FINANCIAL R E P O R T

MIRABEAU FAMILY LEARNING CENTER, INC.
AND SUBSIDIARY

DECEMBER 31, 2020

MIRABEAU FAMILY LEARNING CENTER, INC.
AND SUBSIDIARY

DECEMBER 31, 2020

INDEX TO FINANCIAL REPORT

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INDEPENDENT AUDITOR'S REPORT

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May 4, 2021

To the Board of Directors and Management of
Mirabeau Family Learning Center, Inc. and Subsidiary
6251 General Diaz Street, Suite B
New Orleans, Louisiana 70124

Report on Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Mirabeau Family Learning Center, Inc. (a nonprofit organization) and its wholly owned subsidiary, which comprise the consolidated statement of financial position as of December 31, 2020, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our 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 we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements of the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Mirabeau Family Learning Center, Inc. and its wholly owned subsidiary as of December 31, 2020, 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.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information as listed in the index to the financial report is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. The accompanying Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), is also presented for purposes of additional analysis and is also not a required part of the consolidated financial statements. The supplementary information and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information and the Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the consolidated 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 May 4, 2021, on our consideration of the Mirabeau Family Learning Center, Inc.'s and its subsidiary'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 the Mirabeau Family Learning Center, Inc.'s and its subsidiary's internal control over financial reporting and compliance.

Duplantier, Hrapmann, Hogan & Maher LLP

New Orleans, Louisiana

MIRABEAU FAMILY LEARNING CENTER, INC.
AND SUBSIDIARY
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2020

ASSETS

CURRENT ASSETS:	
Cash and cash equivalents	$ 69,653
Due from MFLC Partners, ALPIC	1,638
Due from Filmore Parc Apartments II	879
Other receivable	25
Total current assets	72,195
PROPERTY AND EQUIPMENT - NET	1,284
OTHER ASSETS:	
Due from related parties:	
Smith Square Development, ALPIC	19,888
St. Joe Estates I and II	231,880
Loans receivable:	
Filmore Parc Apartments II	1,575,000
MFLC Partners, ALPIC	2,200,000
Interest receivable:	
Filmore Parc Apartments II	1,097,222
MFLC Partners, ALPIC	1,537,139
Investment in Filmore Parc Apartments II	167,519
Investment in MFLC Partners, ALPIC	122,599
Total other assets	6,951,247
TOTAL ASSETS	$ 7,024,726

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:	
Accounts payable and accrued expenses	$ 241,149
Due to Filmore Parc Apartments II	2,428
Total current liabilities	243,577
OTHER LIABILITIES:	
Investment in St. Joe Estates I and II	12,180
Total other liabilities	12,180
Total liabilities	255,757
NET ASSETS:	
Without donor restrictions	6,768,969
TOTAL LIABILITIES AND NET ASSETS	$ 7,024,726

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

MIRABEAU FAMILY LEARNING CENTER, INC.
AND SUBSIDIARY
CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020

REVENUE:	
Donations	$ 4,760
Grant revenue	1,011,663
Income from after-school program	11,440
Interest income	280,694
Maintenance and office coordinator salary reimbursement - MFLC Partners and FPII	148,520
Total revenue	1,457,077
EXPENSES:	
Program services	1,169,063
Administrative and general	13,516
Total expenses	1,182,579
INCREASE IN NET ASSETS	274,498
Net assets at beginning of year	6,494,471
NET ASSETS AT END OF YEAR	$ 6,768,969

