

Bread of Life Community Development Corporation of Louisiana

Oakdale, Louisiana

Financial Statements

December 31, 2020

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KnightMasden

A Professional Accounting Corporation

John E. Theriot II, CPA, CGMA
Dona C. Manuel, CPA
Stephanie R. Lemoine, CPA

Independent Accountants' Review Report

Board of Directors
Bread of Life Community Development
Corporation of Louisiana
Oakdale, Louisiana

We have reviewed the accompanying financial statements of Bread of Life Community Development Corporation of Louisiana (a nonprofit organization), which comprise the statement of financial position as of December 31, 2020, the related statements of activities, functional expenses and cash flows for the period of May 1, 2020 to December 31, 2020, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

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Supplementary Information

The supplementary information included in the table of contents is presented for purposes of additional analysis and is not a required part of the basic 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 supplementary information has been subjected to the review procedures applied in our review of the basic financial statements. We are not aware of any material modifications that should be made to the supplementary information. We have not audited the supplementary information and do not express an opinion on such information.



KnightMasden
Alexandria, Louisiana
June 29, 2021



Bread of Life Community Development Corporation of Louisiana
 Statements of Financial Position
 December 31, 2020

Assets	
Current Assets	
Cash and cash equivalents	\$ 7,402
Notes receivable - current portion	2,904
Inventory	<u>300,303</u>
Total Current Assets	310,609
Plant, Property and Equipment, net	<u>4,812</u>
Other Assets	
Notes receivable - net of current portion	24,925
Restricted cash	<u>100,702</u>
Total Other Assets	<u>125,627</u>
Total Assets	<u><u>\$ 441,049</u></u>
Liabilities and Net Assets	
Current Liabilities	
Payroll liabilities	\$ 1,416
Accrued liabilities	50
Notes payable	<u>278,804</u>
Total Current Liabilities	280,270
Long Term Liabilities	<u>25,000</u>
Total Liabilities	305,270
Net Assets	
without Donor Restriction	35,077
with Donor Restriction	<u>100,702</u>
Total Net Assets	<u>135,779</u>
Total Liabilities and Net Assets	<u><u>\$ 441,049</u></u>

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

Bread of Life Community Development Corporation of Louisiana
 Statements of Activities
 For the Period of May 1, 2020 to December 31, 2020

	without Donor <u>Restrictions</u>	with Donor <u>Restrictions</u>	<u>Total</u>
Revenues			
Contributions, gifts and grants	\$ 252,108	\$ -	\$ 252,108
Program service income	-	130,000	130,000
Other income	<u>4,000</u>	<u>-</u>	<u>4,000</u>
Total Revenues	256,108	130,000	386,108
Net Assets released from restrictions	29,298	(29,298)	-
Functional Expenses			
Subdivision lots	215,582	-	215,582
Management and general	<u>28,152</u>	<u>-</u>	<u>28,152</u>
Total Functional Expenses	<u>243,734</u>	<u>-</u>	<u>243,734</u>
Change in Net Assets	41,672	100,702	142,374
Net Assets - Beginning	<u>(6,595)</u>	<u>-</u>	<u>(6,595)</u>
Net Assets - Ending	<u>\$ 35,077</u>	<u>\$ 100,702</u>	<u>\$ 135,779</u>

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

Bread of Life Community Development Corporation of Louisiana
 Statements of Cash Flows
 For the Period of May 1, 2020 to December 31, 2020

Cash Flows from Operating Activities	
Change in Net Assets	\$ 142,374
Adjustments to reconcile changes in net assets to net cash provided (used) by operating activities	
Depreciation	701
Forgiveness of mortgage payable	(197,740)
Forgiveness of mortgage receivable	1,210
(Increase) decrease in grants receivable	12,486
(Increase) decrease in other assets	(147,092)
Increase (decrease) in other liabilities	<u>1,416</u>
Net Cash Provided/(Used) by Operating activities	(186,645)
Cash flows from Investing Activities	
Payments for notes receivable	<u>(29,039)</u>
Net Cash Provided/(Used) by Investing Activities	(29,039)
Cash flows from Financing Activities	
Advances on notes payable	<u>313,623</u>
Net Cash Used by Financing Activities	<u>313,623</u>
Net Increase (Decrease) in Cash and Cash Equivalents	97,939
Cash and Cash Equivalents - Beginning	<u>10,165</u>
Cash and Cash Equivalents - Ending	<u><u>\$ 108,104</u></u>
Consisting of:	
Cash and cash equivalents	\$ 7,402
Restricted cash	<u>100,702</u>
Total	<u><u>\$ 108,104</u></u>

