



**Oakridge Neighborhood Services
ONS Board 2024
February 2024 Board Packet
February 28, 2024, 8:00 am - 9:30 am**

DOCUMENTS



OAKRIDGE NEIGHBORHOOD AND NEIGHBORHOOD

SERVICES BOARD MEETING AGENDA

February 28, 2024 - 8:00 am -9:30 am

Hybrid Meeting

Join Zoom Meeting

<https://uso2web.zoom.us/j/8753011783?omn=84474575594>

Meeting ID: 875 301 1783

1. Call to Order/ Chairs Report Dr. Andy McGuire

2. Mission Moment Group (5 minutes)

3. Approval of Consent Agenda
 - a. December Board Minutes

4. Finance Committee Report Mark Wiltse (20 minutes)

5. CEO Update Teree Caldwell-Johnson
 - a. RoyalView Manor

 - b. Emerging discussions on Housing HLI's

6. Adjourn to Executive Session Dr. Andy McGuire



**Oakridge Neighborhood
December Board Meeting
December 13, 2023
In Person – Oak Teen Tech Center**

Attendance:

Albert Farr; Carol Bodensteiner; Dr. Andrea McGuire; Jessica Feeney; Joyce McDanel; Kent A. Kramer; Mark Wiltse; Martine Olson-Daniel; Mary Johnson; Matt Haney; Michael A. Hutney; Timothy V Haight, Diana Dubuisson; Marcy Baker;

Not In Attendance:

John Fatino; Marcy Baker; Peter Ngo; Emily LeMay; Erin Kuhl; Jamie Buelt; Rona Berinobis; Sharon Gaddy-Hanna; Skylar Mayberry-Mayes; Steven L Hinrichs; Kuuku Saah; Peter Ngo; Nalo Johnson, PhD;

Staff Attendance:

Teree Caldwell-Johnson; Pat Palmer; Kristin Arnold; Kristin Clayton; Kristin Littlejohn; Almardi Abdalla; Chris Irvine; Sheri Fitzpatrick; Derek Frank; Randy McNeal

I. Call to Order

- a) Dr. Andrea McGuire called the October 2023 Oakridge Board Meeting to order at 4.15 p.m. at the Oak Teen Tech Center wishing everyone the best for the upcoming holidays and making personal introductions for new Board member Diana Dubuisson.
- b) Thank you to Derek Frank, Oak Teen Tech Center coordinator for inviting the Board to meet and tour the new Oak Teen Tech Center

II. Consent Agenda Approval

- a) Dr. Andrea McGuire presented the following items for approval:
 - Board Meeting Minutes - October 2023
 - Corporate Authorization Resolutions for 2024

Move: Michael Hutney **Second:** Albert Farr **Status:** Passed

III. Finance Committee Report

- a) Mark Wiltse presented an update of the Finance Committee meeting.
 - Budgets set for ON and ONS 2024
 - Largest costs are related to people and services
 - Discussed :
 - i. Reduction of costs
 - ii. Grant availability - state, federal, corporate, private
 - iii. Purposeful strategies for 2024 and beyond
 - iv. Cash flow projections for Oakridge Neighborhood for next 3-5 years
 - v. Updates to board in April and August 2024

Move: Matt Haney **Second:** Carol Bodensteiner **Status:** Passed

IV. 2023 Year in Review

- a) Teree thanked the staff and Board members. Recognizing the levels of engagement of Oakridge's senior staff during the past months.
- b) See attached Annual CEO Report for presentation presented to the Board.

V. Recognitions and Acknowledgements

- a) Silver Oaks 10th Anniversary Celebration
- b) Congratulations to Skylar Mayberry-Mayes – Grand View University named Skylar to the position of Executive Director of the Jacobson Institute
- c) Thank you to staff And Teree for accomplishments and advances in 2023
- d) Thank you to Steven Hinrichs for years of service as an Oakridge Board member. He will step off the ONS Board for 2024. Steve will continue as a member of the Communications/Development committee

VI. Adjourn

- a) Meeting adjourned at 5:30 pm to a Board Christmas Social and Oak Teen Tech Center Open House

Please contact Sheri FitzPatrick at sfitzpatrick@oakridgeneighborhood.org if you have any questions, corrections, or additions to this document.

MINUTES
Oakridge Neighborhood
Executive Committee
February 14, 2024
Noon Remote Meeting

In Attendance:

Dr. Andrea McGuire; Joyce McDanel;; Matthew Haney; Skylar Mayberry-Mayes; Martine Olsen-Daniel; Jamie Buelt; Mark Wiltse; Teree Caldwell-Johnson;

Absent:

Michael A. Hutney; Erin Kuhl; Emily Lemay;

1. Executive Meeting was called to order at 12:18 pm. by Dr. Andrea McGuire
 - a) February Board Meeting Agenda Draft review
 - a. Consent Agenda
 - b. Finance Update
2. CEO Update
 - a. Royal View Manor Updates
 - Application Submitted
 - Positive Changes
 - On Hold Mode with City of Des Moines
 1. Request of input on timeline and competition
 - b. Emerging Discussions for Housing HLI's
 - Need for increased capacity and increased revenues for growth
 - Discussions with Federal Home Loan regarding positive changes for 2024 application process
 - c. Anawim Housing (Closed Session)
 - Potential Opportunity to advance Oakridge Footprint in Des Moines
 - d. Personal Update
 - Teree starting 3rd chemo regimen
 1. New medication to treat cancer
 2. New chemo drug
 3. Kidney Stent
 4. Potential of additional medicine to increase appetite
3. HR Committee Report given by Joyce McDanel
 - a. CEO Evaluation Process
 - Evaluation Results
 - Letter
4. Other Business - no other business reported
5. Meeting adjourned at 1:10 pm

Oakridge Neighborhood Services

Balance Sheet

	Current Period 01/31/2024	Prior Period 12/31/2023	Prior Year End 12/31/2023
Current Assets			
Operating Cash	192,885.02	97,720.24	97,720.24
Designated Cash	374,434.31	434,797.59	434,797.59
Account Receivables and Pledges	478,072.59	633,485.75	633,485.75
Due from Affiliate Entities	91,760.75	76,614.68	76,614.68
Prepaid Expense	7,389.61	14,965.61	14,965.61
Special Investment Fund - GDMCF	520,815.41	520,815.41	520,815.41
Wheels of Hope CD	60,000.00	60,000.00	60,000.00
Investment - Silver Oaks	219,951.00	219,951.00	219,951.00
Investment - ONS Ventures	1,360,414.00	1,360,414.00	1,360,414.00
Total Current Assets	3,305,722.69	3,418,764.28	3,418,764.28
Other Assets			
Housing Notes Receivable	3,703,759.00	3,703,759.00	3,703,759.00
Total Other Assets	3,703,759.00	3,703,759.00	3,703,759.00
Fixed Assets			
Fixed Assets	2,680,216.83	2,680,216.83	2,680,216.83
Less: Accumulated Depreciation	(1,564,113.71)	(1,552,716.92)	(1,552,716.92)
Total Fixed Assets	1,116,103.12	1,127,499.91	1,127,499.91
TOTAL ASSETS	8,125,584.81	8,250,023.19	8,250,023.19
Current Liabilities			
Accounts Payable	231,023.36	198,769.42	198,769.42
Accrued Expenses	219,088.05	219,088.05	219,088.05
Deferred Revenue	63,342.58	63,342.58	63,342.58
Total Current Liabilities	513,453.99	481,200.05	481,200.05
Long Term Liabilities			
Notes Payable	120,000.00	120,000.00	120,000.00
Total Long Term Liabilities	120,000.00	120,000.00	120,000.00
TOTAL LIABILITIES	633,453.99	601,200.05	601,200.05
Net Assets	7,492,130.82	7,648,823.14	7,648,823.14
TOTAL NET ASSETS	7,492,130.82	7,648,823.14	7,648,823.14
TOTAL LIABILITIES AND NET ASSETS	8,125,584.81	8,250,023.19	8,250,023.19
BEGINNING BALANCE WITH CURRENT YEAR ADJUSTMENTS	7,648,823.14	8,080,773.36	8,080,773.36
NET SURPLUS/(DEFICIT)	(156,692.32)	(431,950.22)	(431,950.22)
ENDING NET ASSETS	7,492,130.82	7,648,823.14	7,648,823.14

Balance Sheet Explanations

Cash flow is tighter than I would like it to be (only about 2 months on hand)

AR - Includes Best Buy (expect in February), United Way (received monthly), 21st Century (received quarterly), Polk County (received monthly)

Due from affiliates - continue to pay down as cash available

Accounts Payable - includes \$152,000 for Best Buy Construction, waiting on grant funding to pay

Notes Payable - drew on line of credit in December, expect to pay down as receivables are collected

Deferred Revenue - will adjust for the audit

Oakridge Neighborhood Services Income Statement - Comparative Summary

	Current Period			PY Period	Current Year-to-Date			Annual Bdgt	Prior YTD
	Actual 01/31/2024	Budget	Change Inc/(dec)	Actual 01/31/2023	Actual 01/31/2024	Budget	Change Inc/(dec)	2024	Actual 01/31/2023
REVENUE									
Rental Income	5,364.00	6,370.00	(1,006.00)	6,341.24	5,364.00	6,370.00	(1,006.00)	76,400.00	6,341.24
Contributions: Corp/Individual	8,162.96	4,400.00	3,762.96	15,822.31	8,162.96	4,400.00	3,762.96	81,600.00	15,822.31
Contributions: Board Giving	306.31	500.00	(193.69)	794.71	306.31	500.00	(193.69)	27,500.00	794.71
Grants & Subsidies	106,502.55	108,900.00	(2,397.45)	206,921.43	106,502.55	108,900.00	(2,397.45)	2,484,465.00	206,921.43
Interest & Investment Income	219.94	216.67	3.27	245.42	219.94	216.67	3.27	2,600.00	245.42
Program Fees & Tuition	34,628.19	47,370.00	(12,741.81)	18,616.47	34,628.19	47,370.00	(12,741.81)	579,800.00	18,616.47
Special Event Income	0.00	0.00	0.00	5,000.00	0.00	0.00	0.00	205,000.00	5,000.00
Management Fees	17,618.08	17,500.00	118.08	17,277.47	17,618.08	17,500.00	118.08	210,000.00	17,277.47
Other Income	0.00	0.00	0.00	10.00	0.00	0.00	0.00	0.00	10.00
TOTAL REVENUE	172,802.03	185,256.67	(12,454.64)	271,029.05	172,802.03	185,256.67	(12,454.64)	3,667,365.00	271,029.05
EXPENSES									
Salaries & Wages	184,261.07	197,180.00	(12,918.93)	180,605.37	184,261.07	197,180.00	(12,918.93)	2,786,300.00	180,605.37
Taxes & Benefits	42,386.69	45,192.00	(2,805.31)	41,224.17	42,386.69	45,192.00	(2,805.31)	576,700.00	41,224.17
Telephone & Utilities	4,994.88	5,310.00	(315.12)	6,211.13	4,994.88	5,310.00	(315.12)	64,350.00	6,211.13
Insurance	4,481.00	5,670.00	(1,189.00)	3,825.29	4,481.00	5,670.00	(1,189.00)	68,090.00	3,825.29
Repairs, Maintenance & Supplies	7,145.38	3,538.00	3,607.38	8,439.24	7,145.38	3,538.00	3,607.38	57,450.00	8,439.24
Program Services	12,984.72	21,917.00	(8,932.28)	15,130.41	12,984.72	21,917.00	(8,932.28)	262,900.00	15,130.41
Contract Services	41,420.58	35,626.00	5,794.58	59,337.12	41,420.58	35,626.00	5,794.58	234,300.00	59,337.12
Special Event Expenses	1,250.00	0.00	1,250.00	0.00	1,250.00	0.00	1,250.00	60,900.00	0.00
Marketing & Communications	15,939.21	14,444.00	1,495.21	18,373.51	15,939.21	14,444.00	1,495.21	41,700.00	18,373.51
Other General Admin	3,234.03	2,386.00	848.03	7,877.97	3,234.03	2,386.00	848.03	28,600.00	7,877.97
Audit & Tax Return Expense	0.00	0.00	0.00	0.00	0.00	0.00	0.00	28,500.00	0.00
TOTAL EXPENSES	318,097.56	331,263.00	(13,165.44)	341,024.21	318,097.56	331,263.00	(13,165.44)	4,209,790.00	341,024.21
CHANGE IN NET ASSETS BEFORE DEPRECIATION	(145,295.53)	(146,006.33)	710.80	(69,995.16)	(145,295.53)	(146,006.33)	710.80	(542,425.00)	(69,995.16)
Depreciation	(11,396.79)	0.00	(11,396.79)	(9,919.30)	(11,396.79)	0.00	(11,396.79)	0.00	(9,919.30)
CHANGE IN NET ASSETS - DEPRECIATION	(11,396.79)	0.00	(11,396.79)	(9,919.30)	(11,396.79)	0.00	(11,396.79)	0.00	(9,919.30)
NET SURPLUS (DEFICIT)	(156,692.32)	(146,006.33)	(10,685.99)	(79,914.46)	(156,692.32)	(146,006.33)	(10,685.99)	(542,425.00)	(79,914.46)

Income Statement Explanations

Rental income - missing SOA rent, not yet recorded when these financials were run

Program fees & tuition - significantly lower than expected for Oak Academy, enrollment is down and room has temporarily been closed in response

Salaries & Wages/Taxes & Benefits - lower than budget primarily due to reduced Oak Academy staff (closed a room as a result)

Repairs & Maintenance - quarterly contract with MMC for HVAC maintenance paid in January (budget is even over 12 months)

Contract Services - includes 2 months of development consultant (January and February), also includes \$2800 for new federal grant database

**OAKRIDGE NEIGHBORHOOD ASSOCIATES,
LIMITED PARTNERSHIP**

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORTS**

DECEMBER 31, 2023 AND 2022

Project No. IA05-L000-004

Project Name - Homes of Oakridge Apartments

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SECTION I

DRAFT



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INDEPENDENT AUDITOR'S REPORT

To the Partners of
Oakridge Neighborhood Associates, Limited Partnership

Opinion

We have audited the financial statements Oakridge Neighborhood Associates, Limited Partnership, which comprise the balance sheets as of December 31, 2023 and 2022, the related statements of operations, partners' deficit, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Oakridge Neighborhood Associates, Limited Partnership 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Oakridge Neighborhood Associates, Limited Partnership and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Oakridge Neighborhood Associates, Limited Partnership's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 Oakridge Neighborhood Associates, Limited Partnership's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Oakridge Neighborhood Associates, Limited Partnership's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplemental information shown in Section II is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplemental information shown in Section II is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 31, 2023, on our consideration of Oakridge Neighborhood Associates, Limited Partnership's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 Oakridge Neighborhood Associates, Limited Partnership's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Oakridge Neighborhood Associates, Limited Partnership's internal control over financial reporting and compliance.

West Des Moines, Iowa
December 31, 2023

SILVER OAKS ASSOCIATES, L.P.
BALANCE SHEETS
DECEMBER 31, 2023 AND 2022

	<u>ASSETS</u>	<u>2023</u>	<u>2022</u>
CURRENT ASSETS			
Cash and cash equivalents		\$ 25,182	\$ 31,396
Tenant receivables		509	67
Prepaid expenses		5,965	4,185
Tenant deposits held in trust		8,000	8,400
Total current assets		<u>39,656</u>	<u>44,048</u>
RESTRICTED CASH			
Reserve for replacements		106,128	96,267
Operating reserve		131,890	135,456
Total restricted cash		<u>238,018</u>	<u>231,723</u>
PROPERTY AND EQUIPMENT			
Land improvements		62,624	62,624
Buildings		6,211,196	6,211,196
Building equipment		8,420	1,924
Furniture and fixtures		318,230	318,229
		<u>6,600,470</u>	<u>6,593,973</u>
Less accumulated depreciation		2,116,113	1,897,169
Net property and equipment		<u>4,484,357</u>	<u>4,696,804</u>
TOTAL ASSETS		<u>\$ 4,762,031</u>	<u>\$ 4,972,575</u>
<u>LIABILITIES AND PARTNERS' CAPITAL</u>			
CURRENT LIABILITIES			
Accounts payable - trade		\$ 4,777	\$ 369
Due to affiliate		2,535	10,158
Prepaid rent		1,456	657
Accrued payroll and payroll taxes payable		8,995	7,877
Accrued interest expense		3,510	1,560
Accrued property taxes		3,814	7,106
Current portion of accrued asset management fees		3,579	7,221
Current portion of long-term debt		13,023	14,206
Tenant deposits liability		8,000	8,400
Total current liabilities		<u>49,689</u>	<u>57,554</u>
LONG-TERM LIABILITIES			
Long-term debt, net of current portion and debt issuance costs		854,169	866,177
Accrued asset management fees, net of current portion		22,784	21,121
Accrued partnership management fees		100,000	90,000
Total other long-term liabilities		<u>976,953</u>	<u>977,298</u>
TOTAL LIABILITIES		1,026,642	1,034,852
PARTNERS' CAPITAL			
		<u>3,735,389</u>	<u>3,937,723</u>
TOTAL LIABILITIES AND PARTNERS' CAPITAL		<u>\$ 4,762,031</u>	<u>\$ 4,972,575</u>

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

SILVER OAKS ASSOCIATES, L.P.
STATEMENTS OF OPERATIONS
YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	2022
REVENUE		
Rental income	\$ 322,380	\$ 307,068
Vacancy loss	(6,258)	(8,012)
Net rental income	316,122	299,056
Other income	3,012	1,327
Total revenue	319,134	300,383
OPERATING EXPENSES		
Manager salary and benefits	74,357	65,827
Management fees	18,760	18,881
Compliance consulting services	1,248	1,248
Advertising	-	148
Office expense	889	3,700
Rent	11,727	11,455
Accounting, auditing, and other professional services	21,218	17,998
Utilities	55,347	43,931
Telephone	5,422	5,157
Repairs and building maintenance	45,109	28,610
Grounds maintenance	7,339	4,845
Security	5,801	3,420
Snow and trash removal	5,288	5,026
Property taxes	2,178	7,983
Insurance	26,919	20,260
Service charges	2,719	1,969
Total operating expenses	284,321	240,458
Operating income before other expenses	34,813	59,925
OTHER EXPENSES		
Depreciation	218,943	217,414
Asset management fees	5,241	5,088
Partnership management fees	10,000	10,000
Interest expense	2,963	2,963
Total other expenses	237,147	235,465
NET LOSS	\$ (202,334)	\$ (175,540)

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

SILVER OAKS ASSOCIATES, L.P.
STATEMENTS OF PARTNERS' CAPITAL (DEFICIT)
YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023				2022	
	Limited Partner	Special Limited Partner	General Partner	Partnership Syndication Costs	Total	Total
Partners' capital (deficit) - beginning	\$ 3,754,290	\$ (38)	\$ 219,951	\$ (36,480)	\$ 3,937,723	\$ 4,113,263
Net loss	(202,314)	(10)	(10)	-	(202,334)	(175,540)
Partners' capital (deficit) - ending	<u>\$ 3,551,976</u>	<u>\$ (48)</u>	<u>\$ 219,941</u>	<u>\$ (36,480)</u>	<u>\$ 3,735,389</u>	<u>\$ 3,937,723</u>

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

SILVER OAKS ASSOCIATES, L.P.
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	\$ (202,334)	\$ (175,540)
Adjustments to reconcile net loss to net change in cash from operating activities:		
Depreciation	218,943	217,414
Amortization of debt issuance costs	1,013	1,013
Changes in:		
Tenant receivables	(442)	(25)
Prepaid expenses	(1,780)	(2,937)
Accounts payable and accrued expenses	4,582	15,133
Prepaid rent	799	(1,727)
Tenant deposit liability	(400)	200
Net change in cash from operating activities	20,381	53,531
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(6,496)	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payments on long-term debt	(14,204)	(15,388)
Net change in cash, cash equivalents, restricted cash, and tenant deposits	(319)	38,143
Cash, cash equivalents, restricted cash, and tenant deposits - beginning of year	271,519	233,376
Cash, cash equivalents, restricted cash, and tenant deposits - end of year	\$ 271,200	\$ 271,519
<u>SUPPLEMENTARY INFORMATION</u>		
Cash paid for interest	\$ -	\$ 1,950

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

OAKRIDGE NEIGHBORHOOD ASSOCIATES, LIMITED PARTNERSHIP
NOTES TO FINANCIAL STATEMENTS

NOTE A - NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES

BUSINESS - Oakridge Neighborhood Associates, Limited Partnership (the Partnership) was organized as a limited partnership under the laws of the State of Iowa for the purpose of acquiring, rehabilitating, and operating an apartment complex located in Des Moines, Iowa (the Project). The Project consists of 150 apartments and was placed in service during 2010.

The Project was awarded low-income housing credits under Internal Revenue Code Section 42 (Section 42). Under Section 42, the Project must comply with certain occupant eligibility and maximum gross unit rent requirements. The Project must meet the provisions of these requirements during each of the fifteen years subsequent to the date the Project was placed in service to remain qualified to receive the credits. The Partnership has also executed a land use restriction agreement requiring the Project to meet the various Section 42 provisions for a minimum of thirty years, even if the Partnership disposes of the Project.

Apartments are initially leased for a period of one year. After the initial term, the leases continue on a month-to-month basis. The U.S. Department of Housing and Urban Development (HUD) regulates the rental rates and pays a portion of the rental under HUD's Section 8 Housing Assistance Payments Program. The Partnership's housing assistance contract with HUD expires December 31, 2030 and is subject to Congressional appropriations. HUD continues to pay a portion of the rental for a period of sixty days if a vacancy occurs.

The apartment project is the principal asset of the Partnership; therefore, the Partnership's operations are concentrated in the multi-family real estate market. The Partnership operates in a heavily regulated environment. The operations of the Partnership are subject to the administrative directives, rules, and regulations of federal, state, and local regulatory agencies, including, but not limited to, the Iowa Finance Authority (IFA) and HUD. Administrative directives, rules, and regulations are subject to change by an act of Congress or administrative changes mandated by HUD. Changes may occur with little notice or inadequate funding to pay for the related cost, including the additional administrative burden, to comply with a change.

The Partnership terminates on December 31, 2058.

BASIS OF ACCOUNTING - The accompanying financial statements have been prepared on the accrual basis of accounting and in accordance with accounting principles generally accepted in the United States of America.

NEW ACCOUNTING PRONOUNCEMENTS - Accounting Standards Update (ASU) 2016-13, *Financial Instruments - Credit Losses*, as amended, was required to be adopted by the Partnership as of January 1, 2023. The standard impacts accounting and disclosure requirements for certain financial assets. The Partnership did not have any financial assets in scope of ASU 2016-13, as amended. Therefore, the adoption of ASU 2016-13 did not have a significant impact on the Partnership's financial statements.

NATURE OF PARTNERSHIPS - The Partnership is a pass-through entity for income tax purposes and, as such, is not subject to income taxes. All items of taxable income, deductions, and tax credits are passed through to and are reportable by the partners on their individual income tax returns. Accordingly, these financial statements do not reflect a provision for income taxes and that Partnership has no other tax positions which must be considered for disclosure. The Partnership is required to file and does file income tax returns with the Internal Revenue Service and other taxing authorities.

OAKRIDGE NEIGHBORHOOD ASSOCIATES, LIMITED PARTNERSHIP
NOTES TO FINANCIAL STATEMENTS

NOTE A - NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES - Continued

CASH AND CASH EQUIVALENTS - Cash and cash equivalents on the Balance Sheets consists of unrestricted cash deposits in federally insured financial institutions with original maturities of less than three months.

Restricted cash balances are presented separately from cash and cash equivalents on the Balance Sheets but are properly included with cash, cash equivalents, restricted cash, and tenant deposits on the Statements of Cash Flows.

The following table provides a reconciliation of cash, cash equivalents, restricted cash, and tenant deposits reported on the Balance Sheets as of December 31, 2023 and 2022 that sum to the total of the same such amounts shown on the Statements of Cash Flows.

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 28,970	\$ 180,529
Tenant deposits held in trust	46,291	43,337
Escrow deposits	70,035	36,715
Replacement reserve	492,715	387,878
Operating reserve	923,515	1,016,032
Revenue deficit reserve	138,813	133,688
Total cash, cash equivalents, restricted cash, and tenant deposits	<u>\$ 1,700,339</u>	<u>\$ 1,798,179</u>

The Partnership had approximately \$914,000 of bank balances, including certain restricted cash, in excess of federally insured limits at December 31, 2023. The Partnership manages the risk by maintaining its bank deposits in well capitalized financial institutions.

ESCROW DEPOSITS - Mortgage escrow deposits and the Partnership's replacement reserve are held on deposit by the mortgage servicing corporation.

REGULATORY AGREEMENT - Regulatory agreements with IFA and HUD require the Partnership to rent 100% of the units in the Project to persons or families whose income does not exceed 60% of the median income for the area as of the move-in date. On an ongoing basis, the Project must rent at least 40% of the units to persons or families whose income does not exceed 60% of the median income for the area.

ACCOUNTS RECEIVABLE - Accounts receivable generally consist of amounts due from HUD or tenants for past due rent. Management reviews the outstanding receivables to determine the allowance for uncollectible receivables, if any. No allowance was considered necessary at December 31, 2023 or 2022.

PROPERTY AND EQUIPMENT - Property and equipment are recorded at cost. Depreciation is recorded, principally using the straight-line method, over the estimated economic useful lives of the assets. Long-lived assets are presented at fair value where information indicates that the Partnership might be unable to recover, through operations or sale, the carrying amount of long-lived assets. The Partnership has not identified any such impaired assets at December 31, 2023 or 2022.

OAKRIDGE NEIGHBORHOOD ASSOCIATES, LIMITED PARTNERSHIP
NOTES TO FINANCIAL STATEMENTS

NOTE A - NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES - Continued

RENTAL INCOME - Rental income is recognized as rentals become due. Rental payments received in advance are deferred until earned.

DEBT ISSUANCE COSTS - Debt issuance costs are amortized over the term of the related long-term debt using the straight-line method. Amortization of \$8,127 is included in financial expenses - interest for each of the years ended December 31, 2023 and 2022.

ADVERTISING - Advertising costs are expensed as incurred. Advertising costs totaled \$1,895 in 2023 and \$1,062 in 2022.

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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

AFFILIATE - The Partnership and Oakridge Neighborhood Associates Phase II, Limited Partnership (Phase II) are managed and operated cooperatively. Since the partnerships own the same number of apartment units, expenses which are not directly related to the individual projects are allocated equally between the two partnerships.

SUBSEQUENT EVENTS - Management has evaluated subsequent events through December 31, 2023, the date the financial statements were available to be issued.

NOTE B - RESTRICTED CASH

The limited partnership agreement required the Partnership to establish a replacement reserve using proceeds from the managing general partner and limited partner capital contributions and was required by the IFA regulatory agreement. The Partnership is required to deposit \$7,129 per month to a replacement reserve fund, subject to annual adjustment. The required monthly deposit increases by 3% on November 1st of each year while the first mortgage note is outstanding, or as required by any lender. Disbursements from the fund in excess of \$100 must be approved by IFA. Disbursements greater than \$5,000 require approval of the co-managing general partner and the asset manager (an affiliate of the limited partner).

The limited partnership agreement requires the Partnership to maintain a \$950,000 operating reserve account. The Partnership is required to replenish the account from cash flows, to the extent funds are available, to maintain the target balance of \$950,000. Withdrawals from the reserve require the written approval of the co-managing general partner and the asset manager. The target balance was not met as of December 31, 2023.

The limited partnership agreement requires the Partnership to establish a \$125,000 revenue deficit reserve account. The revenue deficit reserve is available to fund operating deficits directly caused by or attributable to the Partnership receiving Section 8 subsidy rental assistance payments less than the amount anticipated when investment projections were presented to the limited partner. Withdrawals from the reserve require the written approval of the co-managing general partner and the asset manager.

OAKRIDGE NEIGHBORHOOD ASSOCIATES, LIMITED PARTNERSHIP
NOTES TO FINANCIAL STATEMENTS

NOTE C - NOTES PAYABLE

The Partnership has a first mortgage loan with IFA. The first mortgage loan bears interest at 7.75%. The Partnership is required to make monthly payments in the amount of \$4,098 including interest, with any outstanding balance due January 1, 2028. The note is secured by a first mortgage on the Partnership's real estate and all other Partnership assets. The loan requires the Partnership to rent 100% of the rental housing units to persons and families whose income does not exceed 60% of the area median income.

