ST. ANTOINE GARDENS
LIMITED PARTNERSHIP

AUDITED FINANCIAL STATEMENTS

DECEMBER 31, 2022 AND 2021

ST. ANTOINE GARDENS LIMITED PARTNERSHIP

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INDEPENDENT AUDITORS' REPORT

To the Partners and Management of
St. Antoine Gardens, Limited Partnership
Lafayette, Louisiana

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of St. Antoine Gardens, Limited Partnership (a Louisiana Limited Partnership), which comprise the balance sheets as of December 31, 2022 and 2021 and the related statements of operations, partners' equity (deficit), and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of St. Antoine Gardens, Limited Partnership as of December 31, 2022 and 2021, and the results of its operations, changes in partners' equity (deficit) and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of St. Antoine Gardens, Limited Partnership and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about St. Antoine Gardens, Limited Partnership's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of St. Antoine Gardens, Limited Partnership's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about St. Antoine Gardens, Limited Partnership's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information including the Schedule of Expenses and the Schedule of Compensation, Benefits, and Other Payments to the Agency Head or Chief Executive Officer shown on pages 19 through 20 and 23 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 13, 2023 on our consideration of St. Antoine Gardens, Limited Partnership's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of St. Antoine Gardens, Limited Partnership's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering St. Antoine Gardens, Limited Partnership's internal control over financial reporting and compliance.

Little & Associates, LLC

Monroe, Louisiana
February 13, 2023

ST. ANTOINE GARDENS LIMITED PARTNERSHIP
BALANCE SHEETS
DECEMBER 31, 2022 AND 2021

ASSETS

	2022	2021
CURRENT ASSETS		
Cash - Operations	$ 1,129	$ 23,497
Accounts Receivable - Tenants (Net)	22,209	14,019
Prepaid Expenses	22,218	15,871
Total Current Assets	45,556	53,387
RESTRICTED DEPOSITS AND FUNDED RESERVES		
Special Purpose Reserve	24,112	24,111
Replacement Reserves	30,271	21,263
Operating Reserves	82,835	82,808
Insurance Escrow	39,193	19,663
Tenants' Security Deposits	18,365	20,045
Total Restricted Deposits and Funded Reserves	194,776	167,890
PROPERTY AND EQUIPMENT		
Buildings	4,834,450	4,834,450
Furniture and Fixtures	76,619	76,619
Site Improvements	198,423	198,423
Total	5,109,492	5,109,492
Less: Accumulated Depreciation	(2,003,778)	(1,872,995)
Net Depreciable Assets	3,105,714	3,236,497
Land	98,500	98,500
Total Property and Equipment	3,204,214	3,334,997
OTHER ASSETS		
Syndication Costs	49,500	49,500
Utility Deposits	340	340
Total Other Assets	49,840	49,840
Total Assets	$ 3,494,386	$ 3,606,114

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

ST. ANTOINE GARDENS LIMITED PARTNERSHIP
BALANCE SHEETS
DECEMBER 31, 2022 AND 2021

LIABILITIES AND PARTNERS' EQUITY

	2022	2021
CURRENT LIABILITIES		
Accounts Payable	$ 53,115	$ 43,762
Accrued Interest Payable	3,018	3,195
Prepaid Rent	4,794	4,542
Current Portion of Long-Term Debt	16,396	15,262
Total Current Liabilities	77,323	66,761
DEPOSITS		
Tenant's Security Deposits	18,350	20,045
Total Deposits	18,350	20,045
LONG-TERM LIABILITIES		
Note Payable - JP Morgan Chase , Net of Unamortized Debt Issuance Costs	479,192	489,861
Note Payable - HACL	435,924	435,924
Accrued Interest Payable - HACL	326,928	305,132
Asset Management Fee Payable	17,895	8,942
Partnership Management Fee Payable	124,208	116,208
Advance from Related Party	550,458	550,458
Accrued Interest Payable - Developer Fee	45,337	40,669
Deferred Developer Fee Payable	97,456	97,456
Total Long-Term Liabilities	2,077,398	2,044,650
Total Liabilities	2,173,071	2,131,456
PARTNERS' EQUITY		
Partners' Equity	1,321,315	1,474,658
Total Partners' Equity	1,321,315	1,474,658
Total Liabilities and Partners' Equity	$ 3,494,386	$ 3,606,114

