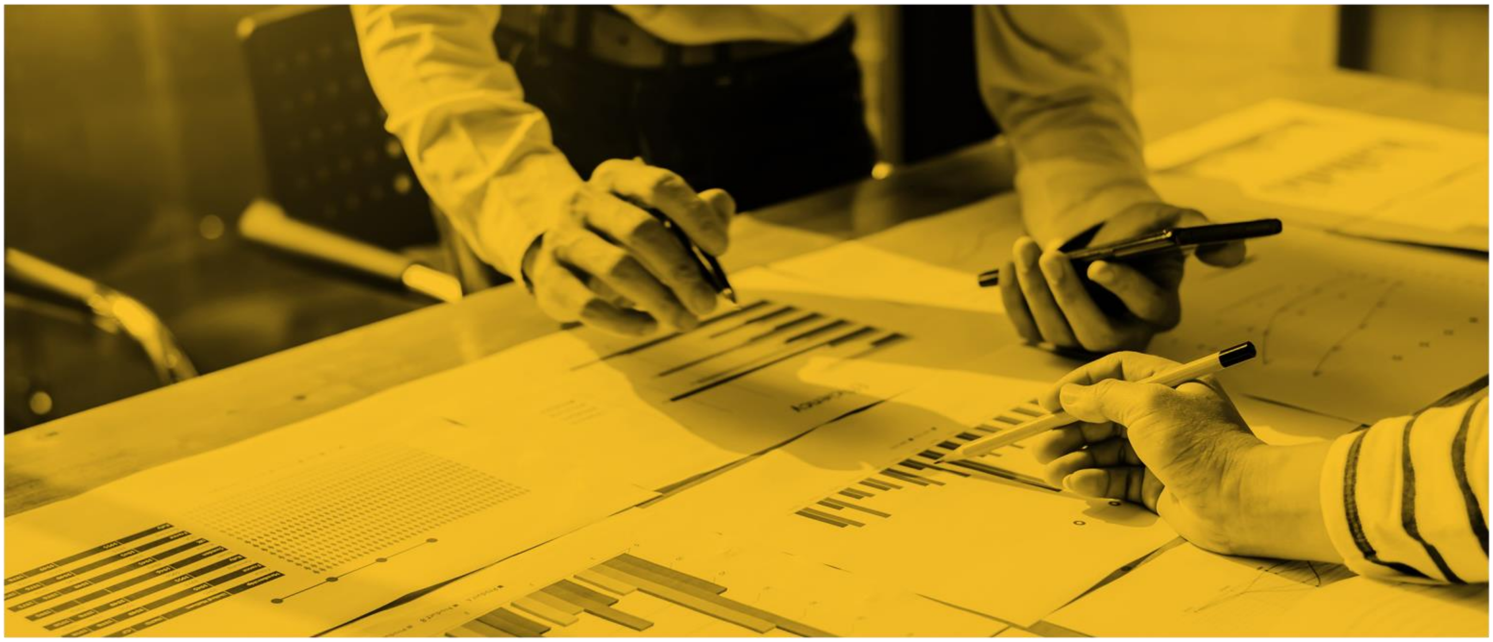

Financial Statements

Rebuilding Together - Twin Cities

dba Rebuilding Together Minnesota

Minneapolis, Minnesota

For the years ended December 31, 2022 and 2021

Abdo
Lighting the path forward

Edina Office
5201 Eden Avenue, Ste 250
Edina, MN 55436
P 952.835.9090

Mankato Office
100 Warren Street, Ste 600
Mankato, MN 56001
P 507.625.2727

Scottsdale Office
14500 N Northsight Blvd, Ste 233
Scottsdale, AZ 85260
P 480.864.5579

Rebuilding Together - Twin Cities
dba Rebuilding Together Minnesota
Table of Contents
For the Years Ended December 31, 2022 and 2021

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, 2022 and 2021, 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, 2022 and 2021, 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

Abdo
Minneapolis, Minnesota
July 19, 2023

FINANCIAL STATEMENTS

Rebuilding Together - Twin Cities
dba Rebuilding Together Minnesota
Statements of Financial Position
December 31, 2022 and 2021

