

MOUNTAIN PROJECTS, INC.

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2020

MOUNTAIN PROJECTS, INC.
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Independent Auditor's Report

To the Board of Directors
Mountain Projects, Inc.
Waynesville, North Carolina

Report on the Financial Statements

We have audited the accompanying financial statements of Mountain Projects, Inc. (a nonprofit corporation), which comprise the statement of financial position as of June 30, 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

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 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 we 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, 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 Mountain Projects, Inc. as of June 30, 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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal and state awards, as required by *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. The financial data schedules and templates as required by the U.S. Department of Housing and Urban Development (HUD) are also presented for additional analysis. 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 1, 2021, on our consideration of Mountain Projects, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Mountain Projects, Inc.'s internal control over financial reporting and compliance.

Ray, Bumgarner, Kingshill & Assoc., P.A.

Waynesville, North Carolina
February 1, 2021

MOUNTAIN PROJECTS, INC.
Statement of Financial Position
As of June 30, 2020

Assets

	<u>2020</u>
Cash and cash equivalents	\$ 1,709,756
Investments	14,713
Sales taxes receivable	22,055
Accounts receivable	408,296
Grants receivable	261,984
Inventory	13,310
Prepaid expenses	70,119
Asset held for sale	65,000
Other assets	588,304
Fixed assets - net	<u>5,187,201</u>
Total assets	<u><u>\$ 8,340,738</u></u>

Liabilities

Accounts payable - trade	\$ 171,629
FSS escrow payable	70,745
Accrued liabilities	353,146
Refundable advances	38,090
PPP short-term note payable	122,046
Fringe benefits, leave and indirect costs over (under) applied	123,492
Notes payable	<u>2,347,435</u>
Total liabilities	<u>3,226,583</u>

Net Assets

Without donor restrictions:	
Undesignated	3,668,869
With donor restrictions	<u>1,445,286</u>
Total net assets	<u>5,114,155</u>
Total liabilities and net assets	<u><u>\$ 8,340,738</u></u>

The notes to the financial statements are an integral part of these statements.

MOUNTAIN PROJECTS, INC.
Statement of Activities
Year ended June 30, 2020

	2020		
	Without Donor Restrictions	With Donor Restrictions	Total
Public Support:			
Grants and contracts	\$ 11,154,556	\$ 338,859	\$ 11,493,415
Contributions	56,773	1,199,229	1,256,002
Contributions - non cash	73,000	-	73,000
Donated space and supplies	22,051	-	22,051
Revenues:			
Client fees	354,256	-	354,256
Fundraising revenue	7,105	-	7,105
Interest Income	1,226	-	1,226
Other revenue	280,122	-	280,122
Net real estate activities	-	-	-
Gain (Loss) on sale of fixed assets	3,525	-	3,525
Net assets released from restrictions- satisfaction of purpose restrictions	966,986	(966,986)	-
Total public support and revenues	12,919,600	571,102	13,490,702
Expenses:			
Program services	11,917,121	-	11,917,121
General and administrative	836,275	-	836,275
Fundraising expenses	54,541	-	54,541
Total expenses	12,807,937	-	12,807,937
Change in net assets	111,663	571,102	682,765
Net assets, beginning of year	3,557,206	874,184	4,431,390
Net assets, end of year	\$ 3,668,869	\$ 1,445,286	\$ 5,114,155

The notes to the financial statements are an integral part of these statements.

MOUNTAIN PROJECTS, INC.
Statement of Functional Expenses
Year ended June 30, 2019

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	Program Services														
	Local and Food Service	Affordable Housing	Housing and Weatherization	Elder Services	Head Start/ Child Services	Corporation for National Service	Community Services Block Grant	Trans- portation	Housing Assistance	Navigator Program	Prevention Services	Workforce Opportunity Act	Smoky Mountain Housing	Paycheck Protection program	Total Program Services
Direct assistance	\$ 25,441	\$ -	\$ 336,781	\$ 26,742	\$ 19,921	\$ 3,133	\$ 7,988	\$ 1,122	\$ 4,633,620	\$ 120	\$ 5,003	\$ 21,024	\$ 638	\$ -	\$ 5,081,533
Salaries and related expenses	174,591	-	164,326	239,684	2,013,025	126,755	166,955	531,808	295,479	224,603	146,300	60,308	17,539	219,752	4,381,125
Supplies	369,407	-	21,358	10,175	124,271	3,809	9,685	28,144	22,976	12,401	8,784	23,379	1,438	-	635,827
Depreciation	107,343	-	9,738	3,367	35,425	-	126	235,513	3,689	-	-	-	-	-	395,201
Stipends	-	-	-	8,478	-	258,279	-	-	-	-	-	-	-	-	266,757
Contractual services	45,292	-	74,009	10,363	92,015	2,793	9,830	23,424	16,259	6,778	55,368	-	9,820	-	345,951
Travel and transportation	17,236	-	3,843	68,286	18,263	40,676	805	86,552	1,861	4,616	10,008	17,118	365	-	269,629
Utilities	15,841	-	1,721	870	29,076	-	1,960	5,862	3,034	1,229	588	-	128	3,264	63,573
Donated services and supplies	-	-	-	-	5,010	7,799	-	-	-	-	-	-	-	-	12,809
Professional services	2,540	-	-	-	-	-	-	-	2,225	-	-	-	-	-	4,765
Occupancy expense	30,758	87,657	-	37	39,945	-	1,306	-	1,593	927	702	-	-	7,022	169,947
Repairs and maintenance	24,714	-	217	-	17,917	-	1,590	-	1,640	778	689	-	18	-	47,563
Insurance and bonding	19,989	-	6,269	4,047	15,465	3,499	487	6,595	2,420	399	147	10	-	-	59,327
Other expenses	95,691	-	7,754	2,316	43,008	1,540	1,748	6,689	1,834	4,826	13,637	375	1,715	1,981	183,114
	\$ 928,843	\$ 87,657	\$ 626,016	\$ 374,365	\$ 2,453,341	\$ 448,283	\$ 202,480	\$ 925,709	\$ 4,986,630	\$ 256,677	\$ 241,226	\$ 122,214	\$ 31,661	\$ 232,019	\$ 11,917,121

The notes to the financial statements are an integral part of these statements.

MOUNTAIN PROJECTS, INC.
Statement of Functional Expenses
Year ended June 30, 2020

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	Total Program Services	General and Administrative	Fund Raising	2020 Total
Direct assistance	5,081,533	973	33,805	5,116,311
Salaries and related expenses	4,381,125	542,626	387	4,924,138
Supplies	635,827	61,340	10,605	707,772
Depreciation	395,201	18,963	-	414,164
Stipends	266,757	-	-	266,757
Contractual services	345,951	47,978	1,593	395,522
Travel and transportation	269,629	14,889	470	284,988
Utilities	63,573	8,502	4,603	76,678
Donated services and supplies	12,809	-	-	12,809
Professional services	4,765	59,040	-	63,805
Occupancy expense	169,947	292	-	170,239
Repairs and maintenance	47,563	4,627	544	52,734
Insurance and bonding	59,327	62,052	-	121,379
Other expenses	183,114	14,993	2,534	200,641
	<u>11,917,121</u>	<u>836,275</u>	<u>54,541</u>	<u>12,807,937</u>

The notes to the financial statements are an integral part of these statements.

MOUNTAIN PROJECTS, INC.
Statement of Cash Flows
Year ended June 30, 2020

Cash Flows from Operating Activities:

	2020
Cash received from contributions and grants	\$ 12,613,515
Cash received from client fees	354,256
Cash received from fund raising	7,105
Cash received from other activities	280,122
Cash return on investments	1,226
Cash paid for goods and services	(7,437,658)
Cash paid for employees and employee benefits	(4,825,979)
Cash paid for interest	(35,844)
	<hr/>
Net cash provided by operating activities	956,743

Cash Flows from Investing Activities:

Purchase of fixed assets	(526,378)
Proceeds from sale of lots	-
Lot purchases and development costs	(63,304)
Investments sold (purchased)	19,397
Proceeds from sale of fixed assets	3,525
	<hr/>
Net cash used by investing activities	(566,760)

Cash Flows from Financing Activities:

Proceeds from PPP loan	374,000
Payments on notes payable	(15,237)
	<hr/>
Net cash used by financing activities	358,763
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Net increase in cash and cash equivalents	748,746
	<hr/>
Cash and cash equivalents, beginning of year	961,010
	<hr/>
Cash and cash equivalents, end of year	<u><u>\$ 1,709,756</u></u>

Non-cash Investing and Financing Activities:

During the year, the Corporation used PPP funds totalling \$251,954 primarily for salaries. After year-end, the entire PPP loan of \$374,000 was forgiven and the loan was reduced by \$251,954 at June 30, 2020 representing the spending to date.

The notes to the financial statements are an integral part of this statement.

MOUNTAIN PROJECTS, INC.
Statement of Cash Flows
Year ended June 30, 2020

**Reconciliation of Increase in Net Assets to Net Cash Provided by
Operating Activities:**

	2020
Increase (decrease) in net assets	\$ 682,765
Adjustments to reconcile change in net assets to net cash:	
Depreciation	414,164
Gain on sale of fixed assets	(3,525)
(Increase) decrease in operating assets:	
Taxes receivable	(3,900)
Accounts receivable	(44,940)
Grants receivable	(15,898)
Inventories	1,353
Prepaid expenses and other assets	12,919
Increase (decrease) in operating liabilities:	
Accounts payable	(21,382)
Deferred revenue	(215,055)
Deferred credit	232,057
FSS Escrow Payable	7,142
Accrued liabilities	(88,957)
Net cash provided by operating activities	<u>\$ 956,743</u>

The notes to the financial statements are an integral part of this statement.

