

RENAISSANCE PLACE DEVELOPMENT, L.P.

FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

RENAISSANCE PLACE DEVELOPMENT, L.P.

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INDEPENDENT AUDITORS' REPORT

To the Partners
Renaissance Place Development, L.P.

Opinion

We have audited the accompanying financial statements of Renaissance Place Development, L.P., (a Louisiana Limited Partnership), which comprise the balance sheets as of December 31, 2023 and 2022, and the related statements of operations, partners' equity (deficit), and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Renaissance Place Development, 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 Renaissance Place Development, L.P. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not

a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 Renaissance Place Development, 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 Renaissance Place Development, L.P.'s ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental information on pages 18 through 20 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Bord + Jousignant, LLC

Monroe, Louisiana
April 11, 2024

RENAISSANCE PLACE DEVELOPMENT, L.P.
BALANCE SHEETS
DECEMBER 31, 2023 AND 2022

ASSETS

	<u>2023</u>	<u>2022</u>
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 149	\$ 51
Accounts Receivable - Tenants	907	2,066
Prepaid Expenses	6,402	6,896
Total Current Assets	<u>7,458</u>	<u>9,013</u>
RESTRICTED DEPOSITS AND FUNDED RESERVES		
Replacement Reserve Escrow	31,398	25,920
Operating Deficit Reserve	38,809	38,805
Tenants' Security Deposits	-	12,157
Real Estate Tax and Insurance Escrow	10	47
Total Restricted Deposits and Funded Reserves	<u>70,217</u>	<u>76,929</u>
PROPERTY AND EQUIPMENT		
Buildings	3,243,724	3,243,724
Land Improvements	687,178	687,178
Furniture and Equipment	139,740	139,740
Total	4,070,642	4,070,642
Less: Accumulated Depreciation	(1,890,176)	(1,774,724)
Net Depreciable Assets	<u>2,180,466</u>	<u>2,295,918</u>
Total Property and Equipment	<u>2,180,466</u>	<u>2,295,918</u>
OTHER ASSETS		
Permanent Closing Fees	22,643	22,643
Tax Credit Fees	16,950	16,950
Less: Accumulated Depreciation	(27,139)	(25,443)
Net Amortizable Assets	<u>12,454</u>	<u>14,150</u>
Utility Deposits	1,235	1,235
Total Other Assets	<u>13,689</u>	<u>15,385</u>
TOTAL ASSETS	<u>\$ 2,271,830</u>	<u>\$ 2,397,245</u>

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

RENAISSANCE PLACE DEVELOPMENT, L.P.
BALANCE SHEETS
DECEMBER 31, 2023 AND 2022

LIABILITIES AND PARTNERS' EQUITY

	<u>2023</u>	<u>2022</u>
CURRENT LIABILITIES		
Accounts Payable	\$ 53,723	\$ 43,868
Overdraft - Operating Account	9,212	3,175
Prepaid Rent	2,678	619
Accrued Interest Payable	1,899	2,325
Current Portion of Long-Term Debt	10,605	9,865
Total Current Liabilities	78,117	59,852
DEPOSITS		
Tenants' Security Deposits	13,038	12,534
Total Deposits	13,038	12,534
LONG-TERM LIABILITIES		
Mortgage Payable	352,153	362,275
Development Fee Payable	218,100	218,100
Asset Management Fees Payable	57,882	53,208
Partnership Management Fees Payable	119,622	109,962
Due to Affiliates	17,500	8,500
Total Long-Term Liabilities	765,257	752,045
Total Liabilities	856,412	824,431
PARTNERS' EQUITY		
Partners' Equity (Deficit)	1,415,418	1,572,814
TOTAL LIABILITIES AND PARTNERS' EQUITY	\$ 2,271,830	\$ 2,397,245