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

ST. ANTOINE GARDENS LIMITED PARTNERSHIP
STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	2022	2021
REVENUE		
Rental Income	$ 290,730	$ 287,929
Loss of Rents Recovery	-	6,180
Vacancy	(36,335)	(32,321)
Concessions	(9,600)	(9,600)
Bad Debt	(18,829)	(8,425)
Late Fees	4,200	5,850
Application Fees	350	735
Forfeited Deposits	3,150	670
Interest Income	124	42
Model Units/Office/Storage	-	(2,565)
Miscellaneous Income	2,016	2,951
Total Revenue	235,806	251,446
OPERATING EXPENSES		
Maintenance	66,323	85,548
Utilities	4,760	6,008
Administrative	27,726	27,949
Management Fees	14,376	16,221
Taxes	10,643	13,946
Insurance	48,753	36,645
Interest	68,832	70,064
Depreciation and Amortization	130,783	130,106
Total Operating Expenses	372,196	386,487
Net Income (Loss) from Rental Operations	(136,390)	(135,041)
OTHER REVENUE (EXPENSES)		
Casualty Gain (Loss)	-	70,096
Asset Management Fees	(8,953)	(4,537)
Partnership Management Fees	(8,000)	(8,000)
Professional Fees	-	(1,789)
Total Other Expenses	(16,953)	55,770
Net Income (Loss)	$ (153,343)	$ (79,271)

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

ST. ANTOINE GARDENS LIMITED PARTNERSHIP
STATEMENTS OF PARTNERS' EQUITY (DEFICIT)
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	Total	General Partner Lafayette Low Income Housing Management	Limited Partner NEF Assignment Corporation
Partners' Equity (Deficit), December 31, 2020	$ 1,553,929	$ (217)	$ 1,554,146
Net Income (Loss)	(79,271)	(8)	(79,263)
Partners' Equity (Deficit), December 31, 2021	1,474,658	(225)	1,474,883
Net Income (Loss)	(153,343)	(15)	(153,328)
Partners' Equity (Deficit), December 31, 2022	$ 1,321,315	$ (240)	$ 1,321,555
Profit and Loss Percentages	100.00%	0.01%	99.99%

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

ST. ANTOINE GARDENS LIMITED PARTNERSHIP
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Income (Loss)	$ (153,343)	$ (79,271)
Adjustments to Reconcile Net Income (Loss) to Net Cash		
Provided (Used) by Operating Activities:		
Depreciation and Amortization	136,510	135,833
Casualty (Gain) Loss	-	(70,096)
(Increase) Decrease in Accounts Receivable - Tenants (Net)	(8,190)	1,041
(Increase) Decrease in Prepaid Expenses	(6,347)	(2,833)
Increase (Decrease) in Accrued Interest Payable	26,287	26,464
Increase (Decrease) in Accounts Payable	9,353	(51,656)
Increase (Decrease) in Asset Management Fees Payable	8,953	4,537
Increase (Decrease) in Partnership Management Fees Payable	8,000	8,000
Increase (Decrease) in Deferred Rent	252	2,896
Increase (Decrease) in Security Deposit Liability	(1,695)	(755)
Total Adjustments	173,123	53,431
Net Cash Provided (Used) by Operating Activities	19,780	(25,840)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisition/Construction of Buildings and Equipment	-	(231,958)
Proceeds Received from Insurance - Hurricane Restoration	-	58,854
Payment of Utility Deposits	-	(340)
Net Cash Provided (Used) by Investing Activities	-	(173,444)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Principal Payment on Long Term Debt	(15,262)	(14,206)
Net Cash Provided (Used) by Financing Activities	(15,262)	(14,206)
Net Increase (Decrease) in Cash and Cash Equivalents	4,518	(213,490)
Cash and Cash Equivalents, Beginning of Year	191,387	404,877
Cash and Cash Equivalents, End of Year	$ 195,905	$ 191,387

Supplemental Disclosures of Cash Flow Information:

	2022	2021
Cash and Cash Equivalents		
Cash - Operations	$ 1,129	$ 23,497
Special Purpose Reserve	24,112	24,111
Replacement Reserves	30,271	21,263
Operating Reserves	82,835	82,808
Insurance Escrow	39,193	19,663
Tenants' Security Deposits	18,365	20,045
Total Cash and Cash Equivalents	$ 195,905	$ 191,387

