

Dream Corps (formerly Green For All)

Financial Statements

December 31, 2015 and 2014



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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Dream Corps (formerly Green For All)
Oakland, California

We have audited the accompanying financial statements of Dream Corps (formerly Green For All) (the "Organization"), which comprise the statements of financial position as of December 31, 2015 and 2014, and the related statements of activities and cash flows for the years 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 (the "U.S."); 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the U.S. 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 Dream Corps (formerly Green For All) as of December 31, 2015 and 2014, 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 U.S.

A handwritten signature in black ink that reads "Armanino LLP". The signature is written in a cursive, flowing style.

Armanino^{LLP}
San Francisco, California

December 8, 2016

Dream Corps (formerly Green For All)
 Statements of Financial Position
 December 31, 2015 and 2014

	2015	2014
ASSETS		
Cash and cash equivalents	\$ 1,447,911	\$ 584,230
Contributions and grants receivable, net	1,474,956	155,731
Other accounts receivable	39,027	-
Prepaid and other current assets	65,672	34,692
Property and equipment, net	77,972	94,269
Total assets	\$ 3,105,538	\$ 868,922
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued liabilities	\$ 98,815	\$ 3,279
Accrued expenses	126,584	59,129
Deferred rent	101,310	127,039
Total liabilities	326,709	189,447
Net assets		
Unrestricted	(720,846)	529,475
Temporarily restricted	3,499,675	150,000
Total net assets	2,778,829	679,475
Total liabilities and net assets	\$ 3,105,538	\$ 868,922

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

Dream Corps (formerly Green For All)
Statement of Activities
For the Year Ended December 31, 2015

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenue, gains, and other support			
Contributions from foundations, corporations, and individuals	\$ 343,727	\$ 5,272,593	\$ 5,616,320
Consulting income	320,065	-	320,065
Interest income	828	-	828
Other income	73,135	-	73,135
Net assets released from restriction	<u>2,082,918</u>	<u>(2,082,918)</u>	<u>-</u>
Total revenues, gains and other support	<u>2,820,673</u>	<u>3,189,675</u>	<u>6,010,348</u>
Operating expenses			
Program services			
Policy	74,034	-	74,034
Sustainable development	516,834	-	516,834
Education and outreach	<u>2,725,779</u>	<u>-</u>	<u>2,725,779</u>
Total program services	<u>3,316,647</u>	<u>-</u>	<u>3,316,647</u>
Supporting services			
Management, general, and administrative	454,342	-	454,342
Fundraising	<u>356,493</u>	<u>-</u>	<u>356,493</u>
Total supporting services	<u>810,835</u>	<u>-</u>	<u>810,835</u>
Total operating expenses	<u>4,127,482</u>	<u>-</u>	<u>4,127,482</u>
Change in net assets from operations	(1,306,809)	3,189,675	1,882,866
Contribution received in merger (see Note 1)	<u>56,488</u>	<u>160,000</u>	<u>216,488</u>
Change in net assets	(1,250,321)	3,349,675	2,099,354
Net assets, beginning of year	<u>529,475</u>	<u>150,000</u>	<u>679,475</u>
Net assets (deficit), end of year	<u>\$ (720,846)</u>	<u>\$ 3,499,675</u>	<u>\$ 2,778,829</u>

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

Dream Corps (formerly Green For All)
Statement of Activities
For the Year Ended December 31, 2014

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenue, gains, and other support			
Contributions from foundations, corporations, and individuals	\$ 446,947	\$ 150,000	\$ 596,947
In-kind contributions	24,479	-	24,479
Consulting income	67,573	-	67,573
Interest income	2,168	-	2,168
Other income	15,916	-	15,916
Net assets released from restriction	<u>305,195</u>	<u>(305,195)</u>	<u>-</u>
Total revenues, gains and other support	<u>862,278</u>	<u>(155,195)</u>	<u>707,083</u>
Operating expenses			
Program services			
Policy	677,674	-	677,674
Sustainable development	352,483	-	352,483
Education and outreach	<u>840,223</u>	<u>-</u>	<u>840,223</u>
Total program services	<u>1,870,380</u>	<u>-</u>	<u>1,870,380</u>
Supporting services			
Management, general, and administrative	626,891	-	626,891
Fundraising	<u>202,617</u>	<u>-</u>	<u>202,617</u>
Total supporting services	<u>829,508</u>	<u>-</u>	<u>829,508</u>
Total operating expenses	<u>2,699,888</u>	<u>-</u>	<u>2,699,888</u>
Change in net assets	(1,837,610)	(155,195)	(1,992,805)
Net assets, beginning of year	<u>2,367,085</u>	<u>305,195</u>	<u>2,672,280</u>
Net assets, end of year	<u>\$ 529,475</u>	<u>\$ 150,000</u>	<u>\$ 679,475</u>

