REBUILDING TOGETHER NASHVILLE, INC.

FINANCIAL STATEMENTS - MODIFIED CASH BASIS

JUNE 30, 2015 AND 2014

REBUILDING TOGETHER NASHVILLE, INC.

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CROSSLIN
&ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditor's Report

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

We have audited the accompanying financial statements of Rebuilding Together Nashville, Inc. (a nonprofit organization), which comprise the statements of assets, liabilities and net assets - modified cash basis as of June 30, 2015 and 2014, and the related statements of support, revenue and expenses - modified cash basis, and the statements of functional expenses - modified cash basis 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 the modified cash basis of accounting described in Note A; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible 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.

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 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 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 assets, liabilities and net assets of Rebuilding Together Nashville, Inc. as of June 30, 2015 and 2014, and the support, revenue and expenses for the years then ended in accordance with the modified cash basis of accounting as described in Note A.

Basis of Accounting

We draw attention to Note A of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

Crosslin & Associates, P.C.

Nashville, Tennessee
October 23, 2015

REBUILDING TOGETHER NASHVILLE, INC.
STATEMENT OF ASSETS, LIABILITIES AND NET ASSETS -
MODIFIED CASH BASIS

	June 30, 2015	June 30, 2014
Assets		
Cash	$ 139,507	$ 144,018
Total assets	$ 139,507	$ 144,018
Liabilities and Net Assets		
Loan payable	$ -	$ 30,000
Total liabilities	-	30,000
Net Assets (Deficit):		
Unrestricted	(4,048)	(48,829)
Temporarily restricted (Note B)	143,555	162,847
Total net assets	139,507	114,018
Total liabilities and net assets	$ 139,507	$ 144,018

See accompanying notes to financial statements.

REBUILDING TOGETHER NASHVILLE, INC.
STATEMENT OF SUPPORT, REVENUE AND EXPENSES - MODIFIED CASH BASIS
YEARS ENDED JUNE 30, 2015 AND 2014

	2015		
	Unrestricted	Temporarily restricted	Total
Support and revenue:			
Contributions and grants:			
Corporate	$ 37,366	$ 10,000	$ 47,366
Non-profit organizations	27,377	195,500	222,877
Individuals	6,062	-	6,062
Rebuilding Together National	53,107	-	53,107
TDEC	42,400	-	42,400
Other	-	-	-
Net assets released from restrictions and reclassifications	224,792	(224,792)	-
Total support and revenue	391,104	(19,292)	371,812
Program expenses:			
Program services	283,824	-	283,824
Supporting services:			
Management and general	37,475	-	37,475
Fundraising	25,024	-	25,024
Total functional expenses	346,323	-	346,323
Increase (decrease) in net assets	44,781	(19,292)	25,489
Net (deficit) assets, beginning of year	(48,829)	162,847	114,018
Net (deficit) assets, end of year	$ (4,048)	$ 143,555	$ 139,507

	2014	
Unrestricted	Temporarily restricted	Total
$ 10,500	$ 5,500	$ 16,000
262,250	41,500	303,750
8,531	1,616	10,147
33,294	112,000	145,294
-	49,758	49,758
1,723	-	1,723
108,099	(108,099)	-
424,397	102,275	526,672
363,048	-	363,048
56,181	-	56,181
12,968	-	12,968
432,197	-	432,197
(7,800)	102,275	94,475
(41,029)	60,572	19,543
$ (48,829)	$ 162,847	$ 114,018

See accompanying notes to financial statements.

REBUILDING TOGETHER NASHVILLE, INC.
STATEMENT OF FUNCTIONAL EXPENSES - MODIFIED CASH BASIS
YEARS ENDED JUNE 30, 2015 AND 2014

	2015			
	Program Services	Management and General	Fundraising	Total
Program expense	$ 192,589	$ -	$ -	$ 194,285
Salaries and benefits	58,000	5,656	5,420	69,076
Rent	13,070	2,061	-	15,131
Utilities	-	473	-	473
Telephone	-	2,427	-	2,427
Travel and mileage	1,902	-	-	1,902
Insurance	6,567	-	-	6,567
Office supplies	-	1,983	-	1,983
Memberships and dues	10,000	2,927	-	12,927
Accounting and audit fees	-	15,047	-	15,047
Other expenses	1,696	6,901	19,604	26,505
	$ 283,824	$ 37,475	$ 25,024	$ 346,323

2014			
Program Services	Management and General	Fundraising	Total
$ 252,669	$ -	$ -	$ 252,669
73,288	10,248	-	83,536
22,278	8,022	-	30,300
-	1,486	-	1,486
-	2,894	-	2,894
1,923	3,735	-	5,658
2,586	1,694	-	4,280
-	1,884	-	1,884
10,000	1,791	-	11,791
-	18,714	-	18,714
304	5,713	12,968	18,985
$ 363,048	$ 56,181	$ 12,968	$ 432,197

See accompanying notes to financial statements.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies applied in the preparation of the accompanying financial statements follow:

Nature of Organization

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 the Organization have been prepared on the modified cash basis of accounting which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Consequently, support and revenue is recognized when cash is received and expenses are recognized when cash is paid, and the Organization has not recognized pledges receivable from donors, accounts payable to vendors, and their related effects on the change in net assets. However, the organization has elected to recognize proceeds received from a loan as a liability rather than revenue.

