

# COMMUNITY REBUILDERS AND SUBSIDIARY

## CONSOLIDATED FINANCIAL STATEMENTS

For the years ended  
December 31, 2024 and 2023

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**INDEPENDENT AUDITOR'S REPORT**

June 30, 2025

To the Board of Directors of  
Community Rebuilders and Subsidiary  
Grand Rapids, Michigan

**Report on the Audit of the Consolidated Financial Statements**

***Opinion***

We have audited the accompanying consolidated financial statements of Community Rebuilders and Subsidiary (the "Organization"), which comprise the consolidated statements of financial position as of December 31, 2024 and 2023, and the related consolidated statement of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Community Rebuilders and Subsidiary as of December 31, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America 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 Consolidated Financial Statements section of our report. We are required to be independent of Community Rebuilders and Subsidiary and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### ***Responsibilities of Management for the Consolidated Financial Statements***

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error. In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Community Rebuilders and Subsidiary's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

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

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Community Rebuilders and Subsidiary'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Community Rebuilders and Subsidiary's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters, that we identified during the audit.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have issued our reported dated June 30, 2025, on our consideration of Community Rebuilders and Subsidiary's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 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 Community Rebuilders and Subsidiary's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Hungerford". The signature is written in a cursive, flowing style.

Certified Public Accountants  
Grand Rapids, Michigan

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## **CONSOLIDATED FINANCIAL STATEMENTS**

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# CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

## COMMUNITY REBUILDERS AND SUBSIDIARY

December 31, 2024 and 2023

### ASSETS

	2024	2023
<b>Current Assets</b>		
Cash and cash equivalents	\$ 588,613	\$ 611,109
Restricted deposits:		
Security deposits	43,530	30,678
Operating reserve	14,916	-
Replacement reserve	900	-
Investments	1,217,335	2,179,275
Accounts receivable, net	514,763	595,408
Grants receivable	572,345	326,988
Interest receivable	8,975	16,230
Inventory	27,988	10,374
Prepaid expenses	177,991	93,143
<b>Total Current Assets</b>	<b>3,167,356</b>	<b>3,863,205</b>
<b>Property and Equipment</b>		
Land	54,842	48,712
Computers and equipment	7,576	7,576
Vehicles	61,182	21,915
Leasehold improvements	224,920	224,920
Buildings and building improvements	2,157,855	1,369,836
Construction in progress	-	161,276
	2,506,375	1,834,235
Accumulated depreciation	(1,401,450)	(1,362,953)
<b>Net Property and Equipment</b>	<b>1,104,925</b>	<b>471,282</b>
<b>Total Assets</b>	<b>\$ 4,272,281</b>	<b>\$ 4,334,487</b>

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**LIABILITIES AND NET ASSETS**

	<b>2024</b>	<b>2023</b>
<b>Current Liabilities</b>		
Accounts payable	\$ 83,417	\$ 11,680
Security deposits	44,978	33,303
Accrued expenses	4,689	31,819
Payroll liabilities	178,623	155,745
Deferred revenue	15,000	241,954
Notes payable - current portion	8,404	-
<b>Total Current Liabilities</b>	<b>335,111</b>	<b>474,501</b>
<b>Long-Term Liabilities</b>		
Notes payable, net current portion	28,170	-
Mortgage payable, net of unamortized discount	82,065	-
<b>Total Long-Term Liabilities</b>	<b>110,235</b>	<b>-</b>
<b>Total Liabilities</b>	<b>445,346</b>	<b>474,501</b>
<b>Net Assets</b>		
Without donor restrictions	3,464,159	3,816,083
With donor restrictions	362,776	43,903
<b>Total Net Assets</b>	<b>3,826,935</b>	<b>3,859,986</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 4,272,281</b>	<b>\$ 4,334,487</b>

## CONSOLIDATED STATEMENTS OF ACTIVITIES

### COMMUNITY REBUILDERS AND SUBSIDIARY

For the year ended December 31, 2024

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>Revenue and Support</b>			
Federal grant revenue	\$ 9,796,302	\$ -	\$ 9,796,302
Non-federal grant revenue	481,449	-	481,449
Program revenue	194,432	-	194,432
Rental revenue	632,542	-	632,542
Contributions of cash and other financial assets	62,106	325,989	388,095
Contributions of nonfinancial assets	285,764	-	285,764
Contracted services	409,876	-	409,876
Miscellaneous	20,624	-	20,624
Interest income	58,669	-	58,669
Investment return, net	(8,754)	-	(8,754)
Net assets released from restriction	7,116	(7,116)	-
<b>Total Revenue and Support</b>	<b>11,940,126</b>	<b>318,873</b>	<b>12,258,999</b>
<b>Expenses</b>			
Program expenses	11,307,084	-	11,307,084
Management and general	984,966	-	984,966
<b>Total Expenses</b>	<b>12,292,050</b>	<b>-</b>	<b>12,292,050</b>
<b>Change in Net Assets</b>	<b>(351,924)</b>	<b>318,873</b>	<b>(33,051)</b>
<b>Net Assets, beginning of year</b>	<b>3,816,083</b>	<b>43,903</b>	<b>3,859,986</b>
<b>Net Assets, end of year</b>	<b>\$ 3,464,159</b>	<b>\$ 362,776</b>	<b>\$ 3,826,935</b>

