

REBUILDING TOGETHER BROWARD COUNTY, INC.

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT
FOR THE YEARS ENDED
DECEMBER 31, 2020 AND 2019**

REBUILDING TOGETHER BROWARD COUNTY, INC.

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INDEPENDENT AUDITOR'S REPORT

May 27, 2021

Board of Directors
Rebuilding Together Broward County, Inc.
Oakland Park, Florida 33334

We have audited the accompanying financial statements of Rebuilding Together Broward County, Inc. (a nonprofit organization), which comprises the statement of financial position as of December 31, 2020, and the related statements of activities, cash flows, and functional expenses 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 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 Broward County, Inc. as of December 31, 2020, 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.

Report on Summarized Comparative Information

We have previously audited Rebuilding Together Broward County, Inc. 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 28, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

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REBUILDING TOGETHER BROWARD COUNTY, INC.

**STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2020
(WITH COMPARATIVE TOTALS FOR 2019)**

	<u>2020</u>			<u>2019</u>
	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>	<u>Total</u>
<u>ASSETS</u>				
CURRENT ASSETS				
Cash and cash equivalents (Note 9)	\$ 76,897	\$ 70,016	\$ 146,913	\$ 130,416
Prepaid expenses (Note 6 and 7)	14,134	-	14,134	13,218
Grants receivable, net (Note 3 and 9)	243,161	50,000	293,161	90,655
Accounts receivable, net	-	-	-	1,265
Total Current Assets	334,192	120,016	454,208	235,554
FIXED ASSETS				
Fixed assets, net (Note 4)	6,300	-	6,300	9,900
Total Fixed Assets	6,300	-	6,300	9,900
TOTAL ASSETS	\$ 340,492	\$ 120,016	\$ 460,508	\$ 245,454
<u>LIABILITIES & NET ASSETS</u>				
CURRENT LIABILITIES				
Accounts Payable	\$ 7,170	\$ -	\$ 7,170	\$ 4,054
Other Current Liabilities (Note 8)	43,400	-	43,400	-
Total Current Liabilities	50,570	-	50,570	4,054
TOTAL LIABILITIES	50,570	-	50,570	4,054
NET ASSETS				
Without Donor Restrictions	289,922	-	289,922	241,400
With Donor Restrictions (Note 10)	-	120,016	120,016	-
TOTAL NET ASSETS	289,922	120,016	409,938	241,400
TOTAL LIABILITIES & NET ASSETS	\$ 340,492	\$ 120,016	\$ 460,508	\$ 245,454

REBUILDING TOGETHER BROWARD COUNTY, INC.

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020
(WITH COMPARATIVE TOTALS FOR 2019)**

	2020			2019
	Without donor restrictions	With donor restrictions	Total	Total
REVENUES				
Direct public support (Note 10)	\$ 1,166,086	\$ 120,016	\$ 1,286,102	\$ 863,556
In-kind contributions (Note 3)	282,751	-	282,751	253,121
Other income	13,113	-	13,113	8,216
Total Revenues	1,461,950	120,016	1,581,966	1,124,893
OPERATING EXPENSES				
Program services:				
Healthy Neighborhoods	986,058	-	986,058	963,337
Safe at Home	318,744	-	318,744	265,053
Total program services	1,304,802	-	1,304,802	1,228,390
Supporting services:				
Management and general	32,468	-	32,468	31,117
Fundraising	61,793	-	61,793	29,035
Total supporting services	94,261	-	94,261	60,152
Total Operating Expenses	1,399,063	-	1,399,063	1,288,542
OTHER EXPENSES				
Program services:				
Healthy Neighborhoods (Note 3)	1,265	-	1,265	-
Safe at Home (Note 3)	13,100	-	13,100	-
Total program services	14,365	-	14,365	-
Total Other Expenses	14,365	-	14,365	-
CHANGE IN NET ASSETS	48,522	120,016	168,538	(163,649)
NET ASSETS, BEGINNING OF YEAR	241,400	-	241,400	405,049
NET ASSETS, END OF YEAR	\$ 289,922	\$ 120,016	\$ 409,938	\$ 241,400

Read Independent Auditor's Report and Notes to the Financial Statements

REBUILDING TOGETHER BROWARD COUNTY, INC.

