

**GHG CONSTRUCTION CORPORATION  
AUDITED FINANCIAL STATEMENTS  
JAMESTOWN, NORTH CAROLINA  
AS OF AND FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

GHG Construction Corporation

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## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
GHG Construction Corporation  
Jamestown, North Carolina

### Report on the Financial Statements

We have audited the accompanying financial statements of GHG Construction Corporation, which comprise the statements of financial position as of June 30, 2021 and 2020, the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements (collectively, 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. 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 GHG Construction Corporation as of June 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*Lovell-Smit & Associates PLLC*

Charlotte, North Carolina  
August 17, 2021

# GHG CONSTRUCTION CORPORATION

## Statements of Financial Position

As of June 30, 2021 and 2020

	2021	2020
<b>ASSETS</b>		
<u>Current Assets</u>		
Cash and cash equivalents	\$ 195,648	\$ 201,054
<b>Total Current Assets</b>	<u>195,648</u>	<u>201,054</u>
<b>Total Assets</b>	<u><b>\$ 195,648</b></u>	<u><b>\$ 201,054</b></u>
 <b>LIABILITIES AND NET ASSETS</b>		
<u>Current Liabilities</u>		
Accounts payable	\$ -	\$ -
<b>Total Liabilities</b>	<u>-</u>	<u>-</u>
<u>Net Assets</u>		
Without donor restrictions	195,648	201,054
<b>Total Net Assets</b>	<u>195,648</u>	<u>201,054</u>
<b>Total Liabilities and Net Assets</b>	<u><b>\$ 195,648</b></u>	<u><b>\$ 201,054</b></u>

**GHG CONSTRUCTION CORPORATION**

## Statements of Activities

For the Years Ended June 30, 2021 and 2020

	2021	2020
<b>SALES</b>		
Revenue	\$ -	\$ -
<b>Total Sales</b>	<u>-</u>	<u>-</u>
<b>COST OF SALES</b>	-	-
<b>Gross Profit (Loss)</b>	<u>-</u>	<u>-</u>
<b>OPERATING EXPENSES</b>		
Audit expense	5,350	3,250
License fees	75	85
Meeting expense	-	179
<b>Total Operating Expenses</b>	<u>5,425</u>	<u>3,514</u>
<b>OTHER INCOME</b>		
Interest income	19	19
<b>Total Other Income</b>	<u>19</u>	<u>19</u>
(Decrease) in Net Assets	(5,406)	(3,495)
Net Assets at Beginning of Year	<u>201,054</u>	<u>204,549</u>
<b>Net Assets at End of Year</b>	<u><u>\$ 195,648</u></u>	<u><u>\$ 201,054</u></u>

## GHG CONSTRUCTION CORPORATION

### Statements of Cash Flows

For the Years Ended June 30, 2021 and 2020

	2021	2020
<b>Cash Flows from Operating Activities</b>		
(Decrease) in net assets	\$ (5,406)	\$ (3,495)
Adjustments to reconcile change in net assets to net cash (used in) operating activities	-	-
<b>Net Cash (Used in) Operating Activities</b>	<u>(5,406)</u>	<u>(3,495)</u>
<b>Cash Flows from Investing Activities</b>	-	-
<b>Net Cash Provided by (Used in) Investing Activities</b>	<u>-</u>	<u>-</u>
<b>Cash Flows from Financing Activities</b>	-	-
<b>Net Cash Provided by (Used in) Financing Activities</b>	<u>-</u>	<u>-</u>
Net (Decrease) In Cash and Cash Equivalents	(5,406)	(3,495)
Cash and Cash Equivalents at Beginning of Year	201,054	204,549
<b>Cash and Cash Equivalents at End of Year</b>	<u><u>\$ 195,648</u></u>	<u><u>\$ 201,054</u></u>

**GHG CONSTRUCTION CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**AS OF AND FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

**NOTE A – NATURE OF ACTIVITIES**

GHG Construction Corporation (the “Corporation”) is a nonprofit organization incorporated in 1977. The purpose of the Corporation is to provide “hands on” training for students at Guilford Technical Community College in the construction trades. The product of these construction activities is a house which is then sold. Any profits from sale are reinvested into future projects.

