FINANCIAL STATEMENTS

REBUILDING TOGETHER – TWIN CITIES
DBA REBUILDING TOGETHER MINNESOTA
MINNEAPOLIS, MINNESOTA

FOR THE YEARS ENDED
DECEMBER 31, 2024 AND 2023

Rebuilding Together - Twin Cities
dba Rebuilding Together Minnesota
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For the Years Ended December 31, 2024 and 2023

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, 2024 and 2023, 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, 2024 and 2023, 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 audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of 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 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
June 19, 2025

FINANCIAL STATEMENTS

Rebuilding Together - Twin Cities
dba Rebuilding Together Minnesota
Statements of Financial Position
December 31, 2024 and 2023

	2024	2023
Assets		
Current Assets		
Cash and cash equivalents	$ 434,175	$ 488,372
Pledges receivable	1,250	7,370
Government grants receivable	253,008	-
Contracts receivable, net of allowance of $900 for 2024 and 2023	145,379	145,165
Prepaid expenses	34,175	38,724
Total Current Assets	867,987	679,631
Property and Equipment		
Leasehold improvements	5,798	5,798
Furniture and equipment	898,742	848,451
Computer equipment	15,633	14,576
Total Property and Equipment, Cost	920,173	868,825
Accumulated Depreciation	(398,135)	(319,107)
Total Property and Equipment, Net	522,038	549,718
Noncurrent Assets		
Security deposit	3,550	3,550
Operating right of use asset	95,854	145,230
Total Noncurrent Assets	99,404	148,780
Total Assets	$ 1,489,429	$ 1,378,129
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	$ 84,240	$ 119,615
Accrued expenses	89,340	37,842
Deferred revenue	261,128	38,011
Operating lease liability, current	50,872	49,376
Total Current Liabilities	485,580	244,844
Noncurrent Liabilities		
Operating lease liability, net of current portion	44,983	95,854
Total Liabilities	530,563	340,698
Net Assets		
Net assets without donor restrictions	392,353	787,191
Net assets with donor restrictions	566,513	250,240
Total Net Assets	958,866	1,037,431
Total Liabilities and Net Assets	$ 1,489,429	$ 1,378,129

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

Rebuilding Together - Twin Cities
dba Rebuilding Together Minnesota
Statement of Activities
For the Year Ended December 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue			
Support			
Pledges and contributions	$ 333,604	$ 274,499	$ 608,103
Governmental grants	1,571,217	451,972	2,023,189
Special events, net of expenses of $20,219	12,260	21,000	33,260
Donated services and materials	152,755	-	152,755
Total Support	2,069,836	747,471	2,817,307
Revenue			
Program services	36,877	-	36,877
Interest income	81	-	81
Other revenue	2,702	-	2,702
Total Revenue	39,660	-	39,660
Net Assets Released from Restriction			
Satisfaction of program restrictions	431,198	(431,198)	-
Total Support and Revenue	2,540,694	316,273	2,856,967
Expenses			
Program services	2,652,159	-	2,652,159
Support services			
Management and general	192,640	-	192,640
Fundraising	90,733	-	90,733
Total Support Services	283,373	-	283,373
Total Expenses	2,935,532	-	2,935,532
Change in Net Assets	(394,838)	316,273	(78,565)
Net Assets, Beginning of Year	787,191	250,240	1,037,431
Net Assets, End of Year	$ 392,353	$ 566,513	$ 958,866

Rebuilding Together - Twin Cities
dba Rebuilding Together Minnesota
Statement of Activities (Continued)
For the Year Ended December 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue			
Support			
Pledges and contributions	$ 409,588	$ 497,825	$ 907,413
Governmental grants	643,890	-	643,890
Special events, net of expenses of $25,553	4,279	-	4,279
Donated services and materials	152,844	-	152,844
Total Support	1,210,601	497,825	1,708,426
Revenue			
Program services	29,294	-	29,294
Loss on sale of equipment	(17,329)	-	(17,329)
Interest income	9,227	-	9,227
Total Revenue	21,192	-	21,192
Net Assets Released from Restriction			
Satisfaction of program restrictions	447,585	(447,585)	-
Total Support and Revenue	1,679,378	50,240	1,729,618
Expenses			
Program services	1,514,405	-	1,514,405
Support services			
Management and general	189,237	-	189,237
Fundraising	62,649	-	62,649
Total Support Services	251,886	-	251,886
Total Expenses	1,766,291	-	1,766,291
Change in Net Assets	(86,913)	50,240	(36,673)
Net Assets, Beginning of Year	874,104	200,000	1,074,104
Net Assets, End of Year	$ 787,191	$ 250,240	$ 1,037,431

