

Linden Elderly, LP

**MHDC Project No.: 06-089-HTE/RS
Financial Statements and Supplementary Information
with Report of Independent Auditors**

December 31, 2023 and 2022



Report of Independent Auditors

To the Partners of

Linden Elderly, LP:

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Linden Elderly, LP, a Missouri limited partnership, which comprise the balance sheets as of December 31, 2023 and 2022, and the related statements of income, statement of partners' equity 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 Linden Elderly, LP as of December 31, 2023 and 2022, 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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Linden Elderly, LP 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 Linden Elderly, LP'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 auditors' 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 GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS 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 Linden Elderly, LP'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 Linden Elderly, LP'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 audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary 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. Such 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 accompanying supplementary information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Matters

The schedule of eligible and allocated federal and state tax credits, mortgagor certification, and the managing agent certification have not been subjected to the auditing procedures applied in the audit of the financial statements and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 29, 2024 on our consideration of Linden Elderly, LP's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Linden Elderly, LP'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 Linden Elderly, LP's internal control over financial reporting and compliance.

A handwritten signature in blue ink that reads "Novogradac & Company LLP". The signature is written in a cursive, flowing style.

Austin, Texas

February 29, 2024

LINDEN ELDERLY, LP
MHDC PROJECT NO. 06-089-HTE/RS
BALANCE SHEETS
December 31, 2023 and 2022

Assets

		December 31,	
		2023	2022
Current Assets			
1130	Tenant accounts receivable	\$ 6,626	\$ 12,261
1135	Accounts receivable - HUD	14,754	14,754
1200	Miscellaneous prepaid expenses (Supplemental Schedule > \$1,000)	9,227	5,695
1100T	Total Current Assets	30,607	32,710
Deposits Held in Trust - Funded			
1191	Tenant deposits held in trust	28,018	25,561
Restricted Deposits And Funded Reserves			
1310	Escrow deposits	60,688	(8,147)
1320	Replacement reserve	98,915	74,267
1330	Other reserves	37,629	37,487
1340	Residual receipts reserve	20,935	20,856
1300T	Total Deposits	218,167	124,463
Fixed Assets			
1410	Land	200,737	200,737
1420	Buildings	5,421,744	5,321,954
1460	Furnishings	169,069	175,030
1490	Miscellaneous fixed assets	381,917	381,917
1400T	Total Fixed Assets	6,173,467	6,079,638
1495	Less: accumulated depreciation	2,571,629	2,424,191
1400N	Net Fixed Assets	3,601,838	3,655,447
1000T	Total Assets	\$ 3,878,630	\$ 3,838,181

see accompanying notes

LINDEN ELDERLY, LP
MHDC PROJECT NO. 06-089-HTE/RS
BALANCE SHEETS (CONTINUED)
December 31, 2023 and 2022

Liabilities

		December 31,	
		2023	2022
Current Liabilities			
2105	Bank overdraft - operations	\$ 53,932	\$ —
2110	Accounts payable - operations	15,769	11,893
2113	Accounts payable - entity	91,033	87,533
2123	Accrued management fee payable	66,840	29,280
2131	Accrued interest payable - first mortgage	8,294	8,435
2133	Accrued interest payable - other loans and notes (surplus cash)	243,707	223,142
2170	Mortgage payable - first mortgage (short-term)	29,109	27,377
2190	Miscellaneous current liabilities (Supplemental Schedule > \$1,000)	13,045	13,408
2210	Prepaid revenue	1,215	1,156
2122T	Total Current Liabilities	522,944	402,224
Deposit And Prepayment Liabilities			
2191	Tenant deposits held in trust (contra)	27,816	25,415
Long-Term Liabilities			
2305	Accounts payable -Entity (long term)	40,000	40,000
2320	Mortgage payable - first mortgage	1,589,293	1,618,414
2323	Other loans and notes payable - surplus cash	1,033,121	933,331
2340	Debt issuance costs	(59,436)	(62,001)
2300T	Total Long-Term Liabilities	2,602,978	2,529,744
2000T	Total Liabilities	3,153,738	2,957,383
Partners' Equity			
3130	Partners' equity	724,892	880,798
2033T	Total Liabilities And Partners' Equity	\$ 3,878,630	\$ 3,838,181

see accompanying notes

LINDEN ELDERLY, LP
MHDC PROJECT NO. 06-089-HTE/RS
STATEMENT OF INCOME
For the Year Ended December 31, 2023

	Description of Account	Acct. No.	Amount
Rent Revenue 5100	Rent Revenue - Gross Potential	5120	\$ 449,544
	Tenant Assistance Payments	5121	\$ 328,376
	Rent Revenue - Stores and Commercial	5140	\$ —
	Garage and Parking Spaces	5170	\$ —
	Flexible Subsidy Revenue	5180	\$ —
	Miscellaneous Rent Revenue	5190	\$ —
	Excess Rent	5191	\$ —
	Rent Revenue/Insurance	5192	\$ —
	Special Claims Revenue	5193	\$ —
	Retained Excess Income	5194	\$ —
	Total Rent Revenue	5100T	\$ 777,920
Vacancies 5200	Apartments	5220	\$ 51,832
	Stores and Commercial	5240	\$ —
	Rental Concessions	5250	\$ 444
	Loss to Lease	5260	\$ —
	Garage and Parking Space	5270	\$ —
	Miscellaneous	5290	\$ —
	Total Vacancies	5200T	\$ 52,276
	Net Rental Revenue <i>Rent Revenue Less Vacancies</i>	5152N	\$ 725,644
Supportive Services - 5390	Supportive Services Revenue (attach Schedule)	5390	\$ —
Financial Revenue 5400	Financial Revenue - Project Operations	5410	\$ 151
	Revenue from Investments - Residual Receipts	5430	\$ 79
	Revenue from Investments - Replacement Reserve	5440	\$ 325
	Revenue from Investments - Miscellaneous	5490	\$ —
	Total Financial Revenue	5400T	\$ 555
Other Revenue 5900	Laundry and Vending Revenue	5910	\$ 7,801
	Tenant Charges	5920	\$ 14,812
	Interest Reduction Payments Revenue	5945	\$ —
	Cable TV / Internet Access Revenue	5954	\$ —
	Miscellaneous Revenue	5990	\$ 241
	Total Other Revenue	5900T	\$ 22,854
	Total Revenue	5000T	\$ 749,053
Administrative Expenses 6200/6300	Conventions and Meetings	6203	\$ 625
	Management Consultants	6204	\$ —
	Advertising and Marketing	6210	\$ 1,250
	Other Renting Expenses	6250	\$ 425
	Office Salaries	6310	\$ 34,413
	Office Expenses	6311	\$ 14,224
	Office or Model Apartment Rent	6312	\$ —
	Leased Furniture	6313	\$ —
	Management Fee/Bookkeeping/Accounting Services	6320	\$ 40,920
	Manager or Superintendent Salaries	6330	\$ 35,892
	Administrative Rent Free Unit	6331	\$ —
	Legal Expense - Project	6340	\$ 6,994
	Audit Expense	6350	\$ 5,700
	Telephone Expense	6360	\$ 7,364
	Bad Debts	6370	\$ 18,547
	Miscellaneous Administrative Expenses	6390	\$ 5,840
	Total Administrative Expenses	6263T	\$ 172,194
Utilities	Electricity	6450	\$ 53,924
	Water	6451	\$ 22,716
	Gas	6452	\$ 12,948
	Sewer	6453	\$ 11,110
	Cable TV / Internet Access	6454	\$ —
	Total Utilities Expense	6400T	\$ 100,698
	Total Expenses (Carry Forward to Page 2)		\$ 272,892

see accompanying notes

LINDEN ELDERLY, LP
MHDC PROJECT NO. 06-089-HTE/RS
STATEMENT OF INCOME (CONTINUED)
For the Year Ended December 31, 2023

