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

FINANCIAL STATEMENTS

DECEMBER 31, 2021

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of
Rebuilding Together NYC

Opinion
We have audited the accompanying financial statements of Rebuilding Together NYC, which comprise the balance sheet as of December 31, 2021 and the related consolidated statements of activities, functional expense and cash flows for the year then ended and the related notes to the financial statements.

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, 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.

Basis of Opinion
We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Rebuilding Together NYC and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements
Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.
In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Rebuilding Together NYC's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee the audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the consolidated financial statements.
In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks.

Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.

- Obtain and understanding of internal control relevant to the audit 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 Rebuilding Together NYC's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluation the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Rebuilding Together NYC's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and internal control related matters that we identified during the audit.

Report on Summarized Comparative Information

We have audited the financial statements of Rebuilding Together NYC's December 31, 2020 financial statements and expressed an unmodified audit opinion on those financial statements in our report dated November 15, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020 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
November 15, 2022

REBUILDING TOGETHER NYC
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2021

With summarized comparative financial information as of December 31, 2020

	2021	2020
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 470,685	361,006
Accounts receivable (no allowance for doubtful accounts)	66,800	105,533
Grants receivable (no allowance for doubtful accounts)	643,308	343,550
Prepaid expenses	52,790	72,776
Total Current Assets	1,233,583	882,865
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	(173,977)	(145,110)
Property and Equipment, net	177,696	206,563
Security deposits	16,025	16,435
Total Non-Current Assets	193,721	222,998
TOTAL ASSETS	$ 1,427,304	1,105,863
LIABILITIES & NET ASSETS		
Current Liabilities:		
Accounts payable and accrued expenses	$ 105,064	185,948
Loans payable- line of credit	175,487	243,643
Refundable advances:		
Corporate liability	53,500	79,500
Government liability	161,675	101,377
Foundation liability	321,320	115,583
Total refundable advances	536,495	296,460
Total Liabilities (no non-current liabilities)	817,046	726,051
Net Assets:		
Without donor restrictions	73,763	83,352
With donor restrictions	536,495	296,460
Total Net Assets	610,258	379,812
TOTAL LIABILITIES & NET ASSETS	$ 1,427,304	1,105,863

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

REBUILDING TOGETHER NYC
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021
With summarized comparative financial information for the year ended December 31, 2020

	Without donor restrictions	With donor restrictions	Total 2021	Total 2020
SUPPORT, REVENUES, & RECLASSIFICATIONS				
Government contracts and grants	$1,111,202	161,675	1,272,877	1,194,535
Donations- in kind	2,244	- 0 -	2,244	36,218
Special event income	537,502	- 0 -	537,502	63,846
Contributions- foundations	96,692	139,114	235,806	495,272
Contributions- corporate	253,819	53,500	307,319	188,777
Contributions- individual	15,040	- 0 -	15,040	63,147
Interest Income	778	- 0 -	778	96
Net assets released from donor restrictions	114,254	(114,254)	- 0 -	- 0 -
TOTAL SUPPORT, REVENUES, & RECLASSIFICATIONS	2,131,531	240,035	2,371,566	2,041,891
EXPENSES				
Program services	1,566,813	- 0 -	1,566,813	1,549,608
Costs of direct benefits to donors	92,836	- 0 -	92,836	10,064
General & administrative	267,745	- 0 -	267,745	192,216
Fundraising	213,726	- 0 -	213,726	271,871
TOTAL EXPENSE	2,141,120	- 0 -	2,141,120	2,023,759
CHANGE IN NET ASSETS	(9,589)	240,035	230,446	18,132
Net Assets, Beginning of Year	83,352	296,460	379,812	361,680
Net Assets, End of Year	$ 73,763	536,495	610,258	379,812

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

REBUILDING TOGETHER NYC
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021
With summarized comparative financial information for the year ended December 31, 2020

