Rebuilding Together St. Louis

REBUILDING TOGETHER - ST. LOUIS

FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

WIPFLI

TABLE OF CONTENTS

WIPFLI

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Board of Directors
Rebuilding Together - St. Louis
St. Louis, Missouri

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial statements of Rebuilding Together - St. Louis (a not-for-profit organization), which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 2021 financial statements in accordance with accounting principles generally accepted in the United States; 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these 2021 financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Rebuilding Together - St. Louis as of June 30, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States.

Prior Period Financial Statements

The financial statements as of June 30, 2020, were audited by Mueller Prost, who combined practices with Wipfli LLP as of June 1, 2021, and whose report dated December 22, 2020, expressed an unmodified opinion on those statements.

Wipfli LLP

October 18, 2021
St. Louis, Missouri

REBUILDING TOGETHER - ST. LOUIS
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2021 AND 2020

ASSETS		2021		2020
Current Assets				
Cash and cash equivalents	$	306,712	$	373,053
Grants receivable		144,520		115,987
Promises to give		49,998		-
Other current assets		26,904		44,795
Total Current Assets		528,134		533,835
Property and Equipment, net		43,939		46,537
Total Assets	**$**	**572,073**	**$**	**580,372**
LIABILITIES AND NET ASSETS				
Current Liabilities				
Accrued expenses	$	60,448	$	74,072
Refundable advance on conditional grants		-		92,924
Current portion of long-term debt		6,207		5,891
Total Current Liabilities		66,655		172,887
Long-Term Liabilities				
Long-term debt, less current portion		4,326		10,528
Total Liabilities		70,981		183,415
Net Assets				
Without donor restriction		306,574		205,970
With donor restriction		194,518		190,987
Total Net Assets		501,092		396,957
Total Liabilities and Net Assets	**$**	**572,073**	**$**	**580,372**

REBUILDING TOGETHER - ST. LOUIS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Support and other revenue:			
Grants	$ 238,919	$ 908,329	$ 1,147,248
Contributions			
Corporate	525,706	-	525,706
Corporate in-kind	600	-	600
Individuals	56,384	-	56,384
Individuals in-kind	148,950	-	148,950
United Way	50,002	49,998	100,000
Interest and other income	62	-	62
Total support and other revenue	1,020,623	958,327	1,978,950
Gross special events revenue, including contributions	1,175	-	1,175
Less: cost of direct benefits to donors	785	-	785
Net special events revenue	390	-	390
Net assets released from restrictions	954,796	(954,796)	-
Total Revenue	1,975,809	3,531	1,979,340
Expenses			
Program services			
Rebuilding Day	395,563	-	395,563
Major repairs	956,955	-	956,955
Other programs	179,684	-	179,684
Total program services	1,532,202	-	1,532,202
Supporting services			
Management and general	212,057	-	212,057
Fundraising	130,946	-	130,946
Total supporting services	343,003	-	343,003
Total Expenses	1,875,205	-	1,875,205
Change in net assets	100,604	3,531	104,135
Net Assets - Beginning of Year	205,970	190,987	396,957
Net Assets - End of Year	**$ 306,574**	**$ 194,518**	**$ 501,092**

REBUILDING TOGETHER - ST. LOUIS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Support and other revenue:			
Grants	$ 507,715	$ 322,141	$ 829,856
Contributions			
Corporate	582,915	75,000	657,915
Corporate in-kind	52,742	-	52,742
Individuals	40,197	-	40,197
Individuals in-kind	154,437	-	154,437
Interest and other income (loss)	3,753	-	3,753
Total support and other revenue	1,341,759	397,141	1,738,900
Gross special events revenue	42,308	-	42,308
Less: cost of direct benefits to donors	9,602	-	9,602
Net special events revenue	32,706	-	32,706
Net assets released from restrictions	261,154	(261,154)	-
Total Revenue	1,635,619	135,987	1,771,606
Expenses			
Program services			
Rebuilding Day	201,988	-	201,988
Major repairs	660,958	-	660,958
Other programs	366,089	-	366,089
Total program services	1,229,035	-	1,229,035
Supporting services			
Management and general	177,192	-	177,192
Fundraising	120,930	-	120,930
Total supporting services	298,122	-	298,122
Total Expenses	1,527,157	-	1,527,157
Change in net assets	108,462	135,987	244,449
Net Assets - Beginning of Year	97,508	55,000	152,508
Net Assets - End of Year	**$ 205,970**	**$ 190,987**	**$ 396,957**