		Balance Carried Forward		\$ 272,892
Operating Maintenance Expenses 6500	Payroll	6510	\$ 57,529	
	Supplies	6515	\$ 36,977	
	Contracts	6520	\$ 44,479	
	Operating and Maintenance Rent Free Unit	6521	\$ —	
	Garbage and Trash Removal	6525	\$ 6,671	
	Security Payroll/Contract	6530	\$ 14,428	
	Security Rent Free Unit	6531	\$ —	
	Heating/Cooling Repairs and Maintenance	6546	\$ 11,146	
	Snow Removal	6548	\$ 1,516	
	Vehicle and Maintenance Equipment Operation and Repairs	6570	\$ 2,252	
	Maintenance Tools and Equipment	6571	\$ —	
	Pool Supplies and Pool Maintenance/Contracts	6572	\$ —	
	Exterminating	6573	\$ 7,976	
	Elevator Maintenance/Contracts	6574	\$ 9,893	
	Vacant Unit Preparation	6580	\$ 18,016	
	Miscellaneous Operating and Maintenance Expenses	6590	\$ 245	
	Total Operating and Maintenance Expenses	6500T		\$ 211,128
Taxes and Insurance 6700	Real Estate Taxes	6710	\$ —	
	Payroll Taxes (Project's Share)	6711	\$ 9,539	
	Property and Liability Insurance (Hazard)	6720	\$ 64,945	
	Fidelity Bond Insurance	6721	\$ 181	
	Workmen's Compensation	6722	\$ 6,672	
	Health Insurance and Other Employee Benefits	6723	\$ 51,117	
	Miscellaneous Taxes, Licenses, Permits and Insurance	6790	\$ —	
	Total Taxes and Insurance	6700T		\$ 132,454
Financial Expenses 6800	Interest on Mortgage Payable	6820	\$ 100,312	
	Interest Attributable to Debt Issuance Costs	6822	\$ 2,565	
	Interest on Notes Payable (Long-Term)	6830	\$ —	
	Interest on Notes Payable (Short-Term)	6840	\$ —	
	Mortgage Insurance Premium/Service Charge	6850	\$ 8,144	
	Miscellaneous Financial Expenses	6890	\$ —	
	Total Financial Expenses	6800T		\$ 111,021
Supportive Services -	Supportive Services Expenses (attach Schedule)	6990	\$ —	\$ —
	Total Cost of Operations before Depreciation and Amortization	6000T		\$ 727,495
	Profit (Loss) before Depreciation and Amortization	5060T		\$ 21,558
	Depreciation Expense	6600	\$ 153,399	
	Amortization Expense	6610	\$ —	
	Total Depreciation and Amortization			\$ 153,399
	Operating Profit or (Loss)	5060N		\$ (131,841)
Corporate or Mortgagor Entity Expenses 7100	Entity Revenue	7105	\$ —	
	Officer's Salaries	7110	\$ —	
	Asset Management, Partnership, & Incentive Performance Fee	7115	\$ 3,500	
	Legal Expenses	7120	\$ —	
	Federal, State, and Other Income Taxes	7130	\$ —	
	Fidelity & Bond Expense	7135	\$ —	
	Interest on Notes Payable (subordinate/surplus cash/non-MHDC loans)	7141	\$ —	
	Interest on Mortgage Payable (subordinate/surplus cash/non-MHDC loan)	7142	\$ 20,565	
	Other Expenses	7190	\$ —	
	Net Entity Expenses	7100T		\$ 24,065
Profit or Loss (Net Income or Loss)		3250		\$ (155,906)
Miscellaneous or other Income and Expense Sub-account Groups. If miscellaneous or other income and/or expense sub-accounts (5190, 5290, 5490, 5990, 6390, 6590, 6790, 6890 and 7190) exceed the Account Groupings by 10% or more, attach a separate schedule.				
Part II				
1. Total mortgage principal payments required during the audit year (12 monthly payments). (Account 7001)				\$ 27,389
2. Total of 12 monthly deposits in the audit year into the Replacement Reserve account. (Account 7002)				\$ 35,256
3. Replacement Reserve or Residual Receipts releases which are included as expense items on this Profit and Loss Statement. (Account 7003)				\$ 3,402
4. Debt Service for other loans (surplus cash / non-mhdc / partner loans) (Account 7145)				\$ —

see accompanying notes

LINDEN ELDERLY, LP
MHDC PROJECT NO. 06-089-HTE/RS
STATEMENT OF INCOME (CONTINUED)
For the Year Ended December 31, 2022

