

2700 BOHN / RHODES LLC

**FINANCIAL STATEMENTS
AND
AUDITOR'S REPORT**

DECEMBER 31, 2019

2700 BOHN / RHODES LLC

FINANCIAL STATEMENTS AND AUDITOR'S REPORT

DECEMBER 31, 2019

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
2700 Bohn / Rhodes LLC

I have audited the accompanying financial statements of 2700 Bohn / Rhodes LLC which comprise the balance sheet as of December 31, 2019, and the related income statement and statement of cash flows for the year 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 controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate to the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Emphasis of Matter

As discussed in Note 4 to the financial statements, 2700 Bohn / Rhodes LLC may be impacted by disruptions in the economy and business operations associated with the coronavirus (COVID-19) pandemic. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration. My opinion is not modified with respect to this matter.

Supplementary Information

The accompanying Schedule of Compensation, Benefits, and Other Payments to Agency Head on page 11 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The information is the representation of management. I have reviewed the information and, based on my review, I am not aware of any material modifications that should be made to the information in order for it to be in accordance with accounting principles generally accepted in the United States of America. I have not audited the supplementary information and, accordingly, do not express an opinion on such information.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, I have also issued my report dated January 30, 2021, on my consideration of 2700 Bohn / Rhodes LLC's internal control over financial reporting and on my 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 my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 2700 Bohn / Rhodes LLC's internal control over financial reporting and compliance.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of 2700 Bohn / Rhodes LLC as of December 31 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Michelle Diaz CPA Inc.

New Orleans, Louisiana

January 30, 2021

2700 BOHN / RHODES, L.L.C.
Balance Sheet
December 31, 2019

ASSETS

Other Assets		
Notes Receivable	\$	2,105,363
Other Investments		(11,314)
Total assets	\$	<u>2,094,049</u>

LIABILITIES AND NET ASSETS

Current Liabilities		
Note Payable, current portion	\$	46,577
Long Term Liabilities		
Notes Payable		<u>2,058,786</u>
Total liabilities		2,105,363
Equity		<u>(11,314)</u>
Total liabilities and net assets	\$	<u>2,094,049</u>

The accompanying notes are an integral part of these financial statements

2700 BOHN / RHODES, L.L.C.

Income Statement

December 31, 2019

REVENUE	\$	-
EXPENSES		
Ordinary loss from partnership		(7,271)
Organizational expense, net		(597)
of amortization of \$750		<u> </u>
Total expenses		(7,868)
NET INCOME		<u><u>(7,868)</u></u>

The accompanying notes are an integral part of these financial statements

2700 BOHN / RHODES, L.L.C.

Statement of Cash Flows

Year Ended December 31, 2019

CASH FLOW FROM OPERATING ACTIVITIES

Change in net assets from operations	\$	(7,868)
Net cash used in operating activities	\$	<u>(7,868)</u>

CASH FLOW FROM OPERATING ACTIVITIES

Partner equity	\$	7,868
Net cash provided by investing activities	\$	<u>7,868</u>

CASH FLOW FROM FINANCING ACTIVITIES

Increase in note payable	\$	1,500,000
Increase in note receivable	\$	(1,500,000)
Net cash from investing activities	\$	<u>0</u>

Net increase (decrease) in cash	\$	0
Cash - beginning of year	\$	0
Cash - end of year	\$	0

The accompanying notes are an integral part of these financial statements

2700 BOHN / RHODES LLC
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019

NOTE 1- ORGANIZATION

2700 Bohn / Rhodes LLC is a limited liability company formed in the State of Louisiana by five individual members. The company was created to promote economic development through community development projects primarily targeted to benefit low and moderate income residents of the greater New Orleans area.

NOTE 2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Statement Presentation

The financial statements have been prepared in accordance with U.S. generally accepted accounting principles. ("U.S. GAAP") which generally require that revenue be recorded when earned and expenses recorded when incurred.

The financial statements of 2700 Bohn / Rhodes LLC have been prepared on the accrual basis of accounting and accordingly reflects all significant receivables, payable, and other liabilities

Receivables

Receivables are charged to bad debt when they are deemed uncollectible. As of December 31, 2019, management has deemed that no allowance for uncollectible receivables is necessary.

Income Taxes

2700 Bohn / Rhodes LLC has determined that no provision for federal or state income taxes should be recorded in the accompanying financial statements. Its 2016 thru 2019 tax years are open for exam by the Internal Revenue Service.

Estimates

The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures 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.