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

RENAISSANCE PLACE DEVELOPMENT, L.P.
STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
REVENUE		
Tenant Rents	\$ 181,683	\$ 182,621
Less Vacancies, Concessions, Etc	(11,906)	(14,682)
Late Fees, Deposit Forfeitures, Etc.	3,703	2,186
Total Revenue	<u>173,480</u>	<u>170,125</u>
EXPENSES		
Maintenance and Repairs	51,347	43,816
Utilities	11,278	8,817
Administrative	56,469	49,663
Management Fees	11,049	9,859
Taxes	4,914	3,941
Insurance	37,234	40,485
Interest	27,104	29,796
Depreciation and Amortization	117,148	117,337
Total Expenses	<u>316,543</u>	<u>303,714</u>
Income (Loss) from Rental Operations	<u>(143,063)</u>	<u>(133,589)</u>
OTHER INCOME AND (EXPENSES)		
Entity Expense - Partnership & Asset Management Fees	<u>(14,333)</u>	<u>(13,916)</u>
Total Other Income (Expense)	<u>(14,333)</u>	<u>(13,916)</u>
Net Income (Loss)	<u>\$ (157,396)</u>	<u>\$ (147,505)</u>

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

RENAISSANCE PLACE DEVELOPMENT, L.P.
 STATEMENTS OF PARTNERS' EQUITY (DEFICIT)
 FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	<u>Total</u>	<u>GENERAL PARTNER Ville Platte Community GP, LLC</u>	<u>LIMITED PARTNER NEF Assignment Corporation</u>
Partners' Equity (Deficit), January 1, 2022	\$ 1,720,319	\$ 23,054	\$ 1,697,265
Net Income (Loss)	<u>(147,505)</u>	<u>(15)</u>	<u>(147,490)</u>
Partners' Equity (Deficit), December 31, 2022	\$ 1,572,814	\$ 23,039	\$ 1,549,775
Net Income (Loss)	<u>(157,396)</u>	<u>(16)</u>	<u>(157,380)</u>
Partners' Equity (Deficit), December 31, 2023	<u>\$ 1,415,418</u>	<u>\$ 23,023</u>	<u>\$ 1,392,395</u>
Profit and Loss Percentages	<u>100.00%</u>	<u>0.01%</u>	<u>99.99%</u>

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

RENAISSANCE PLACE DEVELOPMENT, L.P.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Income (Loss)	\$ (157,396)	\$ (147,505)
Adjustments to Reconcile Net Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Depreciation and Amortization	117,148	117,337
(Increase) Decrease in:		
Accounts Receivable - Tenants	1,159	4,301
Prepaid Expense	494	(1,215)
Increase (Decrease) in:		
Accounts Payable	9,855	7,173
Overdraft - Operating Account	6,037	(5,161)
Prepaid Rent	2,059	(3,484)
Accrued Interest Payable	(426)	868
Tenants' Security Deposits	504	(1,300)
Net Cash Provided (Used) by Operating Activities	<u>(20,566)</u>	<u>(28,986)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payments on Mortgage Payable	(9,864)	(8,480)
Interest on Loan Fees	482	495
Increase (Decrease) in Asset Management Fee Payable	4,674	4,538
Increase (Decrease) in Partnership Management Fee Payable	9,660	9,378
Increase (Decrease) in Due to Affiliates	9,000	8,500
Net Cash Provided (Used) by Financing Activities	<u>13,952</u>	<u>14,431</u>
Net Increase (Decrease) in Cash and Restricted Cash	(6,614)	(14,555)
Cash and Restricted Cash, Beginning of Year	<u>76,980</u>	<u>91,535</u>
Cash and Restricted Cash, End of Year	<u>\$ 70,366</u>	<u>\$ 76,980</u>
Reconciliation of cash and restricted cash reported within the balance sheets that sum to the total of the same such amounts in the statements of cash flows		
Cash and Cash Equivalents	\$ 149	\$ 51
Replacement Reserve Escrow	31,398	25,920
Operating Deficit Reserve	38,809	38,805
Tenants' Security Deposits	-	12,157
Real Estate Tax and Insurance Escrow	10	47
Total Cash and Restricted Cash	<u>\$ 70,366</u>	<u>\$ 76,980</u>

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

RENAISSANCE PLACE DEVELOPMENT, L.P.
STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
Supplemental Disclosures of Cash Flow Information:		
Cash Paid During the Year for Interest	<u>\$ 27,048</u>	<u>\$ 28,433</u>