## CONSOLIDATED STATEMENTS OF ACTIVITIES (Continued)

### COMMUNITY REBUILDERS AND SUBSIDIARY

For the year ended December 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenue and Support</b>			
Federal grant revenue	\$ 9,350,594	\$ -	\$ 9,350,594
Non-federal grant revenue	551,051	-	551,051
Program revenue	180,771	-	180,771
Rental revenue	551,424	-	551,424
Contributions of cash and other financial assets	33,439	24,729	58,168
Contributions of nonfinancial assets	203,415	-	203,415
Contracted services	501,993	-	501,993
Miscellaneous	55,295	-	55,295
Interest income	68,971	-	68,971
Investment return, net	47,389	-	47,389
Net assets released from restriction	24,796	(24,796)	-
<b>Total Revenue and Support</b>	<b>11,569,138</b>	<b>(67)</b>	<b>11,569,071</b>
<b>Expenses</b>			
Program expenses	11,027,977	-	11,027,977
Management and general	705,987	-	705,987
<b>Total Expenses</b>	<b>11,733,964</b>	<b>-</b>	<b>11,733,964</b>
<b>Change in Net Assets</b>	<b>(164,826)</b>	<b>(67)</b>	<b>(164,893)</b>
<b>Net Assets, beginning of year</b>	<b>3,980,909</b>	<b>43,970</b>	<b>4,024,879</b>
<b>Net Assets, end of year</b>	<b>\$ 3,816,083</b>	<b>\$ 43,903</b>	<b>\$ 3,859,986</b>

## CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES

### COMMUNITY REBUILDERS AND SUBSIDIARY

For the year ended December 31, 2024

	Program Services							
	Housing Solutions	Keys First	LOFT	HEROES	Shelter Plus Care	Rental	HOPWA	United Way
Salary and wages	\$ 218,610	\$ 291,812	\$ 150,190	\$ 54,132	\$ 340,045	\$ 198,427	\$ 160,555	\$ 17,666
Payroll taxes	14,879	18,322	10,185	3,962	23,592	13,085	12,382	1,562
Employee insurance	24,283	19,783	17,223	6,178	37,767	12,571	26,604	3,474
Retirement contributions	5,919	6,914	3,886	1,446	8,877	5,053	4,054	582
	263,691	336,831	181,484	65,718	410,281	229,136	203,595	23,284
Occupancy	7,636	10,383	6,684	2,048	15,074	1,025	5,658	1,330
Housing assistance	294,807	303,718	251,906	126,462	1,520,083	-	277,781	-
Credit and collections	4,050	-	3,110	2,500	8,750	12,757	-	-
Bank and interest charges	-	-	124	-	-	481	-	-
Subcontractors	-	214,905	-	-	-	-	-	-
Communications	9,656	15,054	8,155	2,523	22,551	7,063	9,921	2,800
Outreach and marketing	-	-	-	-	-	301	-	-
Property maintenance	-	-	-	-	-	172,705	-	-
Office supplies	5,280	6,584	3,695	1,152	12,623	2,949	3,020	3,311
Insurance	86	-	-	-	-	16,623	-	-
Professional services	2,786	3,128	1,952	607	4,378	5,327	1,565	383
Training and recruitment	3,695	3,532	1,776	286	5,476	540	6,489	221
Program services	5,586	3,857	6,119	3,315	5,298	4,884	3,690	969
Other operating expenses	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-
<b>Total Expenses</b>	<b>\$ 597,273</b>	<b>\$ 897,992</b>	<b>\$ 465,005</b>	<b>\$ 204,611</b>	<b>\$ 2,004,514</b>	<b>\$ 453,791</b>	<b>\$ 511,719</b>	<b>\$ 32,298</b>

## CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES (Continued)

**COMMUNITY REBUILDERS AND SUBSIDIARY**  
For the year ended December 31, 2024

	Program Services							
	Veterans per Diem	Supportive Services for Veteran Families	Health Care - Homeless Vets	HOME	Other Programs	GTO	Kent Together	CHC 2.0
Salary and wages	\$ 202,229	\$ 343,598	\$ 186,799	\$ 113,338	\$ -	\$ 204,373	\$ 12,275	\$ 28,276
Payroll taxes	14,857	22,236	13,432	8,790	-	15,382	165	-
Employee insurance	27,726	40,230	26,531	23,710	-	38,642	355	-
Retirement contributions	5,905	7,580	5,317	3,390	-	5,262	64	-
	250,717	413,644	232,079	149,228	-	263,659	12,859	28,276
Occupancy	14,068	27,227	13,661	-	-	7,721	-	-
Housing assistance	201,962	643,379	111,215	284,466	489	110,118	1,980	-
Credit and collections	-	-	-	-	-	-	-	-
Bank and interest charges	389	-	532	-	-	60	-	-
Subcontractors	-	-	-	-	-	-	-	-
Communications	13,264	23,525	11,887	-	6,374	11,737	-	2,675
Outreach and marketing	-	-	-	-	-	-	-	-
Property maintenance	-	-	-	-	-	-	-	-
Office supplies	5,369	12,952	5,186	-	-	7,056	-	-
Insurance	322	-	318	-	-	264	-	-
Professional services	5,956	5,221	5,818	-	-	5,119	-	20,608
Training and recruitment	1,759	5,515	1,731	-	-	2,330	-	-
Program services	47,844	7,779	17,531	-	52,302	23,835	-	-
Other operating expenses	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-
<b>Total Expenses</b>	<b>\$ 541,650</b>	<b>\$ 1,139,242</b>	<b>\$ 399,958</b>	<b>\$ 433,694</b>	<b>\$ 59,165</b>	<b>\$ 431,899</b>	<b>\$ 14,839</b>	<b>\$ 51,559</b>

## CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES (Continued)

**COMMUNITY REBUILDERS AND SUBSIDIARY**  
For the year ended December 31, 2024

	Program Services						
	DAY ONE	Veterans TIP	PACT	ESP	LIHTC	CRB LDHA	HVRP
Salary and wages	\$ 379,711	\$ 179,673	\$ 241,545	\$ 57,962	\$ 14,938	\$ 1,580	\$ 45,841
Payroll taxes	14,905	13,975	16,874	4,511	1,458	120	2,347
Employee insurance	17,393	24,589	42,408	7,716	-	(12)	4,889
Retirement contributions	6,421	5,361	6,333	1,549	-	46	914
	418,430	223,598	307,160	71,738	16,396	1,734	53,991
Occupancy	4,043	14,280	9,809	-	-	-	867
Housing assistance	-	221,625	603,016	55,413	-	-	-
Credit and collections	-	11,715	-	-	-	200	-
Bank and interest charges	-	204	-	-	-	-	-
Subcontractors	380,691	-	335,654	-	-	-	-
Communications	30,783	11,290	14,841	1,034	186	225	971
Outreach and marketing	-	-	-	-	-	-	-
Property maintenance	-	-	111	-	-	8,351	-
Office supplies	1,534	4,526	6,484	60	48	-	729
Insurance	-	313	-	-	-	609	-
Professional services	127,156	5,615	2,938	-	-	-	360
Training and recruitment	3,970	1,633	3,810	-	-	950	93
Program services	5,207	33,060	47,847	5,141	-	259	5,237
Other operating expenses	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	11,940	-
<b>Total Expenses</b>	<b>\$ 971,814</b>	<b>\$ 527,859</b>	<b>\$ 1,331,670</b>	<b>\$ 133,386</b>	<b>\$ 16,630</b>	<b>\$ 24,268</b>	<b>\$ 62,248</b>

## CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES (Continued)

COMMUNITY REBUILDERS AND SUBSIDIARY  
For the year ended December 31, 2024

	Total Program Expenses	Supporting Services Management and General	Total
Salary and wages	\$ 3,443,575	\$ 363,683	\$ 3,807,258
Payroll taxes	227,021	27,117	254,138
Employee insurance	402,060	36,946	439,006
Retirement contributions	84,873	11,089	95,962
	4,157,529	438,835	4,596,364
Occupancy	141,514	8,856	150,370
Housing assistance	5,008,420	-	5,008,420
Credit and collections	43,082	3,027	46,109
Bank and interest charges	1,790	1,998	3,788
Subcontractors	931,250	68,646	999,896
Communications	206,515	14,363	220,878
Outreach and marketing	301	8,414	8,715
Property maintenance	181,167	19,190	200,357
Office supplies	82,558	5,480	88,038
Insurance	18,535	4,781	23,316
Professional services	198,917	77,351	276,268
Training and recruitment	43,806	13,108	56,914
Program services	279,760	292,639	572,399
Other operating expenses	-	1,721	1,721
Depreciation	11,940	26,557	38,497
<b>Total Expenses</b>	<b>\$ 11,307,084</b>	<b>\$ 984,966</b>	<b>\$ 12,292,050</b>

## CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES

### COMMUNITY REBUILDERS AND SUBSIDIARY

For the year ended December 31, 2023

	Program Services							
	Housing Solutions	Keys First	LOFT	HEROES	Shelter Plus Care	Rental	HOPWA	United Way
Salary and wages	\$ 197,544	\$ 210,080	\$ 121,279	\$ 37,086	\$ 264,435	\$ 184,088	\$ 145,680	\$ 18,373
Payroll taxes	14,531	16,351	9,095	2,637	20,541	12,990	11,623	1,551
Employee insurance	22,823	28,722	13,772	3,553	32,826	21,908	16,685	3,031
Retirement contributions	4,661	5,347	3,008	844	5,503	4,572	2,791	477
	239,559	260,500	147,154	44,120	323,305	223,558	176,779	23,432
Occupancy	8,968	12,381	5,439	1,444	15,061	953	3,426	1,169
Housing assistance	321,923	252,594	216,420	99,494	1,279,806	-	264,014	-
Credit and collections	-	-	-	-	-	-	-	-
Bank and interest charges	-	-	-	-	-	22	-	-
Subcontractors	-	207,852	-	-	-	-	-	-
Communications	12,345	18,088	9,641	2,619	24,501	7,978	8,703	3,059
Outreach and marketing	521	789	115	13	739	211	159	74
Property maintenance	-	-	-	-	-	156,945	-	-
Office supplies	3,736	6,222	2,048	307	5,311	5,640	1,612	1,751
Insurance	-	-	-	-	-	17,192	-	-
Professional services	1,190	1,423	966	213	2,371	2,502	641	168
Training and recruitment	2,053	2,235	1,244	219	2,678	2,956	5,654	222
Program services	5,139	16,211	16,550	577	4,210	4,039	2,921	2,108
Other operating expenses	-	-	-	-	-	8,591	-	-
Depreciation	-	-	-	-	-	-	-	-
<b>Total Expenses</b>	<b>\$ 595,434</b>	<b>\$ 778,295</b>	<b>\$ 399,577</b>	<b>\$ 149,006</b>	<b>\$ 1,657,982</b>	<b>\$ 430,587</b>	<b>\$ 463,909</b>	<b>\$ 31,983</b>

## CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES (Continued)

### COMMUNITY REBUILDERS AND SUBSIDIARY

For the year ended December 31, 2023

	Program Services								
	Veterans per Diem	Supportive Services for Veteran Families	Health Care - Homeless Vets	HOME/ Kent Together	Other Programs	GTO	First Step	CHC 2.0	
Salary and wages	\$ 181,348	\$ 301,357	\$ 131,529	\$ 90,643	\$ 16,181	\$ 114,238	\$ 85,235	\$ 241,978	
Payroll taxes	13,562	19,892	9,140	6,830	1,241	6,573	6,770	2,372	
Employee insurance	24,687	33,892	16,921	19,164	2,095	9,480	10,963	3,296	
Retirement contributions	4,906	6,428	3,164	2,672	486	1,790	2,433	923	
	224,503	361,569	160,754	119,309	20,003	132,081	105,401	248,569	
Occupancy	16,189	20,570	10,309	-	-	2,846	4,674	-	
Housing assistance	183,928	375,397	99,139	266,538	1,125	52,307	336,299	-	
Credit and collections	-	-	-	-	-	-	-	-	
Bank and interest charges	753	-	888	-	-	11	-	-	
Subcontractors	-	-	-	-	-	-	295,949	-	
Communications	18,287	26,444	12,471	-	18,316	6,947	8,028	57,421	
Outreach and marketing	704	784	380	-	998	-	165	-	
Property maintenance	-	-	-	-	-	-	-	-	
Office supplies	4,336	7,249	3,333	-	1,518	1,662	1,329	3,512	
Insurance	340	-	228	-	-	112	-	-	
Professional services	4,735	2,350	3,218	-	-	1,884	568	13,650	
Training and recruitment	3,227	7,164	2,051	-	-	880	1,357	290	
Program services	38,966	11,279	14,486	-	253,358	6,376	28,638	-	
Other operating expenses	-	-	-	-	-	-	-	-	
Depreciation	-	-	-	-	-	-	-	-	
<b>Total Expenses</b>	<b>\$ 495,968</b>	<b>\$ 812,806</b>	<b>\$ 307,257</b>	<b>\$ 385,847</b>	<b>\$ 295,318</b>	<b>\$ 205,106</b>	<b>\$ 782,408</b>	<b>\$ 323,442</b>	

## CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES (Continued)

### COMMUNITY REBUILDERS AND SUBSIDIARY

For the year ended December 31, 2023

	Program Services						Total Program Expenses
	Day One	Veterans TIP	PACT	ESP	CDBG CV	GRACE ARP	
Salary and wages	\$ 242,786	\$ 172,669	\$ 136,891	\$ 55,660	\$ 69,862	\$ 146,353	\$ 3,165,295
Payroll taxes	18,049	13,232	10,277	4,127	2,917	10,498	214,799
Employee insurance	27,529	21,746	16,794	7,345	8,811	17,098	363,141
Retirement contributions	7,597	5,003	3,799	1,363	835	3,382	71,984
	295,961	212,650	167,761	68,495	82,425	177,331	3,815,219
Occupancy	5,062	13,887	5,274	-	-	6,281	133,933
Housing assistance	75,188	174,362	249,167	28,993	194,071	224,653	4,695,418
Credit and collections	-	-	-	-	-	-	-
Bank and interest charges	-	439	-	-	-	-	2,113
Subcontractors	462,393	-	34,638	-	-	267,755	1,268,587
Communications	8,289	14,994	6,728	495	-	12,236	277,590
Outreach and marketing	66	434	321	-	-	131	6,604
Property maintenance	-	-	-	-	-	-	156,945
Office supplies	826	3,867	3,419	460	-	2,724	60,862
Insurance	-	318	-	-	-	-	18,190
Professional services	23,747	4,480	840	-	-	1,411	66,357
Training and recruitment	951	3,825	2,586	-	-	1,121	40,713
Program services	22,009	27,042	11,342	8,246	1,050	2,308	476,855
Other operating expenses	-	-	-	-	-	-	8,591
Depreciation	-	-	-	-	-	-	-
<b>Total Expenses</b>	<b>\$ 894,492</b>	<b>\$ 456,298</b>	<b>\$ 482,076</b>	<b>\$ 106,689</b>	<b>\$ 277,546</b>	<b>\$ 695,951</b>	<b>\$ 11,027,977</b>

## CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES (Continued)

COMMUNITY REBUILDERS AND SUBSIDIARY  
For the year ended December 31, 2023

	<b>Supporting Services</b>	
	<b>Management and General</b>	<b>Total</b>
Salary and wages	\$ 352,416	\$ 3,517,711
Payroll taxes	26,023	240,822
Employee insurance	41,690	404,831
Retirement contributions	10,531	82,515
	<hr/>	<hr/>
	430,660	4,245,879
Occupancy	13,889	147,822
Housing assistance	50,825	4,746,243
Credit and collections	15,498	15,498
Bank and interest charges	2,969	5,082
Subcontractors	13,826	1,282,413
Communications	20,480	298,070
Outreach and marketing	838	7,442
Property maintenance	17,438	174,383
Office supplies	8,406	69,268
Insurance	4,955	23,145
Professional services	53,686	120,043
Training and recruitment	13,358	54,071
Program services	23,238	500,093
Other operating expenses	12,648	21,239
Depreciation	23,273	23,273
	<hr/>	<hr/>
<b>Total Expenses</b>	<b>\$ 705,987</b>	<b>\$ 11,733,964</b>

## CONSOLIDATED STATEMENTS OF CASH FLOWS

COMMUNITY REBUILDERS AND SUBSIDIARY  
For the years ended December 31, 2024 and 2023

	2024	2023
<b>Adjustments to Reconcile Change in Net Assets to Net Cash Used for Operating Activities:</b>		
Change in net assets	\$ (33,051)	\$ (164,893)
<b>Adjustments to Reconcile Change in Net Assets to Net Cash Used for Operating Activities</b>		
Depreciation expense	38,497	23,273
Unrealized (gain) loss on investments	8,754	(47,389)
Changes in operating assets and liabilities:		
Accounts receivable	80,645	(38,300)
Grants receivable	(245,357)	(54,474)
Interest receivable	7,255	(436)
Inventory	(17,614)	(3,159)
Prepaid expenses	(84,848)	(26,180)
Accounts payable	71,737	(215,009)
Security deposits	11,675	2,655
Accrued expenses	(27,130)	40,602
Payroll liabilities	22,878	-
Deferred revenue	(226,954)	(54,871)
<b>Net Cash Used for Operating Activities</b>	(393,513)	(538,181)
<b>Cash Flows from Investing Activities</b>		
Proceeds from sale of investments	1,016,107	623,613
Purchase of investments	(62,921)	(68,723)
Purchase of property and equipment	(672,140)	(75,180)
<b>Net Cash Provided by Investing Activities</b>	281,046	479,710
<b>Cash Flows from Financing Activities</b>		
Proceeds from long-term borrowing	119,315	-
Repayment of long-term obligations	(676)	-
<b>Net Cash Provided by Financing Activities</b>	118,639	-
<b>Net Increase (Decrease) in Cash</b>	6,172	(58,471)
<b>Beginning Cash, Cash Equivalents and Restricted Deposits</b>	641,787	700,258
<b>Ending Cash, Cash Equivalents and Restricted Deposits</b>	<b>\$ 647,959</b>	<b>\$ 641,787</b>
<b>Supplemental Disclosure of Cash Flow Information:</b>		
Cash paid during the year for interest	\$ 2,314	\$ 376
Cash and cash equivalents	\$ 588,613	\$ 611,109
Restricted cash and equivalents	59,346	30,678
Total Cash and cash equivalents and Restricted cash and cash equivalents	<b>\$ 647,959</b>	<b>\$ 641,787</b>

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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COMMUNITY REBUILDERS AND SUBSIDIARY  
For the years ended December 31, 2024 and 2023

## **Note A – Nature of Activities and Summary of Significant Accounting Policies**

### **Nature of Activities**

The accompanying consolidated financial statements present the financial position, results of operations, and cash flows of Community Rebuilders (the "Organization"), which includes Community Rebuilders and Community Rebuilders Limited Dividend Housing Association (the "Subsidiary"). The Organization's mission is to provide housing opportunities and support services to households with a housing crisis in Kent County. The Organization utilizes a housing first approach focused on rapidly re-housing homeless households by providing access to affordable housing with support. The provision of rent assistance and housing stabilization services such as strengths-based case management, help with employment, connecting with mainstream resources like TANF and SSI/SSDI, budget counseling, and childcare assistance etc. are utilized to assist households to obtain housing and remain stably housed. The Organization prevents households from becoming homeless through the provision of rent assistance, paying back rent, and effective case management and homeless prevention planning.

The Organization operates the following programs:

*Housing Solutions Project* - this project serves individuals and families who have a severe and persistent disabling condition who are also experiencing long-term or recurring homelessness. This project successfully links these households to permanent housing and the necessary support to end their homelessness and promote their improved health and wellbeing. Persons in this project have complex needs. This project reduces and removes barriers for households with mental and physical health issues, substance use issues, poor credit or financial history, or past involvement with the criminal justice system. This project relies upon strong and direct referral linkages and relationships with mental and physical health providers, outreach programs, and crisis response systems. Housing is provided primarily in the private rental market. The project participant contributes 30% of their income towards rent with the remainder being paid with project funds.

