

WESLEY CHAPEL DEVELOPMENT LIMITED PARTNERSHIP

FINANCIAL STATEMENTS

DECEMBER 31, 2022 AND 2021

WESLEY CHAPEL DEVELOPMENT LIMITED PARTNERSHIP

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INDEPENDENT AUDITORS' REPORT

To the Partners
Wesley Chapel Development Limited Partnership

Opinion

We have audited the accompanying financial statements of Wesley Chapel Development Limited Partnership, (a Louisiana Limited Partnership), which comprise the balance sheets as of December 31, 2022 and 2021, 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 Wesley Chapel Development Limited Partnership as of December 31, 2022 and 2021, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Wesley Chapel Development 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 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 Wesley Chapel Development Limited Partnership's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Wesley Chapel Development 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 Wesley Chapel Development 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 audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental information on pages 21 through 27 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial

statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 01, 2023, on our consideration of Wesley Chapel Development Limited Partnership's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to solely describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Wesley Chapel Development 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 Wesley Chapel Development Limited Partnership's internal control over financial reporting and compliance.



Monroe, Louisiana
March 01, 2023

WESLEY CHAPEL DEVELOPMENT LIMITED PARTNERSHIP
BALANCE SHEETS
DECEMBER 31, 2022 AND 2021

ASSETS

	<u>2022</u>	<u>2021</u>
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 18,124	\$ 9,759
Accounts Receivable - Tenants	50,077	28,543
Prepaid Expenses	18,481	14,418
Total Current Assets	<u>86,682</u>	<u>52,720</u>
RESTRICTED DEPOSITS AND FUNDED RESERVES		
Replacement Reserve Escrow	234,852	255,734
Operating Deficit Reserve	424,865	404,387
Tenants' Security Deposits	12,409	14,029
Real Estate Tax and Insurance Escrow	51,310	78,947
Total Restricted Deposits and Funded Reserves	<u>723,436</u>	<u>753,097</u>
PROPERTY AND EQUIPMENT		
Buildings	9,094,470	9,094,470
Land Improvements	291,259	291,259
Furniture and Equipment	660,184	660,184
Total	<u>10,045,913</u>	<u>10,045,913</u>
Less: Accumulated Depreciation	<u>(3,230,537)</u>	<u>(2,954,114)</u>
Net Depreciable Assets	6,815,376	7,091,799
Land	90,000	90,000
Total Property and Equipment	<u>6,905,376</u>	<u>7,181,799</u>
OTHER ASSETS		
Permanent Credit Fees	86,559	86,559
Tax Credit Fees	85,000	85,000
Less: Accumulated Amortization	<u>(105,484)</u>	<u>(94,408)</u>
Net Amortizable Assets	66,075	77,151
Utility Deposits	2,167	2,167
Total Other Assets	<u>68,242</u>	<u>79,318</u>
TOTAL ASSETS	<u><u>\$ 7,783,736</u></u>	<u><u>\$ 8,066,934</u></u>

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

WESLEY CHAPEL DEVELOPMENT LIMITED PARTNERSHIP
BALANCE SHEETS
DECEMBER 31, 2022 AND 2021

LIABILITIES AND PARTNERS' EQUITY

	<u>2022</u>	<u>2021</u>
CURRENT LIABILITIES		
Accounts Payable	\$ 41,726	\$ 21,115
Prepaid Rent	11,323	17,108
Accrued Interest Payable	8,624	8,791
Management Fees Payable	2,620	3,254
Asset Management Fees Payable - TCAP	22,875	16,825
Asset Management Fees Payable - Limited Partner	59,605	49,796
Current Portion of Long-Term Debt	32,703	30,646
Total Current Liabilities	179,476	147,535
DEPOSITS		
Tenants' Security Deposits	12,409	14,030
Total Deposits	12,409	14,030
LONG-TERM LIABILITIES		
Mortgage Payable	1,445,665	1,474,350
Notes Payable - TCAP	1,000,000	1,000,000
Notes Payable - Partners for Progress	500,000	500,000
Accrued Interest - TCAP Funds	330,833	300,416
Deferred Developer Fees	71,282	71,282
Due to Affiliates	119,237	119,237
Total Long-Term Liabilities	3,467,017	3,465,285
Total Liabilities	3,658,902	3,626,850
PARTNERS' EQUITY		
Partners' Equity (Deficit)	4,124,834	4,440,084
TOTAL LIABILITIES AND PARTNERS' EQUITY	\$ 7,783,736	\$ 8,066,934