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

ST. ANTOINE GARDENS LIMITED PARTNERSHIP
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	2022	2021
Supplemental Disclosures of Cash Flow Information (Continued):		
Cash paid During the Year for:		
Interest	$ 36,818	$ 37,873

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

NOTE A – ORGANIZATION

St Antoine Gardens Limited Partnership (the Partnership) was organized in 2005 as a limited partnership to acquire, construct, own, finance, lease, and operate a qualified low income 30-unit single family housing rental development (the development). The development is known as St. Antoine Gardens and is located in Lafayette, Louisiana. All units of the development are rented under the requirements of Section 42 of the Internal Revenue Code (low-income housing tax credit), whereby rental rates and tenant income will be limited to certain amounts. The major activities of the Partnership are governed by the Amended and Restated Articles of Partnership in Commendam (the "Partnership Agreement") and are subject to the administrative directives, rules, and regulations of federal and state regulatory agencies, including but not limited to, the state housing finance agency. Such administrative directives, rules, and regulations are subject to change by federal and state agencies.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Basis of Accounting

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

Estimates

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

Cash and Cash Equivalents

For purposes of the statements of cash flows, cash and cash equivalents represent unrestricted cash, restricted deposits, funded reserves and all highly liquid and unrestricted and restricted debt instruments purchased with a maturity of three months or less.

Cash and Other Deposits

At December 31, 2022, the Partnership maintains deposit accounts at various financial institutions. Noninterest-bearing and interest-bearing accounts, in the aggregate, are insured up to $250,000 at each financial institution by the Federal Deposit Insurance Corporation (FDIC). As of December 31, 2022, there were no uninsured deposits.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Collateralization Policy for Financial Instruments

The Partnership does not require collateral to support financial instruments subject to credit risk.

Property, Equipment, and Depreciation

Land, buildings, improvements, and equipment are recorded at cost. Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations using the straight-line method over their estimated service lives as follows:

Buildings	40 years
Furniture, Fixtures and Equipment	10 years
Site Improvements	20 years

Improvements are capitalized, while expenditures for maintenance and repairs are charged to expense as incurred. Upon disposal of depreciable property, the appropriate property accounts are reduced by the related costs and accumulated depreciation. The resulting gains and losses are reflected in the statements of operations.

Amortization

Organization costs are expensed as incurred. Tax credit costs are amortized over the ten-year tax credit period using the straight-line method beginning in the first year in which tax credits are taken. For the years ended December 31, 2022 and 2021, accumulated amortization totaled $22,469 and $22,469.

Debt Issuance Costs

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

Tenants' Security Deposits

Tenants' security deposits are held in a separate bank account in the name of the development. At December 31, 2022, this account was funded in an amount greater than the security deposit liability.

Rental Income

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

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Tenants Accounts Receivable and Bad Debts

Tenant rent charges for the current month are due on the first of the month. Tenants who are evicted or move out are charged with damages or cleaning fees, if applicable. Tenants' accounts receivable consists of amounts due for rental income, other tenant charges and charges for damages and cleaning fees in excess of forfeited security deposits. The Partnership does not accrue interest on the tenants' accounts receivable balances. As of December 31, 2022 and 2021, tenant receivables are reported net of an allowance for doubtful accounts in the amount of $1,893 and $0, respectively. Management's estimate of the allowance is based on historical collection experience and a review of the current status of tenant accounts receivable. It is reasonably possible that management's estimate of the allowance will change.

Income Taxes

No provision or benefit for income taxes has been included in these financial statements since taxable income or loss passes through to, and is reported by, the partners individually. The time limit for taxing authorities to examine the Partnership's income tax returns is generally three years from the date of filing or the due date, whichever is later, unless civil or criminal fraud is proven, for which there is no time limit. The Partnership files income tax returns in the U.S. federal jurisdiction, and various state jurisdictions. The Partnership is no longer subject to U.S. federal and state income tax examinations by tax authorities for years before 2019.

FASB ASC 360, *Property, Plant, and Equipment*

FASB ASC 360, *Property, Plant, and Equipment* requires that long-lived assets and certain identifiable intangibles held and used by an entity be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Application of the impairment provisions of FASB ASC 360, *Property, Plant, and Equipment* has not materially affected the Partnership's reported earnings, financial condition or cash flows.

