

Rebuilding Together of Greater Charlotte, Inc.

Financial Statements

Year Ended June 30, 2024

FOARD 
EST. 1964

Rebuilding Together of Greater Charlotte, Inc.

Table of Contents

June 30, 2024

	Page
Independent Auditors' Report	1-2
Audited Financial Statements:	
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses.....	5
Statement of Cash Flows	6
Notes to Financial Statements	7-12

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Rebuilding Together of Greater Charlotte, Inc.
Charlotte, North Carolina

Opinion

We have audited the accompanying financial statements of Rebuilding Together of Greater Charlotte, Inc. (the "Organization" - a nonprofit organization), which comprise the statement of financial position as of June 30, 2024, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Rebuilding Together of Greater Charlotte, Inc. as of June 30, 2024, 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 of America.

Basis of Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Rebuilding Together of Greater Charlotte, Inc. 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 the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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 Rebuilding Together of Greater Charlotte, Inc.'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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

Rebuilding Together of Greater Charlotte, Inc.
Charlotte, North Carolina

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 purposes of expressing an opinion on the effectiveness of Rebuilding Together of Greater Charlotte, Inc.'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 Rebuilding Together of Greater Charlotte, Inc.'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.

Report on Summarized Comparative Information

We have previously audited the Organization's 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated August 24, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Foard & Company, P.A.

November 6, 2024

Rebuilding Together of Greater Charlotte, Inc.
Statement of Financial Position
June 30, 2024, with prior year comparative totals

	Year Ended June 30,	
	2024	2023
<u>ASSETS</u>		
Current Assets:		
Cash and cash equivalents	\$ 393,674	\$ 330,946
Receivables:		
Unconditional promises to give	736,304	132,534
Sales tax	7,694	9,095
Prepaid expenses	12,045	14,708
<i>Total Current Assets</i>	<i>1,149,717</i>	<i>487,283</i>
Fixed Assets:		
Vehicles	128,398	135,626
Less: accumulated depreciation	(57,247)	(32,290)
<i>Total Fixed Assets</i>	<i>71,151</i>	<i>103,336</i>
Other Assets:		
Operating right of use asset	235,211	298,181
Security deposit	5,850	5,850
<i>Total Other Assets</i>	<i>241,061</i>	<i>304,031</i>
<i>TOTAL</i>	<i>\$ 1,461,929</i>	<i>\$ 894,650</i>
<u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities:		
Accrued expense	\$ 29,935	\$ 48,013
Accrued payroll	10,886	19,177
Line of credit payable	45,500	-
Operating lease liability	66,583	61,192
<i>Total Current Liabilities</i>	<i>152,904</i>	<i>128,382</i>
Long Term Liabilities:		
Operating lease liability (less current portion)	185,028	251,610
<i>Total Long Term Liabilities</i>	<i>185,028</i>	<i>251,610</i>
Net Assets:		
Without donor restrictions	302,237	406,667
With donor restrictions	821,760	107,991
<i>Total Net Assets</i>	<i>1,123,997</i>	<i>514,658</i>
<i>TOTAL</i>	<i>\$ 1,461,929</i>	<i>\$ 894,650</i>

Rebuilding Together of Greater Charlotte, Inc.**Statement of Activities****Year Ended June 30, 2024, with prior year comparative totals**

	Year Ended June 30, 2024			Prior Year Comparative Totals
	Without Donor Restrictions	With Donor Restrictions	TOTALS	
<u>SUPPORT AND REVENUE</u>				
Grants and contributions	\$ 227,798	\$ 1,095,200	\$ 1,322,998	\$ 728,116
Government grants	475,663	240,000	715,663	77,264
In-kind contributions	88,293	-	88,293	55,889
Special events (net of \$25,506 direct benefit)	90,618	-	90,618	126,336
Other income	16,336	-	16,336	10,749
Interest income	7,088	-	7,088	1,692
Loss of fixed asset disposal	(6,505)	-	(6,505)	(512)
Net assets released from restriction:				
By purpose	506,431	(506,431)	-	-
By Time	115,000	(115,000)	-	-
<i>Total Support and Revenue</i>	<i>1,520,722</i>	<i>713,769</i>	<i>2,234,491</i>	<i>999,534</i>
<u>EXPENSES</u>				
Program services	1,129,485	-	1,129,485	1,185,586
Management and general	380,411	-	380,411	144,721
Fundraising	115,256	-	115,256	105,019
<i>Total Expenses</i>	<i>1,625,152</i>	<i>-</i>	<i>1,625,152</i>	<i>1,435,326</i>
<i>CHANGE IN NET ASSETS</i>	<i>(104,430)</i>	<i>713,769</i>	<i>609,339</i>	<i>(435,792)</i>
<i>NET ASSETS, BEGINNING</i>	<i>406,667</i>	<i>107,991</i>	<i>514,658</i>	<i>950,450</i>
<i>NET ASSETS, ENDING</i>	<i>\$ 302,237</i>	<i>\$ 821,760</i>	<i>\$ 1,123,997</i>	<i>\$ 514,658</i>

Rebuilding Together of Greater Charlotte, Inc.

