



**REBUILDING TOGETHER PENINSULA**

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**FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2019**

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## INDEPENDENT AUDITORS' REPORT

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To the Board of Directors  
Rebuilding Together Peninsula

### Report on the Financial Statements

We have audited the accompanying financial statements of Rebuilding Together Peninsula (a nonprofit organization), which comprise the Statement of Financial Position as of September 30, 2019, 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.

### Auditors' 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 auditors' 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, 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.

## INDEPENDENT AUDITORS' REPORT

continued

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### Other Matter

#### *Report on Summarized Comparative Information*

We have previously audited Rebuilding Together Peninsula's 2018 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated March 28, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived.

The financial statements of Rebuilding Together Peninsula as of September 30, 2017 were audited by other auditors whose report dated June 11, 2018 expressed an unmodified opinion on those financial statements.

*Harrington Group*

Oakland, California  
March 18, 2020

# REBUILDING TOGETHER PENINSULA

## STATEMENT OF FINANCIAL POSITION

September 30, 2019

With comparative totals at September 30, 2018 and 2017

	<u>2019</u>	<u>2018</u>	<u>2017</u>
<b>ASSETS</b>			
Cash and cash equivalents (Note 2)	\$ 442,725	\$ 212,606	\$ 455,180
Accounts receivable	141,701	283,080	139,972
Investments (Note 4)	1,271,360	1,282,019	1,173,541
Prepaid and other assets	53,831	37,617	17,713
Inventories	32,193	42,726	23,454
Property and equipment (Note 5)	2,794,487	2,863,567	2,931,548
Other non-current assets (Note 5)	23,085	29,754	50,925
<b>TOTAL ASSETS</b>	<u>\$ 4,759,382</u>	<u>\$ 4,751,369</u>	<u>\$ 4,792,333</u>
<b>LIABILITIES AND NET ASSETS</b>			
<b>LIABILITIES</b>			
Accounts payable	\$ 47,534	\$ 41,138	\$ 22,609
Accrued liabilities (Note 6)	65,145	35,371	68,725
<b>TOTAL LIABILITIES</b>	<u>112,679</u>	<u>76,509</u>	<u>91,334</u>
<b>NET ASSETS</b>			
Without donor restrictions	3,816,220	3,831,349	4,082,496
With donor restrictions (Note 7)	830,483	843,511	618,503
<b>TOTAL NET ASSETS</b>	<u>4,646,703</u>	<u>4,674,860</u>	<u>4,700,999</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 4,759,382</u>	<u>\$ 4,751,369</u>	<u>\$ 4,792,333</u>

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

## REBUILDING TOGETHER PENINSULA

STATEMENT OF ACTIVITIES  
 For the year ended September 30, 2019  
 With comparative totals for the years ended September 30, 2018 and 2017

	Without Donor Restrictions	With Donor Restrictions	2019	2018	2017
<b>REVENUE AND SUPPORT</b>					
Contributions	\$ 633,061	\$ 573,713	\$ 1,206,774	\$ 1,275,392	\$ 737,723
In-kind contributions (Note 9)	717,585		717,585	329,033	810,183
Government contracts	423,909		423,909	434,199	467,585
Special events	388,142		388,142	12,480	383,933
Other income	33,334		33,334	-	-
Interest and dividend	32,674		32,674	31,642	31,630
Rental income	5,400		5,400	12,600	17,088
(Loss) gain on investment	(22,447)		(22,447)	137,811	86,579
Net assets released from restrictions (Note 7)	586,741	(586,741)	-	-	-
<b>TOTAL REVENUE AND SUPPORT</b>	<u>2,798,399</u>	<u>(13,028)</u>	<u>2,785,371</u>	<u>2,233,157</u>	<u>2,534,721</u>
<b>EXPENSES</b>					
Program services	1,830,394		1,830,394	1,757,657	1,745,344
Management and general	362,077		362,077	290,566	310,882
Fundraising	621,057		621,057	211,073	184,290
<b>TOTAL EXPENSES</b>	<u>2,813,528</u>	<u>-</u>	<u>2,813,528</u>	<u>2,259,296</u>	<u>2,240,516</u>
<b>CHANGE IN NET ASSETS</b>	(15,129)	(13,028)	(28,157)	(26,139)	294,205
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>3,831,349</u>	<u>843,511</u>	<u>4,674,860</u>	<u>4,700,999</u>	<u>4,406,794</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 3,816,220</u>	<u>\$ 830,483</u>	<u>\$ 4,646,703</u>	<u>\$ 4,674,860</u>	<u>\$ 4,700,999</u>