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

MIRABEAU FAMILY LEARNING CENTER, INC.
AND SUBSIDIARY
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2020

	Program Services	Administrative and General	Total
EXPENSES:			
Accounting	$ 4,278	$ 397	$ 4,675
Bank fees	124	12	136
Contract labor	7,812	868	8,680
Depreciation	-	406	406
Housing assistance expense	848,647	-	848,647
Interest	-	1,150	1,150
Insurance	3,503	-	3,503
Loss from investments in partnerships	2,035	-	2,035
Payroll taxes and benefits	11,436	1,060	12,496
Payroll taxes - MFLC Partners and FPII	12,980	-	12,980
Postage and shipping	27	3	30
Professional services	1,713	-	1,713
Rent	7,138	662	7,800
Salaries	92,381	8,280	100,661
Salaries - MFLC Partners and FPII	169,670	-	169,670
Supplies	4,457	413	4,870
Telephone and utilities	2,862	265	3,127
TOTAL EXPENSES	$ 1,169,063	$ 13,516	$ 1,182,579

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

MIRABEAU FAMILY LEARNING CENTER, INC.
AND SUBSIDIARY
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2020

CASH FLOWS FROM OPERATING ACTIVITIES:	
Increase in net assets	$ 274,498
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	
Depreciation	406
Net loss from investments in partnerships	2,035
(Increase) decrease in operating assets:	
Due from - Filmore Parc Apartments II	7,566
Due from - MFLC Partners, ALPIC	(1,638)
Accounts receivable - other	417
Interest receivable	(280,694)
Increase (decrease) in operating liabilities:	
Accounts payable and accrued liabilities	9,866
Net cash provided by operating activities	12,456
CASH FLOWS FROM FINANCING ACTIVITIES:	
Proceeds from line of credit	70,149
Payments on line of credit	(70,149)
Net cash used by financing activities	-
NET INCREASE IN CASH AND CASH EQUIVALENTS	12,456
Cash and cash equivalents - beginning of year	57,197
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 69,653
SUPPLEMENTARY CASH FLOW INFORMATION:	
Cash was paid for the following:	
Interest	$ 1,150
Income taxes	$ -

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

NATURE OF OPERATIONS:

Mirabeau Family Learning Center, Inc. is a neighborhood-based nonprofit organization committed to strengthening personal, family, and neighborhood self-reliance by providing education, training, affordable housing, and support services to residents of New Orleans, Louisiana. The primary source of revenue is federal grant income related to its affordable housing services.

The Center's wholly owned subsidiary, MFLC Development, L.L.C., is a limited liability company formed to develop affordable housing. Its primary source of revenue was development fee income in past years. No projects were developed in 2020.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The accounting policies of the Mirabeau Family Learning Center, Inc. and its subsidiary (collectively referred to as the Center) conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to nonprofit organizations. The following is a summary of significant policies:

Principles of Consolidation

The consolidated financial statements include the accounts of the Mirabeau Family Learning Center, Inc. and its wholly-owned subsidiary, MFLC Development, L.L.C. All material inter-organization transactions have been eliminated.

Basis of Accounting

The consolidated financial statements are prepared under the accrual method of accounting in accordance with GAAP. Revenues are recognized in the period in which they become due. Expenses are recognized in the period in which the related liability is incurred.

Basis of Presentation

The Center is required to report information regarding its financial position according to two classes of net assets: net assets with donor restrictions and net assets without donor restrictions. Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Expirations of donor restrictions on net assets are reported as reclassifications between the applicable classes of net assets. The Center only had net assets without donor restrictions as of December 31, 2020.

The consolidated statement of activities presents expenses functionally between program services, fundraising, and administrative. Those expenses which cannot be specifically identified are allocated between functions based upon management's estimate of usage applicable to conducting those functions.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Statement of Cash Flows

For purposes of the consolidated statement of cash flows, all highly-liquid investments with an initial maturity of three months or less are considered cash equivalents.

Investments in Partnerships

The Center's investments in various partnerships are accounted for on the equity method of accounting (cost, adjusted for the income or loss of the partnership).

Property and Equipment

Property and equipment are recorded at cost. Depreciation is calculated using the straight-line method over the estimated useful life of the assets, which ranges from 3 to 5 years for computer equipment. Expenditures for repairs and maintenance are charged to operating expenses as incurred. The Center maintains a threshold level of $1,000 or more for capitalized property and equipment.

