# FINANCIAL STATEMENTS

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

FOR THE YEARS ENDED
DECEMBER 31, 2025 AND 2024

Rebuilding Together - Twin Cities
dba Rebuilding Together Minnesota
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For the Years Ended December 31, 2025 and 2024

**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 corporation, which comprise the statements of financial position as of December 31, 2025 and 2024, 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, 2025 and 2024, 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's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the 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
April 15, 2026

# FINANCIAL STATEMENTS

# Rebuilding Together - Twin Cities
## dba Rebuilding Together Minnesota
### Statements of Financial Position
### December 31, 2025 and 2024

| | 2025 | 2024 |
|---|---|---|
| Assets | | |
| Current Assets | | |
| Cash and cash equivalents | $ 346,415 | $ 434,175 |
| Grants receivable | 6,369 | 4,250 |
| Government grants receivable | 331,676 | 322,154 |
| Contracts receivable, net of allowance of $900 for 2025 and 2024 | 58,535 | 73,233 |
| Prepaid expenses | 40,476 | 34,175 |
| Total Current Assets | 783,471 | 867,987 |
| | | |
| Property and Equipment | | |
| Leasehold improvements | 5,798 | 5,798 |
| Furniture and equipment | 992,391 | 898,742 |
| Computer equipment | 7,513 | 15,633 |
| Total Property and Equipment, Cost | 1,005,702 | 920,173 |
| Accumulated Depreciation | (516,772) | (398,135) |
| Total Property and Equipment, Net | 488,930 | 522,038 |
| | | |
| Noncurrent Assets | | |
| Security deposit | 3,550 | 3,550 |
| Investments | 26,335 | - |
| Operating right of use asset | 16,072 | 95,854 |
| Total Noncurrent Assets | 45,957 | 99,404 |
| | | |
| Total Assets | $ 1,318,358 | $ 1,489,429 |
| | | |
| Liabilities and Net Assets | | |
| Current Liabilities | | |
| Accounts payable | $ 177,738 | $ 84,240 |
| Accrued expenses | 70,501 | 89,340 |
| Deferred revenue | 142,841 | 261,128 |
| Line of credit | 49,682 | - |
| Operating lease liability, current | 16,072 | 50,872 |
| Total Current Liabilities | 456,834 | 485,580 |
| | | |
| Noncurrent Liabilities | | |
| Operating lease liability, net of current portion | - | 44,983 |
| | | |
| Total Liabilities | 456,834 | 530,563 |
| | | |
| Net Assets | | |
| Net assets without donor restrictions | 415,866 | 392,353 |
| Net assets with donor restrictions | 445,658 | 566,513 |
| Total Net Assets | 861,524 | 958,866 |
| | | |
| Total Liabilities and Net Assets | $ 1,318,358 | $ 1,489,429 |

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, 2025

| | Without Donor Restrictions | With Donor Restrictions | Total |
|---|---|---|---|
| Support and Revenue | | | |
| Support | | | |
| Pledges and contributions | $ 402,417 | $ 248,246 | $ 650,663 |
| Governmental grants | 1,691,038 | 220,118 | 1,911,156 |
| Donated services and materials | 120,360 | - | 120,360 |
| Total Support | 2,213,815 | 468,364 | 2,682,179 |
| Revenue | | | |
| Program services | 81,380 | - | 81,380 |
| Interest income | 74 | - | 74 |
| Other revenue | 7,618 | - | 7,618 |
| Total Revenue | 89,072 | - | 89,072 |
| Net Assets Released from Restriction | | | |
| Satisfaction of program restrictions | 589,219 | (589,219) | - |
| Total Support and Revenue | 2,892,106 | (120,855) | 2,771,251 |
| Expenses | | | |
| Program Services | 2,484,209 | - | 2,484,209 |
| Support Services | | | |
| Management and general | 240,285 | - | 240,285 |
| Fundraising | 144,099 | - | 144,099 |
| Total Support Services | 384,384 | - | 384,384 |
| Total Expenses | 2,868,593 | - | 2,868,593 |
| Change in Net Assets | 23,513 | (120,855) | (97,342) |
| Net Assets, Beginning of Year | 392,353 | 566,513 | 958,866 |
| Net Assets, End of Year | $ 415,866 | $ 445,658 | $ 861,524 |