2700 BOHN / RHODES LLC
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019

NOTE 2- New Accounting Pronouncement

The FASB has issued ASU 2014-09 Revenue from Contracts with Customers (Topic 606), to update its revenue recognition standard to clarify the principles of recognizing revenue and eliminate industry specific guidance as well as help financial statement users better understand the nature, amount, timing and uncertainty of revenue that is recognized. The standard may be applied either retrospectively to each period presented or as a cumulative-effect adjustment as of the date of adoption. This ASU will be effective for 2700 Bohn / Rhodes LLC for annual periods beginning after December 15, 2018. 2700 Bohn / Rhodes LLC is currently assessing the impact of this pronouncement on the financial statements.

NOTE 3- CONCENTRATION OF CREDIT RISK

Financial instruments that may subject 2700 Bohn / Rhodes LLC to concentration of credit risk consist principally of cash accounts in financial institutions covered by FDIC insurance. Non-interest bearing accounts are fully insured and interest-bearing accounts are insured up to \$250,000. At December 31, 2019, 2700 Bohn / Rhodes LLC's did not have any accounts which exceeded FDIC limits.

NOTE 4- PANDEMIC

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern" and on March 10, 2020, declared it to be a pandemic. Subsequently, the Governor of Louisiana and the Mayor of New Orleans through a series of proclamations and orders limited gatherings of various types and placed restrictions on commercial business activities, which ultimately culminated in the issuance of a "Stay at Home Mandate". The coronavirus and actions taken to mitigate it have had and are expected to continue to have an adverse impact on the economies and financial markets in the local area and around the world. It is unknown how long these conditions will last and what the complete financial effect of this pandemic will be to 2700 Bohn / Rhodes LLC.

2700 BOHN / RHODES LLC
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019

NOTE 5 - NOTES RECEIVABLE

At December 31, 2019, the balances included in loans receivable were:

Regional Community Finance \$1,500,000

Interest rate of 1% and maturity on December 5, 2047.

Upon advance of loan proceeds, principal shall begin to amortize in equal monthly installments over the period of time beginning six months after the initial date of the advance. Loan is due and payable quarterly in arrears. The loan is collateralized by leasehold mortgage, security agreement, and pledges of leases and rents.

Regional Community Finance \$ 605,363

Dated December 5, 2017. The note has an interest rate of 0%. The note matures on December 5, 2024.

The note is unsecured.

NOTE 6 - NOTES PAYABLE

At December 31, 2019, the balances included in notes payable were:

Rhodes Commercial Development \$ 605,363

State of Louisiana 1,500,000

Interest rate of 1% and maturity on December 5, 2047.

Upon advance of loan proceeds, principal shall begin to amortize in equal monthly installments over the period of time beginning six months after the initial date of the advance. Loan is due and payable quarterly in arrears. The loan is collateralized by leasehold mortgage, security agreement, and pledges of leases and rents.

Less current maturities (46,577)

Long term notes payable \$2,058,786

NOTE 7- SUBSEQUENT EVENTS

2700 Bohn / Rhodes LLC's management evaluated subsequent events through January 30, 2021, which represents the date the financial statements were available to be issued, and determined that there, aside from the pandemic described in Note 4, were no other events that required additional disclosure. No events after this date have been evaluated for inclusion in these financial statements.

2700 Bohn / Rhodes LLC
 Supplemental Schedule
 December 31, 2019

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

Agency Head Name:

	Amount
Salary	\$ -
Benefits - insurance	-
Benefits - retirement	-
Benefits - other	-
Car allowance	-
Vehicle provided by organization	-
Per diem	-
Reimbursements	-
Travel	-
Registration fees	-
Conference Travel	-
Continuing professional education fees	-
Housing	-
Unvouchered expenses	-
Special meals	-
Total	-

2700 Bohn / Rhodes LLC is not required to report the above information as these costs, if any, are not paid from public funds.

See the Independent Auditor's Report on Supplementary Information

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**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**

Board of Directors

2700 Bohn / Rhodes LLC

I 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 2700 Bohn / Rhodes LLC, which comprise the balance sheet as of December 31, 2019, the income statement and the statement of cash flows for the year then ended, and the related notes to the financial statements, and have issued my report thereon dated January 30, 2021.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered 2700 Bohn / Rhodes LLC's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of 2700 Bohn / Rhodes LLC's internal control. Accordingly, I do not express an opinion on the effectiveness of its internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity'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.

My 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 my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**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
(Continued)**

Compliance and Other Matters

As part of obtaining reasonable assurance about whether 2700 Bohn / Rhodes LLC's financial statements are free of material misstatement, I 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 my audit and, accordingly, I do not express such an opinion. The results of my 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 my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Michelle Diaz CPA Inc.

New Orleans, Louisiana

January 30, 2021

2700 BOHN / RHODES LLC
December 31, 2019

SCHEDULE OF FINDINGS

None

2700 BOHN / RHODES LLC
December 31, 2019

SCHEDULE OF PRIOR YEAR'S FINDINGS

Not applicable