REBUILDING TOGETHER NYC

FINANCIAL STATEMENTS
AND
AUDITORS' REPORT

DECEMBER 31, 2023

Skody Scot & Company, CPAs, P.C.

REBUILDING TOGETHER NYC

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INDEPENDENT AUDITORS' REPORT

To: The Board of Directors of
Rebuilding Together NYC

Opinion

We have audited the financial statements of Rebuilding Together NYC (a nonprofit organization), which comprise the statement of financial position as of December 31, 2023, and the related statements of activities, expenses by function and natural classification, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of Rebuilding Together NYC as of December 31, 2023, 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 for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 the 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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 for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 that an audit conducted in accordance with GAAS 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 are considered material if there is a substantial likelihood that, individually or in the aggregate, they could reasonably be expected to influence the judgment made by a reasonable user based on these financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the 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 financial statements.

- Obtain an 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 evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, 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 certain internal control–related matters that we identified during the audit.

Skody Scot & Company, CPAS, P.C.

New York, NY
November 5, 2024

REBUILDING TOGETHER NYC
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2023

ASSETS

Cash and cash equivalents	$ 128,813
Contributions and other receivables	161,266
Inventory	33,356
Prepaid expenses	35,918
Property and equipment, net	2,085
Security deposits	16,026
Total assets	$ 377,464

LIABILITIES AND NET ASSETS/(DEFICIT)

Liabilities:	
Accounts payable and accrued expenses	$ 135,378
Line of credit	247,868
Refundable advances	34,409
Total liabilities	417,655
Net Assets/(Deficit):	
Without donor restrictions	(96,576)
With donor restrictions	56,385
Total net assets/(deficit)	(40,191)
Total liabilities and net assets/(deficit)	$ 377,464

See accompanying notes to the financial statements.

REBUILDING TOGETHER NYC
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenues:			
Contributions - financial	$ 509,195	$ 56,385	$ 565,580
Contributions - in-kind	11,213	-	11,213
Government grants	1,130,297	-	1,130,297
Special events:			
Event income	487,488	-	487,488
Less: related direct costs	(76,329)	-	(76,329)
Net special event income	411,159	-	411,159
Interest income	7	-	7
Other income	25	-	25
Net assets released from restrictions:			
Satisfaction of purpose restrictions	146,929	(146,929)	-
Total support and revenues	2,208,825	(90,544)	2,118,281
Expenses:			
Program services:			
Home repairs & modifications	1,210,878	-	1,210,878
Community revitalization	172,329	-	172,329
Careers in construction	430,963	-	430,963
Total program services	1,814,170	-	1,814,170
Supporting services:			
Management and general	587,263	-	587,263
Fundraising	291,394	-	291,394
Total expenses	2,692,827	-	2,692,827
Decrease in net assets	(484,002)	(90,544)	(574,546)
Net assets, beginning of year	387,426	146,929	534,355
Net assets/(deficit), end of year	$ (96,576)	$ 56,385	$ (40,191)

See accompanying notes to the financial statements.

REBUILDING TOGETHER NYC
STATEMENT OF EXPENSES BY FUNCTION AND NATURAL CLASSIFICATION
YEAR ENDED DECEMBER 31, 2023

	Program Services				Supporting Services		
	Home Repairs & Modifications	Community Revitalization	Careers in Construction	Total Program Services	Management and General	Fundraising	Total Expenses
Personnel costs:							
Salaries	$ 240,007	$ 101,515	$ 268,233	$ 609,755	$ 230,842	$ 191,912	$ 1,032,509
Payroll taxes	23,595	8,437	21,646	53,678	19,869	16,196	89,743
Employee benefits	18,981	3,254	15,727	37,962	10,304	5,965	54,231
Retirement	6,555	2,891	3,431	12,877	5,562	6,393	24,832
Total personnel costs	289,138	116,097	309,037	714,272	266,577	220,466	1,201,315
Direct expenses:							
Bank charges and processing fees	-	-	293	293	4,721	10,347	15,361
Construction costs	870,062	30,432	-	900,494	-	3,791	904,285
Consultants and outside contractors	-	-	-	-	78,737	34,459	113,196
Curriculum and training resources	265	-	41,102	41,367	161	-	41,528
Depreciation and amortization	-	-	-	-	43,471	-	43,471
Dues and subscriptions	-	-	-	-	20,000	-	20,000
Insurance	-	-	-	-	35,417	-	35,417
Interest	17,190	-	-	17,190	3,483	-	20,673
Marketing	-	-	-	-	5,596	365	5,961
Office supplies and expenses	4,587	1,612	4,743	10,942	10,914	1,964	23,820
Professional fees	2,140	-	-	2,140	39,212	-	41,352
Program expenses - other	-	6,945	-	6,945	-	-	6,945
Rent and utilities	16,810	17,094	33,333	67,237	26,197	13,220	106,654
Safety gear	-	-	5,301	5,301	-	-	5,301
Software and hardware	34	8	68	110	39,607	6,415	46,132
Stipends	10,100	-	32,000	42,100	-	-	42,100
Telephone and communications	529	141	5,086	5,756	5,341	315	11,412
Travel and meetings	23	-	-	23	7,829	52	7,904
Total direct expenses	921,740	56,232	121,926	1,099,898	320,686	70,928	1,491,512
Total expenses	$ 1,210,878	$ 172,329	$ 430,963	$ 1,814,170	$ 587,263	$ 291,394	$ 2,692,827

See accompanying notes to the financial statements.

