

Linden Elderly, LP

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

December 31, 2020 and 2019



Report of Independent Auditors

To the Partners of

Linden Elderly, LP:

Report on the Financial Statements

We have audited the accompanying financial statements of Linden Elderly, LP, a Missouri limited partnership, which comprise the balance sheets as of December 31, 2020 and 2019, and the related statements of income, statement of partners' equity and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Linden Elderly, LP as of December 31, 2020 and 2019, 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.

Other Matters

Supplementary and Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated February 15, 2021 on our consideration of Linden Elderly, LP's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Linden Elderly, LP's internal control over financial reporting and compliance.

Novogradac & Company LLP

Austin, Texas

February 15, 2021

LINDEN ELDERLY, LP
 MHDC PROJECT NO. 06-089-HTE/RS
 BALANCE SHEETS
 December 31, 2020 and 2019

Assets

		December 31,	
		2020	2019
Current Assets			
1120	Cash - operations	\$ 55,680	\$ 53,606
1130	Tenant accounts receivable	9,524	9,662
1135	Accounts receivable - HUD	9,240	8,014
1190	Miscellaneous current assets (Supplemental Schedule > \$1,000)	459	459
1200	Miscellaneous prepaid expenses (Supplemental Schedule > \$1,000)	28,671	23,738
1100T	Total Current Assets	103,574	95,479
Deposits Held in Trust - Funded			
1191	Tenant deposits held in trust	21,015	21,836
Restricted Deposits And Funded Reserves			
1310	Escrow deposits	(1,495)	4,482
1320	Replacement reserve	183,540	162,547
1330	Other reserves	37,231	37,040
1340	Residual receipts reserve	20,714	20,608
1300T	Total Deposits	239,990	224,677
Fixed Assets			
1410	Land	200,737	200,737
1420	Buildings	5,184,424	5,183,078
1460	Furnishings	178,389	178,911
1480	Motor vehicles	1,633	1,633
1490	Miscellaneous fixed assets	381,917	381,917
1400T	Total Fixed Assets	5,947,100	5,946,276
1495	Less: Accumulated depreciation	2,150,844	1,998,858
1400N	Net Fixed Assets	3,796,256	3,947,418
1000T	Total Assets	\$ 4,160,835	\$ 4,289,410

see accompanying notes

LINDEN ELDERLY, LP
 MHDC PROJECT NO. 06-089-HTE/RS
 BALANCE SHEETS (CONTINUED)
 December 31, 2020 and 2019

Liabilities

		December 31,	
		2020	2019
Current Liabilities			
2110	Accounts payable - operations	\$ 4,486	\$ 8,405
2113	Accounts payable - entity	84,033	84,033
2131	Accrued interest payable - first mortgage	8,691	8,826
2133	Accrued interest payable - other loans and notes (surplus cash)	406,291	379,649
2170	Mortgage payable - first mortgage (short-term)	24,216	22,775
2190	Miscellaneous current liabilities (Supplemental Schedule > \$1,000)	13,555	11,056
2210	Prepaid revenue	2,827	1,292
2122T	Total Current Liabilities	544,099	516,036
Deposit And Prepayment Liabilities			
2191	Tenant deposits held in trust (contra)	20,985	21,746
Long-Term Liabilities			
2305	Accounts payable -Entity (long term)	40,000	40,000
2320	Mortgage payable - first mortgage	1,671,560	1,695,785
2323	Other loans and notes payable - surplus cash	724,541	753,172
2340	Debt Issuance Costs	(67,131)	(69,696)
2300T	Total Long-Term Liabilities	2,368,970	2,419,261
2000T	Total Liabilities	2,934,054	2,957,043
Partners' Equity			
3130	Partners' equity	1,226,781	1,332,367
2033T	Total Liabilities And Partners' Equity	\$ 4,160,835	\$ 4,289,410

see accompanying notes

LINDEN ELDERLY, LP
MHDC PROJECT NO. 06-089-HTE/RS
STATEMENT OF INCOME
For the Year Ended December 31, 2020

	Description of Account	Acct. No.	Amount	
Rent Revenue 5100	Rent Revenue - Gross Potential	5120	\$ 331,004	
	Tenant Assistance Payments	5121	\$ 351,318	
	Rent Revenue - Stores and Commercial	5140	\$ —	
	Garage and Parking Spaces	5170	\$ —	
	Flexible Subsidy Revenue	5180	\$ —	
	Miscellaneous Rent Revenue	5190	\$ —	
	Excess Rent	5191	\$ 6,383	
	Rent Revenue/Insurance	5192	\$ —	
	Special Claims Revenue	5193	\$ 467	
	Retained Excess Income	5194	\$ —	
		Total Rent Revenue	5100T	\$ 689,172
Vacancies 5200	Apartments	5220	\$ 32,056	
	Stores and Commercial	5240	\$ —	
	Rental Concessions	5250	\$ —	
	Loss to Lease	5260	\$ 724	
	Garage and Parking Space	5270	\$ —	
	Miscellaneous	5290	\$ —	
		Total Vacancies	5200T	\$ 32,780
	Net Rental Revenue <i>Rent Revenue Less Vacancies</i>	5152N	\$ 656,392	
Supportive Services - 5390	Supportive Services Revenue (attach Schedule)	5390	\$ —	
Financial Revenue 5400	Financial Revenue - Project Operations	5410	\$ 397	
	Revenue from Investments - Residual Receipts	5430	\$ 106	
	Revenue from Investments - Replacement Reserve	5440	\$ 886	
	Revenue from Investments - Miscellaneous	5490	\$ —	
		Total Financial Revenue	5400T	\$ 1,389
Other Revenue 5900	Laundry and Vending Revenue	5910	\$ 5,660	
	Tenant Charges	5920	\$ 14,999	
	Interest Reduction Payments Revenue	5945	\$ —	
	Cable TV / Internet Access Revenue	5954	\$ —	
	Miscellaneous Revenue	5990	\$ 412	
		Total Other Revenue	5900T	\$ 21,071
	Total Revenue	5000T	\$ 678,852	
Administrative Expenses 6200/6300	Conventions and Meetings	6203	\$ 387	
	Management Consultants	6204	\$ —	
	Advertising and Marketing	6210	\$ 102	
	Other Renting Expenses	6250	\$ 517	
	Office Salaries	6310	\$ 34,333	
	Office Expenses	6311	\$ 7,225	
	Office or Model Apartment Rent	6312	\$ —	
	Leased Furniture	6313	\$ —	
	Management Fee/Bookkeeping/Accounting Services	6320	\$ 41,520	
	Manager or Superintendent Salaries	6330	\$ 31,625	
	Administrative Rent Free Unit	6331	\$ —	
	Legal Expense - Project	6340	\$ 3,310	
	Audit Expense	6350	\$ 5,500	
	Telephone Expense	6360	\$ 7,147	
	Bad Debts	6370	\$ 13,576	
		Miscellaneous Administrative Expenses	6390	\$ 5,600
	Total Administrative Expenses	6263T	\$ 150,842	
Utilities	Electricity	6450	\$ 48,568	
	Water	6451	\$ 17,279	
	Gas	6452	\$ 9,706	
	Sewer	6453	\$ 9,280	
	Cable TV / Internet Access	6454	\$ —	
		Total Utilities Expense	6400T	\$ 84,833
		Total Expenses (Carry Forward to Page 2)		\$ 235,675

