

BROOKSTOWN PLACE PARTNERSHIP, ALPIC

FINANCIAL STATEMENTS

DECEMBER 31, 2022 AND 2021

BROOKSTOWN PLACE PARTNERSHIP, ALPIC

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INDEPENDENT AUDITORS' REPORT

To the Partners
Brookstown Place Partnership, ALPIC

Opinion

We have audited the accompanying financial statements of Brookstown Place Partnership, ALPIC, (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 Brookstown Place Partnership, ALPIC 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 Brookstown Place Partnership, ALPIC 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 Brookstown Place Partnership, ALPIC'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 Brookstown Place Partnership, ALPIC'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 Brookstown Place Partnership, ALPIC'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 20 through 23 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 February 27, 2023, on our consideration of Brookstown Place Partnership, ALPIC'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 Brookstown Place Partnership, ALPIC'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 Brookstown Place Partnership, ALPIC's internal control over financial reporting and compliance.



Monroe, Louisiana
February 27, 2023

BROOKSTOWN PLACE PARTNERSHIP, ALPIC
BALANCE SHEETS
DECEMBER 31, 2022 AND 2021

ASSETS

	<u>2022</u>	<u>2021</u>
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 8,294	\$ 7,898
Accounts Receivable - Tenants	1,584	1,179
Prepaid Expenses	30,212	21,315
Total Current Assets	<u>40,090</u>	<u>30,392</u>
RESTRICTED DEPOSITS AND FUNDED RESERVES		
Replacement Reserve Escrow	45,633	56,747
Operating Deficit Reserve	25,935	25,923
Tenants' Security Deposits	6,397	6,531
Real Estate Tax and Insurance Escrow	11,308	13,738
Total Restricted Deposits and Funded Reserves	<u>89,273</u>	<u>102,939</u>
PROPERTY AND EQUIPMENT		
Buildings	4,432,207	4,432,207
Land Improvements	232,385	232,385
Furniture and Equipment	139,464	139,464
Total	<u>4,804,056</u>	<u>4,804,056</u>
Less: Accumulated Depreciation	<u>(1,969,688)</u>	<u>(1,846,840)</u>
Net Depreciable Assets	2,834,368	2,957,216
Land	55,460	55,460
Total Property and Equipment	<u>2,889,828</u>	<u>3,012,676</u>
OTHER ASSETS		
Tax Credit Fees	18,150	18,150
Less: Accumulated Depreciation	<u>(18,150)</u>	<u>(17,041)</u>
Net Amortizable Assets	<u>-</u>	<u>1,109</u>
Total Other Assets	<u>-</u>	<u>1,109</u>
TOTAL ASSETS	<u><u>\$ 3,019,191</u></u>	<u><u>\$ 3,147,116</u></u>

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

BROOKSTOWN PLACE PARTNERSHIP, ALPIC
BALANCE SHEETS
DECEMBER 31, 2022 AND 2021

LIABILITIES AND PARTNERS' EQUITY

	<u>2022</u>	<u>2021</u>
CURRENT LIABILITIES		
Accounts Payable	\$ 4,451	\$ 11,187
Prepaid Rent	943	987
Accrued Interest Payable	4,197	5,312
Management Fees Payable	1,552	1,554
Due To Related Parties	21,429	-
Current Portion of Long-Term Debt	12,276	11,445
Total Current Liabilities	44,848	30,485
DEPOSITS		
Tenants' Security Deposits	6,258	6,540
Total Deposits	6,258	6,540
LONG-TERM LIABILITIES		
Mortgage Payable	847,080	857,261
Deferred Developer Fees	274,943	274,943
Asset Management Fees Payable	49,300	43,446
Total Long-Term Liabilities	1,171,323	1,175,650
Total Liabilities	1,222,429	1,212,675
PARTNERS' EQUITY		
Partners' Equity (Deficit)	1,796,762	1,934,441
TOTAL LIABILITIES AND PARTNERS' EQUITY	\$ 3,019,191	\$ 3,147,116

