

STUDIO 114, LLC

AUDITED FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

STUDIO 114, LLC
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INDEPENDENT AUDITORS' REPORT

To the Members and Management
of Studio 114, LLC
Lafayette, Louisiana

We have audited the accompanying financial statements of Studio 114, LLC (a Louisiana Limited Liability Company), which comprise the balance sheets as of December 31, 2020 and 2019, and the related statements of operations, member's equity, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statement

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the balance sheets referred to above present fairly, in all material respects, the financial position of Studio 114, LLC as of December 31, 2020 and 2019, and the results of its operations, changes in member's equity, and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Expenses and the Schedule of Compensation, Benefits, and Other Payments to the Agency Head or Chief Executive Officer are presented for purposes of additional analysis and are 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 April 7, 2021, on our consideration of Studio 114, LLC'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 Studio 114, LLC's internal control over financial reporting on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Studio 114, LLC's internal control over financial reporting and compliance.

Little & Associates, LLC

Monroe, LA
April 7, 2021

STUDIO 114, LLC
BALANCE SHEETS
DECEMBER 31,

ASSETS

	<u>2020</u>	<u>2019</u>
CURRENT ASSETS		
Cash - Operations	\$ 2,451	\$ 7,293
Accounts Receivable - Tenants	1,415	5,779
Prepaid Expenses	4,264	3,464
Total Current Assets	<u>8,130</u>	<u>16,536</u>
 RESTRICTED DEPOSITS AND FUNDED RESERVES		
Replacement Reserve	10,840	6,340
Tenants' Security Deposits	5,656	6,235
Total Restricted Deposits and Funded Reserves	<u>16,496</u>	<u>12,575</u>
 PROPERTY AND EQUIPMENT		
Buildings	2,313,551	2,313,551
Furniture and Equipment	281,756	281,756
Site Improvements	74,839	74,839
Total	<u>2,670,146</u>	<u>2,670,146</u>
Less: Accumulated Depreciation	<u>(598,375)</u>	<u>(508,619)</u>
Net Depreciable Assets	2,071,771	2,161,527
Land	61,826	61,826
Total Property and Equipment	<u>2,133,597</u>	<u>2,223,353</u>
 OTHER ASSETS		
Utility Deposits	<u>800</u>	<u>800</u>
Total Other Assets	<u>800</u>	<u>800</u>
 Total Assets	 <u><u>\$ 2,159,023</u></u>	 <u><u>\$ 2,253,264</u></u>

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

STUDIO 114, LLC
BALANCE SHEETS
DECEMBER 31,

LIABILITIES AND MEMBER'S EQUITY

	2020	2019
CURRENT LIABILITIES		
Accounts Payable	\$ 1,946	\$ 534
Accrued Expenses	1,611	826
Deferred Rent	417	276
Accrued Management Fees	503	523
Due to Related Parties	23,550	23,550
Accrued Interest Payable	1,025	1,044
Current Portion Long-Term Debt	14,849	14,232
Total Current Liabilities	43,901	40,985
 DEPOSITS		
Tenant Security Deposits	5,656	6,235
Total Deposits	5,656	6,235
 LONG-TERM LIABILITIES		
Notes Payable - LPTFA	555,805	555,805
Mortgage Note Payable - CFB, Net of Unamortized Debt Issuance Costs	572,842	587,395
Deferred Developer Fee Payable	43,173	43,173
Total Long-Term Liabilities	1,171,820	1,186,373
Total Liabilities	1,221,377	1,233,593
 MEMBER'S EQUITY		
Member's Equity	937,646	1,019,671
Total Member's Equity	937,646	1,019,671
Total Liabilities and Member's Equity	\$ 2,159,023	\$ 2,253,264

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

STUDIO 114, LLC
 STATEMENTS OF OPERATIONS
 FOR THE YEARS ENDED DECEMBER 31,

	2020	2019
REVENUE		
Rental Income	\$ 116,140	\$ 117,875
Vacancy	(8,416)	(14,313)
Late Fees, Forfeited Deposits, etc.	1,128	1,836
Concessions	(1,200)	(3,644)
Bad Debts	-	(2,432)
Total Revenue	107,652	99,322
 EXPENSES		
Maintenance and Repairs	25,566	18,496
Utilities	4,891	9,568
Administrative	19,355	19,070
Management Fees	6,509	6,114
Taxes	1,914	1,429
Insurance	16,066	12,557
Interest	25,620	26,130
Depreciation and Amortization	89,756	89,757
Total Expenses	189,677	183,121
 Net Income (Loss)	 \$ (82,025)	 \$ (83,799)