	Description of Account	Acct. No.	Amount
Rent Revenue 5100	Rent Revenue - Gross Potential	5120	\$ 377,355
	Tenant Assistance Payments	5121	\$ 331,377
	Rent Revenue - Stores and Commercial	5140	\$ —
	Garage and Parking Spaces	5170	\$ —
	Flexible Subsidy Revenue	5180	\$ —
	Miscellaneous Rent Revenue	5190	\$ —
	Excess Rent	5191	\$ 1,355
	Rent Revenue/Insurance	5192	\$ —
	Special Claims Revenue	5193	\$ 14,762
	Retained Excess Income	5194	\$ —
	Total Rent Revenue	5100T	\$ 724,849
Vacancies 5200	Apartments	5220	\$ 60,345
	Stores and Commercial	5240	\$ —
	Rental Concessions	5250	\$ —
	Loss to Lease	5260	\$ —
	Garage and Parking Space	5270	\$ —
	Miscellaneous	5290	\$ —
	Total Vacancies	5200T	\$ 60,345
	Net Rental Revenue <i>Rent Revenue Less Vacancies</i>	5152N	\$ 664,504
Supportive Services - 5390	Supportive Services Revenue (attach Schedule)	5390	\$ —
Financial Revenue 5400	Financial Revenue - Project Operations	5410	\$ 119
	Revenue from Investments - Residual Receipts	5430	\$ 71
	Revenue from Investments - Replacement Reserve	5440	\$ 255
	Revenue from Investments - Miscellaneous	5490	\$ —
	Total Financial Revenue	5400T	\$ 445
Other Revenue 5900	Laundry and Vending Revenue	5910	\$ 6,019
	Tenant Charges	5920	\$ 12,219
	Interest Reduction Payments Revenue	5945	\$ —
	Cable TV / Internet Access Revenue	5954	\$ —
	Miscellaneous Revenue	5990	\$ 16,559
	Total Other Revenue	5900T	\$ 34,797
	Total Revenue	5000T	\$ 699,746
Administrative Expenses 6200/6300	Conventions and Meetings	6203	\$ 560
	Management Consultants	6204	\$ —
	Advertising and Marketing	6210	\$ 226
	Other Renting Expenses	6250	\$ 932
	Office Salaries	6310	\$ 27,384
	Office Expenses	6311	\$ 13,100
	Office or Model Apartment Rent	6312	\$ —
	Leased Furniture	6313	\$ —
	Management Fee/Bookkeeping/Accounting Services	6320	\$ 39,720
	Manager or Superintendent Salaries	6330	\$ 36,258
	Administrative Rent Free Unit	6331	\$ —
	Legal Expense - Project	6340	\$ 16,449
	Audit Expense	6350	\$ 5,700
	Telephone Expense	6360	\$ 6,724
	Bad Debts	6370	\$ 13,144
	Miscellaneous Administrative Expenses	6390	\$ 10,371
	Total Administrative Expenses	6263T	\$ 170,568
Utilities	Electricity	6450	\$ 55,813
	Water	6451	\$ 16,949
	Gas	6452	\$ 9,410
	Sewer	6453	\$ 9,964
	Cable TV / Internet Access	6454	\$ —
	Total Utilities Expense	6400T	\$ 92,136
	Total Expenses (Carry Forward to Page 2)		\$ 262,704

see accompanying notes

LINDEN ELDERLY, LP
MHDC PROJECT NO. 06-089-HTE/RS
STATEMENT OF INCOME (CONTINUED)
For the Year Ended December 31, 2022

		Balance Carried Forward		\$ 262,704
Operating Maintenance Expenses 6500	Payroll	6510	\$ 41,235	
	Supplies	6515	\$ 25,775	
	Contracts	6520	\$ 42,961	
	Operating and Maintenance Rent Free Unit	6521	\$ —	
	Garbage and Trash Removal	6525	\$ 5,156	
	Security Payroll/Contract	6530	\$ 14,807	
	Security Rent Free Unit	6531	\$ —	
	Heating/Cooling Repairs and Maintenance	6546	\$ 4,543	
	Snow Removal	6548	\$ 7,802	
	Vehicle and Maintenance Equipment Operation and Repairs	6570	\$ 2,129	
	Maintenance Tools and Equipment	6571	\$ —	
	Pool Supplies and Pool Maintenance/Contracts	6572	\$ —	
	Exterminating	6573	\$ 4,899	
	Elevator Maintenance/Contracts	6574	\$ 7,770	
	Vacant Unit Preparation	6580	\$ 13,604	
	Miscellaneous Operating and Maintenance Expenses	6590	\$ 154	
	Total Operating and Maintenance Expenses	6500T		\$ 170,835
Taxes and Insurance 6700	Real Estate Taxes	6710	\$ —	
	Payroll Taxes (Project's Share)	6711	\$ 7,923	
	Property and Liability Insurance (Hazard)	6720	\$ 59,987	
	Fidelity Bond Insurance	6721	\$ —	
	Workmen's Compensation	6722	\$ 6,427	
	Health Insurance and Other Employee Benefits	6723	\$ 43,120	
	Miscellaneous Taxes, Licenses, Permits and Insurance	6790	\$ —	
	Total Taxes and Insurance	6700T		\$ 117,457
Financial Expenses 6800	Interest on Mortgage Payable	6820	\$ 101,950	
	Interest Attributable to Debt Issuance Costs	6822	\$ 2,565	
	Interest on Notes Payable (Long-Term)	6830	\$ —	
	Interest on Notes Payable (Short-Term)	6840	\$ —	
	Mortgage Insurance Premium/Service Charge	6850	\$ 8,277	
	Miscellaneous Financial Expenses	6890	\$ —	
	Total Financial Expenses	6800T		\$ 112,792
Supportive Services -	Supportive Services Expenses (attach Schedule)	6990	\$ —	\$ —
	Total Cost of Operations before Depreciation and Amortization	6000T		\$ 663,788
	Profit (Loss) before Depreciation and Amortization	5060T		\$ 35,958
	Depreciation Expense	6600	\$ 153,165	
	Amortization Expense	6610	\$ —	
	Total Depreciation and Amortization			\$ 153,165
	Operating Profit or (Loss)	5060N		\$ (117,207)
Corporate or Mortgagor Entity Expenses 7100	Entity Revenue	7105	\$ —	
	Officer's Salaries	7110	\$ —	
	Asset Management, Partnership, & Incentive Performance Fee	7115	\$ 3,500	
	Legal Expenses	7120	\$ —	
	Federal, State, and Other Income Taxes	7130	\$ —	
	Fidelity & Bond Expense	7135	\$ 118	
	Interest on Notes Payable (subordinate/surplus cash/non-MHDC loans)	7141	\$ 7,324	
	Interest on Mortgage Payable (subordinate/surplus cash/non-MHDC loan)	7142	\$ 19,611	
	Other Expenses	7190	\$ (333)	
	Net Entity Expenses	7100T		\$ 30,220
	Profit or Loss (Net Income or Loss)	3250		\$ (147,427)
Miscellaneous or other Income and Expense Sub-account Groups. If miscellaneous or other income and/or expense sub-accounts (5190, 5290, 5490, 5990, 6390, 6590, 6790, 6890 and 7190) exceed the Account Groupings by 10% or more, attach a separate schedule.				
Part II				
1. Total mortgage principal payments required during the audit year (12 monthly payments). (Account 7001)				\$ 25,758
2. Total of 12 monthly deposits in the audit year into the Replacement Reserve account. (Account 7002)				\$ 35,256
3. Replacement Reserve or Residual Receipts releases which are included as expense items on this Profit and Loss Statement. (Account 7003)				\$ 1,850
4. Debt Service for other loans (surplus cash / non-mhdc / partner loans) (Account 7145)				\$ —

see accompanying notes

LINDEN ELDERLY, LP
MHDC PROJECT NO. 06-089-HTE/RS
STATEMENT OF PARTNERS' EQUITY
For the Years Ended December 31, 2023 and 2022