	<u>2023</u>	<u>2022</u>
First mortgage note payable	\$ 471,426	\$ 483,555
Less: Unamortized debt issuance costs	(10,974)	(13,169)
Less: Current portion of notes payable	<u>(13,102)</u>	<u>(12,128)</u>
Long-term notes payable, net of current portion and debt issuance costs	<u>\$ 447,350</u>	<u>\$ 458,258</u>

The Partnership has a second mortgage note payable with HUD. The note bears interest at 1% and requires annual payments of up to \$70,724, depending on available annual cash flows, with all outstanding balances due May 1, 2040. Additional amounts may be payable each year if certain cash flow targets are achieved. As of December 31, 2023 and 2022, the Partnership had no surplus cash available to pay outstanding principal balances. The note is secured by all Partnership assets. The principal and interest on this note are due immediately upon the sale, foreclosure, refinancing, or any other disposition of the Partnership's real estate.

	<u>2023</u>	<u>2022</u>
Second mortgage note payable	\$ 1,106,085	\$ 1,106,085
Less: Unamortized debt issuance costs	<u>(29,668)</u>	<u>(35,601)</u>
Long-term notes payable, net of current portion and debt issuance costs	<u>\$ 1,076,417</u>	<u>\$ 1,070,484</u>

The Partnership has a \$2,355,391 Tax Credit Assistance Program (TCAP) note payable with IFA as of December 31, 2023 and 2022. The note bears no interest and requires annual payments of 50% of net cash flow beginning May 1, 2017 through maturity, with all outstanding balances due December 1, 2029. As of December 31, 2023 and 2022, the Partnership had no surplus cash available to pay outstanding principal balances. The note is secured by a real estate mortgage and all other Partnership assets.

The Partnership has a \$1,050,000 note payable under the City of Des Moines HOME Program. The note bears interest at 1% with interest only payments of \$10,500 due annually. Principal payments are dependent upon available The annual interest payment may be reduced should the Partnership not achieve certain cash flow targets. The annual interest payment was not reduced as of December 31, 2023 or 2022. Principal payments are dependent upon available annual cash flows with all outstanding balances are due July 1, 2041. As of December 31, 2023 and 2022, the Partnership had no surplus cash available to pay outstanding principal balances. The note is secured by a real estate mortgage and all other Partnership assets.

OAKRIDGE NEIGHBORHOOD ASSOCIATES, LIMITED PARTNERSHIP
NOTES TO FINANCIAL STATEMENTS

NOTE C - NOTES PAYABLE - Continued

The Partnership has a \$1,473,786 seller note payable with an affiliate of the managing general partner, Homes of Oakridge Human Services, Inc. The note bears interest at 5%, compounding annually, and allows for accrued interest payments from available cash flow in accordance with, and as defined by, the limited partnership agreement. Interest on the note totaled \$115,219 and \$109,611 for the years ended December 31, 2023 and 2022, respectively. Annual cash flow was not sufficient at December 31, 2023 and 2022 to allow the Partnership to make payments on accrued interest. The note is secured by a real estate mortgage and all other Partnership assets. All principal and interest are due December 31, 2039.

During 2021, the Partnership entered into a \$125,000 unsecured sponsor note payable with an affiliate of the managing general partner, Homes of Oakridge Human Services, Inc. The note bears interest at 0%. All principal is due December 31, 2026.

Anticipated required future maturities of notes payable are as follows:

2024	\$	13,102
2025		14,155
2026		140,291
2027		16,520
2028		412,358
Thereafter		5,985,263
	\$	<u>6,581,690</u>

Principal payments on outstanding notes payable other than the first mortgage note and sponsor note are contingent on cash flow. The current portion of long-term debt for other notes payable has been estimated based on cash flow generated during the year.

NOTE D - ALLOCATION OF NET INCOME OR LOSS AND DISTRIBUTION PREFERENCES

Net income or loss of the Partnership is allocated .01% to the general partners and 99.99% to the limited partner. To the extent the allocation of losses to the limited partner would cause the limited partner to have an account deficit at the end of any fiscal year, those losses will be allocated to the general partners. In the event this occurs, subsequent profits will then be allocated first to the general partners in the proportion of any losses previously allocated. In 2022, the limited partner's equity balance was reduced to zero. Losses will be allocated to the general partners going forward as required by the limited partnership agreement.

Distribution of annual operating cash flows are to be allocated between the partners using the various provisions outlined in the limited partnership agreement. Upon sale or refinancing of the apartment project, any cash distributed must be allocated in accordance with the limited partnership agreement.

OAKRIDGE NEIGHBORHOOD ASSOCIATES, LIMITED PARTNERSHIP
NOTES TO FINANCIAL STATEMENTS

NOTE E - RELATED PARTY TRANSACTIONS

The Partnership has agreed to pay the asset manager, who is an affiliate of the limited partner, an annual cumulative asset management fee for property management oversight, tax credit compliance monitoring, and related services. The asset management fee is an annual fee of \$15,000, increasing 3% annually, payable from annual cash flow generated by the Partnership. Asset management fees of \$21,386 and \$20,763 were earned for the years ended December 31, 2023 and 2022, respectively. Annual cash flow was not sufficient at December 31, 2023 to allow the Partnership to make payments on the liability. Annual cash flow was sufficient at December 31, 2022 to allow the Partnership to make payments on the liability.

The Partnership has agreed to pay the managing general partner a cumulative partnership management fee for its services in managing the Partnership's operations and assets and certain other duties. The partnership management fee is an annual fee of \$20,000, payable from annual cash flow generated by the Partnership. Accrued partnership management fees of \$260,000 and \$240,000 were payable as of December 31, 2023 and 2022, respectively. Annual cash flow is not sufficient at either December 31, 2023 or 2022 to allow the Partnership to make payments on the liability.

An affiliate of the managing general partner provides apartment management services to the Partnership under a management agreement. The agreement provides for a management fee equal to 6% of residential and miscellaneous income. Management fees totaled \$89,336 and \$90,434 for 2023 and 2022, respectively.

The Partnership leases office space from an affiliate of the managing general partner requiring monthly rent payments through November 2024. The affiliate of the managing general partner determines the rent payment on a monthly basis. Office rent expense was \$29,784 for 2023 and 2022.

NOTE F - PENSION PLAN

The Partnership participates in a 401(k) profit sharing plan available to all employees who have attained the age of 21, have been employed for one year, and have worked at least 1,000 hours in a calendar year of employment. For the year ended December 31, 2023 and 2022, the Partnership matches 100% of employees' contributions up to 5% of eligible wages. Contributions for the years ended December 31, 2023 and 2022 were \$9,573 and \$11,072, respectively.

NOTE G - COVID-19 SUPPLEMENTAL PAYMENT

During 2022, the Partnership received a grant from HUD under the COVID-19 Supplemental Payment (CSP) program for owners of properties with rental assistance contracts. The funds were provided at HUD's discretion and were based on the requirements of the CSP program for operating cost increases that were directly related to a property's efforts to prevent and respond to the COVID-19 pandemic including other eligible expenses. Accounting Standards Codification (ASC) 832, *Disclosures by Business Entities about Governmental Assistance*, requires the Partnership to disclose the guidance used to record the funds. The funds were accounted for as a contribution under ASC 958-605, *Revenue Recognition*. The grant funds of \$13,750 are recorded in vacancy claims on the 2022 Statements of Operations as required by HUD. There was no impact to the Balance Sheets as of December 31, 2023 and 2022.

SECTION II

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SILVER OAKS ASSOCIATES, L.P.
SUPPLEMENTARY INFORMATION
YEARS ENDED DECEMBER 31, 2023 AND 2022

Supporting Schedules of Certain Expenses

	<u>2023</u>	<u>2022</u>
Manager salaries	\$ 59,330	\$ 54,609
Payroll taxes	4,359	3,747
Health insurance and other employee benefits	10,668	7,471
Total manager salary and benefits expenses	<u>\$ 74,357</u>	<u>\$ 65,827</u>
Accounting	\$ -	\$ 920
Auditing	12,925	12,750
Other professional services	8,293	4,328
Total accounting, auditing and other professional services	<u>\$ 21,218</u>	<u>\$ 17,998</u>
Electricity	\$ 33,743	\$ 29,224
Water	8,627	4,724
Gas	2,608	4,650
Sewer	10,369	5,333
Total utilities expenses	<u>\$ 55,347</u>	<u>\$ 43,931</u>
Janitor supplies	\$ 250	\$ 74
Janitor contract	8,433	5,775
Maintenance repairs	13,857	12,082
Maintenance contracts	-	222
Appliance repairs	3,198	-
Repairs contract	15,070	6,082
Exterminating	4,301	4,375
Total repairs and building maintenance expenses	<u>\$ 45,109</u>	<u>\$ 28,610</u>
Reserve for Replacements		
Balance, beginning of year	\$ 96,267	\$ 77,413
Deposits	15,266	18,418
Interest earned	1,091	436
Withdrawals	(6,496)	-
Balance, end of year	<u>\$ 106,128</u>	<u>\$ 96,267</u>
Operating Reserve		
Balance, beginning of year	\$ 135,456	\$ 134,815
Interest earned	1,434	641
Withdrawals	(5,000)	-
Balance, end of year	<u>\$ 131,890</u>	<u>\$ 135,456</u>

SECTION III

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Partners of
Oakridge Neighborhood Associates, Limited Partnership

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Oakridge Neighborhood Associates, Limited Partnership, which comprise the balance sheet as of December 31, 2023, and the related statements of operations, partners' deficit, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 31, 2023.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Oakridge Neighborhood Associates, Limited Partnership's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no material 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 Oakridge Neighborhood Associates, Limited Partnership's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Oakridge Neighborhood Associates, Limited Partnership's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

West Des Moines, Iowa
December 31, 2023

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INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR HUD PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE CONSOLIDATED AUDIT GUIDE FOR AUDITS OF HUD PROGRAMS

To the Partners of
Oakridge Neighborhood Associates, Limited Partnership

Report on Compliance for Each Major HUD Program

Opinion on each Major Program

We have audited Oakridge Neighborhood Associates, Limited Partnership’s compliance with the compliance requirements described in the *Consolidated Audit Guide for Audits of HUD Programs* (the Guide) that could have a direct and material effect on each of Oakridge Neighborhood Associates, Limited Partnership’s major U.S. Department of Housing and Urban Development (HUD) programs for the year ended December 31, 2023. Oakridge Neighborhood Associates, Limited Partnership’s major HUD programs and the related direct and material compliance requirements are as follows:

Name of Major HUD Program	Direct and Material Compliance Requirements
HUD Flex Subsidy Note Payable	Fair housing and nondiscrimination, mortgage status, distributions to owners, equity skimming, cash receipts, cash disbursements, tenant security deposits, management functions, unauthorized change of ownership/acquisition of liabilities, unauthorized loans of project funds, and tenant application, eligibility, and recertification.
Section 8 Tenant Assistance Payments	Fair housing and nondiscrimination, cash receipts, cash disbursements, tenant application, eligibility and recertification, units leased to extremely low-income families, tenant security deposits, unauthorized change of ownership/acquisition of liabilities, equity skimming, distributions to owners, unauthorized loans of project funds and management functions.

In our opinion, Oakridge Neighborhood Associates, Limited Partnership complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major HUD programs for the year ended December 31, 2023.

Basis for Opinion on Each Major Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the Guide. Our responsibilities under those standards and the Guide are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Oakridge Neighborhood Associates, Limited Partnership and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that our audit evidence provides a reasonable basis for our opinion on compliance for each major HUD program. Our audit does not provide a legal determination of Oakridge Neighborhood Associates, Limited Partnership's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, regulations, rules, and provisions of contracts or grant agreements applicable to Oakridge Neighborhood Associates, Limited Partnership's HUD programs.

Auditor's Responsibility for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Oakridge Neighborhood Associates, Limited Partnership's compliance based on our audit. 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, *Government Auditing Standards*, and the Guide will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Oakridge Neighborhood Associates, Limited Partnership's compliance with the requirements of each major HUD program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Guide, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Oakridge Neighborhood Associates, Limited Partnership's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Oakridge Neighborhood Associates, Limited Partnership's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Guide, but not for the purpose of expressing an opinion on the effectiveness of Oakridge Neighborhood Associates, Limited Partnership's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with the compliance requirements of a HUD program on a timely basis.

A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a compliance requirement of a HUD program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a compliance requirement of a HUD program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Purpose of Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Guide. Accordingly, this report is not suitable for any other purpose.

West Des Moines, Iowa
December 31, 2023

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OAKRIDGE NEIGHBORHOOD ASSOCIATES, LIMITED PARTNERSHIP
AUDITEE'S COMMENTS ON AUDIT RESOLUTION
MATTERS RELATED TO HUD PROGRAMS
DECEMBER 31, 2023

The owner has undertaken all corrective actions on findings from prior auditor reports (there were no findings as the result of the December 31, 2022 audit), physical inspection reports, management review reports, and similar reports, except for the item below.

Oakridge Neighborhood Associates, Limited Partnership's management review inspection with Iowa Finance Authority (IFA) was completed on November 15, 2023, and the report was dated December 11, 2023. As of December 31, 2023, Oakridge Neighborhood Associates, Limited Partnership had submitted their response to the inspection findings to IFA, however, the management review and inspection has not yet been closed by IFA.

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SECTION IV

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OAKRIDGE NEIGHBORHOOD ASSOCIATES, LIMITED PARTNERSHIP
CERTIFICATE OF PARTNERS
DECEMBER 31, 2023

"We hereby certify that we have examined the accompanying financial statements and supplementary information of Oakridge Neighborhood Associates, Limited Partnership and, to the best of our knowledge and belief, the same is complete and accurate."

For the Partners:

ONS Ventures, Inc., Managing General Partner
Teree Caldwell-Johnson, CEO

Date

The Newbury Group, LLC, Co-Managing General Partner
Frank Levy, Member

Date

The Partnership's employer identification number is 26-1304619.

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HOMES OF OAKRIDGE HUMAN SERVICES, INC.
1401 Center Street
Des Moines, IA 50314

(515) 244-7702
FAX (515) 244-2604

MANAGEMENT AGENT'S CERTIFICATION
DECEMBER 31, 2023

"We hereby certify that we have examined the accompanying financial statements and supplementary information of Oakridge Neighborhood Associates, Limited Partnership and, to the best of our knowledge and belief, the same is complete and accurate."

For the Management Agent:

Teree Caldwell-Johnson
Homes of Oakridge Human Services, Inc.

Date

Employer identification number is 42-1311721

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**OAKRIDGE NEIGHBORHOOD ASSOCIATES PHASE II,
LIMITED PARTNERSHIP**

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORTS**

DECEMBER 31, 2023 AND 2022

Project No. IA05-M000-008

**Project Name - Des Moines Area Council of Churches
(Oakridge Neighborhood DMAACC)**

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SECTION IV - PARTNERS' AND MANAGEMENT AGENT'S CERTIFICATIONS

SECTION I

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INDEPENDENT AUDITOR'S REPORT

To the Partners of
Oakridge Neighborhood Associates Phase II, Limited Partnership

Opinion

We have audited the accompanying financial statements of Oakridge Neighborhood Associates Phase II, Limited Partnership (an Iowa limited partnership), which comprise the balance sheets as of December 31, 2023 and 2022, the related statements of operations, partners' deficit, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Oakridge Neighborhood Associates Phase II, Limited Partnership, 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Oakridge Neighborhood Associates Phase II, Limited Partnership and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Oakridge Neighborhood Associates Phase II, Limited Partnership's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with 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 Oakridge Neighborhood Associates Phase II, Limited Partnership's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Oakridge Neighborhood Associates Phase II, Limited Partnership's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information shown in Section II is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 31, 2023, on our consideration of Oakridge Neighborhood Associates Phase II, Limited Partnership's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Oakridge Neighborhood Associates Phase II, Limited Partnership's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Oakridge Neighborhood Associates Phase II, Limited Partnership's internal control over financial reporting and compliance.

West Des Moines, Iowa
December 31, 2023

OAKRIDGE NEIGHBORHOOD ASSOCIATES PHASE II, LIMITED PARTNERSHIP

BALANCE SHEETS

DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 79,220	\$ 210,712
Tenant accounts receivable	42,979	16,024
Accounts receivable - HUD	962	-
Prepaid expenses	17,731	13,568
Tenant security deposits	50,447	45,993
Total current assets	<u>191,339</u>	<u>286,297</u>
FUNDED RESERVES		
Escrow deposits	59,351	31,767
Replacement reserve	487,482	394,918
Other reserves - operating reserve	855,531	887,691
Other reserves - revenue deficit reserve	283,179	272,724
Total funded reserves	<u>1,685,543</u>	<u>1,587,100</u>
PROPERTY AND EQUIPMENT		
Land and improvements	3,463,414	3,460,823
Buildings	11,019,248	11,019,248
Furnishings	1,166,027	1,152,484
Maintenance equipment	36,876	36,876
	<u>15,685,565</u>	<u>15,669,431</u>
Less accumulated depreciation	10,625,170	9,817,229
Net property and equipment	<u>5,060,395</u>	<u>5,852,202</u>
TOTAL ASSETS	<u><u>\$ 6,937,277</u></u>	<u><u>\$ 7,725,599</u></u>

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

LIABILITIES AND PARTNERS' CAPITAL

	<u>2023</u>	<u>2022</u>
CURRENT LIABILITIES		
Accounts payable - trade	\$ 22,034	\$ 74,058
Accounts payable - HUD	-	3,631
Accrued wages payable	46,074	39,157
Accrued payroll taxes payable	1,010	782
Accrued management fee payable	8,139	8,313
Accrued asset management fee payable - entity	-	40,922
Accrued interest payable - first mortgage note	3,193	3,276
Accrued interest payable - HUD mortgage note	-	22,708
Accrued interest payable - other notes payable - current portion	-	10,500
Accrued property taxes	66,138	100,168
First mortgage note payable - current portion	13,742	12,721
Prepaid revenue	7,321	11,409
Tenant deposits held in trust	44,761	41,949
Total current liabilities	<u>212,412</u>	<u>369,594</u>
LONG-TERM LIABILITIES		
First mortgage note payable - net of current portion and debt issuance costs	468,449	479,738
HUD mortgage note payable - net of debt issuance costs	1,280,555	1,275,248
Other notes payable - TCAP note	2,202,702	2,202,702
Other notes payable - HOME loan	801,460	801,460
Other notes payable - seller note	1,979,972	1,979,972
Other notes payable - sponsor note payable	125,000	125,000
Accrued interest payable - HUD mortgage - net of current portion	16,505	3,434
Accrued asset management fee payable - entity - net of current portion	21,386	-
Accrued partnership management fee payable - entity	260,000	240,000
Accrued interest payable - other notes payable - net of current portion	1,515,367	1,337,888
Total long-term liabilities	<u>8,671,396</u>	<u>8,445,442</u>
TOTAL LIABILITIES	8,883,808	8,815,036
PARTNERS' DEFICIT	<u>(1,946,531)</u>	<u>(1,089,437)</u>
TOTAL LIABILITIES AND PARTNERS' DEFICIT	<u>\$ 6,937,277</u>	<u>\$ 7,725,599</u>

OAKRIDGE NEIGHBORHOOD ASSOCIATES PHASE II, LIMITED PARTNERSHIP
STATEMENTS OF OPERATIONS
YEARS ENDED DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
REVENUE		
Rent revenue - gross potential	\$ 690,569	\$ 640,517
Tenant assistance payments	1,044,607	1,042,819
Total potential rent revenue	<u>1,735,176</u>	<u>1,683,336</u>
Vacancies - apartments	(134,965)	(210,469)
Vacancy claims	7,550	129,107
Net rent revenue	<u>1,607,761</u>	<u>1,601,974</u>
Financial revenue	68,309	19,344
Other revenue	2,376	8,245
Total revenue	<u>1,678,446</u>	<u>1,629,563</u>
 EXPENSES		
Administrative expenses	464,362	460,088
Utilities expenses	113,257	111,318
Operating and maintenance expenses	610,627	543,418
Taxes and insurance	260,878	298,893
Financial expenses - interest	67,625	68,577
Total expenses before depreciation and entity expenses	<u>1,516,749</u>	<u>1,482,294</u>
Income before depreciation and entity expenses	161,697	147,269
Depreciation expense	<u>807,941</u>	<u>777,448</u>
Loss before entity expenses	(646,244)	(630,179)
 ENTITY EXPENSES		
Interest on seller note payable	169,464	161,216
Asset management fees	21,386	20,763
Partnership management fees	20,000	20,000
Total entity expenses	<u>210,850</u>	<u>201,979</u>
Net loss	<u>\$ (857,094)</u>	<u>\$ (832,158)</u>

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

OAKRIDGE NEIGHBORHOOD ASSOCIATES PHASE II, LIMITED PARTNERSHIP
STATEMENTS OF PARTNERS' DEFICIT
YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023				2022
	LIMITED PARTNER	GENERAL PARTNERS	PARTNERSHIP SYNDICATION COSTS	TOTAL	TOTAL
Partners' deficit, beginning	\$ -	\$ (989,365)	\$ (100,072)	\$ (1,089,437)	\$ (257,279)
Net loss	-	(857,094)	-	(857,094)	(832,158)
Partners' deficit, ending	<u>\$ -</u>	<u>\$ (1,846,459)</u>	<u>\$ (100,072)</u>	<u>\$ (1,946,531)</u>	<u>\$ (1,089,437)</u>

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

OAKRIDGE NEIGHBORHOOD ASSOCIATES PHASE II, LIMITED PARTNERSHIP
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from operations		
Rental of apartments	\$ 1,572,125	\$ 1,623,325
Financial revenues	68,309	19,344
Tenant deposits held in trust	17,484	6,627
Other	2,376	8,245
Total	1,660,294	1,657,541
Cash disbursed for operations		
Administrative expenses	161,986	175,464
Management fee	96,594	97,427
Utilities expenses	113,257	111,388
Salaries and wages	358,075	324,454
Operating and maintenance expenses	492,873	457,874
Real estate taxes	94,645	85,266
Property insurance	86,134	71,717
Miscellaneous taxes and insurance	128,806	131,410
Tenant deposits held in trust	14,672	2,817
Interest on first mortgage	38,861	39,806
Interest on second mortgage (HUD)	22,708	-
Interest on other notes payable	10,500	-
Entity management fees	40,922	-
Total	1,660,033	1,497,623
Net change in cash from operating activities	261	159,918
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital improvements and equipment purchases	(16,134)	(552,110)
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payments on first mortgage	(12,722)	(11,775)
Principal payments on other notes payable	-	(6,567)
Net change in cash from financing activities	(12,722)	(18,342)
Net change in cash, cash equivalents, restricted cash, and tenant deposits	(28,595)	(410,534)
CASH, CASH EQUIVALENTS, RESTRICTED CASH, AND TENANT DEPOSITS, BEGINNING OF YEAR	1,843,805	2,254,339
CASH, CASH EQUIVALENTS, RESTRICTED CASH, AND TENANT DEPOSITS, END OF YEAR	\$ 1,815,210	\$ 1,843,805

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

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	\$ (857,094)	\$ (832,158)
Adjustments to reconcile net loss to net change in cash from operating activities:		
Depreciation	807,941	777,448
Amortization of debt issuance costs	7,761	7,761
Changes in:		
Tenant accounts receivable	(26,955)	5,812
Accounts receivable - HUD	(962)	10,741
Prepaid expenses	(4,163)	1,732
Accounts payable - trade	(52,024)	(64,901)
Accounts payable - HUD	(3,631)	3,631
Accrued liabilities	(26,595)	62,649
Prepaid revenue	(4,088)	1,167
Accrued interest payable	157,259	182,226
Tenant deposit liability	2,812	3,810
Net change in cash from operating activities	<u>\$ 261</u>	<u>\$ 159,918</u>

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OAKRIDGE NEIGHBORHOOD ASSOCIATES PHASE II, LIMITED PARTNERSHIP
NOTES TO FINANCIAL STATEMENTS

NOTE A - NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES

BUSINESS - Oakridge Neighborhood Associates Phase II, Limited Partnership (the Partnership) was organized as a limited partnership under the laws of the State of Iowa for the purpose of acquiring, rehabilitating, and operating an apartment complex located in Des Moines, Iowa (the Project). The Project consists of 150 apartments and was placed in service during 2010.

The Project was awarded low-income housing credits under Internal Revenue Code Section 42 (Section 42). Under Section 42, the Project must comply with certain occupant eligibility and maximum gross unit rent requirements. The Project must meet the provisions of these requirements during each of the fifteen years subsequent to the date the Project was placed in service to remain qualified to receive the credits. The Partnership has also executed a land use restriction agreement requiring the Project to meet the various Section 42 provisions for a minimum of thirty years, even if the Partnership disposes of the Project.

Apartments are initially leased for a period of one year. After the initial term, the leases continue on a month-to-month basis. The U.S. Department of Housing and Urban Development (HUD) regulates the rental rates and pays a portion of the rental under HUD's Section 8 Housing Assistance Payments Program. The Partnership's housing assistance contract with HUD expires December 31, 2030 and is subject to Congressional appropriations. HUD continues to pay a portion of the rental for a period of sixty days if a vacancy occurs.

The apartment project is the principal asset of the Partnership; therefore, the Partnership's operations are concentrated in the multi-family real estate market. The Partnership operates in a heavily regulated environment. The operations of the Partnership are subject to the administrative directives, rules, and regulations of federal, state, and local regulatory agencies, including, but not limited to, the Iowa Finance Authority (IFA) and HUD. Administrative directives, rules, and regulations are subject to change by an act of Congress or administrative changes mandated by HUD. Changes may occur with little notice or inadequate funding to pay for the related cost, including the additional administrative burden, to comply with a change.

The Partnership terminates on December 31, 2058.

BASIS OF ACCOUNTING - The accompanying financial statements have been prepared on the accrual basis of accounting and in accordance with accounting principles generally accepted in the United States of America.

NEW ACCOUNTING PRONOUNCEMENT - Accounting Standards Update (ASU) 2016-13, *Financial Instruments - Credit Losses* as amended, was required to be adopted by the Partnership as of January 1, 2023. The standard impacts accounting and disclosure requirements for certain financial assets. The Partnership did not have any financial assets in scope of ASU 2016-13, as amended. Therefore, the adoption of ASU 2016-13 did not have a significant impact on the Partnership's financial statements.

NATURE OF PARTNERSHIPS - The Partnership is a pass-through entity for income tax purposes and, as such, is not subject to income taxes. All items of taxable income, deductions, and tax credits are passed through to and are reportable by the partners on their individual income tax returns. Accordingly, these financial statements do not reflect a provision for income taxes and that Partnership has no other tax positions which must be considered for disclosure. The Partnership is required to file and does file income tax returns with the Internal Revenue Service and other taxing authorities.

OAKRIDGE NEIGHBORHOOD ASSOCIATES PHASE II, LIMITED PARTNERSHIP
NOTES TO FINANCIAL STATEMENTS

NOTE A - NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES - Continued

CASH AND CASH EQUIVALENTS - Cash and cash equivalents on the Balance Sheets consists of unrestricted cash deposits in federally insured financial institutions with original maturities of less than three months.

Restricted cash balances are presented separately from cash and cash equivalents on the Balance Sheets but are properly included with cash, cash equivalents, restricted cash, and tenant deposits on the Statements of Cash Flows.

The following table provides a reconciliation of cash, cash equivalents, restricted cash, and tenant deposits reported on the Balance Sheets as of December 31, 2023 and 2022 that sum to the total of the same such amounts shown on the Statements of Cash Flows.

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 79,220	\$ 210,712
Tenant deposits held in trust	50,447	45,993
Escrow deposits	59,351	31,767
Replacement reserve	487,482	394,918
Operating reserve	855,531	887,691
Revenue deficit reserve	283,179	272,724
Total cash, cash equivalents, restricted cash, and tenant deposits	<u>\$ 1,815,210</u>	<u>\$ 1,843,805</u>

The Partnership had approximately \$1,039,000 of bank balances, including certain restricted cash, in excess of federally insured limits at December 31, 2023. The Partnership manages the risk by maintaining its bank deposits in well capitalized financial institutions.

ESCROW DEPOSITS - Mortgage escrow deposits and the Partnership's replacement reserve are held on deposit by the mortgage servicing corporation.

REGULATORY AGREEMENT - Regulatory agreements with IFA and HUD require the Partnership to rent 100% of the units in the Project to persons or families whose income does not exceed 60% of the median income for the area as of the move-in date. On an ongoing basis, the Project must rent at least 40% of the units to persons or families whose income does not exceed 60% of the median income for the area.

ACCOUNTS RECEIVABLE - Accounts receivable generally consist of amounts due from HUD or tenants for past due rent. Management reviews the outstanding receivables to determine the allowance for uncollectible receivables, if any. No allowance was considered necessary at December 31, 2023 or 2022.

