

**CEDAR POINTE SUBDIVISION, L.P.**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2021 AND 2020**

CEDAR POINTE SUBDIVISION, L.P.

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## INDEPENDENT AUDITORS' REPORT

To the Partners  
Cedar Pointe Subdivision, L.P.

### **Opinion**

We have audited the accompanying financial statements of Cedar Pointe Subdivision, L.P., (a Louisiana Limited Partnership), which comprise the balance sheets as of December 31, 2021 and 2020, 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 referred to above present fairly, in all material respects, the financial position of Cedar Pointe Subdivision, L.P. as of December 31, 2021 and 2020, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Cedar Pointe Subdivision, L.P. 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; 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.

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 Cedar Pointe Subdivision, L.P.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

## **Auditors' 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. We 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, including omissions, 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 Cedar Pointe Subdivision, L.P.'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 Cedar Pointe Subdivision, L.P.'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 supplemental information on pages 20 through 23 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 28, 2022, on our consideration of Cedar Pointe Subdivision, L.P.'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 solely 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 Cedar Pointe Subdivision, L.P.'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 Cedar Pointe Subdivision, L.P.'s internal control over financial reporting and compliance.

A handwritten signature in blue ink that reads "Bond + Jousignant, LLC".

Monroe, Louisiana  
February 28, 2022

CEDAR POINTE SUBDIVISION, L.P.  
BALANCE SHEETS  
DECEMBER 31, 2021 AND 2020

ASSETS

	<u>2021</u>	<u>2020</u>
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	\$ 695,100	\$ 536,095
Accounts Receivable - Tenants	-	2,141
Prepaid Expenses	49,573	49,573
Total Current Assets	<u>744,673</u>	<u>587,809</u>
<b>RESTRICTED DEPOSITS AND FUNDED RESERVES</b>		
Replacement Reserve Escrow	317,349	291,189
Operating Deficit Reserve	155,459	155,519
Tenants' Security Deposits	42,700	40,172
Real Estate Tax and Insurance Escrow	55,787	79,298
Total Restricted Deposits and Funded Reserves	<u>571,295</u>	<u>566,178</u>
<b>PROPERTY AND EQUIPMENT</b>		
Buildings	11,482,282	11,482,282
Land Improvements	1,118,500	1,118,500
Furniture and Equipment	595,659	595,659
Total	<u>13,196,441</u>	<u>13,196,441</u>
Less: Accumulated Depreciation	<u>(5,017,540)</u>	<u>(4,674,558)</u>
Net Depreciable Assets	8,178,901	8,521,883
Land	575,223	575,223
Total Property and Equipment	<u>8,754,124</u>	<u>9,097,106</u>
<b>OTHER ASSETS</b>		
Tax Credit Fees	66,192	66,192
Less: Accumulated Depreciation	<u>(58,102)</u>	<u>(53,689)</u>
Net Amortizable Assets	8,090	12,503
Utility Deposit	135	135
Total Other Assets	<u>8,225</u>	<u>12,638</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 10,078,317</u></u>	<u><u>\$ 10,263,731</u></u>

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

CEDAR POINTE SUBDIVISION, L.P.  
BALANCE SHEETS  
DECEMBER 31, 2021 AND 2020

LIABILITIES AND PARTNERS' EQUITY

	<u>2021</u>	<u>2020</u>
<b>CURRENT LIABILITIES</b>		
Accounts Payable	\$ 15,025	\$ 11,142
Prepaid Rent	13,345	349
Accrued Interest Payable	14,540	14,284
Management Fees Payable	5,195	5,223
Current Portion of Long-Term Debt	37,877	35,441
Total Current Liabilities	85,982	66,439
<b>DEPOSITS</b>		
Tenants' Security Deposits	42,698	40,170
Total Deposits	42,698	40,170
<b>LONG-TERM LIABILITIES</b>		
Mortgage Payable	2,300,614	2,330,472
Asset Management Fees Payable	33,281	27,015
Total Long-Term Liabilities	2,333,895	2,357,487
Total Liabilities	2,462,575	2,464,096
<b>PARTNERS' EQUITY</b>		
Partners' Equity (Deficit)	7,615,742	7,799,635
TOTAL LIABILITIES AND PARTNERS' EQUITY	\$ 10,078,317	\$ 10,263,731

