

**RAYS OF SONSHINE**  
**MONROE, LOUISIANA**

*Financial Statements*  
*For the Years Ended December 31, 2022 and 2021*



**RAYS OF SONSHINE**  
**FINANCIAL STATEMENTS**  
**AS OF AND FOR THE YEARS ENDED**  
**DECEMBER 31, 2022 AND 2021**

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## INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors and Management of  
Rays of Sonshine  
Monroe, Louisiana

I have reviewed the accompanying financial statements of Rays of Sonshine (a non-profit), which comprise the statements of net position as of December 31, 2022 and 2021, and the related statements of activities, functional expenses and cash flows for the years ended, and the notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company 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, I 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 a financial statement that is free from material misstatement whether due to fraud or error.

### **Accountant's Responsibility**

My 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, and the standards applicable to review engagements contained in *Government Auditing Standards*, issued by the United States Comptroller General. Those standards require me to perform procedures to obtain limited assurance as a basis for reporting whether I am aware of any material modifications that should be made to the financial statement for it to be in accordance with accounting principles generally accepted in the United States of America. I believe that the results of my procedures provide a reasonable basis for my conclusion.

I am required to be independent of Rays of Sonshine, and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements related to my review.



To the Board of Directors and Management of  
Rays of Sunshine  
Monroe, Louisiana

**Accountant's Conclusion**

Based on my review, I am 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.

**Other Matters**

Supplementary Information

The accompanying schedule of compensation, reimbursements, benefits, and other payments to agency head 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.

Maxwell CPA, LLC

Monroe, Louisiana  
June 28, 2023

**RAYS OF SONSHINE**  
**STATEMENTS OF FINANCIAL POSITION**  
**FOR YEARS ENDED DECEMBER 31, 2022 AND 2021**

	December 31,	
	2022	2021
<b><u>ASSETS</u></b>		
<u>Assets</u>		
Cash	\$ 89,329	\$ 80,705
Accounts Receivable:		
Other	21,292	14,425
Prepaid Expenses	7,768	7,963
Land, Building, and Equipment, Net	1,996,540	2,178,664
Deposits	-	8,533
<b><u>TOTAL ASSETS</u></b>	<b>\$ 2,114,929</b>	<b>\$ 2,290,290</b>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
<u>Liabilities</u>		
Accounts Payable	\$ 58,811	\$ 68,217
Accrued Expenses	5,610	13,543
Rental Deposits	9,930	10,109
Received by Residents	-	1,950
Notes Payable	675,777	1,088,184
Total Liabilities	750,128	1,182,003
<u>Net Assets</u>		
Without Donor Restriction	1,340,042	1,083,528
With Donor Restrictions	24,759	24,759
Total Net Assets	1,364,801	1,108,287
<b><u>TOTAL LIABILITIES AND NET ASSETS</u></b>	<b>\$ 2,114,929</b>	<b>\$ 2,290,290</b>

See accompanying notes and independent accountant's review report.

**RAYS OF SONSHINE**  
**STATEMENTS OF ACTIVITIES**  
**FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

	Net Assets	Net Assets	Totals	
	Without Donor Restrictions	With Donor Restrictions	2022	2021
Support and Revenue				
<i>Federal:</i>				
Emergency Food Assistance Program - Noncash	\$ 171,617	\$ -	\$ 171,617	\$ 173,866
EFSP Grant Revenue	26,000	-	26,000	11,541
Emergency Food Assistance Program - Nonfederal	85,182	-	85,182	125,117
Contributions	96,208	-	96,208	114,050
United Way Allocation	-	18,337	18,337	21,255
Program Service Fees	-	-	-	43,722
Charitable Gaming	95,914	-	95,914	125,525
Rental Revenue	153,327	-	153,327	135,310
Forgiveness of Debt	74,231	-	74,231	74,231
Extinguishment of Debt - PPP Loan	-	-	-	114,100
Gain (Loss) on Disposal of Assets	226,490	-	226,490	-
Other Revenue	138,038	-	138,038	178,321
Net Unrestricted Revenues, Gains, and Other Support	1,067,007	18,337	1,085,344	1,117,038
Net Assets Released from Restrictions	18,337	(18,337)	-	-
Total Revenue, Gains, and Other Support	1,085,344	-	1,085,344	1,117,038
Expenses				
Program Services:				
Manna Pantry	303,738	-	303,738	346,417
Women's Residence	3,913	-	3,913	74,295
The Kitchen	-	-	-	4,699
Atkins Quarters	1,235	-	1,235	93
Sonshine Community of Hope	108,189	-	108,189	71,725
Sonshine House II	50,756	-	50,756	24,831
Sonshine Supportive Housing	194,166	-	194,166	309,152
Breard Apartments	42,711	-	42,711	60,865
Mothers With Children	15,253	-	15,253	19,284
Transitional One	905	-	905	-
Total Program Services	720,866	-	720,866	911,361
Supportive Services:				
Charitable Gaming	74,321	-	74,321	98,634
Management and General	33,643	-	33,643	93,755
Total Expenses	828,830	-	828,830	1,103,750
<u>INCREASE (DECREASE) IN NET ASSETS</u>	256,514	-	256,514	13,288
<u>NET ASSETS AT BEGINNING OF YEAR</u>	1,083,528	24,759	1,108,287	1,094,999
<u>NET ASSETS AT END OF YEAR</u>	<u>\$1,340,042</u>	<u>\$ 24,759</u>	<u>\$1,364,801</u>	<u>\$ 1,108,287</u>

