



Financial Statements

Rebuilding Together - Twin Cities dba Rebuilding Together Minnesota

Minneapolis, Minnesota

For the years ended December 31, 2021 and 2020



Edina Office

5201 Eden Avenue, Ste 250
Edina, MN 55436
P 952.835.9090
F 952.835.3261

Mankato Office

100 Warren Street, Ste 600
Mankato, MN 56001
P 507.625.2727
F 507.388.9139

Rebuilding Together - Twin Cities
dba Rebuilding Together Minnesota
Table of Contents
For the Years Ended December 31, 2021 and 2020

	<u>Page No.</u>
Independent Auditor's Report	3
Financial Statements	
Statements of Financial Position	6
Statements of Activities	7
Statements of Functional Expenses	9
Statements of Cash Flows	11
Notes to the Financial Statements	12

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Rebuilding Together - Twin Cities
dba Rebuilding Together Minnesota
Minneapolis, Minnesota

Opinion

We have audited the accompanying financial statements of Rebuilding Together - Twin Cities dba Rebuilding Together Minnesota (the Organization) a nonprofit organization, which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities, functional expenses and cash flows for the years 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 the Organization as of December 31, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis of Opinion

We conducted our audit 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 the Organization 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 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.

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 the Organization 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 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 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 judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, 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 the Organization'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 the Organization'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.



Abdo
Minneapolis, Minnesota
June 15, 2022

FINANCIAL STATEMENTS

Rebuilding Together - Twin Cities
 dba Rebuilding Together Minnesota
 Statements of Financial Position
 December 31, 2021 and 2020

	2021	2020
Assets		
Current Assets		
Cash and cash equivalents	\$ 724,318	\$ 309,884
Pledges receivable	8,703	20,875
Contracts and grants receivable, net of allowance of \$900 for 2021 and 2020	172,584	3,804
Prepaid expenses	27,149	16,845
Properties held for sale	-	44,587
Total Current Assets	932,754	395,995
Property and Equipment		
Leasehold Improvements	5,798	5,798
Furniture and equipment	490,214	293,705
Computer equipment	11,435	8,703
Total Property and Equipment, Cost	507,447	308,206
Accumulated Depreciation	(148,575)	(113,021)
Total Property and Equipment, Net	358,872	195,185
Noncurrent Assets		
Security deposit	3,550	3,400
Total Assets	\$ 1,295,176	\$ 594,580
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	\$ 23,926	\$ 29,347
Accrued expenses	43,361	32,759
Deferred revenue	41,901	18,691
Payroll Protection Program notes payable	-	82,800
Line of credit	-	15,000
Total Liabilities	109,188	178,597
Net Assets		
Net assets without donor restrictions	944,387	152,911
Net assets with donor restrictions	241,601	263,072
Total Net Assets	1,185,988	415,983
Total Liabilities and Net Assets	\$ 1,295,176	\$ 594,580

See Independent Auditor's Report and Notes to the Financial Statements.

Rebuilding Together - Twin Cities
 dba Rebuilding Together Minnesota
 Statements of Activities
 For the Year Ended December 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue			
Support			
Pledges and contributions	\$ 5,047	\$ 1,213,079	\$ 1,218,126
Forgiveness of Paycheck Protection Program loan	82,800	-	82,800
Governmental grants	574,239	-	574,239
Special events, net of expenses of \$37,658	36,657	-	36,657
Donated services and materials	125,277	-	125,277
Total Support	824,020	1,213,079	2,037,099
Revenue			
Program services	111,374	-	111,374
Loss on sale of equipment	(29,587)	-	(29,587)
Interest income	109	-	109
Other revenue	22	-	22
Total Revenue	81,918	-	81,918
Net Assets Released from Restriction			
Satisfaction of program restrictions	1,234,550	(1,234,550)	-
Total Support and Revenue	2,140,488	(21,471)	2,119,017
Expenses			
Program services	1,135,441	-	1,135,441
Support services			
Management and general	119,417	-	119,417
Fundraising	94,154	-	94,154
Total Support Services	213,571	-	213,571
Total Expenses	1,349,012	-	1,349,012
Change in Net Assets	791,476	(21,471)	770,005
Net Assets, Beginning of Year	152,911	263,072	415,983
Net Assets, End of Year	\$ 944,387	\$ 241,601	\$ 1,185,988

See Independent Auditor's Report and Notes to the Financial Statements.