REBUILDING TOGETHER - ST. LOUIS
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2021

	Program Services				Supporting Services		
	Rebuilding Day	Major Repairs	Other Programs	Total Program Expenses	Management and General	Fundraising	Total Expenses
Salaries	$ 72,122	72,122	$ 78,824	$ 223,068	$ 165,543	$ 81,340	$ 469,951
Payroll taxes and employee benefits	15,350	15,350	16,824	47,524	26,077	19,489	93,090
Contracted services	-	862,952	-	862,952	-	-	862,952
Contributed materials	6,913	-	-	6,913	-	-	6,913
Contributed services	125,597	-	17,040	142,637	-	-	142,637
Depreciation	-	-	12,122	12,122	-	-	12,122
Liability insurance	7,423	-	7,831	15,254	476	39	15,769
Logistics	40,834	-	-	40,834	-	-	40,834
Materials	120,793	-	9,651	130,444	-	-	130,444
National dues	-	-	18,299	18,299	-	-	18,299
Office expense	3,727	3,727	4,084	11,538	1,583	780	13,901
Other	-	-	948	948	210	209	1,367
Postage and delivery	1,183	1,183	1,298	3,664	-	-	3,664
Printing and reproduction	-	-	494	494	-	5,266	5,760
Professional fees	-	-	-	-	14,055	19,041	33,096
Rent	-	-	10,074	10,074	4,113	4,113	18,300
Telephone	1,621	1,621	1,778	5,020	-	-	5,020
Travel and conferences	-	-	128	128	-	156	284
Volunteer recognition	-	-	289	289	-	513	802
Total Expenses	**$ 395,563**	**$ 956,955**	**$ 179,684**	**$ 1,532,202**	**$ 212,057**	**$ 130,946**	**$ 1,875,205**

REBUILDING TOGETHER - ST. LOUIS

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2020

	Program Services				Supporting Services		
	Rebuilding Day	Major Repairs	Other Programs	Total Program Expenses	Management and General	Fundraising	Total Expenses
Salaries	$ -	$ -	$ 150,957	$ 150,957	$ 148,215	$ 77,562	$ 376,734
Payroll taxes and employee benefits	-	-	35,651	35,651	19,788	19,929	75,368
Contracted services	-	660,958	-	660,958	-	-	660,958
Contributed materials	46,844	-		46,844	-	-	46,844
Contributed services	67,820	-	84,180	152,000	-	-	152,000
Depreciation	-	-	6,449	6,449	-	-	6,449
Liability insurance	5,595	-	15,842	21,437	1,190	39	22,666
Logistics	20,396	-	-	20,396	-	-	20,396
Materials	61,333	-	924	62,257	-	-	62,257
National dues	-	-	15,212	15,212	-	-	15,212
Office expense	-	-	7,835	7,835	3,751	1,499	13,085
Other	-	-	1,402	1,402	135	135	1,672
Postage and delivery	-	-	4,260	4,260	-	-	4,260
Printing and reproduction	-	-	2,587	2,587	-	-	2,587
Professional fees	-	-	23,022	23,022	-	17,653	40,675
Rent	-	-	10,074	10,074	4,113	4,113	18,300
Telephone	-	-	4,337	4,337	-	-	4,337
Travel and conferences	-	-	2,304	2,304	-	-	2,304
Volunteer recognition	-	-	1,053	1,053	-	-	1,053
Total Expenses	**$ 201,988**	**$ 660,958**	**$ 366,089**	**$ 1,229,035**	**$ 177,192**	**$ 120,930**	**$ 1,527,157**