PROPERTY AND EQUIPMENT - Property and equipment are recorded at cost. Depreciation is recorded, principally using the straight-line method, over the estimated economic useful lives of the assets. Long-lived assets are presented at fair value where information indicates that the Partnership might be unable to recover, through operations or sale, the carrying amount of long-lived assets. The Partnership has not identified any such impaired assets at December 31, 2023 or 2022.

OAKRIDGE NEIGHBORHOOD ASSOCIATES PHASE II, LIMITED PARTNERSHIP
NOTES TO FINANCIAL STATEMENTS

NOTE A - NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES – Continued

RENTAL INCOME - Rental income is recognized as rentals become due. Rental payments received in advance are deferred until earned.

DEBT ISSUANCE COSTS - Debt issuance costs are amortized over the term of the related long-term debt using the straight-line method. Amortization of \$7,761 is included in financial expenses - interest for each of the years ended December 31, 2023 and 2022.

ADVERTISING - Advertising costs are expensed as incurred. Advertising costs totaled \$1,893 in 2023 and \$1,062 in 2022.

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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

AFFILIATE - The Partnership and Oakridge Neighborhood Associates, Limited Partnership are managed and operated cooperatively. Since the partnerships own the same number of apartment units, expenses which are not directly related to the individual projects are allocated equally between the two partnerships.

SUBSEQUENT EVENTS - Management has evaluated subsequent events through December 31, 2023, the date the financial statements are issued.

NOTE B - RESTRICTED CASH

The limited partnership agreement required the Partnership to establish a replacement reserve using proceeds from the managing general partner and limited partner capital contributions and was required by the IFA regulatory agreement. The Partnership is required to deposit \$7,129 per month to a replacement reserve fund, subject to annual adjustment. The monthly amount required increases by 3% on November 1st of each year while the first mortgage note is outstanding, or as required by any lender. Disbursements from the fund in excess of \$100 must be approved by IFA. Disbursements greater than \$5,000 require approval of the co-managing general partner and the asset manager (an affiliate of the limited partner).

The limited partnership agreement requires the Partnership to maintain an \$830,000 operating reserve account. The Partnership is required to replenish the account from cash flows, to the extent funds are available, to maintain the target balance of \$830,000. Withdrawals from the reserve require the written approval of the co-managing general partner and the asset manager.

The limited partnership agreement requires the Partnership to establish a \$255,000 revenue deficit reserve account. The revenue deficit reserve is available to fund operating deficits directly caused by or attributable to the Partnership receiving Section 8 subsidy rental assistance payments less than the amount anticipated when investment projections were presented to the limited partner. Withdrawals from the reserve require the written approval of the co-managing general partner and the asset manager.

OAKRIDGE NEIGHBORHOOD ASSOCIATES PHASE II, LIMITED PARTNERSHIP
NOTES TO FINANCIAL STATEMENTS

NOTE C - NOTES PAYABLE

The Partnership has a first mortgage loan with IFA. The loan bears interest at 7.75%. The Partnership is required to make monthly payments in the amount of \$4,298, including interest, with any outstanding balance due January 1, 2028. The note is secured by a first mortgage on the Partnership's real estate and all other Partnership assets. The loan requires the Partnership to rent 100% of the rental housing units to persons and families whose income does not exceed 60% of the area median income.

	2023	2022
First mortgage note payable	\$ 494,459	\$ 507,180
Less: Unamortized debt issuance costs	(12,268)	(14,721)
Less: Current portion of notes payable	(13,742)	(12,721)
Long-term notes payable, net of current portion and debt issuance costs	\$ 468,449	\$ 479,738

The Partnership has a second mortgage note payable with HUD. The note bears interest at 1% and requires annual payments up to \$70,998, depending on available annual cash flows, with all outstanding balances due May 1, 2040. Additional amounts may be payable each year if certain cash flow targets are achieved. As of December 31, 2023 and 2022, the Partnership had no surplus cash available to pay outstanding principal balances. The note is secured by all Partnership assets. The principal and interest on this note is due immediately upon the sale, foreclosure, refinancing or any other disposition of the Partnership's real estate.

	2023	2022
Second mortgage note payable	\$ 1,307,089	\$ 1,307,089
Less: Unamortized debt issuance costs	(26,534)	(31,841)
Long-term notes payable, net of current portion and debt issuance costs	\$ 1,280,555	\$ 1,275,248

The Partnership has a \$2,202,702 Tax Credit Assistance Program (TCAP) note payable with IFA. The note bears no interest and requires annual payments of 50% of net cash flow through maturity, with all outstanding balances due December 1, 2029. As of December 31, 2023 and 2022, the Partnership had no surplus cash available to pay outstanding principal balances. The note is secured by a real estate mortgage and all other Partnership assets.

The Partnership has an \$801,460 outstanding note payable under the City of Des Moines HOME Program as of December 31, 2023 and 2022. The note bears interest at 1% and requires annual payments of \$10,500. The annual payment may be reduced should the Partnership not achieve certain cash flow targets. The annual interest payment was not reduced as of December 31, 2023 or 2022. Principal payments are dependent upon available annual cash flows with all outstanding balances due July 1, 2041. As of December 31, 2023 and 2022, the Partnership had no surplus cash available to pay outstanding principal balances. The note is secured by a real estate mortgage, and all other Partnership assets. The Partnership has agreed, to be eligible for the HOME Program, to lease 8 units to qualified residents whose income does not exceed 50% of area median gross income and 30 units to eligible families at 60% of area median gross income. Rents charged for these units must meet the HOME Program's rent limits. The agreement requires the real estate project to continue to participate in the program and meet the requirement for at least ten years from the date construction is completed. As of October 2, 2022 the Partnership no longer participates in the program.

OAKRIDGE NEIGHBORHOOD ASSOCIATES PHASE II, LIMITED PARTNERSHIP
NOTES TO FINANCIAL STATEMENTS

NOTE C - NOTES PAYABLE - Continued

The Partnership has a \$1,979,972 seller note payable with an affiliate of the managing general partner, Homes of Oakridge Human Services, Inc. The note bears interest at 5%, compounding annually, and allows for accrued interest payments in accordance with, and as defined by, the limited partnership agreement. Interest on the note totaled \$169,464 and \$161,216 for the years ended December 31, 2023 and 2022, respectively. Annual cash flow was not sufficient at December 31, 2023 and 2022 to allow the Partnership to make payments on accrued interest. The note is secured by a real estate mortgage and all other Partnership assets. All principal and interest is due December 31, 2039.

During 2021, the Partnership entered into a \$125,000 sponsor note payable with an affiliate of the managing general partner, Homes of Oakridge Human Services, Inc. The note bears interest at 0%. Principal is due December 31, 2026.

Anticipated required future maturities of notes payable are as follows:

2024	\$	13,742
2025		14,486
2026		141,038
2027		17,327
2028		432,866
Thereafter		6,291,223
	\$	<u>6,910,682</u>

Principal payments on outstanding notes payable other than the first mortgage note and sponsor note are contingent on cash flow. The current portion of long-term debt for other notes payable has been estimated based on cash flow generated during the year.

NOTE D - ALLOCATION OF NET INCOME OR LOSS AND DISTRIBUTION PREFERENCES

Net income or loss of the Partnership is allocated .01% to the general partners and 99.99% to the limited partner. To the extent the allocation of losses to the limited partner would cause the limited partner to have an account deficit at the end of any fiscal year, those losses will be allocated to the general partners. In the event this occurs, subsequent profits will then be allocated first to the general partners in the proportion of any losses previously allocated. In 2020, the limited partner's equity balance was reduced to zero. Losses will be allocated to the general partners going forward as required by the limited partnership agreement.

Distribution of annual operating cash flows are to be allocated between the partners using the various provisions outlined in the limited partnership agreement. Upon sale or refinancing of the apartment project, all cash distributed must be allocated in accordance with the limited partnership agreement.

OAKRIDGE NEIGHBORHOOD ASSOCIATES PHASE II, LIMITED PARTNERSHIP
NOTES TO FINANCIAL STATEMENTS

NOTE E - RELATED PARTY TRANSACTIONS

The Partnership has agreed to pay the asset manager, who is an affiliate of the limited partner, an annual cumulative asset management fee for property management oversight, tax credit compliance monitoring, and related services. The asset management fee is an annual fee of \$15,000 increasing 3% annually, payable from annual cash flow generated by the Partnership. Asset management fees of \$21,386 and \$20,763 were earned for the years ended December 31, 2023 and 2022, respectively. Annual cash flow was not sufficient at December 31, 2023 to allow the Partnership to make payments on the liability. Annual cash flow was sufficient at December 31, 2022 to allow the Partnership to make payments on the liability.

The Partnership has agreed to pay the managing general partner a cumulative partnership management fee for its services in managing the Partnership's operations and assets and certain other duties. The partnership management fee is an annual fee of \$20,000, payable from annual cash flow generated by the Partnership. Accrued partnership management fees of \$260,000 and \$240,000 were payable as of December 31, 2023 and 2022, respectively. Annual cash flow was not sufficient at either December 31, 2023 or 2022 to allow the Partnership to make payments on the liability.

An affiliate of the managing general partner provides apartment management services to the Partnership under a management agreement. The agreement provides for a management fee equal to 6% of residential and miscellaneous income. Management fees totaled \$96,420 and \$91,215 for 2023 and 2022, respectively.

The Partnership leases office space to an affiliate of the managing general partner and then sub-leases a portion of that space for rental operations. The lease requires the affiliate to pay rent annually through November 2024. The Partnership determines the rent amount on an annual basis. The affiliate is responsible for all operating costs of the office building, including real estate taxes and maintenance costs.

The Partnership leases office space from an affiliate of the managing general partner requiring monthly rent payments through November 2024. Rent amount is determined monthly by the affiliate of the managing general partner. Office rent expense was \$29,784 for 2023 and 2022.

NOTE F - PENSION PLAN

The Partnership participates in a 401(k) profit sharing plan available to all employees who have attained the age of 21, have been employed for one year and have worked at least 1,000 hours in a calendar year of employment. For the year ended December 31, 2023 and 2022, the Partnership matches 100% of employees' contributions up to 5% of eligible wages. Contributions were \$12,359 for 2023 and \$12,908 for 2022.

NOTE G - COVID-19 SUPPLEMENTAL PAYMENT

During 2022, the Partnership received a grant from HUD under the COVID-19 Supplemental Payment (CSP) program for owners of properties with rental assistance contracts. The funds were provided at HUD's discretion and were based on the requirements of the CSP program for operating cost increases that were directly related to a property's efforts to prevent and respond to the COVID-19 pandemic including other eligible expenses. Accounting Standards Codification (ASC) 832, *Disclosures by Business Entities about Governmental Assistance*, requires the Partnership to disclose the guidance used to record the funds. The funds were accounted for as a contribution under ASC 958-605, *Revenue Recognition*. The grant funds of \$123,667 were recorded in vacancy claims on the Statements of Operations as required by HUD. There was no impact to the Balance Sheets as of December 31, 2023 and 2022.

SECTION II

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LIABILITIES AND PARTNERS' CAPITAL

CURRENT LIABILITIES

2110	Accounts payable - operations	\$ 22,034
2120	Accrued wages payable	46,074
2121	Accrued payroll taxes payable	1,010
2123	Accrued management fee payable	8,139
2131	Accrued interest payable - first mortgage note	3,193
2150	Accrued property taxes	66,138
2170	First mortgage note payable - current portion	13,742
2210	Prepaid revenue	<u>7,321</u>
2122T	Total current liabilities	167,651

DEPOSIT LIABILITIES

2191	Tenant deposits held in trust	44,761
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LONG-TERM LIABILITIES

2320	First mortgage note payable - net of current portion and debt issuance costs	468,449
2322	Second mortgage note payable - net of current portion and debt issuance costs	1,280,555
2323	Notes payable - surplus cash - net of current portion	4,984,134
2324	Other loans and notes payable - net of current portion	125,000
2331	Accrued interest other mortgages payable	16,505
2332	Accrued interest notes payable - surplus cash - net of current portion	1,515,367
2390	Accrued partnership management fee payable - entity	<u>260,000</u>
2300T	Total long-term liabilities	<u>8,671,396</u>

2000T	TOTAL LIABILITIES	8,883,808
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PARTNERS' DEFICIT

3130	Total partners' deficit	<u>(1,946,531)</u>
2033T	TOTAL LIABILITIES AND PARTNERS' DEFECIT	<u><u>\$ 6,937,277</u></u>

OAKRIDGE NEIGHBORHOOD ASSOCIATES PHASE II, LIMITED PARTNERSHIP
STATEMENT OF OPERATIONS DATA
YEAR ENDED DECEMBER 31, 2023

REVENUE

Rental Revenue

5120	Rent revenue - gross potential	\$ 690,569
5121	Tenant assistance payments	1,044,607
5193	Special claims revenue	7,550
5100T	Total rent revenue	<u>1,742,726</u>

Vacancies

5220	Apartments	134,965
5220T	Total vacancies	<u>134,965</u>
5152N	Net rental revenue (rent revenue less vacancies)	1,607,761

Financial revenue

5410	Project operations interest	46,407
5440	Revenue from investments - reserve for replacements	21,902
5400T	Total financial revenue	<u>68,309</u>
5920	Tenant charges	2,364
5990	Miscellaneous revenue	12
5900T	Total other revenue	<u>2,376</u>
5000T	Total revenue	1,678,446

EXPENSES

Administrative expenses

6204	Management consultants	2,850
6210	Advertising and marketing	1,893
6310	Office salaries	230,605
6311	Office expenses	21,278
6312	Office rent	29,784
6320	Management fee	96,420
6340	Legal expense - project	434
6350	Audit expense	20,245
6351	Bookkeeping fees/accounting services	1,436
6370	Bad debts expense	2,701
6390	Miscellaneous administrative expenses - including \$47,390 professional services	56,716
6263T	Total administrative expenses	<u>464,362</u>

Utilities

6450	Electricity	11,573
6451	Water	22,691
6452	Gas	6,768
6543	Sewer	72,225
6400T	Total utilities expenses	<u>113,257</u>

Operating & maintenance expenses

6510	Payroll	\$ 134,387
6515	Supplies	109,235
6520	Contracts	87,156
6525	Garbage and trash removal	48,033
6530	Security	227,218
6570	Vehicle and equipment repair	4,598
6500T	Total operating and maintenance expenses	<u>610,627</u>

Taxes & insurance

6710	Property taxes	60,615
6711	Payroll taxes	36,202
6720	Property and liability insurance	81,971
6721	Fidelity bond insurance	282
6722	Workmen's compensation	5,709
6723	Health insurance and other employee benefits	76,099
6700T	Total taxes and insurance	<u>260,878</u>

Financial expenses

6820	Interest on first mortgage note payable	41,232
6825	Interest on second mortgage note payable - HUD	18,378
6840	Interest on other notes payable	8,015
6800T	Total financial expenses	<u>67,625</u>

Operating results

6000T	Total cost of operations before depreciation	<u>1,516,749</u>
5060T	Profit (loss) before depreciation	161,697
6600	Depreciation expense	<u>807,941</u>
5060N	Operating profit (loss)	(646,244)

Corporate or mortgage revenue/expenses

7141	Interest on notes payable - seller note	169,464
7190	Other expenses	
	Asset management fee - entity	21,386
	Partnership management fees - entity	20,000
7100T	Net entity expenses	<u>210,850</u>

Profit or loss

3250	Profit or loss (net income or loss)	<u><u>\$ (857,094)</u></u>
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Part II

S1000-010	Total first mortgage principal payments during the period	<u>\$ 12,722</u>
S1000-020	Total of monthly deposits into the replacement reserve as required by the Regulatory Agreement, even if payments may be temporarily suspended or reduced	<u>\$ 83,262</u>
S1000-030	Replacement reserve or residual receipts reserve releases which are included as expense items in the current period	<u>\$ 12,600</u>

Schedule of reserve accounts**Reserve for Replacements**

1320P	Balance, beginning of year	\$ 394,918
1320DT	Monthly deposits	83,262
1320INT	Interest earnings	21,902
1320WT	Authorized withdrawals	<u>(12,600)</u>
1320	Balance, end of year	<u>\$ 487,482</u>
1320R	Deposits suspended or waived indicator	N

Operating Reserve

Balance, beginning of the year	\$ 887,691
Interest earnings, net of any fees	33,719
Authorized withdrawals	<u>(65,879)</u>
Balance, end of year	<u>\$ 855,531</u>

Revenue Deficit Reserve

Balance, beginning of the year	\$ 272,724
Interest earnings, net of any fees	<u>10,455</u>
Balance, end of year	<u>\$ 283,179</u>

OAKRIDGE NEIGHBORHOOD ASSOCIATES PHASE II, LIMITED PARTNERSHIP
EQUITY DATA
YEAR ENDED DECEMBER 31, 2023

S1100-010	Beginning of year balance	\$ (1,089,437)
3250	Net income or loss	<u>(857,094)</u>
3130	End of year	<u><u>\$ (1,946,531)</u></u>

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OAKRIDGE NEIGHBORHOOD ASSOCIATES PHASE II, LIMITED PARTNERSHIP

CASH FLOW DATA

YEAR ENDED DECEMBER 31, 2023

CASH FLOWS FROM OPERATING ACTIVITIES

S1200-010	Rental of apartments	\$ 1,572,125
S1200-020	Financial revenues	68,309
S1200-030	Other	2,376
S1200-040	Total receipts	<u>1,642,810</u>
S1200-050	Administrative expenses	161,986
S1200-070	Management fees	96,594
S1200-090	Utilities expenses	113,257
S1200-100	Salaries and wages	358,075
S1200-110	Operating and maintenance expenses	492,873
S1200-120	Real estate taxes	94,645
S1200-140	Property insurance	86,134
S1200-150	Miscellaneous taxes and insurance	128,806
S1200-160	Tenant security deposits	1,642
S1200-180	Interest on first mortgage	38,861
S1200-230	Total disbursements	<u>1,647,003</u>
S1200-240	Net change in cash from operating activities	<u>(4,193)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

S1200-245	Net deposits to the mortgage escrow account	(27,584)
S1200-250	Net deposits to the reserve for replacement account	(92,564)
S1200-255	Net deposits to other reserves	21,705
S1200-330	Net purchase of fixed assets	(16,134)
S1200-350	Net change in cash from investing activities	<u>(114,577)</u>

CASH FLOWS FROM FINANCING ACTIVITIES

S1200-360	Principal payments - first mortgage	(12,722)
S1200-460	Net change in cash from financing activities	<u>(12,722)</u>
S1200-470	Net increase in cash and cash equivalents	(131,492)
S1200-480	Beginning of period cash	<u>210,712</u>
S1200T	End of period cash	<u><u>\$ 79,220</u></u>

CASH FLOWS FROM OPERATING ACTIVITIES

	Net loss	\$ (857,094)
	Adjustments to reconcile net loss to net change in cash from operating activities:	
6600	Depreciation	807,941
S1200-486	Amortization of debt issuance costs	7,761
	Changes in:	
S1200-490	Accounts receivable - tenants	(26,955)
S1200-520	Prepaid expenses	(4,163)
S1200-530	Tenant security deposits	(1,642)
S1200-540	Accounts payable	(52,024)
S1200-560	Accrued liabilities	(26,595)
S1200-570	Accrued interest	157,259
S1200-590	Prepaid revenue	(4,088)
S1200-550	Accounts payable - HUD	<u>(4,593)</u>
S1200-610	Net change in cash from operating activities	<u><u>\$ (4,193)</u></u>

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OAKRIDGE NEIGHBORHOOD ASSOCIATES PHASE II, LIMITED PARTNERSHIP
SCHEDULE OF CHANGES IN PROPERTY AND EQUIPMENT
YEAR ENDED DECEMBER 31, 2023

		COST				
		Balance, Beginning of Year	Additions	Reductions	Balance, End of Year	
1410	Land and improvements	\$ 3,460,823	\$ 2,591	\$ -	\$ 3,463,414	
1420	Buildings	11,019,248	-	-	11,019,248	
1460	Furnishings	1,152,484	13,543	-	1,166,027	
1470	Maintenance equipment	36,876		-	36,876	
		\$ 15,669,431	\$ 16,134	\$ -	\$ 15,685,565	
		ACCUMULATED DEPRECIATION				
		Balance, Beginning of Year	Additions	Reductions	Balance, End of Year	Net Book Value, End of Year
1410	Land and improvements	\$ 751,126	\$ 97,816	\$ -	\$ 848,942	\$ 2,614,472
1420	Buildings	8,002,638	664,203	-	8,666,841	2,352,407
1460	Furnishings	1,028,338	45,352	-	1,073,690	92,337
1470	Maintenance equipment	35,127	570	-	35,697	1,179
		\$ 9,817,229	\$ 807,941	\$ -	\$ 10,625,170	\$ 5,060,395

	Additions	Reductions
Monument Sign	\$ 2,591	
Furnances (2)	9,377	
Condenser	4,166	
	\$ 16,134	\$ -

OAKRIDGE NEIGHBORHOOD ASSOCIATES PHASE II, LIMITED PARTNERSHIP
COMPUTATION OF SURPLUS CASH AND DISTRIBUTIONS
DECEMBER 31, 2023

S1300-010	Cash	\$ 129,667
1135	Accounts receivable - HUD	962
S1300-040		Total Cash 130,629
S1300-050	Accrued mortgage interest payable	3,193
S1300-075	Accounts payable - 30 days	22,034
S1300-100	Accrued expenses (not escrowed)	55,223
2191	Tenant security deposits liability	44,761
2200	Prepaid revenue	7,321
		Total Current Obligations 132,532
		Surplus Cash (Deficiency) \$ (1,903)

Anticipated Use of December 31, 2023 Surplus Cash:

Limited partner for permanent reduction in tax credits - no such payment required	\$ -
Asset management fee	-
Interest on HOME funds	-
Operating reserve funding to meet target - no such payment required	-
Principal and interest on limited partner loans - no such payment required	-
HUD flex subsidy note payments, up to \$70,998	-
TCAP note payments, up to 50% of remaining balance	-
HUD flex subsidy note payments, up to 50% of remaining balance	-
Seller loan note payments or hold for reserves	-
Principal and interest on general partner loans	-
General partner to repay loans to cover operating deficits	-
Partnership management fees	-
Distributable Surplus Cash	\$ -

SECTION III

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Partners of
Oakridge Neighborhood Associates Phase II, Limited Partnership

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Oakridge Neighborhood Associates Phase II, Limited Partnership, which comprise the balance sheet as of December 31, 2023, the related statements of operations, partners' deficit, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 31, 2023.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Oakridge Neighborhood Associates Phase II, Limited Partnership's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no material 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 Oakridge Neighborhood Associates Phase II, Limited Partnership's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Oakridge Neighborhood Associates Phase II, Limited Partnership's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

West Des Moines, Iowa
December 31, 2023

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INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR HUD PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE CONSOLIDATED AUDIT GUIDE FOR AUDITS OF HUD PROGRAMS

To the Partners of
Oakridge Neighborhood Associates Phase II, Limited Partnership

Report on Compliance for Each Major HUD Program

Opinion on each Major Program

We have audited Oakridge Neighborhood Associates Phase II, Limited Partnership’s compliance with the compliance requirements described in the *Consolidated Audit Guide for Audits of HUD Programs* (the Guide) that could have a direct and material effect on each of Oakridge Neighborhood Associates Phase II, Limited Partnership’s major U.S. Department of Housing and Urban Development (HUD) programs for the year ended December 31, 2023. Oakridge Neighborhood Associates Phase II, Limited Partnership’s major HUD programs and the related direct and material compliance requirements are as follows:

Name of Major HUD Program	Direct and Material Compliance Requirements
HUD Flex Subsidy Note Payable	Fair housing and nondiscrimination, mortgage status, distributions to owners, equity skimming, cash receipts, cash disbursements, tenant security deposits, management functions, unauthorized change of ownership/acquisition of liabilities, unauthorized loans of project funds, and tenant application, eligibility, and recertification.
Section 8 Tenant Assistance Payments	Fair housing and nondiscrimination, cash receipts, cash disbursements, tenant application, eligibility and recertification, units leased to extremely low-income families, tenant security deposits, unauthorized change of ownership/acquisition of liabilities, equity skimming, distributions to owners, unauthorized loans of project funds and management functions.

In our opinion, Oakridge Neighborhood Associates Phase II, Limited Partnership complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major HUD programs for the year ended December 31, 2023.

Basis for Opinion on Each Major Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the Guide. Our responsibilities under those standards and the Guide are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Oakridge Neighborhood Associates Phase II, Limited Partnership and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that our audit evidence provides a reasonable basis for our opinion on compliance for each major HUD program. Our audit does not provide a legal determination of Oakridge Neighborhood Associates Phase II, Limited Partnership's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, regulations, rules, and provisions of contracts or grant agreements applicable to Oakridge Neighborhood Associates Phase II, Limited Partnership's HUD programs.

Auditor's Responsibility for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Oakridge Neighborhood Associates Phase II, Limited Partnership's compliance based on our audit. 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, *Government Auditing Standards*, and the Guide will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Oakridge Neighborhood Associates Phase II, Limited Partnership's compliance with the requirements of each major HUD program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Guide, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Oakridge Neighborhood Associates Phase II, Limited Partnership's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Oakridge Neighborhood Associates Phase II, Limited Partnership's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Guide, but not for the purpose of expressing an opinion on the effectiveness of Oakridge Neighborhood Associates Phase II, Limited Partnership's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with the compliance requirements of a HUD program on a timely basis.

A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a compliance requirement of a HUD program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a compliance requirement of a HUD program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Purpose of Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Guide. Accordingly, this report is not suitable for any other purpose.

West Des Moines, Iowa
December 31, 2023

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OAKRIDGE NEIGHBORHOOD ASSOCIATES PHASE II, LIMITED PARTNERSHIP
AUDITEE'S COMMENTS ON AUDIT RESOLUTION
MATTERS RELATED TO HUD PROGRAMS
DECEMBER 31, 2023

The owner has undertaken all corrective actions on findings from prior auditor reports (there were no findings as the result of the December 31, 2022 audit), physical inspection reports, management review reports, and similar reports, except for the item below.

Oakridge Neighborhood Associates Phase II, Limited Partnership's management review inspection with Iowa Finance Authority (IFA) was completed on November 14, 2023, and the report was dated December 11, 2023. As of December 31, 2023, Oakridge Neighborhood Associates Phase II, Limited Partnership had submitted their response to the inspection findings to IFA, however, the management review and inspection has not yet been closed by IFA.

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SECTION IV

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OAKRIDGE NEIGHBORHOOD ASSOCIATES PHASE II, LIMITED PARTNERSHIP
CERTIFICATE OF PARTNERS
DECEMBER 31, 2023

"We hereby certify that we have examined the accompanying financial statements and supplementary information of Oakridge Neighborhood Associates Phase II, Limited Partnership and, to the best of our knowledge and belief, the same is complete and accurate."

For the Partners:

ONS Ventures, Inc., Managing General Partner
Teree Caldwell-Johnson, CEO

Date

The Newbury Group, LLC, Co-Managing General Partner
Frank Levy, Member

Date

The Partnership's employer identification number is 26-3578586.

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HOMES OF OAKRIDGE HUMAN SERVICES, INC.
1401 Center Street
Des Moines, IA 50314

(515) 244-7702
FAX (515) 244-2604

MANAGEMENT AGENT'S CERTIFICATION
DECEMBER 31, 2023

"We hereby certify that we have examined the accompanying financial statements and supplementary information of Oakridge Neighborhood Associates Phase II, Limited Partnership and, to the best of our knowledge and belief, the same is complete and accurate."

For the Management Agent:

Teree Caldwell-Johnson
Homes of Oakridge Human Services, Inc.

Date

Employer identification number is 42-1311721

SILVER OAKS ASSOCIATES, L.P.
FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT
DECEMBER 31, 2023 AND 2022

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INDEPENDENT AUDITOR'S REPORT

To the Partners of
Silver Oaks Associates, L.P.

Opinion

We have audited the accompanying financial statements of Silver Oaks Associates, L.P. (an Iowa limited partnership), which comprise the balance sheets as of December 31, 2023 and 2022, the related statements of operations, partners' capital (deficit), and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Silver Oaks Associates, L.P. 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Silver Oaks Associates, L.P. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Silver Oaks Associates, L.P.'s ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, 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 Silver Oaks Associates, L.P.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Silver Oaks Associates, L.P.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information on page 12 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or 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.

