REBUILDING TOGETHER NASHVILLE, INC.

FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT

JUNE 30, 2022

BELLENFANT
CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS

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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, 2022, and the related statements of activities 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, 2022, 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.

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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
March 2, 2023

REBUILDING TOGETHER NASHVILLE, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2022

ASSETS

CURRENT ASSETS		
Cash and Cash Equivalents	$	360,663
Accounts Receivable		21,966
Prepaid Expenses		11,413
Accrued Revenue		57,666
Total Current Assets		451,708
FIXED ASSETS		
Trailer		19,943
Accumulated Depreciation		(9,956)
Total Fixed Assets		9,987
Total Assets	$	461,695

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts Payable	$	31,277
Accrued Vacation		4,441
Unearned Revenue		82,347
Total Current Liabilities		118,065
NET ASSETS		
Without Donor Restrictions		343,630
With Donor Restrictions		-
Total Net Assets		343,630
Total Liabilities and Net Assets	$	461,695

The accompanying notes are an integral part of this statement.

REBUILDING TOGETHER NASHVILLE, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE			
Contributions and Grants:			
Government	$ 99,413	$ 401,082	$ 500,495
Corporate	293,182	370,644	663,826
Individuals	43,986	-	43,986
Events	33,394	-	33,394
Interest	37	-	37
In-Kind	4,219	-	4,219
Net Assets Released from Restrictions	771,726	(771,726)	-
Total Support and Revenue	1,245,957	-	1,245,957
EXPENSES			
Program Services	1,132,789	-	1,132,789
Management and General	110,373	-	110,373
Fundraising	89,040	-	89,040
Total Expenses	1,332,202	-	1,332,202
Change in Net Assets	(86,245)	-	(86,245)
Net Assets, Beginning of Year	429,875	-	429,875
Net Assets, End of Year	$ 343,630	$ -	$ 343,630

The accompanying notes are an integral part of this statement.

REBUILDING TOGETHER NASHVILLE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2022

	Program Services	Supporting Services: Management and General	Supporting Services: Fundraising	Total
Salaries	$ 178,446	$ 49,235	$ 65,053	$ 292,734
Payroll Taxes	13,309	3,684	4,705	21,698
Total Compensation	191,755	52,919	69,758	314,432
Rent and Utilities	23,274	3,581	2,984	29,839
Occupancy	376	1,666	-	2,042
Office Supplies	778	3,617	28	4,423
Professional Development	2,636	858	765	4,259
Professional Fees	-	33,576	-	33,576
Travel and Meetings	1,846	2,488	70	4,404
Insurance	4,484	1,566	-	6,050
Contract Labor	820,074	2,305	-	822,379
RT National Dues	15,945	-	-	15,945
Materials and Supplies	41,140	-	-	41,140
Logistics	7,789	-	-	7,789
Other	358	1,708	-	2,066
Dues and Subscriptions	-	1,106	-	1,106
Marketing	-	-	385	385
Database and Electronics	2,735	3,800	-	6,535
Fundraising	-	-	12,572	12,572
Depreciation	1,998	-	-	1,998
In-Kind	4,219	-	-	4,219
Staff Benefits	13,332	1,183	2,478	16,993
COVID Supplies	50	-	-	50
	$ 1,132,789	$ 110,373	$ 89,040	$ 1,332,202

The accompanying notes are an integral part of this statement.

REBUILDING TOGETHER NASHVILLE, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2022

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in Net Assets	$ (86,245)
Adjustments to reconcile net income to net cash provided (used) by operating activities:	
Depreciation	1,998
(Increase) Decrease in:	
Accounts Receivable	60,932
Prepaid Expenses	(3,565)
Accrued Revenue	9,943
Increase (Decrease) in:	
Accounts Payable	(7,301)
Accrued Vacation	(5,213)
Unearned Revenue	(11,286)
Net Cash Provided (Used) by Operating Activities	(40,737)
Net Increase (Decrease) in Cash	(40,737)
Cash and Cash Equivalents, Beginning of Year	401,400
Cash and Cash Equivalents, End of Year	$ 360,663

The accompanying notes are an integral part of this statement.

