

Rebuilding Together – Houston

Financial Statements
and Independent Auditors' Report
for the years ended December 31, 2021 and 2020

Rebuilding Together – Houston

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Independent Auditors' Report

To the Board of Directors of
Rebuilding Together – Houston:

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Rebuilding Together – Houston, which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities, of functional expenses, and of cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Rebuilding Together – Houston as of December 31, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of Rebuilding Together – Houston and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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 – Houston's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

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

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Rebuilding Together – Houston’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 – Houston’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.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. Supplementary information in the supplemental schedule of value of programs delivered for the years ended December 31, 2021 and 2020 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in our audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Blazek & Vetterling

May 18, 2022

Rebuilding Together – Houston

Statements of Financial Position as of December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash	\$ 1,089,532	\$ 2,289,116
Prepaid expenses and other assets	55,780	13,483
Contributions receivable (Note 3)	430,787	41,233
Supplies and material inventory	22,326	65,287
Cash designated for board reserves	400,000	400,000
Property, net (Note 4)	<u>381,978</u>	<u>443,098</u>
TOTAL ASSETS	<u>\$ 2,380,403</u>	<u>\$ 3,252,217</u>
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and accrued expenses	\$ 176,901	\$ 73,442
Refundable advance – Paycheck Protection Program (Note 2)	<u> </u>	<u>333,466</u>
Total liabilities	<u>176,901</u>	<u>406,908</u>
Net assets:		
Without donor restrictions (Note 5)	1,435,944	1,624,470
With donor restrictions (Note 6)	<u>767,558</u>	<u>1,220,839</u>
Total net assets	<u>2,203,502</u>	<u>2,845,309</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 2,380,403</u>	<u>\$ 3,252,217</u>

See accompanying notes to financial statements.

Rebuilding Together – Houston

Statement of Activities for the year ended December 31, 2021

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
REVENUE:			
Contributions:			
Government grant (Note 8)		\$ 604,317	\$ 604,317
In-Kind (Note 9)	\$ 305,517	306,502	612,019
Other (Note 3)	398,981	2,192,520	2,591,501
Contract fees	182,743		182,743
Warehouse rental (Note 10)	28,272		28,272
Interest and other income	<u>12,592</u>		<u>12,592</u>
Total revenue	928,105	3,103,339	4,031,444
Net assets released from restrictions:			
Program expenditures	<u>3,556,620</u>	<u>(3,556,620)</u>	
Total	<u>4,484,725</u>	<u>(453,281)</u>	<u>4,031,444</u>
EXPENSES:			
Housing and neighborhood revitalization programs:			
Disaster Relief	2,078,766		2,078,766
Volunteer programs	968,379		968,379
Critical System Repair and Roof Restoration	<u>781,581</u>		<u>781,581</u>
Total housing and neighborhood revitalization programs	3,828,726		3,828,726
Management and general	412,681		412,681
Fundraising	<u>431,844</u>		<u>431,844</u>
Total expenses	<u>4,673,251</u>		<u>4,673,251</u>
CHANGES IN NET ASSETS	(188,526)	(453,281)	(641,807)
Net assets, beginning of year	<u>1,624,470</u>	<u>1,220,839</u>	<u>2,845,309</u>
Net assets, end of year	<u>\$ 1,435,944</u>	<u>\$ 767,558</u>	<u>\$ 2,203,502</u>

See accompanying notes to financial statements.

