

**REBUILDING TOGETHER SILICON VALLEY**

**FINANCIAL STATEMENTS**

**July 31, 2022**

**REBUILDING TOGETHER SILICON VALLEY**  
**TABLE OF CONTENTS**

	<u>Page</u>
Independent Auditor's Report	1 - 3
Financial Statements:	
Statement of Financial Position	4
Statement of Activities and Changes in Net Assets	5
Statement of Functional Expenses	6
Statement of Cash Flows	7
Notes to Financial Statements	8 - 17
Supplementary Information:	
Schedule of Expenditures of Federal Awards	19
Notes to Schedule of Expenditures of Federal Awards	20
Independent auditor's report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with <i>Government Auditing Standards</i>	21 - 22
Independent auditor's report on compliance for each major program and on internal control over compliance required by Uniform Guidance	23 - 25
Schedule of Findings and Questioned Costs	26

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
Rebuilding Together Silicon Valley  
San Jose, California

### Report on the Audit of the Financial Statements

#### *Opinion*

We have audited the accompanying financial statements of Rebuilding Together Silicon Valley, a California non-profit public benefit corporation, which comprise the statement of financial position as of July 31, 2022, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Rebuilding Together Silicon Valley as of July 31, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinion*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Rebuilding Together Silicon Valley and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### *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 Silicon Valley's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 and *Government 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 and *Government 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 the 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 Silicon Valley'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 Silicon Valley'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, and among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### **Report on Summarized Comparative Information**

Another auditor previously audited Rebuilding Together Silicon Valley's financial statements as of and for the year ended July 31, 2021 and expressed an unmodified audit opinion on those audited financial statements in their report dated December 14, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended July 31, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

## **Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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 the audit 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 schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

## **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December xx 2022, on our consideration of Rebuilding Together Silicon Valley's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Rebuilding Together Silicon Valley's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Rebuilding Together Silicon Valley's internal control over financial reporting and compliance.

*S D Mayer & Associates, LLP*

San Mateo, California  
December 22, 2022

**REBUILDING TOGETHER SILICON VALLEY**  
**STATEMENT OF FINANCIAL POSITION**  
**As of July 31, 2022**  
**(With Comparative Totals for July 31, 2021)**

	2022	2021
<b>Assets:</b>		
<b>Current Assets:</b>		
Cash and cash equivalents	\$ 610,678	\$ 579,887
Investments	944,205	977,205
Contribution and grants receivable	330,700	293,128
Prepaid expenses	18,514	26,169
Building supplies inventory	4,790	10,153
Total Current Assets	1,908,887	1,886,542
<b>Non-current Assets:</b>		
Property and equipment - net	44,613	63,790
<b>Other Assets:</b>		
Deposits	4,464	4,464
Total Assets	\$ 1,957,964	\$ 1,954,796
<b>Liabilities and Net Assets:</b>		
<b>Current Liabilities:</b>		
Accounts payable	\$ 7,672	\$ 9,091
Accrued liabilities	97,382	103,613
Total Current Liabilities	105,054	112,704
<b>Non-current Liabilities:</b>		
Note payable	-	179,973
Total Liabilities	105,054	292,677
<b>Net Assets:</b>		
Without donor restrictions		
Undesignated	1,102,485	911,694
Board designated reserve	750,425	750,425
Total Without Donor Restrictions	1,852,910	1,662,119
Total Net Assets	1,852,910	1,662,119
Total Liabilities & Net Assets	\$ 1,957,964	\$ 1,954,796

See accompanying notes to financial statements.