Rebuilding Together - Twin Cities
dba Rebuilding Together Minnesota
Statements of Activities (Continued)
For the Year Ended December 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue			
Support			
Pledges and contributions	\$ 236,729	\$ 448,770	\$ 685,499
Governmental grants	370,458	-	370,458
Special events, net of expenses of \$27,664	18,914	-	18,914
Donated services and materials	55,815	-	55,815
Total Support	<u>681,916</u>	<u>448,770</u>	<u>1,130,686</u>
Revenue			
Program services	24,993	-	24,993
Loss on sale of equipment	(245)	-	(245)
Interest income	29	-	29
Other revenue	16,825	-	16,825
Total Revenue	<u>41,602</u>	<u>-</u>	<u>41,602</u>
Net Assets Released from Restriction			
Satisfaction of program restrictions	263,909	(263,909)	-
Total Support and Revenue	<u>987,427</u>	<u>184,861</u>	<u>1,172,288</u>
Expenses			
Program services	796,101	-	796,101
Support services			
Management and general	89,313	-	89,313
Fundraising	103,596	-	103,596
Total Support Services	<u>192,909</u>	<u>-</u>	<u>192,909</u>
Total Expenses	<u>989,010</u>	<u>-</u>	<u>989,010</u>
Change in Net Assets	(1,583)	184,861	183,278
Net Assets, Beginning of Year	<u>154,494</u>	<u>78,211</u>	<u>232,705</u>
Net Assets, End of Year	<u>\$ 152,911</u>	<u>\$ 263,072</u>	<u>\$ 415,983</u>

See Independent Auditor's Report and Notes to the Financial Statements.

Rebuilding Together - Twin Cities
 dba Rebuilding Together Minnesota
 Statements of Functional Expenses
 For the Year Ended December 31, 2021

	Program Services	Support Services			Total	2020 Total
		Management and General	Fundraising	Total Support Services		
Personnel Costs						
Salaries and wages	\$ 319,438	\$ 42,943	\$ 23,786	\$ 66,729	\$ 386,167	\$ 312,423
Employee benefits	17,509	1,975	1,084	3,059	20,568	16,222
Payroll taxes	24,887	2,830	1,769	4,599	29,486	23,906
Total Personnel Costs	361,834	47,748	26,639	74,387	436,221	352,551
Project Expenses						
Donated services and materials	16,260	-	-	-	16,260	4,124
Contractors	415,161	-	-	-	415,161	272,420
Construction materials and supplies	95,520	1,522	3	1,525	97,045	23,527
Volunteer support	6,665	3	40	43	6,708	2,904
Total Project Expenses	533,606	1,525	43	1,568	535,174	302,975
Expenses						
Bad debts	-	2,100	-	2,100	2,100	1,000
Conferences	1,329	151	95	246	1,575	-
Dues and subscriptions	17,218	1,958	1,225	3,183	20,401	18,682
Equipment and software	9,643	1,097	681	1,778	11,421	10,620
Insurance	10,115	6,466	358	6,824	16,939	17,331
Interest	-	326	-	326	326	2,911
Marketing	20,010	3,931	943	4,874	24,884	10,710
Training	3,335	379	237	616	3,951	9,234
Travel	15,363	2,205	645	2,850	18,213	5,878
Office	6,091	3,422	530	3,952	10,043	10,717
Occupancy	46,507	2,461	1,482	3,943	50,450	48,100
AmeriCorps members	22,398	-	-	-	22,398	20,785
Professional fees	21,570	37,649	56,980	94,629	116,199	115,909
REO costs	1,086	-	-	-	1,086	1,257
Indirect event expenses	-	-	26	26	26	995
Miscellaneous	835	6,364	1,432	7,796	8,631	7,312
Telephone and internet	11,277	1,275	756	2,031	13,308	13,011
Expenses Before Depreciation	1,082,217	119,057	92,072	211,129	1,293,346	949,978
Depreciation	53,224	360	2,082	2,442	55,666	39,032
Total Expenses	\$ 1,135,441	\$ 119,417	\$ 94,154	\$ 213,571	\$ 1,349,012	\$ 989,010

See Independent Auditor's Report and Notes to the Financial Statements.