Account		Prior Limited Partner		Missouri Limited Partner		Limited Partner		General Partner		Total Partners' Equity
Allocation Percentage		99.98%		0.01%		99.98%		0.01%		199.98%
Balance, January 1, 2022	\$	90,796	\$	937,647	\$	—	\$	(218)	\$	1,028,225
Net loss		(147,397)		(15)		—		(15)		(147,427)
Balance, December 31, 2022	\$	(56,601)	\$	937,632	\$	—	\$	(233)	\$	880,798
3250 Net loss		—		—		(155,890)		(16)		(155,906)
Transfer of interest		56,601		(937,632)		881,031		—		—
3130 Balance, December 31, 2023	\$	—	\$	—	\$	725,141	\$	(249)	\$	724,892

see accompanying notes

LINDEN ELDERLY, LP
MHDC PROJECT NO. 06-089-HTE/RS
STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	\$ (155,906)	\$ (147,427)
Adjustments to reconcile net loss to net cash (used in) provided by operating activities		
Depreciation expense	153,399	153,165
Interest expense - debt issuance costs	2,565	2,565
Change in tenant security deposits held in trust	(2,457)	(4,061)
Change in accounts receivable	5,635	(7,557)
Change in accounts receivable - HUD	-	(588)
Change in prepaid expenses	(3,532)	13
Change in miscellaneous current assets	-	459
Change in accounts payable	7,376	10,232
Change in security deposits payable	2,401	4,548
Change in prepaid rent	59	(807)
Change in accrued interest	20,424	(209,308)
Change in accrued expenses	37,197	17,612
Net cash provided by (used in) operating activities	<u>67,161</u>	<u>(181,154)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of fixed assets	(99,790)	(112,160)
CASH FLOWS FROM FINANCING ACTIVITIES		
Change in bank overdraft	53,932	(18,479)
Proceeds from note payable	99,790	309,352
Payments of developer fee	-	(73,241)
Payments of mortgage	(27,389)	(25,758)
Net cash provided by financing activities	<u>126,333</u>	<u>191,874</u>
Net change in cash, cash equivalents and restricted cash	93,704	(101,440)
Cash, cash equivalents and restricted cash at beginning of year	<u>124,463</u>	<u>225,903</u>
Cash, cash equivalents and restricted cash at end of year	<u>\$ 218,167</u>	<u>\$ 124,463</u>
Cash and cash equivalents	\$ -	\$ -
Restricted cash	218,167	124,463
Total cash, cash equivalents and restricted cash	<u>\$ 218,167</u>	<u>\$ 124,463</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid for interest	<u>\$ 100,453</u>	<u>\$ 109,406</u>

see accompanying notes

LINDEN ELDERLY, LP
MHDC PROJECT NO. 06-089-HTE/RS
NOTES TO FINANCIAL STATEMENTS
December 31, 2023 and 2022

1. Organization

Linden Elderly, LP (the “Entity”), a Missouri limited partnership, was formed October 17, 2005. The Entity was formed to acquire an interest in real property and to rehabilitate and operate a 91-unit apartment complex for the elderly located in Jefferson City, Missouri known as Linden Campus Apartments (the “Property”). The Property is rented to low-income tenants and is operated in a manner necessary to qualify for the federal low-income housing tax credit program as described in Internal Revenue Code Section 42.

The Limited Partner was U.S.A. Institutional Tax Credit Fund LIX, LP (the “Prior Limited Partner”). The Special Limited Partner was TRGSLP, Inc. (the “Prior Special Limited Partner”). The STC Limited Partner was Dublin MO LIHTC Fund-I, LLC (the “Prior Missouri Limited Partner”). Effective January 1, 2023, there was a change in the Prior Limited Partner, Prior Special Limited Partner, and Prior Missouri Limited Partner’s rights, title, and interest. The Prior Limited Partner, Prior Special Limited Partner, and Prior Missouri Limited Partner withdrew from the Entity and were replaced by Linden Apartments Investment Corporation (the “Limited Partner”). The Limited Partner has the rights, duties and obligations of the Limited Partner, Special Limited Partner and Missouri Limited Partner, as defined in the Partnership Agreement.

The general partner is Linden Elderly Housing Development Corporation (the “General Partner”). Pursuant to the Amended and Restated Agreement of Limited Partnership dated February 20, 2007, and the subsequent amendments (“the Partnership Agreement”), profits, losses and tax credits are allocated 0.01% to the General Partner, and 99.99% to the Limited Partner.

The Property is regulated by the Missouri Housing Development Commission (“MHDC”) as to rent charges and operating methods. The regulatory agreement with MHDC stipulates that Net Earnings, as defined in the Acts and Regulations, may be declared or made only as of or after the end of an annual fiscal period. Net Earnings are defined by MHDC as the difference between Property Income and the payment of all operating expenses, taxes, insurance, reserve payments, payments necessary to maintain all escrow accounts fully funded, if any, and debt service. Any undistributed amounts are cumulative and may be distributed in subsequent years if future operations provide Surplus Cash in excess of current requirements. In addition, the Entity is required to deposit all Surplus Cash in excess of the cumulative allowable distributions into a residual receipts fund.

Pursuant to the terms of the Partnership Agreement, the Prior Limited Partner and Prior Missouri Limited Partner were required to provide capital contributions totaling \$2,278,795 and \$937,865, respectively, subject to potential adjustments based on the amount of low-income housing tax credits ultimately allocated to the Property in addition to other potential occurrences as more fully explained in the Partnership Agreement. As of December 31, 2023 and 2022, no capital contributions remained outstanding.

2. Summary of significant accounting policies and nature of operations

Basis of accounting

The Entity prepares its financial statements on the accrual basis of accounting consistent with accounting principles generally accepted in the United States of America.

LINDEN ELDERLY, LP
MHDC PROJECT NO. 06-089-HTE/RS
NOTES TO FINANCIAL STATEMENTS
December 31, 2023 and 2022

2. Summary of significant accounting policies and nature of operations (continued)

Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Cash and cash equivalents

Cash and cash equivalents include all cash balances on deposit with financial institutions and highly liquid investments with a maturity of three months or less at the date of acquisition.

Restricted cash is not considered cash and cash equivalents, and includes cash held with financial institutions for refunds of tenant security deposits, funding of operating deficits, residual receipts, repairs or improvements to the buildings, and annual insurance payments.

Concentration of credit risk

The Entity maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Entity has not experienced any losses in such accounts. The Entity believes it is not exposed to any significant credit risk on cash and cash equivalents.

Accounts receivable

Management considers receivables to be fully collectible. If amounts become uncollectible, they are charged to operations in the period in which that determination is made. Accounting principles generally accepted in the United States of America require that the allowance method be used to recognize bad debts; however, the effect of using the direct write-off method is not materially different from the results that would have been obtained under the allowance method. For the years ended December 31, 2023 and 2022, bad debt expense was \$18,547 and \$13,144, respectively.

Fixed assets and depreciation

Fixed assets are recorded at cost. Buildings, which include building improvements, are depreciated over their estimated useful life of 10-40 years using the straight-line method. Land improvements are depreciated over their estimated useful life of 20 years using the straight-line method. Furniture and equipment are depreciated over their estimated useful life of 10 years using the straight-line method. Depreciation expense for the years ended December 31, 2023 and 2022 was \$153,399 and \$153,165, respectively.

