Oakland Woods Limited Dividend Housing Association Limited Partnership

(a Michigan limited partnership)

MSHDA Development No. 1101

Financial Report
with Additional Information
December 31, 2020

Oakland Woods Limited Dividend Housing Association Limited Partnership
MSHDA Development No. 1101

Partnership Certification

I hereby certify that I have examined the accompanying financial statements and additional information of Oakland Woods Limited Dividend Housing Association Limited Partnership, MSHDA Development No. 1101 (a Michigan limited partnership), and to the best of my knowledge and belief, they represent a true statement of the data set forth therein for the year ended December 31, 2020.

Brian W. Carnaghi
General Partner Representative
PV North II, LLC

February 26, 2021
Date

ID# 20-3384823
Partnership Employer Identification Number

Oakland Woods Limited Dividend Housing Association Limited Partnership
MSHDA Development No. 1101

Contents

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Independent Auditor's Report

To the Partners
Oakland Woods Limited Dividend Housing
Association Limited Partnership

Report on the Financial Statements

We have audited the accompanying financial statements of Oakland Woods Limited Dividend Housing Association Limited Partnership (a Michigan limited partnership), MSHDA Development No. 1101 (the "Partnership"), which comprise the balance sheet as of December 31, 2020 and 2019 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.

Auditor's 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 audits 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 auditor's 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 Oakland Woods Limited Dividend Housing Association Limited Partnership, MSHDA Development No. 1101, as of December 31, 2020 and 2019 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.

To the Partners
Oakland Woods Limited Dividend Housing
Association Limited Partnership

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 26, 2021 on our consideration of Oakland Woods Limited Dividend Housing Association Limited Partnership's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 the 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 Oakland Woods Limited Dividend Housing Association Limited Partnership's internal control over financial reporting and compliance.

Plante & Moran, PLLC

February 26, 2021

Oakland Woods Limited Dividend Housing Association Limited Partnership
MSHDA Development No. 1101

Balance Sheet

December 31, 2020 and 2019

	2020	2019
Assets		
Cash - Operating	$ -	$ 6,782
Resident accounts receivable	11,385	18,741
Prepaid expenses	35,297	24,500
Escrows and reserves: (Note 3)		
Replacement reserve	172,516	218,208
Real estate taxes	10,985	17,445
Insurance	2,793	5,926
Operating assurance	227,978	222,578
Tenant security deposits accounts - Savings	14,851	15,333
Monitoring fees - Net of accumulated amortization	1,375	2,863
Investment in rental property - At cost:		
Land	330,000	330,000
Building and land improvements	8,500,989	8,458,755
Equipment and fixtures	303,569	298,672
Construction in progress	3,157	8,146
Less accumulated depreciation	(3,994,399)	(3,709,156)
Total assets	**$ 5,620,496**	**$ 5,918,793**
Liabilities and Partners' Deficit		
Liabilities		
Accounts payable - Operating	$ 10,701	$ 15,705
Advances from affiliate - Operating (Note 4)	87,456	84,911
Accrued liabilities and other:		
Payment in lieu of taxes	31,335	31,500
Mortgage interest (Note 5)	525,311	494,934
Payroll	4,737	2,241
Accrued management fees (Note 4)	20,502	20,502
Unearned rental income - Operating	805	1,369
Tenant security deposits	13,406	14,655
Mortgage note payable - Net of deferred financing costs (Note 5)	5,957,897	6,103,226
Total liabilities	6,652,150	6,769,043
Partners' Deficit	(1,031,654)	(850,250)
Total liabilities and partners' deficit	**$ 5,620,496**	**$ 5,918,793**

See notes to financial statements.