See accompanying notes and independent accountant's review report.

**RAYS OF SONSHINE**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
**FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

	December 31, 2022					
	Program Services					
	Manna Pantry	Women's Residence	Atkins Quarters	Sonshine Community of Hope	Sonshine House II	Sonshine Supportive Housing
Alarm System	\$ -	\$ -	\$ -	\$ -	\$ 1,200	\$ -
Automobile	2,590	-	-	464	-	9,613
Bank Service Charges	45	-	-	15	60	-
Contract Services	-	-	-	-	-	-
Depreciation	8,468	-	-	28,433	11,957	61,121
Dues and Subscriptions	-	-	-	-	-	-
Insurance	3,195	2,555	-	13,642	3,362	4,082
Interest Expense	-	-	-	1,599	-	21,512
Licenses and Permits	-	-	-	-	-	-
Miscellaneous	-	-	-	450	250	2,790
Postage	-	-	-	-	-	-
Professional Fees	-	-	-	12,000	7,000	-
Program Expenses	-	-	-	1,789	400	-
Repairs and Maintenance	5,305	1,034	-	23,084	5,859	10,376
Rental Expense	-	-	-	-	-	-
Salaries and Benefits	7,508	-	-	25,211	10,602	54,194
Supplies - Food	260,233	-	-	-	-	-
Supplies	1,368	324	1,235	991	642	6,410
Taxes	-	-	-	-	-	-
Telephone	-	-	-	-	-	8,514
Utilities	15,026	-	-	511	9,424	15,554
<b><u>TOTAL EXPENSES</u></b>	<b><u>\$ 303,738</u></b>	<b><u>\$ 3,913</u></b>	<b><u>\$ 1,235</u></b>	<b><u>\$ 108,189</u></b>	<b><u>\$ 50,756</u></b>	<b><u>\$ 194,166</u></b>

Breard Apartments	Mothers With Children	Transitional One	Total Program Services	Supporting Services		Total
				Charitable Gaming	Management and General	
\$ -	\$ -	\$ -	\$ 1,200	\$ -	\$ -	\$ 1,200
1,689	-	-	14,356	-	-	14,356
150	-	-	270	-	1,110	1,380
25	-	-	25	-	2,700	2,725
1,652	-	-	111,631	-	-	111,631
-	-	-	-	2,075	-	2,075
2,597	2,330	563	32,326	195	-	32,521
-	-	-	23,111	-	-	23,111
-	-	-	-	-	966	966
55	-	-	3,545	1,158	-	4,703
55	-	-	55	-	464	519
-	-	-	19,000	4,500	-	23,500
228	-	-	2,417	-	-	2,417
3,465	6,618	120	55,861	-	-	55,861
-	-	-	-	47,957	-	47,957
1,465	-	-	98,980	12,874	28,403	140,257
11,313	3,575	-	275,121	-	-	275,121
4,161	26	222	15,379	1,349	-	16,728
-	-	-	-	4,213	-	4,213
19	-	-	8,533	-	-	8,533
15,837	2,704	-	59,056	-	-	59,056
<u>\$ 42,711</u>	<u>\$ 15,253</u>	<u>\$ 905</u>	<u>\$ 720,866</u>	<u>\$ 74,321</u>	<u>\$ 33,643</u>	<u>\$ 828,830</u>

See accompanying notes and independent accountant's review report.



