MT. PLEASANT COMMUNITY DEVELOPMENT CORPORATION, INC.
(A NONPROFIT CORPORATION)

AUDITED FINANCIAL STATEMENTS

AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2016

MT. PLEASANT COMMUNITY DEVELOPMENT CORPORATION, INC. (A NONPROFIT CORPORATION)

AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2016

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Little & Assoc.
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Mt. Pleasant Community Development Corporation, Inc.
Monroe, Louisiana

We have audited the accompanying financial statements of Mt. Pleasant Community Development Corporation, Inc. (a Louisiana Non-Profit Corporation) which comprise the statement of financial position as of December 31, 2016, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Mt. Pleasant Community Development Corporation, Inc. as of December 31, 2016, 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.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Functional Expenses on page 12 and the Schedule of Compensation, Benefits and Other Payments to the Agency Head or Chief Executive Officer on page 13 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Little & Associates, LLC

Monroe, Louisiana
January 2, 2018

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MT. PLEASANT COMMUNITY DEVELOPMENT CORPORATION, INC.
(A NONPROFIT CORPORATION)

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2016

ASSETS

CURRENT ASSETS	
Cash and Cash Equivalents	$ 58,261
Due From Related Party	34,930
Total Current Assets	93,191
INVESTMENTS	
Land Purchase Options	2,000
Investments in Partnerships	1,251,432
Total Invesments	1,253,432
PROPERTY AND EQUIPMENT	
Buildings	57,638
Furniture & Fixtures	12,908
Computer Equipment	30,550
Vehicles	73,483
Miscellaneous Fixed Assets	36,397
Total	210,976
Less: Accumulated Depreciation	(160,048)
Net Depreciable Property and Equipment	50,928
Land	6,404
Total Property and Equipment	57,332
OTHER ASSETS	
Deferred Developer Fees Receivable	770,249
Total Other Assets	770,249
TOTAL ASSETS	$ 2,174,204

LIABILITIES AND NET ASSETS

LIABILITIES	
Accounts Payable	$ 1,538
Accrued Property Taxes	1,124
Total Current Liabilities	2,662
Share of Deficiency in Assets of Partnership	228,299
Total Long Term Liabilities	228,299
Total Liabities	230,961
NET ASSETS	
Unrestricted Net Assets	1,943,243
Total Net Assets	1,943,243
TOTAL LIABILITIES AND NET ASSETS	$ 2,174,204

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

MT. PLEASANT COMMUNITY DEVELOPMENT CORPORATION, INC.
(A NONPROFIT CORPORATION)

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2016

	Unrestricted
SUPPORT AND REVENUE	
Grant Income	
Louisiana Housing Corporation	$ 77,625
Total Grant Income	77,625
Dues and Fees Income	
Membership Dues	30
Support Service Fee Income	69,264
Developer Fee Income	724,579
Management Fee Income	52,847
Total Dues and Fees Income	846,720
Fund Raising Income	170
Other Income	
Interest Income	4
Mentoring Program/Youth Sports Income	150
Income from Investments	155,621
Recovery of Property Maintenance Expense	36,213
Miscellaneous Income	37,876
Excess Reimbursement	45,914
BP Oil Claim Settlement	52,013
Total Other Income	327,791
Total Support and Revenue	1,252,306
EXPENSES	
Program Expenses	313,307
Management and General	39,431
Total Expenses	352,738
Change in Net Assets	899,568
NET ASSETS, BEGINNING OF YEAR - UNRESTRICTED	1,043,675
NET ASSETS, END OF YEAR - UNRESTRICTED	$ 1,943,243

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

MT. PLEASANT COMMUNITY DEVELOPMENT CORPORATION, INC.
(A NONPROFIT CORPORATION)

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2016

CASH FLOWS FROM OPERATING ACTIVITIES:	
Change in Net Assets	$ 899,568
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:	
Depreciation	2,807
Net (Increase) Decrease in Deferred Developer Fees Receivable	(721,607)
Net Increase (Decrease) in Accounts Payable	1,538
Net Increase (Decrease) in Accrued Property Taxes	1,124
Total Adjustments	(716,138)
Net Cash Provided By (Used in) Operating Activities	183,430
CASH FLOWS FROM INVESTING ACTIVITIES:	
Net Change in Advances to Related Parties	(8,943)
Net Change in Investment in Partnerships	(155,621)
Net Cash Provided By (Used in) Investing Activities	(164,564)
CASH FLOWS FROM FINANCING ACTIVITIES	
Payments on Line of Credit	(36,200)
Net Cash Provided By (Used in) Financing Activities	(36,200)
Net Increase (Decrease) in Cash and Cash Equivalents	(17,334)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	75,595
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 58,261

Supplemental Disclosures of Cash Flow Information:

Cash Paid During the Year for Interest	$ 1,681

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

NOTE 1 – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Nature of Activities

Mt. Pleasant Community Development Corporation, Inc. (the "Organization") is a non-profit Corporation organized under the laws of the State of Louisiana. The purpose of this organization is to combat deterioration in Northeast Louisiana neighborhoods by providing decent, safe, sanitary and affordable housing, addressing educational needs and supporting positive activities for youth and senior citizens. Mt. Pleasant Community Development Corporation ('CDC") is operated exclusively for charitable, religious, educational, and other non-profit purposes for which the corporation is formed.