West Des Moines, Iowa
December 31, 2023

SILVER OAKS ASSOCIATES, L.P.
BALANCE SHEETS
DECEMBER 31, 2023 AND 2022

	<u>ASSETS</u>	<u>2023</u>	<u>2022</u>
CURRENT ASSETS			
Cash and cash equivalents		\$ 25,182	\$ 31,396
Tenant receivables		509	67
Prepaid expenses		5,965	4,185
Tenant deposits held in trust		8,000	8,400
Total current assets		<u>39,656</u>	<u>44,048</u>
RESTRICTED CASH			
Reserve for replacements		106,128	96,267
Operating reserve		131,890	135,456
Total restricted cash		<u>238,018</u>	<u>231,723</u>
PROPERTY AND EQUIPMENT			
Land improvements		62,624	62,624
Buildings		6,211,196	6,211,196
Building equipment		8,420	1,924
Furniture and fixtures		318,230	318,229
		<u>6,600,470</u>	<u>6,593,973</u>
Less accumulated depreciation		2,116,113	1,897,169
Net property and equipment		<u>4,484,357</u>	<u>4,696,804</u>
TOTAL ASSETS		<u>\$ 4,762,031</u>	<u>\$ 4,972,575</u>
<u>LIABILITIES AND PARTNERS' CAPITAL</u>			
CURRENT LIABILITIES			
Accounts payable - trade		\$ 4,777	\$ 369
Due to affiliate		2,535	10,158
Prepaid rent		1,456	657
Accrued payroll and payroll taxes payable		8,995	7,877
Accrued interest expense		3,510	1,560
Accrued property taxes		3,814	7,106
Current portion of accrued asset management fees		3,579	7,221
Current portion of long-term debt		13,023	14,206
Tenant deposits liability		8,000	8,400
Total current liabilities		<u>49,689</u>	<u>57,554</u>
LONG-TERM LIABILITIES			
Long-term debt, net of current portion and debt issuance costs		854,169	866,177
Accrued asset management fees, net of current portion		22,784	21,121
Accrued partnership management fees		100,000	90,000
Total other long-term liabilities		<u>976,953</u>	<u>977,298</u>
TOTAL LIABILITIES		1,026,642	1,034,852
PARTNERS' CAPITAL			
		<u>3,735,389</u>	<u>3,937,723</u>
TOTAL LIABILITIES AND PARTNERS' CAPITAL		<u>\$ 4,762,031</u>	<u>\$ 4,972,575</u>

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

SILVER OAKS ASSOCIATES, L.P.
STATEMENTS OF OPERATIONS
YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	2022
REVENUE		
Rental income	\$ 322,380	\$ 307,068
Vacancy loss	(6,258)	(8,012)
Net rental income	316,122	299,056
Other income	3,012	1,327
Total revenue	319,134	300,383
OPERATING EXPENSES		
Manager salary and benefits	74,357	65,827
Management fees	18,760	18,881
Compliance consulting services	1,248	1,248
Advertising	-	148
Office expense	889	3,700
Rent	11,727	11,455
Accounting, auditing, and other professional services	21,218	17,998
Utilities	55,347	43,931
Telephone	5,422	5,157
Repairs and building maintenance	45,109	28,610
Grounds maintenance	7,339	4,845
Security	5,801	3,420
Snow and trash removal	5,288	5,026
Property taxes	2,178	7,983
Insurance	26,919	20,260
Service charges	2,719	1,969
Total operating expenses	284,321	240,458
Operating income before other expenses	34,813	59,925
OTHER EXPENSES		
Depreciation	218,943	217,414
Asset management fees	5,241	5,088
Partnership management fees	10,000	10,000
Interest expense	2,963	2,963
Total other expenses	237,147	235,465
NET LOSS	\$ (202,334)	\$ (175,540)

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

SILVER OAKS ASSOCIATES, L.P.
STATEMENTS OF PARTNERS' CAPITAL (DEFICIT)
YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023				2022	
	Limited Partner	Special Limited Partner	General Partner	Partnership Syndication Costs	Total	Total
Partners' capital (deficit) - beginning	\$ 3,754,290	\$ (38)	\$ 219,951	\$ (36,480)	\$ 3,937,723	\$ 4,113,263
Net loss	(202,314)	(10)	(10)	-	(202,334)	(175,540)
Partners' capital (deficit) - ending	<u>\$ 3,551,976</u>	<u>\$ (48)</u>	<u>\$ 219,941</u>	<u>\$ (36,480)</u>	<u>\$ 3,735,389</u>	<u>\$ 3,937,723</u>

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

SILVER OAKS ASSOCIATES, L.P.
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	\$ (202,334)	\$ (175,540)
Adjustments to reconcile net loss to net change in cash from operating activities:		
Depreciation	218,943	217,414
Amortization of debt issuance costs	1,013	1,013
Changes in:		
Tenant receivables	(442)	(25)
Prepaid expenses	(1,780)	(2,937)
Accounts payable and accrued expenses	4,582	15,133
Prepaid rent	799	(1,727)
Tenant deposit liability	(400)	200
Net change in cash from operating activities	20,381	53,531
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(6,496)	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payments on long-term debt	(14,204)	(15,388)
Net change in cash, cash equivalents, restricted cash, and tenant deposits	(319)	38,143
Cash, cash equivalents, restricted cash, and tenant deposits - beginning of year	271,519	233,376
Cash, cash equivalents, restricted cash, and tenant deposits - end of year	\$ 271,200	\$ 271,519
<u>SUPPLEMENTARY INFORMATION</u>		
Cash paid for interest	\$ -	\$ 1,950

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

SILVER OAKS ASSOCIATES, L.P.
NOTES TO FINANCIAL STATEMENTS

NOTE A - NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES

BUSINESS - Silver Oaks Associates, L.P. (the Partnership) was organized as a limited partnership under the laws of the State of Iowa for the purpose of acquiring, constructing, and operating an apartment complex located in Des Moines, Iowa (the Project). The Project consists of thirty-nine units and was placed in service on December 4, 2013.

The Project was awarded low-income housing tax credits under Internal Revenue Code Section 42 (Section 42). Under Section 42, the Project must comply with certain occupant eligibility and maximum gross unit rent requirements. The Project must meet the provisions of these requirements during each of the fifteen years subsequent to the date the Project was placed in service to remain qualified to receive the credits. The Partnership has also executed a land use restriction agreement requiring the Project to meet the various Section 42 provisions for a minimum of fifty years, even if the Partnership disposes of the Project.

Under the terms of the partnership agreement, the Partnership will continue to exist until December 31, 2062, unless terminated at an earlier date in accordance with the partnership agreement.

The apartment project is the principal asset of the Partnership; therefore, the Partnership's operations are concentrated in the multifamily real estate market.

BASIS OF ACCOUNTING - The accompanying financial statements have been prepared on the accrual basis of accounting and in accordance with accounting principles generally accepted in the United States of America.

NEW ACCOUNTING PRONOUNCEMENT - Accounting Standards Update (ASU) 2016-13, *Financial Instruments - Credit Losses*, as amended, was required to be adopted by the Partnership as of January 1, 2023. The standard impacts accounting and disclosure requirements for certain financial assets. The Partnership did not have any financial assets in scope of ASU 2016-13, as amended. Therefore, the adoption of ASU 2016-13 did not have a significant impact on the Partnership's financial statements.

NATURE OF PARTNERSHIPS - The Partnership is a pass-through entity for income tax purposes and, as such, is not subject to income taxes. All items of taxable income, deductions, and tax credits are passed through to and are reportable by the partners on their individual income tax returns. Accordingly, these financial statements do not reflect a provision for income taxes and the Partnership has no other tax positions which must be considered for disclosure. The Partnership is required to file and does file income tax returns with the Internal Revenue Service and other taxing authorities.

CASH AND CASH EQUIVALENTS - Cash and cash equivalents on the Balance Sheets consists of cash deposits in federally insured financial institutions with original maturities of less than three months.

Restricted cash balances are presented separately from cash and cash equivalents on the Balance Sheets but are properly included with cash, cash equivalents, restricted cash, and tenant deposits on the Statements of Cash Flows.

SILVER OAKS ASSOCIATES, L.P.
NOTES TO FINANCIAL STATEMENTS

NOTE A - NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES - Continued

CASH AND CASH EQUIVALENTS - Continued - The following table provides a reconciliation of cash, cash equivalents, restricted cash, and tenant deposits reported on the Balance Sheets as of December 31, 2023 and 2022 that sum to the total of the same such amounts shown on the Statements of Cash Flows.

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 25,182	\$ 31,396
Restricted cash	238,018	231,723
Tenant deposits	<u>8,000</u>	<u>8,400</u>
Total cash, cash equivalents, restricted cash, and tenant deposits	<u>\$ 271,200</u>	<u>\$ 271,519</u>

The Partnership had approximately \$22,000 of bank balances, including certain restricted cash, in excess of federally insured limits at December 31, 2023. The Partnership manages the risk by maintaining its bank deposits in well capitalized financial institutions.

ACCOUNTS RECEIVABLE - Accounts receivable generally consists of amounts due from tenants for past due rent. Management reviews the outstanding receivables to determine the allowance for uncollectible receivables. No allowance was considered necessary at December 31, 2023 and 2022.

PROPERTY AND EQUIPMENT - Property and equipment are generally presented at cost, less accumulated depreciation. Depreciation is provided using the straight-line method over the estimated useful lives of the assets. Long-lived assets are presented at fair value where information indicates that the Partnership might be unable to recover, through operations or sale, the carrying amount of long-lived assets. The Partnership has not identified any such impaired assets at December 31, 2023 or 2022.

DEBT ISSUANCE COSTS - Debt issuance costs are amortized over the term of the related long-term debt using the straight-line method. Amortization of \$1,013 is included in interest expense for each of the years ended December 31, 2023 and 2022.

RENTAL INCOME - Rental income is recognized as rentals become due. Rental payments received in advance are deferred until earned. All leases between the Partnership and its tenants are operating leases. Rental agreements are generally for a term of one year and then change to month-to-month agreements.

ADVERTISING - Advertising costs are expensed as incurred. There was no significant advertising expense in 2023 and 2022.

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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

SUBSEQUENT EVENTS - Management has evaluated subsequent events through December 31, 2023, the date the financial statements are issued.

SILVER OAKS ASSOCIATES, L.P.
NOTES TO FINANCIAL STATEMENTS

NOTE B - RESTRICTED CASH

The Partnership is required by the limited partnership agreement to make monthly deposits to a replacement reserve. Required deposits were \$1,272 per month in 2023 and increase by 3% annually. Withdrawals from the reserve in excess of \$5,000 in the aggregate in any given year require the written approval of the special limited partner and the asset manager. At December 31, 2023, the reserve is properly funded. At December 31, 2022, the reserve is properly funded.

The limited partnership agreement required the Partnership to establish an operating reserve account using proceeds from limited partner capital contributions. The Partnership is required to replenish the account from cash flows, to the extent funds are available, to maintain a minimum balance of \$131,070. Withdrawals from the reserve require the written approval of the general partner and the asset manager.

NOTE C - LONG-TERM DEBT

The Partnership has a first mortgage note under the Iowa Finance Authority HOME Program. The note, with an outstanding balance of \$692,373 at December 31, 2023 (\$706,578 at December 31, 2022) is non-interest bearing. The principal balance is due in monthly installments, with a balloon payment of \$616,893 due May 1, 2036. The note is secured by a real estate mortgage and all other Partnership assets. As discussed in Note A, all units have certain occupant eligibility requirements; however, this loan agreement further requires the Partnership to lease two units to qualified residents whose income does not exceed 50% of area median gross income and four units to qualified residents whose income does not exceed 60% of area median gross income. Rents charged for these units must meet the HOME Program's rent limits. The agreement requires the real estate project to continue to participate in the program and meet requirements for at least twenty years from the date construction was completed (December 2033).

The Partnership has also borrowed \$195,000 through the City of Des Moines HOME Program. The note bears interest at 1%. The note requires annual interest only payments with the principal balance due June 1, 2045. The note is secured by a real estate mortgage and all other Partnership assets. As discussed in Note A, all units have certain occupant eligibility requirements; however this loan agreement further requires the Partnership to lease one unit to qualified residents whose income does not exceed 50% of area median gross income and four units to qualified residents at 60% of area median gross income. Rents charged for these units must meet the HOME Program's rent limits. The agreement requires the real estate project to continue to participate in the program and meet requirements for at least twenty years from the date construction was completed (December 2033).

Long-term debt at December 31 consisted of the following:

	2023	2022
Iowa Finance Authority HOME loan	\$ 692,373	\$ 706,578
City of Des Moines HOME loan	195,000	195,000
Total long-term debt	887,373	901,578
Less: Unamortized debt issuance costs	20,181	21,195
Less: Current portion of long-term debt	13,023	14,206
Long-term debt, net of current portion and debt issuance costs	\$ 854,169	\$ 866,177

SILVER OAKS ASSOCIATES, L.P.
NOTES TO FINANCIAL STATEMENTS

NOTE C - LONG-TERM DEBT - Continued

Anticipated future maturities of the notes payable outstanding at December 31, 2023 are as follows:

2024	\$	13,023
2025		11,841
2026		10,658
2027		9,475
2028		8,293
Thereafter		834,083
		<u>\$ 887,373</u>

NOTE D - PARTNERSHIP MATTERS

Profits, losses, and distribution of cash flows are to be allocated between the partners using the various provisions outlined in the limited partnership agreement. The allocation of income or losses for income tax purposes may differ from the partnership agreement due to the effect of certain income tax regulations.

NOTE E - RELATED PARTY TRANSACTIONS

The Partnership has agreed to pay the asset manager, who is an affiliate of the limited partner, an annual cumulative asset management fee for property management oversight, tax credit compliance monitoring, and related services. The asset management fee increases 3% per year and is payable on an annual basis from cash flow generated by the Partnership. Asset management fees totaled \$5,241 and \$5,088 during 2023 and 2022, respectively. The asset management fee is only paid if the partnership has distributable cash. As of December 31, 2023, accrued management fees of \$3,579 are classified as current liabilities and \$22,784 are classified as long term. At December 31, 2022, accrued management fees of \$7,221 are classified as current liabilities and \$21,121, is classified as long term.

The Partnership has agreed to pay the general partner a cumulative partnership management fee for its services in managing the Partnership's operations and assets and certain other duties. The partnership management fee is an annual fee of \$10,000, payable from annual cash flow generated by the Partnership. Accrued partnership management fees of \$100,000 and \$90,000 were payable as of December 31, 2023 and 2022, respectively. The accrued partnership management fees are presented as a long-term liability as the annual cash flow generated during 2023 is not sufficient to allow the Partnership to make payments on the liability during 2024.

An affiliate of the general partner provides apartment management services to the Partnership under a management agreement. The agreement provides for a management fee equal to 6% of residential and miscellaneous income. Management fees for 2023 and 2022 totaled \$18,760 and \$18,881, respectively. Accounts payable at December 31, 2023 and 2022 includes \$1,546 and \$1,503, respectively, due to the management company.

SILVER OAKS ASSOCIATES, L.P.
NOTES TO FINANCIAL STATEMENTS

NOTE E - RELATED PARTY TRANSACTIONS - Continued

The Partnership leases space for a day care center to an affiliate of the general partner. The lease requires the affiliate to pay annual rent through May 31, 2027. Rent amount is determined annually by the Partnership. The affiliate is responsible for all operating costs of the day care center space, including utilities and services. Payments in 2023 and 2022 totaled \$10.

The Partnership has a 99-year land lease with an affiliate of the general partner requiring annual rent payments through 2113. Rent amount is determined annually by the affiliate of the general partner. Payments in 2023 and 2022 totaled \$2,720 for each of the years.

The Partnership has an office lease agreement with an affiliate of the general partner requiring annual rent payments through November 2024. Rent amount is determined annually by the affiliate of the general partner. Payments in 2023 and 2022 totaled \$9,017 and \$8,745, respectively.

DRAFT

SUPPLEMENTARY INFORMATION

DRAFT

SILVER OAKS ASSOCIATES, L.P.
SUPPLEMENTARY INFORMATION
YEARS ENDED DECEMBER 31, 2023 AND 2022

Supporting Schedules of Certain Expenses

	<u>2023</u>	<u>2022</u>
Manager salaries	\$ 59,330	\$ 54,609
Payroll taxes	4,359	3,747
Health insurance and other employee benefits	10,668	7,471
Total manager salary and benefits expenses	<u>\$ 74,357</u>	<u>\$ 65,827</u>
Accounting	\$ -	\$ 920
Auditing	12,925	12,750
Other professional services	8,293	4,328
Total accounting, auditing and other professional services	<u>\$ 21,218</u>	<u>\$ 17,998</u>
Electricity	\$ 33,743	\$ 29,224
Water	8,627	4,724
Gas	2,608	4,650
Sewer	10,369	5,333
Total utilities expenses	<u>\$ 55,347</u>	<u>\$ 43,931</u>
Janitor supplies	\$ 250	\$ 74
Janitor contract	8,433	5,775
Maintenance repairs	13,857	12,082
Maintenance contracts	-	222
Appliance repairs	3,198	-
Repairs contract	15,070	6,082
Exterminating	4,301	4,375
Total repairs and building maintenance expenses	<u>\$ 45,109</u>	<u>\$ 28,610</u>
Reserve for Replacements		
Balance, beginning of year	\$ 96,267	\$ 77,413
Deposits	15,266	18,418
Interest earned	1,091	436
Withdrawals	(6,496)	-
Balance, end of year	<u>\$ 106,128</u>	<u>\$ 96,267</u>
Operating Reserve		
Balance, beginning of year	\$ 135,456	\$ 134,815
Interest earned	1,434	641
Withdrawals	(5,000)	-
Balance, end of year	<u>\$ 131,890</u>	<u>\$ 135,456</u>

Oakridge Neighborhood Associates, Limited Partnership
Des Moines, Iowa

December 31, 2023

MHCS P.C.
1601 West Lakes Parkway, Suite 300
West Des Moines, IA 50266

This representation letter is provided in connection with your audits of the financial statements of Oakridge Neighborhood Associates, Limited Partnership (the Partnership), which comprise the balance sheets as of December 31, 2023 and 2022, the related statements of operations, partners' deficit, and cash flows for the years then ended, the related notes to the financial statements, and the supplementary information, for the purpose of expressing an opinion on whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP); and for the purpose of expressing an opinion on compliance with the compliance requirements that could have a direct and material effect on each of Oakridge Neighborhood Associates, Limited Partnership's major HUD programs. We confirm that we are responsible for the fair presentation in the financial statements of the financial position, results of operations, and cash flows, in accordance with generally accepted accounting principles, the supplementary information, and for compliance with compliance requirements applicable to our HUD programs.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information such that, in the light of surrounding circumstances, there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made a reasonable user based on the financial statements. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of December 31, 2023:

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated January 19, 2024, for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP.
2. We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
4. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.

5. All related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
6. All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
7. We are in agreement with the adjusting journal entries and they have been posted to the Partnership's accounts.
8. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP, including all litigation filed against us related to discriminatory rental practices or investigations completed or in progress.
9. With respect to preparing the Partnership's federal and requested state income tax returns, assisting management in preparing the Partnership's financial statements and disclosures in conformity with U.S. GAAP and HUD's *Uniform Financial Reporting Standards for HUD Housing Programs*, completing the FASSMF submission templates with the Partnerships' financial information prior to its electronic submission to HUD in accordance with HUD's *Uniform Financial Reporting Standards for HUD Housing Programs*, assisting management in preparing the Partnership's depreciation schedule in accordance with U.S. GAAP and tax regulations, developing, with the Partnership's assistance and oversight, bookkeeping entries necessary in connection with the Partnership's year-end financial statements in accordance with U.S. GAAP, assisting management with the adoption of Accounting Standards Codification Topic 326, Measurement of Credit Losses and Financial Instruments (if applicable), and other consulting services as they arise, we have performed the following:
 - a. Made all management decisions and performed all management functions;
 - b. Assigned a competent individual to oversee the services;
 - c. Evaluated the adequacy of the services performed;
 - d. Evaluated and accepted responsibility for the result of the service performed; and
 - e. Established and maintained internal controls, including monitoring ongoing activities.
10. We acknowledge our responsibility for presenting the supplementary information accompanying the financial statements in accordance with the *Uniform Financial Reporting Standards for HUD Programs* and we believe the supplementary information, including its form and content, is fairly presented in accordance with HUD's applicable requirements. The methods of measurement and presentation of the supplementary information have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.
11. We represent to you that if the supplementary information is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditor's report thereon.

12. We have reviewed long-lived assets to be held and used for impairment whenever events or changes in circumstances have indicated that the carrying amount of the assets might not be recoverable and concluded no adjustment is necessary as of December 31, 2023.
13. Except as made known to you and disclosed in the notes to the financial statements, the Partnership has satisfactory title to all owned assets, and there are no liens or encumbrances on such long-lived assets; nor has the Partnership pledged any long-lived assets as collateral.
14. Accounting Standards Update (ASU) 2016-13, *Financial Instruments – Credit Losses* and all related amendments, was adopted by the Partnership as of January 1, 2023. The standard impacts accounting and disclosure requirements for certain financial instruments. The adoption of ASU 2016-13 did not have a significant impact on the Partnership's financial statements.

Government Auditing Standards and HUD Programs

15. We acknowledge our responsibility for understanding and complying with, and have complied with, the requirements of the *Consolidated Audit Guide for Audits of HUD Programs*.
16. We are responsible for complying with the requirements of laws, regulations, and the provisions of contracts and grant agreements related to each of our HUD programs and have identified and disclosed to you the requirements of laws, regulations, and the provisions of contracts and grant agreements that are considered applicable to each HUD program; and we have complied, in all material respects, with these requirements.
17. We acknowledge our responsibility for establishing and maintaining effective internal control over compliance requirements applicable to our HUD programs that provides reasonable assurance that we are managing our HUD programs in compliance with applicable laws, regulations, and the provisions of contracts and grant agreements that could have a material effect on our HUD programs. Accordingly, we have established and maintained effective internal control over compliance requirements applicable to our HUD programs.
18. No changes have been made in the internal control system to the date of this letter that might significantly affect internal control, including any corrective action taken with regard to significant deficiencies, including material weaknesses, reported in the schedule of findings, questioned costs, and recommendations.
19. We believe we have complied with all compliance requirements applicable to our HUD programs. We also know of no instances of noncompliance occurring subsequent to the end of the period audited.
20. We are responsible for and have accurately prepared the schedule of the status of prior audit findings, questioned costs and recommendations to include all findings required to be included by the *Consolidated Audit Guide for Audits of HUD Programs*, and we have provided you with all information on the status of the follow-up on prior audit findings, questioned costs and recommendations, including all management decisions.
21. We have reviewed, approved, and taken responsibility for the financial statements and related notes and an acknowledgment of the auditor's role in the preparation of this information.
22. We have reviewed, approved, and taken responsibility for accrual adjustments and an acknowledgment of the auditor's role in the preparation of the adjustments.

Information Provided

23. We have provided you with:
 - a. Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements and supplementary information, such as records, documentation, and other matters;
 - b. Additional information that you have requested from us for the purpose of the audit; and
 - c. Unrestricted access to persons within the Partnership from whom you determined it necessary to obtain audit evidence;
24. We do not have an annual report as defined by the Statement on Auditing Standards No. 137, *The Auditor's Responsibilities Relating to Other Information Included in Annual Reports*.
25. All transactions have been recorded in the accounting records and are reflected in the financial statements.
26. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
27. We have provided to you our analysis of the Partnership's ability to continue as a going concern, including significant conditions and events present, and if necessary, our analysis of management's plans, and our ability to achieve those plans.
28. We have no knowledge of any fraud or suspected fraud that affects the Partnership and involves:
 - a. Management;
 - b. Employees who have significant roles in internal control; or
 - c. Others when the fraud could have a material effect on the financial statements.
29. We have no knowledge of any allegations of fraud, or suspected fraud, affecting the Partnership's financial statements communicated by employees, former employees, analysts, regulators, or others.
30. We have identified and disclosed to you all known instances of noncompliance or suspected noncompliance with laws and regulations whose effects should be considered when preparing financial statements.
31. We are not aware of any pending or threatened litigation, claims, and assessments whose effects should be considered when preparing the financial statements and we have not consulted legal counsel concerning litigation, claims, or assessments.
32. We have identified and disclosed to you the identity of all the Partnership's related parties and the nature of all the related party relationships and transactions of which we are aware.
33. We have identified and disclosed to you all of our HUD programs and related activities subject to the *Consolidated Audit Guide for Audits of HUD Programs*.

34. We have made available to you all contracts and grant agreements (including amendments, if any) and any other correspondence relevant to our HUD programs and related activities subject to the *Consolidated Audit Guide for Audits of HUD Programs*. This includes correspondence with HUD Office of Inspector General, other federal agencies, HUD management and contract administrators relating to HUD programs.
35. A close out letter from Iowa Finance Authority has not yet been received for the management review completed in November 2023.
36. We have identified and disclosed to you all known noncompliance (including questioned costs) with the compliance requirements applicable to our HUD programs, including the results of other audits or program reviews, including noncompliance from the end of the period covered by the compliance audit to the date of the auditor's report.
37. We have made available to you all documentation related to the compliance requirements applicable to our HUD programs.
38. We have provided to you our interpretations of any compliance requirements that have varying interpretations.
39. We have disclosed all communications concerning possible noncompliance with the compliance requirements applicable to our HUD programs, including all communications received from the end of the period covered by the compliance audit to the date of the auditor's report.
40. We have disclosed to you all contracts or other agreements with service organizations, including all communication from these service organizations relating to noncompliance at the organizations.
41. We have disclosed to you the nature of any subsequent events that provide additional evidence with respect to conditions that existed at the end of the reporting period that affect noncompliance during the reporting period.
42. Federal financial reports are supported by the books and records from which the financial statements have been prepared.
43. Copies of federal financial reports provided to you you are true copies of the reports submitted or electronically transmitted, to HUD or to its representative in the administration of HUD programs.
44. Management is responsible for maintaining the Partnership's books and records. We continue to maintain ownership and physical control over all documents comprising our accounting books and records.
45. Receivables recorded in the financial statements represent valid claims against tenants or other parties arising on or before the balance sheet date and have been appropriately reduced to their estimated net realizable value.
46. We have in place competent and sufficient compliance monitoring systems with respect to federal and state requirements related to low-income housing tax credits. All applicable requirements have been met, and we have provided you with all correspondence from regulatory agencies.
47. 100% of the apartment units are leased to tenants meeting the requirements for the Partnership to realize low-income housing tax credits and as required by certain Partnership's loan agreement.

48. The Partnership has complied with all cash distributions as outlined in the partnership agreement.

49. If applicable, we have provided you with all amendments to the partnership agreements.

We understand that your audits were conducted in accordance with auditing standards generally accepted in the United States of America as defined and described by the American Institute of Certified Public Accountants and was, therefore, designed primarily for the purpose of expressing an opinion on the financial statements of the Partnership taken as a whole, and that your tests of the accounting records and other auditing procedures were limited to those that you considered necessary for that purpose.

We have carefully read this letter before signing it and understand that, while you have provided the language of this letter to us, we are making these representations to you. We understand our obligation to carefully consider the possibility that any of these representations are not accurate. We have inquired of others to the extent necessary to make sure that these representations are true. We know that you will rely upon these representations in conducting your engagement and that false representations could cause you to expend unnecessary efforts or could cause a material error or fraud to go undetected by your procedures. In view of the foregoing, we agree to indemnify you and hold you harmless from any liability, damages, and legal or other costs you might sustain in the event such representations or information is false or incomplete.

Teree Caldwell-Johnson, Chief Executive Officer, ONS Ventures, Inc.

Kristin Clayton, Vice President of Finance and Operations, Homes of Oakridge

**Oakridge Neighborhood Associates, Limited Partnership
Des Moines, Iowa**

March 3, 2023

MHCS P.C.
1601 West Lakes Parkway, Suite 300
West Des Moines, IA 50266

We are providing this letter in connection with your attest engagement to apply the agreed upon procedures to the electronic submission and related documents of Oakridge Neighborhood Associates, Limited Partnership as of December 31, 2023 and for the year then ended (the electronic submission and related documents).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm, to the best of our knowledge and belief, as of **March 3, 2023**, the following representations made to you during your engagement:

1. Oakridge Neighborhood Associates, Limited Partnership is responsible for the electronic submission and related documents.
2. We have obtained from all necessary parties, agreement to the procedures and acknowledgment that the procedures are appropriate for their purposes.
3. We have provided you with all relevant information and access, as applicable, as agreed upon in the terms of the engagement.
4. Your report is intended solely for the information and use of Oakridge Neighborhood Associates, Limited Partnership and HUD and is not intended to be used and should not be used by anyone other than these specified parties.
5. The electronic submission of the items listed in the “UFRS Rule Information” column below agrees exactly with the corresponding documents listed in the “Document” column below.

