REBUILDING TOGETHER
DC ALEXANDRIA

(FORMERLY REBUILDING TOGETHER ALEXANDRIA)

FINANCIAL STATEMENTS

JUNE 30, 2019 AND 2018

KWC Certified Public Accountants

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Certified Public Accountants

Independent Auditor's Report

To the Board of Directors
Rebuilding Together DC Alexandria

We have audited the accompanying financial statements of **Rebuilding Together DC Alexandria** (a nonprofit organization), which comprise the statements of financial position as of June 30, 2019 and 2018, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **Rebuilding Together DC Alexandria** as of June 30, 2019 and 2018, 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.

Kositzka, Wicks and Company

Alexandria, Virginia
December 10, 2019

Rebuilding Together DC Alexandria

Statements of Financial Position

June 30,	**2019**	**2018**
Assets		
Current assets		
Cash and cash equivalents	$ 192,387	$ 75,028
Restricted cash - Housing Trust Fund	256,363	298,625
Restricted cash - HOME	2,694	182,317
Restricted cash - CDBG	94,644	-
Total cash and cash equivalents	546,088	555,970
Investments	599,140	560,362
Pledges and accounts receivable	35,000	99,463
Property, available for sale	566,734	-
Prepaid expenses	16,778	8,941
Total current assets	1,763,740	1,224,736
Other assets		
Deposits	5,323	3,923
Property and equipment, net	34,585	7,759
Total other assets	39,908	11,682
Total assets	$ 1,803,648	$ 1,236,418
Liabilities		
Current liabilities		
Accounts payable	$ 32,221	$ 31,431
Deferred revenue - events	1,000	3,000
Refundable advances - Housing Trust Fund	256,581	300,000
Refundable advances - HOME	154,505	157,669
Refundable advances - CDBG	500,000	-
Total liabilities	944,307	492,100
Net assets		
Without donor restrictions	804,341	709,318
With donor restrictions	55,000	35,000
	859,341	744,318
Total liabilities and net assets	$ 1,803,648	$ 1,236,418

The accompanying independent auditor's report and notes are an integral part of these financial statements.

Rebuilding Together DC Alexandria

Statement of Activities
for the year ended June 30, 2019

	Without donor restrictions	With donor restrictions	Total
Support and revenue			
Contributions – corporate and foundations	$ 781,788	$ 50,000	$ 831,788
Contributions – individuals and churches	147,192	5,000	152,192
Government grants	334,647	-	334,647
Management fee income	25,500	-	25,500
Investment income, net	38,519	-	38,519
In-kind donations	605,706	-	605,706
Special events income, net of $8,290 expenses	71,484	-	71,484
Net assets released	35,000	(35,000)	-
Total support and revenue	2,039,836	20,000	2,059,836
Expenses			
Program services			
Safe and Healthy Homes	1,149,756	-	1,149,756
Home of Your Own	48,087	-	48,087
Community Strong	175,978	-	175,978
Project Reinvest	205,479	-	205,479
Supporting servies			
General and administrative	142,560	-	142,560
Fundraising	222,953	-	222,953
Total expenses	1,944,813	-	1,944,813
Change in net assets	95,023	20,000	115,023
Net assets, beginning of year	709,318	35,000	744,318
Net assets, end of year	$ 804,341	$ 55,000	$ 859,341

The accompanying independent auditor's report and notes are an integral part of these financial statements.

