UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 8-K/A

CURRENT REPORT PURSUANT
TO SECTION 13 OR 15(D) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of Earliest Event Reported): June 29, 2007

AMERICA FIRST TAX EXEMPT INVESTORS, L.P.
(Exact name of Registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation)	**000-24843** (Commission File Number)	**47-0810385** (IRS Employer Identification No.)

1004 Farnam Street, Suite 400, Omaha, Nebraska (Address of principal executive offices)	**68102** (Zip Code)

Registrant's telephone number, including area code: **(402) 444-1630**

Not applicable
(Former name, former address and former fiscal year, if applicable)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

TABLE OF CONTENTS

Item 2.01. Completion of Acquisition or Disposition of Assets.

On June 29, 2007, America First LP Holding Corp. (the "LP Buyer"), a Nebraska corporation and wholly-owned subsidiary of America First Tax Exempt Investors, L.P., a Delaware limited partnership (the "Registrant") acquired the limited partner interests in six Ohio limited partnerships known as Crescent Village Townhomes Limited Partnership, Eagle Ridge Townhomes Limited Partnership, Meadowbrook Apartments Limited Partnership, Post Wood Townhomes Limited Partnership, Post Wood II Townhomes Limited Partnership and Willow Bend Townhomes Limited Partnership (the "Partnerships"). The former limited partners of the Partnerships which sold their interests to LP Buyer are Boston Financial Institutional Tax Credits II, a Limited Partnership, Boston Financial Institutional Tax Credits III, a Limited Partnership, Boston Financial Institutional Tax Credits IV, a Limited Partnership, each a Massachusetts limited partnership, and SLP, Inc., a Massachusetts corporation (the "Withdrawing Limited Partners"). The LP Buyer also acquired a portion of the interest in each of the Partnerships from the withdrawing general partner of the Partnerships, Joint Development & Housing Corporation, an Ohio corporation (the "Withdrawing General Partner"), which interests became additional limited partner interests in the Partnerships upon acquisition by LP Buyer. As a result, LP Buyer became the sole limited partner of each of the Partnerships with a 99% interest in each Partnership.

The remaining interest of the Withdrawing General Partner in each of the Partnerships was acquired by Atlantic Development GP Holding Corp., a Nebraska corporation and wholly-owned subsidiary of Atlantic Development, LLC, a Maine limited liability company (the "GP Buyer"). As a result, GP Buyer became the sole general partner of each of the Partnerships with a 1% interest in each Partnership.

The purchase price paid by LP Buyer for the limited partnership interests in the Partnerships, net of existing debt held by the Partnerships, was approximately $9,220,390. The Registrant lent LP Buyer an amount necessary for it to acquire the limited partnership interests in the Partnerships. Upon completion of the acquisition of the partnership interests in the Partnerships, the Partnerships collectively borrowed $19,920,000 from JP Morgan in order to refinance their existing mortgage loans. Each of the Partnerships owns and operates a multifamily apartment complex, four of which are located in Ohio and two of which is located in Kentucky (the "Properties"). The Registrant expects that each of the Properties will eventually be financed with tax exempt mortgage bonds meeting the Registrant's investment criteria and, at the time such financing is obtained the Properties will be sold and the Registrant's loan to LP Buyer repaid in full.

There is no affiliation between the Registrant and LP Buyer, on one hand, and any of the Withdrawing Limited Partners or the Withdrawing General Partner LPs, on the other hand. There is no affiliation between Registrant and LP Buyer, on the one hand, and Atlantic Development, LLC or GP Buyer, on the other hand, except that Atlantic Development acted as a real estate advisor in connection with the transaction and was paid a customary fee by the Registrant upon the closing of the transaction. An affiliate of the Registrant's general partner will act as the property manager for each of the Properties while they are owned by the Partnerships and will earn a market rate fee in connection therewith.

The Registrant hereby amends its Form 8-K filed July 6, 2007 to provide the required financial information related to the acquisition of the Properties. The combined income statements of the Properties that are included in the current report on the Form 8-K/A is provided for only the most recently completed fiscal year, because the Registrant acquired the Properties from an unrelated party and has met the other requirements of the Securities and Exchange Commission Rule 3-14 (a)(1) of Regulation S-X.

Item 9.01 Financial Statements and Exhibits.

(a) **Financial statements of businesses acquired**

Financial Statements as of and for the years ended December 31, 2006 and 2005 and Independent Auditors' Reports attached as Exhibits 99.1 through 99.6

Unaudited Adjusted Income Statement for the Six Months Ended June 30, 2007

(b) **Pro forma financial information**

Unaudited Pro Forma Condensed Consolidated Statement of Operations for the six months ended June 30, 2007

Unaudited Pro Forma Condensed Consolidated Statement of Operations for the year ended December 31, 2006

(d) **Exhibits**

10.1 Second Amended and Restated Agreement of Limited Partnership of Crescent Village Townhomes Limited Partnership, dated June 29, 2007, by and between Atlantic Development GP Holding Corp. and America First LP Holding Corp. (as continuing partners) and Joint Development & Housing Corporation (as Withdrawing General Partner) (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on July 6, 2007).

10.2 Second Amended and Restated Agreement of Limited Partnership of Eagle Ridge Townhomes Limited Partnership, dated June 29, 2007, by and between Atlantic Development GP Holding Corp. and America First LP Holding Corp. (as continuing partners) and Joint Development & Housing Corporation (as Withdrawing General Partner) (incorporated by reference to Exhibit 10.2 to the Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on July 6, 2007).

10.3 Second Amended and Restated Agreement of Limited Partnership of Meadowbrook Apartments Limited Partnership, dated June 29, 2007, by and between Atlantic Development GP Holding Corp. and America First LP Holding Corp. (as continuing partners) and Joint Development & Housing Corporation (as Withdrawing General Partner) (incorporated by reference to Exhibit 10.3 to the Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on July 6, 2007).

10.4	Second Amended and Restated Agreement of Limited Partnership of Post Wood Townhomes Limited Partnership, dated June 29, 2007, by and between Atlantic Development GP Holding Corp. and America First LP Holding Corp. (as continuing partners) and Joint Development & Housing Corporation (as Withdrawing General Partner) (incorporated by reference to Exhibit 10.4 to the Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on July 6, 2007).
10.5	Second Amended and Restated Agreement of Limited Partnership of Post Wood II Townhomes Limited Partnership, dated June 29, 2007, by and between Atlantic Development GP Holding Corp. and America First LP Holding Corp. (as continuing partners) and Joint Development & Housing Corporation (as Withdrawing General Partner) (incorporated by reference to Exhibit 10.5 to the Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on July 6, 2007).
10.6	Second Amended and Restated Agreement of Limited Partnership of Willow Bend Townhomes Limited Partnership, dated June 29, 2007, by and between Atlantic Development GP Holding Corp. and America First LP Holding Corp. (as continuing partners) and Joint Development & Housing Corporation (as Withdrawing General Partner) (incorporated by reference to Exhibit 10.6 to the Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on July 6, 2007).
10.7	Guaranty, dated June 29, 2007, of Registrant in favor of JP Morgan Chase Bank, N.A. (incorporated by reference to Exhibit 10.7 to the Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on July 6, 2007).
23.1	Consent of Flagel, Huber, Flagel & Co.
99.1	Financial Statements as of and for the years ended December 31, 2006 and 2005 and Independent Auditor's Report for Crescent Village Townhomes Limited Partnership
99.2	Financial Statements as of and for the years ended December 31, 2006 and 2005 and Independent Auditor's Report for Eagle Ridge Townhomes Limited Partnership
99.3	Financial Statements as of and for the years ended December 31, 2006 and 2005 and Independent Auditor's Report for Meadowbrook Apartments Limited Partnership
99.4	Financial Statements as of and for the years ended December 31, 2006 and 2005 and Independent Auditor's Report for Post Wood Townhomes Limited Partnership
99.5	Financial Statements as of and for the years ended December 31, 2006 and 2005 and Independent Auditor's Report for Post Woods II Townhomes Limited Partnership
99.6	Financial Statements as of and for the years ended December 31, 2006 and 2005 and Independent Auditor's Report for Willow Bend Townhomes Limited Partnership

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: September 10, 2007

AMERICA FIRST TAX EXEMPT INVESTORS, L.P.

By: America First Capital Associates Limited
Partnership Two,
its general partner

By: The Burlington Capital Group, LLC,
its general partner

By: /s/ Michael J. Draper
Michael J. Draper, Chief Financial Officer

WILLOW BEND, POST WOOD, POST WOODS II, MEADOWBROOK, EAGLE RIDGE, CRESCENT VILLAGE
ADJUSTED COMBINED INCOME STATEMENT
(UNAUDITED)

	For the six months ended June 30, 2007
Revenues:	
Rental and miscellaneous revenues	$ 2,111,635
Certain operating expenses	
Administrative	486,919
Utilities	65,478
Operating and maintenance	289,211
Real estate taxes	189,876
Insurance	74,708
Total expenses	1,106,192
Revenues in excess of certain operating expenses	$ 1,005,443

See notes to the Adjusted Combined Income Statement

WILLOW BEND, POST WOOD, POST WOODS II, MEADOWBROOK, EAGLE RIDGE, CRESCENT VILLAGE
Notes to Unaudited Adjusted Combined Income Statement

1. Basis of Presentation

On June 29, 2007, America First LP Holding Corp. ("Holding Corp."), a wholly-owned subsidiary of the America First Tax Investors L.P. (the "Company") , acquired 99% limited partner interests in six Ohio limited partnerships (the "Partnerships") for a cash purchase price of approximately $9.2 million plus assumed debt and other liabilities of approximately $15.7 million. The Partnerships acquired include Crescent Village Townhomes Limited Partnership ("Crescent Village"), Eagle Ridge Townhomes Limited Partnership ("Eagle Ridge"), Meadowbrook Apartments Limited Partnership ("Meadowbrook"), Post Wood Townhomes Limited Partnership ("Postwood"), Post Woods II Townhomes Limited Partnership ("Postwoods II") and Willow Bend Townhomes Limited Partnership ("Willow Bend.") Each Partnership owns a multifamily apartment property, of which four are located in Ohio and two are located in Kentucky. The cash portion of the purchase price was funded by cash on hand. In connection with the acquisition, the Partnerships refinanced their existing debt with an aggregate loan of approximately $19.9 million from JP Morgan Chase Bank, N.A.

The Partnerships' revenue and certain operating expenses are being presented on a combined basis, as prior to their purchase, the Partnerships were under common ownership and management.

The adjusted combined income statement related to the operations of the Partnerships was prepared for the purpose of complying with the rules and regulations of the Securities and Exchange Commission, including Rule 3-14 of Regulation S-X. Accordingly, certain expenses such as depreciation, amortization, income taxes, mortgage interest expense and general corporate expenses are not reflected in the adjusted combined income statement. Consequently, the adjusted combined income statement for the period presented is not intended to be a complete presentation of the Partnerships' revenue and expenses. Accordingly, the amounts reported in the accompanying statement are not expected to be comparable to those expected to be incurred by the Company in the future operations of the Partnerships.

The adjusted combined income statement for the six months ended June 30, 2007 is unaudited. In the opinion of management, this financial statement reflects all adjustments, which are of a normal recurring nature, necessary for a fair presentation of the results of the interim period. The results of the six-month interim period are not necessarily indicative of the results that may be expected for a full year.

2. Summary of Significant Accounting Policies

Revenue Recognition

The Partnerships lease multifamily rental units under operating leases with terms of one year or less. Rental revenue is recognized, net of rental concessions, on the straight-line method over the related lease term.

Repairs and Maintenance

Repairs and maintenance costs are expensed as incurred, while significant improvements, renovations and replacements are capitalized.

Estimates

The preparation of the combined statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

Unaudited Pro Forma Condensed Consolidated Balance Sheet

The Registrant, through a subsidiary, acquired a 99% limited partnership interest in each of Crescent Village Townhomes Limited Partnership, Eagle Ridge Townhomes Limited Partnership, Meadowbrook Apartments Limited Partnership, Post Wood Townhomes Limited Partnership, Post Wood II Townhomes Limited Partnership and Willow Bend Townhomes Limited Partnership on June 29, 2007. As such, the condensed consolidated balance sheet of the Registrant included in its report on Form 10-Q for the quarter ended June 30, 2007 depicts the effect of the acquisition of these interests on the financial position of the Registrant as of that date. Therefore, a Pro Forma Condensed Consolidated Balance Sheet reflecting the acquisition of such interests is not included in this filing.

Unaudited Pro Forma Condensed Consolidated Statements of Operations

The accompanying unaudited Pro Forma Condensed Consolidated Statement of Operations for the six-month period ended June 30, 2007 and for the year ended December 31, 2006 of the Registrant are presented as if the Registrant had acquired its interests in the Partnerships as of January 1, 2006.

The unaudited Pro Forma Condensed Consolidated Statements of Operations are not necessarily indicative of the Company's results of operations that actually would have occurred during either the six-month period ended June 30, 2007 or for the year ended December 31, 2006 assuming the above transactions had been consummated on January 1, 2006, nor do they purport to represent the future results of operations of the Company.

AMERICA FIRST TAX EXEMPT INVESTORS, L.P.
PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS
SIX MONTHS ENDED JUNE 30, 2007
(UNAUDITED)

	Company Historical Amounts (A)	Partnership Historical Amounts (B)	Pro Forma Adjustments (C) (D)	Pro Forma Amounts
Income:				
Property revenues	$ 7,084,406	$ 2,111,635	$ —	$ 9,196,041
Mortgage revenue bond investment income	1,054,293	—	—	1,054,293
Other interest income	517,875	—	—	517,875
	8,656,574	2,111,635	—	10,768,209
Expenses:				
Real estate operating (exclusive of items shown below)	4,150,972	1,106,192	—	5,257,164
Depreciation and amortization	1,056,883	761,333	148,707	1,966,923
Interest	1,054,897	942,129	59,966	2,056,992
General and administrative	693,107	—	—	693,107
	6,955,859	2,809,654	208,673	9,974,186
Income from continuing operations	1,700,715	(698,019)	(208,673)	794,023
Net income (loss)	$ 1,700,715	$ (698,019)	$ (208,673)	$ 794,023
Net income (loss) allocated to:				
General Partner	$ 84,435	$ (6,980)	$ (2,087)	$ 75,368
BUC holders	2,807,364	(691,039)	(206,586)	1,909,739
Unallocated loss of variable interest entities	(1,191,084)	—	—	(1,191,084)
	$ 1,700,715	$ (698,019)	$ (208,673)	$ 794,023
BUC holders’ interest in net income (loss) per unit (basic and diluted):				
Net income (loss), basic and diluted, per unit	$ 0.25	$ (0.06)	$ (0.02)	$ 0.17
Weighted average number of units outstanding, basic and diluted	11,453,121			11,453,121

See notes to the Pro Forma Condensed Consolidated Statement of Operations

Notes to the Unaudited Pro Forma Condensed Consolidated Statement of Operations

(A) Represents the unaudited historical consolidated statement of operations of the Company as contained in the consolidated financial statements filed on Form 10-Q for the six months ended June 30, 2007.

(B) Represents the unaudited historical revenues and expenses of the Partnerships for the six months ended June 30, 2007.

(C) Represents the pro forma depreciation expense attributable to the apartment properties owned by the Partnerships based on the purchase price paid by the Registrant for its interest in the Partnerships as if the acquisition of the Partnerships had occurred on January 1, 2006. The Company will depreciate most of the approximately $21 million of depreciable assets related to the Partnerships over a 27.5 year useful life.

(D) Represents the pro forma interest expense, attributable to the mortgage indebtedness incurred by the Partnerships in connection with the acquisition by the Registrant as if the acquisition had occurred on January 1, 2006. To refinance the acquisition of the Partnerships, the Company utilized a $19.9 million mortgage loan, which bears interest at a variable rate of LIBOR plus 1.55%. Also included within interest expense is the amortization of financing costs which where incurred in connection with obtaining this loan.

AMERICA FIRST TAX EXEMPT INVESTORS, L.P.
PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31, 2006
(UNAUDITED)

	Company Historical Amounts (A)	Partnership Historical Amounts (B)	Pro Forma Adjustments (C) (D)	Pro Forma Amounts
Income:				
Property revenues	$ 14,187,135	$ 4,022,796	$ —	$ 18,209,931
Mortgage revenue bond investment income	1,418,289	—	—	1,418,289
Other interest and bond income	341,899	—	—	341,899
	15,947,323	4,022,796	—	19,970,119
Expenses:				
Real estate operating (exclusive of items shown below)	8,781,819	2,203,579	—	10,985,398
Depreciation and amortization	2,486,366	1,522,668	1,296,574	5,305,608
Interest	2,106,292	1,216,950	749,340	4,072,582
General and administrative	1,575,942	—	—	1,575,942
	14,950,419	4,943,197	2,045,914	21,939,530
Income from continuing operations	996,904	(920,401)	(2,045,914)	(1,969,411)
Income from discontinued operations	11,779,831	—	—	11,779,831
Net income (loss)	$ 12,776,735	$ (920,401)	$ (2,045,914)	$ 9,810,420
Net income (loss) allocated to:				
General Partner	$ 1,627,305	$ (9,204)	$ (20,459)	$ 1,597,642
BUC holders	7,286,204	(911,197)	(2,025,455)	4,349,552
Unallocated loss of variable interest entities	3,863,226	—	—	3,863,226
	$ 12,776,735	$ (920,401)	$ (2,045,914)	$ 9,810,420
BUC holders' interest in net income (loss) per unit (basic and diluted):				
Income from continuing operations	0.74	(0.09)	(0.21)	0.44
Income from discontinued operations	—	—	—	—
Net income (loss), basic and diluted, per unit	$ 0.74	$ (0.09)	$ (0.21)	$ 0.44
Weighted average number of units outstanding, basic and diluted	9,837,928			9,837,928

See notes to the Pro Forma Condensed Consolidated Statement of Operations

Notes to the Unaudited Pro Forma Condensed Consolidated Statement of Operations

(A) Represents the historical consolidated statement of operations of the Company as contained in the consolidated financial statements filed on Form 10-K for the year ended December 31, 2006.

(B) Represents the unaudited revenues and expenses of the Partnerships for the year ended December 31, 2006.

(C) Represents the pro forma depreciation and amortization expense attributable to the apartment properties owned by the Partnerships based on the purchase price paid by the Registrant for its interest in the Partnerships, as if the acquisition of the Partnerships had occurred on January 1, 2006. The Company will depreciate most of the approximately $21 million of depreciable assets related to the Partnerships over a 27.5 year useful life. The in-place leases intangible asset is being amortized over one year.

(D) Represents the pro forma interest expense for the year ended December 31, 2006, attributable to the mortgage indebtedness incurred by the Partnerships in connection with the acquisition by the Registrant as if the acquisitions had occurred on January 1, 2006. To refinance the acquisition of the Partnerships, the Company utilized a $19.9 million mortgage loan, which bears interest at a variable rate of LIBOR plus 1.55%. Also included within interest expense is the amortization of financing costs which where incurred in connection with obtaining this loan.

Exhibit 23.1

CONSENT OF INDEPENDENT AUDITORS

We consent to the incorporation by reference in Registration Statement No. 333-139864 on Form S-3 of America First Tax Exempt Investors L.P. of our reports dated January 30, 2007, with respect to the financial statements of the properties known as Crescent Village Townhomes Limited Partnership, Eagle Ridge Townhomes Limited Partnership, Meadowbrook Apartments Limited Partnership, Post Wood Townhomes Limited Partnership, Post Wood II Townhomes Limited Partnership and Willow Bend Townhomes Limited Partnership for the years ended December 31, 2006 and 2005 appearing in this Current Report on Form 8-K/A.

/s/ Flagel, Huber, Flagel & Co.
Cincinnati, Ohio
September 7, 2007

Exhibit 99.1

CRESCENT VILLAGE TOWNHOMES
LIMITED PARTNERSHIP

FINANCIAL REPORT
AND SUPPLEMENTARY INFORMATION

DECEMBER 31, 2006 AND 2005

CRESCENT VILLAGE TOWNHOMES LIMITED PARTNERSHIP

TABLE OF CONTENTS

DECEMBER 31, 2006 AND 2005

FLAGEL, HUBER, FLAGEL & Co.
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Partners of Crescent Village Townhomes Limited Partnership
c/o Joint Development & Housing Corporation

We have audited the accompanying balance sheets of Crescent Village Townhomes Limited Partnership as of December 31, 2006 and 2005, and the related statements of operations, changes in partners' equity, and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. 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. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Crescent Village Townhomes Limited Partnership as of December 31, 2006 and 2005, and the results of its operations and cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Flagel, Huber, Flagel & Co.