Rebuilding Together – Houston

Statement of Activities for the year ended December 31, 2020

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
REVENUE:			
Contributions:			
Government grant (Note 8)		\$ 262,738	\$ 262,738
In-Kind (Note 9)	\$ 190,273		190,273
Other (Note 3)	474,619	2,352,131	2,826,750
Contract fees	202,411		202,411
Warehouse rental (Note 10)	28,272		28,272
Interest and other income	40,603		40,603
Total revenue	936,178	2,614,869	3,551,047
Net assets released from restrictions:			
Program expenditures	<u>3,739,471</u>	<u>(3,739,471)</u>	
Total	<u>4,675,649</u>	<u>(1,124,602)</u>	<u>3,551,047</u>
EXPENSES:			
Housing and neighborhood revitalization programs:			
Disaster Relief	2,605,765		2,605,765
Volunteer programs	251,861		251,861
Critical System Repair and Roof Restoration	<u>597,048</u>		<u>597,048</u>
Total housing and neighborhood revitalization programs	3,454,674		3,454,674
Management and general	540,028		540,028
Fundraising	<u>300,648</u>		<u>300,648</u>
Total expenses	<u>4,295,350</u>		<u>4,295,350</u>
CHANGES IN NET ASSETS FROM OPERATIONS	380,299	(1,124,602)	(744,303)
Grant refund (Note 7)		<u>(504,941)</u>	<u>(504,941)</u>
CHANGES IN NET ASSETS	380,299	(1,629,543)	(1,249,244)
Net assets, beginning of year	<u>1,244,171</u>	<u>2,850,382</u>	<u>4,094,553</u>
Net assets, end of year	<u>\$ 1,624,470</u>	<u>\$ 1,220,839</u>	<u>\$ 2,845,309</u>

See accompanying notes to financial statements.

Rebuilding Together – Houston

Statement of Functional Expenses for the year ended December 31, 2021

EXPENSES	HOUSING AND NEIGHBORHOOD REVITALIZATION PROGRAMS				SUPPORTING SERVICES		
	DISASTER RELIEF	VOLUNTEER PROGRAMS	CRITICAL SYSTEM REPAIR AND ROOF RESTORATION	TOTAL	MANAGEMENT AND GENERAL	FUNDRAISING	TOTAL
Contractor fees	\$ 1,724,111	\$ 459,749	\$ 537,328	\$ 2,721,188			\$ 2,721,188
Salaries and benefits	217,283	228,095	155,189	600,567	\$ 240,648	\$ 263,527	1,104,742
Occupancy	33,126	52,906	30,678	116,710	22,453	31,575	170,738
Construction supplies	58,813	110,500	212	169,525		85	169,610
Marketing fees		4,338		4,338		107,400	111,738
Professional fees – other	5,026	5,480	1,494	12,000	83,622	1,413	97,035
Donated supplies		64,407		64,407			64,407
Depreciation	19,682	22,283	19,155	61,120			61,120
Insurance	7,485	7,231	25,748	40,464	11,093	7,350	58,907
Supplies	5,139	6,656	4,949	16,744	11,707	6,678	35,129
Computer consulting fees	4,962	5,449	4,257	14,668	12,017	6,117	32,802
RT National fee					20,000		20,000
Travel	2,366	902	2,182	5,450	2,813	538	8,801
Other	773	383	389	1,545	8,328	7,161	17,034
Total expenses	<u>\$ 2,078,766</u>	<u>\$ 968,379</u>	<u>\$ 781,581</u>	<u>\$ 3,828,726</u>	<u>\$ 412,681</u>	<u>\$ 431,844</u>	<u>\$ 4,673,251</u>

See accompanying notes to financial statements.