Rebuilding Together - Twin Cities
dba Rebuilding Together Minnesota
Statement of Functional Expenses
For the Year Ended December 31, 2024

		Support Services			
	Program Services	Management and General	Fundraising	Total Support Services	Total
Personnel Costs					
Salaries and wages	$ 587,541	$ 46,540	$ 44,619	$ 91,159	$ 678,700
Employee benefits	43,074	4,103	2,220	6,323	49,397
Payroll taxes	44,775	4,174	2,575	6,749	51,524
Total Personnel Costs	675,390	54,817	49,414	104,231	779,621
Project Expenses					
Construction materials and supplies	151,147	-	-	-	151,147
Contractors	1,303,242	-	-	-	1,303,242
Donated services and materials	26,476	-	-	-	26,476
Volunteer support	6,501	57	-	57	6,558
Total Project Expenses	1,487,366	57	-	57	1,487,423
Expenses					
AmeriCorps members	9,708	632	1	633	10,341
Conferences	619	65	21	86	705
Dues and subscriptions	19,782	1,936	1,183	3,119	22,901
Equipment and software	8,608	1,316	596	1,912	10,520
Food expense	-	-	7,378	7,378	7,378
Insurance	22,000	9,174	758	9,932	31,932
Interest	50	23	2	25	75
Marketing	42,384	183	425	608	42,992
Miscellaneous	13,907	14,936	1,780	16,716	30,623
Occupancy	52,377	3,241	1,320	4,561	56,938
Office	12,913	3,813	442	4,255	17,168
Professional fees	147,847	97,372	23,987	121,359	269,206
Telephone and internet	19,253	2,665	2,800	5,465	24,718
Training	5,729	930	210	1,140	6,869
Travel	12,720	1,395	310	1,705	14,425
Total Expenses	367,897	137,681	41,213	178,894	546,791
Expenses Before Depreciation	2,530,653	192,555	90,627	283,182	2,813,835
Depreciation and amortization	121,506	85	106	191	121,697
Total Expenses	$ 2,652,159	$ 192,640	$ 90,733	$ 283,373	$ 2,935,532

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

Rebuilding Together - Twin Cities
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Statement of Functional Expenses (Continued)
For the Year Ended December 31, 2023

		Support Services			
	Program Services	Management and General	Fundraising	Total Support Services	Total
Personnel Costs					
Salaries and wages	$ 464,019	$ 63,441	$ 17,615	$ 81,056	$ 545,075
Employee benefits	31,380	3,009	1,547	4,556	35,936
Payroll taxes	36,255	3,379	2,086	5,465	41,720
Total Personnel Costs	531,654	69,829	21,248	91,077	622,731
Project Expenses					
Construction materials and supplies	144,403	-	(9,428)	(9,428)	134,975
Contractors	367,982	-	-	-	367,982
Donated services and materials	5,502	-	50	50	5,552
Volunteer support	10,119	-	-	-	10,119
Total Project Expenses	528,006	-	(9,378)	(9,378)	518,628
Expenses					
AmeriCorps members	25,910	680	-	680	26,590
Credit losses	-	1,909	3,550	5,459	5,459
Conferences	2,849	217	134	351	3,200
Dues and subscriptions	20,083	1,894	1,139	3,033	23,116
Equipment and software	16,019	2,886	(6,423)	(3,537)	12,482
Food expense	-	-	2,636	2,636	2,636
Insurance	39,234	11,343	1,797	13,140	52,374
Interest	-	93	-	93	93
Marketing	16,473	633	305	938	17,411
Miscellaneous	2,558	15,475	13,014	28,489	31,047
Occupancy	52,532	2,541	1,292	3,833	56,365
Office	5,088	2,440	7,510	9,950	15,038
Professional fees	115,236	74,524	23,753	98,277	213,513
Telephone and internet	16,595	1,551	1,149	2,700	19,295
Training	7,229	790	364	1,154	8,383
Travel	21,693	2,279	477	2,756	24,449
Total Expenses	341,499	119,255	50,697	169,952	511,451
Expenses Before Depreciation	1,401,159	189,084	62,567	251,651	1,652,810
Depreciation and amortization	113,246	153	82	235	113,481
Total Expenses	$ 1,514,405	$ 189,237	$ 62,649	$ 251,886	$ 1,766,291