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

CEDAR POINTE SUBDIVISION, L.P.  
STATEMENTS OF OPERATIONS  
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
<b>REVENUE</b>		
Tenant Rents	\$ 893,618	\$ 893,619
Less Vacancies	(6,698)	(8,553)
Less Loss to Lease	2,975	(14,444)
Less Rental Concessions	(13,184)	(12,516)
Late Fees, Deposit Forfeitures, Etc.	10,748	8,426
Total Revenue	<u>887,459</u>	<u>866,532</u>
<b>EXPENSES</b>		
Maintenance and Repairs	189,181	147,245
Utilities	7,537	6,646
Administrative	90,243	93,504
Management Fees	56,067	53,828
Taxes	59,897	60,778
Insurance	136,831	114,851
Interest	178,342	180,780
Depreciation and Amortization	347,395	347,395
Total Expenses	<u>1,065,493</u>	<u>1,005,027</u>
Income (Loss) from Rental Operations	<u>(178,034)</u>	<u>(138,495)</u>
<b>OTHER INCOME AND (EXPENSES)</b>		
Interest Income	453	1,141
Entity Expense - Asset Management Fees	(6,312)	(6,208)
Total Other Income (Expense)	<u>(5,859)</u>	<u>(5,067)</u>
Net Income (Loss)	<u>\$ (183,893)</u>	<u>\$ (143,562)</u>

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



CEDAR POINTE SUBDIVISION, L.P.  
 STATEMENTS OF PARTNERS' EQUITY (DEFICIT)  
 FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	<u>Total</u>	<u>GENERAL PARTNER</u>	<u>LIMITED PARTNERS</u>	
		Cedar Pointe Development LLC	Alliant Tax Credit 46, LLC	Alliant MT 46, LLC
Partners' Equity (Deficit), January 1, 2020	\$ 7,943,197	\$ (384)	\$ (385)	\$ 7,943,966
Net Income (Loss)	<u>(143,562)</u>	<u>(14)</u>	<u>(14)</u>	<u>(143,534)</u>
Partners' Equity (Deficit), December 31, 2020	\$ 7,799,635	\$ (398)	\$ (399)	\$ 7,800,432
Net Income (Loss)	<u>(183,893)</u>	<u>(18)</u>	<u>(18)</u>	<u>(183,857)</u>
Partners' Equity (Deficit), December 31, 2021	<u>\$ 7,615,742</u>	<u>\$ (416)</u>	<u>\$ (417)</u>	<u>\$ 7,616,575</u>
Profit and Loss Percentages	<u>100.00%</u>	<u>0.01%</u>	<u>0.01%</u>	<u>99.98%</u>

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

CEDAR POINTE SUBDIVISION, L.P.  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net Income (Loss)	\$ (183,893)	\$ (143,562)
Adjustments to Reconcile Net Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Depreciation and Amortization	347,395	347,395
(Increase) Decrease in:		
Accounts Receivable - Tenants	2,141	1,399
Prepaid Expense	-	1,711
Increase (Decrease) in:		
Accounts Payable	3,883	2,775
Prepaid Rent	12,996	295
Accrued Interest Payable	256	(164)
Management Fee Payable	(28)	195
Tenants' Security Deposits	2,528	(177)
Net Cash Provided (Used) by Operating Activities	185,278	209,867
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Payments on Mortgage Payable	(33,009)	(30,237)
Interest on Loan Fees	5,587	5,673
Increase (Decrease) in Asset Management Fee Payable	6,266	6,208
Net Cash Provided (Used) by Financing Activities	(21,156)	(18,356)
Net Increase (Decrease) in Cash and Restricted Cash	164,122	191,511
Cash and Restricted Cash, Beginning of Year	1,102,273	910,761
Cash and Restricted Cash, End of Year	\$ 1,266,395	\$ 1,102,273
Reconciliation of cash and restricted cash reported within the balance sheets that sum to the total of the same such amounts in the statements of cash flows.		
Cash and Cash Equivalents	\$ 695,100	\$ 536,095
Replacement Reserve Escrow	317,349	291,189
Operating Deficit Reserve	155,459	155,519
Tenants' Security Deposits	42,700	40,172
Real Estate Tax and Insurance Escrow	55,787	79,298
Total Cash and Restricted Cash	\$ 1,266,395	\$ 1,102,273