Certified Public Accountants

Cincinnati, Ohio

January 31, 2007

Donald R. Harting
Terrence P. Egan
James R. Hocbwalt
Charles C. Craft
Randall S. Kuvin
Randolph N. Kramer
David P. Dirksen
Bruce G. Kreinbrink

Kelley G. O'Neil
Julie M. *Kline*
Dustin C. Fry
Terry L. Yoho
Linda B. Hadley
Alexander P. Kurian
Angela L. Gatto
Erin J. Kliesch
Kevin R. Hagstrom
Michael W. Smith
Jeffrey M. Woeste
Robert L. Hesch

RETIRED
David E. Flagel
Gerald P. Flagel
Arthur J. Huber
Louis G. Homan

DAYTON
3400 South Dixie Drive / Dayton, Ohio 45439-2304
phone: (937) 299-3400 / fax: (937) 293-5481 / www.fhf-cpa.com

CINCINNATI
9135 Governors Way / Cincinnati, Ohio 45249-2037
phone: (513) 774-0300 / fax: (513) 774-7250 / www.fhf-cpa.com

CRESCENT VILLAGE TOWNHOMES LIMITED PARTNERSHIP

BALANCE SHEETS

	DECEMBER 31, 2006	2005
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 71,223	$ 172,924
Receivables, net of allowance for doubtful accounts of $47 and $1,036 in 2006 and 2005, respectively	4,954	6,251
Reserve for replacement	6,174	1,322
Real estate taxes and insurance escrow	61,417	51,939
Project expense loans receivable	350,615	231,045
TOTAL CURRENT ASSETS	494,383	463,481
FIXED ASSETS, at net book value	3,249,722	3,458,062
OTHER ASSETS, net of accumulated amortization	22,387	29,021
TOTAL ASSETS	$ 3,766,492	$ 3,950,564
LIABILITIES AND PARTNERS' EQUITY		
CURRENT LIABILITIES		
Trade payables	$ 8,825	$ 12,758
Accrued expenses	107,175	101,006
Security deposits	46,558	42,172
Deferred revenue	1,894	1,046
Current portion of mortgage payable	36,909	33,925
TOTAL CURRENT LIABILITIES	201,361	190,907
LONG-TERM DEBT		
Mortgage payable	2,586,065	2,622,974
TOTAL LIABILITIES	2,787,426	2,813,881
PARTNERS' EQUITY		
Investor Limited Partner	174,189	294,201
Special Limited Partner	10	10
General Partner	804,867	842,472
	979,066	1,136,683
TOTAL LIABILITIES AND PARTNERS' EQUITY	$ 3,766,492	$ 3,950,564

The accompanying notes are an integral part of these statements.

CRESCENT VILLAGE TOWNHOMES LIMITED PARTNERSHIP

STATEMENTS OF OPERATIONS

	FOR THE YEARS ENDED DECEMBER 31, 2006	2005
INCOME FROM RENTS AND MISCELLANEOUS	$ 744,628	$ 732,761
RENTAL EXPENSES		
Administrative expense	125,634	114,478
Utilities	6,685	16,695
Operating and maintenance expense	109,084	115,355
Real estate taxes	81,319	75,694
Other taxes, licenses and permits	553	17
Insurance	25,077	17,179
	348,352	339,418
NET RENTAL INCOME	396,276	393,343
OTHER DEDUCTIONS		
Mortgage interest expense	223,239	226,001
INCOME — before depreciation and amortization	173,037	167,342
DEPRECIATION	242,838	250,238
AMORTIZATION	6,634	6,633
	249,472	256,871
NET LOSS	$ (76,435)	$ (89,529)

The accompanying notes are an integral part of these statements.

CRESCENT VILLAGE TOWNHOMES LIMITED PARTNERSHIP

STATEMENTS OF CHANGES IN PARTNERS' EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2006 AND 2005

	GENERAL PARTNER	INVESTOR LIMITED PARTNER	SPECIAL LIMITED PARTNER	TOTAL
Balance — January 1, 2005	$ 867,157	$ 414,125	$ 10	$ 1,281,292
Distributions	(23,790)	(31,290)	0	(55,080)
Net Loss — 2005	(895)	(88,634)	0	(89,529)
Balance — December 31, 2005	842,472	294,201	10	1,136,683
Distributions	(36,841)	(44,341)	0	(81,182)
Net Loss — 2006	(764)	(75,671)	0	(76,435)
Balance — December 31, 2006	$ 804,867	$ 174,189	$ 10	$ 979,066

The accompanying notes are an integral part of these statements.

CRESCENT VILLAGE TOWNHOMES LIMITED PARTNERSHIP

STATEMENTS OF CASH FLOWS

	FOR THE YEARS ENDED DECEMBER 31, 2006	2005
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$ (76,435)	$ (89,529)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation	242,838	250,238
Amortization	6,634	6,633
Changes in assets and liabilities:		
Receivables	1,297	(1,877)
Reserve for replacement	(4,852)	171
Real estate taxes and insurance escrow	(9,478)	10,038
Trade payables	(3,933)	1,649
Accrued expenses	6,169	5,725
Security deposits	4,386	2,632
Deferred revenue	848	(11)
NET CASH PROVIDED BY OPERATING ACTIVITIES	167,474	185,669
CASH FLOWS USED IN INVESTING ACTIVITIES:		
Purchase of improvements, equipment and furnishings	(34,498)	(36,103)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Principal payments on mortgage	(33,925)	(31,182)
Project expense loans receivable	(119,570)	13,797
Distributions	(81,182)	(55,080)
NET CASH USED IN FINANCING ACTIVITIES	(234,677)	(72,465)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(101,701)	77,101
CASH AND CASH EQUIVALENTS — beginning of year	172,924	95,823
CASH AND CASH EQUIVALENTS — end of year	$ 71,223	$ 172,924
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid during the year for:		
Interest	$ 223,478	$ 226,221

The accompanying notes are an integral part of these statements.

1. ORGANIZATION

The Partnership was formed on November 21, 1991, to acquire land in Butler County, Ohio, to construct a 90-unit apartment project qualifying for low income housing tax credits provided under Section 42(a) of the Internal Revenue Code, and to lease, manage and operate the project. The Partnership was organized as a limited partnership by Joint Development & Housing Corporation (JDH) and Ashford Investment Corporation (Ashford) as general partners and JDH as the limited partner.

On March 6, 1992, the Partnership Agreement was amended to reflect the withdrawal of Ashford as a general partner and to substitute Towne Building Group, Inc. (TBG) for JDH as the Original Limited Partner.

On December 1, 1992, the Partnership Agreement was amended and restated to admit Boston Financial Institutional Tax Credits III, A Limited Partnership (BFITC) as the Investor Limited Partner and SLP, Inc. (SLP) as a Special Limited Partner; to reflect the withdrawal of TBG, the Original Limited Partner and to set out more fully the rights, obligations and duties of the Partners.

Rental operations commenced on September 17, 1993.

Allocation of Income or Loss and Tax Credits

The Partnership Agreement provides that income or loss and tax credits are to be allocated as follows:

General Partner (GP)	1%
Investor Limited Partner (ILP)	99%
Special Limited Partner (SLP)	0%

Allocation of Cash Flows

Cash flows (as defined in the Partnership Agreement) for each fiscal year (or fractional portion thereof) after the earlier to occur of the first anniversary of the Completion Date (November 17, 1994) or Development Obligation Date (December 1, 1994) are to be distributed, within ninety (90) days of year-end, in the following priority:

First: 100% to ILP until ILP has received $7,500 per year, cumulative but not compounded;

1. ORGANIZATION (continued)

Second: to repay any accrued but unpaid management fees and any other amounts due the Management Agent, whenever incurred, by any and all of the Integrated Partnerships (as defined in the Amendment to Limited Partnership Agreements dated March 4, 1998) and any Project Expense Loans (as defined in the Partnership Agreement) of any Integrated Partnership, then outstanding and incurred on or after January 1, 1997; and

Third: to ILP and GP in equal shares.

For the years ended December 31, 2006 and 2005, distributions from Cash Flows were $81,182 and $55,080, respectively.

Distributions of Other Than Cash Flow

Prior to dissolution, if the General Partner shall determine that there are proceeds available for distribution from a Capital Transaction (as defined in the Partnership Agreement), such proceeds shall be applied and distributed in accordance with the provisions of the Partnership Agreement, as amended.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements are prepared on the accrual basis of accounting.

Depreciation Methods

Depreciation for financial reporting is computed using the straight-line method over the estimated useful lives of the assets, and for income tax purposes is computed primarily using accelerated methods over the statutory lives of the assets. The Partnership follows the practice of charging expenditures for additions or major replacements to the asset accounts. When an asset is retired or otherwise disposed of, its cost and the related accumulated depreciation are eliminated from their respective accounts and any gain or loss is reflected in the statement of operations.

Cash and Cash Equivalents

The Partnership considers financial instruments with maturities of three months or less to be cash equivalents.

Fair Value of Financial Instrument

The carrying amount of the mortgage payable approximates fair value as a result of the current mortgage rates available to the Partnership at December 31, 2006.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Estimates

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

Advertising Costs

Advertising costs are charged to operations when incurred. Advertising expense for 2006 and 2005 was $28,862 and $26,011, respectively.

Concentration of Credit Risk

The Partnership maintains its cash balances in various Cincinnati, Ohio financial institutions which, at times, may exceed federally insured limits. The Partnership has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash.

Accounts Receivable

Tenant rent charges for the current month are due on the first of the month. Rental payments received in advance are deferred until earned. Tenants who are evicted or move out are charged with any damages or cleaning fees in excess of the security deposit. The Partnership accounts for all past due rents as stipulated in the lease agreement, and recognizes other tenant charges on the date assessed at the actual amount due. The Partnership does not accrue interest on tenant receivable balances. Tenant receivable balances in excess of 90 days in arrears are transferred to a collection agency and written off to bad debt expense at that time. The allowance method is used to estimate bad debt expense based on collection experience. The partnership recognized bad debt expense of $5,321 and $1,836 for the years ended December 31, 2006 and 2005, respectively.

3. RECEIVABLES

The following is a summary of receivables at December 31, 2006 and 2005:

	2006	2005
Rent receivable	$ 3,558	$ 7,277
Less: allowance for doubtful accounts	(47)	(1,036)
Other receivables	1,443	10
	$ 4,954	$ 6,251

4. FIXED ASSETS

	2006	2005	Depreciable Life in Years
COST			
Qualifying for tax credits:			
Buildings	$ 4,531,359	$ 4,531,359	27
Site improvements	1,193,908	1,193,908	20
Equipment and furnishings	87,643	87,643	12
Not qualifying for tax credits:			
Land	374,500	374,500	—
Land improvements — additions	41,564	41,564	20
Equipment — additions	173,939	163,082	12
	6,402,913	6,392,056	
Less: accumulated depreciation	(3,153,191)	(2,933,994)	
NET BOOK VALUE	$ 3,249,722	$ 3,458,062	

5. OTHER ASSETS

The following is a summary of amortizable costs and the related accumulated amortization:

	2006	2005	Amortization Period
COST			
Loan costs	$ 66,333	$ 66,333	10 years
Less: accumulated amortization	(43,946)	(37,312)	
	$ 22,387	$ 29,021	

6. MORTGAGE PAYABLE

On May 8, 2000, the Partnership refinanced the mortgage with a $2,800,000 real estate mortgage with Fifth Third Real Estate Capital Markets Co. The term of the mortgage is ten (10) years and bears interest at the rate of 8.46%. Principal and interest payments are due monthly in the amount of $21,450, with a balloon payment of approximately $2,025,000 payable in full on the maturity date of June 1, 2010. The mortgage may be prepaid upon giving thirty (30) days notice and upon payment of a prepayment fee equal to the greater of one percent of the outstanding principal balance or a yield maintenance formula included in the mortgage agreement. The prepayment premium period ends within ninety (90) days of the maturity date of the mortgage. The loan is collateralized by the 90-unit apartment complex in Butler County, Ohio known as Crescent Village Townhomes. The partners have no personal liability with respect to this indebtedness.

6. MORTGAGE PAYABLE (continued)

Following are maturities of the mortgage payable for each of the next four (4) years and in the aggregate:

2007	$ 36,909
2008	40,155
2009	43,687
2010	2,502,223
	$ 2,622,974

7. PROJECT EXPENSE LOANS

The Partnership has made advances to the General Partner in the form of Project Expense Loans (as defined in the Amendment to the Limited Partnership Agreement dated March 4, 1998). The loans totaled $350,615 and $231,045 as of December 31, 2006 and 2005 respectively. These loans are non-interest bearing and are repayable only as provided in the Partnership Agreement (see Note 1).

8. RESERVE FOR REPLACEMENT

The General Partner is responsible for the establishment of a reserve account for capital replacements. The account is to be funded by monthly deposits commencing on the Project Completion Date (November 17, 1993), and must equal the greater of the amount required by the lender or $1,125. The mortgage was refinanced May 8, 2000, at which time the lender required the Partnership to deposit $1,275 per month. Disbursements from the reserve account are permitted for expenditures approved upon written request of the lender.

9. RELATED PARTY TRANSACTIONS

Effective January 1, 1992, the Partnership entered into a management agreement with Towne Properties Asset Management Company (TPAMC), an affiliate of JDH, in which TPAMC will act as the manager and leasing agent for the project and receive a monthly fee of four percent (4%) monthly gross income. On January 1, 2001 TPAMC assigned this contractual agreement to a newly formed subsidiary Limited Liability Company known as Towne Properties Asset Management Company Ltd., LLC (TPAMC Ltd.), which is owned 84.7% by TPAMC. Total management fees paid or accrued to TPAMC Ltd. in 2006 and 2005 totaled $29,626 and $29,152, respectively. The agreement was for an initial term of one year and is currently on a month-to-month basis. At December 31, 2006 and 2005, the Partnership owed TPAMC Ltd. $2,442 and $2,291 respectively for unpaid management fees. TPAMC also provides office and maintenance supplies and personnel, administrative services, and marketing services, and is reimbursed for these expenses by the Partnership.

Effective December 1, 1992, the Partnership entered into an incentive management agreement with TPAMC, providing for an annual, non-cumulative incentive management fee equal to the lesser of five percent (5%) of gross revenues or the Priority Distribution (as defined in the Partnership Agreement) applicable to such year. In no event, however, shall the incentive management fee and the management fee payable under the Management Agreement exceed, in the aggregate, nine percent (9%) of the gross revenues of the Project in any fiscal year. The agreement continues in full force and effect until termination of the Partnership. No incentive management fee was payable for 2006 and 2005.

10. RESIDENT LEASE AGREEMENTS

Generally, the apartment units are leased to residents for an initial one-year term. Thereafter, residents can extend the lease on a month-to-month basis.

11. INCOME TAXES

These statements contain no provision for federal income taxes. As a partnership, any income or loss is reported on the tax returns of the respective partners.

11. INCOME TAXES (continued)

The Partnership treats certain items of income and deductions differently for federal income tax purposes than for financial reporting purposes. Following is a reconciliation of financial statement income to federal taxable income:

	2006	2005
Net loss — financial statement	$ (76,435)	$ (89,529)
Additional depreciation for federal income tax purposes due to the use of accelerated depreciation methods	(20,046)	(7,710)
Allowance for doubtful accounts — deductible when written off	(989)	(68)
Revenue received in advance — taxable when received; recognized when earned for financial reporting:		
Current year	1,894	1,046
Prior year	(1,046)	(1,057)
Net loss — federal income tax	$ (96,622)	$ (97,318)

The Partnership has qualified to receive low-income housing tax credits from the State of Ohio pursuant to Internal Revenue Code Section 42 totaling $4,806,000. These tax credits are available on an annual basis for a ten-year period commencing with 1993. The annual allocation of $480,600 is available to the Partners as a credit against their federal income taxes payable. As of December 31, 2004, all $4,806,000 of the tax credits had been utilized by the Partners. Certain technical requirements must be met and maintained by the Partnership to receive the full allocation of tax credits.

12. CONTINGENCY

The Partnership's low-income housing tax credits are contingent on its ability to maintain compliance with applicable sections of Section 42(a) of the Internal Revenue Code. Failure to maintain compliance with occupant eligibility, and/or gross rent, or to correct noncompliance within a specified time period could result in recapture of previously taken tax credits plus interest. In addition, such potential noncompliance may require an adjustment to the contributed capital by the Investor Limited Partner.

FLAGEL, HUBER, FLAGEL & Co.

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION

To the Partners of Crescent Village Townhomes Limited Partnership
c/o Joint Development & Housing Corporation

Our report on our audits of the basic financial statements of Crescent Village Townhomes Limited Partnership for 2006 and 2005 appears on page 1. Those audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The detailed balance sheet and statement of operations schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information, except for that portion marked "unaudited," on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the basic financial statements, and, in our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Flagel, Huber, Flagel & Co.

Certified Public Accountants

Cincinnati, Ohio

January 31, 2007

DAYTON
3400 South Dixie Drive / Dayton, Ohio 45439-2304
phone: (937) 299-3400 / fax: (937) 293-5481 / www.fhf-cpa.com

CINCINNATI
9135 Governors Way / Cincinnati, Ohio 45249-2037
phone: (513) 774-0300 / fax: (513) 774-7250 /www.fhf-cpa.com

CRESCENT VILLAGE TOWNHOMES LIMITED PARTNERSHIP

DETAILED BALANCE SHEET SCHEDULES

	DECEMBER 31, 2006	2005
ASSETS		
CURRENT ASSETS		
Petty cash	$ 100	$ 100
Cash in bank	24,565	130,652
Tenant security deposits	46,558	42,172
Tenant accounts receivable, net of allowance for doubtful accounts of $47 and $1,036 in 2006 and 2005, respectively	3,511	6,241
Other receivables	1,443	10
Project expense loans receivable	350,615	231,045
	426,792	410,220
RESTRICTED DEPOSITS AND FUNDED RESERVES		
Replacement reserve deposits	6,174	1,322
Real estate taxes and insurance escrow	61,417	51,939
	67,591	53,261
FIXED ASSETS		
Land	374,500	374,500
Land improvements	1,235,472	1,235,472
Buildings	4,531,359	4,531,359
Building equipment	261,582	250,725
Accumulated depreciation	(3,153,191)	(2,933,994)
	3,249,722	3,458,062
OTHER ASSETS		
Deferred financing costs, net of accumulated amortization	22,387	29,021
TOTAL ASSETS	$ 3,766,492	$ 3,950,564
LIABILITIES AND PARTNERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	$ 8,825	$ 12,758
Accrued wages and payroll taxes	7,364	6,581
Accrued interest payable	18,492	18,731
Accrued real estate taxes payable	81,319	75,694
Tenant security deposit liability	46,558	42,172
Rent deferred credits	1,894	1,046
Current portion of mortgage payable	36,909	33,925
	201,361	190,907
LONG-TERM LIABILITIES		
Mortgage note payable	2,586,065	2,622,974
PARTNERS'EQUITY		
Other partner's equity	804,867	842,472
Limited partners' equity	174,199	294,211
	979,066	1,136,683
TOTAL LIABILITIES AND PARTNERS' EQUITY	$ 3,766,492	$ 3,950,564

CRESCENT VILLAGE TOWNHOMES LIMITED PARTNERSHIP

DETAILED STATEMENT OF OPERATIONS SCHEDULES

	FOR THE YEARS ENDED DECEMBER 31, 2006	2005
REVENUE		
RENTAL INCOME		
Apartments	$ 784,633*	$ 772,583*
VACANCIES		
Apartments	56,645*	53,464*
RENTAL INCOME LESS VACANCIES	727,988	719,119
FINANCIAL REVENUE		
Interest income — miscellaneous	1,858	944
Interest income — reserve for replacement	20	20
TOTAL FINANCIAL REVENUE	1,878	964
OTHER REVENUE		
Laundry and vending	0	3
NSF and late charges	4,314	3,783
Damages and cleaning fees	5,932	4,265
Forfeited security deposits	225	100
Other revenue (miscellaneous)	4,291	4,527
TOTAL OTHER REVENUE	14,762	12,678
TOTAL REVENUE	$ 744,628	$ 732,761

* - Unaudited

CRESCENT VILLAGE TOWNHOMES LIMITED PARTNERSHIP

DETAILED STATEMENT OF OPERATIONS SCHEDULES (CONTINUED)

	FOR THE YEARS ENDED DECEMBER 31, 2006	2005
EXPENSES		
ADMINISTRATIVE		
Advertising	$ 28,862	$ 26,011
Office supplies	1,878	1,686
Management fees	29,626	29,152
Manager or superintendent salaries	40,594	39,143
Legal expenses (project-related issues)	1,304	661
Auditing expenses	6,870	6,570
Telephone and answering service	3,872	3,577
Bad debts	5,321	1,836
Miscellaneous administrative expenses	7,307	5,842
TOTAL ADMINISTRATIVE	125,634	114,478
UTILITIES		
Gas	3,116	2,779
Electricity	6,676	7,345
Water and sewer, less reimbursements	(3,107)	6,571
TOTAL UTILITIES	6,685	16,695
OPERATING AND MAINTENANCE		
Janitor cleaning supplies and payroll	826	690
Exterminating	521	839
Garbage and trash removal	5,612	5,397
Security payroll/contract	2,901	3,405
Grounds supplies	586	1,346
Grounds payroll	21,852	23,434
Repairs payroll	39,209	37,092
Repairs material	19,827	19,438
Repairs contract	1,500	6,213
Snow removal	0	3,555
Turnover expense	15,935	13,764
Miscellaneous operating and maintenance	315	182
TOTAL OPERATING AND MAINTENANCE	109,084	115,355

CRESCENT VILLAGE TOWNHOMES LIMITED PARTNERSHIP

DETAILED STATEMENT OF OPERATIONS SCHEDULES (CONTINUED)

	FOR THE YEARS ENDED DECEMBER 31, 2006	2005
TAXES AND INSURANCE		
Real estate taxes	$ 81,319	$ 75,694
Property and liability insurance (hazard)	25,077	17,179
Miscellaneous taxes, license and permits	553	17
TOTAL TAXES AND INSURANCE	106,949	92,890
FINANCIAL EXPENSES		
Interest on mortgage note payable	223,239	226,001
DEPRECIATION AND AMORTIZATION		
Depreciation	242,838	250,238
Amortization	6,634	6,633
TOTAL DEPRECIATION AND AMORTIZATION	249,472	256,871
TOTAL EXPENSES	821,063	822,290
NET LOSS	$ (76,435)	$ (89,529)
OTHER ITEMS		
Amount of principal paid	$ 33,925	$ 31,182
Deposits made to replacement reserve	15,300	15,300
Disbursements made from replacement reserve	10,468	15,491
Occupancy percentage — end of year	90%*	93%*

* - Unaudited

Exhibit 99.2

EAGLE RIDGE TOWNHOMES
LIMITED PARTNERSHIP

FINANCIAL REPORT
AND SUPPLEMENTARY INFORMATION

DECEMBER 31, 2006 AND 2005

EAGLE RIDGE TOWNHOMES LIMITED PARTNERSHIP

TABLE OF CONTENTS

DECEMBER 31, 2006 AND 2005

FLAGEL, HUBER, FLAGEL & Co.
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Partners of Eagle Ridge Townhomes Limited Partnership c/o Joint Development & Housing Corporation

We have audited the accompanying balance sheets of Eagle Ridge Townhomes Limited Partnership as of December 31, 2006 and 2005, and the related statements of operations, changes in partners' equity (deficit), and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. 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. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Eagle Ridge Townhomes Limited Partnership as of December 31, 2006 and 2005, and the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Flagel, Huber, Flagel & Co.

