

**MT. PLEASANT COMMUNITY DEVELOPMENT
CORPORATION, INC.**

Monroe, Louisiana

**FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT
As of and for the Year Ended December 31, 2020**

BY

**ROSIE D. HARPER
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**MT. PLEASANT COMMUNITY DEVELOPMENT
CORPORATION, INC.
MONROE, LOUISIANA**

**FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT
As of and for the Year Ended December 31, 2020**

MT. PLEASANT COMMUNITY DEVELOPMENT CORPORATION, INC.
Monroe, Louisiana

**Financial Statements
and Independent Auditor's Report
As of and for the Year Ended December 31, 2020**

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Independent Auditor's Report

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

Report on the Financial Statements

I have audited the accompanying financial statements of Mt. Pleasant Community Development Corporation, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities, functional expenses, 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.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

**Mt. Pleasant Community Development Corporation, Inc.
Independent Auditor's Report (Continued)**

Opinion

In my 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, 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

My audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The information in Schedules 1 through 3 is presented for purposes of additional analysis and is 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 my opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, I have also issued my report dated December 21, 2021 on my consideration of Mt. Pleasant Community Development Corporation, Inc.'s internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Mt. Pleasant Community Development Corporation, Inc.'s 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 Mt. Pleasant Community Development Corporation, Inc.'s internal control over financial reporting and compliance.



Rosie D. Harper
Certified Public Accountant

Monroe, Louisiana
December 21, 2021

FINANCIAL STATEMENTS

Mt. Pleasant Community Development Corporation, Inc.
Statement of Financial Position
December 31, 2020

ASSETS

CURRENT ASSETS

Cash and Cash Equivalents	\$ 103,990
RD Management Fee Receivable	11,250
Total Current Assets	<u>115,240</u>

INVESTMENTS

Investment in Partnerships	926,179
Total Investments	<u>926,179</u>

PROPERTY AND EQUIPMENT

Buildings	57,638
Furniture and Fixtures	12,908
Computer Equipment	30,550
Vehicles	85,490
Miscellaneous Fixed Assets	36,397
Total	<u>222,983</u>
Less: Accumulated Depreciation	<u>(167,207)</u>
Net Depreciable Property and Equipment	55,776
Land	66,404
Development in Progress	223,170
Total Property and Equipment	<u>345,350</u>

OTHER ASSETS

Deferred Developer Fees Receivable	588,970
Due From Related Parties	224,496
Total Other Assets	<u>813,466</u>

TOTAL ASSETS \$ 2,200,235

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts Payable	\$ 100,143
Due to Related Parties	31,994
Total Current Liabilities	<u>132,137</u>

LONG TERM LIABILITIES

Share of Deficiency in Assets of Partnership	90,226
Total Long Term Liabilities	<u>90,226</u>

Total Liabilities 222,363

NET ASSETS

Without Donor Restrictions	1,977,872
Total Net Assets	<u>1,977,872</u>

TOTAL LIABILITIES AND NET ASSETS \$ 2,200,235

See Accompanying Independent Auditor's Report and Notes to Financial Statements.

Mt. Pleasant Community Development Corporation, Inc.
Statement of Activities
For the Year Ended December 31, 2020

CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS**SUPPORT AND REVENUE**

Dues and Fees Income	
Support Service Fee	\$ 62,613
Developer Fee	651,819
Management Fee	26,980
Total Dues and Fees Income	<u>741,412</u>
Other Income	
Rental Income	10,802
Loss from Investments	(656,471)
Miscellaneous Income	129,049
Total Other Income	<u>(516,620)</u>
 TOTAL SUPPORT AND REVENUE	 <u>224,792</u>

EXPENSES

Program Expenses	131,843
Management and General	247,115
Total Expenses	<u>378,958</u>

DECREASE IN NET ASSETS	(154,166)
Net Assets Without Donor Restrictions At Beginning of Year	<u>2,136,701</u>
Other Changes in Net Assets	
Prior Period Adjustment	(4,663)
Total Other Changes in Net Assets	<u>(4,663)</u>
Net Assets Without Donor Restrictions At End of Year	<u><u>\$ 1,977,872</u></u>

See Accompanying Independent Auditor's Report and Notes to Financial Statements.

