

**GREENPATH INTERNATIONAL, INCORPORATED**

**REVIEWED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2013**

Collins CPA Accounting & Consulting Services LLC

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**COLLINS CPA  
ACCOUNTING &  
CONSULTING SERVICES  
L.L.C.**

**INDEPENDENT ACCOUNTANT'S REVIEW REPORT**

The Board of Directors  
Greenpath International Incorporated  
New Orleans, LA 70119

We have reviewed the accompanying statement of financial position of **Greenpath International, Incorporated** (a nonprofit organization) as of June 30, 2013, and the related statements of activities, cash flows, and functional expenses for the year then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Organization management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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 designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

*Collins CPA Accounting & Consulting Services LLC*

Collins CPA, Accounting & Consulting Services, LLC

August 10, 2013



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**GREENPATH INTERNATIONAL INCORPORATED**  
**Statement of Financial Position**  
**June 30, 2013**

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**Assets**

Current Assets:

Cash	\$ 152,144
Prepaid Deposits	351
Accounts Receivables	1,875
Grants Receivables	4,275

**Total Current Assets** 158,645

Fixed Assets:

Vehicle	3,500
Computer Equipment	8,750
Computer Software	917
Furniture and Equipment	29,448

(Less Accumulated Depreciation) (12,025)

**Total Fixed Assets** 30,590

**Total Assets** \$ 189,235

**Liabilities & Net Assets**

Current Liabilities:

Compensated Absences	\$ <u>4,077</u>
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Total Liabilities 4,077

Net Assets

Beginning Balance	175,455
Change in Net Assets	<u>9,702</u>

Total Net Assets 185,157

**Total Liabilities & Net Assets** \$ 189,234

See accompanying notes and independent accountant's review report.

**GREENPATH INTERNATIONAL INCORPORATED**

**Statement of Activities**

**For the Year**

**Ended June 30, 2013**

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**Revenue and Support:**

Grant Revenue	\$	127,662
Federal Court Treatment Services Revenue		18,880
Service Revenue		<u>646,953</u>
<b>Total Revenue and Support</b>		<u>793,495</u>

**Expenses:**

Program Services		668,992
Supporting Services		<u>114,801</u>
<b>Total Expenses</b>		<u>783,793</u>

**Change in Net Assets**

9,702

**Net Assets**

Beginning of Year		<u>175,455</u>
End of Period	\$	<u><u>185,157</u></u>

See accompanying notes and independent accountant's review report



**GREENPATH INTERNATIONAL INCORPORATED**  
**Schedule of Functional Expenses**  
**For the Year Ended June 30, 2013**

	<u>Program Services</u>	<u>Support Services</u>	<u>Total</u>
Advertising	\$ 241	\$ -	\$ 241
Alarm System		227	227
Automobile Expense		2,989	2,989
Background Checks	513		513
Bad Debt Expense			0
Bank Service Charge		85	85
Business Registration Fee		400	400
Cable Services		4,364	4,364
Charitable Donations & Contributions		500	500
Cleaning Expenses		4,800	4,800
Contractual Services	54,139	10,788	64,927
Compensated Absences	4,077		4,077
Depreciation		6,012	6,012
Drug Screening	2,235		2,235
Employee Development	1,772	772	2,544
Employee of the Month		550	550
Facilities & Equipment		5,949	5,949
Grand Opening Expense			0
Insurance		7,616	7,616
License and Accrediation		16,378	16,378
Membership Fee		340	340
Moving Expense		70	70
Office Refreshments		509	509
Operations		19,035	19,035
Parking & Travel		4,725	4,725
Payroll Expenses	601,147		601,147
Permit fees			0
Rent		24,690	24,690
Travel and Meetings - Other	4,869		4,869
Uniform Cost			0
Utilities		4,001	4,001
<b>Total Expense</b>	<u>\$ 668,992</u>	<u>\$ 114,801</u>	<u>\$ 783,793</u>

See accompanying notes and independent accountant's review report

**GREENPATH INTERNATIONAL INCORPORATED**  
**Statement of Cash Flows**  
**For the Year Ended June 30, 2013**

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*CASH FLOWS FROM OPERATING ACTIVITIES*

Change in net assets	\$ 9,702
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Decrease in receivables	26,124
Depreciation	6,012
Decrease in prepaid deposits	2,405
Decrease in compensated absences	(3,398)
Decrease in payroll liabilities	<u>(12,794)</u>
Net cash used in operating activities	<u>28,052</u>

*CASH FLOWS FROM INVESTING ACTIVITIES*

Increase in Furniture & Equipment	<u>(5,427)</u>
Net cash used in investing activities	<u>(5,427)</u>

Net decrease in cash and cash equivalents 22,625

Cash - January 1, 2012 129,519

Cash - June 30, 2013 \$ 152,144

# GREENPATH INTERNATIONAL INCORPORATED

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Organization and Operations

**Greenpath International Incorporated** is a non-profit organization exempt from corporate income taxes under Section 501(c)(3) of the Internal Revenue Code. The organization was formed to provide treatment for individuals who have substance abuse issues and who are mentally ill. The services are designed to help persons with developmental disabilities, and severe and persistent behavioral problems reach their maximum function level in the community.

