

**REBUILDING TOGETHER DAYTON, INC.**  
**(A NONPROFIT ORGANIZATION)**  
**FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2009 AND 2008**

**REBUILDING TOGETHER DAYTON, INC.**

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**YEARS ENDED DECEMBER 31, 2009 AND 2008**

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**INDEPENDENT AUDITORS' REPORT**

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Board of Directors  
**Rebuilding Together Dayton, Inc.**  
Dayton, Ohio

We have audited the accompanying statements of financial position of **Rebuilding Together Dayton, Inc.** (a nonprofit organization) as of December 31, 2009 and 2008, and the related statements of activities, functional expenses and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based upon our audits.

We conducted our audits 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **Rebuilding Together Dayton, Inc.** as of December 31, 2009 and 2008, and the changes in its net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

*Brady, Ware & Schoenfeld, Inc.*

Dayton, Ohio  
June 18, 2010

**REBUILDING TOGETHER DAYTON, INC.**

**STATEMENTS OF FINANCIAL POSITION**

**DECEMBER 31, 2009 AND 2008**

	<u>2009</u>	<u>2008</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 158,290	\$ 87,774
Grants receivable	23,617	56,019
Deposits	<u>602</u>	<u>602</u>
	<u>182,509</u>	<u>144,395</u>
<b>EQUIPMENT</b>		
Fixed assets	12,209	10,970
Less accumulated depreciation	<u>(7,389)</u>	<u>(5,704)</u>
	<u>4,820</u>	<u>5,266</u>
	<u>\$ 187,329</u>	<u>\$ 149,661</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 3,070	\$ 1,785
Accrued payroll taxes	<u>2,753</u>	<u>1,288</u>
	5,823	3,073
<b>NET ASSETS</b>		
Unrestricted	<u>181,506</u>	<u>146,588</u>
	<u>\$ 187,329</u>	<u>\$ 149,661</u>

See notes to financial statements.

**REBUILDING TOGETHER DAYTON, INC.**

**STATEMENTS OF ACTIVITIES**

**YEARS ENDED DECEMBER 31, 2009 AND 2008**

	<u>2009</u>	<u>2008</u>
<b>CHANGES IN UNRESTRICTED NET ASSETS</b>		
Public Support and Revenue		
Contributions	\$ 240,466	\$ 304,149
Government grants	179,754	179,938
In-kind donations	54,331	88,371
Interest income	68	74
Miscellaneous income	<u>719</u>	<u>3,661</u>
Total Public Support and Revenue	<u>475,338</u>	<u>576,193</u>
Expenses		
Program services	377,259	472,936
Supporting services	46,480	42,285
Fundraising	<u>16,681</u>	<u>14,199</u>
Total Expenses	<u>440,420</u>	<u>529,420</u>
<b>CHANGE IN UNRESTRICTED NET ASSETS</b>	<b>34,918</b>	46,773
<b>NET ASSETS</b>		
Beginning of year	<u>146,588</u>	<u>99,815</u>
End of year	<u>\$ 181,506</u>	<u>\$ 146,588</u>

