REBUILDING TOGETHER NYC
(a not-for-profit organization)

FINANCIAL STATEMENTS

DECEMBER 31, 2019

HARVEY GINSBERG & CO.
CERTIFIED PUBLIC ACCOUNTANTS, P.C.

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of
Rebuilding Together NYC

We have audited the accompanying financial statements of Rebuilding Together NYC (a not-for-profit organization), which comprise the statement of financial position as of December 31, 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about 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 NYC as of December 31, 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.

Report on Summarized Comparative Information

We have audited the financial statements of Rebuilding Together NYC's December 31, 2018 financial statements and expressed an unmodified audit opinion on those financial statements in our report dated November 19, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2018 is consistent, in all material respects, with the audited financial statements from which they were derived.

Harvey Ginsberg + Co. CPA's P.C.

HARVEY GINSBERG & COMPANY CPA's P.C.

Briarcliff Manor, New York
July 14, 2021

REBUILDING TOGETHER NYC
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2019

With summarized comparative financial information as of December 31, 2018

	2019	2018
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 254,263	447,642
Accounts receivable (no allowance for doubtful accounts)	87,661	154,329
Grants receivable (no allowance for doubtful accounts)	611,556	393,815
Prepaid expenses	80,502	56,469
Total Current Assets	1,033,982	1,052,255
Non-Current Assets:		
Property and Equipment:		
Furniture and equipment	25,026	25,026
Leasehold improvements	279,516	279,516
Vehicles	47,131	47,131
Less: Accumulated depreciation	(113,181)	(82,328)
Property and Equipment, net	238,492	269,345
Security deposits	16,435	14,710
Total Non-Current Assets	254,927	284,055
TOTAL ASSETS	$ 1,288,909	1,336,310
LIABILITIES & NET ASSETS		
Current Liabilities:		
Accounts payable and accrued expenses	$ 262,420	314,031
Loans payable- line of credit	223,643	- 0 -
Refundable advances:		
Corporate liability	30,500	30,500
Government liability	203,707	1,848
Foundation liability	206,959	221,358
Total refundable advances	441,166	253,706
Total Liabilities (no non-current liabilities)	927,229	567,737
Net Assets:		
Without donor restrictions	(79,486)	514,867
With donor restrictions	441,166	253,706
Total Net Assets	361,680	768,573
TOTAL LIABILITIES & NET ASSETS	$ 1,288,909	1,336,310

See accompanying notes to the financial statements.
See accountants' report.

REBUILDING TOGETHER NYC
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019
With summarized comparative financial information for the year ended December 31, 2018

	Without donor restrictions	With donor restrictions	Total 2019	Total 2018
SUPPORT, REVENUES, & RECLASSIFICATIONS				
Government contracts and grants	$ 637,574	203,707	841,281	1,493,088
Donations- in kind	141,349	- 0 -	141,349	442,328
Special event income	431,156	- 0 -	431,156	427,931
Contributions- foundations	591,337	76,456	667,793	609,819
Contributions- matching gifts	- 0 -	- 0 -	- 0 -	608
Contributions- corporate	204,842	30,500	235,342	125,797
Contributions- individual	18,983	- 0 -	18,983	25,461
Interest Income	64	- 0 -	64	105
Miscellaneous income	250	- 0 -	250	6,220
Net assets released from donor restrictions	123,203	(123,203)	- 0 -	- 0 -
TOTAL SUPPORT, REVENUES, & RECLASSIFICATIONS	2,148,758	187,460	2,336,218	3,131,357
EXPENSES				
Program services	2,168,092	- 0 -	2,168,092	2,549,159
Costs of direct benefits to donors	62,311	- 0 -	62,311	66,118
General & administrative	205,216	- 0 -	205,216	150,300
Fundraising	307,492	- 0 -	307,492	335,538
TOTAL EXPENSE	2,743,111	- 0 -	2,743,111	3,101,115
CHANGE IN NET ASSETS	(594,353)	187,460	(406,893)	30,242
Net Assets, Beginning of Year	514,867	253,706	768,573	738,331
Net Assets, End of Year	$ (79,486)	441,166	361,680	768,573

See accompanying notes to the financial statements.
See accountants' report.

