

**REBUILDING TOGETHER NASHVILLE, INC.**

**FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITOR'S REPORT**

**JUNE 30, 2023**



**BELLENFANT**  
CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS

**REBUILDING TOGETHER NASHVILLE, INC.**  
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**JUNE 30, 2023**

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# BELLENFANT

CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS

Professional Accounting & Consulting Services

## **INDEPENDENT AUDITOR'S REPORT**

Board of Directors  
Rebuilding Together Nashville, Inc.  
Nashville, Tennessee

### **Opinion**

We have audited the accompanying financial statements of Rebuilding Together Nashville, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, functional expenses, 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 Rebuilding Together Nashville, Inc. as of June 30, 2023, and the changes in its 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 Rebuilding Together Nashville, Inc. 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 Rebuilding Together Nashville, Inc.'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 Rebuilding Together Nashville, Inc.'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 Rebuilding Together Nashville, Inc.'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.

*Bellenfant, PLLC*

Nashville, Tennessee  
October 23, 2023

**REBUILDING TOGETHER NASHVILLE, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**JUNE 30, 2023**

**ASSETS**

**CURRENT ASSETS**

Cash and Cash Equivalents	\$ 314,284
Accounts Receivable	64,042
Prepaid Expenses	16,020
Accrued Revenue	50,503
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Total Current Assets	444,849

**FIXED ASSETS**

Trailer	19,943
Less: Accumulated Depreciation	(11,953)
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Total Fixed Assets	7,990
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Total Assets	\$ 452,839

**LIABILITIES AND NET ASSETS**

**CURRENT LIABILITIES**

Accounts Payable	\$ 31,830
Accrued Vacation	4,210
Unearned Revenue	112,322
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Total Current Liabilities	148,362

**NET ASSETS**

Net Assets Without Donor Restrictions	163,955
Net Assets With Donor Restrictions	140,522
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Total Net Assets	304,477
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Total Liabilities and Net Assets	\$ 452,839

The accompanying notes are an integral part of this statement.

**REBUILDING TOGETHER NASHVILLE, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2023**

	<b><u>Without Donor Restrictions</u></b>	<b><u>With Donor Restrictions</u></b>	<b><u>Total</u></b>
<b>SUPPORT AND REVENUE</b>			
Contributions and Grants:			
Government	\$ 122,440	\$ 329,156	\$ 451,596
Corporate	225,250	166,563	391,813
Individuals	28,138	-	28,138
Events	38,491	-	38,491
Interest	33	-	33
In-Kind	4,684	-	4,684
Net Assets Released from Restrictions	<u>355,197</u>	<u>(355,197)</u>	<u>-</u>
Total Support and Revenue	<u>774,233</u>	<u>140,522</u>	<u>914,755</u>
<b>EXPENSES</b>			
Program Services	752,525	-	752,525
Supporting Services			
Management and General	133,001	-	133,001
Fundraising	<u>68,382</u>	<u>-</u>	<u>68,382</u>
Total Supporting Services	<u>201,383</u>	<u>-</u>	<u>201,383</u>
Total Expenses	<u>953,908</u>	<u>-</u>	<u>953,908</u>
Change in Net Assets	(179,675)	140,522	(39,153)
Net Assets, Beginning of Year	<u>343,630</u>	<u>-</u>	<u>343,630</u>
Net Assets, End of Year	<u><u>\$ 163,955</u></u>	<u><u>\$ 140,522</u></u>	<u><u>\$ 304,477</u></u>

The accompanying notes are an integral part of this statement.

**REBUILDING TOGETHER NASHVILLE, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2023**

	<u>Supporting Services</u>			
	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries	174,618	73,970	39,393	\$ 287,981
Staff Benefits	10,543	-	2,553	13,096
Payroll Taxes	13,610	5,276	2,963	21,849
Total Compensation	<u>198,771</u>	<u>79,246</u>	<u>44,909</u>	<u>322,926</u>
 Rent and Utilities	11,892	1,485	1,485	14,862
Occupancy	-	1,235	-	1,235
Office Supplies	1,530	2,942	93	4,565
Professional Development	1,047	-	1,276	2,323
Professional Fees	5,273	34,004	-	39,277
 Travel and Meetings	1,505	691	41	2,237
Insurance	5,718	1,692	-	7,410
Contract Labor	467,113	-	8,000	475,113
RT National Dues	18,011	-	-	18,011
Materials and Supplies	19,725	-	-	19,725
 Logistics	10,708	-	-	10,708
Other	2,732	3,291	-	6,023
Dues and Subscriptions	-	1,203	-	1,203
Database and Electronics	1,818	6,939	-	8,757
 Fundraising	-	-	12,578	12,578
Depreciation	1,998	-	-	1,998
In-Kind	4,684	-	-	4,684
Bank Fees	-	273	-	273
	<u>\$ 752,525</u>	<u>\$ 133,001</u>	<u>\$ 68,382</u>	<u>\$ 953,908</u>

The accompanying notes are an integral part of this statement.

