

REBUILDING TOGETHER PENINSULA

FINANCIAL STATEMENTS

SEPTEMBER 30, 2021

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INDEPENDENT AUDITORS' REPORT

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, 2021, 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, 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.

INDEPENDENT AUDITORS' REPORT

continued

Other Matter

Report on Summarized Comparative Information

We have previously audited Rebuilding Together Peninsula's 2020 and 2019 financial statements, and we expressed unmodified audit opinions on those audited financial statements in our reports dated March 18, 2021, and March 18, 2020, respectively. In our opinion, the summarized comparative information presented herein as of and the years ended September 30, 2020 and September 30, 2019, is consistent, in all material respects, with the audited financial statements from which they have been derived.

Harrington Group

Oakland, California

March 24, 2022

REBUILDING TOGETHER PENINSULA

STATEMENT OF FINANCIAL POSITION

September 30, 2021

With comparative totals at September 30, 2020 and 2019

| | <u>2021</u> | <u>2020</u> | <u>2019</u> |
|---|----------------------------|----------------------------|----------------------------|
| ASSETS | | | |
| Cash and cash equivalents (Note 2) | \$ 364,132 | \$ 440,074 | \$ 442,725 |
| Accounts receivable | 259,468 | 116,904 | 141,701 |
| Investments (Note 4) | 2,063,409 | 1,463,660 | 1,271,360 |
| Prepaid and other assets | 45,653 | 36,160 | 53,831 |
| Inventories | 36,136 | 33,745 | 32,193 |
| Property and equipment (Note 5) | 2,678,096 | 2,722,532 | 2,794,487 |
| Other non-current assets (Note 5) | 78,736 | 10,152 | 23,085 |
| TOTAL ASSETS | <u>\$ 5,525,630</u> | <u>\$ 4,823,227</u> | <u>\$ 4,759,382</u> |
| LIABILITIES AND NET ASSETS | | | |
| LIABILITIES | | | |
| Accounts payable | \$ 172,275 | \$ 60,852 | \$ 47,534 |
| Accrued liabilities (Note 6) | 109,889 | 77,828 | 65,145 |
| Paycheck protection program (Note 7) | 170,373 | 159,370 | - |
| TOTAL LIABILITIES | <u>452,537</u> | <u>298,050</u> | <u>112,679</u> |
| NET ASSETS | | | |
| Without donor restrictions | 4,442,760 | 3,809,111 | 3,816,220 |
| With donor restrictions (Note 8) | 630,333 | 716,066 | 830,483 |
| TOTAL NET ASSETS | <u>5,073,093</u> | <u>4,525,177</u> | <u>4,646,703</u> |
| TOTAL LIABILITIES AND NET ASSETS | <u>\$ 5,525,630</u> | <u>\$ 4,823,227</u> | <u>\$ 4,759,382</u> |