Basis of Accounting

The financial statements of the Organization are prepared on the accrual basis of accounting and in accordance with U.S. generally accepted accounting principles.

Basis of Presentation

The financial statement presentation follows the provisions of Financial Accounting Standards Board (FASB) *Accounting Standards Codification* (ASC) 958, Not-for-Profit Organizations. Under FASB ASC 958, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. These three classes of net assets are described as follows:

Unrestricted Net Assets – consists of assets, public support, and program revenues which are available and used for operations and programs. Contributions are considered available for unrestricted use unless specifically restricted by the donor.

Temporarily Restricted Net Assets – includes funds with donor-imposed restrictions which permit the donee organization to expend the assets as specified and is satisfied either by the passage of time or actions of the organization.

Permanently Restricted Assets – includes sources which have a permanent donor-imposed restriction which stipulates that the assets are to be maintained permanently, but permits the Organization to expend all or part of the income derived from donated assets.

Estimates

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

NOTE 1 – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Collateralization Policy for Financial Instruments

The Partnership does not require collateral to support financial instruments subject to credit risk.

Property and Equipment

Property and equipment acquired with CDC funds are considered to be owned by the CDC while used in the program or in future authorized programs. However, funding sources have a reversionary interest in these assets as well as the determination of use of any proceeds from the sale of these assets.

The CDC follows the practice of capitalizing, at cost, all expenditures for property and equipment in excess of $500. Depreciation is computed on a straight line basis over the estimated service lives of the assets.

The following lives have been assigned to the fixed assets:

Buildings	27.5 Years
Furniture & Fixtures	7 Years
Computer Equipment	5 Years
Vehicles	5 Years
Miscellaneous Fixed Assets	7 Years

Net Values are computed as follows:

Buildings	$ 57,638
Furniture & Fixtures	12,908
Computer Equipment	30,550
Vehicles	73,483
Miscellaneous Fixed Assets	36,397
Less: Accumulated Depreciation	(160,048)
Net Depreciable Property and Equipment	50,928
Land	6,404
Net Value	$ 57,332

Sources of Revenue

The Organization receives its revenues through affordable housing development and management activities, grants, and other various methods of funding. The Organization also receives funds by contribution from both public and private sources.

NOTE 1 – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

The Organization is a Certified Community Housing Development Corporation and is exempt from federal and state income taxes under Internal Revenue Code Section 501(c) (3) and the Louisiana Corporation Income Tax Act.

The Organization has adopted certain provisions FASB ASC 740, Income Taxes. The Organization believes that it has appropriate support for any tax position taken, and as such, does not have any uncertain tax positions that are material to the financial statements. The Organization'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, 2014, 2015, and 2016 are subject to examination by the IRS, generally for three years after they are filed.

NOTE 2 – RELATED PARTY TRANSACTIONS

Due From Related Party

During the year ended December 31, 2011, Mt. Pleasant CDC paid development expenses in the amount of $9,262 on behalf of Preston Place, ALPIC, of which the Organization is the developer and general partner. As of December 31, 2016, $9,262 was due from Preston Place, ALPIC.

During the year ended December 31, 2015, 2014 and 2013, Mt. Pleasant CDC paid development expenses in the amount of $4,206, $159,998 and $12,519, respectively, on behalf of Pleasant Trinity Estates, ALPIC, of which the Organization is the developer and general partner. During the year ended December 31, 2015, Pleasant Trinity Estates, ALPIC paid $159,998 back to Mt. Pleasant CDC. As of December 31, 2016, $16,725 was due from Pleasant Trinity Estates, ALPIC.

During the year ended December 31, 2016, Byers Estates I, ALPIC, of which the Organization is the general partner, calculated the 2015 cash flow distribution in the amount of $1,190 payable to Mt. Pleasant CDC. As of December 31, 2016, $1,190 was due from Byers Estates I, ALPIC.

During the year ended December 31, 2016, Byers Estates II, ALPIC, of which the Organization is the general partner, calculated the 2015 cash flow distribution in the amount of $1,166 payable to Mt. Pleasant CDC. As of December 31, 2016, $1,166 was due from Byers Estates II, ALPIC.