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

STUDIO 114, LLC
 STATEMENTS OF MEMBER'S EQUITY
 FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	Total	Lafayette Public Trust Financing Authority
Member's Equity, December 31, 2018	\$ 1,103,470	\$ 1,103,470
Net Income (Loss)	(83,799)	(83,799)
Member's Equity, December 31, 2019	1,019,671	1,019,671
Net Income (Loss)	(82,025)	(82,025)
Member's Equity, December 31, 2020	\$ 937,646	\$ 937,646
Profit and Loss Percentages	100.00%	100.00%

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

STUDIO 114, LLC
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31,

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Income (Loss)	\$ (82,025)	\$ (83,799)
Adjustments to Reconcile Net Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Depreciation and Amortization	90,049	89,949
(Increase) Decrease in Accounts Receivable - Tenants	4,364	(3,130)
(Increase) Decrease in Prepaid Expenses	(800)	(425)
Increase (Decrease) in Accounts Payable	1,412	94
Increase (Decrease) in Deferred Rent	141	(1,091)
Increase (Decrease) in Accrued Management Fee	(20)	523
Increase (Decrease) in Accrued Expenses	785	(1,029)
Increase (Decrease) in Accrued Interest Payable	(19)	-
Increase (Decrease) in Security Deposit Liability	(579)	237
Total Adjustments	<u>95,333</u>	<u>85,128</u>
Net Cash Provided (Used) by Operating Activities	<u>13,308</u>	<u>1,329</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Principal Payments on Long-Term Debt	(14,229)	(13,636)
Net Change in Due to Related Parties	-	8,550
Net Cash Provided (Used) by Financing Activities	<u>(14,229)</u>	<u>(5,086)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(921)	(3,757)
Cash and Cash Equivalents, Beginning of Year	<u>19,868</u>	<u>23,625</u>
Cash and Cash Equivalents, End of Year	<u>\$ 18,947</u>	<u>\$ 19,868</u>
Supplemental Disclosures of Cash Flow Information:		
Cash and Cash Equivalents		
Cash - Operations	\$ 2,451	\$ 7,293
Replacement Reserve	10,840	6,340
Tenants' Security Deposits	5,656	6,235
Total Cash and Cash Equivalents	<u>\$ 18,947</u>	<u>\$ 19,868</u>

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

STUDIO 114, LLC
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31,

	<u>2020</u>	<u>2019</u>
Supplemental Disclosures of Cash Flow Information (Continued):		
Cash paid During the Year for:		
Interest	<u>\$ 25,346</u>	<u>\$ 25,938</u>

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

STUDIO 114, LLC
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE A – ORGANIZATION

Studio 114, LLC, (the “Company”), a Louisiana Limited Liability Company, was organized during the year ended December 31, 2010 to rehabilitate, develop, and operate a 15-unit apartment project, known as The Studios at LWG (the “Project”) in Lafayette, Louisiana. The Project consists of 8 HOME assisted and 7 market rate apartments. The Project is rented to low-income tenants and is operated in a manner necessary to comply with the Louisiana Housing Corporation, formally Louisiana Housing Finance Agency, Urban Rental Development Grant Agreement under the HOME Investment Partnership Program. The major activities of the Company 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 Company 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

The Company has a checking account at one or more 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, 2020, there were no uninsured deposits.

STUDIO 114, LLC
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 Company's reported earnings, financial condition or cash flows.

Collateralization Policy for Financial Instruments

The Company 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. Upon completion of the project, depreciation will be 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.

Organization Costs

Organization costs are expensed as incurred.

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.

Income Taxes

The Company is a single member limited liability company and was structured as a disregarded entity for U.S. federal, state, and local income tax purposes. Accordingly, no provision for income taxes is made in the Company's financial statements.

STUDIO 114, LLC
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE C – RESTRICTED RESERVES

Replacement Reserve

In accordance with the Louisiana Housing Finance Agency 2011-2012 Home NOFA Award Urban Rental Development Grant Agreement, the Company shall deposit the sum of \$4,500 (or \$300 per unit) each year (the “Reserve Deposit”) into an account to be maintained at Community First Bank under the control of the Company provided that such funds may only be used by the Company for reimbursement to the operating account of expenditures made for capital repairs and replacements (generally, items that are depreciated). For the year ended December 31, 2020, \$4,500 was required to be funded to the Replacement Reserve account. The actual amount funded during the year ended December 31, 2020 was \$4,500, which resulted in the account being adequately funded for the year ended December 31, 2020. For the year ended December 31, 2019, \$4,500 was required to be funded to the Replacement Reserve account. The actual amount funded during the year ended December 31, 2019 was \$1,875, which resulted in the account being underfunded by \$2,625 for the year ended December 31, 2019. As of December 31, 2020, the account was underfunded by a total amount of \$2,625. As of December 31, 2020 and 2019, the Replacement Reserve had a balance of \$10,840 and \$6,340, respectively.