Note A – Nature of Organization

Mountain Projects, Inc. (Corporation) was created as a non-profit corporation on September 9, 1965. The Corporation was formed to aid in improving and to study the problems involved in improving the education, economic opportunities, living environment and general welfare of the people of all ages in the cooperating North Carolina counties. The Corporation's programs are funded primarily through state, federal and local grants, contracts, client fees, participant donations and contributions. The following is a description of the major programs that are provided by the Corporation:

Local and Food Service – Local contributions are used to support programs that have unfunded expenses. Food Service provides meals to the Corporation's other programs and outside agencies.

Affordable Housing Rental – Affordable housing rental units are owned by the Corporation and managed by a third party.

Housing and Weatherization – Housing programs improve the quality of housing for low-income, elderly and challenged persons. Included in this category is the Self-Help Housing program, which assists individual low-income families in acquiring their own home through subsidized land development and construction projects. The Weatherization program provides renovations to homes of lower income persons.

Elder Services – This program provides nutritious food for elderly and challenged participants and operates a senior center that provides activities for senior citizens.

Head Start/Child Services – This program is a comprehensive child development program for low-income children.

Corporation for National Service – These programs encourage and support citizen involvement as volunteers. The Foster Grandparent and Senior Companion programs provide stipends for elderly individuals who perform volunteer services.

Community Services Block Grant – This grant funds the Corporation's central intake services and caseworkers.

Transportation – This program provides public transportation for Haywood County citizens.

Housing Assistance – Housing assistance consists of the Section 8 Housing Program, which assists low-income, elderly and challenged persons by subsidizing their rent and utility payments.

Certified Application Counselor Program – This program helps consumers navigate the health insurance marketplace and assists consumers in understanding insurance options by providing free, impartial and unbiased information regarding enrollment.

Prevention Program – This program provides adult and youth counseling focused on the prevention of substance abuse.

Workforce Innovation and Opportunity Act – Individuals receive job training through this program.

Smoky Mountain Housing – This program was formed to construct affordable housing for low income individuals and families.

Paycheck Protection Program – This program provided the Corporation with funding to cover employee salaries and occupancy costs during the COVID-19 crisis.

Note B – Summary of Significant Accounting Policies

Basis of Accounting

The accounting records are maintained in accordance with U.S. generally accepted accounting principles (GAAP).

Basis of Presentation

The Corporation follows the reporting requirements of GAAP, which requires that resources be classified for reporting purposes based on the existence or absence of donor-imposed restrictions. This is accomplished by classification into two classes of net assets: without donor restrictions and with donor restrictions.

Cash and Cash Equivalents

For purposes of the statement of cash flow, the Corporation considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Investments and Fair Value Measurement

Investments consist of certificates of deposit with maturities of generally less than one year and marketable securities held in a brokerage account. Certificates of deposit are carried at cost, which approximates market, and marketable securities are carried at readily determined fair values.

Accounts and Grants Receivable

Accounts receivable consist of amounts due on contracts for services performed by the Corporation, plus receivable due to the Corporation from its stop-loss health insurance plan. Grants receivable consist of amounts billed to granting agencies for expenditures that have not yet been reimbursed. No allowance for doubtful accounts has been recorded, as all amounts are due from various governmental agencies and have historically been paid in full.

Inventory

Inventory is valued at the lower of cost or market. Inventory consists mainly of food items and supplies used in the food services department. There is also a small amount of office supplies regularly maintained.

Prepaid Expenses

Prepaid expenses consist primarily of unexpired insurance premiums paid.

Real Estate Activities

The Housing programs include the acquisition of land and development of single-family lots. Costs that clearly relate to land development projects are capitalized, and allocated to the units based on their relative sales value. Interest costs are capitalized while development is in progress. The cost of amenities are capitalized and allocated to the units that have benefited. Selling costs are capitalized and recognized as lots are sold. All other costs are charged to expense as incurred.

Fixed Assets

Property and equipment purchased by the Corporation is recorded at cost. Donations of property and equipment are recorded as support at their estimated fair value. Such donations are recognized in the appropriate category of net assets when recorded.

Absent donor stipulations regarding how long those donated assets must be maintained, the Corporation reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Corporation reclassifies net assets with donor restrictions to net assets without donor restrictions at that time. Property and equipment are depreciated using the straight-line method over their estimated useful lives ranging from three to twenty years. All acquisitions of property and equipment in excess of \$2,500 and all expenses for repairs, maintenance, renewals and betterments that materially prolong the useful lives of assets are capitalized.

Family Self Sufficiency (FSS) Escrow Accounts and Escrow Payable

The Corporation participates in a federal program to assist families living in public or subsidized housing to discontinue reliance on welfare assistance. Amounts determined by HUD are deposited into restricted cash accounts, and represent amounts payable to families who are successful in becoming self-sufficient.

Vacation and Sick Leave Policy

The vacation policy of the Corporation is that employees earn vacation time at the rate of one-half hour per eight hours of work. Employees are allowed to accumulate and carry to the next year a maximum of 300 vacation hours. Accumulated vacation pay is reported as an accrued liability.

The sick leave policy of the Corporation is that employees earn sick leave at the rate of thirteen days per year and can accumulate and carry to the next year a maximum of 400 hours. Sick leave does not vest and therefore the Corporation has no obligation for the accumulated sick leave until it is actually taken; therefore, no accrual for sick leave has been made.

Fringe Benefits, Leave, and Indirect Costs Over/Under Applied

Fringe benefits, leave and indirect costs are allocated to the fringe benefit, leave and indirect cost pools at annual fixed allocation rates compared to the actual costs in these pools. At June 30, 2020 fringe benefits, annual leave and indirect costs were over-applied. Indirect costs are determined at fixed provisional rates at June 30, 2020. Over-applied amounts represent the excess

allocated while under-applied amounts represent the shortage allocated. These over and under applied amounts in the fringe benefits and leave costs will be applied against the expenses of the subsequent year and will be substantially eliminated within one year. Indirect costs over-applied will have to be repaid while under-applied costs will have to be absorbed by the Corporation. See **Note O – Indirect Cost Allocation Plan.**

Federal and State Assisted Programs

The Corporation has received proceeds from several federal and state grants. Periodic audits of these grants are required and certain costs may be questioned as not being appropriate expenditures under the grant agreements. Such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds will be immaterial. No provision has been made in the accompanying financial statements for the refund of grant monies.

Grants, Contracts and Contributions

Revenue from government and private grants and contract agreements, which are generally considered non-exchange transactions, is recognized when qualifying expenditures are incurred and conditions under the agreements are met. Payments received in advance of conditions being met are recorded as refundable advances on the Statement of Financial Position. At June 30, 2020, refundable advances totaled \$38,090.

Contributions are recognized in the appropriate category of net assets in the period received. Contributions of assets other than cash are recorded at their estimated fair value at the date of the gift. Pledges receivable are stated at the estimated net present value, net of an allowance for uncollectible amounts. Conditional promises to give are not recognized until the conditions on which they depend are substantially met. Donated property is recognized at fair value on the date of receipt.

Donated Services

Donated services are recognized as contributions if the services (a) create or enhance non-financial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Corporation.

During the year ended June 30, 2020 there were no donated services meeting the requirements set by generally accepted accounting principles for recognition in the financial statements and thus none were recorded.

However, many individuals volunteer their time and travel costs and perform a variety of tasks that assist the Corporation. The Corporation received volunteer hours and donated travel costs with an estimated value of \$539,095 for the year ended June 30, 2020, which was not recognized in the financial statements because the recognition criteria was not met.

Donated Space and Supplies

Donated space, supplies, and meals are valued at fair market value at the date of the donation. The value of donated space, supplies, and meals recognized in the financial statements for the year ended June 30, 2020 amounted to \$22,051.

Advertising Costs

Advertising costs are expensed as incurred. Advertising costs for the year ended June 30, 2020 were \$31,198.

Annuity Plan

Full-time and part-time employees of the Corporation are eligible to participate in the Corporation's Tax Deferred Annuity Plan. This 403(b) plan (Plan) is funded by both the Corporation and employee contributions based on an employee's compensation for the period. Employees may contribute a percentage of their wages effective the first month after sixty full days of employment. After twelve months of employment, the Corporation makes a matching contribution in the amount of 100% of the first 3% of compensation contributed by an employee. Additionally, the Corporation contributes an amount equal to 3% of the employees' wages. Employees are always fully vested in their employee contributions to the Plan, but must meet a two-year service requirement to become fully vested in the Corporation's contributions to the Plan on their behalf. The cost to the Corporation was \$154,015 for the year ended June 30, 2020.

Cost Pools

The Corporation uses three pools in its accounting system for accumulating allocated costs: leave, fringe and indirect costs pools. On October 1, 1990, the Corporation adopted an indirect cost allocation plan. The plan was adopted in order to recover expenditures, which are not readily allocable to specific program activities. These expenditures (indirect costs) are accumulated in a pool, and are allocated based on a provisional indirect cost rate of the program's direct costs. Each year an updated plan is adopted. At year-end, the indirect cost rate is based on the actual rate.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefitted.

Income Taxes

The Corporation is a non-profit corporation organized in accordance with Chapter 55-A of the North Carolina Statutes and is exempt from income taxes under Section 501 (c) (3) of the Internal Code and state law. However, income from certain activities not directly related to the Corporation's tax-exempt purpose is subject to taxation as unrelated business income. In addition, the Corporation qualifies for the charitable contribution deduction under Section 170 (b)(1)(A) and has been classified as a corporation other than a private foundation under Section 509(a)(2). Under North Carolina Statute, the Corporation applies for refunds of all sales taxes paid.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Net Assets

Net assets, revenues, gains and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets with Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Recent Accounting Guidance

During the year ended June 30, 2020 the Corporation implemented ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Made*. This update should assist entities in evaluating whether transactions should be accounted for as contributions or as exchange transactions subject to other guidance and assist in determining whether a contribution is conditional.