Basis of Presentation

The Organization classifies its revenue and expenses into three classes of net assets based on the existence or absence of donor-imposed restrictions. Net assets of the Organization and changes therein are classified as follows:

> Unrestricted net assets - Net assets that are not subject to donor-imposed stipulations.
>
> Temporarily restricted net assets - 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.
>
> Permanently restricted net assets - Net assets subject to donor-imposed stipulations that are required to be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on related investments for general or specific purposes.

The Organization did not have assets that met the definition of permanently restricted net assets at June 30, 2015 and 2014.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with the modified cash basis of accounting requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

Cash

Cash consists principally of checking and savings account balances with financial institutions.

Contributions

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

Contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a restriction is fulfilled (that is, when a stipulated time restriction ends of purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted and reported in the statement of support, revenue and expenses as net assets released in satisfaction of program restrictions. However, if a restriction is fulfilled in the same reporting period in which the contribution is received, the support is reported as unrestricted.

Income Taxes

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

Reclassifications

Certain 2014 amounts have been reclassified to conform to the 2015 presentation.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Program and Supporting Services

The following program and supporting services are included in the financial statements:

Program Services - includes the direct cost of operating the Organization's repair, modification and remodeling of low-income homes to support safe and healthy homes for every person.

Management and General - includes the functions necessary to ensure an adequate working environment and costs not identifiable with a single program. Applicable costs include those associated with providing coordination and articulation of the Organization's program strategy, business management, general record-keeping, budgeting, and related purposes.

Fundraising - includes costs of activities directed toward appeals for financial support, including special events. Other activities include the cost of solicitations and creation and distribution of fundraising materials.

Allocation of Functional Expenses

Expenses that can be directly attributed to a particular function are charges to that function. Certain costs have been allocated among more than one program or activity based on objectively evaluated financial and nonfinancial data or reasonable subjective methods determined by management.

Revenue Recognition

All contributions are considered to be available for unrestricted use, unless specifically restricted by the donor. The Organization records contributions as temporarily restricted if they are received by the donor with stipulations that limit their use either through purpose or time restriction. All contributions and grants are reported as revenue and support in the year in which payments are received.

B. RESTRICTIONS ON NET ASSETS

Net assets with temporary restrictions totaled $143,555 and $162,847 as of June 30, 2015 and 2014. There were no permanently restricted net assets as of June 30, 2015 or 2014.

C. CONTINGENCIES

Certain costs charged to a funded program may not be in compliance with requirements as set forth in contracts, statutes, and regulations governing allowability or eligibility. These costs may not be reimbursed by the governing agency or the governing agency may require that the funds already expended be refunded to the agency. The determination as to whether such costs will be allowed or disallowed under the various grants or contracts will be made by the individual grantor agencies subsequent to June 30, 2015 and 2014. Management deems the possibility of a refund to be remote, as they believe that Rebuilding Together Nashville, Inc. has appropriately expended the funds in accordance with the provisions of the respective contracts.

D. OPERATING LEASE

The Organization leases office and storage space under an operating lease that expires May 2016. The lease is cancellable at any time by giving a written notice to the landlord no less than thirty days prior to such termination. Future minimum lease payments required under the operating lease as of June 30, 2015 and 2014 are as follows:

2016	$9,600

For the years ended June 30, 2015 and 2014, rent expense totaled $15,131 and $30,300, respectively.

E. ADVERTISING COSTS

The Organization uses advertising to promote its programs among the audiences it serves. Advertising costs are expensed as incurred. Advertising expense for the year ended June 30, 2015 and 2014 was $3,086 and $2,729, respectively.

F. LOAN PAYABLE

As of June 30, 2014, the Organization was obligated under a loan payable to a related party totaling $30,000. The note was non-interest bearing and due on December 31, 2014. No interest was imputed on the note during the periods ending June 30, 2015 or 2014, as the amount was insignificant.

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G. NATIONAL ASSOCIATION

The Organization is heavily dependent on pass-through funding from Rebuilding Together, Inc., the national organization established to accept donations and distribute to organizations paying membership dues each year. During the years ended June 30, 2015 and 2014, the Organization received \$53,107 and \$145,294 in pass-through funding from Rebuilding Together, Inc

H. CONCENTRATION OF RISK

The Organization depends primarily on grants and donations from Rebuilding Together, Inc., as well as local corporations and individuals for the funding of ongoing operations. 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.

I. SUBSEQUENT EVENTS

Management has evaluated subsequent events through October 23, 2015, the date the financial statements were available for issuance. No subsequent events were identified that were required to be disclosed in the financial statements.