	2022	2021
Assets		
Current Assets		
Cash and cash equivalents	$ 457,216	$ 724,318
Pledges receivable	17,045	8,703
Contracts and grants receivable, net of allowance of $900 for 2022 and 2021	296,947	172,584
Prepaid expenses	23,974	27,149
Total Current Assets	795,182	932,754
Property and Equipment		
Leasehold Improvements	5,798	5,798
Furniture and equipment	711,035	490,214
Computer equipment	11,346	11,435
Total Property and Equipment, Cost	728,179	507,447
Accumulated Depreciation	(222,887)	(148,575)
Total Property and Equipment, Net	505,292	358,872
Noncurrent Assets		
Security deposit	3,550	3,550
Finance right of use (ROU) asset, net of amortization	192,165	-
Total Noncurrent Assets	195,715	3,550
Total Assets	$ 1,496,189	$ 1,295,176
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	$ 109,430	$ 23,926
Accrued expenses	38,566	43,361
Deferred revenue	81,925	41,901
Short term lease liability	46,934	-
Total Current Liabilities	276,855	109,188
Noncurrent Liabilities		
Long term lease liability	145,230	-
Total Liabilities	422,085	109,188
Net Assets		
Net assets without donor restrictions	874,104	944,387
Net assets with donor restrictions	200,000	241,601
Total Net Assets	1,074,104	1,185,988
Total Liabilities and Net Assets	$ 1,496,189	$ 1,295,176

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, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue			
Support			
Pledges and contributions	$ 192,053	$ 348,190	$ 540,243
Governmental grants	745,466	-	745,466
Special events, net of expenses of $42,532	52,690	-	52,690
Donated services and materials	135,379	-	135,379
Total Support	1,125,588	348,190	1,473,778
Revenue			
Program services	92,983	-	92,983
Interest income	2,067	-	2,067
Other revenue	41,540	-	41,540
Total Revenue	136,590	-	136,590
Net Assets Released from Restriction			
Satisfaction of program restrictions	389,788	(389,788)	-
Total Support and Revenue	1,651,966	(41,601)	1,610,368
Expenses			
Program services	1,514,092	-	1,514,092
Support services			
Management and general	104,774	-	104,774
Fundraising	103,383	-	103,383
Total Support Services	208,157	-	208,157
Total Expenses	1,722,249	-	1,722,249
Change in Net Assets	(70,283)	(41,601)	(111,884)
Net Assets, Beginning of Year	944,387	241,601	1,185,988
Net Assets, End of Year	$ 874,104	$ 200,000	$ 1,074,104

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, 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

Rebuilding Together - Twin Cities
dba Rebuilding Together Minnesota
Statements of Functional Expenses
For the Year Ended December 31, 2022

		Support Services				
	Program Services	Management and General	Fundraising	Total Support Services	Total	2021 Total
Personnel Costs						
Salaries and wages	$ 445,182	$ 48,128	$ 26,681	$ 74,809	$ 519,991	$ 386,167
Employee benefits	27,364	3,162	1,614	4,776	32,140	20,568
Payroll taxes	33,546	3,949	2,393	6,342	39,888	29,486
Total Personnel Costs	506,092	55,239	30,688	85,927	592,019	436,221
Project Expenses						
Donated services and materials	186	-	-	-	186	16,260
Contractors	592,689	-	-	-	592,689	415,161
Construction materials and supplies	113,052	-	8,328	8,328	121,380	97,045
Volunteer support	10,081	14	-	14	10,095	6,708
Total Project Expenses	716,008	14	8,328	8,342	724,350	535,174
Expenses						
Bad debts	-	15	-	15	15	2,100
Conferences	-	-	-	-	-	1,575
Dues and subscriptions	19,167	2,273	1,351	3,624	22,791	20,401
Equipment and software	14,636	1,207	1,819	3,026	17,662	11,421
Insurance	27,893	1,999	8,882	10,881	38,774	16,939
Interest	-	-	-	-	-	326
Marketing	15,096	31	-	31	15,127	24,884
Training	2,722	320	187	507	3,229	3,951
Travel	13,254	1,193	247	1,440	14,694	18,213
Office	6,457	733	2,477	3,210	9,667	10,043
Occupancy	41,513	2,257	1,625	3,882	45,395	50,450
AmeriCorps members	6,790	-	-	-	6,790	20,785
Professional fees	40,990	16,999	35,046	52,045	93,035	117,812
REO costs	11	-	-	-	11	1,086
Indirect event expenses	-	-	-	-	-	26
Miscellaneous	1,132	20,585	11,927	32,512	33,644	8,631
Telephone and internet	12,033	1,412	806	2,218	14,251	13,308
Expenses Before Depreciation	1,423,794	104,277	103,383	207,660	1,631,454	1,293,346
Depreciation	90,298	497	-	497	90,795	55,666
Total Expenses	$ 1,514,092	$ 104,774	$ 103,383	$ 208,157	$ 1,722,249	$ 1,349,012