Mt. Pleasant Community Development Corporation, Inc.
 Schedule of Functional Expenses
 For the Year Ended December 31, 2020

	<u>Program Services</u>	<u>Support Services Management and General</u>	<u>Total</u>
Personnel Cost			
Salaries and Wages	\$ 58,675	\$ 172,065	\$ 230,740
Payroll Taxes	12,182	36,660	48,842
Total Personnel Cost	<u>70,857</u>	<u>208,725</u>	<u>279,582</u>
Other Expenses			
Automobile Expense	-	300	300
Business Expense	-	1,103	1,103
Charitable	-	75	75
Communications	4,230	12,691	16,921
Contract Services	10,031	-	10,031
Depreciation	2,629	7,887	10,516
Insurance	762	2,285	3,047
Mentoring	50	-	50
Miscellaneous Business Expense	1,522	4,563	6,085
Monroe Neighborhood Revitalization Project	38,200	-	38,200
Office Supplies	888	2,664	3,552
Professional	2,125	6,374	8,499
Service Project	400	-	400
Travel	149	448	597
Total Other Expenses	<u>60,986</u>	<u>38,390</u>	<u>99,376</u>
Total Expenses	<u>\$ 131,843</u>	<u>\$ 247,115</u>	<u>\$ 378,958</u>

See Accompanying Independent Auditor's Report and Notes to Financial Statements.

Mt. Pleasant Community Development Corporation, Inc.
Statement of Cash Flows
For the Year Ended December 31, 2020

Operating Activities

Change in Net Assets	\$ (154,166)
Adjustments to Reconcile Change in Net Assets to Net Cash Used by Operating Activities:	
Depreciation	10,516
Increase in Developer Fee Receivable	(501,819)
Increase in Due from Related Parties	(13,707)
Decrease in Due to Executive Director	(21,600)
Increase in Due to Related Parties	31,995
Increase in Accrued Liabilities	90,762
Prior Period Adjustment	(4,663)
Total Adjustments	<u>(408,516)</u>
Net Cash Used by Operating Activities	<u>(562,682)</u>

Investing Activities

Net Change in Investment in Partnership	657,619
Contruccion in Progress	<u>(36,373)</u>
Net Cash Provided by Investing Activities	<u>621,246</u>
Net Cash Increase for the Period	58,564
Cash and Cash Equivalentents - Beginning of Year	<u>45,426</u>
Cash and Cash Equivalentents - End of Year	<u><u>\$ 103,990</u></u>

See Accompanying Independent Auditor's Report and Notes to Financial Statements.

Mt. Pleasant Community Development Corporation, Inc.
Monroe Louisiana

Notes to the Financial Statements
As of and For the Year Ended December 31, 2020

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

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 conformity with the standards promulgated by the American Institute of Certified Public Accountants in its Audit Guide for Not-for-Profit Organizations.

Basis of Presentation

In accordance with Financial Accounting Standard Board Accounting Standards Codification (FASB ASC) 958, the Organization is required to report information regarding its financial position and activities according to two classes of 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. All net assets of the Organization at December 31, 2020 were considered to be 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 limitations 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 by actions of the Corporation. Certain restrictions may need to be maintained in perpetuity.

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.

Mt. Pleasant Community Development Corporation, Inc.
Notes to Financial Statements (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.

Construction/Development in Progress

Construction in progress is recorded in accordance with the Application and Certificate for Payment as submitted by the contractor and certified by the architect. Construction/Development in progress is recognized as depreciable property and equipment when the architect deems the construction to be substantially complete.

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.

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) for the years ended December 31, 2018, 2019 and 2020 are subject to examination by the IRS, generally for three years after they are filed.