<i>UFRS Rule Information</i>	<i>Document</i>
Balance Sheet, Revenue and Expense, and Cash Flow Data (account numbers 1120 to 7100T and S1200 series)	Supplementary information to the financial statements
Surplus Cash (S1300 series accounts)	Supplementary information to the financial statements
Footnotes (S3100 series of accounts)	Notes to the financial statements

<i>UFRS Rule Information</i>	<i>Document</i>
Type of opinion on the Financial Statement and Compliance (S2100-070- S2300-070)	Independent Auditor's Report on the Financial Statements, Independent Auditor's Report on Compliance for Each Major HUD Program
Type of opinion on Financial Data Templates (i.e., Supplemental Data) (account S2100-100)	Auditor's report on the supplementary information
Audit findings narrative (S2700 series of accounts)	Schedule of Findings, Questioned Costs, and Recommendations

6. We affirm that all known matters contradicting the electronic submission or related documents and any communication from regulatory agencies or others affecting the electronic submission or related documents have been disclosed to the practitioner, including communications received between the end of the period addressed by the electronic submission or related documents and the date of the practitioner's report.
7. We are not aware of any material misstatements in the electronic submission or related documents.
8. We have responded fully to all inquiries made to us by you during the engagement.

To the best of our knowledge and belief, no events have occurred subsequent to December 31, 2023 and through the date of this letter that would have a material effect on the electronic submission or related documents.

Kristin Clayton, Vice President of Finance and Operations
Homes of Oakridge



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December 31, 2023

To Partners and Management of
Oakridge Neighborhood Associates, Limited Partnership

We have audited the basic financial statements of Oakridge Neighborhood Associates, Limited Partnership (the Partnership) as of and for the year ended December 31, 2023, and have issued our report thereon dated December 31, 2023. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit under Generally Accepted Auditing Standards and *Government Auditing Standards*

As communicated in our engagement letter dated January 19, 2024, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Partnership's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of Oakridge Neighborhood Associates, Limited Partnership solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have provided our comments regarding significant control deficiencies and material noncompliance, and other matters noted during our audit in our Independent Auditor's 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* dated December 31, 2023.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team and others in our firm, as appropriate, our firm, and our network firms have complied with all relevant ethical requirements regarding independence.

Representations Requested from Management

We have requested certain written representations from management, which are included in the attached letter dated December 31, 2023.

Qualitative Aspects of the Partnership's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by Oakridge Neighborhood Associates, Limited Partnership is included in Note A to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during fiscal year 2023 other than the adoption of Accounting Standards Update 2016-13, *Financial Instruments - Credit Losses* (ASU 2016-13) and all related amendments. This adoption had no material impact on the Partnership's financial statements. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are management's estimate of the lives and method of depreciation for fixed assets. We evaluated the key facts and assumptions used to develop the provisions in determining that it is reasonable in relation to the financial statements taken as a whole.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting Oakridge Neighborhood Associates, Limited Partnership's financial statements relate to:

- The disclosure describing the long-term debt of the Partnership in Note C.
- The related party transactions discussed in Note E.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards also require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole. No such misstatements were identified during our audit.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. No such misstatements were identified during our audit.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to Oakridge Neighborhood Associates, Limited Partnership's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Circumstances that Affect the Form and Content of the Auditor's Report

For purposes of this letter, professional standards require that we communicate any circumstances that affect the form and content of our auditor's report.

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with requirement by the limited partner and FASSMF submission templates for electronic submission to HUD in accordance with HUD's *Uniform Financial Reporting Standards for HUD Housing Programs*, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Findings or Issues

In the normal course of our professional association with Oakridge Neighborhood Associates, Limited Partnership, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating and regulatory conditions affecting the Partnership, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as Oakridge Neighborhood Associates, Limited Partnership's auditors.

Our responsibility also includes communicating to you any information which we believe is a material misstatement of fact. Nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially inconsistent with the information, or manner of its presentation, appearing in the financial statements.

Conclusion

This report is intended solely for the information and use of the partners and management of Oakridge Neighborhood Associates, Limited Partnership and is not intended to be and should not be used by anyone other than these specified parties.

Silver Oaks Associates, L.P.
Des Moines, Iowa

December 31, 2023

MHCS P.C.
1601 West Lakes Parkway, Suite 300
West Des Moines, IA 50266

This representation letter is provided in connection with your audits of the financial statements of Silver Oaks Associates, L.P. (the Partnership), which comprise the balance sheets as of December 31, 2023 and 2022, the related statements of operations, partners' capital (deficit), and cash flows for the years then ended, and the related notes to the financial statements, for the purpose of expressing an opinion on whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information such that, in the light of surrounding circumstances, there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of December 31, 2023:

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated January 18, 2024, for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP.
2. We acknowledge our responsibility for the design, implementation, and maintenance of the system 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.
3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
4. The methods, data, and significant assumptions used by us in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement, or disclosure that is reasonable in the context of U.S. GAAP.
5. All related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
6. All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
7. We are in agreement with the adjusting journal entries and they have been posted to the Partnership's accounts.

8. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
9. With respect to preparing the Partnership's federal and requested state income tax returns, assisting management in preparing the Partnership's financial statements and disclosures in conformity with U.S. GAAP, assisting management in preparing the Partnership's depreciation schedule in accordance with U.S. GAAP and tax regulations, developing, with the Partnership's assistance and oversight, bookkeeping entries necessary in connection with the Partnership's year-end financial statements in accordance with U.S. GAAP, and other consulting services as they arise, we have performed the following:
 - a. Made all management decisions and performed all management functions;
 - b. Assigned a competent individual to oversee the services;
 - c. Evaluated the adequacy of the services performed;
 - d. Evaluated and accepted responsibility for the result of the service performed; and
 - e. Established and maintained controls, including a process to monitor the system of internal control.
10. With respect to the supplementary information accompanying the financial statements:
 - a. We acknowledge our responsibility for the presentation of the supplementary in accordance with the limited partnership agreement (criteria).
 - b. We believe the supplementary information, including its form and content, is fairly presented in accordance with the criteria.
 - c. The methods of measurement or presentation have not changed from those used in the prior period.
 - d. We believe the significant assumptions or interpretations underlying the measurement or presentation of the supplementary information, and the basis for our assumptions and interpretations, are reasonable and appropriate in the circumstances.
 - e. When the supplementary information is not presented with the audited financial statements, management will make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance by the entity of the supplementary information and the auditor's report thereon.
11. We have reviewed long-lived assets to be held and used for impairment whenever events or changes in circumstances have indicated that the carrying amount of the assets might not be recoverable and have concluded no adjustment is necessary as of December 31, 2023.
12. Except as made known to you and disclosed in the notes to the financial statements, the Partnership has satisfactory title to all owned assets, and there are no liens or encumbrances on such long-lived assets; nor has the Partnership pledged any long-lived assets as collateral.

13. Accounting Standards Update (ASU) 2016-13, *Financial Instruments - Credit Losses*, and all related amendments, was adopted by the Partnership as of January 1, 2023. The standard impacts accounting and disclosure requirements for certain financial instruments. The adoption of ASU 2016-13 did not have a significant impact on the Partnership's financial statements.

Information Provided

14. We have provided you with:
 - a. Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters;
 - b. Additional information that you have requested from us for the purpose of the audit;
 - c. Unrestricted access to persons within the Partnership from whom you determined it necessary to obtain audit evidence;
15. All transactions have been recorded in the accounting records and are reflected in the financial statements.
16. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
17. We have provided to you our analysis of the Partnership's ability to continue as a going concern, including significant conditions and events present, and if necessary, our analysis of management's plans, and our ability to achieve those plans.
18. We have no knowledge of any fraud or suspected fraud that affects the Partnership and involves:
 - a. Management;
 - b. Employees who have significant roles in internal control; or
 - c. Others when the fraud could have a material effect on the financial statements.
19. We have no knowledge of any allegations of fraud, or suspected fraud, affecting the Partnership's financial statements communicated by employees, former employees, analysts, regulators, or others.
20. We have disclosed to you all known instances of noncompliance or suspected noncompliance with laws and regulations whose effects should be considered when preparing financial statements.
21. We are not aware of any pending or threatened litigation, claims, and assessments whose effects should be considered when preparing the financial statements and we have not consulted legal counsel concerning litigation, claims, or assessments.
22. We have disclosed to you the identity of all the Partnership's related parties and the nature of all the related party relationships and transactions of which we are aware.

23. Management is responsible for maintaining the Partnership's books and records. We continue to maintain ownership and physical control over all documents comprising our accounting books and records.
24. Receivables recorded in the financial statements represent valid claims against tenants or other parties arising on or before the balance sheet date and have been appropriately reduced to their estimated net realizable value.
25. We have in place competent and sufficient compliance monitoring systems with respect to federal and state requirements related to low-income housing tax credits. All applicable requirements have been met, and we have provided you with all correspondence from regulatory agencies.
26. The Partnership's apartment units are leased to tenants meeting the requirements for the Partnership to realize low-income housing tax credits and as required by certain Partnership's loan agreements.
27. The Partnership has complied with all cash distributions as outlined in the partnership agreement.
28. If applicable, we have provided you with all amendments to the partnership agreement.

We understand that your audits were conducted in accordance with auditing standards generally accepted in the United States of America as defined and described by the American Institute of Certified Public Accountants and was, therefore, designed primarily for the purpose of expressing an opinion on the financial statements of the Partnership taken as a whole, and that your tests of the accounting records and other auditing procedures were limited to those that you considered necessary for that purpose.

We have carefully read this letter before signing it and understand that, while you have provided the language of this letter to us, we are making these representations to you. We understand our obligation to carefully consider the possibility that any of these representations are not accurate. We have inquired of others to the extent necessary to make sure that these representations are true. We know that you will rely upon these representations in conducting your engagement and that false representations could cause you to expend unnecessary efforts or could cause a material error or fraud to go undetected by your procedures. In view of the foregoing, we agree to indemnify you and hold you harmless from any liability, damages, and legal or other costs you might sustain in the event such representations or information is false or incomplete.

Teree Caldwell-Johnson, Chief Executive Officer, ONS Silver Oaks, Inc.

Kristin Clayton, CPA, Vice President Finance and Administration, Homes of Oakridge



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December 31, 2023

To Partners and Management of
Silver Oaks Associates, L.P.

We have audited the financial statements of Silver Oaks Associates, L.P. (the Partnership) as of and for the year ended December 31, 2023, and have issued our report thereon December 31, 2023. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated January 18, 2024 our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of its respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Partnership's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of Silver Oaks Associates, L.P. solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, our firm, and our network firms have complied with all relevant ethical requirements regarding independence.

Representations Requested from Management

We have requested certain written representations from management, which are included in the attached letter dated December 31, 2023.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by Silver Oaks Associates, L.P. is included in Note A to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during fiscal year 2023 other than the adoption of Accounting Standards Update 2016-13, *Financial Instruments - Credit Losses* (ASU 2016-13) and all related amendments. This adoption had no material impact on the Partnership's financial statements. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are management's estimate of the lives and method of depreciation for fixed assets. We evaluated the key facts and assumptions used to develop the provisions in determining that it is reasonable in relation to the financial statements taken as a whole.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting Silver Oaks Associates, L.P.'s financial statements relate to:

- The disclosure describing the long-term debt of the Partnership in Note C
- The related party transactions discussed in Note E

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards also require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole. No such misstatements were identified during our audit.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. No such corrections were identified during our audit.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to Silver Oaks Associates, L.P.'s financial statements or the auditor's report. No such disagreements arose during the course of the audit

Circumstances that Affect the Form and Content of the Auditor's Report

For purposes of this letter, professional standards require that we communicate any circumstances that affect the form and content of our auditor's report

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with the limited partners' requirements, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with Silver Oaks Associates, L.P., we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, business conditions affecting the entity, and business plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as Silver Oaks Associates, L.P.'s auditors.

Our responsibility also includes communicating to you any information which we believe is a material misstatement of fact. Nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially inconsistent with the information, or manner of its presentation, appearing in the financial statements.

Conclusion

This report is intended solely for the information and use of the managing general partner, and management of Silver Oaks Associates, L.P. and is not intended to be and should not be used by anyone other than these specified parties.

**Oakridge Neighborhood Associates Phase II, Limited Partnership
Des Moines, Iowa**

December 31, 2023

MHCS P.C.
1601 West Lakes Parkway, Suite 300
West Des Moines, IA 50266

This representation letter is provided in connection with your audits of the financial statements of Oakridge Neighborhood Associates Phase II, Limited Partnership (the Partnership), which comprise the balance sheets as of December 31, 2023 and 2022, the related statements of operations, partners' deficit, and cash flows for the years then ended, the related notes to the financial statements, and the supplementary information, for the purpose of expressing an opinion on whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP); and for the purpose of expressing an opinion on compliance with the compliance requirements that could have a direct and material effect on each of Oakridge Neighborhood Associates Phase II, Limited Partnership's major HUD programs. We confirm that we are responsible for the fair presentation in the financial statements of the financial position, results of operations, and cash flows, in accordance with generally accepted accounting principles, the supplementary information, and for compliance with compliance requirements applicable to our HUD programs.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information such that, in the light of surrounding circumstances, there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of December 31, 2023:

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated January 19, 2024, for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP.
2. We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
4. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.

5. All related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
6. All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
7. We are in agreement with the adjusting journal entries and they have been posted to the Partnership's accounts.
8. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP, including all litigation filed against us related to discriminatory rental practices or investigations completed or in progress.
9. With respect to preparing the Partnership's federal and requested state income tax returns, assisting management in preparing the Partnership's financial statements and disclosures in conformity with U.S. GAAP and HUD's *Uniform Financial Reporting Standards for HUD Housing Programs*, completing the FASSMF submission templates with the Partnerships' financial information prior to its electronic submission to HUD in accordance with HUD's *Uniform Financial Reporting Standards for HUD Housing Programs*, assisting management in preparing the Partnership's depreciation schedule in accordance with U.S. GAAP and tax regulations, developing, with the Partnership's assistance and oversight, bookkeeping entries necessary in connection with the Partnership's year-end financial statements in accordance with U.S. GAAP, assisting management with the adoption of Accounting Standards Codification Topic 326, Measurement of Credit Losses on Financial Instruments (if applicable), and other consulting services as they arise, we have performed the following:
 - a. Made all management decisions and performed all management functions;
 - b. Assigned a competent individual to oversee the services;
 - c. Evaluated the adequacy of the services performed;
 - d. Evaluated and accepted responsibility for the result of the service performed; and
 - e. Established and maintained internal controls, including monitoring ongoing activities.
10. We acknowledge our responsibility for presenting the supplementary information accompanying the financial statements in accordance with the *Uniform Financial Reporting Standards for HUD Programs* and we believe the supplementary information, including its form and content, is fairly presented in accordance with HUD's applicable requirements. The methods of measurement and presentation of the supplementary information have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.
11. We represent to you that if the supplementary information is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditor's report thereon.

12. We have reviewed long-lived assets to be held and used for impairment whenever events or changes in circumstances have indicated that the carrying amount of the assets might not be recoverable and have concluded no adjustment is necessary as of December 31, 2023.
13. Except as made known to you and disclosed in the notes to the financial statements, the Partnership has satisfactory title to all owned assets, and there are no liens or encumbrances on such long-lived assets; nor has the Partnership pledged any long-lived assets as collateral.
14. Accounting Standards Update (ASU) 2016-13, *Financial Instruments – Credit Losses* and all related amendments, was adopted by the Partnership as of January 1, 2023. The standard impacts accounting and disclosure requirements for certain financial instruments. The adoption of ASU 2016-13 did not have a significant impact on the Partnership's financial statements.

Government Auditing Standards and HUD Programs

15. We acknowledge our responsibility for understanding and complying with, and have complied with, the requirements of the *Consolidated Audit Guide for Audits of HUD Programs*.
16. We are responsible for complying with the requirements of laws, regulations, and the provisions of contracts and grant agreements related to each of our HUD programs and have identified and disclosed to you the requirements of laws, regulations, and the provisions of contracts and grant agreements that are considered applicable to each HUD program; and we have complied, in all material respects, with these requirements.
17. We acknowledge our responsibility for establishing and maintaining effective internal control over compliance requirements applicable to our HUD programs that provides reasonable assurance that we are managing our HUD programs in compliance with applicable laws, regulations, and the provisions of contracts and grant agreements that could have a material effect on our HUD programs. Accordingly, we have established and maintained effective internal control over compliance requirements applicable to our HUD programs.
18. No changes have been made in the internal control system to the date of this letter that might significantly affect internal control, including any corrective action taken with regard to significant deficiencies, including material weaknesses, reported in the schedule of findings, questioned costs, and recommendations.
19. We believe we have complied with all compliance requirements applicable to our HUD programs. We also know of no instances of noncompliance occurring subsequent to the end of the period audited.
20. We are responsible for and have accurately prepared the schedule of the status of prior audit findings, questioned costs and recommendations to include all findings required to be included by the *Consolidated Audit Guide for Audits of HUD Programs*, and we have provided you with all information on the status of the follow-up on prior audit findings, questioned costs and recommendations, including all management decisions.
21. We have reviewed, approved, and taken responsibility for the financial statements and related notes and an acknowledgment of the auditor's role in the preparation of this information.
22. We have reviewed, approved, and taken responsibility for accrual adjustments and an acknowledgment of the auditor's role in the preparation of the adjustments.

Information Provided

23. We have provided you with:
 - a. Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements and supplementary information, such as records, documentation, and other matters;
 - b. Additional information that you have requested from us for the purpose of the audit;
 - c. Unrestricted access to persons within the Partnership and others from whom you determined it necessary to obtain audit evidence;
24. We do not have an annual report as defined by the Statement on Auditing Standards No. 137, *The Auditor's Responsibilities Relating to Other Information Included in Annual Reports*.
25. All transactions have been recorded in the accounting records and are reflected in the financial statements.
26. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
27. We have provided to you our analysis of the Partnership's ability to continue as a going concern, including significant conditions and events present, and if necessary, our analysis of management's plans, and our ability to achieve those plans.
28. We have no knowledge of any fraud or suspected fraud that affects the Partnership and involves:
 - a. Management;
 - b. Employees who have significant roles in internal control; or
 - c. Others when the fraud could have a material effect on the financial statements.
29. We have no knowledge of any allegations of fraud, or suspected fraud, affecting the Partnership's financial statements communicated by employees, former employees, analysts, regulators, or others.
30. We have identified and disclosed to you all known instances of noncompliance or suspected noncompliance with laws and regulations whose effects should be considered when preparing financial statements.
31. We are not aware of any pending or threatened litigation, claims, and assessments whose effects should be considered when preparing the financial statements and we have not consulted legal counsel concerning litigation, claims, or assessments
32. We have identified and disclosed to you the identity of all the Partnership's related parties and the nature of all the related party relationships and transactions of which we are aware.
33. We have identified and disclosed to you all of our HUD programs and related activities subject to the *Consolidated Audit Guide for Audits of HUD Programs*.

34. We have made available to you all contracts and grant agreements (including amendments, if any) and any other correspondence relevant to our HUD programs and related activities subject to the *Consolidated Audit Guide for Audits of HUD Programs*. This includes correspondence with HUD Office of Inspector General, other federal agencies, HUD management and contract administrators relating to HUD programs.
35. A close out letter from Iowa Finance Authority has not yet been received for the management review completed in November 2023.
36. We have identified and disclosed to you all known noncompliance (including questioned costs) with the compliance requirements applicable to our HUD programs, including the results of other audits or program reviews, including noncompliance from the end of the period covered by the compliance audit to the date of the auditor's report.
37. We have made available to you all documentation related to the compliance requirements applicable to our HUD programs.
38. We have provided to you our interpretations of any compliance requirements that have varying interpretations.
39. We have disclosed all communications concerning possible noncompliance with the compliance requirements applicable to our HUD programs, including all communications received from the end of the period covered by the compliance audit to the date of the auditor's report.
40. We have disclosed to you all contracts or other agreements with service organization, including all communication from these service organizations relating to noncompliance at the organizations.
41. Federal financial reports are supported by the books and records from which financial statements have been prepared.
42. The copies of federal financial reports provided to you are true copies of the reports submitted or electronically transmitted, to HUD or to its representative in the administration of HUD programs.
43. We have disclosed to you the nature of any subsequent events that provide additional evidence with respect to conditions that existed at the end of the reporting period that affect noncompliance during the reporting period.
44. Management is responsible for maintaining the Partnership's books and records. We continue to maintain ownership and physical control over all documents comprising our accounting books and records.
45. Receivables recorded in the financial statements represent valid claims against tenants or other parties arising on or before the balance sheet date and have been appropriately reduced to their estimated net realizable value.
46. We have in place competent and sufficient compliance monitoring systems with respect to federal and state requirements related to low-income housing tax credits. All applicable requirements have been met, and we have provided you with all correspondence from regulatory agencies.
47. 100% of the apartment units are leased to tenants meeting the requirements for the Partnership to realize low-income housing tax credits and as required by certain Partnership's loan agreement.

48. The Partnership has complied with all cash distributions as outlined in the partnership agreement.

49. If applicable, we have provided you with all amendments to the partnership agreements.

We understand that your audits were conducted in accordance with auditing standards generally accepted in the United States of America as defined and described by the American Institute of Certified Public Accountants and was, therefore, designed primarily for the purpose of expressing an opinion on the financial statements of the Partnership taken as a whole, and that your tests of the accounting records and other auditing procedures were limited to those that you considered necessary for that purpose.

We have carefully read this letter before signing it and understand that, while you have provided the language of this letter to us, we are making these representations to you. We understand our obligation to carefully consider the possibility that any of these representations are not accurate. We have inquired of others to the extent necessary to make sure that these representations are true. We know that you will rely upon these representations in conducting your engagement and that false representations could cause you to expend unnecessary efforts or could cause a material error or fraud to go undetected by your procedures. In view of the foregoing, we agree to indemnify you and hold you harmless from any liability, damages, and legal or other costs you might sustain in the event such representations or information is false or incomplete.

Teree Caldwell-Johnson, Chief Executive Officer, ONS Ventures, Inc.

Kristin Clayton, Vice President of Finance and Operations, Homes of Oakridge

**Oakridge Neighborhood Associates Phase II, Limited Partnership
Des Moines, Iowa**

March 3, 2024

MHCS P.C.
1601 West Lakes Parkway, Suite 300
West Des Moines, IA 50266

We are providing this letter in connection with your attest engagement to apply the agreed upon procedures to the electronic submission and related documents of Oakridge Neighborhood Associates Phase II, Limited Partnership as of December 31, 2023 and for the year then ended (the electronic submission and related documents).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm, to the best of our knowledge and belief, as of March 3, 2024, the following representations made to you during your engagement:

1. Oakridge Neighborhood Associates Phase II, Limited Partnership is responsible for the electronic submission and related documents.
2. We have obtained from all necessary parties, agreement to the procedures and acknowledgment that the procedures are appropriate for their purposes.
3. We have provided you with all relevant information and access, as applicable, as agreed upon in the terms of the engagement.
4. Your report is intended solely for the information and use of Oakridge Neighborhood Associates Phase II, Limited Partnership and HUD and is not intended to be used and should not be used by anyone other than these specified parties.
5. The electronic submission of the items listed in the “UFRS Rule Information” column below agrees exactly with the corresponding documents listed in the “Document” column below.

<i>UFRS Rule Information</i>	<i>Document</i>
Balance Sheet, Revenue and Expense, and Cash Flow Data (account numbers 1120 to 7100T and the S1200 series)	Supplementary information to the financial statements
Surplus Cash (S1300 series accounts)	Supplementary information to the financial statements

<i>UFRS Rule Information</i>	<i>Document</i>
Footnotes (S3100 series of accounts)	Notes to the financial statements
Type of opinion on the Financial Statement and Compliance (S2100-020 and S2300-100)	Independent Auditor's Report on the Financial Statements, Independent Auditor's Report on Compliance for Each Major HUD Program
Type of opinion on Financial Data Templates (i.e., Supplemental Data) (account S2100-100)	Auditor's report on the supplementary information
Audit findings narrative (S2700 series of accounts)	Schedule of Findings, Questioned Costs, and Recommendations

6. We affirm that all known matters contradicting the electronic submission or related documents and any communication from regulatory agencies or others affecting the electronic submission or related documents have been disclosed to the practitioner, including communications received between the end of the period addressed by the electronic submission or related documents and the date of the practitioner's report.
7. We are not aware of any material misstatements in the electronic submission or related documents.
8. We have responded fully to all inquiries made to us by you during the engagement.

To the best of our knowledge and belief, no events have occurred subsequent to December 31, 2023 and through the date of this letter that would have a material effect on the electronic submission or related documents.

Kristin Clayton, Vice President of Finance and Operations
Homes of Oakridge



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December 31, 2023

To Partners and Management of
Oakridge Neighborhood Associates Phase II, Limited Partnership

We have audited the basic financial statements of Oakridge Neighborhood Associates Phase II, Limited Partnership (the Partnership) as of and for the year ended December 31, 2023, and have issued our report thereon dated December 31, 2023. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit under Generally Accepted Auditing Standards and *Government Auditing Standards*

As communicated in our engagement letter dated January 19, 2024, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Partnership's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of Oakridge Neighborhood Associates Phase II, Limited Partnership solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have provided our comments regarding significant control deficiencies and material noncompliance, and other matters noted during our audit in our Independent Auditor's 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* dated December 31, 2023.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team and others in our firm, as appropriate, our firm, and our network firms have complied with all relevant ethical requirements regarding independence.

Representations Requested from Management

We have requested certain written representations from management, which are included in the attached letter dated December 31, 2023.

Qualitative Aspects of the Partnership's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by Oakridge Neighborhood Associates Phase II, Limited Partnership is included in Note A to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during fiscal year 2023 other than the adoption of Accounting Standards Update 2016-13, *Financial Instruments - Credit Losses* (ASU 2016-13) and all related amendments. This adoption had no material impact on the Partnership's financial statements. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are management's estimate of the lives and method of depreciation for fixed assets. We evaluated the key facts and assumptions used to develop the provisions in determining that it is reasonable in relation to the financial statements taken as a whole.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting Oakridge Neighborhood Associates Phase II, Limited Partnership's financial statements relate to:

- The disclosure describing the long-term debt of the Partnership in Note C.
- The related party transactions discussed in Note E.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards also require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole. No such misstatements were identified during our audit.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. No such misstatements were identified during our audit.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to Oakridge Neighborhood Associates Phase II, Limited Partnership's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Circumstances that Affect the Form and Content of the Auditor's Report

For purposes of this letter, professional standards require that we communicate any circumstances that affect the form and content of our auditor's report.

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with requirement by the limited partner and FASSMF submission templates for electronic submission to HUD in accordance with HUD's *Uniform Financial Reporting Standards for HUD Housing Programs*, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Findings or Issues

In the normal course of our professional association with Oakridge Neighborhood Associates Phase II, Limited Partnership, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating and regulatory conditions affecting the Partnership, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as Oakridge Neighborhood Associates Phase II, Limited Partnership's auditors.

Our responsibility also includes communicating to you any information which we believe is a material misstatement of fact. Nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially inconsistent with the information, or manner of its presentation, appearing in the financial statements.

Conclusion

This report is intended solely for the information and use of the partners and management of Oakridge Neighborhood Associates Phase II, Limited Partnership and is not intended to be and should not be used by anyone other than these specified parties.

SUMMARY AND EVALUATION OF MISSTATEMENTS AND OMITTED, INACCURATE, OR INCOMPLETE DISCLOSURES

PURPOSE

This form has been designed to help the auditor summarize and evaluate all misstatements and omitted, inaccurate, or incomplete disclosures, other than those that are trivial, that have been identified during the audit.

This form is part of the collections of forms that make up the Communication Hub. Like all forms in the Communication Hub, this form will be populated throughout the audit with key information about the entity and its environment. Throughout the engagement, other team members will access the information contained in this form so that they may appropriately consider the information documented here when they perform their audit procedures.

Practice Alert: In May 2019, the AICPA's Auditing Standards Board (ASB) issued Statement on Auditing Standards No. 134 (SAS-134), *Auditor Reporting and Amendments, Including Amendments Addressing Disclosures in the Audit of Financial Statements*. The changes in SAS-134 are intended to enhance the relevance and usefulness of the auditor's report and provide financial statement users with more meaningful information about the audit. The suite of new standards on auditor reporting will result in the first significant changes to auditor's reports in years, most notably the re-ordering of report sections and, when applicable, the reporting of key audit matters. SAS-134 makes important changes to the requirements for the form and content of the auditor's report issued as a result of an audit of financial statements. In addition, it addresses the auditor's responsibilities to form an opinion on the financial statements. This standard makes the following changes to the reporting standards:

- Forming an Opinion and Reporting on Financial Statements (Section 700 in SAS-134) addresses the form and content of the auditor's report and the auditor's responsibility to form an opinion on the financial statements.
- Communicating Key Audit Matters in the Independent Auditor's Report (Section 701 in SAS-134) notes that reporting of Key Audit Matters (KAMs) is not required unless the auditor is specifically engaged to report on KAMs.
- Modifications to the Opinion in the Independent Auditor's Report (Section 705 in SAS-134) addresses how the form and content of the auditor's report are affected when the auditor expresses a modified opinion (i.e., a qualified opinion, an adverse opinion, or a disclaimer of opinion) on the financial statements.
- Emphasis-of-Matter Paragraphs and Other-Matter Paragraphs in the Independent Auditor's Report (Section 706 in SAS-134) notably clarifies the relationship between emphasis-of-matter paragraphs and the communication of KAMs in the auditor's report.