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

BROOKSTOWN PLACE PARTNERSHIP, ALPIC
STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
REVENUE		
Tenant Rents	\$ 309,313	\$ 310,264
Less Vacancies, Concessions, Etc.	(13,645)	(33,622)
Late Fees, Deposit Forfeitures, Etc.	688	379
Total Revenue	<u>296,356</u>	<u>277,021</u>
EXPENSES		
Maintenance and Repairs	87,957	84,061
Utilities	3,948	4,171
Administrative	39,862	61,766
Management Fees	17,704	16,274
Taxes	32,294	32,230
Insurance	58,165	46,977
Interest	64,367	66,220
Depreciation	123,956	124,057
Total Expenses	<u>428,253</u>	<u>435,756</u>
Income (Loss) from Rental Operations	<u>(131,897)</u>	<u>(158,735)</u>
OTHER INCOME AND (EXPENSES)		
Interest Income	73	71
Entity Expense - Partnership & Asset Management Fees	(5,855)	(5,197)
Total Other Income (Expense)	<u>(5,782)</u>	<u>(5,126)</u>
Net Income (Loss)	<u>\$ (137,679)</u>	<u>\$ (163,861)</u>

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

BROOKSTOWN PLACE PARTNERSHIP, ALPIC
STATEMENTS OF PARTNERS' EQUITY (DEFICIT)
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	<u>Total</u>	<u>GENERAL PARTNER Partners-for- Progress Development Company, LLC</u>	<u>LIMITED PARTNERS</u>	
			Alliant Tax Credit 46, LLC	Alliant MT 46, LLC
Partners' Equity (Deficit), January 1, 2021	\$ 2,098,302	\$ (172)	\$ (172)	\$ 2,098,646
Net Income (Loss)	<u>(163,861)</u>	<u>(16)</u>	<u>(16)</u>	<u>(163,829)</u>
Partners' Equity (Deficit), December 31, 2021	\$ 1,934,441	\$ (188)	\$ (188)	\$ 1,934,817
Net Income (Loss)	<u>(137,679)</u>	<u>(14)</u>	<u>(14)</u>	<u>(137,651)</u>
Partners' Equity (Deficit), December 31, 2022	<u>\$ 1,796,762</u>	<u>\$ (202)</u>	<u>\$ (202)</u>	<u>\$ 1,797,166</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.

BROOKSTOWN PLACE PARTNERSHIP, ALPIC
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)	\$ (137,679)	\$ (163,861)
Adjustments to Reconcile Net Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Depreciation and Amortization	123,956	124,057
(Increase) Decrease in:		
Accounts Receivable - Tenants	(405)	13,121
Prepaid Insurance	(8,897)	(12,121)
Increase (Decrease) in:		
Accounts Payable	(6,736)	2,865
Prepaid Rent	(44)	665
Accrued Interest Payable	(1,115)	(63)
Management Fee Payable	(2)	1,128
Tenants' Security Deposits	(281)	(170)
Net Cash Provided (Used) by Operating Activities	<u>(31,203)</u>	<u>(34,379)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payments on Mortgage Payable	(11,469)	(10,714)
Interest on Loan Fees	2,119	2,163
Increase (Decrease) in Due to Related Parties	21,429	-
Increase in Asset Management Fees Payable	5,854	5,198
Net Cash Provided (Used) by Financing Activities	<u>17,933</u>	<u>(3,353)</u>
Net Increase (Decrease) in Cash and Restricted Cash	(13,270)	(37,732)
Cash and Restricted Cash, Beginning of Year	<u>110,837</u>	<u>148,569</u>
Cash and Restricted Cash, End of Year	<u>\$ 97,567</u>	<u>\$ 110,837</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	\$ 8,294	\$ 7,898
Tenants' Security Deposits	6,397	6,531
Real Estate Tax and Insurance Escrow	11,308	13,738
Operating Deficit Reserve	25,935	25,923
Replacement Reserve	45,633	56,747
Total Cash and Restricted Cash	<u>\$ 97,567</u>	<u>\$ 110,837</u>

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

BROOKSTOWN PLACE PARTNERSHIP, ALPIC
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>\$ 63,363</u>	<u>\$ 64,120</u>

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

BROOKSTOWN PLACE PARTNERSHIP, ALPIC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE A – ORGANIZATION

Brookstown Place Partnership, ALPIC, (the Partnership) was organized in 2005 as a limited partnership to develop, construct, own, maintain, and operate twenty-five single-family homes intended for rental to persons of low and moderate income. These homes are located on various sites in Baton Rouge, Louisiana and are collectively known as Brookstown Place Subdivision (the Complex). Each home 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 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.

BROOKSTOWN PLACE PARTNERSHIP, ALPIC
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 are 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.

BROOKSTOWN PLACE PARTNERSHIP, ALPIC
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 February 27, 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

Replacement Reserve

Commencing in the month following the month in which completion occurs, the General Partners 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 \$300 per unit (which annual rate shall be adjusted, on January 1 of each fifth year thereafter, to equal the product of \$300 multiplied by the CPI Adjustment as of the adjustment date), or that required by the lender. Withdrawals from the account shall be approved by the Administrative Limited Partnership upon request from the General Partner prior to withdrawing the funds. Funding amounted to \$8,503 in 2022 and \$8,480 in 2021. Withdrawals amounted to \$19,617 in 2022 and \$19,340 in 2021. At December 31, 2022 and 2021, the balance in this account was \$45,633 and \$56,747, respectively.

