Blackman Limited Dividend Housing Association Limited Partnership

(a Michigan limited partnership)

MSHDA Development No. 3047

Financial Report
with Additional Information
December 31, 2020

Certificate of Partners

I hereby certify that I have examined the accompanying financial statements and additional information of Blackman Limited Dividend Housing Association Limited Partnership, MSHDA Development No. 3047, and to the best of my knowledge and belief, they represent a true statement of the data set forth therein for the year ended December 31, 2020.

Brian W. Carnaghi
General Partner Representative
PV West LLC

February 26, 2021
Date

ID# 20-5161332
Partnership Employer Identification Number

Contents

Plante & Moran, PLLC
Suite 500
2601 Cambridge Court
Auburn Hills, MI 48326
Tel: 248.375.7100
Fax: 248.375.7101
plantemoran.com

Independent Auditor's Report

To the Partners
Blackman Limited Dividend Housing Association
Limited Partnership

Report on the Financial Statements

We have audited the accompanying financial statements of Blackman Limited Dividend Housing Association Limited Partnership (a Michigan limited partnership), MSHDA Development No. 3047 (the "Partnership"), as of and for the years ended December 31, 2020 and 2019 and the related notes to the financial statements, which collectively comprise Blackman Limited Dividend Housing Association Limited Partnership's basic financial statements, as listed in the table of contents.

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.

Auditor's 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 audits 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 auditor's 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 auditor considers 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 Blackman Limited Dividend Housing Association Limited Partnership 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.

To the Partners
Blackman Limited Dividend Housing Association
Limited Partnership

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 26, 2021 on our consideration of Blackman Limited Dividend Housing Association Limited Partnership's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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 Blackman Limited Dividend Housing Association Limited Partnership's internal control over financial reporting and compliance.

Plante & Moran, PLLC

February 26, 2021

Blackman Limited Dividend Housing Association Limited Partnership
MSHDA Development No. 3047

Balance Sheet

December 31, 2020 and 2019

	2020	2019
Assets		
Cash - Operating	$ 13,622	$ 2,004
Resident accounts receivable	2,745	3,372
Prepaid expenses	10,693	22,001
Escrows and reserves: (Note 3)		
Replacement reserve	156,521	190,594
Real estate taxes	14,334	12,435
Insurance	9,194	4,159
Operating reserve	4,129	-
Operating assurance	345,913	343,433
Tenant security deposits accounts - Savings	2,021	2,020
Tax credit fees - Net of accumulated amortization	4,630	7,630
Investment in rental property - At cost:		
Land	357,857	357,857
Building and land improvements	7,798,142	7,779,779
Equipment and fixtures	157,744	147,019
Less accumulated depreciation	(3,469,858)	(3,185,953)
Total assets	**$ 5,407,687**	**$ 5,686,350**
Liabilities and Partners' Deficit		
Liabilities		
Accounts payable - Operating	$ 6,524	$ 30,223
Advances from affiliate - Operating (Note 4)	133,540	157,910
Developer fee payable (Note 4)	468,708	468,708
Accrued liabilities and other:		
Payment in lieu of taxes	43,144	42,962
Mortgage interest (Note 5)	472,592	440,055
Payroll	1,006	2,032
Other accrued liabilities - Operating	77	155
Accrued liabilities - Partnership	40,525	40,525
Unearned rental income - Operating	1,603	2,008
Tenant security deposits	1,477	1,477
Mortgage note payable - Net of deferred financing costs (Note 5)	3,447,726	3,512,741
HOME loan (Note 5)	1,095,988	1,095,988
Total liabilities	5,712,910	5,794,784
Partners' Deficit	(305,223)	(108,434)
Total liabilities and partners' deficit	**$ 5,407,687**	**$ 5,686,350**

See notes to financial statements.

Blackman Limited Dividend Housing Association Limited Partnership
MSHDA Development No. 3047

Statement of Operations

Years Ended December 31, 2020 and 2019

	2020	2019
Revenue		
Rental income	$ 736,212	$ 714,456
Vacancy loss	(13,458)	(11,247)
Loss to lease	(12,470)	(1,978)
Net rental income	710,284	701,231
Other income:		
Interest income	13,459	17,007
Other resident charges	375	212
Insurance proceeds	654	525
Total other income	14,488	17,744
Total revenue	724,772	718,975
Expenses		
Administrative:		
Management fees (Note 4)	43,254	42,684
Advertising - Marketing payroll	8,970	14,640
Legal	627	366
Bad debt	-	930
Other administrative costs:		
Administrative payroll	30,424	28,337
Employee pension plans	705	956
Payroll taxes	3,232	5,284
Telephone	10,385	6,382
Office	2,837	3,408
Audit fee	8,230	14,730
Credit reports	173	299
Miscellaneous	25,428	26,553
Utilities	77,653	60,170
Operating and maintenance:		
Maintenance - Payroll	6,823	29,334
Grounds maintenance	37,055	44,936
Repairs and maintenance	34,944	26,729
Other operating	5,574	7,899
Other expenses:		
Payment in lieu of taxes	43,144	42,962
Interest	248,186	252,192
Insurance	47,012	44,759
Depreciation and amortization	286,905	281,805
Gain on disposal of asset	-	(1,348)
Total expenses	921,561	934,007
Net Loss	**$ (196,789)**	**$ (215,032)**

Statement of Partners' Equity (Deficit)

Years Ended December 31, 2020 and 2019

	General Partner	Limited Partner	Total
Balance - January 1, 2019	$ 277,043	$ (170,445)	$ 106,598
Net loss	(205,829)	(9,203)	(215,032)
Balance - December 31, 2019	71,214	(179,648)	(108,434)
Net loss	(20)	(196,769)	(196,789)
Balance - December 31, 2020	**$ 71,194**	**$ (376,417)**	**$ (305,223)**

See notes to financial statements.

