GREENLIGHTS FOR NONPROFIT SUCCESS
dba
MISSION CAPITAL
(A Nonprofit Organization)

INDEPENDENT AUDITORS' REPORT
AND
FINANCIAL STATEMENTS

July 31, 2015

GREENLIGHTS FOR NONPROFIT SUCCESS
dba
MISSION CAPITAL
(A Nonprofit Organization)

INDEPENDENT AUDITORS' REPORT
AND
FINANCIAL STATEMENTS

July 31, 2015

INDEX TO FINANCIAL STATEMENTS

Allman & Associates, Inc.
CERTIFIED PUBLIC ACCOUNTANTS

9600 GREAT HILLS TRAIL
SUITE 150W
AUSTIN, TX 78759
(512) 502-3077
FAX: 888-512-7990
WWW.ALLMANCPAS.COM

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Greenlights for NonProfit Success

We have audited the accompanying financial statements of Greenlights for NonProfit Success dba Mission Capital (a nonprofit organization), which comprise the statement of financial position as of July 31, 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 of 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Greenlights for NonProfit Success dba Mission Capital as of July 31, 2015, and the changes in its net assets and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Allman & Associates, Inc.

Austin, Texas
December 17, 2015

GREENLIGHTS FOR NONPROFIT SUCCESS
dba MISSION CAPITAL
(A Nonprofit Organization)

STATEMENT OF FINANCIAL POSITION

As of July 31, 2015

Assets	
Current Assets:	
Cash and cash equivalents	$ 304,876
Investments	5,171
Accounts receivable	66,435
Pledges receivable, current portion	819,819
Prepaid expenses	8,000
Total Current Assets	1,204,301
Property and equipment, net of accumulated depreciation	31,969
Pledges receivable, net of current portion	116,739
Total Assets	$ 1,353,009
Liabilities and Net Assets	
Current Liabilities	
Accounts payable	$ 52,988
Deferred revenue	158,789
Total Current Liabilities	211,777
Total Liabilities	211,777
Net Assets:	
Unrestricted	
Board designated for endowment	50,000
Undesignated	488,449
Total unrestricted	538,449
Temporarily restricted	602,783
Permanently restricted	-
Total Net Assets	1,141,232
Total Liabilities and Net Assets	$ 1,353,009

See accompanying auditors' report and notes to financial statements.

GREENLIGHTS FOR NONPROFIT SUCCESS
dba MISSION CAPITAL
(A Nonprofit Organization)

STATEMENT OF ACTIVITIES

For the Year Ended July 31, 2015

Revenues:	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Consulting revenue	$ 432,197	$ -	$ -	$ 432,197
Grants and contributions	387,258	833,694	-	1,220,952
Program revenue	28,089	-	-	28,089
Membership dues	120,455	-	-	120,455
Conferences and events	322,583	-	-	322,583
Investment income	101	187	-	288
Sub-total	1,290,683	833,881	-	2,124,564
Released from restrictions	1,083,241	(1,083,241)	-	-
Total Revenues	2,373,924	(249,360)	-	2,124,564
Expenses				
Program Services	1,837,747	-	-	1,837,747
Management and general	284,654	-	-	284,654
Fundraising	245,659	-	-	245,659
Total expenses	2,368,060	-	-	2,368,060
Change in Net Assets	5,864	(249,360)	-	(243,496)
Net assets, beginning of the period	532,585	852,143	-	1,384,728
Net assets, end of period	$ 538,449	$ 602,783	$ -	$ 1,141,232

See accompanying auditors' report and notes to financial statements.

GREENLIGHTS FOR NONPROFIT SUCCESS
dba MISSION CAPITAL
(A Nonprofit Organization)

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended July 31, 2015

Expense Category	Program Services	Management and General	Fundraising	Totals
Personnel costs	$ 1,183,699	$ 174,577	$ 199,603	$ 1,557,879
Meetings and events	333,532	1,488	3,493	338,513
Grants to nonprofits	58,000	-	-	58,000
Office expenses	84,210	56,876	7,417	148,503
Marketing	79,503	16,524	16,957	112,984
Professional fees	64	10,206	1,920	12,190
Insurance	-	10,754	-	10,754
Facility rental - programs	2,260	-	-	2,260
Office facilities	88,578	13,064	14,937	116,579
Other expenses	321	47	54	422
Depreciation	7,580	1,118	1,278	9,976
Totals	$ 1,837,747	$ 284,654	$ 245,659	$ 2,368,060

See accompanying auditors' report and notes to financial statements.