Operating Reserve

In accordance with the Partnership Agreement, the Partnership shall establish an operating reserve account (the Operating Reserve) to fund any operating and debt service deficits as approved by the Limited Partner. Withdrawals from the Operating Reserve Account will require the written approval of the General Partner and the Asset Manager. To the extent funds are available, a balance of $96,500 shall be maintained in the Operating Reserve Account during the compliance period. As of December 31, 2022 and 2021, the Operating Reserve Account was funded in the amount of $82,835 and $82,808, respectively.

Reserve for Replacements

The Partnership Agreement requires that on a cumulative basis, in the annual amount of $300 per unit (to be increased annually by 3%) be deposited annually into a replacement reserve

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reserve for Replacements (Continued)

during the term of the first mortgage. Such reserve shall be used for capital improvements and repairs to the Project. Any withdrawal from the Replacement Reserve Account in excess of $5,000 in the aggregate in any given month will require the written approval of the General Partner and the Asset Manager. For the year ended December 31, 2022, $14,022 was required to be funded to the Replacement Reserve account. The actual amount funded during the year ended December 31, 2022 was $9,000, which resulted in the account being underfunded by $5,022 for the year ended December 31, 2022. For the year ended December 31, 2021, $13,613 was required to be funded to the Replacement Reserve account. The actual amount funded during the year ended December 31, 2021 was $9,000, which resulted in the account being underfunded by $4,613 for the year ended December 31, 2021. As of December 31, 2022, the account was underfunded by a total amount of $33,196. As of December 31, 2022 and 2021, the Replacement Reserve Account was funded in the amount of $30,271 and $21,263, respectively.

Replacement Reserve Account activity for the years ended December 31, 2022 and 2021 is as follows:

Beginning Balance 12/31/2020	$	52,250
Deposits		9,000
Interest		13
Withdrawals		(40,000)
Ending Balance 12/31/2021		21,263
Deposits		9,000
Interest		8
Withdrawals		(–)
Ending Balance 12/31/2022	$	30,271

Special Purpose Reserve

The Partnership Agreement requires that a Special Purpose Reserve be established out of equity proceeds at the time of payment of the fourth Installment for payment of Project real estate taxes in the event that (a) the Project real estate tax abatement is no longer made available or (b) the Project real estate taxes exceed the amount indicated in projections. The Special Purpose Fund shall be increased by cash flow to the target amount of $24,000, which amount shall be maintained during the compliance period. As of December 31, 2022 and 2021, the balance in this account was $24,112 and $24,111, respectively.

NOTE C – PARTNERS AND CAPITAL CONTRIBUTIONS

The Partnership has one General Partner – Lafayette Low Income Housing Management Corporation, and one Limited Partner – NEF Assignment Corporation. The Partnership records capital contributions as received and distributions as paid. For the years ended December 31,

NOTE C – PARTNERS AND CAPITAL CONTRIBUTIONS (CONTINUED)

2022 and 2021, respectively, the Limited Partner did not make any capital contributions. For the years ended December 31, 2022 and 2021, no distributions were paid to the Partners. Total contributions received have been $3,716,192.

NOTE D – NOTES PAYABLE

Permanent Loan – JP Morgan Chase Bank, NA

On June 25, 2009, the Partnership entered into a loan agreement in the amount of $640,000 with JP Morgan Chase Bank, NA (JP Morgan Chase). The loan is payable in monthly installments of principal and interest of $4,340 until its maturity on July 1, 2027, at which time any remaining principal and interest shall be due and payable. The loan bears interest at a rate of 7.19% per annum and is collateralized primarily by the Partnership's land and improvements, thereon. As of December 31, 2022 and 2021, the loan balance was $503,702 and $518,964, respectively.

	2022	2021
Note Payable – JP Morgan Chase	$ 503,702	$ 518,964
Less: Unamortized Debt Issuance Costs	(8,114)	(13,841)
Note Payable – JP Morgan Chase, Net	$ 495,588	$ 505,123

Note Payable – The Housing Authority of the City of Lafayette, Louisiana

For construction and development purposes, The Housing Authority of the City of Lafayette, Louisiana (HACL), has loaned the Partnership $435,924. This loan is secured by, among other things, a mortgage on real estate. The loan bears interest at the rate of 5.00%. The loan shall be repaid in consecutive monthly installments of principal and interest, each in the amount of $2,340 payable on the first day of each month beginning on January 1, 2007; however, such payments of principal and interest shall be made only from Cash Flow, as that term is defined in the Partnership Agreement. As of December 31, 2022 and 2021, the loan balance was $435,924 and $435,924 and with accrued interest of $326,928 and $305,132, respectively.