Statement of Cash Flows

Years Ended December 31, 2020 and 2019

	2020	2019
Cash Flows from Operating Activities		
Net loss	$ (196,789)	$ (215,032)
Adjustments to reconcile net loss to net cash and restricted cash from operating activities:		
Depreciation	283,905	278,805
Gain on disposal of property and equipment	-	(1,348)
Bad debt expense	-	930
Deferred interest	32,537	32,556
Amortization	3,000	3,000
Interest expense on deferred financing costs	3,588	3,588
Changes in operating assets and liabilities that provided (used) cash and restricted cash:		
Resident accounts receivable	627	940
Prepaid expenses and other assets	11,308	(4,830)
Funded security deposits	-	(50)
Unearned rental income	(405)	(655)
Accrued payment in lieu of taxes	182	1,567
Other accrued liabilities	(1,105)	24,934
Accounts payable	(23,699)	(15,432)
Net cash and restricted cash provided by operating activities	113,149	108,973
Cash Flows from Investing Activities		
Escrow and reserve funding	20,530	37,105
Investment in building improvements and equipment	(29,087)	(91,443)
Net cash and restricted cash used in investing activities	(8,557)	(54,338)
Cash Flows from Financing Activities		
Payments on mortgage note payable	(68,603)	(64,617)
Advances from affiliates	(24,370)	(1,637)
Net cash and restricted cash used in financing activities	(92,973)	(66,254)
Net Increase (Decrease) in Cash and Restricted Cash	11,619	(11,619)
Cash and Restricted Cash - Beginning of year	4,024	15,643
Cash and Restricted Cash - End of year	**$ 15,643**	**$ 4,024**
Classification of Cash and Restricted Cash		
Operating	$ 13,622	$ 2,004
Tenant security deposits accounts - Savings	2,021	2,020
Total cash and restricted cash	**$ 15,643**	**$ 4,024**
Supplemental Cash Flow Information - Cash paid for interest	$ 217,936	$ 216,048

See notes to financial statements.

Note 1 - Nature of Business

Blackman Limited Dividend Housing Association Limited Partnership (the "Partnership") was formed as a limited partnership in April 2006 under the laws of the Michigan Uniform Limited Partnership Act, as regulated by the Michigan State Housing Development Authority (MSHDA), for the purpose of constructing and operating a rental housing project. The project consists of 81 units located in Blackman Township, Michigan and is currently operating under the name of The Village of Spring Meadows. Operations began in September 2007.

Under the terms of the Regulatory Agreement executed in connection with obtaining the mortgage loan, MSHDA regulates rental rates and distributions to owners. The Regulatory Agreement contains requirements, including operating policies, maintaining a reserve fund for replacement, maintaining an operating assurance escrow, and limiting distributions to partners.

Each building of the project has qualified for and been allocated a 4 percent low-income housing tax credit by MSHDA on October 11, 2007 pursuant to Internal Revenue Code Section 42, which regulates the use of the project as to occupant eligibility and unit gross rent, among other requirements. The project must meet the provisions of these regulations during each of 20 consecutive years in order to remain qualified to receive the credit. In addition, the Partnership has executed an extended low-income housing agreement, which requires the utilization of the project pursuant to Section 42 for a minimum of 35 years, even if the Partnership disposes of the project.

Note 2 - Significant Accounting Policies

Basis of Accounting

The Partnership maintains its accounting records and prepares its financial statements on an accrual basis, which is in accordance with accounting principles generally accepted in the United States of America.

Classification of Assets and Liabilities

The financial affairs of the Partnership do not generally involve a business cycle. Accordingly, the classification of assets and liabilities between current and long term is not used.

Resident Accounts Receivable and Rental Income

The resident accounts receivable are stated at net rent amounts. An allowance for doubtful accounts is established based on specific assessments of all invoices that remain unpaid following normal resident payment periods. All amounts deemed uncollectible are charged against the allowance for doubtful accounts in the period the determination is made. There was no allowance for doubtful accounts for the years ended December 31, 2020 and 2019.

The Partnership records apartment rentals at gross potential rent, as adjusted for vacancy loss, as prescribed by MSHDA. Rental value of vacancies is stated separately to present net rental income. Rental income is recognized when 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.