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

Dream Corps (formerly Green For All)
 Statements of Cash Flows
 For the Years Ended December 31, 2015 and 2014

	2015	2014
Cash flows from operating activities		
Change in net assets	\$ 2,099,354	\$ (1,992,805)
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities		
Depreciation and amortization	26,893	40,320
Change in deferred rent	(25,729)	(20,702)
Contribution received in merger	(216,488)	-
Changes in operating assets and liabilities		
Accounts receivable	-	72,803
Contributions receivable, net	(1,232,225)	49,867
Other receivables	(39,027)	-
Prepaid expenses and other assets	(3,293)	11,274
Accounts payable and accrued liabilities	78,844	(121,382)
Accrued salaries and vacation	51,571	(36,362)
Net cash provided by (used in) operating activities	739,900	(1,996,987)
Cash flows from investing activities		
Purchase of property and equipment	(6,257)	-
Cash received from merger (see Note 1)	130,038	-
Net cash provided by investing activities	123,781	-
Cash flows from financing activities		
Principal payments on capital lease obligations	-	(3,997)
Net cash provided by (used in) financing activities	-	(3,997)
Net increase (decrease) in cash and cash equivalents	863,681	(2,000,984)
Cash and cash equivalents, beginning of year	584,230	2,585,214
Cash and cash equivalents, end of year	\$ 1,447,911	\$ 584,230

Supplemental disclosures of cash flow information

Cash paid during the year for		
Interest	\$ -	\$ 329

Supplemental schedule of noncash investing and financing activities

See Note 1 for the fair value of assets acquired and liabilities assumed from merger	\$ -	\$ -
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The accompanying notes are an integral part of these financial statements.

Dream Corps (formerly Green For All)
Notes to Financial Statements
December 31, 2015 and 2014

1. NATURE OF OPERATIONS

Dream Corps (formerly Green For All) (the "Organization") is a national non-profit organization working to uplift and empower the most vulnerable in our society. The Organization works in collaboration with business, government, labor, and grassroots communities to create programs that are focused on three important fields:

- Environmental Justice - #Green For All supports efforts to build an inclusive green economy strong enough to lift people out of poverty.
- Economic Justice - #YesWeCode helps young women and men from low-opportunity backgrounds to find success in the tech sector.
- Criminal Justice - #Cut50 seeks to safely and smartly reduce the U.S. prison population by fifty percent.

The Organization entered into an agreement to merge with Dream Corps Unlimited, a non-profit services organization, effective January 1, 2015. In accordance with the merger agreement, Green For All is the surviving entity and Dream Corps Unlimited dissolved as a legal entity on January 1, 2015, the effective date of the merger; the Organization changed its name to Dream Corps in April 2015.

The fair value of Dream Corps Unlimited's assets and liabilities at the merger date are as follows:

Cash	\$ 130,038
Contributions receivable	87,000
Prepaid expenses and other assets	27,687
Property and equipment, net	4,339
Accounts payable and accrued expenses	(16,692)
Accrued salaries and vacation	<u>(15,884)</u>
	<u>\$ 216,488</u>

The merger with Dream Corps Unlimited was accounted for in accordance with FASB ASC 958-805 Not-for-Profit Entities - Business Combinations, and accounted for as an acquisition of Dream Corps Unlimited by the Organization for accounting purposes. The Organization received the assets and assumed the liabilities of Dream Corps Unlimited on the effective date of the merger and recognized the assets and liabilities at fair value. The Organization did not transfer any consideration as part of the merger with Dream Corps Unlimited. In connection with the merger, the Organization recognized an inherent contribution of \$216,488, which is reported as a non-operating change on the accompanying statement of activities for the year ended December 31, 2015.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting and financial statement presentation

The Organization's financial statements have been prepared on the accrual basis of accounting.