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

## REBUILDING TOGETHER PENINSULA

### STATEMENT OF FUNCTIONAL EXPENSES

For the year ended September 30, 2019

With comparative totals for the years ended September 30, 2018 and 2017

	Program Services	Management and General	Fundraising	2019	Total Expenses 2018	2017
Salaries and wages	\$ 546,792	\$ 106,153	\$ 141,800	<b>\$ 794,745</b>	\$ 673,761	\$ 718,626
Payroll taxes and benefits	123,220	20,899	25,113	<b>169,232</b>	126,417	152,096
Total salaries and related expenses	670,012	127,052	166,913	<b>963,977</b>	800,178	870,722
Renovation-cash paid	631,261	17	66	<b>631,344</b>	682,007	694,048
In-kind expenses		9,975	358,435	<b>368,410</b>	44,435	24,857
Renovation-in kind	349,175			<b>349,175</b>	276,598	202,072
Professional fees	33,256	89,511	47,010	<b>169,777</b>	107,840	112,759
Depreciation	9,535	72,137	19,171	<b>100,843</b>	114,256	110,241
Volunteer expenses	54,108	176		<b>54,284</b>	70,020	64,670
Occupancy	22,993	2,354	2,298	<b>27,645</b>	27,503	25,703
Bank and investment fees		10,689	9,096	<b>19,785</b>	12,934	14,854
Staff training and conferences	2,918	14,469	1,128	<b>18,515</b>	9,704	17,435
Insurance	13,654	3,769	320	<b>17,743</b>	16,646	15,777
Dues and subscriptions		16,034	282	<b>16,316</b>	2,348	15,316
Advertising	7,242	1,007	6,495	<b>14,744</b>	15,704	5,878
Telephone	11,341	1,538	938	<b>13,817</b>	10,972	4,896
Transportation	7,497	2,135	1,627	<b>11,259</b>	12,517	15,141
Office expenses	7,729	1,572	1,313	<b>10,614</b>	9,942	11,471
Printing and postage	2,165	3,373	4,936	<b>10,474</b>	17,586	17,167
Equipment maintenance	6,324	2,726	923	<b>9,973</b>	9,435	6,969
Other expenses		1,144		<b>1,144</b>	151	214
Payroll expenses		1,867		<b>1,867</b>	1,810	1,939
Taxes and licenses	1,184	532	106	<b>1,822</b>	16,710	8,387
<b>TOTAL 2019 FUNCTIONAL EXPENSES</b>	<b>\$ 1,830,394</b>	<b>\$ 362,077</b>	<b>\$ 621,057</b>	<b>\$ 2,813,528</b>		
TOTAL 2018 FUNCTIONAL EXPENSES	\$ 1,757,657	\$ 290,566	\$ 211,073		<b>\$ 2,259,296</b>	
TOTAL 2017 FUNCTIONAL EXPENSES	\$ 1,745,344	\$ 310,882	\$ 184,290			<b>\$ 2,240,516</b>

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

## REBUILDING TOGETHER PENINSULA

### STATEMENT OF FUNCTIONAL EXPENSES

For the year ended September 30, 2019

With comparative totals for the years ended September 30, 2018 and 2017

(continued)