Balance, December 31, 2021	\$	56,747
Deposits:		
Monthly Deposits: \$703.44 x 12		8,441
Interest Earned		62
Withdrawals:		
		(19,617)
Balance, December 31, 2022	\$	45,633

BROOKSTOWN PLACE PARTNERSHIP, ALPIC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE C – RESTRICTED DEPOSITS AND FUNDED RESERVES (CONTINUED)

Tenants' Security Deposits

This account consists 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 adequately funded.

Operating Deficit Reserve

The General Partners shall establish and at all times maintain an operating deficit reserve in the amount of \$25,000, which shall be funded from the capital contribution of the Investor Limited Partner made pursuant to the Partnership Agreement. The operating deficit reserve account 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. Withdrawals amounted to \$0 and \$0 in 2022 and 2021, respectively. At December 31, 2022 and 2021, the balance in this account was \$25,935 and \$25,923, 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 \$92,259 in 2022 and \$66,483 in 2021. Withdrawals amounted to \$94,689 in 2022 and \$68,912 in 2021. At December 31, 2022 and 2021, the balance in this account was \$11,308 and \$13,738, respectively.

NOTE D – PARTNERS' CAPITAL

The Partnership has one General Partner – Partners-For-Progress Development Company, LLC; and two Limited Partners – Alliant Tax Credit 46, LLC, (Administrative Limited Partner), and Alliant MT 46, LLC, (Investor Limited Partner). The Partnership records capital contributions as received.

NOTE E – LONG-TERM DEBT

Mortgage Payable

Permanent financing was obtained from Enterprise Team, Inc. on February 4, 2009. The loan has a twenty year permanent mortgage with a forty year amortization period in the original amount of \$1,000,000. This loan matures on March 1, 2029. The loan bears an annual interest rate of 7.03% with monthly interest and principal payments of \$6,236, and one balloon payment in the year 2029. For the years ended December 31, 2022 and 2021, the partnership maintained a debt service coverage ratio of 83% and 56%. The loan had an outstanding balance of \$895,425 and accrued interest of \$4,197 at December 31, 2022. The non-recourse note is collateralized by buildings and land.

Debt issuance costs, net of accumulated amortization, of \$36,069 and \$38,163 as of December 31, 2022 and 2021, respectively, are amortized using an imputed interest rate of 2.77%.

BROOKSTOWN PLACE PARTNERSHIP, ALPIC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE E – LONG-TERM DEBT (CONTINUED)

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	\$ 12,276
2024	13,167
2025	14,123
2026	15,149
2027	16,248
Thereafter	\$ 824,462

NOTE F – TRANSACTIONS WITH AFFILIATES AND RELATED PARTIES

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.

Asset Management Fee

Commencing on January 1, 2009 and for each year thereafter, the Partnership shall pay to the Investor Limited Partner an asset management fee of \$4,000 per annum for its services in reviewing the informational reports, financial statements and tax returns. 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 proceeds to pay the outstanding accrued amount. For the years ended December 31, 2022 and 2021, \$0 and \$0, respectively, of asset management fees were paid and the balance of asset management fees payable was \$49,300 and \$43,446, respectively.

BROOKSTOWN PLACE PARTNERSHIP, ALPIC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

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

Developer Fee Payable

The Partnership has incurred a developer fee in the amount of \$615,000 to Partners-for-Progress Development Company, LLC, as its Managing General Partner, for services rendered to the Partnership for overseeing the construction and development of the complex. The development fee has been capitalized in the basis of the building. Per Section 3.1 of the Partnership Agreement, if the Development Fee has not been paid in full by December 31, 2018, the General Partners will make a capital contribution with ten (10) days thereafter in an amount sufficient for payment of any unpaid balance of the Development Fee. Development fees in the amount of \$0 and \$0 were paid in 2022 and 2021, respectively. On December 31, 2009 a promissory note was signed by the manager of Partners For Progress Development Company, LLC, to pay Brookstown Place Consulting, LLC the amount of \$206,207 representing 75% of the developer fee payable. As of December 31, 2022, and 2021, the balance of the developer fee payable was \$68,736 and \$68,736, respectively. As of December 31, 2022 and 2021, the balance owed on the developer fee promissory note was \$206,207 and \$206,207, respectively.

