

Rebuilding Together Peninsula
(a California nonprofit public benefit corporation)

FINANCIAL STATEMENTS

AND

INDEPENDENT AUDITOR'S REPORT

Year Ended September 30, 2016

(with Comparative Totals For the Years Ended
September 30, 2015 and September 30, 2014)

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Boman Accounting Group, Inc.

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Rebuilding Together Peninsula
(A California Nonprofit Public Benefit Corporation)
Redwood City, California

We have audited the accompanying financial statements of Rebuilding Together Peninsula (a California non-profit public benefit corporation), which comprise the statements of financial position as of September 30, 2016, and the related statements of activities, functional expenses, 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 audits. 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 of Rebuilding Together Peninsula, as of September 30, 2016 and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We previously audited the Rebuilding Together Peninsula's 2015 financial statements, and our report dated January 15, 2016, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2015, is consistent, in all material respects, with the audited financial statements from which it has been derived.

We previously audited the Rebuilding Together Peninsula's 2014 financial statements, and our report dated January 16, 2015, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2014, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Boman Accounting Group, Inc.
Campbell, California
February 13, 2017

REBUILDING TOGETHER PENINSULA
(A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION)
STATEMENT OF FINANCIAL POSITION

September 30, 2016
(With Comparative Totals for 2015 and 2014)

	2016	2015	2014
ASSETS			
Current assets			
Cash and equivalents	\$ 215,394	\$ 353,123	\$ 182,332
Accounts receivable	183,112	119,410	102,437
Investments	1,086,200	1,230,292	1,134,389
Prepaid expenses	10,533	16,676	28,584
Building supplies inventory	50,564	34,250	38,740
Other current assets	5,085	-	435
	<u>1,550,888</u>	<u>1,753,751</u>	<u>1,486,917</u>
Fixed assets			
Property and equipment - net	2,592,071	2,580,793	2,261,694
	<u>2,592,071</u>	<u>2,580,793</u>	<u>2,261,694</u>
Other assets			
Promotional videos - net	22,640	25,274	31,868
Database development/conversion - net	31,305	43,827	56,349
Website development expenses - net	9,898	19,035	28,172
	<u>63,843</u>	<u>88,136</u>	<u>116,389</u>
Total Assets	<u>\$ 4,206,802</u>	<u>\$ 4,422,680</u>	<u>\$ 3,865,000</u>
LIABILITIES AND NET ASSETS			
Current liabilities			
Accounts payable	\$ 29,695	\$ 16,791	\$ 26,018
Accrued liabilities	38,429	24,788	24,594
Deferred support	-	-	15,000
Deferred revenue, non-program	-	-	95,527
	<u>68,124</u>	<u>41,579</u>	<u>161,139</u>
Total current liabilities	<u>68,124</u>	<u>41,579</u>	<u>161,139</u>
Total liabilities	<u>68,124</u>	<u>41,579</u>	<u>161,139</u>
Net assets			
Unrestricted net assets	3,643,775	3,954,164	3,687,788
Temporarily restricted net assets	494,903	426,937	16,073
	<u>4,138,678</u>	<u>4,381,101</u>	<u>3,703,861</u>
Total Liabilities and Net Assets	<u>\$ 4,206,802</u>	<u>\$ 4,422,680</u>	<u>\$ 3,865,000</u>

The accompanying notes are an integral part of these financial statements

REBUILDING TOGETHER PENINSULA
(A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION)
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

Year Ended September 30, 2016
(With Comparative Totals for 2015 and 2014)