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

RENAISSANCE PLACE DEVELOPMENT, L.P.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE A – ORGANIZATION

Renaissance Place Development, L.P. (the Partnership) was organized in 2007 as a limited partnership chartered under the laws of the State of Louisiana to develop, construct, own, maintain and operate a twenty-five-unit housing complex intended for rental to persons of low and moderate income. The complex is located in Ville Platte, Louisiana and is collectively known as Renaissance Place (the Complex). The Complex has qualified and been allocated low-income housing tax credits pursuant to Internal Revenue Code Section 42 (Section 42) which regulates the use of the Complex as to occupant eligibility and unit gross rent, among other requirements. The major activities of the Partnership are governed by the Amended and Restated Articles of Partnership in Commendam, including amendments (Partnership Agreement) and are subject to the administrative directives, rules, and regulations of federal and state regulatory agencies, including but not limited to, the state housing finance agency. Such administrative directives, rules, and regulations are subject to change by federal and state agencies.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statement follows.

Basis of Accounting

The financial statements of the Partnership are prepared on the accrual basis of accounting and in accordance with accounting principles generally accepted in the United States of America.

Use of Estimates

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

Cash and Cash Equivalents

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

Cash and Other Deposits

The Partnership has various checking, escrow and other deposits at various financial institutions. Accounts at these financial institutions are insured by the Federal Deposit Insurance Corporation up to \$250,000. At December 31, 2023, the Partnership had no uninsured deposits.

Tenant Receivable and Bad Debt Policy

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

RENAISSANCE PLACE DEVELOPMENT, L.P.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Partnership provides an allowance for doubtful accounts equal to the estimated uncollectible amounts. The Partnership's estimate is based on historical collection experience and a review of the current status of tenant accounts receivable. It is reasonably possible that the Partnership's estimate of the allowance for doubtful accounts will change. At December 31, 2023 and 2022, accounts receivable is presented net of an allowance for doubtful accounts of \$0 and \$0, respectively.

Capitalization and Depreciation

Land, buildings and improvements are recorded at cost. Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives using the straight-line method. Improvements are capitalized, while expenditures for maintenance and repairs are charged to expense as incurred. Upon disposal of depreciable property, the appropriate property accounts are reduced by the related costs and accumulated depreciation. The resulting gains and losses are reflected in the statement of operations. Estimated useful lives used for depreciation purposes are as follows:

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

Amortization

Permanent closing fees resulting from legal costs incurred during closing to permanent financing are amortized over the term of the loan using the straight-line method.

Organization costs are expensed as incurred.

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

Debt Issuance Costs

Debt issuance costs, net of accumulated amortization, are reported as a direct reduction of the obligation to which such costs relate. Amortization of debt issuance costs is reported as a component of interest expense and is computed using the interest method.

Rental Income

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

Income Taxes

The Partnership has elected to be treated as a pass-through entity for income tax purposes and, as such, is not subject to income taxes. Rather, all items of taxable income, deductions and tax credits are passed through to and are reported by its owners on their respective income tax returns. The Partnership's federal tax status as a pass-through entity is based on its legal status as a partnership. Accordingly, the Partnership is not required to take any tax positions in order to qualify as a pass-through entity. The Partnership is required to file and does file tax returns with the Internal Revenue Service and other taxing authorities.

RENAISSANCE PLACE DEVELOPMENT, L.P.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accordingly, these financial statements do not reflect a provision for income taxes and the Partnership has no other tax positions which must be considered for disclosure.

Impairment of Long-Lived Assets

The Partnership reviews its rental property for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. When recovery is reviewed, if the undiscounted cash flows estimated to be generated by the property are less than their carrying amounts, management compares the carrying amount of the property to its fair value in order to determine whether an impairment loss has occurred. The amount of the impairment loss is equal to the excess of the asset's carrying value over its estimated fair value. No impairment loss has been recognized during the years ended December 31, 2023 and 2022.