Supervisory and Incentive Management Fee

The Partnership shall pay to the Supervisory Agent (Partners for Progress Development Company, LLC) a Supervisory Management Fee in an amount equal to forty percent (40%) of Cash Flow remaining after application of Cash Flow against the amounts described in Sections 9.2A (i) through 9.2A (viii) of the Partnership Agreement for such year pursuant to Section 9.2A(ix) of the Partnership Agreement, provided that the Supervisory Management Fee for any year shall not exceed ten percent (10%) of gross revenues of the Development for such year. During the years ended December 31, 2022 and 2021, no Supervisory Management Fees were incurred or paid.

The Partnership shall pay to the Supervisory Agent (Partners for Progress Development Company, LLC) an Incentive Management Fee equal to percent (40.0%) of Cash Flow remaining after application of Cash Flow against the amounts described in Sections 9.2A (i) through 9.2A (viii) of the Partnership Agreement for such year pursuant to Section 9.2A(x) of the Partnership Agreement, provided that the Incentive Management Fees for any year shall not exceed ten percent (10%) of gross revenues of the Development for such year. During the years ended December 31, 2022 and 2021, no Incentive Management Fees were incurred or paid.

Notwithstanding anything to the contrary set forth in the Partnership Agreement or in the Supervisory Agreement, in no event will the sum of the fees payable pursuant to the Supervisory Agreement plus any fees payable to a 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.

Due to Related Parties

Partners-for-Progress Development Company, LLC, as its Managing General Partner, paid \$21,429 for an insurance deductible to help cover the costs of repairs for flood damage. As of December 31, 2022, the balance owed was \$21,429.

BROOKSTOWN PLACE PARTNERSHIP, ALPIC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

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 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;
- 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;
- E) To pay in full any unpaid Asset Management Fees;
- F) To pay in full any unpaid and accrued management fee;
- G) To pay in full any unpaid Development Fee;
- H) To pay in full any Operating Loans;
- I) To pay the Supervisory Management Fee due pursuant to the Supervisory Agreement;
- J) To pay the Incentive Management Fee payable pursuant to the Supervisory 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 Brookstown Place Subdivision. 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

BROOKSTOWN PLACE PARTNERSHIP, ALPIC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE I – CURRENT VULNERABILITY DUE TO CERTAIN CONCENTRATIONS (CONTINUED)

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

The Partnership has entered into an agreement with NDC Asset 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 collected rent. Management fees incurred for the years ended December 31, 2022 and 2021 were \$17,704 and \$16,274, respectively.

NOTE K – TAXABLE INCOME (LOSS)

A reconciliation of financial statement net income (loss) to taxable income (loss) of the Partnership for the year ended December 31, 2022 and 2021 is as follows:

	<u>2022</u>	<u>2021</u>
Financial Statement Net Income (Loss)	\$ (137,679)	\$ (163,861)
Adjustments:		
Excess of depreciation and amortization for income tax purposes over financial reporting purposes	<u>(6,036)</u>	<u>(8,110)</u>
Taxable Income (Loss) as Shown on Tax Return	<u>\$ (143,715)</u>	<u>\$ (171,971)</u>

NOTE L – ADVERTISING

The Partnership incurred advertising costs of \$0 in 2022 and \$0 in 2021. These costs are expensed as incurred.

NOTE M – TAX CREDITS

During the year ended December 31, 2008, the Partnership was awarded Low-Income Housing Tax Credits in the amount of \$4,382,000 to be allocated over ten years. As of December 31, 2022, \$4,382,000 in tax credits have been taken with \$0 remaining to be taken.

SUPPLEMENTAL INFORMATION

BROOKSTOWN PLACE PARTNERSHIP, ALPIC
SCHEDULES OF EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
MAINTENANCE AND REPAIRS		
Maintenance Salaries	5,304	4,491
Maintenance Supplies	7,382	16,390
Maintenance Contracts	22,880	2,874
Repairs & Maintenance	33,257	43,345
Grounds Maintenance	17,884	15,311
Pest Control	1,250	1,650
Total Maintenance and Repairs	<u>\$ 87,957</u>	<u>\$ 84,061</u>
UTILITIES		
Electricity	2,524	2,264
Water	373	773
Sewer	822	902
Trash Removal	195	232
Gasoline / Oil	34	-
Total Utilities	<u>\$ 3,948</u>	<u>\$ 4,171</u>
ADMINISTRATIVE		
Print Advertising	-	2,443
Office Salaries/Commission	64	-
Office Expense	4,461	6,720
Manager Salary	10,818	12,924
Superintendent Salary	8,422	6,891
Legal	-	(200)
Auditing	7,250	7,250
Accounting Fees	1,012	896
Bad Debts	66	17,654
Administrative Travel	964	638
Staff Training	401	478
Telephone	4,549	4,374
Bank Service Charges	456	390
Internet Expense	1,239	1,148
Compliance/Monitor Fee	160	160
Total Administrative	<u>\$ 39,862</u>	<u>\$ 61,766</u>
MANAGEMENT FEES		
Management Fee	17,704	16,274
Total Management Fees	<u>\$ 17,704</u>	<u>\$ 16,274</u>