	Program Services				Total Program Services		
	National Rebuilding Day	Safe at Home	Team Build	Special Projects	2019	2018	2017
Salaries and wages	\$ 173,682	\$ 251,522	\$ 69,363	\$ 52,225	\$ 546,792	\$ 485,765	\$ 519,180
Payroll taxes and benefits	35,914	62,079	13,922	11,305	123,220	100,101	112,988
Total salaries and related expenses	209,596	313,601	83,285	63,530	670,012	585,866	632,168
Renovation-cash paid	323,158	189,971	37,982	80,150	631,261	681,969	694,048
In-kind expenses					-	-	-
Renovation-in kind	326,198	14,611	4,018	4,348	349,175	276,598	202,072
Professional fees	16,670	15,405	555	626	33,256	29,751	39,405
Depreciation	4,669	3,101	1,006	759	9,535	21,716	23,537
Volunteer expenses	31,792	14,513	3,547	4,256	54,108	64,797	63,594
Occupancy	8,484	9,396	2,377	2,736	22,993	23,631	22,459
Bank and investment fees					-	600	-
Staff training and conferences	1,592	824	186	316	2,918	902	373
Insurance	5,049	5,594	1,376	1,635	13,654	12,485	11,646
Dues and subscriptions					-	197	11,760
Advertising	6,860	260	122		7,242	7,126	4,477
Telephone	4,273	4,581	1,152	1,335	11,341	9,720	4,406
Transportation	1,910	5,102	334	151	7,497	9,020	10,871
Office expenses	3,252	3,154	615	708	7,729	6,097	6,623
Printing and postage	1,147	613	224	181	2,165	4,741	4,172
Equipment maintenance	2,331	2,581	661	751	6,324	7,782	5,827
Other expenses					-	137	-
Payroll expenses					-	-	-
Taxes and licenses	437	484	122	141	1,184	14,522	7,906
<b>TOTAL 2019 FUNCTIONAL EXPENSES</b>	<b>\$ 947,418</b>	<b>\$ 583,791</b>	<b>\$ 137,562</b>	<b>\$ 161,623</b>	<b>\$ 1,830,394</b>		
TOTAL 2018 FUNCTIONAL EXPENSES	\$ 956,803	\$ 569,222	\$ 130,576	\$ 101,056		\$ 1,757,657	
TOTAL 2017 FUNCTIONAL EXPENSES	\$ 963,761	\$ 481,043	\$ 185,014	\$ 115,526			\$ 1,745,344

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



## REBUILDING TOGETHER PENINSULA

### STATEMENT OF CASH FLOWS

For the year ended September 30, 2019

With comparative totals for the years ended September 30, 2018 and 2017

	2019	2018	2017
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Change in net assets	\$ (28,157)	\$ (26,139)	\$ 294,205
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities			
Depreciation	100,843	114,256	110,241
Net realized and unrealized loss (gains) on investments	22,447	(137,811)	(86,579)
Net re-invested dividends	(32,674)		
Donation of property and equipment		(8,000)	(143,897)
(Increase) decrease in operating assets:			
Accounts receivable	141,379	(143,108)	43,140
Prepaid and other assets	(16,214)	(19,904)	(2,095)
Building supplies inventory	10,533	(19,272)	27,110
Increase (decrease) in operating liabilities:			
Accounts payable	6,396	18,529	(7,086)
Accrued liabilities	29,774	(33,354)	30,296
	<b>234,327</b>	<b>(254,803)</b>	<b>265,335</b>
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>			
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Proceeds from sale of investment	55,702	69,586	179,491
Purchase of investments	(34,816)	(40,253)	(180,253)
Purchase of property and equipment	(25,094)	(17,104)	(24,787)
	<b>(4,208)</b>	12,229	(25,549)
<b>NET CASH (USED) PROVIDED BY INVESTING ACTIVITIES</b>			
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>230,119</b>	<b>(242,574)</b>	<b>239,786</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF THE YEAR</b>	<b>212,606</b>	455,180	215,394
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>\$ 442,725</b>	<b>\$ 212,606</b>	<b>\$ 455,180</b>
<b>SUPPLEMENTAL DISCLOSURE:</b>			
Property acquired by in-kind contributions:	\$ -	\$ 8,000	\$ 143,897
0+A1			

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

# REBUILDING TOGETHER PENINSULA

## NOTES TO FINANCIAL STATEMENTS

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### 1. Organization

Rebuilding Together Peninsula is a California nonprofit public benefit corporation, that provides critical repairs, accessibility modifications and energy efficient upgrades to low income homes and community facilities at no cost to service recipients in San Mateo County and Santa Clara County. It solicits donations of money, material and labor in order to support these activities which occur throughout the year.