Subsequent Events

Events that occur after the balance sheet date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the balance sheet date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the balance sheet date, require disclosure in the accompanying notes. Management evaluated the activity of the partnership through April 11, 2024 (the date the financial statements were available to be issued) and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.

NOTE C – RESTRICTED DEPOSITS AND FUNDED RESERVES

Operating Reserve

The General Partner shall establish the Operating Reserve Account and fund it with the Operating Reserve Target Amount of \$55,350 out of loan and/or equity proceeds at the time of payment of the Fifth Installment. The Operating Reserve will be held in the Operating Reserve Account, under the control of the General Partner (or a Project lender, if required), and the Partnership will maintain this account from the date of the Fifth Installment until the end of the Compliance Period. Withdrawals from the Operating Reserve Account will require the written approval of the Asset Manager. So long as funds remain in the Operating Reserve, such funds will be used to fund Project operating and debt service deficits. Any excess funds remaining in the Operating Reserve at the end of the Compliance Period shall be released from the Operating Reserve and used by the Partnership to first pay the Limited Partner's exit taxes due upon sale or dissolution. Funding amounted to \$4 in 2023 and \$2 in 2022. Withdrawals amounted to \$0 in 2023 and \$0 in 2022. At December 31, 2023 and 2022, the balance in this account was \$38,809 and \$38,805, respectively.

Replacement Reserve

The General Partner shall establish the Replacement Reserve at the time of payment of the Fifth Installment. The Replacement Reserve will be held in the Replacement Reserve Account, under the control of the General Partner (unless the Account is under the control of one of the Project Lenders), and the Partnership will maintain this account from the date of payment of the Third Installment until the end of the Compliance

RENAISSANCE PLACE DEVELOPMENT, L.P.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE C – RESTRICTED DEPOSITS AND FUNDED RESERVES (CONTINUED)

Period. Withdrawals from the Replacement Reserve Account in excess of \$3,000 in the aggregate in any given month (unless such withdrawal was provided for in the approved Project budget) will require the written approval of the Asset Manager. The General Partner will also be required to fund the Replacement Reserve Account on a cumulative basis, in the amount of \$300 per unit per year (to be increased annually by 3%) from Project cash flow. Any excess funds remaining in the Replacement Reserve at the end of the Compliance Period shall be released from the Replacement Reserve and applied by the Partnership in the case of a sale or dissolution of the Partnership. Funding amounted to \$6,878 in 2023 and \$7,504 in 2022. Withdrawals amounted to \$1,400 in 2023 and \$22,350 in 2022. At December 31, 2023 and 2022, the balance in this account was \$31,398 and \$25,920, respectively.

Real Estate Tax and Insurance Escrow

Transfers of sufficient sums are to be made to this account for payment of insurance and real estate taxes. Funding amounted to \$13,850 in 2023 and \$12,650 in 2022. Withdrawals amounted to \$13,887 in 2023 and \$12,614 in 2022. At December 31, 2023 and 2022, the balance of this account was \$10 and \$47, respectively.

Tenants' Security Deposits

Tenants' security deposits are held in a separate bank account in the name of the Partnership. At December 31, 2023, this account was funded in an amount less than the security deposit liability.

NOTE D – PARTNERS' CAPITAL

The Partnership has one General Partner – Ville Platte Community GP, LLC and one Limited Partner – NEF Assignment Corporation. The Partnership records capital contributions as received.

NOTE E – LONG-TERM DEBT

Mortgage Payable

The Partnership received permanent financing from JD Bank in July of 2010. The permanent loan was in the original amount of \$450,000 with an eighteen (18) year term and an amortization period of thirty (30) years with a maturity date of November 5, 2028. The loan is non-recourse and is collateralized by a first mortgage on the Partnership's land, buildings and equipment. At December 31, 2023 the balance of the loan was \$367,657 and accrued interest was \$1,899.

Debt issuance costs, net of accumulated amortization, of \$4,899 and \$5,381 as of December 31, 2023 and 2022, respectively, are amortized using an imputed interest rate of 1.58%.