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

WESLEY CHAPEL DEVELOPMENT LIMITED PARTNERSHIP
STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
REVENUE		
Tenant Rents	\$ 656,064	\$ 644,780
Less Vacancies, Concessions, Etc.	(104,200)	(6,832)
Late Fees, Deposit Forfeitures, Etc.	2,683	27,498
Total Revenue	<u>554,547</u>	<u>665,446</u>
EXPENSES		
Maintenance and Repairs	151,610	210,197
Utilities	50,929	53,084
Administrative	86,634	79,486
Management Fees	33,886	42,688
Taxes	9,738	9,130
Insurance	95,625	74,434
Interest	138,805	142,680
Depreciation and Amortization	287,499	319,021
Total Expenses	<u>854,726</u>	<u>930,720</u>
Income (Loss) from Rental Operations	<u>(300,179)</u>	<u>(265,274)</u>
OTHER INCOME AND (EXPENSES)		
Interest Income	788	899
Asset Management Fee - TCAP	(6,050)	(5,815)
Asset Management Fee - Limited Partner	(9,809)	(8,707)
Total Other Income (Expense)	<u>(15,071)</u>	<u>(13,623)</u>
Net Income (Loss)	<u>\$ (315,250)</u>	<u>\$ (278,897)</u>

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

WESLEY CHAPEL DEVELOPMENT LIMITED PARTNERSHIP
STATEMENTS OF PARTNERS' EQUITY (DEFICIT)
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	<u>Total</u>	<u>GENERAL PARTNER</u>	<u>LIMITED PARTNERS</u>	
		Wesley Chapel Development, LLC	Alliant ALP 65, LLC	Alliant Tax Credit Fund 65, Ltd.
Partners' Equity (Deficit), January 1, 2021	\$ 4,718,981	\$ (857)	\$ (305)	\$ 4,720,143
Net Income (Loss)	<u>(278,897)</u>	<u>(28)</u>	<u>(28)</u>	<u>(278,841)</u>
Partners' Equity (Deficit), December 31, 2021	\$ 4,440,084	\$ (885)	\$ (333)	\$ 4,441,302
Net Income (Loss)	<u>(315,250)</u>	<u>(32)</u>	<u>(32)</u>	<u>(315,186)</u>
Partners' Equity (Deficit), December 31, 2022	<u>\$ 4,124,834</u>	<u>\$ (917)</u>	<u>\$ (365)</u>	<u>\$ 4,126,116</u>
Profit and Loss Percentages	<u>100.00%</u>	<u>0.01%</u>	<u>0.01%</u>	<u>99.98%</u>

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

WESLEY CHAPEL DEVELOPMENT LIMITED PARTNERSHIP
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Income (Loss)	\$ (315,250)	\$ (278,897)
Adjustments to Reconcile Net Income (Loss) to Net Cash		
Provided (Used) by Operating Activities:		
Depreciation and Amortization	287,499	319,021
(Increase) Decrease in:		
Accounts Receivable - Tenants	(21,534)	3,678
Prepaid Insurance	(4,063)	4,280
Increase (Decrease) in:		
Accounts Payable	20,611	(12,442)
Management Fee Payable	(634)	(389)
Prepaid Rent	(5,785)	6,789
Accrued Interest Payable	(167)	(298)
Asset Management Fee Payable - TCAP	6,050	60
Asset Management Fee Payable - Limited Partner	9,809	8,707
Tenants' Security Deposits	(1,621)	(1,271)
Net Cash Provided (Used) by Operating Activities	<u>(25,085)</u>	<u>49,238</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payments on Mortgage Payable	(29,146)	(25,226)
Interest on Loan Fees	2,518	2,604
Increase (Decrease) in Accrued Interest - TCAP Funds	30,417	30,416
Net Cash Provided (Used) by Financing Activities	<u>3,789</u>	<u>7,794</u>
Net Increase (Decrease) in Cash and Restricted Cash	(21,296)	57,032
Cash and Restricted Cash, Beginning of Year	<u>762,856</u>	<u>705,824</u>
Cash and Restricted Cash, End of Year	<u>\$ 741,560</u>	<u>\$ 762,856</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	\$ 18,124	\$ 9,759
Tenants' Security Deposits	12,409	14,029
Real Estate Tax and Insurance Escrow	51,310	78,947
Operating Deficit Reserve	424,865	404,387
Replacement Reserve	234,852	255,734
Total Cash and Restricted Cash	<u>\$ 741,560</u>	<u>\$ 762,856</u>

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

WESLEY CHAPEL DEVELOPMENT LIMITED PARTNERSHIP
STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
Supplemental Disclosures of Cash Flow Information:		
Cash Paid During the Year for:		
Interest	<u>\$ 106,037</u>	<u>\$ 109,958</u>

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

WESLEY CHAPEL DEVELOPMENT LIMITED PARTNERSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE A – ORGANIZATION

Wesley Chapel Development Limited Partnership, (the Partnership) was organized in 2008 as a limited partnership to own, rehabilitate, develop, construct, maintain, and operate an eighty-two-unit apartment complex intended for rental to persons of low and moderate income. These apartments are located in Baton Rouge, Louisiana and are collectively known as Bayou Ridge Apartments (the Complex). Each building has qualified and been allocated low-income housing tax credits pursuant to Internal Revenue Code Section 42 (Section 42) which regulates the use of the homes as to occupant eligibility and unit gross rent, among other requirements. The major activities of the Partnership are governed by the Amended and Restated Articles of Partnership in Commendam, including amendments (Partnership Agreement) and are subject to the administrative directives, rules, and regulations of federal and state regulatory agencies, including but not limited to, the state housing finance agency. Such administrative directives, rules, and regulations are subject to change by federal and state agencies.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Basis of Accounting

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

Use of Estimates

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

Cash and Cash Equivalents

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

Cash and Other Deposits

The Partnership has various checking, escrow, and other deposits at several financial institutions. Accounts at the financial institutions are insured by the Federal Deposit Insurance Corporation up to \$250,000 per institution. At December 31, 2022, the Partnership had uninsured deposits of \$402,426.

