

**REBUILDING TOGETHER DAYTON, INC.**  
**(A NONPROFIT ORGANIZATION)**  
**FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2007 AND 2006**

**REBUILDING TOGETHER DAYTON, INC.**

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**YEARS ENDED DECEMBER 31, 2007 AND 2006**

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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, 2007 and 2006, 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, 2007 and 2006, 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  
February 1, 2008

REBUILDING TOGETHER DAYTON, INC.

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2007 AND 2006

	<u>2007</u>	<u>2006</u>
<b>ASSETS</b>		
CURRENT ASSETS		
Cash	\$ 59,683	\$ 36,594
Grants receivable	39,106	65,226
Deposits	<u>602</u>	<u>602</u>
	<u>99,391</u>	<u>102,422</u>
EQUIPMENT		
Fixed assets	7,655	6,232
Less accumulated depreciation	<u>(4,576)</u>	<u>(3,749)</u>
	<u>3,079</u>	<u>2,483</u>
	<u>\$ 102,470</u>	<u>\$ 104,905</u>
<b>LIABILITIES AND NET ASSETS</b>		
CURRENT LIABILITIES		
Accounts payable	\$ 2,450	\$ 1,600
Accrued payroll taxes	<u>205</u>	<u>130</u>
	2,655	1,730
NET ASSETS		
Unrestricted	<u>99,815</u>	<u>103,175</u>
	<u>\$ 102,470</u>	<u>\$ 104,905</u>

See notes to financial statements.

REBUILDING TOGETHER DAYTON, INC.

STATEMENTS OF ACTIVITIES

YEARS ENDED DECEMBER 31, 2007 AND 2006

	<u>2007</u>	<u>2006</u>
<b>CHANGES IN UNRESTRICTED NET ASSETS</b>		
Public Support and Revenue		
Contributions	\$ 163,991	\$ 227,776
Government grants	168,462	147,155
In-kind donations	59,481	56,646
Interest income	119	-
Miscellaneous income	<u>915</u>	<u>3,154</u>
Total Public Support and Revenue	<u>392,968</u>	<u>434,731</u>
Expenses		
Program services	345,809	310,768
Supporting services	34,070	35,702
Fundraising	<u>16,449</u>	<u>16,091</u>
Total Expenses	<u>396,328</u>	<u>362,561</u>
<b>CHANGE IN UNRESTRICTED NET ASSETS</b>	(3,360)	72,170
<b>NET ASSETS</b>		
Beginning of year	<u>103,175</u>	<u>31,005</u>
End of year	<u>\$ 99,815</u>	<u>\$ 103,175</u>

REBUILDING TOGETHER DAYTON, INC.

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2007

	Rebuilding Day	Neighbor Care	Program Services Subtotal	Supporting Services	Fundraising	Total Expenses
Project costs	\$ 65,738	\$ 123,585	\$ 189,323	\$ -	\$ -	\$ 189,323
Payroll	29,441	37,791	67,232	4,181	13,103	84,516
Payroll taxes	3,413	2,652	6,065	376	1,428	7,869
Supplies	845	139	984	1,736	405	3,125
Telephone	1,815	908	2,723	303	-	3,026
In-kind renovation costs	6,877	152	7,029	-	-	7,029
In-kind public relations	-	-	-	4,784	-	4,784
In-kind rent	-	-	-	7,200	-	7,200
In-kind labor costs	30,000	10,468	40,468	-	-	40,468
Postage and shipping	284	171	455	-	114	569
Printing and publications	304	152	456	-	1,065	1,521
Conventions and meetings	-	-	-	4,436	-	4,436
Volunteer expenses	7,834	-	7,834	-	-	7,834
Insurance	3,574	-	3,574	893	-	4,467
Contracted services	-	17,511	17,511	-	-	17,511
Accounting	-	-	-	4,465	-	4,465
Depreciation	200	-	200	627	-	827
National affiliate expenses	-	-	-	3,500	-	3,500
Miscellaneous	894	1,061	1,955	1,569	334	3,858
	<u>\$ 151,219</u>	<u>\$ 194,590</u>	<u>\$ 345,809</u>	<u>\$ 34,070</u>	<u>\$ 16,449</u>	<u>\$ 396,328</u>

See notes to financial statements.