#### Basis of Accounting

The organization maintains its accounting records on the accrual method of accounting. Donations are included in support in the period received.

#### Financial Statement Presentation

**Greenpath International Incorporated** follows the recommendation of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statement of Not-for-Profit Organizations. Under SFAS No. 117, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets, as applicable.

A description of the three net asset categories is as follows:

Unrestricted net assets include funds not subject to donor-imposed stipulations. The revenues and expenses incurred in conducting the missions of **Greenpath International Incorporated** are included in this category.

Temporarily restricted net assets include realized gains and losses, investment income and gifts and contributions for which donor-imposed restrictions (capital improvements, etc.) have not been met.

Permanently restricted net assets are contributions which are required by the donor-imposed restriction to be invested in perpetuity and only the income be made available for program operations in accordance with the donor restrictions. Such income is reflected in temporarily restricted net assets until utilized for donor-imposed restrictions.



## GREENPATH INTERNATIONAL INCORPORATED

### NOTES TO FINANCIAL STATEMENTS

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
CONTINUED:

At June 30, 2013, **Greenpath International Incorporated** did not have any temporarily or permanently restricted net assets.

Functional Allocation of Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The amount of fund raising costs were not material.

Revenue recognition

Revenue from grants and contracts are recognized according to the specific agreement. Generally, revenues from restricted grants are recognized in the period of the grant award while revenues from cost reimbursement contracts are recognized to the extent of services provided.

Cash and cash equivalents

Cash consist solely of demand deposits and a money market account that is secured by federal deposit insurance. All highly liquid debt instruments purchased with an original maturity of three (3) months or less are considered to be cash equivalents for purposes of the statement of cash flows. All deposits are secured by federal deposit insurance.

Accounts receivable and allowance for doubtful accounts

Accounts receivable are recorded at cost, net of an allowance for doubtful accounts. Management evaluates collectability of its accounts receivable on a per customer basis and does not require collateral for its receivables. An amount allowance for doubtful accounts was not recorded at June 30, 2013 since the entire receivable is deemed to be collectible.

Property and Equipment

Property and equipment are recorded at cost if the initial value exceeds \$1,000. Additions, renewals, and betterments that extend the life of assets are capitalized; maintenance and repair expenditures are expensed as incurred. The cost of property and equipment sold or otherwise disposed and the accumulated depreciation thereon are eliminated from the property and related accumulated depreciation accounts, and any gain or loss is credited or charged to income. Depreciation is provided using the straight-line method over the estimated useful lives of the property.

## GREENPATH INTERNATIONAL INCORPORATED

### NOTES TO FINANCIAL STATEMENTS

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
CONTINUED:

Donated Services

Donated labor is valued at the minimum wage rate in effect at the time of the donated services. Professional time, which is donated, is valued at the current market rate of the specific project. Donated materials are valued at current market value at the time of the donation.

Contributed Services

The organization recognizes contribution revenue for certain goods and services received at the fair value of those goods and services provided those goods and services create or enhance non financial assets or require specialized skills which are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. During the year ended June 30, 2013, the value of contributed goods and services meeting the requirements for recognition in the financial statements was not material and has not been recorded.

Income Taxes

**Greenpath International Incorporated** is a tax exempt corporation under Section 501(c)(3) of the Internal Revenue Code and began its operations during calendar year 2010. Accordingly, no provisions for federal or state income taxes have been recorded in the accompanying financial statements and tax years 2010, 2011, and 2012 are open for tax purposes.

Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America require 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 support and expenses during the reporting period. Actual results could differ from those estimates.

Fair Values of Financial Instruments

Generally accepted accounting principles require disclosure of fair value information about financial instruments for which it is practicable to estimate fair value, whether or not recognized in the statement of financial position. Cash and

## **GREENPATH INTERNATIONAL INCORPORATED**

### **NOTES TO FINANCIAL STATEMENTS**

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
CONTINUED:

cash equivalents carrying amounts reported in the statement of financial position approximate fair values because of the short maturities of those instruments.