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.

WESLEY CHAPEL DEVELOPMENT LIMITED PARTNERSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

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, 2022 and 2021, accounts receivable is presented net of an allowance for doubtful accounts of \$0 and \$0, respectively.

Capitalization and Depreciation

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

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

Amortization

Organization costs are expensed as incurred.

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

Debt Issuance Costs

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

Rental Income

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

Income Taxes

The Partnership has elected to be treated as a pass-through entity for income tax purposes and, as such, is not subject to income taxes. Rather, all items of taxable income, deductions and tax credits are passed through to and are reported by its owners on their respective income tax returns. The Partnership's federal tax status as a pass-through entity is based on its legal status as a partnership. Accordingly, the Partnership is not required to take any tax positions in order to qualify as a pass-through entity. The Partnership is required to file and does file tax returns with the Internal Revenue Service and other taxing authorities. Accordingly, these financial statements do not reflect a provision for income taxes and the Partnership has no other tax positions which must be considered for disclosure.

WESLEY CHAPEL DEVELOPMENT LIMITED PARTNERSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment of Long-Lived Assets

The Partnership reviews its rental property for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. When recovery is reviewed, if the undiscounted cash flows estimated to be generated by the property are less than their carrying amounts, management compares the carrying amount of the property to its fair value in order to determine whether an impairment loss has occurred. The amount of the impairment loss is equal to the excess of the asset's carrying value over its estimated fair value. No impairment loss has been recognized during the years ended December 31, 2022 and 2021.

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 March 01, 2023 (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 Deficit Reserve

The General Partners shall establish and at all times maintain an operating deficit reserve in an amount equal to the greater of \$396,050, or an amount equal to six (6) months of operating expenses, required debt service payments and required replacement reserve payments, which amount shall be determined in connection with the calculation of Rental Achievement. The operating deficit reserve shall be funded from the capital contribution of the Investor Limited Partner made pursuant to the Partnership Agreement. The operating deficit reserve shall be held by the lender of the Permanent Loan and shall be jointly held in the name of the Partnership and the Administrative Limited Partner. Any withdrawal from the account requires the consent of the Administrative Limited Partner. Funding amounted to \$20,478 in 2022 and \$496 in 2021. There were no withdrawals during either year. At December 31, 2022 and 2021, the balance in this account was \$424,865 and \$404,387, respectively.

Replacement Reserve

Upon commencement of Permanent Financing, the General Partner shall set aside, in a separate Partnership bank account, a repair and replacement reserve, to be funded on a monthly basis at an annual rate equal to the greater of (a) \$350 per unit (which annual rate shall be adjusted, on January 1, 2014, and January 1 of each year thereafter, to equal the product of \$350 (or such previously adjusted amount if greater than \$350) multiplied by three percent (3%), or (b) that required by the permanent lender. All replacement reserve withdrawals require prior approval from the Investor Limited Partner. Funding amounted to \$29,321 in 2022 and \$28,994 in 2021. Withdrawals amounted to \$50,203 in 2022 and \$0 in 2021. At December 31, 2022 and 2021, the balance in this account was \$234,852 and \$255,734, respectively.

WESLEY CHAPEL DEVELOPMENT LIMITED PARTNERSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE C – RESTRICTED DEPOSITS AND FUNDED RESERVES (CONTINUED)

Balance, December 31, 2021	\$	255,734
Deposits:		
Monthly Deposits: \$2,391.67 x 2		4,783
\$2,430.00 x 10		24,300
Interest Earned		238
Withdrawals: Roof Repairs		
		(23,450)
Appliances & A/C Repair		(6,683)
Transfer to Operating Reserve		(20,070)
		(20,070)
Balance, December 31, 2022	\$	234,852

Tenants' Security Deposits

This account shall consist of deposits made by tenants that are held in a separate bank account in the name of the project until either returned or forfeited. At December 31, 2022, this account was funded in an amount equal to the security deposit liability.

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. Deposits of \$35,192 and \$42,109 were made during 2022 and 2021, respectively, and withdrawals of \$62,829 and \$7,000 were made during 2022 and 2021, respectively. At December 31, 2022 and 2021, the balance in this account was \$51,310 and \$78,947, respectively.

NOTE D – PARTNERS' CAPITAL

The Partnership has one General Partner – Wesley Chapel Development, LLC with .01% ownership; and two Limited Partners – Alliant ALP 65, LLC (Administrative Limited Partner) with .01% ownership and Alliant Tax Credit Fund 65, Ltd. (Investor Limited Partner) with 99.98% ownership. The final capital contribution of \$5,089,480 was contributed by the Limited Partners during 2014.