Note 2 - Significant Accounting Policies (Continued)

Investment in Rental Property

Rental property is recorded at cost. Depreciation is calculated using the straight-line basis for financial reporting purposes. Buildings are depreciated over 40 years; land improvements are depreciated over 15 years; and furniture, fixtures, and equipment are depreciated over 7 years. Depreciation expense was $283,905 and $278,805 for the years ended December 31, 2020 and 2019, respectively. For income tax purposes, accelerated lives and methods are used. Maintenance, repairs, and renewals that do not involve any substantial betterments are charged to expense when incurred. Expenditures that increase the useful life of the property are capitalized.

Impairment of Assets

The Partnership recognizes impairment of long-lived assets used in operations when indicators of impairment are present and the undiscounted cash flows estimated to be generated by those assets are less than the assets' carrying amount. No impairment of the Partnership's rental property has occurred.

Deferred Costs

Tax credit monitoring fees of $43,461 are amortized over 15 years using the straight-line method. Total accumulated amortization related to these costs is $38,831 and $35,831 at December 31, 2020 and 2019, respectively.

Debt issuance costs were incurred by the Partnership in connection with obtaining the mortgage. These costs are recorded as a reduction in the recorded balance of the outstanding debt. These costs are amortized over the term of the related debt and reported as a component of interest expense.

Partnership Interests and Contributions

The Partnership has one general partner, PV West LLC, which has a 0.01 percent interest. The Partnership has one limited partner, Great Lakes Capital Fund for Housing Limited Partnership XV (Great Lakes Capital Fund), which has a 99.99 percent interest.

According to the partnership agreement, the limited partner is required to make capital contributions of $2,555,290, subject to adjustments, in installments, and the general partner is required to contribute $333,968 in installments. The capital contributions are subject to adjustment depending on certain conditions being met, primarily related to the amount and timing of low-income housing tax credit the Partnership is able to obtain. As of December 31, 2020 and 2019, the limited partner had contributed $2,536,147. As of December 31, 2020 and 2019, the general partner had contributed $441,530.

Allocation of Profits and Losses

Generally, profits and losses are allocated 0.01 percent to the general partner and 99.99 percent to the limited partner. Profits and losses arising from the sale, refinancing, or other disposition of all or substantially all of the Partnership's assets will be specially allocated as prioritized in the partnership agreement. Additionally, the partnership agreement provides for other instances in which special allocation of profits, losses, and distributions may be required. Cash flow, as defined by the partnership agreement, is distributed as follows:

1. First, to the limited partner to the extent of any amount to which the limited partner is entitled to receive from cash flow as payment to satisfy any tax credit reduction payment

2. Second, to Great Lakes Capital Fund an investor service fee pursuant to the investor services agreement in an amount not to exceed $3,000, which shall be paid annually but is noncumulative

3. Third, to the developers to pay any unpaid and deferred development fee payable pursuant to the development agreement

Note 2 - Significant Accounting Policies (Continued)

4. Fourth, to the general partner a partnership management fee pursuant to the partnership management services agreement in an annual noncumulative amount not to exceed $30,000

5. Fifth, 90 percent of the balance to the general partner as an incentive management fee pursuant to the incentive management fee agreement in an annual noncumulative amount not to exceed $30,000

6. The remainder shall be distributed to the partners in accordance with the following percentages: general partner, 90 percent and limited partner, 10 percent.

Syndication Costs

Limited partner equity is presented net of syndication costs of $14,173.

Income Taxes

No provision has been made in the financial statements for income taxes because, as a partnership, all income and expenses are allocated to the partners for inclusion on their respective income tax returns.

Payment in Lieu of Taxes (PILOT)

The Partnership is a participant in a tax abatement program providing for an assessed service charge in lieu of property taxes. The service charge of 4 percent is assessed based on net shelter rents. Net shelter rents are the total collections during the year from all occupants of the development representing rent or occupancy charges, excluding charges for utilities. The estimated service charge in lieu of taxes is recorded in the year paid. In addition, the Partnership is required to fund the Public Safety Improvement Fund of the Charter Township of Blackman at a fixed rate of $43,254 in the initial year, increasing at a rate of 3 percent for each year thereafter.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

Other Reporting

On March 11, 2020, the World Health Organization declared the outbreak of a respiratory disease caused by a new coronavirus a pandemic, now known as COVID-19. This outbreak has impacted millions of individuals worldwide and continues to have global impact on businesses and economies, and ultimate impact to the Partnership and its operations cannot be predicted. Management immediately responded to the outbreak with personal protective equipment purchases, additional sanitization procedures, limitations on visitors and outside contractors, and the postponing of certain capital projects. The Partnership has been able to maintain reasonably normal operating levels, and no permanent impairments have been recognized.

Subsequent Events

The financial statements and related disclosures include evaluation of events up through and including February 26, 2021, which is the date the financial statements were available to be issued.

Note 3 - Escrows and Reserves

Escrows for real estate taxes and insurance and operating assurance reserves and replacement reserves are maintained by MSHDA for the benefit of the project.

According to the Regulatory Agreement, the Partnership will fund the operating reserve cash account annually from available surplus cash. The balance in this reserve at December 31, 2020 and 2019 was $4,129 and $0, respectively.