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

Bread of Life Community Development Corporation of Louisiana
 Statements of Functional Expenses
 For the Period of May 1, 2020 to December 31, 2020

	<u>Lot</u> <u>Sales</u>	<u>Management</u> <u>and General</u>	<u>Total</u> <u>Expenses</u>
Utilities	\$ -	\$ 2,436	\$ 2,436
Office supplies	-	7,170	7,170
Payroll expenses	30,000	8,362	38,362
Telephone	-	839	839
Insurance	3,045	-	3,045
Repairs and maintenance	1,644	1,644	3,288
Legal and professional	3,222	-	3,222
Depreciation	-	701	701
Contract labor	6,651	-	6,651
Rent	-	7,000	7,000
Miscellaneous	1,559	-	1,559
Direct program cost	<u>169,461</u>	<u>-</u>	<u>169,461</u>
	<u>\$ 215,582</u>	<u>\$ 28,152</u>	<u>\$ 243,734</u>

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

Bread of Life Community Development Corporation of Louisiana
Notes to the Financial Statements
For the Period of May 1, 2020 to December 31, 2020

Note 1 – Nature of Activities and Significant Accounting Policies

Nature of Activities

Bread of Life Community Development Corporation of Louisiana (the Corporation) is a not-for-profit organization formed under the laws of the State of Louisiana. The purpose of the Corporation is to provide assistance and educational material with respect to the development, operation and maintenance of affordable, safe, sanitary, and decent housing, educational and vocational training, health care and transportation services in the State of Louisiana.

The Corporation's funding sources consist of contributions and grants from foundations and federal, state and local governments. The corporation develops and rehabilitates single family housing to sell to low-income individuals and families.

Use of Estimates

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

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with the generally accepted accounting principles. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Corporation and changes therein are classified and reported as follows:

Net Assets without Donor Restrictions - Net assets not subject to donor-imposed stipulations.

Net Assets with Donor Restrictions - Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Corporation and/or the passage of time or be permanently maintained by the Corporation. When a restriction expires, net assets with donor restrictions are reclassified to net asset without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Cash and Cash Equivalents

The Corporation considers all demand deposits and highly liquid investments with an initial maturity of three months or less to be cash equivalents. Cash and cash equivalents include monies designated for specific programs or held for others.

Bread of Life Community Development Corporation of Louisiana
Notes to the Financial Statements
For the Period of May 1, 2020 to December 31, 2020

Note 1 – Nature of Activities and Significant Accounting Policies (Continued)

Contributions and Grants

Contributions and grants are recorded as received. Unconditional promises to give are recorded as they are made. Conditional promises to give are recognized as revenue when the necessary conditions are fulfilled.

Inventory

Inventory consists of single-family homes and lots for single family homes to be constructed on. Interest on construction line of credit was capitalized into the value of the inventory. Inventory is stated at cost using the specific identification method.

Property, Equipment, and Depreciation

Property and equipment are stated at cost if purchased, or fair value at the date of donation, if contributed to the Corporation, less accumulated depreciation. Depreciation is computed on depreciable assets on a straight-line basis over the estimated useful lives of the assets. The cost of maintenance and repairs is expensed as incurred; however, significant renewals and improvements are capitalized.

Income Taxes

The Corporation is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code. Furthermore, the Corporation is not classified as a “private foundation” by the Internal Revenue Service. Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the organization and recognize a tax liability (or asset) if the organization has undertaken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. Management has analyzed the tax positions taken by the organization, and has concluded that as of April 30, 2020, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or assets) or disclosure in the financial statements.

Note 2 – Inventory

During the year, the Corporation purchased several single-family homes and is in the process of rehabilitating to sell to low-income families. The cost associated with this projects in process at December 31, 2020 is \$300,303.