Note C – Liquidity and Availability

The Corporation receives contributions for various programs that are limited their use. For more detail about the specific programs whose net assets are restricted by their use, see **Note J – Net Assets with Donor Restrictions**. The Corporation has not adopted a formal policy regarding maintaining operating reserves, nor has the Board restricted the use of any assets by time or purpose. Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of June 30, 2020, comprise the following:

Financial Assets at Year End	2020
Cash and cash equivalents	\$ 1,724,469
Accounts receivable	408,296
Grant receivable	261,984
Tax receivable	22,055
Total financial assets at year-end	<u>\$ 2,416,804</u>

Note D – Cash and Investments and Fair Value Measurement

All deposits of the Corporation, both cash and investments, are made in board-designated official depositories. Investments are stated at cost, which approximates market value, and consist of publicly traded stock that is recorded at market value at year-end. The Corporation's deposits are collateralized by a combination of federal deposit insurance and pledged U.S. Agency Securities under the dedicated method. The Federal Deposit Insurance Corporation (FDIC) covers \$250,000 for substantially all depository accounts. The Corporation's deposits had a carrying amount of \$1,705,956 and a bank balance of \$1,711,623 at June 30, 2020. Of the bank balance, \$250,000

was covered by FDIC coverage while the remaining balance of \$1,337,623 was adequately secured by pledged U.S. Agency Securities valued at \$1,517,394 at June 30, 2020. Cash on hand totaled \$3,800 at June 30, 2020. Interest earned on cash deposits was \$1,226 for the year ended June 30, 2020.

The cash balances at June 30, 2020 contain \$70,745 of restricted cash escrowed for FSS-HUD and Self-Help Housing purposes.

Generally accepted accounting principles define fair value, establish a framework for measuring fair value, and establish a fair value hierarchy that prioritizes the inputs to valuation techniques. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market. Valuation techniques that are consistent with the market, income or cost approach are used to measure fair value.

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities the Corporation has the ability to access at the measurement date.
- Level 2 inputs are inputs (other than quoted prices included within level 1) that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability and rely on management's own assumptions about the assumptions that market participants would use in pricing the asset or liability. (The unobservable inputs should be developed based on the best information available in the circumstances and may include the Corporation's own data.)

The following table represents the Corporation's fair value hierarchy for those assets measured at fair value on a recurring basis at June 30, 2020.

June 30, 2020

Assets:	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Certificates of deposit	\$ -	\$ -	\$ -	\$ -
Market Securities	14,713	-	-	14,713
Total	<u>\$ 14,713</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,713</u>

Investment income (loss) is included in other revenue in the Statement of Activities for the year-ended June 30, 2020. The amounts are not considered material to the financial statements.

Note E – Property Development

Property development costs consist of land purchases, infrastructure and related construction period expenses for various housing projects.

Development costs are recorded as an asset of the Corporation as incurred. As lots are sold, revenue is recorded and the appropriate cost of lots sold is expensed by reducing the asset account. During the year ended June 30, 2018, the Corporation purchased forty-five lots for a cost of \$12,500 each or a total of \$562,500. The lots were seller-financed with a Note Payable for

\$12,500 each or a total of \$562,500. The lots were seller-financed with a Note Payable for \$562,500. During the year ended June 30, 2020, an additional property was purchased for the purpose of future development at a total cost of \$65,804. No lots were sold during the year ended June 30, 2020 and thus there were no related development costs expensed. Forty-two lots remain for sale at June 30, 2020 along with the newly purchased property.

Development costs and cost of lots sold at June 30, 2020 are as follows:

	<u>2020</u>
Infrastructure costs	\$ 562,500
Capitalized indirect costs	1,216
Land purchase	65,804
Cost of lots purchased	<u>(41,216)</u>
Total	<u>\$ 588,304</u>

Note F – Fixed Assets

The fixed assets of the Corporation at June 30, 2020 are as follows:

	<u>2020</u>
Land	\$ 733,671
Land improvements	89,947
Building	3,594,575
Motor vehicles	1,850,700
Furniture & equipment	1,177,619
Building improvements	<u>1,877,560</u>
Total	9,324,072
Less: Accumulated Depreciation	<u>(4,136,871)</u>
	<u>\$ 5,187,201</u>

Depreciation expense for the year ended June 30, 2020 was \$414,164.

The Corporation has possession of motor vehicles, originally costing \$1,533,494, for which it does not have title, but records them on the balance sheet and records annual depreciation. The motor vehicles are used in the Corporation's Transportation Program and their titles are held in Raleigh because the Department of Transportation has a lien on these vehicles. However, there is implied ownership of these vehicles by the Corporation and management is responsible for upkeep and insurance. The net book value of these vehicles was \$383,169 at June 30, 2020.

Capital items acquired with grant funds are considered owned by the Corporation while used in the program for which they were acquired. The federal and state agencies have a reversionary interest in the capital items, including ownership of any proceeds from their disposition. At June 30, 2020, the total original cost of items acquired with grant funds amounted to \$4,664,707, while the net book value was \$2,236,372.

Note G – Accrued Liabilities

Accrued liabilities at June 30, 2020 consist of the following:

	<u>2020</u>
Accrued salaries	\$ 88,099
Accrued vacation pay	239,174
Self-insurance reserve	4,050
Other payables	<u>21,823</u>
Total	<u>\$ 353,146</u>

Note H – Notes Payable

Notes payable at June 30, 2020 are as follows:

	<u>2020</u>
Note payable to USDA Rural Development, due in 40 annual payments of \$33,969, beginning April 9, 2010, interest of 4.50%, secured by the organization's revenues.	\$ 543,759
Note payable to NC Housing Finance Agency, due in one payment of \$337,530 on March 1, 2027 unless extended, interest of 0.00%, secured by real property.	337,530
Note payable to NC Housing Finance Agency, due in one payment of \$298,000 on October 1, 2039 unless extended, interest of 0.00%, secured by real property.	298,000
Note payable to NC Housing Finance Agency, due in one payment of \$323,600 on April 1, 2038 unless extended, interest of 0.00%, secured by real property.	323,600
Note payable to Camp Bethel, Inc. for \$562,500. Payment of \$12,500 is due as each lot is sold. Interest of 0.00%, secured by real property.	525,000
Note payable to Haywood County, due in sixty monthly payments of \$1,211 and one balloon payment of \$303,496, due in 2023, interest of 3.25%, secured by real property	312,870
Capital Lease to Tamco Capital Corporation, due in sixty monthly payments of \$215, inferred interest of 9.474%, secured by personal property.	6,676
	<u>\$ 2,347,435</u>

Future scheduled maturities of notes payable are as follows:

Years ended June 30,

2021	15,969
2022	16,744
2023	316,110
2024	10,823
2025	11,310
Thereafter	1,976,479
	<u>\$ 2,347,435</u>

Interest expense on notes payable was \$37,623 for the year ended June 30, 2020.

Note I – PPP (Paycheck Protection Program) Note Payable

On April 15, 2020, the Corporation received loan proceeds in the amount of \$374,000 under the Paycheck Protection Program (PPP). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act (“CARES Act”), provides for loans to qualifying businesses for amounts up to 2.5 times the average monthly payroll expenses of the qualifying business. The loans and accrued interest are forgivable after eight weeks as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels. The amount of loan forgiveness will be reduced if the borrower terminates employees or reduces salaries during the eight-week period.

On November 25, 2020, subsequent to year end, the Corporation received full forgiveness of the PPP loan for \$374,000. Through June 30, 2020, \$251,954 of the PPP loan was used for eligible expenses, leaving a balance of \$122,046 for future payroll expenses. At June 30, 2020, the Corporation reflects the remaining portion of the PPP loan of \$122,046 as a short-term note payable.

Note J – Net Assets with Donor Restrictions

Net assets with donor restrictions arise from contributions received that limit the use of the donated assets. During the year ended June 30, 2020, the Corporation received donations for several programs that were restricted due to either timing or limited to use.

In the prior year, the Corporation received donations for seventeen programs that were restricted as to the use of donated assets. The restrictions were removed after the donations were spent for the intended purposes.

Net assets with donor restrictions that are subject to expenditure for a specified purpose at June 30, 2020 are as follows:

	2020
MPI Building Fund	\$ 79,713
Head Start Fundraising	60,991
Haywood Community Connections	20,027
Senior Services Fund Raising	13,172
Donated Rent & Utility Deposits	5,397
Kate Reynolds - Navigator Grant	118,864
Kate Reynolds #2019-089	267,705
Cashiers Circles of Hope	60,638
Haywood Share the Warmth	117,773
Jackson Neighbors in Need	63,301
ABC Grant - 919 Marketing Commission	10,091
Smoky Mountain Housing Project	168,171
NC ABC Commision	7,737
Project Life Saver	10,898
NC Pre K Classroom	73,183
WNC Bridge Foundation	77,110
Nantahala Health Foundation Grant	24,371
Haywood EMC Weatherization Program	8,932
Housing Choice Vouchers	32,523
Haywood County Community Block Grant	65,933
SWNC Planning	10,360
Head Start & Early Head Start	104,201
CNS-SCP and CNS-FGP	27,351
Other various programs	16,844
	<u><u>\$ 1,445,286</u></u>

Note K – Economic Concentrations

During the period ended June 30, 2020, direct and indirect grants from various federal agencies totaled \$9,924,451 and direct grants from various state agencies totaled \$814,127. The combined total of these grants, \$10,738,578, comprised 79.60% of the total support and revenue received by the Corporation for the year ended June 30, 2020.