Rebuilding Together DC Alexandria

Statement of Activities
for the year ended June 30, 2018

	Without donor restrictions	With donor restrictions	Total
Support and revenue			
Contributions – corporate and foundations	$ 375,384	$ 35,000	$ 410,384
Contributions – individuals and churches	117,889	-	117,889
Government grants	336,888	-	336,888
Management fee income	42,000	-	42,000
Investment income, net	39,057	-	39,057
In-kind donations	489,128	-	489,128
Special events income, net of $13,303 expenses	66,327	-	66,327
Net assets released	30,000	(30,000)	-
Total support and revenue	1,496,673	5,000	1,501,673
Expenses			
Program	1,240,162	-	1,240,162
General and administrative	149,184	-	149,184
Fundraising	83,512	-	83,512
Total expenses	1,472,858	-	1,472,858
Change in net assets	23,815	5,000	28,815
Net assets, beginning of year	685,503	30,000	715,503
Net assets, end of year	$ 709,318	$ 35,000	$ 744,318

The accompanying independent auditor's report and notes are an integral part of these financial statements.

Rebuilding Together DC Alexandria

Statement of Functional Expenses
for the year ended June 30, 2019

	Safe and Healthy Homes	Home of Your Own	Community Strong	Project Reinvest	Total Program	General and administrative	Fundraising	Cost of direct benefit to donors	Total
Salary and related									
Salaries and wages	$ 180,341	$ 17,600	$ 24,221	$ 2,763	$ 224,925	$ 59,264	$ 151,386	$ -	$ 435,575
Payroll taxes	13,000	1,269	1,746	199	16,214	4,272	10,912	-	31,398
Employee benefits	13,958	1,362	1,875	214	17,409	4,587	11,717	-	33,713
Other expenses									
Accounting fees	-	6,000	-	-	6,000	2,468	-	-	8,468
Building supplies	143,523	4,741	37,116	11,611	196,991	8,745	-	-	205,736
Contract labor	195,114	4,019	650	190,302	390,085	1,935	-	-	392,020
Cost of direct benefit to donors	-	-	-	-	-	-	-	8,290	8,290
Depreciation expense	4,120	402	553	63	5,139	1,354	3,459	-	9,952
Insurance	4,687	457	630	72	5,846	1,540	3,935	-	11,321
Licenses and fees	86	-	-	-	86	1,165	-	-	1,251
Meals	601	-	227	-	828	1,094	721	-	2,643
Membership	7,925	-	7,500	-	15,425	424	630	-	16,479
Miscellaneous	996	-	-	-	996	1,900	284	-	3,180
Occupancy	15,991	1,561	2,148	245	19,944	5,255	13,424	-	38,623
Office expenses	368	-	-	-	368	2,940	-	-	3,308
Postage and delivery	4,067	1	862	-	4,930	2,987	1,647	-	9,564
Printing and copying	16,657	-	-	-	16,657	2,505	9,872	-	29,034
Promotion	-	-	-	-	-	-	3,721	-	3,721
Professional development	4,186	-	-	-	4,186	1,682	1,980	-	7,848
Professional fees	20,750	3,125	3,125	-	27,000	6,662	4,050	-	37,712
Public relations and advertising	19,795	-	1,037	-	20,832	9,421	2,419	-	32,672
Telephone	838	121	121	-	1,080	733	242	-	2,055
Travel	3,162	1,071	265	10	4,508	1,767	658	-	6,933
Website	3,792	-	1,902	-	5,694	9,259	948	-	15,901
	653,958	41,729	83,978	205,479	985,143	131,959	222,004	8,290	1,347,397
In-kind donations									
In-kind supplies/materials	9,174	1,658	-	-	10,832	6,224	734	-	17,790
In-kind promotion	97,500	-	32,500	-	130,000	-	-	-	130,000
In-kind services/labor/rent	389,124	4,700	59,500	-	453,324	4,377	215	-	457,916
	495,798	6,358	92,000	-	594,156	10,601	949	-	605,706
Total expenses	1,149,756	48,087	175,978	205,479	1,579,299	142,560	222,953	8,290	1,953,103
Less expenses included with revenues on the statement of activities									
Cost of direct benefit to donors	-	-	-	-	-	-	-	(8,290)	(8,290)
Total expenses included in the expense section on the statement of activities	$ 1,149,756	$ 48,087	$ 175,978	$ 205,479	$ 1,579,299	$ 142,560	$ 222,953	$ -	$ 1,944,813