REBUILDING TOGETHER - ST. LOUIS

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

	2021	2020
Cash Flows From Operating Activities		
Change in net assets	$ 104,135	$ 244,449
Adjustments to reconcile change in net assets to net cash used in operating activities		
Depreciation	12,122	6,449
Change in assets - (increase) decrease		
Grants receivable	(28,533)	40,791
Promises to give	(49,998)	-
Other current assets	17,891	(29,646)
Change in liabilities - increase (decrease)		
Accrued expenses	(13,624)	7,725
Refundable advance on contingent grants	(92,924)	92,924
Total adjustments	(155,066)	118,243
Net cash provided by (used in) operating activities	(50,931)	362,692
Cash Flows From Investing Activities		
Purchase of property and equipment	(9,524)	(27,584)
Net cash used in investing activities	(9,524)	(27,584)
Cash Flows From Financing Activities		
Principal payments on long-term debt	(5,886)	-
Net cash used in financing activities	(5,886)	-
Net increase (decrease) in cash and cash equivalents	(66,341)	335,108
Cash and cash equivalents - beginning of year	373,053	37,945
Cash and cash equivalents - end of year	**$ 306,712**	**$ 373,053**

Non Cash Activities

During the year end June 30, 2020, the Organization financed a portion of the acquisition of a vehicle with debt in the amount of $16,419.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

Rebuilding Together - St. Louis (the Organization) is a not-for-profit organization whose mission and principal activities are Repairing Homes, Revitalizing Communities and Rebuilding Lives. In partnership with the community, volunteers and contractors, the Organization provides free home repair services to older adults, veterans and individuals with disabilities so that they may continue to age in place in their own homes. The work focuses on repairs that address homeowner safety, health/comfort, and independence. The Organization further serves neighborhoods by undertaking facility improvement projects at community centers, schools, parks, community gardens and other nonprofit agencies working in the neighborhoods. The Organization's revenues and other support are derived principally from contributions and grants, including funding as a United Way Safety Net agency, and its activities are conducted principally in the St. Louis metropolitan area.

Basis of Accounting

Rebuilding Together - St. Louis prepares its financial statements in accordance with accounting principles generally accepted in the United States (U.S. GAAP), which involves the application of accrual accounting; consequently, revenues and gains are recognized when earned, and expenses and losses are recognized when incurred.

Financial Reporting and Presentation

Rebuilding Together - St. Louis follows the requirements of Financial Accounting Standards Board (FASB) *Accounting Standards Codification (ASC) Topic 958, Not-for-Profit Entities*. This standard requires the Organization to report information regarding contributions and support received in its statements of financial position and statements of activities according to the following two classes of net assets, based on the existence or absence of donor-imposed restrictions:

Net assets without donor restrictions – Net assets available for use in general operations and are not subject to donor (or certain grantor) restrictions.

Net assets with donor restrictions – Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Cash and Cash Equivalents

The Organization considers all short-term investments with an original maturity of three months or less at the time of purchase or renewal to be cash and cash equivalents. The Organization deems all certificates of deposit with a maturity of 12-months or less to be cash and cash equivalents.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Concentrations of Credit Risk

Financial instruments, which potentially subject the Organization to concentrations of credit risk, consist principally of cash and cash equivalents and grants receivable. The Organization maintains its cash primarily with two financial institutions. Deposits and Certificates of Deposit at these banks are insured by the Federal Deposit Insurance Corporation up to $250,000. The Organization performs ongoing credit evaluations and maintains allowances, as needed, for potential credit losses. Management does not believe significant credit risk exists at June 30, 2021.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported changes in Rebuilding Together - St. Louis net assets during the reporting period. Actual results could differ from those estimates.

Grants Receivable

Grants receivable include amounts due from various funding sources under binding contracts with the Organization for services rendered prior to year-end.

The Organization provides an allowance for doubtful accounts equal to the estimated losses that will be incurred in the collection of grants receivable, if any. When necessary, this estimate is based on historical experience coupled with a review of the current status of existing receivables. The allowance and associated grants receivable are reduced when the receivables are determined to be uncollectible. Currently, the Organization considers grants receivable to be fully collectible.

Promises to Give

Unconditional promises to give, which come from individuals, trusts, companies, foundations, state and local agencies, and other non-profits, are recognized as revenue or gains in the period the promise is received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques. Unconditional promises to give that are expected to be received in less than one year are classified as current on the statements of financial position. Unconditional promises to give that are expected to be received in future periods are classified as long-term on the statements of financial position.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment

Property and equipment acquisitions with a life of three years or greater and a cost in excess of $1,000 are capitalized and recorded at cost, while maintenance and repairs are expensed as incurred. Donated assets are recorded at fair value at the date of donation. Such donations are reported as increases in net assets without donor restrictions unless the donor has restricted the donated asset for a specific purpose or period of time. When assets are sold or otherwise disposed of, the related cost and accumulated depreciation are removed from the accounts.