Certified Public Accountants

Cincinnati, Ohio

January 24, 2007

DAYTON
3400 South Dixie Drive / Dayton, Ohio 45439-2304
phone: (937) 299-3400 / fax: (937) 293-5481 / www.fhf-cpa.com

CINCINNATI
9135 Governors Way / Cincinnati, Ohio 45249-2037
phone: (513) 774-0300 / fax: (513) 774-7250 / www.fhf-cpa.com

EAGLE RIDGE TOWNHOMES LIMITED PARTNERSHIP

BALANCE SHEETS

	DECEMBER 31, 2006	2005
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 30,314	$ 32,795
Receivables, net of allowance for doubtful accounts of $0 and $411 in 2006 and 2005, respectively	1,777	1,606
Reserve for replacement	4,951	3,451
Real estate taxes and insurance escrow	13,261	20,096
TOTAL CURRENT ASSETS	50,303	57,948
FIXED ASSETS, at net book value	2,309,847	2,482,968
OTHER ASSETS, net of accumulated amortization	20,183	22,558
TOTAL ASSETS	$ 2,380,333	$ 2,563,474
LIABILITIES AND PARTNERS' EQUITY (DEFICIT)		
CURRENT LIABILITIES		
Trade payables	$ 9,517	$ 6,566
Accrued expenses	15,079	15,672
Security deposits	25,367	22,457
Deferred revenue	985	1,808
Current portion of mortgage payable	73,538	67,231
Project expense loans	127,924	118,262
TOTAL CURRENT LIABILITIES	252,410	231,996
LONG-TERM DEBT		
Mortgage payable	1,476,289	1,549,827
TOTAL LIABILITIES	1,728,699	1,781,823
PARTNERS' EQUITY (DEFICIT)		
Investor Limited Partner	(233,530)	(104,813)
Special Limited Partner	10	10
General Partner	885,154	886,454
	651,634	781,651
TOTAL LIABILITIES AND PARTNERS' EQUITY (DEFICIT)	$ 2,380,333	$ 2,563,474

The accompanying notes are an integral part of these statements.

EAGLE RIDGE TOWNHOMES LIMITED PARTNERSHIP

STATEMENTS OF OPERATIONS

	FOR THE YEARS ENDED DECEMBER 31, 2006	2005
INCOME FROM RENTS AND MISCELLANEOUS	$ 461,298	$ 457,510
RENTAL EXPENSES		
Administrative expense	75,145	70,707
Utilities	11,172	16,063
Operating and maintenance expense	107,116	96,451
Real estate taxes	35,588	34,499
Other taxes, licenses and permits	2,696	2,254
Insurance	18,231	12,455
	249,948	232,429
NET RENTAL INCOME	211,350	225,081
OTHER DEDUCTION		
Mortgage interest expense	142,339	148,126
INCOME — before depreciation and amortization	69,011	76,955
DEPRECIATION	196,653	186,657
AMORTIZATION	2,375	2,375
	199,028	189,032
NET LOSS	$ (130,017)	$ (112,077)

The accompanying notes are an integral part of these statements.

EAGLE RIDGE TOWNHOMES LIMITED PARTNERSHIP

STATEMENTS OF CHANGES IN PARTNERS' EQUITY (DEFICIT)

FOR THE YEARS ENDED DECEMBER 31, 2006 AND 2005

	GENERAL PARTNER	INVESTOR LIMITED PARTNER	SPECIAL LIMITED PARTNER	TOTAL
Balance — January 1, 2005	$ 887,575	$ 6,143	$ 10	$ 893,728
Net loss — 2005	(1,121)	(110,956)	0	(112,077)
Balance (deficit) — December 31, 2005	886,454	(104,813)	10	781,651
Net loss — 2006	(1,300)	(128,717)	0	(130,017)
Balance (deficit) — December 31, 2006	$ 885,154	$ (233,530)	$ 10	$ 651,634

The accompanying notes are an integral part of the statements.

EAGLE RIDGE TOWNHOMES LIMITED PARTNERSHIP

STATEMENTS OF CASH FLOWS

	FOR THE YEARS ENDED DECEMBER 31, 2006	2005
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$ (130,017)	$ (112,077)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation	196,653	186,657
Amortization	2,375	2,375
Changes in assets and liabilities:		
Receivables	(171)	(556)
Reserve for replacement	(1,500)	1,067
Real estate taxes and insurance escrow	6,835	1,727
Trade payables	2,951	3,102
Accrued expenses	(593)	1,155
Security deposits	2,910	(3,891)
Deferred revenue	(823)	1,782
NET CASH PROVIDED BY OPERATING ACTIVITIES	78,620	81,341
CASH FLOWS USED IN INVESTING ACTIVITIES:		
Purchases of improvements, equipment and furnishings	(23,532)	(33,428)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Principal payments on mortgage	(67,231)	(61,466)
Project expense loans	9,662	(926)
NET CASH USED IN FINANCING ACTIVITIES	(57,569)	(62,392)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(2,481)	(14,479)
CASH AND CASH EQUIVALENTS — beginning of year	32,795	47,274
CASH AND CASH EQUIVALENTS — end of year	$ 30,314	$ 32,795
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid during the year for:		
Interest	$ 142,843	$ 148,588

The accompanying notes are an integral part of these statements.

1. ORGANIZATION

The Partnership was formed on November 21, 1991, to acquire land in Kenton County, Kentucky to construct a 64-unit apartment project qualifying for low income housing tax credits provided under Section 42(a) of the Internal Revenue Code, and to lease, manage and operate the project. The Partnership was organized as a limited partnership by Joint Development & Housing Corporation (JDH) and Ashford Investment Corporation (Ashford) as general partners and JDH as the limited partner.

On March 6, 1992, the Partnership Agreement was amended to reflect the withdrawal of Ashford as a general partner and to substitute Towne Building Group, Inc. (TBG) for JDH as the Original Limited Partner.

On December 1, 1992, the Partnership Agreement was amended and restated to admit Boston Financial Institutional Tax Credits III, A Limited Partnership (BFITC) as the Investor Limited Partner and SLP, Inc. (SLP) as a Special Limited Partner; to reflect the withdrawal of TBG, the Original Limited Partner and to set out more fully the rights, obligations and duties of the Partners.

Rental operations commenced on September 30, 1993.

Allocation of Income or Loss and Tax Credits

The Partnership Agreement provides that income or loss and tax credits are to be allocated as follows:

General Partner (GP)	1%
Investor Limited Partner (ILP)	99%
Special Limited Partner (SLP)	0%

Allocation of Cash Flows

After the earlier to occur of the Development Obligation Date (December 31,1997) or the first anniversary of the Completion Date (December 7, 1994), cash flows (as defined in the Partnership Agreement) are to be distributed, within ninety (90) days of year-end, in the following priority:

First: 100% to ILP until ILP has received $7,500 per year, cumulative but not compounded,

Second: to repay accrued but unpaid management fees and any other amounts due the Management Agent, whenever incurred, by any and all of the Integrated Partnerships (as defined in the Amendment to Limited Partnership Agreements dated March 4, 1998) and any Project Expense Loans (as defined in the Partnership Agreement) of any Integrated Partnership, then outstanding and incurred on or after January 1, 1997, and

Third: to ILP and GP in equal shares.

1. ORGANIZATION (Continued)

For the years ended December 31, 2006 and 2005, respectively, there were no distributions from Cash Flows.

Distributions of Other Than Cash Flow

Prior to dissolution, if the General Partner shall determine that there are proceeds available for distribution from a Capital Transaction (as defined in the Partnership Agreement), such proceeds shall be applied and distributed in accordance with the provisions of the Partnership Agreement, as amended.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements are prepared on the accrual basis of accounting.

Depreciation Methods

Depreciation for financial reporting is computed using the straight-line method over the estimated useful lives of the assets, and for income tax purposes is computed primarily using accelerated methods over the statutory lives of the assets. The Partnership follows the practice of charging expenditures for additions or major replacements to the asset accounts. When an asset is retired or otherwise disposed of, its cost and the related accumulated depreciation are eliminated from their respective accounts and any gain or loss is reflected in the statement of operations.

Fair Value of Financial Instrument

The carrying amount of the mortgage payable approximates fair value as a result of the current mortgage rates available to the Partnership at December 31, 2006.

Cash and Cash Equivalents

The Partnership considers financial instruments with maturities of three months or less to be cash equivalents.

Estimates

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Advertising Costs

Advertising costs are charged to operations when incurred. Advertising expense for 2006 and 2005 was $10,746 and $9,353, respectively.

Concentration of Credit Risk

The Partnership maintains its cash balances in various Cincinnati, Ohio financial institutions which, at times, may exceed federally insured limits. The Partnership has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash.

Accounts Receivable

Tenant rent charges for the current month are due on the first of the month. Rental payments received in advance are deferred until earned. Tenants who are evicted or move out are charged with any damages or cleaning fees in excess of the security deposit. The Partnership accounts for all past due rents as stipulated in the lease agreement, and recognizes other tenant charges on the date assessed at the actual amount due. The Partnership does not accrue interest on tenant receivable balances. Tenant receivable balances in excess of 90 days in arrears are transferred to a collection agency and written off to bad debt expense at that time. The allowance method is used to estimate bad debt expense, based on collection experience. Bad debt expense for 2006 and 2005 was $3,127 and $1,999, respectively.

3. RECEIVABLES

The following is a summary of receivables at December 31, 2006 and 2005:

	2006	2005
Rent receivable	$ 1,767	$ 2,007
Other receivables	10	10
Less: allowance for doubtful accounts	0	(411)
	$ 1,777	$ 1,606

4. OTHER ASSETS

The following is a summary of amortizable costs and the related accumulated amortization:

COST	2006	2005	Depreciable Life in Years
Loan cost	$ 47,491	$ 47,491	20 years
Less: accumulated amortization	(27,308)	(24,933)	
	$ 20,183	$ 22,558	

5. FIXED ASSETS

COST	2006	2005	Depreciable Life in Years
Qualifying for tax credits:			
Buildings	$ 3,074,387	$ 3,074,387	27
Site improvements	1,062,175	1,062,175	20
Equipment and furnishings	64,518	64,518	12
Not qualifying for tax credits:			
Land	250,000	250,000	—
Land improvements — additions	16,940	16,940	20
Equipment — additions	142,904	155,559	12
	4,610,924	4,623,579	
Less: accumulated depreciation	(2,301,077)	(2,140,611)	
NET BOOK VALUE	$ 2,309,847	$ 2,482,968	

6. MORTGAGE PAYABLE

On July 11, 1995, the Partnership obtained a 20-year permanent mortgage with Indianapolis Life Insurance Company (ILIC) in the amount of $2,050,000. The permanent loan carries an interest rate of nine percent (9.0%) and may be adjusted at the sole and absolute discretion of ILIC on the first day of the 16th year to a rate comparable to what is being offered by ILIC to borrowers for comparable loans. Principal and interest payments are due monthly (based on a 23.5 year amortization period) in the amount of $17,503 unless adjusted in connection with an adjustment of the interest rate, with a balloon payment of approximately $641,000 payable in full on July 1, 2015. During the 4th through 15th loan year, the loan may be prepaid in full but not in part, with a prepayment premium equal to the greater of one percent (1%) of the principal balance of the note then being paid or the yield maintenance amount as defined in the promissory note. For the 16th through the 20th loan years, the prepayment premium is five percent (5.0%), reduced by one percent (1%) each year with no prepayment penalty if the principal balance is paid in full within 120 days of final maturity (July 1, 2015). If ILIC elects to increase the interest rate on Adjustment Date, the borrower may prepay the note in full but not in part, without prepayment premium during the 120-day period commencing on the date that ILIC notifies borrower of their election to adjust the interest rate. This note is collateralized by the real property known as Eagle Ridge Townhomes, by a security interest in certain fixtures and personal property, by an assignment of leases and rents to ILIC for all present and future leases of all or any portion of the realty encumbered by the Mortgage, and by a $550,000 personal guaranty by the shareholders of the parent corporation of the General Partner.

6. MORTGAGE PAYABLE (Continued)

Following are maturities of the mortgage payable for each of the next five (5) years, and in the aggregate:

2007	$ 73,538
2008	80,437
2009	87,982
2010	96,236
2011	105,263
Later years	1,106,371
	$ 1,549,827

7. PROJECT EXPENSE LOANS

The Partnership has received Project Expense Loans from the General Partner (as defined in the Amendment to the Limited Partnership Agreement dated March 4,1998). The loans totaled $127,924 and $118,262 as of December 31, 2006 and 2005, respectively. These loans are non-interest bearing and are repayable only as provided in the Partnership Agreement (see Note 1).

8. RELATED PARTY TRANSACTIONS

Effective January 1, 1992, the Partnership entered into a management agreement with Towne Properties Asset Management Company (TPAMC), an affiliate of JDH, in which TPAMC will act as the manager and leasing agent for the project and receive a monthly fee of four percent (4%) of monthly gross income. On January 1, 2001 TPAMC assigned this contractual agreement to a newly formed subsidiary Limited Liability Company known as Towne Properties Asset Management Company Ltd,, LLC (TPAMC Ltd.), which is owned 84.7% by TPAMC. Total management fees paid or accrued to TPAMC Ltd. in 2006 and 2005 totaled $18,342 and $18,214 respectively. The agreement was for an initial term of one year and is currently on a month-to-month basis. At December 31, 2006 and 2005, the Partnership owed TPAMC Ltd. $1,576 and $1,564 respectively for unpaid management fees. TPAMC also provides office and maintenance supplies and personnel, administrative services, and marketing services, and is reimbursed for these expenses by the Partnership.

8. RELATED PARTY TRANSACTIONS (Continued)

Effective December 1, 1992, the Partnership entered into an incentive management agreement with TPAMC, providing for an annual, non-cumulative incentive management fee equal to the lesser of five percent (5%) of gross revenues or the Priority Distribution (as defined in the Partnership Agreement) applicable to such year. In no event, however, shall the incentive management fee and the management fee payable under the Management Agreement exceed, in the aggregate, nine percent (9%) of the gross revenues of the Project in any fiscal year. The agreement continues in full force and effect until termination of the Partnership. No incentive management fee was payable for 2006 and 2005.

9. RESERVE FOR REPLACEMENT

The General Partner is responsible for the establishment of a reserve account for capital replacements. The account is to be funded by monthly deposits, commencing on the Project Completion Date (December 7, 1993), equal to the greater of the amount required by the lender or $800. Permanent financing was obtained on July 11, 1995, at which time the lender required the Partnership to deposit four percent (4%) of the monthly gross apartment rental received, until the total reserve account equals or exceeds $50,000. Disbursements from the reserve account are permitted for expenditures approved upon written request of the lender.

10. RESIDENT LEASE AGREEMENTS

Generally, the apartment units are leased to residents for an initial one-year term. Thereafter, residents can extend the lease on a month-to-month basis.

11. INCOME TAXES

These statements contain no provision for federal income taxes. As a partnership, any income or loss is reported on the tax returns of the respective partners.

11. INCOME TAXES (Continued)

The Partnership treats certain items of income and deductions differently for federal income tax purposes than for financial reporting purposes. Following is a reconciliation of financial statement income to federal taxable income:

	2006	2005
Net loss — financial statement	$ (130,017)	$ (112,077)
Additional depreciation for federal income tax purposes due to the use of accelerated depreciation methods	(1,188)	(8,096)
Allowance for doubtful accounts — deductible when written off	(411)	279
Revenue received in advance — taxable when received; recognized when earned for financial reporting:		
Current year	985	1,808
Prior year	(1,808)	(26)
Net loss — federal income tax	$ (132,439)	$ (118,112)

The Partnership has qualified to receive low-income housing tax credits from the State of Kentucky pursuant to Internal Revenue Code Section 42 totaling $3,456,000. These tax credits are available on an annual basis for a ten-year period commencing with 1993. The annual allocation of $345,600 is available to the Partners as a credit against their federal income taxes payable. As of December 31, 2006 and 2005, all $3,456,000 of the credits have been utilized by the Partners. Certain technical requirements must be met and maintained by the Partnership to receive the full allocation of tax credits.

12. CONTINGENCY

The Partnership's low-income housing tax credits are contingent on its ability to maintain compliance with applicable sections of Section 42(a) of the Internal Revenue Code. Failure to maintain compliance with occupant eligibility, and/or gross rent, or to correct noncompliance within a specified time period could result in recapture of previously taken tax credits plus interest. In addition, such potential noncompliance may require an adjustment to the contributed capital by the Investor Limited Partner.

FLAGEL, HUBER, FLAGEL & Co.
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION

To the Partners of Eagle Ridge Townhomes Limited Partnership
c/o Joint Development & Housing Corporation

Our report on our audits of the basic financial statements of Eagle Ridge Townhomes Limited Partnership for 2006 and 2005 appears on page 1. Those audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The detailed balance sheet and statement of operations schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information, except for that portion marked "unaudited," on which we express no opinion, has been subjected to the auditing procedures applied in the audits of the basic financial statements, and, in our opinion, the information is fairly stated in all material respects in relation the basic financial statements taken as a whole.

Flagel, Huber, Flagel & Co.