Rebuilding Together DC Alexandria

Statement of Functional Expenses
for the year ended June 30, 2018

	Program	General and administrative	Fundraising	Total
Salary and related				
Salaries and wages	$ 197,382	$ 32,091	$ 48,874	$ 278,347
Payroll taxes	9,408	5,645	5,853	20,906
Employee benefits	15,447	1,920	3,324	20,691
Other expenses				
Accounting fees	-	5,000	-	5,000
Building supplies	191,378	20	-	191,398
Contract labor	298,951	-	-	298,951
Depreciation expense	-	8,682	-	8,682
Insurance	5,828	1,654	-	7,482
Licenses and fees	428	762	-	1,190
Meals	913	1,281	199	2,393
Membership	-	14,100	200	14,300
Miscellaneous	1,952	344	254	2,550
Occupancy	30,378	821	-	31,199
Office expenses	1,617	3,705	-	5,322
Postage and delivery	6,656	645	201	7,502
Printing and copying	17,227	134	4,538	21,899
Professional development	5,264	1,791	197	7,252
Professional fees	578	-	17,500	18,078
Public relations and advertising	18,112	1,879	926	20,917
Telephone	368	1,442	-	1,810
Travel	3,371	983	63	4,417
Volunteer appreciation	1,703	297	-	2,000
Website	6,710	3,419	1,315	11,444
	813,671	86,615	83,444	983,730
In-kind donations				
In-kind supplies/materials	29,484	-	-	29,484
In-kind services/labor/rent	397,007	62,569	68	459,644
	426,491	62,569	68	489,128
Total expenses	$ 1,240,162	$ 149,184	$ 83,512	$ 1,472,858

The accompanying independent auditor's report and notes are an integral part of these financial statements.

Rebuilding Together DC Alexandria

Statements of Cash Flows

for the years ended June 30,	2019	2018
Cash flows from operating activities		
Change in net assets	$ 115,023	$ 28,815
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	9,952	8,682
Loss on sale of properties	43,419	76,354
Realized and unrealized gain on investments	(22,923)	(26,962)
(Increase) decrease in operating assets		
Pledges and accounts receivable	64,463	(84,129)
Prepaid expenses	(7,837)	528
Accounts receivable - City of Alexandria	-	10,838
Deposits	(1,400)	(1,000)
Increase (decrease) in operating liabilities		
Accounts payable	790	24,873
Interest payable - City of Alexandria	-	(1,764)
Deferred revenue - events	(2,000)	3,000
Refundable advances - Housing Trust Fund	(43,419)	300,000
Refundable advances - HOME	(3,164)	(106,854)
Refundable advances - CDBG	500,000	-
Net cash provided by operating activities	652,904	232,381
Cash flows from investing activities		
Proceeds from sale of property	208,798	647,634
Purchase of property and equipment	(36,778)	-
Purchase of property, available for sale and improvements	(818,951)	(723,988)
Purchase of investments and net reinvestments	(15,855)	(12,053)
Net cash used in investing activities	(662,786)	(88,407)
Cash flows from financing activities		
Proceeds from line of credit	-	274,000
Repayment of line of credit	-	(274,000)
City of Alexandria:		
Proceeds from note payable - CDBG	-	184,713
Repayment of note payable	-	(184,713)
Net cash provided by financing activities	-	-
Net change in cash, restricted cash and cash equivalents	(9,882)	143,974
Cash, restricted cash and cash equivalents, beginning of year	555,970	411,996
Cash, restricted cash and cash equivalents, end of the year	$ 546,088	$ 555,970
Supplemental disclosure of cash flow information		
Noncash investing and financing - City of Alexandria		
Property (receivable) payable	$ -	$ (15,516)
Return of property	-	(184,713)
Receipt of property	-	200,229
	$ -	$ -
Cash paid for interest	$ -	$ 4,203
Income taxes paid	$ -	$ -

The accompanying independent auditor's report and notes are an integral part of these financial statements.