Rebuilding Together – Houston

Statement of Functional Expenses for the year ended December 31, 2020

EXPENSES	HOUSING AND NEIGHBORHOOD REVITALIZATION PROGRAMS				SUPPORTING SERVICES		
	DISASTER RELIEF	VOLUNTEER PROGRAMS	CRITICAL SYSTEM REPAIR AND ROOF RESTORATION	TOTAL	MANAGEMENT AND GENERAL	FUNDRAISING	TOTAL
Contractor fees	\$ 1,844,250	\$ 11,182	\$ 375,779	\$ 2,231,211			\$ 2,231,211
Salaries and benefits	431,350	103,269	153,514	688,133	\$ 330,865	\$ 204,259	1,223,257
Occupancy	61,469	24,961	20,326	106,756	34,653	23,074	164,483
Construction supplies	202,645	38,549	1,789	242,983			242,983
Marketing fees		2,025		2,025		56,128	58,153
Professional fees – other	2,213	311	576	3,100	93,977	5,645	102,722
Donated supplies		56,962		56,962			56,962
Depreciation	39,623	8,365	13,132	61,120			61,120
Insurance	1,492	330	23,531	25,353	13,695	865	39,913
Supplies	9,059	2,954	3,088	15,101	20,204	4,227	39,532
Computer consulting fees	8,929	1,978	2,948	13,855	21,941	5,108	40,904
RT National fee					20,000		20,000
Travel	3,310	739	1,392	5,441	1,121	199	6,761
Housing inspector fees	1,075		175	1,250			1,250
Other	350	236	798	1,384	3,572	1,143	6,099
Total expenses	<u>\$ 2,605,765</u>	<u>\$ 251,861</u>	<u>\$ 597,048</u>	<u>\$ 3,454,674</u>	<u>\$ 540,028</u>	<u>\$ 300,648</u>	<u>\$ 4,295,350</u>

See accompanying notes to financial statements.

Rebuilding Together – Houston

Statements of Cash Flows for the years ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Changes in net assets	\$ (641,807)	\$(1,249,244)
Adjustments to reconcile changes in net assets to net cash used by operating activities:		
Depreciation	61,120	61,120
Contributed use of office space	(461,193)	
Contribution receivable not collected due to grant refund		60,000
Changes in operating assets and liabilities:		
Prepaid expenses and other assets	(42,297)	(11,539)
Contributions receivable	71,639	109,031
Supplies and material inventory	42,961	105,603
Accounts payable and accrued expenses	103,459	(58,558)
Refundable advance – Paycheck Protection Program	(333,466)	333,466
Refundable advances	<u> </u>	<u> (6,780)</u>
Net cash used by operating activities	<u>(1,199,584)</u>	<u>(656,901)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Net maturities of certificates of deposit		<u>854,470</u>
NET CHANGE IN CASH	(1,199,584)	197,569
Cash, beginning of year	<u>2,689,116</u>	<u>2,491,547</u>
Cash, end of year	<u>\$ 1,489,532</u>	<u>\$ 2,689,116</u>

Reconciliation of cash reported in the statements of financial position with cash reported in the statements of cash flows:

Cash	\$ 1,089,532	\$ 2,289,116
Cash designated for board reserves	<u>400,000</u>	<u>400,000</u>
Total cash	<u>\$ 1,489,532</u>	<u>\$ 2,689,116</u>

See accompanying notes to financial statements.

Rebuilding Together – Houston

Notes to Financial Statements for the years ended December 31, 2021 and 2020

NOTE 1 – ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Organization – Rebuilding Together – Houston (RTH) is a nonprofit corporation that provides single-family housing repair and serves as a key partner in community revitalization throughout Harris County, Texas. Together, with volunteers, licensed contractors, corporate supporters, and community partners, RTH repairs homes, revitalizes communities, and rebuilds lives. Through its critical systems repair and volunteer programs, the organization impacts the lives of thousands of local families each year while striving toward the goal of safe homes and communities for everyone. In the wake of Hurricane Harvey, the Home After Harvey program was created as a combination of both critical systems repair and volunteer programs to rehabilitate homes impacted by the storm and invest in the long-term recovery of communities; this has since been expanded into a broader Disaster Relief program to assist homeowners impacted by other damaging severe weather events.

Federal income tax status – RTH is exempt from federal income tax under §501(c)(3) of the Internal Revenue Code and is classified as a public charity under §509(a)(1).

Cash concentration – Bank deposits exceed the federally insured limit per depositor per institution.

Contributions receivable – Amounts that are expected to be collected within one year are reported at net realizable value. Amounts expected to be collected in more than one year are discounted, if material, to estimate the present value of future cash flows. Discounts are computed using risk-free interest rates applicable to the years in which the promises are received. Amortization of discounts is included in contribution revenue.

Allowance for uncollectible contributions receivable – An allowance for contributions receivable is provided when it is believed balances may not be collected in full based on historical experience and analysis of individual balances.