Bread of Life Community Development Corporation of Louisiana
Notes to the Financial Statements
For the Period of May 1, 2020 to December 31, 2020

Note 3 – Fair Value Measurement

FASB ACS 820-10, Fair Value Measurement, defines fair value, establishes a framework for measuring fair value, establishes a three-level valuation hierarchy for disclosure of fair value measurement and enhances disclosure requirements for fair value measurements. The valuation hierarchy is based upon the transparency of inputs to the valuation of the fair value of an asset or liability as of the measurement date. The three levels are defined as follows:

Level 1 – Represented by quoted prices that are available in an active market. Level 1 securities include cash, checking and savings accounts, certificate of deposit, highly liquid government bonds, treasury securities, mortgage products and exchange traded equities.

Level 2 – Represented by assets and liabilities similar to Level 1 where quoted prices are not available, but observable, either directly or indirectly through corroboration with observable market data and estimated using pricing models or discounted cash flows. Level 2 securities would include U.S. agency securities, mortgage-backed agency securities, obligations of states and political subdivisions, and certain corporate, asset backed securities, and swap agreements.

Level 3 – Represented by financial instruments where there is limited activity or unobservable market prices and pricing models significant to determining the fair value measurement include the reporting entity’s own assumptions about market risk. Level 3 securities would include hedge funds, private equity securities, and private investments in public entities.

Fair value of assets measured on a recurring basis at December 31, 2020 are as follows:

<u>Description</u>	<u>Fair Value Measurement at December 31, 2020</u>			
	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Cash	\$108,104	\$108,104	-	-

Note 4 – Property and Equipment

At December 31, 2020, property and equipment consisted of the following:

	<u>Life</u>	<u>Carrying Value</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
Equipment	5 years	\$6,014	\$1,202	\$4,812
Total		\$6,014	\$1,202	\$4,812

Depreciation expense for the current year was \$701.

Note 5 – Lease

Bread of Life Community Development Corporation of Louisiana
Notes to the Financial Statements
For the Period of May 1, 2020 to December 31, 2020

On April 9, 2015 the Corporation entered into a 30-year building lease. The agreement calls for monthly lease payments of \$1,000. The Corporation did not pay any rental payments during the year, the lessor has donated the use of the building for the year.

Future minimum lease payments consist of:

2022	\$12,000
2023	\$12,000
2024	\$12,000
2025	\$12,000
2026	\$12,000

Note 6 – Notes Payable

On January 23, 2020, the Corporation entered into an agreement with the Louisiana Housing Corporation to rehabilitate a single-family home. Louisiana Housing Corporation will reimburse the Corporation for all expenses related to the project. The reimbursements are in the form of a forgivable loan. The loan will be forgiven when the home is sold to a qualifying family. The balance of the note at December 31, 2020 is \$278,803.

The executive director has loaned the Corporation, \$25,000 to be paid back in May 2023 at a stated interest rate of 0%.

Note 7 – Income Taxes

The Corporation's tax return for the years ended April 30, 2017 through April 30, 2019, remain open and subject to examination by taxing authorities. The tax return for the year ended April 30, 2020 has not been filed as of the report date.

Note 8 – Contributed Services

The Board of Directors is a voluntary board. These volunteers have made significant contributions of their time to the Corporation. The value of the contributed time is not reflected in these statements since it is not susceptible to an objective measurement or valuation.

Note 9 – Liquidity and Availability of Financial Assets

Financial assets, consisting of cash and accounts receivable, that are available for general expenditure, that is, without donor or other restrictions limiting their use, amounted to \$7,402 at December 31, 2020. The Corporation has a goal to maintain sufficient financial resources on hand to meet sixty days of normal operating expenses.

Bread of Life Community Development Corporation of Louisiana
Notes to the Financial Statements
For the Period of May 1, 2020 to December 31, 2020

Note 10 – Change of Year End

The Corporation elected to change from a fiscal year end of April 30 to a calendar year end. This set of financial statements covers the short year created from this change and covers the time period of May 1, 2020 to December 31, 2020.

Note 11 – Subsequent Events

The Corporation has no material subsequent events that would require disclosure. Subsequent events have been evaluated through June 29, 2021, which is also the date the financial statements were available to be issued.