1. Organization

Rebuilding Together DC Alexandria, formerly Rebuilding Together Alexandria, (the Organization) is a nonprofit organization, incorporated in Commonwealth of Virginia on September 5, 1986. The purpose of the Organization is to enhance the quality of life of low income persons in the City of Alexandria, Virginia, by enhancing their safety, security, and independence. In 2018, the Organization expanded their program into DC by assuming an affiliate location. Activity for the DC program commenced during the year ended June 30, 2019. The Organization's programs continue to focus on a National Rebuilding Day, as well as other year-round projects, to repair and revitalize homes, neighborhoods, and communities. Rebuilding Together DC Alexandria is supported primarily by voluntary contributions of time and money; and funding from corporations, individuals, labor organizations, foundations, civic organizations, churches and synagogues, and grants from local jurisdictions.

2. Summary of significant accounting policies

Basis of accounting

The financial statements of the Organization are prepared using the accrual method of accounting. In accordance with this method of accounting, revenue is recognized in the period in which it is earned and expenses are recognized in the period in which they are incurred. All revenue and expenses, which are applicable to future periods, have been presented as deferred revenue or prepaid expenses on the accompanying statements of financial position.

Financial statement presentation

The Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions are net assets available for use in general operations and not subject to donor restrictions. Net assets with donor restrictions are net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. 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.

Use of estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain 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.

Cash, restricted cash and cash equivalents

The Organization maintains cash in bank accounts which may, at times, exceed federally insured limits. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash. FDIC insurance is $250,000 per depositor, per insured bank.

Cash received from federal funds and other housing grants are held in separate bank accounts and reported as restricted cash on the accompanying statements of financial position.

Pledges and accounts receivable

Unconditional promises to give are recognized as revenue in the period pledged. Conditional promises to give are recognized as revenue without restrictions when the donor imposed conditions on which they depend are substantially met.

The Organization receives revenues in the form of cash contributions and grants from the federal government, other organizations, and individuals for specified programs. Cost reimbursable grant revenue is recognized to the extent that reimbursable expenses have been incurred. Receivables have been recorded to the extent that grant expenses are in excess of amounts received.

All receivable balances (receivables for grants and contributions) as of June 30, 2019 and 2018 are due within one year. As a result, receivables are measured at net realizable value which approximates fair market value. Allowances for receivables are determined by management based on an assessment of their collectability. Management considers past history, current economic conditions, and overall viability of the third party. Based on this assessment, the Organization considers receivables to be fully collectible; accordingly, no allowance for doubtful accounts is required.

Property and equipment
Property is recorded at cost as of the date of acquisition, or fair market value at the date of donation for donated assets. The Organization capitalizes purchases over $500. Depreciation is calculated using the straight-line method over estimated useful lives of five to seven years.

Website
Website costs are recorded in accordance with generally accepted accounting principles, costs incurred to plan the website were expensed as incurred while costs incurred to develop the infrastructure and graphics of the website were capitalized. All costs to operate the site are expensed as incurred. The capitalized costs were amortized over 36 months and are included in property and equipment on the statements of financial position.

Revenue recognition
Contributions with donor-imposed restrictions are reported as support with donor restrictions; however, donor-restricted contributions whose restrictions are met in the same reporting period are reported as support without donor restrictions. When the donor restriction expires, that is, when a stipulated time restriction ends or purpose is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

In-kind donations
A substantial number of volunteers donate time to the Organization’s program services. The donated services are reflected in the financial statements since the services require specialized skills as defined by U.S. generally accepted accounting principles and are an integral part of the Organization’s purpose. Donated property is reflected as a revenue or asset at the fair market value of the property on date of donation. In-kind donations are detailed in Note 7 of these financial statements.