**REBUILDING TOGETHER SILICON VALLEY**  
**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**For the Year Ended July 31, 2022**  
**(With Comparative Totals for the Year Ended July 31, 2021)**

	2022			2021
	Without Donor Restrictions	With Donor Restrictions	Total	Total
<b>Revenues, Gains and Other Support:</b>				
Contribution and Net Revenue				
Sponsorship	\$ 471,938	\$ -	\$ 471,938	\$ 200,242
Government grants and contributions	1,803,841	-	1,803,841	1,994,799
Principal forgiven of PPP loans	179,973	-	179,973	193,106
In-kind donations	60,125	-	60,125	92,344
Contributions	354,029	-	354,029	388,980
Special event (net of direct expenses of \$11,164 and \$3,525, respectively)	95,632	-	95,632	110,712
Net investment (loss) income	(58,070)	-	(58,070)	80,226
Gain on disposal of property and equipment	18,000	-	18,000	-
Other income	1,258	-	1,258	-
Total Revenues, Gains and Other Support	2,926,726	-	2,926,726	3,060,409
<b>Expenses:</b>				
Program Services	2,370,203	-	2,370,203	2,730,733
Supporting Services				
Management and general	192,094	-	192,094	171,500
Fundraising	173,638	-	173,638	177,206
Total Supporting Services	365,732	-	365,732	348,706
Total Expenses	2,735,935	-	2,735,935	3,079,439
<b>Change in Net Assets</b>	190,791	-	190,791	(19,030)
<b>Net Assets:</b>				
Beginning of Year	1,662,119	-	1,662,119	1,681,149
End of Year	\$ 1,852,910	\$ -	\$ 1,852,910	\$ 1,662,119

See accompanying notes to financial statements.

**REBUILDING TOGETHER SILICON VALLEY**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**For the Year Ended July 31, 2022**  
**(With Comparative Totals for July 31, 2021)**

	2022				2021	
	<b>Program Services</b>	<b>Supporting Services</b>				
	<b>Home and Facility Repairs</b>	<b>Management and General</b>	<b>Fundraising</b>	<b>Total Supporting Services</b>	<b>Total Expenses</b>	<b>Total Expenses</b>
Salaries and wages	\$ 715,450	\$ 92,915	\$ 120,790	\$ 213,705	\$ 929,155	\$ 940,010
Payroll taxes and benefits	123,821	15,478	15,928	31,406	155,227	178,513
Total salaries and related expenses	839,271	108,393	136,718	245,111	1,084,382	1,118,523
Program materials and supplies	1,180,535	2,712	-	2,712	1,183,247	1,492,380
Contributions in-kind	52,303	2,443	5,379	7,822	60,125	92,344
Equipment rental	18,435	-	-	-	18,435	33,922
Rent and facility expenses	120,673	6,704	6,704	13,408	134,081	132,275
Insurance	24,319	1,351	1,351	2,702	27,021	7,218
Interest expense	-	-	-	-	-	464
Marketing	10,156	-	-	-	10,156	14,815
Office, printing and related costs	28,265	3,088	10,827	13,915	42,180	44,683
Outside services and dues	50,263	46,425	5,336	51,761	102,024	72,377
Professional fees	7,544	20,078	5,657	25,735	33,279	23,572
Training	2,503	900	900	1,800	4,303	2,731
Travel	16,759	-	766	766	17,525	26,540
Total expenses before depreciation	2,351,026	192,094	173,638	365,732	2,716,758	3,061,844
Depreciation	19,177	-	-	-	19,177	17,595
Total Expenses	<u>\$ 2,370,203</u>	<u>\$ 192,094</u>	<u>\$ 173,638</u>	<u>\$ 365,732</u>	<u>\$ 2,735,935</u>	<u>\$ 3,079,439</u>

See accompanying notes to financial statements

**REBUILDING TOGETHER SILICON VALLEY**  
**STATEMENT OF CASH FLOWS**  
**For The Year Ended July 31, 2022**  
**(With Comparative Totals for the Year Ended July 31, 2021)**

