of the Partnership. At December 31, 2018 and 2017, $119,237 and $104,553, respectively, was due to the East Baton Rouge Parish Housing Authority. This amount is included in the financial statements under the caption "Due to Affiliates".

Development Deficits

The General Partner shall be entitled to advance sums for completion of Construction and shall be entitled to the repayment of such advances without interest to the extent that there are proceeds of the Permanent Loan or Investor Limited Partner Contributions available, after paying all other obligations of the Partnership incurred in connection with such Construction and the establishment of all required reserves or escrow accounts under the Project Documents, to repay such advances. Any such advances which are not so repaid shall be deemed a payment to the Partnership by the General Partner in the nature of a compromise, shall not be credited to the Capital Accounts of the General Partner, and shall not be repayable. As of December 31, 2018, there were no development advances made to the Partnership other than those noted above.

Operating Deficits

The General Partner hereby covenants to lend to the Partnership any Operating Loans required to fund Operating Deficits incurred by the Partnership during the Operating Deficit Guaranty Period and not obtainable from the Operating Deficit Reserve Account. Any loans shall be made and funded by the General Partner when the operating obligations of the Partnership giving rise to the Operating Deficit are due in fulfillment of the obligations of the General Partner to the Partnership, the Investor Limited Partner and the Administrative Limited Partner. In the event payments due hereunder are not paid by the General Partner within ten days, the Partnership, the Investor Limited Partner and/or the Administrative Limited Partner (the "Advancing Party"), has the right but not the obligation, to advance any such amounts required to be paid by the General Partner. Such advances shall at the election of the Advancing Party be deemed a loan to the General Partner and, in addition to all other rights and remedies available to the Advancing Party, the General Partner shall reimburse the Advancing Party the full amount of such funds advanced by it plus interest in such amount from the date so advanced at a rate per annum equal to the Interest Rate. In the event there is any Cash Flow and/or Sale or Refinancing Transaction Proceeds which would otherwise be payable to the General Partner, the Partnership shall first apply such funds to any unpaid amounts owed the Administrative Limited Partner and/or the Investor Limited Partner as the Advancing Party hereunder. As of December 31, 2018, there were no operating deficit advances made to the Partnership other than those noted above.

Asset Management Fee - Limited Partner

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 $7,500 per annum for its services in reviewing informational reports, financial statements and tax returns. The Asset Management Fee shall be payable only to the extent sufficient Cash Flow is available pursuant to the amended and restated partnership agreement, and any portion of the Asset Management Fee which cannot be paid shall accrue without interest

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

until there is sufficient Cash Flow or Sale or Refinancing Transaction Proceeds to pay the outstanding accrued amount. The Asset Management Fee shall be adjusted annually based on the CPI Adjustment. During the years ending December 31, 2018 and 2017, the Partnership paid Asset Management Fees of $0 and $0, respectively. At December 31, 2018 and 2017, the Partnership owed Asset Management Fees of $24,157 and $15,914, respectively, to the Investor Limited Partner.

Incentive & Supervisory Management Fee

The Partnership has entered into the Incentive Management Agreement with the General Partner for services in managing the business of the Partnership. Commencing in the year in which Rental Achievement occurs and for each year thereafter, the Partnership shall pay to the General Partner an Incentive Management Fee in an amount equal to fifty percent (50%) of Cash Flow remaining after application of Cash Flow against the amounts described in section 9.2A of the Partnership Agreement. In addition a Supervisory Management Fee will be paid in an amount equal to twenty-four and ninety-nine one hundredths percent (24.99%) of Cash Flow remaining after application of Cash Flow against the amounts described in section 9.2A of the Partnership Agreement; provided that the Supervisory Management Fee for any year shall not exceed ten percent (10%) of gross revenues of the Apartment Complex for such year.

The Incentive Management Fee and Supervisory Management Fee pursuant to the Incentive Management Agreement shall be in accordance with any applicable requirements of the Lender. In no event will the sum of the fees payable pursuant to the Incentive Management Agreement plus any fees payable to the General Partner or any Affiliate thereof under the Management Agreement exceed twelve percent (12%) of Effective Gross Income per year determined on a cumulative non-compounded basis. During the years ended December 31, 2018 and 2017, no Incentive or Supervisory Management Fees were paid.