Oakland Woods Limited Dividend Housing Association Limited Partnership
MSHDA Development No. 1101

Statement of Operations

Years Ended December 31, 2020 and 2019

	2020	2019
Revenue		
Rental income	$ 875,959	$ 858,849
Vacancy loss	(16,229)	(12,280)
Loss to lease	(6,096)	(802)
Net rental income	853,634	845,767
Other income:		
Interest income	10,166	13,708
Tenant charges	-	1,325
Other	438	80
Total other income	10,604	15,113
Total revenue	864,238	860,880
Expenses		
Administrative costs:		
Management fees (Note 4)	35,244	34,782
Advertising:		
Marketing payroll	18,745	-
Other	1,864	2,555
Legal	4,654	3,186
Bad debt expense	-	10,768
Other administrative expenses:		
Administrative payroll	39,294	35,620
Payroll taxes	4,029	3,933
Telephone	3,954	4,885
Office	61	98
Audit fee	8,230	14,730
Credit reports	150	269
Miscellaneous	6,806	4,545
Utilities	69,197	58,113
Operating and maintenance:		
Maintenance payroll	14,525	15,327
Grounds maintenance	54,001	49,344
Repairs and maintenance	52,313	66,442
Miscellaneous	21,526	20,120
Other expenses:		
PILOT	31,342	31,513
Interest expense	346,048	354,160
Insurance	46,928	42,668
Depreciation and amortization	286,731	283,970
Total expenses	1,045,642	1,037,028
Net Loss	**$ (181,404)**	**$ (176,148)**

Statement of Partners' Equity (Deficit)

Years Ended December 31, 2020 and 2019

	General Partner	Limited Partner	Total
Balance - January 1, 2019	$ 332,044	$ (1,006,146)	$ (674,102)
Net loss	(18)	(176,130)	(176,148)
Balance - December 31, 2019	332,026	(1,182,276)	(850,250)
Net loss	(18)	(181,386)	(181,404)
Balance - December 31, 2020	**$ 332,008**	**$ (1,363,662)**	**$ (1,031,654)**

Statement of Cash Flows

Years Ended December 31, 2020 and 2019

	2020	2019
Cash Flows from Operating Activities		
Net loss	$ (181,404)	$ (176,148)
Adjustments to reconcile net loss to net cash and restricted cash from operating activities:		
Depreciation	285,243	282,482
Bad debt expense	-	10,768
Deferred interest	30,377	31,142
Amortization	1,488	1,488
Interest expense on deferred financing costs	5,640	5,640
Changes in operating assets and liabilities that provided (used) cash and restricted cash:		
Resident accounts receivable	7,356	(11,077)
Prepaid expenses	(10,797)	(4,275)
Accounts payable	(2,508)	14,533
Accrued payment in lieu of taxes	(165)	1,675
Unearned rental income	(564)	(4,899)
Security deposit liability	(1,249)	-
Net cash and restricted cash provided by operating activities	133,417	151,329
Cash Flows from Investing Activities		
Escrow and reserve funding	49,885	(5,225)
Investment in land and building improvements	(37,245)	(11,315)
Investment in property and equipment	(4,897)	(16,829)
Investment in construction in progress	-	(8,146)
Net cash and restricted cash provided by (used in) investing activities	7,743	(41,515)
Cash Flows from Financing Activities		
Repayments of mortgage payable	(150,969)	(143,621)
Advances from (to) affiliates	2,545	(9,983)
Net cash and restricted cash used in financing activities	(148,424)	(153,604)
Net Decrease in Cash and Restricted Cash	(7,264)	(43,790)
Cash and Restricted Cash - Beginning of year	22,115	65,905
Cash and Restricted Cash - End of year	**$ 14,851**	**$ 22,115**
Classification of Cash and Restricted Cash		
Operating	$ -	$ 6,782
Tenant security deposits accounts - Savings	14,851	15,333
Total cash and restricted cash	**$ 14,851**	**$ 22,115**
Supplemental Cash Flow Information - Cash paid for interest	$ 310,031	$ 317,378

Note 1 - Nature of Business

Oakland Woods Limited Dividend Housing Association Limited Partnership (the "Partnership") was formed as a limited partnership on October 13, 2004 under the laws of the Michigan Uniform Partnership Act, as regulated by the Michigan State Housing Development Authority (MSHDA), for the purpose of constructing and operating a rental housing project. The project consists of 66 units located in Pontiac, Michigan and is currently operating under the name of The Village of Oakland Woods II (the "Project").

Under the terms of the Regulatory Agreement executed in connection with obtaining the mortgage loan, MSHDA regulates rental rates and distributions to owners. The Regulatory Agreement contains requirements, including operating policies, maintaining a reserve fund for replacement, and maintaining an operating assurance escrow.