Functional classification of expenses
The costs of providing the programs and services are summarized on a functional basis in the accompanying financial statements. Accordingly, certain costs have been allocated among the programs and supporting services benefited based on management’s estimates of the use of resources and service efforts during the year. Salaries, payroll taxes, employee benefits, insurance, depreciation and occupancy have been allocated across functional areas based on an estimate of time spent by personnel.

Advertising
Advertising costs are expensed as incurred. Advertising expense totaled $9,276 and $5,485 for 2019 and 2018, respectively and is included in public relations and advertising expenses on the statements of functional expenses.

Refundable advances
Rebuilding Together DC Alexandria receives revenues in the form of cash contributions and grants from the federal and local state governments, other organizations and individuals for specified programs. Refundable advances have been recorded to the extent that amounts received are in excess of grant expense. In accordance with HOME and Housing Trust Fund grant regulations, proceeds from the sale of refurbished homes are to be retained by the Organization and used toward the purchase of future home purchases. Proceeds are treated as additional grant proceeds in the year received and deferred until the sale of the property. Refundable advances – HOME grant and Refundable advances – Housing Trust Fund on the statements of financial position is reduced by amounts incurred for management fees by the Organization and any resulting gain or loss from the sale of individual refurbished homes.

Fair value of financial assets and liabilities
Financial assets with carrying values approximating fair value include cash and cash equivalents, restricted cash, prepaid expenses, pledges and accounts receivable. Financial liabilities with carrying values approximating fair value include accounts payable and deferred revenue. The carrying value of these financial assets and liabilities approximates fair value due to their short maturities and any associated interest rates approximate current market rates.

Income taxes
Rebuilding Together DC Alexandria is exempt from federal income tax as a nonprofit organization described in Section 501(c)(3) of the Internal Revenue Code and is classified as an organization other than a private foundation. The Organization did not have a liability for unrelated business income for the years ended June 30, 2019 and 2018.

The Organization is subject to taxation in the U.S. and a small number of state and local jurisdictions. The material jurisdictions subject to potential examination by taxing authorities include the U.S. and Virginia. Management does not believe that the ultimate outcome of any future examinations of open tax years will have a material impact on the Organization's results of operations. Tax years that remain subject to examination by the IRS are fiscal years 2016 through 2019.

Recently adopted accounting pronouncements
In August 2016, Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. ASU 2016-14 represents phase 1 of FASB's Not-for-Profit financial reporting project and reduces the number of net asset classes, requires expense presentation by functional and natural classification, requires quantitative and qualitative information in liquidity, retains the option to present the cash flow statement on a direct or indirect method, and includes various other additional disclosure requirements. ASU 2016-14 is effective for annual reporting periods beginning after December 15, 2017 with retrospective application. The Organization adopted this ASU as of and for the year ended June 30, 2019. The changes related to the presentation of functional expenses and information on liquidity were not made to the financial statements for the year ended June 30, 2018, as the ASU provides for optional application to prior periods in the period of adoption.

New accounting pronouncements
The FASB issued ASU 2014-09 (as amended by ASU 2015-14), which provides a single comprehensive accounting standard for revenue recognition for contracts with customers and supersedes current industry-specific guidance. ASU 2014-09 is effective for annual reporting periods beginning after December 15, 2018. The Organization adopted the standard on its effective date, which for the Organization was July 1, 2019.

The FASB issued ASU 2016-02, which requires lessees to recognize on the balance sheet the assets and liabilities for the rights and obligations created by leases with terms greater than 12 months. ASU 2016-02 is effective for annual reporting periods beginning after December 15, 2019. The Organization plans to adopt the standard on its effective date, which for the Organization is July 1, 2021. The Organization has not evaluated the impact of this statement.

The FASB has issued ASU 2018-08, Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made. This guidance clarifies how entities will determine whether to account for a transfer of assets (or a reduction, settlement or cancellation of a liability) as an exchange transaction or a contribution and how they will determine whether a contribution is conditional. ASU 2018-08 is effective for annual reporting periods beginning after December 15, 2018. The Organization adopted the standard on its effective date, which for the Organization was July 1, 2019.