	2022	2021
<b>Cash Flows From Operating Activities:</b>		
Change in net assets	\$ 190,791	\$ (19,030)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	19,177	17,595
Net realized and unrealized loss (gain) on investments	73,158	(70,311)
Gain on disposal of property and equipment	(18,000)	-
Donated securities	(25,435)	(19,363)
Principal forgiven on PPP loans	(179,973)	(193,106)
Changes in operating assets and liabilities:		
Increase in contribution and grants receivable	(37,572)	(95,470)
Decrease in building supplies inventory	5,363	4,077
Decrease (Increase) in prepaid expenses	7,655	(12,031)
Decrease in accounts payable	(1,419)	(10,009)
Decrease in accrued liabilities	(6,231)	(13,147)
Net Cash Provided by (Used in) Operating Activities	27,514	(410,795)
<b>Cash Flows From Investing Activities:</b>		
Proceeds from sale of investments other than money market funds	217,884	79,512
Purchases of investments other than money market funds	(322,399)	(82,063)
Net proceeds from money market sales	89,792	(6,362)
Disposal of property and equipment	18,000	-
Purchase of property and equipment	-	(51,210)
Net Cash Provided by (Used in) Investing Activities	3,277	(60,123)
<b>Cash Flows From Financing Activities:</b>		
Cash received from issuance of note payable (PPP loan)	-	179,973
Net Cash Provided by Financing Activities	-	179,973
Net Increase (Decrease) in Cash and Cash Equivalents	30,791	(290,945)
<b>Cash and Cash Equivalents:</b>		
Beginning of year	579,887	870,832
End of year	\$ 610,678	\$ 579,887

**Non-cash operating and investing activities:**

During the year ended July 31, 2022, a Paycheck Protection Program (PPP) loan of \$179,973 was forgiven.  
During the year ended July 31, 2021, a Paycheck Protection Program (PPP) loan of \$193,106 was forgiven.

See accompanying notes to financial statements.

**REBUILDING TOGETHER SILICON VALLEY**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the year Ended July 31, 2022 with summarized comparative**  
**Information for the year ended July 31, 2021**

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**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

A summary of the Organization's significant accounting policies applied in the preparation of the accompanying financial statements follows:

**1. Nature of Activities**

Repairing homes, revitalizing communities, rebuilding lives is the mission of Rebuilding Together Silicon Valley (the "Organization"). Since 1991, the Organization has transformed the lives of our neighbors in need by improving the safety and health of their homes and revitalizing our community. The Organization provides facility repairs and maintenance activities for nonprofit organizations, to allow them to focus on serving clients rather than paying for repairs.

Annually, volunteers gather to complete safety repairs and accessibility modifications and improvements to preserve affordable homeownership and restore safe living environments. All work is provided at no cost to the owner, with materials provided through donations and funds from area government, businesses, organizations, faith communities and private individuals. Since inception, over 49,203 local volunteers have repaired and transformed over 4,804 homes and non-profit community facilities in the Silicon Valley community.

**2. Basis of Presentation and Accounting**

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). Net assets are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the Organization classifies its net assets and changes in net assets as follows:

**Net Assets Without Donor Restrictions:**

These net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. The governing board has designated, from net assets without donor restrictions, net assets for an operating and board-designated reserve.

**Net Assets With Donor Restrictions:**

These net assets are subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by passage of time. Other donor restrictions may be perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity. The Organization does not hold funds in perpetuity as of July 31, 2022. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

**REBUILDING TOGETHER SILICON VALLEY**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the year Ended July 31, 2022 with summarized comparative**  
**Information for the year ended July 31, 2021**

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**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**3. Comparative Financial Information**

The financial statements include certain prior-year summarized comparative information in total but not by net asset class or functional expense categories. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's audited financial statements for the year ended July 31, 2021, from which the summarized information was derived. Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform to the presentation in the current-year financial statements. The net assets as of July 31, 2021 and the change in net assets for the year then ended had not changed due to such reclassifications.

**4. Use of 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 at the date of the financial statements and the reported amounts of support revenue and expenses during the period. Accordingly, actual results could differ from those estimates.

Significant estimates include the valuation of investments at fair value, the valuation of contributions in-kind value, the assessment of allowance for doubtful accounts receivable, and the assessment of useful lives and impairment of property and equipment.

**5. Cash and Cash Equivalents**

For purposes of the statement of cash flows, the Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents. This does not include money market funds, savings and time deposit, or certificate of deposits.