Replacement Reserve Account activity for the years ended December 31, 2020 and 2019 is as follows:

Beginning Balance 12/31/2018	\$	13,538
Deposits		1,875
Interest		–
Withdrawals		(9,073)
Ending Balance 12/31/2019		6,340
Deposits		4,500
Interest		–
Withdrawals		(–)
Ending Balance 12/31/2020	\$	10,840

NOTE D – MEMBER AND CAPITAL CONTRIBUTIONS

The Company has one member (Lafayette Public Trust Financing Authority). The Company records capital contributions as received and distributions as paid. During the years ended December 31, 2020 and 2019, the Company did not receive any contributions from the Member and no distributions were paid to the Member. As of December 31, 2020, the total capital contributions provided by the Member were \$0.

STUDIO 114, LLC
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE E – NOTES PAYABLE

Permanent Loan

During the year ended December 31, 2014, the Company converted its construction loan to a permanent loan with Community First Bank (CFB). The maximum loan amount that will be drawn is 800,000. The interest rate is a fixed rate at 4.25% per annum. Monthly payments of principal and interest in the amount of \$3,298 are due. The final payment will be due on July 16, 2024, the maturity date. The loan is primarily collateralized by a first mortgage on the Company's land and all subsequent improvements and assignment of the project's architectural plans, leases and rents, and all committed subsidies for the project. As of December 31, 2020 and 2019, the balance of the loan was \$588,536 and \$602,765, respectively. As of December 31, 2020 and 2019, the loan accrued interest in the amount of \$1,025 and \$1,044, respectively.

	2020	2019
Note Payable – CFB	\$ 588,536	\$ 602,765
Less: Unamortized Debt Issuance Costs	(845)	(1,138)
Note Payable – CFB, Net	\$ 587,691	\$ 601,627

Notes Payable – Lafayette Public Trust Financing Authority (LPTFA)

On October 24, 2012, the Company entered into a loan agreement with Lafayette Public Trust Financing Authority, the Member, in the amount of \$1,010,000. The interest rate is a fixed rate of 0%. Commencing January 1, 2014, annual payments are required consisting of fifty percent (50%) of the net cash flow for the twelve (12) month period immediately preceding each payment. All outstanding principle shall be due and payable at the earlier to occur of December 30, 2030, the maturity date, or the sale, refinance, recapitalization or other material capital event related to the Project. The loan is collateralized by a second mortgage on the property. As of December 31, 2020 and 2019, the balance of the loan was \$549,000 and \$549,000, respectively.

On May 24, 2018, the Company entered into a loan agreement with Lafayette Public Trust Financing Authority, the Member, in the amount of \$6,805. The interest rate is a fixed rate of 0%. All outstanding principle shall be due and payable at the earlier to occur of May 24, 2048, the maturity date, or the sale, refinance, recapitalization or other material capital event related to the Project. The loan is collateralized by the land and property. As of December 31, 2020 and 2019, the balance of the loan was \$6,805 and \$6,805, respectively.

STUDIO 114, LLC
 NOTES TO THE FINANCIAL STATEMENTS
 DECEMBER 31, 2020 AND 2019

NOTE E – NOTES PAYABLE (CONTINUED)

Maturities of Long-Term Debt

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

<u>Year Ending</u> <u>December 31</u>	<u>Amount</u>
2021	\$ 14,849
2022	\$ 15,492
2023	\$ 16,163
2024	\$ 542,032
2025	\$ —
Thereafter	\$ 555,805

NOTE F – TRANSACTIONS WITH AFFILIATES AND RELATED PARTIES

Developer Fee

On June 1, 2012, the Company entered into a Project Consultant Agreement with The Cartesian Company, Inc. in the amount of \$145,000 and a developer services agreement with the Lafayette Public Trust Financing Authority, the Member, in the amount of \$205,349 for services rendered for overseeing the construction and development of the apartment complex. These developer fees are capitalized into the basis of the building. As of December 31, 2020 and 2019, developer fees in the amount of \$43,173 and \$43,173, respectively, were payable and considered deferred. The remaining developer fees payable as of December 31, 2020 and 2019 were owed to Lafayette Public Trust Financing Authority.

Due to Related Party

During the years ended December 31, 2019 and 2017, Lafayette Public Trust Financing Authority, the Member, paid operating costs in the amount of \$8,550 and \$15,000 on behalf of the Company, respectively. As of December 31, 2020 and 2019, the Company owed \$23,550 and \$23,550 to Lafayette Public Trust Financing Authority, respectively.

NOTE G – CONTINGENCY

The Company's Low Income Housing Tax Credits are contingent on its ability to maintain compliance with applicable sections of Section 42. Failure to maintain compliance with the occupant eligibility, and/or unit gross rent, or to correct noncompliance within a specified time period could result in recapture of previously taken tax credits plus interest.