NOTE D – NOTES PAYABLE (CONTINUED)

Maturities of Long-Term Debt

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

Year Ending December 31	Amount	
2023	$	16,396
2024	$	17,615
2025	$	18,924
2026	$	20,330
2027	$	430,438
Thereafter	$	435,924

The Partnership's HACL loan is to be repaid from cash flow. As a result, the aggregate maturities of the HACL loan for the next five years cannot be reasonably estimated.

NOTE E – CONTINGENCIES

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

NOTE F – TRANSACTIONS WITH RELATED PARTIES

Partnership Management Fee

The Partnership has entered into an Agreement with the General Partner for its services in managing the affairs of the Partnership, subject, however, to the limitations on its authority set forth in the Partnership Agreement (sections 6.2 & 6.3). The Partnership shall pay the General Partner the Partnership Management Fee solely from the available net Cash Flow of the Partnership in the amount of $8,000 on a cumulative basis and priority specified in §5.1(a)(viii) in the Partnership Agreement. During the years ended December 31, 2022 and 2021, the Partnership incurred Partnership Management Fees in the amount of $8,000 for both years. As of December 31, 2022 and 2021, Partnership Management Fees payable totaled $124,208 and $116,208, respectively.

NOTE F – TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

Asset Management Fee

The Partnership has entered into an Agreement with National Equity Fund, Inc., an affiliate of the Limited Partner, for its services in property management oversight, tax credit compliance monitoring and related services. The Partnership shall pay National Equity Fund, Inc. the Asset Management Fee annually on a cumulative basis in the amount of $3,000, increased annually by 3%, in the priority specified in §5.1(a)(ii) in the Partnership Agreement. During the years ended December 31, 2022 and 2021, the Partnership incurred Asset Management Fees in the amount of $8,953 and $4,537, respectively. As of December 31, 2022 and 2021, Asset Management Fees payable totaled $17,895 and $8,942, respectively.

Developer Fee

The Partnership entered into a development agreement with Lafayette Low Income Housing Management Corporation, the General Partner. The agreement provides for a development fee of $650,000 for services to be performed in connection with the development of the Project. The total fee was earned and capitalized into the cost of the building. The fee is non interest bearing and paid out of available Cash Flows, as defined by the Partnership Agreement. As of December 31, 2022 and 2021, the balance of the development fee payable was $97,456 and $97,456, respectively, of which $97,456 and $97,456, respectively, represents the deferred portion. Per the Developer Agreement, deferred developer fees will accrue interest at the rate of 4.79% per annum on any unpaid portion. As of December 31, 2022 and 2021, accrued interest payable was $45,337 and $40,669, respectively.

Due to The Housing Authority of the City of Lafayette, Louisiana

The Housing Authority of the City of Lafayette, Louisiana, an affiliate of the General Partner, has advanced the Partnership $550,458 for operating costs and construction and development costs during prior years. The advance is unsecured and non-interest bearing. The balance owed at December 31, 2022 and 2021, was $550,458 and $550,458, respectively.

NOTE G – PARTNERSHIP PROFITS AND LOSSES AND DISTRIBUTIONS

All profits, losses, and credits, otherwise provided in §4.2 of the Partnership Agreement, are allocated .01 % to the General Partner and 99.99% to the Limited Partner.