3. Investments and fair value measurements

Investment income for the years ended June 30, 2019 and 2018 consisted of the following:

	2019	2018
Interest	$ 607	$ 212
Dividends	13,566	12,057
Capital gains distributions	6,977	4,986
Investment fees	(5,554)	(5,160)
Realized and unrealized gain on investments	22,923	26,962
	$ 38,519	$ 39,057

Rebuilding Together DC Alexandria classifies its investment into Level 1, which refers to securities valued using quoted prices from active markets for identical assets; Level 2, which refers to securities not traded on an active market but for which observable market inputs are readily available; and Level 3, which refers to securities valued based on significant unobservable inputs. Assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

Investments for the year ended June 30, 2019 consisted of the following:

	Level 1	Level 2	Level 3	Total assets at fair value
Cash and money funds	$ 40,087	$ -	$ -	$ 40,087
Mutual funds:				
Large growth fund	31,744	-	-	31,744
Mid growth fund	140,757	-	-	140,757
International value fund	87,762	-	-	87,762
Large cap value fund	49,708	-	-	49,708
Fixed income	194,106	-	-	194,106
Exchange traded funds:				
Large growth fund	33,828	-	-	33,828
Small blend fund	21,148	-	-	21,148
	$ 599,140	$ -	$ -	$ 599,140

Investments for the year ended June 30, 2018 consisted of the following:

	Level 1	Level 2	Level 3	Total assets at fair value
Cash and money funds	$ 34,226	$ -	$ -	$ 34,226
Mutual funds:				
Large growth fund	29,429	-	-	29,429
Mid growth fund	118,718	-	-	118,718
International value fund	90,265	-	-	90,265
Large cap value fund	46,576	-	-	46,576
Fixed income	187,958	-	-	187,958
Exchange traded funds:				
Large growth fund	30,917	-	-	30,917
Small blend fund	22,273	-	-	22,273
	$ 560,362	$ -	$ -	$ 560,362

4. Property, available for sale

Home Investment Partnership (HOME)
In July 2013, the Organization was the subrecipient of a $500,000 grant from the Department of Housing and Urban Development through the City of Alexandria's Home Investment Partnership (HOME) for the acquisition, rehabilitation and sale of foreclosed homes to qualified buyers.

In accordance with HOME Investment Partnership terms of agreement, the proceeds and losses from sales are added to or reduced from the refundable advances – HOME grant for the purchase of future foreclosed homes.

For the fiscal year ended June 30, 2019, the Organization purchased one home in February 2019 which is held in properties available for sale on the accompany statements of financial position. The property sold subsequent to year end generating proceeds of $152,806. During fiscal year 2018, the Organization purchased and sold three homes to qualified buyers generating net proceeds of $647,634.

Community Development Block Grant (CDBG)
In May 2019, the Organization was loaned $500,000 in CDBG funds to be used for Alexandria Neighborhood Stabilization Program property acquisitions with all sales proceeds to be repaid to the City upon sales of the acquired homes. During 2019, two homes were purchased in fiscal year 2019. Total purchase price and rehab costs were $403,373 for the year ended June 30, 2019 and are included in property, available for sale on the accompanying statements of financial position. The grant funds are held as a refundable advance - CDBG on the accompanying statements of financial position. Subsequent to year end, one property was sold generating $175,653 in proceeds. In addition, on October 18, 2019, a property was purchased for $181,214.

No houses were purchased in fiscal year 2018 with CDBG funds.

Neighborhood Stabilization Program (NSP)
During 2015, the City of Alexandria and the Organization entered into an agreement with the intent to acquire, rehabilitate and sell foreclosed homes to qualified buyers. As part of the agreement with the City, the Organization does not have a financial obligation in the purchase of the property. The purchase agreements of those properties were in the name of Rebuilding Together DC Alexandria.