Rebuilding Together - Twin Cities
dba Rebuilding Together Minnesota
Statements of Functional Expenses (Continued)
For the Year Ended December 31, 2020

	Support Services				Total
	Program Services	Management and General	Fundraising	Total Support Services	
Personnel Costs					
Salaries and wages	\$ 251,949	\$ 32,027	\$ 28,447	\$ 60,474	\$ 312,423
Employee benefits	13,302	1,784	1,136	2,920	16,222
Payroll taxes	19,603	2,630	1,673	4,303	23,906
Total Personnel Costs	<u>284,854</u>	<u>36,441</u>	<u>31,256</u>	<u>67,697</u>	<u>352,551</u>
Project Expenses					
Donated services and materials	4,124	-	-	-	4,124
Contractors	272,320	-	100	100	272,420
Construction materials and supplies	16,055	-	7,472	7,472	23,527
Volunteer support	2,594	-	310	310	2,904
Total Project Expenses	<u>295,093</u>	<u>-</u>	<u>7,882</u>	<u>7,882</u>	<u>302,975</u>
Expenses					
Bad debts	-	-	1,000	1,000	1,000
Dues and subscriptions	15,334	2,046	1,302	3,348	18,682
Equipment and software	8,843	1,086	691	1,777	10,620
Insurance	10,883	5,994	454	6,448	17,331
Interest	-	2,911	-	2,911	2,911
Marketing	7,940	866	1,904	2,770	10,710
Training	9,003	141	90	231	9,234
Travel	5,694	148	36	184	5,878
Office	4,293	5,237	1,187	6,424	10,717
Occupancy	43,771	2,646	1,683	4,329	48,100
AmeriCorps members	20,785	-	-	-	20,785
Professional fees	37,975	26,905	51,029	77,934	115,909
REO costs	1,257	-	-	-	1,257
Indirect event expenses	-	-	995	995	995
Miscellaneous	1,244	3,112	2,956	6,068	7,312
Telephone and internet	10,746	1,385	880	2,265	13,011
Expenses Before Depreciation	<u>757,715</u>	<u>88,918</u>	<u>103,345</u>	<u>192,263</u>	<u>949,978</u>
Depreciation	<u>38,386</u>	<u>395</u>	<u>251</u>	<u>646</u>	<u>39,032</u>
Total Expenses	<u>\$ 796,101</u>	<u>\$ 89,313</u>	<u>\$ 103,596</u>	<u>\$ 192,909</u>	<u>\$ 989,010</u>

See Independent Auditor's Report and Notes to the Financial Statements.

Rebuilding Together - Twin Cities
 dba Rebuilding Together Minnesota
 Statements of Cash Flows
 For the Year Ended December 31, 2021 and 2020

	2021	2020
Cash Flows from Operating Activities		
Change in net assets	\$ 770,005	\$ 183,278
Adjustment to reconcile change in net assets to net cash provided by operating activities:		
Depreciation expense	55,666	39,032
Bad debt expense	2,100	1,000
Loss on disposal of property and equipment	29,587	245
Forgiveness of Paycheck Protection Program loan	(82,800)	-
Change in assets		
Pledges receivable	12,172	(8,370)
Contracts and grants receivable	(170,880)	29,704
Prepaid expenses	(10,304)	(1,572)
Inventory	-	1,150
Security deposit	(150)	-
Change in liabilities		
Accounts payable	(5,421)	(21,821)
Accrued payroll	10,602	1,400
Deferred revenue	23,210	1,312
Net Cash Provided by Operating Activities	633,787	225,358
Cash Flows from Investing Activities		
Purchases of property and equipment	(219,353)	(80,201)
Sale of property and equipment	15,000	-
Net Cash Used by Investing Activities	(204,353)	(80,201)
Cash Flows from Financing Activities		
Payments on line of credit	(15,000)	-
Proceeds from line of credit	-	15,000
Proceeds from Payroll Protection Program note payable	-	82,800
Net Cash Provided (Used) by Financing Activities	(15,000)	97,800
Change in Cash and Cash Equivalents	414,434	242,957
Cash and Cash Equivalents at Beginning of Year	309,884	66,927
Cash and Cash Equivalents at End of Year	\$ 724,318	\$ 309,884
Supplemental Disclosure of Cash Flow Information		
Interest paid	\$ 326	\$ 2,911
Supplemental Disclosure of Non-Cash Transactions		
Receipt of donated goods and services through in-kind contributions	\$ 125,277	\$ 55,815
Disposal of fully depreciated property and equipment	\$ 20,112	\$ 7,488

