

# **GREEN OPPORTUNITIES, INC.**

Asheville, North Carolina

Financial Statements

Year Ended June 30, 2015



**GREEN OPPORTUNITIES, INC.**

OFFICERS

Dewana Little  
Gracia O'Neill  
Selena Jimenez

Chair  
Vice-Chair, Interim Treasurer  
Secretary

BOARD OF DIRECTORS

Sylvia Farrington  
Tyrone Greenlee  
Chip Howell  
Selena Jimenez  
Melita Kyriakou

Dewana Little  
Gracia O'Neill  
Luke Perry  
Scot Quaranda

**GREEN OPPORTUNITIES, INC.**

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Green Opportunities, Inc.

We have audited the accompanying financial statements of Green Opportunities, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2015, 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.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the 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 auditors' 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.

To the Board of Directors  
Green Opportunities, Inc.  
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**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Green Opportunities, Inc. as of June 30, 2015, 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.

*CARTER, P.C.*

Asheville, North Carolina  
January 21, 2016

**GREEN OPPORTUNITIES, INC.**

Statement of Financial Position  
June 30, 2015

**Assets**

Current assets:	
Cash and equivalents	\$ 60,426
Grants and contracts receivable	211,635
Service fees receivable	23,139
Other receivables	2,770
Inventory	1,061
Prepaid expenses	<u>3,935</u>
Total current assets	<u>302,966</u>
Property and equipment	202,851
Other assets	<u>129,800</u>
Total assets	<u>\$ 635,617</u>

**Liabilities and Net Assets**

Current liabilities:	
Current maturities of note payable	\$ 1,722
Accounts payable	51,638
Payroll liabilities	<u>36,795</u>
Total current liabilities	<u>90,155</u>
Net Assets:	
Unrestricted:	
Undesignated	145,607
Board designated	10,089
Investment in property and equipment	<u>201,129</u>
Total unrestricted	356,825
Temporarily restricted	<u>188,637</u>
Total net assets	<u>545,462</u>
Total liabilities and net assets	<u>\$ 635,617</u>

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

## GREEN OPPORTUNITIES, INC.

### Statement of Activities Year Ended June 30, 2015

	Unrestricted	Temporarily Restricted	Total
<b>Support and revenues</b>			
Grants and contracts	\$ 311,248	\$	\$ 311,248
Fees for services	210,078		210,078
Foundation and grant awards	83,950	106,372	190,322
Contributions	87,252		87,252
Enterprise revenue, net of costs	20,408		20,408
Indirect support	10	53,412	53,422
In-kind contributions	146,497		146,497
Loss on disposal of assets	(7,673)		(7,673)
Other income	5,911		5,911
Net assets released from restrictions	<u>292,222</u>	<u>(292,222)</u>	
Total support and revenues	<u>1,149,903</u>	<u>(132,438)</u>	<u>1,017,465</u>
<b>Expenses</b>			
Program services:			
Training and placement	558,560		558,560
Community capacity building	14,740		14,740
Social enterprises	<u>168,661</u>		<u>168,661</u>
Total program services	741,961		741,961
Management and general	330,656		330,656
Fundraising	<u>62,004</u>		<u>62,004</u>
Total expenses	<u>1,134,621</u>		<u>1,134,621</u>
Decrease in net assets	(15,282)	(132,438)	(117,156)
Net assets, beginning of year	<u>341,543</u>	<u>321,075</u>	<u>662,618</u>
Net assets, end of year	<u>\$ 356,825</u>	<u>\$ 188,637</u>	<u>\$ 545,462</u>