In December 2017, the City purchased 401 N. Beauregard for $200,229 for the Organization to rehabilitate. Rehabilitation costs and management fees were $15,045. It was sold in May 2018 to a qualified buyer and generated $184,713 in proceeds for the City. There was no activity under this agreement for the year ended June 30, 2019.

The receipt and return of property are disclosed on the statements of cash flows in the supplemental disclosure of cash flow information, noncash investing and financing - City of Alexandria.

Housing Trust Fund (HTF)
In June 2018, the Organization received $300,000 in grant proceeds from the City of Alexandria's Housing Trust Fund to continue the Alexandria Neighborhood Stabilization Program. There was no activity under this grant for the year ended June 30, 2018. During 2019, one property was purchased and sold generating net proceeds for the City of $208,798. Subsequent to year end, one property was purchased on October 31, 2019 for $161,678.

Property, available for sale, consisted of the following at June 30, 2019:

	Gross purchase price	Capitalized improvements	Total cost	Purchase date - 2019	Net proceeds from sale	Sale date - 2019
Housing Trust Fund:						
12 S Van Dom St Apt 205	$ 227,379	$ 24,838	$ 252,217	January 11	$ 208,798	June 17
HOME:						
3 Canterbury #302	143,809	19,552	163,361	February 11	152,806	August 8
CDBG:						
14 Canterbury 101	195,233	7,499	202,732	May 20		
5933 Quantrell Ave.	192,659	6,982	199,641	May 14	175,653	September 13
Other - escrow deposit	-	1,000	1,000			
	$ 759,080	$ 59,871	$ 818,951		$ 361,604	

5. Property and equipment

A summary of property and equipment for the years ended June 30, 2019 and 2018 are as follows:

	2019	2018	Useful life
Computer equipment	$ 16,543	$ 14,284	5 - 7 years
Leasehold improvements	2,729	-	5 years
Vehicles and equipment	48,289	16,499	5 years
Website	10,000	10,000	3 years
	77,561	40,783	
Accumulated depreciation and amortization	(42,976)	(33,024)	
	$ 34,585	$ 7,759	

6. Building lease

Rebuilding Together DC Alexandria leases office space in Alexandria, VA. The original lease terminated on January 31, 2016. The Organization renewed the lease in June 2016, beginning retroactively on March 1, 2016 and continuing through June 30, 2019 with base monthly rent of $2,550 up through April of 2018. Beginning May of 2018, the base monthly rent increased to $2,651. A lease addendum was signed in December 2018 to extend the lease through June 30, 2021 with base rental payments of $1,789. Another addendum was signed in April 2019 for another suite, which established base rental payments of $515 through April 2020. Rent and storage expense for the years ended June 30, 2019 and 2018, totaled $38,623 and $31,199, respectively. Future minimum payments for the fiscal years ending June 30, 2020 and June 30, 2021 are $47,321 and $43,421, respectively.

7. In-kind donations

The Organization receives various types of in-kind support. The Organization records the value of donated services and skilled labor in the financial statements, which is in accordance with U.S. generally accepted accounting principles. These hours were recorded at market rates valued by the professional service or skilled laborer.

A summary of in-kind donations received for the years ended June 30, 2019 and 2018 are as follows:

	2019	2018
Donated labor	$ 457,916	$ 284,045
Donated professional services	-	170,700
Rental of storage space	1,428	2,240
Donated supplies and materials	16,362	32,143
Contributed media time	130,000	-
	$ 605,706	$ 489,128

The Organization also receives support from un-skilled volunteers whose contributions are not reflected in the financial statements. In 2019, the support received is estimated to be valued at $27.50 an hour in Virginia, and $41.72 an hour in D.C. In 2018, the support received is estimated to be valued at $26.09 an hour, with all volunteer hours occurring in Virginia. In 2019, the Organization received un-skilled volunteer hours of 2,801 in D.C. and 4,145 hours in Virginia, resulting in a contributions of approximately $116,851 and $113,985 from D.C. and Virginia volunteers, respectively. In 2018, the Organization received 4,152 of un-skilled volunteer hours resulting in a total contribution of approximately $108,333. These hours were valued according to the national Rebuilding Together organization recommendation for un-skilled volunteers.