Certified Public Accountants

Cincinnati, Ohio

January 24, 2007

DAYTON
3400 South Dixie Drive / Dayton, Ohio 45439-2304
phone: (937) 299-3400 / fax: (937) 293-5481 / www.fhf-cpa.com

CINCINNATI
9135 Governors Way / Cincinnati, Ohio 45249-2037
phone: (513) 774-0300 / fax: (513) 774-7250 / www.fhf-cpa.com

EAGLE RIDGE TOWNHOMES LIMITED PARTNERSHIP

DETAILED BALANCE SHEET SCHEDULES

	DECEMBER 31, 2006	2005
ASSETS		
CURRENT ASSETS		
Petty cash	$ 149	$ 149
Cash in bank	4,798	10,189
Tenant accounts receivable, net of allowance for doubtful accounts of $0 and $411 in 2006 and 2005, respectively	1,767	1,596
Other receivables	10	10
Tenant security deposits	25,367	22,457
	32,091	34,401
RESTRICTED DEPOSITS AND FUNDED RESERVES		
Replacement reserve deposits	4,951	3,451
Mortgage escrow deposits	13,261	20,096
	18,212	23,547
FIXED ASSETS		
Land	250,000	250,000
Land improvements	1,079,115	1,079,115
Building	3,074,387	3,074,387
Building equipment	207,422	220,077
Accumulated depreciation	(2,301,077)	(2,140,611)
	2,309,847	2,482,968
OTHER ASSETS		
Deferred financing costs, net of accumulated amortization	20,183	22,558
TOTAL ASSETS	$ 2,380,333	$ 2,563,474
LIABILITIES AND PARTNERS' EQUITY (DEFICIT)		
CURRENT LIABILITIES		
Accounts payable	$ 9,517	$ 6,566
Accrued wages and payroll taxes	3,455	3,544
Accrued interest payable	11,624	12,128
Current portion of mortgage note payable	73,538	67,231
Tenant security deposit liability	25,367	22,457
Rent deferred credits	985	1,808
Project expense loans	127,924	118,262
	252,410	231,996
LONG—TERM LIABILITIES		
Mortgage note payable	1,476,289	1,549,827
PARTNERS' EQUITY (DEFICIT)		
Other partners' equity	885,154	886,454
Limited partner's equity	(233,520)	(104,803)
	651,634	781,651
TOTAL LIABILITIES AND PARTNERS' EQUITY (DEFICIT)	$ 2,380,333	$ 2,563,474

EAGLE RIDGE TOWNHOMES LIMITED PARTNERSHIP

DETAILED STATEMENT OF OPERATIONS SCHEDULES

	FOR THE YEARS ENDED DECEMBER 31, 2006	2005
REVENUE		
RENTAL INCOME		
Apartments	$ 513,615*	$ 513,543*
VACANCIES		
Apartments	62,505*	69,951*
RENTAL INCOME LESS VACANCIES	451,110	443,592
FINANCIAL REVENUE		
Interest income — reserve for replacements	177	87
Interest income — miscellaneous	178	272
TOTAL FINANCIAL REVENUE	355	359
OTHER REVENUE		
Laundry and vending	101	140
NSF and late charges	2,615	2,730
Damages and cleaning fees	3,623	8,210
Forfeited security deposits	100	0
Other revenue (miscellaneous)	3,394	2,479
TOTAL OTHER REVENUE	9,833	13,559
TOTAL REVENUE	$ 461,298	$ 457,510

* - Unaudited

EAGLE RIDGE TOWNHOMES LIMITED PARTNERSHIP

DETAILED STATEMENT OF OPERATIONS SCHEDULES (CONTINUED)

	FOR THE YEARS ENDED DECEMBER 31, 2006	2005
EXPENSES		
ADMINISTRATIVE		
Advertising	$ 10,746	$ 9,353
Office salaries	22,985	21,505
Office supplies	1,279	1,957
Management fees	18,342	18,214
Legal expenses (project-related issues)	1,330	434
Auditing expense	6,870	7,070
Telephone and answering services	5,162	4,279
Bad debts	3,127	1,999
Miscellaneous administrative expenses	5,304	5,896
TOTAL ADMINISTRATIVE	75,145	70,707
UTILITIES		
Gas	4,849	3,862
Electricity	4,873	5,572
Water and sewer, less reimbursements	1,450	6,629
TOTAL UTILITIES	11,172	16,063
OPERATING AND MAINTENANCE		
Janitor and cleaning supplies	348	753
Extermination	1,120	976
Garbage and trash removal	4,132	3,782
Grounds payroll	18,123	17,304
Security payroll/contract	2,052	3,330
Ground supplies	1,038	235
Repairs payroll	25,593	29,605
Repairs material	35,814	20,909
Repairs contract	4,314	1,241
Snow removal	1,408	7,265
Turnover	12,743	10,629
Miscellaneous operating and maintenance	431	422
TOTAL OPERATING AND MAINTENANCE	107,116	96,451
TAXES AND INSURANCE		
Real estate taxes	35,588	34,499
Miscellaneous taxes, license and permits	2,696	2,254
Property and liability insurance (hazard)	18,231	12,455
TOTAL TAXES AND INSURANCE	56,515	49,208

EAGLE RIDGE TOWNHOMES LIMITED PARTNERSHIP

DETAILED STATEMENT OF OPERATIONS SCHEDULES (CONTINUED)

	FOR THE YEARS ENDED DECEMBER 31, 2006	2005
FINANCIAL EXPENSES		
Interest on mortgage note payable	$ 142,339	$ 148,126
DEPRECIATION AND AMORTIZATION		
Depreciation	196,653	186,657
Amortization	2,375	2,375
TOTAL DEPRECIATION AND AMORTIZATION	199,028	189,032
TOTAL EXPENSES	591,315	569,587
NET LOSS	$ (130,017)	$ (112,077)
OTHER ITEMS		
Amount of principal paid	$ 67,231	$ 61,466
Deposits made to replacement reserve	18,331	18,227
Disbursements made from replacement reserve	17,008	19,381
Occupancy percentage — end of year	92%*	83%*

* - Unaudited

Exhibit 99.3

MEADOWBROOK APARTMENTS
LIMITED PARTNERSHIP

FINANCIAL REPORT
AND SUPPLEMENTARY INFORMATION

DECEMBER 31, 2006 AND 2005

MEADOWBROOK APARTMENTS LIMITED PARTNERSHIP

TABLE OF CONTENTS

DECEMBER 31, 2006 AND 2005

FLAGEL, HUBER, FLAGEL & Co.
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Partners of Meadowbrook Apartments Limited Partnership c/o Joint Development & Housing Corporation

We have audited the accompanying balance sheets of Meadowbrook Apartments Limited Partnership as of December 31, 2006 and 2005, and the related statements of operations, changes in partners' equity, and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. 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. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Meadowbrook Apartments Limited Partnership as of December 31, 2006 and 2005, and the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Flagel, Huber, Flagel & Co.

Certified Public Accountants

Cincinnati, Ohio

January 31, 2007

Donald R. Harting
Terrence P. Egan
James R. Hochwalt
Charles C. Craft
Randall S. Kuvin
Randolph N. Kramer
David P. Dirksen
Bruce G. Kreinbrink

Kelley G. O'Neil
Julie M. Kline
Dustin C. Fry
Terry L. Yobo
Linda B. Hadley
Alexander P. Kurian
Angela L. Gatto
Erin J. Kliesch
Kevin R. Hagstrom
Michael W. Smith
Jeffrey M. Woeste
Robert L. Hesch

RETIRED
David E. Flagel
Gerald P. Flagel
Arthur J. Huber
Louis G. Homan

DAYTON
3400 South Dixie Drive / Dayton, Ohio 45439-2304
phone: (937) 299-3400 / fax: (937) 293-5481 /
www.fhf-cpa.com

CINCINNATI
9135 Governors Way / Cincinnati, Ohio 45249-2037
phone: (513) 774-0300 / fax: (513) 774-7250 /
www.fhf-cpa.com

MEADOWBROOK APARTMENTS LIMITED PARTNERSHIP

BALANCE SHEETS

	DECEMBER 31, 2006	2005
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 109,633	$ 152,745
Receivables, net of allowance for doubtful accounts of $320 and $359 in 2006 and 2005, respectively	3,484	4,858
Reserve for replacement	4,711	4,303
Real estate taxes and insurance escrow	27,982	32,184
Project expense loans receivable	59,698	46,129
TOTAL CURRENT ASSETS	205,508	240,219
FIXED ASSETS, at net book value	3,702,737	3,987,495
OTHER ASSETS, net of accumulated amortization	81,097	88,098
TOTAL ASSETS	$ 3,989,342	$ 4,315,812
LIABILITIES AND PARTNERS' EQUITY		
CURRENT LIABILITIES		
Trade payables	$ 10,442	$ 11,510
Accrued expenses	26,707	28,953
Security deposits	49,242	45,340
Deferred revenue	7,874	1,233
Current portion of mortgage payable	141,389	129,199
TOTAL CURRENT LIABILITIES	235,654	216,235
LONG-TERM DEBT		
Mortgage payable	2,586,446	2,727,835
Project expense loans	53,000	53,000
TOTAL LONG—TERM DEBT	2,639,446	2,780,835
TOTAL LIABILITIES	2,875,100	2,997,070
PARTNERS' EQUITY		
Investor Limited Partner	265,961	435,986
Special Limited Partner	10	10
General Partner	848,271	882,746
	1,114,242	1,318,742
TOTAL LIABILITIES AND PARTNERS' EQUITY	$ 3,989,342	$ 4,315,812

The accompanying notes are an integral part of these statements.

MEADOWBROOK APARTMENTS LIMITED PARTNERSHIP

STATEMENTS OF OPERATIONS

	FOR THE YEARS ENDED DECEMBER 31, 2006	2005
INCOME FROM RENTS AND MISCELLANEOUS	$ 831,004	$ 865,407
RENTAL EXPENSES		
Administrative expense	132,450	131,031
Utilities	25,775	17,536
Operating and maintenance expense	131,750	130,994
Real estate taxes	55,237	54,931
Other taxes, licenses and permits	7,543	6,424
Insurance	33,343	22,920
	386,098	363,836
NET RENTAL INCOME	444,906	501,571
OTHER DEDUCTIONS		
Mortgage interest expense	252,382	263,564
INCOME — before depreciation and amortization	192,524	238,007
DEPRECIATION	316,187	308,496
AMORTIZATION	7,001	7,001
	323,188	315,497
NET LOSS	$ (130,664)	$ (77,490)

The accompanying notes are an integral part of these statements.

MEADOWBROOK APARTMENTS LIMITED PARTNERSHIP

STATEMENTS OF CHANGES IN PARTNERS' EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2006 AND 2005

	GENERAL PARTNER	INVESTOR LIMITED PARTNER	SPECIAL LIMITED PARTNER	TOTAL
Balance — January 1, 2005	$ 893,876	$ 530,556	$ 10	$ 1,424,442
Net loss — 2005	(775)	(76,715)	0	(77,490)
Distributions — 2005	(10,355)	(17,855)	0	(28,210)
Balance — December 31, 2005	882,746	435,986	10	1,318,742
Net loss — 2006	(1,307)	(129,357)	0	(130,664)
Distributions — 2006	(33,168)	(40,668)	0	(73,836)
Balance — December 31, 2006	$ 848,271	$ 265,961	$ 10	$ 1,114,242

The accompanying notes are an integral part of these statements.

MEADOWBROOK APARTMENTS LIMITED PARTNERSHIP

STATEMENTS OF CASH FLOWS

	FOR THE YEARS ENDED DECEMBER 31, 2006	2005
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$ (130,664)	$ (77,490)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation	316,187	308,496
Amortization	7,001	7,001
Changes in assets and liabilities:		
Receivables	1,374	(1,579)
Reserve for replacement	(408)	3,485
Real estate taxes and insurance escrow	4,202	(1,024)
Trade payables	(1,068)	(2,105)
Accrued expenses	(2,246)	1,224
Security deposits	3,902	18
Deferred revenue	6,641	(76)
NET CASH PROVIDED BY OPERATING ACTIVITIES	204,921	237,950
CASH FLOWS USED IN INVESTING ACTIVITIES:		
Purchase of improvements, equipment and furnishings	(31,429)	(32,467)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Principal payments on mortgage	(129,199)	(118,060)
Project expense loans	(13,569)	(21,369)
Distributions to partners	(73,836)	(28,210)
NET CASH USED IN FINANCING ACTIVITIES	(216,604)	(167,639)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(43,112)	37,844
CASH AND CASH EQUIVALENTS — beginning of year	152,745	114,901
CASH AND CASH EQUIVALENTS — end of year	$ 109,633	$ 152,745
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid during the year for:		
Interest	$ 253,357	$ 264,454

The accompanying notes are an integral part of these statements.

1. ORGANIZATION

The Partnership was formed on November 21, 1991, to acquire land in Campbell County, Kentucky, to construct a 118-unit apartment project qualifying for low income housing tax credits provided under Section 42(a) of the Internal Revenue Code, and to lease, manage and operate the project. The Partnership was organized as a limited partnership by Joint Development & Housing Corporation (JDH) and Ashford Investment Corporation (Ashford) as general partners and JDH as the limited partner.

On March 6, 1992, the Partnership Agreement was amended to reflect the withdrawal of Ashford as a general partner and to substitute Towne Building Group, Inc. (TBG) for JDH as the Original Limited Partner.

On May 1, 1992, the Partnership Agreement was amended and restated to admit Boston Financial Institutional Tax Credits II, A Limited Partnership (BFITC) as the Investor Limited Partner and SLP, Inc. (SLP) as a Special Limited Partner; to reflect the withdrawal of TBG, the Original Limited Partner and to set out more fully the rights, obligations and duties of the Partners.

Rental operations commenced on March 4, 1992.

Allocation of Income or Loss and Tax Credits

The Partnership Agreement provides that income or loss and tax credits are to be allocated as follows:

General Partner (GP)	1%
Investor Limited Partner (ILP)	99%
Special Limited Partner (SLP)	0%

In the event the General Partner funds operating expenses of the Partnership for the period ending three (3) years after the Development Obligation Date through Project Expense Loans (see Note 7), Partnership losses will be specially allocated to the General Partner to the extent of such loans.

Allocation of Cash Flows

Cash flows (as defined in the Partnership Agreement) for each fiscal year (or fractional portion thereof) after May 8, 1993 are to be distributed, within ninety (90) days of year-end, in the following priority:

1. ORGANIZATION (continued)

First: 100% to ILP until ILP has received $7,500 per year, cumulative but not compounded;
Second: to repay any accrued but unpaid management fees and any other amounts due the Management Agent, whenever incurred, by any and all of the Integrated Partnerships (as defined in the Amendment to Limited Partnership Agreements dated March 4, 1998) and any Project Expense Loans (as defined in the Partnership Agreement) of any Integrated Partnership, then outstanding and incurred on or after January 1, 1997; and
Third: to ILP and GP in equal shares.

For the years ended December 31, 2006 and 2005, respectively, distributions from Cash Flows were $73,836 and $28,210, respectively.

Distributions of Other Than Cash Flow

Prior to dissolution, if the General Partner shall determine that there are proceeds available for distribution from a Capital Transaction (as defined in the Partnership Agreement), such proceeds shall be applied and distributed in accordance with the provisions of the Partnership Agreement, as amended.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements are prepared on the accrual basis of accounting.

Depreciation Methods

Depreciation for financial reporting is computed using the straight-line method over the estimated useful lives of the assets, and for income tax purposes is computed primarily using accelerated methods over the statutory lives of the assets. The Partnership follows the practice of charging expenditures for additions or major replacements to the asset accounts. When an asset is retired or otherwise disposed of, its cost and the related accumulated depreciation are eliminated from their respective accounts and any gain or loss is reflected in the statement of operations.

Fair Value of Financial Instrument

The carrying amount of the mortgage payable approximates fair value as a result of the current mortgage rates available to the Partnership at December 31, 2006.

Cash and Cash Equivalents

The Partnership considers financial instruments with maturities of three months or less to be cash equivalents.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Accounts Receivable

Tenant rent charges for the current month are due on the first of the month. Rental payments received in advance are deferred until earned. Tenants who are evicted or move out are charged with any damages or cleaning fees in excess of the security deposit. The Partnership accounts for all past due rents as stipulated in the lease agreement, and recognizes other tenant charges on the date assessed at the actual amount due. The Partnership does not accrue interest on tenant receivable balances. Tenant receivable balances in excess of 90 days in arrears are transferred to a collection agency and written off to bad debt expense at that time. The allowance method is used to estimate bad debt expense based on collection experience. The Partnership recognized bad debt expense for 2006 and 2005 of $4,346 and $1,271, respectively.

Concentration of Credit Risk

The Partnership maintains its cash balances in various Cincinnati, Ohio financial institutions which, at times, may exceed federally insured limits. The Partnership has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash.

Estimates

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

Advertising Costs

Advertising costs are charged to operations when incurred. Advertising expense for 2006 and 2005 was $29,627 and $29,815, respectively.

3. RECEIVABLES

The following is a summary of receivables at December 31, 2006 and 2005:

	2006	2005
Rent receivable	$ 3,804	$ 5,217
Less: allowance for doubtful accounts	(320)	(359)
	$ 3,484	$ 4,858

4. FIXED ASSETS

	2006	2005	Depreciable Life in Years
COST			
Qualifying for tax credits:			
Buildings	$ 5,883,467	$ 5,883,467	27
Site improvements	1,224,549	1,224,549	20
Equipment and furnishings	107,798	107,798	12
Not qualifying for tax credits:			
Land	495,833	495,833	—
Land improvements — additions	75,210	75,210	20
Equipment — additions	182,287	188,097	12
	7,969,144	7,974,954	
Less: accumulated depreciation	(4,266,407)	(3,987,459)	
NET BOOK VALUE	$ 3,702,737	$ 3,987,495	

5. OTHER ASSETS

The following is a summary of amortizable costs and the related accumulated amortization:

	2006	2005	Amortization Period
COST			
Loan cost	$ 175,029	$ 175,029	25 years
Less: accumulated amortization	(93,932)	(86,931)	
	$ 81,097	$ 88,098	

6. MORTGAGE PAYABLE

In July 1993 the Partnership obtained a 25-year permanent mortgage loan with GMAC Commercial Mortgage in the principal amount of $3,776,000. Monthly principal and interest is $31,874. The loan bears interest at 9.05% and matures in 2018. The loan is closed to prepayment until June 1, 2008. From June 1, 2008 through the remaining term of the loan, the prepayment penalty is one percent (1%) of the outstanding loan balance. The loan is collateralized by the 118-unit apartment complex in Campbell County, Kentuclcy known as Meadowview Apartments. The Partners have no personal liability with respect to this indebtedness.

6. MORTGAGE PAYABLE (continued)

Following are maturities of the mortgage payable for each of the next five (5) years, and in the aggregate:

2007	$ 141,389
2008	154,729
2009	169,327
2010	185,303
2011	202,787
Later years	1,874,300
	$ 2,727,835

7. PROJECT EXPENSE LOANS

The General Partner is required to provide necessary funds (up to $375,000 in the aggregate) to discharge Project Expenses (as defined in the Partnership Agreement) or assure maintenance of Surplus Cash (as defined in the Partnership Agreement) of at least $1 at all times for the period ending three (3) years after the Development Obligation Date (August 25, 1993). During 1995, the General Partner made Project Expense Loans to the Partnership totaling $53,000. These loans are non-interest bearing and are repayable only upon a Capital Transaction as provided in the Partnership Agreement (see Note 1).

The Partnership has made advances to the General Partner in the form of operational advance loans to affiliates (as defined in the Amendment to the Limited Partnership Agreement dated March 4, 1998). The loans totaled $59,698 and $46,129 as of December 31, 2006 and 2005, respectively. These loans are non-interest bearing and are repayable only as provided in the Partnership Agreement (see Note 1).

8. RESERVE FOR REPLACEMENT

The General Partner is responsible for the establishment of a reserve account for capital replacements. The account is to be funded by monthly deposits, commencing on the Project Completion Date (July 31, 1992), equal to the greater of the amount required by the lender or $1,475. Permanent financing was obtained on July 29, 1993, at which time the lender required the Partnership to deposit $1,967 monthly with the lender. Effective August 2003, the lender increased the required monthly deposit to $2,950. Disbursements from the reserve account are permitted for expenditures approved upon written request of the lender.

9. RELATED PARTY TRANSACTIONS

Effective August 1, 1992, the Partnership entered into a management agreement with Towne Properties Asset Management Company (TPAMC), an affiliate of JDH, in which TPAMC will act as the manager and leasing agent for the project and receive a monthly fee of four percent (4%) of monthly gross income. On January 1, 2001, TPAMC assigned this contractual agreement to a newly-formed subsidiary Limited Liability Company known as Towne Properties Asset Management Company Ltd., LLC (TPAMC, Ltd.), which is owned 84.7% by TPAMC. Total management fees paid or accrued to TPAMC, Ltd. in 2006 and 2005 were $33,230 and $34,489, respectively. The agreement was for an initial term of one year and is currently on a month-to-month basis. At December 31, 2006 and 2005, the Partnership owed TPAMC, Ltd. $3,032 and $2,949 respectively, for unpaid management fees. TPAMC also provides office and maintenance supplies and personnel, administrative services, and marketing services, and is reimbursed for these expenses by the Partnership.