REBUILDING TOGETHER NYC
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2019
With summarized comparative financial information for the year ended December 31, 2018

	Program Services	General & Administrative	Fundraising	Total 2019	Total 2018
Salaries and wages	$ 617,253	114,569	156,312	888,134	860,845
Employee benefits and payroll taxes	130,689	24,258	33,095	188,042	202,602
Computer related expenses	10,515	4,037	1,167	15,719	12,003
Depreciation	23,134	3,265	4,454	30,853	35,691
Fundraising, net of direct benefit to donors	- 0 -	- 0 -	32,742	32,742	7,215
In-kind materials and services	107,935	- 0 -	- 0 -	107,935	442,328
Insurance	30,777	3,323	1,699	35,799	25,208
Office supplies	5,534	2,803	- 0 -	8,337	5,219
Other administrative expenses	7,524	1,593	12,717	21,834	12,246
Postage	968	179	245	1,392	938
Printing	2,457	456	622	3,535	3,947
Professional fees	54,254	32,219	38,843	125,316	122,277
Advertising and promotion	2,270	- 0 -	2,270	4,540	1,638
Program- construction and materials	50,605	- 0 -	- 0 -	50,605	50,667
Program- construction labor	903,266	- 0 -	- 0 -	903,266	884,179
Program- meals	- 0 -	- 0 -	- 0 -	- 0 -	7,971
Program- national association fees	18,017	- 0 -	- 0 -	18,017	50,121
Program- other expenses	- 0 -	- 0 -	- 0 -	- 0 -	5,439
Program-training materials and stipends	105,022	- 0 -	- 0 -	105,022	173,288
Rent	64,691	12,008	16,382	93,081	82,513
Telephone	5,819	1,080	1,474	8,373	8,232
Travel and meetings	16,280	2,765	3,759	22,804	19,710
Utilities	6,756	1,254	1,711	9,721	11,720
Vehicle lease and maintenance	2,919	- 0 -	- 0 -	2,919	9,000
Interest	1,407	1,407	- 0 -	2,814	- 0 -
Total	$2,168,092	205,216	307,492	2,680,800	3,034,997

See accompanying notes to the financial statements.
See accountants' report.

REBUILDING TOGETHER NYC
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2019
With summarized comparative financial information for the year ended December 31, 2018

	2019	**2018**
Cash flows from operating activities:		
(Decrease) increase in net assets	$ (406,893)	30,242
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	30,853	35,691
Changes in operating assets and liabilities:		
Increase in accounts and grants receivable	(151,073)	(197,534)
Increase in prepaid expenses	(24,033)	(5,370)
(Decrease) increase in accounts payable and accrued expenses	(51,611)	195,203
Increase (decrease) in refundable advances	187,460	(103,946)
Net cash used in operations	(415,297)	(45,714)
Cash flows from investing activities:		
Increase in security deposits	(1,725)	- 0 -
Purchases of property and equipment	- 0 -	(10,885)
Net cash used in investing activities	(1,725)	(10,885)
Cash flows from financing activities:		
Borrowings under bank line of credit	223,643	- 0 -
Net cash used in financing activities	223,643	- 0 -
Net decrease in cash	(193,379)	(56,599)
Cash and cash equivalents, beginning of year	447,642	504,241
Cash and cash equivalents, end of year	$ 254,263	447,642

Supplemental Cash Flow Information:

Interest paid	$ 1,686	- 0 -

See accompanying notes to the financial statements.
See accountants' report.

Note 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Rebuilding Together NYC ("RTNYC" or the "Organization") is a non-profit organization dedicated to the preservation of affordable housing and the cultivation of a skilled workforce. The mission is to repair homes, revitalize communities and rebuild lives. Through leveraging a volunteer and partnership network, RTNYC transforms the lives of striving New Yorkers through comprehensive programming designed to improve the safety and health of homes, re-skill underemployed individuals to work in the construction trades, and revitalize community spaces. The Organization is a New York State not-for-profit organization founded in 1998.

Basis of Presentation

The financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Net assets, revenues, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follow:

Without donor restrictions- Net assets that are not subject to donor-imposed stipulations.

With donor restrictions- 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. When a restriction expires, with donor restrictions net assets are reclassified to without donor restrictions net assets. And reposted in the statement of activities as net assets released from restrictions.

Revenue

Government contracts and grants are recorded over the period covered by the contract or grant as services are provided and costs are incurred. In accordance with FASB ASC 958-605, Revenue Recognition, contributions, including unconditional promises to give, are recorded as made. All contributions are available for unrestricted use unless specifically restricted by donors. Conditional promises to give due in subsequent years are reported at the net present value of their net realizable value, using risk-free interest plus a margin for credit risk applicable to the years in which the promises are received. As of December 31, 2018, the Organization had no unconditional promises to give.