see accompanying notes

LINDEN ELDERLY, LP
MHDC PROJECT NO. 06-089-HTE/RS
STATEMENT OF INCOME (CONTINUED)
For the Year Ended December 31, 2020

		Balance Carried Forward		\$ 235,675
Operating Maintenance Expenses 6500	Payroll	6510	\$ 37,988	
	Supplies	6515	\$ 23,844	
	Contracts	6520	\$ 63,005	
	Operating and Maintenance Rent Free Unit	6521	\$ —	
	Garbage and Trash Removal	6525	\$ 5,166	
	Security Payroll/Contract	6530	\$ 15,705	
	Security Rent Free Unit	6531	\$ —	
	Heating/Cooling Repairs and Maintenance	6546	\$ 144	
	Snow Removal	6548	\$ 4,429	
	Vehicle and Maintenance Equipment Operation and Repairs	6570	\$ 889	
	Maintenance Tools and Equipment	6571	\$ —	
	Pool Supplies and Pool Maintenance/Contracts	6572	\$ —	
	Exterminating	6573	\$ 6,428	
	Elevator Maintenance/Contracts	6574	\$ 7,614	
	Vacant Unit Preparation	6580	\$ 13,995	
	Miscellaneous Operating and Maintenance Expenses	6590	\$ 142	
	Total Operating and Maintenance Expenses	6500T		\$ 179,349
Taxes and Insurance 6700	Real Estate Taxes	6710	\$ —	
	Payroll Taxes (Project's Share)	6711	\$ 7,567	
	Property and Liability Insurance (Hazard)	6720	\$ 18,978	
	Fidelity Bond Insurance	6721	\$ 493	
	Workmen's Compensation	6722	\$ 2,729	
	Health Insurance and Other Employee Benefits	6723	\$ 39,385	
	Miscellaneous Taxes, Licenses, Permits and Insurance	6790	\$ —	
	Total Taxes and Insurance	6700T		\$ 69,152
Financial Expenses 6800	Interest on Mortgage Payable	6820	\$ 104,921	
	Interest Attributable to Debt Issuance Costs	6822	\$ 2,565	
	Interest on Notes Payable (Long-Term)	6830	\$ —	
	Interest on Notes Payable (Short-Term)	6840	\$ —	
	Mortgage Insurance Premium/Service Charge	6850	\$ 8,522	
	Miscellaneous Financial Expenses	6890	\$ —	
	Total Financial Expenses	6800T		\$ 116,008
Supportive Services -	Supportive Services Expenses (attach Schedule)	6990	\$ —	\$ —
	Total Cost of Operations before Depreciation and Amortization	6000T		\$ 600,184
	Profit (Loss) before Depreciation and Amortization	5060T		\$ 78,668
	Depreciation Expense	6600	\$ 154,112	
	Amortization Expense	6610	\$ —	
		Total Depreciation and Amortization		
	Operating Profit or (Loss)	5060N		\$ (75,444)
Corporate or Mortgagor Entity Expenses 7100	Entity Revenue	7105	\$ —	
	Officer's Salaries	7110	\$ —	
	Asset Management, Partnership, & Incentive Performance Fee	7115	\$ 3,500	
	Legal Expenses	7120	\$ —	
	Federal, State, and Other Income Taxes	7130	\$ —	
	Fidelity & Bond Expense	7135	\$ —	
	Interest on Notes Payable (subordinate/surplus cash/non-MHDC loans)	7141	\$ 8,806	
	Interest on Mortgage Payable (subordinate/surplus cash/non-MHDC loan)	7142	\$ 17,836	
	Other Expenses	7190	\$ —	
		Net Entity Expenses	7100T	
	Profit or Loss (Net Income or Loss)	3250		\$ (105,586)
Miscellaneous or other Income and Expense Sub-account Groups. If miscellaneous or other income and/or expense sub-accounts (5190, 5290, 5490, 5990, 6390, 6590, 6790, 6890 and 7190) exceed the Account Groupings by 10% or more, attach a separate schedule.				
Part II				
1. Total mortgage principal payments required during the audit year (12 monthly payments). (Account 7001)				\$ 22,784
2. Total of 12 monthly deposits in the audit year into the Replacement Reserve account. (Account 7002)				\$ 34,388
3. Replacement Reserve or Residual Receipts releases which are included as expense items on this Profit and Loss Statement. (Account 7003)				\$ 6,393
4. Debt Service for other loans (surplus cash / non-mhdc / partner loans) (Account 7145)				\$ 12,500

see accompanying notes

LINDEN ELDERLY, LP
MHDC PROJECT NO. 06-089-HTE/RS
STATEMENT OF INCOME (CONTINUED)
For the Year Ended December 31, 2019