RENAISSANCE PLACE DEVELOPMENT, L.P.
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2023 AND 2022

NOTE E – LONG-TERM DEBT (CONTINUED)

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

<u>Year Ending</u> <u>December 31,</u>	<u>Amount</u>
2024	10,605
2025	11,400
2026	12,254
2027	13,173
2028	320,225
Thereafter	\$ -

NOTE F – TRANSACTIONS WITH AFFILIATES AND RELATED PARTIES

Developer Fee

The Partnership has entered into a development services agreement in the amount of \$395,100 with Housing Authority of the City of Ville Platte, Louisiana, an affiliate of the General Partner, to render services for overseeing the construction and development of the complex. The developer fee is capitalized in the basis of the building. During the years ended December 31, 2023 and 2022, no developer fees were paid and the balance of developer fee payable was \$218,100.

Asset Management Fee

The Partnership shall pay to the Asset Manager an annual asset management fee in the amount of \$3,000, to be increased annually by three percent (3%) and priority specified in Section 5.1(a), for property management oversight, tax credit compliance monitoring and related services. The first year's fee was prorated by the placed-in-service date of November 11, 2008. During the years ended December 31, 2023 and 2022, no asset management fees were paid and the balance of asset management fees payable was \$57,882 and \$53,208, respectively.

Partnership Management Fee

The Partnership shall pay to the General Partner an annual partnership management fee in the amount of \$6,200, to be increased annually by three percent (3%) and priority specified in Section 5.1(a), for managing the Partnership's operations and assets and coordinating the preparation of required filings and financial reports. The first year's fee was prorated by the placed-in-service date of November 11, 2008. During the years ended December 31, 2023 and 2022, no partnership management fees were paid and the balance of partnership management fees payable was \$119,622 and \$109,962, respectively.

Due to Affiliates

Gemini Real Estate Holdings, Inc., the management company, has made advances to the Partnership for the payment of various expenses. During 2022, the management company funded the Tenants' Security Deposits account in the amount of \$8,500. Additional advances were made during 2023. These amounts are included in the financial statements under the caption "Due to Affiliates". At December 31 2023 and 2022 the balance due was \$17,500 and \$8,500, respectively.

RENAISSANCE PLACE DEVELOPMENT, L.P.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE G – PARTNERSHIP PROFITS AND LOSSES AND DISTRIBUTIONS

All profits and losses, other than from capital transactions detailed in the Amended and Restated Partnership Agreement, are allocated .01% to the General Partner and 99.99% to the Limited Partner.

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

- (i) To the Limited Partner to the extent of any amount which the Limited Partner is entitled to receive to satisfy any Credit Reduction Payment required pursuant to Section 6.9;
- (ii) Payment of any accrued and payable Asset Management Fees to the Asset Manager;
- (iii) To the Sponsor to pay any unpaid balance of the Deferred Development Fee;
- (iv) To the Operating Reserve Account until such time as such account is equal to the Operating Reserve Target Amount;
- (v) To pay any accrued and unpaid interest and unpaid principal on loans made by the Limited Partner;
- (vi) To pay any accrued and unpaid interest and unpaid principal on loans made by the General Partner;
- (vii) \$6,200 (increasing annually by three percent) to the General Partner to pay the Partnership Management Fee, on a cumulative basis;
- (viii) The remaining Cash Flow, if any, shall be distributed 0.01% to the General Partner and 99.99% to the Limited Partner.

NOTE H – CURRENT VULNERABILITY DUE TO CERTAIN CONCENTRATIONS

The Partnership's sole asset is Renaissance Place. The Partnership's operations are concentrated in the affordable housing real estate market. In addition, the Partnership operates in a heavily regulated environment. The operations of the Partnership are subject to the administrative directives, rules and regulations of federal, state and local regulatory agencies, including, but not limited to, the State Housing Agency. Such administrative directives, rules and regulations are subject to change by an act of Congress or an administrative change mandated by the State Housing Agency. Such changes may occur with little notice or inadequate funding to pay for the related cost, including the additional administrative burden, to comply with a change.