BROOKSTOWN PLACE PARTNERSHIP, ALPIC
SCHEDULES OF EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
TAXES		
Real Estate Taxes	30,378	30,601
Payroll Taxes	1,916	1,629
Total Taxes	<u>\$ 32,294</u>	<u>\$ 32,230</u>
INSURANCE		
Property/Liability Insurance	52,027	42,982
Other Insurance	84	-
Fidelity Bond	84	148
Workers Compensation	1,331	1,289
Hospitalization BC/BS	4,639	2,558
Total Insurance	<u>\$ 58,165</u>	<u>\$ 46,977</u>
INTEREST		
Mortgage Interest	62,273	64,101
Interest - Loan Fees	2,094	2,119
Total Interest	<u>\$ 64,367</u>	<u>\$ 66,220</u>
DEPRECIATION AND AMORTIZATION		
Amortization	1,109	1,210
Depreciation	122,847	122,847
Total Depreciation and Amortization	<u>\$ 123,956</u>	<u>\$ 124,057</u>

BROOKSTOWN PLACE PARTNERSHIP, ALPIC
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

**BROOKSTOWN PLACE PARTNERSHIP, ALPIC
SCHEDULE OF PROJECT CASH FLOW DISTRIBUTION
FOR THE YEAR ENDED DECEMBER 31, 2022**

	2022
CASH RECEIPTS	
Total Revenue per Statement of Operations	\$ 296,356
(Increase) Decrease in Accounts Receivable	(405)
Increase (Decrease) in Deferred Rent Income	(44)
Net Decrease in Replacement Reserve	11,114
Net Decrease in Tax & Insurance Escrow	2,430
Total Cash Receipts	309,451
CASH EXPENDITURES	
Total Expenses per Statement of Operations	428,253
Less: Depreciation, Amortization and Interest	(188,323)
Debt Service Payments	74,832
Total Cash Expenditures	314,762
Cash Flow Available for Distribution	\$ (5,311)

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 MT 46, LLC	-	-	(5,311)
(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	-	-	(5,311)
(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	-	-	(5,311)
(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	-	-	(5,311)
(E)	To pay in full any unpaid Asset Management Fees;	Alliant MT 46, LLC	-	-	(5,311)
(F)	To pay in full any unpaid and accrued management fee;	NDC Real Estate Management, LLC	-	-	(5,311)
(G)	To pay in full any unpaid Development Fee;	Partners-For-Progress Development Company, LLC	-	-	(5,311)
(H)	To pay in full any Operating Loans;	N/A	-	-	(5,311)
(I)	To pay the Supervisory Management Fee due pursuant to the Supervisory Agreement;	Partners-For-Progress Development Company, LLC	-	-	(5,311)
(J)	To pay the Incentive Management Fee payable pursuant to the Supervisory Agreement;	Partners-For-Progress Development Company, LLC	-	-	(5,311)
(L)	Investor Limited Partner (99.97%)	Alliant MT 46, LLC	-	-	(5,311)
	Administrative Limited Partner (.01%)	Alliant Tax Credit 46, LLC	-	-	(5,311)
	General Partner (.02%)	Partners-For-Progress Development Company, LLC	-	-	(5,311)

B&T BOND & TOUSIGNANT, LLC
CERTIFIED PUBLIC ACCOUNTANTS

1500 Lamy Lane, Monroe, LA 71201-3734 • P. O. Box 14065, Monroe, LA 71207-4065
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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
Brookstown Place Partnership, ALPIC

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 Brookstown Place Partnership, ALPIC, 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 February 27, 2023.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Brookstown Place Partnership, ALPIC'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 Brookstown Place Partnership, ALPIC's internal control. Accordingly, we do not express an opinion on the effectiveness Brookstown Place Partnership, ALPIC'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 Brookstown Place Partnership, ALPIC'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.

Bond + Jousignant, LLC

Monroe, Louisiana
February 27, 2023