Note L– Other Revenues

Other revenues at June 30, 2020 consist of the following:

	2020
Fraud recoveries	\$ 5,848
Affordable housing rental income	115,380
Miscellaneous	158,894
Total	<u><u>\$ 280,122</u></u>

Note M – Post Retirement Employee Benefits

The Corporation provides post-retirement health insurance benefits for eligible retirees who are 60 years of age with 20 years of service. The retirement health plan allows employees to continue coverage as if they were employees until eligible for Medicare. The Corporation has not recorded a liability for these post-retirement health benefits because the Corporation does not believe the amount will be material and the amount cannot be reasonably estimated. During the year ended June 30, 2020, there were no eligible retirees receiving benefits under the plan.

Note N – Operating Leases

The Corporation leases space for use in the Head Start Program at three locations: Jones Cove Road, Champion Drive and North Main Street. The Jones Cove Road lease agreement runs from July 2018 through June 2023, with monthly rent of \$1,500. The Champion Drive lease agreement runs from April 2019 through March 2024, with monthly rent of \$1,400. The North Main Street lease runs from August 2018 to July 2019, with monthly rent of \$3,600. The Corporation also leases space for use in the Food Service program in Sylva. The lease runs from March 2017 through March 2022, with monthly rent of \$2,000. The Corporation leases space for the Sylva Linings Thrift Store with monthly rent of \$1,400. This lease runs from September 2017 to September 2022.

The Corporation also rents space for various other purposes on month-to-month arrangements that are not reflected in the future minimum lease payment schedule below.

Lease and rental expense for facilities and space totaled \$82,545 for the year ended June 30, 2020.

Future minimum annual lease payments for facilities leases are as follows:

<u>Years ended June 30:</u>	
2021	\$ 68,400
2022	68,400
2023	33,600
2024	6,000
	<u>\$ 176,400</u>

The Corporation has entered into several leases for equipment with monthly payments totaling approximately \$2,156. Equipment lease expense totaled \$28,357 for the year ended June 30, 2020.

Future minimum annual lease payments for equipment leases are as follows:

<u>Years ended June 30:</u>	
2021	\$ 15,383
2022	\$ 7,608
2023	\$ 3,680
2024	\$ 920
	<u>\$ 27,591</u>

Note O – Indirect Cost Allocation Plan

The Indirect Cost Allocation Plan is based on a fixed provisional rate whereby the costs of the indirect cost pool are allocated to each program throughout the year as a fixed provisional rate in proportion to the direct costs less capital expenditures, and other excluded costs of each local and funded program in relation to these costs for the agency as a whole.

All indirect costs are allocated based on the percentage of allowable direct costs. For those programs that have indirect costs allocations in excess of budgetary limitations, the excess costs are paid by the Corporation, using local funds.

At the end of each fiscal period, the indirect cost allocation for all programs is “trued-up” to the provisional actual rate, and any overpayments or underpayments to (from) the indirect cost pool are paid back to the programs.

For the year ended June 30, 2020, the provisional indirect cost rate of the program’s indirect costs was 8.86%, while the actual rate was 8.90%. For the year ended June 30, 2020, fixed indirect costs applied totaled \$833,642.

The Corporation submits its Indirect Cost Allocation Plan to its cognizant federal agency, the U.S. Department of Housing and Urban Development (HUD), for approval on an annual basis. HUD contracts with HHS to review the indirect cost plan.

Note P – Risk Management

The Corporation is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters

The Corporation carries commercial coverage for general liability, auto liability, property damage and worker’s compensation. There have been no significant reductions in insurance coverage in the prior period, and settled claims have not exceeded coverage in any of the past three fiscal years.

The Corporation provides health care coverage for eligible employees through a fully insured nonprofit plan. The annual cost of health insurance was \$550,024 for the year ended June 30, 2020. Health insurance is accumulated in the fringe pool and allocated amongst the programs.

Note Q – Unrelated Business Income Taxes

Mountain Projects, Inc. is a not-for-profit corporation and has been recognized as exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and does not record a provision for income taxes. The Corporation records an immaterial amount of income from certain activities not directly related to the Corporation’s tax-exempt purpose that is subject to taxation as unrelated business income; however the net amount recorded is a loss. The Corporation regularly reviews and evaluates its tax positions taken in previously filed information returns and in its financial statements, with regard to issues affecting its tax-exempt status, unrelated business income, and related matters. The Corporation believes that in the event of an examination by taxation authorities, its position would prevail. Therefore, the Corporation has concluded that no tax benefits or liabilities are required to be recognized. The Corporation’s tax years open to examination by authorities include 2018, 2019, and 2020.

Note R – Subsequent Events

In December 2019, an outbreak of a novel strain of coronavirus (COVID-19) originated in Wuhan, China and has since spread to other countries, including the United States. On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic. In addition, multiple jurisdictions in the U.S. have declared a state of emergency. It is anticipated that these impacts will continue for some time. At year-end, the Corporation had not been negatively impacted by the virus financially; however, many of the Corporation's standard operating procedures were modified to comply with CDC recommended guidelines. And, as the pandemic and its impact appear to continue well after year-end, the future effects of these issues are unknown.

Additionally, subsequent to year-end, the Corporation received full forgiveness of its PPP (Paycheck Protection Program) loan for \$374,000. See **Note I**.

Subsequent events have been evaluated through February 1, 2021 which is the date the financial statements were available to be issued.

COMPLIANCE



Ray,
Bumgarner,
Kingshill,

& Assoc., P.A.

Certified Public Accountants

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385 N. Haywood St., Suite 3
Waynesville, NC 28786

**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
Mountain Projects, Inc.
Waynesville, North Carolina

We have audited, 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, the financial statements of Mountain Projects, Inc. (a nonprofit corporation), which comprise the statement of financial position as of June 30, 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, and have issued our report thereon dated February 1, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Mountain Projects, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Mountain Projects, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Corporation'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.

Our 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a certain

deficiency in internal control, described in the accompanying schedule of findings and questioned costs, that we consider to be a significant deficiency (Finding 2020-01).

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Mountain Projects, Inc.'s financial statements are free from material misstatement, we 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 our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Mountain Projects, Inc.'s Response to Finding

Mountain Projects, Inc.'s response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The Corporation's response was not subjected to the auditing procedures applied in the audit of the financial statements, and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our 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.

Ray, Bumgarner, Kingshill & Assoc., P.A.

Waynesville, North Carolina
February 1, 2021

**Independent Auditor's Report on Compliance for Each Major Program
and on Internal Control Over Compliance Required by the Uniform Guidance**

To the Board of Directors
Mountain Projects, Inc.
Waynesville, North Carolina

Report on Compliance for Each Major Federal Program

We have audited Mountain Projects, Inc.'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Mountain Projects, Inc.'s major federal programs for the year ended June 30, 2020. Mountain Projects, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Mountain Projects, Inc.'s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Mountain Projects, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Mountain Projects, Inc.'s compliance.

Opinion on Each Major Federal Program

In our opinion, Mountain Projects, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

Report on Internal Control Over Compliance

Management of Mountain Projects, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Mountain Projects, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Mountain Projects, Inc.'s internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Ray, Bumgarner, Kingshill & Assoc., P.A.

Waynesville, North Carolina
February 1, 2021

MOUNTAIN PROJECTS, INC.
Summary of Findings and Questioned Costs
Year Ended June 30, 2020

Section I. Summary of Auditor's Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance to GAAP: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? ___ yes X no
- Significant Deficiency(s) X yes ___

Noncompliance material to financial statements noted? ___ yes X no

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? ___ yes X no
- Significant Deficiency(s) identified? ___ yes X none reported

Type of auditor's report issued on compliance for major federal programs: Unmodified.

Any audit findings disclosed that are required to be reported in accordance

- with 2 CFR 200.516(a)? ___ yes X no

Identification of major federal programs:

<u>Program</u>	<u>CFDA #</u>
U.S. Department of Housing and Urban Development	
Direct Award - Section 8 Housing Choice Voucher Cluster	14.871
U.S. Department of Health and Human Services	
Passed through Haywood County	
Special Programs for the Aging - Title III, Part B	
Grants for Supportive Services & Senior Centers	93.044
Special Programs for the Aging - Title III, Part C	
Nutrition Services	93.045
Corporation for National and Community Services	
Foster Grandparent/Senior Companion Cluster	
Direct Award - Foster Grandparent Program	94.011
Direct Award - Senior Companion Program	94.016

Dollar threshold used to distinguish

between Type A and Type B Programs \$ 750,000

- Auditee qualified as low-risk auditee? X yes ___no

MOUNTAIN PROJECTS, INC.
Summary of Findings and Questioned Costs
Year Ended June 30, 2020

Section II – Financial Statement Findings

SIGNIFICANT DEFICIENCY

2020 – 001 Lack of Leadership in Finance Department

Criteria: Properly performed reconciliations along with maintaining and verifying supporting detail for balances and understanding the accounting for a non-profit with multiple grants are all factors paramount to ensuring properly functioning internal controls and accuracy in the accounting records for the entity as a whole and its programs.

Condition: At the start of our audit we uncovered several areas that were not properly reconciled or lacked proper supporting documentation. Cash was improperly reconciled, fixed assets per the trial balance did not agree to the detail reports, prepaid insurance lacked support and appeared overstated, in-kind revenues and in-kind expenses didn't match, and the fringe pool did not reflect all expenses recorded for the year. The annual audit was stopped until these areas were corrected.

Effect: Identification of areas where internal controls need improvement. Also, inaccuracy in some account balances where some accounts were overstated, and others understated.

Cause: Mountain Projects, Inc. is a large non-profit with many programs and a complex trial balance. This year, a new CFO was hired to replace a long-standing CFO who retired, but the new CFO was not effective in carrying out her responsibilities. As a result there were several unreconciled balance sheet accounts at year-end as well as several year-end accounting entries that were not recorded.