Impairment of long-lived assets

The Entity reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying value of the asset may not be recoverable. Recoverability is measured by a comparison of the carrying amount of the asset to the future net undiscounted cash flows expected to be generated and any estimated proceeds from the eventual disposition. If the long-lived assets are considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying amount of the asset exceeds the fair value as determined from an appraisal, discounted cash flow analysis, or other valuation technique. No impairment losses were recognized during 2023 or 2022.

LINDEN ELDERLY, LP
MHDC PROJECT NO. 06-089-HTE/RS
NOTES TO FINANCIAL STATEMENTS
December 31, 2023 and 2022

2. Summary of significant accounting policies and nature of operations (continued)

Cash distributions

Cash distributions are limited by agreements between the Entity and MHDC to the extent of surplus cash as defined by MHDC. Undistributed amounts are cumulative and may be distributed in subsequent years if future operations provide surplus cash in excess of current requirements. For the years ended December 31, 2023 and 2022, no distributions were made to the partners.

Income taxes

Income taxes on Entity income are levied on the partners at the partner level. Accordingly, all profits and losses of the Entity are recognized by each partner on its respective tax return.

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires the Entity to report information regarding its exposure to various tax positions taken by the Entity. Management has determined whether any tax positions have met the recognition threshold and has measured the Entity's exposure to those tax positions. Management believes that the Entity has adequately addressed all relevant tax positions and that there are no unrecorded tax liabilities. Federal and state tax authorities generally have the right to examine and audit the previous three years of tax returns filed. Any interest or penalties assessed to the Entity are recorded in operating expenses. No interest or penalties from federal or state tax authorities were recorded in the accompanying financial statements.

Revenue recognition for tenant leases and tenant charges

The Entity is the lessor of the Property and accounts for tenant leases as operating leases. The Entity determines if a contract is a lease or contains a lease at inception. At the commencement of an operating lease, no income is recognized; subsequently, lease payments received are recognized on a straight-line basis. Rental revenue attributable to tenant leases is recorded when due from residents, generally upon the first day of each month. Leases are for periods of up to one year, with rental payments due monthly. Other revenue includes fees for late payments, cleaning, damages, laundry facilities and other charges and is recorded when earned. Advance receipts of revenue are deferred and classified as liabilities until earned.

Federally-subsidized rent income

The Property is subject to three Section 8 Housing Assistance Payments Program ("HAP") agreements with HUD. The agreements expire on February 19, 2032, June 30, 2028, and February 28, 2027. HUD agreed to pay the owner the difference between the contract rent, as defined in the HAP agreement, and that portion of such rent payable by qualified tenants. Rental subsidy for the years ended December 31, 2023 and 2022 totaled \$328,376 and \$331,377, respectively.

Economic concentrations

The Entity operates one property in Jefferson City, Missouri. Future operations could be affected by changes in economic or other conditions in that geographical area or by changes in federal low-income housing subsidies or the demand for such housing.

LINDEN ELDERLY, LP
MHDC PROJECT NO. 06-089-HTE/RS
NOTES TO FINANCIAL STATEMENTS
December 31, 2023 and 2022

3. Restricted deposits and funded reserves

Escrow deposits

Pursuant to a regulatory agreement between the Entity and MHDC, required monthly payments to the mortgagee include amounts for deposit to mortgage escrow funds. These are held by the mortgagee for future payment of real estate taxes and property and mortgage insurance. This fund is restricted in accordance with the provisions of the regulatory agreement. As of December 31, 2023 and 2022, the escrow deposits had a balance of \$60,688 and a deficit balance of \$8,147, respectively.

Operating reserve

Pursuant to a regulatory agreement between the Entity and MHDC, an operating reserve was established to fund operating deficits. The Entity must have approval from MHDC before funds from the operating reserve are released. As of December 31, 2023 and 2022, the operating reserve balance was \$37,629 and \$37,487, respectively.

Replacement reserve

Pursuant to a regulatory agreement between the Entity and MHDC, annual deposits of \$35,256 are made to the replacement reserve account. These deposits are held by the mortgagee until MHDC approval is obtained for use of the funds to repair or replace certain assets of the Property. As of December 31, 2023 and 2022, the balance was \$98,915 and \$74,267, respectively.

Residual receipts reserve

Pursuant to a regulatory agreement between the Entity and MHDC, surplus cash in excess of the cumulative allowable distributions are deposited into the residual receipts reserve account. These deposits are held by the mortgagee until MHDC approval is obtained for use of the funds. As of December 31, 2023 and 2022, the balance was \$20,935 and \$20,856, respectively.

4. Mortgage payable – first mortgage

On February 20, 2007, the Entity obtained a permanent loan (the “Permanent Loan”) in the amount of \$3,900,000 from MHDC and UMB Bank through the Risk-Share Program. The financing is being provided through issuance of MHDC Multifamily Housing Revenue Bonds (Linden Campus Apartments Project) 2006 Series 1. Pursuant to the terms of the Permanent Loan, a \$2,000,000 principal payment was made on July 1, 2008. The Permanent Loan has an interest rate of 6.15% per annum and matures on July 1, 2048. Principal and interest payments of \$10,653 are due monthly and began on August 1, 2008. The Permanent Loan is secured by a first Deed of Trust and an Assignment of Rents. During 2023 and 2022, interest expense was \$100,312 and \$101,950, respectively. As of December 31, 2023 and 2022, accrued interest was \$8,294 and \$8,435, respectively.

Debt issuance costs of \$102,614 are being amortized to interest expense over the term of the loan. For the years ended December 31, 2023 and 2022, the effective interest rate was 6.35% each year. During 2023 and 2022, amortization expense for debt issuance costs was \$2,565 each year.

LINDEN ELDERLY, LP
MHDC PROJECT NO. 06-089-HTE/RS
NOTES TO FINANCIAL STATEMENTS
December 31, 2023 and 2022

4. Mortgage payable – first mortgage (continued)

Future minimum principal payment requirements over the next five years and thereafter are as follows:

Year ending December 31,		
2024	\$	29,109
2025		30,950
2026		32,908
2027		34,990
2028		37,204
Thereafter		<u>1,453,241</u>
Total	\$	<u>1,618,402</u>

5. HOME loan

On February 20, 2007, the Entity obtained permanent financing from MHDC under a HOME loan commitment of \$500,000 (the “HOME Loan”). The HOME Loan bears no interest and is secured by a second leasehold deed of trust and security agreement. Beginning in 2008, principal and interest payments of 50% of surplus cash up to \$12,500 are due as determined in the Partnership Agreement. The entire balance of unpaid principal is due July 1, 2048. As of December 31, 2023 and 2022, the outstanding principal balance was \$423,979 each year and is included in “Other loans and notes payable – surplus cash” on the accompanying balance sheets.