During the year ended December 31, 2016, Boeuf River Partnership, ALPIC, of which the Organization is the general partner, calculated the resident support services in the amount of $617 payable to Mt. Pleasant CDC. As of December 31, 2016, $617 was due from Boeuf River Partnership, ALPIC.

NOTE 2 – RELATED PARTY TRANSACTIONS (CONTINUED)

Developer Fees Receivable

The Organization is the General Partner of Pleasant Haven Estates, ALPIC and has entered into a Development Services Agreement with Pleasant Haven Estates, ALPIC, in the amount of $816,120 for services rendered for overseeing the construction and development of a 30-unit scattered site residential housing complex located in Monroe, Louisiana. At December 31, 2016, the Organization was owed $111,801 in developer fees, of which all is considered deferred.

The Organization is the General Partner of Pleasant Trinity Estates, ALPIC and has entered into a Development Services Agreement with Pleasant Trinity Estates, ALPIC, in the amount of $943,296 for services rendered for overseeing the construction and development of a 50-unit scattered site residential housing complex located in Monroe, Louisiana. At December 31, 2016, the Organization was owed $658,448 in developer fees, of which all is considered deferred.

Excess Reimbursements

During 2016, Mt. Pleasant CDC paid payroll expenses in the amount of $199,385 on behalf of Pleasant Haven Estates, ALPIC, Pleasantview Apartments Partnership, ALPIC, South Park Village Partnership, ALPIC, Standifer Place Partnership, ALPIC, and KGJ Phase II Partnership, ALPIC, of which the organization is the general partner. During the year end of December 31, 2016, Mt. Pleasant CDC received payroll reimbursements in the amount of $245,299. As of December 31, 2016, there were excess reimbursements in the amount of $45,914.

NOTE 3 – ADVERTISING EXPENSE

The Organization expenses advertising costs as incurred. The Organization did not incur any advertising costs for the year ended December 31, 2016.

NOTE 4 – FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

NOTE 5 – COMMITMENTS AND CONTINGENCIES

Grant Disallowances

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amounts which may be disallowed by the grantor cannot be determined at this time, although the Organization expects such amounts, if any, to be immaterial.

NOTE 6 – RETIREMENT PLAN

All employees are covered under the Social Security program. The Organization contributes to a 403(b) Retirement plan for key employees. Retirement expenses paid in for the year ended December 31, 2016 totaled $21,784.

NOTE 7 – ACCRUED LEAVE

As of December 31, 2016, unrecorded annual leave time was not material. The Organization's policy is not to record accrued leave as an expenditure until the period it is taken.

NOTE 8 – BOARD OF DIRECTORS COMPENSATION

The Board of Directors is a voluntary board; therefore, no compensation has been paid to any member. No value for services has been booked in the financial statements.

NOTE 9 – CONCENTRATIONS OF CREDIT RISK

The Organization maintains several accounts at local financial institutions. Noninterest-bearing and interest-bearing accounts, in the aggregate, are insured up to $250,000 at each financial institution by the Federal Deposit Insurance Corporation (FDIC). As of December 31, 2016, there were no uninsured deposits.

NOTE 10 – LINE OF CREDIT

On October 29, 2013, the Organization entered into a $36,791 line of credit agreement with Community Trust Bank for operating capital. Interest was charged on the outstanding balance of the line of credit at a rate of 4.75%. Interest only payments were being made. All unpaid principal and interest was payable on October 29, 2016. The line of credit was collateralized by the Organization's real property. During the year ended December 31, 2016, the Organization paid the remaining balance in the amount of $36,200 to Community Trust Bank.

NOTE 11 – LHC GRANT INCOME

The Organization entered into two Community Housing Development Organization Operating Expense Agreements (the "Agreements", "Agreement A", and "Agreement B") with the Louisiana Housing Corporation (the "LHC"). Agreement A shall be effective beginning January 1, 2014 and shall terminate on December 31, 2014. Agreement B shall be effective beginning January 1, 2015 and shall terminate on December 31, 2015. In consideration of the obligations undertaken by the Organization pursuant to the Agreements, and in considerations of the obligations to be undertaken by the Organization, LHC agrees, subject to the terms and conditions set forth in the Agreements, to provide the Organization with HOME Funds in the amount of $41,425 and $36,200 pursuant to Agreement A and Agreement B, respectively. Home Funds shall be used only for Eligible Costs related to Eligible Activities in accordance with the HOME Regulations. Eligible Activities are defined as reasonable and necessary costs for the operation of the Organization. Such costs include salaries, wages, and other employee compensation, employee benefits, employee education, employee training, employee travel, rent, utilities, communication costs, taxes, insurance, equipment, materials, and supplies. The Agreements entered into are reimbursement Contracts. No funds shall be advanced. Eligible Costs must be incurred during the term of the Contracts.

NOTE 11 – LHC GRANT INCOME (CONTINUED)

Eligible Costs incurred after the term of the contracts will not be paid by LHC. For the year ended December 31, 2016, the Organization received $77,625 in grant income from LHC.