SAS-134 supersedes the following sections of the AICPA Auditing Standards Codification:

- AU-C Section 700, Forming an Opinion and Reporting on Financial Statements;
- AU-C Section 705, Modifications to the Opinion in the Independent Auditor's Report; and
- AU-C Section 706, Emphasis-of-Matter Paragraphs and Other-Matter Paragraphs in the Independent Auditor's Report.

SAS-134 also creates a new AU-C Section 701, Communicating Key Audit Matters in the Independent Auditor's Report.

SAS-134, as issued, was effective for audits of financial statements for periods ending on or after December 15, 2020 and early implementation was not permitted. However, in Spring of 2020, the ASB voted to defer the effective date and SAS-134 is now effective for periods ending on or after December 15, 2021. The prohibition on early implementation was also removed. This toolset incorporates the requirements of SAS-134.

INSTRUCTIONS

The auditor should accumulate misstatements that were corrected by management in section I of this form and uncorrected misstatements in section II of this form. If the auditor uses auditing software that summarizes corrected and uncorrected misstatements, he or she may choose to substitute equivalent reports from that software for sections I and II of this form. Omitted, inaccurate, or incomplete disclosures should be summarized in section III of this form and may be transferred (copied and pasted or referenced) from the financial statement disclosure checklist. By completing sections IV and V, the auditor will document his or her evaluation of, and conclusion about, the materiality of uncorrected misstatements and omitted, inaccurate, or incomplete disclosures, and whether disclosures met the auditor's expectations.

The number and nature of misstatements corrected by management may affect the auditor's evaluation of uncorrected misstatements. For example, if a large number of material misstatements are identified during the audit, the risk that the financial statements are materially misstated may be greater than the original assessment, and the risk that undetected misstatements are material may also be higher. For this reason, the evaluation of uncorrected misstatements is best performed with an understanding of all misstatements.

The auditor communicates identified misstatements to an appropriate level of management on a timely basis, unless prohibited by law or regulation, to provide management with the opportunity to correct them (including the effect of prior-year misstatements) and further examines the source of such misstatements. The auditor should evaluate management's work to determine whether the corrections have been recorded properly and whether uncorrected misstatements remain. The auditor should document management's reasons for not correcting any misstatements, other than those that are clearly trivial. It should be noted that "clearly trivial" is NOT another expression for "not material." Misstatements that are "clearly trivial" are misstatements that are clearly inconsequential, whether taken individually or in the aggregate and whether judged by any criteria of size, nature, or circumstances. If management elects not to correct some or all of the misstatements, the auditor should take that into account when considering the qualitative aspects of the entity's accounting practices and the implications

The auditor communicates identified misstatements to an appropriate level of management on a timely basis, unless prohibited by law or regulation, to provide management with the opportunity to correct them (including the effect of prior-year misstatements) and further examines the source of such misstatements. The auditor should evaluate management's work to determine whether the corrections have been recorded properly and whether uncorrected misstatements remain. The auditor should document management's reasons for not correcting any misstatements, other than those that are trivial. If management elects not to correct some or all of the misstatements, the auditor should take that into account when considering the qualitative aspects of the entity's accounting practices and the implications for the auditor's report.

The auditor should obtain written representation from management that the effects of uncorrected misstatements and omitted, inaccurate, and incomplete disclosures, both individually and in the aggregate, are not material to the financial statements as a whole.

The auditor should refer to Chapter 12, "Evaluating and Concluding the Audit," for further guidance on evaluating and concluding an audit, including evaluation of misstatements and omitted, inaccurate, and incomplete disclosures.

	A	B	C	E	F	G	H	I	J	K	L	M
1			Planning Materiality	169,000	2300.01			PAJE Threshold:	8,450			
2		Oakridge Neighborhood Associates, Limited Partnership										
3		December 31, 2023										
4												
5												
6								Financial Statement Effect—Debit (Credit)				
7		Description (Nature) of Audit Difference	Factual (F), Judgmental (J), or Projected (P)	W/P Reference	Total Assets	Total Liabilities	Beginning Equity	Revenues	Expenses	Change in Equity	Ending Equity	Next year turnaround effect?
8	1	None								-	-	No
9	2									-	-	
10	3									-	-	
11	4									-	-	
12	5									-	-	
13	6									-	-	
14	7									-	-	
15	8									-	-	
16	9									-	-	
17	10									-	-	
18					Total	-	-	-	-	-	-	
19					Financial Statement Caption Totals	6,796,893	(8,059,211)	386,431	(1,702,757)	2,578,644	235,048	(1,321,092)
20					Current Year Audit Difference as % of FS Captions (Iron Curtain Method)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
21												
22												
23												
24		NOTE: See 2300.01 for trivial amount calculation.										
25												
26		Practice Point: The accountant should consider both the "iron curtain" and "rollover" approaches to quantifying a current-year misstatement for purposes of determining its materiality. The iron curtain approach focuses on how the current year's statement of financial position would be affected in correcting a misstatement without considering the year(s) in which the misstatement originated. The rollover approach focuses on the amount of the misstatement that originated in the current year's statement of activities. The accountant quantifies the impact of correcting all misstatements, including both the carryover and reversing effects of prior-year misstatements, on the current-year financial statements.										
27												
28		The subtotal "Effect of Uncorrected Misstatements: Current-Period" essentially summarizes the impact of misstatements on the financial statements using the iron curtain approach (i.e., the effect of correcting the total error in the current period statement of financial position). The total "Net Effect of Uncorrected Misstatements" summarizes the impact of misstatements using the rollover method by considering the effect of uncorrected misstatements originating in prior periods (i.e., the effect of correcting the portion of the error that arose in current period).										

**SUMMARY AND EVALUATION OF MISSTATEMENTS
AND OMITTED, INACCURATE, OR INCOMPLETE DISCLOSURES**

SECTION IV: EVALUATION OF QUALITATIVE AND QUANTITATIVE FACTORS

The auditor should evaluate whether uncorrected misstatements are material, individually or in combination with other misstatements. In this evaluation, the auditor should consider both "quantitative" and "qualitative" factors in assessing the effect of uncorrected misstatements. Evaluation of materiality requires an entity and its auditor to consider all the relevant circumstances, as qualitative factors may cause misstatements of quantitatively small amounts to be material. As a result of the interaction of quantitative and qualitative considerations in materiality judgments, uncorrected misstatements of relatively small amounts could have a material effect on the financial statements. The auditor should evaluate misstatements in light of quantitative and qualitative factors and consider whether, in relation to individual line item amounts, subtotals, or totals in the financial statements, they materially misstate the financial statements as a whole.

Practice Point: Before considering the aggregate effect of identified uncorrected misstatements, the auditor reassesses materiality determined during planning, to confirm whether it remains appropriate in the context of the entity's actual financial results. Then the auditor considers each misstatement separately to evaluate:

- Its effect in relation to the relevant individual classes of transactions, account balances, or disclosures, including whether materiality levels for particular items of lesser amounts than the materiality level for the financial statements as a whole have been exceeded.
- Whether, in considering the effect of the individual misstatement on the financial statements as a whole, it is appropriate to offset misstatements. For example, it may be appropriate to offset misstatements of items within the same account balance in the financial statements.
- The effect of misstatements related to prior periods. In prior periods, misstatements may not have been corrected by the entity because they did not cause the financial statements for those periods to be materially misstated. Those misstatements might also affect the current period's financial statements.

In evaluating whether the financial statements are presented fairly, in all material respects, in accordance with the applicable financial reporting framework, we considered the effects, both individually and in the aggregate, of misstatements that are not corrected by the entity. We also evaluated the significance of omitted, inaccurate, or incomplete disclosures. We have indicated below the factors considered in making these evaluations.

The auditor should refer to Chapter 12, "Evaluating and Concluding the Audit," for

Evaluation of Uncorrected Misstatements			
<i>Individual and aggregate uncorrected misstatements:</i>			
		<i>Yes, No</i>	<i>Comments</i>
a.	Exceed materiality.		
b.	Approach materiality, increasing the risk of undetected misstatements or that the financial statements may be materially misstated.		
c.	Are significant to a financial statement element other than results of operations.		
d.	Are material to individual classes of transactions, account balances, or disclosures.		
e.	Are material to individual classes of transactions, account balances, or disclosures when considered in relation to uncorrected prior period misstatements.		
f.	Are material, considering the nature and amount of the misstatements in relation to the nature and amount of items in the financial statements under audit.		
g.	Should be considered without being offset by other uncorrected misstatements.		

Evaluation

h.	Affect or mask operating results or other trends.		
i.	Change a net decrease in net assets or fund balance into a net increase or vice versa		
j.	Are material given statutory or regulatory reporting requirements that affect materiality thresholds.		
k.	Affect management's compensation, including affecting the requirements of bonus awards or other incentive compensation.		
l.	Affect classifications among sensitive financial statement elements, such as those making up key performance ratios.		
m.	Are significant given user needs, such as loan covenants, contractual agreements, and regulatory provisions.		
n.	Imply the existence of fraud, noncompliance with laws and regulations, violations of contractual provisions, or conflicts of interest.		
o.	May be intentional because of management's (1) bias in developing accounting estimates; (2) unwillingness to correct weaknesses in the financial reporting process; (3) identification of additional adjusting entries that offset misstatements accumulated by the auditor; or (4) decision not to follow the applicable financial reporting framework.		
p.	May have a material effect on future periods.		
q.	Are primarily known misstatements rather than likely misstatements.		
r.	Indicate the possibility of fraud.		

Evaluation of Omitted, Inaccurate, or Incomplete Disclosures			
<i>Omitted, inaccurate, or incomplete disclosures:</i>			
		<i>Yes, No</i>	<i>Comments</i>
a.	Relate to material matters.		
b.	Are significant given user needs, such as loan covenants, contractual agreements, and regulatory provisions.		
c.	Are significant given statutory or regulatory reporting requirements.		
d.	Are important to the understanding of a material balance or transaction.		
e.	When aggregated, hide or misrepresent a significant matter.		

Other Considerations			
<i>We also considered the items below in evaluating the materiality of uncorrected misstatements and omitted, inaccurate, or incomplete disclosures:</i>			
a.			
b.			
c.			
d.			

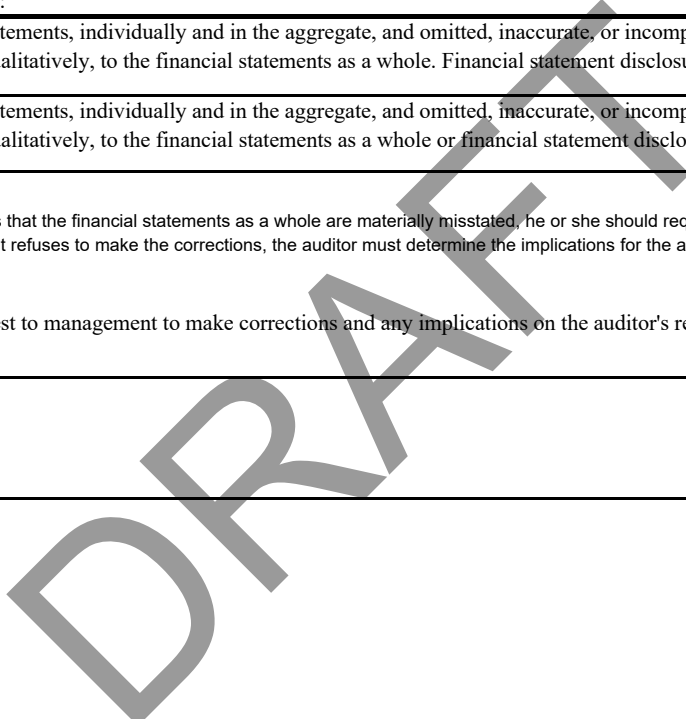
SECTION V: CONCLUSION

Check the conclusion that applies:	
<input type="checkbox"/>	Uncorrected misstatements, individually and in the aggregate, and omitted, inaccurate, or incomplete disclosures are not material, quantitatively or qualitatively, to the financial statements as a whole. Financial statement disclosures meet auditor expectations.
<input type="checkbox"/>	Uncorrected misstatements, individually and in the aggregate, and omitted, inaccurate, or incomplete disclosures are material, quantitatively or qualitatively, to the financial statements as a whole or financial statement disclosures do not meet auditor expectations.

Practice Point: If the auditor believes that the financial statements as a whole are materially misstated, he or she should request management to make the necessary corrections. If management refuses to make the corrections, the auditor must determine the implications for the auditor's report.

Document the results of the request to management to make corrections and any implications on the auditor's report.

N/A - no PAJEs



Client: **Oakridge Neighborhood Associates, Limited Partnership**
 Engagement: **Oakridge Neighborhood Associates, Limited Partnership**
 Period Ending: **12/31/2023**
 Workpaper: **Adjusting Journal Entries Report**

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries JE # 1		6100.01		
To record net loss allocation				
30-3122-00	General Partner Capital-Newbury		437,944.00	
30-3124-00	General Partner Capital - ONS		437,943.00	
30-3240-00	Retained Earnings			875,887.00
Total			875,887.00	875,887.00
Adjusting Journal Entries JE # 2		PBC		
To adjust A/R, Prepaid Rent, Bad Debt, and GPR				
30-1206-00	Tenant Accts Receivables		7,142.00	
30-1206-00	Tenant Accts Receivables		67,313.00	
30-4800-10	Apartment Rent		14.00	
30-5906-10	Bad Debt Charge-Off or Recovery - Admin		81,777.00	
30-1206-00	Tenant Accts Receivables			81,777.00
30-2210-00	Prepaid Rent			7,142.00
30-4800-10	Apartment Rent			67,313.00
30-4820-10	Vacancies			14.00
Total			156,246.00	156,246.00
Adjusting Journal Entries JE # 3		4200.01		
To adjust AP HUD to actual				
30-4820-10	Vacancies		5,082.00	
30-2011-00	Accounts Payable - HUD			5,082.00
Total			5,082.00	5,082.00

DRAFT

Client: **Oakridge Neighborhood Associates, Limited Partnership**
Engagement: **Oakridge Neighborhood Associates, Limited Partnership**
Period Ending: **12/31/2023**
Workpaper: **Reclassifying Journal Entries Report**

Account	Description	W/P Ref	Debit	Credit
Reclassifying Journal Entries JE # 101		5300.01		
To reclass loan fees related to HUD Flexible Sub				
30-1690-00	Accum Amortization-Fees		83,062.00	
30-2998-00	Loan fees - flex sub		112,730.00	
30-1590-00	Loan/Tax Credit Fees			112,730.00
30-2999-00	Amortization loan fees - flex sub			83,062.00
Total			195,792.00	195,792.00
Reclassifying Journal Entries JE # 102		4400.01		
To reclass fidelity bond insurance				
MHCS.01	Fidelity Bond Insurance Premium:Admin		282.00	
30-5300-10	Property and Liability Insurance - Admin			282.00
Total			282.00	282.00
Reclassifying Journal Entries JE # 103		5100.01		
To reclass accrued management fees out of due to AP				
30-2000-00	Due to ONS		8,330.00	
30-2012-00	Accrued Management Fees			8,330.00
Total			8,330.00	8,330.00
Reclassifying Journal Entries JE # 104		5300.01		
To reclass interest on seller note out of interest on other notes				
30-6999-10	Interest expense on seller note payable		115,219.00	
30-5974-10	Interest - Other Notes Payable - Admin			115,219.00
Total			115,219.00	115,219.00
Reclassifying Journal Entries JE # 105		5200.03		
To move accrued asset management fee to LT				
30-2341-00	Accrued Asset Management Fees		21,385.00	
30-2341-20	Accrued asset management fee payable - LT			21,385.00
Total			21,385.00	21,385.00
Reclassifying Journal Entries JE # 106		5300.01		
To reclass current portion of long term debt				
30-2350-00	Permanent Loan		13,102.00	
2170	Current Portion of First Mortgage			13,102.00
Total			13,102.00	13,102.00

Group : [195.2] Current portion accrued interest other notes

Subgroup : None

2134	Current portion accrued interest other notes	(10,500.00)	0.00	0.00	0.00	0.00	0.00	5300.01	10,500.00	(100.00%)
Subtotal : None		<u>(10,500.00)</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>10,500.00</u>	<u>(100.00%)</u>
Total [195.2]		<u>(10,500.00)</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>10,500.00</u>	<u>(100.00%)</u>

Group : [200] Accrued interest payable - second mortgage

Subgroup : None

2322-10	FLEX SUBSIDY INT	(13,149.00)	0.00	0.00	0.00	0.00	0.00	5300.01	13,149.00	(100.00%)
30-2322-00	Flex Subsidy Int	0.00	(24,210.00)	0.00	(24,210.00)	0.00	(24,210.00)	5300.01	(24,210.00)	0.00%
Subtotal : None		<u>(13,149.00)</u>	<u>(24,210.00)</u>	<u>0.00</u>	<u>(24,210.00)</u>	<u>0.00</u>	<u>(24,210.00)</u>	<u>0.00</u>	<u>(11,061.00)</u>	<u>84.12%</u>
Total [200]		<u>(13,149.00)</u>	<u>(24,210.00)</u>	<u>0.00</u>	<u>(24,210.00)</u>	<u>0.00</u>	<u>(24,210.00)</u>	<u>0.00</u>	<u>(11,061.00)</u>	<u>84.12%</u>

Group : [220] Accrued property taxes payable

Subgroup : None

2150-10	ACCRUED PROPERTY TAXES-HOMES	(129,001.00)	0.00	0.00	0.00	0.00	0.00	5200.01	129,001.00	(100.00%)
30-2150-00	Accrued Property Taxes	0.00	(107,099.00)	0.00	(107,099.00)	0.00	(107,099.00)	5300.01	(107,099.00)	0.00%
Subtotal : None		<u>(129,001.00)</u>	<u>(107,099.00)</u>	<u>0.00</u>	<u>(107,099.00)</u>	<u>0.00</u>	<u>(107,099.00)</u>	<u>0.00</u>	<u>21,902.00</u>	<u>(16.98%)</u>
Total [220]		<u>(129,001.00)</u>	<u>(107,099.00)</u>	<u>0.00</u>	<u>(107,099.00)</u>	<u>0.00</u>	<u>(107,099.00)</u>	<u>0.00</u>	<u>21,902.00</u>	<u>(16.98%)</u>

Group : [225] First Mortgage note payable-current portion

Subgroup : None

2170	Current Portion of First Mortgage	(12,128.00)	0.00	0.00	0.00	(13,102.00)	(13,102.00)	5300.01	(974.00)	8.03%
Subtotal : None		<u>(12,128.00)</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>(13,102.00)</u>	<u>(13,102.00)</u>	<u>0.00</u>	<u>(974.00)</u>	<u>8.03%</u>
Total [225]		<u>(12,128.00)</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>(13,102.00)</u>	<u>(13,102.00)</u>	<u>0.00</u>	<u>(974.00)</u>	<u>8.03%</u>

Group : [228] Prepaid Rent

Subgroup : None

2210-10	PREPAID RENT	(6,432.00)	0.00	0.00	0.00	0.00	0.00	4200.02	6,432.00	(100.00%)
30-2210-00	Prepaid Rent	0.00	(6,432.00)	(7,142.00)	(13,574.00)	0.00	(13,574.00)	4200.02	(13,574.00)	0.00%
Subtotal : None		<u>(6,432.00)</u>	<u>(6,432.00)</u>	<u>(7,142.00)</u>	<u>(13,574.00)</u>	<u>0.00</u>	<u>(13,574.00)</u>	<u>0.00</u>	<u>(7,142.00)</u>	<u>111.04%</u>
Total [228]		<u>(6,432.00)</u>	<u>(6,432.00)</u>	<u>(7,142.00)</u>	<u>(13,574.00)</u>	<u>0.00</u>	<u>(13,574.00)</u>	<u>0.00</u>	<u>(7,142.00)</u>	<u>111.04%</u>

Group : [230] TSD Liability

Subgroup : None

2191-10	TENANT SECURITY DEPOSITS	(39,697.00)	0.00	0.00	0.00	0.00	0.00	4100.01	39,697.00	(100.00%)
30-2191-00	Tenant Security Deposits	0.00	(43,232.00)	0.00	(43,232.00)	0.00	(43,232.00)	4100.01	(43,232.00)	0.00%
Subtotal : None		<u>(39,697.00)</u>	<u>(43,232.00)</u>	<u>0.00</u>	<u>(43,232.00)</u>	<u>0.00</u>	<u>(43,232.00)</u>	<u>0.00</u>	<u>(3,535.00)</u>	<u>8.90%</u>
Total [230]		<u>(39,697.00)</u>	<u>(43,232.00)</u>	<u>0.00</u>	<u>(43,232.00)</u>	<u>0.00</u>	<u>(43,232.00)</u>	<u>0.00</u>	<u>(3,535.00)</u>	<u>8.90%</u>

Group : [260] First mortgage note payable, net current

Subgroup : None

1600-10	LOAN/TAX CREDIT FEES-ADMIN	41,705.00	0.00	0.00	0.00	0.00	0.00	5300.01	(41,705.00)	(100.00%)
1611-10	ACCUM AMORTIZATION-FEES-ADMIN	(28,536.00)	0.00	0.00	0.00	0.00	0.00	5300.01	28,536.00	(100.00%)
2350-10	PERMANENT LOAN	(471,427.00)	0.00	0.00	0.00	0.00	0.00	5300.01	471,427.00	(100.00%)
30-1590-00	Loan/Tax Credit Fees	0.00	154,435.00	0.00	154,435.00	(112,730.00)	41,705.00	5300.01	41,705.00	0.00%
30-1690-00	Accum Amortization-Fees	0.00	(113,793.00)	0.00	(113,793.00)	77,129.00	(36,664.00)	4600.01	(36,664.00)	0.00%
30-2350-00	Permanent Loan	0.00	(471,426.00)	0.00	(471,426.00)	13,102.00	(458,324.00)	5300.01	(458,324.00)	0.00%
Subtotal : None		<u>(458,258.00)</u>	<u>(430,784.00)</u>	<u>0.00</u>	<u>(430,784.00)</u>	<u>(22,499.00)</u>	<u>(453,283.00)</u>	<u>0.00</u>	<u>4,975.00</u>	<u>(1.09%)</u>
Total [260]		<u>(458,258.00)</u>	<u>(430,784.00)</u>	<u>0.00</u>	<u>(430,784.00)</u>	<u>(22,499.00)</u>	<u>(453,283.00)</u>	<u>0.00</u>	<u>4,975.00</u>	<u>(1.09%)</u>

Group : [265] Mortgages Payable-other mortgages

Subgroup : None

2340-10	FLEX SUBSIDY LOAN	(1,106,085.00)	0.00	0.00	0.00	0.00	0.00	5300.01	1,106,085.00	(100.00%)
2998	Loan fees - flex sub	112,730.00	0.00	0.00	0.00	0.00	0.00	5300.01	(112,730.00)	(100.00%)
2999	Amortization loan fees - flex sub	(77,129.00)	0.00	0.00	0.00	0.00	0.00	5300.01	77,129.00	(100.00%)
30-2351-00	Flex Subsidy Loan	0.00	(1,106,085.00)	0.00	(1,106,085.00)	0.00	(1,106,085.00)	5300.01	(1,106,085.00)	0.00%
30-2998-00	Loan fees - flex sub	0.00	0.00	0.00	0.00	112,730.00	112,730.00	5300.01	112,730.00	0.00%
30-2999-00	Amortization loan fees - flex sub	0.00	0.00	0.00	0.00	(77,129.00)	(77,129.00)	5300.01	(77,129.00)	0.00%
Subtotal : None		<u>(1,070,484.00)</u>	<u>(1,106,085.00)</u>	<u>0.00</u>	<u>(1,106,085.00)</u>	<u>35,601.00</u>	<u>(1,070,484.00)</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00%</u>
Total [265]		<u>(1,070,484.00)</u>	<u>(1,106,085.00)</u>	<u>0.00</u>	<u>(1,106,085.00)</u>	<u>35,601.00</u>	<u>(1,070,484.00)</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00%</u>

Group : [211] Sponsor Note

Subgroup : None

2356-10	Sponsor loan:ADMIN	(125,000.00)	0.00	0.00	0.00	0.00	0.00	5300.01	125,000.00	(100.00%)
30-2356-00	Sponsor Loan - ONS	0.00	(125,000.00)	0.00	(125,000.00)	0.00	(125,000.00)	5300.01	(125,000.00)	0.00%
Subtotal : None		<u>(125,000.00)</u>	<u>(125,000.00)</u>	<u>0.00</u>	<u>(125,000.00)</u>	<u>0.00</u>	<u>(125,000.00)</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00%</u>
Total [211]		<u>(125,000.00)</u>	<u>(125,000.00)</u>	<u>0.00</u>	<u>(125,000.00)</u>	<u>0.00</u>	<u>(125,000.00)</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00%</u>

Group : [285] Other loans and notes payable

Subgroup : [285.1] TCAP - net of current portion

2352-10	NOTES PAYABLE-TCAP:ADMIN	(2,355,391.00)	0.00	0.00	0.00	0.00	0.00	5300.01	2,355,391.00	(100.00%)
30-2352-00	Notes Payable - TCAP	0.00	(2,355,391.00)	0.00	(2,355,391.00)	0.00	(2,355,391.00)	5300.01	(2,355,391.00)	0.00%
Subtotal [285.1]		<u>(2,355,391.00)</u>	<u>(2,355,391.00)</u>	<u>0.00</u>	<u>(2,355,391.00)</u>	<u>0.00</u>	<u>(2,355,391.00)</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00%</u>

Subgroup : [285.2] HOME loan

2353-10	NOTES PAYABLE-HOME FUNDS:ADMIN	(1,050,000.00)	0.00	0.00	0.00	0.00	0.00	5300.01	1,050,000.00	(100.00%)
30-2353-00	Notes Payable - HOME Funds	0.00	(1,050,000.00)	0.00	(1,050,000.00)	0.00	(1,050,000.00)	5300.01	(1,050,000.00)	0.00%
Subtotal [285.2]		<u>(1,050,000.00)</u>	<u>(1,050,000.00)</u>	<u>0.00</u>	<u>(1,050,000.00)</u>	<u>0.00</u>	<u>(1,050,000.00)</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00%</u>

Subgroup : [285.3] Seller note

2355-10	NOTE PAYABLE-HOMES OF OAKRIDGE	(1,473,786.00)	0.00	0.00	0.00	0.00	0.00	5300.01	1,473,786.00	(100.00%)
30-2355-00	Note Payable - ONS	0.00	(1,473,786.00)	0.00	(1,473,786.00)	0.00	(1,473,786.00)	5300.01	(1,473,786.00)	0.00%
Subtotal [285.3]		<u>(1,473,786.00)</u>	<u>(1,473,786.00)</u>	<u>0.00</u>	<u>(1,473,786.00)</u>	<u>0.00</u>	<u>(1,473,786.00)</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00%</u>
Total [285]		<u>(4,879,177.00)</u>	<u>(4,879,177.00)</u>	<u>0.00</u>	<u>(4,879,177.00)</u>	<u>0.00</u>	<u>(4,879,177.00)</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00%</u>

Group : [192] Accrued partnership management fee payable

Subgroup : None

2342-10	ACCRUED PARTNERSHIP MGMT FEES:ADMIN	(240,000.00)	0.00	0.00	0.00	0.00	0.00	5200.03	240,000.00	(100.00%)
30-2342-00	Accrued Partnership Management Fees	0.00	(260,000.00)	0.00	(260,000.00)	0.00	(260,000.00)	5200.03	(260,000.00)	0.00%
Subtotal : None		<u>(240,000.00)</u>	<u>(260,000.00)</u>	<u>0.00</u>	<u>(260,000.00)</u>	<u>0.00</u>	<u>(260,000.00)</u>	<u>0.00</u>	<u>(20,000.00)</u>	<u>8.33%</u>
Total [192]		<u>(240,000.00)</u>	<u>(260,000.00)</u>	<u>0.00</u>	<u>(260,000.00)</u>	<u>0.00</u>	<u>(260,000.00)</u>	<u>0.00</u>	<u>(20,000.00)</u>	<u>8.33%</u>

Group : [197] Accrued Interest Other Notes Payable

Subgroup : None

2133-10	ACCRUED INTEREST-OTHER NOTES PAYABLE	(778,258.00)	0.00	0.00	0.00	0.00	0.00	5300.01	778,258.00	(100.00%)
2136-10	Accrued Interest- City of Des Moines:ADMIN	(22,269.00)	0.00	0.00	0.00	0.00	0.00	5300.01	22,269.00	(100.00%)
30-2133-00	Accrued Interest-Other Notes Payable	0.00	(893,477.00)	0.00	(893,477.00)	0.00	(893,477.00)	5300.01	(893,477.00)	0.00%
30-2136-00	Accrued Interest - City of DSM	0.00	(32,769.00)	0.00	(32,769.00)	0.00	(32,769.00)	5300.01	(32,769.00)	0.00%
Subtotal : None		<u>(800,527.00)</u>	<u>(926,246.00)</u>	<u>0.00</u>	<u>(926,246.00)</u>	<u>0.00</u>	<u>(926,246.00)</u>	<u>0.00</u>	<u>(125,719.00)</u>	<u>15.70%</u>
Total [197]		<u>(800,527.00)</u>	<u>(926,246.00)</u>	<u>0.00</u>	<u>(926,246.00)</u>	<u>0.00</u>	<u>(926,246.00)</u>	<u>0.00</u>	<u>(125,719.00)</u>	<u>15.70%</u>

Group : [320] Partners' Capital (Deficit)

Subgroup : None

30-3122-00	General Partner Capital-Newbury	0.00	467,969.00	437,944.00	905,913.00	0.00	905,913.00	6100.01	905,913.00	0.00%
30-3123-00	Syndication Fees	0.00	129,818.00	0.00	129,818.00	0.00	129,818.00	6100.01	129,818.00	0.00%
30-3124-00	General Partner Capital - ONS	0.00	(211,356.00)	437,943.00	226,587.00	0.00	226,587.00	6100.01	226,587.00	0.00%
30-3240-00	Retained Earnings	0.00	0.00	(875,887.00)	(875,887.00)	0.00	(875,887.00)	6100.01	(875,887.00)	0.00%
3122-10	GENERAL PARTNER CAPITAL-NEWBURY	467,969.00	0.00	0.00	0.00	0.00	0.00	6100.01	(467,969.00)	(100.00%)
3123-10	SYNDICATION FEES:ADMIN	129,818.00	0.00	0.00	0.00	0.00	0.00	6100.01	(129,818.00)	(100.00%)
3124-10	GENERAL PARTNER CAPITAL-ONS	(211,356.00)	0.00	0.00	0.00	0.00	0.00	6100.01	211,356.00	(100.00%)
3240-10	PROFIT/(LOSS)	(948,162.00)	0.00	0.00	0.00	0.00	0.00	6100.01	948,162.00	(100.00%)

SUMMARY AND EVALUATION OF MISSTATEMENTS AND OMITTED, INACCURATE, OR INCOMPLETE DISCLOSURES

PURPOSE

This form has been designed to help the auditor summarize and evaluate all misstatements and omitted, inaccurate, or incomplete disclosures, other than those that are trivial, that have been identified during the audit.