**RAYS OF SONSHINE**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
**FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

	December 31, 2021				
	Program Services				
	Manna Pantry	Women's Residence	The Kitchen	Sonshine Community of Hope	Breard Apartments
Alarm System	\$ -	\$ 1,358	\$ -	\$ -	\$ 454
Automobile	393	1,016	-	285	1,401
Bank Service Charges	-	-	-	-	113
Contract Services	-	-	-	-	35
Depreciation and Amortization	7,255	15,667	-	8,978	4,048
Dues and Subscriptions	-	-	-	-	-
Fund Raising	-	-	-	-	-
Insurance	2,144	3,552	-	12,310	3,335
Interest Expense	-	-	-	801	-
Licenses and Permits	-	473	-	-	-
Miscellaneous	-	80	-	250	79
Printing	-	-	-	-	-
Postage	-	-	-	7	-
Professional Fees	-	-	-	-	-
Program Expenses	-	242	-	3,146	1,191
Repairs and Maintenance	5,618	5,252	-	25,392	25,416
Rental Expense	-	-	-	-	-
Salaries and Benefits	15,176	32,774	-	18,780	8,467
Supplies - Food	299,685	4,930	4,699	-	3,469
Supplies	1,219	1,002	-	12	1,438
Taxes	1,205	2,603	-	1,674	673
Telephone	-	441	-	-	441
Utilities	13,722	4,905	-	90	10,305
<b><u>TOTAL EXPENSES</u></b>	<b><u>\$ 346,417</u></b>	<b><u>\$ 74,295</u></b>	<b><u>\$ 4,699</u></b>	<b><u>\$ 71,725</u></b>	<b><u>\$ 60,865</u></b>

Mothers With Children	Atkins Quarters	Sonshine House II	Sonshine Supportive Housing	Total Program Services	Supporting Services		Total
					Charitable Gaming	Management and General	
\$ 944	\$ -	\$ 1,100	\$ 317	\$ 4,173	\$ -	\$ 128	\$ 4,301
578	-	-	2,781	6,454	-	9,165	15,619
-	-	-	-	113	32	1,017	1,162
-	-	-	3,090	3,125	-	-	3,125
2,065	-	2,096	55,750	95,859	-	20,586	116,445
-	-	-	100	100	-	-	100
-	-	-	-	-	-	20	20
2,974	-	2,713	10,322	37,350	407	2,386	40,143
-	-	-	11,374	12,175	-	16	12,191
473	-	15	2,196	3,157	-	449	3,606
80	-	-	6,880	7,369	30	3,003	10,402
-	-	-	193	193	-	-	193
-	-	-	1,112	1,119	-	219	1,338
-	-	-	-	-	875	-	875
345	-	15	54,051	58,990	-	216	59,206
3,733	-	4,206	19,745	89,362	-	5,907	95,269
-	-	-	-	-	62,763	-	62,763
4,319	-	4,385	116,622	200,523	22,185	20,882	243,590
-	-	-	-	312,783	-	627	313,410
95	93	98	6,788	10,745	12,342	7,874	30,961
343	-	423	9,263	16,184	-	6,302	22,486
459	-	-	6,272	7,613	-	5,078	12,691
2,876	-	9,780	2,296	43,974	-	9,880	53,854
<u>\$ 19,284</u>	<u>\$ 93</u>	<u>\$ 24,831</u>	<u>\$ 309,152</u>	<u>\$ 911,361</u>	<u>\$ 98,634</u>	<u>\$ 93,755</u>	<u>\$ 1,103,750</u>

See accompanying notes and independent accountant's review report.

