



SHARPE
PATELCPA

GHG CONSTRUCTION CORPORATION

FINANCIAL STATEMENTS

As of and for the Years Ended June 30, 2024 and 2023

GHG CONSTRUCTION CORPORATION

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
GHG Construction Corporation
Jamestown, North Carolina

Opinion

We have audited the accompanying financial statements of GHG Construction Corporation, a nonprofit organization (the "Corporation"), which comprise the statement of financial position as of June 30, 2024 and 2023, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements.

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, 2024 and 2023, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Corporation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Corporation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Sharpe Patel PLLC

Raleigh, North Carolina

August 14, 2024

GHG Construction Corporation
Statements of Financial Position
June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
ASSETS		
<u>Current Assets</u>		
Cash and cash equivalents	\$ 184,547	\$ 186,729
Total Current Assets		
 <u>Other Assets</u>		
Construction in Progress	-	-
Total Other Assets	-	-
Total Assets	\$ 184,547	\$ 186,729
 LIABILITIES AND NET ASSETS		
<u>Current Liabilities</u>		
Accounts Payable	\$ -	\$ -
Total Liabilities	-	-
 <u>Net Assets</u>		
Without donor restrictions	184,547	186,729
Total Liabilities and Net Assets	\$ 184,547	\$ 186,729

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

GHG Construction Corporation
Statements of Activities
Years Ended June 30, 2024 and 2023

Exhibit B

	<u>2024</u>	<u>2023</u>
SALES		
Revenue	\$ -	\$ -
Total Sales	<u>-</u>	<u>-</u>
COST OF SALES		
Gross Profit (Loss)	<u>-</u>	<u>-</u>
OPERATING EXPENSES		
Legal expense	-	-
Audit expense	4,131	4,131
Licenses fees	-	-
Meeting expense	-	-
Total Operating Expenses	<u>4,131</u>	<u>4,131</u>
OTHER INCOME		
Interest income	1,949	18
Total Other Income (Loss)	<u>1,949</u>	<u>18</u>
(Decrease) in Net Assets	(2,182)	(4,113)
NET ASSETS AT BEGINNING OF THE YEAR	<u>186,729</u>	<u>190,842</u>
NET ASSETS AT END OF THE YEAR \$	<u><u>184,547</u></u> \$	<u><u>186,729</u></u>

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

GHG Construction Corporation
Statements of Cash Flows
Years Ended June 30, 2024 and 2023

Exhibit C

	2024	2023
Cash Flows from Operating Activities		
(Decrease) in net assets	\$ (2,182)	\$ (4,113)
Adjustment to reconcile (decrease) in net assets to net cash provided by (used in) operating activities	-	-
Net Cash Provided by (Used in) Operating Activities	-	-
Cash Flows from Investing Activities	-	-
Net Cash Provided by (Used in) Investing Activities	-	-
Cash Flows from Financing Activities	-	-
Net Cash Provided by (Used in) Financing Activities	-	-
Net Increase (Decrease) In Cash and Cash Equivalents	(2,182)	(4,113)
Cash and Cash Equivalents at Beginning of Year	186,729	190,842
Cash and Cash Equivalents at End of Year \$	184,547 \$	186,729

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

**NOTES TO FINANCIAL STATEMENTS
GHG CONSTRUCTION CORPORATION
AS OF AND FOR THE YEARS ENDED JUNE 30, 2024 AND 2023**

NOTE A – NATURE OF ACTIVITIES

GHG Construction Corporation (the “Corporation”) is a legally separate organization incorporated in 1977. The purpose of the Corporation is to provide “hands on” training for students of Guilford Technical Community College in the construction trades. The end 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).

Financial Statement Presentation

The financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958-204, *Not-for-Profit Entities, Presentation of Financial Statements*. This Standard established for external financial reporting by not-for-profit organizations requires 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:

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

Net Assets With Donor Restrictions – Net assets subject to donor-imposed restrictions as to the purpose, time of use, or maintained permanently by the Corporation.

All net assets of the Corporation were classified as without donor restriction as of June 30, 2024 and 2023.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) 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.

Cash and Cash Equivalents

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

Functional Classification of Expenses

The expenses of the Corporation have been reported on a functional basis. Expenses are charged to programs in a combination of direct expenses incurred and estimates of time and effort. Expenses are charged to management and

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

general in a combination of direct expense incurred, estimates of time and effort and supporting activities that are not directly identifiable with program or fundraising activities. Expenses are charged to fundraising in a combination of direct expenses incurred and estimates of time and effort.

For the years ended June 30, 2024 and 2023, all functional expenses were charged to management and general.

Contributed Services

Contributed services are recognized if they require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. The Corporation adopted Financial Accounting Standards Board (FASB) Account Standards Update (ASU) 2020-07, *Presentation and Disclosure by Not-for-Profit Entities for Contributed Nonfinancial Assets* effective for the year ended June 20, 2022. Donated land, buildings, equipment, investments, and other noncash donations are recorded as contributions at their fair market value at their date of donation. The Corporation reports the donations as support without restriction, unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets must be used, and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. In the absence of explicit donor stipulations about how long those long-lived assets must be maintained, the corporation reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Donated service that do not require specialized skills or enhance nonfinancial assets are not recorded in the accompanying financial statements because no objective basis is available to measure the value of such services.

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. The Corporation’s management believes that there is a basis for all tax positions taken by the Corporation in its tax returns. Therefore, there are no uncertain positions disclosed in the financial statements. Though the Corporation has not been notified by any pending audits, all tax years ending after June 30, 2020 are still subject to examination by taxing authorities.

NOTE C – CONCENTRATION OF CREDIT RISK

All funds of the Corporation are deposited in board-designated official depositories. The Corporation had the following balances in established accounts at June 30, 2024 and June 30, 2023:

NOTE C – CONCENTRATION OF CREDIT RISK

All funds of the Corporation are deposited in board-designated official depositories. The Corporation had the following balances in established accounts at June 30, 2024 and June 30, 2023:

	<u>2024</u>	<u>2023</u>
Cash on deposit with private financial institutions	\$ <u>184,547</u>	\$ <u>186,729</u>
	<u>\$ 184,547</u>	<u>\$ 186,729</u>

NOTE D – LIQUIDITY AND AVAILABILITY OF FUNDS

The Corporation's financial assets available for general expenditure, that is, without donor or other restricted limiting their use, within one year of the statement of financial position date, comprise the following as of June 30:

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ <u>184,547</u>	\$ <u>186,729</u>
Total financial assets available to meet general expenditures and liability within the next 12 months	 <u>\$ 184,547</u>	 <u>\$ 186,729</u>

As part of the Corporation's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures liabilities, and other obligations come due. As of June 30, 2024, all net assets without donor restrictions are available to meet cash needs for general expenditures of the Corporation within one year.

NOTE E - CONSTRUCTION IN PROGRESS

There is no construction in progress as of June 30, 2024 or June 30, 2023.

NOTE F – 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 G – SUBSEQUENT EVENTS

Management evaluates events occurring subsequent to the date of the financial statement in determining the accounting for and disclosure of transactions and events that affect the financial statements. Subsequent events have been evaluated through August 14, 2024, which is the date the financial statements were available to be issued.