Deferred Developer Fees

The Partnership has entered into a Development Services Agreement in the amount of $1,154,000 with Wesley Chapel Development, LLC, the Managing General Partner, for services rendered to the Partnership for overseeing the construction and development of the complex. The developer fee has been capitalized in the basis of the building. During the years ended December 31, 2018 and 2017, $0 and $0, respectively, of developer fees were paid. At December 31, 2018 and 2017, $71,282 and $71,282, respectively of Developer Fees were payable.

NOTE G – PARTNERSHIP PROFITS AND LOSSES AND DISTRIBUTIONS

After giving effect to special allocations as set forth in the Partnership agreement, all profits and losses shall be allocated 0.01% to the General Partner, 0.01% to the Administrative Limited Partner, and 99.98% to the Investor Limited Partner.

Distributions of distributable cash from operations for each fiscal year will be made as follows:

A) To the Investor Limited Partner in an amount equal to the unpaid Housing Tax Credit Shortfall Payment;

B) To replenish any funds disbursed from the Operating Deficit Reserve Account until the Operating Deficit Reserve Account is funded to the Operating Reserve Amount;

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

C) To pay interest on any loans, including Voluntary Loans (but excluding Operating Loans and Deferred Development Fees), from Partners or their Affiliates provided for herein, pro rata in accordance with the amount of interest accrued as of the date of such distribution;

D) To repay principal of any loans, including Voluntary Loans (but excluding Operating Loans and Deferred Development Fees), payable to Partners or their affiliates, pro rata in accordance with the amount of the principal balances as of the date of such distribution;

E) To pay in full any unpaid Asset Management Fees;

F) To pay in full any unpaid and accrued management fee;

G) To pay in full any unpaid Development Fee;

H) To pay in full any Operating Loans;

I) To pay the Incentive Management Fee due pursuant to the Incentive Management Agreement;

J) To pay the Supervisory Management Fee payable pursuant to the Incentive Management Fee Agreement;

K) The balance to be paid 99.98% to the Investor Limited Partner, 0.01% to the Administrative Limited Partner, 0.01% to the General Partner.

NOTE H – CONTINGENCY

The Partnership's low-income housing tax credits are contingent on its ability 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 I – CURRENT VULNERABILITY DUE TO CERTAIN CONCENTRATIONS

The Partnership's sole asset is Bayou Ridge Apartments. The Partnership's operations are concentrated in the affordable housing 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, state and local regulatory agencies, including, but not limited to, the State Housing Agency. Such administrative directives, rules and regulations are subject to change by an act of Congress or an administrative change mandated by the State Housing Agency. Such changes may occur with little notice or inadequate funding to pay for the related cost, including the additional administrative burden, to comply with a change.

NOTE J – MANAGEMENT AGENT

During 2012, the Partnership entered into an agreement with NDC Real Estate Management, LLC to provide services in connection with rent-up, leasing and operation of the project. Management fees are charged at a rate of 6% of the total gross collections. Management fees incurred for the years ended December 31, 2018 and 2017, were $37,244 and $37,136, respectively.

NOTE K – TAXABLE INCOME (LOSS)

A reconciliation of financial statement net income (loss) to taxable income (loss) of the Partnership for the years ended December 31, 2018 and 2017 is as follows:

	2018	2017
Financial Statement Net Income (Loss)	$ (322,633)	$ (287,482)
Adjustments:		
Excess of depreciation and amortization for income tax purposes over financial reporting purposes	(33,701)	(52,335)
Taxable Income (Loss) as Shown on Tax Return	$ (356,334)	$ (339,817)

NOTE L – ASSET MANAGEMENT FEE – TCAP

For services performed under the Asset Management Agreement, the Partnership agrees to pay Foley & Judell, LLP (the "Asset Management Agent") $27,500 at closing (the "Initial Asset Management Fee") and an annual asset management fee (the "Annual Fee") commencing with the execution of the TCAP Asset Management Agreement in the amount of five thousand dollars ($5,000). The annual fee shall be due and payable to the Asset Manager commencing on April 1, 2014, and on the first day of April for each year thereafter, and shall be adjusted each year by the consumer price index ("CPI"). During the years ended December 31, 2018 and 2017, the Partnership paid $5,555 and $0, respectively. At December 31, 2018 and 2017, the Partnership owed TCAP Asset Management Fees of $10,800 and $10,800, respectively.