Recommendation: Intense training or hiring a person with a better match of experience.

Views of responsible officials and planned corrective actions: Mountain Projects, Inc. agrees with this finding, and will adhere to the corrective action plan on page 29 of this report.

Section III – Federal Award Findings and Questioned Costs

There were no findings relative to federal award programs in the current year.

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Sylva: 828-586-2345



Waynesville Facsimile: 828-452-9454
Sylva Facsimile: 828-586-9401

**MOUNTAIN PROJECTS, INC.
Corrective Action Plan
Year Ended June 30, 2020**

Section II – Financial Statement Findings

2020-001 Lack of Leadership in Finance Department

Name of Contact person: Patsy Davis, Executive Director

Corrective Action:

- Discuss with our Chief Financial Officers the issues noted by the auditors and develop a plan to address the issues. Such plan will address any necessary additional training as well as implementation of additional operating procedures within the Finance Department.
- Our board of directors' treasurer, a retired audit partner from Deloitte, will assist in the development of procedures as well as assist in helping to mentor our CFO.

New procedures that will be implemented include:

- Monthly reconciliation of all significant balance sheet accounts and verification that all necessary adjusting entries are recorded timely.
- For other less significant balance sheet accounts, require such accounts be reviewed monthly for unexpected variances. Reconcile account detail quarterly and make any required adjustments.
- Monthly meetings between the Treasurer and CFO to review and discuss any accounting matters.

Proposed Completion Date: The Board will implement the above procedure immediately.

Section III – Federal Award Findings and Questioned Costs

There were no findings relative to federal award programs in the current year.

We Provide the Tools to Change People's Lives



MOUNTAIN PROJECTS, INC.
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2020

There were no findings relative to financial statements or to federal award programs in the year ended June 30, 2019.

SUPPLEMENTARY SCHEDULES

MOUNTAIN PROJECTS, INC.
Schedule of Expenditures of Federal and State Awards
Year ended June 30, 2020

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Federal (Direct & Pass-through) Expenditures	State Expenditures
FEDERAL AWARDS:				
U.S. Department of Agriculture:				
Passed through NC Dept of Health & Human Services Division of Public Health Child and Adult Care Food Program	10.558	XXXX	132,716	-
U.S. Department of Housing and Urban Development:				
FSS Self-Sufficiency Coordinators	14.896	XXXX	13,770	-
Passed through NC Housing Finance Agency Home Investment Partnerships Program	14.239	XXXX	112,078	-
Direct Award - Section 8 Housing Choice Voucher Cluster	14.871	XXXX	5,180,631	-
Direrct Award - Public Housing CARES Act Funding	14.PHC	XXXX	2,509	-
U.S. Department of Labor				
Passed through NC Department of Commerce Passed through Southwestern Commission WIOA - 220 Adult	17.258	XXXX	91,532	-
WIOA - 230 Dislocated Worker	17.278	XXXX	20,230	-
WIOA Finish Line Grant	17.258	XXXX	15,946	-
WIA / WIOA Cluster Total			127,708	-
U.S. Department of Transportation				
Passed through NC Dept. of Transportation Formula Grants for Other than Urbanized Areas	20.509	XXXX	138,191	118,080
Passed through NC Dept of Transportation Capital Assistance Program for Elderly Persons and Persons with Disabilities - Transit Services Program Cluster	20.513	XXXX	23,768	-
U. S. Department of Energy:				
Passed through NC Dept of Commerce Energy Division Weatherization Assistance for Low Income Persons	81.042	XXXX	79,539	-
U.S. Department of Health And Human Services:				
<u>Aging Cluster</u>				
Passed through NC Dept of Health & Human Services				
Passed through Southwestern Commission Area Agency on Aging				
Passed through Haywood County				
Special Programs for the Aging - Title III, Part B				

MOUNTAIN PROJECTS, INC.
Schedule of Expenditures of Federal and State Awards
Year ended June 30, 2020

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Federal (Direct & Pass-through) Expenditures	State Expenditures
Grants for Supportive Services & Senior Centers	93.044	XXXX	109,915	-
Special Programs for the Aging - Title III, Part C				
Nutrition Services	93.045	XXXX	205,930	-
Total Aging Cluster			315,845	-
Passed through NCDHHS/NC Department of Environmental Quality				
Weatherization Assistance for Low Income Persons	93.568	XXXX	178,647	-
Passed through N.C. Dept. of Health and Human Services, Office of Economic Opportunity				
Community Services Block Grant - 477 Cluster	93.569	XXXX	218,249	-
Passed through SW Child Development Commission, Inc.				
Child Care & Development Block Grant - 477 Cluster	93.575	XXXX	46,089	-
Direct Award-Head Start	93.600	XXXX	1,867,750	-
Direct Award - Early Head Start	93.600	XXXX	788,060	-
Total Head Start			2,655,810	-
Passed through N.C. Dept. of Insurance				
Centers for Medicare & Medicaid Services (CMS)				
Research, Demonstrations & Evaluation	93.779	XXXX	7,977	-
Corporation for National and Community Services:				
Foster Grandparent/Senior Companion Cluster				
Direct Award - Foster Grandparents Program	94.011	XXXX	207,991	-
Direct Award - Senior Companion Program	94.016	XXXX	230,979	-
Total Foster Grandparent/Senior Companion Cluster			438,970	-
STATE AWARDS:				
N.C. Department of Public Instruction				
NC Pre K		XXXX	-	121,859
21st Century Grant-Youth		XXXX	-	-
State Legislature Grant-Youth		XXXX	-	-
N.C. Department of Transportation:				
Passed through Haywood County				
EDTAP		XXXX	-	86,272
Transportation-RGP Supplement		XXXX	-	78,423
Transportation-Capital		XXXX	-	192,393
N.C. Housing Finance Agency				
NCHFA - Urgent Repair Program		XXXX	-	192,100

MOUNTAIN PROJECTS, INC.
Schedule of Expenditures of Federal and State Awards
Year ended June 30, 2020

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Federal (Direct & Pass-through) Expenditures	State Expenditures
N.C. Department of Public Safety				
NC Dept of Public Safety - JCPC Operating		XXXX	-	-
NC Dept of Public Safety - Teen Substance Abuse Reduction		XXXX	-	25,000
TOTAL FEDERAL AND STATE AWARDS			<u>\$ 9,672,497</u>	<u>\$ 814,127</u>

Note A: Basis of Presentation

The accompanying schedule of expenditures of federal and state awards (SEFSA) includes the federal and state grant activity of Mountain Projects, Inc. under the programs of the federal government and the State of North Carolina for the year ended June 30, 2020. The information in the SEFSA is presented in accordance with the requirements of *Title 2 US code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Because the Schedule presents only a selected portion of the operations of Mountain Projects, Inc., it is not intended to and does not present the financial position, changes in net position of cash flows of Mountain Projects, Inc.

Note B: Summary of Significant Accounting Policies

Expenditures reported in the SEFSA are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note C: Indirect Cost Rate

Mountain Projects, Inc. has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.



Real Estate Assessment Center

Financial Assessment Subsystem (FASS-PH)

My Inbox PHA Info FDS DCF Notes and Findings Submit Edit Flags Reports Logout

Programs+
Comments
Late Reason
Material Difference

PHA Information	
PHA Code:	NC152 Fiscal Year End Date:06/30/2020
PHA Name:	Mountain Projects, Inc.
Submission Type:	Audited/Single Audit

PHA Information	
PHA Code	NC152
PHA Name	Mountain Projects, Inc.
EIN Number	N/A
Address(line1)	2177 Asheville Road
Address(line2)	2251 Old Balsom Road
City	Waynesville
State	NC
Zip Code	28786
Reporting Ending Date	06/30 ▾ 2020 (Four Digit Year)
Number of Reporting Months	12 ▾
Submission Type	<input checked="" type="radio"/> Audited/Single Audit <input type="radio"/> Audited/Non Single Audit
Asset Management	<input type="radio"/> Non-Asset Management with Elimination Only <input type="radio"/> Non-Asset Management with COCC/Elimination <input checked="" type="radio"/> Non Asset Management
Accounting Method	<input checked="" type="radio"/> Full Accrual <input type="radio"/> Modified Accrual
Component Unit	<input type="checkbox"/> Component Unit (Check this box if the PHA is a component unit of the local government or local jurisdiction and will not be receiving its own separate Single Audit or Financial Audit.)
<input type="button" value="Save"/>	

Please ensure the "Reporting Ending Date" you entered is correct. If you wish to change the "Reporting Ending Date", you will have to delete the draft submission and recreate a new submission with the correct "Reporting Ending Date".