See Independent Auditor's Report and Notes to the Financial Statements.

Rebuilding Together - Twin Cities
dba Rebuilding Together Minnesota
Notes to the Financial Statements
December 31, 2021 and 2020

Note 1: Summary of Significant Accounting Policies

A. Nature of Activities

The mission of Rebuilding Together - Twin Cities dba Rebuilding Together Minnesota (the Organization) is: "Repairing homes, revitalizing communities, rebuilding lives." When qualified homeowners are not capable of making needed repairs, Rebuilding Together Twin Cities dba Rebuilding Together Minnesota will coordinate the volunteers, skilled labor, tools and supplies necessary to repair the homes. Rebuilding Together Twin Cities dba Rebuilding Together Minnesota also rehabilitates properties that house qualifying nonprofit organizations serving our community. We focus our efforts on older adults, individuals living with disabilities, active and retired members of the armed services, and families with children, tailoring services to meet the needs of each individual homeowner. Our services ensure that these homeowners can live independently in safe and healthy homes.

We work year-round to preserve affordable homeownership, build healthy neighborhoods and ensure that homeowners in need can live independently in safe and healthy homes through our programs:

Safe at Home: We provide home safety and fall prevention modifications and ramps for older adults or those living with a disability so that they can continue to live in safety and independence in their own homes. A project may include volunteer-delivered tasks, such as installing grab bars, wheelchair-accessible ramp or elongated stairs, handrails, handheld shower units, shower seats, and no-slip bath treads, and contractor-delivered environmental home modifications, such as doorway widening and kitchen or bathroom renovations, to enable aging-in-place and single-level living. We also provide Safe at Home kits, which include a smoke detector, carbon monoxide detector, no-slip bath treads, dawn to dusk lightbulbs and nightlights, grabbers, mini-flash light, batteries, kitchen fire extinguisher, reusable masks, sanitizing wipes, and an application for Safe at Home services.

Home Repair: We provide volunteer-delivered repairs including weatherizing, cleaning, installing flooring, patching and painting, siding, and landscaping, and timely contractor-delivered repair or replacement of essential systems, such as HVAC, electrical, plumbing, outer envelope and roofs that are critical to healthy, livable homes.

Community Revitalization: We stabilize and revitalize neighborhoods by providing safe and welcoming spaces for communities to gather, such as community centers, schools, supportive housing facilities and outdoor community spaces.

Construction Workforce Training Collaborative: We are working with Tree Trust, Association of Minority Contractors, and Housing First Minnesota to deliver an innovative public-private partnership that provides entry-level training in construction to underserved and minority youth, while increasing our capacity to serve low-income homeowners. We temporarily paused our Constructive Workforce Training Collaborative in order to make adjustments to the program based on lessons learned from our pilot program.