Property and Equipment

Property and equipment acquired with Mt. Pleasant Community Development Corporation, Inc.'s funds are considered to be owned by the Organization 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 Organization follows the practice of capitalizing, at cost, all expenditures for property and equipment in excess of \$5,000. Depreciation is computed on a straight-line basis over the estimated service lives

Mt. Pleasant Community Development Corporation, Inc.
Notes to Financial Statements (Continued)

Property and Equipment (Continued)

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		85,490
Miscellaneous Fixed Assets		36,397
Less: Accumulated Depreciation		(167,207)
Net Depreciable Property & Equipment		<u>55,776</u>
Land		66,404
Development in Progress		<u>223,170</u>
Net Value	\$	<u><u>345,350</u></u>

NOTE B. DEVELOPMENT IN PROGRESS

Development costs include all costs, other than costs incurred for the acquisition of land and for construction costs incurred by the Organization. Such costs include, but are not limited to, architect fees, engineering fees, legal fees, loan fees, developer fees and tax credit application and reservation fees. During the years ended December 31, 2019, 2018 and 2017; the Organization has incurred development costs in the amount of \$97,003, \$92,444 and \$22,340. For the year ended December 31, 2020, the Organization incurred development costs in the amount \$36,373 for the development of a hotel. Total costs incurred as of December 31, 2020 was as follows:

Beginning Balance at January 1, 2020	\$	186,797
Development in Progress During 2020		<u>36,373</u>
Total	\$	<u><u>223,170</u></u>

NOTE C. COMPENSATED ABSENCES

Compensated absences are absences for which employees will be paid, such as vacation, and/or sick leave. The Organization has a formal policy for accumulation and vesting of vacation, annual leave, and sick leave which is based on the length of service. Fulltime employees earn eight (8) hours per month for vacation and eight (8) hours per month for sick days for an annual total of ninety-six (96) hours of vacation and ninety-six (96) hours of sick leave. Compensated absence accrued cannot be carried over into the next year. Cost for compensated absences is recognized in the pay period taken by employees.

Mt. Pleasant Community Development Corporation, Inc.
Notes to Financial Statements (Continued)

NOTE D. RELATED PARTY TRANSACTIONS

Due From Related Party

During the year, the Organization paid for expenses on behalf of the properties for which it manages. The expenses are reimbursed by the managed properties. A receivable is recorded for outstanding reimbursements due to the Organization and payable is recorded for reimbursements above the reimbursable expenditures made on behalf of the managed properties. For the year ended December 31, 2020, reimbursed receivables and payables for managed properties were as follows:

	Beginning Due From (To) Related Parties	Reimbursable Expenses Incurred	Reimbursements Received	Ending Due From (To) Related Parties
Pleasant Haven Estates	\$ 12,664	\$ 30,360	\$ (62,491)	\$ (19,467)
Pleasantview Apartments	135,255	39,895	(10,000)	165,150
Kenneth Jackson	14,551	87,716	(78,897)	23,370
Standifer	13,018	55,739	(81,284)	(12,527)
Pleasant Trinity	16,725	-	-	16,725
Southpark	12,747	58,446	(57,770)	13,423
Hillcrest	5,828	-	-	5,828
Total Due From (To) Related Parties	<u>\$ 210,788</u>	<u>\$ 272,156</u>	<u>\$ (290,442)</u>	<u>\$ 192,502</u>

Developer Fees Receivable

The Organization received developer fees for the services rendered for overseeing the construction and development of a 30-unit scattered site residential housing complex located in Monroe, Louisiana as follows:

	Beginning Receivable	Fees Earn	Fees Paid	Ending Receivable
Pleasant Trinity	\$ 87,151	\$ 1,819	\$ -	\$ 88,970
Royal Cambridge	-	500,000	-	500,000
Harmony Gardens	-	150,000	150,000	-
Total Developer Fees Receivable	<u>\$ 87,151</u>	<u>\$ 651,819</u>	<u>\$ 150,000</u>	<u>\$ 588,970</u>

NOTE E. MANAGEMENT FEE RECEIVABLE

The Organization had the following management fee receivable as of December 31, 2020:

Management Fee Receivable	<u>\$ 11,250</u>
Total Management Fee Receivable	<u>\$ 11,250</u>

NOTE F. ADVERTISING EXPENSE

The Organization expenses advertising costs as incurred. The Organization did not incur any advertising costs for the year ended December 31, 2020.

Mt. Pleasant Community Development Corporation, Inc.
Notes to Financial Statements (Continued)

NOTE G. 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. Such allocations are determined by management on an equitable basis.