NOTE E – LONG-TERM DEBT

Mortgage Payable

Permanent financing was obtained from Home Federal Bank in July 2014 in the principal amount of \$1,700,000. The loan bears interest at 6.84% with monthly principal and interest installments of \$11,265. The loan has a term of sixteen (16) years with a thirty (30) year amortization period and a balloon payment due on the maturity date of August 1, 2030. The non-recourse loan is collateralized by a first mortgage on the Partnership's land and buildings. For the years ended December 31, 2022 and 2021, the partnership maintained a debt service coverage ratio of 94% and 124%, respectively. At December 31, 2022 and 2021, respectively, the balance of this loan was \$1,513,033 and \$1,542,179 and accrued interest was \$8,624 and \$8,791. Debt issuance costs, net of accumulated amortization, of \$34,665 and \$37,183 as of December 31, 2022 and 2021, respectively, are amortized using an imputed interest rate of 1.96%.

WESLEY CHAPEL DEVELOPMENT LIMITED PARTNERSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE E – LONG-TERM DEBT (CONTINUED)

Tax Credit Assistance Program (TCAP) Loan

The Partnership entered into a nonrecourse loan agreement with Louisiana Housing Corporation from the federal Tax Credit Assistance Program in the principal amount of \$1,000,000 bearing fixed interest of 3% per annum, and having a maturity date of March 1, 2041, with annual payment of principal and interest equal to 75% of surplus cash, which is defined in the TCAP Loan documents as cash (excluding tenant security deposits) remaining at the end of the year after (A) payment of all operating expenses for such fiscal year; (B) payment of all sums due to currently required to be paid under the terms of any Permanent Loan documents; (C) payment of all amounts required to be deposited into any reserve fund for the payment of operating expenses, any reserve for replacements, or any other special reserve funds required to be maintained under the Permanent Loan documents or the TCAP Loan documents; and (D) asset management fees and tax credit adjuster payment payable to the Investor Limited Partner. At December 31, 2022, the balance of the loan was \$1,000,000 and accrued interest was \$330,833.

Notes Payable - Partners for Progress

In July 2014 during closing of the first mortgage, Partners for Progress, an affiliate of the General Partner, loaned the Partnership \$500,000. The non-recourse loan has zero percent interest (0%) and a thirty-year term. The maturity date of the loan is in July 2044. Payments of principal are deferred until there is sufficient income and cash flow to pay on the note. At December 31, 2022 the balance of the loan was \$500,000.

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

<u>Year Ending</u> <u>December 31,</u>	<u>Amount</u>
2023	\$ 32,703
2024	35,012
2025	37,483
2026	40,129
2027	42,960
Thereafter	\$ 2,824,746

NOTE F – TRANSACTIONS WITH AFFILIATES AND RELATED PARTIES

Due to Affiliates

Due to East Baton Rouge Parish Housing Authority

The East Baton Rouge Parish Housing Authority, an affiliate of the General Partner, has paid certain operating and development costs on behalf of the Partnership. At December 31, 2022 and 2021, \$119,237 and \$119,237, respectively, was due to the East Baton Rouge Parish Housing Authority. This amount is included in the financial statements under the caption "Due to Affiliates".

Development Deficits

The General Partner shall be entitled to advance sums for completion of Construction and shall be entitled to the repayment of such advances without interest to the extent that there are proceeds of the Permanent

WESLEY CHAPEL DEVELOPMENT LIMITED PARTNERSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

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

Loan or Investor Limited Partner Contributions available, after paying all other obligations of the Partnership incurred in connection with such Construction and the establishment of all required reserves or escrow accounts under the Project Documents, to repay such advances. Any such advances which are not so repaid shall be deemed a payment to the Partnership by the General Partner in the nature of a compromise, shall not be credited to the Capital Accounts of the General Partner, and shall not be repayable. As of December 31, 2022, there were no development advances made to the Partnership other than those noted above.

Operating Deficits

The General Partner hereby covenants to lend to the Partnership any Operating Loans required to fund Operating Deficits incurred by the Partnership during the Operating Deficit Guaranty Period and not obtainable from the Operating Deficit Reserve Account. Any loans shall be made and funded by the General Partner when the operating obligations of the Partnership giving rise to the Operating Deficit are due in fulfillment of the obligations of the General Partner to the Partnership, the Investor Limited Partner and the Administrative Limited Partner. In the event payments due hereunder are not paid by the General Partner within ten days, the Partnership, the Investor Limited Partner and/or the Administrative Limited Partner (the “Advancing Party”), has the right but not the obligation, to advance any such amounts required to be paid by the General Partner. Such advances shall at the election of the Advancing Party be deemed a loan to the General Partner and, in addition to all other rights and remedies available to the Advancing Party, the General Partner shall reimburse the Advancing Party the full amount of such funds advanced by it plus interest in such amount from the date so advanced at a rate per annum equal to the Interest Rate. In the event there is any Cash Flow and/or Sale or Refinancing Transaction Proceeds which would otherwise be payable to the General Partner, the Partnership shall first apply such funds to any unpaid amounts owed the Administrative Limited Partner and/or the Investor Limited Partner as the Advancing Party hereunder. As of December 31, 2022, there were no operating deficit advances made to the Partnership other than those noted above.