	2016			2015 Total	2014 Total
	Unrestricted	Temporarily Restricted	Total		
Revenues, gains and other support					
Contributions and net revenue from					
Biennial special event (Dreams Happen)					
Contributions	\$ -	\$ -	\$ -	\$ 529,329	\$ -
Special event revenue	-	-	-	34,650	-
Less: direct expenses	-	-	-	(90,544)	-
	-	-	-	473,435	-
25th anniversary special event					
Contributions	\$ -	\$ -	\$ -	\$ 158,681	\$ -
Special event revenue	-	-	-	25,028	42,715
Less: direct expenses	-	-	-	(37,427)	(42,715)
Net revenue from Special Event	-	-	-	146,282	-
Contributions and grants					
Donations	267,158	16,200	283,358	565,995	231,898
Foundations	192,500	175,000	367,500	102,500	146,600
Contributions in-kind	615,502	-	615,502	322,018	497,545
Revenues					
Government contracts	417,835	-	417,835	348,087	384,116
Program sponsorships	459,010	91,214	550,224	635,586	908,482
Rebuilding Together, Inc. sponsorship	-	-	-	17,000	64,000
Rental Income	-	-	-	5,700	22,800
Other income	25,500	-	25,500	5,002	31
Interest and dividend income	36,792	-	36,792	33,046	29,485
Net realized/unrealized gains/(losses)	145,982	-	145,982	7,152	69,781
	2,160,279	282,414	2,442,693	2,661,803	2,354,738
Net assets released from restriction	214,448	(214,448)	-	-	-
Total revenues, gains and other support	2,374,727	67,966	2,442,693	2,661,803	2,354,738
Expenses					
Program Services	2,233,521	-	2,233,521	1,588,517	2,062,197
Supporting Services:					
Management and general	219,876	-	219,876	205,225	199,850
Fundraising	231,719	-	231,719	190,821	219,448
Total expenses	2,685,116	-	2,685,116	1,984,563	2,481,495
Change in net assets	(310,389)	67,966	(242,423)	677,240	(126,757)
Net assets at beginning of year	3,954,164	426,937	4,381,101	3,703,861	3,830,618
Net assets at end of year	\$ 3,643,775	\$ 494,903	\$ 4,138,678	\$ 4,381,101	\$ 3,703,861

The accompanying notes are an integral part of these financial statements

REBUILDING TOGETHER PENINSULA
(A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION)
STATEMENT OF FUNCTIONAL EXPENSES

Year Ended September 30, 2016
(With Comparative Totals for 2015 and 2014)

	2016						
	Program Services	Supporting Services			Total Expenses	2015 Total Expenses	2014 Total Expenses
	Total	Management and General	Fund- Raising	Total			
Expenses:							
Salaries and wages	\$ 519,623	\$ 73,579	\$ 125,620	\$ 199,199	\$ 718,822	\$ 614,278	\$ 613,325
Payroll taxes and benefits	115,103	11,868	23,585	35,453	150,556	123,921	144,013
Total salaries and related expenses	634,726	85,447	149,205	234,652	869,378	738,199	757,338
Renovation - cash paid	849,324	-	-	-	849,324	556,855	898,712
Renovation - in-kind	572,875	3,500	805	4,305	577,180	322,018	482,545
Volunteer expenses	16,343	-	3,961	3,961	20,304	43,123	42,131
Advertising	-	-	15,987	15,987	15,987	15,055	15,167
Bank and investment fees	-	14,267	-	14,267	14,267	23,244	10,119
Charitable donations	-	-	-	-	-	0	150
Dues and subscriptions	172	447	732	1,179	1,351	2,817	2,711
Equipment maintenance	23,590	2,173	4,029	6,202	29,792	11,666	10,274
Fundraising	-	-	-	-	-	-	145
In-kind expenses	-	805	-	805	805	-	-
Insurance	4,042	4,009	318	4,327	8,369	8,323	7,919
Newsletter	5,071	-	2,607	2,607	7,678	8,331	10,916
Occupancy	14,047	1,320	2,289	3,609	17,656	10,211	8,371
Office	-	2,916	730	3,646	3,646	2,375	3,099
Other expenses	-	368	-	368	368	-	-
Payroll services	-	1,616	-	1,616	1,616	1,482	2,614
Professional fees	12,611	70,871	10,660	81,531	94,142	71,950	93,933
Printing and postage	4,693	614	18,469	19,083	23,776	13,419	21,938
Staff training and conferences	-	14,327	-	14,327	14,327	35,899	8,506
Taxes and licenses	-	8,388	-	8,388	8,388	3,842	7,047
Telephone	9,108	937	1,351	2,288	11,396	8,475	6,287
Transportation	21,535	1,425	1,663	3,088	24,623	20,688	17,279
Total expenses before depreciation	2,168,137	213,430	212,806	426,236	2,594,373	1,897,972	2,407,201
Depreciation	65,384	6,446	18,913	25,359	90,743	86,591	74,293
Total expenses	<u>\$ 2,233,521</u>	<u>\$ 219,876</u>	<u>\$ 231,719</u>	<u>\$ 451,595</u>	<u>\$ 2,685,116</u>	<u>\$ 1,984,563</u>	<u>\$ 2,481,494</u>
Percentage of total	<u>83.18%</u>	<u>8.19%</u>	<u>8.63%</u>	<u>16.82%</u>	<u>100.00%</u>		