*Keys First Project* - this project is designed to help families quickly exit homelessness and return to permanent housing. Assistance is offered without preconditions – such as employment, income, absence of criminal history, or sobriety. The resources provided are tailored to the unique needs of each household. The services emphasize each individual's self-determination and strengths and promote long-term housing stability and self-sufficiency.

*LOFT Project* - this project serves individuals who have a severe and persistent disabling condition who are also experiencing long-term or recurring homelessness. This project successfully links these households to permanent housing and the necessary support to end their homelessness and promote their improved health and wellbeing. Persons in this project have complex needs. This project reduces and removes barriers for households with mental and physical health issues, substance use issues, poor credit or financial history, or past involvement with the criminal justice system. This project relies upon strong and direct referral linkages and relationships with mental and physical health providers, outreach programs, and crisis response systems. Housing is provided primarily in the private rental market. The project participant contributes 30% of their income towards rent with the remainder being paid with project funds.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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### COMMUNITY REBUILDERS AND SUBSIDIARY

For the years ended December 31, 2024 and 2023

#### **Note A – Nature of Activities and Summary of Significant Accounting Policies (Continued)**

##### **Nature of Activities (Continued)**

*HEROES* - this project serves Veterans who have a severe and persistent disabling condition who are also experiencing long-term or recurring homelessness. This project successfully links these households to permanent housing and the necessary support to end their homelessness and promote their improved health and wellbeing. Persons in this project have complex needs. This project reduces and removes barriers for households with mental and physical health issues, substance use issues, poor credit or financial history, or past involvement with the criminal justice system. This project relies upon strong and direct referral linkages and relationships with mental and physical health providers, outreach programs, and crisis response systems. Housing is provided primarily in the private rental market. The project participant contributes 30% of their income towards rent with the remainder being paid with project funds.

*Shelter Plus Care* - this project serves persons experiencing homelessness who have a severe and persistent disabling condition. Although not required, most of the participants are also experiencing long-term or recurring homelessness. This project successfully links these households to permanent housing and the necessary support to end their homelessness and promote their improved health and wellbeing. Persons in this project have complex needs. This project reduces and removes barriers for households with mental and physical health issues, substance use issues, poor credit or financial history, or past involvement with the criminal justice system. This project relies upon strong and direct referral linkages and relationships with mental and physical health providers, outreach programs, and crisis response systems. Housing is provided primarily in the private rental market. The project participant contributes 30% of their income towards rent with the remainder being paid with project funds.

*Rental Program* - This program expands opportunities for tenancy in the rental market by providing affordable rental units. The units are rented at, or below fair market rent to individuals and families who are working to rebuild their rental histories and secure rental housing despite poverty, past evictions, and poor credit histories.

*Housing Opportunities for Persons Living with Aids/ HIV Related Illnesses (HOPWA)* - this project provides housing assistance and supports low-income households living with HIV/AIDS. Assistance and services are provided to promote safe, stable housing that provides the essential foundation for successful management of HIV.

*United Way Allocation* - this project supports services that emphasize people's self-determination and strengths and promote housing stability. These services value the capacity, skills, knowledge, connections, and potential in individuals and communities. These services, called Strengths-Based, produce results of long-term housing stability and increased self-sufficiency for program participants.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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COMMUNITY REBUILDERS AND SUBSIDIARY  
For the years ended December 31, 2024 and 2023

### **Note A – Nature of Activities and Summary of Significant Accounting Policies (Continued)**

#### **Nature of Activities (Continued)**

*VA Homeless Veterans per Diem Program, Veteran Heights* - this project serves homeless Veterans that have been offered and accepted a permanent housing intervention and are not able to immediately enter the permanent housing. A short-term stay of generally less than 90 days in transitional housing is provided. Additional support and case management are provided to promote an individualized goal and action plan that is focused on the needs of the Veteran and the move to permanent housing.

*Supportive Services for Veteran Families Program* - this program provides a broad range of services and housing assistance to very low-income Veterans and their families to deliver effective and efficient homelessness prevention and rapid re-housing assistance. Five key areas of service include: 1) Outreach, engagement, and admission; 2) Assessment and housing plan; 3) Participant services non-financial; 4) Participant services, financial; and 5) Landlord supports.

*Health Care for Homeless Veterans, Veteran Residential Services* - this program provides housing and support to Veterans who are at imminent risk of homelessness or currently experiencing homelessness. Participants are able to move from the streets and places unfit for human habitation into a transitional home that is safe and supportive of their health recovery needs and promotes their move to permanent housing within 60-90 days.

*HOME/Kent Together* - this project makes housing affordable for persons at imminent risk of homelessness or currently homeless by providing short-term rental voucher assistance and supportive services to promote increased income and long-term housing stability.

*Emergency Solutions Grant Program* - this program engages homeless individuals and families in rapid rehousing services. Assistance is offered without preconditions – such as employment, income, absence of criminal history, or sobriety. The resources provided are tailored to the unique needs of each household. Households are assisted to first secure housing and based on each family's unique needs, preferences, and financial resources; services are provided.