**RAYS OF SONSHINE**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

	<u>2022</u>	<u>2021</u>
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES:</u></b>		
Change in Net Assets	\$ 256,514	\$ 13,288
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and Amortization	111,631	116,445
Forgiveness of Debt	(74,231)	(74,231)
Gain on Sale of Assets	(226,490)	(82,177)
(Increase) Decrease in Accounts Receivable	(6,867)	3,494
(Increase) Decrease in Prepaid Expenses and Other Assets	195	(4,316)
(Increase) Decrease in Deposits	8,533	-
Increase (Decrease) in Accounts Payable	(9,406)	38,472
Increase (Decrease) in Deposits Received on Rentals	(2,129)	(2,399)
Increase (Decrease) in Accrued Expenses	(7,933)	577
Net Cash Provided (Used) by Operating Activities	<u>49,817</u>	<u>9,153</u>
 <b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>		
Proceeds from Sale of Assets	296,985	343,537
 <b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>		
Net Decrease in Note Payables	<u>(338,178)</u>	<u>(368,314)</u>
 <b><u>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</u></b>	 8,624	 (15,624)
 <b><u>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</u></b>	 <u>80,705</u>	 <u>96,329</u>
 <b><u>CASH AND CASH EQUIVALENTS AT END OF YEAR</u></b>	 <u>\$ 89,329</u>	 <u>\$ 80,705</u>
 Noncash Transactions are as follows:		
Operating activities:		
Donations of Food from Food Bank	\$ 256,799	\$ 298,983
Disbursements of Food by The Zone	<u>(256,799)</u>	<u>(298,983)</u>
 Total Operating activities	 <u>\$ -</u>	 <u>\$ -</u>

See accompanying notes and independent accountant's review report.

**RAYS OF SONSHINE**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

**Note 1 – DESCRIPTION OF CORPORATION**

Rays of Sonshine (the Corporation) was established during the year ended December 31, 1998, as a nonprofit volunteer health and welfare organization for the purpose of working to assist individuals in crisis situations through various charitable and educational programs. During the year ended December 31, 2007, a subsidiary of Rays of Sonshine, Sonshine Neighborhoods and Properties, Inc. was established to construct new homes for rental to low-income individuals. No activity has occurred for Sonshine Neighborhoods and Properties, Inc. for the fiscal year ended December 31, 2022.

**Note 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Basis of Accounting and Financial Statement Presentation**

The financial statements of Rays of Sonshine have been prepared on the accrual basis of accounting, whereby revenues are recognized when earned and expenses are recognized when the related liabilities are incurred.

In accordance with Financial Accounting Standard Board Accounting Standards Codification (FASB ASC) 958, the Corporation is required to report information regarding its financial position and activities according to two classes or net assets (net assets without donor restrictions and net assets with 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.

Net assets without donor restrictions – Amounts that are not subject to usage restrictions based on donor-imposed requirements. This class also includes assets previously restricted where restrictions have expired or been met.

Net assets with donor restrictions – Assets subject to usage limitation based on donor-imposed or grantor restrictions. These restrictions may be temporary or may be based on a particular use. Restrictions may be met by the passage of time or actions of the Corporation. Certain restrictions may need to be maintained in perpetuity.

Earnings related to restricted net assets will be included in net assets without donor restrictions unless otherwise specifically required to be included in net assets with donor restrictions by the donor or by applicable state law.

**B. Contributions**

In accordance with FASB ASC 958-205, *Not-for-Profit Entities – Revenue Recognition*, contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions depending upon the existence of donor-imposed restrictions. The Corporation has elected to recognize restricted contributions which are released from the restriction in the same year as unrestricted contributions.

**RAYS OF SONSHINE**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

**Note 2 – Summary of Significant Accounting Policies** (continued)

**C. Donated Services**

Members, agencies, businesses, volunteers, and others contribute substantial services toward fulfillment of the projects initiated by the Corporation. No amounts have been recognized in the Statement of Activities because the criteria for recognition of such volunteer efforts under FASB ASB 958-205 have not been satisfied.

**D. Cash and Cash Equivalents**

The Corporation considers all highly liquid investments, with a maturity of three months or less, when purchased to be cash equivalents. For financial statement purposes, the Corporation considers cash in its checking accounts to be the only cash items.

**E. Accounts Receivable**

Accounts receivables are stated at unpaid balances less an allowance for doubtful accounts. Accounts receivable consist of amounts receivable from various programs. Management considers the collectability of each account receivable individually. At December 31, 2022, the Corporation had an allowance for doubtful accounts in the amount of \$0.

**F. Fair Value of Financial Instruments**

The Corporation’s financial assets available within one year of the statement of financial position date for general expenditures are as follows:

The Corporation has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. Amounts not available for general use because of contractual or donor-imposed restrictions include cash in the amount of \$24,759. Accordingly, all other funds are available to meet the cash needs of the Corporation in the next 12 months. In addition, the Corporation may maintain funds in a reserve for replacement. These funds are used for the benefit of the tenants and/or the Corporation. Such funds are not considered by the Corporation to have donor-imposed restrictions.