Under the Regulatory Agreement, the Partnership's monthly replacement reserve funding requirement shall be equal to one-twelfth of 3.4 percent of the gross annual potential rent. The balance in this reserve at December 31, 2020 and 2019 was $156,521 and $190,594, respectively.

The Partnership established an operating assurance reserve equal to $188,943 at the time of the initial disbursement of the mortgage proceeds in accordance with the Regulatory Agreement. The funds are to assist in the payment of operating expenses during the first 10 years of operations upon consent of MSHDA. The reserve was funded as required. The balance is $345,913 and $343,433 at December 31, 2020 and 2019, respectively.

Insurance and tax escrows are maintained as required for payment of expenditures in accordance with the Regulatory Agreement. The balance in the insurance and tax escrows was $23,528 and $16,594 at December 31, 2020 and 2019, respectively. Escrows are maintained for the benefit of the project. These escrowed funds are restricted as to their use based upon the applicable regulatory documents.

It is MSHDA's position, under Michigan statute, that project cash surplus cannot be used to pay off the MSHDA mortgage, and, upon such payoff from other funds, MSHDA is entitled to any surplus cash, including reserves and escrows remaining at such time as is in excess of the maximum cash return allowable to the property owners set forth in the Regulatory Agreement at such time as the loan was consummated. The potential amount to be returned upon such an event cannot be determined, and, as such, no related amounts have been reflected in the financial statements.

Note 4 - Related Party Transactions

Affiliate Advances

Affiliate advances consist of advances made by Presbyterian Villages of Michigan (PVM), an affiliate of the general partner, to cover operating disbursements of the Partnership when the need arises due to lags in cash receipts. The amount outstanding at December 31, 2020 and 2019 was $133,540 and $157,910, respectively, which is due upon demand and is non-interest bearing. In addition, during 2020 and 2019, the Partnership paid Presbyterian Villages of Michigan $50,475 and $81,445, respectively, for reimbursable payroll costs.

Developer Fees

Developer fees are payable to an affiliate of the general partner for services rendered in negotiating, coordinating, and supervising the planning architectural, engineering, and construction services necessary for construction of the project and other related development activities. According to the development agreement, the Partnership will pay the developer, PV West LLC, an affiliate of the general partner, developer fees in the amount of $1,112,833. The developer fees are capitalized as part of the building and improvements and have been earned and recognized in accordance with the development fee agreement. As of December 31, 2009, the full amount of the developer fee had been earned. At December 31, 2020 and 2019, $468,708 remains payable. Per the terms of the development agreement, any remaining balance of the developer fees is due in 2021, 13 years after the date of completion of the project.

Note 4 - Related Party Transactions (Continued)

Partnership Management Fee

According to the partnership management service agreement, the Partnership shall pay the general partner an annual partnership management fee of $30,000. This fee is paid out of cash flow and is noncumulative. As there were no funds available from cash flow in 2020 and 2019, no amounts were incurred or accrued at December 31, 2020 and 2019.

Property Management Fee

In accordance with the property management agreement, the Partnership shall pay Presbyterian Villages of Michigan, an affiliate of the general partner, an annual property management fee of $534 and $527 per unit per year for 2020 and 2019, respectively. Total property management fees incurred totaled $43,254 and $42,684 for the years ended December 31, 2020 and 2019, respectively. In accordance with MSHDA budget guidelines, the Partnership may also incur an annual premium management fee of $82 in 2020 and $81 in 2019 per unit, payable to Presbyterian Villages of Michigan. The Partnership must meet certain performance and liquidity factors in accordance with MSHDA guidelines for Presbyterian Villages of Michigan to earn this fee. The Partnership did not record any premium management fee expense for the years ended December 31, 2020 and 2019.

Incentive Management Fee

The Partnership incurs an annual incentive management fee in an amount equal to the lesser of (i) 90 percent of the Partnership's cash flow, as defined in the partnership agreement, or (ii) $30,000. In accordance with provisions in the partnership agreement, unpaid incentive management fees at the end of each year may be paid only to the extent funds are available from the current year's cash flow after payment of the annual partnership management fee detailed above. As there were no funds available from cash flow in 2020 and 2019, no amounts were incurred or accrued at December 31, 2020 and 2019.

Investor Service Fees

The Partnership shall pay Great Lakes Capital Fund an annual noncumulative asset management fee of $3,000, payable from cash flow, as defined in the partnership agreement. As there were no funds available from cash flow in 2020 and 2019, no amounts were incurred or accrued at December 31, 2020 and 2019.

Operating Deficit Guarantee

As provided for in the partnership agreement, the general partner will provide loans to the Partnership for operating deficits incurred in the 15 years after breakeven operations have occurred if such deficits are not paid from the operating assurance reserve. Such loans shall not exceed $167,000. At December 31, 2020 and 2019, no such loans have been made.