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2020
(WITH COMPARATIVE TOTALS FOR 2019)**

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 168,538	\$ (163,649)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation expenses (Note 4)	3,600	3,600
Increase or decrease in:		
Grants receivable without donor restrictions (Note 3 and 9)	(151,241)	128,443
Grants receivable with donor restrictions (Note 3 and 9)	(50,000)	-
Prepaid expenses (Note 6 and 7)	(915)	(2,270)
Accrued expenses	3,115	(258)
	(26,903)	(34,134)
Net cash used in operating activities		
CASH FLOWS FROM FINANCING ACTIVITIES		
Refundable advance - PPP Loan (Note 8)	43,400	-
	43,400	-
Net cash provided by financing activities		
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	16,497	(34,134)
CASH AND CASH EQUIVALENTS WITHOUT DONOR RESTRICTIONS, BEGINNING OF YEAR (NOTE 9)	130,416	164,550
CASH AND CASH EQUIVALENTS WITH DONOR RESTRICTIONS, BEGINNING OF YEAR (NOTE 9)	-	-
	76,897	130,416
CASH AND CASH EQUIVALENTS WITHOUT DONOR RESTRICTIONS, END OF YEAR (NOTE 9)		
CASH AND CASH EQUIVALENTS WITH DONOR RESTRICTIONS, END OF YEAR (NOTE 9)	70,016	-
	\$ 146,913	\$ 130,416
TOTAL CASH AND CASH EQUIVALENTS, END OF YEAR (NOTE 9)	\$ 146,913	\$ 130,416

REBUILDING TOGETHER BROWARD COUNTY, INC.

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2020
(WITH COMPARATIVE TOTALS FOR 2019)

	2020						2019	
	Program Services		Total Program Services	Supporting Services		Total Supporting Services	Total	Total
	Healthy Neighborhoods	Safe at Home		Management and General	Fundraising			
Salaries and wages	\$ 124,007	\$ 123,147	\$ 247,154	\$ 17,609	\$ 17,609	\$ 35,218	\$ 282,372	\$ 210,597
Payroll taxes	9,603	10,436	20,039	849	849	1,698	21,737	16,014
Affiliation fees (Note 6)	8,414	8,552	16,966	-	-	-	16,966	15,166
Contractors	41,028	75,039	116,067	240	-	240	116,307	88,381
Insurance	4,576	3,914	8,490	2,574	17	2,591	11,081	9,555
Occupancy (Note 11)	10,757	8,423	19,180	1,052	1,052	2,104	21,284	20,867
Office Expense	6,628	8,519	15,147	1,979	4,024	6,003	21,150	20,301
Organization development	44	16	60	68	2,696	2,764	2,824	6,880
Professional fees	-	-	-	8,000	-	8,000	8,000	8,497
Renovations and improvements	487,286	75,199	562,485	35	-	35	562,520	588,070
Skilled labor and services	281,576	1,175	282,751	-	-	-	282,751	253,121
Special events	-	-	-	-	35,484	35,484	35,484	2,883
Supplies	8,703	1,036	9,739	6	6	12	9,751	37,948
Travel	1,636	1,488	3,124	56	56	112	3,236	6,662
Depreciation (Note 4)	1,800	1,800	3,600	-	-	-	3,600	3,600
Bad debt expense (Note 3)	1,265	13,100	14,365	-	-	-	14,365	-
Total Expenses	\$ 987,323	\$ 331,844	\$ 1,319,167	\$ 32,468	\$ 61,793	\$ 94,261	\$ 1,413,428	\$ 1,288,542

Read Independent Auditor's Report and Notes to the Financial Statements

REBUILDING TOGETHER BROWARD COUNTY, INC.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

Note 1. Organization and Nature of Operations

Rebuilding Together Broward County, Inc. (shortened RTBC) was established on July 10, 2003, in Florida, as a not-for-profit organization; an independent affiliate of Rebuilding Together, Inc. (National) in existence exclusively for charitable purposes. The organization's mission statement includes bringing together communities and volunteers to rehabilitate the homes of low-income homeowners, particularly the elderly and disabled veterans, so they may live in safety and independence. Two major initiatives of RTBC are:

- Healthy Neighborhoods – Community and neighborhoods revitalization, including disaster relief and nonprofit facility improvements.
- Safe at Home – Home repairs focused on health and safety principles, including accessibility modifications, energy-efficient upgrades, and aging in place improvements.