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Basis of Accounting

The accompanying basic financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Use of Estimates

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

Financial Statement Presentation

The accompanying financial statements are reflective of the Corporation’s activities for the years ended June 30, 2021 and 2020 and present all funds for which the Corporation’s Board of Directors are responsible. Established standards for external financial reporting by nonprofit organizations require that resources be classified for accounting and reporting purposes into two net asset categories according to externally imposed restrictions. Descriptions of the two net asset classes are as follows:

Without donor restrictions – Net assets that are not subject to donor-imposed restrictions and that are available for general operating expenses of the Corporation.

With donor restrictions – Net assets subject to donor-imposed restrictions as to the purpose and/or time of use. Net assets with donor restrictions may also include assets that must be maintained permanently by the Corporation while allowing the earnings on related investments for general or specific purposes.

All net assets of the Corporation were classified as without donor restrictions as of June 30, 2021 and 2020.

Basis of Accounting

The Corporation maintains its accounting records on the accrual basis of accounting.

Functional Classification of Expenses

Operating expenses are allocated to specific functions based on management’s judgment.

## NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Cash and Cash Equivalents

For purposes of reporting on the statement of cash flows, the Corporation considers all unrestricted, highly liquid investments purchased with an initial maturity of three months or less to be cash equivalents, unless Board designated or donor-restricted for long-term purposes.

### Contributed Services

Contributed services are recorded if the services are specialized and would need to be purchased during the normal course of business, had they not otherwise been donated. The amounts are reflected in the financial statements as revenue and expense if the value of the contributed services is ascertainable. There were no such contributed services recorded in the accompanying financial statements for the years ending June 30, 2021 or 2020. Incidentally, during the year, board and committee members donated time not meeting the requirement for inclusion in the financial statements.

### Fair Value Measurements

Accounting standards established a single definition of fair value and a framework for measuring fair value and expands disclosures about fair value measurements. Fair value is defined as, “the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. That is, fair value is based on an exit price, which may differ from the price paid to acquire the asset. If there is a principal market for the asset, fair value represents the price in that market.” The Corporation’s financial instruments are cash and cash equivalents. The values of these financial instruments are recorded at fair value based on their short-term nature.

### Income Tax Status

GHG Construction Corporation is an exempt organization under Section 501(c)(3) of the United States Internal Revenue Code. Consequently, no provision for income taxes has been made in the accompanying statements. The Corporation’s management believes that there is a basis for all tax positions taken by the Corporation in their tax returns. Therefore, there are no uncertain positions disclosed in these financial statements. Though the Corporation has not been notified by any pending audits, all tax years ending after June 30, 2017 are still subject to examination by taxing authorities.

## NOTE C – DEPOSITS

All funds of the Corporation are deposited in board-designated official depositories. The Corporation had the following balances in established accounts on June 30, 2021 and June 30, 2020:

	<u>2021</u>	<u>2020</u>
Cash on deposit with private financial institution	\$ 195,648	\$ 201,054
	<u>\$ 195,648</u>	<u>\$ 201,054</u>

In addition to FDIC insurance coverage on deposit accounts, the Corporation’s cash and cash equivalents are collateralized by Guilford Technical Community College’s deposit accounts at FDIC-insured banking institutions.

## NOTE D – CONSTRUCTION IN PROGRESS

There is no construction in progress as of June 30, 2021 and 2020.



**NOTE E – CONCENTRATIONS**

The Corporation concentrates its services in Guilford County, North Carolina and the construction and sale of property is subject to the demands of the local market. The Corporation uses alternative means of training students should local market conditions require it.

**NOTE F – SUBSEQUENT EVENTS**

Management considered subsequent events occurring between July 1, 2021, and the date the financial statements were available to be issued, August 17, 2021, and did not identify any events necessitating disclosure.