NOTE M – EXEMPTION FROM REAL ESTATE TAXES

Based upon the requirements set forth in the Louisiana Constitution, Article 7, Section 21, the Partnership is exempt from real estate taxes. The East Baton Rouge Tax Assessor has concurred with this exemption and therefore no real estate taxes have been assessed.

NOTE N – ADVERTISING

The Partnership incurred advertising costs of $0 in 2018 and $377 in 2017. These costs are expensed as incurred.

NOTE O – TAX CREDITS

During the year ended December 31, 2008, the Partnership was awarded Low-Income Housing Tax Credits in the amount of $10,149,250 to be allocated over ten years. As of December 31, 2018, $6,409,232 in tax credits have been taken with $3,740,018 remaining to be taken.

SUPPLEMENTAL INFORMATION

WESLEY CHAPEL DEVELOPMENT LIMITED PARTNERSHIP
SCHEDULES OF EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

	2018	2017
MAINTENANCE AND REPAIRS		
Maintenance Salaries	41,637	40,716
Maintenance Supplies	4,564	729
Maintenance Contracts	31,042	15,951
Repairs & Maintenance	54,256	74,778
Grounds Maintenance	19,013	15,244
Pest Control	7,580	6,490
Total Maintenance and Repairs	$ 158,092	$ 153,908
UTILITIES		
Electricity	20,282	15,814
Water	10,550	6,305
Sewer	15,533	7,609
Trash Removal	51	-
Total Utilities	$ 46,416	$ 29,728
ADMINISTRATIVE		
Advertising	-	377
Management Consultants	3,600	-
Office Salaries/Commission	16,146	11,245
Office Expense	15,977	10,690
Manager Salary	53,007	48,550
Legal	1,458	1,054
Auditing	10,900	10,781
Accounting Fees	1,007	1,235
Bad Debts	9,961	1,319
Administrative Travel	2,231	965
Telephone	12,498	24,520
Bank Service Charges	73	110
Security Contract	1,203	12,793
Other Administrative	10,088	9,349
Total Administrative	$ 138,149	$ 132,988
MANAGEMENT FEES		
Management Fee	37,244	37,136
Total Management Fees	$ 37,244	$ 37,136

WESLEY CHAPEL DEVELOPMENT LIMITED PARTNERSHIP
SCHEDULES OF EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

	2018	2017
TAXES		
Payroll Taxes	9,023	8,205
Total Taxes	$ 9,023	$ 8,205
INSURANCE		
Property/Liability Insurance	48,145	38,513
Fidelity Bond	322	169
Workers Compensation	2,281	3,769
Hospitalization BC/BS	6,989	6,103
Total Insurance	$ 57,737	$ 48,554
INTEREST		
Mortgage Interest	112,987	114,359
Interest - TCAP	30,417	30,417
Interest - Loan Fees	2,678	2,712
Total Interest	$ 146,082	$ 147,488
DEPRECIATION AND AMORTIZATION		
Amortization	11,077	11,077
Depreciation	307,943	307,943
Total Depreciation and Amortization	$ 319,020	$ 319,020

WESLEY CHAPEL DEVELOPMENT LIMITED PARTNERSHIP
SCHEDULE OF OPERATING INCOME AND EXPENSE VARIANCES - AMEC MODEL
FOR THE YEAR ENDED DECEMBER 31, 2018