Rebuilding Together - Twin Cities dba Rebuilding Together Minnesota repaired and rehabilitated 141 homes in Andover, Brewster, Brooklyn Center, Brooklyn Park, Cedar, Champlin, Columbia Heights, Crystal, Duluth, Eden Prairie, Edina, Forest Lake, Fridley, Hastings, Heron Lake, Inver Grove Heights, Jackson, Jeffers, Lakefield, Leota, Minneapolis, Minnetonka, New Hope, North Saint Paul, Owatonna, Plymouth, Randall, Richfield, Robbinsdale, Rosemount, Saint Louis Park, Saint Paul, Saint Paul Park, South Saint Paul, Stewartville, Waconia, Westbrook, Windom, and White Bear Lake. The 141 homes housed a total of 239 residents. We also distributed 12 Safe at Home kits in Southwestern Minnesota. In addition, we completed one Community Revitalization project, adding a garden and making other improvements at the Rondo Commemorative Plaza in Saint Paul and serving the many residents who live in that neighborhood. Projects utilized 350 volunteers contributing 3,874 hours of service to the community at a value of \$120,016.52 worth of labor (based on the Independent Sector's 2020 value of volunteer labor in Minnesota of \$30.98 per hour). This year, we officially expanded our services statewide for roof projects and a full offering of services in Cottonwood, Jackson, Nobles, and Pipestone Counties in Southwest Minnesota.

Rebuilding Together - Twin Cities
dba Rebuilding Together Minnesota
Notes to the Financial Statements
December 31, 2021 and 2020

Note 1: Summary of Significant Accounting Policies (Continued)

A. Nature of Activities (Continued)

We also continue to implement a Healthy Housing Principles-based approach and incorporate the seven Principles of Healthy Homes into practice (Keep it: dry, clean, ventilated, pest-free, safe, contaminant-free, and maintained). Together with the National Center for Healthy Housing, the Rebuilding Together network has identified 25 Safe and Healthy Home Priorities that can be used to identify the safety and health-related issues at each home and also to measure the improvements related to health and safety resulting from our work.

B. Basis of Presentation

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

Net Assets Without Donor Restrictions - Those resources over which the Board of Directors has discretionary control.

Net Assets With Donor Restrictions - Those resources subject to donor imposed restrictions which will be satisfied by actions of the Organization or passage of time or that are to be maintained permanently by the Organization.

C. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that may affect certain reported amounts and disclosures in the financial statements and accompanying notes. Actual results could differ from these estimates.

D. Cash Equivalents

All highly liquid investments with a maturity of three months or less are considered to be cash equivalents.

E. Accounts Receivables

Accounts receivables are uncollateralized third-party payer obligations. Payments of program receivables are allocated to the specific claims identified on the remittance advice or, if unspecified, are applied to the earliest unpaid claim. the Organization does not charge interest on its program receivables. Management reviews accounts receivables to determine estimated amounts that will not be collected. There was an allowance for accounts receivable of \$900 for both years ending December 31, 2021 and 2020.

F. Property and Equipment

Property and equipment acquisitions are recorded at cost. the Organization's policy is to capitalize items with an estimated useful life in excess of one year and exceeding \$1,000. Depreciation is provided over the estimated useful life of each depreciable asset, and is computed on the straight-line method. The estimated useful life of furniture and equipment is 3 to 15 years and computer equipment is 3 years.

Depreciation expense for the years ended December 31, 2021 and 2020 is \$55,666 and \$39,032, respectively.

Rebuilding Together - Twin Cities
dba Rebuilding Together Minnesota
Notes to the Financial Statements
December 31, 2021 and 2020

Note 1: Summary of Significant Accounting Policies (Continued)

G. Revenue Recognition

Contributions received are recorded as unrestricted or donor-restricted support depending on the existence and nature of any restrictions. Contributions, including unconditional promises to give, are recorded as made. Unconditional promises to give due in subsequent years are recorded at their net realizable value.

The Organization has cost-reimbursable contracts with government agencies. Revenue from these contracts is recognized as costs are incurred. Payments received, but not yet expended, for the purpose of the contract, are reflected as deferred revenue in the accompanying statement of financial position.

H. Functional Expenses

Expenses directly attributable to program, administrative, or fundraising objectives are charged to their respective function. Likewise, expenses directly attributable to sub-programs are charged directly to that sub-program within the program function.

Program related expenses which benefit all sub-programs are considered joint program expenses and are allocated among the sub-programs based upon actual time spent as tracked on time sheets.