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

CEDAR POINTE SUBDIVISION, L.P.  
STATEMENTS OF CASH FLOWS (CONTINUED)  
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
Supplemental Disclosures of Cash Flow Information:		
Cash Paid During the Year for:		
Interest	<u>\$ 172,499</u>	<u>\$ 175,271</u>

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

CEDAR POINTE SUBDIVISION, L.P.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021 AND 2020

NOTE A – ORGANIZATION

Cedar Pointe Subdivision Limited Partnership, (the Partnership) was organized in 2005 as a limited partnership to develop, construct, own, maintain, and operate eighty single-family homes intended for rental to persons of low and moderate income. These homes are located on various sites in Baton Rouge, Louisiana and are collectively known as Cedar Pointe Subdivision (the Complex). Each home 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.

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.

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 and the Securities Investor Protection Corporation up to \$250,000 per institution. At December 31, 2021, the Partnership had \$610,187 in uninsured deposits.

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.

CEDAR POINTE SUBDIVISION, L.P.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021 AND 2020

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, 2021 and 2020, accounts receivable is 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.

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.

CEDAR POINTE SUBDIVISION, L.P.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021 AND 2020

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, 2021 and 2020.

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 28, 2022 (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

Replacement Reserve

The General Partners 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 \$300 per unit (which annual rate shall be adjusted, on January 1 of each fifth year thereafter, to equal the product of \$300 multiplied by the CPI Adjustment as of the Adjustment date), or that required by the Permanent Lender. Any withdrawals from this account require prior consent of the Administrative Limited Partner. Funding amounted to \$26,160 in 2021 and \$26,591 in 2020. Withdrawals amounted to \$0 in 2021 and \$0 in 2020. The account was underfunded in 2021 and the General Partner is working to rectify the underfunded balance. At December 31, 2021 and 2020, the balance in this account was \$317,349 and \$291,189, respectively.

Balance, December 31, 2020	\$	291,189
Deposits:		
Monthly Deposits: \$2,180 x 12		26,160
Interest Earned		-
Withdrawals:		
		-
		-
Balance, December 31, 2021	\$	317,349

CEDAR POINTE SUBDIVISION, L.P.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021 AND 2020

NOTE C – RESTRICTED DEPOSITS AND FUNDED RESERVES (CONTINUED)

Tenants' Security Deposits

This account consists 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, 2021, this account was funded in an amount greater than the security deposit liability.

Operating Deficit Reserve

The General Partners shall establish and at all times maintain an operating deficit reserve in the amount of \$150,000, which shall be funded from the capital contribution of the Investor Limited Partner made pursuant to the Partnership Agreement. The operating deficit reserve account shall be jointly held in the name of the Partnership and the Administrative Limited Partner. The Administrative Limited Partner must give consent prior to any withdrawals from the account. Any withdrawal from the account requires the consent of the Administrative Limited Partner. At December 31, 2021 and 2020, the balance in this account was \$155,459 and \$155,519, respectively.

