NEW LEVEL COMMUNITY
DEVELOPMENT COPORATION
REVIEWED FINANCIAL STATMENTS

DECEMBER 31, 2015

COOK & PLUNK
CERTIFIED PUBLIC ACCOUNTANTS

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COOK & PLUNK

Certified Public Accountants

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Trustees
New Level Community Development Corporation

We have reviewed the accompanying financial statements of New Level Community Development Corporation (a nonprofit organization), which comprise the statement of financial position as of December 31, 2015, and the related statements of activities for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the balance sheet as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

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

Accountant's Responsibility

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

Accountant's Conclusion

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

Supplementary Information

The supplementary information included in the Schedule of Functional Expenses is presented for the purposes of additional analysis and is not a required part of the basic financial statements. The information is the representation of management. We have not audited or reviewed such information and, accordingly, we do not express an opinion, a conclusion, or provide any assurance on it.

Cook & Plunk, CPAs

Spring Hill, TN
December 13,2016

New Level Community Development Corporation

Statement of Financial Position
December 31, 2015

ASSETS

Current assets:	
Cash	
Unrestricted	$ 445,624
Temporarily restricted	65,611
Restricted Cash	12,500
Prepaid Insurance	1,189
Other Receivable	1,080
Total current assets	526,004
Real estate held for sale	15,474
Property and equipment	1,487,697
Less: Accumulated depreciation	107,362
Net property and equipment	1,380,335
TOTAL ASSETS	$ 1,921,813

New Level Community Development Corporation

Statement of Financial Position cont'd

December 31, 2015

LIABILITIES AND NET ASSETS

Current liabilities:	
Current portion of notes payable	$ 4,667
Accounts payable	1,222
Prepaid rent	752
Payroll liabilities	2,841
Security deposits	7,459
Due to consortium members	12,500
Total current liabilities	29,441
Long term liabilities:	
Long term portion of notes payable	50,944
TOTAL LIABILITIES	80,385
Nets Assets	
Unrestricted	1,775,817
Temporarily restricted	65,611
TOTAL NET ASSETS	1,841,428
TOTAL LIABILITIES AND NET ASSETS	$ 1,921,813

New Level Community Development Corporation
Statement of Activities and Changes in Net Assets
December 31, 2015

	Unrestricted	Temporarily Restricted	Total
Support and revenues:			
Grant revenues - Federal awards	21,703		21,703
Contributions	174,049	50,000	224,049
Rental income and fees	135,878		135,878
Program fees	6,154		6,154
Gain on sale of investment	74,986		74,986
Other Income	47		47
			-
Total support and revenues	412,817	50,000	462,817
Expenses:			
Program services	317,359		317,359
Management and General	28,251		28,251
Total expenses	345,610		345,610
Increase (decrease) in net assets	67,207	50,000	117,207
Net assets at beginning of the year	1,708,610	15,611	1,724,221
Net assets at end of year	$ 1,775,817	$ 65,611	$ 1,841,428

NOTE A -ORGANIZATION AND NATURE OF BUSINESS

New Level Community Development Corporation (the "Organization") is a nonprofit organization, was formed on November 6, 2001. The organization is an outreach of Mt. Zion Baptist Church (Mt. Zion) that works to deliver solutions to the economic challenges plaguing the lives of people in the community it serves. Its services are delivered through financial empowerment programs, entrepreneurship training, and affordable housing programs, entrepreneurship training, and affordable housing programs that help families gain economic stability and self-sufficiency.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Organization prepares and presents its financial statements on the accrual basis of accounting, and accordingly, the financial statements reflect all significant receivables, payables, and other liabilities. The Organization is required to report information regarding its financial position and activities according to three classes of net assets:

1. Unrestricted net assets include those net assets whose use is not restricted by donors, even though their use may be limited in other respects, such as by contract or Board designation.

2. Temporarily restricted net assets are those net assets whose use by the Organization has been limited by donors to later periods of time or after specified dates or to specified purposes. As of December 31, 2015, the Organization had no temporarily restricted net assets.

3. Permanently restricted net assets are those net assets whose use by the Organization has donor-imposed restrictions that stipulate resources be maintained permanently but permits the Organization to use up or spend part or all of the income (or economic benefits) derived from the donated assets. As of December 31, 2015, the Organization had no permanently restricted net assets.