REBUILDING TOGETHER NYC
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2023

Cash flows from operating activities:	
Decrease in net assets	$ (574,546)
Adjustments for non-cash items included in operating activities:	
Depreciation and amortization	43,471
Amortization of right-of-use asset	100,757
Accretion of lease liability	(5,918)
(Increase)/decrease in assets:	
Contributions and other receivables	271,774
Inventory	8,250
Prepaid expenses	15,112
Increase/(decrease) in liabilities:	
Accounts payable and accrued expenses	(46,678)
Refundable advances	(59,178)
Payment of operating lease	(103,991)
Net cash used by operating activities	(350,947)
Cash flows from investing activities	-
Cash flows from financing activities:	
Repayment of loan	(86,230)
Loan proceeds	333,048
Net cash provided by financing activities	246,818
Net decrease in cash and cash equivalents	(104,129)
Cash and cash equivalents, beginning of year	232,942
Cash and cash equivalents, end of year	$ 128,813
Supplemental information:	
Interest paid	$ 20,673

See accompanying notes to the financial statements.

1. Nature of Activities and Summary of Significant Accounting Policies

Organization: Rebuilding Together NYC (hereafter referred to as the Organization), is a not-for-profit organization, incorporated in the State of New York on February 11, 1998. The primary mission of the Organization is the preservation of affordable housing and the cultivation of a skilled workforce.

Tax-exempt status: The Organization was granted tax-exempt status by the Internal Revenue Service under Internal Revenue Code Section 501(c)(3). Accordingly, no provision for federal, state or local income taxes has been recorded. The Organization does not believe its financial statements include any uncertain tax positions.

Programs and services provided: The Organization seeks to accomplish its mission through the following programs: home repairs & modifications - providing low-income, disabled, and elderly homeowners with a range of no-cost repair and modification services to preserve safe, accessible, and affordable housing; community revitalization - repairing and revitalizing community centers and public spaces; and careers in construction - providing the unemployed and underemployed with a six-week pre-apprenticeship program in various construction trades.

Major sources of income: The Organization derives most of its income from contributions, government grants and special events.

Basis of accounting: The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Estimates and assumptions: Management uses estimates and assumptions in preparing these financial statements in accordance with GAAP. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were used.

Cash equivalents: For the purposes of the statement of financial position and the statement of cash flows, the Organization considers as cash equivalents money market funds and all highly liquid resources, such as investments in certificates of deposit, with an original maturity to the Organization of three months or less.

Inventory: Inventory consists of donated gift cards that are to be distributed to homeowners to pay for repairs to their homes.

1. Nature of Activities and Summary of Significant Accounting Policies (continued)

Property and equipment: The Organization capitalizes certain property and equipment with useful lives of three years or more. Property and equipment are stated at cost, less accumulated depreciation and amortization. Depreciation of furniture and vehicles is computed by the straight-line method over the estimated useful lives ranging from five to seven years. Leasehold improvements are amortized by the straight-line method over the useful life of the improvement or the term of the lease, whichever is shorter. Expenditures for maintenance and repairs are charged to current operations.

Receivables: Receivables that are expected to be collected within one year are recorded at their net realizable value. Receivables that are expected to be collected in future years are recorded at the present value of estimated future cash flows. All receivables are expected to be collected within one year, therefore no allowance for uncollectible receivables has been recorded.

Net assets: Net assets, revenue, 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:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor or grantor-imposed restrictions. This classification includes net assets designated by the board or management for a specified purpose.

Net Assets With Donor Restrictions – Net assets subject to donor or grantor-imposed restrictions. Some 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 restrictions are perpetual in nature (endowment), where the donor stipulates that resources be maintained in perpetuity.

Functional expense allocation: The direct costs of providing programs and other activities have been summarized on a functional basis in the statement of activities and statement of expenses by function and natural classification. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The Organization allocates salaries and related expenses based on estimated time and effort. Other expenses such as office supplies and expenses, rent and utilities, software and hardware, telephone and communications, and travel and meetings are allocated based on usage. The Organization classifies expenses which are not directly related to a specific program as management and general expenses.

1. Nature of Activities and Summary of Significant Accounting Policies (continued)

Revenue recognition: The Organization recognizes contributions when cash and other financial assets, nonfinancial assets/services, or unconditional promises to give are received. Nonfinancial assets/services are valued based upon the type of asset/service that is received. Conditional promises to give, which have a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been met. Amounts received prior to the meeting of these conditions are reported as refundable advances in the statement of financial position. As of December 31, 2023, contributions totaling $34,409 have not been recognized in the accompanying statement of activities because the conditions on which they depend have not been met. The recognition of these contributions is conditioned on the Organization meeting certain programmatic goals.