Revenue

Revenues from exchange transactions, primarily federal grant income, is recognized as the services are performed. Unconditional donations are recognized as revenue when received. Conditional donations are recognized once the condition has been met. The Center did not have any conditional or donor restricted donations during 2020.

Donated Services

Contributions of services are recognized if the services received create or enhance nonfinancial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by a donation. No amounts have been reflected in the consolidated financial statements for donated services. The Center generally pays for services requiring specific expertise.

Estimates

The preparation of the consolidated 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 disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2. REVENUE:

The Center receives substantially all of its revenue from the U.S. Department of Housing and Urban Development (HUD) for services provided, and is considered to be an exchange transaction within the scope of ASC Topic 606, *Revenue from Contracts with Customers*. Section 8 housing assistance income is based on predetermined rates as stipulated within the agreement between HUD and the Center. Revenue is recognized in the month which a contract unit is leased and occupied by an eligible family during the term of the Housing Assistance Payment (HAP) contract. The Center recognized $949,463 for service fees which are included in the consolidated statement of activities as grant revenue.

The Center offers an after-school enrichment program to children of low-income families. Revenues from program support is recognized over the term of the program and the period the services are provided. The Center recognized $11,440 as income from the after-school program during 2020.

During 2020, the Center received a loan in the amount of $56,200 under the Payroll Protection Program, Division A, Title I CARES Act. In accordance with this program, the Center used all of the proceeds from the loan for allowable payroll costs. The loan was fully forgiven and the proceeds have been recorded as grant income in the consolidated statement of activities.

3. RELATED PARTY TRANSACTIONS:

The Center and its subsidiary engaged in transactions during 2020 with the following related parties:

MFLC Partners, ALPIC

The Center is the managing general partner with an ownership percentage of .01% in MFLC Partners, ALPIC. At December 31, 2020, the Center had an investment in MFLC Partners, ALPIC, of $122,599. In 2020, the Center incurred a loss of $1,930 from its investment in MFLC Partners, ALPIC.

During 2020, the Center provided $523,742 of housing assistance to tenants residing in the apartment complex owned by MFLC Partners, ALPIC.

During 2020, MFLC Partners, ALPIC reimbursed the Center $96,538 for maintenance and office coordinator assistance provided.

The Center has entered into an agreement with MFLC Partners, ALPIC, to provide supplemental, social, and educational experiences for the children of the apartment complex through an after-school enrichment program. In consideration of the program, the Center received $7,436 during 2020 from MFLC Partners, ALPIC.

3. RELATED PARTY TRANSACTIONS: (Continued)

MFLC Partners, ALPIC (Continued)

In 2009, the Center executed an Act of Mortgage and a promissory note with MFLC Partners, ALPIC, in the amount of $2,200,000. The loan bears interest at 4.58%, compounded annually, and is due in annual installments of principal and interest if there is sufficient cash flow as defined in the Amended and Restated Agreement of Limited Partnership of MFLC Partners, ALPIC.

Payments contingent on cash flow are made by MFLC Partners, ALPIC, in the following order of priority:

1) to its limited partner, an amount equal to the Credit Deficiency
2) to its limited partner, an amount sufficient to pay federal income taxes on taxable income allocated to the limited partner
3) payment of the investor services fee
4) funding of the Operating Reserve
5) to the general partner, to repay an operating deficit contribution
6) to pay the loan to the Center

In no event will the outstanding principal and interest balances be due later than December 15, 2044. At December 31, 2020, the outstanding principal balance on the loan was $2,200,000 and the outstanding interest balance was $1,537,139. The Center obtained the funds that it loaned to MFLC Partners, ALPIC, from a federal grant passed through the City of New Orleans. The Center has assigned its rights and interests in the Act of Mortgage to the City of New Orleans.

Management has evaluated collectability of the note and determined no allowance was necessary as of December 31, 2020.