Supplies and material inventory consists of donated supplies and building materials valued at fair value at the time of donation.

Property is reported at cost, if purchased, or at fair value at date of gift, if donated. RTH capitalizes additions and improvements with a cost of more than \$5,000. Depreciation is provided on a straight-line basis over estimated useful lives of 10 to 20 years for the warehouse and its improvements, and 5 years for vehicles and equipment.

Net asset classification – Net assets, revenue, gains, and losses are classified based on the existence or absence of donor-imposed restrictions, as follows:

- *Net assets without donor restrictions* are not subject to donor-imposed restrictions even though their use may be limited in other respects such as by contract or board designation.
- *Net assets with donor restrictions* are subject to donor-imposed restrictions. Restrictions may be temporary in nature, such as those that will be met by the passage of time or use for a purpose specified by the donor, or may be perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Net assets are released from restrictions when the stipulated time has elapsed, or purpose has been fulfilled, or both. Contributions of long-lived assets and of assets restricted for acquisition of long-lived assets are released when those assets are placed in service.

Contributions are recognized as revenue at fair value when an unconditional commitment is received from a government agency or donor. Contributions received with donor stipulations that limit their use are classified as *with donor restrictions*. Conditional grants and contributions are subject to one or more barriers that must be overcome before RTH is entitled to receive or retain funding. Conditional grants and contributions are recognized in the same manner when the conditions have been met. Funding received before conditions are met is reported as a refundable advance.

Contributed materials, use of facilities and services are recognized as revenue at fair value when an unconditional commitment is received from the donor. The related expense is recognized as the item is used or when the service is provided. Contributions of services are recognized when services received (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

During fiscal years 2021 and 2020, volunteers contributed approximately 19,388 and 4,204 hours, respectively, in connection with programs. No amount has been recorded in the financial statements because the services did not meet the criteria for recognition under generally accepted accounting principles.

Contract fees are derived from providing home repair services to residents in Harris County and performance obligations are satisfied at a point in time as those services are provided. Contract fees are recognized at the amount of consideration to which RTH expects to be entitled in exchange for those services. Payment is due upon invoice receipt by the contracting organization. The nature of these services does not give rise to any variable considerations, warranties or other related obligations. Receivables resulting from contract fees were \$7,173 at December 31, 2021. There was no such receivables at December 31, 2020 and 2019. There were no contract liabilities related to contract fees as of December 31, 2021, 2020, or 2019.

Warehouse rental income is recognized in the period of occupancy.

Marketing is expensed as incurred.

Functional allocation of expenses – Expenses are reported by their functional classification. Program services are the direct conduct or supervision of activities that fulfill the purposes for which the organization exists. Fundraising activities include the solicitation of contributions of money, securities, materials, facilities, other assets, and time. Management and general activities are not directly identifiable with specific program or fundraising activities. Expenses that are attributable to more than one activity are allocated among the activities benefitted. Salaries and related costs are allocated on the basis of estimated time and effort expended. Depreciation and occupancy costs are allocated based on usage of related facilities. Information technology costs are allocated based on estimates of time and costs of specific technology utilized.

Reclassification – Approximately \$28,000 was reclassified from other contributions into government grant contributions for the year ended December 31, 2020 to conform to the 2021 presentation.

Estimates – Management must make estimates and assumptions to prepare financial statements in accordance with generally accepted accounting principles. These estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, the amounts of reported revenue and expenses, and the allocation of expenses among various functions. Actual results could vary from the estimates that were used.

Recent financial accounting pronouncement – Accounting Standards Update (ASU) 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, will require contributed nonfinancial assets to be presented as a separate line item in the statement of activities, apart from contributions of cash and other financial assets and will require disclosure about the measurement and use of types of contributed nonfinancial assets. The ASU will be effective for fiscal years beginning after June 15, 2021 and requires retrospective application. RTH will adopt this ASU in fiscal year 2022.