For the next 5-10 years, the organization's vision is to be the premier community revitalization partner with neighborhoods and communities within Broward County. The goals are to eliminate 5,000 household hazards for seniors and increase individual and corporate giving to 30% of the budget during the next three years.

Note 2. New Accounting Pronouncement

In May 2014, the Financial Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2014-09, Revenue Contracts with Customers (Topic 606) that requires entities to recognize revenue when control of the promised goods and services is transferred to customers at an amount that reflects the consideration to which the entity expects to be entitled to in exchange for those goods and services.

In February 2016, the FASB issued ASU No. 2016-02, Leases (Topic 842) which supersedes the requirements in ASC Topic 840, Leases. ASU No. 2016-02 requires the recognition of lease assets and lease liabilities by lessees for all lessees, including operating leases, with a term greater than 12 months. Under the guidance of ASU No. 2016-02, a lessee should recognize in the balance sheet a liability to make lease payments (lease liability) and a right-of-use asset representing its right to use the underlying asset for the lease term. RTBC has an operating lease that extends only for a one-year term. Therefore, ASU No. 2016-02 is not effective for the organizational financial statements for the year ended December 31, 2020. See Note 11 for a complete description of the matter.

In August 2016, the FASB issued ASU No. 2016-14, Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements for Not-for-Profit Entities. ASU No. 2016-14 reduces the number of net assets classes presented from three to two: Net assets with donor restrictions and Net assets without donor restrictions. Additionally, ASU No. 2016-14 requires the presentation of expenses by functional and natural classifications in one location and increases the quantitative disclosures about liquidity and availability of financial assets.

In November 2016, the FASB issued ASU No. 2016-18, Statement of Cash Flows (Topic 230): Restricted Cash. ASU No. 2016-18 provides guidance on the presentation of restricted cash or restricted cash equivalents in the statement of cash flows. RTBC adopted ASU No. 2016-18 for the organizational financial statements for the year ended December 31, 2020.

REBUILDING TOGETHER BROWARD COUNTY, INC.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

In June 2018, the FASB issued ASU 2018-08 – Not-for-Profit Entities (Topic 958) - Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made. The new guidance applies to all entities that receive or make contributions. ASU No. 2018-08 also provides a framework to determine whether a contribution is conditional or unconditional, which may impact the timing of revenue recognition. RTBC does not make significant contributions, and the impact of ASU No. 2018-08 related to contributions made are not expected to be material to the Financial Statements.

Note 3. Summary of Significant Accounting Policies

Basis of Accounting

The accompanying Financial Statements were prepared using 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 as follows:

Net assets with donor restrictions - Net assets subject to donor-imposed restrictions that may or will be met by actions of RTBC and/or the passage of time and net assets subject to donor-imposed restrictions that may be maintained permanently by RTBC. Generally, the donors of these assets permit RTBC to use all, or part of the income earned and capital gains, if any, on related investments for general or specific purposes.

Net assets without donor restrictions - Net assets not subject to donor-imposed restrictions.

Measure of Operations

The measure of operations presented in the Statement of Activities includes operating revenue from contributions, direct public support, in-kind contributions, and other income. The revenues are comprised of grants from private industry, private foundations, and governmental entities, including CRA's. The measure of operations includes support for operations from donor-restricted and without donor-restricted sources.

Revenue Recognition

Contribution Revenue

Funds received in cash, grants, and other assets are reported as contribution revenue at the time of donation. Contributions received with donor restrictions that limit the use of donated assets are recorded as temporarily restricted revenue. When a donor restriction expires, a stipulation time restriction ends, or purpose restriction is accomplished, net assets with donor restriction are released and reclassified to net assets with donor restriction in the Statement of Activities.

Donor-restricted contributions are initially reported in current year revenue if it is anticipated that such restrictions will be met in the current financial period.

Unconditional contributions receivable, which are presented as current contributions receivable, are expected to be received within one year and are recorded at their net realized value.

Contributed Services and Materials

Contributed services reflect the essential impact volunteers have in delivering the organization's mission. Contributed services are reported at fair value for financial reporting purposes. It is important to understand that voluntary donations and services create or enhance nonfinancial assets or require specialized skills provided by individuals possessing those skills and are services, which would be typically purchased if not provided by donation.