Any gain or loss arising from such disposition is included as income (loss) in the year of disposition. Depreciation is computed using the straight-line method over the estimated useful lives of the assets.

The estimated lives for computing depreciation on property and equipment are:

Classification	Years
Furniture and Fixtures	5
Computer equipment	3-5
Vehicles	3-5

Impairment of Long-Lived Assets

The Organization evaluates the recoverability of the carrying value of long-lived assets whenever events or circumstances indicate the carrying amount may not be recoverable. If a long-lived asset is tested for recoverability and the undiscounted estimated future cash flows expected to result from the use and eventual disposition of the asset are less than the carrying amount of the asset, the asset cost is adjusted to fair value and an impairment loss is recognized as the amount by which the carrying amount of a long-lived asset exceeds its fair value. No asset impairment was recognized during the years ended June 30, 2021 and 2020.

Support and Other Revenue

Contributions and grants are recorded as received, and unconditional promises to give are recorded as the promise is made. All contributions and grants are available for general activities unless specifically restricted by the donor. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Advances received on conditional grants are recorded initially as refundable advances on conditional grants and then recorded in revenue when the conditions have been substantially met. Contributions with donor restrictions in which the restrictions are met within the same year as received are reported as contributions without donor restrictions in the accompanying financial statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition for Special Events

The gross revenue for special events includes contributions for the events and event ticket revenue, as presented on the statements of activities. The Organization records event ticket revenue equal to the fair value of the direct benefit to donors and contribution income for the additional received when the event takes place. Payments made in the current year for expenses for special events to be held in the next year are presented as prepaid expenses on the statements of financial position. Event ticket revenue received for special events to be held in the next year would be treated as deferred revenue and the related contributions would be treated as refundable advances. These items are recognized on the statements of activities at the point in time when the event is held.

Donated Services and Materials

Donated noncash assets are recorded as contributions at their fair values at the date of donation.

Donated services are recognized as contributions if the services create or enhance nonfinancial assets or require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. Certain volunteers provided various services throughout the years that are not recognized as contributions in the financial statements since the recognition criteria were not met.

Income Taxes

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and applicable state law. Accordingly, no provision or liability for income taxes has been included in the financial statements. The Organization’s returns for tax years 2017 and later remain subject to examination by taxing authorities. Management does not believe there are any uncertain tax positions as of June 30, 2021 and 2020.

Functional Allocation of Expenses

The costs of providing program and other activities have been summarized on a functional basis. Accordingly, certain costs have been allocated among program services and supporting services benefited. The financial statements report certain categories of expenses that are attributed to more than one program or management function. Therefore, expenses require allocation on a reasonable basis that is consistently applied.

The expenses that are allocated include

- Labor expenses which are allocated on the basis of time and effort.
- Equipment and occupancy which are allocated on a usage and square footage basis.
- Administrative and other expenses which are allocated on estimates of time and costs of specific technology utilized.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Adoption of Accounting Pronouncement

Effective January 1, 2020, the Organization adopted Accounting Standards Update (ASU) 2014-09; FASB Accounting Standards Codification (ASC) 606 – *Revenue from Contracts with Customers,* which clarifies the principles for recognizing revenue and creates a common revenue standard. Under this ASU, entities recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which, the entity expects to be entitled in exchange for those goods or services. Entities shall recognize revenue from contracts with customers within the scope of this standard through a five-step process. The guidance in this standard does not apply to contributions within the scope of FASB ASC 958, *Not-for-Profit Entities.* The Organization's exchange revenues, which are subject to ASC 606, are discussed in the Revenue Recognition for Special Events note above. Analysis of various provisions of this standard resulted in no significant changes in the way the Organization recognizes revenue, and therefore no changes to the previously issued audited financial statements were required on a retrospective basis. The presentation and disclosures of revenue have been enhanced in accordance with the standard.