The Project has qualified for and was allocated low-income housing tax credit of $1,753,620 by MSHDA on November 15, 2006 pursuant to Internal Revenue Code Section 42 (Section 42), which regulates the use of the Project as to occupant eligibility and unit gross rent, among other requirements. Each building of the Project must meet the provisions of these regulations during each of 15 consecutive years in order to remain qualified to receive the credit. In addition, the Partnership has executed an extended low-income housing agreement that requires the utilization of the Project pursuant to Section 42 for a minimum of 30 years, even if the Partnership disposes of the Project.

Note 2 - Significant Accounting Policies

Basis of Accounting

The Partnership maintains its accounting records and prepares its financial statements on an accrual basis, which is in accordance with accounting principles generally accepted in the United States of America.

Classification of Assets and Liabilities

The financial affairs of the Partnership do not generally involve a business cycle. Accordingly, the classification of assets and liabilities between current and long term is not used.

Resident Accounts Receivable

The resident accounts receivable are stated at net rent amounts. An allowance for doubtful accounts is established based on specific assessments of all invoices that remain unpaid following normal resident payment periods. All amounts deemed uncollectible are charged against the allowance for doubtful accounts in the period the determination is made. There was no allowance for doubtful accounts for the years ended December 31, 2020 and 2019. The bad debt expense for December 31, 2020 and 2019 was $0 and $10,768, respectively.

Investment in Rental Property

Rental property is recorded at cost. Depreciation is calculated on a straight-line basis for financial reporting purposes. Buildings are depreciated over 40 years; land improvements are depreciated over 15 years; and furniture, fixtures, and equipment are depreciated over 7 years.

Depreciation expense was $285,243 and $282,482 for the years ended December 31, 2020 and 2019, respectively. For income tax purposes, accelerated lives and methods are used. Maintenance, repairs, and renewals that do not involve any substantial betterments are charged to expense when incurred. Expenditures that increase the useful life of the property are capitalized.

Note 2 - Significant Accounting Policies (Continued)

Impairment of Assets

The Partnership recognizes impairment of long-lived assets used in operations when indicators of impairment are present and the undiscounted cash flows estimated to be generated by those assets are less than the assets' carrying amount. No impairment of the Partnership's rental property has occurred.

Deferred Costs

Tax credit monitoring fees of $22,709 are amortized over 15 years using the straight-line method. Total accumulated amortization related to these costs is $21,334 and $19,846 at December 31, 2020 and 2019, respectively.

Debt issuance costs were incurred by the Partnership in connection with obtaining the mortgage. These costs are recorded as a reduction in the recorded balance of the outstanding debt. These costs are amortized over the term of the related debt and reported as a component of interest expense.

Partnership Interests and Contributions

The Partnership has one general partner, PV North II, LLC (the "general partner"), which has 0.01 percent interest, and one limited partner, PV North II LP, LLC (the "limited partner"), which has 99.99 percent interest.

On December 31, 2019, there was a voluntary transfer of partnership interests. Michigan Capital Fund for Housing Limited Partnership XI transferred its 99.99 percent interest in the Partnership to PV North II LP, LLC for a purchase price of $203,300 paid by PV North II LP, LLC and transaction costs of $38,440 covered by the general partner.

There were no contributions during 2020.

Partner Allocation of Profits, Losses, and Distributions

Generally, profits and losses are allocated 0.01 percent to the general partner and 99.99 percent to the limited partner. Profits and losses arising from the sale, refinancing, or other disposition of all or substantially all of the Partnership's assets will be specially allocated as prioritized in the partnership agreement. Additionally, the partnership agreement provides for other instances in which special allocation of profits, losses, and distributions may be required. Cash flows, as defined by the partnership agreement, are distributed as follows:

1. First, to the limited partner to the extent of any amount that the limited partner is entitled to receive from cash flow as payment to satisfy any tax credit reduction payment
2. Second, to the developers to pay any unpaid and deferred development fee payable pursuant to the development agreement
3. Third, to the limited partner an investor service fee pursuant to the investor services agreement in an amount not to exceed $5,000, which fee shall be paid annually but is noncumulative
4. Fourth, to the general partner, a partnership management fee pursuant to the partnership management services agreement in an annual, noncumulative amount not to exceed $20,000
5. Fifth, 50 percent of the balance to the general partner as an incentive management fee pursuant to the incentive management fee agreement in an annual, noncumulative amount not to exceed $40,000
6. The remainder shall be distributed to the partners in accordance with the following percentages: general partner, 80 percent and limited partner, 20 percent.