Use of Estimates

The accompanying financial statements have been prepared using accounting principles generally accepted in the United States of America. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and 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.

Cash and Cash Equivalents

For the purposes of the statement of cash flows, the Organization considers all highly liquid investments with original maturities of three months or less to be cash equivalents.

Accounts Receivable

The Organization collects rents on an monthly basis. If rents are paid late, the Organization tries

NOTE B- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

to work with the tenants and allow them to pay late if needed. In 2015, there were none outstanding. Therefore, the Organization has no accounts receivable.

Promises to Give
Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional.

Doubtful Promises to Give
The Organization uses the allowance method to determine uncollectible unconditional promises to give. Management's estimate of doubtful accounts is based on historical collection experience and a review of the current status of promises to give. There is no allowance for doubtful promises to give at December 31, 2015. It is reasonably possible that management's estimate of the allowance for doubtful promises to give could change. Promises to give are charged against the allowance when management believes the collectability of the promise to give is unlikely. For the year ended December 31, 2015, no bad debt expense was recognized.

Real Estate Held for Sale
Real estate held for sale consists of three undeveloped parcels of land to be sold in the future. The Organization has decided that it would not be cost effective to develop these parcels for future homeownership opportunities; and, therefore, has no plans to develop these parcels. Real estate held for sale is recorded at the lower of its carrying value or fair value less cost to sell.

Contributions and Support
Contributions received are recorded as increases in unrestricted, temporarily restricted, or permanently restricted net assets, depending on the existence and /or nature of any donor restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities and Changes in Net Assets as net assets released from restrictions.

Contributions, which are received as temporarily restricted, and whose restrictions are met within the same year, are shown as unrestricted support on a first-in, first-out basis.

Depreciation
The Organization capitalizes property and equipment purchases over $500. Lesser amounts are expensed upon purchase. Property and equipment is recorded at cost. Donations of property and equipment are recorded as contributions at estimated fair value. Such donations are reported as unrestricted contributions unless the donor has restricted the donation asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions.

Absent donor stipulations regarding how long the restricted donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service. The Organization reclassifies temporarily restricted donated assets upon expiration of the restriction. Property and equipment are depreciated using the straight line method over estimated useful lives ranging from 5-40 years.

Depreciation expense was $35,012 for the year ended December 31, 2015.

NOTE B- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income Taxes
The Organization is a nonprofit organization that is exempt from paying federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

The Organization's Federal Forms 990, Return of Organization Exempt from Income Tax are subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Organization believes it is no longer subject to income tax examinations for years prior to 2012.

Contributions to the Organization qualify for the charitable contributions deduction to the extent provided by Section 170 of the Code. The Organization follows FASB ASC 740-10, Accounting for Uncertainty in Income Taxes, as it relates to uncertain tax positions. Any interest and penalties recognized associated with a tax position are classified in management and general expense in the Organization's financial statements.

Program Services
Program services include financial education, entrepreneurship training, homeownership education, affordable housing, rental housing, and matched savings.

Grant Revenues
Grant funds that do not have donor imposed restrictions are reflected as unrestricted revenue since these funds are generally received and spent during the same year. Grant funds that have been designated by the donor for use by specific programs are reflected as temporarily restricted revenue.

Functional Allocation of Expenses
The costs of providing the various programs and supporting services have been summarized on a functional basis in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. No fundraising expenses were incurred during 2015.

Contributed Services
A substantial number of unpaid volunteers have made significant contributions of their time to develop the Organization's programs. No amounts have been recognized in the accompanying financial statements because the criteria for recognition under FASB ASC 952-205 have not been satisfied.

Advertising
The Organization uses advertising to promote its programs among audiences it serves. Advertising costs are expensed as incurred. Advertising expense totaled $2,850 for the year ended December 31, 2015.