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

## Rebuilding Together - Twin Cities
## dba Rebuilding Together Minnesota
### Statement of Activities (Continued)
### 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 | 2,652,216 | - | 2,652,216 |
| Support Services | | | |
| Management and general | 192,583 | - | 192,583 |
| Fundraising | 90,733 | - | 90,733 |
| Total Support Services | 283,316 | - | 283,316 |
| 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 |

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

# Rebuilding Together - Twin Cities
## dba Rebuilding Together Minnesota
### Statement of Functional Expenses
### For the Year Ended December 31, 2025

| | | Support Services | | | |
|---|---|---|---|---|---|
| | Program Services | Management and General | Fundraising | Total Support Services | Total |
| **Personnel Costs** | | | | | |
| Salaries and wages | $ 534,420 | $ 61,614 | $ 96,450 | $ 158,064 | $ 692,484 |
| Employee benefits | 49,219 | 4,856 | 2,757 | 7,613 | 56,832 |
| Payroll taxes | 47,340 | 4,413 | 2,723 | 7,136 | 54,476 |
| Total Personnel Costs | 630,979 | 70,883 | 101,930 | 172,813 | 803,792 |
| **Project Expenses** | | | | | |
| Construction materials and supplies | 126,028 | 389 | 829 | 1,218 | 127,246 |
| Contractors | 1,244,057 | - | - | - | 1,244,057 |
| Volunteer support | 6,502 | - | 2,707 | 2,707 | 9,209 |
| Total Project Expenses | 1,376,587 | 389 | 3,536 | 3,925 | 1,380,512 |
| **Expenses** | | | | | |
| Depreciation and amortization | 129,520 | 66 | 41 | 107 | 129,627 |
| Dues and subscriptions | 42,636 | 5,226 | 2,404 | 7,630 | 50,266 |
| Equipment and software | 14,967 | 1,574 | 414 | 1,988 | 16,955 |
| Food expense | - | - | 14,766 | 14,766 | 14,766 |
| Insurance | 37,588 | 6,129 | 2,057 | 8,186 | 45,774 |
| Interest | - | 136 | - | 136 | 136 |
| Marketing | 45,968 | 250 | 2,202 | 2,452 | 48,420 |
| Miscellaneous | 8,803 | 12,438 | 1,375 | 13,813 | 22,616 |
| Occupancy | 44,734 | 6,056 | 2,692 | 8,748 | 53,482 |
| Office supplies | 5,447 | 4,552 | 1,859 | 6,411 | 11,858 |
| Professional fees | 100,109 | 107,752 | 8,947 | 116,699 | 216,808 |
| Telephone and internet | 27,385 | 2,524 | 944 | 3,468 | 30,853 |
| Training | 7,577 | 17,505 | 437 | 17,942 | 25,519 |
| Travel | 11,909 | 4,805 | 495 | 5,300 | 17,209 |
| Total Expenses | $ 2,484,209 | $ 240,285 | $ 144,099 | $ 384,384 | $ 2,868,593 |

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

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

| | Program Services | Support Services: Management and General | Support Services: Fundraising | Support Services: 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 | 177,623 | - | - | - | 177,623 |
| Contractors | 1,303,242 | - | - | - | 1,303,242 |
| Volunteer support | 6,558 | - | - | - | 6,558 |
| Total Project Expenses | 1,487,423 | - | - | - | 1,487,423 |
| **Expenses** | | | | | |
| AmeriCorps members | 9,708 | 632 | 1 | 633 | 10,341 |
| Conferences | 619 | 65 | 21 | 86 | 705 |
| Depreciation and amortization | 121,506 | 85 | 106 | 191 | 121,697 |
| 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 supplies | 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 | $ 2,652,216 | $ 192,583 | $ 90,733 | $ 283,316 | $ 2,935,532 |