In addition to the in-kind supplies and materials, for the years ended June 30, 2019 and 2018, the Organization received $90 and $6,069, respectively, worth of in-kind donations, including professional services, prizes and silent auction items, for its annual fundraiser. These amounts are included on the statements of activities as a part of the special events income and expenses.

8. Net assets with donor restrictions

Net assets are restricted for specific events or programs as well as for future periods. Restrictions on these assets are removed when expenses are incurred.

For June 30, 2019 and 2018, net assets with donor restrictions consisted of the following:

	2018	Additions	Released	2019
Restricted for future projects				
Fannie Mae	$ 25,000	$ 25,000	$ (25,000)	$ 25,000
Restricted for future periods				
Cafritz Foundation	10,000	25,000	(10,000)	25,000
National Lutheran Communities & Services	-	5,000	-	5,000
	$ 35,000	$ 55,000	$ (35,000)	$ 55,000

	2017	Additions	Released	2018
Restricted for future projects				
Fannie Mae	$ 25,000	$ 25,000	$ (25,000)	$ 25,000
Restricted for future periods				
Cafritz Foundation	5,000	10,000	(5,000)	10,000
	$ 30,000	$ 35,000	$ (30,000)	$ 35,000

9. Commitments

On May 19, 2017, the Organization was awarded a $500,000 grant from the Neighborworks America – Project Reinvest for the purpose of providing housing rehabilitation and neighborhood stabilization. The Organization's grant outlines funding is to support multiple eligible physical improvement activities, broader revitalization activities and administrative costs. In connection with the grant, the Organization signed a contract with a design and construction firm for a total commitment of $265,506 to be paid over the term of the grant. During the years ended June 30, 2019 and 2018, $185,417 and $80,000 were paid toward this commitment, respectively.

10. Line of credit

During 2018, the Organization established a line of credit agreement with a bank of $275,000. During the year they borrowed $274,000 form the line to purchase a property for rehabilitation and subsequently repaid the outstanding amount after the sale of the property. At June 30, 2019 and June 30, 2018, there was no outstanding balance. The line bears interest at the bank's prime lending rate which was 5.75 percent at June 30, 2019 and 2018, respectively. The line is reviewed annually and is due on demand.

11. Related party transactions

Rebuilding Together DC Alexandria is an affiliate of Rebuilding Together National. As an affiliate, the Organization is required to make certain payments to the National office which include $15,000 and $14,000, respectively for the years ended June 30, 2019 and 2018 for membership fees which are included in membership in the statements of functional expenses.

12. Liquidity and availability

The Organization strives to maintain liquid financial assets sufficient to cover 90 days of general expenditures.

The following table reflects the Organization's financial assets as of June 30, 2019, reduced by amounts that are not available to meet general expenditures within one year of the statement of financial position date because of donor or contractual restrictions.

Cash and cash equivalents	$ 192,205
Pledges and accounts receivable	35,000
Investments	599,140
	826,345
Less amounts not available for general expenditure within the next 12 months	
Net assets with donor restrictions	(25,000)
	$ 801,345

13. Subsequent events

The Organization assessed events occurring subsequent to June 30, 2019 through December 10, 2019, the date the financial statements were available to be issued, for potential recognition and disclosure in the financial statements. As disclosed in Note 4, the Organization has sold two properties held as available for sale at June 30, 2019. In addition, the Organization has also purchased two properties during October 2019 for future rehab projects. No other events have occurred that would require adjustment to or disclosure in the financial statements.