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, 2021

	Program Services	Support Services: Management and General	Support Services: Fundraising	Support Services: Total Support Services	2021 Total
Personnel Costs					
Salaries and wages	$ 319,438	$ 42,943	$ 23,786	$ 66,729	$ 386,167
Employee benefits	17,509	1,975	1,084	3,059	20,568
Payroll taxes	24,887	2,830	1,769	4,599	29,486
Total Personnel Costs	361,834	47,748	26,639	74,387	436,221
Project Expenses					
Donated services and materials	16,260	-	-	-	16,260
Contractors	415,161	-	-	-	415,161
Construction materials and supplies	95,520	1,522	3	1,525	97,045
Volunteer support	6,665	3	40	43	6,708
Total Project Expenses	533,606	1,525	43	1,568	535,174
Expenses					
Bad debts	-	2,100	-	2,100	2,100
Conferences	1,329	151	95	246	1,575
Dues and subscriptions	17,218	1,958	1,225	3,183	20,401
Equipment and software	9,643	1,097	681	1,778	11,421
Insurance	10,115	6,466	358	6,824	16,939
Interest	-	326	-	326	326
Marketing	20,010	3,931	943	4,874	24,884
Training	3,335	379	237	616	3,951
Travel	15,363	2,205	645	2,850	18,213
Office	6,091	3,422	530	3,952	10,043
Occupancy	46,507	2,461	1,482	3,943	50,450
AmeriCorps members	22,398	-	(1,613)	(1,613)	20,785
Professional fees	21,570	37,649	58,593	96,242	117,812
REO costs	1,086	-	-	-	1,086
Indirect event expenses	-	-	26	26	26
Miscellaneous	835	6,364	1,432	7,796	8,631
Telephone and internet	11,277	1,275	756	2,031	13,308
Expenses Before Depreciation	1,082,217	119,057	92,072	211,129	1,293,346
Depreciation	53,224	360	2,082	2,442	55,666
Total Expenses	$ 1,135,441	$ 119,417	$ 94,154	$ 213,571	$ 1,349,012

Rebuilding Together - Twin Cities
dba Rebuilding Together Minnesota
Statements of Cash Flows
For the Year Ended December 31, 2022 and 2021

	2022	2021
Cash Flows from Operating Activities		
Change in net assets	$ (111,884)	$ 770,005
Adjustment to reconcile change in net assets to net cash provided by operating activities:		
Depreciation expense	90,795	55,666
Bad debt expense	15	2,100
Loss on disposal of property and equipment	-	29,587
Forgiveness of Paycheck Protection Program loan	-	(82,800)
Change in assets		
Pledges receivable	(8,342)	12,172
Contracts and grants receivable	(124,378)	(170,880)
Prepaid expenses	3,175	(10,304)
Security deposit	-	(150)
Change in liabilities		
Accounts payable	85,504	(5,421)
Accrued payroll	(4,795)	10,602
Deferred revenue	40,024	23,210
Operating lease liability	192,164	-
Net Cash Provided by Operating Activities	162,278	633,787
Cash Flows from Investing Activities		
Purchases of property and equipment	(234,631)	(219,353)
Sale of property and equipment	-	15,000
Net Cash Used by Investing Activities	(234,631)	(204,353)
Cash Flows from Financing Activities		
Payments on line of credit	(194,749)	(15,000)
Change in Cash and Cash Equivalents	(267,102)	414,434
Cash and Cash Equivalents at Beginning of Year	724,318	309,884
Cash and Cash Equivalents at End of Year	$ 457,216	$ 724,318
Supplemental Disclosure of Cash Flow Information		
Interest paid	$ -	$ 326
Supplemental Disclosure of Non-Cash Transactions		
Receipt of donated goods and services through in-kind contributions	$ 135,379	$ 125,277
Disposal of fully depreciated property and equipment	$ 16,484	$ 20,112