	Description of Account	Acct. No.	Amount	
Rent Revenue 5100	Rent Revenue - Gross Potential	5120	\$ 329,544	
	Tenant Assistance Payments	5121	\$ 335,252	
	Rent Revenue - Stores and Commercial	5140	\$ —	
	Garage and Parking Spaces	5170	\$ —	
	Flexible Subsidy Revenue	5180	\$ —	
	Miscellaneous Rent Revenue	5190	\$ —	
	Excess Rent	5191	\$ 3,836	
	Rent Revenue/Insurance	5192	\$ —	
	Special Claims Revenue	5193	\$ 1,199	
	Retained Excess Income	5194	\$ —	
		Total Rent Revenue	5100T	\$ 669,831
Vacancies 5200	Apartments	5220	\$ 43,722	
	Stores and Commercial	5240	\$ —	
	Rental Concessions	5250	\$ 81	
	Loss to Lease	5260	\$ 518	
	Garage and Parking Space	5270	\$ —	
	Miscellaneous	5290	\$ —	
		Total Vacancies	5200T	\$ 44,321
	Net Rental Revenue <i>Rent Revenue Less Vacancies</i>	5152N	\$ 625,510	
Supportive Services - 5390	Supportive Services Revenue (attach Schedule)	5390	\$ —	
Financial Revenue 5400	Financial Revenue - Project Operations	5410	\$ 968	
	Revenue from Investments - Residual Receipts	5430	\$ 146	
	Revenue from Investments - Replacement Reserve	5440	\$ 1,170	
	Revenue from Investments - Miscellaneous	5490	\$ —	
		Total Financial Revenue	5400T	\$ 2,284
Other Revenue 5900	Laundry and Vending Revenue	5910	\$ 5,358	
	Tenant Charges	5920	\$ 5,697	
	Interest Reduction Payments Revenue	5945	\$ —	
	Cable TV / Internet Access Revenue	5954	\$ —	
	Miscellaneous Revenue	5990	\$ 763	
		Total Other Revenue	5900T	\$ 11,818
	Total Revenue	5000T	\$ 639,612	
Administrative Expenses 6200/6300	Conventions and Meetings	6203	\$ 2,687	
	Management Consultants	6204	\$ —	
	Advertising and Marketing	6210	\$ 98	
	Other Renting Expenses	6250	\$ 552	
	Office Salaries	6310	\$ 37,769	
	Office Expenses	6311	\$ 5,567	
	Office or Model Apartment Rent	6312	\$ —	
	Leased Furniture	6313	\$ —	
	Management Fee/Bookkeeping/Accounting Services	6320	\$ 30,900	
	Manager or Superintendent Salaries	6330	\$ 29,576	
	Administrative Rent Free Unit	6331	\$ —	
	Legal Expense - Project	6340	\$ 2,120	
	Audit Expense	6350	\$ 7,400	
	Telephone Expense	6360	\$ 6,375	
	Bad Debts	6370	\$ 8,325	
	Miscellaneous Administrative Expenses	6390	\$ 4,193	
		Total Administrative Expenses	6263T	\$ 135,562
Utilities	Electricity	6450	\$ 50,470	
	Water	6451	\$ 15,211	
	Gas	6452	\$ 11,475	
	Sewer	6453	\$ 9,014	
	Cable TV / Internet Access	6454	\$ —	
		Total Utilities Expense	6400T	\$ 86,170
		Total Expenses (Carry Forward to Page 2)		\$ 221,732

see accompanying notes

LINDEN ELDERLY, LP
MHDC PROJECT NO. 06-089-HTE/RS
STATEMENT OF INCOME (CONTINUED)
For the Year Ended December 31, 2019

		Balance Carried Forward		\$ 221,732
Operating Maintenance Expenses 6500	Payroll	6510	\$ 38,710	
	Supplies	6515	\$ 21,877	
	Contracts	6520	\$ 30,316	
	Operating and Maintenance Rent Free Unit	6521	\$ —	
	Garbage and Trash Removal	6525	\$ 4,810	
	Security Payroll/Contract	6530	\$ 17,240	
	Security Rent Free Unit	6531	\$ —	
	Heating/Cooling Repairs and Maintenance	6546	\$ 1,131	
	Snow Removal	6548	\$ 7,061	
	Vehicle and Maintenance Equipment Operation and Repairs	6570	\$ 1,868	
	Maintenance Tools and Equipment	6571	\$ —	
	Pool Supplies and Pool Maintenance/Contracts	6572	\$ —	
	Exterminating	6573	\$ 14,634	
	Elevator Maintenance/Contracts	6574	\$ 9,368	
	Vacant Unit Preparation	6580	\$ 15,102	
	Miscellaneous Operating and Maintenance Expenses	6590	\$ 123	
	Total Operating and Maintenance Expenses	6500T		\$ 162,240
Taxes and Insurance 6700	Real Estate Taxes	6710	\$ —	
	Payroll Taxes (Project's Share)	6711	\$ 7,764	
	Property and Liability Insurance (Hazard)	6720	\$ 18,122	
	Fidelity Bond Insurance	6721	\$ 493	
	Workmen's Compensation	6722	\$ 1,108	
	Health Insurance and Other Employee Benefits	6723	\$ 46,182	
	Miscellaneous Taxes, Licenses, Permits and Insurance	6790	\$ —	
	Total Taxes and Insurance	6700T		\$ 73,669
Financial Expenses 6800	Interest on Mortgage Payable	6820	\$ 106,321	
	Interest Attributable to Debt Issuance Costs	6822	\$ 2,565	
	Interest on Notes Payable (Long-Term)	6830	\$ —	
	Interest on Notes Payable (Short-Term)	6840	\$ —	
	Mortgage Insurance Premium/Service Charge	6850	\$ 8,633	
	Miscellaneous Financial Expenses	6890	\$ —	
	Total Financial Expenses	6800T		\$ 117,519
Supportive Services -	Supportive Services Expenses (attach Schedule)	6990	\$ —	\$ —
	Total Cost of Operations before Depreciation and Amortization	6000T		\$ 575,160
	Profit (Loss) before Depreciation and Amortization	5060T		\$ 64,452
	Depreciation Expense	6600	\$ 154,228	
	Amortization Expense	6610	\$ —	
		Total Depreciation and Amortization		
	Operating Profit or (Loss)	5060N		\$ (89,776)
Corporate or Mortgagor Entity Expenses 7100	Entity Revenue	7105	\$ —	
	Officer's Salaries	7110	\$ —	
	Asset Management, Partnership, & Incentive Performance Fee	7115	\$ 3,500	
	Legal Expenses	7120	\$ —	
	Federal, State, and Other Income Taxes	7130	\$ —	
	Fidelity & Bond Expense	7135	\$ —	
	Interest on Notes Payable (subordinate/surplus cash/non-MHDC loans)	7141	\$ 10,419	
	Interest on Mortgage Payable (subordinate/surplus cash/non-MHDC loan)	7142	\$ 17,009	
	Other Expenses	7190	\$ —	
	Net Entity Expenses	7100T		\$ 30,928
	Profit or Loss (Net Income or Loss)	3250		\$ (120,704)
Miscellaneous or other Income and Expense Sub-account Groups. If miscellaneous or other income and/or expense sub-accounts (5190, 5290, 5490, 5990, 6390, 6590, 6790, 6890 and 7190) exceed the Account Groupings by 10% or more, attach a separate schedule.				
Part II				
1. Total mortgage principal payments required during the audit year (12 monthly payments). (Account 7001)				\$ 21,429
2. Total of 12 monthly deposits in the audit year into the Replacement Reserve account. (Account 7002)				\$ 33,730
3. Replacement Reserve or Residual Receipts releases which are included as expense items on this Profit and Loss Statement. (Account 7003)				\$ 25,975
4. Debt Service for other loans (surplus cash / non-mhdc / partner loans) (Account 7145)				\$ 12,500