NOTE 12 – GENERAL PARTNERSHIP INTEREST

The Organization is a general partner in the following partnerships. At December 31, 2016, the partnerships and revenues generated from those related parties, were as follows:

	Capital Balance 2016	Supportive Services Income	Developer Fee & Admission Income	Lease Up & Management Fee Income
Boeuf River	$ (50)	$ 3,720	$ –	$ 5,743
Byers Estate I	(31)	–	–	2,105
Byers Estate II	(33)	–	–	2,106
Hillcrest	(58)	4,240	–	6,856
Kenneth G. Jackson		–	–	768
KGJ Phase II	(200)	5,400	–	–
Kinder	52	–	–	–
King Oaks I	–	1,040	–	–
King Oaks II	–	1,040	–	–
Melrose Urban II	–	–	–	–
Miller's Crossing	(1,157)	–	–	4,151
Miller's Crossing II	55	–	–	–
Oakland	(5,138)	–	–	–
Pecan Grove	(110,480)	–	–	–
Pleasant Haven Estates	965,751	4,950	63,159	2,417
Pleasant Trinity	–	–	658,448	–
Pleasant View Apts.	(61)	–	–	14,552
Ralph George Estates II	–	2,760	–	–
Red Hill Partnership	(23,195)	–	–	–
Red Hill Apartments I	(22,788)	–	–	–
Rosenwald I	–	1,110	–	–
Rosenwald II	–	1,110	–	–
Rosenwald III	–	1,110	–	–
Rosenwald IV	–	1,110	–	–
Rosepine	1,099	–	–	–
Rosepine II	(2,259)	–	–	–
Rosepine Seniors	284,475	–	–	–
South Park Village	(69)	8,630	–	2,675
Southern Pines	(27)	1,526	–	1,996
Standifer Place	(91)	8,745	–	4,228
Sterlington Manor I	(15,106)	–	–	–
Sterlington Manor II	(11,105)	–	–	–

NOTE 12 – GENERAL PARTNERSHIP INTEREST (CONTINUED)

	Capital Balance 2016	Supportive Services Income	Developer Fee & Admission Income	Lease Up & Management Fee Income
Timber Trails I	(13,890)	–	–	–
Timber Trails II	(20,005)	–	–	–
Tradition Cove/ Camelia Estates	(42)	–	2,972	–
Turnrow II	(2,514)	–	–	–
Total	$ 1,023,133	$ 46,491	$ 724,579	$ 47,597

NOTE 13 – PROGRAMS

The Organization operates several programs designed to satisfy the needs of individuals and families in Ouachita Parish, Louisiana. All program services are offered to the community at no charge.

The programs operated by the Organization are described as follows:

Housing Counseling – The program provides housing counseling and education services, including but not limited to pre-purchase, reverse mortgage, rental, and non-delinquency post-purchase counseling services, to individuals and families.

Adopt-A-Senior – Through this program the Organization partners with the Food Bank of Northeast Louisiana to provide fifty (50) pounds of food to at least ten senior citizens each month.

Mentoring Program – This program aids the youth, giving them an opportunity to increase their life skills and experiences through extracurricular activities, by sponsoring activities including but not limited to little league football and baseball teams.

Vita-Site – This program provides Income Tax services to individuals and families.

NOTE 14 – SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through January 2, 2018 which is the date the financial statements were available for issue.

SUPPLEMENTARY INFORMATION

MT. PLEASANT COMMUNITY DEVELOPMENT CORPORATION, INC.
(A NONPROFIT CORPORATION)

SCHEDULE OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2016

	Program Expenses	Management & General	Total
Auto	$ 50	$ 5	$ 55
Communication	8,891	988	9,879
Depreciation	2,526	281	2,807
Insurance	13,136	1,459	14,595
Interest	1,513	168	1,681
Other Administrative	84,276	9,364	93,640
Payroll Taxes/Workmen's Comp	28,599	3,178	31,777
Professional Fees	-	5,410	5,410
Program Expense - Contributions	525	-	525
Program Expense - Mentoring	4,568	-	4,568
Program Expense - Service Project	2,020	-	2,020
Retirement	19,606	2,178	21,784
Salaries	141,623	15,736	157,359
Travel & Training	5,974	664	6,638
TOTAL FUNCTIONAL EXPENSES	$ 313,307	$ 39,431	$ 352,738

MT. PLEASANT COMMUNITY DEVELOPMENT CORPORATION, INC

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

FOR THE YEAR ENDED DECEMBER 31, 2016

Chief Executive Officer: Clarence Smith

Purpose	Amount
Compensation and Benefits	$ 45,406
Reimbursements – Travel and Training	4,983
Reimbursements – Office	236
	$ 50,625