In-kind Contributions

The Organization receives significant support for its operations in the form of contributed materials and services from various individuals and companies. Donated materials are recorded at fair value as of the date of donation. Under accounting standards, donated services are recognized as contributions if the services create or enhance non-financial assets, or require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization.

(Continued)

Note 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, the disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid investments available for current use with initial maturity of three months or less to be cash equivalents.

Fair Value of Financial Instruments

Fair value is defined as 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. To increase the comparability of fair value measurements, a three-tier fair value hierarchy, which prioritizes the inputs used in the valuation methodologies, is as follows:

Level 1 – Valuations based on quoted prices for identical assets and liabilities in active markets.

Level 2 – Valuations based on observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets and liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data.

Level 3 – Valuations based on unobservable inputs reflecting the Organization's own assumptions, consistent with reasonably available assumptions made by other market participants. These valuations require significant judgment.

As of December 31, 2019 and 2018, the carrying amounts reflected in the statement of financial position for cash and cash and cash equivalents, accounts and grants receivable, prepaids, accounts payable and accrued expense, and refundable advances are deemed to be a reasonable estimate of their fair value.

As of December 31, 2019 and 2018, the Organization does not have assets or liabilities required to be measured at fair value in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 820, *Fair Value Measurements*.

(Continued)

Note 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Service Fees and Grants Receivable

Service fees and grants receivable from workshops are recognized when earned. Government and other grants, and grants receivable are recorded as revenues to the extent that expenses have been incurred for the purposes specified by grantors.

Allowance for Doubtful Accounts

The allowance for doubtful accounts estimate is based on management's assessments of the creditworthiness of its funders, the aged basis of its receivables, as well as current economic conditions and historical information.

Functional Expenses

The costs of providing the Organization's programs and other activities have been summarized on a functional basis. Accordingly, certain costs have been allocated to the programs and supporting services benefitted.

Property and Equipment

Property and equipment are recorded at cost or, if donated, at approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful life of the assets as follows:

Furniture and equipment	7 years
Leasehold improvements	12 years
Vehicles	5 years

The Organization reports gifts of property and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used, and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets are maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Revenue from Government Agencies

Revenues from government agencies are subject to audit by the agencies. No provision for any disallowances is reflected in the financial statements, since management does not anticipate any material adjustments from such audits.

(Continued)

Note 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Tax Status

The Organization is a New York not-for-organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The Organization has also been classified as an entity that is not a private foundation within the meaning of Section 509(a) and qualifies for deductible contributions as provided in Section 170(b)(1)(A)(vi).

The Organization's current accounting policy is to disclose liabilities for uncertain tax positions when a liability is probable and estimable. Management is not aware of any violation of its tax status as an organization exempt from income taxes, nor is it aware of any exposure to unrelated business income tax.

Advertising

The Organization's policy is to expense advertising costs as the cost is incurred. Advertising costs incurred during the years ended December 31, 2019 and 2018 was $2,037 and $1,638, respectively.

Revenue from Government Agencies

Revenues from government agencies are subject to audit by the agencies. No provision for any disallowances is reflected in the financial statements, since management does not anticipate any material adjustments from such audits.

Note 2 – ACCOUNTS & GRANTS RECEIVABLE

As of December 31, 2019 and 2018, all contributions and service fees receivable were due within one year.

Note 3 – CONCENTRATION OF RISK

As of December 31, 2019 and 2018, the Organization did not have cash balances at banks, which exceeded the amount insured by the FDIC.

Approximately 56% of accounts and grants receivable at December 31, 2019 was from two major grantors. Six donors accounted for 71% of donations and grants (excluding in-kind donations) to the Organization in the year ended December 31, 2019. The Organization does not expect that the support from these donors/agencies will be lost in the near term.

Approximately 57% of accounts and grants receivable at December 31, 2018 was from two major grantors. Seven donors accounted for 68% of donations and grants (excluding in-kind donations) to the Organization in the year ended December 31, 2018. The Organization does not expect that the support from these donors/agencies will be lost in the near term.