The expenses that are allocated include the following:

<u>Expense</u>	<u>Method of Allocation</u>
Salaries & Benefits	Times & Effort

NOTE H. RETIREMENT PLAN

All employees are covered under the Social Security program. The Organization contributes to a 403(b) Retirement plan for key employees. 7% is paid to the plan on behalf of the employees plus the cost of the plan. Retirement expenses paid in for the year ended December 31, 2020 totaled \$20,898.

NOTE I. ACCRUED LEAVE

As of December 31, 2020, 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 J. 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 K. 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, 2020, all funds were covered by FDIC.

NOTE L. 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.

Mt. Pleasant Community Development Corporation, Inc.
Notes to Financial Statements (Continued)

NOTE L. PROGRAMS (Continued)

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.

Food Pantry - This program provides food for over 600 families monthly. The pantry is available every Wednesday from 10:00 am to 12:45 pm. Families are welcome to come any one Wednesday during the month.

NOTE M. LIQUIDITY MANAGEMENT

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

Cash & Cash Equivalents	\$ 103,990
Developer Fees Receivable	588,970
Total	<u>\$ 692,960</u>

The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

NOTE N. ACCRUED LIABILITIES

At December 31, 2020, the Organization had accrued liabilities totaling \$132,137 consisting of the following:

Accrued Liabilities	\$ 100,143
Due to Related Parties	31,994
Total	<u>\$ 132,137</u>

Mt. Pleasant Community Development Corporation, Inc.
Notes to Financial Statements (Continued)

NOTE O. GENERAL PARTNERSHIP INTEREST

The Organization is a general partner in the following partnerships. At December 31, 2020, the partnerships and revenues generated from those related parties, were as follows:

	Capital Balance 2020	Supportive Services Income	Developer Fee & Admission Income	Lease Up & Management Fee Income
Boeuf River	\$ (148)	\$ -	\$ -	\$ 5,716
Byers Estate I	(83)	-	-	2,536
Byers Estate II	(84)	-	-	2,509
Harmony Garden Estates	(167)	-	150,000	-
Hillcrest 2000	(112)	-	-	4,740
KGJ Phase II	(285)	6,300	-	-
Kinder	43	-	-	-
Miller's Crossing	(113)	-	-	650
Miller's Crossing II	37	-	-	-
Oakland	(5,172)	-	-	-
Pecan Grove	(110,495)	-	-	-
Pleasant Haven Estates	848,628	5,400	-	-
Pleasant Trinity	(144)	-	1,819	-
Pleasant View Apts.	(76)	-	-	-
Red Hill Partnership	(109,225)	-	-	-
Red Hill Apartments I	(22,807)	-	-	-
Rosepine	1,085	-	-	-
Rosepine II	(2,268)	-	-	-
Rosepine Seniors	284,230	-	-	-
Royal Cambridge Homes	20	-	500,000	-
South Park Village	6,026	5,775	-	-
Southern Pines	(70)	1,879	-	803
Standifer Place	(127)	9,540	-	-
Sterlington Manor I	(15,117)	-	-	-
Sterlington Manor II	(11,119)	-	-	-
Timber Trails I	(13,908)	-	-	-
Timber Trails II	(10,038)	-	-	-
Tradition Cove/ Camelia Estates	(67)	-	-	-
Turnrow II	(2,514)	-	-	-
Total	\$ 835,930	\$ 28,894	\$ 651,819	\$ 16,954

NOTE P. SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through December 21, 2021, which is the date the financial statements were available for issue.



ROSIE D. HARPER

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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*

To: The Board of Directors
Mt. Pleasant Community Development Corporation, Inc.

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Mt. Pleasant Community Development Corporation, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities, cash flows and functional expenses for the year then ended, and the related notes to the financial statements, and have issued my report thereon dated December 21, 2021.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered Mt. Pleasant Community Development Corporation, Inc.'s internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Mt. Pleasant Community Development Corporation, Inc.'s internal control. Accordingly, I do not express an opinion on the effectiveness of the Mt. Pleasant Community Development Corporation, Inc.'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 entity's financial statements will not be prevented or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 (Continued)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Mt. Pleasant Community Development Corporation, Inc.'s financial statements are free from material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 12-20-01.