Statement of Functional Expenses

Year Ended June 30, 2024, with prior year comparative totals

	Year Ended June 30, 2024				Prior Year Comparative Totals
	Program Services	Management and General	Fundraising	TOTALS	
<u>PERSONNEL</u>					
Salaries	\$ 366,108	\$ 135,328	\$ 96,223	\$ 597,659	\$ 410,994
Payroll taxes	23,428	11,440	5,069	39,937	27,766
Benefits	61,065	21,982	9,958	93,005	39,786
Total	450,601	168,750	111,250	730,601	478,546
<u>OTHER EXPENSES</u>					
Project expenses	595,038	392	9	595,439	668,888
Administrative	14,225	17,069	852	32,146	77,414
Insurance	12,645	36,697	1,495	50,837	23,580
Occupancy	7,061	110,996	-	118,057	82,586
Dues and subscriptions	14,818	800	-	15,618	21,678
Depreciation	25,680	-	-	25,680	19,485
Development	2,093	1,313	527	3,933	31,752
Professional services	-	33,356	-	33,356	15,065
Travel	4,980	7,064	41	12,085	6,036
Marketing	2,341	1,241	239	3,821	7,141
Events	-	-	25,506	25,506	17,602
Website	-	296	-	296	1,768
Bank fees	3	2,437	843	3,283	1,387
Total	678,884	211,661	29,512	920,057	974,382
TOTAL EXPENSES	1,129,485	380,411	140,762	1,650,658	1,452,928
Less - Special Events Costs					
Deducted from Revenue	-	-	25,506	25,506	17,602
NET EXPENSES	\$ 1,129,485	\$ 380,411	\$ 115,256	\$ 1,625,152	\$ 1,435,326

Rebuilding Together of Greater Charlotte, Inc.
Statement of Cash Flows
Year Ended June 30, 2024, with prior year comparative totals

	Year Ended June 30,	
	2024	2023
<u>OPERATING ACTIVITIES</u>		
Change in net assets	\$ 609,339	(435,792)
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation expense	25,680	19,485
Loss on disposal of fixed asset	6,505	512
(Increase) decrease in operating assets:		
Unconditional promises to give receivable	(603,770)	542,916
Sales tax receivable	1,401	(7,917)
Prepaid expenses	2,663	3,605
Operating right of use asset	62,970	(298,181)
Security deposit	-	(5,850)
Increase (decrease) in operating liabilities		
Accrued expenses	(18,078)	12,702
Accrued payroll	(8,291)	11,581
Operating lease liability	(61,191)	312,802
<i>Cash Flows from Operating Activities</i>	<i>17,228</i>	<i>155,863</i>
<u>INVESTING ACTIVITIES</u>		
Purchase of fixed assets	-	(76,401)
<i>Cash Flows from Investing Activities</i>	<i>-</i>	<i>(76,401)</i>
<u>FINANCING ACTIVITIES</u>		
Proceeds from line of credit	45,500	-
<i>Cash Flows from Financing Activities</i>	<i>45,500</i>	<i>-</i>
<i>NET CHANGE IN CASH AND CASH EQUIVALENTS</i>	<i>62,728</i>	<i>79,462</i>
<i>CASH AND CASH EQUIVALENTS, BEGINNING</i>	<i>330,946</i>	<i>251,484</i>
<i>CASH AND CASH EQUIVALENTS, ENDING</i>	<i>\$ 393,674</i>	<i>\$ 330,946</i>

Rebuilding Together of Greater Charlotte, Inc.

Notes to Financial Statements

June 30, 2024

NOTE 1 – NATURE OF OPERATIONS

Organization

Rebuilding Together of Greater Charlotte, Inc., (the “Organization”) is a North Carolina not-for-profit organization whose mission is repairing homes, revitalizing communities, and rebuilding lives in the areas in and surrounding Charlotte, North Carolina. The Organization mobilizes community volunteers and contractors to provide repairs that make homes safer and healthier for our neighbors in need. The vision is safe homes and communities for everyone.