(Continued)

Note 4 – IN-KIND CONTRIBUTIONS

In-kind contributions are recorded as revenue and expense in the same fiscal period. In-kind contributions were as follows for the years ended December 31,:

	2019	**2018**
Construction Labor	$ 107,935	304,472
Materials	9,556	42,103
Other	23,858	95,753
Total	$ 141,349	442,328

The Organization shifted the focus of the hand-on training component of its Workforce Training Program (Careers in Construction) from working in homes to working in community centers with community partners. This resulted in a reduction of the value of in-kind donations in the year ended December 31, 2019.

Note 5 – RELATED PARTY TRANSACTIONS

During the years ended December 31, 2019 and 2018, the Organization received grants amounting to $20,000 and $106,000 from Rebuilding Together, Inc.- the national affiliate and paid dues of $18,017 in 2019 and $17,696 in 2018 to the same organization. The organization has no monetary investment in the affiliate or the power to control their operating activities or vice versa.

Note 6 – PROPERTY & EQUIPMENT

Depreciation and amortization expense for the year ended December 31, 2019 and 2018 was $30,853 and $35,691, respectively.

Note 7 – LEASE COMMITMENTS

On December 13, 2016 the Organization entered into a seven-year lease for warehouse and office space in Brooklyn, New York, which was to commence in 2017. Future minimum lease payments required under the operation leases are as follows:

Years ending December 31:	
2020	$ 94,932
2021	97,780
2022	100,713
2023	103,735
2024	17,373
Thereafter	- 0 -
	$ 414,533

Total rent expense for the year ended December 31, 2019 and 2018 was $93,081 and $82,513, respectively.

(Continued)

Note 8 – RETIREMENT PLAN

The Organization sponsors a 401(k) defined contribution plan (the Plan), as defined by the Internal Revenue Code (IRC). The Plan is for the benefit of all qualifying employees and permits voluntary contributions by employees to the allowable maximum, as determined by the IRC. The Organization has a matching program, whereby it contributes up to 4% of employees' salary. The employees are vested in this matching contribution after six months of employment. The Organization's matching contribution to the participant accounts for the years ended December 31, 2019 and 2018 was $26,609 and $21,282, respectively.

Note 9 – CONDITIONAL PROMISE TO GIVE

In December 2019, the Organization received contributions of **$**45,000 conditioned on workforce training programs and **$**265,663 conditioned on home repair and community revitalization taking place in 2020**.** The contributions were recorded as a liability (refundable advance) in the Statement of Financial Position.

In December 2018, the Organization received contributions of $11,845 conditioned on workforce training programs and $241,861 conditioned on home repair and community revitalization taking place in 2019. The contributions were recorded as a liability (refundable advance) in the Statement of Financial Position.

Note 10 – ADOPTION OF NEW ACCOUNTING PRONOUNCEMENTS

During the year ended December 31, 2018, the Organization adopted ASU 2016-14, *Not-for-Profit Entities* (Top 958): *Presentation of Financial Statements for Not-for-Profit Entities*. ASU 2016-14 reduces the number of net asset classes from three to two: net assets without donor restrictions, previously reported as unrestricted net assets, and net assets with donor restrictions, previously reported as temporarily restricted net assets and permanently restricted net assets. Additionally, the pronouncement increases the quantitative and qualitative disclosures regarding liquidity and availability of resources.

Note 11 – BANK CREDIT FACILITIES

During the year ended December 31, 2019, the Organization obtained a line of credit facility from a local bank. The line came up for renewal in May 2020. The line has since been renewed with a expiration of August 2022. The line has a cap of $250,000 and has a fixed interest rate of 6.75%. As of December 31, 2019 and 2018, the outstanding balance on this line was $223,643 and zero, respectively.

(Continued)

Note 12 – AVAILABILITY OF FINANCIAL ASSETS FOR GENERAL EXPENDITURES

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments. Cash, financial assets and liquidity resources available within one year from December 31, 2019 and 2018 are as follows:

Financial Assets Available Within One Year:	December 31, 2019	December 31, 2018
Cash and cash equivalents	$254,263	447,642
Accounts and grants receivable	707,517	548,144
Total	$961,780	995,786
Liquidity resource:		
Line of credit	$ 26,357	250,000

Note 13 – SUBSEQUENT EVENTS

In connection with the preparation of financial statements, the Organization evaluated subsequent events from December 31, 2019 through July 14, 2021, which was the date the financial statements were available for issuance and concluded that no additional disclosures are required.