**6. Contribution and Grants Receivable**

The Organization considers all accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts is considered necessary.

**7. Inventory**

Building supplies inventory consists of materials purchased and received for repair and rebuilding projects, not for resale, and is stated at the lower of cost or market.

**REBUILDING TOGETHER SILICON VALLEY**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the year Ended July 31, 2022 with summarized comparative**  
**Information for the year ended July 31, 2021**

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**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**8. Property and Equipment**

Property and equipment are recorded at cost or estimated fair value for donated items. Equipment purchases over \$2,000 are capitalized. The cost of repairs and maintenance which do not improve or extend the lives of the respective assets are expensed currently. Depreciation is computed using the straight-line method based on the estimated useful lives of the assets which range from 3 to 5 years. Depreciation is charged to the activity benefiting from the use of the property or equipment. Leasehold improvements are amortized over the remaining lease term.

The Organization annually reviews the property and equipment conditions, remaining useful lives and net book value for any impairment in value and records any adjustments necessary to reflect material declines in value.

**9. Accrued Vacation**

Accrued vacation represents vacation earned but not taken as of July 31, 2022 and 2021 and is included in “accrued liabilities” in the statement of financial position. The accrued vacation balances as of July 31, 2022 and 2021 were \$60,048 and \$62,823, respectively.

**10. Revenue Recognition**

Contributions are recognized when the donor makes a promise to the Organization that is, in substance, unconditional. The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends, or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the statement of activities and changes in net assets as net assets released from restriction. Donor-restricted contributions, where it is anticipated that such restrictions will be met in the current reporting period, are recorded as without donor restrictions in the period received.

Government awards consist of cost-reimbursable federal grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses are reported as contribution revenue without donor restrictions. Amounts received are recognized as revenue when expenditures have been incurred in compliance with specific grant provisions.

**11. Contributions In-Kind**

The Organization records donated equipment and other donated goods at their estimated fair value as of the date of the donation. Contributed services, which require a specialized skill and which the Organization would have paid for if not donated, are recorded at the estimated fair value at the time the services are rendered.

**REBUILDING TOGETHER SILICON VALLEY**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the year Ended July 31, 2022 with summarized comparative**  
**Information for the year ended July 31, 2021**

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**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**12. Expense Allocation**

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Accordingly, salaries and related expenses, occupancy, management, and general expenses by function have been allocated among program and supporting services classifications based upon time and usage. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization. Total fundraising expenses for the years ended July 31, 2022 and 2021 including special event expense and fundraising expenses were \$191,008 and \$180,731, respectively.

**13. Income Taxes**

Rebuilding Together Silicon Valley is exempt from federal income taxes under Section 501 (c)(3) of the Internal Revenue Code and state income taxes under Section 23701 (d) of the California Revenue Taxation Code. Accordingly, no provision for income taxes has been made in the accompanying statements.

**13. Income Taxes (Continued)**

In addition, the Organization qualifies for the charitable contribution deduction under Section 170 (b)(1)(A) of the Internal Revenue Code and has been classified as an organization that is not a private foundation under Section 509 (a)(1) of the Internal Revenue Code.

Generally accepted accounting principles provide accounting and disclosure guidance about positions taken by an organization in its tax returns that might be uncertain. Management has considered its tax positions and believes that all the positions taken by the Organization in its federal and state exempt organization tax returns are more likely than not to be sustained upon examination.

The Organization's federal returns for the years ended July 31, 2022, 2021, and 2020 could be subject to examination by federal taxing authorities, generally for three years after they are filed. The Organization's state returns for the years ended July 31, 2022, 2021, 2020, and 2019 could be subject to examination by state taxing authorities, generally for four years after they are filed.

**14. Marketing**

The Organization's policy is to expense marketing costs as the costs are incurred. Marketing expenses for the years ended July 31, 2022 and 2021 were \$10,156 and \$14,815, respectively.