GREENLIGHTS FOR NONPROFIT SUCCESS
dba MISSION CAPITAL
(A Nonprofit Organization)

STATEMENT OF CASH FLOWS

For the Year Ended July 31, 2015

Cash Flows From Operating Activities		
Change in net assets	$	(243,496)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation		9,976
Investment income		(100)
Donation of investments		(5,043)
Decrease (increase) in:		
Pledges and accounts receivable		55,577
Prepaid expenses		11,566
Increase (decrease) in:		
Accounts payable		(29,669)
Deferred revenue		(32,052)
Net Cash Provided by Operating Activities		(233,241)
Cash Flows From Investing Activities:		
Proceeds from sale of investments		-
Purchases of furniture and equipment		(6,844)
Net Cash Used by Investing Activities		(6,844)
Net Increase (Decrease) in Cash		(240,085)
Cash, beginning of the period		544,961
Cash, end of the period	$	304,876

See accompanying auditors’ report and notes to financial statements.

1. General Information

Greenlights for NonProfit Success dba Mission Capital (the "Corporation" or "Greenlights") incorporated on February 16, 2001 under the Texas Non-Profit Corporation Act. Greenlights' mission is to help nonprofits in Central Texas achieve their full potential, through providing effective consultation, training, information and resources. Greenlights was founded by a broad cross-section of members of the existing nonprofit, philanthropic, government, education, and business communities. The founders identified the need for a comprehensive mechanism to ensure that nonprofits have local sources of management expertise necessary to address growing community needs in sustainable ways. Greenlights programs primarily include the following:

Consulting Services – providing high-value management consulting services to nonprofit organizations, including fundraising assessments and plan development, board strengthening, strategic planning, interim Executive Director placement and many others.

Education Programs – professional development workshops and conferences, customized training, and countless hours of free advice and resources to more than 800 nonprofits and 2,500 individuals each year.

2. Summary of Significant Accounting Policies

Basis of Accounting
The accompanying financial statements have been prepared on the accrual basis of accounting. Contributions received are recorded as unrestricted, temporarily restricted and permanently restricted support depending on the existence or nature of donor stipulations.

Program revenues are recognized as revenues and accrued as a receivable as the services are provided. Program receivables are determined to be collectible and accordingly, no allowance for doubtful accounts has been accrued. Membership dues are recognized as revenues when received.

Classification of Net Assets
Net assets and revenue, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Corporation and changes therein are classified as follows:

Unrestricted net assets - Net assets that are not subject to donor-imposed restrictions.

Temporarily restricted net assets - Net assets subject to donor-imposed stipulations which expire when the stipulated purpose for which the resource was restricted has been fulfilled.

Permanently Restricted Net Assets - Net assets subject to donor-imposed stipulations that they be maintained permanently by the Corporation.

2. Summary of Significant Accounting Policies - Continued

Cash and Equivalents
For the purpose of the statements of cash flows, the Corporation considers cash and highly liquid investments with initial maturities of three months or less to be cash equivalents.

Accounts Receivable
The Corporation records accounts receivable on the accrual basis. The Corporation has not recorded an allowance for uncollectible accounts on the accounts receivable based on historical experience.

Pledges Receivable
Donations received, including unconditional promises, are recognized as revenue when the donor's commitment is received. Pledges receivable are recognized at the estimated present value of the future cash flows, net of allowance for uncollectible pledges as determined by management.

Property and Equipment
Property and equipment are recorded at cost or at estimated fair value at the date of the donation. Greenlights capitalizes all asset purchases of $2,500 or more with an estimated useful life of one year or longer. Depreciation is calculated using the straight-line method over estimated useful lives of the assets, generally from five to seven years.

Deferred revenue
Deferred revenue consists of funds received in the current year for events occurring in the following year including the Texas Nonprofit Summit and the Party for Good event.

Federal Income Taxes
The Corporation is exempt from Federal income taxes under Section 501(a) of the Internal Revenue Code (IRC) as an organization described in Section 501(c)(3). The Corporation is potentially subject to income tax audits by taxing authorities for its current tax year and previous three tax years.

Functional Accounting
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. Expenses that can be identified with a specific program or that relate to a specific source of revenue are allocated directly to that program.

2. Summary of Significant Accounting Policies - Continued

Use of Estimates
The preparation of financial statements in conformity with U.S. 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 reporting period. Actual results could differ from those estimates.

Credit Risk
Financial instruments which potentially subject the Corporation to credit risk consist of cash and cash equivalents and accounts receivable. The Corporation's deposits exceeded the federal depository insurance limits by $11,200 as of July 31, 2015. The Corporation does not require collateral prior to issuing credit for receivables.

3. Fair Value Measurements and Disclosures

The requirements of *Fair Value Measurements and Disclosures* of the Accounting Standards Codification apply to all financial instruments and all nonfinancial assets and nonfinancial liabilities that are being measured and reported on a fair value basis. Fair value is defined as 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. *Fair Value Measurements and Disclosures* also established a fair value hierarchy that prioritizes the inputs used in valuation methodologies into the following three levels:

- Level 1 Inputs – Unadjusted quoted prices in active markets for identical assets or liabilities.