*Day One* - Day One is dedicated to ending family homelessness. Using a system approach, Day One supports the goal of making homelessness rare, brief, and non-recurring for families with a child in the household. Funding is directed toward responses that are data driven, and outcome focused utilizing light touch interventions such as Supported Solutions. Families are prioritized using an enhanced coordinated entry process. Data is used to evaluate program and system performance.

*Veterans Transition in Place (TIP)* - Veterans are offered safe and affordable housing units within the community that are immediately ready for occupancy. Veterans receive an array of supportive services while in the unit all aimed at empowering the Veteran to assume the lease and full responsibility for the unit at the end of services.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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COMMUNITY REBUILDERS AND SUBSIDIARY  
For the years ended December 31, 2024 and 2023

### **Note A – Nature of Activities and Summary of Significant Accounting Policies (Continued)**

#### **Nature of Activities (Continued)**

*PACT Project* - This project serves those who are homeless as a result of having experienced domestic violence or who are fleeing or attempting to flee a dangerous or violent situation. Participants can immediately utilize transitional housing if needed to provide for their emergency housing needs while they are working on locating their permanent housing.

*Community Development Block Grant CV (CDBG-CV)* – A rapid rehousing program serving HUD literally homeless households in the City of Grand Rapids. Households are eligible for Security Deposit assistance and up to 6 months of rental assistance. There are no income requirements, but households begin to contribute 30% of their adjusted income towards their rental costs starting in the fourth month of assistance.

*Gather and Align to End Homelessness: Home Investment Partnerships American Rescue Plan (GRACE HOME ARP)* - Offers short term financial assistance, outreach, and case management support services to participants experiencing HUD categories 1, 2, or 4 homelessness. All activities must take place in the City of Grand Rapids. The project consists of three sub recipients: AYA Youth, Well House, and Arbor Circle.

*Emergency Shelter Program (ESP)* – ESP is Community Rebuilders' scattered site emergency shelter program. It includes a variable number of master leased units throughout Kent County. Housing Resource Specialist services and emergency housing accommodations are provided to HUD literally homeless households to help them quickly obtain permanent housing.

*Community Housing Connect 2.0 (CHC 2.0)* – CHC 2.0 is an innovative coordinated entry system created to streamline and enhance the process of connecting individuals experiencing homelessness with the resources and services they need. The system is designed to streamline the process for people experiencing homelessness to access the housing and support services they need to permanently end their homelessness. CHC 2.0 uses standardized intake, assessment, and referral process to ensure equitable access to limited community resources. This system shares data in real time within the community.

*Geographically Targeted Outreach (GTO)* - This project is a partnership between Community Rebuilders, the City of Grand Rapids, DeVos Family Foundation, and Downtown Grand Rapids Inc. Through the project, CR works to connect individuals who are unsheltered to housing and services while restoring streets and encampments to their intended purpose. Community Rebuilders consults with City officials and community outreach teams to prioritize areas and individuals for services. This project provides Street Outreach, low barrier interim housing, supportive services, and rental assistance to some of the most vulnerable residents of Grand Rapids who are residing on the streets and places not meant for human habitation.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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## COMMUNITY REBUILDERS AND SUBSIDIARY

For the years ended December 31, 2024 and 2023

### **Note A – Nature of Activities and Summary of Significant Accounting Policies (Continued)**

#### **Nature of Activities (Continued)**

*CR LDHA - GRACE Homes* – GRACE Homes is a collaboration between Community Rebuilders and the City of Grand Rapids aimed at increasing housing options by developing high-quality, service-smart rental homes for homeless families in the community. Funded partially through the City's HOME Investment Partnerships Program, the units are subject to HOME rental and household income limits but are not subsidized by the program. The project includes a triplex with one 3-bedroom unit and two 4-bedroom units. Each home is equipped with a touchscreen device that provides 24/7 access to a variety of curated community-based services. Smart services include expert staff support from a trained and certified Housing Resource Specialist. Residents can interact with community resources conveniently to meet their social and health needs.

*LIHTC* - Community Rebuilders serves as the lead service agency for supportive service tenants residing in five affordable housing developments in Kent County, MI. As the Lead Service Provider, Community Rebuilders offers a range of Strengths Based supportive services to supportive housing tenants. These tenants receive a project-based voucher through MSHDA and ongoing supportive services through Community Rebuilders. Referrals to Community Rebuilders are made through the Coordinated Entry System, ensuring basic eligibility of the prioritized population. Community Rebuilders is the primary on-site service provider, offering services such as connection to mainstream benefits and income supports, completion of SOAR applications, landlord/tenant mediation, long-term tenancy supports, and more.

*HVRP (Homeless Veterans' Reintegration Program)*- HVRP provides homeless and at-risk veterans with tailored job training, career counseling, and supportive services to secure and maintain employment. Its goal is to enhance veterans' employability and facilitate their reintegration into the community and workforce, with ongoing follow-up to ensure long-term stability.

#### **Basis of Consolidation**

The accompanying consolidated financial statements present the financial position, results of operations and cash flows of Community Rebuilders (the "Organization"), which includes Community Rebuilders and Subsidiary. The Subsidiary is organized solely for the support of Community Rebuilders. All significant transactions and balances between the organizations have been eliminated in the consolidation.