	2022	2021
Cash	\$ 89,329	\$ 80,705
Accounts Receivable - Other	21,292	14,425
Total	\$ 110,621	\$ 95,130

**G. Property and Equipment**

Property and equipment are stated at cost. The capitalization policy is to expense all items with a cost of less than \$1,000. All donated capital assets are recorded at fair market value on the date of the donation. Depreciation is computed on a straight-line and double declining balance basis over the useful lives of the assets using the following estimated lives:

**RAYS OF SONSHINE**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

**Note 2 – Summary of Significant Accounting Policies** (continued)

**G. Property and Equipment** (continued)

	<u>Years</u>
Buildings and improvements	30
Furniture and equipment	7-30
Vehicles	3

**H. Net Assets**

Net assets without donor restrictions represent the surplus accumulated over the years through the normal operations of the Corporation. Income from restricted sources which is received during the year and for which the restrictions are satisfied within the same year, is represented in the net assets released from restriction.

Net assets with donor restrictions at December 31, 2022, was \$24,759.

At December 31, 2022, the amount due from the United Way of Northeast Louisiana, Inc. was \$0, respectively. For contributions restricted for neighborhood clean-up activities, per the Atkins Quarters Grant/Donation, was \$3,768 for December 31, 2022. Contributions restricted for Community Hope II project for December 31, 2022, was \$20,991.

**I. Revenue and Revenue Recognition**

Revenue is recognized when earned. Program service fees and payments under cost-reimbursable contracts received in advance are deferred to the applicable period in which the related services are performed, or expenditures are incurred, respectively. Contributions are recognized when cash, securities, other assets, unconditional promises to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met. Contributions received with a donor stipulation that limits their use are reported as revenue and net assets with donor restrictions. When a donor-stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Contributions and investment return having donor stipulations that are satisfied in the same period received or earned are reported as revenue and net assets with donor restrictions and shown as net assets released from restrictions.

**J. Grants**

The Corporation receives commodities and other donated food items from the Food Bank of Northeast Louisiana, Inc. (the Food Bank). The Food Bank receives these items as a pass-through grant from the U.S. Department of Agriculture (USDA) or from other sources. The value of commodities is based on a price list from the USDA. The value for the other food items is based on an average cost per pound provided by America's Second Harvest.

All other grants are based on cost reimbursement.

**RAYS OF SONSHINE**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

**Note 2 – Summary of Significant Accounting Policies** (continued)

**K. Functional Allocation of Expenses**

The costs of providing programs and other activities have been summarized on a functional basis in the Statements of Activities and the Statements of Functional Expenses. Accordingly, certain costs have been allocated among program services and support services benefitted. Such allocations are determined by management on an equitable basis.

<u>Expense</u>	<u>Method of Allocation</u>
Salaries and benefits	Time and effort

**L. Programs**

The Corporation's principal programs are as follows:

*Manna Pantry* – A food pantry which distributes food to those in need. The food is obtained from the Northeast Louisiana Food Bank which includes food from the USDA and Wal-Mart.

*Supportive Housing* – This program provides  $\frac{3}{4}$  supportive housing to women and children in crisis or at-risk of homelessness that are no- or low-income and meet entrance guidelines. This includes The Breard House, Women's Residence, The Moms with Children House, and Transitional Housing I.

*Sonshine Community of Hope* – This program assisted with the construction of new homes on adjudicated lands that are rented to low-income individuals and subsidized by the Louisiana Housing Corporation.

*Breard Apartments* – This program provides supportive housing to homeless or at-risk of homelessness women and women with children. Funding is gained through individual sponsorship, minimal weekly charge, or those qualified through Department of Correction.

*Mother's With Children* – This program provides shelter to homeless or at-risk of homelessness for women that have children. Funding is gained through individual sponsorship, minimal weekly charge. This home was temporarily closed because of COVID-19 but has reopened.

*Atkins Quarters* – This program is the Fiscal Agent of community development in one single neighborhood – Atkins Quarter.

*Sonshine House II* – This program provides six permanent apartment housing to low-income individuals or families who qualify under HUD guidelines.