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

REBUILDING TOGETHER PENINSULA

STATEMENT OF ACTIVITIES

For the year ended September 30, 2021

With comparative totals for the years ended September 30, 2020 and 2019

| | Without Donor Restrictions | With Donor Restrictions | 2021 | 2020 | 2019 |
|---|-------------------------------|----------------------------|---------------------|---------------------|---------------------|
| REVENUE AND SUPPORT | | | | | |
| Contributions | \$ 1,032,946 | \$ 325,341 | \$ 1,358,287 | \$ 1,169,128 | \$ 1,206,774 |
| Government contracts | | 484,364 | 484,364 | 339,728 | 423,909 |
| In-kind contributions (Note 10) | 287,684 | | 287,684 | 175,305 | 717,585 |
| Special events (less expenses of \$88,592) | 225,176 | | 225,176 | 46,760 | 388,141 |
| Forgiveness of paycheck protection program loan | 159,370 | | 159,370 | (88) | 33,334 |
| Gain (loss) on investment | 120,975 | | 120,975 | 122,099 | (22,447) |
| Interest and dividend | 39,225 | | 39,225 | 32,025 | 32,674 |
| Rental income | 18,500 | | 18,500 | 5,600 | 5,400 |
| Loss on asset disposal | (2,567) | | (2,567) | - | - |
| Net assets released from restrictions (Note 8) | 895,438 | (895,438) | - | - | - |
| TOTAL REVENUE AND SUPPORT | <u>2,776,747</u> | <u>(85,733)</u> | <u>2,691,014</u> | <u>1,890,557</u> | <u>2,785,370</u> |
| EXPENSES | | | | | |
| Program services | 1,374,213 | | 1,374,213 | 1,251,792 | 1,830,394 |
| Management and general | 491,023 | | 491,023 | 418,269 | 362,077 |
| Fundraising | 277,862 | | 277,862 | 342,022 | 621,057 |
| TOTAL EXPENSES | <u>2,143,098</u> | <u>-</u> | <u>2,143,098</u> | <u>2,012,083</u> | <u>2,813,528</u> |
| CHANGE IN NET ASSETS | 633,649 | (85,733) | 547,916 | (121,526) | (28,157) |
| NET ASSETS, BEGINNING OF YEAR | <u>3,809,111</u> | <u>716,066</u> | <u>4,525,177</u> | <u>4,646,703</u> | <u>4,674,860</u> |
| NET ASSETS, END OF YEAR | <u>\$ 4,442,760</u> | <u>\$ 630,333</u> | <u>\$ 5,073,093</u> | <u>\$ 4,525,177</u> | <u>\$ 4,646,703</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, 2021
 With comparative totals for the years ended September 30, 2020 and 2019

| | Program Services | Management and General | Fundraising | 2021 | Total Expenses | |
|---------------------------------------|---------------------|---------------------------|-------------------|---------------------|---------------------|---------------------|
| | | | | | 2020 | 2019 |
| Salaries and wages | \$ 355,214 | \$ 143,894 | \$ 138,940 | \$ 638,048 | \$ 744,852 | \$ 794,745 |
| Payroll taxes and benefits | 94,377 | 36,407 | 24,306 | 155,090 | 154,895 | 169,232 |
| Total salaries and related expenses | 449,591 | 180,301 | 163,246 | 793,138 | 899,747 | 963,977 |
| Renovation-cash paid | 552,309 | | | 552,309 | 452,669 | 631,344 |
| Renovation-in kind | 238,216 | | | 238,216 | 99,062 | 349,175 |
| Professional fees | 16,316 | 142,008 | 53,243 | 211,567 | 178,024 | 169,777 |
| Depreciation | 12,016 | 72,921 | 5,871 | 90,808 | 90,990 | 100,843 |
| In-kind expenses | | 17,903 | 19,565 | 37,468 | 76,243 | 368,410 |
| Volunteer expenses | 27,222 | 1,150 | | 28,372 | 28,651 | 54,284 |
| Occupancy | 18,017 | 2,965 | 2,501 | 23,483 | 25,402 | 27,645 |
| Insurance | 15,935 | 5,631 | 1,642 | 23,208 | 19,692 | 17,743 |
| Dues and subscriptions | | 20,855 | 256 | 21,111 | 22,365 | 16,316 |
| Bank and investment fees | | 17,643 | 1,588 | 19,231 | 14,256 | 19,785 |
| Office expenses | 5,116 | 4,386 | 7,372 | 16,874 | 11,590 | 10,614 |
| Printing and postage | 5,253 | 2,338 | 7,845 | 15,436 | 29,738 | 10,474 |
| Telephone | 10,520 | 2,672 | 1,444 | 14,636 | 13,926 | 13,817 |
| Advertising | 1,562 | 49 | 10,619 | 12,230 | 10,346 | 14,744 |
| Equipment maintenance | 5,368 | 3,301 | 2,092 | 10,761 | 6,661 | 9,973 |
| Staff training and conferences | 175 | 10,174 | 283 | 10,632 | 9,493 | 18,515 |
| Taxes and licenses | 9,408 | 410 | 148 | 9,966 | 9,592 | 1,822 |
| Transportation | 7,189 | 2,505 | 147 | 9,841 | 10,742 | 11,259 |
| Payroll expenses | | 2,518 | | 2,518 | 2,037 | 1,867 |
| Other expenses | | 1,293 | | 1,293 | 857 | 1,144 |
| TOTAL 2021 FUNCTIONAL EXPENSES | \$ 1,374,213 | \$ 491,023 | \$ 277,862 | \$ 2,143,098 | | |
| TOTAL 2020 FUNCTIONAL EXPENSES | \$ 1,251,792 | \$ 418,269 | \$ 342,022 | | \$ 2,012,083 | |
| TOTAL 2019 FUNCTIONAL EXPENSES | \$ 1,830,394 | \$ 362,077 | \$ 621,057 | | | \$ 2,813,528 |