Dream Corps (formerly Green For All)
Notes to Financial Statements
December 31, 2015 and 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of accounting and financial statement presentation (continued)

- *Unrestricted net assets* - represent unrestricted resources available to support the Organization's operations and temporarily restricted resources that have become available for use by the Organization in accordance with the intentions of the donors.
- *Temporarily restricted net assets* - net assets subject to donor-imposed restrictions that may or will be met by actions of the Organization and/or the passage of time. Temporarily restricted net assets consist primarily of amounts restricted for policy, sustainable development, and education and outreach or the passage of time.
- *Permanently restricted net assets* - net assets subject to donor-imposed restrictions that they be maintained in perpetuity by the Organization. The Organization had no permanently restricted net assets as of December 31, 2015 or 2014.

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on assets and liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor restriction or by law. Restricted contributions whose restrictions are met in the same period as when the contributions are received are reported as unrestricted revenue.

Cash and cash equivalents

The Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Cash on deposit occasionally exceeds federally insured limits. The Organization believes it mitigates this risk by maintaining deposits with major financial institutions.

Contributions and contributions receivable

Contributions received are reported as unrestricted, temporarily restricted or permanently restricted, depending upon donor restrictions, if any.

Contributions, including unconditional promises to give, are recognized as revenues in the period the promise is received. Conditional promises to give are not recognized until they become unconditional; that is when the conditions on which they depend are substantially met. Contributions receivable that are promised in one year but are not expected to be collected until more than one year after the end of the fiscal year in which they are promised are discounted at an appropriate discount rate commensurate with the risks involved. Amortization of any such discounts are recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions. An allowance for doubtful contributions receivable may be established based upon management's judgment including such factors as prior collection history, type of contribution and current aging of contributions receivable. No allowance was recorded as of December 31, 2015 or 2014 as all amounts were deemed collectible.

Dream Corps (formerly Green For All)
Notes to Financial Statements
December 31, 2015 and 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Donated services and goods

Donated services and goods are recorded as contributions based on the estimated fair value at the date the contribution is made. Donated services are recognized as contribution revenue for certain services, if the services (a) create or enhance non-financial assets, or (b) require specialized skills that are provided by individuals possessing those skills, and would be purchased if not donated. The Organization did not receive any such services during the year ended December 31, 2015; contributed services totaled \$24,479 for the year ended December 31, 2014.

Property and equipment

The Organization capitalizes all property and equipment with a cost greater than \$2,500 with an estimated useful life greater than one year. Property and equipment is carried at cost or, if donated, at the estimated fair value on the date of the gift. The Organization reviews long-lived property and equipment for impairment when circumstances indicate that the carrying amount of an asset may not be recoverable. When an impairment loss is recognized, the asset's carrying value is reduced to its estimated fair value.

Depreciation and amortization of property and equipment is computed using the straight-line method over the following estimated useful lives:

Furniture and equipment	2 - 8 years
Computer equipment and software	3 years
Leasehold improvements	Lease term

Income tax status

The Organization is exempt from income taxes under Section 501(a) subsection (c)(3) of the Internal Revenue Code and section 23701(d) of the California Revenue and Taxation Code whereby only unrelated business income, as defined by Section 512(a)(1) of the Internal Revenue Code and similar code sections of the California Revenue and Taxation code is subject to income tax. Accordingly, no provision for income taxes has been provided for in the accompanying financial statements. The Organization has evaluated its current tax positions and has concluded that as of December 31, 2015 and 2014, it does not have any significant tax positions for which a reserve would be necessary.

Allocation of functional expenses

The costs of providing the various program services and supporting activities have been summarized on a functional basis in the financial statements. Accordingly, certain costs have been allocated among the various functions based on estimates of time and direct costs.