Net Cash Flow available for distributions to the partners shall be paid in accordance with the terms and conditions of the Partnership Agreement as follows:

(i.) First, to the Limited Partner to the extent of any amount which the Limited Partner is entitled to receive to satisfy any Credit Reduction Payment required pursuant to §6.9 of the Partnership Agreement;

(ii.) Second, payment of any accrued and payable Asset Management Fees to the Asset Manager;

(iii.) Third, to the Sponsor to pay any unpaid balance on the Deferred Development Fee;

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

(iv.) Fourth, to the Operating Reserve Account until such time as such account is equal to the Operating Reserve Target Amount;

(v.) To pay any accrued and unpaid interest and unpaid principal on loans made by the Limited Partner pursuant to §3.7 of the Partnership Agreement;

(vi.) To repay any accrued and unpaid interest and unpaid principal on loans made by the General Partner pursuant to §3.7 of the Partnership Agreement;

(vii.) To repay any amounts to the General Partner (in the order of loans made, with earlier loans repaid in full before subsequent loans are repaid) treated as loans to the Partnership (without interest) pursuant to §6.4(f)(i) or §6.4(f)(ii) of the Partnership Agreement and not yet repaid;

(viii.) Eighth, $8,000 to the General Partner as a Partnership Management Fee, on a cumulative basis;

(ix.) Ninth, to the Special Purpose Reserve Account, pursuant to §6.4(g)(iv) of the Partnership Agreement, until such account is equal to the Special Purpose Reserve Target Amount; and

(x.) Tenth, to the Sponsor to pay any accrued and unpaid interest and unpaid principal on the Subordinate Loan.

NOTE H – OPERATING DEFICIT GUARANTY

The General Partner shall be obligated to provide any funds needed by the Partnership, after all funds in the Operating Reserve have been used, to fund Operating Deficits during the Operating Deficit Guaranty Period. Such Guaranty obligation shall be limited to the Operating Deficit Guaranty Amount of $62,417. The General Partner shall be required, upon the reduction of the Operating Reserve Account to zero, to promptly provide funds to the Partnership in an amount up to the operating Deficit Guaranty Amount for Operating Deficits occurring during the operating Deficit Guaranty Period. Repayment of any letters of credit or other borrowings arranged by the General Partner to meet its obligations under this §6.4(f)(ii)(B) shall be the sole obligation of the General Partner. Funds made available by the General Partner to fulfill its obligations pursuant to this §6.4(f)(ii)(B) may be reimbursed to the General Partner, without interest, in accordance with §5.1 hereof, or out of the proceeds of refinancing or sale pursuant to § 5.2 hereof.

If the Operating Deficits overruns are due to the gross negligence or willful misconduct of the General Partner, and then any guaranty advances made by the General Partner to cover such costs shall be deemed to be damages that are not repayable as loans to the Partnership. In the event that an operating deficit exists at any time during the period ending on the fourth anniversary of substantial completion of the development, the General Partner shall provide such funds to the Partnership as shall be necessary to pay such operating deficits in the form of additional capital contributions to the Partnership (the Operating Deficit Capital Contributions).

NOTE I – ADVERTISING

Advertising costs are expensed as incurred. For the years ended December 31, 2022 and 2021, the Partnership incurred advertising costs in the amount of $573 and $489, respectively.

NOTE J – PROPERTY TAXES

Pursuant to the State of Louisiana Constitution and a decision reached by the Court of Appeal of Louisiana, Fourth Court, the Lafayette Parish Board of Assessors granted the Partnership an exemption from the assessment and payment of ad valorem (property) taxes.

NOTE K – TAXABLE INCOME (LOSS)

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

	2022	2021
Financial statement net income (loss)	$ (153,343)	$ (79,271)
Adjustments:		
Excess of Depreciation/Amortization for income tax purposes over financial reporting purposes	47,708	12,564
Other Expense	4,949	(11,242)
Taxable income (loss) as shown on tax return	$ (100,686)	$ (77,949)

NOTE L – CURRENT VULNERABILITY DUE TO CERTAIN CONCENTRATIONS

The Partnership's sole asset is St. Antoine Gardens. The Partnership's operations are concentrated in the low-income real estate market. In addition, the Partnership operates in a heavily regulated environment. The operations of the Partnership are subject to the administrative directives, rules and regulations of federal and state regulatory agencies, including but not limited to, the state housing financing agency. Such administrative directives, rules and regulations are subject to change by federal and state agencies. Such changes may occur with little notice or inadequate funding to pay for related cost, including the additional administrative burden, to comply with a change.