see accompanying notes

LINDEN ELDERLY, LP
 MHDC PROJECT NO. 06-089-HTE/RS
 STATEMENT OF PARTNERS' EQUITY
 For the Years Ended December 31, 2020 and 2019

Account	Limited Partner	Missouri Limited Partner	General Partner	Total Partners' Equity
Allocation Percentage	99.98%	0.01%	0.01%	100.00%
Balance, January 1, 2019	\$ 515,556	\$ 937,690	\$ (175)	\$ 1,453,071
Net loss	(120,680)	(12)	(12)	(120,704)
Balance, December 31, 2019	\$ 394,876	\$ 937,678	\$ (187)	\$ 1,332,367
3250 Net loss	(105,564)	(11)	(11)	(105,586)
3130 Balance, December 31, 2020	\$ 289,312	\$ 937,667	\$ (198)	\$ 1,226,781

see accompanying notes

LINDEN ELDERLY, LP
MHDC PROJECT NO. 06-089-HTE/RS
STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2020 and 2019

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	\$ (105,586)	\$ (120,704)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation expense	154,112	154,228
Interest expense - debt issuance costs	2,565	2,565
Change in tenant security deposits held in trust	821	3,456
Change in accounts receivable	138	1,160
Change in accounts receivable - HUD	(1,226)	-
Change in prepaid expenses	(4,933)	(1,173)
Change in accounts payable	(3,919)	(425)
Change in security deposits payable	(761)	(112)
Change in prepaid rent	1,535	(426)
Change in accrued interest	26,507	27,337
Change in accrued expenses	2,499	630
Net cash provided by operating activities	71,752	66,536
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of fixed assets	(2,950)	(9,276)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments of developer fee	(16,131)	(44,799)
Payment of second mortgage	(12,500)	(12,500)
Payment of mortgage	(22,784)	(21,429)
Net cash used in financing activities	(51,415)	(78,728)
Net change in cash, cash equivalents and restricted cash	17,387	(21,468)
Cash, cash equivalents and restricted cash at beginning of year	278,283	299,751
Cash, cash equivalents and restricted cash at end of year	\$ 295,670	\$ 278,283
Cash and cash equivalents	\$ 55,680	\$ 53,606
Restricted cash	239,990	224,677
Total cash, cash equivalents and restricted cash	\$ 295,670	\$ 278,283
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid for interest	\$ 105,056	\$ 106,412

see accompanying notes

LINDEN ELDERLY, LP
MHDC PROJECT NO. 06-089-HTE/RS
NOTES TO FINANCIAL STATEMENTS
December 31, 2020 and 2019

1. Organization

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

The Limited Partner is U.S.A. Institutional Tax Credit Fund LIX, LP (the “Limited Partner”). The Special Limited Partner is TRGSLP, Inc. (the “Special Limited Partner”). The STC Limited Partner is Dublin MO LIHTC Fund-I, LLC (the “Missouri Limited Partner”).

The general partner is Linden Elderly Housing Development Corporation (the “General Partner”). Pursuant to the Amended and Restated Agreement of Limited Partnership dated February 20, 2007, and the subsequent amendments (“the Partnership Agreement”), profits, losses and tax credits are allocated 0.01% to the General Partner, 99.98% to the Limited Partner, 0.01% to the Missouri Limited Partner, and 0% to the Special Limited Partner.

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

Pursuant to the terms of the Partnership Agreement, the Limited Partner and Missouri Limited Partner were required to provide capital contributions totaling \$2,278,795 and \$937,865, respectively, subject to potential adjustments based on the amount of low-income housing tax credits ultimately allocated to the Property in addition to other potential occurrences as more fully explained in the Partnership Agreement. As of December 31, 2020 and 2019, no capital contributions remained outstanding.

2. Summary of significant accounting policies and nature of operations

Basis of accounting

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

Estimates

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

LINDEN ELDERLY, LP
MHDC PROJECT NO. 06-089-HTE/RS
NOTES TO FINANCIAL STATEMENTS
December 31, 2020 and 2019

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

Cash and cash equivalents

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

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

Concentration of credit risk

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

Accounts receivable

Management considers receivables to be fully collectible. If amounts become uncollectible, they are charged to operations in the period in which that determination is made. Accounting principles generally accepted in the United States of America require that the allowance method be used to recognize bad debts; however, the effect of using the direct write-off method is not materially different from the results that would have been obtained under the allowance method. For the years ended December 31, 2020 and 2019, bad debt expense was \$13,576 and \$8,325, respectively.