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

**GREEN OPPORTUNITIES, INC.**

Statement of Functional Expenses  
Year Ended June 30, 2015

	Training Placement	Community Capacity Building	Social Enterprises	Total Program Services	Management and General	Fundraising	Total
Participant earnings	\$ 163,653	\$ 36	\$ 5,568	\$ 169,257	\$ 1,048	\$ 150	\$ 170,455
Staff salaries	236,229	1,238	78,350	315,817	72,463	49,810	438,090
Staff health allowance	2,066	10	1,442	3,518	677	395	4,590
Payroll taxes	42,161	2,681	6,951	51,793	10,218	6,601	68,612
Workers' compensation	8,865	134	708	9,707	505	329	10,541
Total personnel	452,974	4,099	93,019	550,092	84,911	57,285	692,288
Americorps	8,650			8,650			8,650
Fees and licenses	2,350	12	503	2,865	1,249	1,070	5,184
Insurance			51	51	9,541		9,592
Miscellaneous expenses	(7,391)	330	20,971	13,910	25,854	(4,277)	35,487
Occupancy					108,453		108,453
Office expenses	5,610	52	1,906	7,568	3,788	1,627	12,983
Professional development	3,002	17	230	3,249	4,770	428	8,447
Professional fees	32,413	7,953	4,571	44,937	87,931	2,273	135,141
Supplies and job materials	44,378	852	13,079	58,309	191	3,257	61,757
Training certification fees	11,220			11,220			11,220
Travel	2,165	(50)	(135)	1,980	3,040	321	5,341
Total expenses before depreciation and interest	555,371	13,265	134,195	702,831	329,728	61,984	1,094,543
Depreciation	2,962	1,475	34,466	38,903	392	20	39,315
Interest	227			227	536		763
Total expenses	\$ 558,560	\$ 14,740	\$ 168,661	\$ 741,961	\$ 330,656	\$ 62,004	\$ 1,134,621

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

## GREEN OPPORTUNITIES, INC.

### Statement of Cash Flows Year Ended June 30, 2015

<b>Cash flows from operating activities</b>	
Decrease in net assets	\$ (117,156)
Adjustments to reconcile changes in net assets to net cash Used by operating activities:	
Depreciation	39,315
Loss on sale of donated assets	4,571
Loss on disposal of property and equipment	3,102
Changes in working capital - sources (uses):	
Grants and contracts receivable	2,188
Service fees receivable	2,422
Other receivables	10,800
Inventory	1,807
Prepaid expenses	71
Accounts payable	23,697
Payroll liabilities	<u>(37,853)</u>
Net cash used by operating activities	<u>(67,036)</u>
<b>Cash flows from investing activities</b>	
Purchase of property and equipment	(41,257)
Proceeds from sale of donated assets	<u>24,029</u>
Net cash used by investing activities	<u>(17,228)</u>
<b>Cash flows from financing activities</b>	
Repayment of long-term debt	<u>(3,960)</u>
Net decrease in cash and equivalents	(88,224)
Cash and equivalents at beginning of year	<u>148,650</u>
Cash and equivalents at end of year	<u>\$ 60,426</u>
Supplemental disclosure of cash flow information:	
Cash paid for interest	<u>\$ 763</u>

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

## GREEN OPPORTUNITIES, INC.

Notes to Financial Statements  
June 30, 2015

### **Note 1 - Summary of Significant Accounting Policies**

#### Organization

Green Opportunities, Inc. (Organization) was incorporated on May 27, 2009, as a nonprofit corporation. The Organization connects youth and adults from low-wealth neighborhoods to sustained employment opportunities that support families and improve community and environmental health. Through the programs indicated below, the Organization prepares people for meaningful jobs in the City of Asheville, North Carolina.

**Training and Placement Programs:** These provide technical job training and placement services that feature life skills training, basic education, and case management.

**Community Capacity Building:** The Organization develops effective partnerships to bridge neighborhood resource gaps and build capacity.

**Social Enterprises:** These operate to create living-wage jobs, generate program-supporting revenues, and to provide additional on-the-job training.

#### Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

#### Income Tax Status

The Organization is incorporated as a nonprofit corporation under the laws of the State of North Carolina. The Organization is exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code. The Organization qualifies for the charitable contribution deduction under section 170(b)(1)(A) and has been classified as an organization other than a private foundation under section 509(a)(2). It has been classified as a publicly-supported charitable organization and is exempt from state taxes under North Carolina General Statute 105-130.11(a).