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

REBUILDING TOGETHER PENINSULA

STATEMENT OF FUNCTIONAL EXPENSES

For the year ended September 30, 2021

With comparative totals for the years ended September 30, 2020 and 2019

(continued)

| | Program Services | | | | Total Program Services | | |
|---------------------------------------|-------------------|-------------------|-------------------|-------------------|------------------------|--------------|--------------|
| | National | Safe at | Team | Special | 2021 | 2020 | 2019 |
| | Rebuilding Day | Home | Build | Projects | | | |
| Salaries and wages | \$ 137,098 | \$ 175,424 | \$ 32,881 | \$ 9,811 | \$ 355,214 | \$ 463,027 | \$ 546,792 |
| Payroll taxes and benefits | 32,538 | 50,950 | 8,725 | 2,164 | 94,377 | 99,021 | 123,220 |
| Total salaries and related expenses | 169,636 | 226,374 | 41,606 | 11,975 | 449,591 | 562,048 | 670,012 |
| Renovation-cash paid | 172,663 | 171,686 | 83,442 | 124,518 | 552,309 | 452,669 | 631,261 |
| In-kind expenses | | | | | - | - | - |
| Renovation-in kind | 149,482 | 11,987 | 898 | 75,849 | 238,216 | 99,062 | 349,175 |
| Professional fees | 6,518 | 8,910 | 753 | 135 | 16,316 | 9,872 | 33,256 |
| Depreciation and amortization | 7,874 | 2,007 | 2,085 | 50 | 12,016 | 8,176 | 9,535 |
| Volunteer expenses | 8,594 | 16,990 | 1,500 | 138 | 27,222 | 28,458 | 54,108 |
| Occupancy | 6,084 | 10,395 | 1,301 | 237 | 18,017 | 19,955 | 22,993 |
| Bank and investment fees | | | | | - | - | - |
| Staff training and conferences | 112 | 56 | 6 | 1 | 175 | 987 | 2,918 |
| Insurance | 5,565 | 9,009 | 1,234 | 127 | 15,935 | 13,782 | 13,654 |
| Dues and subscriptions | | | | | - | - | - |
| Advertising | 896 | 666 | | | 1,562 | 4,523 | 7,242 |
| Telephone | 3,565 | 6,034 | 765 | 156 | 10,520 | 11,379 | 11,341 |
| Transportation | 2,358 | 4,413 | 141 | 277 | 7,189 | 7,803 | 7,497 |
| Office expenses | 1,832 | 2,855 | 362 | 67 | 5,116 | 5,359 | 7,729 |
| Printing and postage | 2,193 | 2,685 | 327 | 48 | 5,253 | 13,396 | 2,165 |
| Equipment maintenance | 1,812 | 3,092 | 391 | 73 | 5,368 | 5,175 | 6,324 |
| Other expenses | | | | | - | - | - |
| Payroll expenses | | | | | - | - | - |
| Taxes and licenses | 3,198 | 5,452 | 661 | 97 | 9,408 | 9,148 | 1,184 |
| TOTAL 2021 FUNCTIONAL EXPENSES | \$ 542,382 | \$ 482,611 | \$ 135,472 | \$ 213,748 | \$ 1,374,213 | | |
| TOTAL 2020 FUNCTIONAL EXPENSES | \$ 325,993 | \$ 606,111 | \$ 119,864 | \$ 199,824 | | \$ 1,251,792 | |
| TOTAL 2019 FUNCTIONAL EXPENSES | \$ 947,418 | \$ 583,791 | \$ 137,562 | \$ 161,623 | | | \$ 1,830,394 |