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, 2025 and 2024

| | 2025 | 2024 |
|---|---|---|
| **Cash Flows from Operating Activities** | | |
| Change in net assets | $ (97,342) | $ (78,565) |
| Adjustment to reconcile change in net assets to net cash provided (used) by operating activities: | | |
| Depreciation expense | 129,627 | 121,697 |
| Amortization of right of use asset | 35,376 | 49,376 |
| Donated stock received | (26,235) | - |
| Unrealized/realized gain on investments | (100) | - |
| Donated fixed assets | (10,329) | (54,093) |
| Change in assets | | |
| Grants receivable | (2,119) | (4,250) |
| Government grants receivable | (9,522) | (199,687) |
| Contracts receivable | 14,698 | (43,165) |
| Prepaid expenses | (6,301) | 4,549 |
| Change in liabilities | | |
| Accounts payable | 93,498 | (35,375) |
| Accrued expenses | (18,839) | 51,498 |
| Deferred revenue | (118,287) | 223,117 |
| Operating lease liability | (35,377) | (49,375) |
| Net Cash Used by Operating Activities | (51,252) | (14,273) |
| **Cash Flows from Investing Activities** | | |
| Purchases of property and equipment | (86,190) | (39,924) |
| **Cash Flows from Financing Activities** | | |
| Payments on line of credit | (318) | - |
| Proceeds from line of credit | 50,000 | - |
| Net Cash Provided by Financing Activities | 49,682 | - |
| Change in Cash and Cash Equivalents | (87,760) | (54,197) |
| Cash and Cash Equivalents at Beginning of Year | 434,175 | 488,372 |
| Cash and Cash Equivalents at End of Year | $ 346,415 | $ 434,175 |
| **Supplemental Disclosure of Cash Flow Information** | | |
| Interest paid | $ 136 | $ 75 |
| **Supplemental Disclosure of Non-Cash Transactions** | | |
| Receipt of fixed assets through in-kind contributions | $ 10,329 | $ 54,093 |
| Disposal of fully depreciated property and equipment | $ 10,990 | $ 42,669 |
| Impairment of operating right-of-use asset/lease liability | $ 44,406 | $ - |

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." We provide no-cost critical home repairs for low-income homeowners who have experienced systemic barriers to homeownership or who are at risk of losing their homes. Through a comprehensive suite of programs, we identify and complete high-impact repairs and modifications that address health, safety, and long-term housing stability. These services include accessibility and aging-in-place modifications, as well as major and minor critical repairs that support residents' well-being and strengthen the surrounding community. All services are provided at no cost to the homeowners we serve.

While we assist as many neighbors in need as possible, our work prioritizes older adults, individuals living with disabilities, veterans, and families with children - populations for whom safe, accessible, and stable housing is closely linked to improved social, educational, and health outcomes. By helping families remain safe in their homes, our work preserves affordable homeownership, supports pathways to generational wealth, narrows homeownership gaps, and protects communities from displacement and gentrification.

Our programs include:

**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 136 homes, directly impacting the well-being of 257 residents. Clients served live in 54 municipalities across 20 counties: Annandale, Apple Valley, Arden Hills, Bigelow, Blaine, Bloomington, Breckenridge, Brooklyn Center, Brooklyn Park, Burnsville, Chisago City, Columbia Heights, Crystal, Eden Prairie, Elk River, Fergus Falls, Fridley, Grasston, Hastings, Hugo, Iona, Jackson, LaPorte, Lakefield, Lakeville, Leota, Linsmore, Maple Grove, Maplewood, Minneapolis, Mound, Mountain Lake, Oakdale, Osseo, Parkers Prairie, Pipestone, Red Lake Falls, Richfield, Robbinsdale, Rushmore, Ruthton, Sauk Rapids, Slayton, Spring Valley, St. Louis Park, St. Paul, St. Peter, West St. Paul, Vadnais Heights, Westbrook, White Bear Lake, Wilder, Windom, and Worthington.

In addition, we provided repairs and improvements for three nonprofit supportive housing sites through our Community Revitalization program, collectively impacting an additional 12 community members who receive supportive housing services through those facilities.

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 accounting principles generally accepted in the United States of America.

### 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.

### 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. Grants Receivable

The Organization's grants receivable consists of contributions. Receivables due in the future year are stated at their net realizable value. Receivables are assessed individually for collectability based on the surrounding facts and circumstances and management's history. Management expects all receivables to be collectible, therefore no allowance for uncollectible contributions has been determined to be necessary.

### G. Government Grants Receivable

Government grants receivable are due primarily from federal, state and local governmental units and arise primarily from the Organization’s contracts with those agencies to administer various programs. All government grants receivables are considered collectible by management based upon history and assessed risk of collection; therefore, no allowance for uncollectible government grants is presented.

### H. 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, 2025 and 2024, there was an allowance for credit losses of $900.