Read Independent Auditor's Report

REBUILDING TOGETHER BROWARD COUNTY, INC.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

Contributions of non-cash assets, discounts on purchased equipment, services, and materials as donations are considered in-kind contributions. Contributed services are reported at the fair value of those donated services when those services either create or enhance a nonfinancial asset, or require specialized skills, are provided by entities or persons possessing those skills, and would need to be purchased if they were not donated. RTBC recorded contributed in-kind contributions/services for the years ended December 31, 2020 and 2019 in the amounts of \$282,751 and \$253,121, respectively. Contributed materials, supplies, and discounts on purchased equipment are recorded at fair market value at the contribution date.

RTBC also receives support from unskilled volunteers who donate their time to perform various tasks that assist RTBC in fulfilling its purpose. The donated unskilled volunteer time was 2,000 hours for the year ended December 31, 2020, and 6,297 hours for the year ended December 31, 2019. The value of these hours is not reflected in the Statement of Activities as it does not meet the criteria for recognition under accounting and reporting standards prescribed for nonprofit organizations.

Concentration of Support and Revenue

For the years ended December 31, 2020 and 2019, the percentage of support and revenue provided by federal, state, and local government agencies was approximately 35% and 10%, respectively.

Unexpected Costs

As of December 31, 2020 and 2019, there have been no unexpected costs. The primary fluctuation of costs is in renovation and improvements, which are all tied to grant funding.

Grants Receivable

Grants receivable are stated at net realized amounts from various reimbursable grant contracts. Management recognized \$14,365 in bad debt expense for the year ended December 31, 2020. There was no bad debt expense recognized as of December 31, 2019. Bad debts are recorded using the direct write-off method, expensed when management determines the grant receivable is uncollectable.

Use of Estimate

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities in the financial statements. Estimates and assumptions may also affect disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses.

Cash and Cash Equivalents

RTBC considers all short-term, highly liquid investments available for current use with a maturity of three months or less when acquired to be cash equivalents. As of December 31, 2020 and 2019, the organization's cash reserve was totaled \$146,913 and \$130,416, respectively, which is above the recommended level of \$100,000.

Concentration of Credit and Market Risk

Cash balances are with one financial institution. The Federal Deposit Insurance Corporation insures the account balances at the financial institution up to \$250,000. As of December 31, 2020 and 2019, cash balances at the financial institution did not exceed the federally insured limit. RTBC has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk.

REBUILDING TOGETHER BROWARD COUNTY, INC.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

Commitments and Contingencies

In the normal course of operations, RTBC participates in a number of federal and state-assisted grant programs. These programs are subject to audit by the grantors or their representatives. Such audits could lead to requests for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. Presently, RTBC has no such request pending.

Property and Equipment

Property and equipment are recorded at cost or, if donated, at the approximate fair value at the date of donation. Acquisitions of fixed assets that exceed \$1,000 are capitalized, while replacements, maintenance, and repairs that do not improve or extend the lives of the respective assets are expensed. Donated assets are recorded at their estimated fair market value when received. Depreciation is computed using the straight-line method over the useful life of the asset as follows:

Office equipment	5 years
Tools	5 years
Vehicle	5 years

Income Taxes

RTBC is currently exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. RTBC is annually required to file a return of organization exempt from income taxes (form 990) with the Internal Revenue Service.

Summarized Comparative Information

The Financial Statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with RTBC's Financial Statements for the year ended December 31, 2019, from which the summarized information was derived.

Date of Management's Review

Management has evaluated subsequent events through May 27, 2020, which is the date the Financial Statements were available to be issued.

Note 4. Fixed Assets

As of December 31, 2020 and 2019, fixed assets consisted of the following:

	<u>2020</u>	<u>2019</u>
Office Equipment	\$ 1,145	\$ 1,145
Tools	8,500	8,500
Vehicle	20,104	20,104
Total fixed assets	29,749	29,749
Less: Accumulated depreciation	23,449	19,849
Fixed assets, net	<u>\$ 6,300</u>	<u>\$ 9,900</u>

Depreciation expense using an estimated useful life of five years was \$3,600 for the years ended December 31, 2020 and 2019 each.