At December 31, 2020, $1,638 was due from MFLC Partners, ALPIC, for various items.

Filmore Parc Apartments II

The Center is a general partner with an ownership percentage of .01% in Filmore Parc Apartments II. At December 31, 2020, the Center's investment in Filmore Parc Apartments II was $167,519. In 2020, the Center incurred a loss of $105 from its investment in Filmore Parc Apartments II.

The Center has an agreement with Filmore Parc Apartments II to provide supplemental social and educational experiences for the children of the apartment complex through an after-school enrichment program. In consideration of the program, the Center received $4,004 during 2020 from Filmore Parc Apartments II.

3. RELATED PARTY TRANSACTIONS: (Continued)

Filmore Parc Apartments II (Continued)

During 2020, the Center provided $324,905 of housing assistance to tenants residing in the apartment complex owned by Filmore Parc Apartments II.

During 2020, Filmore Parc Apartments II reimbursed the Center $51,982 for maintenance and office coordinator assistance provided.

In 2009, the Center executed an Act of Mortgage and a promissory note with Filmore Parc Apartments II in the amount of $1,575,000. The loan bears interest at 4.58%, compounded annually, and is due in annual installments of principal and interest if there is sufficient cash flow as defined in the Amended and Restated Agreement of Limited Partnership of Filmore Parc Apartments II. Payments contingent on cash flows are made by Filmore Parc Apartments II in the same order of priority as described for the loan to MFLC Partners, ALPIC, in the previous section. In no event will the outstanding principal and interest balances be due later than December 15, 2044. At December 31, 2020, the outstanding principal balance on the loan was $1,575,000 and the outstanding interest balance was $1,097,222. The Center obtained the funds that it loaned to Filmore Parc Apartments II from a federal grant passed through the City of New Orleans. The Center has assigned its rights and interests in the Act of Mortgage to the City of New Orleans. Management has evaluated collectability of the note and determined no allowance was necessary as of December 31, 2020.

At December 31, 2020, $1,549 was due to Filmore Parc Apartments II for various items.

Smith Square Development, ALPIC

The Center is the managing general partner with a .001% ownership interest in Smith Square Development, ALPIC. At December 31, 2020, the Center's investment in Smith Square Development, ALPIC, was $0. The Center incurred no income or loss during 2020 from its investment in Smith Square Development, ALPIC.

At December 31, 2020, $19,888 was due to the Center from Smith Square Development, ALPIC, for management fees incurred in prior years.

St. Joe Estates I and II

MFLC Development, L.L.C. (the Center's wholly-owned subsidiary) is a limited partner with a .001% ownership interest in both St. Joe Estates I and II. At December 31, 2020, MFLC Development, L.L.C.'s investment in St. Joe Estates I and II was $(12,180). MFLC Development, L.L.C. incurred no income or loss during 2020 from its investment in St. Joe Estates I and II.

3. RELATED PARTY TRANSACTIONS: (Continued)

St. Joe Estates I and II (Continued)

MFLC Development, L.L.C. was the developer for the St. Joe Estates I and II affordable housing projects. At December 31, 2020, St. Joe Estates I and II owed $227,564 to MFLC Development, L.L.C. for development fees earned prior to 2012. At December 31, 2020, $4,316 was also due to the Center from St. Joe Estates I and II for reimbursement of various expenses incurred in prior years.

4. PROPERTY AND EQUIPMENT:

Property and equipment at December 31, 2020 was as follows:

Computer equipment	$	2,028
Less accumulated depreciation		(744)
Property and equipment - Net	$	1,284

The Center incurred depreciation expense of $406 for the year ended December 31, 2020.

5. LINE OF CREDIT:

The Center has a $225,000 line of credit with Hancock Whitney Bank. The line of credit is due on August 3, 2025, and bears interest at a variable rate, which was 5.5% at December 31, 2020. The line of credit is secured by the personal guarantee of the executive director of the Center. At December 31, 2020, there was no balance due on the line of credit.

6. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS:

The Center manages it liquidity by operating within a prudent range of financial stability, maintaining adequate liquidity to fund near-term operations, and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged. Financial assets available for expenses within one year of the balance sheet date consist of cash and cash equivalents in the amount of $69,653 and receivables in the amount of $2,542. The Center does not anticipate any major capital expenditures in the coming year.

7. INCOME TAXES:

The Mirabeau Family Learning Center, Inc. is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. MFLC Development, L.L.C. was formed as a Limited Liability Corporation. Since it is wholly owned by the Center and furthers the Center's exempt purpose, the net income of MFLC Development, L.L.C. is included in the Center's exempt income tax return and is also exempt from federal income tax.

7. INCOME TAXES: (Continued)

Accounting Standards Codification 740 (ASC 740) provides detailed guidance for financial statement recognition, measurement, and disclosure of uncertain tax positions recognized in an entity's financial statement. It requires an entity to recognize the financial statement impact of a tax position when it is more likely than not that the position will be sustained upon examination. As of December 31, 2020, the Center believes that they have no uncertain tax positions that qualify for either recognition or disclosure in the consolidated financial statements. Tax years ended December 31, 2017 and later remain subject to examination by the taxing authorities.

8. CONCENTRATIONS:

During the year ended December 31, 2020, the Center received 65% of its revenue from HUD Section 8 housing assistance grant income. A significant reduction in the level of this support could have an effect on the Center's programs and activities.

Loan receivables are principally with related parties in which the Center is a general partner. Realization of these receivables is dependent on various conditions as outlined in Note 3.

The Center and its subsidiary maintain cash balances at local financial institutions. Accounts at these institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000. Cash balances were fully insured as of December 31, 2020.

9. UNCERTAINTIES:

As a result of COVID-19 coronavirus, economic uncertainties still exist that could have a negative impact on future activities of the Center. The extent of financial impact, if any, cannot be reasonably estimated at this time.

10. SUBSEQUENT EVENTS:

Management has evaluated subsequent events through May 4, 2021, which is the date on which the consolidated financial statements were available to be issued.

MIRABEAU FAMILY LEARNING CENTER, INC.
AND SUBSIDIARY
SUPPLEMENTARY INFORMATION
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS
TO THE EXECUTIVE DIRECTOR
DECEMBER 31, 2020

Agency head name: Michael R. Vales, Executive Director

Purpose	**Amount**
Salary	$115,218
Benefits – Compensated Absences	8,609
Cellular Phone	1,200
Total	$125,027

MIRABEAU FAMILY LEARNING CENTER, INC.
AND SUBSIDIARY
SUPPLEMENTARY INFORMATION
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2020

	Mirabeau Family Learning Center, Inc.	MFLC Development, L.L.C.	Inter-company Eliminations	Total
CURRENT ASSETS:				
Cash and cash equivalents	$ 67,788	$ 1,865	$ -	$ 69,653
Due from MFLC Development, L.L.C.	144,236	-	(144,236)	-
Due from MFLC Partners, ALPIC	1,638	-	-	1,638
Due from Filmore Parc Apartments II	879	-	-	879
Other receivable	25	-	-	25
Total current assets	214,566	1,865	(144,236)	72,195
PROPERTY AND EQUIPMENT - NET	1,284	-	-	1,284
OTHER ASSETS:				
Due from related parties:				
Smith Square Development, ALPIC	19,888	-	-	19,888
St. Joe Estates I and II	4,316	227,564	-	231,880
Loans receivable:				
Filmore Parc Apartments II	1,575,000	-	-	1,575,000
MFLC Partners, ALPIC	2,200,000	-	-	2,200,000
Interest receivable:				
Filmore Parc Apartments II	1,097,222	-	-	1,097,222
MFLC Partners, ALPIC	1,537,139	-	-	1,537,139
Investment in Filmore Parc Apartments II	167,519	-	-	167,519
Investment in MFLC Partners, ALPIC	122,599	-	-	122,599
Total other assets	6,723,683	227,564	-	6,951,247
TOTAL ASSETS	$ 6,939,533	$ 229,429	$ (144,236)	$ 7,024,726
CURRENT LIABILITIES:				
Accounts payable and accrued expenses	$ 241,149	$ -	$ -	$ 241,149
Due to Filmore Parc Apartments II	2,428	-	-	2,428
Due to Mirabeau Family Learning Center, Inc.	-	144,236	(144,236)	-
Total current liabilities	243,577	144,236	(144,236)	243,577
OTHER LIABILITIES:				
Investments:				
St. Joe Estates I and II	-	12,180	-	12,180
MFLC Development, L.L.C.	4,859	-	(4,859)	-
Total other liabilities	4,859	12,180	(4,859)	12,180
TOTAL LIABILITIES	248,436	156,416	(149,095)	255,757
NET ASSETS:				
Without donor restrictions	6,691,097	73,013	4,859	6,768,969
TOTAL LIABILITIES AND NET ASSETS	$ 6,939,533	$ 229,429	$ (144,236)	$ 7,024,726