**15. Recently Adopted Accounting Standards Update**

In September 2020, the Financial Accounting Standards Board ("FASB") issued Accounting Standard Update ("ASU") No. 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The update enhances the

**REBUILDING TOGETHER SILICON VALLEY**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the year Ended July 31, 2022 with summarized comparative**  
**Information for the year ended July 31, 2021**

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**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**13. Recently Adopted Accounting Standards Update (Continued)**

presentation and disclosure of such contributed non-financial assets without changing existing recognition and measurement requirements. Management has adopted this standard retrospectively during the year ended July 31, 2022. See Note F for disclosures related to the adoption of this update. Adoption of this ASU in 2023 is not expected to have a material impact on the financial statements.

**14. Recent Accounting Pronouncements Not Yet Adopted**

In February 2016, the FASB issued ASU No. 2016-02, Leases (Topic 842). This ASU requires a lessee to record, for all leases with a lease term of more than 12 months, an asset representing its right to use the underlying asset for the lease term and a liability to make lease payments. For leases with a lease term of 12 months or less, a practical expedient is available whereby a lessee may elect, by class of underlying asset, not to recognize a right-of-use asset or lease liability. A lessee making this accounting policy election would recognize lease expense over the term of the lease, generally in a straight-line pattern. ASU No. 2016-02 is effective for the Organization's fiscal year ending July 31, 2023.

**NOTE B – FAIR VALUE MEASUREMENTS AND INVESTMENTS**

Fair Value Measurements

Fair value is defined as “the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.” Accounting standards set a framework for measuring fair value using a three-tier hierarchy based on the extent to which inputs used in measuring fair value are observable in the market.

*Level 1:* Quoted prices in active markets for identical securities.

*Level 2:* Inputs other than quoted prices for identical assets or liabilities that are observable in the marketplace. For example, Level 2 inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability (such as interest rates and yield curves, credit risks, and default rate).

*Level 3:* Inputs that are not observable in the market and reflect the Organization’s best estimate of what hypothetical market participants would use to determine a transaction price for the asset or liability at the reporting date.

The Organization maintains an investment account at Morgan Stanley, which consists of equity securities of various companies and a certificate of deposit. The securities are adjusted to fair market value as of the close of the fiscal year and the difference in market value from one year to the next is recorded as investment income in the statement of activities.

**REBUILDING TOGETHER SILICON VALLEY**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the year Ended July 31, 2022 with summarized comparative**  
**Information for the year ended July 31, 2021**

**NOTE B – FAIR VALUE MEASUREMENTS AND INVESTMENTS (CONTINUED)**

The following schedule presents the balances of assets measured at fair value on a recurring basis as of July 31, 2022 and 2021:

<b>Investments</b>	<u>Level 1</u>	<u>Level 2</u>	<u>Total 2022</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Total 2021</u>
Equity Securities	\$ 344,653	\$ -	\$ 344,653	\$ 466,868	\$ -	\$ 466,868
Money Market Funds	141,309	-	141,309	40,111	-	40,111
Mutual Funds	458,243	-	458,243	243,741	-	243,741
Certificate of Deposit	-	-	-	-	226,485	226,485
<b>Total</b>	<u>\$ 944,205</u>	<u>-</u>	<u>\$ 944,205</u>	<u>\$ 750,720</u>	<u>\$ 226,485</u>	<u>\$ 977,205</u>

Net investment income consists of the following for the years ended July 31, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Interest and dividends	\$ 22,406	\$ 15,713
Net realized and unrealized (loss) gain	(73,158)	70,311
Investment expenses	<u>(7,318)</u>	<u>(5,798)</u>
Total net investment (loss) income	<u>\$ (58,070)</u>	<u>\$ 80,226</u>

**NOTE C – PROPERTY AND EQUIPMENT, NET**

The cost and related accumulated depreciation of the property and equipment as of July 31, 2022 and 2021 consisted of the following:

	<u>2022</u>	<u>2021</u>
Equipment	\$ 61,823	\$ 107,674
Vehicle	51,209	51,209
Software	5,723	5,723
Leasehold Improvements	<u>22,142</u>	<u>22,142</u>
	140,897	186,748
Less Accumulated Depreciation and Amortization	<u>(96,284)</u>	<u>(122,958)</u>
Net Property and Equipment	<u>\$ 44,613</u>	<u>\$ 63,790</u>

Depreciation expense for the years ended July 31, 2022 and 2021 were \$19,177 and \$17,595, respectively.