Fixed assets and depreciation

Fixed assets are recorded at cost. Buildings, which include building improvements, are depreciated over their estimated useful life of 40 years using the straight-line method. Land improvements are depreciated over their estimated useful life of 20 years using the straight-line method. Furniture and equipment are depreciated over their estimated useful life of 10 years using the straight-line method. Depreciation expense for the years ended December 31, 2020 and 2019 was \$154,112 and \$154,228, respectively.

Impairment of long-lived assets

The Entity reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying value of the asset may not be recoverable. Recoverability is measured by a comparison of the carrying amount of the asset to the future net undiscounted cash flows expected to be generated and any estimated proceeds from the eventual disposition. If the long-lived assets are considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying amount of the asset exceeds the fair value as determined from an appraisal, discounted cash flow analysis, or other valuation technique. No impairment losses were recognized during 2020 or 2019.

LINDEN ELDERLY, LP
MHDC PROJECT NO. 06-089-HTE/RS
NOTES TO FINANCIAL STATEMENTS
December 31, 2020 and 2019

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

Cash distributions

Cash distributions are limited by agreements between the Entity and MHDC to the extent of surplus cash as defined by MHDC. Undistributed amounts are cumulative and may be distributed in subsequent years if future operations provide surplus cash in excess of current requirements. For the years ended December 31, 2020 and 2019, no distributions were made to the partners.

Income taxes

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

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

Revenue recognition

Rental revenue attributable to residential leases is recorded when due from residents, generally upon the first day of each month. Leases are for periods of up to one year, with rental payments due monthly. Other revenue includes fees for late payments, cleaning, damages, laundry facilities and other charges and is recorded when earned. Advance receipts of revenue are deferred and classified as liabilities until earned.

Federally-subsidized rent income

The Property is subject to three Section 8 Housing Assistance Payments Program ("HAP") agreements with HUD. The agreements expire on February 19, 2032, June 30, 2028, and February 28, 2027. HUD agreed to pay the owner the difference between the contract rent, as defined in the HAP agreement, and that portion of such rent payable by qualified tenants. Rental subsidy for the years ended December 31, 2020 and 2019 totaled \$351,318 and \$335,252, respectively.

Economic concentrations

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

LINDEN ELDERLY, LP
MHDC PROJECT NO. 06-089-HTE/RS
NOTES TO FINANCIAL STATEMENTS
December 31, 2020 and 2019

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

Impact of COVID-19 pandemic

The ongoing COVID-19 pandemic has caused an economic downturn on a global scale, disrupted global supply chains, and created significant uncertainty, volatility, and disruption across economies and financial markets. The severity and extent of the impact of COVID-19 on the Entity's operations will depend on a number of factors, including, but not limited to, the duration and severity of the pandemic and the extent and severity of the impact on the Entity's tenants, all of which are highly uncertain and cannot be predicted at this time. The Entity's future results could be adversely impacted by delays in rent collections. Significant uncertainty remains regarding the ongoing effects of the COVID-19 pandemic on the Entity's operations. Management is unable to reasonably estimate the impact of COVID-19 on its financial condition, results of operations or cash flows.

Subsequent events

Subsequent events have been evaluated through February 15, 2021, which is the date the financial statements were available to be issued, and there are no subsequent events requiring disclosure.

3. Restricted deposits and funded reserves

Escrow deposits

Pursuant to a regulatory agreement between the Entity and MHDC, required monthly payments to the mortgagee include amounts for deposit to mortgage escrow funds. These are held by the mortgagee for future payment of real estate taxes and property and mortgage insurance. This fund is restricted in accordance with the provisions of the regulatory agreement. As of December 31, 2020 and 2019, the escrow deposits had a deficit of \$1,495 and a balance of \$4,482, respectively.

Operating reserve

Pursuant to a regulatory agreement between the Entity and MHDC, an operating reserve was established to fund operating deficits. The Entity must have approval from MHDC before funds from the operating reserve are released. As of December 31, 2020 and 2019, the operating reserve balance was \$37,231 and \$37,040, respectively.

Replacement reserve

Pursuant to a regulatory agreement between the Entity and MHDC, annual deposits of \$33,730 are made to the replacement reserve account. These deposits are held by the mortgagee until MHDC approval is obtained for use of the funds to repair or replace certain assets of the Property. As of December 31, 2020 and 2019, the balance was \$183,540 and \$162,547, respectively.

Residual receipts reserve

Pursuant to a regulatory agreement between the Entity and MHDC, surplus cash in excess of the cumulative allowable distributions are deposited into the residual receipts reserve account. These deposits are held by the mortgagee until MHDC approval is obtained for use of the funds. As of December 31, 2020 and 2019, the balance was \$20,714 and \$20,608, respectively.

LINDEN ELDERLY, LP
 MHDC PROJECT NO. 06-089-HTE/RS
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2020 and 2019

4. Mortgage payable – first mortgage

On February 20, 2007, the Entity obtained a permanent loan (the “Permanent Loan”) in the amount of \$3,900,000 from MHDC and UMB Bank through the Risk-Share Program. The financing is being provided through issuance of MHDC Multifamily Housing Revenue Bonds (Linden Campus Apartments Project) 2006 Series 1. Pursuant to the terms of the Permanent Loan, a \$2,000,000 principal payment was made on July 1, 2008. The Permanent Loan has an interest rate of 6.15% per annum and matures on July 1, 2048. Principal and interest payments of \$10,653 are due monthly and began on August 1, 2008. The Permanent Loan is secured by a first Deed of Trust and an Assignment of Rents. During 2020 and 2019, interest expense was \$104,921 and \$106,321, respectively. As of December 31, 2020 and 2019, accrued interest was \$8,691 and \$8,826, respectively.

Debt issuance costs of \$102,614 are being amortized to interest expense over the term of the loan. For the years ended December 31, 2020 and 2019, the effective interest rate was 6.35% each year. During 2020 and 2019, amortization expense for debt issuance costs was \$2,565 each year.