### 2. Summary of Significant Accounting Policies

A summary of the significant accounting policies applied in the preparation of the accompanying financial statements is as follows:

#### a) Basis of Presentation

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

#### b) Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

**Without Donor Restrictions.** Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

**With Donor Restrictions.** Net assets subject to imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

#### c) Cash and Cash Equivalents

Rebuilding Together Peninsula has defined cash and cash equivalents as consisting mainly of cash, petty cash and money market funds. For the purposes of the Cash Flow Statement, Rebuilding Together Peninsula considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

#### d) Accounts Receivable

Rebuilding Together Peninsula considers all accounts receivable to be fully collectible, accordingly no allowance for doubtful debts is considered necessary.

continued

# REBUILDING TOGETHER PENINSULA

## NOTES TO FINANCIAL STATEMENTS

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### 2. Summary of Significant Accounting Policies, continued

#### e) Contributions and Grants Receivable

Unconditional promises to give that are expected to be collected within one year are recorded as net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at fair value, which is measured as the present value of their future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Conditional promises to give are not included as support until the conditions are substantially met.

#### f) Investments

Rebuilding Together Peninsula values its investments at fair value. Unrealized gains or losses (including investments bought, sold, and held during the year) are reflected in the Statement of Activities as gain or loss on investments. Short-term highly liquid money market deposits that are not used for operations are treated as cash.

#### g) Inventory

Inventory consists of building supplies and materials purchased and received for repair and rebuilding projects and is stated at lower of cost or market.

#### h) Concentration of Credit Risks

Rebuilding Together Peninsula places its temporary cash investments with high-credit, quality financial institutions. At times, such investments may be in excess of the Federal Deposit Insurance Corporation insurance limit. Rebuilding Together Peninsula has not incurred losses related to these investments.

#### i) Fair Value Measurements

Generally accepted accounting principles provide guidance on how fair value should be determined when financial statement elements are required to be measured at fair value. Valuation techniques are ranked in three levels depending on the degree of objectivity of the inputs used with each level:

Level 1 inputs - quoted prices in active markets for identical assets

Level 2 inputs - quoted prices in active or inactive markets for the same or similar assets

Level 3 inputs - estimates using the best information available when there is little or no market

Rebuilding Together Peninsula is required to measure in-kind contributions and investments at fair value. The specific techniques used to measure fair value for these financial statement elements are described in the notes below that relates to each element.

continued

## REBUILDING TOGETHER PENINSULA

### NOTES TO FINANCIAL STATEMENTS

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#### 2. Summary of Significant Accounting Policies, continued

##### j) Property and Equipment

Property and equipment are recorded at cost if purchased or at fair value at the date of donation if donated. Maintenance and repair costs are charged to expense as incurred. Property and equipment are capitalized if the cost of an asset is greater than or equal to one thousand dollars and the useful life is greater than one year. Depreciation is computed on the straight-line basis over the estimated useful lives of the related assets.

##### k) In-kind Contributions

Contributions of donated non-cash assets are measured on a non-recurring basis and recorded at fair value in the period received. Contributions of donated services that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at fair value in the period received. For the year ended September 30, 2019, Rebuilding Together Peninsula received in-kind contributions of \$717,585 of which \$502,295 were donated services and \$215,290 were donated materials. (See note 9).

##### l) Functional Allocation of Expenses

Costs of providing Rebuilding Together Peninsula's programs and other activities have been presented in the Statement of Functional Expenses. During the year, such costs are accumulated into separate groupings as either direct or indirect. Indirect or shared costs are allocated among program and support services based upon usage, employee ratios, and/or square footage of occupied space.

##### m) Income Taxes

Rebuilding Together Peninsula is exempt from taxation under Internal Revenue Code Section 501(c)(3) and California Revenue and Taxation Code Section 23701d.

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 Rebuilding Together Peninsula in its federal and state exempt organization tax returns are more likely than not to be sustained upon examination. Rebuilding Together Peninsula's returns are subject to examination by federal and state taxing authorities, generally for three and four years, respectively, after they are filed.

##### n) 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 reported amounts of assets, liabilities, revenues, and expenses as of the date and for the period presented. Actual results could differ from those estimates.