Note 4 - Related Party Transactions (Continued)

Following is a summary of fees paid or accrued to related parties:

2020

Name of Related Party	Relationship	Brief Description of Work/Services Performed	General Ledger Account	Partnership or Operating Account	Beginning Balance	Increase	Decrease	Ending Balance	Terms of Settlement
PVM	Affiliate of the general partner	Advances from affiliate	Accounts payable	Operating	$ 157,910	$ -	$ (24,370)	$ 133,540	Current payable
PVM	Affiliate of the general partner	Developer fee	Developer payable	Partnership	468,708	-	-	468,708	Outstanding portion of deferred developer fee
PVM	Affiliate of the general partner	Management fee	Management fee expense	Operating	-	43,254	-	-	

2019

Name of Related Party	Relationship	Brief Description of Work/Services Performed	General Ledger Account	Partnership or Operating Account	Beginning Balance	Increase	Decrease	Ending Balance	Terms of Settlement
PVM	Affiliate of the general partner	Advances from affiliate	Accounts payable	Operating	$ 159,547	$ -	$ (1,637)	$ 157,910	Current payable
PVM	Affiliate of the general partner	Developer fee	Developer payable	Partnership	468,708	-	-	468,708	Outstanding portion of deferred developer fee
PVM	Affiliate of the general partner	Management fee	Management fee expense	Operating	-	42,684	-	-	

Note 5 - Mortgage Note Payable - MSHDA

The Partnership has a permanent mortgage note with MSHDA that bears an annual effective interest rate of 6 percent. Monthly principal and interest payments totaling $23,389 began in January 2009. The loan matures on August 1, 2042. The loan is collateralized by real and personal property of the project. At December 31, 2020 and 2019, the balance payable was $3,496,860 and $3,565,463, respectively. Accrued interest on this loan was $17,484 and $17,827 at December 31, 2020 and 2019, respectively.

Mortgage costs of $82,038 are shown net of the primary mortgage and amortized over the term of the mortgage loan using the effective interest method. Total accumulated amortization related to these costs is $32,904 and $29,316 at December 31, 2020 and 2019, respectively. Related amortization expense of $3,588 for the years ended December 31, 2020 and 2019 is included in interest expense on the statement of operations.

The second mortgage is a HOME loan held by MSHDA in the amount of $1,095,988. The mortgage bears interest at 3.0 percent per annum. Annual payments of principal and interest will commence once the deferred developer fee is paid in full or on November 1, 2018, whichever comes first; annual payments of principal and interest will be paid from available cash flow. Once the first mortgage is paid in full, annual principal and interest payments required on the HOME loan will equal the payments required under the first mortgage. Deferred interest accrued on the loan totaled $455,108 and $422,228 at December 31, 2020 and 2019, respectively. The loan is expected to be paid in full by October 1, 2056.

Note 5 - Mortgage Note Payable - MSHDA (Continued)

Minimum principal payments on the mortgage note payable to maturity as of December 31, 2020 are as follows:

Years Ending	Amount
2021	$ 73,066
2022	77,721
2023	82,662
2024	87,909
2025	93,479
Thereafter	4,178,011
Unamortized financing costs	(49,134)
Total	$ 4,543,714

Note 6 - Contingency

The project's low-income housing tax credit is contingent on its ability to maintain compliance with applicable sections of Section 42. 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 credit plus interest. In addition, such potential noncompliance may require an adjustment to the contributed capital by the limited partner.

Note 7 - Low-income Housing Tax Credit (Unaudited)

The Partnership received an allocation of 4 a percent low-income housing tax credit in the total amount of $2,647,211 to be allocated over a 10-year period. Prorated credit was claimed in connection with the placed-in-service date in 2007 and through each year until 100 percent occupancy was achieved in 2009; therefore, 2010 was the initial year that the maximum amount of $263,922 in annual credit was claimed. Final year credit is expected to be claimed in 2022. The limited partner is expected to exit in 2023. As of December 31, 2020 and 2019, total tax credit of $2,642,751 and $2,640,521, respectively, has been claimed.

The expected availability of the remaining credit for the following years is as follows:

Years Ending	Amount
2021	$ 2,230
2022	2,230

Additional Information

Plante & Moran, PLLC
Suite 500
2601 Cambridge Court
Auburn Hills, MI 48326
Tel: 248.375.7100
Fax: 248.375.7101
plantemoran.com

Independent Auditor's Report on Additional Information

To the Partners
Blackman Limited Dividend Housing Association
Limited Partnership

We have audited the financial statements of Blackman Limited Dividend Housing Association Limited Partnership as of and for the years ended December 31, 2020 and have issued our report thereon dated February 26, 2021, which contained an unmodified opinion on those financial statements.

Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The information on pages 16-22 is presented for the purpose 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.

