ST. ANTOINE GARDENS
LIMITED PARTNERSHIP

AUDITED FINANCIAL STATEMENTS

DECEMBER 31, 2013 AND 2012

ST. ANTOINE GARDENS LIMITED PARTNERSHIP

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LITTLE & ASSOCIATES LLC
CERTIFIED PUBLIC ACCOUNTANTS

Wm. TODD LITTLE, CPA

INDEPENDENT AUDITORS' REPORT

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

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, 2013 and 2012 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.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of St. Antoine Gardens Limited Partnership as of December 31, 2013 and 2012, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Expenses 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 March 12, 2014, 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering St. Antoine Gardens Limited Partnership's internal control over financial reporting and compliance.

Little & Associates, LLC

Monroe, LA
March 12, 2014

ST. ANTOINE GARDENS LIMITED PARTNERSHIP
BALANCE SHEETS
DECEMBER 31, 2013 AND 2012

ASSETS

	2013	2012
CURRENT ASSETS		
Cash and Cash Equivalents	$ 38,636	$ 94,472
Accounts Receivable - Tenants (Net)	2,170	3,442
Accounts Receivable - Other	1,117	-
Prepaid Expenses	13,323	13,212
Total Current Assets	55,246	111,126
RESTRICTED DEPOSITS AND FUNDED RESERVES		
Special Purpose Reserve	24,111	198,157
Replacement Reserves	33,952	24,928
Operating Reserves	97,390	97,304
Insurance Escrow	26,513	23,921
Tenants' Security Deposits	18,424	21,525
Total Restricted Deposits and Funded Reserves	200,390	365,835
PROPERTY AND EQUIPMENT		
Buildings	4,780,371	4,780,371
Furniture and Fixtures	76,619	76,619
Site Improvements	187,623	187,623
Total	5,044,613	5,044,613
Less: Accumulated Depreciation	(871,447)	(734,731)
Net Depreciable Assets	4,173,166	4,309,882
Land	98,500	98,500
Total Property and Equipment	4,271,666	4,408,382
OTHER ASSETS		
Tax Credit Costs, Net of Accumulated Amortization	7,677	9,924
Permanent Loans Fees, Net of Accumulated Amortization	59,658	65,385
Syndication Costs	49,500	49,500
Total Other Assets	116,835	124,809
Total Assets	$ 4,644,137	$ 5,010,152

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

ST. ANTOINE GARDENS LIMITED PARTNERSHIP
BALANCE SHEETS
DECEMBER 31, 2013 AND 2012

LIABILITIES AND PARTNERS' EQUITY

	2013	2012
CURRENT LIABILITIES		
Accounts Payable	$ 394	$ 152
Accrued Interest Payable	3,646	3,694
Prepaid Rent	389	2,334
Current Portion of Long-Term Debt	8,601	8,006
Total Current Liabilities	13,030	14,186
DEPOSITS		
Tenant's Security Deposits	18,424	21,685
Total Deposits	18,424	21,685
LONG-TERM LIABILITIES		
Note Payable - JP Morgan Chase Bank, NA	599,991	608,592
Note Payable - HACL	435,924	435,924
Accrued Interest Payable - HACL	130,764	108,968
Asset Management Fee Payable	3,582	10,320
Partnership Management Fee Payable	52,208	44,208
Advance from Related Party	550,458	550,458
Accrued Interest Payable - Developer Fee	3,325	17,481
Deferred Developer Fee Payable	97,456	336,750
Total Long-Term Liabilities	1,873,708	2,112,701
Total Liabilities	1,905,162	2,148,572
PARTNERS' EQUITY		
Partners' Equity	2,738,975	2,861,580
Total Partners' Equity	2,738,975	2,861,580
Total Liabilities and Partners' Equity	$ 4,644,137	$ 5,010,152

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, 2013 AND 2012

	2013	2012
REVENUE		
Rental Income	$ 253,958	$ 246,583
Vacancy	(13,854)	(4,337)
Late Fees	3,050	3,850
Application Fees	735	495
Forfeited Deposits	3,833	1,383
Miscellaneous Income	1,524	626
Total Revenue	249,246	248,600
OPERATING EXPENSES		
Maintenance	63,180	78,132
Utilities	1,904	900
Administrative	26,139	29,093
Management Fees	15,828	14,556
Taxes	8,387	8,666
Insurance	31,865	18,496
Interest	71,371	74,984
Depreciation and Amortization	144,690	144,483
Total Operating Expenses	363,364	369,310
Net Income (Loss) from Rental Operations	(114,118)	(120,710)
OTHER REVENUE (EXPENSES)		
Gain on Sale of Assets	3,000	-
Asset Management Fees	(3,487)	(3,573)
Partnership Management Fees	(8,000)	(8,000)
Total Other Expenses	(8,487)	(11,573)
Net Income (Loss)	$ (122,605)	$ (132,283)