- Level 2 Inputs – Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, or other inputs that can be corroborated by observable market data for substantially the full term of the assets or liabilities.

- Level 3 Inputs – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or other valuation techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation.

The fair value of the Corporation's current assets and current liabilities approximate the carrying amounts of such instruments due to their short maturity.

4. Line of Credit

The Corporation has a line of credit with a financial institution in the amount of $60,000. The line bears interest at the rate of 7.0% and requires monthly payments on interest. The line of credit balance was $0 at July 31, 2015. Interest expense was $0 for the year ended July 31, 2015.

5. Pledges Receivables

Pledges receivable are collectible over the next three years. Pledges receivable were:

		7/31/2015
Amounts due in:		
One year	$	819,819
Two to three years		116,739
		936,558
Less allowance for uncollectible pledges		-
Total	$	936,558

The present value of estimated future cash flows using a discount rate of 5% was not significant. Therefore, a present value discount was not recorded. No allowance for uncollectible pledges receivable has been recorded based on historical experience.

6. Property and Equipment

Major classes of property and equipment consisted of the following:

		7/31/2015
Furniture and computer equipment	$	58,732
Less accumulated depreciation		(26,763)
Property and equipment, net	$	31,969

Depreciation expense for the year ended July 31, 2015 was $9,976.

7. Temporarily Restricted Net Assets

Temporarily restricted net assets consisted of the following:

	7/31/2015
General Operating	$ 30,000
Consulting Projects with Grantees	77,002
Customized Training for Nonprofits	25,000
Founders Circle	161,439
Accelerator grants	269,965
Pass Through Grants	30,000
Endowment Fund	9,377
Total	$ 602,783

8. Endowment Fund

The Greenlights for Nonprofit Success Endowment Fund (the Endowment) was created to operate exclusively to provide future financial assistance to the Corporation in three areas which the Board of Directors feel are key to its mission –

1. To provide funding or seed capital for key strategic initiatives that fall outside of the current operations or serve to enhance the current objectives and operations of the organization.
2. To provide funding for enhanced research and innovation within the nonprofit sector.
3. To provide funding for special projects to be determined.

The Corporation's current investment objective is to ensure capital preservation of the initial contributions, with a stated goal of reaching $250,000 in principal value prior to initiating a spending policy.

The Corporation established the Endowment with an initial board-designated contribution of $50,000. The Endowment will be available to fund, at the direction of the Board of Directors, current liquidity or short term cash flow shortfalls related to normal Corporation operations. Funding for such shortfalls will only be executed with a two-thirds majority vote by the Board of Directors.

Additional contributions to the endowment are donor-restricted. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

8. Endowment Fund (continued)

Changes in the endowment for the year ended July 31, 2015:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets-7/31/2014	$ 50,000	$ 3,190	$ -	$ 53,190
Contributions	-	6,000	-	6,000
Investment income	-	187	-	187
Amounts released (expended)	-	-	-	-
Endowment net assets-7/31/2015	$ 50,000	$ 9,377	$ -	$ 59,377

9. Pension Plan

The Corporation established a defined-contribution 401(k) retirement plan covering all individuals employed by the Corporation. Participation in the plan begins immediately upon hire and there is a vesting schedule on employer matching contributions from 1 to 3 years of service. The Corporation has a discretionary match policy for those individuals employed as of December 31st of each year. The Corporation contributed to the plan $7,994 during the year ended July 31, 2015.

10. Lease Commitments

Effective August 1, 2014 with an occupancy date of September 1, 2014, the Corporation entered into a lease for office facilities through August 2019. Monthly rental payments for years 1 and 2 are $9574, and for years 3 through 5 are $12,895.

In January 2015, the Corporation entered into a rental agreement for a copier machine through January 2020. Monthly payments start at $525 per month with annual increases plus excess copy charges.

Total rental expense was approximately $122,069 for the year ended July 31, 2015.

10. Lease Commitments (continued)

The future minimum lease payments under these leases at July 31, 2015 are as follows:

Year	**Amount**
2016	126,027
2017	166,449
2018	175,990
2019	183,646
2020	3,150
	$ 655,262

11. Subsequent Events

Subsequent events are events or transactions that occur after the statement of financial position date but before the financial statements are issued. Management evaluated subsequent events through the issuance date of the audit report, December 17, 2015.

Name Change

In September 2015, the Corporation began operating under the name Mission Capital. The corporate name is Greenlights for NonProfit Success doing business as (dba) Mission Capital.

The name change is part of a new vision for the organization and the Austin community: to see Austin's most complex problems actually get solved. Mission Capital provides nonprofit organizations with the tools and guidance needed to create lasting social change, to multiply your impact so that together we turn passion and vision for a better community into reality. As Mission Capital, we are committed to carrying forward the best of what Greenlights has offered and responding to what this community needs most.