Also effective August 1, 1992, the Partnership entered into an incentive management agreement with TPAMC, providing for an annual, non-cumulative incentive management fee equal to the lesser of 5% of gross revenues or the Priority Distribution (as defined in the Partnership Agreement) applicable to such year. In no event, however, shall the incentive management fee and the management fee payable under the Management Agreement exceed, in the aggregate, nine percent (9%) of the gross revenues of the Project in any fiscal year. The agreement continues in full force and effect until termination of the Partnership. No incentive management fee was payable for 2006 and 2005.

10. RESIDENT LEASE AGREEMENTS

Generally, the apartment units are leased to residents for an initial one-year term. Thereafter, residents can extend the lease on a month-to-month basis.

11. INCOME TAXES

These statements contain no provision for federal income taxes. As a partnership, any income or loss is reported on the tax returns of the respective partners.

The Partnership treats certain items of income and deductions differently for federal income tax purposes than for financial reporting purposes. Following is a reconciliation of financial statement income to federal taxable income:

	2006	2005
Net loss — financial statement	$ (130,664)	$ (77,490)
Depreciation for federal income tax purposes due to the use of accelerated depreciation methods	884	(3,872)
Allowance for doubtful accounts —deductible when written off	(39)	(702)
Revenue received in advance — taxable when received; recognized when earned for financial reporting:		
Current year	7,874	1,233
Prior year	(1,233)	(1,309)
Net loss — federal income tax	$ (123,178)	$ (82,140)

The Partnership has qualified to receive low-income housing tax credits from the State of Kentucky pursuant to Internal Revenue Code Section 42 totaling $6,329,300. These tax credits are available on an annual basis for a ten-year period commencing with 1993. The annual allocation of $632,930 was available to the Partners as a credit against their federal income taxes payable. As of December 31, 2006 and 2005, all of the tax credits have been utilized by the Partnership. Certain technical requirements must be met and maintained by the Partnership to receive the full allocation of tax credits.

12. CONTINGENCY

The Partnership’s low-income housing tax credits are contingent on its ability to maintain compliance with applicable sections of Section 42(a) of the Internal Revenue Code. Failure to maintain compliance with occupant eligibility, and/or gross rent, or to correct noncompliance within a specified time period could result in recapture of previously taken tax credits plus interest. In addition, such potential noncompliance may require an adjustment to the contributed capital by the Investor Limited Partner.

FLAGEL, HUBER, FLAGEL & Co.

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION

To the Partners of Meadowbrook Apartments Limited Partnership
c/o Joint Development & Mousing Corporation

Our report on our audits of the basic financial statements of Meadowbrook Apartments Limited Partnership for 2006 and 2005 appears on page 1. Those audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The detailed balance sheet and statement of operations schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information, except for that portion marked "unaudited," on which we express no opinion, has been subjected to the auditing procedures applied in the audits of the basic financial statements, and, in our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Flagel, Huber, Flagel & Co.

Certified Public Accountants
Cincinnati, Ohio
January 31,2007

DAYTON
3400 South Dixie Drive / Dayton, Ohio 45439-2304
phone: (937) 299-3400 / fax: (937) 293-5481 / www.fhf-cpa.com

CINCINNATI
9135 Governors Way / Cincinnati, Ohio 45249-2037
phone: (513) 774-0300 / fax: (513) 774-7250 / www.fhf-cpa.com

MEADOWBROOK APARTMENTS LIMITED PARTNERSHIP

DETAILED BALANCE SHEET SCHEDULES

	DECEMBER 31, 2006	2005
ASSETS		
CURRENT ASSETS		
Petty cash	$ 200	$ 200
Cash in bank	60,191	107,205
Tenant security deposits	49,242	45,340
Tenant accounts receivable, net of allowance for doubtful accounts of $320 and $359 in 2006 and 2005, respectively	3,484	4,858
Project expense loans receivable	59,698	46,129
	172,815	203,732
RESTRICTED DEPOSITS AND FUNDED RESERVES		
Replacement reserve deposits	4,711	4,303
Mortgage escrow deposits	27,982	32,184
	32,693	36,487
FIXED ASSETS		
Land	495,833	495,833
Land improvements	1,299,759	1,299,759
Buildings	5,883,467	5,883,467
Building equipment	290,085	295,895
Accumulated depreciation	(4,266,407)	(3,987,459)
	3,702,737	3,987,495
OTHER ASSETS		
Deferred financing costs, net of accumulated amortization	81,097	88,098
TOTAL ASSETS	$ 3,989,342	$ 4,315,812
LIABILITIES AND PARTNERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	$ 10,442	$ 11,510
Accrued wages and payroll tax	6,135	7,406
Accrued interest payable	20,572	21,547
Tenant security deposit liability	49,242	45,340
Rent deferred credits	7,874	1,233
Current portion of mortgage payable	144,389	129,199
	238,654	216,235
LONG-TERM LIABILITIES		
Mortgage note payable	2,583,446	2,727,835
Project expense loans	53,000	53,000
	2,636,446	2,780,835
PARTNERS' EQUITY		
Other partner's equity	848,271	882,746
Limited partners' equity	265,971	435,996
	1,114,242	1,318,742
TOTAL LIABILITIES AND PARTNERS' EQUITY	$ 3,989,342	$ 4,315,812

MEADOWBROOK APARTMENTS LIMITED PARTNERSHIP

DETAILED STATEMENT OF OPERATIONS SCHEDULES

	FOR THE YEARS ENDED DECEMBER 31, 2006	2005
REVENUE		
RENTAL INCOME		
Apartments	$ 921,008*	$ 918,688*
VACANCIES		
Apartments	114,613*	76,830*
RENTAL INCOME LESS VACANCIES	806,395	841,858
FINANCIAL REVENUE		
Interest income — miscellaneous	338	347
Interest income — reserve for replacements	67	38
TOTAL FINANCIAL REVENUE	405	385
OTHER REVENUE		
Laundry and vending	648	955
NSF and late charges	4,375	5,923
Damages and cleaning fees	4,864	5,094
Forfeited security deposits	400	100
Other revenue (miscellaneous)	13,917	11,092
TOTAL OTHER REVENUE	24,204	23,164
TOTAL REVENUE	$ 831,004	$ 865,407

* - Unaudited

MEADOWBROOK APARTMENTS LIMITED PARTNERSHIP

DETAILED STATEMENT OF OPERATIONS SCHEDULES (CONTINUED)

	FOR THE YEARS ENDED DECEMBER 31, 2006	2005
EXPENSES		
ADMINISTRATIVE		
Advertising	$ 29,627	$ 29,815
Other renting expenses	4,021	2,057
Office supplies	1,484	1,442
Management fees	33,230	34,489
Manager or superintendent salaries	40,138	40,815
Legal expenses (project-related issues)	2,305	2,181
Auditing expense	6,870	6,570
Telephone and answering services	4,619	4,630
Bad debts	4,346	1,271
Miscellaneous administrative expenses	5,810	7,761
TOTAL ADMINISTRATIVE	132,450	131,031
UTILITIES		
Gas	5,197	4,649
Electricity	10,991	10,807
Water and sewer, less reimbursements	9,587	2,080
TOTAL UTILITIES	25,775	17,536
OPERATING AND MAINTENANCE		
Janitor and cleaning supplies	82	829
Extermination	503	739
Garbage and trash removal	5,607	5,582
Grounds payroll	28,015	29,760
Grounds supplies	636	2,971
Repairs payroll	43,603	45,383
Repairs material	28,601	27.790
Snow removal	1,804	5,377
Turnover expense	16,952	11,473
Miscellaneous operating and maintenance	5,947	1,080
TOTAL OPERATING AND MAINTENANCE	131,750	130,984

MEADOWBROOK APARTMENTS LIMITED PARTNERSHIP

DETAILED STATEMENT OF OPERATIONS SCHEDULES (CONTINUED)

	FOR THE YEARS ENDED DECEMBER 31, 2006	2005
TAXES AND INSURANCE		
Real estate taxes	$ 55,237	$ 54,931
Miscellaneous taxes, licenses and permits	7,543	6,424
Property and liability insurance (hazard)	33,343	22,920
TOTAL TAXES AND INSURANCE	96,123	84,275
FINANCIAL EXPENSES		
Interest on mortgage note payable	252,382	263,564
DEPRECIATION AND AMORTIZATION		
Depreciation	316,187	308,496
Amortization	7,001	7,001
TOTAL DEPRECIATION AND AMORTIZATION	323,188	315,497
TOTAL EXPENSES	961,668	942,897
NET LOSS	$ (130,664)	$ (77,490)
OTHER ITEMS		
Amount of principal paid	$ 129,199	$ 118,060
Deposits made to replacement reserve	35,400	35,400
Disbursements made from replacement reserve	35,059	38,923
Occupancy percentage — end of year	93%*	87%*

* - Unaudited

Exhibit 99.4

POST WOOD TOWNHOMES
LIMITED PARTNERSHIP

FINANCIAL REPORT
AND SUPPLEMENTARY INFORMATION

DECEMBER 31, 2006 AND 2005

POST WOOD TOWNHOMES LIMITED PARTNERSHIP

TABLE OF CONTENTS

DECEMBER 31, 2006 AND 2005

FLAGEL, HUBER, FLAGEL & Co.

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Partners of Post Wood Townhomes Limited Partnership
c/o Joint Development & Housing Corporation

We have audited the accompanying balance sheets of Post Wood Townhomes Limited Partnership as of December 31, 2006 and 2005, and the related statements of operations, changes in partners' equity, and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. 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. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Post Wood Townhomes Limited Partnership as of December 31, 2006 and 2005, and the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Flagel, Huber, Flagel & Co.

Certified Public Accountants

Cincinnati, Ohio

January 29, 2007

DAYTON
3400 South Dixie Drive / Dayton, Ohio 45439-2304
phone: (937) 299-3400 / fax: (937) 293-5481 / www.fhf-cpa.com

CINCINNATI
9135 Governors Way / Cincinnati, Ohio 45249-2037
phone: (513) 774-0300 / fax: (513) 774-7250 / www.fhf-cpa.com

POST WOOD TOWNHOMES LIMITED PARTNERSHIP

BALANCE SHEETS

	DECEMBER 31, 2006	2005
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 36,943	$ 44,605
Receivables, net of allowance for doubtful accounts of $2,529 and $1,464 in 2006 and 2005, respectively	10,068	6,700
Reserve for replacement	6,252	7,341
Real estate taxes and insurance escrow	67,926	63,232
Project expense loans receivable	0	38,684
TOTAL CURRENT ASSETS	121,189	160,562
FIXED ASSETS, at net book value	3,110,650	3,319,127
OTHER ASSETS, net of accumulated amortization	30,020	34,022
TOTAL ASSETS	$ 3,261,859	$ 3,513,711
LIABILITIES AND PARTNERS' EQUITY		
CURRENT LIABILITIES		
Trade payables	$ 6,475	$ 3,496
Bank overdraft	8,610	0
Accrued expenses	120,616	119,332
Security deposits	36,843	29,362
Deferred revenue	7,320	6,974
Current portion of mortgage payable	99,993	91,418
Project expense loans	16,073	0
TOTAL CURRENT LIABILITIES	295,930	250,582
LONG-TERM DEBT		
Project expense loans	95,904	95,904
Mortgage payable	2,128,181	2,228,174
TOTAL LONG-TERM DEBT	2,224,085	2,324,078
TOTAL LIABILITIES	2,520,015	2,574,660
PARTNERS' EQUITY		
Investor Limited Partner	24,337	219,572
Special Limited Partner	10	10
General Partner	717,497	719,469
	741,844	939,051
TOTAL LIABILITIES AND PARTNERS' EQUITY	$ 3,261,859	$ 3,513,711

The accompanying notes are an integral part of these statements.

POST WOOD TOWNHOMES LIMITED PARTNERSHIP

STATEMENTS OF OPERATIONS

	FOR THE YEARS ENDED DECEMBER 31, 2006	2005
INCOME FROM RENTS AND MISCELLANEOUS	$ 667,053	$ 694,930
RENTAL EXPENSES		
Administrative expenses	114,359	102,689
Utilities	20,139	16,889
Operating and maintenance expenses	136,450	122,932
Real estate taxes	97,409	96,348
Other taxes, licenses and permits	672	256
Insurance	26,037	18,551
	395,066	357,665
NET RENTAL INCOME	271,987	337,265
OTHER DEDUCTION		
Mortgage interest expense	204,368	212,267
INCOME — before depreciation and amortization	67,619	124,998
DEPRECIATION	260,824	245,447
AMORTIZATION	4,002	4,003
	264,826	249,450
NET LOSS	$ (197,207)	$ (124,452)

The accompanying notes are an integral part of these statements.

POST WOOD TOWNHOMES LIMITED PARTNERSHIP

STATEMENTS OF CHANGES IN PARTNERS' EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2006 AND 2005

	GENERAL PARTNER	INVESTOR LIMITED PARTNER	SPECIAL LIMITED PARTNER	TOTAL
Balance — January 1, 2005	$ 733,027	$ 362,594	$ 10	$ 1,095,631
Distributions — 2005	(12,314)	(19,814)	0	(32,128)
Net loss — 2005	(1,244)	(123,208)	0	(124,452)
Balance — December 31, 2005	719,469	219,572	10	939,051
Net loss — 2006	(1,972)	(195,235)	0	(197,207)
Balance — December 31, 2006	$ 717,497	$ 24,337	$ 10	$ 741,844

The accompanying notes are an integral part of these statements.

POST WOOD TOWNHOMES LIMITED PARTNERSHIP

STATEMENTS OF CASH FLOWS

	FOR THE YEARS ENDED DECEMBER 31, 2006	2005
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$ (197,207)	$ (124,452)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation	260,824	245,447
Amortization	4,002	4,003
Changes in assets and liabilities:		
Receivables	(3,368)	(1,373)
Reserve for replacement	1,089	(2,006)
Real estate taxes and insurance escrow	(4,694)	(2,271)
Trade payables	2,979	65
Bank overdraft	8,610	0
Accrued expenses	1,284	17,847
Security deposits	7,481	565
Deferred revenue	346	4,911
NET CASH PROVIDED BY OPERATING ACTIVITIES	81,346	142,736
CASH FLOWS USED IN INVESTING ACTIVITIES:		
Purchase of improvements, equipment and furnishings	(52,347)	(63,349)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Principal payments on mortgage	(91,418)	(83,578)
Project expense loans	54,757	(6,659)
Distributions	0	(32,128)
NET CASH USED IN FINANCING ACTIVITIES	(36,661)	(122,365)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(7,662)	(42,978)
CASH AND CASH EQUIVALENTS — beginning of year	44,605	87,583
CASH AND CASH EQUIVALENTS — end of year	$ 36,943	$ 44,605
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid during the year for:		
Interest	$ 205,054	$ 212,894

The accompanying notes are an integral part of these statements.

1. ORGANIZATION

The Partnership was formed on November 21, 1991, to acquire land in Franklin County, Ohio to construct a 92-unit apartment project qualifying for low income housing tax credits provided under Section 42(a) of the Internal Revenue Code, and to lease, manage and operate the project. The Partnership was organized as a limited partnership by Joint Development & Housing Corporation (JDH) and Ashford Investment Corporation (Ashford) as general partners and JDH as the limited partner.

On March 6, 1992, the Partnership Agreement was amended to reflect the withdrawal of Ashford as a general partner and to substitute Towne Building Group, Inc. (TBG) for JDH as the Original Limited Partner.

On August 1, 1992, the Partnership Agreement was amended and restated to admit Boston Financial Institutional Tax Credits III, A Limited Partnership (BFITC) as the Investor Limited Partner and SLP, Inc. (SLP) as a Special Limited Partner; to reflect the withdrawal of TBG, the Original Limited Partner and to set out more fully the rights, obligations and duties of the Partners.

Rental operations commenced on August 31, 1992.

Allocation of Income or Loss and Tax Credits

The Partnership Agreement provides that income or loss and tax credits are to be allocated as follows:

General Partner (GP)	1%
Investor Limited Partner (ILP)	99%
Special Limited Partner (SLP)	0%

In the event the General Partner funds operating expenses of the Partnership for the period ending three (3) years after the Development Obligation Date through Project Expense Loans (see Note 7), Partnership losses will be specially allocated to the General Partner to the extent of such loans.

Allocation of Cash Flows

After the earlier to occur of the Development Obligation Date (June 27, 1994) or the first anniversary of the Completion Date (October 1, 1993), Cash Flows (as defined in the Partnership Agreement) are to be distributed, within ninety (90) days of year-end, in the following priority:

First: 100% to ILP until ILP has received $7,500 per year, cumulative but not compounded;

1. ORGANIZATION (Continued)

Allocation of Cash Flows (continued)

Second: to repay any accrued but unpaid management fees and any other amounts due the Management Agent, whenever incurred, by any and all of the Integrated Partnerships (as defined in the Amendment to Limited Partnership Agreements dated March 4, 1998) and any Project Expense Loans (as defined in the Partnership Agreement) of any Integrated Partnership, then outstanding and incurred on or after January 1, 1997; and

Third: to ILP and GP in equal shares.

For the years ended December 31, 2006 and 2005, respectively, distributions from Cash Flows were $0 and $32,128, respectively.

Distributions of Other Than Cash Flow

Prior to dissolution, if the General Partner shall determine that there are proceeds available for distribution from a Capital Transaction (as defined in the Partnership Agreement), such proceeds shall be applied and distributed in accordance with the provisions of the Partnership Agreement, as amended.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements are prepared on the accrual basis of accounting.

Depreciation Methods

Depreciation for financial reporting is computed using the straight-line method over the estimated useful lives of the assets, and for income taxes is computed primarily using accelerated methods over the statutory lives of the assets. The Partnership follows the practice of charging expenditures of additions or major replacements to the asset accounts. When an asset is retired or otherwise disposed of, its cost and the related accumulated depreciation are eliminated from their respective accounts and any gain or loss is reflected in the statement of operations.

Concentration of Credit Risk

The Partnership maintains its cash balances in various Cincinnati, Ohio financial institutions which, at times, may exceed federally insured limits. The Partnership has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash.

Cash and Cash Equivalents

The Partnership considers financial instruments with maturities of three months or less to be cash equivalents.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Accounts Receivable

Tenant rent charges for the current month are due on the first of the month. Rental payments received in advance are deferred until earned. Tenants who are evicted or move out are charged with any damages or cleaning fees in excess of the security deposit. The Partnership accounts for all past due rents as stipulated in the lease agreement, and recognizes other tenant charges on the date assessed at the actual amount due. The Partnership does not accrue interest on tenant receivable balances. Tenant receivable balances in excess of 90 days in arrears are transferred to a collection agency and written off to bad debt expense at that time. The allowance method is used to estimate bad debt expense based on collection experience. Bad debt expense for 2006 and 2005 was $6,689 and $4,298 respectively.

Estimates

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

Advertising Costs

Advertising costs are charged to operations when incurred. Advertising expense for 2006 and 2005 was $10,640 and $7,390, respectively.

Fair Value of Financial Instrument

The carrying amount of the mortgage payable approximates fair value as a result of the current mortgage rates available to the Partnership at December 31, 2006.

3. RECEIVABLES

Following is a summary of receivables at December 31, 2006 and 2005:

	2006	2005
Rent receivable	$ 12,587	$ 7,454
Other receivables	10	10
Receivable from other community	0	700
Less: allowance for doubtful accounts	(2,529)	(1,464)
	$ 10,068	$ 6,700

4. FIXED ASSETS

	2006	2005	Depreciable Life in Years
COST			
Qualifying for tax credits:			
Buildings	$ 4,250,541	$ 4,250,541	27
Site improvements	1,281,294	1,281,294	20
Equipment and furnishings	99,995	99,995	12
Not qualifying for tax credits:			
Land	530,000	530,000	—
Land improvements — additions	38,832	38,832	20
Equipment — additions	215,797	204,023	12
	6,416,459	6,404,685	
Less: accumulated depreciation	(3,305,809)	(3,085,558)	
NET BOOK VALUE	$ 3,110,650	$ 3,319,127	

5. OTHER ASSETS

The following is a summary of amortizable costs and the related accumulated amortization:

	2006	2005	Depreciable Life in Years
COST			
Loan costs	$ 80,052	$ 80,052	20 years
Less: accumulated amortization	(50,032)	(46,030)	
	$ 30,020	$ 34,022	

6. MORTGAGE PAYABLE

On June 27, 1995, the Partnership obtained a 20-year permanent mortgage with Indianapolis Life Insurance Company (ILIC) in the amount of $2,944,000. The permanent loan carries an interest rate of nine percent (9%) and may be adjusted at the sole and absolute discretion of ILIC on the first day of the 16th year to a rate comparable to what is being offered by ILIC to borrowers for comparable loans. Principal and interest payments are due monthly (based on a 25-year amortization period) in the amount of $24,706, unless adjusted in connection with an adjustment of the interest rate, with a balloon payment of approximately $1,190,000 payable in full on July 1, 2014. During the 4th-15th loan years, the loan may be repaid in full but not in part, with a prepayment premium equal to the greater of one percent (1%) of the principal balance of the note then being paid or the yield maintenance amount as defined in the promissory note.