Note 2 - Significant Accounting Policies (Continued)

Rental Income

The Partnership records apartment rentals at gross potential rent adjusted for concessions and vacancy loss. 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

No provision has been made in the financial statements for income taxes; as a partnership, all income and expenses are allocated to the partners for inclusion on their respective income tax returns.

Payment in Lieu of Taxes

The Partnership is a participant in a tax abatement program providing for an assessed service charge in lieu of property taxes. The service charge is assessed annually at 4 percent of the Project's annual shelter rents.

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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

Other Reporting

On March 11, 2020, the World Health Organization declared an outbreak of a respiratory disease caused by a new coronavirus a pandemic. First identified in late 2019 and now known as COVID-19, this outbreak has impacted millions of individuals worldwide and continues to have global impact on businesses and the economy, and the ultimate impact to the Partnership and its operations cannot be predicted. Management immediately responded to the outbreak with personal protective equipment purchases, additional sanitization procedures, limitations on visitors and outside contractors, and postponement of certain capital projects. The Partnership has been able to maintain reasonably normal operating levels, and no permanent impairments have been recognized.

Subsequent Events

The financial statements and related disclosures include evaluation of events up through and including February 26, 2021, which is the date the financial statements were available to be issued.

Note 3 - Escrows and Reserves

Escrows for real estate taxes, insurance, operating reserves, and replacement reserves are maintained under the control of MSHDA for the benefit of the Project. These reserves are restricted as to their use based upon the applicable regulatory documents.

According to the Regulatory Agreement, the Partnership is required to fund the replacement reserve equal to one-twelfth of 2.12 percent of the gross annual potential rent. The balance in this reserve at 2020 and 2019 was $172,516 and $218,208, respectively.

The Partnership, per the Regulatory Agreement, was also required to establish an operating assurance reserve equal to $244,889 at the time of the initial disbursement of the mortgage proceeds. These funds are restricted to cover operating or reserve funding shortfalls upon consent of MSHDA. The balance in this reserve at December 31, 2020 and 2019 was $227,978 and $222,578, respectively.

Note 3 - Escrows and Reserves (Continued)

The Partnership also is required to deposit that portion of surplus cash from operations, as required by the Regulatory Agreement annually, into the operating reserve cash account within 120 days after the end of each year.

Insurance and tax escrows are maintained as required for payment of expenditures in accordance with the Regulatory Agreement. The balance in the insurance and tax escrows was $13,778 and $23,371 at December 31, 2020 and 2019, respectively. Escrows are maintained for the benefit of the Project. These escrowed funds are restricted as to their use based upon the applicable regulatory documents.

It is MSHDA's position, under Michigan statute, that project cash surplus cannot be used to pay off the MSHDA mortgage, and, upon such payoff from other funds, MSHDA is entitled to any surplus cash, including reserves and escrows, remaining at such time as is in excess of the maximum cash return allowable to the property owners set forth in the Regulatory Agreement at such time as the loan was consummated. The potential amount to be returned upon such an event cannot be determined, and, as such, no related amounts have been reflected in the financial statements.

Note 4 - Related Party Transactions

Affiliate Advances

Affiliate advances consist of advances made by Presbyterian Villages of Michigan (PVM), an affiliate of the general partner and limited partner, to cover disbursements of the Partnership when the need arises due to lags in cash receipts. The amount outstanding at December 31, 2020 and 2019 was $87,456 and $84,911, respectively, all of which is unsecured, due upon demand, and non-interest bearing. In addition, during 2020 and 2019, the Partnership paid Presbyterian Villages of Michigan $74,097 and $52,639, respectively, for reimbursable payroll costs.

Developer Fees

Developer fees are payable for services rendered in negotiating, coordinating, and supervising the planning, architectural, engineering, and construction services necessary for construction of the Project. Total developer fees of $1,240,764 were capitalized as part of the building and improvements and have been earned and recognized in accordance with the development fee agreement. During 2018, the general partner contributed funds in settlement of the remaining balance due on the developer fee, as outlined in the partnership agreement.