Asset Management Fee - Limited Partner

Commencing in the year in which Completion occurs and for each year thereafter, the Partnership shall pay to the Investor Limited Partner an Asset Management Fee of \$7,500 per annum for its services in reviewing informational reports, financial statements and tax returns. The Asset Management Fee shall be payable only to the extent sufficient Cash Flow is available pursuant to the amended and restated partnership agreement, and any portion of the Asset Management Fee which cannot be paid shall accrue without interest until there is sufficient Cash Flow or Sale or Refinancing Transaction Proceeds to pay the outstanding accrued amount. The Asset Management Fee shall be adjusted annually based on the CPI Adjustment. During the years ending December 31, 2022 and 2021, the Partnership paid Asset Management Fees of \$0 and \$0, respectively. At December 31, 2022 and 2021, the Partnership owed Asset Management Fees of \$59,605 and \$49,796, respectively, to the Investor Limited Partner.

Incentive & Supervisory Management Fee

The Partnership has entered into the Incentive Management Agreement with the General Partner for services in managing the business of the Partnership. Commencing in the year in which Rental Achievement occurs and for each year thereafter, the Partnership shall pay to the General Partner an Incentive Management Fee in an amount equal to fifty percent (50%) of Cash Flow remaining after application of Cash Flow against the amounts described in section 9.2A of the Partnership Agreement. In addition, a Supervisory Management Fee will be paid in an amount equal to twenty-four and ninety-nine

WESLEY CHAPEL DEVELOPMENT LIMITED PARTNERSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

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

one hundredths percent (24.99%) of Cash Flow remaining after application of Cash Flow against the amounts described in section 9.2A of the Partnership Agreement; provided that the Supervisory Management Fee for any year shall not exceed ten percent (10%) of gross revenues of the Apartment Complex for such year.

The Incentive Management Fee and Supervisory Management Fee pursuant to the Incentive Management Agreement shall be in accordance with any applicable requirements of the Lender. In no event will the sum of the fees payable pursuant to the Incentive Management Agreement plus any fees payable to the General Partner or any Affiliate thereof under the Management Agreement exceed twelve percent (12%) of Effective Gross Income per year determined on a cumulative non-compounded basis. During the years ended December 31, 2022 and 2021, no Incentive or Supervisory Management Fees were paid.

Deferred Developer Fees

The Partnership has entered into a Development Services Agreement in the amount of \$1,154,000 with Wesley Chapel Development, LLC, the Managing General Partner, for services rendered to the Partnership for overseeing the construction and development of the complex. The developer fee has been capitalized in the basis of the building. During the years ended December 31, 2022 and 2021, \$0 and \$0, respectively, of developer fees were paid. At December 31, 2022 and 2021, \$71,282 and \$71,282, respectively of Developer Fees were payable.

NOTE G – PARTNERSHIP PROFITS AND LOSSES AND DISTRIBUTIONS

After giving effect to special allocations as set forth in the Partnership agreement, all profits and losses shall be allocated 0.01% to the General Partner, 0.01% to the Administrative Limited Partner, and 99.98% to the Investor Limited Partner.

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

- A) To the Investor Limited Partner in an amount equal to the unpaid Housing Tax Credit Shortfall Payment;
- B) To replenish any funds disbursed from the Operating Deficit Reserve Account until the Operating Deficit Reserve Account is funded to the Operating Reserve Amount;
- C) To pay interest on any loans, including Voluntary Loans (but excluding Operating Loans and Deferred Development Fees), from Partners or their Affiliates provided for herein, pro rata in accordance with the amount of interest accrued as of the date of such distribution;
- D) To repay principal of any loans, including Voluntary Loans (but excluding Operating Loans and Deferred Development Fees), payable to Partners or their affiliates, pro rata in accordance with the amount of the principal balances as of the date of such distribution;
- E) To pay in full any unpaid Asset Management Fees;
- F) To pay in full any unpaid and accrued management fee;

WESLEY CHAPEL DEVELOPMENT LIMITED PARTNERSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE G – PARTNERSHIP PROFITS AND LOSSES AND DISTRIBUTIONS (CONTINUED)

- G) To pay in full any unpaid Development Fee;
- H) To pay in full any Operating Loans;
- I) To pay the Incentive Management Fee due pursuant to the Incentive Management Agreement;
- J) To pay the Supervisory Management Fee payable pursuant to the Incentive Management Fee Agreement;
- K) The balance to be paid 99.98% to the Investor Limited Partner, 0.01% to the Administrative Limited Partner, 0.01% to the General Partner.