NOTE B- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair Value Measurements

FASB ASC 820, Fair Value Measurements and Disclosures, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1 : Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2: Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets.
- Quoted prices for identical or similar assets of liabilities in inactive markets
- Inputs other than quoted prices that are observable for the asset or liability; and
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2, input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The availability of observable inputs can vary from instrument to instrument and is affected by a wide variety of factors, including, for example, the type of instrument, whether the instrument is new and not yet established in the marketplace, the liquidity of markets, and other characteristics particular to the instrument. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3.

Generally accepted accounting principles require disclosure of an estimate of fair value of certain financial instruments. The Organization's significant financial instruments are cash and cash equivalents and other short-term assets and liabilities. For these financial instruments, carrying values approximate fair value.

NOTE C- RESTRICTED CASH

The Organization has funds totaling $ 12,500 at December 31, 2015 that is due to various consortium members.

NOTE D - PROPERTY AND EQUIPMENT

Acquisition costs and accumulated depreciation of vehicles and equipment are summarized as follows:

	Useful Lives (Years)	
Land held for lease		224,725
Property held for lease	40	1,206,824
Computer hardware	5	8,558
Leasehold improvements	10-20	41,592
Furniture and fixtures	5-10	1,300
Other	5	4,698
		1,487,697
Less Accumulated Depreciation		(107,362)
		$ 1,380,335

NOTE E - NOTES PAYABLE

On May 30, 2012, the Organization established a $70,000 line of credit with the bank with a maximum loan amount of $30,000 per house with a limit on 25% based on the lesser of cost plus renovations or appraised value. The interest rate is the Wall Street Journal Prime rate minus 4% with an interest floor rate of 0%, As loans are advanced, there is a 180 day interest only period. Afterwards, principal and interest payments will begin based on a fifteen year amortization. The line matures on May 30, 2017.

During 2012, the Corporation had drawn $70,000 on the line of credit for renovations on four properties held for lease. Each of the four draws was converted to promissory notes with the same terms as the line of credit. Each loan is secured by the respective property. which had carrying values totaling approximately $341,600 at December 31, 2015, and matures on May 30, 2017, There was no interest expense in 2015.

Maturities of notes payable as of December 31, 2015 are summarized as follows:

2016	$ 4,667
2017	50,944
	$55,611

NOTE F - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets at December 31, 2015 are available for the following purposes:

Home Buyer, Financial Education, and Matched Savings Programs	$15,611
Down payment assistance for 5 tenants	50,000
	$65,611

NOTE G - EMPLOYEE BENEFITS

The Organization has established a 403(b)(7) pension plan (the Plan) for the Executive Director. The Organization can make discretionary contributions to the Plan. There were no contributions made to the Plan for the year ended December 31,2015.

NOTE H- CONCENTRATION OF CREDIT RISK

The standard FDIC insurance amount is set at $250,000 per depositor per insured bank: and therefore, amounts in excess of $250,000 held by the Organization are uninsured and uncollateralized. Management has not experienced any losses in such accounts. Management believes that the Organization is not exposed to any significant credit risk on cash and cash equivalents.

A significant portion of the Organization's revenue is derived from individuals, organizations, corporations, and agencies in middle Tennessee. At December 31, 2015, Mt. Zion had contributed approximately $167,633 (including the in-kind donation), which represents 36% of total revenues and support.

NOTE I- INCOME TAXES

FASB Accounting Standards Codification 740-10, *Accounting for Uncertainty in Income Taxes* addresses the determination of whether tax benefits claimed, or expected to be claimed, on a tax return should be recorded in the financial statements. Under FASB ASC 740-10, a tax benefit may be recognized from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, including resolution of any related appeals or litigation process, based on technical merits of the position. The tax benefits recognized in the financial statements from such a position should be measured based on the largest benefit that has a greater than fifty percent likelihood of being realized upon ultimate settlement.

Management has evaluated its tax positions taken and believes that the total amount of unrecognized tax benefits is not material to the financial statements as a whole. Therefore, no liability has been recorded.

NOTE J - PAID TIME OFF

Employees of the Organization are entitled to paid time off (PTO), depending on job classification, length of service, and other factors. Unused PTO is forfeited at the end of the year. It is impracticable to estimate the amount of compensation for future absences, and accordingly, no liability has been recorded in the accompanying financial statements. The Organization's policy is to recognize the costs of compensated absences when actually paid to employees.