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

REBUILDING TOGETHER PENINSULA

STATEMENT OF CASH FLOWS

For the year ended September 30, 2021

With comparative totals for the years ended September 30, 2020 and 2019

| | 2021 | 2020 | 2019 |
|--|-------------------|-------------------|-------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | | |
| Change in net assets | \$ 547,916 | \$ (121,526) | \$ (28,157) |
| Adjustments to reconcile change in net assets to net cash provided (used) by operating activities | | | |
| Depreciation and amortization | 90,808 | 90,990 | 100,843 |
| Realized and unrealized (gains) loss on investments | (120,975) | (122,099) | 22,447 |
| Re-invested dividends | (39,225) | (36,603) | (32,674) |
| Loss on asset disposal | 2,567 | - | - |
| Forgiveness of paycheck protection program loan | (159,370) | - | - |
| (Increase) decrease in operating assets: | | | |
| Accounts receivable | (142,564) | 24,797 | 141,379 |
| Prepaid and other assets | (9,493) | 17,671 | (16,214) |
| Building supplies inventory | (2,391) | (1,552) | 10,533 |
| Increase (decrease) in operating liabilities: | | | |
| Accounts payable | 111,423 | 13,318 | 6,396 |
| Accrued liabilities | 32,061 | 12,683 | 29,774 |
| NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES | 310,757 | (122,321) | 234,327 |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | | |
| Proceeds from sale of investment | - | - | 55,702 |
| Purchase of investments | (439,549) | (33,598) | (34,816) |
| Purchase of property and equipment | (117,523) | (6,102) | (25,094) |
| NET CASH (USED) BY INVESTING ACTIVITIES | (557,072) | (39,700) | (4,208) |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | | |
| Proceeds from paycheck protection program | 170,373 | 159,370 | - |
| NET CASH PROVIDED BY FINANCING ACTIVITIES | 170,373 | 159,370 | - |
| NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS | (75,943) | (2,651) | 230,119 |
| CASH AND CASH EQUIVALENTS, BEGINNING OF THE YEAR | 440,074 | 442,725 | 212,606 |
| CASH AND CASH EQUIVALENTS, END OF YEAR | \$ 364,132 | \$ 440,074 | \$ 442,725 |

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

REBUILDING TOGETHER PENINSULA

NOTES TO FINANCIAL STATEMENTS

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

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

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, 2021, Rebuilding Together Peninsula received in-kind contributions of \$287,684 of which \$37,313 were donated services, \$12,000 was donated property and equipment, \$155 was Dreams Happen event and \$238,216 were donated materials (see Note 10).

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

2. Summary of Significant Accounting Policies, continued

o) 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, 2020 and September 30, 2019, from which the summarized information was derived.

3. Liquidity and Availability of Resources

To satisfy its working capital Rebuilding Together Peninsula needs to maintain 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, 2021:

| | |
|--|--------------------|
| Cash and cash equivalents | \$ 364,132 |
| Accounts receivable | 259,468 |
| Investments | <u>2,063,409</u> |
| Total financial assets | 2,687,009 |
| Less: Donor restricted funds – time and purpose | <u>(630,333)</u> |
| Financial assets available to meet cash needs for general expenditures within one year | <u>\$2,056,676</u> |

4. Investments

Investments at September 30, 2021, 2020 and 2019 consist of the following:

| | <u>2021</u> | <u>2020</u> | <u>2019</u> |
|-----------------------|--------------------|--------------------|--------------------|
| Fixed income | \$1,018,163 | \$ 664,576 | \$ 383,291 |
| Equities | 967,576 | 767,183 | 813,156 |
| Exchange traded funds | 43,855 | - | 33,048 |
| Other assets | <u>33,815</u> | <u>31,901</u> | <u>41,865</u> |
| Total | <u>\$2,063,409</u> | <u>\$1,463,660</u> | <u>\$1,271,360</u> |