## Note 1: Summary of Significant Accounting Policies (Continued)

### I. Property and Equipment

Property and equipment acquisitions are recorded at cost or estimated value on the date of contribution. 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 | 4 years |
| Computer equipment | 3 years |
| Furniture and equipment | 3 - 15 years |

Depreciation expense for the years ended December 31, 2025 and 2024 is $129,627 and $121,697, respectively.

### J. In-kind Contributions

The Organization reports gifts of non-cash assets as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Non-cash donations are recorded as contributions at their estimated fair market values at the date of donation.

### K. 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.

## Note 1: Summary of Significant Accounting Policies (Continued)

### L. Revenue Recognition Policy

The Organization revenues are derived from its developer fee income and private contracts.

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.

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

In the case of rebate income, revenue is recognized at the time of purchase, which is at a point in time.

- **Performance Obligations**

  The performance obligation related to the cost-reimbursable contracts and developer fee income with government agencies 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.

  The performance obligation related to rebate income, revenue is satisfied at the time of purchase, which is at a point in time.

  Performance obligations that are satisfied at a point in time are $81,380 and $36,877 as of December 31, 2025 and 2024, respectively.

- **Contract Balances**

  Billing may occur in advance of revenue recognition, resulting in deferred revenues, which are considered contract liabilities. These deferred revenues are liquidated when revenue is recognized.

  The Organization may offer payment terms resulting in accounts receivable, which are considered contract assets. Accounts receivable 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:

| | December 31, 2025 | December 31, 2024 | January 01, 2023 |
|---|---|---|---|
| Contract Assets | | | |
| Developer fee receivable | $ 58,535 | $ 73,233 | $ 30,068 |
| Contract Liabilities | | | |
| Developer fee deferred revenue | $ 25,555 | $ 19,801 | $ 27,585 |
| Private contract deferred revenue | 117,286 | 241,327 | 10,426 |
| Total Contract Liabilities | $ 142,841 | $ 261,128 | $ 38,011 |

## Note 1: Summary of Significant Accounting Policies (Continued)

### M. Support

For contributions, grants, and other similar revenues, revenue is recognized when the contribution or notification of the contribution is received. Contributions are recorded as an increase in support without donor restrictions or with donor restrictions, depending on the existence and nature of donor restrictions. However, if a restriction is fulfilled in the same period in which the contribution is received, the Organization reports the support as unrestricted support. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

> *Without Donor Restrictions* - Resources over which the Organization has discretionary control. Designated amounts represent revenue, which the Board of Directors has set aside for a particular purpose.
>
> *With Donor Restrictions* - Resources subject to donor-imposed restrictions, which will be satisfied by actions of the Organization or passage of time. Restricted contributions received in the same year in which the restrictions are met are recorded as an increase to support with donor restrictions at the time of receipt and as net assets released from restrictions. Some resources are subject to the donor-imposed restriction that they be maintained permanently by the Organization.

### N. 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.

### O. Investments

Investments are generally recorded at fair value based on quoted market prices, when available, or estimates of fair value. Investment income or loss and unrealized gains or losses are included in the statement of activities as increases or decreases in unrestricted net assets unless income or loss is restricted by donor or law.

### P. Prepaid Expenses

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenses in the financial statements.

### Q. Advertising Expenses

The Organization’s advertising costs are expensed as incurred. Advertising expenses were $18,978 and $40,232 for the years ended December 31, 2025 and 2024.

**R. 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.

**S. Subsequent Events**

Management has evaluated subsequent events through April 15, 2026, which is the date the financial statements were available to be issued. No subsequent events required disclosure for the year ended December 31, 2025.

**T. 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: Fair Value Measurements

Generally accepted accounting principles establish a framework for measuring fair value. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

***Level 1*** - Inputs that utilize quoted prices (unadjusted) in active markets for identical assets or liabilities that the Organization has the ability to access.

***Level 2*** - Inputs that included quoted prices for similar assets and liabilities in active markets and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument. Fair values for these instruments are estimated using pricing models, quoted prices of securities with similar characteristics, or discounted cash flows.

***Level 3*** - Inputs that are unobservable inputs for the assets or liability, which are typically based on an entity’s own assumptions, as there is little, if any, related market activity.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2025.

*Mutual Funds:* Valued at the daily closing price as reported by the fund. Mutual funds held by the Organization are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Organization are deemed to be actively traded.