**M. Income Taxes**

The Corporation is exempt from income tax under Internal Revenue Code Section 501 (c)(3). This code section enables the Corporation to accept donations which qualify as charitable contributions to the donor. The only exception is the income tax paid on gambling proceeds. The Corporation had adopted certain provisions of FASB ASC 740 *Income Taxes*. The Corporation believes that it has appropriated support for any tax positions taken and, as such, does not have any uncertain tax positions that are material to the financial statements. The

**RAYS OF SONSHINE**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

**Note 2 – Summary of Significant Accounting Policies** (continued)

Corporation’s Federal Return of Organization Exempt From Income Tax (Form 990) and Exempt Organization Business Income Tax Return (Form 990-T) for the years ended December 31, 2022, 2021, and 2020, are subject to examination by the IRS, generally for three years after they are filed.

**N. Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities, and the disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Estimates include the allocation of functional expenses and depreciation. Accordingly, actual results could differ from those estimates.

**O. Subsequent Events**

Management had evaluated subsequent events through June 28, 2023, which is the date the financial statements were available to be issued.

**Note 3 – Concentration of Credit Risk**

The Corporation maintains its cash and cash equivalents balances in a one financial institution. Custodial credit risk is the risk that in the event of a bank failure, the Corporation’s deposits may not be returned to them. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At December 31, 2022, the amounts on deposit by the Corporation were covered by FDIC insurance.

**Note 4 – Property and Equipment**

Property and equipment consisted of the following:

	<u>December 31,</u>	
	<u>2022</u>	<u>2021</u>
Land	\$ 108,328	\$ 148,328
Buildings	2,752,152	2,833,881
Building Improvements	339,963	365,649
Vehicle	12,750	12,750
Furniture, Fixtures, and Equipment	<u>97,838</u>	<u>97,838</u>
Total	\$ 3,311,031	\$3,458,446
Accumulated Depreciation	<u>(1,314,491)</u>	<u>(1,279,782)</u>
Total Capital Assets, Net	<u>\$ 1,996,540</u>	<u>\$2,178,664</u>



**RAYS OF SONSHINE**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

**Note 5 - Notes Payable**

Notes payable consisted of the following:

	<u>December 31,</u>	
	<u>2022</u>	<u>2021</u>
<b>Mortgage due to Origin Bank</b>		
4.89% interest rate, secured by real estate. Payments are \$382 monthly, due May 6, 2027, with balloon payment due at that time.	\$ 17,761	\$ 20,654
<b>CDBG Loan</b>		
No-interest loan for the purpose of undertaking and satisfactorily completing NSP activities.	520,195	594,426
<b>Mortgage due to Cross Keys Bank</b>		
6.45% interest rate, secured by real estate. Payments are \$3,311 monthly due May 01, 2027, with balloon payment due at that time.	-	328,232
<b>Small Business Administration</b>		
2.75% interest rate, secured by personal property. Payments are \$641 monthly, with final payment due May 2051.	<u>137,821</u>	<u>144,872</u>
Total	\$ 675,777	\$1,088,184
Less current portion of notes payable	<u>(81,786)</u>	<u>(117,753)</u>
Total long-term notes payable	<u>\$ 593,991</u>	<u>\$ 970,431</u>

The aggregate principal payments of long-term indebtedness maturing during the next five years and thereafter are as follows:

**RAYS OF SONSHINE**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

**Note 5 - Notes Payable** (continued)

<u>Year</u>	<u>Bank Mortgages</u>	<u>CDBG Loan</u>	<u>Total</u>
2023	7,555	74,231	81,786
2024	7,850	74,231	82,081
2025	8,157	74,231	82,388
2026	8,477	74,231	82,708
2027	5,574	74,231	79,805
Thereafter	117,969	149,040	267,009
Total	<u>\$ 155,582</u>	<u>\$ 520,195</u>	<u>\$ 675,777</u>

CDBG loan, in the original amount of \$1,530,000, is a forgivable loan that starts as each rental unit is completed and operates at a full operating year. The loan forgiveness is at the rate of 1/20<sup>th</sup> of the initial principal amount in the case of redeveloped (new construction) rental units with a maturity date of December 31, 2030. In addition, the Corporation agrees to annually pay to the Louisiana Housing Corporation (LHC), an amount calculated on the total of the annual net revenue from all rental properties under this loan until the loan principal balance has been paid in full. This payment from net revenue shall not be applied towards the reduction of the loan principal balance. At December 31, 2022, the Corporation owed LHC \$0. During the year ended December 31, 2022, the CBDG loan was reduced by \$74,231. As of December 31, 2022, the balance on the loan was \$520,195.