Plante & Moran, PLLC

February 26, 2021

Blackman Limited Dividend Housing Association Limited Partnership
MSHDA Development No. 3047

Schedule of Unadjusted Items

December 31, 2020

Description of Variances	Amount of Over (Under) Statement
None	$ -

VILLAGE OF SPRING MEADOWS MSHDA NO. 3047

SCHEDULE I-J

DEVELOPMENTS WITH MODIFICATIONS FOR DEFERRED DEVELOPER FEES
FUNDS AVAILABLE FOR DISTRIBUTION

December 31, 2020

SECTION 1			
1	Operating Cash	$ 13,622	
2	MSHDA-Held Operating Reserve Account	4,129	
3	Other Non-Restricted Cash Reserve Accounts	-0-	
4	TOTAL AVAILABLE CASH (PER AUDIT) (ADD Lines 1 through Line 3)		$ 17,751
SECTION 2			
ADD:			
5	Resident Rent Receivable	$ 2,745	
6	Other Resident Charges	-0-	
7	Non-Resident Receivable	-0-	
8	Unadjusted Items-Accounts Receivable	-0-	
9	Subsidy Receivable	-0-	
10	Tax/Insurance Escrow Surplus (Deficit)	-0-	
11	Escrow Draws Receivable	-0-	
12	TOTAL ADDITIONS (ADD Lines 5 through 11)		$ 2,745
13	TOTAL CASH AND ADDITIONS (Line 4 PLUS Line 12)		20,496
SECTION 3			
DEDUCT:			
14	Trade Accounts And Surcharges Payable, Accrued Expenses Liabilities And and Other Short-term Operating Liabilities	$ 7,607	
15	Subsidy Payable	-0-	
16	Unadjusted Items-Liabilities	-0-	
17	Approved Undisbursed Limited Dividend (L.D.) Payments	-0-	
18	Prepaid Rent/Unearned Rental Income	1,603	
19	Delinquent Mortgage Principal Payments	-0-	
20	Delinquent Interest Payment	-0-	
21	R/R Deferrals, Delinquent MSHDA Loans/ Grants	-0-	
22	Security Deposit Not Funded (Over Funded)	(544)	
23	One Month's Gross Rent Potential	61,376	
24	TOTAL DEDUCTIONS (ADD Lines 14 through Line 23)		$ 70,042
25	**SURPLUS FUNDS** (LINE 13 MINUS LINE 24). Insert the actual amount even if it is negative.		$ (49,546)

SECTION 4

If the developments has an Operating Deficit Reserve (ODR) escrow it is required to fully fund the reserve if funds are available. All others go to Line 33.

26	Prior Years Cumulative ODR Draws	-0-
27	Prior Year ODR Payments Made from Surplus Cash	-0-
28	Current Year ODR Draws	-0-

29	Total Actual ODR Draws (Line 26, minus Line 27, plus Line 28)	-0-	
30	Cumulative Allowable ODR Draws - "Total 1.0 DCR and Maintained DCR"	$ -0-	
31	ODR Underfunding (Line 29 minus Line 30, if negative, enter -0-)	-0-	
32	Repayment due to ODR Escrow (If Line 25 is Negative, go to Line 34, all others enter the Smaller of Line 25 or Line 31)	-0-	
33	**SURPLUS FUNDS (LINE 25 MINUS LINE 32). Insert the actual amount even if it is negative.**		$ (49,546)
34	Replacement Reserve Needs	$ -0-	
35	Subtotal (Line 33 minus Line 34)	(49,546)	
36	Amenity Improvement/Deferred Maintenance Loan	-0-	
37	Subtotal (Line 35 Minus Line 36)	(49,546)	
38	Amount of Workout Repayment Obligations	-0-	
39	**SURPLUS FUNDS AVAILABLE FOR DISTRIBUTION** (LINE 37 MINUS LINE 38). Insert the actual amount even if it is negative.		$ (49,546)
40	Deferred Developer Fee beginning Balance	$ 468,708	
41	Deferred Developer Fee Payments or amounts waived in current year.	-0-	
42	Deferred Developer Fee Ending Balance	468,708	
43	Deferred Developer Fee Payment Available From Surplus Cash		$ -0-
44	SURPLUS FUNDS (Line 39 Minus Line 43)		$ (49,546)

SECTION 5

PRESERVATION FUND LOANS , NSP, or SUBORDINATE DEBT PAYMENT RESERVE-Line 45 thru 53 is applicable only to the following developments. All others go to Line 54.

15 - Walled Lake Villa 50%
38 - Meadow Lanes 50%
402 - River Village 25%
462 - Crosstown Parkway 25%
468 - Burton Place 50%
508 - Greenwood Villa 50%
524 - Breton Village Green 50%
527 - McCoy Townhomes 50%
534 - Elmwood Park 50%
537 - Parkway Meadows 50%
546 - Fraser Woods 50%
566 - Riverfront 50%
600 - Vineyard Place 50%
608 - Riverside Townhomes 25%
612 - Deerpath 25%
697 - Summer Haven 50%
803 - Meadowcrest 50%
856 - Carrington (amortized prin bal.)
920 - Benjamin Manor 25% to NSP
929 - Centre Street Village 50%
934 - Bay Hill 50%
935 - Marsh Pointe 50%
1425 - Arbordale 50%
1635 - Ambrose Ridge 50%
1654 - Ashton Ridge 50%
1655 - Aspen Hills 50%
1727 - Cedarshores 50%
1842 - Falcon Woods 50%