MIRABEAU FAMILY LEARNING CENTER, INC.
AND SUBSIDIARY
SUPPLEMENTARY INFORMATION
CONSOLIDATING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020

	Mirabeau Family Learning Center, Inc.	MFLC Development, L.L.C.	Inter-company Eliminations	Total
REVENUE:				
Donations	$ 4,760	$ -	$ -	$ 4,760
Grant revenue	1,011,663	-	-	1,011,663
Income from after-school program	11,440	-	-	11,440
Interest income	280,694	-	-	280,694
Maintenance and office coordinator salary reimbursement - MFLC Partners and FPII	148,520	-	-	148,520
Total revenue	1,457,077	-	-	1,457,077
EXPENSES:				
Accounting	4,675	-	-	4,675
Bank fees	100	36	-	136
Contract labor	8,680	-	-	8,680
Depreciation	406	-	-	406
Housing assistance expense	848,647	-	-	848,647
Interest	1,150	-	-	1,150
Insurance	3,503	-	-	3,503
Loss from investments in partnerships	2,035	-	-	2,035
Payroll taxes and benefits	12,496	-	-	12,496
Payroll taxes - MFLC Partners and FPII	12,980	-	-	12,980
Postage and shipping	30	-	-	30
Professional services	1,713	-	-	1,713
Rent	7,800	-	-	7,800
Salaries	100,661	-	-	100,661
Salaries - MFLC Partners and FPII	169,670	-	-	169,670
Supplies	4,870	-	-	4,870
Telephone and utilities	3,127	-	-	3,127
Total expenses	1,182,543	36	-	1,182,579
INCREASE (DECREASE) IN NET ASSETS	274,534	(36)	-	274,498
Net assets at beginning of year	6,416,563	73,049	4,859	6,494,471
NET ASSETS AT END OF YEAR	$ 6,691,097	$ 73,013	$ 4,859	$ 6,768,969

MIRABEAU FAMILY LEARNING CENTER, INC.
SUPPLEMENTARY INFORMATION
COMBINING STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2020