All contributions are considered available for the Organization's general programs unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted for a purpose by the donor are reported as support with donor restrictions and increases in net assets with donor restrictions. Contributions received with restrictions that are met in the same reporting period are reported as support without donor restrictions and increases in net assets without donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

The Organization receives grants from governmental agencies. Depending upon the terms of the grant, it can be either an exchange transaction or a contribution. In accordance with grant provisions, the grant can be an expense reimbursement grant which requires that approved expenses be incurred prior to reimbursement by the grantor. Other grants permit advances of grant funds or full payment of grant funds at the start of the grant. If the grant is an exchange-type grant, all unreimbursed expenses, for approved purposes, as of year-end are recorded as receivables and any unexpended advances are recorded as either refundable advances or deferred income. If the grant is a contribution, it is recognized in accordance with the contribution recognition policy described above.

The Organization receives special events revenue which contains both an exchange component and a conditional contribution component. Both components are recognized when the event takes place. Any event revenue received in advance of the event is recorded as deferred income.

2. Cash and Cash Equivalents

Cash and cash equivalents consisted of the following at December 31, 2023:

Bank deposit and cash	$ 113,633
Money market funds	15,180
	$ 128,813

3. Property and Equipment

As of December 31, 2023, property and equipment consisted of the following:

Leasehold improvements	$ 279,516
Furniture and fixtures	25,026
Vehicles	37,432
Less: accumulated depreciation and amortization	(339,889)
	$ 2,085

4. Lease Commitment

The Organization has elected to apply the short-term lease exception to all leases with a term of one year or less. As of December 31, 2023, all of the Organization's leases are short-term.

5. Line of Credit

The Organization opened a $250,000 line of credit with a financial institution. The line of credit is secured by all of the Organization's assets and charges interest on outstanding principal at an annual rate of 2 percentage points above the Wall Street Journal Prime rate. As of December 31, 2023, there was an outstanding balance of $247,868.

6. Net Assets with Donor Restrictions

As of December 31, 2023, net assets with donor restrictions are available as follows:

Home repairs	$ 6,000
Careers in construction	50,385
	$ 56,385

7. Retirement Plan

The Organization adopted a qualified deferred compensation plan under section 401(k) of the Internal Revenue Code. Under the plan, employees may elect to defer a portion of their salary, subject to Internal Revenue Code limits. The Organization's contributions to the plan amounted to $24,832 for the year ended December 31, 2023.

8. Liquidity and Availability of Financial Assets

The Organization regularly monitors liquidity required to meet its operating needs and other obligations as they come due.

In the event of an unanticipated liquidity need, the Organization also could draw upon a line of credit. (As further discussed in Note 5.)

For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its ongoing activities to be general expenditures. Amounts available for general expenditures over a 12-month period include donor-restricted amounts that are available for ongoing programmatic and support expenditures.

The following reflects the Organization's financial assets, as of December 31, 2023, reduced by amounts not available for general use within one year because of contractual, donor-imposed, or internal restrictions and designations:

Financial assets:	
Cash and cash equivalents	$ 128,813
Receivables	161,266
Total financial assets	290,079
Less those unavailable for general expenditures within one year	-
Financial assets available to meet cash needs for general expenditures within one year	$ 290,079

9. Concentrations

The Organization maintains its cash and cash equivalents with major financial institutions. The Federal Deposit Insurance Corporation (FDIC) insures bank deposits up to $250,000 per financial institution. At times, the balance of the accounts may have exceeded the insured limits during the year ended December 31, 2023.

10. Government Grants

The Organization received several grants from governmental agencies. The amounts recognized under the grants during the year ended December 31, 2023, are as follows:

Federal	$ 8,686
State	1,121,611
	$ 1,130,297

11. Contributions In-Kind

The Organization received in-kind contributions that meet the criteria for being recognized in accordance with GAAP. For the year ended December 31, 2023, $11,213 of in-kind contributions was recognized in the accompanying statement of activities and consisted of skilled contractor labor used in the Organization's programs. The in-kind contributions did not have any donor-imposed restrictions and were valued at what the contractor would have charged an unrelated party for similar services.

The Organization also received in-kind contributions of unskilled volunteer time that did not meet the recognition criteria. The Organization estimates that the value of the unskilled labor that it received during the year ended December 31, 2023, was $33,889.

12. Revenue from Contracts with Customers

Detail of revenue from contracts with customers for the year ended December 31, 2023, is as follows:

Special event income - exchange portion	$ 76,329

All of the revenue derived from contracts with customers during 2023 was fully earned in the same annual reporting period.

13. Litigation

During the year ended December 31, 2023, the Organization was a defendant in various lawsuits. The outcome of the lawsuits is uncertain and any liabilities that may arise as a result cannot be determined as of the date of the audit report.

14. Subsequent Events

Management has evaluated subsequent events through November 5, 2024, the date the financial statements were available to be issued, to evaluate whether any such events warrant adjustment to any reported amounts or inclusion of additional disclosures. No such adjustments or disclosures were judged to be necessary.