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 Years Ended December 31, 2024 and 2023

	2024	2023
Cash Flows from Operating Activities		
Change in net assets	$ (78,565)	$ (36,673)
Adjustment to reconcile change in net assets to net cash provided by operating activities:		
Depreciation expense	121,697	113,481
Credit loss expense	-	5,459
Loss on disposal of property and equipment	-	17,329
Amortization of right of use asset	49,376	-
Change in assets		
Pledges receivable	6,120	9,675
Contracts and grants receivable	(253,222)	146,323
Prepaid expenses	4,549	(14,750)
Change in liabilities		
Accounts payable	(35,375)	10,185
Accrued payroll	51,498	(724)
Deferred revenue	223,117	(43,914)
Operating lease liability	(49,375)	-
Net Cash Provided by Operating Activities	39,820	206,391
Cash Flows from Investing Activities		
Purchases of property and equipment	(94,017)	(175,235)
Change in Cash and Cash Equivalents	(54,197)	31,156
Cash and Cash Equivalents at Beginning of Year	488,372	457,216
Cash and Cash Equivalents at End of Year	$ 434,175	$ 488,372
Supplemental Disclosure of Cash Flow Information		
Interest paid	$ 75	$ 93
Supplemental Disclosure of Non-Cash Transactions		
Receipt of fixed assets through in-kind contributions	$ 54,093	$ 92,557
Disposal of fully depreciated property and equipment	$ 42,669	$ 11,038

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.

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

Community Revitalization: Extending our impact from individual homes into the broader community stabilizes and revitalizes neighborhoods. We do this by improving and repairing spaces where communities gather.

Higher Education Partnership: In support of enhancing the work we do and building pathways to work in relevant fields, we are proud to partner with St. Catherine University in providing hands-on, field experience for Occupational Therapy students who provide home assessments for our Safe at Home clients.

Rebuilding Together Minnesota preserved affordable homeownership and addressed health and safety hazards at 230 homes, directly impacting the well-being of 448 residents. Clients served live in 70 municipalities across 19 counties: Adrian, Alpha, Andover, Anoka, Apple Valley, Austin, Bigelow, Bingham Lake, Blaine, Bloomington, Brooklyn Center, Brooklyn Park, Buffalo, Burnsville, Cloquet, Columbia Heights, Coon Rapids, Cottage Grove, Crosby, Duluth, Eagan, Eden Prairie, Ellsworth, Fridley, Fulda, Glencoe, Heron Lake, Hugo, Jackson, Jasper, Lake Wilson, Lakeville, Lauderdale, Lindstrom, Lismore, Little Canada, Maplewood, Marine on St. Croix, Miltona, Minneapolis, Minnetonka, Mound, Mounds View, Mountain Lake, New Brighton, New Hope, Newport, North St. Paul, Osseo, Plymouth, Ramsey, Richfield, Roseville, Round Lake, Rushmore, Shoreview, Slayton, Spring Lake Park, St. Cloud, St. Louis Park, St. Paul, Stacy, Storden, West St. Paul, Westbrook, White Bear Township, Windom, Winona, Woodstock, and Worthington. In addition, we completed three Community Revitalization projects, collectively impacting an additional 300 community members served through their programs and spaces. Across all of our programs, we partnered with over 200 volunteers in 2024 who gave more than 3,700 hours of their time to help those in need in our community at a value of $134,347 (based on the Independent Sector’s 2023 value of volunteer labor in Minnesota at $36.31 per hour). Many of these volunteers gave their time on a monthly or bi-monthly basis.