	General Fund	Learning Center Fund	Real Estate Fund	Inter-fund Eliminations	Total Mirabeau Learning Center, Inc.
CURRENT ASSETS:					
Cash and cash equivalents	$ 49,220	$ 18,568	$ -	$ -	$ 67,788
Due from MFLC Development, L.L.C.	152,878	-	-	(8,642)	144,236
Due from MFLC Partners, ALPIC	1,638	-	-	-	1,638
Due from Filmore Parc Apartments II	-	-	879	-	879
Due from other funds	97,063	9,892	1,470,634	(1,577,589)	-
Other receivable	25	-	-	-	25
Total current assets	300,824	28,460	1,471,513	(1,586,231)	214,566
PROPERTY AND EQUIPMENT - NET	1,284	-	-	-	1,284
OTHER ASSETS:					
Due from related parties:					
Smith Square Development, ALPIC	-	-	19,888	-	19,888
St. Joe Estates I and II	4,316	-	-	-	4,316
Loans receivable:					
Filmore Parc Apartments II	-	-	1,575,000	-	1,575,000
MFLC Partners, ALPIC	-	-	2,200,000	-	2,200,000
Interest receivable:					
Filmore Parc Apartments II	-	-	1,097,222	-	1,097,222
MFLC Partners, ALPIC	-	-	1,537,139	-	1,537,139
Investment in Filmore Parc Apartments II	-	-	167,519	-	167,519
Investment in MFLC Partners, ALPIC	-	-	122,599	-	122,599
Total other assets	4,316	-	6,719,367	-	6,723,683
TOTAL ASSETS	$ 306,424	$ 28,460	$ 8,190,880	$ (1,586,231)	$ 6,939,533
CURRENT LIABILITIES:					
Accounts payable and accrued expenses	$ 241,149	$ -	$ -	$ -	$ 241,149
Due to Filmore Parc Apartments II	2,428	-	-	-	2,428
Due to MFLC Development, L.L.C.	-	-	8,642	(8,642)	-
Due to other funds	1,480,526	97,063	-	(1,577,589)	-
Total current liabilities	1,724,103	97,063	8,642	(1,586,231)	243,577
OTHER LIABILITIES:					
Investments:					
MFLC Development, L.L.C.	-	-	4,859	-	4,859
Total other liabilities	-	-	4,859	-	4,859
TOTAL LIABILITIES	1,724,103	97,063	13,501	(1,586,231)	248,436
NET ASSETS (DEFICIT):					
Without donor restrictions	(1,417,679)	(68,603)	8,177,379	-	6,691,097
TOTAL LIABILITIES AND NET ASSETS	$ 306,424	$ 28,460	$ 8,190,880	$ (1,586,231)	$ 6,939,533

MIRABEAU FAMILY LEARNING CENTER, INC.
SUPPLEMENTARY INFORMATION
COMBINING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020

	General Fund	Learning Center Fund	Real Estate Fund	Total Mirabeau Learning Center, Inc.
REVENUE:				
Donations	$ -	$ 4,760	$ -	$ 4,760
Grant revenue	6,000	56,200	949,463	1,011,663
Income from after-school program	-	11,440	-	11,440
Interest income	-	-	280,694	280,694
Maintenance and office coordinator salaries - reimbursement from MFLC Partners and FPII	148,520	-	-	148,520
Total revenue	154,520	72,400	1,230,157	1,457,077
EXPENSES:				
Accounting	4,675	-	-	4,675
Bank fees	50	50	-	100
Contract labor	8,680	-	-	8,680
Depreciation	406	-	-	406
Housing assistance expense	-	-	848,647	848,647
Interest	1,150	-	-	1,150
Insurance - general liability	3,503	-	-	3,503
Loss from investments in partnerships	-	-	2,035	2,035
Payroll taxes and benefits - MFLCI	11,245	1,251	-	12,496
Payroll taxes - MFLC Partners and FPII	12,980	-	-	12,980
Postage and shipping	30	-	-	30
Professional services	1,713	-	-	1,713
Rent	7,800	-	-	7,800
Salaries - MFLCI	84,312	16,349	-	100,661
Salaries - MFLC Partners and FPII	169,670	-	-	169,670
Supplies	4,565	305	-	4,870
Telephone and utilities	3,127	-	-	3,127
Total expenses	313,906	17,955	850,682	1,182,543
INCREASE (DECREASE) IN NET ASSETS	(159,386)	54,445	379,475	274,534
Transfers in (out) between funds	56,200	(56,200)	-	-
Net assets (deficit) at beginning of year	(1,314,493)	(66,848)	7,797,904	6,416,563
NET ASSETS (DEFICIT) AT END OF YEAR	$ (1,417,679)	$ (68,603)	$ 8,177,379	$ 6,691,097