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

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 various partners to deliver innovative public-private partnerships that provide entry-level training while increasing our capacity to serve low-income homeowners. During the summer of 2022, we partnered with St. Catherine University's Occupational Therapy program to provide hands-on, field experience for Occupational Therapy students. This experience also provided valuable home assessments for all of our Safe at Home clients. We plan to expand this partnership in 2023. In 2023, we will also be working with Vuyo Community Partners to design a construction training program tailored towards area youth ages 17-24.

Rebuilding Together Minnesota preserved affordable homeownership and addressed health and safety hazards at 285 homes, directly impacting the well-being of 392 residents. Clients served live in Ada, Andover, Anoka, Blaine, Bloomington, Brewster, Brooklyn Center, Brooklyn Park, Cambridge, Champlin, Columbia Heights, Cottage Grove, Crystal, Eagan, Eden Prairie, Edina, Hastings, Heron Lake, Hopkins, Inver Grove Heights, Jackson, Jeffers, Jordan, Kettle River, Lakefield, Leota, Little Canada, Maple Grove, Maplewood, Mendota, Minneapolis, Mounds View, Mountain Lake, New Brighton, North Oaks, North Saint Paul, Oakdale, Pipestone, Richfield, Robbinsdale, Rochester, Roseville, Round Lake, Saint Louis Park, Saint Paul, Saint Paul Park, Shoreview, Spring Lake Park, Vadnais Heights, Westbrook, White Bear Lake, Windom, Woodbury, and Worthington. In addition, we completed six Community Revitalization projects, impacting the 626 clients served through those nonprofit facilities and community spaces. Projects utilized 573 volunteers contributing 4,033 hours of service to the community at a value of $130,386.89 worth of labor (based on the Independent Sector's 2021 value of volunteer labor in Minnesota of $32.33 per hour).

Note 1: Summary of Significant Accounting Policies (Continued)

A. Nature of Activities (Continued)

We 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 at December 31, 2022 and 2021.

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, 2022 and 2021 is $90,795 and $55,666, respectively.

Note 1: Summary of Significant Accounting Policies (Continued)

G. Leases

The Organization determines if an arrangement is a lease at inception. If an arrangement contains a lease, the Organization performs a lease classification test to determine if the lease is an operating lease or a finance lease. Right-of-use (ROU) assets represent the right to use an underlying asset for the lease term and lease liabilities represent the Organization's obligation to make lease payments arising from the lease. Finance lease liabilities are recognized on the commencement date of the lease based on the present value of the future lease payments over the lease term and are included in long-term liabilities and current liabilities on the statement of financial position. ROU assets are valued at the initial measurement of the lease liability, plus any indirect costs or rent prepayments, and reduced by any lease incentives and any deferred lease payments. Finance ROU assets are recorded on the face of the statement of financial position and are amortized over the lease term. To determine the present value of lease payments on lease commencement, the Organization uses the implicit rate when readily determinable. Lease terms include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. Lease expense is recognized on a straight-line basis over the life of the lease and is included within operating expenses on the statement of activities. The Organization has made the following elections related to leases:

- The Organization has elected to use a risk-free rate as the discount rate on all classes of underlying assets when an implicit rate is not readily available.

- The Organization has elected the practical expedient to account for the lease and non-lease components as a single lease component for classes of underlying assets.

- The Organization has elected to apply the short-term lease exception to all leases with a term of one year or less. Short-term leases will not be capitalized.

H. 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.

I. 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.

Note 1: Summary of Significant Accounting Policies (Continued)

J. 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.

K. 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 has implemented the guidance and the results are reflected and explained in the financial statements and related notes.