Supplementary Information

Bread of Life Community Development Corporation of Louisiana
Schedule of Compensation, Benefits and Other Payments to Stephanie McKay,
Executive Director
For the Period of May 1, 2020 to December 31, 2020

<u>Purpose</u>	<u>Amount</u>
Salary	<u>\$ 30,000</u>
	<u>\$ 30,000</u>



**INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES**

To the Board of Directors of Bread of Life Community Development Corp of LA and the Louisiana Legislative Auditor

We have performed the procedures enumerated below, which were agreed to by The Bread of Life Community Development Corp of LA (Entity) and the Louisiana Legislative Auditor (LLA) on the on the Agency's compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire during the period of May 1, 2020 to December 31, 2020, as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*. The Agency's management is responsible for its financial records and compliance with applicable laws and regulations. The sufficiency of these procedures is solely the responsibility of the specified parties. Consequently, we make no representation regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

Federal, State, and Local Awards

1. Obtain the list of federal, state, and local government grant award expenditures for the fiscal year, by grant and grant year, from the Agency's management.
2. The Agency provided us with the following list of expenditures made for grant awards received during the short year ended December 31, 2020:

Federal, State, or Local Grant Name	Grant Year	CFDA No.	Amount
CHDO Operation Grant	2020	14.239	\$44,649
CHDO Single Acquisition Rehabilitation	2020	14.239	\$313,623
		Total	\$358,272

3. For each federal, state, and local grant award, randomly select six disbursements from each grant administered during the fiscal year, provided that no more than 30 disbursements are selected.

Six disbursements from each grant were selected.

4. Obtain documentation for the disbursements selected in Procedure 2. Compare the selected disbursements to supporting documentation, and report whether the disbursements agree to the amount and payee in the supporting documentation. Each of the selected disbursements agreed to the amount and payee in the supporting documentation.

Documentation was present for all items selected. Amount and payee of all selected disbursements agreed to documentation.

5. Report whether the selected disbursements were coded to the correct fund and general ledger account.

All disbursements were coded to the correct general ledger account.

6. Report whether the selected disbursements were approved in accordance with the Agency's policies and procedures.

There is no official agency policy on approval of disbursements.

7. For each selected disbursement made for federal grant awards, obtain the *Compliance Supplement* for the applicable federal program. For each disbursement made for a state or local grant award, or for a federal program not included in the *Compliance Supplement*, obtain the grant agreement. Compare the documentation for each disbursement to the program compliance requirements or the requirements of the grant agreement relating to activities allowed or unallowed, eligibility, and reporting; and report whether the disbursements comply with these requirements.

Activities allowed or unallowed – We compared documentation for each of the selected disbursements with program compliance requirements related to services allowed or not allowed. No exceptions were noted.

Eligibility – Eligibility is not determined on the disbursement level, but home was sold to eligible buyer.

Reporting – We compared documentation for each of the selected disbursements with program compliance requirements related to reporting. No exceptions were noted.

8. Obtain the close-out reports, if required, for any program selected in Procedure 2 that was closed out during the fiscal year. Compare the close-out reports, if applicable, with the Agency's financial records; and report whether the amounts in the close-out reports agree with the Agency's financial records.

Home was sold to eligible buyer and all necessary paperwork was presented to grantor.



Open Meetings

9. Obtain evidence from management that agendas for meetings recorded in the minute book were posted as required by Louisiana Revised Statute 42:11 through 42:28 (the open meetings law), and report whether there are any exceptions. Note: Please refer to Attorney General Opinion No. 13-0043 and the guidance in the publication "Open Meetings Law" available on the Legislative Auditor's website to determine whether a non-profit agency is subject to the open meetings law.

No requirement to adhere to open meetings law. Meetings of board of directors are documented through minutes.

Budget

10. For each grant exceeding five thousand dollars, obtain the comprehensive grant budgets that the agency provided to the applicable federal, state or local grantor agency. Report whether the budgets for federal, state and local grants included the purpose and duration of the grants; and whether budgets for state grants also included specific goals, objectives, and measures of performance.

Grant agreement includes budget, purpose with specific goals and objectives, and duration.

State Audit Law

11. Report whether the agency provided for a timely report in accordance with R.S. 24:513.

Report was timely filed.