7. MORTGAGE PAYABLE (continued)

For the 16th through the 20th loan years, the prepayment premium is five percent (5%), reduced by one percent (1%) each year with no prepayment penalty if the principal balance is paid in full within 120 days of final maturity (July 1, 2014). If ILIC elects to increase the interest rate on the Adjustment Date, the borrower may prepay the note in full but not in part, without prepayment premium during the 120-day period commencing on the date that ILIC notifies borrower of their election to adjust the interest rate. This note is collateralized by the real property known as Post Wood Townhomes, by a security interest in certain fixtures and personal property, and by an assignment of leases and rents to ILIC for all present and future leases of all or any portion of the realty encumbered by the Mortgage. The Partners have no personal liability with respect to this indebtedness.

Following are maturities of the mortgage payable for each of the next five (5) years, and in the aggregate:

2007	$ 99,993
2008	109,373
2009	119,633
2010	130,856
2011	143,131
Later years	1,625,188
	$ 2,228,174

7. PROJECT EXPENSE LOANS

The General Partner is required to provide necessary funds (up to $300,000 in the aggregate) to discharge Project Expenses (as defined in the Partnership Agreement) or assure maintenance of Surplus Cash (as defined in the Partnership Agreement) of at least $1.00 at all times for the period ending three (3) years after the Development Obligation Date. Through December 31, 1995, the General Partner made Project Expense Loans to the Partnership totaling $95,904. These loans are non-interest bearing and are repayable only upon a Capital Transaction as provided in the Partnership Agreement (see Note 1).

The Partnership has made advances to the General Partner in the form of Project Expense Loans (as defined in the Amendment to the Limited Partnership Agreement dated March 4, 1998). The loans totaled $0 and $38,684 as of December 31, 2006 and 2005, respectively. These loans are non-interest bearing and are repayable only as provided in the Partnership Agreement (see Note 1).

The Partnership has received Project Expense Loans from the General Partner. The loans totaled $16,073 and $0 as of December 31, 2006 and 2005, respectively. The loans are non-interest bearing and are repayable as provided in the Partnership Agreement (see Note 1).

8. RESERVE FOR REPLACEMENT

The General Partner is responsible for the establishment of a reserve account for capital replacements. The account is to be funded by monthly deposits, commencing on the Project Completion Date (October 1, 1992), equal to the greater of the amount required by the lender or $1,150. Permanent financing was obtained on June 27, 1994, at which time the lender required the Partnership to deposit four percent (4%) of the monthly gross apartment rental received, until the total reserve account equals or exceeds $50,000. Disbursements from the reserve account are permitted for expenditures approved upon written request of the lender.

9. RELATED PARTY TRANSACTIONS

Effective August 1, 1992, the Partnership entered into a management agreement with Towne Properties Asset Management Company (TPAMC), an affiliate of JDH, in which TPAMC will act as the manager and leasing agent for the project and receive a monthly fee of four percent (4%) of monthly gross income. On January 1, 2001 TPAMC assigned this contractual agreement to a newly formed subsidiary Limited Liability Company known as Towne Properties Asset Management Company Ltd., LLC (TPAMC Ltd.), which is owned 84.7% by TPAMC. Total management fees paid or accrued to TPAMC Ltd. in 2006 and 2005 totaled $26,261 and $27,788, respectively. The management agreement was for an initial term of one year and is currently on a month-to-month basis. At December 31, 2006 and 2005, the Partnership owed TPAMC Ltd. $2,531 and $2,069, respectively, for unpaid management fees. TPAMC also provides office and maintenance supplies and personnel, administrative services, and marketing services, and is reimbursed for these expenses by the Partnership.

Also effective August 1, 1992, the Partnership entered into an incentive management agreement with TPAMC, providing for an annual, non-cumulative incentive management fee equal to the lesser of five percent (5%) of gross revenues or the Priority Distribution (as defined in the Partnership Agreement) applicable to such year. In no event, however, shall the incentive management fee and the management fee payable under the Management Agreement exceed, in the aggregate, nine percent (9%) of the gross revenues of the Project in any fiscal year. The agreement continues in full force and effect until termination of the Partnership. No incentive management fee was payable for 2006 or 2005.

During 2005, an affiliated community inadvertently received a deposit for the Partnership in the amount of $700. This amount was repaid in early 2006.

During 2006, the Partnership inadvertently received a deposit from an affiliated community in the amount of $525. This amount was included in trade payables at December 31, 2006 and was repaid in early 2007.

10. RESIDENT LEASE AGREEMENTS

Generally, the apartment units are leased to residents for an initial one (l)-year term. Thereafter, residents can extend the lease on a month-to-month basis.

11. INCOME TAXES

These statements contain no provision for federal income taxes. As a partnership, any income or loss is reported on the tax returns of the respective partners.

The Partnership treats certain items of income and deductions differently for federal income tax purposes than for financial reporting purposes. Following is a reconciliation of financial statement income to federal taxable income:

	2006	2005
Net loss — financial statement	$ (197,207)	$ (124,452)
Additional depreciation for federal income tax purposes due to the use of accelerated depreciation methods	(6,997)	(13,913)
Allowance for doubtful accounts — deductible when written off	1,065	1,029
Revenue received in advance — taxable when received; recognized when earned for financial reporting:		
Current year	7,320	6,974
Prior year	(6,974)	(2,063)
Net loss — federal income tax	$ (202,793)	$ (132,425)

The Partnership has qualified to receive low-income housing tax credits from the State of Ohio pursuant to Internal Revenue Code Section 42 totaling $4,806,000. These tax credits are available on an annual basis for a ten-year period commencing with 1993. The annual allocation of $480,600 is available to the Partners as a credit against their federal income taxes payable. As of December 31, 2006 and 2005, all of the tax credits have been utilized by the Partners. Certain technical requirements must be met and maintained by the Partnership to receive the full allocation of tax credits.

12. CONTINGENCY

The Partnership's low-income housing tax credits are contingent on its ability to maintain compliance with applicable sections of Section 42(a) of the Internal Revenue Code. Failure to maintain compliance with occupant eligibility, and/or gross rent, or to correct noncompliance within a specified time period could result in recapture of previously taken tax credits plus interest. In addition, such potential noncompliance may require an adjustment to the contributed capital by the Investor Limited Partner.

FLAGEL, HUBER, FLAGEL & Co.
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION

To the Partners of Post Wood Townhomes Limited Partnership
c/o Joint Development & Housing Corporation

Our report on our audits of the basic financial statements of Post Wood Townhomes Limited Partnership for 2006 and 2005 appears on page 1. Those audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The detailed balance sheet and statement of operations schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information, except for that portion marked "unaudited," on which we express no opinion, has been subjected to the auditing procedures applied in the audits of the basic financial statements, and, in our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Flagel, Huber, Flagel & Co.

Certified Public Accountants

Cincinnati, Ohio

January 29, 2007

DAYTON
3400 South Dixie Drive / Dayton, Ohio 45439-2304
phone: (937) 299-3400 / fax: (937) 293-5481 / www.fhf-cpa.com

CINCINNATI
9135 Governors Way / Cincinnati, Ohio 45249-2037
phone: (513) 774-0300 / fax: (513) 774-7250 / www.fhf-cpa.com

POST WOOD TOWNHOMES LIMITED PARTNERSHIP

DETAILED BALANCE SHEET SCHEDULES

	DECEMBER 31, 2006	2005
ASSETS		
CURRENT ASSETS		
Petty cash	$ 100	$ 100
Cash in bank	0	15,143
Tenant security deposits	36,843	29,362
Tenant accounts receivable, net of allowance for doubtful accounts of $2,529 and $1,464 in 2006 and 2005, respectively	10,058	5,990
Other receivables	10	710
Project expense loans receivable	0	38,684
	47,011	89,989
RESTRICTED DEPOSITS AND FUNDED RESERVES		
Replacement reserve deposits	6,252	7,341
Mortgage escrow deposits	67,926	63,232
	74,178	70,573
FIXED ASSETS		
Land	530,000	530,000
Land improvements	1,320,126	1,320,126
Building	4,250,541	4,250,541
Building equipment	315,792	304,018
Accumulated depreciation	(3,305,809)	(3,085,558)
	3,110,650	3,319,127
OTHER ASSETS		
Deferred financing costs, net of accumulated amortization	30,020	34,022
TOTAL ASSETS	$ 3,261,859	$ 3,513,711
LIABILITIES AND PARTNERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	$ 6,475	$ 3,496
Bank overdraft	8,610	0
Accrued wages and payroll taxes	6,496	5,587
Accrued interest payable	16,711	17,397
Accrued real estate taxes payable	97,409	96,348
Tenant security deposit liability	36,843	29,362
Rent deferred credits	7,320	6,974
Current portion of mortgage note payable	99,993	91,418
Project expense loans	16,073	0
	295,930	250,582
LONG-TERM LIABILITIES		
Project expense loans	95,904	95,904
Mortgage note payable	2,128,181	2,228,174
	2,224,085	2,324,078
PARTNERS' EQUITY		
Other partner's equity	717,497	719,469
Limited partners' equity	24,347	219,582
	741,844	939,051
TOTAL LIABILITIES AND PARTNERS' EQUITY	$ 3,261,859	$ 3,513,711

POST WOOD TOWNHOMES LIMITED PARTNERSHIP

DETAILED STATEMENT OF OPERATIONS SCHEDULES

	FOR THE YEARS ENDED DECEMBER 31, 2006	2005
REVENUE		
RENTAL INCOME		
Apartments	$ 776,124*	$ 779,270*
VACANCIES		
Apartments	122,939*	95,330*
RENTAL INCOME LESS VACANCIES	653,185	683,940
FINANCIAL REVENUE		
Interest income — miscellaneous	1,102	618
Interest income — reserve for replacement	249	157
TOTAL FINANCIAL REVENUE	1,351	775
OTHER REVENUE		
Laundry and vending	684	1,069
NSF and late charges	2,397	1,951
Damages and cleaning fees	6,956	5,975
Forfeited security deposits	50	0
Other revenue (miscellaneous)	2,430	1,220
TOTAL OTHER REVENUE	12,517	10,215
TOTAL REVENUE	$ 667,053	$ 694,930

* - Unaudited

POST WOOD TOWNHOMES LIMITED PARTNERSHIP

DETAILED STATEMENT OF OPERATIONS SCHEDULES (CONTINUED)

	FOR THE YEARS ENDED DECEMBER 31, 2006	2005
EXPENSES		
ADMINISTRATIVE		
Advertising	$ 10,640	$ 7,390
Other renting expenses	6,264	2,928
Office salaries	18,869	17,159
Office supplies	1,182	1,361
Management fees	26,261	27,788
Manager or superintendent salaries	28,215	27,486
Legal expenses (project-related issues)	2,208	539
Auditing expense	6,900	7,070
Telephone and answering services	3,287	2,632
Bad debts	6,689	4,298
Miscellaneous administrative expenses	3,844	4,038
TOTAL ADMINISTRATIVE	114,359	102,689
UTILITIES		
Gas	9,832	5,451
Electricity	8,888	7,632
Water and sewer, less reimbursements	1,419	3,806
TOTAL UTILITIES	20,139	16,889
OPERATING AND MAINTENANCE		
Janitor and cleaning payroll	0	11
Janitor and cleaning supplies	551	629
Extermination	514	907
Garbage and trash removal	8,860	9,348
Security payroll/contract	1,884	2,083
Grounds payroll	17,120	19,241
Grounds supplies	853	4,113
Repairs payroll	36,673	36,738
Repairs material	34,043	20,931
Snow removal	0	3,248
Turnover expense	30,358	17,899
Miscellaneous operating and maintenance	5,594	7,784
TOTAL OPERATING AND MAINTENANCE	136,450	122,932

POST WOOD TOWNHOMES LIMITED PARTNERSHIP

DETAILED STATEMENT OF OPERATIONS SCHEDULES (CONTINUED)

	FOR THE YEARS ENDED DECEMBER 31, 2006	2005
TAXES AND INSURANCE		
Real estate taxes	$ 97,409	$ 96,348
Property and liability insurance (hazard)	26,037	18,551
Miscellaneous, license and permits	672	256
TOTAL TAXES AND INSURANCE	124,118	115,155
FINANCIAL EXPENSES		
Interest on mortgage note payable	204,368	212,267
DEPRECIATION AND AMORTIZATION		
Depreciation	260,824	245,447
Amortization	4,002	4,003
TOTAL DEPRECIATION AND AMORTIZATION	264,826	249,450
TOTAL EXPENSES	864,260	819,382
NET LOSS	$ (197,207)	$ (124,452)
OTHER ITEMS		
Amount of principal paid	$ 91,418	$ 83,578
Deposits made to replacement reserves	25,800	28,339
Disbursements made from replacement reserve	27,138	26,490
Occupancy percentage — end of year	91%*	79%*

* - Unaudited

Exhibit 99.5

POST WOODS TOWNHOMES II
LIMITED PARTNERSHIP

FINANCIAL REPORT
AND SUPPLEMENTARY INFORMATION

DECEMBER 31, 2006 AND 2005

POST WOODS TOWNHOMES II LIMITED PARTNERSHIP

TABLE OF CONTENTS

DECEMBER 31, 2006 AND 2005

FLAGEL, HUBER, FLAGEL & Co.

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Partners of Post Woods Townhomes II Limited Partnership
c/o Joint Development & Housing Corporation

We have audited the accompanying balance sheets of Post Woods Townhomes II Limited Partnership as of December 31, 2006 and 2005, and the related statements of operations, changes in partners' equity, and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. 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. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Post Woods Townhomes II Limited Partnership as of December 31, 2006 and 2005, and the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Flagel, Huber, Flagel & Co.

Certified Public Accountants

Cincinnati,Ohio

January 29, 2007

DAYTON
3400 South Dixie Drive / Dayton, Ohio 45439-2304
phone: (937) 299-3400 / fax: (937)293-5481 / www.fhf-cpa.com

CINCINNATI
9135 Governors Way / Cincinnati, Ohio 45249-2037
phone: (513) 774-0300 / fax: (513) 774-7250 / www.fhf-cpa.com

POST WOODS TOWNHOMES II LIMITED PARTNERSHIP

BALANCE SHEETS

	DECEMBER 31, 2006	2005
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 37,708	$ 51,210
Receivables, net of allowance for doubtful accounts, of $1,103 and $1,812 in 2006 and 2005, respectively	8,862	7,163
Reserve for replacement	5,117	5,660
Real estate taxes and insurance escrow	66,067	58,293
TOTAL CURRENT ASSETS	117,754	122,326
FIXED ASSETS, at net book value	3,129,465	3,332,795
OTHER ASSETS, net of accumulated amortization	23,811	26,916
TOTAL ASSETS	$ 3,271,030	$ 3,482,037
LIABILITIES AND PARTNERS' EQUITY		
CURRENT LIABILITIES		
Trade payables	$ 3,597	$ 4,404
Accrued expenses	120,304	119,587
Security deposits	36,843	29,148
Deferred revenue	3,821	3,989
Current portion of mortgage payable	92,787	84,514
Project expense loans	220,779	142,841
TOTAL CURRENT LIABILITIES	478,131	384,483
LONG-TERM DEBT		
Mortgage payable	2,077,253	2,170,040
TOTAL LIABILITIES	2,555,384	2,554,523
PARTNERS' EQUITY		
Investor Limited Partner	251,321	461,071
Special Limited Partner	10	10
General Partner	464,315	466,433
	715,646	927,514
TOTAL LIABILITIES AND PARTNERS' EQUITY	$ 3,271,030	$ 3,482,037

The accompanying notes are an integral part of these statements.

POST WOODS TOWNHOMES II LIMITED PARNERSHIP

STATEMENTS OF OPERATIONS

	FOR THE YEARS ENDED DECEMBER 31, 2006	2005
INCOME FROM RENTS AND MISCELLANEOUS	$ 601,505	$ 639,979
RENTAL EXPENSES		
Administrative expense	109,902	95,159
Utilities	22,530	14,049
Operating and maintenance expense	119,238	117,758
Real estate taxes	97,408	96,347
Miscellaneous taxes, licenses and permits	504	246
Insurance	22,540	16,390
	372,122	339,949
NET RENTAL INCOME	229,383	300,030
OTHER DEDUCTIONS		
Mortgage interest expense	207,134	214,728
INCOME — before depreciation and amortization	22,249	85,302
DEPRECIATION	231,012	220,899
AMORTIZATION	3,105	3,106
	234,117	224,005
NET LOSS	$ (211,868)	$ (138,703)

The accompanying notes are an integral part of these statements.

POST WOODS TOWNHOMES II LIMITED PARTNERSHIP

STATEMENTS OF CHANGES IN PARTNERS' EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2006 AND 2005

	GENERAL PARTNER	INVESTOR LIMITED PARTNER	SPECIAL LIMITED PARTNER	TOTAL
Balance — January 1, 2005	$ 467,820	$ 603,688	$ 10	$ 1,071,518
Distribution	0	(5,301)	0	(5,301)
Net loss — 2005	(1.387)	(137,316)	0	(138,703)
Balance — December 31, 2005	466,433	461,071	10	927,514
Net loss - 2006	(2,118)	(209,750)	0	(211,868)
Balance — December 31, 2006	$ 464,315	$ 251,321	$ 10	$ 715,646

The accompanying notes are an integral part of these statements.

POST WOODS TOWNHOMES II LIMITED PARTNERSHIP

STATEMENTS OF CASH FLOWS

	FOR THE YEARS ENDED DECEMBER 31, 2006	2005
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$ (211,868)	$ (138,703)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation	231,012	220,899
Amortization	3,105	3,106
Changes in assets and liabilities:		
Receivables	(1,699)	(2,848)
Reserve for replacement	543	(1,049)
Real estate taxes and insurance escrow	(7,774)	(2,022)
Trade payables	(807)	720
Accrued expenses	717	23,031
Security deposits	7,695	(1,470)
Deferred revenue	(168)	866
NET CASH PROVIDED BY OPERATING ACTIVITIES	20,756	102,530
CASH FLOWS USED IN INVESTING ACTIVITIES:		
Purchase of improvements, equipment and furnishings	(27,682)	(24,959)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Principal payments on mortgage	(84,514)	(76,979)
Distributions	0	(5,301)
Project expense loans	77,938	(1,291).
NET CASH USED IN FINANCING ACTIVITIES	(6,576)	(83,571)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(13,502)	(6,000)
CASH AND CASH EQUIVALENTS — beginning of year	51,210	57,210
CASH AND CASH EQUIVALENTS — end of year	$ 37,708	$ 51,210
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid during the year for:		
Interest	$ 207,795	$ 215,329

The accompanying notes are an integral part of these statements.

1. ORGANIZATION

The Partnership was formed on November 21, 1991, to acquire land in Franklin County, Ohio to construct an 88-unit apartment project qualifying for low income housing tax credits provided under Section 42(a) of the Internal Revenue Code, and to lease, manage and operate the project. The Partnership was organized as a limited partnership by Joint Development & Housing Corporation (JDH) and Ashford Investment Corporation (Ashford) as general partners and JDH as the limited partner.

On March 6, 1992, the Partnership Agreement was amended to reflect the withdrawal of Ashford as a general partner and to substitute Towne Building Group, Inc. (TBG) for JDH as the Original Limited Partner.

On January 1, 1994, the Partnership Agreement was amended and restated to admit Boston Financial Institutional Tax Credits IV, A Limited Partnership (BFITC) as the Investor Limited Partner and SLP, Inc. (SLP) as a Special Limited Partner; to-reflect the withdrawal of TBG, the Original Limited Partner and to set out more fully the rights, obligations and duties of the Partners.

Rental operations commenced on September 22, 1993.