This form is part of the collections of forms that make up the Communication Hub. Like all forms in the Communication Hub, this form will be populated throughout the audit with key information about the entity and its environment. Throughout the engagement, other team members will access the information contained in this form so that they may appropriately consider the information documented here when they perform their audit procedures.

Practice Alert: In May 2019, the AICPA's Auditing Standards Board (ASB) issued Statement on Auditing Standards No. 134 (SAS-134), *Auditor Reporting and Amendments, Including Amendments Addressing Disclosures in the Audit of Financial Statements*. The changes in SAS-134 are intended to enhance the relevance and usefulness of the auditor's report and provide financial statement users with more meaningful information about the audit. The suite of new standards on auditor reporting will result in the first significant changes to auditor's reports in years, most notably the re-ordering of report sections and, when applicable, the reporting of key audit matters. SAS-134 makes important changes to the requirements for the form and content of the auditor's report issued as a result of an audit of financial statements. In addition, it addresses the auditor's responsibilities to form an opinion on the financial statements. This standard makes the following changes to the reporting standards:

- Forming an Opinion and Reporting on Financial Statements (Section 700 in SAS-134) addresses the form and content of the auditor's report and the auditor's responsibility to form an opinion on the financial statements.
- Communicating Key Audit Matters in the Independent Auditor's Report (Section 701 in SAS-134) notes that reporting of Key Audit Matters (KAMs) is not required unless the auditor is specifically engaged to report on KAMs.
- Modifications to the Opinion in the Independent Auditor's Report (Section 705 in SAS-134) addresses how the form and content of the auditor's report are affected when the auditor expresses a modified opinion (i.e., a qualified opinion, an adverse opinion, or a disclaimer of opinion) on the financial statements.
- Emphasis-of-Matter Paragraphs and Other-Matter Paragraphs in the Independent Auditor's Report (Section 706 in SAS-134) notably clarifies the relationship between emphasis-of-matter paragraphs and the communication of KAMs in the auditor's report.

SAS-134 supersedes the following sections of the AICPA Auditing Standards Codification:

- AU-C Section 700, Forming an Opinion and Reporting on Financial Statements;
- AU-C Section 705, Modifications to the Opinion in the Independent Auditor's Report; and
- AU-C Section 706, Emphasis-of-Matter Paragraphs and Other-Matter Paragraphs in the Independent Auditor's Report.

SAS-134 also creates a new AU-C Section 701, Communicating Key Audit Matters in the Independent Auditor's Report.

SAS-134, as issued, was effective for audits of financial statements for periods ending on or after December 15, 2020 and early implementation was not permitted. However, in Spring of 2020, the ASB voted to defer the effective date and SAS-134 is now effective for periods ending on or after December 15, 2021. The prohibition on early implementation was also removed. This toolset incorporates the requirements of SAS-134.

INSTRUCTIONS

The auditor should accumulate misstatements that were corrected by management in section I of this form and uncorrected misstatements in section II of this form. If the auditor uses auditing software that summarizes corrected and uncorrected misstatements, he or she may choose to substitute equivalent reports from that software for sections I and II of this form. Omitted, inaccurate, or incomplete disclosures should be summarized in section III of this form and may be transferred (copied and pasted or referenced) from the financial statement disclosure checklist. By completing sections IV and V, the auditor will document his or her evaluation of, and conclusion about, the materiality of uncorrected misstatements and omitted, inaccurate, or incomplete disclosures, and whether disclosures met the auditor's expectations.

The number and nature of misstatements corrected by management may affect the auditor's evaluation of uncorrected misstatements. For example, if a large number of material misstatements are identified during the audit, the risk that the financial statements are materially misstated may be greater than the original assessment, and the risk that undetected misstatements are material may also be higher. For this reason, the evaluation of uncorrected misstatements is best performed with an understanding of all misstatements.

The auditor communicates identified misstatements to an appropriate level of management on a timely basis, unless prohibited by law or regulation, to provide management with the opportunity to correct them (including the effect of prior-year misstatements) and further examines the source of such misstatements. The auditor should evaluate management's work to determine whether the corrections have been recorded properly and whether uncorrected misstatements remain. The auditor should document management's reasons for not correcting any misstatements, other than those that are clearly trivial. It should be noted that "clearly trivial" is NOT another expression for "not material." Misstatements that are "clearly trivial" are misstatements that are clearly inconsequential, whether taken individually or in the aggregate and whether judged by any criteria of size, nature, or circumstances. If management elects not to correct some or all of the misstatements, the auditor should take that into account when considering the qualitative aspects of the entity's accounting practices and the implications

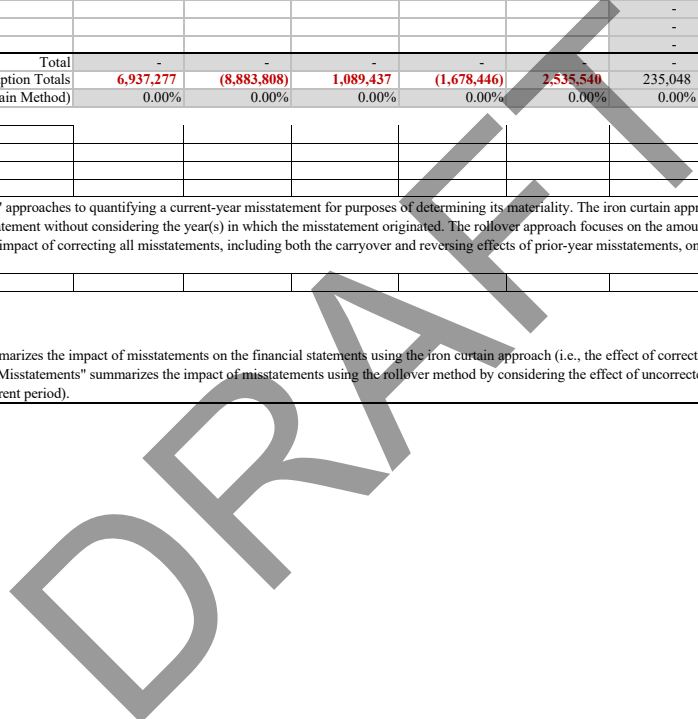
The auditor communicates identified misstatements to an appropriate level of management on a timely basis, unless prohibited by law or regulation, to provide management with the opportunity to correct them (including the effect of prior-year misstatements) and further examines the source of such misstatements. The auditor should evaluate management's work to determine whether the corrections have been recorded properly and whether uncorrected misstatements remain. The auditor should document management's reasons for not correcting any misstatements, other than those that are trivial. If management elects not to correct some or all of the misstatements, the auditor should take that into account when considering the qualitative aspects of the entity's accounting practices and the implications for the auditor's report.

The auditor should obtain written representation from management that the effects of uncorrected misstatements and omitted, inaccurate, and incomplete disclosures, both individually and in the aggregate, are not material to the financial statements as a whole.

The auditor should refer to Chapter 12, "Evaluating and Concluding the Audit," for further guidance on evaluating and concluding an audit, including evaluation of misstatements and omitted, inaccurate, and incomplete disclosures.

PAJE

	A	B	C	E	F	G	H	I	J	K	L	M
1			Planning Materiality	171,000	2300.01			PAJE Threshold:	8,550			
2		Oakridge Neighborhood Associates Phase II, Limited Partnership										
3		December 31, 2023										
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**SUMMARY AND EVALUATION OF MISSTATEMENTS
AND OMITTED, INACCURATE, OR INCOMPLETE DISCLOSURES**

SECTION IV: EVALUATION OF QUALITATIVE AND QUANTITATIVE FACTORS

The auditor should evaluate whether uncorrected misstatements are material, individually or in combination with other misstatements. In this evaluation, the auditor should consider both "quantitative" and "qualitative" factors in assessing the effect of uncorrected misstatements. Evaluation of materiality requires an entity and its auditor to consider all the relevant circumstances, as qualitative factors may cause misstatements of quantitatively small amounts to be material. As a result of the interaction of quantitative and qualitative considerations in materiality judgments, uncorrected misstatements of relatively small amounts could have a material effect on the financial statements. The auditor should evaluate misstatements in light of quantitative and qualitative factors and consider whether, in relation to individual line item amounts, subtotals, or totals in the financial statements, they materially misstate the financial statements as a whole.

Practice Point: Before considering the aggregate effect of identified uncorrected misstatements, the auditor reassesses materiality determined during planning, to confirm whether it remains appropriate in the context of the entity's actual financial results. Then the auditor considers each misstatement separately to evaluate:

- Its effect in relation to the relevant individual classes of transactions, account balances, or disclosures, including whether materiality levels for particular items of lesser amounts than the materiality level for the financial statements as a whole have been exceeded.
- Whether, in considering the effect of the individual misstatement on the financial statements as a whole, it is appropriate to offset misstatements. For example, it may be appropriate to offset misstatements of items within the same account balance in the financial statements.
- The effect of misstatements related to prior periods. In prior periods, misstatements may not have been corrected by the entity because they did not cause the financial statements for those periods to be materially misstated. Those misstatements might also affect the current period's financial statements.

In evaluating whether the financial statements are presented fairly, in all material respects, in accordance with the applicable financial reporting framework, we considered the effects, both individually and in the aggregate, of misstatements that are not corrected by the entity. We also evaluated the significance of omitted, inaccurate, or incomplete disclosures. We have indicated below the factors considered in making these evaluations.

The auditor should refer to Chapter 12, "Evaluating and Concluding the Audit," for

Evaluation of Uncorrected Misstatements			
<i>Individual and aggregate uncorrected misstatements:</i>			
		<i>Yes, No</i>	<i>Comments</i>
a.	Exceed materiality.		
b.	Approach materiality, increasing the risk of undetected misstatements or that the financial statements may be materially misstated.		
c.	Are significant to a financial statement element other than results of operations.		
d.	Are material to individual classes of transactions, account balances, or disclosures.		
e.	Are material to individual classes of transactions, account balances, or disclosures when considered in relation to uncorrected prior period misstatements.		
f.	Are material, considering the nature and amount of the misstatements in relation to the nature and amount of items in the financial statements under audit.		
g.	Should be considered without being offset by other uncorrected misstatements.		

Evaluation

h.	Affect or mask operating results or other trends.		
i.	Change a net decrease in net assets or fund balance into a net increase or vice versa		
j.	Are material given statutory or regulatory reporting requirements that affect materiality thresholds.		
k.	Affect management's compensation, including affecting the requirements of bonus awards or other incentive compensation.		
l.	Affect classifications among sensitive financial statement elements, such as those making up key performance ratios.		
m.	Are significant given user needs, such as loan covenants, contractual agreements, and regulatory provisions.		
n.	Imply the existence of fraud, noncompliance with laws and regulations, violations of contractual provisions, or conflicts of interest.		
o.	May be intentional because of management's (1) bias in developing accounting estimates; (2) unwillingness to correct weaknesses in the financial reporting process; (3) identification of additional adjusting entries that offset misstatements accumulated by the auditor; or (4) decision not to follow the applicable financial reporting framework.		
p.	May have a material effect on future periods.		
q.	Are primarily known misstatements rather than likely misstatements.		
r.	Indicate the possibility of fraud.		

Evaluation of Omitted, Inaccurate, or Incomplete Disclosures			
<i>Omitted, inaccurate, or incomplete disclosures:</i>			
		<i>Yes, No</i>	<i>Comments</i>
a.	Relate to material matters.		
b.	Are significant given user needs, such as loan covenants, contractual agreements, and regulatory provisions.		
c.	Are significant given statutory or regulatory reporting requirements.		
d.	Are important to the understanding of a material balance or transaction.		
e.	When aggregated, hide or misrepresent a significant matter.		

Other Considerations			
<i>We also considered the items below in evaluating the materiality of uncorrected misstatements and omitted, inaccurate, or incomplete disclosures:</i>			
a.			
b.			
c.			
d.			

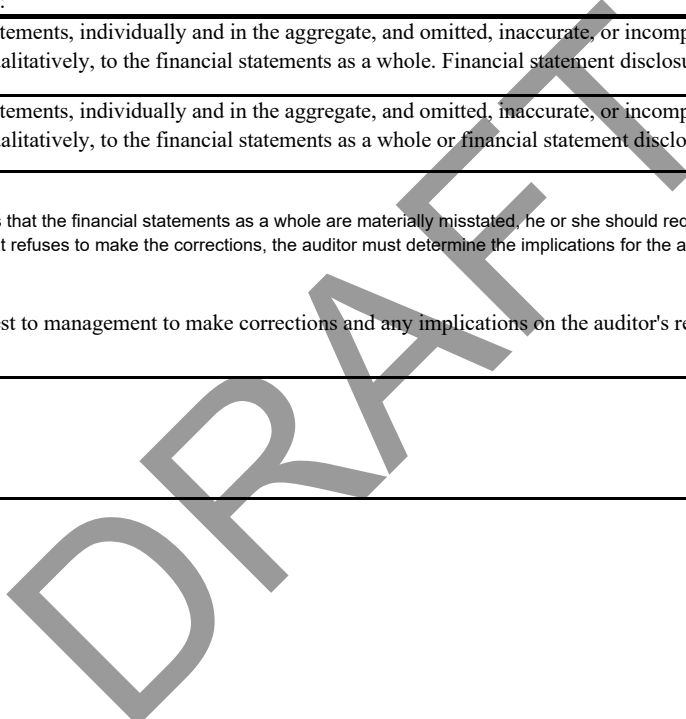
SECTION V: CONCLUSION

Check the conclusion that applies:	
<input type="checkbox"/>	Uncorrected misstatements, individually and in the aggregate, and omitted, inaccurate, or incomplete disclosures are not material, quantitatively or qualitatively, to the financial statements as a whole. Financial statement disclosures meet auditor expectations.
<input type="checkbox"/>	Uncorrected misstatements, individually and in the aggregate, and omitted, inaccurate, or incomplete disclosures are material, quantitatively or qualitatively, to the financial statements as a whole or financial statement disclosures do not meet auditor expectations.

Practice Point: If the auditor believes that the financial statements as a whole are materially misstated, he or she should request management to make the necessary corrections. If management refuses to make the corrections, the auditor must determine the implications for the auditor's report.

Document the results of the request to management to make corrections and any implications on the auditor's report.

N/A - no PAJEs



Client: **29678 - Oakridge Neighborhood Associates Phase II, Limited Partnership**
 Engagement: **29678 - Oakridge Neighborhood Associates Phase II, Limited Partnership**
 Period Ending: **12/31/2023**
 Trial Balance: **3000.00 - Annual Trial Balance**
 Workpaper: **3700.01 - Adjusting Journal Entries Report**

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries JE # 1		6100.01		
Record net loss allocation				
3122-20	GENERAL PARTNER CAPITAL-NEWBURY		428,547.00	
3124-20	GENERAL PARTNER CAPITAL-ONS		428,547.00	
3240-20	PROFIT/(LOSS)			857,094.00
Total			857,094.00	857,094.00
Adjusting Journal Entries JE # 2		4200.01		
To adjust HUD - AR				
40-1210-00	Hud Section 8 Subsidy - A/R		962.00	
40-4820-10	Vacancies			962.00
Total			962.00	962.00
Adjusting Journal Entries JE # 3		PBC		
To adjust A/R, Prepaid Rent, Charge Offs, and GPR				
40-2210-00	Prepaid Rent		4,088.00	
40-4800-10	Apartment Rent		10,421.00	
40-4800-10	Apartment Rent		19,114.00	
40-5906-10	Bad Debt Charge-Off or Recovery - Admin		4,544.00	
40-1206-00	Tenant Acct Receivables			4,088.00
40-1206-00	Tenant Acct Receivables			4,544.00
40-1206-00	Tenant Acct Receivables			10,421.00
40-4820-10	Vacancies			19,114.00
Total			38,167.00	38,167.00

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Client: **29678 - Oakridge Neighborhood Associates Phase II, Limited Partnership**
 Engagement: **29678 - Oakridge Neighborhood Associates Phase II, Limited Partnership**
 Period Ending: **12/31/2023**
 Trial Balance: **3000.00 - Annual Trial Balance**
 Workpaper: **3700.02 - Reclassifying Journal Entries Report**

Account	Description	W/P Ref	Debit	Credit
Reclassifying Journal Entries JE # 101		5300.01		
To reclass current portion of long term debt				
40-2350-00	Permanent Loan		13,742.00	
2170	Current Portion of Long Term Debt			13,742.00
Total			<u>13,742.00</u>	<u>13,742.00</u>
Reclassifying Journal Entries JE # 102		4400.01		
To reclassify Fidelity Bond Insurance Premium amount				
MHCS.01	Fidelity Bond Insurance Premium:Admin		282.00	
40-5300-10	Property and Liability Insurance - Admin			282.00
Total			<u>282.00</u>	<u>282.00</u>
Reclassifying Journal Entries JE # 103		5300.01		
To reclass deferred loan fees associated with HUD Flex Loan				
40-1690-00	Accum Amortization-Fees		74,298.00	
40-2998-00	Loan fees - HUD flex sub.		100,832.00	
40-1590-00	Loan/Tax Credit Fees			100,832.00
40-2999-00	Amorization loan fees - HUD flex sub.			74,298.00
Total			<u>175,130.00</u>	<u>175,130.00</u>
Reclassifying Journal Entries JE # 104		5100.01		
To reclass accrued management fees out of due to ONS				
40-2000-00	Due to ONS		8,139.00	
40-2011-00	Accrued management fees			8,139.00
Total			<u>8,139.00</u>	<u>8,139.00</u>
Reclassifying Journal Entries JE # 106		5300.01		
To reclass interest on seller note out of interest on other notes				
40-5976-10	INTEREST ON SELLER NOTE		169,464.00	
40-5974-10	Interest - Other Notes Payable - Admin			169,464.00
Total			<u>169,464.00</u>	<u>169,464.00</u>

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6531-22	SECURITY EQUIPMENT:SECURITY	1,208.00	0.00	0.00	0.00	0.00	0.00	7200.01	(1,208.00)	(100.00%)
6532-22	OFF DUTY POLICE:SECURITY	5,335.00	0.00	0.00	0.00	0.00	0.00	7200.01	(5,335.00)	(100.00%)
Subtotal [655]	Security	209,404.00	227,218.00	0.00	227,218.00	0.00	227,218.00		17,814.00	8.51%
Subgroup : [657] Vehicle/eqpt repair										
40-5424-11	Motor Vehicle Expense - Housing - Maint	0.00	4,598.00	0.00	4,598.00	0.00	4,598.00	7200.01	4,598.00	0.00%
6570-21	MOTOR VEHICLE EXPENS:MAINT	213.00	0.00	0.00	0.00	0.00	0.00	7200.01	(213.00)	(100.00%)
6592-21	MOTOR VEHICLE FUEL/O:MAINT	2,076.00	0.00	0.00	0.00	0.00	0.00	7200.01	(2,076.00)	(100.00%)
Subtotal [657]	Vehicle/eqpt repair	2,289.00	4,598.00	0.00	4,598.00	0.00	4,598.00		2,309.00	100.87%
Total [650]	Operating and maintenance exp	543,416.00	610,627.00	0.00	610,627.00	0.00	610,627.00		67,209.00	12.37%
Group : [670] Taxes and insurance										
Subgroup : [676] Property Taxes										
40-5304-10	Real Estate Taxes - Admin	0.00	60,615.00	0.00	60,615.00	0.00	60,615.00	5200.01	60,615.00	0.00%
6710-20	REAL ESTATE TAX	110,782.00	0.00	0.00	0.00	0.00	0.00	5200.01	(110,782.00)	(100.00%)
Subtotal [676]	Property Taxes	110,782.00	60,615.00	0.00	60,615.00	0.00	60,615.00		(50,167.00)	(45.28%)
Subgroup : [671] Payroll taxes										
40-5110-10	Payroll Taxes - Admin	0.00	16,575.00	0.00	16,575.00	0.00	16,575.00	7200.03	16,575.00	0.00%
40-5110-11	Payroll Taxes - Maint	0.00	9,926.00	0.00	9,926.00	0.00	9,926.00	7200.03	9,926.00	0.00%
40-5110-12	Payroll Taxes - Security	0.00	9,701.00	0.00	9,701.00	0.00	9,701.00	7200.03	9,701.00	0.00%
6711-20	PAYROLL TAX:ADMIN	15,011.00	0.00	0.00	0.00	0.00	0.00	7200.03	(15,011.00)	(100.00%)
6711-21	PAYROLL TAX:MAINT/GROUNDS	9,537.00	0.00	0.00	0.00	0.00	0.00	7200.03	(9,537.00)	(100.00%)
6711-22	PAYROLL TAX:SECURITY	8,935.00	0.00	0.00	0.00	0.00	0.00	7200.03	(8,935.00)	(100.00%)
6712-22	PAYROLL TAXES:DMFO	461.00	0.00	0.00	0.00	0.00	0.00	7200.03	(461.00)	(100.00%)
6722-21	WORKMAN'S COMPENSATI:MAINT	1,655.00	0.00	0.00	0.00	0.00	0.00	4400.01	(1,655.00)	(100.00%)
6722-22	WORKMAN'S COMPENSATI:SECURITY	2,979.00	0.00	0.00	0.00	0.00	0.00	4400.01	(2,979.00)	(100.00%)
Subtotal [671]	Payroll taxes	38,596.00	36,202.00	0.00	36,202.00	0.00	36,202.00		(2,396.00)	(6.21%)
Subgroup : [672] Property and liability insurance										
40-5300-10	Property and Liability Insurance - Admin	0.00	82,253.00	0.00	82,253.00	(282.00)	81,971.00	4400.01	81,971.00	0.00%
6720-20	INSURANCE PROPERTY/LIABILITY	73,449.00	0.00	0.00	0.00	0.00	0.00	4400.01	(73,449.00)	(100.00%)
Subtotal [672]	Property and liability insurance	73,449.00	82,253.00	0.00	82,253.00	(282.00)	81,971.00		8,522.00	11.60%
Subgroup : [673] Fidelity bond										
6721	FIDELITY BOND INS PREMIUM:ADMIN	305.00	0.00	0.00	0.00	0.00	0.00	4400.01	(305.00)	(100.00%)
MHCS.01	Fidelity Bond Insurance Premium:Admin	0.00	0.00	0.00	0.00	282.00	282.00	4400.01	282.00	0.00%
Subtotal [673]	Fidelity bond	305.00	0.00	0.00	0.00	282.00	282.00		(23.00)	(7.54%)
Subgroup : [674] Work comp										
40-5140-10	Worker Compensation Insurance - Admin	0.00	2,371.00	0.00	2,371.00	0.00	2,371.00	4400.01	2,371.00	0.00%
40-5140-11	Worker Compensation Insurance - Maint	0.00	1,451.00	0.00	1,451.00	0.00	1,451.00	4400.01	1,451.00	0.00%
40-5140-12	Worker Compensation Insurance - Securi	0.00	1,887.00	0.00	1,887.00	0.00	1,887.00	4400.01	1,887.00	0.00%
6722-20	WORKMAN'S COMPENSATION	2,674.00	0.00	0.00	0.00	0.00	0.00	4400.01	(2,674.00)	(100.00%)
Subtotal [674]	Work comp	2,674.00	5,709.00	0.00	5,709.00	0.00	5,709.00		3,035.00	113.56%
Subgroup : [675] Health insurance and other										
40-5150-10	401(K) Match - Admin	0.00	9,218.00	0.00	9,218.00	0.00	9,218.00	1125.92	9,218.00	0.00%
40-5150-11	401(K) Match - Maint	0.00	3,141.00	0.00	3,141.00	0.00	3,141.00	1125.92	3,141.00	0.00%
40-5160-10	Health, Life, and Disability Insurance - Ad	0.00	36,739.00	0.00	36,739.00	0.00	36,739.00	7200.01	36,739.00	0.00%
40-5160-11	Health, Life, and Disability Insurance - Mt	0.00	15,365.00	0.00	15,365.00	0.00	15,365.00	7200.01	15,365.00	0.00%
40-5160-12	Health, Life, and Disability Insurance - Se	0.00	11,636.00	0.00	11,636.00	0.00	11,636.00	7200.01	11,636.00	0.00%
6723-20	EMPLOYEE HEALTH INSURANCE	28,305.00	0.00	0.00	0.00	0.00	0.00	7200.01	(28,305.00)	(100.00%)
6723-21	EMPLOYEE HEALTH INSU:MAINT	12,638.00	0.00	0.00	0.00	0.00	0.00	7200.01	(12,638.00)	(100.00%)
6723-22	EMPLOYEE HEALTH INSU:SECURITY	19,234.00	0.00	0.00	0.00	0.00	0.00	7200.01	(19,234.00)	(100.00%)
6724-20	401K COMPANY MATCH	9,167.00	0.00	0.00	0.00	0.00	0.00	1125.92	(9,167.00)	(100.00%)
6724-21	401K COMPANY MATCH:MAINT	3,163.00	0.00	0.00	0.00	0.00	0.00	1125.92	(3,163.00)	(100.00%)
6724-22	401K COMPANY MATCH:SECURITY	576.00	0.00	0.00	0.00	0.00	0.00	1125.92	(576.00)	(100.00%)
Subtotal [675]	Health insurance and other	73,065.00	76,099.00	0.00	76,099.00	0.00	76,099.00		3,014.00	4.12%
Total [670]	Taxes and insurance	298,993.00	260,878.00	0.00	260,878.00	0.00	260,878.00		(38,015.00)	(12.72%)
Group : [680] Financial expenses										
Subgroup : [681] Interest on mortgage payable										
40-5970-10	Mortgage Interest - Admin	0.00	41,232.00	0.00	41,232.00	0.00	41,232.00	5300.01	41,232.00	0.00%
6820-20	MORTGAGE INTEREST	42,184.00	0.00	0.00	0.00	0.00	0.00	5300.01	(42,184.00)	(100.00%)
Subtotal [681]	Interest on mortgage payable	42,184.00	41,232.00	0.00	41,232.00	0.00	41,232.00		(952.00)	(2.26%)
Subgroup : [686] Interest on 2nd mortgage										
40-5972-10	Interest - 2nd Mortgage - Admin	0.00	18,378.00	0.00	18,378.00	0.00	18,378.00	5300.01	18,378.00	0.00%
6831-20	INTEREST EXT 2ND MORTGAGE	18,378.00	0.00	0.00	0.00	0.00	0.00	5300.01	(18,378.00)	(100.00%)
Subtotal [686]	Interest on 2nd mortgage	18,378.00	18,378.00	0.00	18,378.00	0.00	18,378.00		0.00	0.00%
Subgroup : [682] interest on mortgage payable-other										
40-5974-10	Interest - Other Notes Payable - Admin	0.00	177,479.00	0.00	177,479.00	(169,464.00)	8,015.00	5300.01	8,015.00	0.00%
6832-20	INTEREST ON OTHER NOTES	8,015.00	0.00	0.00	0.00	0.00	0.00	5300.01	(8,015.00)	(100.00%)
Subtotal [682]	interest on mortgage payable-other	8,015.00	177,479.00	0.00	177,479.00	(169,464.00)	8,015.00		0.00	0.00%
Total [680]	Financial expenses	68,577.00	237,099.00	0.00	237,099.00	(169,464.00)	67,625.00		(952.00)	(1.39%)
Group : [690] Depreciation expense										
Subgroup : None										
40-5990-10	Depreciation Expense - Admin	0.00	807,941.00	0.00	807,941.00	0.00	807,941.00	4600.01	807,941.00	0.00%
6600-20	DEPRECIATION	777,448.00	0.00	0.00	0.00	0.00	0.00	4600.01	(777,448.00)	(100.00%)
Subtotal : None	Depreciation expense	777,448.00	807,941.00	0.00	807,941.00	0.00	807,941.00		30,493.00	3.92%
Total [690]	Depreciation expense	777,448.00	807,941.00	0.00	807,941.00	0.00	807,941.00		30,493.00	3.92%
Group : [725] Ently expenses										
Subgroup : [725.1] Interest on seller note										
40-5976-10	INTEREST ON SELLER NOTE	0.00	0.00	0.00	0.00	169,464.00	169,464.00	5300.01	169,464.00	0.00%
6999	INTEREST ON SELLER NOTE	161,216.00	0.00	0.00	0.00	0.00	0.00	5300.01	(161,216.00)	(100.00%)
Subtotal [725.1]	Interest on seller note	161,216.00	0.00	0.00	0.00	169,464.00	169,464.00		8,248.00	5.12%
Subgroup : [725.2] Asset management fee										
40-5980-10	Asset Management Fees - Admin	0.00	21,386.00	0.00	21,386.00	0.00	21,386.00	5200.03	21,386.00	0.00%
6321-20	ASSET MANAGEMENT FEE:ADMIN	20,763.00	0.00	0.00	0.00	0.00	0.00	5200.03	(20,763.00)	(100.00%)
Subtotal [725.2]	Asset management fee	20,763.00	21,386.00	0.00	21,386.00	0.00	21,386.00		623.00	3.00%
Subgroup : [725.3] Partnership management fee										
40-5982-10	Partnership Management Fees - Admin	0.00	20,000.00	0.00	20,000.00	0.00	20,000.00	5200.03	20,000.00	0.00%
6324-20	PARTNERSHIP MANAGEMENT FEES:AC	20,000.00	0.00	0.00	0.00	0.00	0.00	5200.03	(20,000.00)	(100.00%)
Subtotal [725.3]	Partnership management fee	20,000.00	20,000.00	0.00	20,000.00	0.00	20,000.00		0.00	0.00%
Total [725]	Ently expenses	201,979.00	41,386.00	0.00	41,386.00	169,464.00	210,850.00		8,871.00	4.39%
	NET (INCOME) LOSS	832,158.00	843,091.00	14,003.00	857,094.00	0.00	857,094.00		24,936.00	3.00%
	Sum of Account Groups	0.00	0.00	0.00	0.00	0.00	0.00		0.00	0.00%