Contingency

**Greenpath International Incorporated** is the recipient of grant funds. The grants are governed by various guidelines, regulations, and contractual agreements. The administration of the programs and activities funded by grants are under the control and administration of **Greenpath International Incorporated** and are subject to audit and/or review by the applicable funding sources. Any grant funds found not to be properly spent in accordance with the terms, conditions, and regulations of the funding source may be subject to recapture.

NOTE 2- Receivables

Receivables at June 30, 2013 were \$6,150. There was no allowance for doubtful accounts established at June 30, 2013. The total amount for receivables is collectible.

NOTE 3- Property and Equipment

Property and equipment reflects the purchase of a vehicle, furniture, and equipment valued at \$42,614. The organization uses straight-line depreciation. Current year depreciation is \$12,025 and the accumulated depreciation at June 30, 2013.

NOTE 4- Subsequent Events

Events that occur after the balance sheet date but before the financial statements were issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed after the balance sheet date require disclosure in the accompanying notes. Management evaluated the activity of the corporation through August 10, 2013, the date the report was available for issue, and concluded that no subsequent events have



NOTE 4 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
CONTINUED:

occurred that would require recognition in the financial statements or disclosures in the notes to the financial statements.

NOTE 5- Uncertain Tax Positions

The corporation is subject to examination by various taxing authorities, including federal income tax examinations. Management has reviewed the activities its activities and believes that no additional amounts or disclosures are needed, as the effect of any uncertain tax positions is not material to the financial statements. The tax returns for the year 2010, 2011, and 2012 are open for examination by various taxing authorities.

NOTE 6- Economic Dependency

**Greenpath International Incorporated** derives a portion of its revenues from governmental sources as earned revenue, the loss of which may have a material adverse effect on the organization. During the eighteen months ended June 30, 2013, revenue derived from governmental sources accounted for a substantial part of the support recorded by Greenpath.

NOTE 7- Operating Lease

**Greenpath International Incorporated** entered into one, month-to-month operating lease for office space and another three years lease for its two locations. The total amount paid during the period of the review was \$24,690.

NOTE 8- Related Party Transactions

**Greenpath International Incorporated** has entered into a two year operating lease for its location at 411 South Broad Street, New Orleans, LA 70119 with the President of Greenpath International Incorporated, and his spouse, into a two year operating lease for office space in two locations. The total amount paid during the period of the review was \$19,200. The lease agreement was approved by the Board of **Greenpath International Incorporated**.

NOTE 9- Compensated Absences

All regular full-time employees receive paid vacation time. Such time away from work is considered important for rest and relaxation. Employees become eligible for vacation upon completion of their 90-day introductory period. The rate of vacation time earned depends on where you are a full-time executive employee or a general and administrative employee up to 80 hours per year. The amount recorded as a liability for these absences is \$4,077.

**SUPPLEMENTARY INFORMATION**



**GREENPATH INTERNATIONAL INCORPORATED**

**Independent Accountant's Report  
On Applying Agreed Upon Procedures**

**FOR THE YEAR ENDED JUNE 30, 2013**

**Collins CPA Accounting & Consulting Services LLC**

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**COLLINS CPA  
ACCOUNTING &  
CONSULTING SERVICES  
L.L.C.**

Independent Accountant's Report  
on Applying Agreed-Upon Procedures

To the Board of Directors  
**Greenpath International Incorporated**  
New Orleans, LA

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of **Greenpath International Incorporated**, the Legislative Auditor, State of Louisiana, and applicable state grantor agency/agencies solely to assist the users in evaluating management's assertions about **Greenpath International Incorporated** compliance with certain laws and regulations during the year ended June 30, 2013 included in the accompanying *Louisiana Attestation Questionnaire*. Management of **Greenpath International Incorporated** is responsible for its financial records and compliance with applicable laws and regulations. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

***Federal, State, and Local Awards***

1. Determine the amount of federal, state and local award expenditures for the fiscal year, by grant and grant year.

**Greenpath International Incorporated** federal award expenditures for all federal programs for the fiscal year follow:



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United States

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INDEPENDENT ACCOUNTANT'S REPORT  
ON APPLYING AGREED UPON PROCEDURES  
(CONTINUED)

Federal, State, or Local Grant Name	Grant Year	CFDA No. (if applicable)	Amount
Office of Addictive Disorders – Access to Recovery	July 1, 2012 – June 30, 2013 &	93.275	\$127,662
Total Expenditures			\$127,662

2. For each federal, state, and local award, we randomly selected 6 disbursements from each award administered during the period under examination, provided that no more than 30 disbursements would be selected.
3. For the items selected in procedure 2, we traced the six disbursements to supporting documentation as to proper amount and payee.