Allocation of Income or Loss and Tax Credits

The Partnership Agreement provides that income or loss and tax credits are to be allocated as follows:

General Partner (GP)	1%
Investor Limited Partner (ILP)	99%
Special Limited Partner (SLP)	0%

Allocation of Cash Flows

After the earlier to occur of the Development Obligation Date (December 31, 1997) or the first anniversary of the Completion Date (December 3, 1994), cash flows (as defined in the Partnership Agreement) are to be distributed, within 90 days of year-end, in the following priority:

First: 100% to ILP until ILP has received $7,500 per year, cumulative but not compounded;

1. ORGANIZATION (continued)

Allocation of Cash Flows (continued)

Second: to repay any accrued but unpaid management fees and any other amounts due the Management Agent, whenever incurred, by any and all of the Integrated Partnerships (as defined in the Amendment to Limited Partnership Agreements dated March 4, 1998) and any Project Expense Loans (as defined in the Partnership Agreement) of any Integrated Partnership, then outstanding and incurred on or after January 1, 1997; and

Third: to ILP and GP in equal shares.

For the years ended December 31, 2006 and 2005, distributions from Cash Flows were $0 and $5,301, respectively.

Distributions of Other Than Cash Flow

Prior to dissolution, if the General Partner shall determine that there are proceeds available for distribution from a Capital Transaction (as defined in the Partnership Agreement), such proceeds shall be applied and distributed in accordance with the provisions of the Partnership Agreement, as amended.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements are prepared on the accrual basis of accounting.

Depreciation Methods

Depreciation for financial reporting is computed using the straight-line method over the estimated useful lives of the assets, and for income tax purposes is computed primarily using accelerated methods over the statutory lives of the assets. The Partnership follows the practice of charging expenditures for additions or major replacements to the asset accounts. When an asset is retired or otherwise disposed of, its cost and the related accumulated depreciation are eliminated from their respective accounts and any gain or loss is reflected in the statement of operations.

Cash and Cash Equivalents

The Partnership considers financial instruments with maturities of three months or less to be cash equivalents.

Fair Value of Financial Instrument

The carrying amount of the mortgage payable approximates fair value as a result of the current mortgage rates available to the Partnership at December 31, 2006.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Estimates

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

Accounts Receivable

Tenant rent charges for the current month are due on the first of the month. Rental payments received in advance are deferred until earned. Tenants who are evicted or move out are charged with any damages or cleaning fees in excess of the security deposit. The Partnership accounts for all past due rents as stipulated in the lease agreement, and recognizes other tenant charges on the date assessed at the actual amount due. The Partnership does not accrue interest on tenant receivable balances. Tenant receivable balances in excess of 90 days in arrears are transferred to a collection agency and written off to bad debt expense at that time. The allowance method is used to estimate bad debt expense based on collection experience. Bad debt expense for 2006 and 2005 was $7,290 and $2,359, respectively.

Advertising Costs

Advertising costs are charged to operations when incurred. Advertising expense for 2006 and 2005 was $10,462 and $7,910, respectively.

Concentration of Credit Risk

The Partnership maintains its cash balances in various Cincinnati, Ohio financial institutions which, at times, may exceed federally insured limits. The Partnership has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash.

3. RECEIVABLES

The following is a summary of receivables at December 31, 2006 and 2005:

	2006	2005
Rent receivable	$ 9,429	$ 8,964
Other receivables	536	11
Less: allowance for doubtful accounts	(1,103)	(1,812)
	$ 8,862	$ 7,163

4. FIXED ASSETS

	2006	2005	Depreciable Life in Years
COST			
Qualifying for tax credits:			
Buildings	$ 4,311,105	$ 4,311,105	27
Site improvements	926,618	926,618	20
Equipment and furnishings	46,729	46,729	12
Not qualifying for tax credits;			
Land	420,000	420,000	—
Land improvements — additions	19,180	19,180	20
Equipment — additions	174,129	172,033	12
	5,897,761	5,895,665	
Less: accumulated depreciation	(2,768,296)	(2,562,870)	
NET BOOK VALUE	$ 3,129,465	$ 3,332,795	

5. OTHER ASSETS

The following is a summary of amortizable costs and the related accumulated amortization:

	2006	2005	Amortization Period
COST			
Loan costs	$ 62,115	$ 62,115	20 years
Less: accumulated amortization	(38,304)	(35,199)	
	$ 23,811	$ 26,916	

6. MORTGAGE PAYABLE

On August 26, 1994, the Partnership obtained a 20-year permanent mortgage with Indianapolis Life Insurance Company (ILIC) in the amount of $2,816,000. The permanent loan carries an interest rate of 9.38% and may be adjusted at the sole and absolute discretion of ILIC on the first day of the 16th year to a rate comparable to what is being offered by ILIC to borrowers for comparable loans. Principal and interest payments are due monthly (based on a 25-year amortization period) in the amount of $24,359, unless adjusted in connection with an adjustment of the interest rate, with a balloon payment of approximately $1,193,000 payable in full on July 1, 2014. During the 4th through 15th loan year, the loan may be prepaid in full but not in part, with a prepayment premium equal to the greater of one percent (1%) of the principal balance of the note then being paid or the yield maintenance amount as defined in the promissory note. For the 16th through the 20th loan years, the prepayment premium is five percent (5%), reduced by one percent (1%) each year with no prepayment penalty if the principal balance is paid in full within 120 days of final maturity (July 1, 2014). If ILIC elects to increase the interest rate on the Adjustment Date, the borrower may prepay the note in full but not in part, without prepayment premium during the 120-day period commencing on the date that ILIC notifies borrower of their election to adjust the interest rate. This note is collateralized by the real property known as Post Woods Townhomes II, by a security interest in certain fixtures and personal property, and by an assignment of leases and rents to ILIC for all present and future leases of all or any portion of the realty encumbered by the mortgage. The Partners have no personal liability with respect to this indebtedness.

Following are maturities of mortgage payable for each of the next five (5) years, and in the aggregate:

2007	$ 92,787
2008	101,869
2009	111,841
2010	122,789
2011	134,808
Later years	1,605,946
	$ 2,170,040

7. PROJECT EXPENSE LOANS

The Partnership has received Project Expense Loans from the General Partner (as defined in the Amendment to the Limited Partnership Agreement dated March 4, 1998). The loans totaled $220,779 and $142,841 as of December 31, 2006 and 2005, respectively. These loans are non-interest bearing and are repayable only as provided in the Partnership Agreement (See Note 1).

8. RESERVE FOR REPLACEMENT

The General Partner is responsible for the establishment of a reserve account for capital replacements. The account is to be funded by monthly deposits, commencing on the Project Completion Date (December 3, 1993), equal to the greater of the amount required by the lender or $1,100. The monthly deposit required was $1,100 until permanent financing was obtained on August 26, 1994, at which time the lender required the Partnership to deposit four percent (4%) of the monthly gross apartment rental received, until the total reserve account equals or exceeds $50,000. Disbursements from the reserve account are permitted for expenditures approved upon written request of the lender.

9. RELATED PARTY TRANSACTIONS

Effective June 1, 1993, the Partnership entered into a management agreement with Towne Properties Asset Management Company (TPAMC), an affiliate of JDH, in which TPAMC will act as the manager and leasing agent for the project and receive a monthly fee of four percent (4%) of monthly gross income. On January 1, 2001, TPAMC assigned this contractual agreement to a newly-formed subsidiary Limited Liability Company known as Towne Properties Asset Management Company Ltd., LLC (TPAMC Ltd.), which is owned 84.7% by TPAMC. Total management fees paid or accrued to TPAMC Ltd. in 2006 and 2005 totaled $23,711 and $25,419, respectively. The agreement was for an initial term of one year and is currently on a month-to-month basis. At December 31, 2006 and 2005, the Partnership owed TPAMC Ltd. $2,169 and $2,139 respectively, for unpaid management fees. TPAMC also provides office and maintenance supplies and personnel, administrative services, and marketing services, and is reimbursed for these expenses by the Partnership. At December 31, 2006 and 2005, the Partnership owed TPAMC $5,943 and $5,626, respectively, for these reimbursements.

During 2005, the Partnership inadvertently received a deposit from an affiliated community in the amount of $700. This amount is included in trade payables at December 31, 2005 and was repaid in early 2006.

9. RELATED PARTY TRANSACTIONS (Continued)

During 2006, an affiliated community inadvertently received a deposit for the Partnership in the amount of $525. This amount is included in other receivables at December 31, 2006 and was repaid in early 2007.

Effective January 1, 1994, the Partnership entered into an incentive management agreement with TPAMC, providing for an annual, non-cumulative incentive management fee equal to the lesser of five percent (5%) of gross revenues or the Priority Distribution (as defined in the Partnership Agreement) applicable to such year. In no event, however, shall the incentive management fee and the management fee payable under the Management Agreement exceed, in the aggregate, nine percent (9%) of the gross revenues of the Project in any fiscal year. The agreement continues in full force and effect until termination of the Partnership. No incentive management fee was payable for 2006 or 2005.

10. INCOME TAXES

These statements contain no provision for federal income taxes. As a partnership any income or loss is reported on the tax returns of the respective partners.

The Partnership treats certain items of income and deductions differently for federal income tax purposes than for financial reporting purposes. Following is a reconciliation of financial statement income to federal taxable income:

	2006	2005
Net loss — financial statement	$ (211,868)	$ (138,703)
Additional depreciation for federal income tax purposes due to the use of accelerated depreciation methods	(4,669)	(12,466)
Allowance for doubtful accounts — deductible when written off	(709)	1,532
Revenue received in advance — taxable when received; recognized when earned for financial reporting:		
Current year	3,821	3,989
Prior year	(3,989)	(3,123)
Net loss — federal income tax	$ (217,414)	$ (148,771)

10. INCOME TAXES (Continued)

The Partnership has qualified to receive low-income housing tax credits from the State of Ohio pursuant to Internal Revenue Code Section 42 totaling $4,375,670. These tax credits are available on an annual basis for a ten-year period commencing with 1993. The annual allocation of $437,567 is available to the Partners as a credit against their federal income taxes payable. As of December 31, 2006, all of the $4,375,670 tax credits have been utilized by the Partners. Certain technical requirements must be met and maintained by the Partnership to receive the full allocation of tax credits.

11. RESIDENT LEASE AGREEMENTS

Generally, the apartment units are leased to residents for an initial one-year term. Thereafter, residents can extend the lease on a month-to- month basis.

12. CONTINGENCY

The Partnership’s low-income housing tax credits are contingent on its ability to maintain compliance with applicable sections of Section 42(a) of the Internal Revenue Code. Failure to maintain compliance with occupant eligibility, and/or gross rent, or to correct noncompliance within a specified time period could result in recapture of previously taken tax credits plus interest. In addition, such potential noncompliance may require an adjustment to the contributed capital by the Investor Limited Partner.

FLAGEL, HUBER, FLAGEL & Co.
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION

To the Partners of Post Woods Townhomes II Limited Partnership
c/o Joint Development & Housing Corporation

Our report on our audits of the basic financial statements of Post Woods Townhomes II Limited Partnership for 2006 and 2005 appears on page 1. Those audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The detailed balance sheet and statement of operations schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information, except for that portion marked "unaudited," on which we express no opinion, has been subjected to the auditing procedures applied in the audits of the basic financial statements, and, in our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Flagel, Huber, Flagel & Co.

Certified Public Accountants

Cincinnati, Ohio

January 29, 2007

DAYTON
3400 South Dixie Drive / Dayton, Ohio 45439-2304
phone: (937) 299-3400 / fax: (937) 293-5481 / www.fhf-cpa.com

CINCINNATI
9135 Governors Way / Cincinnati, Ohio 45249-2037
phone: (513) 774-0300 / fax: (513) 774-7250 / www.fhf-cpa.corn

POST WOODS TOWNHOMES II LIMITED PARTNERSHIP

DETAILED BALANCE SHEET SCHEDULES

	DECEMBER 31, 2006	2005
ASSETS		
CURRENT ASSETS		
Petty cash	$ 100	$ 100
Cash in bank	765	21,962
Tenant accounts receivable, net of allowance for doubtful accounts of $1,103 and $1,812 in 2006 and 2005, respectively	8,326	7,152
Other receivables	536	11
Tenant security deposits	36,843	29,148
	46,570	58,373
RESTRICTED DEPOSITS AND FUNDED RESERVES		
Replacement reserve deposits	5,117	5,660
Mortgage escrow deposits	66,067	58,293
	71,184	63,953
FIXED ASSETS		
Land	420,000	420,000
Land improvements	945,798	945,798
Buildings	4,311,105	4,311,105
Building equipment	220,858	218,762
Accumulated depreciation	(2,768,296)	(2,562,870)
	3,129,465	3,332,795
OTHER ASSETS		
Deferred financing costs, net of accumulated amortization	23,811	26,916
TOTAL ASSETS	$ 3,271,030	$ 3,482,037
LIABILITIES AND PARTNERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	$ 3,597	$ 4,404
Accrued wages and payroll taxes	5,943	5,626
Accrued interest payable	16,953	17,614
Accrued real estate taxes payable	97,408	96,347
Current portion of mortgage note payable	92,787	84,514
Tenant security deposit liability	36,843	29,148
Rent deferred credits	3,821	3,989
Project expense loans	220,779	142,841
	478,131	384,483
LONG-TERM LIABILITIES		
Mortgage note payable	2,077,253	2,170,040
PARTNERS' EQUITY		
Other partner's equity	464,315	466,433
Limited partners' equity	251,331	461,081
	715,646	927,514
TOTAL LIABILITIES AND PARTNERS' EQUITY	$ 3,271,030	$ 3,482,037

POST WOODS TOWNHOMES II LIMITED PARTNERSHIP

DETAILED STATEMENT OF OPERATIONS SCHEDULES

	FOR THE YEARS ENDED DECEMBER 31, 2006	2005
REVENUE		
RENTAL INCOME		
Apartments	$ 694,578*	$ 700,158*
VACANCIES		
Apartments	100,732*	68,474*
RENTAL INCOME LESS VACANCIES	593,846	631,684
FINANCIAL REVENUE		
Interest income — miscellaneous	1,177	661
Interest income — reserve for replacement	218	122
TOTAL FINANCIAL REVENUE	1,395	783
OTHER REVENUE		
NSF and late charges	2,191	2,253
Damages and cleaning fees	3,443	4,771
Forfeited security deposits	300	0
Other revenue (miscellaneous)	330	488
TOTAL OTHER REVENUE	6,264	7,512
TOTAL REVENUE	$ 601,505	$ 639,979

* - Unaudited

POST WOODS TOWNHOMES II LIMITED PARTNERSHIP

DETAILED STATEMENT OF OPERATIONS SCHEDULES (CONTINUED)

	FOR THE YEARS ENDED DECEMBER 31, 2006	2005
EXPENSES		
ADMINISTRATIVE		
Advertising	$ 10,463	$ 7,910
Office salaries	19,887	16,485
Office supplies	1,136	1,090
Management fees	23,711	25,419
Manager or superintendent salaries	26,992	26,408
Legal expenses (project-related issues)	1,595	1,073
Auditing expense	9,370	6,600
Telephone and answering services	2,901	2,529
Bad debts	7,290	2,359
Miscellaneous administrative expenses	6,557	5,286
TOTAL ADMINISTRATIVE	109,902	95,159
UTILITIES		
Gas	6,690	3,307
Electricity	7,388	7,035
Water and sewer, less reimbursements	8,452	3,707
TOTAL UTILITIES	22,530	14,049
OPERATING AND MAINTENANCE		
Janitor cleaning supplies and payroll	530	407
Garbage and trash removal	7,023	7,955
Security payroll/contract	1,810	2,002
Grounds payroll	16,449	18,487
Grounds supplies	820	3,490
Repairs payroll	37,480	38,281
Repairs material	28,500	21,084
Snow removal	0	3,121
Turnover expense	20,532	17,791
Miscellaneous operating and maintenance	6,094	5,140
TOTAL OPERATING AND MAINTENANCE	119,238	117,758

POST WOODS TOWNHOMES II LIMITED PARTNERSHIP

DETAILED STATEMENT OF OPERATIONS SCHEDULES (CONTINUED)

	FOR THE YEARS ENDED DECEMBER 31, 2006	2005
TAXES AND INSURANCE		
Real estate taxes	$ 97,408	$ 96,347
Miscellaneous taxes, license and permits	504	246
Property and liability insurance (hazard)	22,540	16,390
TOTAL TAXES AND INSURANCE	120,452	112,983
FINANCIAL EXPENSES		
Interest on mortgage note payable	207,134	214,728
DEPRECIATION AND AMORTIZATION		
Depreciation	231,012	220,899
Amortization	3,105	3,106
TOTAL DEPRECIATION AND AMORTIZATION	234,117	224,005
TOTAL EXPENSES	813,373	778,682
NET LOSS	$ (211,868)	$ (138,703)
OTHER ITEMS		
Amount of principal paid	$ 84,514	$ 76,979
Deposits made to replacement reserve	23,680	25,501
Disbursements made from replacement reserve	24,441	24,574
Occupancy percentage — end of year	98%*	83%*

* - Unaudited

Exhibit 99.6

WILLOW BEND TOWNHOMES
LIMITED PARTNERSHIP

FINANCIAL REPORT
AND SUPPLEMENTARY INFORMATION

DECEMBER 31, 2006 AND 2005

WILLOW BEND TOWNHOMES LIMITED PARTNERSHIP

TABLE OF CONTENTS

DECEMBER 31, 2006 AND 2005

FLAGEL, HUBER, FLAGEL & Co.
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Partners of Willow Bend Townhomes Limited Partnership
c/o Joint Development & Housing Corporation

We have audited the accompanying balance sheets of Willow Bend Townhomes Limited Partnership as of December 31, 2006 and 2005, and the related statements of operations, changes in partners' equity (deficit), and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. 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. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Willow Bend Townhomes Limited Partnership as of December 31, 2006 and 2005, and the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Flagel, Huber, Flagel & Co.

Certified Public Accountants

Cincinnati, Ohio

January 30, 2007

DAYTON
3400 South Dixie Drive / Dayton, Ohio 45439-2304
phone: (937) 299-3400 / fax: (937) 293-5481 / www.fhf-cpa.com

CINCINNATI
9135 Governors Way / Cincinnati, Ohio 45249-2037
phone: (513) 774-0300 / fax: (513) 774-7250 / www.fhf-cpa.com

WILLOW BEND TOWNHOMES LIMITED PARTNERSHIP

BALANCE SHEETS

	DECEMBER 31, 2006	2005
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 53,320	$ 39,297
Receivables, net of allowance for doubtful accounts of $178 and $2,366 in 2006 and 2005, respectively	5,441	6,075
Reserve for replacement	5,628	5,324
Real estate taxes and insurance escrow	54,173	49,699
TOTAL CURRENT ASSETS	118,562	100,395
FIXED ASSETS, at net book value	3,057,854	3,261,632
OTHER ASSETS, net of accumulated amortization	23,582	26,899
TOTAL ASSETS	$ 3,199,998	$ 3,388,926
LIABILITIES AND PARTNERS' EQUITY		
CURRENT LIABIILITIES		
Trade payables	$ 10,297	$ 3,709
Bank overdraft	0	11,096
Project expense loans	135,537	54,755
Accrued expenses	131,621	125,791
Security deposits	44,766	38,983
Deferred revenue	2,624	8,929
Current portion of mortgage payable	104,812	96,300
TOTAL CURRENT LIABILITIES	429,657	339,563
LONG-TERM DEBT		
Mortgage payable	2,056,121	2,160,933
Project expense loans	38,000	38,000
TOTAL LONG-TERM DEBT	2,094,121	2,198,933
TOTAL LIABILITIES	2,523,778	2,538,496
PARTNERS' EQUITY (DEFICIT)		
Investor Limited Partner	(93,484)	78,984
Special Limited Partner	10	10
General Partner	769,694	771,436
TOTAL PARTNERS' EQUITY	676,220	850,430
TOTAL LIABILITIES AND PARTNERS' EQUITY	$ 3,199,998	$ 3,388,926

The accompanying notes are an integral part of these statements.

WILLOW BEND TOWNHOMES LIMITED PARTNERSHIP

STATEMENTS OF OPERATIONS

	FOR THE YEARS ENDED DECEMBER 31, 2006	2005
INCOME FROM RENTS AND MISCELLANEOUS	$ 717,308	$ 654,813
RENTAL EXPENSES		
Administrative expense	130,318	123,415
Utilities	23,518	14,926
Operating and maintenance expense	160,413	125,692
Real estate taxes	109,289	103,185
Miscellaneous taxes, license and permits	553	17
Insurance	27,902	25,633
	451,993	392,868
NET RENTAL INCOME	265,315	261,945
OTHER DEDUCTIONS		
Mortgage interest expense	187,488	195,365
INCOME — before depreciation and amortization	77,827	66,580
DEPRECIATION	248,720	249,333
AMORTIZATION	3,317	3,317
	252,037	252,650
NET LOSS	$ (174,210)	$ (186,070)

The accompanying notes are an integral part of these statements.