Dream Corps (formerly Green For All)
Notes to Financial Statements
December 31, 2015 and 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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. Uses of estimates include, but are not limited to, accounting for allowances for doubtful accounts and contributions receivable, assignment of useful lives of property and equipment, and the allocation of certain indirect costs.

Subsequent events

The Organization has evaluated subsequent events through December 8, 2016, the date the financial statements were available to be issued. No subsequent events have occurred that would have a material impact on the presentation of the Organization's financial statements.

3. CONTRIBUTIONS RECEIVABLE

Unconditional promises to give, which are not expected to be collected until after the year promised, are reflected in the accompanying financial statements as contributions receivable and revenue in the appropriate net asset category. Contributions receivable are recorded using discount rates ranging from 0.55% to 0.70% for the year ended December 31, 2015. The contribution receivable balance at December 31, 2014 was expected to be collected in less than one year, therefore, no discount to present value was necessary.

Contributions receivable consist of the following:

	<u>2015</u>	<u>2014</u>
Receivable in less than one year	\$ 1,035,312	\$ 155,731
Receivable in one to five years	<u>445,000</u>	<u>-</u>
	1,480,312	155,731
Less discounts to present value	<u>(5,356)</u>	<u>-</u>
	<u>\$ 1,474,956</u>	<u>\$ 155,731</u>

Dream Corps (formerly Green For All)
Notes to Financial Statements
December 31, 2015 and 2014

4. PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	2015	2014
Furniture and equipment	\$ 69,703	\$ 59,108
Capitalized website costs	34,915	34,915
Leasehold improvements	126,432	126,432
	231,050	220,455
Accumulated depreciation	(153,078)	(126,186)
	\$ 77,972	\$ 94,269

Depreciation and amortization expense totaled \$26,893 and \$40,320 for the years ended December 31, 2015 and 2014, respectively.

5. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consist of the following:

	2015	2014
Time restrictions	\$ 496,830	\$ 150,000
#YesWeCode	2,280,129	-
#Green For All	401,716	-
#Cut50	321,000	-
	\$ 3,499,675	\$ 150,000

Net assets released from restriction totaled \$2,082,918 and \$305,195 for the years ended December 31, 2015 and 2014, respectively, and represent amounts for which the Organization has fulfilled the donor imposed time and/or purpose restrictions on the use of the funds.

6. LEASE COMMITMENTS

The Organization leases facilities and office equipment under several non-cancelable operating leases with third parties. The leases expire at various times through January 2019.

Dream Corps (formerly Green For All)
Notes to Financial Statements
December 31, 2015 and 2014

6. LEASE COMMITMENTS (continued)

The scheduled minimum lease payments under the lease terms are as follows:

<u>Year ending December 31,</u>	
2016	\$ 178,530
2017	183,864
2018	157,296
2019	<u>60</u>
	<u>\$ 519,750</u>

Rent expense totaled \$148,251 and \$183,792 for the years ended December 31, 2015 and 2014, respectively.

7. RETIREMENT PLAN

The Organization sponsors a 401(k) plan for the benefit of its employees. All full-time and part-time employees working at least 20 hours per week are eligible to participate in the plan subject to the terms and conditions of the plan. The Organization matches an employee's contribution up to 5% of an employee's annual salary but will never exceed the employee's contribution. The Organization contributed \$32,758 and \$51,461 to the plan during the years ended December 31, 2015 and 2014, respectively.

8. CONCENTRATIONS

The Organization receives a significant portion of its revenues from external donors. Accordingly, the Organization's financial condition is dependent to some extent on the economic state of the region and the philanthropic community in general.

Contributions receivable due from three donors comprise approximately 98% of the Organization's total contributions receivable balance as of December 31, 2015. Contributions receivable due from one donor comprises approximately 96% of the Organization's total contributions receivable balance as of December 31, 2014. Contributions from three donors comprise approximately 65% of the Organization's contributions from foundations, corporations, and individual revenue for the year ended December 31, 2015. Contributions from three donors comprised approximately 88% of the Organization's contributions from foundations, corporations, and individual revenue for the year ended December 31, 2014.