Salaries, benefits, and other personnel driven expenses not directly identifiable by program or support function are allocated across functions based on job descriptions and actual time spent as tracked on time sheets. Likewise, those operating expenses primarily determined by staff size and time worked are also allocated by actual time spent as tracked on time sheets. Rent and other facility driven expenses not directly identifiable by program or support function are allocated based upon square footage devoted for their purpose.

I. Income Taxes

The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and Minnesota Statute 290.05. Accordingly, no provision for income taxes is included in these financial statements. Because the Organization is a public charity, contributions may qualify for tax deductions by the contributors.

J. New Accounting Pronouncements

In March 2016, the FASB issued ASU No. 2016-02, Leases, as a new topic, Accounting Standards Codification 842. The objective of ASU No. 2016-02 is to increase transparency and comparability among organizations by reorganizing lease assets and lease liabilities on the statement of financial position and disclosing key information about leasing arrangements. ASU No. 2016-02 is effective for annual reporting periods beginning after December 15, 2021, and shall be applied using either a full retrospective or modified retrospective approach. Early adoption is permitted. The new guidance is effective for the Organization for the fiscal year ended 2022. The Organization is currently evaluating the impact of the results of operations, financial condition and cash flows and has not determined the impact on its consolidated financial statements at this time.

Rebuilding Together - Twin Cities
dba Rebuilding Together Minnesota
Notes to the Financial Statements
December 31, 2021 and 2020

Note 1: Summary of Significant Accounting Policies (Continued)

K. New Accounting Pronouncements (Continued)

In September 2020, the FASB issued ASU No. 2020-07 Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets, which is intended to improve the transparency in the reporting of contributed nonfinancial assets, also known as gifts-in-kind, for not-for-profit organizations. This ASU requires not-for-profit organizations to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash or other financial assets. In addition to separate presentation on the statement of activities, this amendment requires enhanced disclosures around each category of contributed nonfinancial assets for donor-imposed restrictions, valuation techniques, description of programs or activities in which the assets were used, and if monetized a policy about monetizing rather than utilizing the asset(s). The amendments in this ASU should be applied on a retrospective basis and are effective for annual reporting periods beginning after June 15, 2021. Early adoption is permitted. The Organization is currently evaluating the impact this standard will have on its financial statements.

L. Subsequent Events

Management has evaluated subsequent events through June 15, 2022, which is the date the financial statements were available to be issued. No subsequent events required disclosure for the year ended December 31, 2021.

Note 2: Properties Held for Sale

The Organization periodically receives donations of single-family homes from local banks with the stipulation that the properties be repaired and sold specifically to low-to-moderate income families for owner-occupancy. The Organization capitalizes costs incurred to bring the property to a selling point. These properties have been recorded at their estimated net realizable value. During the year ended December 31, 2021 and 2020, the Organization did not receive any donated property held for sale. During the year ended December 31, 2021, the Organization sold the property held for sale for \$15,000.

Note 3: Line of Credit

On February 27, 2020, the Organization renewed this line of credit agreement with Propel Nonprofits with the ability to draw up to \$80,000, due in set payments throughout the year and interest due monthly. This line of credit bears interest at a rate of 6.50 percent annually, and expires February 2021. The Organization did not renew the line of credit after February 2021. The balances on the line of credit as of December 31, 2021 and 2020 are \$0 and \$15,000, respectively. This balance and remaining interest was paid in full in February of 2021. This note was secured by various Organization assets as collateral.

Note 4: Paycheck Protection Program

In April 2020, the Organization entered into a promissory note agreement with Sunrise Bank in the amount of \$82,800 pursuant to the Paycheck Protection Program (PPP) created by the CARES Act and governed by the Small Business Administration (SBA). The note accrues interest at 1 percent per annum and is schedule to mature April 2022. Up to 100 percent of the loan is forgivable when used to pay specified payroll and other costs within the qualified period (generally 24 weeks after receiving the funds). In March 2021, The Organization received full forgiveness on this note and as such recorded this amount as revenue in 2021.