Investor Service Fees

According to the partnership management service agreement, the Partnership shall pay the limited partner an annual noncumulative asset management fee of $5,000, payable from cash flows, as defined in the partnership agreement. No amounts were incurred or accrued as of December 31, 2020 and 2019.

Partnership Management Fees

According to the partnership agreement, the Partnership shall pay the general partner a noncumulative partnership management fee of $20,000 annually to the extent of available cash flows. There were no partnership management fees incurred or accrued as of December 31, 2020 or 2019.

Note 4 - Related Party Transactions (Continued)

Property Management Fees

In accordance with the property management agreement, the Partnership shall pay Presbyterian Villages of Michigan, an affiliate of the general partner and limited partner, an annual property management fee of $534 and $527 per unit per year for 2020 and 2019, respectively. Total property management fees incurred totaled $35,244 and $34,782 for the years ended December 31, 2020 and 2019, respectively. In accordance with MSHDA budget guidelines, the Partnership may also incur an annual premium management fee of $82 in 2020 and $81 in 2019 per unit, payable to Presbyterian Villages of Michigan. The Partnership must meet certain performance and liquidity factors in accordance with MSHDA guidelines for Presbyterian Villages of Michigan to earn this fee. The Partnership did not record any premium management fees for the years ended December 31, 2020 and 2019.

Incentive Partnership Management Fee

According to the partnership agreement, the Partnership shall pay the general partner an annual, noncumulative incentive management fee in an amount equal to 50 percent of the Partnership's remaining cash flows, not to exceed $40,000. No incentive management fees were incurred or accrued as of December 31, 2020 or 2019.

The following is a summary of fees paid or accrued to related parties:

2020

Name of Related Party	Relationship	Brief Description of Work/Services Performed	General Ledger Account	Partnership or Operating Account	Beginning Balance	Increase	Decrease	Ending Balance	Terms of Settlement
PVM	Affiliate of the general partner and limited partner	Property management fees	Accrued management fees	Operating	$ 20,502	$ -	$ -	$ 20,502	Current payable
PVM	Affiliate of the general partner and limited partner	Property management fees	Management fee expense	Operating	-	35,244	-	-	

2019

Name of Related Party	Relationship	Brief Description of Work/Services Performed	General Ledger Account	Partnership or Operating Account	Beginning Balance	Increase	Decrease	Ending Balance	Terms of Settlement
PVM	Affiliate of the general partner and limited partner	Property management fees	Accrued management fee	Operating	$ 20,502	$ -	$ -	$ 20,502	Current payable
PVM	Affiliate of the general partner and limited partner	Property management fees	Management fee expense	Operating	-	34,782	-	-	

Note 5 - Mortgage Note Payable - MSHDA

The Partnership has a permanent loan with MSHDA in the original amount of $7,611,960. The loan is evidenced by a mortgage note document and bears an annual effective interest rate of 5.5 percent. Monthly principal and interest payments of $38,417 at an interest rate of 5.0 percent are required until the loan matures. An additional 0.5 percent interest will be deferred until maturity. The total interest accrual at December 31, 2020 and 2019 of $525,311 and $494,934, respectively, is made up of the deferred interest and the accrual of the December interest paid in January. The deferred interest at December 31, 2020 and 2019 was $499,855 and $468,761, respectively. Accrued interest on this loan was $25,546 and $26,173 at December 31, 2020 and 2019, respectively. The loan matures on October 1, 2042.

The loan is collateralized by real and personal property of the Project.

Mortgage costs of $254,061 are shown net of the mortgage and amortized over the term of the mortgage loan using the effective interest method. Total accumulated amortization related to these costs is $93,745 and $88,105 at December 31, 2020 and 2019, respectively. Related amortization expense of $5,640 for the years ended December 31, 2020 and 2019 is included in interest expense on the statement of operations.

Minimum principal payments on the mortgage note payable to maturity as of December 31, 2020 are as follows:

2021	$ 158,772
2022	167,042
2023	175,736
2024	184,874
2025	194,480
Thereafter	5,237,309
Unamortized financing costs	(160,316)
Total	$ 5,957,897

Note 6 - Contingency

The Project's low-income housing tax credit is contingent on its ability to maintain compliance with applicable sections of Section 42. Failure to maintain compliance with occupant eligibility and/or unit gross rent, or to correct noncompliance within a specified time period, could result in recapture of previously taken tax credit plus interest. In addition, such potential noncompliance may require an adjustment to the contributed capital by the investor limited partner.