The accompanying notes are an integral part of these financial statements

REBUILDING TOGETHER PENINSULA
(A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION)
STATEMENT OF CASH FLOWS

Year Ended September 30, 2016
(With Comparative Totals for 2015 and 2014)

	2016	2015	2014
Cash flows from operating activities:			
Change in net assets	\$ (242,423)	\$ 677,240	\$ (126,757)
Noncash items included in revenues and expenses:			
Depreciation	61,451	58,338	63,296
Net realized and unrealized (gains) losses on investments	(145,982)	(7,152)	(69,781)
Donation of property and equipment	-	-	(15,000)
Increase (decrease) in cash resulting from changes in:			
Accounts receivable	(63,702)	(16,973)	(91,717)
Prepaid expenses	6,143	11,908	(18,539)
Deferred support, restricted	-	(15,000)	(35,000)
Deferred revenue, non-program	-	(95,527)	95,527
Accounts payable	12,904	(9,227)	(33,413)
Accrued liabilities	13,641	194	(7,850)
Building supplies inventory	(16,314)	4,490	(14,583)
Other current assets	(5,085)	435	(22)
Other assets	29,293	28,253	(46,052)
Net cash provided by (used in) operating activities	(350,074)	636,979	(299,891)
Cash flows from investing activities:			
Proceeds from sale of investments	437,255	282,641	177,622
Purchase of investments	(147,181)	(371,392)	(426,217)
Purchase of property and equipment	(77,729)	(377,437)	(5,500)
Net cash provided by (used in) investing activities	212,345	(466,188)	(254,095)
Cash flows from financing activities:			
Net cash provided by (used in) financing activities	-	-	-
Net change in cash and cash equivalents	(137,729)	170,791	(553,986)
Beginning cash and cash equivalents	353,123	182,332	736,318
Ending cash and cash equivalents	\$ 215,394	\$ 353,123	\$ 182,332
SUPPLEMENTAL CASH FLOW INFORMATION:			
Property acquired by in-kind contributions	\$ 27,517	\$ -	\$ 15,000

The accompanying notes are an integral part of these statements

Rebuilding Together Peninsula
(A California Nonprofit Public Benefit Corporation)

NOTES TO FINANCIAL STATEMENTS

NOTE A — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the Organization's significant accounting policies applied in the preparation of the accompanying financial statements follows:

1. Nature of Activities

Rebuilding Together Peninsula (the "Organization") is a California nonprofit public benefit corporation exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and Section 23701d of California Revenue and Taxation Code. The organization coordinates volunteer oriented events to repair and improve community based buildings and homes of the low income, elderly, and/or disabled principally in Santa Clara and San Mateo Counties of California. It solicits donations of money, material, and labor in order to support these events, which occur throughout the year.

2. Basis of Accounting

The accompanying financial statements for the Organization have been prepared on the accrual basis of accounting.

3. Basis of Presentation

Net assets are classified based on the existence or absence of donor-imposed restrictions. Net assets are defined as follows:

Unrestricted net assets – net assets that are not subject to donor-imposed stipulations. The Organization has elected to report as an increase in unrestricted net assets any support received in the current reporting period for which the restrictions have been met in the current reporting period.

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.

4. 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 amounts of assets and liabilities at the date of the financial statements and the reported amounts of support, revenue and expenses during the period. Accordingly, actual results could differ from those estimates.

Rebuilding Together Peninsula
(A California Nonprofit Public Benefit Corporation)

NOTES TO FINANCIAL STATEMENTS

NOTE A — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

5. Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents. Cash and cash equivalents consist mainly of cash and money market funds, and are valued using Level 1 inputs as discussed in Note B.

6. Accounts Receivable

The Organization considers all accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts is considered necessary.

7. Investments

The Organization's investments are stated at fair value in the statement of financial position, with all gains and losses included in the statement of activities. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note B for discussion of fair value measurement.

Investments acquired by gift are recorded at their fair value at the date of the gift. The Organization's policy is to liquidate all gifts of investments as soon as possible after the gift.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Unrealized gains and losses represent the change in the fair value of the individual investments for the year, or since the acquisition date, if acquired during the year.