#### Financial Statement Presentation

The Organization reports in compliance with FASB ASC 958-205, *Not-for-Profit Entities: Presentation of Financial Statements*. Information regarding its financial position and activities are grouped according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The three classes of net assets are defined as follows:

## **Note 1 - Summary of Significant Accounting Policies (continued)**

### Financial Statement Presentation (continued)

- **Unrestricted Net Assets:** Unrestricted net assets represent resources whose use is not limited or restricted by donors. They generally arise as a result of exchange transactions, unrestricted contributions, or restricted contributions whose restrictions have expired.
- **Temporarily Restricted Net Assets:** Temporarily restricted net assets represent resources whose use is limited by donors for the purpose and/or time in which they may be expended. Eventually, temporarily restricted net assets are reclassified to unrestricted as their time and purpose requirements are met.
- **Permanently Restricted Net Assets:** Permanently restricted net assets represent resources that must be maintained permanently. Like temporarily restricted net assets, permanent restrictions may be imposed only by the donor. However, permanently restricted net assets generally do not get reclassified, since, by definition, their restrictions never expire. The income may be unrestricted or restricted according to donors' wishes.

### Recognition of Donor Restrictions

Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

### Donated Assets

Donated materials are recorded as contributions in the accompanying financial statements at their fair value at the date of donation.

### Donated Services

A substantial number of volunteers have donated a significant amount of time to the Organization's operations and program services. Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, and are performed by people with those skills, and would otherwise be purchased by the Organization. No amounts have been reflected in the accompanying financial statements for donated services since recognition criteria were not met.

### Cash and Equivalents

The Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

## **Note 1 - Summary of Significant Accounting Policies (continued)**

### Grants and Contracts Receivable

Grants and contracts receivable consist of amounts due from agencies for service fees and for grants awarded by local and governmental agencies but not yet received as of year-end. An allowance for doubtful accounts has not been established, as management believes that all amounts are collectible.

### Service Fees and Other Receivables

Service fees and other receivables are amounts billed to customers for services performed before year-end and are payable upon receipt. Additionally, management uses the direct write-off method for bad debts, as the results historically have approximated the amount as prescribed by generally accepted accounting principles.

### Property and Equipment

All acquisitions of property and equipment in excess of \$5,000 and all expenditures for repairs, maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Property and equipment are carried at cost. Depreciation is computed using the straight-line method over the estimated useful lives of assets ranging from three to seven years.

Donations of property and equipment are recorded as contributions at fair value at the date of donation. Such donations are reported as increases in unrestricted net assets unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time.

### Expense Allocation

Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are allocated to programs and supporting services by statistical means. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

### Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

**Note 1 - Summary of Significant Accounting Policies (continued)**

Fair Value of Financial Instruments

The fair value of substantially all reported assets and liabilities which represent financial instruments, none of which are held for trading purposes, approximate the carrying values of such amounts.

**Note 2 - Restrictions on Assets**

Temporarily restricted net assets are available for the following purposes:

<u>At June 30</u>	<u>2015</u>
Internships	\$ 34,555
Green Jobs Training	25,000
Edington Center Equipment	1,856
Social Enterprises	11,817
Built Environment	23,662
Kitchen Ready	29,750
Training and Placement	<u>61,997</u>
<u>Temporarily restricted net assets</u>	<u>\$ 188,637</u>

**Note 3 - Grants and Contracts Receivable**

Grants and contracts receivable consisted of the following:

<u>At June 30</u>	<u>2015</u>
Amy Mandel and Katina Rodis Fund	\$ 30,489
Buncombe County	6,250
City of Asheville	37,609
Mountain Area Workforce Development Board	14,789
Sisters of Mercy	60,000
United Way	53,412
Other	<u>9,086</u>
<u>Grants and contracts receivable</u>	<u>\$ 211,635</u>

#### **Note 4 - Property and Equipment**

A description of property and equipment is as follows:

At June 30	2015
Office equipment and furniture	\$ 41,746
Farm equipment	500
Kitchen Equipment	206,266
Vehicles	<u>16,556</u>
	265,068
Less, accumulated depreciation	<u>(62,217)</u>
<b>Property and Equipment</b>	<b>\$ 202,851</b>

Depreciation expense for the year ended June 30, 2015, was \$39,315.