	Program Services	General & Administrative	Fundraising	Total 2021	Total 2020
Salaries and wages	$ 318,469	160,891	102,593	581,953	710,572
Employee benefits, payroll tax and related costs	66,923	33,809	21,559	122,291	156,439
Computer related expenses	7,636	5,584	6,578	19,798	17,096
Depreciation	15,797	7,981	5,089	28,867	31,929
Fundraising, net of direct benefit to donors	- 0 -	- 0 -	10,557	10,557	2,868
In-kind materials and services	2,244	- 0 -	- 0 -	2,244	31,111
Insurance	18,460	6,191	3,551	28,202	23,196
Office supplies	1,468	979	- 0 -	2,447	2,425
Other administrative expenses	7,872	1,992	14,317	24,181	8,287
Postage	92	47	30	169	496
Printing	1,550	783	499	2,832	2,515
Professional fees	39,396	26,964	29,160	95,520	77,594
Advertising and promotion	1,779	- 0 -	1,779	3,558	6,460
Program- construction and materials	801,533	- 0 -	- 0 -	801,533	604,248
Program- service labor	31,660	- 0 -	- 0 -	31,660	29,505
Program- meals	576	- 0 -	- 0 -	576	314
Program- national association fees	10,945	5,529	3,526	20,000	20,000
Program- other expenses	633	- 0 -	- 0 -	633	24,200
Program-training materials and stipends	132,851	- 0 -	- 0 -	132,851	129,502
Rent	75,223	11,398	11,398	98,019	95,820
Telephone	4,921	745	745	6,411	7,487
Travel and meetings	7,778	4,014	1,437	13,229	4,590
Utilities	5,532	838	838	7,208	13,290
Vehicle maintenance	1,333	- 0 -	70	1,403	1,098
Interest	12,142	- 0 -	- 0 -	12,142	12,653
Total	$ 1,566,813	267,745	213,726	2,048,284	2,013,695

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

REBUILDING TOGETHER NYC
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2021
With summarized comparative financial information for the year ended December 31, 2020

	2021	2020
Cash flows from operating activities:		
Increase in net assets	$ 230,446	18,132
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	28,867	31,929
PPP loan forgiveness	(224,780)	(224,780)
Changes in operating assets and liabilities:		
(Increase) decrease in accounts and grants receivable	(261,025)	250,134
Decrease in prepaid expenses	19,986	7,726
Decrease in accounts payable and accrued expenses	(80,884)	(76,472)
Increase (decrease) in refundable advances	240,035	(144,706)
Net used in operations	(47,355)	(138,037)
Cash flows from investing activities:		
Return of security deposits	410	- 0 -
Net cash used in investing activities	410	- 0 -
Cash flows from financing activities:		
Net (repayment) borrowings under bank line of credit	(68,156)	20,000
Borrowings under PPP loan program	224,780	224,780
Net cash used in financing activities	156,624	244,780
Net increase (decrease) in cash	109,679	106,743
Cash and cash equivalents, beginning of year	361,006	254,263
Cash and cash equivalents, end of year	$ 470,685	361,006

Supplemental Cash Flow Information:

Interest paid	$ 12,142	12,653

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, 2021 and 2020, the Organization had no conditional promises to give.

In-kind Contributions

From time to time 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, 2021 and 2020, 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, 2021 and 2020, 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 financial statements report certain categories of expenses that are attributable to more than one program service or support activity. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are so allocated include: salaries and related expenses, insurance, which are allocated on the basis of estimates of time and effort. Occupancy, depreciation, and utilities are allocated on the basis of on the basis of estimated asset and space usage. All other expenses are directly charged based upon the types of services performed and expenses incurred.

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.

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

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.

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, 2021 and 2020 was $3,558 and $2,460, respectively.

Prior Year Summarized Comparative Information

The financial statements include certain prior year summarized comparative information in total but not by net asset class or functional category. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2020, from which the summarized information is derived.

Reclassifications

Certain reclassifications of December 31, 2020 amounts have been made to conform to December 31, 2021 presentation.

Note 2 – ACCOUNTS & GRANTS RECEIVABLE

As of December 31, 2021 and 2020, all contributions and service fees receivable were due within one year.

(Continued)

Note 3 – CONCENTRATION OF RISK

As of December 31, 2021 and 2020, the Organization had cash balances at banks, which exceeded the amount insured by the FDIC by approximately $184,000 and 46,000, respectively.

Approximately 73% of accounts and grants receivable at December 31, 2021 was from three major grantors. Five donors accounted for 57% of donations and grants (excluding in-kind donations and PPP forgiveness) to the Organization in the year ended December 31, 2021. The Organization does not expect that the support from these donors/agencies will be lost in the near term.