We continued to implement a Healthy Housing Principles-based approach and incorporated HUD’s eight Principles of Healthy Homes into our work (Keep it: dry, clean, safe, well-ventilated, pest-free, contaminant-free, well-maintained, and thermally-controlled). 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. We are proudly working towards completing 1 million of these safe and healthy home repairs across the Rebuilding Together network by 2030.

Note 1: Summary of Significant Accounting Policies (Continued)

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 and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents. All highly liquid investments with a maturity of three months or less are considered to be cash equivalents.

E. Concentration of Credit Risk

The Organization maintains its cash in bank accounts which, at times, may exceed federally insured limits of $250,000. The Organization has not experienced any losses in such accounts and does not believe it is exposed to any significant custodial credit risk related to these accounts.

F. Government Grants Receivable

Government contract funds are generally considered nonexchange transactions and are recorded as revenue when earned as conditions on eligible expenditures are met. Revenue is earned when eligible expenditures, as defined in each grant or contract, are incurred. Funds received but not yet earned are recorded as contract advances if the contract contains conditions.

G. Contracts Receivable and Allowance for Credit Losses

Contracts are uncollateralized third-party payer obligations. Payments of 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. The Organization reduces the carrying amount of the receivable by an allowance for credit losses that reflects the best estimate of the amounts that will not be collected. Management reviews accounts receivable individually to determine estimated amounts that will not be collected. Based on the assessment, the Organization estimates the portion, if any, of the balance that may not be collected. At December 31, 2024 and 2023, there was an allowance for credit losses of $900.

Note 1: Summary of Significant Accounting Policies (Continued)

H. 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.

Property and Equipment	Useful Life
Leasehold improvements	1 - 5 years
Computer equipment	3 Years
Furniture and equipment	3 - 15 years

Depreciation expense for the years ended December 31, 2024 and 2023 is $121,697 and $113,481, respectively.

I. 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. Operating 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. Operating 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.

J. Revenue Recognition Policy

In the case of developer fee income, revenue is recognized as costs are incurred, which is a point in time. Developer fee income is billed once the project is completed.

Note 1: Summary of Significant Accounting Policies (Continued)

In the case of private contracts, revenue is recognized as contract costs are incurred, which is at a point in time.

- **Performance Obligations**

  The performance obligation related to developer fee income is satisfied once the project is completed; therefore, the Organization recognizes revenue at a point in time.

  The performance obligation related to private contracts, revenue is satisfied as costs are incurred, therefore the Organization recognizes revenue which is at a point in time.

  Performance obligations that are satisfied at a point in time are $35,500 and $27,180 as of December 31, 2024 and 2023, respectively.

- **Contract Balances**

  Billing primarily occurs concurrently with revenue recognition. However, the Organization may offer payment terms resulting in program receivables, which are considered contract assets. Billing may occur in advance of revenue recognition, resulting in contract liabilities, which are recorded as deferred revenue on the statement of financial position. These deferred revenues are liquidated when revenue is recognized.

  Deferred revenue consists of payments received in advance that relate to private contracts and related revenue. Deferred revenue does not represent total values. All deferred revenue is classified as current and will be recognized over the next year.

  The Organization may offer payment terms resulting developer fee and private contracts receivables, which are considered contract assets. Developer fee and private contract receivables included on the statement of financial position represents all amounts billed and earned in the current year.

  Contract assets and liabilities are as follows for the years ending December 31:

	2024	2023	2022
Contract Assets			
Developer fee receivable	$ 399,287	$ 112,875	$ 176,628
Private contracts receivable	-	-	90,754
Total Contract Assets	$ 399,287	$ 112,875	$ 267,382
Contract Liabilities			
Developer fee deferred revenue	$ 19,800	$ 27,585	$ 18,608
Private contract deferred revenue	241,327	10,426	63,298
Total Contract Liabilities	$ 261,127	$ 38,011	$ 81,906

Note 1: Summary of Significant Accounting Policies (Continued)

Contributions, including unconditional promises to give, are recognized as revenues in the period received or pledged. Conditional promises to give are not recognized until the conditions on which they depend are substantially met. Contributions of assets, other than cash, are recorded at their estimated fair value at the date of gift. Contributed services and materials are recorded at their estimated fair value if they would otherwise be purchased if not provided by donation and provided by professionals in their field.