We examined supporting documentation for each of the six selected disbursements and found that payment was for the proper amount and made to the correct payee.

4. For the items selected in procedure 2, we determined if the six disbursements were properly coded to the correct fund and general ledger account.

We examined supporting documentation for each of the six selected disbursements and found that payments were properly coded to the correct fund and general ledger account.

5. For the items selected in procedure 2, we determined whether the six disbursements received approval from proper authorities.

We examined supporting documentation for each of the six selected disbursements and found that payments were properly approved.

6. For the items selected in procedure 2: For federal awards, we determined whether the disbursements complied with the applicable specific program compliance requirements summarized in *the Compliance Supplement* (or contained in the grant agreement, if the program is not included in the *Compliance Supplement*) and for state and local awards, we determined whether the disbursements complied with the grant agreement, relating to:

Activities allowed or unallowed:

We reviewed the previously listed disbursements for types of services allowed or not allowed. No exceptions were noted.



**Eligibility**

We reviewed the previously listed disbursements for eligibility requirements. No exceptions were noted.

**Reporting**

We reviewed the previously listed disbursements for reporting requirements. No exceptions were noted.

7. For the programs selected for testing in item (2) that had been closed out during the period under review, we compared the close-out report, when required, with the agency's financial records to determine whether the amounts agree. No exceptions were noted.

**Open Meetings**

8. We examined evidence indicating that agendas for meetings recorded in the minute book were posted as an open meeting as required by R.S. 42:1 through 42:13 (the open meetings law).

**Greenpath International Incorporated** is only required to post a notice of each meeting and the accompanying agenda on the door of the **Greenpath International, Incorporated** office building. No exceptions were noted.

**Budget**

9. For all grants exceeding five thousand dollars, we determined that each applicable federal, state, or local grantor agency/agency was provided with a comprehensive budget of those grants that included the purpose and duration, and for state grants included specific goals and objectives and measures of performance.

**Greenpath International Incorporated** provided comprehensive budgets to the applicable state grantor agencies for the programs mentioned previously. These budgets specified the anticipated uses of the funds, estimates of the duration of the projects, and plans showing specific goals and objectives that included measures of performance.

**Other Matters – None noted**

We were not engaged to perform, and did not perform, an audit, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of **Greenpath International Incorporated**, the Legislative Auditor (State of Louisiana), and the applicable state grantor agency/agencies and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Collins CPA Accounting & Consulting Services LLC*  
**Collins CPA Accounting & Consulting Services, LLC**

**August 10, 2013**



**LOUISIANA ATTESTATION QUESTIONNAIRE**  
**(For Attestation Engagements of Quasi-public Agencies)**

August 10, 2013 (Date Transmitted)

COLLINS CPA ACCOUNTING & CONSULTING SERVICES LLC

PO BOX 1855

HARVEY, LA 70059

(Auditors)

In connection with your review of our financial statements as of JUNE 30, 2013 and for the year then ended, and as required by Louisiana Revised Statute (R.S.) 24:513 and the Louisiana Governmental Audit Guide, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulation and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of (date of completion/ representation).

**Federal, State, and Local Awards**

We have detailed for you the amount of federal, state, and local award expenditures for the fiscal year, by grant and grant year.

Yes [] No [ ]

All transactions relating to federal, state, and local grants have been properly recorded within our accounting records and reported to the appropriate state, federal, and grantor officials.

Yes [] No [ ]

The reports filed with federal, state, and local agencies are properly supported by books of original entry and supporting documentation.

Yes [] No [ ]

We have complied with all applicable specific requirements of all federal, state, and local programs we administer, to include matters contained in the OMB Compliance Supplement, matters contained in the grant awards, eligibility requirements, activities allowed and unallowed, and reporting and budget requirements.

Yes [] No [ ]

**Open Meetings**

Our meetings, as they relate to public funds, have been posted as an open meeting as required by R.S. 42:11 through 42:28 (the open meetings law).

Yes [] No [ ]

**Budget**

For each federal, state, and local grant we have filed with the appropriate grantor agency a comprehensive budget for those grants that included the purpose and duration, and for state grants included specific goals and objectives and measures of performance

Yes [] No [ ]

**Prior-Year Comments**

We have resolved all prior-year recommendations and/or comments.

Yes [ ] No [ ] *N/A*

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the federal, state, and local grants, to include the applicable laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We will also disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies any known noncompliance that may occur up to the date of your report.

_____	Secretary	_____	Date
_____	Treasurer	_____	Date
<i>[Signature]</i>	President	<i>8/10/13</i>	Date