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. Funding amounted to \$154,851 in 2021 and \$146,710 in 2020. Withdrawals amounted to \$178,362 in 2021 and \$99,967 in 2020. At December 31, 2021 and 2020, the balance in this account was \$55,787 and \$79,298, respectively.

NOTE D – PARTNERS' CAPITAL

The Partnership has one General Partner – Cedar Pointe Development, LLC; and two Limited Partners – Alliant Tax Credit 46, LLC (Administrative Limited Partner) and Alliant MT 46, LLC (Investor Limited Partner). The Partnership records capital contributions as received.

NOTE E – LONG-TERM DEBT

Mortgage Payable

Permanent financing was obtained from Barings Multifamily Capital, LLC. The loan has an eighteen-year permanent mortgage with a thirty-five-year amortization period in the original amount of \$2,640,000. The loan bears an annual interest rate of 7.14% with monthly interest and principal payments of \$17,126, and one balloon payment in the year 2027. For the years ended December 31, 2021 and 2020, the partnership maintained a debt service coverage ratio of 156% and 162%. The loan had an outstanding balance of \$2,364,905 and accrued interest of \$14,540 at December 31, 2021. The non-recourse note is collateralized by buildings and land.

Debt issuance costs, net of accumulated amortization, of \$26,414 and \$32,002 as of December 31, 2021 and 2020, respectively, are amortized using an imputed interest rate of 2.85%.

CEDAR POINTE SUBDIVISION, L.P.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021 AND 2020

NOTE E – LONG-TERM DEBT (CONTINUED)

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

<u>Year Ending</u> <u>December 31,</u>	<u>Amount</u>
2022	\$ 37,877
2023	40,670
2024	43,672
2025	46,895
2026	50,355
Thereafter	\$2,145,436

NOTE F – TRANSACTIONS WITH AFFILIATES AND RELATED PARTIES

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.

Asset Management Fee

Commencing on January 1, 2009 and for each year thereafter, the Partnership shall pay to the Investor Limited Partner an asset management fee of \$5,000 per annum for its services in reviewing the informational reports, financial statements and tax returns. Any portion of the Asset Management Fee which cannot be paid shall accrue without interest until there is sufficient cash flow or sale or refinancing proceeds to pay the outstanding accrued amount. The Asset Management Fee shall be adjusted annually based on the CPI. During the years ended December 31, 2021 and 2020, the Partnership paid asset management fees of \$0 and \$0, respectively. At December 31, 2021 and 2020, the balance of asset management fees payable was \$33,281 and \$27,015, respectively.



CEDAR POINTE SUBDIVISION, L.P.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021 AND 2020

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

Supervisory Management Fee and Incentive Management Fee

The Partnership shall pay Cedar Pointe Development, LLC a Supervisory Management Fee for services rendered to the Partnership as detailed in Exhibit H of the Partnership Agreement. The Supervisory Management Fee will be an amount equal to forty percent (40.0%) of Cash Flow remaining after application of Cash Flow amounts described in Section 9.2A of the Partnership Agreement, provided that the Supervisory Management Fee shall not exceed ten percent (10%) of gross revenues of the Development for such year. During the years ended December 31, 2021 and 2020, Supervisory Management Fees of \$0 and \$0, respectively, were paid.

The Partnership shall pay Cedar Pointe Development, LLC an Incentive Management Fee for services rendered to the Partnership as detailed in Exhibit H of the Partnership Agreement. The Incentive Management Fee will be an amount equal to forty percent (40.0%) of Cash Flow remaining after application of Cash Flow amounts described in Section 9.2A of the Partnership Agreement, provided that the Incentive Management Fee shall not exceed ten percent (10%) of gross revenues of the Development for such year. During the years ended December 31, 2021 and 2020, Incentive Management Fees of \$0 and \$0, respectively, were paid.

Payment of the Supervisory Management Fee and the Incentive Management Fee pursuant to the Supervisory Agreement shall be in accordance with any applicable requirements of the Lender. Notwithstanding anything to the contrary set forth in the Partnership Agreement or in the Supervisory Agreement, in no event will the sum of the fees payable pursuant to the Supervisory Agreement plus any fees payable to a 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.

