

REBUILDING TOGETHER NASHVILLE, INC.

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

JUNE 30, 2019

REBUILDING TOGETHER NASHVILLE, INC.

TABLE OF CONTENTS

JUNE 30, 2019

Independent Auditor's Report	3
Financial Statements:	
Statement of Financial Position	5
Statement of Activities	6
Statement of Functional Expenses	7
Statement of Cash Flows	8
Notes to Financial Statements	9



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, 2019, 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, 2019, 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

September 30, 2019

REBUILDING TOGETHER NASHVILLE, INC.

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2019

ASSETS

Current Assets

Cash	\$ 117,132
Accounts Receivable	17,400
Prepaid Expenses	3,393
Accrued Revenue	24,263
	<hr/>
Total Current Assets	162,188

Fixed Assets

Trailer	19,943
Accumulated Depreciation	(3,963)
	<hr/>
Total Fixed Assets	15,980
	<hr/>
Total Assets	\$ 178,168

LIABILITIES AND NET ASSETS

Current Liabilities

Accounts Payable	\$ 12,056
Unearned Revenue	13,834
	<hr/>
Total Current Liabilities	25,890

Net Assets

Without Donor Restrictions	152,278
With Donor Restrictions	-
	<hr/>
Total Net Assets	152,278
	<hr/>
Total Liabilities and Net Assets	\$ 178,168

The accompanying notes are an integral part of this statement.

REBUILDING TOGETHER NASHVILLE, INC.

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue			
Contributions and Grants:			
Government	\$ 75,625	\$ 226,134	\$ 301,759
Corporate	75,283	37,430	112,713
Non-profit Organizations	52,000	48,000	100,000
Individuals	25,659	-	25,659
Rebuilding Together Nashville	10,602	16,083	26,685
MDHA	9,159	6,415	15,574
Other	21,588	-	21,588
In-Kind	7,239	-	7,239
Net Assets Released from Restrictions	334,062	(334,062)	-
 Total Support and Revenue	 611,217	 -	 611,217
Expenses			
Program Services	457,175	-	457,175
Management and General	58,168	-	58,168
Fundraising	43,629	-	43,629
 Total Expenses	 558,972	 -	 558,972
 Change in Net Assets	 52,245	 -	 52,245
Net assets, beginning of year	100,033	-	100,033
 Net assets, end of year	 \$ 152,278	 -	 \$ 152,278

The accompanying notes are an integral part of this statement.

REBUILDING TOGETHER NASHVILLE, INC.

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2019

	Program Services	Supporting Services Management and General	Fundraising	Total
Salaries	68,113	27,513	26,207	121,833
Payroll Taxes	5,312	1,866	2,141	9,319
Total Compensation	73,425	29,379	28,348	131,152
Rent	9,360	2,340	-	11,700
Occupancy	3,740	1,305	-	5,045
Office Supplies	753	1,869	2,122	4,744
Professional Development	865	-	-	865
Professional Fees	-	16,336	-	16,336
Travel and Meetings	4,460	2,115	9	6,584
Insurance	531	309	-	840
Contract Labor	269,525	436	445	270,406
Storage Unit Rental	-	-	-	-
RT National Dues	11,002	-	-	11,002
Materials and Supplies	30,364	-	-	30,364
Logistics	13,906	-	-	13,906
CapacityCorps	28,573	-	-	28,573
Other	859	2,292	-	3,151
Dues and Subscriptions	-	444	50	494
Marketing	-	216	637	853
Database and Electronics	580	29	-	609
Fundraising	-	-	12,018	12,018
Depreciation	1,993	-	-	1,993
Interest	-	1,098	-	1,098
In-Kind	7,239	-	-	7,239
	<u>457,175</u>	<u>58,168</u>	<u>43,629</u>	<u>558,972</u>

The accompanying notes are an integral part of this statement.

REBUILDING TOGETHER NASHVILLE, INC.

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED JUNE 30, 2019

CASH FLOWS FROM OPERATING ACTIVITIES

Change in Net Assets	\$ 52,245
Adjustments to reconcile net income to net cash used by operating activities:	
Depreciation	1,993
(Increase) Decrease in:	
Accounts Receivable	7,584
Prepaid Expenses	(3,393)
Accrued Revenue	22,034
Increase (Decrease) in:	
Accounts Payable	11,138
Unearned Revenue	2,027
	<hr/>
Net Cash Provided (Used) by Operating Activities	93,628

CASH FLOWS FROM INVESTING ACTIVITIES

(Purchase) Disposal of Furniture and Equipment	<hr/> (320)
Net Cash Provided (Used) by Investing Activities	<hr/> (320)
Net Increase (Decrease) in Cash	93,308
Cash, beginning of year	<hr/> 23,824
Cash, end of year	<hr/> <hr/> \$ 117,132

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

REBUILDING TOGETHER NASHVILLE, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

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 \$152,278 of net assets without donor restrictions as of June 30, 2019.

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, 2019.

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 three months or less, to be cash and cash equivalents. At June 30, 2019, the Organization had no cash equivalents.

REBUILDING TOGETHER NASHVILLE, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2019

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, 2019.

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, 2016 are no longer open for examination.

REBUILDING TOGETHER NASHVILLE, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2019

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.

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 43.6% of total revenue for the year ended June 30, 2019.

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.

3. FURNITURE AND EQUIPMENT

The following changes to fixed assets occurred during the year ended June 30, 2019:

	Beginning Balance	Additions	Deletions	Ending Balance
Trailer	\$ 19,943	\$ -	\$ -	\$ 19,943
Accumulated Depreciation	(1,970)	(1,993)	-	(3,963)
Net Fixed Assets	<u>\$ 17,973</u>	<u>\$ (1,993)</u>	<u>\$ -</u>	<u>\$ 15,980</u>

REBUILDING TOGETHER NASHVILLE, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2019

4. OPERATING LEASE

The Organization leases office and storage space under an operating lease that expires May 2019. 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, 2019 are as follows:

2020	<u>\$ 11,700</u>
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For the year ended June 30, 2019, rent expense totaled \$11,700.

5. DONATED MATERIALS AND SERVICES IN-KIND

The Organization received in-kind donations as follows:

Donated Materials	\$ 3,304
Donated Contract Labor	<u>3,935</u>
Total Donated Materials and Services	<u>\$ 7,239</u>

6. SUBSEQUENT EVENTS

Subsequent events have been evaluated through September 30, 2019 which is the date the financial statements were available to be issued.