8. Inventory

Building supplies inventory consists of materials purchased and received for repair and rebuilding projects and is stated at the lower of cost or market.

9. Property and Equipment

Property and equipment are recorded at cost or estimated fair value for donated items. Equipment purchases over \$1,000 are capitalized. The cost of repairs and maintenance which do not improve or extend the lives of the respective assets are expensed currently. Depreciation is computed using the straight-line method based on the estimated useful lives of the assets, which range from 3 to 27.5 years. Depreciation is charged to the activity benefiting from the use of the property or equipment.

Rebuilding Together Peninsula
(A California Nonprofit Public Benefit Corporation)

NOTES TO FINANCIAL STATEMENTS

NOTE A — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

10. Accrued Vacation

Accrued vacation represents vacation earned, but not taken as of September 30, 2016 and is included in "accrued liabilities" in the statement of financial position. The accrued vacation balance as of September 30, 2016, 2015, and 2014 was \$30,739, \$20,321, and \$17,880, respectively.

11. Revenue Recognition

Contributions are recognized when the donor makes a promise to the Organization that is, in substance, unconditional. The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

12. Contributions In-Kind

The Organization records donated equipment and other donated goods at their estimated fair value as of the date of the donation. Contributed services, which require a specialized skill and which the Organization would have paid for if not donated, are recorded at the estimated fair value at the time the services are rendered.

13. Expense Allocation

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Indirect functional expenses are allocated to program and supporting services based on an analysis of personnel time and space utilized.

14. Income Taxes

Rebuilding Together Peninsula is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and state income taxes under Section 23701(d) of the California Revenue Taxation Code. Accordingly, no provision for income taxes has been made in the accompanying statements. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) of the Internal Revenue Code and has been classified as an organization that is not a private foundation under Section 509(a)(1) of the Internal Revenue Code.

NOTES TO FINANCIAL STATEMENTS

NOTE A — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Generally accepted accounting principles provide accounting and disclosure guidance about positions taken by an organization in its tax returns that might be uncertain. Management has considered its tax positions and believes that all of the positions taken by the Organization in its federal and state exempt organization tax returns are more likely than not to be sustained upon examination.

The Organization's federal returns for the years ended September 30, 2015, 2014, and 2013 could be subject to examination by federal taxing authorities, generally for three years after they are filed. The Organization's state returns for the years ended September 30, 2015, 2014, 2013, and 2012 could be subject to examination by state taxing authorities, generally for four years after they are filed.

15. Advertising

The Organization's policy is to expense advertising costs as the costs are incurred. Advertising expenses for the years ended September 30, 2016, 2015, and 2014 was \$15,987, \$15,055 and \$15,167, respectively.

16. Impairment of Long-Lived Assets

The Organization reviews property and equipment for impairment whenever events or changes in circumstances indicate that the carrying value of the property and equipment may not be recoverable. Recoverability is measured by a comparison of the carrying amount of the asset to future net cash flows, undiscounted and without interest, expected to be generated by the asset. If assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the asset exceeds the fair value of the asset. For the year ended September 30, 2016 there were no events or changes in circumstances indicating that the carrying amount of the property and equipment may not be recoverable.

17. Subsequent Events

Management of the Organization has evaluated events and transactions subsequent to September 30, 2016 for potential recognition or disclosure in the financial statements. The Organization did not have subsequent events that required recognition or disclosure in the financial statements for the fiscal year ended September 30, 2016. Subsequent events have been evaluated through February 13, 2017, the date the financial statements became available to be issued.

18. Reclassifications

Certain prior year amounts have been reclassified to conform to the current year presentation.

Rebuilding Together Peninsula
(A California Nonprofit Public Benefit Corporation)

NOTES TO FINANCIAL STATEMENTS

NOTE B —INVESTMENTS

Investments consist of the following at September 30, 2016, 2015 and 2014:

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Corporate Bonds	\$ 200,480	\$ 259,856	\$ 217,451
Corporate Equities	825,304	886,855	858,981
Mutual Funds	-	28,105	29,289
REIT	30,360	35,388	-
ETF	<u>30,056</u>	<u>20,088</u>	<u>28,668</u>
 Total Investments	 <u>\$ 1,086,200</u>	 <u>\$ 1,230,292</u>	 <u>\$ 1,134,389</u>

Investments are measured at fair value. Generally accepted accounting principles establishes a fair value hierarchy that prioritizes the inputs used to measure fair value. The three levels of the fair value hierarchy are as follows:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2: Inputs are based on significant observable inputs, including unadjusted quoted market prices for similar assets and liabilities in active markets, unadjusted quoted prices for identical or similar assets or liabilities in markets that are not active, or inputs other than quoted prices that are observable for the asset or liability.