NOTE M – CASUALTY CLAIM

During the year ended December 31, 2020, the apartment complex was damaged by a hurricane. The apartment complex filed a claim with the insurance company to receive proceeds in the amount of $185,715. The apartment complex incurred repair costs related to the hurricane in the amount of $58,854. As of December 31, 2020, the repairs to the apartment complex due to the hurricane damage have not been completed, and there were deferred insurance proceeds in the amount of $126,861. During the year ended December 31, 2021, the repairs to the apartment complex were completed. The Partnership disposed of fixed asset costs related to the claim in the amount of $177,879 with an unrecoverable book value of $115,619, which resulted in a net casualty gain of $70,096 for the year ended December 31, 2021, from the disposal and restoration related to the hurricane.

NOTE N – SUBSEQUENT EVENTS

The Partnership has evaluated subsequent events through February 13, 2023, the date which the financial statements were available for issue.

SUPPLEMENTAL INFORMATION

ST. ANTOINE GARDENS LIMITED PARTNERSHIP
SCHEDULE OF EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	2022	2021
MAINTENANCE AND REPAIRS		
General Maintenance	$ 27,363	$ 38,475
Maintenance Supplies	9,398	12,574
Landscaping	21,749	20,576
Decorating	39	635
Painting	217	2,267
Pest Control	2,863	7,924
Contract Labor	4,694	3,097
Total Maintenance and Repairs	$ 66,323	$ 85,548
UTILITIES		
Electricity	$ 2,662	$ 3,604
Water and Sewer	907	1,206
Garbage and Trash Removal	1,191	1,198
Total Utilities	$ 4,760	$ 6,008
ADMINISTRATIVE		
Manager Salaries	$ 15,756	$ 15,330
Professional Fees	2,827	5,070
Telephone	519	488
Bank and Loan Fees	1,867	1,445
Advertising	573	489
Office Expense	177	212
Office Supplies	180	180
Accounting/Bookkeeping Fees	1,151	634
Uniform Expense	-	196
Training Expense	715	116
Other Administrative Expense	3,961	3,789
Total Administrative	$ 27,726	$ 27,949
TAXES		
Payroll Taxes	$ 10,643	$ 13,946
Total Taxes	$ 10,643	$ 13,946

ST. ANTOINE GARDENS LIMITED PARTNERSHIP
SCHEDULE OF EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	2022	2021
INSURANCE		
Workers' Comp Insurance	$ 2,008	$ 1,751
Property and Liability Insurance	46,745	34,894
Total Insurance	$ 48,753	$ 36,645
INTEREST EXPENSE		
Interest Expense - Mortgage	$ 42,368	$ 43,600
Interest Expense - AHP and HOME	21,796	21,796
Interest Expense - Developer Fee	4,668	4,668
Total Interest Expense	$ 68,832	$ 70,064

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

To the Partners and Management of
St. Antoine Gardens Limited Partnership,
A Louisiana Partnership in Commendam
Lafayette, Louisiana

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of St. Antoine Gardens Limited Partnership, A Louisiana Partnership in Commendam (ALPIC), which comprise the balance sheet as of December 31, 2022, and the related statements of operations, partners' equity (deficit), and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated February 13, 2023.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether St. Antoine Gardens Limited Partnership, ALPIC's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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Purpose of this Report

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

Little & Associates, LLC

Monroe, Louisiana
February 13, 2023

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ST. ANTOINE GARDENS
LIMITED PARTNERSHIP

SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS
TO THE AGENCY HEAD OR CHIEF EXECUTIVE OFFICER

FOR THE YEAR ENDED DECEMBER 31, 2022

Please refer to the Schedule of Compensation, Benefits and Other Payments to the Agency Head or Chief Executive Officer included in the Lafayette Housing Authority's audit report for information relative to compensation, benefits and other payments to the agency head or chief executive officer.

Schedule 1

St. Antoine Gardens Limited Partnership
Schedule of Findings and Responses
For the Year Ended December 31, 2022

SECTION I – SUMMARY OF AUDIT RESULTS

Financial Statement Audit

Type of auditors' report issued:		Unmodified
Internal Control over financial reporting: Material Weaknesses identified?	___ Yes	_X_ No
Significant deficiencies identified that are not considered to be material weaknesses?	___ Yes	_X_ None Noted
Noncompliance material to financial statements noted?	___ Yes	_X_ None Noted

SECTION II – FINDINGS - FINANCIAL STATEMENTS AUDIT

None

Schedule 2

St. Antoine Gardens Limited Partnership
Summary Schedule of Prior Audit Findings
For the Year Ended December 31, 2021

The status of the prior year audit findings are summarized as follows:

None