Read Independent Auditor's Report

REBUILDING TOGETHER BROWARD COUNTY, INC.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

Note 5. Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the accompanying Statement of Functional Expenses. RTBC categorizes its expenses to one of four functions as follows:

- Healthy Neighborhoods Program Services are the activities that result in goods and services related to the community and neighborhoods revitalization, including disaster relief and nonprofit facility improvements.
- Safe at Home Program Services are the activities that result in goods and services related to home repairs.
- Management and General Supporting Services are expenses that provide for the overall support of RTBC.
- Fundraising Supporting Services include those expenses that are directly attributable to the fundraising efforts, including the marketing of the annual RTBC event “Black Dresses and Blueprints”, administration support, and relationship services extended to donors.

Accordingly, certain costs have been allocated among program services, management and general, and fundraising functions based upon management’s time records and the best available estimate of the percentage of each cost element applicable to each functional area.

Note 6. Transactions of Related Party

RTBC has signed an affiliation agreement with the National Office in which they agree to adopt the national mission and vision statement. The goal of the National office is to build a robust affiliate network to serve as many people in need as possible. Affiliation fees and compliance documents are due each year on September 30th.

To be an affiliate of the Rebuilding Together Network and to perform program services under the Rebuilding Together umbrella, each affiliate must pay an affiliation fee. This affiliation fee is considered a programmatic cost for affiliates and should be budgeted on a yearly basis. Dues are calculated using the gross annual receipts from the most recent IRS form 990 available using a graduated scale.

As of December 31, 2020 and 2019, the affiliate fee had a prepaid balance of \$11,542.42 and \$11,825.45, respectively. The amount of incurred affiliate fee expense was \$16,965.69 as of December 31, 2020 and \$15,165.98 as of December 31, 2019.

Note 7. Property and Casualty Insurance

RTBC maintains various insurance policies. The coverages are as follows:

- General Commercial Liability with a \$2,000,000 coverage limit.
- Umbrella Liability with a \$10,000,000 coverage limit per occurrence.
- Automobile Liability with a coverage limit of \$10,000 per person and \$20,000 per accident.

At December 31, 2020, the comprehensive policy amounts for General Commercial / Umbrella Liabilities and Automobile Liability had prepaid balances of \$1,768.22 and \$823.33, respectively. The prepaid balance of the comprehensive policy amounts for General Commercial / Umbrella Liabilities was \$1,392.82 as of December 31, 2019.

Read Independent Auditor’s Report

REBUILDING TOGETHER BROWARD COUNTY, INC.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

Note 8. Refundable advance – PPP Loan

The Small Business Administration (“SBA”) published Interim Final Rules on April 2, 2020, that clarified who is eligible for the Paycheck Protection Program Loans (“PPP Loans”) offered by the SBA. RTBC filled out the initial application on April 06, 2020, with BB&T Bank. The organization was notified that it qualified and was given \$43,400, assigned SBA Loan # 5541977107 with an interest rate of one percent per annum. These funds were utilized to cover payroll expenses for four employees during a 24-week period in 2020. RTBC then filled out the forgiveness request of SBA Loan # 5541977107 on November 25, 2020, and the loan was forgiven on February 18, 2021.

RTBC applied for the second round of PPP funding on February 12, 2021. The organization was notified that it qualified and was given a second PPP loan of \$43,519 on March 01, 2021, with an interest rate of one percent per annum.

Note 9. Liquidity

RTBC regularly monitors liquidity required to meet its operating needs and other contractual commitments. The organization receives charitable contributions from donors both with and without restrictions and funding directly from government contracts; these sources of funds provide for the cash required for annual operations. The cost of annual operations is taken into consideration in evaluating and maintaining sufficient liquidity. RTBC maintains financial assets on hand to meet its normal operating expenses based on its annual budget. Operating expenses are compared to the budget on a monthly basis, and the financial assets on hand are adjusted as necessary.

A Line of Credit is available to RBTC to fund larger approved charitable initiatives and restricted donations projects to have funding available during interim periods until receivables are collected from philanthropic and government entities.

The organization’s financial assets available within one year for general expenditures as of December 31, 2020 and 2019 are as follows:

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 146,913	\$ 130,416
Grants receivable, net	293,161	90,655
Accounts receivable, net	-	1,265
Total financial assets	<u>440,074</u>	<u>222,336</u>
Less amounts not available to be used within one year:		
Donor restricted cash	(70,016)	-
Donor restricted grants receivable, net	<u>(50,000)</u>	<u>-</u>
Total financial assets not available to be used within one year	(120,016)	-
Financial assets available to meet cash needs for general expenditures within one year	<u><u>\$ 320,058</u></u>	<u><u>\$ 222,336</u></u>

In order to provide information about liquidity, assets have been sequenced according to their nearness to conversion to cash.