REBUILDING TOGETHER NASHVILLE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

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 Presentation

Rebuilding Together Nashville. Inc., prepares its financial statements and maintains its financial accounting records on the accrual basis of accounting. Revenue is generally recognized when earned. Expenses are generally recognized when incurred.

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles. 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 Organizations. 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 $343,630 of net assets without donor restrictions as of June 30, 2022.

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 no net assets with donor restrictions as of June 30, 2022.

Cash and Cash Equivalents

The Organization considers all cash funds, cash bank accounts and highly liquid debt instruments, with an original maturity when purchased of 90 days or less, to be cash and cash equivalents. At June 30, 2022, the Organization had no cash equivalents.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents (Continued)

Cash and cash equivalents consists of the following as of June 30, 2022:

Checking Accounts	$	129,114
Money Market Accounts		231,549
	$	360,663

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, 2022.

Prepaid Expenses

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

Fixed Assets

Fixed assets are recorded at cost to the Organization, or if donated, at the estimated fair market value at the date of donation. All depreciation is computed using the straight-line method based on the estimated useful life of the asset. The estimated useful life for the trailer is 10 years.

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.

Contributions and grants are recognized as revenue when the Organization obtains control of the promised contribution or grant, which is generally when the funds are received and any donor-imposed restrictions have been met.

The Organization records contributions and grants as temporarily restricted net assets when donor-imposed restrictions have not yet been met. Once the restrictions are met, the contributions and grants are reclassified as unrestricted net assets and recognized as revenue.

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 had no contributions with donor restrictions as of June 30, 2022.

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.

Expense	Method of Allocation
Payroll and related expenses	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, 2022. 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 $4,441 of accrued vacation at June 30, 2022.

Change in Accounting Principle

In February 2016, FASB issued ASU 2016-02, Leases. The standard requires all leases with lease terms over 12 months to be capitalized as a right of use asset and lease liability on the balance sheet at the date of lease commencement. Leases will be classified as either finance or operating. This distinction will be relevant for the pattern of expense recognition in the income statement. This standard will be effective for the fiscal year ending June 30, 2023. The Organization is currently in the process of evaluating the impact of adoption of this ASU on the financial statements.

2. AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Organization's financial assets as of June 30, 2022, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date:

Financial assets, at year-end	$ 360,663
Add: Accounts Receivable	21,966
Add: Accrued Revenue	57,666
Financial assets available to meet cash needs for general expenditures within one year	$ 440,295

There is an adequate amount of financial assets available as of June 30, 2022. 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 22.9% of total revenue for the year ended June 30, 2022.

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, 2022, the cash accounts exceeded the Federal Deposit Insurance Corporation limit of $250,000 by $97,151. 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:

Trailer	$ 19,943
Less: Accumulated Depreciation	(9,956)
Total Fixed Assets	$ 9,987

5. UNEARNED REVENUE

Unearned revenue includes grant funds that have not yet been earned. Unearned revenue for the year ended June 30, 2022 consists of:

Government Grant Revenue	$ 82,347
Total	$ 82,347

6. OPERATING LEASE

The Organization leases office and storage space under a month-to-month lease. The lease is cancellable at any time by giving a written notice to the landlord no less than thirty days prior to termination.

For the year ended June 30, 2022, rent expense totaled $11,700.

7. DONATED MATERIALS AND SERVICES IN-KIND

The Organization received in-kind donations as follows:

Donated Materials	$ 4,219
Total Donated Materials and Services	$ 4,219

8. INCOME TAXES

The Organization has been determined by the Internal Revenue Service to be exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code. Accordingly, the financial statements do not reflect a provision for income taxes.

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, 2019 are no longer open for examination.

The Organization has evaluted 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.

9. UNCERTAINTIES

In March 2020, the World Health Organization made the assessment that the outbreak of a novel coronavirus (COVID-19) can be characterized as a pandemic. As a result, the Organization has temporarily not been able to continue a portion of its activities. The extent to which these events will affect the amounts reported in future financial statements remains uncertain.

10. SUBSEQUENT EVENTS

Subsequent events have been evaluated through March 2, 2023, which is the date the financial statements were available to be issued.