NOTE I – MANAGEMENT AGENT

In July 2017, the Partnership entered into an agreement with Gemini Real Estate Holdings, Inc. to provide services in connection with rent-up, leasing and operation of the project. Management fees are charged in an amount equal to 6% of gross revenues received per month. Management fees incurred for the years ended December 31, 2023 and 2022 were \$11,049 and \$9,859, respectively.

RENAISSANCE PLACE DEVELOPMENT, L.P.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE J – CONTINGENCY

The apartment complex’s low-income housing tax credits are contingent on the ability of the Partnership to maintain compliance with applicable sections of Section 42 of the Internal Revenue Code. Failure to maintain compliance with occupant eligibility, and or unit gross rent or to correct noncompliance within a specified time period could result in recapture of previously taken tax credits plus interest.

NOTE K – TAXABLE INCOME (LOSS)

A reconciliation of financial statement net income (loss) to taxable income (loss) of the Partnership for the years ended December 31, 2023 and 2022 is as follows:

	<u>2023</u>	<u>2022</u>
Financial Statement Net Income (Loss)	\$ (157,396)	\$ (147,505)
Adjustments:		
Excess of depreciation and amortization for income tax purposes over financial reporting purposes	<u>(10,517)</u>	<u>(31,388)</u>
Taxable Income (Loss) as Shown on Tax Return	<u>\$ (167,913)</u>	<u>\$ (178,893)</u>

NOTE L – ADVERTISING

The Partnership incurred advertising costs of \$0 and \$0 during the years ended December 31, 2023 and 2022, respectively. These costs are expensed as incurred

SUPPLEMENTAL INFORMATION

RENAISSANCE PLACE DEVELOPMENT, L.P.
SCHEDULES OF EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
MAINTENANCE AND REPAIRS		
Supplies	11,877	21,946
General Maintenance and Repairs	34,619	17,640
Grounds	4,840	4,230
Pest Control	11	-
Total Maintenance and Repairs	<u>\$ 51,347</u>	<u>\$ 43,816</u>
UTILITIES		
Electricity	8,206	6,976
Water and Sewer	2,904	1,841
Garbage and Trash Removal	168	-
Total Utilities	<u>\$ 11,278</u>	<u>\$ 8,817</u>
ADMINISTRATIVE		
Accounting and Auditing	6,500	6,000
Administrative Salaries	12,476	14,947
Miscellaneous	32,695	22,730
Telephone/ Internet	2,173	3,513
Office Supplies and Expense	2,625	2,473
Total Administrative	<u>\$ 56,469</u>	<u>\$ 49,663</u>
MANAGEMENT FEES		
Management Fees	11,049	9,859
Total Management Fees	<u>\$ 11,049</u>	<u>\$ 9,859</u>

RENAISSANCE PLACE DEVELOPMENT, L.P.
SCHEDULES OF EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
TAXES		
Payroll Taxes, Licenses and Permits	4,565	3,781
Real Estate Taxes	<u>349</u>	<u>160</u>
Total Taxes	<u>\$ 4,914</u>	<u>\$ 3,941</u>
INSURANCE		
Prop & Liab Insur (Hazrd)	31,355	35,707
Worker's Comp	3,031	2,510
Health Insurance & Other	<u>2,848</u>	<u>2,268</u>
Total Insurance	<u>\$ 37,234</u>	<u>\$ 40,485</u>
INTEREST		
Interest - Mortgage Payable	26,622	29,301
Interest - Loan Fees	<u>482</u>	<u>495</u>
Total Interest	<u>\$ 27,104</u>	<u>\$ 29,796</u>
DEPRECIATION		
Depreciation	115,452	115,452
Amortization	<u>1,696</u>	<u>1,885</u>
Total Depreciation	<u>\$ 117,148</u>	<u>\$ 117,337</u>

RENAISSANCE PLACE DEVELOPMENT, L.P.
SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS TO
AGENCY HEAD OR CHIEF EXECUTIVE OFFICER
FOR THE YEAR ENDED DECEMBER 31, 2023

Agency Head Name. Grant Soileau. Executive Director of the Housing Authority of the
City of Ville Platte for the year ended December 31, 2023.

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