Client: **Silver Oaks Associates, L.P.**
 Engagement: **Silver Oaks Associates, L.P.**
 Period Ending: **12/31/2023**
 Workpaper: **Adjusting Journal Entries Report**

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries JE # 1		7100.01		
Adjust GPR to Actual				
50-4820-10	Vacancies		571.00	
50-4800-10	Apartment Rent			571.00
Total			571.00	571.00
Adjusting Journal Entries JE # 2		6100.01		
To allocate CY net loss				
50-3121-00	Limited Partner Capital - NEF		202,314.00	
50-3122-00	General Partner Capital-Newbury		10.00	
50-3124-00	General Partner Capital - ONS		10.00	
50-3240-00	Retained Earnings			202,334.00
Total			202,334.00	202,334.00

DRAFT

Client: **30529.0 - Silver Oaks Associates, L.P.**
 Engagement: **30529 - Silver Oaks Associates, L.P.**
 Trial Balance: **3000.01 - Annual Trial Balance**
 Workpaper: **3700.02 - Reclassifying Journal Entries Report**

Account	Description	W/P Ref	Debit	Credit
Reclassifying Journal Entries JE # 101		5300.01		
To reclass current portion of notes payable				
2352-10	NOTES PAYABLE-IFA		13,023.00	
2350	CURRENT PORTION OF LONG-TERM DEBT			13,023.00
Total			<u><u>13,023.00</u></u>	<u><u>13,023.00</u></u>
Reclassifying Journal Entries JE # 102		5200.02/6100.02		
To reclass current portion of asset management fee payable				
50-2341-00	Accrued Asset Management Fees		3,579.00	
50-2340-00	Accrued Asset Management Fee - Current			3,579.00
Total			<u><u>3,579.00</u></u>	<u><u>3,579.00</u></u>
Reclassifying Journal Entries JE # 103		3600.01		
To move window cleaning (maintenance expense) out of professional services.				
50-5414-10	Maintenance Repairs - Admin		2,500.00	
50-5602-10	Professional Services - Admin			2,500.00
Total			<u><u>2,500.00</u></u>	<u><u>2,500.00</u></u>

DRAFT

Subgroup : None										
2130-10	ACCRUED INTEREST	(1,560.00)	0.00	0.00	0.00	0.00	0.00	5300.01	1,560.00	(100.00%)
50-2130-00	Current portion - accrued interest	0.00	(3,510.00)	0.00	(3,510.00)	0.00	(3,510.00)	5300.01	(3,510.00)	0.00%
Subtotal : None		(1,560.00)	(3,510.00)	0.00	(3,510.00)	0.00	(3,510.00)		(1,950.00)	125.00%
Total [310]		(1,560.00)	(3,510.00)	0.00	(3,510.00)	0.00	(3,510.00)		(1,950.00)	125.00%
Group : [320] ACCRUED PROPERTY TAXES										
Subgroup : None										
2150-10	ACCRUED PROPERTY TAX	(7,106.00)	0.00	0.00	0.00	0.00	0.00	5200.01	7,106.00	(100.00%)
50-2150-00	Accrued Property Taxes	0.00	(3,814.00)	0.00	(3,814.00)	0.00	(3,814.00)	5200.01	(3,814.00)	0.00%
Subtotal : None		(7,106.00)	(3,814.00)	0.00	(3,814.00)	0.00	(3,814.00)		3,292.00	(46.33%)
Total [320]		(7,106.00)	(3,814.00)	0.00	(3,814.00)	0.00	(3,814.00)		3,292.00	(46.33%)
Group : [326] Current Portion of Asset Management Fees										
Subgroup : None										
2340	CURRENT PORTION OF ASSET MANA	(7,221.00)	0.00	0.00	0.00	0.00	0.00	5200.02	7,221.00	(100.00%)
50-2340-00	Accrued Asset Management Fee - Curre	0.00	0.00	0.00	0.00	(3,579.00)	(3,579.00)	5200.02	(3,579.00)	0.00%
Subtotal : None		(7,221.00)	0.00	0.00	0.00	(3,579.00)	(3,579.00)		3,642.00	(50.44%)
Total [326]		(7,221.00)	0.00	0.00	0.00	(3,579.00)	(3,579.00)		3,642.00	(50.44%)
Group : [327] CURRENT PORTION OF DEBT										
Subgroup : None										
2350	CURRENT PORTION OF LONG-TERM I	(14,206.00)	0.00	0.00	0.00	(13,023.00)	(13,023.00)	5300.01	1,183.00	(8.33%)
Subtotal : None		(14,206.00)	0.00	0.00	0.00	(13,023.00)	(13,023.00)		1,183.00	(8.33%)
Total [327]		(14,206.00)	0.00	0.00	0.00	(13,023.00)	(13,023.00)		1,183.00	(8.33%)
Group : [330] TENANT SECURITY DEPOSITS										
Subgroup : None										
2191-10	TENANT SECURITY DEPOSITS	(8,400.00)	0.00	0.00	0.00	0.00	0.00	4100.01	8,400.00	(100.00%)
50-2191-00	Tenant Security Deposits	0.00	(8,000.00)	0.00	(8,000.00)	0.00	(8,000.00)	4100.01	(8,000.00)	0.00%
Subtotal : None		(8,400.00)	(8,000.00)	0.00	(8,000.00)	0.00	(8,000.00)		400.00	(4.76%)
Total [330]		(8,400.00)	(8,000.00)	0.00	(8,000.00)	0.00	(8,000.00)		400.00	(4.76%)
Group : [335] Asset Management Fee Payable										
Subgroup : None										
2341-10	ACCRUED ASSET MGMT FEES	(21,121.00)	0.00	0.00	0.00	0.00	0.00	5200.02	21,121.00	(100.00%)
50-2341-00	Accrued Asset Management Fees	0.00	(26,363.00)	0.00	(26,363.00)	3,579.00	(22,784.00)	5200.02	(22,784.00)	0.00%
Subtotal : None		(21,121.00)	(26,363.00)	0.00	(26,363.00)	3,579.00	(22,784.00)		(1,663.00)	7.87%
Total [335]		(21,121.00)	(26,363.00)	0.00	(26,363.00)	3,579.00	(22,784.00)		(1,663.00)	7.87%
Group : [321] ACCRUED PARTNERSHIP MGMT FEES										
Subgroup : None										
2342-10	ACCRUED PARTNERSHIP MGMT FEE:	(90,000.00)	0.00	0.00	0.00	0.00	0.00	5200.02	90,000.00	(100.00%)
50-2342-00	Accrued Partnership Management Fees	0.00	(100,000.00)	0.00	(100,000.00)	0.00	(100,000.00)	5200.02	(100,000.00)	0.00%
Subtotal : None		(90,000.00)	(100,000.00)	0.00	(100,000.00)	0.00	(100,000.00)		(10,000.00)	11.11%
Total [321]		(90,000.00)	(100,000.00)	0.00	(100,000.00)	0.00	(100,000.00)		(10,000.00)	11.11%
Group : [325] Deferred Income										
Subgroup : None										
2210-10	Prepaid Rent:ADMIN	(657.00)	0.00	0.00	0.00	0.00	0.00	Pass	657.00	(100.00%)
50-2210-00	Prepaid Rent	0.00	(1,456.00)	0.00	(1,456.00)	0.00	(1,456.00)	Pass	(1,456.00)	0.00%
Subtotal : None		(657.00)	(1,456.00)	0.00	(1,456.00)	0.00	(1,456.00)		(799.00)	121.81%
Total [325]		(657.00)	(1,456.00)	0.00	(1,456.00)	0.00	(1,456.00)		(799.00)	121.81%
Group : [350] LONG TERM DEBT										
Subgroup : None										
1600-10	LOAN/TAX CREDIT FEES	30,398.00	0.00	0.00	0.00	0.00	0.00	5300.01	(30,398.00)	(100.00%)
1611-10	ACCUM AMORTIZATION-FEES	(9,203.00)	0.00	0.00	0.00	0.00	0.00	5300.01	9,203.00	(100.00%)
2352-10	NOTES PAYABLE-IFA	(692,372.00)	0.00	0.00	0.00	13,023.00	13,023.00	5300.01	705,395.00	(101.88%)
2353-10	NOTES PAYABLE-HOME FUNDS	(195,000.00)	0.00	0.00	0.00	0.00	0.00	5300.01	195,000.00	(100.00%)
50-1590-00	Loan/Tax Credit Fees	0.00	30,398.00	0.00	30,398.00	0.00	30,398.00	5300.01	30,398.00	0.00%
50-1690-00	Accum Amortization-Fees	0.00	(10,217.00)	0.00	(10,217.00)	0.00	(10,217.00)	5300.01	(10,217.00)	0.00%
50-2350-00	Permanent Loan	0.00	(692,373.00)	0.00	(692,373.00)	0.00	(692,373.00)	5300.01	(692,373.00)	0.00%
50-2353-00	Notes Payable - HOME Funds	0.00	(195,000.00)	0.00	(195,000.00)	0.00	(195,000.00)	5300.01	(195,000.00)	0.00%
Subtotal : None		(866,177.00)	(867,192.00)	0.00	(867,192.00)	13,023.00	(854,169.00)		12,008.00	(1.39%)
Total [350]		(866,177.00)	(867,192.00)	0.00	(867,192.00)	13,023.00	(854,169.00)		12,008.00	(1.39%)
Group : [400] EQUITY										
Subgroup : None										
3120-10	DONATED CAPITAL:ADMIN	(205,185.00)	0.00	0.00	0.00	0.00	0.00	6100.01	205,185.00	(100.00%)
3121-10	LIMITED PARTNER CAPITAL-NEF	(3,754,290.00)	0.00	0.00	0.00	0.00	0.00	6100.01	3,754,290.00	(100.00%)
3122-10	GENERAL PARTNER CAPITAL-NEWBL	38.00	0.00	0.00	0.00	0.00	0.00	6100.01	(38.00)	(100.00%)
3123-10	SYNDICATION FEES	36,480.00	0.00	0.00	0.00	0.00	0.00	6100.01	(36,480.00)	(100.00%)
3124-10	GENERAL PARTNER CAPITAL-ONS	(219,951.00)	0.00	0.00	0.00	0.00	0.00	6100.01	219,951.00	(100.00%)
3200	RETAINED EARNINGS	(175,540.00)	0.00	0.00	0.00	0.00	0.00	6100.01	175,540.00	(100.00%)
3200-00	Retained Earnings	794,704.00	0.00	0.00	0.00	0.00	0.00	6100.01	(794,704.00)	(100.00%)
3200-10	RETAINED EARNINGS	(589,519.00)	0.00	0.00	0.00	0.00	0.00	6100.01	589,519.00	(100.00%)
50-3121-00	Limited Partner Capital - NEF	0.00	(3,754,290.00)	202,314.00	(3,551,976.00)	0.00	(3,551,976.00)	6100.01	(3,551,976.00)	0.00%
50-3122-00	General Partner Capital-Newbury	0.00	38.00	10.00	48.00	0.00	48.00	6100.01	48.00	0.00%
50-3123-00	Syndication Fees	0.00	36,480.00	0.00	36,480.00	0.00	36,480.00	6100.01	36,480.00	0.00%
50-3124-00	General Partner Capital - ONS	0.00	(219,951.00)	10.00	(219,941.00)	0.00	(219,941.00)	6100.01	(219,941.00)	0.00%
50-3240-00	Retained Earnings	0.00	0.00	(202,334.00)	(202,334.00)	0.00	(202,334.00)	6100.01	(202,334.00)	0.00%
Subtotal : None		(4,113,263.00)	(3,937,723.00)	0.00	(3,937,723.00)	0.00	(3,937,723.00)		175,540.00	(4.27%)
Total [400]		(4,113,263.00)	(3,937,723.00)	0.00	(3,937,723.00)	0.00	(3,937,723.00)		175,540.00	(4.27%)
Group : [500] RENTAL INCOME										
Subgroup : None										
50-4800-10	Apartment Rent	0.00	(321,809.00)	(571.00)	(322,380.00)	0.00	(322,380.00)	7100.01	(322,380.00)	0.00%
50-4820-10	Vacancies	0.00	5,687.00	571.00	6,258.00	0.00	6,258.00	7100.01	6,258.00	0.00%
5120-10	APARTMENT RENT	(307,068.00)	0.00	0.00	0.00	0.00	0.00	7100.01	307,068.00	(100.00%)
5220-10	VACANCIES	8,012.00	0.00	0.00	0.00	0.00	0.00	7100.01	(8,012.00)	(100.00%)
Subtotal : None		(299,056.00)	(316,122.00)	0.00	(316,122.00)	0.00	(316,122.00)		(17,066.00)	5.71%
Total [500]		(299,056.00)	(316,122.00)	0.00	(316,122.00)	0.00	(316,122.00)		(17,066.00)	5.71%
Group : [510] INTEREST INCOME										
Subgroup : None										
50-4010-10	Interest Income - Operating	0.00	(1,435.00)	0.00	(1,435.00)	0.00	(1,435.00)		(1,435.00)	0.00%
50-4011-10	Replacement Reserve Int Income	0.00	(1,091.00)	0.00	(1,091.00)	0.00	(1,091.00)		(1,091.00)	0.00%
5410-10	INTEREST INCOME	(641.00)	0.00	0.00	0.00	0.00	0.00		641.00	(100.00%)
5440-10	REPLACEMENT RESERVE INT INCOM	(436.00)	0.00	0.00	0.00	0.00	0.00		436.00	(100.00%)
Subtotal : None		(1,077.00)	(2,526.00)	0.00	(2,526.00)	0.00	(2,526.00)		(1,449.00)	134.54%
Total [510]		(1,077.00)	(2,526.00)	0.00	(2,526.00)	0.00	(2,526.00)		(1,449.00)	134.54%
Group : [530] OTHER INCOME										
Subgroup : None										
50-4890-10	Misc Income - Housing	0.00	(25.00)	0.00	(25.00)	0.00	(25.00)		(25.00)	0.00%
50-4930-10	Damage Collections	0.00	(150.00)	0.00	(150.00)	0.00	(150.00)		(150.00)	0.00%
50-5906-10	Bad Debt Charge-Off or Recovery - Adm	0.00	(311.00)	0.00	(311.00)	0.00	(311.00)		(311.00)	0.00%

50-5010-11	Salaries - Maint	0.00	3,936.00	0.00	3,936.00	0.00	3,936.00	3,936.00	0.00%
50-5656-10	Grounds Contracted Services - Admin	0.00	3,403.00	0.00	3,403.00	0.00	3,403.00	3,403.00	0.00%
6535-10	GROUND PAYROLL	2,898.00	0.00	0.00	0.00	0.00	0.00	(2,898.00)	(100.00%)
6537-10	GROUND CONTRACTED	1,947.00	0.00	0.00	0.00	0.00	0.00	(1,947.00)	(100.00%)
Subtotal : None		4,845.00	7,339.00	0.00	7,339.00	0.00	7,339.00	2,494.00	51.48%
Total [700]	GROUND MAINTENACNE	4,845.00	7,339.00	0.00	7,339.00	0.00	7,339.00	2,494.00	51.48%
Group : [675]	Security								
Subgroup : None									
50-5426-10	Security Equipment - Admin	0.00	5,801.00	0.00	5,801.00	0.00	5,801.00	5,801.00	0.00%
6531-10	SECURITY EQUIPMENTS	3,420.00	0.00	0.00	0.00	0.00	0.00	(3,420.00)	(100.00%)
Subtotal : None		3,420.00	5,801.00	0.00	5,801.00	0.00	5,801.00	2,381.00	69.62%
Total [675]	Security	3,420.00	5,801.00	0.00	5,801.00	0.00	5,801.00	2,381.00	69.62%
Group : [690]	SNOW & TRASH REMOVAL								
Subgroup : None									
50-5654-10	Garbage and Trash Removal - Admin	0.00	5,288.00	0.00	5,288.00	0.00	5,288.00	5,288.00	0.00%
6525-10	GARBAGE/TRASH REMOVAL	5,026.00	0.00	0.00	0.00	0.00	0.00	(5,026.00)	(100.00%)
Subtotal : None		5,026.00	5,288.00	0.00	5,288.00	0.00	5,288.00	262.00	5.21%
Total [690]	SNOW & TRASH REMOVAL	5,026.00	5,288.00	0.00	5,288.00	0.00	5,288.00	262.00	5.21%
Group : [720]	PROPERTY TAXES								
Subgroup : None									
50-5304-10	Real Estate Taxes - Admin	0.00	2,178.00	0.00	2,178.00	0.00	2,178.00	2,178.00	0.00%
6710-10	REAL ESTATE TAXES	7,983.00	0.00	0.00	0.00	0.00	0.00	(7,983.00)	(100.00%)
Subtotal : None		7,983.00	2,178.00	0.00	2,178.00	0.00	2,178.00	(5,805.00)	(72.72%)
Total [720]	PROPERTY TAXES	7,983.00	2,178.00	0.00	2,178.00	0.00	2,178.00	(5,805.00)	(72.72%)
Group : [730]	INSURANCE								
Subgroup : None									
50-5300-10	Property and Liability Insurance - Admin	0.00	26,919.00	0.00	26,919.00	0.00	26,919.00	26,919.00	0.00%
6720-10	INS PROPERTY/LIABILITY	20,260.00	0.00	0.00	0.00	0.00	0.00	(20,260.00)	(100.00%)
Subtotal : None		20,260.00	26,919.00	0.00	26,919.00	0.00	26,919.00	6,659.00	32.87%
Total [730]	INSURANCE	20,260.00	26,919.00	0.00	26,919.00	0.00	26,919.00	6,659.00	32.87%
Group : [745]	Service Charges								
Subgroup : None									
50-5916-10	Bank Fees and Service Charges - Admin	0.00	2,719.00	0.00	2,719.00	0.00	2,719.00	2,719.00	0.00%
6850-10	SERVICE CHARGES	261.00	0.00	0.00	0.00	0.00	0.00	(261.00)	(100.00%)
6852-10	BANK SERVICE CHARGE:ADMIN	1,708.00	0.00	0.00	0.00	0.00	0.00	(1,708.00)	(100.00%)
Subtotal : None		1,969.00	2,719.00	0.00	2,719.00	0.00	2,719.00	750.00	38.09%
Total [745]	Service Charges	1,969.00	2,719.00	0.00	2,719.00	0.00	2,719.00	750.00	38.09%
Group : [750]	DEPRECIATION & AMORT								
Subgroup : None									
50-5990-10	Depreciation Expense - Admin	0.00	218,943.00	0.00	218,943.00	0.00	218,943.00	218,943.00	0.00%
6600-10	DEPRECIATION	217,414.00	0.00	0.00	0.00	0.00	0.00	(217,414.00)	(100.00%)
Subtotal : None		217,414.00	218,943.00	0.00	218,943.00	0.00	218,943.00	1,529.00	0.70%
Total [750]	DEPRECIATION & AMORT	217,414.00	218,943.00	0.00	218,943.00	0.00	218,943.00	1,529.00	0.70%
Group : [615]	Asset Management Fee								
Subgroup : None									
50-5980-10	Asset Management Fees - Admin	0.00	5,241.00	0.00	5,241.00	0.00	5,241.00	5,241.00	0.00%
6321-10	ASSET MANAGEMENT FEE:ADMIN	5,088.00	0.00	0.00	0.00	0.00	0.00	(5,088.00)	(100.00%)
Subtotal : None		5,088.00	5,241.00	0.00	5,241.00	0.00	5,241.00	153.00	3.01%
Total [615]	Asset Management Fee	5,088.00	5,241.00	0.00	5,241.00	0.00	5,241.00	153.00	3.01%
Group : [616]	PARTNERSHIP MANAGEMENT FEE								
Subgroup : None									
50-5982-10	Partnership Management Fees - Admin	0.00	10,000.00	0.00	10,000.00	0.00	10,000.00	10,000.00	0.00%
6324-10	PARTNERSHIP MGMT FEE	10,000.00	0.00	0.00	0.00	0.00	0.00	(10,000.00)	(100.00%)
Subtotal : None		10,000.00	10,000.00	0.00	10,000.00	0.00	10,000.00	0.00	0.00%
Total [616]	PARTNERSHIP MANAGEMENT FEE	10,000.00	10,000.00	0.00	10,000.00	0.00	10,000.00	0.00	0.00%
Group : [640]	ADVERTISING								
Subgroup : None									
6210-10	ADVERTISING	148.00	0.00	0.00	0.00	0.00	0.00	(148.00)	(100.00%)
Subtotal : None		148.00	0.00	0.00	0.00	0.00	0.00	(148.00)	(100.00%)
Total [640]	ADVERTISING	148.00	0.00	0.00	0.00	0.00	0.00	(148.00)	(100.00%)
Group : [760]	INTEREST EXPENSE								
Subgroup : None									
50-5970-10	Mortgage Interest - Admin	0.00	1,013.00	0.00	1,013.00	0.00	1,013.00	1,013.00	0.00%
50-5974-10	Interest - Other Notes Payable - Admin	0.00	1,950.00	0.00	1,950.00	0.00	1,950.00	1,950.00	0.00%
6832-10	INTEREST ON OTHER NOTES	1,950.00	0.00	0.00	0.00	0.00	0.00	(1,950.00)	(100.00%)
6840-10	NOTES/LOAN INTEREST	1,013.00	0.00	0.00	0.00	0.00	0.00	(1,013.00)	(100.00%)
Subtotal : None		2,963.00	2,963.00	0.00	2,963.00	0.00	2,963.00	0.00	0.00%
Total [760]	INTEREST EXPENSE	2,963.00	2,963.00	0.00	2,963.00	0.00	2,963.00	0.00	0.00%
	NET (INCOME) LOSS	175,540.00	202,334.00	0.00	202,334.00	0.00	202,334.00	26,794.00	15.26%
	Sum of Account Groups	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00%



2024 ON and ONS Committees

EXECUTIVE COMMITTEE	2nd Wednesday of every month at Noon
NAME	POSITION
McGuire	Board President
Mayberry Mayes	Vice President – Governance Chair
Wiltse	Treasurer – Finance Chair
Kuhl	Assistant Treasurer
LeMay	Secretary
McDanel	HR Chair
Haney	Housing/Services Chair
Hutney	Marketing and Development Chair
Buelt	Organizational Strategy Chair
Olson-Daniel	Immediate Past President
Staff	Caldwell-Johnson and Fitzpatrick

FINANCE COMMITTEE	February 19, April 15, June 17, August 19, October 14, December 16 at Noon
NAME	POSITION
Wiltse	Treasurer – Chair
Kuhl	Assistant Treasurer
Baker	Board
Kramer	Board
Dubuisson	Board
Saah	Board
Schissel	Community
McGuire	Board – Ex Officio
Kruse	Community
Staff	Clayton

HUMAN RESOURCES COMMITTEE	
NAME	POSITION
McDanel	Chair
Gaddy Hanna	Board
Johnson	Board
Farr	Board
Haight	Board
Berinobis	Board
McGuire	Board – Ex Officio
Staff	Caldwell-Johnson and Fitzpatrick



HOUSING AND SERVICES COMMITTEE	March 1, May 3, July 5, September 6, November 1 st at 9 am via Zoom
NAME	POSITION
Haney	Chair
Bodensteiner	Board
LeMay	Board
Haight	Board
Nalo Johnson	Board
McGuire	Board – Ex Officio
Staff	Caldwell-Johnson and respective VPs

MARKETING AND DEVELOPMENT Committee	February 15, April 18, June 20, August 22, October 17, at 8 am Via Zoom
NAME	POSITION
Hutney	Chair
Bodensteiner	Board
Feeney	Board
Berinobis	Board
Wong	Community
Sieman	Community
McGuire	Board-Ex Officio
Staff	Littlejohn and Irvine

GOVERNANCE COMMITTEE	March 5, May 7, July 2, September 3, November 5 at 9 am Via Zoom
NAME	POSITION
Mayberry Mayes	Chair
Williams	Board
Haight	Board
Kramer	Board
Gaddy Hanna	Board
Bodensteiner	Board
McGuire	Board – Ex Officio
Staff	Caldwell-Johnson and Fitzpatrick

ORGANIZATIONAL STRATEGY COMMITTEE	March 13, May 8, July 10, at 8 am Via Zoom
NAME	
Buelt	Chair
Olson-Daniel	Board
Williams	Board
Feeney	Board
Farr	Board
Baker	Board
Nalo Johnson	Board
Saah	Board
McGuire	Board – Ex Officio
Staff	Caldwell-Johnson and Arnold