New Accounting Pronouncements

In February 2016, the FASB issued ASU 2016-02, Leases: Amendments to the FASB Accounting Standards Codification (Topic 842), which amends the existing guidance on accounting for leases. This ASU requires the recognition of lease assets and liabilities on the statement of financial position and the disclosure of key information about leasing arrangements. Early adoption is permitted and modified retrospective application is required for leases that exist or are entered into after the beginning of the earliest comparative period in the financial statements. In June 2020, the FASB issued ASU No. 2020-05, Revenue from Contracts with Customers (Topic 606) and Leases (Topic 842) Effective Dates for Certain Entities. Prior to ASU No. 2020-05, the amendments to Topic 842 would be effective for periods beginning after December 15, 2020, for entities other than public business entities. ASU No. 2020-05 defers the effective date of the amendments to Topic 842 to periods beginning after December 15, 2021. Management has adopted the provisions of ASU No. 2020-05 and will defer implementation of the amendments to Topic 842. Management is currently evaluating the impact of adopting ASU 2016-02 on the Organization's financial statements and related disclosures.

In June 2016, the FASB issued ASU 2016-13, Financial Instruments-Credit Losses. The standard requires a financial asset (including trade receivables) measured at amortized cost basis to be presented at the net amount expected to be collected. Thus, the statement of activities will reflect the measurement of credit losses for newly recognized financial assets as well as the expected increases or decreases of expected credit losses that have taken place during the period. This standard will be effective for fiscal years beginning after December 15, 2022. Management is currently evaluating the impact of adopting ASU 2016-13 on the Organization's financial statements and related disclosures.

In September 2020, the FASB issued ASU 2020-07, *Not-for-Profit Entities: Presentation and Disclosures by Not-for-Profit Entities for Contributed Services*. This ASU requires contributed nonfinancial assets to be presented on a separate line in the Statements of Activities, apart from contributions of cash and other financial assets. It also requires additional qualitative and quantitative disclosures about contributed nonfinancial assets. This standard will be effective for annual periods beginning after June 15, 2021. Management is currently evaluating the impact of adopting ASU 2020-07 on the Organization's financial statements and related disclosures.

NOTE 2 LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of June 30, 2021:

Financial Assets:		
Cash and cash equivalents	$	306,712
Grants receivable		144,520
Promises to give		49,998
Other current assets		5,562
Total Financial Assets		506,792
Less: Financial Assets Not Available to be Used Within One Year:		
Donor restrictions		194,518
Financial Assets Available to Meet General Expenditures Within One Year	**$**	**312,274**

The Organization’s primary sources of support are contributions and grants. Some support is required to be used in accordance with the purpose restrictions imposed by the donors. As part of the liquidity management plan, the Organization invests cash in excess of daily requirements in money market funds and certificates of deposits.

NOTE 3 CONCENTRATIONS

Revenue from one grantor was approximately 31% and 28% of the Organization's total support and revenue during the years ended June 30, 2021 and 2020, respectively. Grants receivable from four grantors were approximately 92% of the Organization’s grants receivable balance at June 30, 2021. Grant receivable from two grantors were approximately 100% of the Organization's grants receivable balance at June 30, 2020.

NOTE 4 OPERATING LEASES

The Organization leases office space on a month-to-month basis. Rent expense related to this lease was $18,300 for each of the years ended June 30, 2021 and 2020.

NOTE 5 RETIREMENT PLAN

The Organization maintains a contributory retirement savings plan under Sections 408(a) and 408(p) SIMPLE-IRA of the Code covering substantially all employees who meet certain eligibility requirements. Employer contributions to the plan totaled $9,042 and $7,749 for the years ended June 30, 2021 and 2020, respectively.

NOTE 6 GRANTS RECEIVABLE

Grants receivable at June 30, are as follows:

	2021	2020
Owner occupied projects	$ 97,020	$ 115,987
Major repairs and roof replacement program	47,500	-
Total Grants Receivable	**$ 144,520**	**$ 115,987**

NOTE 7 PROPERTY AND EQUIPMENT

Property and equipment at June 30, are as follows:

	2021	2020
Furniture and fixtures	$ 5,061	$ 5,061
Computer equipment	70,467	60,943
Vehicles	55,750	55,750
	131,278	121,754
Less: accumulated depreciation	87,339	75,217
	$ 43,939	**$ 46,537**

Depreciation expense for the years ended June 30, 2021 and 2020, totaled $12,122 and $6,449, respectively.