**REBUILDING TOGETHER DAYTON, INC.**

**STATEMENT OF FUNCTIONAL EXPENSES**

**YEAR ENDED DECEMBER 31, 2009**

	<b>Rebuilding Day</b>	<b>Neighbor Care</b>	<b>Year Round Services</b>	<b>Program Services Subtotal</b>	<b>Supporting Services</b>	<b>Fundraising</b>	<b>Total Expenses</b>
Project costs	\$ 45,639	\$ 74,281	\$ 52,308	\$ 172,228	\$ -	\$ -	\$ 172,228
Payroll	28,542	61,113	15,651	105,306	3,157	14,437	122,900
Payroll taxes	2,330	7,300	2,403	12,033	339	1,145	13,517
Supplies	2,724	334	625	3,683	1,104	-	4,787
Telephone	1,688	1,013	338	3,039	338	-	3,377
In-kind renovation costs	8,998	128	-	9,126	-	-	9,126
In-kind public relations	-	-	-	-	4,734	-	4,734
In-kind rent	-	-	-	-	7,200	-	7,200
In-kind labor costs	30,000	3,271	-	33,271	-	-	33,271
Postage and shipping	240	180	60	480	120	-	600
Printing and publications	924	2,540	693	4,157	-	462	4,619
Conventions and meetings	-	-	-	-	14,043	-	14,043
Volunteer expenses	10,953	-	-	10,953	-	-	10,953
Insurance	1,967	562	1,967	4,496	1,984	-	6,480
Accounting	-	-	-	-	6,039	-	6,039
Depreciation	863	-	-	863	822	-	1,685
National affiliate expenses	-	-	-	-	5,000	-	5,000
Miscellaneous	72	35	504	611	1,600	637	2,848
AmeriCorps Fees	11,389	5,624	-	17,013	-	-	17,013
	<u>\$ 146,329</u>	<u>\$ 156,381</u>	<u>\$ 74,549</u>	<u>\$ 377,259</u>	<u>\$ 46,480</u>	<u>\$ 16,681</u>	<u>\$ 440,420</u>

See notes to financial statements.

**REBUILDING TOGETHER DAYTON, INC.**

**STATEMENT OF FUNCTIONAL EXPENSES**

**YEAR ENDED DECEMBER 31, 2008**

	<b>Rebuilding Day</b>	<b>Neighbor Care</b>	<b>Year Round Services</b>	<b>Program Services Subtotal</b>	<b>Supporting Services</b>	<b>Fundraising</b>	<b>Total Expenses</b>
Project costs	\$ 94,319	\$ 157,592	\$ 700	\$ 252,611	\$ -	\$ -	\$ 252,611
Payroll	38,129	58,280	-	96,409	3,542	12,085	112,036
Payroll taxes	2,544	6,513	-	9,057	271	914	10,242
Supplies	2,398	70	-	2,468	1,340	-	3,808
Telephone	1,457	729	-	2,186	243	-	2,429
In-kind renovation costs	6,700	10,000	-	16,700	-	-	16,700
In-kind public relations	-	-	-	-	4,584	-	4,584
In-kind rent	-	-	-	-	7,200	-	7,200
In-kind labor costs	30,000	29,887	-	59,887	-	-	59,887
Postage and shipping	209	126	-	335	-	84	419
Printing and publications	366	1,281	-	1,647	-	183	1,830
Conventions and meetings	-	-	-	-	8,287	-	8,287
Volunteer expenses	12,130	-	-	12,130	-	-	12,130
Insurance	2,086	-	2,086	4,172	1,043	-	5,215
Contracted services	-	5,834	-	5,834	-	-	5,834
Accounting	-	-	-	-	6,153	-	6,153
Depreciation	311	-	-	311	817	-	1,128
National affiliate expenses	-	-	-	-	7,690	-	7,690
Miscellaneous	7,486	-	-	7,486	1,115	933	9,534
AmeriCorps Fees	-	1,703	-	1,703	-	-	1,703
	<u>\$ 198,135</u>	<u>\$ 272,015</u>	<u>\$ 2,786</u>	<u>\$ 472,936</u>	<u>\$ 42,285</u>	<u>\$ 14,199</u>	<u>\$ 529,420</u>

See notes to financial statements.

**REBUILDING TOGETHER DAYTON, INC.**

**STATEMENTS OF CASH FLOWS**

**YEARS ENDED DECEMBER 31, 2009 AND 2008**

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	<u>2009</u>	<u>2008</u>
<b>OPERATING ACTIVITIES</b>		
Change in unrestricted net assets	\$ 34,918	\$ 46,773
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	<u>1,685</u>	<u>1,128</u>
	<u>36,603</u>	<u>47,901</u>
Changes in operating assets and liabilities:		
Grants receivable	32,402	(16,913)
Accounts payable	1,285	(665)
Accrued payroll taxes	<u>1,465</u>	<u>1,083</u>
Net Cash Provided by Operating Activities	<u>71,755</u>	<u>31,406</u>
<b>INVESTING ACTIVITIES</b>		
Purchases of fixed assets	<u>(1,239)</u>	<u>(3,315)</u>
<b>NET INCREASE IN CASH</b>	<b>70,516</b>	<b>28,091</b>
<b>CASH</b>		
Beginning of year	<u>87,774</u>	<u>59,683</u>
End of year	<u>\$ 158,290</u>	<u>\$ 87,774</u>

## REBUILDING TOGETHER DAYTON, INC.

### NOTES TO FINANCIAL STATEMENTS

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#### NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of accounting policies of **Rebuilding Together Dayton, Inc.** (the "Organization") is presented to assist in understanding the Organization's financial statements.