**REBUILDING TOGETHER SILICON VALLEY**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the year Ended July 31, 2022 with summarized comparative**  
**Information for the year ended July 31, 2021**

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**NOTE D – PAYCHECK PROTECTION PROGRAM (PPP) LOANS**

In February 2021, the Organization received a second loan from Heritage Bank of Commerce in the amount of \$179,973 under the Paycheck Protection Program established by the Coronavirus aid Relief, and Economic Security (CARES) Act. The Organization received forgiveness of the second loan in November 2021. During the fiscal year ended July 31, 2021, Heritage Bank of Commerce forgave the first loan under the Paycheck Protection Program in the amount of \$193,106. Loan balances forgiven are presented as principal forgiven on PPP loans income in the accompanying statement of activities.

**NOTE E – CONCENTRATIONS OF CREDIT RISK**

The Organization typically maintains cash and cash equivalents and temporary investments in local banks which may, at times, exceed the Federal Deposit Insurance Corporation's limits. Generally, these deposits may be redeemed upon demand and are maintained with financial institutions of reputable credit and therefore bear minimal credit risk. The Organization has not experienced any losses on its cash and cash equivalents.

**NOTE F – DONATED SERVICES AND MATERIALS**

The Organization received donated services from a variety of unpaid volunteers. The value of this contributed time is not reflected in the accompanying financial statements since the services do not require specialized skills. During the years ended July 31, 2022, and July 31, 2021, respectively, these volunteers donated approximately 9,203 and 8,203 hours with an estimated value of \$275,630 and \$245,680. These values were computed using an hourly rate of \$29.95 based upon the average hourly earnings of volunteer time as determined by the Independent Sector.

**REBUILDING TOGETHER SILICON VALLEY**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the year Ended July 31, 2022 with summarized comparative**  
**Information for the year ended July 31, 2021**

The value of contributed non-financial assets, without donor restrictions, received during the years ended July 31, 2022 and 2021 were as follows:

<u>Type of Service</u>	<u>Valuation Techniques</u>	<u>2022</u>	<u>2021</u>
Training	Average market rate per hour for consultants in the area.	4,400	-
Construction	Average market rate per hour for construction services	4,856	26,525
Legal	Hourly rates by type of services used by the law firms that provide the service	-	4,000
Computer Consulting	Average market rate per hour For consultants in the area.	<u>-</u>	<u>6,314</u>
Totals		<u>9,256</u>	<u>36,839</u>

In addition, the Organization received the following donations of materials during the years ended July 31, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Donated office supplies and equipment	\$ 32,417	\$ 18,110
Donated computer software licenses	-	7,798
Donated materials	<u>18,452</u>	<u>29,597</u>
Total	<u>\$ 50,869</u>	<u>\$ 55,505</u>

**NOTE G – RELATED PARTY COMMITMENT**

The Organization is an affiliate of Rebuilding Together. Under the Affiliate Partnership Agreement, Rebuilding Together Silicon Valley is required to contribute an established percentage of its annual monetary income each year to the national organization as a dues for affiliation. The dues fees for the years ended July 31, 2022 and 2021 were \$20,000 and \$20,000, respectively. In addition, the Organization made payments in the years ending July 31, 2022 and 2021 totaling \$35,756 and \$25,019, respectively for insurance, software annual fees and AmeriCorps program fees.

**REBUILDING TOGETHER SILICON VALLEY**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the year Ended July 31, 2022 with summarized comparative**  
**Information for the year ended July 31, 2021**

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**NOTE H – COMMITMENTS AND CONTINGENCIES**

Lease commitment

On January 10, 2014 the Organization moved and entered a new lease, term beginning February 1, 2014 and ending April 30, 2019 with an option to extend for an additional 60 months available when the term expires. The Organization elected to extend the lease to April 30, 2024.

