

LIVING DEVELOPMENT CONCEPTS, INC.

**INDEPENDENT AUDITOR'S REPORT
AND FINANCIAL STATEMENTS**

DECEMBER 31, 2016

LIVING DEVELOPMENT CONCEPTS, INC.

Table of Contents

Independent Auditor's Report	1
Financial Statements:	
Statement of Financial Position.....	3
Statement of Activities.....	4
Statement of Cash Flows	5
Notes to Financial Statements.....	6



MAURICE DANNER, CPA P.C.

Certified Public Accountant

1321 Murfreesboro Pike, Ste. 511 • Nashville, TN 37217

(615) 364-5935 • FAX (615) 818-0223

maurice.danner@comcast.net

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Living Development Concepts, Inc.

I have audited the accompanying financial statements of Living Development Concepts, Inc. (a nonprofit organization), 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.

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. 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.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Living Development Concepts, 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.

Man Damm, CPA P.C.

October 20, 2017

Living Development Concepts, Inc.
Statement of Financial Position
December 31, 2016

Assets

Cash and cash equivalents	\$ 45
Land, buildings and equipment, net	<u>141,092</u>
Total assets	<u><u>\$ 141,137</u></u>

Liabilities and net assets

Accounts payable	984
Other liabilities	<u>454</u>
Total liabilities	<u>1,438</u>

Net assets:

Unrestricted	<u>\$ 139,699</u>
Total net assets	<u>\$ 139,699</u>
Total liabilities and net assets	<u><u>\$ 141,137</u></u>

The accompanying notes are an integral part of these financial statements

Living Development Concepts, inc.
Statement of Activities
For the Year Ended December 31, 2016

Unrestricted

Revenues and support

Rental income	\$ 22,231
Contributions	<u>7,896</u>

Total revenues and support	30,127
----------------------------	--------

Expenses

Professional fees	9,521
Rent	6,913
Depreciation	6,499
Insurance	2,807
Repairs and maintenance	2,581
Tax and license	2,422
Telephone	1,514
Computer and internet	1,206
Miscellaneous	<u>947</u>
Total	34,410

Change in net assets	<u><u>\$ (4,282)</u></u>
-----------------------------	--------------------------

The accompanying notes are an integral part of these financial statements

Living Development Concepts, Inc.
Statement of Cash Flows
For the Year Ended December 31, 2016

Operating activities:

Increase(Decrease) in net assets	\$ (4,282)
Adjustments to reconcile increase in net assets to net cash flows from operating activities:	
Depreciation	6,499

(Increase) Decrease in assets
Accounts Receivable
Other Assets

(Decrease) Increase in liabilities	
Accrued Expenses and other liabilities	(3,598)
Accounts Payable	

Net cash used by Operating Activities	<u>(1,381)</u>
---------------------------------------	----------------

Investing activities:

Net cash used by Investing Activities	<u>-</u>
---------------------------------------	----------

Financing activities:

Net cash used by Financing Activities	<u>-</u>
---------------------------------------	----------

Change in cash and cash equivalents	(1,382)
-------------------------------------	---------

Cash and cash equivalents at beginning of year	<u>1,427</u>
--	--------------

Cash and cash equivalents at end of year	<u><u>\$ 45</u></u>
--	---------------------

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

NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

General and Nature of Activities

Living Development Concepts, Inc (LDC, the organization), is a Tennessee Not-For-Profit corporation. LDC is a Community Housing Development Organization established to transform communities by innovative partnership and initiatives that revitalizes neighborhoods by creating affordable housing for eligible populations.

Programs

ABC's of Home Ownership Program- Education:

LDC develops housing solutions for qualified first-time buyers earning low-to-moderate incomes. LDC provides free workshops and one-on-one sessions to help individuals understand what is required and to navigate through the home buying process.

Affordable Housing Program:

LDC's mission is to promote home ownership through education and development. We build, renovate, sale, and rent affordable housing for veterans, seniors, families and individuals that are at or below eighty percent of the area medium income.

Revenue and Support

The organization receives its revenue and support from rental income and contributions.

Basis of Presentation

The organization prepares its financial statements using the accrual basis of accounting and accounting principles generally accepted in the United States of America.

Use of Estimates

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

Cash and Cash Equivalents

Cash and cash equivalents consist of cash held in checking accounts. Management believes the Organization is not exposed to any significant credit risks on cash and cash

LIVING DEVELOPMENT CONCEPTS, INC.
Notes to Financial Statements
For the Year Ended December 31, 2016

equivalents. Deposit accounts are insured by the Federal Deposit Insurance Corporation(FDIC) up to \$250,000 per account.

Land, Buildings and Equipment

Land, buildings and equipment are reported in the statement of financial position at cost, if purchased, and at fair value at the date of donation, if donated. All land and buildings are capitalized. Equipment is capitalized if it has a cost of \$500 or more and a useful life when acquired of more than 1 year. Repairs and maintenance that do not significantly increase the useful life of the asset are expensed as incurred. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, as follows:

Buildings and improvements	40 years
Buildings- rental homes	27 years
Leasehold improvements	20 years or remaining lease term
Furnishings and equipment	5-10 years
Equipment-Capital leases	5-7 years

Accounting for Contributions

Contributions, including unconditional promises to give, are recognized when received. All contributions are reported as increases in unrestricted net assets unless use of the contributed assets is specifically restricted by the donor. Amounts received that are restricted by the donor to use in future periods or for specific purposes are reported as increases in either temporarily restricted or permanently restricted net assets, consistent with the nature of the restriction. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restrictions is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as unrestricted net assets.

The organization reports gifts of goods and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the organization reports expirations of donor restrictions when the acquired long-lived assets are placed in service.

LIVING DEVELOPMENT CONCEPTS, INC.
Notes to Financial Statements
For the Year Ended December 31, 2016

Tax Status

The organization is exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code(IRC), though it would be subject to tax on income unrelated to its exempt purposes (unless that income is otherwise excluded by IRC). Contributions to the organization are tax deductible to donors under Section 170 of the IRC. The organization is not classified as a private foundation.

NOTE 2 – PROPERTY AND EQUIPMENT

Property and Equipment consisted of the following at December 31, 2016:

Buildings	\$ 178,731
Total	<u>178,731</u>
Less accumulated depreciation	<u>(37,639)</u>
	<u>\$ 141,092</u>

Depreciation expense for the year ending December 31, 2016 was \$6,499.

NOTE 3 – LEASE COMMITMENTS

The organization has entered into a month to month lease for its office administrative space. Total rent paid for the year ended December 31, 2016 was \$6,913.

LIVING DEVELOPMENT CONCEPTS, INC.
Notes to Financial Statements
For the Year Ended December 31, 2016

NOTE 4 – SUBSEQUENT EVENTS

Subsequent events have been evaluated through October 20, 2017, which is the date the financial statements were available to be issued. Events occurring after that date have not been evaluated to determine whether a change in the financial statements would be required.