

REBUILDING TOGETHER NASHVILLE, INC.

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

JUNE 30, 2021

REBUILDING TOGETHER NASHVILLE, INC.

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BELLENFANT

CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS

Professional Accounting & Consulting Services

INDEPENDENT AUDITOR'S REPORT

Board of Directors and Kaitlin Dastugue, Executive Director
Rebuilding Together Nashville, Inc.
Nashville, Tennessee

Report on the Financial Statements

We have audited the accompanying financial statements of Rebuilding Together Nashville, Inc., which comprise the statement of financial position as of June 30, 2021, and the related statements of activities 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.

Auditor's 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 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 Rebuilding Together Nashville, Inc., as of June 30, 2021, 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.

Bellenfant, PLLC

Nashville, Tennessee

September 20, 2021

REBUILDING TOGETHER NASHVILLE, INC.

STATEMENT OF FINANCIAL POSITION

JUNE 30, 2021

ASSETS

CURRENT ASSETS

Cash and Cash Equivalents	\$ 401,400
Accounts Receivable	82,898
Prepaid Expenses	7,848
Accrued Revenue	67,609
	<hr/>
Total Current Assets	559,755

FIXED ASSETS

Trailer	19,943
Accumulated Depreciation	(7,958)
	<hr/>
Total Fixed Assets	11,985
	<hr/>
Total Assets	\$ 571,740

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts Payable	\$ 38,578
Accrued Vacation	9,654
Unearned Revenue	93,633
	<hr/>
Total Current Liabilities	141,865

NET ASSETS

Without Donor Restrictions	429,875
With Donor Restrictions	-
	<hr/>
Total Net Assets	429,875
	<hr/>
Total Liabilities and Net Assets	\$ 571,740

The independent auditor's report and accompanying notes are an integral part of this statement.

REBUILDING TOGETHER NASHVILLE, INC.

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE			
Contributions and Grants:			
Government	\$ 107,708	\$ 401,878	\$ 509,586
Corporate	130,664	77,312	207,976
Non-profit Organizations	110,484	168,083	278,567
Individuals	32,915	-	32,915
 PPP Loan Forgiveness	 28,300	 -	 28,300
Other	14,644	-	14,644
Interest	122		122
In-Kind	26,812	-	26,812
Net Assets Released from Restrictions	647,273	(647,273)	-
 Total Support and Revenue	 <u>\$ 1,098,922</u>	 <u>\$ -</u>	 <u>\$ 1,098,922</u>
 EXPENSES			
Program Services	\$ 801,543	\$ -	\$ 801,543
Management and General	77,834	-	77,834
Fundraising	56,157	-	56,157
 Total Expenses	 <u>935,534</u>	 <u>-</u>	 <u>935,534</u>
 Change in Net Assets	 163,388	 -	 163,388
 Net assets, beginning of year	 <u>266,487</u>	 <u>-</u>	 <u>266,487</u>
 Net assets, end of year	 <u><u>\$ 429,875</u></u>	 <u><u>-</u></u>	 <u><u>\$ 429,875</u></u>

The independent auditor's report and accompanying notes are an integral part of this statement.

REBUILDING TOGETHER NASHVILLE, INC.

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2021

		<u>Supporting Services</u>		
	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries	\$ 171,387	\$ 36,819	\$ 40,811	\$ 249,017
Payroll Taxes	12,621	2,526	2,946	18,093
Total Compensation	<u>184,008</u>	<u>39,345</u>	<u>43,757</u>	<u>267,110</u>
Rent	29,877	5,093	4,699	39,669
Occupancy	2,334	2,634	-	4,968
Office Supplies	765	2,706	192	3,663
Professional Development	121	-	-	121
Professional Fees	-	20,001	-	20,001
Travel and Meetings	1,315	51	-	1,366
Insurance	2,509	438	-	2,947
Contract Labor	477,590	2,415	-	480,005
RT National Dues	15,099	-	-	15,099
Materials and Supplies	29,009	-	-	29,009
Logistics	8,430	-	-	8,430
CapacityCorps	4,500	-	-	4,500
Other	1,035	2,170	-	3,205
Dues and Subscriptions	-	1,077	-	1,077
Marketing	320	36	1,162	1,518
Database and Electronics	408	1,018	-	1,426
Fundraising	547	-	3,565	4,112
Depreciation	1,998	-	-	1,998
In-Kind	26,812	-	-	26,812
Staff Benefits	9,067	850	2,782	12,699
COVID Supplies	<u>5,799</u>	<u>-</u>	<u>-</u>	<u>5,799</u>
	<u><u>\$ 801,543</u></u>	<u><u>\$ 77,834</u></u>	<u><u>\$ 56,157</u></u>	<u><u>\$ 935,534</u></u>

The independent auditor's report and accompanying notes are an integral part of this statement.