NOTE H – CONTINGENCY

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

NOTE I – CURRENT VULNERABILITY DUE TO CERTAIN CONCENTRATIONS

The Partnership's sole asset is Bayou Ridge Apartments. 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 J – MANAGEMENT AGENT

During 2012, the Partnership entered into an agreement with NDC Real Estate Management, LLC to provide services in connection with rent-up, leasing and operation of the project. Management fees are charged at a rate of 6% of the total gross collections. Management fees incurred for the years ended December 31, 2022 and 2021, were \$33,886 and \$42,688, respectively.

WESLEY CHAPEL DEVELOPMENT LIMITED PARTNERSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

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, 2022 and 2021 is as follows:

	2022	2021
Financial Statement Net Income (Loss)	\$ (315,250)	\$ (278,897)
Adjustments:		
Excess of depreciation and amortization for income tax purposes over financial reporting purposes	(28,120)	(32,373)
Taxable Income (Loss) as Shown on Tax Return	\$ (343,370)	\$ (311,270)

NOTE L – ASSET MANAGEMENT FEE – TCAP

For services performed under the Asset Management Agreement, the Partnership agrees to pay Foley & Judell, LLP (the “Asset Management Agent”) \$27,500 at closing (the “Initial Asset Management Fee”) and an annual asset management fee (the “Annual Fee”) commencing with the execution of the TCAP Asset Management Agreement in the amount of five thousand dollars (\$5,000). The annual fee shall be due and payable to the Asset Manager commencing on April 1, 2014, and on the first day of April for each year thereafter, and shall be adjusted each year by the consumer price index (“CPI”). During the years ended December 31, 2022 and 2021, the Partnership paid \$0 and \$5,755, respectively. At December 31, 2022 and 2021, the Partnership owed TCAP Asset Management Fees of \$22,875 and \$16,825, respectively.

NOTE M – EXEMPTION FROM REAL ESTATE TAXES

Based upon the requirements set forth in the Louisiana Constitution, Article 7, Section 21, the Partnership is exempt from real estate taxes. The East Baton Rouge Tax Assessor has concurred with this exemption and therefore no real estate taxes have been assessed.

NOTE N – ADVERTISING

The Partnership incurred advertising costs of \$1,690 in 2022 and \$454 in 2021. These costs are expensed as incurred.

NOTE O – TAX CREDITS

During the year ended December 31, 2008, the Partnership was awarded Low-Income Housing Tax Credits in the amount of \$10,149,250 to be allocated over ten years. As of December 31, 2022, \$10,149,250 in tax credits have been taken with \$0 remaining to be taken.

SUPPLEMENTAL INFORMATION

WESLEY CHAPEL DEVELOPMENT LIMITED PARTNERSHIP
SCHEDULES OF EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
MAINTENANCE AND REPAIRS		
Maintenance	400	150
Maintenance Salaries	81,443	74,239
Maintenance Supplies	4,225	17,725
Maintenance Contracts	10,974	14,009
Repairs & Maintenance	45,951	86,570
Grounds Maintenance	5,342	13,254
Pest Control	3,275	4,250
Total Maintenance and Repairs	<u>\$ 151,610</u>	<u>\$ 210,197</u>
UTILITIES		
Electricity	31,230	18,342
Water	9,968	33,982
Sewer	8,278	-
Trash Removal	-	760
Cable TV	1,453	-
Total Utilities	<u>\$ 50,929</u>	<u>\$ 53,084</u>
ADMINISTRATIVE		
Advertising	1,690	454
Office Salaries/Commission	777	658
Office - Temp	3,696	-
Office Expense	11,788	20,472
Manager Salary	34,588	39,189
Legal	-	360
Auditing	11,745	11,605
Accounting Fees	1,587	1,287
Bad Debts	3,372	314
Administrative Travel	4,862	-
Telephone	5,659	2,849
Bank Service Charges	617	451
Security Contract	822	409
Administrative Residual Fund Fee	-	502
Other Administrative	5,431	936
Total Administrative	<u>\$ 86,634</u>	<u>\$ 79,486</u>
MANAGEMENT FEES		
Management Fee	33,886	42,688
Total Management Fees	<u>\$ 33,886</u>	<u>\$ 42,688</u>

WESLEY CHAPEL DEVELOPMENT LIMITED PARTNERSHIP
SCHEDULES OF EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
TAXES		
Payroll Taxes	9,659	9,130
Taxes & Permits	79	-
Total Taxes	<u>\$ 9,738</u>	<u>\$ 9,130</u>
INSURANCE		
Property/Liability Insurance	90,972	70,335
Other Insurance	195	-
Fidelity Bond	195	307
Workers Compensation	2,989	3,484
Hospitalization BC/BS	1,274	308
Total Insurance	<u>\$ 95,625</u>	<u>\$ 74,434</u>
INTEREST		
Mortgage Interest	105,870	109,701
Interest - TCAP	30,417	30,417
Interest - Loan Fees	2,518	2,562
Total Interest	<u>\$ 138,805</u>	<u>\$ 142,680</u>
DEPRECIATION AND AMORTIZATION		
Amortization	11,077	11,078
Depreciation	276,422	307,943
Total Depreciation and Amortization	<u>\$ 287,499</u>	<u>\$ 319,021</u>