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

Year ending December 31,	
2021	\$ 24,216
2022	25,748
2023	27,377
2024	29,109
2025	30,950
Thereafter	<u>1,558,376</u>
Total	<u>\$ 1,695,776</u>

5. HOME loan

On February 20, 2007, the Entity obtained permanent financing from MHDC under a HOME loan commitment of \$500,000 (the “HOME Loan”). The HOME Loan bears no interest and is secured by a second leasehold deed of trust and security agreement. Beginning in 2008, principal and interest payments of 50% of surplus cash up to \$12,500 are due as determined in the Partnership Agreement. The entire balance of unpaid principal is due July 1, 2048. As of December 31, 2020 and 2019, the outstanding principal balance was \$436,479 and \$448,979, respectively, and is included in “Other loans and notes payable – surplus cash” on the accompanying balance sheets.

LINDEN ELDERLY, LP
MHDC PROJECT NO. 06-089-HTE/RS
NOTES TO FINANCIAL STATEMENTS
December 31, 2020 and 2019

6. Related party transactions

Related party loan

The Housing Authority of the City of Jefferson, Missouri (“JCHA”), a related party of the General Partner, provided a loan to the Entity in the original amount of \$200,000. The loan is secured by a third leasehold deed of trust and security agreement. The nonrecourse loan bears interest at a rate of 4.86%, compounding annually, and is payable from Surplus Cash, as further defined in the Partnership Agreement. Any remaining principal and unpaid accrued interest is due on January 1, 2042. During 2020 and 2019, interest expense was \$17,836 and \$17,009, respectively. As of December 31, 2020 and 2019, the outstanding principal balance was \$200,000 both years, and is included in “Other loans and notes payable – surplus cash” on the accompanying balance sheets. As of December 31, 2020 and 2019, accrued interest was \$184,828 and \$166,992, respectively and is included in “Accrued interest payable - other loans and notes (surplus cash)” on the accompanying balance sheets.

Property management fee

The Entity entered into a management agreement with JCHA (the “Management Agent”), a related party of the General Partner, for services rendered in connection with the leasing and operation of the Property. The Management Agent fee for its services was \$30 per occupied unit per month. Effective January 1, 2020, and upon approval from MHDC, the fee was increased to \$40 per occupied unit per month. During 2020 and 2019, property management fees of \$41,520 and \$30,900, respectively, were incurred and paid.

Developer fee

Pursuant to the Development Agreement dated February 20, 2007 (the “Development Agreement”), the Entity agreed to pay JCHA, a related party of the General Partner, a total fee of \$675,500 for services relating to the development of the Property. The developer fee is unsecured, bears interest at 10% per annum, and is payable from available cash flow, as further defined in the Partnership Agreement. During 2020 and 2019, interest expense was \$8,806 and \$10,419, respectively. As of December 31, 2020 and 2019, the outstanding principal balance was \$88,062 and \$104,193, respectively, and is included in “Other loans and notes payable – surplus cash” on the accompanying balance sheets. As of December 31, 2020 and 2019, accrued interest was \$221,463 and \$212,657, respectively, and is included in “Accrued interest payable - other loans and notes payable (surplus cash)” on the accompanying balance sheets.

Related party advances

In prior years, JCHA, a related party of the General Partner, advanced funds to the Entity to pay for construction costs. The advances do not bear interest and are payable from surplus cash, as defined in the Partnership Agreement. As of December 31, 2020 and 2019, \$52,533 remained payable for each year and is included in “Accounts payable – entity” on the accompanying balance sheets.

In prior years, JCHA, a related party of the General Partner, advanced funds to the Entity to pay the required principal on the Mortgage. The advances do not bear interest and are payable from surplus cash, as defined in the Partnership Agreement. As of December 31, 2020 and 2019, \$40,000 remained payable for each year.

LINDEN ELDERLY, LP
MHDC PROJECT NO. 06-089-HTE/RS
NOTES TO FINANCIAL STATEMENTS
December 31, 2020 and 2019

6. Related party transactions (continued)

Partnership administration fee

Pursuant to the Partnership Administration Agreement, the Entity pays a partnership administration fee to the General Partner, subject to available cash flow. The fee is cumulative and paid annually from available cash flow, as defined in the Partnership Agreement. The fee is equal to \$3,500 plus 85% of the net cash flow remaining in any given year, pursuant to the terms of the Partnership Agreement. During 2020 and 2019, partnership administration fees of \$3,500 were earned each year. As of December 31, 2020 and 2019, partnership administration fees of \$31,500 were accrued each year and is included in “Accounts payable – entity” on the accompanying balance sheets.

Ground lease

The Entity entered into three ground lease agreements (the “Ground Lease Agreements”) with JCHA, an affiliate of the General Partner. The agreements are subject to various use restrictions and operating requirements, as defined in the Ground Lease Agreements. Upon expiration of the Ground Lease Agreements, the Entity has the option to purchase the properties. Annual rent under the Ground Lease Agreements is \$1 plus all required debt service on debt secured by the property which will be paid directly to lenders.

7. Low-income housing tax credits

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

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

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

**MHDC
SUPPLEMENTARY
INFORMATION**

LINDEN ELDERLY, LP
MHDC PROJECT NO. 06-089-HTE/RS
Schedule of Funds in Financial Institutions
December 31, 2020

Funds in Financial Institutions as of December 31, 2020

A. Funds Held by Mortgagor, Regular Accounts:		
Central Trust Bank, business checking	\$	55,680
B. Funds Held by Mortgagor, in Trust, Tenant Security Deposit:		
Jefferson Bank, business checking		<u>21,015</u>
Funds Held by Mortgagor, TOTAL	\$	76,695
C. Funds Held by Mortgagee, in Trust:		
1. Tax and Insurance Escrow, MHDC	\$	(1,495)
2. Reserve Fund for Replacements, MHDC		183,540
3. Residual Receipts Fund, MHDC		20,714
4. Operating Reserve Fund, MHDC		<u>37,231</u>
Funds Held by Mortgagee, TOTAL	\$	<u>239,990</u>
TOTAL Funds in Financial Institutions	\$	<u><u>316,685</u></u>