NOTE K - RELATED PARTY TRANSACTIONS

The Organization uses office space donated by Mt. Zion, and has recorded the fair market value of the office space as an in-kind donation of $29,626 in 2015, which is included in contributions. The Organization has a bookkeeper who received approximately $14,239 for contract labor who is related to a Board Member.

NOTE L - GRANTS

On April 30, 2010, the Organization entered into a $70,000 grant agreement with MDHA Funding for this grant came from the Department of Housing and Urban Development's HOME Investment Partnerships Program (HOME) set aside for Community Housing Development Organizations (CHDO). The Corporation used these funds to acquire and rehabilitate one single family home for affordable rental housing. Under the terms of the grant agreement, the Organization has agreed to repay MDHA the full allocation of CHDO funds if the property is sold during the "affordability period" (15 years from date of project completion). However, the Organization has classified the property as held for lease and does not anticipate that the house will be sold during the "affordability period" and, therefore, no liability is reflected on these financial statements.

On April 15, 2011, the Organization entered into a sub-developer agreement with The Fifteenth Avenue Baptist Community Development Corporation (the Developer) and MDHA. Under this agreement, the Developer engaged the Organization as a developer to acquire, rehabilitate, and redevelop multiple residential units in target areas. The Organization received Neighborhood Stabilization Program 2 (NSP2) funds of approximately $623,000 for the acquisition and redevelopment of property and related expenses eligible for funding under NSP2 program. Funds do not have to be paid back as long as the properties are maintained for low income housing during the 15 year "affordability period". The Organization purchased eight homes under this grant agreement. The Organization has classified the properties as held for lease and does not anticipate that the houses will be sold during the "affordability period" and therefore, no liability is reflected in the financial statements.

On April 12, 2013, the Corporation entered into a grant agreement with MDHA through the HOME program for $599,747 for land acquisition and new construction of four duplexes of affordable housing for extremely low income individuals. The land was purchased during 2013, and construction was completed during 2014. Under the terms of the grant agreement, the Organization has agreed to repay MDHA the full amount if the property is sold during the "affordability period" (twenty years from the date of project completion). However, the Organization has classified the property as held for lease and does not anticipate that the houses will be sold during the "affordability period" and therefore, no liability is reflected in the financial statements.

NOTE M - SUBSEQUENT EVENTS

Events that occur after the balance sheet date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the balance sheet date are recognized in the accompanying financial statements. Subsequent events that existed after the balance sheet date require disclosure in the accompanying notes. Management evaluated the activity of the company through December 13, 2016 (the date the financial statements were available to be issued) and concluded that no subsequent event requires disclosure in the financial statements.

SUPPLEMENTARY INFORMATION

New Level Community Development Corporation
Statement of Functional Expenses
December 31, 2015

	Program Services				Supporting Services	
	Financial Education	Affordable Housing	Rental Housing	Total	Management and General	Total
Functional expenses:						
Accounting services	6,916	7,607	7,607	22,130	922	23,052
Advertising/marketing	2,700	75	75	2,850		2,850
Contracted services	14,276	7,990	4,455	26,721	1,743	28,464
Depreciation expense			33,382	33,382	1,630	35,012
Employee benefits	3,377		844	4,221		4,221
Equipment/equip maintenance	3,086	170	888	4,144	154	4,298
Insurance	211	211	10,284	10,706	211	10,917
Licenses, fees and dues	747	320	80	1,147	1,809	2,956
Matching expense	31,166			31,166		31,166
Meals/Food	476			476	41	517
Office supplies	742	50	63	855	65	920
Other expenses	1,166	3,990	4,119	9,275	486	9,761
Payroll tax expense	3,091	2,641	2,350	8,082	1,262	9,344
Property maintenance		729	8,080	8,809		8,809
Property taxes		565	14,266	14,831		14,831
Salaries and wages	40,406	34,253	30,753	105,412	16,500	121,912
Rent expense - In kind	23,702	1,481	1,481	26,664	2,963	29,627
Telephone expense	2,485	170	408	3,063	340	3,403
Training	1,781	1,013	631	3,425	125	3,550
Total Functional expenses	136,328	61,265	119,766	317,359	28,251	345,610