3.00%	Inflation Rate for Rental Income		
3.00%	Inflation Rate for Other Income/Expenses	2018	2018
2.50%	Inflation Rate for Replacement Reserve	Year 7	Year 7
		AMEC Model	Actual
RENTAL INCOME		*-15%*	
	Residential		
5121	Rental Income GROSS VACANCY	$ 711,159	$ 607,809
5190	*Other*	-	-
Total Rental Income		711,159	607,809
VACANCIES: Enter as Negative		*-79%*	
5220	Apartments	(49,782)	(10,221)
5290	Miscellaneous Concessions	-	-
Total Vacancies		(49,782)	(10,221)
Net Rental Income		661,378	597,588
OTHER INCOME & BAD DEBT		*-65%*	
5910	Laundry & Vending	2,389	-
6370	Apartment Bad Debt - Enter as Negative	-	-
5920	NSF, Damages & Late Charges, Other	8,358	3,731
Total Other Income		10,747	3,731
EFFECTIVE GROSS INCOME		672,125	601,319
ADMIN. EXPS		*78%*	
6210	Advertising	299	-
6250	Admin. Exps.	10,746	25,953
6310	Office Salaries	33,936	16,146
6311	Office Supplies	2,389	15,977
6320	Management Fee	38,209	37,244
6330	Management or Super. Sal.	-	53,007
6331	Mgmt. or Super. Free Rent Unit	-	-
6341	Legal Expenses (Project)	5,971	1,458
6350	Auditing Exps. (Project)	3,582	10,900
6351	Bookkeeping Fees/Acct. Services	-	1,007
6360	Telephone and Answering Service	-	12,498
6390	LHC Asset Management Fee	5,971	5,555
Total Admin. Less Management Fee		62,893	142,501
Total Admin. Exps.		101,103	179,745
UTILITIES EXPENSE		*-51%*	
6420	Fuel Oil/Coal	-	-
6450	Electricity (Light & Misc. Power)	29,853	20,282
6451	Water	32,239	10,550
6452	Gas	-	-
6453	Sewer	32,239	15,533
Total Utilities Exps.		$ 94,330	$ 46,365

WESLEY CHAPEL DEVELOPMENT LIMITED PARTNERSHIP
SCHEDULE OF OPERATING INCOME AND EXPENSE VARIANCES - AMEC MODEL
FOR THE YEAR ENDED DECEMBER 31, 2018

	2018 Year 7 AMEC Model	2018 Year 7 Actual
O & M EXPENSES	*2%*	
6510 O&M Payroll	$ 66,866	$ 41,637
6515 O&M Supplies	7,164	4,564
6520 O&M Contract	25,672	57,635
6525 Garbage & Trash Removal	-	51
6530 Security Payroll/Contract	34,628	1,203
6545 Elevator Maintenance/Contract	-	-
6546 HVAC R & M	-	-
6570 Other Expenses	-	-
6590 Misc. O & M Expenses	21,170	54,256
Total O & M Expenses	155,500	159,346
TAXES & INSURANCE	*-20%*	
6710 Real Estate Taxes	-	-
6711 Payroll Taxes (FICA)	14,926	9,023
6719 Misc. Taxes, Licenses & Permits	-	-
6720 Property & Liability Insurance	46,926	48,145
6721 Fidelity Bond Insurance	-	322
6722 Workmen's Compensation	-	2,281
6723 Health Ins. & Other Emp. Benefits	14,926	6,989
6729 Other Insurance	6,567	-
Total Taxes & Insurance	83,344	66,760
TOTAL OPERATING EXPENSES	434,277	452,216
Per Unit	*5,296*	*5,515*
NET OPERATING INCOME	$ 237,847	$ 149,103
	26%	
Replacement Reserves	$ 28,528	$ 36,085
ADJUSTED NET OPERATING INCOME	209,320	113,018
First Mortgage Debt Service	135,722	135,182
CASH FLOW AVAILABLE	$ 73,598	$ (22,164)

WESLEY CHAPEL DEVELOPMENT LIMITED PARTNERSHIP
COMPUTATION OF SURPLUS CASH
FOR THE YEAR ENDED DECEMBER 31, 2018

	2018
Operating Cash	$ 16,776
Security Deposit Cash	14,915
Other	-
Total Cash	31,691
Accrued Mortgage Interest Payable	9,224
Delinquent Mortgage Principal Payments	-
Accounts Payable (due within 30 days)	16,895
Loans and Notes Payable (due within 30 days)	-
Deficient Tax and Insurance Escrow Deposits	-
Accrued Expenses (not escrowed)	-
Prepaid Rents	1,056
Tenant Security Deposits Liability	14,913
Other	-
Total Obligations	42,088
Surplus Cash (Deficiency)	$ (10,397)

WESLEY CHAPEL DEVELOPMENT LIMITED PARTNERSHIP
SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS TO
AGENCY HEAD OR CHIEF EXECUTIVE OFFICER
FOR THE YEAR ENDED DECEMBER 31, 2018

Agency Head Name: J. Wesley Daniels, Jr., Executive Director of the Housing Authority of East Baton Rouge Parish

Purpose	Amount
Salary	$0
Benefits	$0
Auto/Mileage	$0
Travel	$0
Meals	$0
Continuing Education, Per Diem, Etc.	$0
Unvouchered Expenses	$0