Note 7 - Low-income Housing Tax Credit (Unaudited)

The Partnership received an allocation of low-income housing tax credit in the total amount of $1,753,620 claimed over a 10-year period. First-year credit was claimed in 2006; the first year 100 percent of the credit was claimed was 2008, and the last year of credit claimed was 2017. The Partnership is still obligated under the initial 15-year program affordability requirements until December 31, 2021. With the exit of the original investor limited partner, Great Lakes Capital Fund for Housing Limited Partnership XI (Great Lakes), as of December 31, 2019, the substitute limited partner, PV North II LP, LLC, provided a surety bond as security of payment to Great Lakes in the event of any recapture of tax credit and interest due under Section 42(j) of the Internal Revenue Code due to any noncompliance arising after the date of the sale through January 1, 2022.

Additional Information

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Independent Auditor's Report on Additional Information

To the Partners
Oakland Woods Limited Dividend Housing
Association Limited Partnership

We have audited the financial statements of Oakland Woods Limited Dividend Housing Association Limited Partnership (a Michigan limited partnership), MSHDA Development No. 1101, as of and for the years ended December 31, 2020 and 2019 and have issued our report thereon dated February 26, 2021, which contained an unmodified opinion on those financial statements.

Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The information on pages 15 through 19 is presented for the purpose 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.

Plante & Moran, PLLC

February 26, 2021

Oakland Woods Limited Dividend Housing Association Limited Partnership
MSHDA Development No. 1101

Schedule of Unadjusted Items

December 31, 2020

Description of Variances	Amount of Over (Under) Statement
None	$ -

VILLAGE OF OAKLAND WOODS II   MSHDA NO. 1101

SCHEDULE I

FUNDS AVAILABLE FOR DISTRIBUTION

December 31, 2020

SECTION 1			
1	Operating Cash	$ -0-	
2	MSHDA-Held Operating Reserve Account	-0-	
3	Other Non-Restricted Cash Reserve Accounts	-0-	
4	TOTAL AVAILABLE CASH (PER AUDIT) (ADD Lines 1 through Line 3)		$ -
SECTION 2			
ADD:			
5	Resident Rent Receivable	$ 11,385	
6	Other Resident Charges	-0-	
7	Non-Resident Receivable	-0-	
8	Unadjusted Items-Accounts Receivable	-0-	
9	Subsidy Receivable	-0-	
10	Development Cost Escrow Interest	-0-	
11	Tax/Insurance Escrow Surplus (Deficit)	(16,329)	
12	Escrow Draws Receivable	-0-	
13	TOTAL ADDITIONS (ADD Lines 5 through Line 12)		$ (4,944)
14	TOTAL CASH AND ADDITIONS (Line 4 PLUS Line 13)		(4,944)
SECTION 3			
DEDUCT:			
15	Trade Accounts And Surcharges Payable, Accrued Expenses Liabilities And Other Short-term Operating Liabilities	$ 35,940	
16	Subsidy Payable	-0-	
17	Unadjusted Items-Liabilities	-0-	
18	Unused Authorized Section 236 Excess Income	-0-	
19	Unapproved Section 236 Excess Income Payable to HUD	-0-	
20	Authorized Section 236 Excess Income Payable to HUD	-0-	
21	Approved Undisbursed Limited Dividend (L.D.) Payments	-0-	
22	Prepaid Rent/Unearned Rental Income	805	
23	Delinquent Mortgage Principal Payments or Deferred Mortgage Principle Payment as a Result of Mortgage Workout	-0-	
24	Delinquent Interest Payment or Deferred Mortgage Interest Payment as a Result of Mortgage Workout	-0-	
25	R/R Deferrals, Delinquent MSHDA Loans/Grants	-0-	
26	Security Deposit Not Funded (Over Funded)	(1,445)	
27	One Month's Gross Rent Potential	73,120	
28	TOTAL DEDUCTIONS (ADD Lines 15 through 27)		$ 108,420