WESLEY CHAPEL DEVELOPMENT LIMITED PARTNERSHIP
SCHEDULE OF OPERATING INCOME AND EXPENSE VARIANCES - AMEC MODEL
FOR THE YEAR ENDED DECEMBER 31, 2022

	2022 Year 11 <u>AMEC Model</u>	2022 Year 11 <u>Actual</u>
3.00% Inflation Rate for Rental Income		
3.00% Inflation Rate for Other Income/Expenses		
2.50% Inflation Rate for Replacement Reserve		
RENTAL INCOME	<i>0%</i>	
Residential		
5121 Rental Income GROSS VACANCY	\$ 652,998	\$ 656,064
5190 Other	-	-
Total Rental Income	<u>652,998</u>	<u>656,064</u>
VACANCIES: Enter as Negative	<i>138%</i>	
5220 Apartments	(43,746)	\$ (104,200)
5290 Miscellaneous Concessions	-	-
Total Vacancies	<u>(43,746)</u>	<u>(104,200)</u>
Net Rental Income	609,252	551,864
OTHER INCOME & BAD DEBT	<i>-56%</i>	
5910 Laundry & Vending	-	-
6370 Apartment Bad Debt - Enter as Negative	-	-
5920 NSF, Damages & Late Charges, Other	6,037	\$ 2,683
Total Other Income	<u>6,037</u>	<u>2,683</u>
EFFECTIVE GROSS INCOME	615,289	554,547
ADMIN. EXPS	<i>-17%</i>	
6210 Advertising	-	1,690
6250 Admin. Exps.	13,443	15,735
6310 Office Salaries	5,387	4,473
6311 Office Supplies	23,390	11,788
6320 Management Fee	38,636	33,886
6330 Management or Super. Sal.	43,099	34,588
6331 Mgmt. or Super. Free Rent Unit	-	-
6341 Legal Expenses (Project)	264	-
6350 Auditing Exps. (Project)	12,047	11,745
6351 Bookkeeping Fees/Acct. Services	1,455	1,587
6360 Telephone and Answering Service	9,876	5,659
6390 LHC Asset Management Fee	6,190	6,050
Total Admin. Less Management Fee	<u>115,151</u>	<u>93,315</u>
Total Admin. Exps.	153,787	127,201
UTILITIES EXPENSE	<i>0%</i>	
6420 Fuel Oil/Coal	-	-
6450 Electricity (Light & Misc. Power)	22,086	31,230
6451 Water	19,996	9,968
6452 Trash	-	-
6453 Sewer	7,216	8,278
Total Utilities Exps.	<u>\$ 49,299</u>	<u>\$ 49,476</u>

WESLEY CHAPEL DEVELOPMENT LIMITED PARTNERSHIP
SCHEDULE OF OPERATING INCOME AND EXPENSE VARIANCES - AMEC MODEL
FOR THE YEAR ENDED DECEMBER 31, 2022

	2022 Year 11 <u>AMEC Model</u>	2022 Year 11 <u>Actual</u>
O & M EXPENSES	-45%	
6510 O&M Payroll	\$ 73,818	\$ 81,443
6515 O&M Supplies	7,166	4,225
6520 O&M Contract	42,064	19,591
6525 Garbage & Trash Removal	-	-
6530 Security Payroll/Contract	983	822
6545 Elevator Maintenance/Contract	-	-
6546 HVAC R & M	-	-
6570 Other Expenses	-	400
6590 Misc. O & M Expenses	98,690	15,818
Total O & M Expenses	<u>222,721</u>	<u>122,299</u>
TAXES & INSURANCE	70%	
6710 Real Estate Taxes	-	-
6711 Payroll Taxes (FICA)	10,429	9,659
6719 Misc. Taxes, Licenses & Permits	-	79
6720 Property & Liability Insurance	46,697	90,972
6721 Fidelity Bond Insurance	379	195
6722 Workmen's Compensation	2,618	2,989
6723 Health Ins. & Other Emp. Benefits	1,924	1,274
6729 Other Insurance	-	195
Total Taxes & Insurance	<u>62,047</u>	<u>105,363</u>
TOTAL OPERATING EXPENSES	<u>487,854</u>	<u>404,339</u>
<i>Per Unit</i>	<u>5,949</u>	<u>4,931</u>
NET OPERATING INCOME	\$ 127,435	\$ 150,208
Replacement Reserves	50% \$ 19,558	\$ 29,321
ADJUSTED NET OPERATING INCOME	107,877	120,887
First Mortgage Debt Service	<u>135,182</u>	<u>135,180</u>
CASH FLOW AVAILABLE	<u>\$ (27,305)</u>	<u>\$ (14,293)</u>

WESLEY CHAPEL DEVELOPMENT LIMITED PARTNERSHIP
 COMPUTATION OF SURPLUS CASH
 FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>2022</u>
Operating Cash	\$ 18,124
Security Deposit Cash	12,409
Other	-
Total Cash	<u>30,533</u>
Accrued Mortgage Interest Payable	8,624
Delinquent Mortgage Principal Payments	-
Delinquent Deposits to Reserve for Replacements	
Accounts Payable (due within 30 days)	41,726
Loans and Notes Payable (due within 30 days)	-
Deficient Tax and Insurance Escrow Deposits	-
Accrued Expenses (not escrowed)	-
Prepaid Rents	11,323
Tenant Security Deposits Liability	12,409
Other	-
Total Obligations	<u>74,082</u>
Surplus Cash (Deficiency)	<u>\$ (43,549)</u>