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, 2013 AND 2012

	Total	General Partner Lafayette Low Income Housing Management	Limited Partner NEF Assignment Corporation
Partners' Equity (Deficit), January 1, 2012	$ 2,993,863	$ (73)	$ 2,993,936
Net Profit (Loss)	(132,283)	(13)	(132,270)
Partners' Equity (Deficit), December 31, 2012	2,861,580	(86)	2,861,666
Net Profit (Loss)	(122,605)	(12)	(122,593)
Partners' Equity (Deficit), December 31, 2013	$ 2,738,975	$ (98)	$ 2,739,073
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, 2013 AND 2012

	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Loss	$ (122,605)	$ (132,283)
Adjustments to Reconcile Net Loss to Net Cash		
Provided (Used) by Operating Activities:		
Depreciation and Amortization	144,690	144,483
(Increase) Decrease in Insurance Escrow	(2,592)	(2,698)
(Increase) Decrease in Accounts Receivable - Tenants	1,272	1,374
(Increase) Decrease in Accounts Receivable - Other	(1,117)	-
(Increase) Decrease in Prepaid Expenses	(111)	(13,212)
Increase (Decrease) in Accrued Interest Payable	7,592	30,344
Increase (Decrease) in Accounts Payable	242	152
Increase (Decrease) in Asset Management Fees Payable	(6,738)	3,573
Increase (Decrease) in Partnership Management Fees Payable	8,000	8,000
Increase (Decrease) in Deferred Rent	(1,945)	1,914
Net Security Deposits Received (Paid)	(160)	160
Total Adjustments	149,133	174,090
Net Cash Provided (Used) by Operating Activities	26,528	41,807
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisition/Construction of Buildings and Equipment	-	(19,800)
Deposits to Replacement Reserves	(9,024)	(9,064)
Deposits to Operating Reserves	(86)	(41)
Deposits to Special Purpose Reserve	(61)	-
Withdrawals from Special Purpose Reserve	174,107	47
Net Cash Provided (Used) by Investing Activities	164,936	(28,858)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Principal Payment on Long Term Debt	(8,006)	(7,452)
Payment of Developer Fees Payable	(239,294)	-
Net Cash Provided (Used) by Financing Activities	(247,300)	(7,452)
Net Increase (Decrease) in Cash and Cash Equivalents	(55,836)	5,497
Cash and Cash Equivalents, Beginning of Year	94,472	88,975
Cash and Cash Equivalents, End of Year	$ 38,636	$ 94,472

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, 2013 AND 2012

		2013		2012
Supplemental Disclosures of Cash Flow Information:				
Cash paid During the Year for:				
Interest	$	63,779	$	44,640

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 statement of cash flows, cash and cash equivalents represent unrestricted cash and all highly liquid and unrestricted debt instruments purchased with a maturity of three months or less.

Cash and Other Deposits

At December 31, 2013, the Partnership maintains deposit accounts at various financial institutions. Noninterest-bearing transaction 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, 2013, 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 in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives using the straight-line method. 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 or losses are reflected in the statement of operations.

Amortization

Permanent financing costs are amortized over the term of the permanent loan using the straight-line method. 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, 2013 and 2012, accumulated amortization totaled $41,042 and $33,068.

Tenants' Security Deposits

Tenants' security deposits are held in a separate bank account in the name of the development. At December 31, 2013, this account was funded in an amount equal to 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.

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, 2013 and 2012, tenant receivables are reported net of an allowance for doubtful accounts in the amount of $7,504 and $4,633, 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.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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, 2013 and 2012, the Operating Reserve Account was funded in the amount of $97,390 and $97,304, respectively.

Reserve for Replacements

The Partnership Agreement requires that $300 per unit per year (to be increased annually by 3%) be deposited annually into a replacement reserve 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. As of December 31, 2013 and 2012, the Replacement Reserve Account was funded in the amount of $33,952 and $24,928, respectively. For the year ended December 31, 2013, $10,746 was required to be funded to the Replacement Reserve account. The actual amount funded during 2013 was $9,000, which resulted in the account being underfunded by $1,746.

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

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Special Purpose Reserve (Continued)

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, 2013 and 2012, the balance in this account was $24,111 and $198,157, 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. For the years ended December 31, 2013 and 2012, respectively, the Limited Partner did not make any capital contributions. 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 JPMorgan Chase Bank, NA. 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, 2013 and 2012, the loan balance was $608,592 and $616,598, respectively.

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, 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, 2013 and 2012, no payments were made and the loan balance was $435,924, each year, with accrued interest of $130,764 and $108,968, respectively.