Real Estate Assessment Center

Financial Assessment Subsystem (FASS-PH)

My Inbox PHA Info FDS DCF Notes and Findings Submit Edit Flags Reports Logout

Programs+

Comments

Late Reason

Material Difference

PHA Information

PHA Code: NC152 Fiscal Year End Date:06/30/2020
 PHA Name: Mountain Projects, Inc.
 Submission Type: Audited/Single Audit

Program Selection		
CFDA#	Name of Program	Select
1	Business Activities	<input type="checkbox"/>
10.415	Rural Rental Housing Loans	<input type="checkbox"/>
10.427	Rural Rental Assistance Payments	<input type="checkbox"/>
10.447	Rural Dev Multi-Family Revitalization Demo Program	<input type="checkbox"/>
14.181	Supportive Housing for Persons with Disabilities	<input type="checkbox"/>
14.182	N/C S/R Section 8 Programs	<input type="checkbox"/>
14.218	Community Development Block Grants/Entitlement Grants	<input type="checkbox"/>
14.238	Shelter Plus Care	<input type="checkbox"/>
14.239	HOME Investment Partnerships Program	<input type="checkbox"/>
14.249	Section 8 Moderate Rehabilitation Single Room Occupancy	<input type="checkbox"/>
14.268	Rural Housing Stability Assistance Program	<input type="checkbox"/>
14.269	Community Development Block Grant Disaster Recovery Grants (CDBG-DR)	<input type="checkbox"/>
14.276	Youth Homelessness Demonstration Program	<input type="checkbox"/>
14.419	Section 3 Coordination and Implementation	<input type="checkbox"/>
14.850	Low Rent Public Housing	<input type="checkbox"/>
14.856	Lower Income Housing Assistance Program_Section 8 Moderate Rehabilitat	[Details]
14.860	Head Start Public Housing Early Childhood/Development Demonstration	<input type="checkbox"/>
14.866	Revitalization of Severely Distressed Public Housing	<input type="checkbox"/>
14.870	Resident Opportunity and Supportive Services	<input type="checkbox"/>
14.871	Housing Choice Vouchers	<input checked="" type="checkbox"/>
14.872	Public Housing Capital Fund Program	<input type="checkbox"/>
14.879	Mainstream Vouchers	<input type="checkbox"/>
14.881	Moving to Work Demonstration Program	<input type="checkbox"/>
14.884	Competitive Capital Fund Stimulus Grant	<input type="checkbox"/>
14.885	Formula Capital Fund Stimulus Grant	<input type="checkbox"/>
14.890	Capital Fund Education and Training Community Facilities	<input type="checkbox"/>
14.895	Jobs-Plus Pilot Initiative	<input type="checkbox"/>
14.896	PIH Family Self-Sufficiency Program	<input type="checkbox"/>
14.CCC	Central Office Cost Center CARES Act Funding	<input type="checkbox"/>
14.CMT	CARES Act Funding Transferred to MTW	<input type="checkbox"/>
14.DVP	Disaster Voucher Program	<input type="checkbox"/>
14.HCC	HCV CARES Act Funding	<input checked="" type="checkbox"/>
14.MRC	Moderate Rehabilitation CARES Act Funding	<input type="checkbox"/>
14.MSC	Mainstream CARES Act Funding	<input type="checkbox"/>
14.PHC	Public Housing CARES Act Funding	<input type="checkbox"/>
16.817	Byrne Criminal Justice Innovation Program	<input type="checkbox"/>

2	State/Local	<input type="checkbox"/>
21.019	Coronavirus Relief Fund	<input type="checkbox"/>
3	General Fixed Assets Account Group	<input type="checkbox"/>
4	General Long-Term Debt Account Group	<input type="checkbox"/>
5	Fiduciary	<input type="checkbox"/>
6.1	Component Unit - Discretely Presented	<input type="checkbox"/>
6.2	Component Unit - Blended	<input type="checkbox"/>
7	Debt Service Fund	<input type="checkbox"/>
8	Other Federal Program 1	<input type="checkbox"/>
81.128	Energy Efficiency and Conservation Block Grant Program (EECBG)	<input type="checkbox"/>
9	Other Federal Program 2	<input type="checkbox"/>
91	Other Federal Program 3	<input type="checkbox"/>
93.531	PPHF - Community Transformation Grants and National Dissemination	<input type="checkbox"/>
93.724	ARRA - Prevention and Wellness (FOA)	<input type="checkbox"/>
94.019	Social Innovation Fund	<input type="checkbox"/>



Real Estate Assessment Center

Financial Assessment Subsystem (FASS-PH)

My Inbox PHA Info FDS DCF Notes and Findings Submit Edit Flags Reports Logout

Balance Sheet

Income Statement

PHA Information

PHA Code: NC152 Fiscal Year End Date:06/30/2020

PHA Name: Mountain Projects, Inc.

Submission Type: Audited/Single Audit

Program Name: Housing Choice Vouchers

Select Entity: [Program List](#)

Balance Sheet			
Line Item #	Description	Value	Details
Assets			
Current Assets Cash:			
111	Cash - Unrestricted	\$ 4186	-
112	Cash - Restricted - Modernization and Development	\$	-
113	Cash - Other Restricted	\$ 108898	[Details]
114	Cash - Tenant Security Deposits	\$	-
115	Cash - Restricted for Payment of Current Liabilities	\$	[Details]
100	Total Cash	\$ 113084	-
Receivables:			
121	Accounts Receivable - PHA Projects	\$	-
122	Accounts Receivable - HUD Other Projects	\$	[Details]
124	Accounts Receivable - Other Government	\$	-
125	Accounts Receivable - Miscellaneous	\$	[Details]
126	Accounts Receivable - Tenants	\$	-
126.1	Allowance for Doubtful Accounts -Tenants	\$	-
126.2	Allowance for Doubtful Accounts - Other	\$	-
127	Notes, Loans, & Mortgages Receivable - Current	\$	-
128	Fraud Recovery	\$ 38027	-
128.1	Allowance for Doubtful Accounts - Fraud	\$ -3462	-
129	Accrued Interest Receivable	\$	-
120	Total Receivables, Net of Allowances for Doubtful Accounts	\$ 34565	-
131	Investments - Unrestricted	\$	-
132	Investments - Restricted	\$	[Details]
135	Investments - Restricted for Payment of Current Liability	\$	[Details]
142	Prepaid Expenses and Other Assets	\$	-
143	Inventories	\$	-
143.1	Allowance for Obsolete Inventories	\$	-
144	Inter Program Due From	\$	[Details]
145	Assets Held for Sale	\$	-
150	Total Current Assets	\$ 147649	-
NonCurrent Assets			
Fixed Assets:			
161	Land	\$	-
162	Buildings		-

		\$	
163	Furniture, Equipment & Machinery - Dwellings	\$	-
164	Furniture, Equipment & Machinery - Administration	\$ 36128	-
165	Leasehold Improvements	\$	-
166	Accumulated Depreciation	\$ -30209	-
167	Construction in Progress	\$	-
168	Infrastructure	\$	-
160	Total Capital Assets, Net of Accumulated Depreciation	\$ 5919	-
171	Notes, Loans and Mortgages Receivable - Non-Current	\$	[Details]
172	Notes, Loans, & Mortgages Receivable - Non Current - Past Due	\$	[Details]
173	Grants Receivable - Non Current	\$	-
174	Other Assets	\$	[Details]
176	Investments in Joint Ventures	\$	[Details]
180	Total Non-Current Assets	\$ 5919	-
200	Deferred Outflow of Resources	\$	-
290	Total Assets and Deferred Outflow of Resources	\$ 153568	-
Liabilities and Equity			
	Liabilities		
	Current Liabilities:		
311	Bank Overdraft	\$	-
312	Accounts Payable <= 90 Days	\$ 1203	-
313	Accounts Payable >90 Days Past Due	\$	-
321	Accrued Wage/Payroll Taxes Payable	\$ 4484	-
322	Accrued Compensated Absences - Current Portion	\$ 11123	-
324	Accrued Contingency Liability	\$	-
325	Accrued Interest Payable	\$	-
331	Accounts Payable - HUD PHA Programs	\$	[Details]
332	Account Payable - PHA Projects	\$	-
333	Accounts Payable - Other Government	\$	-
341	Tenant Security Deposits	\$	-
342	Unearned Revenue	\$	[Details]
343	Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue Bonds	\$	-
344	Current Portion of Long-term Debt - Operating Borrowings	\$	-
345	Other Current Liabilities	\$	-
346	Accrued Liabilities - Other	\$	-
347	Inter Program - Due To	\$	-
348	Loan Liability - Current	\$	[Details]
310	Total Current Liabilities	\$ 16810	-
	NonCurrent Liabilities:		
351	Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	\$	[Details]
352	Long-term Debt, Net of Current - Operating Borrowings	\$	-
353	Non-current Liabilities - Other	\$ 70745	-
354	Accrued Compensated Absences - Non Current	\$ 843	-
355	Loan Liability - Non Current	\$	[Details]
356	FASB 5 Liabilities	\$	-
357	Accrued Pension and OPEB Liabilities	\$	[Details]

Balance Sheet

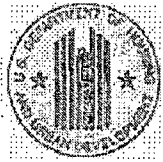
350	Total Non-Current Liabilities	\$ 71588	-
300	Total Liabilities	\$ 88398	-
400	Deferred Inflow of Resources	\$	-
Equity	Equity		
508.4	Net Investment in Capital Assets	\$ 5919	-
511.4	Restricted Net Position	\$ 38153	-
512.4	Unrestricted Net Position	\$ 21098	-
513	Total Equity - Net Assets / Position	\$ 65170	-
600	Total Liabilities, Deferred Inflows of Resources and Equity - Net Assets/Position	\$ 153568	-

Save

Reset

Note:

- # If you add or alter line items, press the SAVE button to save all your changes.
- # When you press the SAVE button, all totals fields will be calculated and displayed.
- # All fields marked with * are mandatory.