REBUILDING TOGETHER BROWARD COUNTY, INC.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

As of December 31, 2020, the financial assets are subject to a donor or contractual restrictions in the total amount of \$120,016. See Note 10 for a complete description of the matter.

Note 10. Net Assets with Donor Restrictions

At December 31, 2019 the organization did not have grants with donor restrictions. All grants were used to accomplish the organizational mission statement to provide for Healthy Neighborhoods and Safe at Home initiatives.

As of December 31, 2020, RTBC had net assets with donor restrictions in the total amount of \$120,016. The balance consists of the following restricted funding:

- The remainder of the 2020 City of Fort Lauderdale CRA contract in the amount of \$95,625 for the Healthy Neighborhoods Program Service: Block Rebuilding. The fund is granted specifically for a largescale home renovation project for one client. RTBC is working with a general contractor to finalize the home by June 1, 2021. The project is expected to cost more than the remainder of the funding. A renewed 2021 contract will be utilized to fund the additional costs. As of December 31, 2020, the grant is partially funded in the amount of \$45,625. The outstanding \$50,000 is recorded as grants receivable.
- The remainder of a grant RTBC received from the National Christian Foundation in the amount of \$24,391 for the Safe at Home Program Service: Disabled Initiative. The funds are restricted to provide repairs and home modifications for people with physical disabilities. As of December 31, 2020, the grant is fully funded and estimated to be spent by the end of 2021.

Note 11. Lease

RTBC rents office and storage space under a lease that expired April 30, 2021. A renewal Office/Warehouse lease agreement was signed on January 7, 2021, which provides a one-year renewal from May 1, 2021, through the last day of April 2022, with another renewal option available.

Office and storage rent expense for the year ended December 31, 2020 was \$18,276 and is included in the Statement of Functional Expenses under Occupancy. The renewal monthly lease cost increased by 3% to \$1,584. Thus, the estimated lease cost for the renewal period totals \$19,008.

Note 12. Employee Compensation and Benefits

In January 2020, RTBC switched from a payroll company to a PEO - Kymberly Group Payroll Solutions that maintains the organization's payroll. As of December 31, 2020, RTBC had three full-time employees in the Administration and Management Department who get paid salary under a bi-weekly schedule.

The organization also uses various independent technicians and other contractors who get paid on a contractual basis depending on what kind of services they perform.

RTBC did not offer any type of retirement savings plan to employees for the year ended December 31, 2020. Starting from May 2021, the employees are offered a 401(k) Pension Plan implemented by the organization. The estimated annual benefit expense is limited to \$10,524 for 2021.

REBUILDING TOGETHER BROWARD COUNTY, INC.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

Note 13. Subsequent Events

The forgiveness of the first round of PPP funding was disclosed in Note 8. RTBC subsequently applied for the second round of PPP funding which was qualified and given \$43,519 on March 01, 2021.

As disclosed in Note 11, RTBC has signed a renewal Office/Warehouse lease agreement that provides a one-year renewal from May 1, 2021, through the last day of April 2022. The estimated lease cost for the renewal period totals \$19,008.

As disclosed in Note 12, RTBC has implemented a 401k Pension Plan to employees to start from May 2021. The estimated annual benefit expense is limited to \$10,524 for 2021.

In early 2020, an outbreak of a novel strain of coronavirus ("COVID-19") emerged globally. As a result, events have occurred including mandates from federal, state, and local authorities leading to an overall decline in economic activity. At the end of 2020, the situation with the COVID-19 pandemic has changed as the vaccination became available, and the country has been recovering since then. During the COVID-19 pandemic, RTBC has continued to serve the community based on its mission statement. The management and administrative functions were fully operational. The team of Home Repair Specialists has continued to provide critical and emergency repairs as needed and required.

Events that occur after the balance sheet date but before the Financial Statements were available to be issued must be evaluated for recognition or disclosure. Management evaluated the organization's activity through May 27, 2021 and concluded that no subsequent events have occurred that would require recognition in the Financial Statements. The subsequent events after the Financial Statements date requiring note disclosure are disclosed in this Note.