NOTE 8 CONTINGENCIES

On March 11, 2020, the World Health Organization declared the outbreak of a coronavirus (COVID-19) a pandemic. The extent and impact of COVID-19 on the Organization’s operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, impact on the Organization’s program participants, employees, and vendors, all of which are uncertain and cannot be predicted.

NOTE 9 PAYCHECK PROTECTION PROGRAM

Associated with the COVID-19 pandemic, the Coronavirus Aid, Relief, and Economic Security (CARES) Act was enacted to provide economic assistance to American businesses. Through the CARES Act, in April 2020, the Organization obtained funding from the Small Business Administration's Paycheck Protection Program (PPP) of $80,500 with an annual interest rate of 1% if it isn't forgiven. The PPP has provisions that allow for full or partial loan forgiveness if the loan proceeds are used on approved expenses in accordance with the PPP regulations and other PPP regulations, including employee counts, are followed. Per FASB ASC 958-605, the PPP funds were treated as a conditional contribution because the Organization expects the PPP loan to be forgiven.

As of June 30, 2020, the Organization had met the conditions on the PPP conditional grant on a portion of the funds received and has recorded those funds as grant income without donor restrictions. Funds recorded as grant income for the year ended June 30, 2020 totaled $23,215. As of June 30, 2021, the Organization had met the remaining conditions on the remainder of the PPP conditional grant of $57,285 received and has recorded those funds as grant income without donor restrictions. As of December 17, 2020, the Small Business Administration approved the PPP loan to be fully forgiven.

NOTE 10 RELATED PARTY TRANSACTIONS

The Organization is a member in the national network of Rebuilding Together National Affiliate (National Affiliate) through an affiliate contract that is in place. The affiliate contract establishes the Organization's exclusive service area and sets forth a variety of compliance requirements. Dues are remitted to the National Affiliate by the Organization based on a formula defined in the affiliate contract. Dues paid to the National Affiliate totaled $18,299 and $15,212 for the years ended June 30, 2021 and 2020, respectively. In addition, the Organization received $130,000 and $49,000 in contributions from National Affiliate for the years ended June 30, 2021 and 2020, respectively.

NOTE 11 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions as of June 30, are restricted as follows:

	2021	2020
Purpose and time restrictions	$ 40,693	$ 109,077
Time restrictions	153,825	81,910
	$ 194,518	**$ 190,987**

Assets released from restrictions for the years ended June 30, are as follows:

	2021	2020
Released from restrictions of purpose and time	**$ 954,796**	**$ 261,154**

NOTE 12 DONATED SERVICES AND MATERIALS

A substantial number of unpaid volunteers possessing specialized skills donate essential services to the Organization. Additionally, many third parties donate materials and equipment. Substantially all donated services and materials are used in the Organization's programs. For the year ended June 30, 2021 the estimated fair value of these services and materials was approximately $142,637 and $6,913, respectively. For the year ended June 30, 2020, the estimated fair value of these services and materials was approximately $152,000 and $46,844, respectively. The donated services and materials are recognized as contributions and expenses in the statements of activities due to meeting the recognition criteria.

In addition, certain other unpaid volunteers donated approximately 1,093 and 938 labor hours during the years ended June 30, 2021 and 2020, respectively. According to the National Office for Rebuilding Together, the estimated value of this volunteer labor is approximately $24,647 and $21,152 for the years ended June 30, 2021 and 2020, respectively. This contributed labor is not reflected in the financial statements because the criteria for recognition have not been met.

NOTE 13 LONG-TERM DEBT

Long-term debt as of June 30, consists of the following:

	2021	2020
Ford note payable in monthly installments of $551, 5.24% interest with final payment due March 6, 2023, secured by the vehicle.	$ 10,533	$ 16,419
Less: current maturities	(6,207)	(5,891)
Total Long-Term debt, less current maturities	**$ 4,326**	**$ 10,528**

Principal maturities required on long-term debt are as follows:

For the Years Ending June 30,	
2022	6,207
2023	4,326
	$ 10,533

NOTE 14 SUBSEQUENT EVENTS

Management has evaluated subsequent events through the date of the accompanying independent auditor's report, the date which the financial statements were available to be issued.