STUDIO 114, LLC
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE H – CURRENT VULNERABILITY DUE TO CERTAIN CONCENTRATIONS

The Company's sole asset is The Studios at LWG. The Company's operations are concentrated in the low-income real estate market. In addition, the Company operates in a heavily regulated environment. The operations of the Company 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 I – RISKS AND UNCERTAINTIES

In March 2020, the worldwide Coronavirus (Covid 19) outbreak was declared a pandemic by the World Health Organization. On March 22, 2020, the Governor of Louisiana issued a stay-at-home order; whereby, only essential businesses were allowed to remain open. The stay-at-home order may impact the Partnership's collection of revenues due to tenants' potential inability to work and pay monthly rents. If the Partnership should experience a disruption in collection of rents, this could adversely affect the Partnership's ability to meet its obligations in the future. As of the report date, the State of Louisiana was in phase II which did allow non-essential businesses to re-open at 50% capacity. In addition, the Coronavirus Aid, Relief and Economic Security (CARES) Act provides for a federal moratorium on evictions of tenants who cannot afford to pay their rent during the pandemic and live in government subsidized housing or landlords with rental properties with federally-backed mortgages. The CARES act expired on July 25, 2020. The Consolidated Appropriations Act, 2021 extended the federal moratorium until January 31, 2021, then until March 31, 2021, which has been further extended until June 30, 2021. Although the Partnership has not experienced a material negative impact to its results of operations, cash flows and financial position as of the report date, any future material negative impact is unknown at this time due to the highly unpredictable nature of this virus and its effects and disruption to businesses in the future.

NOTE J – SUBSEQUENT EVENTS

The Company has evaluated subsequent events through April 7, 2021, which is the date the financial statements were available for issue.

SUPPLEMENTARY INFORMATION

STUDIO 114, LLC
SCHEDULE OF EXPENSES
FOR THE YEARS ENDED DECEMBER 31,

	2020	2019
MAINTENANCE AND REPAIRS		
Salaries	\$ 14,582	\$ 6,332
Supplies and Repairs	315	1,397
Painting and Decorating	150	510
Grounds	1,820	1,485
Services	3,085	1,833
Pest Control	625	1,666
Garbage and Trash Removal	4,989	5,234
Other Operating Expenses	-	39
Total Maintenance and Repairs	\$ 25,566	\$ 18,496
UTILITIES		
Electricity	\$ 4,066	\$ 8,416
Water	245	579
Sewer	580	573
Total Utilities	\$ 4,891	\$ 9,568
ADMINISTRATIVE		
Salaries	\$ 9,125	\$ 5,477
Accounting	808	1,825
Legal and Professional Expenses	6,408	6,241
Administrative Fee - LBPMI	-	250
Telephone	1,078	1,411
Office Expenses	824	3,375
Bank Charges	563	106
Travel	-	71
Training	549	125
Other Administrative Expenses	-	189
Total Administrative	\$ 19,355	\$ 19,070
TAXES		
Payroll Taxes	\$ 1,914	\$ 1,429
Total Taxes	\$ 1,914	\$ 1,429
INSURANCE		
Property and Liability Insurance	\$ 14,745	\$ 12,557
Fidelity Bond	47	-
Workmen's Compensation Insurance	309	-
Health Insurance and Other Employee Benefits	965	-
Total Insurance	\$ 16,066	\$ 12,557
INTEREST EXPENSE		
Interest on Mortgage	\$ 25,620	\$ 26,130
Total Interest Expense	\$ 25,620	\$ 26,130



**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 Members and Management of
Studio 114, LLC
Lafayette, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Studio 114, LLC, which comprise the balance sheet as of December 31, 2020, and the related statements of operations, changes in member's equity, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated April 7, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Studio 114, LLC'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 Studio 114, LLC's internal control. Accordingly, we do not express an opinion on the effectiveness of Studio 114, LLC'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 Studio 114, LLC's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Studio 114, LLC'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*.

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 Studio 114, LLC's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Studio 114, LLC's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Little & Associates, LLC

Monroe, Louisiana
April 7, 2021

STUDIO 114, LLC

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

FOR THE YEAR ENDED DECEMBER 31, 2020

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

Studio 114, LLC
Schedule of Findings and Responses
For the Year Ended December 31, 2020

SECTION I – SUMMARY OF AUDIT RESULTS

Financial Statement Audit

Type of auditors' report issued:		Unmodified
Internal Control over financial reporting: Material Weaknesses identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Significant deficiencies identified that are not considered to be material weaknesses?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> None Noted
Noncompliance material to financial statements noted?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> None Noted

SECTION II – FINDINGS - FINANCIAL STATEMENTS AUDIT

There were no finding for the year ended December 31, 2020.

Studio 114, LLC
Summary Schedule of Prior Audit Findings
For the Year Ended December 31, 2020

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

There were no findings for the year ended December 31, 2019.