29	**SURPLUS FUNDS** (Line 14 MINUS Line 28). Insert the actual amount even if it is negative.		$ (113,364)

SECTION 4

30	Replacement Reserve Needs	$ -0-	
31	Subtotal (Line 29 MINUS Line 30)	(113,364)	
32	Amenity Improvement/Deferred Maintenance Loan	-0-	
33	Subtotal (Line 31 MINUS Line 32)	(113,364)	
34	Amount of Workout Repayment Obligations	-0-	
35	Subtotal (Line 33 MINUS Line 34)	(113,364)	
36	Amount of MSHDA Subsidy Repayment Obligations	-0-	
37	Subtotal (Line 35 MINUS Line 36)	(113,364)	

The following developments have additional surplus cash repayment requirements as identified on Lines 38-41. All others go to Line 42.

Duvernay Park #1039
The Depot #971
Maplewood Manor #3180

38	**DUVERNAY PARK -** Surplus cash to be distributed to replacement reserve. (Line 37 if positive, if negative enter -0-)	-0-	
39	**THE DEPOT -** Surplus cash to be distributed to deferred interest (25% of Line 37, if negative enter -0-)	-0-	
40	**MAPLEWOOD MANOR #3180** (25%) **OR VILLAGE OF APPLEDORN #3539** (50%)- % of Outstanding Balance of Preservation Fund Loan	-0-	
41	**MAPLEWOOD MANOR #3180 OR VILLAGE OF APPLEDORN #3539 -** Surplus cash to be distributed to Preservation Fund Loan (Less of Line 37 or Line 40, if Line 37 negative enter -0-)	-0-	
42	**SURPLUS FUNDS** (LINE 37 MINUS LINES 38, 39 AND 41)		$ (113,364)

All properties with MSHDA HOME Loans complete Lines 43 and 44. All others go to Line 45.

SECTION 5

43	Outstanding Balance of MSHDA HOME Loan	-0-	
44	Amount to be Repaid on HOME Loan Enter 25% Line 42, or if Line 42 is negative enter -0-. Lakewood Manor #924 is required to submit 60% The following are NOT required to submit HOME loan payments from surplus cash: Gardenview Estates #3181 Orianna Ridge #1074 Research Park #300 Rosewood Park #1022 Rouge Woods #3223 The Depot #971	-0-	
45	**SURPLUS FUNDS AVAILABLE FOR DISTRIBUTION (LINE 42 MINUS LINE 44)**		$ (113,364)
46	Current Years Maximum Potential L.D. Payment		380,578
47	Subtotal (Line 45 MINUS Line 46)		(493,942)
48	Sum of Lines 2 and 10	$ -0-	
49	OPERATING RESERVE CASH TO BE SUBMITTED TO MSHDA: DEDUCT LINE 48 FROM LINE 47. If LINE 47 is negative, insert "0".		$ -0-

SECTION 6

<u>SUMMARY OF CHECKS AND/OR MSHDA-HELD RESERVE TRANSFERS DUE</u>:

A SEPARATE CHECK AND/OR MSHDA-HELD RESERVE TRANSFER REQUEST MUST BE SUBMITTED FOR EACH AMOUNT REPORTED ON LINES 50 THROUGH 59 WITHIN 120 DAYS AFTER THE DEVELOPMENT'S YEAR-END. PLEASE INDICATE THE PURPOSE ON EACH CHECK OR MSHDA-HELD RESERVE TRANSFER REQUEST. FAILURE TO COMPLY WITH THIS REQUEST WILL AFFECT THE MANAGEMENT AGENT'S ELIGIBILITY FOR PREMIUM MANAGEMENT FEES.