The Organization did not have investments as of December 31, 2024. The Organization’s investments reported at fair value in the accompanying statement of financial position consist of the following at December 31, 2025:

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Mutual funds | $ 26,335 | $ - | $ - | $ 26,335 |

## Note 3: Net Assets with Donor Restrictions

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

| | 2025 | 2024 |
|---|---|---|
| Support for staff work | $ 373,944 | $ 356,185 |
| Capacity campaign | 50,214 | - |
| Home repairs | 21,500 | 45,000 |
| Workforce development | - | 100,858 |
| Ramp | - | 30,000 |
| Housing assistance | - | 30,000 |
| Safe at home | - | 4,470 |
| Total | $ 445,658 | $ 566,513 |

## Note 4: 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:

| | 2025 | 2024 | Usage in Programs/Activities | Fair Value Techniques |
|---|---|---|---|---|
| Legal services | $ 50,348 | $ 72,186 | Safe at Home | Estimated based on time rates for each practitioner |
| Ramp materials | 10,329 | 54,093 | Safe at Home | Estimated wholesale prices of identical or similar products if purchased in the region |
| Ramp Services | 59,683 | 24,010 | Safe at Home | Estimated based on time rates for each practitioner |
| Auction items | - | 2,466 | Fundraising | Estimated wholesale prices of identical or similar products if purchased in the region as well as time rates for each practitioner |
| Total | $ 120,360 | $ 152,755 | | |

## Note 4: 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, 2025 and 2024 were $0 and $2,466, respectively. None of the above donations came with any donor restrictions.

In addition, as of 2025, 254 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:

| | 2025 | | 2024 | |
|---|---|---|---|---|
| | Hours | Value | Hours | Value |
| Unskilled Volunteers | 3,020 | $ 115,243 | 3,700 | $ 134,347 |

The value of volunteer labor in Minnesota at $38.16 per hour is based on research provided by the Independent Sector's 2024, www.independentsector.org.

## Note 5: Line of Credit

The Organization maintains a revolving line of credit with Propel Nonprofits approved on July 31, 2025, with a maximum borrowing capacity of $75,000. The line of credit bears interest at 8% per annum and includes a $750 line-of-credit fee assessed at issuance. The line of credit is secured by a UCC lien on all business assets. As a condition of the agreement, the Organization is required to submit quarterly financial statements, including a statement of activity and statement of financial position. As of December 31, 2025, the outstanding balance on the line of credit was $49,682.

## Note 6: Retirement Plan

The Organization offers a simple IRA plan. The employer matches 100% of employee contributions, up to 1% of the employee's annual salary. Employees become eligible after 30 days of employment. The Organization has contributed $4,788 and $4,772 for years ended December 31, 2025 and 2024, respectively.

## Note 7: 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 Organization and lessor modified the agreement beginning July 1, 2025, reducing their leased space. July's rent was $2,933, then decreased to $1,433 for the period August 2025 through June 2026; at which point it will increase to $1,533 for the remainder of the 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 7: Leases (Continued)

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

| **Lease expense (included in operating expenses)** | 2025 | 2024 |
|---|---|---|
| Operating lease expense | $ 36,498 | $ 52,800 |
| Short-term lease expense | 22,505 | 9,849 |
| **Total** | $ 59,003 | $ 62,649 |
| **Other Information** | | |
| Cash paid for amounts included in the measurement of lease liabilities | | |
| Operating cash flows from operating leases | $ 36,498 | $ 52,800 |
| Weighted-average remaining lease term in years for operating leases | 1.00 | 1.90 |
| Weighted-average discount rate for operating leases | 2.79% | 2.79% |

Maturities of operating lease liabilities are as follows:

| **Year ended December 31:** | |
|---|---|
| 2026 | $ 16,072 |

## 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:

| | 2025 | 2024 |
|---|---|---|
| Cash and cash equivalents | $ 346,415 | $ 434,175 |
| Investments | 26,335 | - |
| Grants receivable | 6,369 | 4,250 |
| Government grants receivable | 331,676 | 322,154 |
| Contracts receivable, net | 58,535 | 73,233 |
| Total Financial Assets Available Within One Year | 769,330 | 833,812 |
| Less those unavailable for general expenditure within one year, due to: | | |
| Net assets with donor restrictions | (445,658) | (566,513) |
| Financial assets available to meet cash needs for general expenditures within one year | $ 323,672 | $ 267,299 |

As part of liquidity management, the Organization structures its financial assets to be available as its general expenditures, liabilities, and other obligations become due.