WESLEY CHAPEL DEVELOPMENT LIMITED PARTNERSHIP
SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS TO
AGENCY HEAD OR CHIEF EXECUTIVE OFFICER
FOR THE YEAR ENDED DECEMBER 31, 2022

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

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

**WESLEY CHAPEL DEVELOPMENT LIMITED PARTNERSHIP
SCHEDULE OF PROJECT CASH FLOW DISTRIBUTION
FOR THE YEAR ENDED DECEMBER 31, 2022**

2022

CASH RECEIPTS

Total Revenue per Statement of Operations	\$ 554,547
(Increase) Decrease in Accounts Receivable	(21,534)
Increase (Decrease) in Deferred Rent Income	(5,785)
Net Decrease in Replacement Reserve	20,882
Net Decrease in Tax & Insurance Escrow	27,637
Total Cash Receipts	<u><u>575,747</u></u>

CASH EXPENDITURES

Total Expenses per Statement of Operations	854,726
TCAP Asset Management Fee	6,050
Less: Depreciation, Amortization and Interest	(426,304)
Transfer to Operating Reserve	20,070
Debt Service Payments	135,180
Total Cash Expenditures	<u><u>589,722</u></u>

Cash Flow Available for Distribution	<u><u>\$ (13,975)</u></u>
--------------------------------------	---------------------------

Distribution and Application of Cash Flow per Section 9.2 A of the Partnership Agreement:		Payable to:	Paid	To Be Paid	Amount Remaining
(A)	To the Investor Limited Partner in an amount equal to the unpaid Housing Tax Credit Shortfall Payment.	Alliant Tax Credit Fund 65, LTD	-	-	-
(B)	To replenish any funds disbursed from the Operating Deficit Reserve Account until the Operating Deficit Reserve Account is funded to the Operating Reserve Amount;	N/A	-	-	-
(C)	To pay interest on any loans, including Voluntary Loans (but excluding Operating Loans and Deferred Development Fee), from Partners or their Affiliates provided for herein, pro rata in accordance with the amount of interest accrued as of the date of such distribution.	N/A	-	-	-
(D)	To repay principal of any loans, including Voluntary Loans (but excluding Operating Loans and Deferred Development Fee), payable to Partners or their affiliates, pro rata in accordance with the amount of the principal balances as of the date of such distribution.	N/A	-	-	-
(E)	To pay in full any unpaid Asset Management Fees;	Alliant Tax Credit Fund 65, LTD	-	-	-
(F)	To pay in full any unpaid and accrued management fee;	NDC Real Estate Management, LLC	-	-	-
(G)	To pay in full any unpaid Development Fee;	Wesley Chapel Development, LLC	-	-	-
(H)	To pay in full any Operating Loans;	N/A	-	-	-
(I)	To pay the Incentive Management Fee due pursuant to the Incentive Management Agreement (50% of remaining cash flow)	Wesley Chapel Development, LLC	-	-	-
(J)	To pay the Supervisory Management Fee payable pursuant to the Incentive Management Agreement (24.99% of remaining cash flow, not to exceed 10% of gross revenues)	Wesley Chapel Development, LLC	-	-	-
(L)	Investor Limited Partner (99.98%)	Alliant Tax Credit Fund 65, LTD	-	-	-
	Administrative Limited Partner (.01%)	Alliant ALP 65, LLC	-	-	-
	General Partner (.01%)	Wesley Chapel Development, LLC	-	-	-

**B&T BOND &
TOUSIGNANT, LLC**
CERTIFIED PUBLIC ACCOUNTANTS

1500 Lamy Lane, Monroe, LA 71201-3734 • P. O. Box 14065, Monroe, LA 71207-4065
Phone: (318) 323-0717 • Fax: (318) 323-0719

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

To the Partners
Wesley Chapel Development 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 Wesley Chapel Development Limited Partnership, which comprise the balance sheets as of December 31, 2022 and 2021, and the related statements of operations, partners' equity (deficit), and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated March 01, 2023.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Wesley Chapel Development 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

Monroe, Louisiana
March 01, 2023

WESLEY CHAPEL DEVELOPMENT LIMITED PARTNERHIP
FOR THE YEAR ENDED DECEMBER 31, 2022

SCHEDULE OF FINDINGS, QUESTIONED COSTS, AND RECOMMENDATIONS

Our audit disclosed no findings that are required to be reported for the year ended December 31, 2022.

SCHEDULE OF THE STATUS OF PRIOR AUDIT FINDINGS, QUESTIONED COSTS, AND
RECOMMENDATIONS

Our audit disclosed no findings, questioned costs, or recommendations for the year ended December 31, 2021.