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INDEPENDENT AUDITOR'S 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*

May 4, 2021

To the Board of Directors of
Mirabeau Family Learning Center, Inc. and Subsidiary

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 consolidated financial statements of the Mirabeau Family Learning Center, Inc. (a nonprofit organization) and its wholly owned subsidiary (the Center), which comprise the consolidated statement of financial position as of December 31, 2020, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated May 4, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered the Center'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 opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Center's internal control. Accordingly, we do not express an opinion on the effectiveness of the Center'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 the Center's consolidated 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 the Center's consolidated 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 the Center'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 Center's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as public document.

Duplantier, Hrapmann, Hogan & Maher LLP

New Orleans, Louisiana

DHHM certified public accountants

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY *THE UNIFORM GUIDANCE*

May 4, 2021

To the Board of Directors of
Mirabeau Family Learning Center, Inc.

Report on Compliance for Each Major Federal Program

We have audited the Mirabeau Family Learning Center, Inc.'s (the Center) compliance with the types of compliance requirements described in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Center's major federal programs for the year ended December 31, 2020. The Center's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Center's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and *The Uniform Guidance* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Center's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Center's compliance.

Opinion on Each Major Federal Program

In our opinion, the Center complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2020.

Report on Internal Control Over Compliance

Management of the Center is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Center's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with *The Uniform Guidance*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Center's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of *The Uniform Guidance*. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Duplantier, Hrapmann, Hogan & Maher LLP

New Orleans, Louisiana

MIRABEAU FAMILY LEARNING CENTER, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2020

Federal CFDA Number	Grant No.	Program Title	Expenditures
U.S. Department of Housing and Urban Development			
Passed through the City of New Orleans:			
14.182	None	Section 8 - New Construction and Substantial Rehabilitation	$ 949,463

MIRABEAU FAMILY LEARNING CENTER, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The Schedule of Expenditures of Federal Awards of Mirabeau Family Learning Center, Inc. has been prepared in conformity with accounting principles generally accepted in the United States of America. Expenditures are recognized when incurred.

2. DETERMINATION OF TYPES A AND B PROGRAMS:

Federal awards programs are classified as either Type A or Type B programs. For the year ended December 31, 2020, Type A programs consist of the federal programs that expended over $750,000 and Type B programs are the programs that expended under $750,000.

3. INDIRECT COST RATE:

Mirabeau Family Learning Center, Inc. has elected not to use the 10% de minimus indirect cost rate allowed under the Uniform Guidance.

MIRABEAU FAMILY LEARNING CENTER, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2020

SUMMARY OF AUDITOR'S RESULTS:

Financial Statements:

Type of auditor's report issued: unmodified

Internal control over financial reporting:

*	Material weakness(es) identified?	yes	X no
*	Control deficiencies identified that are not considered to be material weaknesses?	yes	X none reported

Noncompliance material to financial statements noted?	yes	X no

Federal Awards:

Internal control over major programs:

*	Material weakness(es) identified?	yes	X no
*	Control deficiencies identified that are not considered to be material weaknesses?	yes	X none reported

Type of auditor's report issued on compliance for major programs: unmodified

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance:	yes	X no

Identification of major program:

Name of Program	CFDA No.	Expenditures
Section 8 - New Construction and Substantial Rehabilitation	14.182	$ 949,463

Dollar threshold used to distinguish between Type A and Type B programs: $ 750,000

Auditee qualified as low-risk auditee?	X yes	no

FINDINGS REQUIRED TO BE REPORTED UNDER GOVERNMENTAL AUDITING STANDARDS GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA:

NONE

FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS:

NONE

MIRABEAU FAMILY LEARNING CENTER, INC.
SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2020

PRIOR AUDIT FINDINGS:

NONE