# REBUILDING TOGETHER PENINSULA

## NOTES TO FINANCIAL STATEMENTS

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### 2. Summary of Significant Accounting Policies, continued

#### o) Recently Adopted Accounting Pronouncement

In August 2016, the FASB issued ASU 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. The ASU amends the current reporting model for nonprofit organizations and enhances their required disclosures. The major changes include: (a) requiring the presentation of only two classes of net assets now titled "without donor restrictions" and "with donor restrictions", (b) modifying the presentation of underwater endowment funds and related disclosures, (c) requiring the use of the placed-in-service approach to recognize the expirations of restrictions on gifts used to acquire or construct long-lived assets absent explicit donor stipulations otherwise, (d) requiring that all nonprofits present an analysis of expenses by function and nature in either the statement of activities, a separate statement, or in the notes and disclose a summary of the allocation methods used to allocate costs, (e) requiring the disclosure of quantitative and qualitative information regarding liquidity and availability of resources, (f) presenting investment return net of external and direct expenses, and (g) modifying other financial statement reporting requirements and disclosures intended to increase the usefulness of nonprofit financial statements. The ASU is effective for fiscal years beginning after December 15, 2017. The provisions of the ASU must be applied on a retrospective basis for all years presented although certain optional practical expedients are available for the periods prior to adoption. Rebuilding Together Peninsula's financial statements for the year ended September 30, 2019 are presented in accordance with ASU 2016-14.

#### p) Comparative Totals

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with Rebuilding Together Peninsula's financial statements for the years ended September 30, 2018 and September 30, 2017, from which the summarized information was derived.

#### q) Subsequent Events

Management has evaluated subsequent events through March 18, 2020, the date which the financial statements were available for issue. No events or transactions have occurred during this period that appear to require recognition or disclosure in the financial statements.

## REBUILDING TOGETHER PENINSULA

### NOTES TO FINANCIAL STATEMENTS

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#### 3. Liquidity and Availability of Resources

To satisfy its working capital needs Rebuilding Together Peninsula maintains a balance of cash and money market instruments of approximately \$300,000.

Rebuilding Together Peninsula had the following financial assets available to meet cash needs for general expenditures within one year as of September 30, 2019:

Cash and cash equivalents	\$ 442,725
Accounts receivable	141,701
Investments	<u>1,271,360</u>
Total financial assets	1,855,786
Less: Donor restricted funds – time and purpose	<u>(830,483)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$1,025,303</u>

#### 4. Investments

Investments at September 30, 2019, 2018 and 2017 consist of the following:

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Equities	\$ 813,156	\$ 842,771	\$ 803,872
Fixed income	383,291	373,385	313,005
Other assets	41,865	34,936	34,400
Exchange Traded Funds	<u>33,048</u>	<u>30,927</u>	<u>22,264</u>
Total	<u>\$1,271,360</u>	<u>\$1,282,019</u>	<u>\$1,173,541</u>

#### 5. Property and Equipment and Other non-current assets

Property and equipment and other non-current assets at September 30, 2019, 2018 and 2017 consist of the following:

	<u>2019</u>	<u>2018</u>	<u>2017</u>
<b>Property and Equipment</b>			
Building improvements	\$1,341,341	\$1,341,341	\$1,340,179
Land	1,287,613	1,287,613	1,287,613
Building	738,297	738,297	738,297
Furniture and equipment	146,887	139,743	131,742
Vehicles	<u>15,000</u>	<u>15,000</u>	<u>15,000</u>
	3,529,138	3,521,994	3,512,831
Less: accumulated depreciation	<u>(734,651)</u>	<u>(658,427)</u>	<u>(581,279)</u>
	<u>\$2,794,487</u>	<u>\$2,863,567</u>	<u>\$2,931,552</u>

continued

## REBUILDING TOGETHER PENINSULA

### NOTES TO FINANCIAL STATEMENTS

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#### 5. Property and Equipment and Other non-current assets, continued

<b>Other non-current assets</b>	<b><u>2019</u></b>	<b><u>2018</u></b>	<b><u>2017</u></b>
Promotional videos	\$ 90,918	\$ 72,968	\$ 57,968
Database development/conversion	62,610	62,610	62,610
Website	<u>45,684</u>	<u>45,684</u>	<u>45,683</u>
	199,212	181,262	166,261
Less: accumulated depreciation	<u>(176,127)</u>	<u>(151,508)</u>	<u>(115,336)</u>
	<b><u>\$ 23,085</u></b>	<b><u>\$ 29,754</u></b>	<b><u>\$ 50,925</u></b>

Depreciation expense for the years ended September 30, 2019, 2018 and 2017 were \$100,843, \$114,256 and \$110,241 respectively.