**REBUILDING TOGETHER NASHVILLE, INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Change in Net Assets	\$ (39,153)
Adjustments to reconcile net income to net cash provided (used) by operating activities:	
Depreciation	1,998
(Increase) Decrease in:	
Accounts Receivable	(42,076)
Prepaid Expenses	(4,607)
Accrued Revenue	7,163
Increase (Decrease) in:	
Accounts Payable	552
Accrued Vacation	(231)
Unearned Revenue	29,975
Net Cash Provided (Used) by Operating Activities	<u>(46,379)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(46,379)
Cash and Cash Equivalents, Beginning of Year	<u>360,663</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 314,284</u></u>

The accompanying notes are an integral part of this statement.



**REBUILDING TOGETHER NASHVILLE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization and Purpose**

Rebuilding Together Nashville, Inc. (the Organization), incorporated in the State of Tennessee in 1994, is a collaborative organization whose core mission is to recruit sponsors and volunteers to rehabilitate through repair, renovation or modification the homes of low-income homeowners, especially the elderly, veterans, the disabled, and families with children.

**Basis of Accounting**

The financial statements of Rebuilding Together Nashville, Inc. are maintained and presented on the accrual basis of Accounting. Revenues are generally recognized when earned and expenses are generally recognized when incurred.

Financial statement presentation follows the requirements of the Financial Accounting Standards Board (FASB) Accounting Standards Codification Topic related to Presentation of Financial Statements of Not-for-Profit Associations. Under the FASB Accounting Standards Codification, the Organization is required to report information regarding its financial position and activities according to two classes of net assets; net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions - These are net assets that are not subject to donor-imposed stipulations. The Organization had \$163,955 of net assets without donor restrictions as of June 30, 2023.

Net assets with donor restrictions - These are net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time. This classification also includes net assets subject to donor-imposed stipulations that may be maintained permanently by the Organization. Generally, donors of these assets permit the Organization to use all or part of the income earned for general or specific purposes. The Organization had \$140,522 of net assets with donor restrictions as of June 30, 2023.

**Cash and Cash Equivalents**

For purposes of the statement of cash flows, Rebuilding Together Nashville, Inc. considers all highly liquid investments with a maturity of 90 days or less when purchased to be cash equivalents. As of June 30, 2023, the Organization had no cash equivalents.

Cash and cash equivalents consists of the following as of June 30, 2023:

Checking Accounts	<u>\$ 314,284</u>
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**REBUILDING TOGETHER NASHVILLE, INC.**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2023**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Accounts Receivable**

Accounts receivable are reported at their estimated collectible amounts. They are periodically evaluated for collectability based on management's assessment of each account. An allowance for doubtful accounts is established as losses are estimated to have occurred through recognition of bad debt expense. When management confirms the uncollectibility of an account receivable, such amount is charged off against the allowance for doubtful accounts. No allowance for doubtful accounts was recorded at June 30, 2023.

**Prepaid Expenses**

Prepaid expenses consists of rent, communications, fundraising and insurance which are paid in advance.

**Fixed Assets**

Fixed assets consists of Trailers. Purchases above \$1,000 are recorded at cost. Depreciation is provided in amounts necessary to allocate the cost of assets over their estimated useful lives using the straight-line method. The estimated useful lives of all major classes of fixed assets are as follows:

Equipment	10 years
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**Revenue and Revenue Recognition**

A performance obligation is a promise in a contract to transfer a distinct good or service to the customer and is the unit of account under ASC 606. The transaction price is allocated to each distinct performance obligation and recognized as revenue when, or as, the performance obligation is satisfied. The Organization's revenue within the scope of ASC 606 consists of contributions and grants. The contract obligations related to these services are satisfied when the projects are completed.

In general, the Organization's agreements have an expected duration of one year or less and the consideration from the members is an amount that corresponds directly with the value received by the members to date.

**Advertising**

Advertising costs are expensed when incurred.

**REBUILDING TOGETHER NASHVILLE, INC.**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2023**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Donated Services and Goods**

Donated services and goods are recognized if they create or enhance non-financial assets, or the donated service requires specialized skills, was performed by a donor who possesses such skills, and would have been purchased by the Organization if not donated. Such services are recognized at fair value as support and expense in the period the services are performed.

Members of the Board of Directors have provided substantial assistance to the Organization by donation of time and services. The value of this contribution was is not reflected in the financial statements since it is not susceptible to objective measurement of valuation.

**Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from estimates.

**Grant Revenues**

Grant funds that do not have donor imposed restrictions are reflected as net assets without donor restrictions since these funds are generally received and spent during the same year. Grant funds that have been designated by the donor for use by specific programs are reflected as net assets with donor restrictions.

**Contributions**

The Organization accounts for contributions in accordance with the Financial Accounting Standards Board (FASB) Accounting Standards Codification topic relating to Accounting for Contributions Received and Contributions Made. In accordance with the FASB Accounting Standards Codification, contributions received are recorded as net assets with donor restrictions or net assets without donor restrictions support depending on the existence or nature of any donor-imposed restrictions. Under the FASB Accounting Standards Codification, certain contributions are required to be reported as restricted support and are then reclassified to net assets without donor restrictions upon expiration or resolution of the donor restrictions. The Organization has \$140,522 in contributions with donor restrictions as of June 30, 2023.

**REBUILDING TOGETHER NASHVILLE, INC.**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2023**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Functional Allocation of Expenses**

Expenses that can be directly attributed to a particular function are charged to that function. Accordingly, certain costs have been categorized based on specific identification of costs incurred or allocated as determined by management.

<u>Expense</u>	<u>Method of Allocation</u>
Compensation	Time and Effort
Contract Labor	Time and Effort
Depreciation	Use of Asset
Travel and Meetings	Time and Effort
Administrative Expenses	Time and Effort
Rent and Utilities	Square Footage
Insurance	Policy Coverage

**Compensated Absences**

The Organization provides compensated absences to its employees, including paid time off and vacation days, which are accrued as employees render services to the Organization. The Organization recognizes the expense associated with compensated absences as employees earn them, which is generally in the period in which the services are rendered.

The liability for compensated absences is recorded based on the estimated amount of unused compensated absences for the year ended June 30, 2023. The estimate is based on historical trends of compensated absences taken by employees, as well as the Organization's policy regarding carryover of unused compensated absences. The Organization had \$4,210 of accrued vacation at June 30, 2023.

**REBUILDING TOGETHER NASHVILLE, INC.**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2023**

**2. AVAILABILITY OF FINANCIAL ASSETS**

The following reflects the Organization's financial assets as of June 30, 2023, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date:

Cash and Cash Equivalents	\$ 314,284
Accounts Receivable	64,042
Prepaid Expenses	16,020
Accrued Revenue	<u>50,503</u>
Financial assets available to meet cash needs for general expenditures within one year	<u><u>\$ 444,849</u></u>

There is an adequate amount of financial assets available as of June 30, 2023. The Organization effectively manages its liquid available resources to meet cash needs for general expenditures within one year of the balance sheet date.

**3. CONCENTRATION OF CREDIT RISK**

The Organization depends primarily on grants and donations from governmental entities, local non-profit organizations and individuals for the funding of ongoing operations. Specifically, the Metro Nashville Barnes Fund was responsible for 49.4% of total revenue for the year ended June 30, 2023.

Should economic or social events transpire to bring hardship upon the Organization's primary support groups, the Organization may find it difficult to continue operations.

The Organization invests its available cash with major financial institutions. As of June 30, 2023, the cash accounts exceeded the Federal Deposit Insurance Corporation limit of \$250,000 by \$11,386. However, management believes that the credit risk related to these deposits is minimal.

**4. FIXED ASSETS**

Fixed assets are stated at cost and consist of:

Trailers	\$ 19,943
Less: Accumulated Depreciation	<u>(11,953)</u>
Total Fixed Assets	<u><u>\$ 7,990</u></u>

**REBUILDING TOGETHER NASHVILLE, INC.**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2023**

**5. UNEARNED REVENUE**

Unearned revenue includes unrestricted grant funds that have not yet been earned. Unearned revenue for the year ended June 30, 2023 consists of:

Corporate Grant Revenue	<u>112,322</u>
Total	<u><u>\$ 112,322</u></u>

**6. DONATED MATERIALS AND SERVICES IN-KIND**

The Organization received in-kind donations as follows:

Donated Materials	\$ 4,081
Donated Logistics	<u>603</u>
Total Donated Materials and Logistics	<u><u>\$ 4,684</u></u>

**7. INCOME TAXES**

Rebuilding Together Nashville, Inc. has qualified for tax-exempt status under Section 501(c)(3) of the Internal Revenue Code. It has been classified as a Nonprofit Corporation that is not a private foundation.

The Organization files a U.S. Federal Form 990-Return of Organization Exempt from Income Tax. The Organization's returns for the years prior to fiscal year ended June 30, 2020 are no longer open for examination.

The Organization has evaluated its tax positions in accordance with the Codification Standard relating to Accounting for Uncertainty in Income Taxes. The Organization believes that it has taken no uncertain tax positions.

**8. SUBSEQUENT EVENTS**

Subsequent events have been evaluated through October 23, 2023, which is the date the financial statements were available to be issued.