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 has implemented the guidance and the results are reflected and explained in the financial statements and related notes.

L. Subsequent Events

Management has evaluated subsequent events through July 19, 2023, which is the date the financial statements were available to be issued. No subsequent events required disclosure for the year ended December 31, 2022.

Note 2: 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, 2022 and 2021 are $0 and $0, 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 3: 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.

Note 4: Net Assets with Donor Restrictions

Net assets with donor restrictions at December 31, 2022 and 2021 are as follows:

	2022	2021
Workforce development	$ 160,000	$ 160,000
Capacity campaign	40,000	75,000
Safe @ Home	-	6,601
Total	$ 200,000	$ 241,601

Note 5: Leases Under ASC 840

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 for the years ending December 31, 2021.

Future minimum lease payments under this lease are as follows:

Year Ended December 31,	Amount
2022	$ 52,350
2023	51,700
2024	52,800
2025	52,900
2026	49,500
Total	$ 259,250

Note 6: Leases Under ASC 842

Effective September 17, 2021, the Organization entered into a property lease agreement with Bolger Family Limited Partnership LLP, that calls for monthly base payments of approximately $4,380 and is set to expire in November 2026. The Organization and lessor modified the agreement during the year ended December 31, 2022, due to flooding occurring in the leased property. The stated monthly base payments increase 2 percent every two years. The agreement also provides that the Organization is responsible for the property's incurred real estate taxes, insurance premiums and attributable operating expenses. The Organization has determined that this lease is a finance lease.

As disclosed in Note 1, the Organization adopted FASB ASC 842, effective January 1, 2022, using a modified retrospective approach. As a result, the Organization was required to recognize a ROU asset and corresponding lease liability on the face of the statement of financial position for the year ended December 31, 2022. As the standard was implemented using a modified retrospective approach, the balance sheet as of December 31, 2021, was not impacted.

The ROU lease asset and corresponding lease liability were calculated utilizing a risk-free discount rate of 2.79 percent, according to the Organization's elected policy. The Organization's lease agreement does not contain any material residual value guarantees or material restrictive covenants.

Additional information about the Organization’s lease for the year ended December 31, 2022, is as follows:

Lease expense (included in operating expenses)	Amount
Finance lease expense	
Amortization of ROU assets	$ 37,862
Interest on lease liabilities	4,357
Short-term lease expense	7,644
Total	$ 49,863
Other Information	
Cash paid for amounts included in the measurement of lease liabilities	
Operating cash flows from finance leases (i.e. Interest)	$ 4,357
Financing cash flows from finance leases (i.e. principal portion)	11,506
ROU assets obtained in exchange for new finance lease liabilities	203,671
Weighted-average remaining lease term in years for operating leases	4.16
Weighted-average discount rate for operating leases	2.79%

Maturities of finance lease liabilities are as follows:

Year ended December 31:	
2023	$ 51,700
2024	52,800
2025	52,900
2026	53,000
Total undiscounted cash flows	210,400
Less: present value discount	(18,236)
Total lease liabilities	$ 192,164

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, 2022 and 2021 are as follows:

	2022	2021	Usage in Programs/Activities	Donor Restriction	Fair Value Techniques
Professional services	$ 127,199	$ 109,849	Safe at Home	None	Estimated based on time rates for each practitioner
Materials	8,180	15,428	Home Repair	None	Estimated wholesale prices of identical or similar products if purchased in the region
Total	$ 135,379	$ 125,277			

The value of contributed goods included as special event revenue in the financial statements and the corresponding expenses for the year ended December 31, 2022 and 2021 were $9,587 and $22,434, 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:

	2022		2021	
	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.

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:

	2022	2021
Cash and cash equivalents	$ 457,216	$ 724,318
Pledges receivable	17,045	8,703
Contracts and grants receivable, net	296,947	172,584
Total Financial Assets Available Within One Year	771,208	905,605
Less those unavailable for general expenditure within one year, due to:		
Net assets with donor restrictions	(200,000)	(241,601)
Financial assets available to meet cash needs for general expenditures within one year	$ 571,208	$ 664,004