Future annual minimum lease payments under the lease agreements are approximately as follows:

Year ending July 31:		
	2023	\$ 108,512
	2024	<u>83,202</u>
	Total	<u>\$ 191,714</u>

Total rent expense for the year ended July 31, 2022 and 2021 were \$106,312 and \$103,243, respectively.

Government grants and contracts

In accordance with the terms of certain government grants, the records of Rebuilding Together Silicon Valley are subject to audit after the date of final payment of the contract. The Organization is liable for any disallowed costs; however, management of the Organization believes that the amount of costs disallowed, if any, would not be significant.

**NOTE I - AVAILABILITY AND LIQUIDITY**

The Organization’s financial assets available within one year of July 31, 2022 and 2021 for general expenditures are as follows:

	2022	2021
Cash	\$ 610,678	\$ 579,887
Receivables	330,700	293,128
Investments	<u>944,205</u>	<u>977,205</u>
	1,885,583	1,850,220
Less: Board designated reserves	<u>750,425</u>	<u>750,425</u>
Total available for general expenditures	<u>\$ 1,135,158</u>	<u>\$ 1,099,795</u>

The Organization aims to maintain financial assets to meet 180 days of operating expenses. Additionally, the Board designated reserves can also be made available for specific purpose subject to board approval.

**NOTE J – RETIREMENT PLAN**

The Organization has a 403(b) profit sharing plan that covers all eligible employees. Each participant may elect to contribute up to the maximum limit by federal law. The Organization made no contributions to the plan in the years ended July 31, 2022 and 2021.

**REBUILDING TOGETHER SILICON VALLEY**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the year Ended July 31, 2022 with summarized comparative**  
**Information for the year ended July 31, 2021**

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**NOTE K – SUBSEQUENT EVENTS**

Management has evaluated subsequent events through December 22, 2022, the date which the financial statements were available to be issued, and determined no other reportable events occurred.

**SUPPLEMENTARY INFORMATION**

**REBUILDING TOGETHER SILICON VALLEY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended July 31, 2022**

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Federal Assistance Listing Number</u>	<u>Pass-Through Entity Identifying Number/Contract Number</u>	<u>Total Federal Expenditures</u>
<u>U.S. Department of Housing and Urban Development/CDBG – Entitlement Grants Cluster</u>			
Pass-through from City of San Jose			
Rebuilding House Repair 7/1/2021 – 6/30/2022	14.218	CDI-16-B15F	\$ 1,030,033
Rebuilding House Repair 7/1/2022 – 6/30/2023	14.218	CDI-16-B15F	28,034
Pass-through from County of Santa Clara			
Rebuilding House Repair 7/1/2021 – 6/30/2022	14.218	CDBG-21-01	261,421
Rebuilding House Repair 7/1/2022 – 6/30/2023	14.218	CDBG-22-01	11,074
Pass-through from City of Cupertino			
Rebuilding House Repair 7/1/2021 – 6/30/2022	14.218	Agreement	84,425
Rebuilding House Repair 7/1/2022 – 6/30/2023	14.218	Agreement	3,518
Pass-through from City of Milpitas			
Rebuilding House Repair 7/1/2021 – 6/30/2022	14.218	Agreement	171,415
Rebuilding House Repair 7/1/2022 – 6/30/2023	14.218	Agreement	3,322
Pass-through from City of Gilroy			
Rebuilding House Repair 7/1/2021 – 6/30/2022	14.218	20-254-2621-3474-4558	135,798
Rebuilding House Repair 7/1/2022 – 6/30/2023	14.218	21-254-2621-3474-4558	3,765
Pass-through from City of Santa Clara			
Rebuilding House Repair 7/1/2021 – 6/30/2022	14.218	B-20-MC-06-0022	69,143
Rebuilding House Repair 7/1/2022 – 6/30/2023	14.218	B-21-MC-06-0022	1,893
Total Department of Housing and Urban Development			<u>1,803,841</u>
Total CDBG – Entitlement Grants Cluster			<u>1,803,841</u>
Total Expenditures of Federal Awards			<u>\$ 1,803,841</u>

See accompanying notes to the schedule of expenditures of federal awards.