Funding sources

The Organization is supported primarily through grants and contributions and special events.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

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 (US GAAP). Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets without donor restrictions can be both undesignated and designated in nature. Undesignated net assets without donor restrictions are those currently available for use in day-to-day operations and those resources invested in property and equipment. From time to time, the Board of Directors may designate certain amounts to be utilized or invested to meet specific objectives. Such amounts, if any, are reflected as designated net assets without donor restrictions in the accompanying statement of financial position.

Net Assets With Donor Restrictions – These net assets consist of amounts that are subject to donor-imposed stipulations that may or will be met, either by actions of the Organization or the passage of time, and net assets that are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. During the year ended June 30, 2024, the Organization had no funds to be maintained in perpetuity.

Revenue recognition

Contributions, including unconditional promises to give, are recognized as revenue in the period received. Conditional promises to give are not recognized until they become unconditional, that is when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value. Contributions of cash and other assets are considered to be available for undesignated use unless specifically restricted by the donor. Amounts received that are restricted for future periods or are restricted by the donor for specific purposes are reported as net assets with donor restrictions. When a donor restriction expires (that is, when a stipulated time restriction ends or the purpose of the restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Rebuilding Together of Greater Charlotte, Inc.

Notes to Financial Statements

June 30, 2024

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand, cash in banks, and money market funds.

Receivables

Receivables consist of unconditional promises to give. All \$736,304 in unconditional promises to give are expected to be collected in the subsequent fiscal year, so no present value discount has been provided. In addition, management has determined that no allowance for doubtful accounts is necessary based on an evaluation of the receivables, historical experience, and current and anticipated economic conditions. Conditional promises to give are not recorded until the conditions are substantially met. At June 30, 2024, the Organization had no conditional promises to give.

Property and equipment

Property is recorded at cost if purchased or fair value if donated, subject to a \$2,500 capitalization policy. Costs that improve or extend the useful lives of assets are capitalized. Amounts paid for maintenance and repairs are expensed as incurred. Depreciation expense is recorded using the straight-line method of depreciation over the estimated useful lives of the assets, which is five years for the vehicles.

Security Deposit

Security deposit represents amounts paid on the Organization's office lease required in the lease agreement. These amounts may be returned to the Organization at the end of the lease agreement and are shown as a other asset until that time.

Leases

The Organization determines if an arrangement is or contains a lease at inception. Leases are included in the operating right of use (ROU) assets and operating lease liabilities in the statement of financial position. ROU assets and lease liabilities reflect the present value of the future minimum lease payments over the lease term. Leases are classified as either financing or operating, with classifications affecting the pattern of expense recognition in the statement of activities. Operating lease expense is recognized on a straight-line basis over the lease term. The Organization does not report ROU assets and lease liabilities for its leases with a term of 12 months or less; rather they are reported as a lease expense on a straight-line basis over the lease term.

Donated goods and services

Donated services are reported as contributions when the services (a) create or enhance nonfinancial assets or (b) would be purchased if they had not been provided by contribution, require specialized skills, and are provided by individuals possessing those skills. Donated goods and services, if significant, are included in support at fair value. During the year, the Organization recorded \$8,400 of donated services and \$79,893 of donated goods.

Donated goods included construction tools and supplies, home appliances, and gift cards. The value was determined by the fair market value of the goods at the time of donations. Donated services consisted of home inspection. These were valued at the fair market value at the time of donation by the vendors providing the services.

Rebuilding Together of Greater Charlotte, Inc.

Notes to Financial Statements

June 30, 2024

No in-kind contributions were restricted. The Organization does not sell donated gifts and only uses services and goods for its program or supporting service activities.

In addition, the Organization receives substantial amounts of donated services from unpaid volunteers in carrying out its program activities. No amounts have been reflected in the financial statements for these services since they generally do not meet the criteria for recognition.

Functional allocation of expenses

Expenses that are inherently program, management and general, or fundraising, are charged directly to those functions. Personnel expenses are allocated based on an estimate of time and effort. Occupancy costs are allocated based on the estimated square footage utilized by that function. All other expenses are allocated to program services, management and general, and fundraising based on management's estimates of time spent.

Federal income tax status

The Organization has been recognized as a nonprofit organization and is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code with respect to its exempt function income. The Organization is also classified as other than a private foundation as defined by Section 509(a) of the Internal Revenue Code.

Use of estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of support, revenues and expenses during the reporting period. Actual results could differ from those estimates.

Prior-year comparative totals

The financial statements include certain prior-year summarized information in total but not by net asset class or functional expense category. Such information does not include sufficient detail to constitute a presentation in conformity with US GAAP. Accordingly, such information should be read in conjunction with the Organization's 2023 financial statements, from which the summarized information was derived. Certain prior year amounts have been reclassified to conform to the current year's presentation.