continued

REBUILDING TOGETHER PENINSULA

NOTES TO FINANCIAL STATEMENTS

5. Property and Equipment and Other non-current assets

Property and equipment and other non-current assets at September 30, 2021, 2020 and 2019 consist of the following:

| | <u>2021</u> | <u>2020</u> | <u>2019</u> |
|----------------------------------|--------------------|--------------------|--------------------|
| Property and Equipment: | | | |
| Building improvements | \$1,341,341 | \$1,341,341 | \$1,341,341 |
| Land | 1,287,613 | 1,287,613 | 1,287,613 |
| Building | 738,297 | 738,297 | 738,297 |
| Furniture and equipment | 149,970 | 149,831 | 146,887 |
| Vehicles | <u>34,402</u> | <u>15,000</u> | <u>15,000</u> |
| | 3,551,623 | 3,532,082 | 3,529,138 |
| Less: accumulated depreciation | <u>(873,527)</u> | <u>(809,550)</u> | <u>(734,651)</u> |
| | <u>\$2,678,096</u> | <u>\$2,722,532</u> | <u>\$2,794,487</u> |
| | | | |
| Other non-current assets: | <u>2021</u> | <u>2020</u> | <u>2019</u> |
| Database development/conversion | \$ 122,044 | \$ 62,610 | \$ 62,610 |
| Promotional videos | 95,443 | 92,043 | 90,918 |
| Website | <u>65,920</u> | <u>45,684</u> | <u>45,684</u> |
| | 283,407 | 200,337 | 199,212 |
| Less: accumulated depreciation | <u>(204,671)</u> | <u>(190,185)</u> | <u>(176,127)</u> |
| | <u>\$ 78,736</u> | <u>\$ 10,152</u> | <u>\$ 23,085</u> |

Depreciation expense for the years ended September 30, 2021, 2020 and 2019 were \$90,808, \$90,990, and \$100,843, respectively.

6. Accrued Liabilities

Accrued liabilities at September 30, 2021, 2020 and 2019, consist of the following:

| | <u>2021</u> | <u>2020</u> | <u>2019</u> |
|---------------------------|------------------|-----------------|-----------------|
| Other accrued liabilities | \$ 79,808 | \$51,656 | \$28,266 |
| Accrued vacation | 29,001 | 26,172 | 29,389 |
| Accrued payroll | <u>1,080</u> | <u>-</u> | <u>7,490</u> |
| | <u>\$109,889</u> | <u>\$77,828</u> | <u>\$65,145</u> |

continued

REBUILDING TOGETHER PENINSULA

NOTES TO FINANCIAL STATEMENTS

7. Paycheck Protection Program

The CARES Act, signed into law on March 27, 2020, provided additional avenues of relief to small businesses and nonprofits through programs administered by the Small Business Administration (“SBA”). The CARES Act established a Paycheck Protection Program Loan (“PPP”), whereby certain small businesses and nonprofits were eligible for a loan to fund payroll expenses, rent, and related costs. The loan may be forgiven partially or in total if the funds are used for payroll and other qualified expenses.

On March 5, 2021, Rebuilding Together Peninsula received its second PPP loan of \$170,373 the proceeds of which will be used to support payroll and operations as they move into the resumption of business activities under new COVID-19 guidelines. In order to comply with the terms of the PPP loan, Rebuilding Together Peninsula is required to submit an application for loan forgiveness after the “covered period” of up to 24 weeks from initial receipt of the funds on March 5, 2021. The unforgiven portion of the PPP loan is payable over two years at an interest rate of 1% with a deferral of payment for the first six months.

Rebuilding Together Peninsula’s first PPP loan amount of \$159,370 was forgiven on March 3, 2021. Revenue related to the loan forgiveness of \$159,370 for the year ended September 30, 2021, is reflected in the Statement of Activities.

The SBA reserves the right to review any loan at their discretion and the SBA will review any loan over \$2 million. Areas of review include eligibility, necessity, calculation of the loan amount, use of loan proceeds, and the calculation of the loan forgiveness amount. PPP loan documentation should be retained for six years after the date the loan is forgiven or repaid in full.