Mt. Pleasant Community Development Corporation, Inc.'s Response to Findings

Mt. Pleasant Community Development Corporation, Inc.'s response to the findings identified in my audit is described in the accompanying schedule of findings and questioned costs. Mt. Pleasant Community Development Corporation, Inc.'s response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, I express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative auditor as a public document.



Rosie D. Harper
Certified Public Accountant

Monroe, Louisiana
December 21, 2021

SUPPLEMENTAL INFORMATION

Mt. Pleasant Community Development Corporation, Inc.
 Schedule of Board Members
 For the Year Ended
 December 31, 2020

Board Member	Title	Location
Clarence Smith	President/CEO	Monroe, Louisiana
Marla Williams	Vice President	Monroe, Louisiana
Eddie Beaver	Chairman	Monroe, Louisiana
Diane Cole	Treasurer	Monroe, Louisiana
Ruby French	Financial Reporter	Monroe, Louisiana
Theadora Estis	Board Member	Monroe, Louisiana
Dorothy Boatner	Board Member	Monroe, Louisiana
Rev. Ike Byrd	Board Member	Monroe, Louisiana
John E. Cole	Parliamentarian	Monroe, Louisiana
Steve Freeman	Board Member	Monroe, Louisiana

See Accompanying Independent Auditor's Report and Notes to Financial Statements.

Mt. Pleasant Community Development Corporation, Inc.
Schedule of Compensation - Key Management

For the Year Ended
December 31, 2020

<u>Job Title</u>	<u>Clarence Smith</u>	<u>Marla Williams</u>	<u>Ruby French</u>
	<u>President/CEO</u>	<u>Vice President</u>	<u>Bookkeeper Assist-Food Bank</u>
Salary	\$ 45,020	\$ 40,518	\$ 34,421
Bonus	1,500	1,000	800
Vita-2021	-	2,608	2,608
401K	-	-	-
Benefits-Insurance	-	-	-
Benefits-Retirement	3,414	3,073	2,610
Other Benefits	-	-	-
Car Allowance	-	-	-
Vehicle provided by Organization	-	-	-
Per Diem	-	-	-
Reimbursements	-	123	-
Travel	-	-	-
Registration Fees	-	-	-
Conference Travel	-	-	-
Continuing Professional Education Fees	-	-	-
Housing	-	-	-
Unvouchered Expenses	-	-	-
Special Meals	-	-	-
Total Compensation	<u>\$ 49,934</u>	<u>\$ 47,322</u>	<u>\$ 40,439</u>

See Accompanying Auditor's Report and Notes to Financial Statements.

MT. PLEASANT COMMUNITY DEVELOPMENT CORPORATION, INC.**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

For the Year Ended
December 31, 2020

SUMMARY OF AUDIT RESULTS

The auditor's report expresses an unmodified opinion on the financial statements of Mt. Pleasant Community Development Corporation, Inc.

Finding 12-20-01 Non-Filing of Form 1099's

Criteria: The Internal Revenue Service requires Form 1099-NEC or 1099-MISC to be prepared and filed for all nonemployee compensation and/or independent contractors who receive at least \$600 for services performed for trade or business.

Cause: The Organization did not prepare and file Forms 1099-NEC or 1099-MISC for nonemployee compensation and/or independent contractors.

Condition: The Organization was non-compliant with Internal Revenue Service's requirement to file Forms 1099-NEC or 1099-MISC for non-employee compensation and/or independent contract labor who were paid \$600 or more in compensation.

Effect: The Organization is subject to incur penalties and interest by failing to file federal forms in a timely manner.

Recommendation: The Organization provide Forms 1099-NEC or 1099-MISC for non-employee compensation and/or independent contract labor who are paid \$600 or more in compensation.

Management's Response and Planned Corrective Action:

We will implement the recommendation and will ensure that the corrections are made. Form 1099-NES or Form 1099-MISC will be utilized going forward as deemed appropriate. In addition, salaries paid under the VITA Site program will be recorded via Form W-2 and or Form 1099 NEC as necessary.

QUESTIONED COSTS

There were no questioned costs.