Developer Fee Payable

The Partnership has incurred a developer fee in the amount of \$1,800,000 to Cedar Pointe Development, LLC, as its 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. The developer fee has been paid in full.

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;

CEDAR POINTE SUBDIVISION, L.P.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021 AND 2020

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

Surplus cash distributions are owed for prior years based on annual calculations per the Partnership Agreement.

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 Cedar Pointe Subdivision. 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.

CEDAR POINTE SUBDIVISION, L.P.  
 NOTES TO FINANCIAL STATEMENTS  
 DECEMBER 31, 2021 AND 2020

NOTE J – MANAGEMENT AGENT

The Partnership has 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 6.25% of the collected rent. Management fees incurred for the year ended December 31, 2021 and 2020 were \$56,067 and \$53,828, respectively.

NOTE K – TAXABLE INCOME (LOSS)

A reconciliation of financial statement net income (loss) to taxable income (loss) of the Partnership for the year ended December 31, 2021 and 2020 is as follows:

	<u>2021</u>	<u>2020</u>
Financial Statement Net Income (Loss)	\$ (183,893)	\$ (143,562)
Adjustments:		
Excess of depreciation and amortization for financial reporting purposes over income tax purposes	122,577	182,260
Timing Differences	<u>-</u>	<u>-</u>
Taxable Income (Loss) as Shown on Tax Return	<u>\$ (61,316)</u>	<u>\$ 38,698</u>

NOTE L – ADVERTISING

The Partnership incurred advertising costs of \$481 in 2021 and \$99 in 2020. These costs are expensed as incurred.

NOTE M – TAX CREDITS

During the year ended December 31, 2006, the Partnership was awarded Low-Income Housing Tax Credits in the amount of \$12,209,721 to be allocated over ten years. As of December 31, 2021, \$12,209,721 in tax credits have been taken with \$0 remaining to be taken.

SUPPLEMENTAL INFORMATION

CEDAR POINTE SUBDIVISION, L.P.  
SCHEDULES OF EXPENSES  
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
<b>MAINTENANCE AND REPAIRS</b>		
Maintenance Salaries	40,776	32,214
Maintenance Supplies	10,754	5,099
Maintenance Contracts	19,095	10,997
Repairs & Maintenance	49,601	27,741
Grounds Maintenance	55,755	57,594
Pest Control	13,200	13,600
Total Maintenance and Repairs	<u>\$ 189,181</u>	<u>\$ 147,245</u>
<b>UTILITIES</b>		
Electricity	3,006	2,740
Water	1,029	1,132
Water - Residents	91	-
Sewer	682	789
Trash Removal	2,607	1,951
Gasoline / Oil	15	34
Cable TV	107	-
Total Utilities	<u>\$ 7,537</u>	<u>\$ 6,646</u>
<b>ADMINISTRATIVE</b>		
Advertising	481	99
Accounting	8,601	8,382
Manager Salary	58,957	56,886
Superintendent Salaries	-	1,613
Credit Reports	437	966
Office Salaries/Commission	91	480
Office Expense	8,079	11,574
Bad Debts	1,571	2,908
Administrative Travel	1,200	1,100
Staff Training	1,258	1,080
Telephone	8,749	7,797
Bank Service Charges	159	509
Internet Expense	260	-
Compliance/Monitor Fee	400	-
Other Administrative	-	110
Total Administrative	<u>\$ 90,243</u>	<u>\$ 93,504</u>
<b>MANAGEMENT FEES</b>		
Management Fee	56,067	53,828
Total Management Fees	<u>\$ 56,067</u>	<u>\$ 53,828</u>