Government contracts that qualify as contributions are recorded as invoiced to the funding sources. Revenue is recognized in the accounting period when the related allowable expenses or asset acquisition costs are incurred. Amounts received in excess of expenses are reflected as grant funds received in advance.

K. 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.

L. Marketing Expenses

The Organization’s marketing costs are expensed as incurred. Marketing expenses were $41,197 and $17,411 for the years ended December 31, 2024 and 2023.

M. 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.

N. Subsequent Events

Management has evaluated subsequent events through June 19, 2025, which is the date the financial statements were available to be issued. No subsequent events required disclosure for the year ended December 31, 2024.

O. Reclassification

Certain reclassifications have been made to the prior year presentation to match current year reporting. None of these reclassifications have affected net assets.

Note 2: Net Assets with Donor Restrictions

Net assets with donor restrictions are as follows for the years ended December 31:

	2024	2023
Support for staff work	$ 356,185	$ -
Workforce development	100,858	131,240
Home repairs	45,000	-
Ramp	30,000	-
Housing assistance	30,000	-
Safe at home	4,470	22,000
Capacity campaign	-	85,000
Veterans project	-	12,000
Total	$ 566,513	$ 250,240

Note 3: Contributed Services and Materials

The value of contributed services and materials included as contributions in the financial statements and the corresponding expenses for the years ended December 31:

	2024	2023	Usage in Programs/Activities	Fair Value Techniques
Legal services	$ 72,186	$ 54,785	Safe at Home	Estimated based on time rates for each practitioner
Ramp work	54,093	92,557	Safe at Home	Estimated based on time rates for each practitioner
Materials	24,010	735	Home Repair	Estimated wholesale prices of identical or similar products if purchased in the region
Auction items	2,466	4,767	Fundraising	Estimated wholesale prices of identical or similar products if purchased in the region as well as time rates for each practitioner
Total	$ 152,755	$ 152,844		

Note 3: Contributed Services and Materials (Continued)

The value of contributed goods included as special event revenue in the financial statements and the corresponding expenses for the year ended December 31, 2024 and 2023 were $2,466 and $4,767, respectively. None of the above donations came with any donor restrictions.

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 for the years ended December 31:

	2024		2023	
	Hours	Value	Hours	Value
Unskilled Volunteers	3,700	$ 134,347	4,695	$ 161,837

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

Note 4: Leases

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 an operating lease.

The operating 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.

Note 4: Leases (Continued)

Additional information about the Organization's lease for the years ended December 31:

Lease expense (included in operating expenses)	2024	2023
Operating lease expense	$ 52,800	$ 51,678
Short-term lease expense	9,849	9,849
Total	$ 62,649	$ 61,527
Other Information		
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from operating leases	$ 52,800	$ 51,678
Weighted-average remaining lease term in years for opertaing leases	1.90	4.16
Weighted-average discount rate for operating leases	2.79%	2.79%

Maturities of operating lease liabilities are as follows:

Year ended December 31:	
2025	$ 52,900
2026	49,500
Total undiscounted cash flows	102,400
Less: present value discount	(6,545)
Total lease liabilities	$ 95,855

Note 5: 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 5: 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:

	2024	2023
Cash and cash equivalents	$ 434,175	$ 488,372
Pledges receivable	1,250	7,370
Government grants receivable	253,008	-
Contracts and grants receivable, net	145,379	145,165
Total Financial Assets Available Within One Year	833,812	640,907
Less those unavailable for general expenditure within one year, due to:		
Net assets with donor restrictions	(566,513)	(250,240)
Financial assets available to meet cash needs for general expenditures within one year	$ 267,299	$ 390,667