Real Estate Assessment Center

Financial Assessment Subsystem (FASS-PH)

My Inbox PHA Info FDS DCF Notes and Findings Submit Edit Flags Reports Logout

Balance Sheet

Income Statement

PHA Information

PHA Code: NC152 Fiscal Year End Date: 06/30/2020
 PHA Name: Mountain Projects, Inc.
 Submission Type: Audited/Single Audit
 Program Name: Housing Choice Vouchers

Line Item 113 Details (readonly mode)

Line Item #	Description	Value
113-010	HAP Funds	\$ 38153
113-020	FSS Escrow Deposits	\$ 70745
113-030	All Other Funds	\$
Total Amount		\$ 108898

[Back to BalanceSheet](#)

Note:

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Real Estate Assessment Center

Financial Assessment Subsystem (FASS-PH)

My Inbox PHA Info FDS DCF Notes and Findings Submit Edit Flags Reports Logout

Balance Sheet

Income Statement

PHA Information

PHA Code: NC152 Fiscal Year End Date:06/30/2020
 PHA Name: Mountain Projects, Inc.
 Submission Type: Audited/Single Audit
 Program Name: Housing Choice Vouchers
 Select Entity: [Program List](#)

Income Statement

Line Item #	Description	Value	Details
70300	Net Tenant Rental Revenue	\$ -	-
70400	Tenant Revenue - Other	\$ -	-
70500	Total Tenant Revenue	\$ 0	-
70600	HUD PHA Operating Grants	\$ 5180631	[Details]
70610	Capital Grants	\$ -	-
70800	Other Government Grants	\$ -	-
71100	Investment Income - Unrestricted	\$ -	[Details]
71200	Mortgage Interest Income	\$ -	-
71300	Proceeds from Disposition of Assets Held for Sale	\$ -	-
71310	Cost of Sale of Assets	\$ -	-
71400	Fraud Recovery	\$ 5848	[Details]
71500	Other Revenue	\$ 9804	-
71600	Gain or Loss on Sale of Capital Assets	\$ -	-
72000	Investment Income - Restricted	\$ -	[Details]
70000	Total Revenue:	\$ 5196283	-
	Expenses		
	Administrative:		
91100	Administrative Salaries	\$ 167217	-
91200	Auditing Fees	\$ -	-
91300	Management Fee	\$ -	[Details]
91310	Book-keeping Fee	\$ -	-
91400	Advertising and Marketing	\$ -	-
91500	Employee Benefit contributions - Administrative	\$ 77350	-
91600	Office Expenses	\$ 32330	-
91700	Legal Expense	\$ -	-
91800	Travel	\$ 1868	-
91810	Allocated Overhead	\$ 214067	-
91900	Other	\$ 22236	-
91000	Total Operating - Administrative	\$ 515068	-
92000	Asset Management Fee	\$ -	-
	Tenant Services		
92100	Tenant Services - Salaries	\$ -	-
92200	Relocation Costs	\$ -	-

92300	Employee Benefit Contributions - Tenant Services	\$	-
92400	Tenant Services - Other	\$	-
92500	Total Tenant Services	\$ 0	-
	Utilities		
93100	Water	\$	-
93200	Electricity	\$	-
93300	Gas	\$	-
93400	Fuel	\$	-
93500	Labor	\$	-
93600	Sewer	\$	-
93700	Employee Benefit Contributions - Utilities	\$	-
93800	Other Utilities Expense	\$	-
93000	Total Utilities	\$ 0	-
	Ordinary Maintenance and Operations:		
94100	Ordinary Maintenance and Operations - Labor	\$	-
94200	Ordinary Maintenance and Operations - Materials and Other	\$	-
94300	Ordinary Maintenance and Operations Contracts	\$	-
94500	Employee Benefit Contributions - Ordinary Maintenance	\$	-
94000	Total Maintenance	\$ 0	-
95100	Protective Services - Labor	\$	-
95200	Protective Services - Other Contract Costs	\$	-
95300	Protective Services - Other	\$	-
95500	Employee Benefit Contributions - Protective Services	\$	-
95000	Total Protective Services	\$ 0	-
96110	Property Insurance	\$	-
96120	Liability Insurance	\$	-
96130	Workmen's Compensation	\$	-
96140	All Other Insurance	\$	-
96100	Total Insurance Premiums	\$ 0	-
	General Expenses:		
96200	Other General Expenses	\$	-
96210	Compensated Absences	\$ 30297	-
96300	Payments in Lieu of Taxes	\$	-
96400	Bad debt - Tenant Rents	\$	-
96500	Bad debt - Mortgages	\$	-
96600	Bad debt - Other	\$	-
96800	Severance Expense	\$	-
96000	Total Other General Expenses	\$ 30297	-
96710	Interest of Mortgage (or Bonds) Payable	\$	-
96720	Interest on Notes Payable (Short and Long Term)	\$ 1360	-
96730	Amortization of Bond Issue Costs	\$	-
96700	Total Interest Expense and Amortization Cost	\$ 1360	-
96900	Total Operating Expenses	\$ 546725	-
97000	Excess of Operating Revenue over Operating Expenses	\$ 4649558	-
97100	Extraordinary Maintenance	\$	-
97200	Casualty Losses - Non-capitalized	\$	-
97300	Housing Assistance Payments	\$ 4626308	-

[\[Details\]](#)

97350	HAP Portability-In	\$ 7110	-
97400	Depreciation Expense	\$ 6357	-
97500	Fraud Losses	\$	-
97800	Dwelling Units Rent Expense	\$	-
90000	Total Expenses	\$ 5186500	-
10010	Operating Transfer In	\$	-
10020	Operating transfer Out	\$	-
10030	Operating Transfers from/to Primary Government	\$	-
10040	Operating Transfers from/to Component Unit	\$	-
10070	Extraordinary Items, Net Gain/Loss	\$	-
10080	Special Items (Net Gain/Loss)	\$	-
10093	Transfers between Program and Project - In	\$	-
10094	Transfers between Project and Program - Out	\$	-
10100	Total Other financing Sources (Uses)	\$ 0	-
10000	Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$ 9783	-
Memo Account Information:			
*11020	Required Annual Debt Principal Payments	\$ 0	-
*11030	Beginning Equity	\$ 55387	-
11040	Prior Period Adjustments, Equity Transfers and Correction of Errors	\$	[Details]
*11170	Administrative Fee Equity	\$ 27017	[Details]
*11180	Housing Assistance Payments Equity	\$ 38153	[Details]
*11190	Unit Months Available	12071	[Details]
*11210	Number of Unit Months Leased	10989	-

Note:

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- # When you press the SAVE button, all totals fields will be calculated and displayed.
- # All fields marked with * are mandatory.



Real Estate Assessment Center

Financial Assessment Subsystem (FASS-PH)

My Inbox PHA Info FDS DCF Notes and Findings Submit Edit Flags Reports Logout

Balance Sheet

Income Statement

PHA Information

PHA Code: NC152 Fiscal Year End Date:06/30/2020
 PHA Name: Mountain Projects, Inc.
 Submission Type: Audited/Single Audit
 Program Name: Housing Choice Vouchers

Line Item 70600 Details

Line Item #	Description	Value
*70600-010	Housing Assistance Payments	\$ 4615758
*70600-020	Ongoing Administrative Fees Earned	\$ 564873
*70600-030	Hard to House Fee Revenue	\$ 0
*70600-031	FSS Coordinator Grant	\$ 0
*70600-040	Actual Independent Public Accountant Audit Costs	\$ 0
*70600-050	Total Preliminary Fees Earned	\$ 0
*70600-060	All Other Fees	\$ 0
70600-070	Admin Fee Calculation Description	
Total Amount		\$ 5180631

Save

Reset

Back to IncomeStatement

Note:

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Real Estate Assessment Center

Financial Assessment Subsystem (FASS-PH)

My Inbox PHA Info FDS DCF Notes and Findings Submit Edit Flags Reports Logout

Balance Sheet

Income Statement

PHA Information

PHA Code: NC152 Fiscal Year End Date:06/30/2020
 PHA Name: Mountain Projects, Inc.
 Submission Type: Audited/Single Audit
 Program Name: Housing Choice Vouchers

Line Item 71400 Details

Line Item #	Description	Value
71400-010	Housing Assistance Payment	\$ 2924
71400-020	Administrative Fee	\$ 2924
Total Amount		\$ 5848

Save

Reset

Back to IncomeStatement

Note:

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- # When you press the **SAVE** button, all totals fields will be calculated and displayed.
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Real Estate Assessment Center

Financial Assessment Subsystem (FASS-PH)

My Inbox PHA Info FDS DCF Notes and Findings Submit Edit Flags Reports Logout

Balance Sheet

Income Statement

PHA Information

PHA Code: NC152 Fiscal Year End Date:06/30/2020
 PHA Name: Mountain Projects, Inc.
 Submission Type: Audited/Single Audit
 Program Name: Housing Choice Vouchers

Line Item 97300 Details

Line Item #	Description	Value
97300-010	Mainstream 1	\$ 4590965
97300-020	Home-Ownership	\$ 4607
97300-025	Litigation	\$
97300-030	Hope VI - Section 8	\$
97300-040	Tenant Protection	\$
97300-041	Portability-Out	\$
97300-045	FSS Escrow Deposits	\$ 30736
97300-049	All Other "Special" Vouchers (i.e., FUP, NED, etc.)	\$
97300-050	All Other	\$
Total Amount		\$ 4626308

Save

Reset

Back to IncomeStatement

Note:

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Real Estate Assessment Center

Financial Assessment Subsystem (FASS-PH)

My Inbox PHA Info FDS DCF Notes and Findings Submit Edit Flags Reports Logout

Balance Sheet

Income Statement

PHA Information

PHA Code: NC152 Fiscal Year End Date:06/30/2020
 PHA Name: Mountain Projects, Inc.
 Submission Type: Audited/Single Audit
 Program Name: Housing Choice Vouchers