#### 6. Accrued Liabilities

Accrued liabilities at September 30, 2019, 2018 and 2017, consist of the following:

	<b><u>2019</u></b>	<b><u>2018</u></b>	<b><u>2017</u></b>
Accrued vacation	\$29,389	\$18,896	\$33,724
Other accrued liabilities	28,266	16,475	32,454
Accrued payroll	<u>7,490</u>	<u>-</u>	<u>2,547</u>
	<b><u>\$65,145</u></b>	<b><u>\$35,371</u></b>	<b><u>\$68,725</u></b>

#### 7. Net Assets with donor restrictions

Net assets with donor restrictions at September 30, 2019, 2018 and 2017 are restricted for the following programs:

	<b><u>2019</u></b>	<b><u>2018</u></b>	<b><u>2017</u></b>
Healthy Housing Challenge	\$327,483	\$344,211	\$353,503
DH Roof Repair	178,013	-	-
Accessory Dwelling Unit (“ADU”) Project	175,389	349,300	125,000
Safe at Home	127,500	115,000	110,000
Others	<u>22,098</u>	<u>35,000</u>	<u>30,000</u>
	<b><u>\$830,483</u></b>	<b><u>\$843,511</u></b>	<b><u>\$618,503</u></b>

For the years ended September 30, 2019, 2018 and 2017, net assets released from purpose restrictions were \$586,741, \$369,792 and \$278,900 respectively.

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## REBUILDING TOGETHER PENINSULA

### NOTES TO FINANCIAL STATEMENTS

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#### 8. Commitment

Rebuilding Together Peninsula is an affiliate member of Rebuilding Together, a national organization. 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, 2019 was \$15,000.

#### 9. In-kind Contributions

Rebuilding Together Peninsula 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 years ended September 30, 2019, 2018 and 2017, these volunteers donated approximately 18,782, 16,932, and 17,720 hours, respectively.

Rebuilding Together Peninsula also received donated services and materials which were recorded at fair market value as follows:

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Dreams Happen event and others	\$368,410	\$ 29,795	\$439,357
Renovation materials and labor	339,788	276,598	202,072
Legal services	9,387	14,640	24,857
Donated property and equipment	-	8,000	143,897
	<u>\$717,585</u>	<u>\$329,033</u>	<u>\$810,183</u>

#### 10. Fair Value Measurements

The table below presents the balances of assets measured at fair value at September 30, 2019, 2018 and 2017 on a recurring basis:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>September 30, 2019</u>				
Equities				
Consumer goods	\$ 187,732	\$ -	\$ -	\$ 187,732
Technology	155,157			155,157
Financial services	148,435			148,435
Health care	139,419			139,419
Energy	65,408			65,408
Industrial goods	62,002			62,002
Communication services	31,085			31,085
Basic materials	23,918			23,918
Total equities	<u>813,156</u>	<u>-</u>	<u>-</u>	<u>813,156</u>

continued



## REBUILDING TOGETHER PENINSULA

### NOTES TO FINANCIAL STATEMENTS

#### 10. Fair Value Measurements, continued

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Fixed income				
Corporate bonds		260,601		260,601
U.S. Treasury notes	<u>122,690</u>			<u>122,690</u>
Total fixed income	<u>122,690</u>	<u>260,601</u>	<u>-</u>	<u>383,291</u>
Exchange traded funds (“ETF”)				
Diversified emerging market	<u>33,048</u>			<u>33,048</u>
Total ETF	<u>33,048</u>	<u>-</u>	<u>-</u>	<u>33,048</u>
Other assets				
Real estate	<u>41,865</u>			<u>41,865</u>
Total other assets	<u>41,865</u>	<u>-</u>	<u>-</u>	<u>41,865</u>
	<u>\$1,010,760</u>	<u>\$260,601</u>	<u>\$-</u>	<u>\$1,271,360</u>
 <u>September 30, 2018</u>				
Equities				
Health care	\$198,017	\$ -	\$ -	\$ 198,017
Consumer goods	171,895			171,895
Technology	162,008			162,008
Financial services	128,006			128,006
Industrial goods	77,187			77,187
Energy	52,575			52,575
Communication services	27,496			27,496
Basic materials	<u>25,587</u>			<u>25,587</u>
Total equities	<u>842,771</u>	<u>-</u>	<u>-</u>	<u>842,771</u>
Fixed income				
Corporate bonds		303,660		303,660
U.S. Treasury notes	<u>69,725</u>			<u>69,725</u>
Total fixed income	<u>69,725</u>	<u>303,660</u>	<u>-</u>	<u>373,385</u>
Exchange traded funds (“ETF”)				
Diversified emerging market	<u>34,936</u>			<u>34,936</u>
Total ETF	<u>34,936</u>	<u>-</u>	<u>-</u>	<u>34,936</u>
Other assets				
Real estate	<u>30,927</u>			<u>30,927</u>
Total other assets	<u>30,927</u>	<u>-</u>	<u>-</u>	<u>30,927</u>
	<u>\$978,359</u>	<u>\$303,660</u>	<u>\$-</u>	<u>\$1,282,019</u>