CEDAR POINTE SUBDIVISION, L.P.  
SCHEDULES OF EXPENSES  
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
<b>TAXES</b>		
Real Estate Taxes	51,917	52,301
Payroll Taxes	7,980	7,577
Misc Taxes, Permits LIC	-	1,157
Taxes & Permits	-	(257)
Total Taxes	<u>\$ 59,897</u>	<u>\$ 60,778</u>
<b>INSURANCE</b>		
Property/Liability Insurance	131,847	104,143
Fidelity Bond	437	358
Workers Compensation	3,361	2,468
Hospitalization BC/BS	1,186	7,882
Total Insurance	<u>\$ 136,831</u>	<u>\$ 114,851</u>
<b>INTEREST</b>		
Mortgage Interest	172,755	175,107
Interest - Loan Fees	5,587	5,673
Total Interest	<u>\$ 178,342</u>	<u>\$ 180,780</u>
<b>DEPRECIATION AND AMORTIZATION</b>		
Amortization	4,413	4,413
Depreciation	342,982	342,982
Total Depreciation and Amortization	<u>\$ 347,395</u>	<u>\$ 347,395</u>

CEDAR POINTE SUBDIVISION, L.P.  
SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS TO  
AGENCY HEAD OR CHIEF EXECUTIVE OFFICER  
FOR THE YEAR ENDED DECEMBER 31, 2021

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

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

CEDAR POINTE SUBDIVISION, L.P.  
 SCHEDULE OF PROJECT CASH FLOW DISTRIBUTION  
 FOR THE YEAR ENDED DECEMBER 31, 2021

2021

CASH RECEIPTS

Total Revenue per Statement of Operations	\$ 887,459
(Increase) Decrease in Accounts Receivable	2,141
Increase (Decrease) in Deferred Rent Income	12,996
Net Decrease in Tax & Insurance Escrow	23,511
Total Cash Receipts	<u>926,107</u>

CASH EXPENDITURES

Total Expenses per Statement of Operations	1,065,493
Less: Depreciation, Amortization and Interest	(525,737)
Net Increase in Replacement Reserve	26,160
Debt Service Payments	205,507
Total Cash Expenditures	<u>771,423</u>

Cash Flow Available for Distribution \$ 154,684

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 MT 46, LLC	-	-	154,684
(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	-	-	154,684
(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	-	-	154,684
(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	-	-	154,684
(E)	To pay in full any unpaid Asset Management Fees;	Alliant MT 46, LLC	-	33,281	121,403
(F)	To pay in full any unpaid and accrued management fee;	NDC Real Estate Management, LLC	-	-	121,403
(G)	To pay in full any unpaid Development Fee;	Cedar Pointe Development, LLC	-	-	121,403
(H)	To pay in full any Operating Loans;	N/A	-	-	121,403
(I)	To pay the Supervisory Management Fee due pursuant to the Supervisory Agreement (40% of remaining Cash Flow, not to exceed 10% of gross revenues)	Cedar Pointe Development, LLC	-	48,561	72,842
(J)	To pay the Incentive Management Fee payable pursuant to the Supervisory Agreement (40% of remaining Cash Flow, not to exceed 10% of gross revenues)	Cedar Pointe Development, LLC	-	48,561	24,281
(K)	Investor Limited Partner (99.98%)	Alliant MT 46, LLC	-	24,276	5
	Administrative Limited Partner (.01%)	Alliant Tax Credit 46, LLC	-	3	2
	General Partner (.01%)	Cedar Pointe Development, LLC	-	2	-



**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  
Cedar Pointe Subdivision, L.P.

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 Cedar Pointe Subdivision, L.P., which comprise the balance sheets as of December 31, 2021 and 2020, 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 28, 2022.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Cedar Pointe Subdivision, L.P.'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 Cedar Pointe Subdivision, L.P.'s internal control. Accordingly, we do not express an opinion on the effectiveness Cedar Pointe Subdivision, L.P.'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 Cedar Pointe Subdivision, L.P.'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 28, 2022