8. Net Assets With Donor Restrictions

Net assets with donor restrictions at September 30, 2021, 2020 and 2019 are restricted for the following programs:

| | <u>2021</u> | <u>2020</u> | <u>2019</u> |
|---|------------------|------------------|------------------|
| Healthy Housing Challenge | \$287,309 | \$307,703 | \$327,483 |
| Others | 182,292 | 149,350 | 22,098 |
| DH Roof Repair | 93,232 | 120,513 | 178,013 |
| Safe at Home | 67,500 | 138,500 | 127,500 |
| Accessory Dwelling Unit (“ADU”) Project | - | - | 175,389 |
| | <u>\$630,333</u> | <u>\$716,066</u> | <u>\$830,483</u> |

For the years ended September 30, 2021, 2020 and 2019, net assets released from purpose restrictions were \$895,438, \$931,145, and \$586,741, respectively.

continued

REBUILDING TOGETHER PENINSULA

NOTES TO FINANCIAL STATEMENTS

9. Commitment and Contingencies

Membership Agreement

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, 2021 was \$20,000.

Impact of COVID-19 Virus

Following the State “Safer at Home” order to close all non-essential business activities, Rebuilding Together Peninsula has been conducting business activities under Safer at Home isolation protocols. The overall impact of the COVID-19 virus on Rebuilding Together Peninsula cannot be foreseen at this time and is not reflected in these financial statements.

10. 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, 2021, 2020 and 2019, these volunteers donated 3,903, 0, and 18,782 hours, respectively.

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

| | <u>2021</u> | <u>2020</u> | <u>2019</u> |
|--------------------------------|------------------|------------------|------------------|
| Renovation materials and labor | \$238,216 | \$ 99,062 | \$339,788 |
| Donated services -Other | 20,098 | 52,347 | - |
| Legal services | 17,215 | 22,778 | 9,387 |
| Donated property and equipment | 12,000 | 1,118 | - |
| Special fundraising event | 155 | - | - |
| Dreams Happen event and others | - | - | - |
| Dreams Happen event and others | - | - | 368,410 |
| | <u>\$287,684</u> | <u>\$175,305</u> | <u>\$717,585</u> |

continued

REBUILDING TOGETHER PENINSULA

NOTES TO FINANCIAL STATEMENTS

11. Fair Value Measurements

The table below presents the balances of assets measured at fair value at September 30, 2021, 2020 and 2019 on a recurring basis:

| | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> | <u>Total</u> |
|-------------------------------|--------------------|------------------|----------------|--------------------|
| <u>September 30, 2021</u> | | | | |
| Equities | | | | |
| Technology | \$ 238,697 | \$ - | \$ - | \$ 238,697 |
| Consumer goods | 224,557 | | | 224,557 |
| Health care | 198,840 | | | 198,840 |
| Financial services | 153,958 | | | 153,958 |
| Industrial goods | 52,372 | | | 52,372 |
| Energy | 48,527 | | | 48,527 |
| Communication services | 37,807 | | | 37,807 |
| Basic materials | <u>12,818</u> | | | <u>12,818</u> |
| Total equities | <u>967,576</u> | <u>-</u> | <u>-</u> | <u>967,576</u> |
| Fixed income | | | | |
| Corporate bonds | | 647,597 | | 647,597 |
| U.S. Treasury notes | 223,703 | | | 223,703 |
| Agency securities | <u>-</u> | <u>146,863</u> | | <u>146,863</u> |
| Total fixed income | <u>223,703</u> | <u>794,460</u> | <u>-</u> | <u>1,018,163</u> |
| Exchange traded funds (“ETF”) | | | | |
| iShares preferred income | <u>43,855</u> | | | <u>43,855</u> |
| Total ETF | <u>43,855</u> | <u>-</u> | <u>-</u> | <u>43,855</u> |
| Other assets | | | | |
| Real estate | <u>33,815</u> | | | <u>33,815</u> |
| Total other assets | <u>33,815</u> | <u>-</u> | <u>-</u> | <u>33,815</u> |
| | <u>\$1,268,949</u> | <u>\$794,460</u> | <u>\$ -</u> | <u>\$2,063,409</u> |
| | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> | <u>Total</u> |
| <u>September 30, 2020</u> | | | | |
| Equities | | | | |
| Consumer goods | \$ 184,525 | \$ - | \$ - | \$ 184,525 |
| Health care | 177,291 | | | 177,291 |
| Technology | 166,233 | | | 166,233 |
| Financial services | 105,213 | | | 105,213 |
| Energy | 43,331 | | | 43,331 |
| Industrial goods | 35,463 | | | 35,463 |
| Communication services | 30,637 | | | 30,637 |
| Basic materials | <u>24,490</u> | | | <u>24,490</u> |
| Total equities | <u>767,183</u> | <u>-</u> | <u>-</u> | <u>767,183</u> |