**Nature of Business** - **Rebuilding Together Dayton, Inc.** is a nonprofit organization which provides free repair and renovation services to low income, disabled, and elderly homeowners.

**Basis of Presentation** - Financial statement presentation follows the recommendations of applicable accounting standards. Under accounting standards, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The Organization has no temporarily restricted or permanently restricted net assets as of December 31, 2009 and 2008.

**Financial Estimates** - 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 and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Functional Allocation of Expenses** - The costs of providing the various programs and other activities have been summarized on a functional basis in the Statements of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**Contributions** - Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statements of Activities as net assets released from restrictions.

**Donated Materials and Services** - Significant services and materials are donated to the Organization by various individuals and companies. Donated materials are recorded at fair market value at the date of donation. Under accounting standards, donated services are recognized as contributions if the services (a) create or enhance non-financial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization.

**Grants Receivable** - The Organization considers all grant receivable balances to be fully collectible based on historical experience of collections. Therefore, no allowance for doubtful accounts was considered necessary at December 31, 2009 and 2008.

**Fixed Assets** - Fixed assets are stated at cost or the fair market value of donated assets and are depreciated over the estimated useful life using the straight-line method. The Organization's policy is to capitalize all major expenditures in excess of \$500. Routine maintenance, repairs, and renewals are charged to expense as incurred. Renewals and betterments which substantially increase the life of fixed assets are capitalized. At retirement or sale, the costs of the assets, less related accumulated depreciation, are removed from the accounts and the resulting gains and losses are included in income.

## REBUILDING TOGETHER DAYTON, INC.

### NOTES TO FINANCIAL STATEMENTS

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#### NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

**Accounting for Uncertainty in Income Taxes** - On January 1, 2009, the Organization adopted accounting standards for uncertainties in income taxes and evaluated them for tax years which the statute of limitations remained open. The Organization's management determined there to be no uncertain tax positions as of December 31, 2009. As a result, no adjustments were made to the financial statements for the adoption of this pronouncement.

**Tax-Exempt Status** - The Organization is operated as a nonprofit organization and is tax exempt under IRS Code Section 501(c)(3). Accordingly, no provision for income tax is presented in these financial statements.

**Subsequent Events** - In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through June 18, 2010, the date the financial statements were available to be issued.

#### NOTE B - DONATED MATERIALS AND SERVICES

A large number of unpaid volunteers have donated substantial amounts of time on the repair and renovation of homes. With the exception of the donated services of electricians, plumbers, and carpenters, no amounts have been reflected in the financial statements for these donated services because the criteria for recognition of such volunteer effort under accounting standards has not been satisfied. The value of this volunteer labor that was not reflected in the financial statements has been estimated at \$293,267 and \$292,204 for the years ended December 31, 2009 and 2008, respectively.

The following donations have been included in the accompanying financial statements.

	<u>2009</u>	<u>2008</u>
Donated services of electricians, carpenters, and plumbers	\$ 33,271	\$ 59,887
Donated materials	9,126	16,700
Donated public relations	4,734	4,584
Donated office and warehouse space	<u>7,200</u>	<u>7,200</u>
	<u>\$ 54,331</u>	<u>\$ 88,371</u>

#### NOTE C - LINE OF CREDIT

The Organization opened a line of credit with Fifth Third Bank for \$10,000 in 2007 to meet a grant requirement. The line of credit is unsecured and has a fixed rate of 10.24%. The line of credit was not used in 2009 or 2008.

#### NOTE D - CONCENTRATION OF GRANTS

The Organization received approximately 39% and 31% of its revenue from various governmental grants for the years ended December 31, 2009 and 2008, respectively.