WESLEY CHAPEL DEVELOPMENT LIMITED PARTNERSHIP
SCHEDULE OF PROJECT CASH FLOW DISTRIBUTION
FOR THE YEAR ENDED DECEMBER 31, 2018

	2017
CASH RECEIPTS	
Total Revenue per Statement of Operations	$ 601,319
(Increase) Decrease in Accounts Receivable	(1,431)
Increase (Decrease) in Deferred Rent Income	(666)
Net Decrease in Tax & Insurance Escrow	6,124
Total Cash Receipts	605,346
CASH EXPENDITURES	
Total Expenses per Statement of Operations	911,763
TCAP Asset Management Fee	5,555
Less: Depreciation, Amortization and Interest	(465,102)
Net Increase in Replacement Reserve	36,085
Debt Service Payments	135,180
Total Cash Expenditures	623,481
Cash Flow Available for Distribution	$ (18,135)

	Distribution and Application of Cash Flow per Section 9 2 A of the Partnership Agreement	Payable to	Paid	To Be Paid	Amount Remaining
(A)	To the Investor Limited Partner in an amount equal to the unpaid Housing Tax Credit Shortfall Payment	Alliant Tax Credit Fund 65, LTD	-	-	-
(B)	To replenish any funds disbursed from the Operating Deficit Reserve Account until the Operating Deficit Reserve Account is funded to the Operating Reserve Amount,	N/A	-	-	-
(C)	To pay interest on any loans, including Voluntary Loans (but excluding Operating Loans and Deferred Development Fee), from Partners or their Affiliates provided for herein, pro rata in accordance with the amount of interest accrued as of the date of such distribution	N/A	-	-	-
(D)	To repay principal of any loans, including Voluntary Loans (but excluding Operating Loans and Deferred Development Fee), payable to Partners or their affiliates, pro rata in accordance with the amount of the principal balances as of the date of such distribution	N/A	-	-	-
(E)	To pay in full any unpaid Asset Management Fees,	Alliant Tax Credit Fund 65, LTD	-	-	-
(F)	To pay in full any unpaid and accrued management fee,	NDC Real Estate Management, LLC	-	-	-
(G)	To pay in full any unpaid Development Fee,	Wesley Chapel Development, LLC	-	-	-
(H)	To pay in full any Operating Loans,	N/A	-	-	-
(I)	To pay the Incentive Management Fee due pursuant to the Incentive Management Agreement (50% of remaining cash flow)	Wesley Chapel Development, LLC	-	-	-
(J)	To pay the Supervisory Management Fee payable pursuant to the Incentive Management Fee Agreement (24 99% of remaining cash flow, not to exceed 10% of gross revenues)	Wesley Chapel Development, LLC	-	-	-
(L)	Investor Limited Partner (99 98%)	Alliant Tax Credit Fund 65, LTD	-	-	-
	Administrative Limited Partner (01%)	Alliant ALP 65, LLC	-	-	-
	General Partner (01%)	Wesley Chapel Development, LLC	-	-	-

B&T BOND & TOUSIGNANT, LLC
CERTIFIED PUBLIC ACCOUNTANTS
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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Partners
Wesley Chapel Development Limited Partnership

We have audited, in accordance with the 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 Wesley Chapel Development Limited Partnership, which comprise the balance sheets as of December 31, 2018 and 2017, 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, and have issued our report thereon dated February 26, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Wesley Chapel Development Limited Partnership's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Wesley Chapel Development Limited Partnership's internal control. Accordingly, we do not express an opinion on the effectiveness Wesley Chapel Development Limited Partnership's control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Wesley Chapel Development 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Bond + Jousignant, LLC

Monroe, Louisiana
February 26, 2019

WESLEY CHAPEL DEVELOPMENT LIMITED PARTNERHIP
FOR THE YEAR ENDED DECEMBER 31, 2018

SCHEDULE OF FINDINGS, QUESTIONED COSTS, AND RECOMMENDATIONS

Our audit disclosed no findings that are required to be reported for the year ended December 31, 2018.

SCHEDULE OF THE STATUS OF PRIOR AUDIT FINDINGS, QUESTIONED COSTS, AND RECOMMENDATIONS

Our audit disclosed no findings, questioned costs, or recommendations for the year ended December 31, 2017.