Level 3: Significant unobservable inputs for the asset or liability.

The level of the fair value hierarchy within which a fair value measurement in its entirety falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

The following table sets forth by level, within the fair value hierarchy, the Organization's financial instruments at fair value as of September 30, 2016:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Corporate Bonds	\$ 200,480	\$ -	\$ -
Corporate Equities	825,304	-	-
Mutual Funds	-	-	-
REIT	30,360	-	-
Exchange Traded Funds	<u>30,056</u>	<u>-</u>	<u>-</u>
 Total Investments	 <u>\$ 1,086,200</u>	 <u>\$ -</u>	 <u>\$ -</u>

Rebuilding Together Peninsula
(A California Nonprofit Public Benefit Corporation)

NOTES TO FINANCIAL STATEMENTS

NOTE C — PREPAID EXPENSES

Prepaid expenses at September 30, 2016, 2015, and 2014 are summarized as follows:

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Prepaid insurance	\$ 10,380	\$ 16,199	\$ 9,642
Prepaid Equipment Lease	153	169	153
Prepaid Copier Maintenance	-	308	302
Other Prepaid Expense	-	-	18,487
Total	<u>\$ 10,533</u>	<u>\$ 16,676</u>	<u>\$ 28,584</u>

NOTE D — PROPERTY AND EQUIPMENT

The cost and related accumulated depreciation of the property and equipment as of September 30, 2016, 2015, and 2014 consisted of the following:

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Building	\$ 738,297	\$ 738,297	\$ 633,456
Building Improvements	930,134	872,413	869,281
Land	1,287,613	1,287,613	1,018,148
Furniture and Equipment	124,984	109,977	109,977
Automobile	15,000	15,000	15,000
	<u>3,096,028</u>	<u>3,023,300</u>	<u>2,645,862</u>
Less accumulated depreciation	<u>(503,957)</u>	<u>(442,507)</u>	<u>(384,168)</u>
Property and Equipment, Net	<u>\$ 2,592,071</u>	<u>\$ 2,580,793</u>	<u>\$ 2,261,694</u>

Depreciation expense for the years ended September 30, 2016, 2015 and 2014 was \$90,743, \$86,591, and \$74,293 respectively.

The cost and related accumulated amortization of the promotional videos, database development/conversion and the website as of September 30, 2016, 2015, and 2014 consisted of the following:

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Promotional videos	\$ 37,967	\$ 32,967	\$ 32,968
	<u>37,967</u>	<u>32,967</u>	<u>32,967</u>
Less accumulated amortization	<u>(15,327)</u>	<u>(7,693)</u>	<u>(1,099)</u>
Promotional videos, Net	<u>\$ 22,640</u>	<u>\$ 25,274</u>	<u>\$ 31,868</u>

Rebuilding Together Peninsula
(A California Nonprofit Public Benefit Corporation)

NOTES TO FINANCIAL STATEMENTS

NOTE D — PROPERTY AND EQUIPMENT – CONTINUED

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Database development/ conversion	\$ 62,610	\$ 62,610	\$ 62,610
	<u>62,610</u>	<u>62,610</u>	<u>62,610</u>
Less accumulated amortization	<u>(31,305)</u>	<u>(18,783)</u>	<u>(6,261)</u>
 Database development/ conversion, Net	 <u>\$ 31,305</u>	 <u>\$ 43,827</u>	 <u>\$ 56,349</u>
	<u>2016</u>	<u>2015</u>	<u>2014</u>
Website	\$ 45,683	\$ 45,683	\$ 45,683
	<u>45,683</u>	<u>45,683</u>	<u>45,683</u>
Less accumulated amortization	<u>(35,785)</u>	<u>(26,648)</u>	<u>(17,512)</u>
 Website, Net	 <u>\$ 9,898</u>	 <u>\$ 19,035</u>	 <u>\$ 28,171</u>

NOTE E — TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets as of September 30, 2016, 2015, and 2014 consisted of:

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Time Restriction	\$ -	\$ -	\$ 1,073
Team Build Projects	15,000	30,000	15,000
Healthy Housing Challenge	349,903	336,937	-
Safe at Home	95,000	60,000	-
FMA Budget Project	15,000	-	-
Actionable Insights	<u>20,000</u>	<u>-</u>	<u>-</u>
Total Temporarily Restricted Net Assets	<u>\$ 494,903</u>	<u>\$ 426,937</u>	<u>\$ 16,073</u>

Rebuilding Together Peninsula
(A California Nonprofit Public Benefit Corporation)

NOTES TO FINANCIAL STATEMENTS

NOTE F — CONCENTRATIONS OF CREDIT RISK

The Organization typically maintains cash and cash equivalents and temporary investments in local banks which may, at times, exceed the Federal Deposit Insurance Corporation's limits. Generally, these deposits may be redeemed upon demand and are maintained with financial institutions of reputable credit and therefore bear minimal credit risk. The Organization has not experienced any losses on its cash and cash equivalents.

NOTE G — COMMITMENTS

The Organization is a member of Rebuilding Together. Under the membership agreement, Rebuilding Together Peninsula is required to contribute an established percentage of its monetary income each year to the national organization as a fee for membership. The membership fee for the year ended September 30, 2016 was \$12,500.

NOTE H — DONATED SERVICES AND MATERIALS

1. The Organization received donated services from a variety of unpaid volunteers. The value of this contributed time is not reflected in the accompanying financial statements since the services do not require specialized skills. During the year ended September 30, 2016, these volunteers donated approximately 17,168 hours with an estimated value of \$496,327. This value was computed using an hourly rate of \$28.91. This amount is based upon the average hourly earnings of nonagricultural workers for the fiscal year ended September 30, 2016 (as determined by the U.S. Department of Labor's Bureau of Labor Statistics, plus 12% for estimated fringe benefits).
2. The Organization also received donated services and material which were recorded at market value as follows:

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Renovation materials and labor	\$ 577,180	\$ 197,037	\$ 482,545
Truck	-	-	15,000
Marketing materials	-	-	-
Dreams Happen event materials and labor	-	124,981	-
Supplies	805	-	-
Americorp Building materials and labor	27,517	-	-
Website/Marketing	10,000	-	-
Total	<u>\$ 615,502</u>	<u>\$ 322,018</u>	<u>\$ 497,545</u>

Rebuilding Together Peninsula
(A California Nonprofit Public Benefit Corporation)

NOTES TO FINANCIAL STATEMENTS

NOTE I – SPECIAL EVENT (DREAMS HAPPEN)

The Organization conducts the Dreams Happen event every other year. Net proceeds from the event are used to fund operations for two consecutive years. The revenue and related expenses from the event for the year ending September 30, 2016, 2015, and 2014 are as follows:

	2016		2015		2014	
	Cash	Noncash	Cash	Non-Cash	Cash	Noncash
Contributions						
Playhouse auction	\$ -	\$ -	\$ 289,000	\$ -	\$ -	\$ -
Underwriting	-	-	232,679	-	-	-
Donations	-	-	7,650	124,981	-	-
Total Contributions	\$ -	\$ -	\$ 529,329	\$ 124,981	\$ -	\$ -
Revenue						
Event Tickets	\$ -	\$ -	\$ 15,685	\$ -	\$ -	\$ -
Playhouse raffle	-	-	3,755	-	-	-
Dream Box Drawing	-	-	15,210	-	-	-
Total Revenue	\$ -	\$ -	\$ 34,650	\$ -	\$ -	\$ -
Total Event Income	\$ -	\$ -	\$ 563,979	\$ 124,981	\$ -	\$ -
Total Direct Expenses	\$ -	\$ -	\$ 90,544	\$ 124,981	\$ -	\$ -
Net Event Proceeds	\$ -	\$ -	\$ 473,435	\$ -	\$ -	\$ -

NOTE J – RETIREMENT PLANS

The Organization provides a defined contribution retirement plan, under section 403(b) of the Internal Revenue Code to all its employees. The Organization does not match these contributions.

In addition, the Organization manages a SEP-IRA plan, under section 408(k) of the Internal Revenue Code to eligible employees. The Organization contributes 3% of the eligible employee's salary to the plan. Total contributions by the Organization to the plan for the years ended September 30, 2016, 2015 and 2014 were \$20,477, \$16,712 and \$18,014 respectively.