**REBUILDING TOGETHER SILICON VALLEY**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Year Ended July 31, 2021**

**NOTE 1 – BASIS OF PRESENTATION**

The accompanying schedule of expenditures of Federal awards (the Schedule) includes the federal award activity of Rebuilding Together Silicon Valley, under programs of the federal government for the year ended July 31, 2022 in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Rebuilding Together Silicon Valley, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Rebuilding Together Silicon Valley.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirement, Cost Principles and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Rebuilding Together Silicon Valley has elected not to use the 10 percent de minimus indirect cost rate as allowed under Uniform Guidance.

**NOTE 3 – CONTRACT NUMBER**

Rebuilding Together Silicon Valley received passed through grants from various municipalities. Some of these grants do not have identifiable contract numbers and are identified as "Agreement" in the accompanying Schedule.

**INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Directors of  
Rebuilding Together Silicon Valley  
San Jose, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Rebuilding Together Silicon Valley (a nonprofit organization), which comprise the statement of financial position as of July 31, 2022, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 22, 2022.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Rebuilding Together Silicon Valley’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Rebuilding Together Silicon Valley’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization’s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Rebuilding Together Silicon Valley's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*S D Mayer & Associates, LLP*

San Mateo, California  
December 22, 2022

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR  
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL  
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Directors of  
Rebuilding Together Silicon Valley  
San Jose, California

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited Rebuilding Together Silicon Valley's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Rebuilding Together Silicon Valley's major federal programs for the year ended July 31, 2022. Rebuilding Together Silicon Valley's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Rebuilding Together Silicon Valley complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended July 31, 2022.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Rebuilding Together Silicon Valley and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our audit opinion on compliance for each major program. Our audit does not provide a legal determination of Rebuilding Together Silicon Valley's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Rebuilding Together Silicon Valley's federal programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Rebuilding Together Silicon Valley's compliance based on our audit. 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 and *Government Auditing Standards* and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance 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. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that it would influence the judgment made by a reasonable user of the report on compliance about Rebuilding Together Silicon Valley's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Rebuilding Together Silicon Valley's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Rebuilding Together Silicon Valley's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Rebuilding Together Silicon Valley's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, and among other matters, the planned scope and timing of the audit, and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control over Compliance**

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

*A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses or significant deficiencies in internal control may exist that were not identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*S D Mayer & Associates, LLP*

December 22, 2022  
San Mateo, California

**REBUILDING TOGETHER SILICON VALLEY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JULY 31, 2022**

**Section I - Summary of Auditor's Results**

Financial Statements

Type of auditor's report issued:	Unmodified	
Internal control over financial reporting:		
Material weaknesses identified?	___ yes	<u> X </u> no
Significant deficiencies identified not considered to be material weaknesses?	___ yes	<u> X </u> None reported
Noncompliance material to financial statements noted?	___ yes	<u> X </u> no

Federal Awards

Internal Control over major programs:		
Material weaknesses identified?	___ yes	<u> X </u> no
Significant deficiencies identified not considered to be material weaknesses?	___ yes	<u> X </u> None reported
Type of auditor's report issued on compliance for major programs:	Unmodified	
Any audit findings disclosed that required to be reported in accordance with 2 CFR section 200.516(a) of Uniform Guidance	___ yes	<u> X </u> no

Identification of major programs tested:

<u>Federal Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>
14.218	Community Development Block Grant for transitional housing and support services / Entitlement Grants Cluster

Dollar threshold used to distinguish between Type A and Type B programs:	\$750,000	
Auditee qualified as low-risk auditee?	<u> X </u> yes	___ no

**Section II - Financial Statement Findings**

There are no financial statement findings to be reported.

**Section III: Federal Award Findings and Questioned Costs**

There are no federal award findings to be reported.