NOTE 3 – LINE OF CREDIT

The Organization has an open line of credit up to \$400,000 as of June 30, 2024. The line of credit has an interest rate of 5.00% on outstanding balances. Payments of interest on the outstanding line of credit balance are due monthly with any remaining balance due upon completion of each construction project. The line of credit extends through April 24, 2026. The Organization's line of credit had an outstanding balance of \$45,500 at June 30, 2024.

Rebuilding Together of Greater Charlotte, Inc.

Notes to Financial Statements

June 30, 2024

NOTE 4 – LEASES

The Organization leases office space from an unrelated party under a non-cancellable operating lease. This lease contains no significant restrictions. In addition, the Organization did not identify any contracts entered during the year meeting the lease criteria, nor did it have any finance leases during the year. The operating ROU assets represent the Organization's right to use underlying assets for the lease term, and the operating lease liability represents the Organization's obligation to make lease payments arising from the leases. The ROU assets and lease liabilities were calculated based on the present value of future lease payments over the lease terms. The Organization has made an accounting election to use a risk-free rate in lieu of its incremental borrowing rate to discount future lease payments. The discount rate represents the weighted average risk-free discount rate using a period comparable to the individual lease term. The weighted average discount rate to calculate lease liabilities as of June 30, 2024, was 3.90%.

For the year ended June 30, 2024, the total operating lease cost was \$72,315. As of June 30, 2024, the operating lease ROU asset balance was \$235,211, and the operating lease liability was \$251,611. The remaining lease term was approximately four years.

Lease liabilities mature during the years ending June 30:

2025	\$ 75,225
2026	78,210
2027	81,345
2028	<u>34,775</u>
Total lease payments	269,555
Less present value discount	<u>17,944</u>
Present value of lease liability	<u><u>\$ 251,611</u></u>

NOTE 5 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions at June 30, 2024, are available for the following purposes:

Restricted for purpose:

Home Repairs	\$ 260,000
Community Arts	150,000
Urgent Repair Program	115,793
Staffing	105,000
Transportation	65,000
Gift Cards	28,467
Disabled Veterans	<u>20,000</u>
Total purpose restrictions	<u><u>\$ 744,260</u></u>

Rebuilding Together of Greater Charlotte, Inc.

Notes to Financial Statements

June 30, 2024

Time restricted:	
United Way	77,500
Total	<u>\$ 821,760</u>

Restricted net assets comprise \$627,500 of the outstanding unconditional promises to give which will be received in the next fiscal year and \$78,467 of cash and cash equivalents still unspent at year end.

NOTE 6 – CONCENTRATIONS OF RISK

Geographic area

The Organization operates in a small geographic area and is, therefore, sensitive to changes in the local economy.

Cash and cash equivalents

Cash and cash equivalents held in bank accounts is insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC). The Organization holds cash in excess of the insured limits covered by the FDIC; however, the Organization believes it is not exposed to any significant credit risk related to these accounts.

Support

During the year ended June 30, 2024, the Organization's top five donors provided 75% of the Organization's total support. This concentration of revenue represents a significant risk that operations could be impacted should funding from these donors be reduced or discontinued.

NOTE 7 – RELATED PARTY TRANSACTIONS

The Organization is an affiliate of Rebuilding Together. Under the Affiliate Partnership Agreement, the Organization is required to contribute an established percentage of its annual monetary income each year to the national organization as dues for the affiliation. The Organization paid the national organization \$18,628 during the year ended June 30, 2024.

NOTE 8 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Organization has \$1,137,672 of financial assets available within one year of the balance sheet date to meet cash needs for general expenditure consisting of cash and cash equivalents of \$393,674 and receivables of \$743,998, which are expected to be collected during the year ending June 30, 2025. Of the financial assets available, \$744,260 are subject to donor restrictions that they be utilized for a specific purpose. The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, as part of its liquidity management, the Organization invests cash in excess of daily requirements in short-term investments, primarily money market funds.

Rebuilding Together of Greater Charlotte, Inc.**Notes to Financial Statements****June 30, 2024**

NOTE 9 - RETIREMENT PLAN

The Organization provides retirement benefits under a 401(k) plan. Under this plan, the Organization matches employee contributions one-for-one with a maximum contribution of three percent of an employee's annual salary. Employees become eligible to participate in this plan from the first full month after their start date; however, funds are not fully vested until one year of employment. The Organization's retirement expense for the year ended June 30, 2024, was \$18,629.

NOTE 10 – SUBSEQUENT EVENTS

The Organization has evaluated subsequent events from the date of the statement of financial position through the date of the independent auditors' report, which is the date the financial statements were available to be issued. During this period, no material recognizable subsequent events were identified.