REBUILDING TOGETHER NASHVILLE, INC.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2021

CASH FLOWS FROM OPERATING ACTIVITIES

Change in Net Assets	\$ 163,388
Adjustments to reconcile net income to net cash provided (used) by operating activities:	
Depreciation	1,998
(Increase) Decrease in:	
Accounts Receivable	(82,777)
Prepaid Expenses	(3,179)
Accrued Revenue	(60,279)
Increase (Decrease) in:	
Accrued Vacation	2,754
Accounts Payable	34,254
Unearned Revenue	<u>(111,236)</u>
Net Cash Provided (Used) by Operating Activities	<u>(55,077)</u>

CASH FLOWS FROM FINANCING ACTIVITIES

Forgiveness of PPP Loan Payable	<u>(28,300)</u>
Net Cash Provided (Used) by Financing Activities	<u>(28,300)</u>
Net Increase (Decrease) in Cash	(83,377)
Cash and Cash Equivalents, beginning of year	<u>484,777</u>
Cash and Cash Equivalents, end of year	<u><u>\$ 401,400</u></u>

The independent auditor's report and accompanying notes are an integral part of this statement.

REBUILDING TOGETHER NASHVILLE, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

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 \$429,875 of net assets without donor restrictions as of June 30, 2021.

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, 2021.

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 twelve months or less, to be cash and cash equivalents. At June 30, 2021, the Organization had no cash equivalents.

REBUILDING TOGETHER NASHVILLE, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

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, 2021.

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, 2018 are no longer open for examination.

REBUILDING TOGETHER NASHVILLE, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes (Continued)

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.

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 amount 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.

Change in Accounting Principle

In May 2014, FASB issued ASU 2014-09, Revenue from Contracts with Customers. ASU 2014-09 clarifies the principles for recognizing revenue and develops a common revenue standard under U.S. GAAP under which an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. ASU 2014-09 was effective for the fiscal year ending June 30, 2021.

Accounting Policies for Future Pronouncements

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. 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 29.4% of total revenue for the year ended June 30, 2021.

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.

REBUILDING TOGETHER NASHVILLE, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2021

3. FIXED ASSETS

Fixed assets are stated at cost and consist of:

Trailers	\$ 19,943
Less: Accumulated Depreciation	<u>(7,958)</u>
Fixed Assets, net	<u><u>\$ 11,985</u></u>

4. 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, 2021, rent expense totaled \$11,700.

5. PPP LOAN PAYABLE

In response to the pandemic, Congress passed the Coronavirus Aid, Relief, and Economic Security (CARES) Act, and it was signed into law on March 27, 2020. The CARES Act implemented the Payroll Protection Program (PPP), which provides loans to small businesses and charitable organization to keep their employees on payroll. The Organization obtained a PPP loan for \$28,300 on April 20, 2020.

The balance on the PPP Loan Payable has been forgiven in full as of December 31, 2020.

6. DONATED MATERIALS AND SERVICES IN-KIND

The Organization received in-kind donations as follows:

Donated Materials	\$ 13,912
Donated Contract Labor	<u>12,900</u>
Total Donated Materials and Services	<u><u>\$ 26,812</u></u>

REBUILDING TOGETHER NASHVILLE, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2021

7. AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Organization's financial assets as of June 30, 2021, 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	\$ 401,400
Add: accounts receivable	82,898
Less: accounts payable	<u>(38,578)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 445,720</u>

There is an adequate amount of financial assets available as of June 30, 2021. The Organization effectively manages its liquid available resources to meet cash needs for general expenditures within one year of the balance sheet date.

8. SUBSEQUENT EVENTS

Subsequent events have been evaluated through September 20, 2021 which is the date the financial statements were available to be issued.