NOTE 2 – LIQUIDITY AND AVAILABILITY OF RESOURCES

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use within one year of December 31 comprise the following:

	<u>2021</u>	<u>2020</u>
Financial assets:		
Cash	\$ 1,489,532	\$ 2,689,116
Receivables	<u>131,458</u>	<u>41,233</u>
Total financial assets	1,620,990	2,730,349
Less financial assets not available for general expenditure:		
Board-designated reserve funds	<u>(400,000)</u>	<u>(400,000)</u>
Total financial assets available for general expenditure	<u>\$ 1,220,990</u>	<u>\$ 2,330,349</u>

For purposes of analyzing resources available to meet general expenditures over a 12-month period, RTH considers all expenditures related to its ongoing program activities, as well as the conduct of services undertaken to support those activities, to be general expenditures.

RTH is substantially supported by contributions and contract fees, and regularly monitors liquidity required to meet its operating needs. As part of the organization’s liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due by maintaining a significant portion of its assets in cash. RTH’s Board of Directors has designated a portion of its resources without donor restrictions as board-designated for general operations. Although RTH does not intend to spend from the board-designated funds, the funds could be made available, if necessary.

In April 2020, RTH received an unsecured bank loan of \$333,466 funded through the Small Business Administration’s Paycheck Protection Program. The amount of \$307,421 was forgiven and recognized as a contribution in September 2021 as RTH met the eligibility requirements and used the loan to fund qualified payroll and other eligible costs. The balance not forgiven was repaid.

NOTE 3 – CONTRIBUTIONS RECEIVABLE

Contributions receivable at December 31, 2021 includes the estimated fair value of \$153,251 in each year 2022 and 2023 for the use of contributed space. The remaining contributions receivable at December 31, 2021 is expected to be collected within one year.

At December 31, 2021, 88% of contributions receivable were due from two donors. At December 31, 2020, 100% of contributions receivable were due from two donors. In 2021, approximately 38% of contributions recognized were from three donors. In 2020, approximately 61% of contributions recognized was from one donor.

NOTE 4 – PROPERTY

Property consists of the following:

	<u>2021</u>	<u>2020</u>
Warehouse	\$ 653,361	\$ 653,361
Land	67,509	67,509
Vehicles	76,929	76,929
Equipment	<u>24,381</u>	<u>24,381</u>
Total property, at cost	822,180	822,180
Accumulated depreciation	<u>(440,202)</u>	<u>(379,082)</u>
Property, net	<u>\$ 381,978</u>	<u>\$ 443,098</u>

NOTE 5 – NET ASSETS WITHOUT DONOR RESTRICTIONS

Net assets without donor restrictions consist of the following:

	<u>2021</u>	<u>2020</u>
Undesignated	\$ 653,966	\$ 781,372
Board-designated reserve fund	400,000	400,000
Property	<u>381,978</u>	<u>443,098</u>
Total net assets without donor restrictions	<u>\$ 1,435,944</u>	<u>\$ 1,624,470</u>

NOTE 6 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted as follows:

	<u>2021</u>	<u>2020</u>
Subject to expenditure for specified purpose:		
Community Revitalization	\$ 187,768	\$ 8,600
Disaster Relief	111,615	1,049,433
Volunteer Home Repair	81,760	6,733
Small Business Repairs		108,300
Other programs	<u>79,913</u>	<u>47,773</u>
Total subject to expenditure for specified purpose	461,056	1,220,839
Subject to passage of time:		
Contributed use of facilities in future periods	<u>306,502</u>	<u> </u>
Total net assets with donor restrictions	<u>\$ 767,558</u>	<u>\$ 1,220,839</u>

NOTE 7 – GRANT REFUND

In 2020, a funder that had previously provided RTH with a disaster relief grant cancelled its promise to pay a \$60,000 contribution receivable and requested unspent funds of \$444,941 be returned to the funder.