WILLOW BEND TOWNHOMES LIMITED PARTNERSHIP

STATEMENTS OF CHANGES IN PARTNER'S EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2006 AND 2005

	GENERAL PARTNER	INVESTOR LIMITED PARTNER	SPECIAL LIMITED PARTNER	TOTAL
Balance — January 1, 2005	$ 773,296	$ 263,194	$ 10	$ 1,036,500
Net loss — 2005	(1,860)	(184,210)	0	(186,070)
Balance — December 31, 2005	771,436	78,984	10	850,430
Net Loss — 2006	(1,742)	(172,468)	0	(174,210)
Balance (deficit) — December 31, 2006	$ 769,694	$ (93,484)	$ 10	$ 676,220

The accompanying notes are an integral part of these statements.

WILLOW BEND TOWNHOMES LIMITED PARTNERSHIP

STATEMENTS OF CASH FLOWS

	FOR THE YEARS ENDED DECEMBER 31, 2006	2005
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$ (174,210)	$ (186,070)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation	248,720	249,333
Amortization	3,317	3,317
Changes in assets and liabilities:		
Receivables	634	1,591
Reserve for replacement	(304)	(324)
Real estate taxes and insurance escrow	(4,474)	(7,506)
Trade payables	6,588	(3,761)
Bank overdraft	(11,096)	11,096
Accrued expenses	5,830	18,580
Security deposits	5,783	12,156
Deferred revenue	(6,305)	3,499
NET CASH PROVIDED BY OPERATING ACTIVITIES	74,483	101,911
CASH FLOWS USED IN INVESTING ACTIVITIES:		
Purchase of improvements, equipment and furnishings	(44,942)	(25,962)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Principal payments on mortgage	(96,300)	(88,479)
Project expense loans	80,782	16,448
NET CASH USED IN FINANCING ACTIVITIES	(15,518)	(72,031)
NET CHANGE IN CASH AND CASH EQUIVALENTS	14,023	3,918
CASH AND CASH EQUIVALENTS — beginning of year	39,297	35,379
CASH AND CASH EQUIVALENTS — end of year	$ 53,320	$ 39,297
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid during the year for:		
Interest	$ 188,170	$ 195,992

The accompanying notes are an integral part of these statements.

1. ORGANIZATION

The Partnership was formed on November 21, 1991, to acquire land in Franklin County, Ohio, to construct a 92-unit apartment project qualifying for low income housing tax credits provided under Section 42(a) of the Internal Revenue Code, and to lease, manage and operate the project. The Partnership was organized as a limited partnership by Joint Development & Housing Corporation (JDH) and Ashford Investment Corporation (Ashford) as general partners and JDH as the limited partner.

On March 6, 1992, the Partnership Agreement was amended to reflect the withdrawal of Ashford as a general partner and to substitute Towne Building Group, Inc. (TBG) for JDH as the Original Limited Partner.

On July 1, 1992, the Partnership Agreement was amended and restated to admit Boston Financial Institutional Tax Credits II, A Limited Partnership (BFITC) as the Investor Limited Partner and SLP, Inc. (SLP) as a Special Limited Partner; to reflect the withdrawal of TBG, the Original Limited Partner and to set out more fully the rights, obligations and duties of the Partners.

Rental operations commenced on August 16, 1992.

Allocation of Income or Loss and Tax Credits

The Partnership Agreement provides that income or loss and tax credits are to be allocated as follows:

General Partner (GP)	1%
Investor Limited Partner (ILP)	99%
Special Limited Partner (SLP)	0%

In the event the General Partner funds operating expenses of the Partnership through Project Expense Loans (see Note 7), Partnership expenses will be specially allocated to the General partner to the extent of such loans.

Allocation of Cash Flows

After the earlier to occur of the Development Obligation Date (April 1, 1994) or the first anniversary of the Completion Date (October 1, 1993), cash flows (as defined in the Partnership Agreement) are to be distributed, within ninety (90) days of year-end, in the following priority:

First: 100% to ILP until ILP has received $7,500 per year, cumulative but not compounded;

1. ORGANIZATION (continued)

Second: to repay accrued but unpaid management fees and any other amounts due the Management Agent, whenever incurred, by any and all of the Integrated Partnerships (as defined in the Amendment to Limited Partnership Agreements dated March 4, 1998) and any Project Expense Loans (as defined in the Partnership Agreement) of any Integrated Partnership, then outstanding and incurred on or after January 1, 1997; and

Third: to ILP and GP in equal shares.

For the years ended December 31, 2006 and 2005, respectively, there were no distributions from Cash Flows.

Distributions of Other Than Cash Flow

Prior to dissolution, if the General Partner shall determine that there are proceeds available for distribution from a Capital Transaction (as defined in the Partnership Agreement), such proceeds shall be applied and distributed in accordance with the provisions of the Partnership Agreement, as amended.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements are prepared on the accrual basis of accounting.

Depreciation Methods

Depreciation for financial reporting is computed using the straight-line method over the estimated useful lives of the assets, and for income tax purposes is computed primarily using accelerated methods over the statutory lives of the assets. The Partnership follows the practice of charging expenditures for additions or major replacements to the asset accounts. When an asset is retired or otherwise disposed of, its cost and the related accumulated depreciation are eliminated from their respective accounts and any gain or loss is reflected in the statement of operations.

Cash and Cash Equivalents

The Partnership considers financial instruments with maturities of three months or less to be cash equivalents.

Fair Value of Financial Instrument

The carrying amount of the mortgage payable approximates fair value as a result of the current mortgage rates available to the partnership at December 31, 2006.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Advertising Costs

Advertising costs are charged to operations when incurred. Advertising expense for 2006 and 2005 was $15,823 and $15,476, respectively.

Accounts Receivable

Tenant rent charges for the current month are due on the first of the month. Rental payments received in advance are deferred until earned. Tenants who are evicted or move out are charged with any damages or cleaning fees in excess of the security deposit. The Partnership accounts for all past due rents as stipulated in the lease agreement, and recognizes other tenant charges on the date assessed at the actual amount due. The Partnership does not accrue interest on tenant receivable balances. Tenant receivable balances in excess of 90 days in arrears are transferred to a collection agency and written off to bad debt expense at that time. The allowance method is used to estimate bad debt expense based on collection experience. Bad debt expense for 2006 and 2005 was $3,731 and $7,080 respectively.

Concentration of Credit Risk

The Partnership maintains its cash balances in various Cincinnati, Ohio financial institutions which, at times, may exceed federally insured limits. The Partnership has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash.

Estimates

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

3. RECEIVABLES

The following is a summary of receivables at December 31, 2006 and 2005:

	2006	2005
Rent receivable	$ 5,609	$ 8,431
Other receivables	10	10
Less: allowance for doubtful accounts	(178)	(2,366)
	$ 5,441	$ 6,075

4. FIXED ASSETS

	2006	2005	Depreciable Life in Years
COST			
Qualifying for tax credits:			
Buildings	$ 4,389,592	$ 4,389,592	27
Site improvements	1,109,304	1,109,304	20
Equipment and furnishings	105,428	105,428	12
Not qualifying for tax credits:			
Land	458,946	458,946	—
Land improvements — additions	72,178	72,178	20
Equipment — additions	208,856	186,028	12
	6,344,304	6,321,476	
Less: accumulated depreciation	(3,286,450)	(3,059,844)	
NET BOOK VALUE	$ 3,057,854	$ 3,261,632	

5. OTHER ASSETS

The following is a summary of amortizable costs and the related accumulated amortization:

	2006	2005	Amortization Period
COST			
Permanent loan fees	$ 66,323	$ 66,323	20 years
Less: accumulated amortization	(42,741)	(39,424)	
	$ 23,582	$ 26,899	

6. MORTGAGE PAYABLE

On February 9, 1994, the Partnership obtained a 20-year permanent mortgage with Indianapolis Life Insurance Company (ILIC) in the amount of $2,944,000. The permanent loan carries an interest rate of 8.5% and may be adjusted at the sole and absolute discretion of ILIC on the first day of the 16th year to a rate comparable to what is being offered by ILIC to borrowers for comparable loans. Principal and interest payments are due monthly (based on a 25-year amortization period) in the amount of $23,706, unless adjusted in connection with an adjustment of the interest rate, with a balloon payment of approximately $1,171,000 payable in full on March 1,2014.

6. MORTGAGE PAYABLE (continued)

During the 4th through 15th loan year, the loan may be prepaid in full but not in part, with a prepayment premium equal to the greater of one percent (1%) of the principal balance of the note then being paid or the yield maintenance amount as defined in the promissory note. For the 16th through the 20th loan years, the prepayment premium is five percent (5%), reduced by one percent (1%) each year with no prepayment penalty if the principal balance is paid in full within 120 days of final maturity (March 1, 2014). If ILIC elects to increase the interest rate on the Adjustment Date, the borrower may prepay the note in full but not in part, without prepayment premium during the 120-day period commencing on the date that ILIC notifies borrower of their election to adjust the interest rate. This note is collateralized by the real property known as Willow Bend Townhomes, by a security interest in certain fixtures and personal property, and by an assignment of leases and rents to ILIC for all present and future leases of all or any portion of the realty encumbered by the mortgage. The Partners have no personal liability with respect to this indebtedness.

Following are maturities of the mortgage payable for each of the next five (5) years, and in the aggregate:

2007	$ 104,812
2008	114,076
2009	124,160
2010	135,135
2011	147,079
Later years	1,535,671
	$ 2,160,933

7. PROJECT EXPENSE LOANS

The General Partner is required to provide necessary funds (up to $300,000 in the aggregate) to discharge Project Expenses (as defined in the Partnership Agreement) or assure maintenance of Surplus Cash (as defined in the Partnership Agreement) of at least $1 at all times for the period ending three (3) years after the Development Obligation Date. During 1994, the General Partner made Project Expense Loans to the Partnership totaling $38,000. These loans are non-interest bearing and are repayable only upon a capital transaction as provided in the Partnership Agreement (see Note 1).

The Partnership has received advances from the General Partner in the form of Project Expense Loans (as defined in the Amendment to the Limited Partnership Agreement dated March 4, 1998). The loans totaled $135,538 and $54,755 as of December 31, 2006 and 2005, respectively. These loans are non-interest bearing and are repayable only as provided in the Partnership Agreement (see Note 1).

8. RESERVE FOR REPLACEMENT

The General Partner is responsible for the establishment of a reserve account for capital replacements. The account is to be funded by monthly deposits, commencing on the Project Completion Date (October 28, 1992), equal to the greater of the amount required by the lender or $1,150. The monthly deposit required was $1,150 until permanent financing was obtained on February 9, 1994, at which time the lender required the Partnership to deposit four percent (4%) of the monthly gross apartment rental received, until the total reserve account equals or exceeds $50,000. Disbursements from the reserve account are permitted for expenditures approved upon written request of the lender.

9. RELATED PARTY TRANSACTIONS

Effective July 1, 1992, the Partnership entered into a management agreement with Towne Properties Asset Management Company (TPAMC), an affiliate of JDH, in which TPAMC will act as the manager and leasing agent for the project and receive a monthly fee of four percent (4%) of monthly gross income. On January 1, 2001 TPAMC assigned this contractual agreement to a newly formed subsidiary Limited Liability Company known as Towne Properties Asset Management Company Ltd., LLC (TPAMC Ltd.), which is owned 84.7% by TPAMC. Total management fees paid or accrued to TPAMC Ltd. in 2006 and 2005 totaled $28,280 and $26,116, respectively. The management agreement was for an initial term of one year and is currently on a month-to-month basis. At December 31, 2006 and 2005, the Partnership owed TPAMC Ltd. $2,405 and $2,433, respectively, for unpaid management fees. TPAMC also provides office and maintenance supplies and personnel, administrative services, and marketing services, and is reimbursed for these expenses by the Partnership.

Also effective July 1, 1992, the Partnership entered into an incentive management agreement with TPAMC, providing for an annual, non-cumulative incentive management fee equal to the lesser of five percent (5%) of gross revenues or the Priority Distribution (as defined in the Partnership Agreement) applicable to such year. In no event, however, shall the incentive management fee and the management fee payable under the Management Agreement exceed, in the aggregate, nine percent (9%) of the gross revenues of the Project in any fiscal year. The agreement continues in full force and effect until termination of the Partnership. No incentive management fee was payable for 2006 or 2005.

10. RESIDENT LEASE AGREEMENTS

Generally, the apartment units are leased to residents for an initial one-year term. Thereafter, residents can extend the lease on a month-to-month basis.

11. INCOME TAXES

These statements contain no provision for federal income taxes. As a partnership any income or loss is reported on the tax returns of the respective partners.

The Partnership treats certain items of income and deductions differently for federal income tax purposes than for financial reporting purposes. Following is a reconciliation of financial statement income to federal taxable income:

	2006	2005
Net loss — financial statement	$ (174,210)	$ (186,070)
Additional depreciation for federal income tax purposes due to the use of accelerated depreciation methods	(9,047)	(3,290)
Allowance for doubtful accounts — deductible when written off	(2,188)	1,437
Revenue received in advance — taxable when received; recognized when earned for financial reporting:		
Current year	2,624	8,929
Prior year	(8,929)	(5,430)
Net loss — federal income tax	$ (191,750)	$ (184,424)

The Partnership has qualified to receive low-income housing tax credits from the State of Ohio pursuant to Internal Revenue Code Section 42 totaling $4,800,920. These tax credits are available on an annual basis for a ten-year period commencing with 1992. The annual allocation of $480,092 is available to the Partners as a credit against their federal income taxes payable. As of December 31, 2006 and 2005, all of the $4,800,920 of the tax credits have been utilized by the Partners. Certain technical requirements must be met and maintained by the Partnership to receive the full allocation of tax credits.

12. CONTINGENCY

The Partnership's low-income housing tax credits are contingent on its ability to maintain compliance with applicable sections of Section 42(a) of the Internal Revenue Code. Failure to maintain compliance with occupant eligibility, and/or gross rent, or to correct noncompliance within a specified time period could result in recapture of previously taken tax credits plus interest. In addition, such potential noncompliance may require an adjustment to the contributed capital by the Investor Limited Partner.

FLAGEL, HUBER, FLAGEL & Co.

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION

To the Partners of Willow Bend Townhomes Limited Partnership c/o Joint Development & Housing Corporation

Our report on our audits of the basic financial statements of Willow Bend Townhomes Limited Partnership for 2006 and 2005 appears on page 1. Those audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The detailed balance sheet and statement of operations schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information, except for that portion marked "unaudited," on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the basic financial statements, and, in our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Flagel, Huber, Flagel & Co.

Certified Public Accountants

Cincinnati, Ohio

January 30, 2007

DAYTON
3400 South Dixie Drive / Dayton, Ohio 45439-2304
phone: (937) 299-3400 / fax: (937) 293-5481 / www.fhf-cpa.com

CINCINNATI
9135 Governors Way / Cincinnati, Ohio 45249-2037
phone: (513) 774-0300 / fax: (513) 774-7250 / www.fhf-cpa.com

WILLOW BEND TOWNHOMES LIMITED PARTNERSHIP

DETAILED BALANCE SHEET SCHEDULES

	DECEMBER 31, 2006	DECEMBER 31, 2005
ASSETS		
CURRENT ASSETS		
Petty cash	$ 200	$ 200
Cash in bank	8,354	114
Tenant security deposits	44,766	38,983
Tenant accounts receivable, net of allowance for doubtful accounts of $178 and $2,366 in 2006 and 2005, respectively	5,431	6,065
Other receivables	10	10
	58,761	45,372
RESTRICTED DEPOSITS AND FUNDED RESERVES		
Replacement reserve deposits	5,628	5,324
Mortgage escrow deposits	54,173	49,699
	59,801	55,023
FIXED ASSETS		
Land	458,946	458,946
Land improvements	1,181,482	1,181,482
Buildings	4,389,592	4,389,592
Building equipment	314,284	291,456
Less: accumulated depreciation	(3,286,450)	(3,059,844)
	3,057,854	3,261,632
OTHER ASSETS		
Deferred financing costs, net of accumulated amortization	23,582	26,899
TOTAL ASSETS	$ 3,199,998	$ 3,388,926

WILLOW BEND TOWNHOMES LIMITED PARTNERSHIP

DETAILED BALANCE SHEET SCHEDULES (CONTINUED)

	DECEMBER 31, 2006	2005
LIABILITIES AND PARTNERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	$ 10,297	$ 3,709
Bank overdraft	0	11,096
Project expense loans	135,537	54,755
Accrued wages and payroll taxes	7,025	6,617
Accrued interest payable	15,307	15,989
Accrued real estate taxes payable	109,289	103,185
Tenant security deposit liability	44,766	38,983
Rent deferred credits	2,624	8,929
Current portion of mortgage note payable	104,812	96,300
	429,657	339,563
LONG-TERM LIABILITIES		
Mortgage note payable	2,056,121	2,160,933
Project expense loans	38,000	38,000
	2,094,121	2,198,933
PARTNERS' EQUITY		
Other partner's equity	769,694	771,436
Limited partners' equity	(93,474)	78,994
	676,220	850,430
TOTAL LIABILITIES AND PARTNERS' EQUITY	$ 3,199,998	$ 3,388,926

WILLOW BEND TOWNHOMES LIMITED PARTNERSHIP

DETAILED STATEMENT OF OPERATIONS SCHEDULES

	FOR THE YEARS ENDED DECEMBER 31, 2006	2005
REVENUE		
RENTAL INCOME		
Apartments	$ 733,259*	$ 738,274*
VACANCIES		
Apartments	42,296*	98,782*
RENTAL INCOME LESS VACANCIES	690,963	639,492
FINANCIAL REVENUE		
Interest income — miscellaneous	1,584	689
Interest income — reserve for replacements	242	133
TOTAL FINANCIAL REVENUE	1,826	822
OTHER REVENUE		
Laundry and vending	426	412
NSF and late charges	3,383	2,426
Damages and cleaning fees	14,125	5,678
Forfeited security deposits	100	1,082
Other revenue (miscellaneous)	6,485	4,901
TOTAL OTHER REVENUE	24,519	14,499
TOTAL REVENUE	$ 717,308	$ 654,813

* - Unaudited

WILLOW BEND TOWNHOMES LIMITED PARTNERSHIP

DETAILED STATEMENT OF OPERATIONS SCHEDULES (CONTINUED)

	FOR THE YEARS ENDED DECEMBER 31, 2006	2005
EXPENSES		
ADMINISTRATIVE		
Advertising	$ 15,823	$ 15,476
Other renting expenses	4,010	3,691
Office salaries	13,918	17,585
Office supplies	1,801	1,730
Management fees	28,280	26,116
Manager or superintendent salaries	39,146	33,146
Legal expenses (project-related issues)	2,233	1,301
Auditing expense	7,588	7,100
Telephone and answering services	4,112	4,308
Bad debts	3,731	7,080
Miscellaneous administrative expenses	9,676	5,882
TOTAL ADMINISTRATIVE	130,318	123,415
UTILITIES		
Gas	3,288	8,488
Electricity	10,312	9,689
Water and sewer, less reimbursements	9,918	(3,251)
TOTAL UTILITIES	23,518	14,926
OPERATING AND MAINTENANCE		
Janitor cleaning supplies and payroll	517	508
Extermination	551	1,314
Garbage and trash removal	10,699	8,306
Security payroll/contract	1,381	3,902
Grounds payroll	13,740	15,127
Grounds supplies	2,127	4,685
Repairs payroll	41,559	39,961
Repairs material	53,582	25,530
Snow removal	0	2,539
Turnover expense	22,421	20,244
Miscellaneous expense	13,836	3,576
TOTAL OPERATING AND MAINTENANCE	160,413	125,692

WILLOW BEND TOWNHOMES LIMITED PARTNERSHIP

DETAILED STATEMENT OF OPERATIONS SCHEDULES (CONTINUED)

	FOR THE YEARS ENDED DECEMBER 31, 2006	2005
TAXES AND INSURANCE		
Real estate taxes	$ 109,289	$ 103,185
Miscellaneous taxes, license and permits	553	17
Property and liability insurance (hazard)	27,902	25,633
TOTAL TAXES AND INSURANCE	137,744	128,835
FINANCIAL EXPENSES		
Interest on mortgage note payable	187,488	195,365
DEPRECIATION AND AMORTIZATION		
Depreciation	248,720	249,333
Amortization	3,317	3,317
TOTAL DEPRECIATION AND AMORTIZATION	252,037	252,650
TOTAL EXPENSES	891,518	840,883
NET LOSS	$ (174,210)	$ (186,070)
OTHER ITEMS		
Amount of principal paid	$ 96,300	$ 88,479
Deposits made to replacement reserve	28,283	25,731
Disbursements made from replacement reserve	28,221	25,540
Occupancy percentage – end of year	96%*	96%*

* - Unaudited