Rebuilding Together - Twin Cities
 dba Rebuilding Together Minnesota
 Notes to the Financial Statements
 December 31, 2021 and 2020

Note 5: Leases

The Organization currently leases its office and warehouse space under a noncancelable operating lease which expires November 30, 2021. During the year ended December 31, 2021, the Organization extended the lease agreement, which is effective December 1, 2021, and matures on November 30, 2026. Monthly rent increases \$100 per month every twenty-four months. Total rent expense was \$50,450 and \$48,100 for the years ending December 31, 2021 and 2020, respectively.

Future minimum lease payments under this lease are as follows:

<u>For the Year Ended December 31,</u>	<u>Amount</u>
2022	\$ 52,350
2023	51,700
2024	52,800
2025	52,900
2026	<u>49,500</u>
Total	<u>\$ 259,250</u>

Note 6: Net Assets with Donor Restrictions

Net assets with donor restrictions at December 31, 2021 and 2020 are as follows:

	<u>2021</u>	<u>2020</u>
Workforce Development	\$ 160,000	\$ -
Capacity Campaign	75,000	167,272
Safe @ Home	6,601	-
Miscellaneous Projects	-	54,000
Real Estate Owned Projects	<u>-</u>	<u>41,800</u>
Total	<u>\$ 241,601</u>	<u>\$ 263,072</u>

Rebuilding Together - Twin Cities
 dba Rebuilding Together Minnesota
 Notes to the Financial Statements
 December 31, 2021 and 2020

Note 7: Contributed Services and Materials

The value of contributed services and materials included as contributions in the financial statements and the corresponding expenses for the year ended December 31, 2021 and 2020 are as follows:

	2021	2020
Professional Services	\$ 109,849	\$ 52,315
Materials	15,428	-
Gift Cards	-	3,500
	\$ 125,277	\$ 55,815
Total		

The value of contributed goods included as special event revenue in the financial statements and the corresponding expenses for the year ended December 31, 2021 and 2020 were \$22,434 and \$15,380, respectively.

In addition, numerous individuals volunteer their time and perform a variety of program and fundraising services. Although no amounts have been reflected in the financial statements, management estimates the number of hours and the fair value of those services to be approximately as follows:

	2021		2020	
	Hours	Value	Hours	Value
Unskilled Volunteers	3,874	\$ 120,017	2,156	\$ 63,473

The value of labor per hour is based on research provided by the Independent Sector, www.independentsector.org.

Note 8: Liquidity and Availability of Financial Resources

The Organization's board of directors has approved and monitors a comprehensive set of policies which govern the responsibilities and limitations of executive management. In turn, management routinely monitors liquidity and cash reserves which fund operations and program service delivery in accordance with these board established policies. Additionally, liquidity measures are tracked and provided to the board of directors as part of its regular reporting cycle and to funders as requested.

Liquid financial assets available for general expenditure (that is without donor restriction or organizational designation which limit their use) within one year of the date of the statement of financial position include the following:

- Advancements from the line of credit when liquidity falls below the ability to meet financial obligations due within 30 days.
- Payments to the line of credit occur when liquidity rises above the ability to meet financial obligations due within 60 - 90 days.

Rebuilding Together - Twin Cities
 dba Rebuilding Together Minnesota
 Notes to the Financial Statements
 December 31, 2021 and 2020

Note 8: Liquidity and Availability of Financial Resources (Continued)

The Organization's liquid financial assets available to meet cash needs for general expenditures within one year are summarized as follows:

	2021	2020
Cash and Cash Equivalents	\$ 724,318	\$ 309,884
Pledges Receivable	8,703	20,875
Contracts and Grants Receivable, Net	172,584	3,804
Total Financial Assets Available Within One Year	905,605	334,563
Less those unavailable for general expenditure within one year, due to:		
Net assets with donor restrictions	(241,601)	(263,072)
Financial assets available to meet cash needs for general expenditures within one year	\$ 664,004	\$ 71,491

Note 9: COVID-19

In December 2019, a novel strain of coronavirus (COVID-19) surfaced. The spread of COVID-19 around the world during 2020 and 2021 has caused significant volatility in U.S. and international markets. There is significant uncertainty around the breadth and duration of business disruptions related to COVID-19, as well as its impact on the U.S. and international economies and, as such, the Organization is unable to determine the impact to its future operations.