**Origin Bank Loan**

On May 2, 2022, the Corporation renewed its existing loan in the amount of \$20,248. The interest rate is a fixed rate of 4.89% per annum. Beginning on May 26, 2022, monthly payments of principal and interest in the amount of \$382 are due. The loan matures on May 6, 2027. The loan is collateralized by the real estate.

**Cross Keys Bank Loan**

On December 13, 2017, the Corporation entered into a loan with Cross Keys Bank in the amount of \$750,315. The interest is a fixed rate of 6.25% per annum. Monthly payments of principal and interest in the amount of \$6,469 are due and one irregular payment estimated in the amount of \$580,365 will be due at maturity. The note was refinanced during 2022 in the amount of \$328,232. Monthly payments of principal and interest in the amount of \$3,311 are due and one irregular payment estimated in the amount of \$237,016 will be due at maturity. The loan is collateralized by a multiple indebtedness mortgage granting a security interest in properties. The loan matures on April 1, 2027. During 2022, the property securing this loan was sold and the loan was paid off.

**Small Business Administration**

The Corporation entered into a loan with the Small Business Administration in the amount of \$144,872 in December of 2021. The interest rate is a fixed rate of 2.75% per annum. Beginning January 2022, principal and interest payments of \$641 are due monthly and one irregular last payment of \$1,135 due at maturity. The loan matures on May 1, 2051.

**RAYS OF SONSHINE**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

**Note 5 – Notes Payable** (continued)

**Louisiana Housing Corporation Permanent Loan Contingent Commitment**

The Corporation was informed by the Louisiana Housing Corporation (LHC) of their contingent commitment to make available a loan for permanent financing in an amount of \$1,050,000. The permanent loan contingent commitment is to take out the construction financing necessary for the proposed new construction of seven units under the Louisiana Neighborhood Landlord Rental Program (LNLRP). The funding source of the loan is Community Development Block Grant (CDBG). The permanent loan will be collateralized by a 2<sup>nd</sup> mortgage position on all seven properties. The LHC's commitment is contingent upon compliance with the provisions of the National Environmental Policy Act of 1969 (NEPA), as well as the HUD environmental review regulations at 24 CFR Part 58. The project is also subject to CDBG Federal Grant requirements to be referenced in the LNLRP Regulatory Agreement. As of December 31, 2022, no activity had occurred under this commitment.

**Note 6 – Federal Grants/Contracts**

The Corporation distributes food each week to needy individuals that qualify under the Emergency Food Assistance Program of the United States Department of Agriculture. The food that is received from the Northeast Louisiana Food Bank, Inc. is comprised of commodities donated by the Louisiana Department of Agriculture and Forestry's Food Bank program and other local donors. The value of these commodities received was \$256,799, for the year ended December 31, 2022. For the year ended December 31, 2022, the federal portion of commodities was valued at \$171,617.

**Note 7 – Disclosure and Concentrations**

The Corporation received a large portion of its revenue based on contracts with various federal, state, and local agencies. Therefore, a majority of its revenue and accounts receivable are derived from these sources and are contingent upon continued funding of such programs.

**Note 8 – Related-Party Transactions**

Daniel Printing, an entity owned by Executive Director's husband, was paid \$155 during the year ended December 31, 2022, and was due \$121 on December 31, 2022, for printing services provided to the Corporation.

**OTHER SUPPLEMENTAL INFORMATION**

**RAYS OF SONSHINE**  
**SCHEDULE OF COMPENSATION, REIMBURSEMENTS, BENEFITS**  
**AND OTHER PAYMENTS TO AGENCY HEAD**  
**DECEMBER 31, 2022**

Agency Head -  
Lynn Daniels

Salary and Expense Account	\$	108
Benefits - Social Security and Medicare		9

## **OTHER INFORMATION**



**INDEPENDENT ACCOUNTANT'S REPORT**  
**ON APPLYING AGREED-UPON PROCEDURES**

To the Board of Directors  
Rays of Sonshine

I have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the management of Rays of Sonshine, and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the organization's compliance with certain laws and regulations during the year ended December 31, 2022, as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*. Rays of Sonshine'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, I 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.

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.