Line Item 11170 Details

Line Item #	Description	Value
*11170-001	Administrative Fee Equity - Beginning Balance	\$ 9608
11170-010	Administrative Fee Revenue	\$ 564873
11170-020	Hard to House Fee Revenue	\$ 0
11170-021	FSS Coordinator Grant	\$ 0
11170-030	Audit Costs	\$ 0
11170-040	Investment Income	\$
11170-045	Fraud Recovery Revenue	\$ 2924
*11170-050	Other Revenue	\$ 9804
11170-051	Comment for Other Revenue	891 port in Adm + 8913 port in HAP
11170-060	Total Admin Fee Revenues	\$ 577601
11170-080	Total Operating Expenses	\$ 546725
11170-090	Depreciation	\$ 6357
11170-095	Housing Assistance Payment Portability In	\$ 7110
*11170-100	Other Expenses	\$ 0
11170-101	Comment for Other Expense	
11170-110	Total Expenses	\$ 560192
11170-002	Net Administrative Fee	\$ 17409
11170-003	Administrative Fee Equity- Ending Balance	\$ 27017
*11170-005	Pre-2004 Administrative Fee Reserves	\$ 0
*11170-006	Post-2003 Administrative Fee Reserves	\$ 27017

Save

Reset

Back to IncomeStatement

Note:

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Real Estate Assessment Center

Financial Assessment Subsystem (FASS-PH)

My Inbox PHA Info FDS DCF Notes and Findings Submit Edit Flags Reports Logout

Balance Sheet

Income Statement

PHA Information

PHA Code: NC152 Fiscal Year End Date:06/30/2020
 PHA Name: Mountain Projects, Inc.
 Submission Type: Audited/Single Audit
 Program Name: Housing Choice Vouchers

Line Item 11180 Details

Line Item #	Description	Value
11180-001	Housing Assistance Payments Equity - Beginning Balance	\$ 45779
11180-010	Housing Assistance Payment Revenues	\$ 4615758
11180-015	Fraud Recovery Revenue	\$ 2924
*11180-020	Other Revenue	\$ 0
11180-021	Comments for Other Revenue	
11180-025	Investment Income	\$
11180-030	Total Housing Assistance Payments Revenues	\$ 4618682
11180-080	Housing Assistance Payments	\$ 4626308
*11180-090	Other Expenses	\$ 0
11180-091	Comments for Other Expenses	
11180-100	Total Housing Assistance Payments Expenses	\$ 4626308
11180-002	Net Housing Assistance Payments	\$ -7626
11180-003	Housing Assistance Payments Equity - Ending Balance	\$ 38153

Save

Reset

Back to IncomeStatement

Note:

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Real Estate Assessment Center

Financial Assessment Subsystem (FASS-PH)

My Inbox PHA Info FDS DCF Notes and Findings Submit Edit Flags Reports Logout

Balance Sheet

Income Statement

PHA Information

PHA Code: NC152 Fiscal Year End Date:06/30/2020
 PHA Name: Mountain Projects, Inc.
 Submission Type: Audited/Single Audit
 Program Name: Housing Choice Vouchers

Line Item 11190 Details

Line Item #	Description	Value
*11190-210	Total ACC HCV Units	12096
11190-220	Unfunded Units	-25
11190-230	Other Adjustments	0
Total		12071

Save

Reset

Back to IncomeStatement

Note:

- # If you add or alter line items, press the SAVE button to save all your changes.
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- # All fields marked with * are mandatory.



Real Estate Assessment Center

Financial Assessment Subsystem (FASS-PH)

My Inbox PHA Info FDS DCF Notes and Findings Submit Edit Flags Reports Logout

Balance Sheet

Income Statement

PHA Information

PHA Code: NC152 Fiscal Year End Date:06/30/2020
 PHA Name: Mountain Projects, Inc.
 Submission Type: Audited/Single Audit
 Program Name: HCV CARES Act Funding
 Select Entity: [Program List](#) [Project List](#) [Other Project](#)

Income Statement

Line Item #	Description	Value	Details
70300	Net Tenant Rental Revenue	\$ -	-
70400	Tenant Revenue - Other	\$ -	-
70500	Total Tenant Revenue	\$ 0	-
70600	HUD PHA Operating Grants	\$ 2509	[Details]
70610	Capital Grants	\$ -	-
70800	Other Government Grants	\$ -	-
71100	Investment Income - Unrestricted	\$ -	-
71200	Mortgage Interest Income	\$ -	-
71300	Proceeds from Disposition of Assets Held for Sale	\$ -	-
71310	Cost of Sale of Assets	\$ -	-
71400	Fraud Recovery	\$ -	-
71500	Other Revenue	\$ -	-
71600	Gain or Loss on Sale of Capital Assets	\$ -	-
72000	Investment Income - Restricted	\$ -	-
70000	Total Revenue:	\$ 2509	-
	Expenses		
	Administrative:		
91100	Administrative Salaries	\$ -	-
91200	Auditing Fees	\$ -	-
91300	Management Fee	\$ -	[Details]
91310	Book-keeping Fee	\$ -	-
91400	Advertising and Marketing	\$ -	-
91500	Employee Benefit contributions - Administrative	\$ -	-
91600	Office Expenses	\$ 375	-
91700	Legal Expense	\$ -	-
91800	Travel	\$ -	-
91810	Allocated Overhead	\$ 204	-
91900	Other	\$ 1799	-
91000	Total Operating - Administrative	\$ 2378	-
92000	Asset Management Fee	\$ -	-
	Tenant Services		
92100	Tenant Services - Salaries	\$ -	-
92200	Relocation Costs	\$ -	-

92300	Employee Benefit Contributions - Tenant Services	\$	-
92400	Tenant Services - Other	\$	-
92500	Total Tenant Services	\$ 0	-
	Utilities		
93100	Water	\$	-
93200	Electricity	\$	-
93300	Gas	\$	-
93400	Fuel	\$	-
93500	Labor	\$	-
93600	Sewer	\$	-
93700	Employee Benefit Contributions - Utilities	\$	-
93800	Other Utilities Expense	\$	-
93000	Total Utilities	\$ 0	-
	Ordinary Maintenance and Operations:		
94100	Ordinary Maintenance and Operations - Labor	\$	-
94200	Ordinary Maintenance and Operations - Materials and Other	\$	-
94300	Ordinary Maintenance and Operations Contracts	\$	-
94500	Employee Benefit Contributions - Ordinary Maintenance	\$	-
94000	Total Maintenance	\$ 0	-
95100	Protective Services - Labor	\$ 131	-
95200	Protective Services - Other Contract Costs	\$	-
95300	Protective Services - Other	\$	-
95500	Employee Benefit Contributions - Protective Services	\$	-
95000	Total Protective Services	\$ 131	-
96110	Property Insurance	\$	-
96120	Liability Insurance	\$	-
96130	Workmen's Compensation	\$	-
96140	All Other Insurance	\$	-
96100	Total Insurance Premiums	\$ 0	-
	General Expenses:		
96200	Other General Expenses	\$	-
96210	Compensated Absences	\$	-
96300	Payments in Lieu of Taxes	\$	-
96400	Bad debt - Tenant Rents	\$	-
96500	Bad debt - Mortgages	\$	-
96600	Bad debt - Other	\$	-
96800	Severance Expense	\$	-
96000	Total Other General Expenses	\$ 0	-
96710	Interest of Mortgage (or Bonds) Payable	\$	-
96720	Interest on Notes Payable (Short and Long Term)	\$	-
96730	Amortization of Bond Issue Costs	\$	-
96700	Total Interest Expense and Amortization Cost	\$ 0	-
96900	Total Operating Expenses	\$ 2509	-
97000	Excess of Operating Revenue over Operating Expenses	\$ 0	-
97100	Extraordinary Maintenance	\$	-
97200	Casualty Losses - Non-capitalized	\$	-
97300	Housing Assistance Payments	\$	-

97350	HAP Portability-In	\$	-
97400	Depreciation Expense	\$	-
97500	Fraud Losses	\$	-
97800	Dwelling Units Rent Expense	\$	-
90000	Total Expenses	\$ 2509	-
10010	Operating Transfer In	\$	-
10020	Operating transfer Out	\$	-
10030	Operating Transfers from/to Primary Government	\$	-
10040	Operating Transfers from/to Component Unit	\$	-
10070	Extraordinary Items, Net Gain/Loss	\$	-
10080	Special Items (Net Gain/Loss)	\$	-
10093	Transfers between Program and Project - In	\$	-
10094	Transfers between Project and Program - Out	\$	-
10100	Total Other financing Sources (Uses)	\$ 0	-
10000	Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$ 0	-
Memo Account Information:			
*11020	Required Annual Debt Principal Payments	\$ 0	-
*11030	Beginning Equity	\$ 0	-
11040	Prior Period Adjustments, Equity Transfers and Correction of Errors	\$	[Details]
11190	Unit Months Available		-
11210	Number of Unit Months Leased		-

Note:

- # If you add or alter line items, press the SAVE button to save all your changes.
- # When you press the SAVE button, all totals fields will be calculated and displayed.
- # All fields marked with * are mandatory.



Real Estate Assessment Center

Financial Assessment Subsystem (FASS-PH)

My Inbox PHA Info FDS DCF Notes and Findings Submit Edit Flags Reports Logout

Balance Sheet

Income Statement

PHA Information

PHA Code: NC152 Fiscal Year End Date:06/30/2020
 PHA Name: Mountain Projects, Inc.
 Submission Type: Audited/Single Audit
 Program Name: HCV CARES Act Funding

Line Item 70600 Details

Line Item #	Description	Value
*70600-010	Housing Assistance Payments	\$ 0
*70600-020	Ongoing Administrative Fees Earned	\$ 0
*70600-030	Hard to House Fee Revenue	\$ 0
*70600-031	FSS Coordinator Grant	\$ 0
*70600-040	Actual Independent Public Accountant Audit Costs	\$ 0
*70600-050	Total Preliminary Fees Earned	\$ 0
*70600-060	All Other Fees	\$ 2509
70600-070	Admin Fee Calculation Description	Cares Act Funding
Total Amount		\$ 2509

Save

Reset

Back to IncomeStatement

Note:

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- # When you press the SAVE button, all totals fields will be calculated and displayed.
- # All fields marked with * are mandatory.