continued

## REBUILDING TOGETHER PENINSULA

### NOTES TO FINANCIAL STATEMENTS

#### 10. Fair Value Measurements, continued

<u>September 30, 2017</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Equities				
Health care	\$179,987	\$ -	\$ -	\$ 179,987
Consumer goods	122,409			122,409
Technology	158,124			158,124
Financial services	125,173			125,173
Industrial goods	103,538			103,538
Energy	47,952			47,952
Communication services	25,487			25,487
Basic materials	<u>41,202</u>	<u>          </u>	<u>          </u>	<u>41,202</u>
Total equities	<u>803,872</u>	<u>          </u>	<u>          </u>	<u>803,872</u>
Fixed income				
Corporate bonds	<u>          </u>	<u>313,005</u>	<u>          </u>	<u>313,005</u>
Total fixed income	<u>          </u>	<u>313,005</u>	<u>          </u>	<u>313,005</u>
ETF				
Diversified emerging market	<u>34,400</u>	<u>          </u>	<u>          </u>	<u>34,400</u>
Total ETF	<u>34,400</u>	<u>          </u>	<u>          </u>	<u>34,400</u>
Other assets				
Real estate	<u>22,264</u>	<u>          </u>	<u>          </u>	<u>22,264</u>
Total other assets	<u>22,264</u>	<u>          </u>	<u>          </u>	<u>22,264</u>
	<u>\$860,536</u>	<u>\$313,005</u>	<u>\$          </u>	<u>\$1,173,541</u>

The fair values of equities, U.S. Treasury notes, exchange traded funds and other assets have been measured on a recurring basis using quoted prices for identical assets in active markets (Level 1 inputs).

The fair value of corporate bonds has been measured on a non-recurring basis using quoted prices for similar assets in inactive markets (Level 2 inputs).

The table below present transactions measured at fair value on a non-recurring basis during the year ended September 30, 2019, 2018 and 2017:

continued

## REBUILDING TOGETHER PENINSULA

### NOTES TO FINANCIAL STATEMENTS

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#### 10. Fair Value Measurements, continued

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Donated renovation materials and labor	\$ -	\$349,175	\$ -	<b>\$349,175</b>
Dreams Happen event and others		<u>368,410</u>		<u>368,410</u>
Fair value at September 30, 2019	<u>\$ -</u>	<u>\$717,585</u>	<u>\$ -</u>	<u><b>\$717,585</b></u>
Donated renovation materials and labor	\$ -	\$276,598	\$ -	\$276,598
Dreams Happen event and others		29,795		29,795
Donated services		14,640		14,640
Donated property and equipment		<u>8,000</u>		<u>8,000</u>
Fair value at September 30, 2019	<u>\$ -</u>	<u>\$329,033</u>	<u>\$ -</u>	<u><b>\$329,033</b></u>
Donated renovation materials and labor	\$ -	\$202,072	\$ -	\$202,072
Donated services		24,857		24,857
Donated property and equipment		143,897		143,897
Dreams Happen event materials and labor		<u>439,357</u>		<u>439,357</u>
Fair value at September 30, 2018	<u>\$ -</u>	<u>\$810,183</u>	<u>\$ -</u>	<u><b>\$810,183</b></u>

The fair value of in-kind contributions has been measured on a non-recurring basis using quoted prices for similar assets in inactive markets (Level 2 inputs).