3091 - The Village at the Pines 25%
3119 - Braidwood Manor 25%
3166 - Bay Pointe 25%
3196 - Lincolnshire 25%
3361 - East Side Manor 50%
3412 - Palmer Park 25% to Sub Debt Pmt Res
3469 - Gardenview Estates IIIC 25% to Sub Debt Pmt Res
3470 - Gardenview Estates IIID 25% to Sub Debt Pmt Res
3486 - St George Tower 50%
3489 - Marsh Ridge 50%
3490 - Serenity Place 50%
3514 - Apple Blossom 50%
3542 - Stonebrook I&II 50%
3630 - Lincolnshire Townhomes 50%
3795 - West Highland 50%
3812 - Evergreen 50%
3832 - Genesis Village II 50%

45	Total Surplus Cash Repayment (If Development is listed above enter 25% or 50% of Line 44 if Line 44 is positive).	$ -0-
46	Deferred Interest on Preservation Loan	-0-
47	Deferred Interest Repayment: Lesser of Line 45 or Line 46	-0-
48	Balance of Surplus Cash Repayment to be Paid to Preservation Loan (Line 45 Minus Line 47)	-0-
49	Balance of Preservation Fund Loan	$ -0-
50	Preservation Fund Loan Repayment: Lesser of Line 48 or Line 49.Carrington Place enter -0-.	-0-

51	**Carrington Place ONLY:** Amount to amortize Principal Balance of the Preservation Fund Loan over 50 years at the Stated Interest Rate	-0-	
52	**Carrington Place ONLY:** Preservation Fund Loan Repayment Obligation (Lesser of Line 44 or Line 51)	-0-	
53	Preservation Fund Loan Payment Available From Surplus Cash (Line 47, Line 50, and Line 52)		$ -0-
54	SURPLUS FUNDS (Line 44 Minus Line 53)		$ (49,546)
55	Park Terrace ONLY: Deferred Principal	$ -0-	
56	SURPLUS FUNDS (Line 54 Minus Line 55)		$ (49,546)

SECTION 6

Line 49 thru 55 is applicable only to the following developments with HOME loans. All others go to Line 64.

352 - Bridge Village - 50%
564 - Village Manor - 50%
565 - Cadillac Shores - 50%
1046 - Park Terrace - 100%
3047 - Village of Spring Meadows - 100%
3098 - Emerald Woods Senior - 100%
3110 - Heron Manor - 25%
3124 - Piquette Square - 25%
3164 - Crystal View - 25%
3359 - Cass Apartments - 50%
3451 - East Jefferson Affordable Assisted Living 25%
3468 - Lincoln Park Lofts - 50%
3471 - Mack Ashland - 50%
3472 - Pauline Apartments - 25%
3473 - Silver Star Phase II - 50%
3507 - Herkimer Apts Divison Ave - 50%
3523 - Carson Square 50%
3537 - Genesis West 50%
3540 - Phelps Square 50%
3603 - Parkview 50%
3630 - Lincolnshire Townhomes 50%
3640 - Swayze Court - 50%
3724 - Woodland Place - 50%
3759 - Bethany Villa 50%
3760 Westchester Village North 50%
3783 Westchester Village East 50%

57	Total Surplus Cash Repayment (If Development is listed above enter 25%, 50%, or 100% of Line 56 if Line 56 is positive)	$ -0-	
58	Deferred Interest on HOME Loan	472,592	
59	Deferred Interest Repayment: Lesser of Line 57 Line 58	-0-	
60	Balance of Surplus Cash Repayment to be Paid to HOME Loan (Line 57 Minus Line 59)	-0-	
61	Balance of HOME Loan	-0-	
62	HOME Loan Repayment: Lesser of Line 60 or Line 61.	-0-	
63	Deferred Interest and HOME Fund Loan Payment Available From Surplus Cash (Line 59 and Line 61)		$ -0-
64	SURPLUS FUNDS (LINE 56 MINUS LINE 62).		$ (49,546)
65	Deferred Developer Fee Payment Available From Surplus Cash		-0-
66	**SURPLUS FUNDS AVAILABLE FOR OWNER DISTRIBUTION** (SUM OF LINE 64 AND LINE 65).		(49,546)
67	Current Years Maximum Potential Limited Dividend Payment		613,270
68	Subtotal (Line 66 Minus Line 67).		(662,816)
69	Total of Line 2	$ 4,129	
70	OPERATING RESERVE CASH TO BE SUBMITTED TO MSHDA: DEDUCT LINE 68 FROM LINE 69. If LINE 68 is negative, insert “0”.		$ -0-

SECTION 7

SUMMARY OF CHECKS AND/OR MSHDA-HELD RESERVE TRANSFERS DUE:

A SEPARATE CHECK AND/OR MSHDA-HELD RESERVE TRANSFER REQUEST MUST BE SUBMITTED FOR EACH AMOUNT REPORTED ON LINES 71 THROUGH 81 WITHIN 120 DAYS AFTER THE DEVELOPMENT'S YEAR-END. PLEASE INDICATE THE PURPOSE ON EACH CHECK OR MSHDA-HELD RESERVE TRANSFER REQUEST. FAILURE TO COMPLY WITH THIS REQUEST WILL AFFECT THE MANAGEMENT AGENT'S ELIGIBILITY FOR PREMIUM MANAGEMENT FEES.