12. Inquire of management and report whether the agency entered into any contracts that utilized state funds as defined in R.S. 39:72.1 A. (2); and that were subject to the public bid law (R.S. 38:2211, et seq.), while the agency was not in compliance with R.S. 24:513 (the audit law).

The Agency's management represented that the Agency did not enter into any contracts during the fiscal year that were subject to the public bid law.

Prior-Year Comments

13. Obtain and report management's representation as to whether any prior year suggestions, exceptions, recommendations, and/or comments have been resolved.

No prior year comments.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, and the standards applicable to attestation engagements contained in *Government Auditing Standards*, issued by the United States Comptroller General. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the Agency's compliance with the foregoing matters. Accordingly, we do not express such an opinion or



conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The purpose of this report is solely to describe the scope of testing performed on the Agency's compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire, as required by Louisiana Revised Statute 24:513 and the Louisiana Governmental Audit Guide, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Knight Masden

KnightMasden
Alexandria, Louisiana
June 29, 2021

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Quasi-public Agencies)

06/24/2021 (Date Transmitted)

KnightMasden, APAC (CPA Firm Name)

5615 Jackson St, Building J (CPA Firm Address)

Alexandria, LA 71303 (City, State Zip)

In connection with your engagement to apply agreed-upon procedures to the control and compliance matters identified below, as of 12/31/2020 (date) and for the year then ended, and as required by Louisiana Revised Statute (R.S.) 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you.

Federal, State, and Local Awards

We have detailed for you the amount of federal, state, and local award expenditures for the fiscal year, by grant and grant year.

Yes No

All transactions relating to federal, state, and local grants have been properly recorded within our accounting records and reported to the appropriate state, federal, and local grantor officials.

Yes No

The reports filed with federal, state, and local agencies are properly supported by books of original entry and supporting documentation.

Yes No

We have complied with all applicable specific requirements of all federal, state, and local programs we administer, to include matters contained in the OMB Compliance Supplement, matters contained in the grant awards, eligibility requirements, activities allowed and unallowed, and reporting and budget requirements.

Yes No

Open Meetings

Our meetings, as they relate to public funds, have been posted as an open meeting as required by R.S. 42:11 through 42:28 (the open meetings law). **Note: Please refer to Attorney General Opinion No. 13-0043 and the guidance in the publication "Open Meeting FAQs," available on the Legislative Auditor's website to determine whether a non-profit agency is subject to the open meetings law.**

Yes No N/A

Budget

For each federal, state, and local grant we have filed with the appropriate grantor agency a comprehensive budget for those grants that included the purpose and duration, and for state grants included specific goals and objectives and measures of performance

Yes No N/A

Reporting

We have had our financial statements reviewed in accordance with R.S. 24:513.

Yes No

We did not enter into any contracts that utilized state funds as defined in R.S. 39:72.1 A. (2); and that were subject to the public bid law (R.S. 38:2211, et seq.), while the agency was not in compliance with R.S. 24:513 (the audit law).

Yes [] No []

We have complied with R.S. 24:513 A. (3) regarding disclosure of compensation, reimbursements, benefits and other payments to the agency head, political subdivision head, or chief executive officer.

Yes [] No []

Prior-Year Comments

We have resolved all prior-year recommendations and/or comments.

Yes [] No []

General

We are responsible for our compliance with the foregoing laws and regulations and the internal controls over compliance with such laws and regulations.

Yes [] No []

We have evaluated our compliance with these laws and regulations prior to making these representations.

Yes [] No []

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations.

Yes [] No []

We have made available to you all records that we believe are relevant to the foregoing agreed-upon procedures.

Yes [] No []

We have provided you with any communications from regulatory agencies, internal auditors, other independent practitioners or consultants or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of your report.

Yes [] No []

We will disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies any known noncompliance that may occur up to the date of your report.

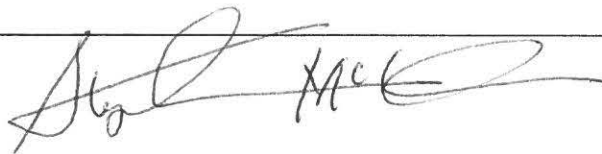
Yes [] No []

The previous responses have been made to the best of our belief and knowledge.

Secretary _____ Date

Treasurer _____ Date

President _____ Date

 EXEC. DIRECTOR 6/22/21