Balances audited/verified as of December 31, 2020

see report of independent auditors

LINDEN ELDERLY, LP
MHDC PROJECT NO. 06-089-HTE/RS
Schedule of Changes in Property and Equipment
December 31, 2020

Assets				
Asset Description	12/31/2019 Balance	Additions	Deletions	12/31/2020 Balance
Land	\$ 200,737	\$ -	\$ -	\$ 200,737
Land Improvements	381,917	-	-	381,917
Buildings	5,183,078	2,950	1,604	5,184,424
Equipment	1,633	-	-	1,633
Furniture	178,911	-	522	178,389
TOTALS	\$ 5,946,276	\$ 2,950	\$ 2,126	\$ 5,947,100

Accumulated Depreciation				
Asset Description	12/31/2019 Balance	Current Provisions	Deletions	12/31/2020 Balance
Land	\$ -	\$ -	\$ -	\$ -
Land Improvements	225,770	19,095	-	244,865
Buildings	1,600,402	130,059	1,604	1,728,857
Equipment	1,116	327	-	1,443
Furniture	171,570	4,631	522	175,679
TOTALS	\$ 1,998,858	\$ 154,112	\$ 2,126	\$ 2,150,844

Net Book Value at 12/31/2020
\$ 200,737
\$ 137,052
\$ 3,455,567
\$ 190
\$ 2,710
\$ 3,796,256

see report of independent auditors

LINDEN ELDERLY, LP
 MHDC PROJECT NO. 06-089-HTE/RS
 TIN # 06-1758540
 Schedule of Eligible and Allocated Federal and State Tax Credits (Unaudited)
 December 31, 2020

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

see report of independent auditors

LINDEN ELDERLY, LP
MHDC PROJECT NO. 06-089-HTE/RS
Schedule of Escrow Deposits and Replacement Reserves
Supporting Schedule Required by HUD & MHDC
December 31, 2020

Replacement Reserves

Balance, January 1, 2020	\$ 162,547
Monthly deposits	34,388
Interest earned	886
Release of funds	<u>(14,281)</u>
Balance, December 31, 2020	
Confirmed by mortgagee	<u><u>\$ 183,540</u></u>

Mortgage Escrow Deposits

Tax and Insurance reserves	\$ (1,495)
Operating reserve	37,231
Residual receipts reserve	<u>20,714</u>
Total mortgage escrow deposits	<u><u>\$ 56,450</u></u>

**COMPUTATION OF SURPLUS CASH,
DISTRIBUTIONS AND RESIDUAL RECEIPTS**

Project Name	Fiscal Period Ended	Project Number
Linden Elderly, LP	December 31, 2020	06-089-HTE/RS

PART A - COMPUTE SURPLUS CASH

CASH	1. Cash (<i>Accounts 1120, 1170, 1191</i>)	\$ 76,695	
	2. Tenant subsidy vouchers due for period covered by financial statement	\$ 9,240	
	3. Other (<i>Describe</i>) (<i>S1300-030</i>)	\$ -	
	<i>(a) Total Cash (Add Lines 1, 2, and 3)</i>		
CURRENT OBLIGATIONS	4. Accrued mortgage interest payable	\$ 8,691	
	5. Delinquent mortgage principal payments	\$ -	
	6. Delinquent deposits to reserve for replacements	\$ -	
	7. Accounts payable (<i>due within 30 days</i>)	\$ 4,486	
	8. Loans and notes payable... (<i>due within 30 days</i>)	\$ -	
	9. Deficient Tax Insurance or MIP Escrow Deposits	\$ -	
	10. Accrued expenses (<i>not escrowed</i>)	\$ 13,555	
	11. Prepaid Rents (<i>Account 2210</i>)	\$ 2,827	
	12. Tenant security deposits liability (<i>Account 2191</i>)	\$ 20,985	
	13. Other (<i>Describe</i>)	\$ -	
<i>(b) Less Total Current Obligations (Add Lines 4 through 13)</i>		\$ 50,544	
<i>(c) Surplus Cash (Deficiency) (Line (a) minus Line (b))</i>		\$ 35,391	

PART B - COMPUTE DISTRIBUTIONS TO OWNERS AND REQUIRED DEPOSIT TO RESIDUAL RECEIPTS

1. Surplus Cash		\$ 35,391	
LIMITED DIVIDEND PROJECTS	2a. Annual Distribution Earned During Fiscal Period Covered by the Statement	See MHDC	
	2b. Distributions Accrued and Unpaid as of the End of the Prior Fiscal Period	calculation on	
	2c. Distributions Paid During Fiscal Period Covered by Statement	next page.	
	3. Amount to be Carried on Balance Sheet as Distribution Earned but Unpaid (<i>Line 2a plus 2b minus 2c</i>)		
4. Amount Available for Distribution During Next Fiscal Period		\$ 35,391	
5. Deposit Due Residual Receipts <i>(Must be deposited with Mortgagee within 60 days after Fiscal Period ends)</i>		-	
PREPARED BY		REVIEWED BY	
LOAN TECHNICIAN		LOAN SERVICER	
DATE		DATE	

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

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

Fiscal Period	from: <u>January 1, 2020</u> to: <u>December 31, 2020</u>
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A. Annual distribution earned during fiscal period covered by statement:

Current Equity *	\$3,924,319 (1)
Distribution percent per Regulatory Agreement	8% (2)
Annual distribution earned for: <u>2020</u>	\$313,945 (3)

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

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

2019	\$ 311,123
2018	\$ 308,408
2017	\$ 305,796
2016	\$ 303,280
2015	\$ 301,188
2014	\$ 299,847
2013	\$ 298,586
2012	\$ 297,399
2011	\$ 295,867
2010	\$ 294,817
2009	\$ 293,824
2008	\$ -
2007 and prior years	\$ -
Total prior year distributions earned	\$ 3,310,135 (4)
Less: Distributions made to partners in prior years	\$ - (5)
Less: Other Repayments to affiliates	\$ 19,426
Less: Other Partnership administration fee	\$ 10,500
Total distributions made to partners in prior years	\$ 29,926 (6)

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

\$ 3,280,209 (7)

C. Distributions paid during period covered by statement:

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

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

Line (3) + Line (7) - Line (10) **

\$ 3,594,154 (11)

E. Amount available for distribution during next fiscal period:

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

\$ 35,391 (12)

F. Deposit due to Residual Receipts account:

If Line (11) is greater than Line (12), enter zero (\$0), else enter
 Line (12) - Line (11), and deposit amount within 60 days of fiscal
 year end into joint account with mortgagee (MHDC).