Approximately 62% of accounts and grants receivable at December 31, 2020 was from two major grantors. Six donors accounted for 72% of donations and grants (excluding in-kind donations) to the Organization in the year ended December 31, 2020. The Organization does not expect that the support from these donors/agencies will be lost in the near term.

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,:

	2021	2020
Construction Labor	$1,980	31,111
Other Project Expense	264	- 0 -
Other	- 0 -	5,107
Total	$ 2,244	36,218

Note 5 – RELATED PARTY TRANSACTIONS

During the years ended December 31, 2021 and 2020, the Organization received grants amounting to zero and zero, respectively from Rebuilding Together, Inc.- the national affiliate and paid dues of $20,000 in 2021 and $20,000 in 2020 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, 2021 and 2020 was $28,867 and $31,929, respectively.

(Continued)

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:	
2022	$ 100,713
2023	103,735
2024	17,373
2025	- 0 -
2026	- 0 -
Thereafter	- 0 -
	$ 221,821

Total rent expense for the year ended December 31, 2021 and 2020 was $98,019 and $95,820, respectively.

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, 2021 and 2020 was $21,839 and $26,776, respectively.

Note 9 – CONDITIONAL PROMISE TO GIVE

In the year ended December 31, 2021, the Organization received contributions of $285,542 conditioned on workforce training programs and $688,500 conditioned on home repair and community revitalization taking place in 2022**.** The contributions were recorded as a liability (refundable advance) in the Statement of Financial Position.

In the year ended December 31, 2020, the Organization received contributions of $270,000 conditioned on workforce training programs and $271,651 conditioned on home repair and community revitalization taking place in 2021. The contributions were recorded as a liability (refundable advance) in the Statement of Financial Position.

Note 10 – BANK CREDIT FACILITIES

During the year ended December 31, 2019, the Organization obtained a line of credit facility from a local bank. The line has since been renewed with an expiration of December 2022. The line has a cap of $250,000 and has a fixed interest rate of 5.25%. There is no fee for the unused line. As of December 31, 2021 and 2020, the outstanding balance on this line was $175,487 and 243,643, respectively.

(Continued)

Note 11– PAYROLL PROTECTION PROGRAM LOAN

In March 2020, the United States Congress passed the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The Payroll Protection Program (PPP) was part of this legislation. Under the PPP, qualifying small businesses and not-for-profits could apply to receive potentially, forgivable loans (grants) from the Small Business Administration (SBA). During the year ended December 31, 2020, the Organization was approved for such a loan from the SBA in the amount of $224,780. Subsequent to the enactment of CARES, the SBA opened up a second round of PPP loans, subject to similar provisions as under the original PPP. During the year ended December 31, 2021, the Organization received another $224,780 loan under the program. The loans are administered by a local bank. The loans are forgivable if at least 60% of the funds are used for payroll related costs and the remaining funds are used for certain other prescribed expenditures (e.g. rent and utilities). The funds must be used for the approved purposes within a twenty-four-week period, starting from the day the loan is funded. PPP loans are forgiven after the borrower has established to the SBA's satisfaction that the loan proceeds were used for appropriate expenditures.

As of December 31, 2020, the Organization owed $224,780 under the PPP loan programs. For any portion of the loan, which is not forgiven, the borrower must pay interest at a rate of 1% per annum and the term of the loan is two years. However, loan payments are deferred for six months. The first PPP loan was forgiven, in full, by the SBA subsequent to the end of the year ended December 31, 2020. PPP loans that are forgiven are recorded in the statement of activities as grant income (from the federal government). Since the first PPP loan was forgiven before the issuance of these financial statements, the forgiveness of the first PPP loan has been accrued as of December 31, 2020. During the year ended December 31, 2021 the second PPP loan was forgiven in full.

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, 2021 and 2020 are as follows:

Financial Assets Available Within One Year:

	2021	**2020**
Cash and cash equivalents	$ 470,685	361,006
Accounts and grants receivable	710,108	449,083
Total	$ 1,180,793	810,089
Liquidity resource:		
Line of credit	$ 74,513	6,357
PPP loan granted after year end	- 0 -	224,780
Total	$ 74,513	231,137

(Continued)

Note 13 – SUBSEQUENT EVENTS

In connection with the preparation of financial statements, the Organization evaluated subsequent events from December 31, 2021 through November 15, 2022, which was the date the financial statements were available for issuance and concluded that no additional disclosures are required.