NOTE D – NOTES PAYABLE (CONTINUED)

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

Year Ending December 31,		Amount
2014	$	8,601
2015	$	9,240
2016	$	9,927
2017	$	10,665
2018	$	11,457
Thereafter	$	994,626

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 2013 and 2012, the Partnership incurred Partnership Management Fees in the amount of $8,000 for both years. As of December 31, 2013 and 2012, Partnership Management Fees payable totaled $52,208 and $44,208, respectively.

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 2013 and 2012, the Partnership incurred Asset Management Fees in the amount of $3,487 and $3,573, respectively. During 2013, the Partnership paid $10,320 in Asset Management Fees. As of December 31, 2013 and 2012, Asset Management Fees payable totaled $3,582 and $10,320, respectively.

NOTE F – TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

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. During 2013 and 2012, no developer fees were paid. As of December 31, 2013 and 2012, the balance of the development fee payable was $97,456 and $336,750, respectively, of which $97,456 and $97,456, respectively, represents the deferred portion. Per the Developer Agreement, deferred developer fees in the amount of $161,459 will accrue interest at the rate of 4.79% per annum on any unpaid portion. As of December 31, 2013 and 2012, accrued interest payable was $3,325 and $17,481, 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 $501,292 for operating costs and construction and development costs. The advance is unsecured and non-interest bearing. During 2010, an additional $79,166 was advanced for operating costs and $30,000 was repaid. The balance owed at December 31, 2013 and 2012, was $550,458 each year, 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;

(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;

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

(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 – 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.

ST. ANTOINE GARDENS LIMITED PARTNERSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012

NOTE J – TAXABLE INCOME (LOSS)

A reconciliation of financial statement net loss to taxable loss of the Partnership for the years ended December 31, 2013 and 2012, are as follows:

	2013	2012
Financial statement net loss	$ (122,605)	$ (132,283)
Adjustments:		
Excess of Depreciation/Amortization for income tax purposes over financial reporting purposes.	40,516	37,673
Other Expense	17,361	(13,214)
Taxable loss as shown on tax return	$ (64,728)	$ (107,824)

NOTE K – SUBSEQUENT EVENTS

The Partnership has evaluated subsequent events through March 12, 2014, 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, 2013 AND 2012

	2013	2012
MAINTENANCE AND REPAIRS		
General Maintenance	$ 27,173	$ 26,423
Maintenance Supplies	21,826	27,184
Cleaning	1,303	1,492
Decorating	-	500
Painting	424	1,525
Pest Control	9,000	10,117
Contract Labor	3,454	10,891
Total Maintenance and Repairs	$ 63,180	$ 78,132
UTILITIES		
Electricity	$ 733	$ 284
Water and Sewer	723	374
Garbage and Trash Removal	448	242
Total Utilities	$ 1,904	$ 900
ADMINISTRATIVE		
Manager Salaries	$ 12,646	$ 15,432
Professional Fees	6,110	6,520
Telephone	760	654
Bank and Loan Fees	2,051	1,359
Office Expense	165	184
Office Supplies	243	134
Accounting/Bookkeeping Fees	2,220	2,220
Uniform Expense	58	54
Training Expense	729	1,785
Other Administrative Expense	1,157	751
Total Administrative	$ 26,139	$ 29,093
TAXES		
Payroll Taxes	$ 8,387	$ 8,666
Total Taxes	$ 8,387	$ 8,666

ST. ANTOINE GARDENS LIMITED PARTNERSHIP
SCHEDULE OF EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

	2013	2012
INSURANCE		
Property and Liability Insurance	$ 31,865	$ 18,496
Total Insurance	$ 31,865	$ 18,496
INTEREST EXPENSE		
Interest Expense - Mortgage	$ 44,025	$ 45,454
Interest Expense - AHP and HOME	21,796	21,796
Interest Expense - Developer Fee	5,550	7,734
Total Interest Expense	$ 71,371	$ 74,984

LITTLE & ASSOCIATES LLC
CERTIFIED PUBLIC ACCOUNTANTS

Wm. TODD LITTLE, CPA

Report on Internal Control
Over Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed in
Accordance With *Government Auditing Standards*

Independent Auditor's Report

To the Partners
St. Antoine Gardens Limited Partnership, A Louisiana Partnership in Commendam
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 St. Antoine Gardens Limited Partnership, A Louisiana Partnership in Commendam (ALPIC), as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise St. Antoine Gardens Limited Partnership, ALPIC's basic financial statements, and have issued our report thereon dated March 12, 2014.

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) to determine the 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 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.

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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 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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
March 12, 2014

St. Antoine Gardens Limited Partnership
Schedule of Findings and Responses
For the Year Ended December 31, 2013

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

St. Antoine Gardens Limited Partnership
Summary Schedule of Prior Audit Findings
For the Year Ended December 31, 2013

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

None