#### **Note 5 - Other Assets**

Assets held for future use consist of solar panels which were donated to the Organization in 2014. The Organization intends to install these solar panels on the Edington Center in the coming years. The amount of solar panels held for future use was \$129,800 at June 30, 2015.

#### **Note 6 - Note Payable**

The Organization has a note payable to Home Trust bank dated January 9, 2013, for thirty six monthly payments of \$345, including interest at 5%. This note is secured by a vehicle and matures in January 2016. Total principal payments due on this note for the year ending June 30, 2016 is \$1,722.

**Note 7 - Grants and Contracts Revenue**

Grants and contracts revenue earned during the year are as follows:

<u>Contracting/Grantor Entity</u>	<u>Original Source of Funds</u>	<u>2015</u>
Buncombe County	Buncombe County	\$ 25,000
City of Asheville	U.S. Dept. of Housing and Urban Dev. - Community Development Block Grant	145,423
City of Asheville	City of Asheville	7,307
Housing Authority of the City	U.S. Dept. of Housing and Urban Development	14,370
Mountain Local Area Division of Workforce Solutions	U.S. Department of Labor	36,730
U.S. Dept. of HHS - Office Community Services	U.S. Department of Health and Human Services	78,645
Other	Various	<u>3,773</u>
<u>Total grants and contracts revenue</u>		<u>\$ 311,248</u>

**Note 8 - Line of Credit**

The Organization maintains a line of credit with a bank to meet short-term working capital needs. Maximum borrowings on this line of credit are \$75,000, with an interest rate of 5%, and mature in February 2020. As of June 30, 2015, there was no outstanding balance.

**Note 9 - In-Kind Contributions**

The Organization received donated goods and services during the year. The Housing Authority of the City of Asheville donated the use of the office space and parking at the Edington building valued at \$108,453 for the year ended June 30, 2015. Donated office space and other donated goods and services are included in in-kind contributions on the accompanying statement of activities.

**Note 10 - Board Designated Net Assets**

The balance of a money market account held by the Organization has been specifically set aside by the Board of Directors for operations. The balance of board designated net assets for the year ended June 30, 2015, was \$10,089.

## **Note 11 - Income Taxes**

### **Uncertain Tax Positions**

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, except on net income derived from unrelated business activities. The Organization believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions material to the financial statements.

### **Open Tax Years**

The Organization's Return of Organization Exempt from Income Tax (Form 990) for the years ended June 30, 2012, 2013, and 2014, are subject to examination by the IRS, generally for three years after they were filed.

## **Note 12 - Summary Disclosure of Significant Contingencies**

### **Federal and State Assisted Programs**

The Organization 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.

### **Risk Management**

The Organization 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 Organization carries commercial insurance coverage for risks of loss. Claims have not exceeded coverage in any period since inception.

## **Note 13 - Prior Period Adjustment**

During the year ended June 30, 2015, it was discovered that certain amounts were not properly recognized in the financial statements for the year ended June 30, 2014. As result, an adjustment was made to increase grants receivable and indirect support revenues in the amount of \$62,838. Ending net assets for the year ended June 30, 2014 increased by \$62,838 from the amount previously reported.

## **Note 14 - Subsequent Events**

Subsequent events have been evaluated through January 21, 2016, which is the date the financial statements were available to be issued. During the period from June 30, 2015, and through this date, no circumstances occurred that require recognition or disclosure in these financial statements.