NOTE 8 – GOVERNMENT GRANT CONTRIBUTIONS

RTH is a party to agreements with government agencies. Should these agreements not be renewed, a replacement for this source of support may not be forthcoming and related expenses would not be incurred. Sources of significant government grants recognized include the following:

	<u>2021</u>	<u>2020</u>
U. S. Small Business Administration	\$ 307,421	
Texas Veterans Commission	194,211	\$ 234,698
U. S. Department of Housing and Urban Development	<u>102,685</u>	<u>28,040</u>
Total government grants	<u>\$ 604,317</u>	<u>\$ 262,738</u>

RTH receives grants from federal and state funding sources that require fulfillment of certain conditions as set forth in the grant contracts and are subject to review and audit by the awarding agencies. Such reviews and audits could result in the discovery of unallowable activities and unallowable costs. Consequently, any of the funding sources may, at their discretion, request reimbursement for expenses or return of funds as a result of non-compliance by RTH with the terms of the contracts. Management believes such disallowances, if any, would not be material to RTH's financial position or changes in net assets.

At December 31, 2021, RTH has approximately \$356,000 of conditional contributions from various government agencies, which have not been recognized in the accompanying financial statements because the conditions have not been met. RTH will recognize these grants as qualifying grant expenditures are incurred and/or performance requirements are met.

NOTE 9 – IN-KIND CONTRIBUTIONS

RTH receives contributed use of office space which is recognized at fair value as contribution revenue when an unconditional commitment is received from the donor. The related occupancy costs are allocated based on usage of the facilities. Other in-kind goods and services are received for use in program operations. These contributions are recognized based on the estimated fair value. In-kind contributions at December 31 are as follows:

	<u>2021</u>	<u>2020</u>
Occupancy	\$ 461,193	\$ 164,318
Construction supplies	65,801	13,462
Marketing and advertising	60,000	
Contractor fees	25,025	
Other	<u> </u>	<u>12,493</u>
Total in-kind contributions	<u>\$ 612,019</u>	<u>\$ 190,273</u>

NOTE 10 – WAREHOUSE RENTAL

RTH leases a portion of the warehouse to a nonprofit corporation at \$2,356 per month under a noncancelable operating lease which expires on June 30, 2024. Payments due under the lease are as follows:

2022	\$ 28,272
2023	28,272
2024	<u>14,136</u>
Total	<u>\$ 70,680</u>

Warehouse rental income was \$28,272 in 2021 and 2020.

NOTE 11 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through May 18, 2022, which is the date that the financial statements were available for issuance. As a result of this evaluation, no events were identified that are required to be disclosed or would have a material impact on reported net assets or changes in net assets.

Rebuilding Together – Houston

Supplemental Schedule of Value of Programs Delivered for the years ended
December 31, 2021 and 2020

The estimated value of programs delivered is as follows:

	<u>2021</u>	<u>2020</u>
Expenses reported in statements of activities:		
Disaster Relief	\$ 2,078,766	\$ 2,605,765
Volunteer programs	968,379	251,861
Critical System Repair and Roof Restoration	781,581	597,048
Management and general	412,681	540,028
Fundraising	<u>431,844</u>	<u>300,648</u>
Total expenses reported in statements of activities	4,673,251	4,295,350
Volunteer labor for housing and neighborhood revitalization programs	<u>676,387</u>	<u>140,582</u>
Estimated value of programs delivered	<u>\$ 5,349,638</u>	<u>\$ 4,435,932</u>

See accompanying note to supplemental schedule of value of programs delivered.

(continued)

Rebuilding Together – Houston

Supplemental Schedule of Value of Programs Delivered for the years ended
December 31, 2021 and 2020

(continued)

NOTE 1 – The housing and neighborhood revitalization programs utilize volunteers as follows:

	2021		
	VOLUNTEER PROGRAMS		
	DISASTER RELIEF	OTHER	TOTAL
Volunteer Home Repair Program (VHRP):			
Number of projects	28	28	56
Value per project	<u>\$10,505.80</u>	<u>\$10,505.80</u>	<u>\$10,505.80</u>
Value – VHRP	<u>\$294,162.40</u>	<u>\$294,162.40</u>	<u>\$588,324.80</u>
Ramps:			
Number of projects	6	20	26
Value per project	<u>\$2,007.44</u>	<u>\$2,007.44</u>	<u>\$2,007.44</u>
Value – Ramps	<u>\$12,044.64</u>	<u>\$40,148.80</u>	<u>\$52,193.44</u>
Safe and Sound Services Program (SSSP):			
Number of projects	38	53	91
Value per project	<u>\$394.16</u>	<u>\$394.16</u>	<u>\$394.16</u>
Value – SSSP	<u>\$14,978.08</u>	<u>\$20,890.48</u>	<u>\$35,868.56</u>
Total value – all projects	<u>\$ 321,185.12</u>	<u>\$ 355,201.68</u>	<u>\$ 676,386.80</u>
	2021		
	VALUE PER PROJECT PER TYPE		
	VHRP	RAMPS	SSSP
Crews:			
Approximate number of crew members per project	18	4	1
Number of hours per project	15	9	4
Hourly value of donated labor	<u>\$28.54</u>	<u>\$28.54</u>	<u>\$28.54</u>
Volunteer crew value	<u>\$7,705.80</u>	<u>\$1,027.44</u>	<u>\$114.16</u>
Skilled crew leaders:			
Approximate number of skilled leaders per project	2	1	1
Number of hours per project	20	14	4
Hourly value of donated labor	<u>\$70.00</u>	<u>\$70.00</u>	<u>\$70.00</u>
Skilled crew leader value	<u>\$2,800.00</u>	<u>\$980.00</u>	<u>\$280.00</u>
Total value – per project	<u>\$ 10,505.80</u>	<u>\$ 2,007.44</u>	<u>\$ 394.16</u>

(continued)

Rebuilding Together – Houston

Supplemental Schedule of Value of Programs Delivered for the years ended
December 31, 2021 and 2020

(continued)

	2020		
	VOLUNTEER PROGRAMS		
	DISASTER RELIEF	OTHER	TOTAL
Volunteer Home Repair Program (VHRP):			
Number of projects	5	6	11
Value per project	<u>\$9,944.00</u>	<u>\$9,944.00</u>	<u>\$9,944.00</u>
Value – VHRP	<u>\$49,720.00</u>	<u>\$59,664.00</u>	<u>\$109,384.00</u>
Ramps:			
Number of projects	3	10	13
Value per project	<u>\$1,889.20</u>	<u>\$1,889.20</u>	<u>\$1,889.20</u>
Value – Ramps	<u>\$5,667.60</u>	<u>\$18,892.00</u>	<u>\$24,559.60</u>
Safe and Sound Services Program (SSSP):			
Number of projects	0	18	18
Value per project	<u>\$368.80</u>	<u>\$368.80</u>	<u>\$368.80</u>
Value – SSSP	<u>\$0</u>	<u>\$6,638.40</u>	<u>\$6,638.40</u>
Total value – all projects	<u>\$ 55,387.60</u>	<u>\$ 85,194.40</u>	<u>\$ 140,582.00</u>

	2020		
	VALUE PER PROJECT PER TYPE		
	VHRP	RAMPS	SSSP
Crews:			
Approximate number of crew members per project	18	4	1
Number of hours per project	15	9	4
Hourly value of donated labor	<u>\$27.20</u>	<u>\$27.20</u>	<u>\$27.20</u>
Volunteer crew value	<u>\$7,344.00</u>	<u>\$979.20</u>	<u>\$108.80</u>
Skilled crew leaders:			
Approximate number of skilled leaders per project	2	1	1
Number of hours per project	20	14	4
Hourly value of donated labor	<u>\$65.00</u>	<u>\$65.00</u>	<u>\$65.00</u>
Skilled crew leader value	<u>\$2,600.00</u>	<u>\$910.00</u>	<u>\$260.00</u>
Total value – per project	<u>\$ 9,944.00</u>	<u>\$ 1,889.20</u>	<u>\$ 368.80</u>