6. Related party transactions

Related party loan

The Housing Authority of the City of Jefferson, Missouri (“JCHA”), a related party of the General Partner, provided a loan to the Entity in the original amount of \$200,000. The loan is secured by a third leasehold deed of trust and security agreement. The nonrecourse loan bears interest at a rate of 4.86%, compounding annually, and is payable from Surplus Cash, as further defined in the Partnership Agreement. Any remaining principal and unpaid accrued interest is due on January 1, 2042. During 2023 and 2022, interest expense was \$20,565 and \$19,611, respectively. As of December 31, 2023 and 2022, the outstanding principal balance was \$200,000 both years, and is included in “Other loans and notes payable – surplus cash” on the accompanying balance sheets. As of December 31, 2023 and 2022, accrued interest was \$243,707 and \$223,142, respectively and is included in “Accrued interest payable - other loans and notes (surplus cash)” on the accompanying balance sheets.

Property management fee

The Entity entered into a management agreement with JCHA (the “Management Agent”), a related party of the General Partner, for services rendered in connection with the leasing and operation of the Property. The Management Agent fee for its services was \$30 per occupied unit per month. Effective January 1, 2020, and upon approval from MHDC, the fee was increased to \$40 per occupied unit per month. During 2023 and 2022, property management fees of \$40,920 and \$39,720, respectively, were incurred. As of December 31, 2023 and 2022, property management fees of \$66,840 and \$29,280, respectively, were outstanding.

LINDEN ELDERLY, LP
MHDC PROJECT NO. 06-089-HTE/RS
NOTES TO FINANCIAL STATEMENTS
December 31, 2023 and 2022

6. Related party transactions (continued)

Related party notes

During 2022, the Housing Authority of the City of Jefferson, Missouri (“JCHA”), a related party of the General Partner, provided a loan to the Entity in the original amount of \$309,352. The loan is unsecured. The loan does not accrue interest and is payable in equal monthly installments beginning January 1, 2023 through December 1, 2031, at which point the remaining balance will be due. As of December 31, 2023 and 2022, the outstanding principal balance was \$309,352 each year, and is included in “Other loans and notes payable – surplus cash” on the accompanying balance sheets.

During 2023, the Housing Authority of the City of Jefferson, Missouri (“JCHA”), a related party of the General Partner, provided a loan to the Entity in the maximum amount up to \$104,740. The loan is unsecured. The loan does not accrue interest and is payable in equal monthly installments beginning January 1, 2023 through December 1, 2031, at which point the remaining balance will be due. As of December 31, 2023, \$99,790 of the note had been advanced to the Entity. As of December 31, 2023, the outstanding principal balance was \$99,790, and is included in “Other loans and notes payable – surplus cash” on the accompanying balance sheets.

Related party advances

In prior years, JCHA, a related party of the General Partner, advanced funds to the Entity to pay for construction costs. The advances do not bear interest and are payable from surplus cash, as defined in the Partnership Agreement. As of December 31, 2023 and 2022, \$52,533 remained payable for each year and is included in “Accounts payable – entity” on the accompanying balance sheets.

In prior years, JCHA, a related party of the General Partner, advanced funds to the Entity to pay the required principal on the Mortgage. The advances do not bear interest and are payable from surplus cash, as defined in the Partnership Agreement. As of December 31, 2023 and 2022, \$40,000 remained payable for each year.

Partnership administration fee

Pursuant to the Partnership Administration Agreement, the Entity pays a partnership administration fee to the General Partner, subject to available cash flow. The fee is cumulative and paid annually from available cash flow, as defined in the Partnership Agreement. The fee is equal to \$3,500 plus 85% of the net cash flow remaining in any given year, pursuant to the terms of the Partnership Agreement. During 2023 and 2022, partnership administration fees of \$3,500 were earned each year. As of December 31, 2023 and 2022, partnership administration fees of \$38,500 and \$35,000, respectively, were accrued and is included in “Accounts payable – entity” on the accompanying balance sheets.

LINDEN ELDERLY, LP
MHDC PROJECT NO. 06-089-HTE/RS
NOTES TO FINANCIAL STATEMENTS
December 31, 2023 and 2022

7. Low-income housing tax credits

The Entity expects to generate an aggregate of \$2,424,810 of federal low-income housing tax credits and \$2,424,810 of state low-income housing tax credits ("Tax Credits"). Generally, such credits become available for use by its partners pro-rata over a ten-year period, which began in 2004. The year in which the credit period begins is determined on a building-by-building basis within the Entity. In order to qualify for these credits, the Property must comply with various federal and state requirements. These requirements include, but are not limited to, renting to low-income tenants at rental rates which do not exceed specified percentages of area median gross income for the first 15 years of operation. The Entity has also agreed to maintain and operate the Property as low-income housing for an additional 15 years beyond the initial 15-year compliance period. Because the Tax Credits are subject to compliance with certain requirements, there can be no assurance that the aggregate amount of Tax Credits will be realized, and failure to meet all such requirements or to correct noncompliance within a specified time period may result in generating a lesser amount of Tax Credits than expected in future years, and/or recapture of Tax Credits previously allocated. A reduction of future credits or recapture would require credit deficit payments to the Limited Partner under the terms of the Partnership Agreement.

As of December 31, 2018, the complete amount of Tax Credits, \$4,849,620, had been fully allocated to the Entity.

The Entity does not anticipate generating additional Tax Credits in future years.

MHDC SUPPLEMENTARY INFORMATION

LINDEN ELDERLY, LP
MHDC PROJECT NO. 06-089-HTE/RS
Schedule of Funds in Financial Institutions
December 31, 2023

Funds in Financial Institutions as of December 31, 2023

A. Funds Held by Mortgagor, Regular Accounts:

JCHA Revolving Fund Overdraft, checking \$ (53,932)

B. Funds Held by Mortgagor, in Trust, Tenant Security Deposit:

Jefferson Bank, business checking 28,018

Funds Held by Mortgagor, TOTAL \$ (25,914)

C. Funds Held by Mortgagee, in Trust:

1.	Tax and Insurance Escrow, MHDC	\$ 60,688
2.	Reserve Fund for Replacements, MHDC	98,915
3.	Residual Receipts Fund, MHDC	20,935
4.	Operating Reserve Fund, MHDC	<u>37,629</u>

Funds Held by Mortgagee, TOTAL \$ 218,167

TOTAL Funds in Financial Institutions

\$ 192,253

Balances audited/verified as of December 31, 2023

LINDEN ELDERLY, LP
MHDC PROJECT NO. 06-089-HTE/RS
Schedule of Changes in Property and Equipment
December 31, 2023

Assets				
Asset Description	12/31/2022 Balance	Additions	Deletions	12/31/2023 Balance
Land	\$ 200,737	\$ -	\$ -	\$ 200,737
Land Improvements	381,917	-	-	381,917
Buildings	5,321,954	99,790		5,421,744
Equipment	-	-	-	-
Furniture	175,030	-	5,961	169,069
TOTALS	<u>\$ 6,079,638</u>	<u>\$ 99,790</u>	<u>\$ 5,961</u>	<u>\$ 6,173,467</u>