50	The amount from Line 11, if a deficit (Tax/Insurance Escrow)	$ 16,329
51	The lesser of Line 31 or Line 32-Amenity Improvement/Deferred Maintenance Loan (If Line 31 is negative, insert "0")	$ -0-
52	The lesser of Line 33 or Line 34-Workout Repayment Obligations (If Line 33 is negative, insert "0")	$ -0-
53	The lesser of Line 35 or Line 36-MSHDA Subsidy Repayment Obligations (If Line 35 is negative, insert "0")	$ -0-
54	The amount from Line 44 (MSHDA HOME Loan)	$ -0-
55	The amount from Line 49 (Operating Reserve Cash)	$ -0-
56	The lesser or Line 29 or Line 30-Replacement Reserve Needs (If Line 29 is negative, insert “0”).	$ -0-
57	The amount from Line 38 (Replacement Reserve)	$ -0-
58	The amount from Line 39 (Deferred Interest)	$ -0-
59	The amount from Line 41 (Preservation Fund Loan)	$ -0-

VILLAGE OF OAKLAND WOODS II MSHDA NO.1101

SCHEDULE II
FUNDS AVAILABLE FOR DISTRIBUTION
December 31, 2020

1.	OWNER INITIAL EQUITY		$	1,522,312
1a.	SECTION 8/236 PRESERVATION		$	-0-
2.	MAXIMUM L.D. PAYMENT:		$	380,578
3.	CUMULATIVE %	25%	$	380,578
4.	NON-CUMULATIVE %	0%	$	-0-
	CUT-OFF DATE:	September 28, 2007		

5. SALE/PRESERVATION TRANSACTION
CLOSING DATE:

I.	II.	III.	IV.	V.
YEAR OF OPERATION	**AVAILABLE FOR DISTRIBUTION**	**POTENTIAL L.D.**	**L.D. PAID**	**CARRY FORWARD**
2007	(29,657)	47,046	0	47,046
2008	(101,283)	197,901	0	244,947
2009	(24,568)	213,124	0	458,071
2010	(65,724)	228,347	0	686,418
2011	(110,698)	243,570	0	929,988
2012	(146,985)	258,793	0	1,188,781
2013	(131,477)	274,016	0	1,462,797
2014	(75,453)	289,239	0	1,752,036
2015	(82,710)	304,462	0	2,056,498
2016	(91,427)	319,686	0	2,376,184
2017	(172,995)	334,909	0	2,711,093
2018	(32,565)	350,132	0	3,061,225
2019	(85,840)	365,355	0	3,426,580
2020	(113,364)	380,578	0	3,807,158

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*

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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*

Independent Auditor's Report

To Management and the Partners
Oakland Woods Limited Dividend Housing
Association Limited Partnership

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Oakland Woods Limited Dividend Housing Association Limited Partnership, MSHDA Development No. 1101 (the "Partnership"), which comprise the balance sheet as of December 31, 2020 and the related statements of operations, partners' equity (deficit), and cash flows for the year then ended, and the related notes to the financial statements and have issued our report thereon dated February 26, 2021.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Partnership's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, including compliance with specific provisions of the MSHDA Regulatory Agreement, MSHDA directives, and MSHDA Multifamily Audit Guidelines, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We have compared the December 31, 2020 monthly income and expense (MIE) report submitted to MSHDA with balances in the financial statements for the year ended December 31, 2020, audited by us and covered by our report dated February 26, 2020. The account balances set forth therein are in material agreement (defined by MSHDA as differences not exceeding 10 percent and $3,000) except as noted below.

To Management and the Partners
Oakland Woods Limited Dividend Housing
Association Limited Partnership

Trade Accounts Payable/Accrued Liabilities Reconciliation

Accounts payable on the MIE report include related party operating advances that are recorded as related party advances and other short-term liabilities on the audited financial statements.

Balance per the MIE report	$	117,228
Reconciling items:		
Related party payables recorded in the financial statements reported as accounts payable on the MIE report		(87,456)
Accrued management fees on the financial statements recorded in accounts payable on the MIE report		(20,502)
Short-term related party advances on the MIE report recorded in accounts payable on the financial statements		6,108
Other reconciling items		60
Balance per the balance sheet - Accounts payable and accrued payroll	**$**	**15,438**

Operating Advances from Affiliate Reconciliation

The following is a reclassification of payables on the MIE report for various operating and maintenance expenses from accounts payable to related party advances on the audited financial statements:

Balance per the MIE report	$	6,108
Reconciling items:		
Related party payables recorded in the financial statements reported as accounts payable on the MIE report		87,456
Short-term related party advances on the MIE report recorded in accounts payable on the financial statements		(6,108)
Balance per the balance sheet	**$**	**87,456**

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

Plante & Moran, PLLC

February 26, 2021