*Rays of Sonshine provided me with the following list of expenditures made for state grant awards received during the fiscal year ended December 31, 2022.*

- Louisiana Childrens Trust Fund*
- Department of Corrections – Justice Initiative*
- Emergency, Food & Shelter Program*

2. 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.

*I selected six disbursements for each grant.*

3. 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.*



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

*All the disbursements appear to be coded to the correct general ledger account.*

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

*Rays of Sonshine's policy is for the executive director to approve all disbursements. Each of the selected disbursements included the signature of the executive director.*

6. 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.

*Each of the selected disbursement's appeared to be in compliance with the grant agreement.*

7. 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.

*Not applicable.*

#### Open Meetings

8. 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.

*Management represented that Rays of Sonshine is not required to post agendas.*

#### Budget

9. 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.

*Management provided me with a budget for the LCTF and EFSP grants. Rays of Sonshine is not required to submit a budget to the Department of Corrections.*

*No exceptions noted.*

#### State Audit Law

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

*No exceptions.*



11. 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).

*Not applicable.*

Prior-Year Comments

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

*All prior years have been resolved.*

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. I was 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 Rays of Sonshine's compliance with the foregoing matters. Accordingly, I do not express such an opinion or conclusion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

The purpose of this report is solely to describe the scope of testing performed on the Rays of Sonshine'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.

*Maxwell CPA, LLC*

Monroe, Louisiana  
June 28, 2023

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

6/16/23 (Date Transmitted)

Maxwell CPA, LLC (CPA Firm Name)  
P.O. Box 1327 (CPA Firm Address)  
Sterlington, LA 71280 (City, State Zip)

In connection with your engagement to apply agreed-upon procedures to the control and compliance matters identified below, as of 12/31/22 (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 [ ] N/A [ ]

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 [ ] N/A [ ]

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

Yes  No [ ] N/A [ ]

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 [ ] N/A [ ]

**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 [ ] N/A [ ]

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 [ ] N/A [X]

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 [X] No [ ] N/A [ ]

We have complied with R.S. 24:515.2 regarding reporting of pre- and post- adjudication court costs, fines and fees assessed or imposed; the amounts collected; the amounts outstanding; the amounts retained; the amounts disbursed, and the amounts received from disbursements.

Yes [ ] No [ ] N/A [ ]

**Prior-Year Comments**

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

Yes [X] No [ ] N/A [ ]

**General**

We acknowledge that we are responsible for the Agency's compliance with the foregoing laws and regulations and the internal controls over compliance with such laws and regulations.

Yes [X] No [ ] N/A [ ]

We acknowledge that we are responsible for determining that the procedures performed are appropriate for the purposes of this engagement.

Yes [X] No [ ] N/A [ ]

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

Yes [X] No [ ] N/A [ ]

We have provided you with all relevant information and access under the terms of our agreement.

Yes [X] No [ ] N/A [ ]

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

Yes [X] No [ ] N/A [X]

We are not aware of any material misstatements in the information we have provided to you.

Yes [X] No [ ] N/A [ ]

We have disclosed to you any communications from regulatory agencies, internal auditors, other independent practitioners or consultants, and others concerning noncompliance with the foregoing laws and regulations, including communications received during the period under examination; and will disclose to you any such communication received between the end of the period under examination and the date of your report.

Yes [ ] No [ ] N/A [X]

We will disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies all known noncompliance and other events subsequent to the date of this representation and the date of your report that could have a material effect on our compliance with laws and regulations and the internal

controls with such laws and regulations, or would require adjustment or modification to the results of the agreed-upon procedures.

Yes [] No [] N/A []

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

<u>Peggy Johnson</u>	<u>Bookkeeper</u>	<u>6/16/23</u>	Date
	Secretary		
	Treasurer		Date
<u>Lynn Daniel</u>	<u>President</u>	<u>6-16-23</u>	Date
	Ex. Dir.		
	(both)		

**RAYS OF SONSHINE**  
**SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

**2021-01    Late Filing of Audit Report**

Condition Found:

The audited financial statements were not submitted to the Louisiana Legislative Auditor by the statutory due date of June 30, 2021.

Effect:

Rays of Sonshine is on the noncompliance list with the State of Louisiana.

Recommendation to Prevent Future Occurrences:

We recommend Rays of Sonshine and the auditor ensure the report is uploaded before the statutory due date in future years.

Current Status:

The finding has been cleared.