Accumulated Depreciation				
Asset Description	12/31/2022 Balance	Current Provisions	Deletions	12/31/2023 Balance
Land	\$ -	\$ -	\$ -	\$ -
Land Improvements	283,055	19,095	-	302,150
Buildings	1,966,106	134,304	-	2,100,410
Equipment	-	-	-	-
Furniture	175,030	-	5,961	169,069
TOTALS	<u>\$ 2,424,191</u>	<u>\$ 153,399</u>	<u>\$ 5,961</u>	<u>\$ 2,571,629</u>

Net Book Value at 12/31/2023
\$ 200,737
\$ 79,767
\$ 3,321,334
\$ -
\$ -
<u>\$ 3,601,838</u>

see report of independent auditors

LINDEN ELDERLY, LP
MHDC PROJECT NO. 06-089-HTE/RS
TIN # 06-1758540
Schedule of Eligible and Allocated Federal and State Tax Credits (Unaudited)
December 31, 2023

Credit Year	Calendar Year	Annual Federal LIHTC		Annual State LIHTC	
		Allocated	Eligible	Allocated	Eligible
1	2008	242,481	235,154	242,481	235,154
2	2009	242,481	242,481	242,481	242,481
3	2010	242,481	242,481	242,481	242,481
4	2011	242,481	242,481	242,481	242,481
5	2012	242,481	242,481	242,481	242,481
6	2013	242,481	242,481	242,481	242,481
7	2014	242,481	242,481	242,481	242,481
8	2015	242,481	242,481	242,481	242,481
9	2016	242,481	242,481	242,481	242,481
10	2017	242,481	242,481	242,481	242,481
11	2018	-	7,327	-	7,327
12	2019	-	-	-	-
13	2020	-	-	-	-
14	2021	-	-	-	-
15	2022	-	-	-	-

see report of independent auditors

LINDEN ELDERLY, LP
MHDC PROJECT NO. 06-089-HTE/RS
Schedule of Escrow Deposits and Replacement Reserves
Supporting Schedule Required by HUD & MHDC
December 31, 2023

Replacement Reserves

Balance, January 1, 2023	\$ 74,267
Monthly deposits	35,256
Interest earned	325
Release of funds	<u>(10,933)</u>
Balance, December 31, 2023	
Confirmed by mortgagee	<u><u>\$ 98,915</u></u>

Mortgage Escrow Deposits

Tax and Insurance reserves	\$ 60,688
Operating reserve	37,629
Residual receipts reserve	<u>20,935</u>
Total mortgage escrow deposits	<u><u>\$ 119,252</u></u>

see report of independent auditors

COMPUTATION OF SURPLUS CASH, DISTRIBUTIONS AND RESIDUAL RECEIPTS

Project Name		Fiscal Period Ended	Project Number	
Linden Elderly, LP		December 31, 2023	06-089-HTE/RS	
PART A - COMPUTE SURPLUS CASH				
CASH	1. Cash (<i>Accounts 1120, 1170, 1191</i>)	\$ 28,018		
	2. Tenant subsidy vouchers due for period covered by financial statement	\$ 14,754		
	3. Other (<i>Describe</i>) (<i>S1300-030</i>)	\$ -		
	(a) Total Cash (Add Lines 1, 2, and 3)			\$ 42,772
CURRENT OBLIGATIONS	4. Accrued mortgage interest payable	\$ 8,294		
	5. Delinquent mortgage principal payments	\$ -		
	6. Delinquent deposits to reserve for replacements	\$ -		
	7. Accounts payable (<i>due within 30 days</i>)	\$ 15,769		
	8. Loans and notes payable... (<i>due within 30 days</i>)	\$ -		
	9. Deficient Tax Insurance or MIP Escrow Deposits	\$ -		
	10. Accrued expenses (<i>not escrowed</i>)	\$ 13,045		
	11. Prepaid Rents (<i>Account 2210</i>)	\$ 1,215		
	12. Tenant security deposits liability (<i>Account 2191</i>)	\$ 27,816		
	13. Other (<i>Describe</i>)	\$ -		
	(b) Less Total Current Obligations (Add Lines 4 through 13)			\$ 66,139
	(c) Surplus Cash (Deficiency) (Line (a) minus Line (b))			\$ (23,367)
PART B - COMPUTE DISTRIBUTIONS TO OWNERS AND REQUIRED DEPOSIT TO RESIDUAL RECEIPTS				
1. Surplus Cash		\$ -		
LIMITED DIVIDEND PROJECTS	2a. Annual Distribution Earned During Fiscal Period Covered by the Statement	See MHDC		
	2b. Distributions Accrued and Unpaid as of the End of the Prior Fiscal Period	calculation on		
	2c. Distributions Paid During Fiscal Period Covered by Statement	next page.		
	3. Amount to be Carried on Balance Sheet as Distribution Earned but Unpaid (<i>Line 2a plus 2b minus 2c</i>)			
4. Amount Available for Distribution During Next Fiscal Period		\$ -		
5. Deposit Due Residual Receipts (<i>Must be deposited with Mortgagee within 60 days after Fiscal Period ends</i>)		-		
PREPARED BY		REVIEWED BY		
LOAN TECHNICIAN		LOAN SERVICER		
DATE		DATE		

LINDEN ELDERLY, LP
MHDC PROJECT NO. 06-089-HTE/RS
COMPUTATION OF DISTRIBUTIONS TO OWNERS AND
REQUIRED DEPOSIT TO RESIDUAL RECEIPTS

Development Name: Linden Elderly, LP
MHDC #: 06-089-HTE/RS

Fiscal Period

from: January 1, 2023
to: December 31, 2023

A. Annual distribution earned during fiscal period covered by statement:

Current Equity *	\$4,014,192	(1)
Distribution percent per Regulatory Agreement	8%	(2)
Annual distribution earned for: <u>2023</u>	<u>\$321,135</u>	(3)

B. Distributions accrued and unpaid as of the end of the prior fiscal period:

Distributions earned per Regulatory Agreement at 12/31, or end of accounting year,
if different, for years:

2022	\$ 318,944	
2021	\$ 316,884	
2020	\$ 313,945	
2019	\$ 311,123	
2018	\$ 308,408	
2017	\$ 305,796	
2016	\$ 303,280	
2015	\$ 301,188	
2014	\$ 299,847	
2013	\$ 298,586	
2012	\$ 297,399	
2011	\$ 295,867	
2010	\$ 294,817	
2009	\$ 293,824	
2008	\$ -	
2007 and prior years	\$ -	
Total prior year distributions earned	\$ 4,259,908	(4)
Less: Distributions made to partners in prior years	\$ -	(5)
Less: Other Repayments to affiliates	\$ 19,426	
Less: Other Partnership administration fee	\$ 14,000	
Total distributions made to partners in prior years	\$ 33,426	(6)