REBUILDING TOGETHER DAYTON, INC.

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2006

	Rebuilding Day	Neighbor Care	Program Services Subtotal	Supporting Services	Fundraising	Total Expenses
Project costs	\$ 80,830	\$ 78,851	\$ 159,681	\$ -	\$ -	\$ 159,681
Payroll	29,689	22,716	52,405	3,317	10,603	66,325
Payroll taxes	2,280	1,390	3,670	490	814	4,974
Supplies	1,944	235	2,179	565	-	2,744
Telephone	2,207	1,105	3,312	368	-	3,680
In-kind renovation costs	6,114	2,128	8,242	-	-	8,242
In-kind public relations	-	-	-	4,985	-	4,985
In-kind rent	-	-	-	9,800	-	9,800
In-kind labor costs	27,500	6,119	33,619	-	-	33,619
Postage and shipping	200	120	320	150	80	550
Printing and publications	1,201	600	1,801	-	4,202	6,003
Conventions and meetings	-	-	-	5,111	-	5,111
Volunteer expenses	7,633	-	7,633	-	-	7,633
Insurance	3,327	-	3,327	832	-	4,159
Meals	-	31,942	31,942	-	-	31,942
Accounting	-	-	-	4,261	-	4,261
Depreciation	200	-	200	532	-	732
National affiliate expenses	-	-	-	3,500	-	3,500
Miscellaneous	2,354	83	2,437	1,311	392	4,140
Rent	-	-	-	480	-	480
	<u>\$ 165,479</u>	<u>\$ 145,289</u>	<u>\$ 310,768</u>	<u>\$ 35,702</u>	<u>\$ 16,091</u>	<u>\$ 362,561</u>

REBUILDING TOGETHER DAYTON, INC.

STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2007 AND 2006

	<u>2007</u>	<u>2006</u>
<b>OPERATING ACTIVITIES</b>		
Change in unrestricted net assets	\$ (3,360)	\$ 72,170
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	<u>827</u>	<u>732</u>
	<u>(2,533)</u>	<u>72,902</u>
Changes in operating assets and liabilities:		
Grants receivable	26,120	(58,650)
Accounts payable	850	1,600
Accrued payroll taxes	<u>76</u>	<u>(1,390)</u>
Net Cash Provided by Operating Activities	24,513	14,462
<b>INVESTING ACTIVITIES</b>		
Purchases of fixed assets	<u>(1,424)</u>	<u>-</u>
<b>NET INCREASE IN CASH</b>	23,089	14,462
<b>CASH</b>		
Beginning of year	<u>36,594</u>	<u>22,132</u>
End of year	<u>\$ 59,683</u>	<u>\$ 36,594</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 the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, 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, 2007 and 2006.

**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 Statement 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. Donated services are recognized as contributions in accordance with SFAS No. 116, *Accounting for Contributions Received and Contributions Made*, 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, 2007 and 2006, respectively.

**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**

**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.

**NOTE B - 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 2007.

**NOTE C - 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 SFAS No. 116, *Accounting for Contributions Received and Contributions Made*, has not been satisfied. The value of this volunteer labor that was not reflected in the financial statements has been estimated at \$275,120 and \$251,245 for the years ended December 31, 2007 and 2006, respectively.

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

	<u>2007</u>	<u>2006</u>
Donated services of electricians, carpenters, and plumbers	\$ 40,468	\$ 33,619
Donated materials	7,029	8,242
Donated public relations	4,784	4,985
Donated office and warehouse space	<u>7,200</u>	<u>9,800</u>
Total	<u>\$ 59,481</u>	<u>\$ 56,646</u>

**NOTE D - CONCENTRATION OF GRANTS**

The Organization received approximately 41% and 34% of its revenue from various governmental grants for the years ended December 31, 2007 and 2006, respectively.