NONE (13)

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

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

LINDEN ELDERLY, LP
 MHDC PROJECT NO. 06-089-HTE/RS
 STATEMENT OF CASH FLOWS - HUD BASIS
 For the Year Ended December 31, 2020

CASH FLOWS FROM OPERATING ACTIVITIES

S1200-010	Rental receipts	\$ 656,839
S1200-020	Interest receipts	1,389
S1200-030	Other operating receipts	21,071
S1200-040	Total receipts	679,299

CASH PAID FOR:

S1200-050	Administrative expenses	(44,784)
S1200-070	Management fee expense	(41,520)
S1200-090	Utilities expenses	(84,833)
S1200-100	Salaries and wages expense	(153,627)
S1200-110	Operating and maintenance expenses	(141,361)
S1200-140	Property insurance expense	(24,404)
S1200-160	Tenant security deposits	60
S1200-180	Interest on first mortgage	(105,056)
S1200-181	Interest payments - second mortgage	(17,836)
S1200-210	Mortgage insurance premium	(8,522)
S1200-225	Entity/construction disbursements	14,336
S1200-230	Total disbursements	(607,547)

S1200-240	Net cash provided by (used in) operating activities	71,752
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CASH FLOWS FROM INVESTING ACTIVITIES

S1200-245	Net deposits to the mortgage escrow account	5,977
S1200-250	Net deposits to the reserve for replacement account	(20,993)
S1200-255	Net deposits to other reserves	(191)
S1200-260	Net deposits to the residual receipts account	(106)
S1200-330	Net purchase of fixed assets	(2,950)
S1200-350	Net cash provided by (used in) investing activities	(18,263)

CASH FLOWS FROM FINANCING ACTIVITIES

S1200-360	Principal payments - first mortgage (or bonds)	(22,784)
S1200-361	Principal payments - second mortgage	(12,500)
S1200-455	Entity/construction financing activities	(16,131)
S1200-460	Net cash provided by (used in) financing activities	(51,415)

S1200-470	NET INCREASE (DECREASE) IN CASH & EQUIVALENTS	2,074
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S1200-480	BEGINNING OF PERIOD CASH	53,606
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S1200T	END OF PERIOD CASH	\$ 55,680
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see report of independent auditors

LINDEN ELDERLY, LP
 MHDC PROJECT NO. 06-089-HTE/RS
 STATEMENT OF CASH FLOWS - HUD BASIS (CONTINUED)
 For the Year Ended December 31, 2020

RECONCILIATION OF NET PROFIT (LOSS) TO NET			
CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES			
3250	NET PROFIT OR (LOSS)	\$	(105,586)
ADJUSTMENTS TO RECONCILE NET PROFIT (LOSS) TO NET CASH			
PROVIDED BY (USED IN) OPERATING ACTIVITIES			
6600	Depreciation expense	\$	154,112
6610	Amortization expense		2,565
Changes in asset and liability accounts			
Decrease (increase) in assets			
S1200-490	Decrease (increase) in tenant accounts receivable		138
S1200-500	Decrease (increase) in accounts receivable - other		(1,226)
S1200-520	Decrease (increase) in prepaid expenses		(4,933)
S1200-530	Decrease (increase) in cash restricted for tenant security deposits		821
Increase (decrease) in liabilities			
S1200-540	Increase (decrease) in accounts payable		(3,919)
S1200-560	Increase (decrease) in accrued liabilities		2,499
S1200-570	Increase (decrease) in accrued interest payable		(135)
S1200-580	Increase (decrease) in tenant security deposits held in trust		(761)
S1200-590	Increase (decrease) in prepaid revenue		1,535
S1200-605	Increase (decrease) in entity/construction liability accounts:		
S1200-606	Accrued interest on third mortgage (S1200-607)		17,836
S1200-606	Accrued interest on deferred development fee payable (S1200-607)		8,806
			<hr/>
S1200-610	NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	\$	<u>71,752</u>

see report of independent auditors

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

To the Partners of

Linden Elderly, LP:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Linden Elderly, LP, which comprise the balance sheet as of December 31, 2020, and the related statements of operations, changes in partners' capital, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated February 15, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Linden Elderly, LP's internal control over financial reporting (internal control) 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 Linden Elderly, LP's internal control. Accordingly, we do not express an opinion on the effectiveness of Linden Elderly, LP's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Linden Elderly, LP's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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.

Novogradac & Company LLP

Austin, Texas

February 15, 2021

LINDEN ELDERLY, LP
MHDC PROJECT NO. 06-089-HTE/RS
MORTGAGOR CERTIFICATION
For the years ended December 31, 2020 and 2019

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

Linden Elderly, LP
(A Missouri Limited Partnership)



Signature

February 15, 2021
Date

Name of Signatory

Cynthia Quetsch

Title of Certifying Official

President of the General Partner

Employer Identification Number of the owner

06-1758540

Auditee Telephone Number

(573) 635-6163

LINDEN ELDERLY, LP
MHDC PROJECT NO. 06-089-HTE/RS
MANAGING AGENT CERTIFICATION
For the years ended December 31, 2020 and 2019

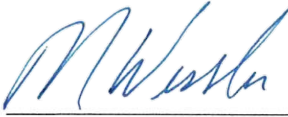
I hereby certify that I have examined the accompanying financial statements and supplemental data of Linden Elderly, LP and, to the best of my knowledge and belief, the same is complete and accurate.

Housing Authority for the City of Jefferson, Missouri

By: 

Cynthia Quetsch
Executive Director

44-6005933
Employer Identification Number



Signature of Individual Responsible for
Management of Property

Michelle Wessler
Printed Name of Individual Responsible for
Management of Property

February 15, 2021
Date