**Distributions accrued and unpaid as of period covered
by statement:**

\$ 4,226,482 (7)

C. Distributions paid during period covered by statement:

To partners	\$ -	(8)
Other: Repayments to affiliates	\$ -	(9)
Other: Partnership administration fee	\$ -	(9)
Total distributions paid during period covered by statement	\$ -	(10)

D. Amount to be carried as distributions earned, but unpaid:

Line (3) + Line (7) - Line (10) ** \$ 4,547,617 (11)

E. Amount available for distribution during next fiscal period:

Surplus Cash (from form HUD-93486, Line 1. of Part B) \$ - (12)

F. Deposit due to Residual Receipts account:

If Line (11) is greater than Line (12), enter zero (\$0), else enter
Line (12) - Line (11), and deposit amount within 60 days of fiscal
year end into joint account with mortgagee (MHDC). NONE (13)

* Current equity represents initial equity investment plus mortgage principal reduction through end of fiscal period.

** Distributions may only be made to the extent that there is surplus cash available as shown in Part E.

LINDEN ELDERLY, LP
MHDC PROJECT NO. 06-089-HTE/RS
STATEMENT OF CASH FLOWS - HUD BASIS
For the Year Ended December 31, 2023

CASH FLOWS FROM OPERATING ACTIVITIES

S1200-010	Rental receipts	\$ 731,338
S1200-020	Interest receipts	555
S1200-030	Other operating receipts	<u>22,854</u>
S1200-040	Total receipts	754,747

CASH PAID FOR:

S1200-050	Administrative expenses	(62,406)
S1200-070	Management fee expense	(3,360)
S1200-090	Utilities expenses	(100,698)
S1200-100	Salaries and wages expense	(195,162)
S1200-110	Operating and maintenance expenses	(153,599)
S1200-140	Property insurance expense	(68,658)
S1200-160	Tenant security deposits	(56)
S1200-180	Interest on first mortgage	(100,453)
S1200-181	Interest payments - second mortgage	(20,565)
S1200-210	Mortgage insurance premium	(8,144)
S1200-225	Entity/construction disbursements	<u>20,565</u>
S1200-230	Total disbursements	<u>(692,536)</u>

S1200-240	Net cash provided by (used in) operating activities	62,211
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CASH FLOWS FROM INVESTING ACTIVITIES

S1200-245	Net deposits to the mortgage escrow account	(68,835)
S1200-250	Net deposits to the reserve for replacement account	(24,648)
S1200-255	Net deposits to other reserves	(142)
S1200-260	Net deposits to the residual receipts account	(79)
S1200-330	Net purchases of fixed assets	<u>(99,790)</u>
S1200-350	Net cash provided by (used in) investing activities	(193,494)

CASH FLOWS FROM FINANCING ACTIVITIES

S1200-360	Principal payments - first mortgage (or bonds)	(27,389)
S1200-455	Entity/construction financing activities	<u>153,722</u>
S1200-460	Net cash provided by (used in) financing activities	<u>126,333</u>

S1200-470	NET INCREASE (DECREASE) IN CASH & EQUIVALENTS	(4,950)
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S1200-480	BEGINNING OF PERIOD CASH	<u>-</u>
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S1200T	END OF PERIOD CASH	<u>\$ (4,950)</u>
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see report of independent auditors

LINDEN ELDERLY, LP
MHDC PROJECT NO. 06-089-HTE/RS
STATEMENT OF CASH FLOWS - HUD BASIS (CONTINUED)
For the Year Ended December 31, 2023

RECONCILIATION OF NET PROFIT (LOSS) TO NET		
CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
3250	NET PROFIT OR (LOSS)	\$ (155,906)
ADJUSTMENTS TO RECONCILE NET PROFIT (LOSS) TO NET CASH		
PROVIDED BY (USED IN) OPERATING ACTIVITIES		
6600	Depreciation expense	153,399
6610	Amortization expense	2,565
Changes in asset and liability accounts		
Decrease (increase) in assets		
S1200-490	Decrease (increase) in tenant accounts receivable	5,635
S1200-520	Decrease (increase) in prepaid expenses	(3,532)
S1200-530	Decrease (increase) in cash restricted for tenant security deposits	(2,457)
Increase (decrease) in liabilities		
S1200-540	Increase (decrease) in accounts payable	(1,074)
S1200-560	Increase (decrease) in accrued liabilities	37,197
S1200-570	Increase (decrease) in accrued interest payable	(141)
S1200-580	Increase (decrease) in tenant security deposits held in trust	2,401
S1200-590	Increase (decrease) in prepaid revenue	59
S1200-605	Increase (decrease) in entity/construction liability accounts:	
S1200-606	Accrued interest on third mortgage (S1200-607)	20,565
S1200-606	Partnership management fee payable (S1200-607)	3,500
S1200-610	NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>\$ 62,211</u>

see report of independent auditors

REPORT OF INDEPENDENT AUDITORS 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 of

Linden Elderly, LP:

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 Linden Elderly, LP, which comprise the balance sheet as of December 31, 2023, and the related statements of income, partners' equity, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated February 29, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Linden Elderly, LP'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 Linden Elderly, LP's internal control. Accordingly, we do not express an opinion on the effectiveness of Linden Elderly, LP'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 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 or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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.

Novogradac & Company LLP

Austin, Texas

February 29, 2024

LINDEN ELDERLY, LP
MHDC PROJECT NO. 06-089-HTE/RS
MORTGAGOR CERTIFICATION (UNAUDITED)
For the years ended December 31, 2023 and 2022

I hereby certify that I have examined the accompanying financial statements and supplemental data of Linden Elderly, LP and, to the best of my knowledge and belief, the same is complete and accurate.

Linden Elderly, LP
(A Missouri Limited Partnership)

Michelle Wessler
Signature

February 29, 2024
Date

Name of Signatory

Michelle Wessler

Title of Certifying Official

President of the General Partner

Employer Identification Number of the owner

06-1758540

Auditee Telephone Number

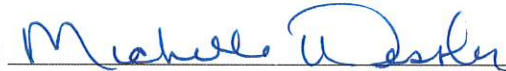
(573) 635-6163

LINDEN ELDERLY, LP
MHDC PROJECT NO. 06-089-HTE/RS
MANAGING AGENT CERTIFICATION (UNAUDITED)
For the years ended December 31, 2023 and 2022

I hereby certify that I have examined the accompanying financial statements and supplemental data of Linden Elderly, LP and, to the best of my knowledge and belief, the same is complete and accurate.

Housing Authority for the City of Jefferson, Missouri

By:



Michelle Wessler
Executive Director

44-6005933

Employer Identification Number



Signature of Individual Responsible for
Management of Property

Chera McCoy

Printed Name of Individual Responsible for
Management of Property

February 29, 2024

Date