continued

REBUILDING TOGETHER PENINSULA

NOTES TO FINANCIAL STATEMENTS

11. Fair Value Measurements, continued

| | | | | |
|-------------------------------|--------------------|-------------------|---------------------|--------------------|
| Fixed income | | | | |
| Corporate bonds | | 391,006 | | 391,006 |
| U.S. Treasury notes | <u>273,571</u> | <u> </u> | <u> </u> | <u>273,571</u> |
| Total fixed income | <u>273,571</u> | <u>391,006</u> | <u> </u> | <u>664,577</u> |
| Other assets | | | | |
| Real estate | <u>31,900</u> | <u> </u> | <u> </u> | <u>31,900</u> |
| Total other assets | <u>31,900</u> | <u> </u> | <u> </u> | <u>31,900</u> |
| | <u>\$1,072,654</u> | <u>391,006</u> | <u>\$ </u> | <u>1,463,660</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 | <u>23,918</u> | <u> </u> | <u> </u> | <u>23,918</u> |
| Total equities | <u>813,156</u> | <u> </u> | <u> </u> | <u>813,156</u> |
| Fixed income | | | | |
| Corporate bonds | | 260,601 | | 260,601 |
| U.S. Treasury notes | <u>122,690</u> | <u> </u> | <u> </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> </u> | <u> </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> </u> | <u> </u> | <u>41,865</u> |
| Total other assets | <u>41,865</u> | <u> </u> | <u> </u> | <u>41,865</u> |
| | <u>\$1,010,759</u> | <u>\$260,601</u> | <u>\$ </u> | <u>\$1,271,360</u> |

continued

REBUILDING TOGETHER PENINSULA

NOTES TO FINANCIAL STATEMENTS

11. Fair Value Measurements, continued

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, 2021, 2020 and 2019:

| | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> | <u>Total</u> |
|---|-------------------|------------------|-------------------|------------------|
| Donated renovation materials and labor | \$ - | \$287,684 | \$ - | \$287,684 |
| Fair value at September 30, 2021 | <u>\$ -</u> | <u>\$287,684</u> | <u>\$ -</u> | <u>\$287,684</u> |
| Donated renovation materials and labor | \$ - | \$175,305 | \$ - | \$175,305 |
| Fair value at September 30, 2020 | <u>\$ -</u> | <u>\$175,305</u> | <u>\$ -</u> | <u>\$175,305</u> |
| Donated renovation materials and labor | \$ - | \$349,175 | \$ - | \$349,175 |
| Dreams Happen event materials and labor | <u> </u> | <u>368,410</u> | <u> </u> | <u>368,410</u> |
| Fair value at September 30, 2019 | <u>\$ -</u> | <u>\$717,585</u> | <u>\$ -</u> | <u>\$717,585</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).

12. Subsequent Events

Rebuilding Together Peninsula's second PPP loan of \$170,373 was forgiven in full by the SBA on January 18, 2022. The revenue related to this debt forgiveness will be recorded in the fiscal year in which the debt was forgiven.

Management has evaluated subsequent events through March 24, 2022, the date which the financial statements were available for issue. Excepted as noted above, no other events or transactions have occurred during this period that appear to require recognition or disclosure in the financial statements.