71	The amount from Line 10, if a deficit (Tax/Insurance Escrow)	$	-0-
72	The lesser of Line 35 or Line 36-Amenity Improvement/Deferred Maintenance Loan (If Line 35 is negative, insert "0")	$	-0-
73	The lesser of Line 37 or Line 38-Workout Repayment Obligations (If Line 37 is negative, insert "0")	$	-0-
74	The lesser of Line 33 or Line 34-Replacement Reserve Needs (If Line 33 is negative, insert "0").	$	-0-
75	The amount from Line 32 (Operating Deficit Reserve ODR)	$	-0-
76	The amount from Line 50 and 52 (Preservation Fund Loan)	$	-0-
77	The amount from Line 62 (HOME Loan)	$	-0-
78	The amount from Line 47 and Line 59 (Deferred Mortgage Interest)	$	-0-
79	The lesser of Line 54 or Line 55-Deferred Mortgage Principal (If Line 54 is negative, insert "0")	$	-0-
80	The amount from Line 45 (Subordinate Debt Payment Reserve)	$	-0-
81	The amount from Line 70 (Operating Reserve Cash)	$	-0-

VILLAGE OF SPRING MEADOWS   MSHDA NO.3047

SCHEDULE II
FUNDS AVAILABLE FOR DISTRIBUTION
December 31, 2020

1.	OWNER INITIAL EQUITY		$ 2,555,290
1a.	SECTION 8/236 PRESERVATION		$ -0-
2.	MAXIMUM L.D. PAYMENT:		$ 613,270
3.	CUMULATIVE %	24%	$ 613,270
4.	NON-CUMULATIVE %	0%	$ -0-
	CUT-OFF DATE:	November 29, 2008	

5. SALE/PRESERVATION TRANSACTION
CLOSING DATE:

I.	II.	III.	IV.	V.
YEAR OF OPERATION	**AVAILABLE FOR DISTRIBUTION**	**POTENTIAL L.D.**	**L.D. PAID**	**CARRY FORWARD**
2008	0	26,810	0	26,810
2009	(27,081)	332,188	0	358,998
2010	(127,543)	357,741	0	716,739
2011	(164,385)	383,294	0	1,100,033
2012	(169,223)	408,846	0	1,508,879
2013	(150,562)	434,399	0	1,943,278
2014	(42,850)	459,952	0	2,403,230
2015	(48,482)	485,505	0	2,888,735
2016	(58,101)	511,058	0	3,399,793
2017	(71,307)	536,611	0	3,936,404
2018	(65,248)	562,164	0	4,498,568
2019	(89,875)	587,717	0	5,086,285
2020	(49,546)	613,270	0	5,699,555

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*

Plante & Moran, PLLC
Suite 500
2601 Cambridge Court
Auburn Hills, MI 48326
Tel: 248.375.7100
Fax: 248.375.7101
plantemoran.com

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*

Independent Auditor's Report

To Management and the Partners
Blackman Limited Dividend Housing Association
Limited Partnership

We have audited, 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, the financial statements of Blackman Limited Dividend Housing Association Limited Partnership, MSHDA Development No. 3047 (the "Partnership"), which comprise the basic balance sheet as of December 31, 2020 and the related basic statements of operations, partners' equity (deficit), and cash flows for the year then ended, and the related notes to the financial statements and have issued our report thereon dated February 26, 2021.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Partnership'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 the Partnership's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, including compliance with specific provisions of the MSHDA Regulatory Agreement, MSHDA directives, and MSHDA Multifamily Audit Guidelines, noncompliance with which could have a direct and material effect on the financial statements. 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.*

We have compared the December 31, 2020 monthly income and expense (MIE) report submitted to MSHDA with balances in the financial statements for the year ended December 31, 2020, audited by us and covered by our report dated February 26, 2021. The account balances set forth therein are in material agreement (defined by MSHDA as differences not exceeding 10 percent and $3,000), except as noted below.

To Management and the Partners
Blackman Limited Dividend Housing Association
Limited Partnership

Trade Accounts Payable/Accrued Liabilities/Surcharges Reconciliation

Accounts payable and accrued expenses on the MIE report include related party operating advances that are recorded as related party advances on the audited financial statements, and the accounts payable on the MIE did not include other liabilities that were reported as accruals.

Balance per the MIE report	$	140,041
Reconciling items:		
Other short-term liabilities recorded in the MIE report and reported as accounts payable in the audited financial statements		1,107
Related party payables recorded in the MIE report as accounts payable and reported as advances from affiliate in the audited financial statements		(133,540)
Miscellaneous reconciling item		(78)
Balance per the balance sheet	$	7,530

Operating Advances from Affiliate Reconciliation

Reclassification of payables on the MIE report for various operating and maintenance expenses from accounts payable and accrued expenses to related party advances on the audited financial statements:

Balance per the MIE report	$	-
Reconciling items - Related party payables recorded in the MIE report as accounts payable and reported as advances from affiliate in the audited financial statements		133,540
Balance per the balance sheet	$	133,540

In addition, we have reviewed the trade accounts payable balance listed on Schedule B of the March 2004 monthly income and expense report submitted to MSHDA. The account balance was in material agreement.

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 Partnership's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Partnership's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Plante & Moran, PLLC

February 26, 2021