#### **Basis of Accounting**

The financial statements have been prepared on the accrual basis of accounting, recording revenue when earned rather than when received, and recording expenses when incurred rather than when paid.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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COMMUNITY REBUILDERS AND SUBSIDIARY  
For the years ended December 31, 2024 and 2023

## **Note A – Nature of Activities and Summary of Significant Accounting Policies (Continued)**

### **Use of Estimates**

Management uses estimates and assumptions in preparing financial statements in accordance with accounting principles generally accepted in the United States of America. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were used.

### **Cash and Cash Equivalents**

Cash and cash equivalents consist of demand deposits in banks, institutional money market funds, and cash on hand. For purposes of the statement of cash flows, the Organization considers all highly liquid investments purchased with original maturities of three months or less to be cash equivalents, except that such assets held in endowment are generally classified as noncurrent. The Organization maintains cash balances in checking and savings accounts. The checking and savings accounts are insured by the Federal Deposit Insurance Corporation up to \$250,000 per financial institution. From time to time during the year, the Organization may have cash in a bank checking or savings account in excess of the federally insured limit.

### **Restricted Deposits**

Restricted deposits consist of funds that are not available for general business use due to legal or contractual restrictions. The Organization's restricted cash includes security deposits and operating and replacement reserves.

### **Investments**

Investments held by the Organization consist of money market funds, mutual funds, and corporate and US bonds. Such investments are carried at fair value, based on quoted market prices. Investments received as donations are initially recorded at fair value on the date of receipt. Thereafter, the carrying value of such investments is adjusted to fair value, which is determined by published market quotations. Realized gains and losses on the sale of investments are determined based on the first-in, first-out method. Unrealized gains and losses are included in nonoperating items on the statement of activities.

### **Accounts Receivable**

Accounts receivable include amounts due from contributions, and rents due from tenants and are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through the provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual receivables and historical collection experience along with current and reasonable supportable forecasts of future economic conditions. Balances that are still outstanding after management has used reasonable collection efforts are written off. The Organization has established an allowance of \$14,736 and \$3,939 for uncollectible rents for the years ended December 31, 2024 and 2023, respectively.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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**COMMUNITY REBUILDERS AND SUBSIDIARY**  
For the years ended December 31, 2024 and 2023

## **Note A – Nature of Activities and Summary of Significant Accounting Policies (Continued)**

### **Grants Receivable**

Grants receivable balances are stated at the amount management expects to collect from outstanding balances. The grants are largely made up of State and Federal funds which are historically consistent and stable sources of income. An allowance for uncollectible grant balances was not deemed unnecessary.

### **Inventory**

Inventory consists of donated furniture and household goods recorded at fair market value of the items at the time of donation. These items are distributed to program participants.

### **Property and Equipment**

Property and equipment are stated at cost, or in the case of donated property, at estimated fair value at the date of donation. The Organization follows a capitalization policy of \$5,000 in determining assets to be depreciated. Subsequent to year end the threshold was increased to \$10,000. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

Depreciation expense was \$38,497 and \$23,273 for the years ending December 31, 2024 and 2023, respectively. Construction in progress in 2023 pertained to the Community Wins and Day 1 GRACE units, which were placed in service during 2024.

Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets. The estimated useful lives are as follows:

Computers and equipment	3 years
Vehicles	5 years
Leasehold improvements	5 - 27.5 years
Buildings and building improvements	27.5 years

### **Deferred Revenue**

Deferred revenue represents funds received in advance for services to be performed in future periods. These amounts are recognized as revenue when the related services are performed. Deferred revenue is classified as a liability on the Statement of Financial Position until the revenue recognition criteria are met.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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COMMUNITY REBUILDERS AND SUBSIDIARY  
For the years ended December 31, 2024 and 2023

## **Note A – Nature of Activities and Summary of Significant Accounting Policies (Continued)**

### **Net Assets**

The Organization reports information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions – 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. These net assets may be used at the discretion of the Organization’s management and the board of directors.

Net assets with donor restrictions – net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by the actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, where the donor has stipulated the funds be maintained in perpetuity.

Donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

### **Concentration of Funding**

The Organization receives virtually all of its funding from the U.S. federal, state, and local governments. Loss of this funding would result in a substantial reduction in program services.

### **Revenue Recognition**

The Organization recognizes contributions when cash, securities, or other assets; an unconditional promise to give; or a notification of beneficial interest is received. Conditional promises to give – that is, those with a measurable performance obligation or other barrier and a right of return – are not recognized until the conditions on which they depend have been met. Contributions received are recorded as net assets with donor restrictions or net assets without donor restrictions, depending on the existence and/or nature of any donor restrictions. All donor-restricted support is reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a 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 reported in the statement of activities as net assets released from restrictions.

A portion of the Organization’s revenue is derived from cost-reimbursable governmental and private contracts and grants, which are conditioned upon the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as deferred revenue in the statement of financial position.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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**COMMUNITY REBUILDERS AND SUBSIDIARY**  
For the years ended December 31, 2024 and 2023

## ***Note A – Nature of Activities and Summary of Significant Accounting Policies (Continued)***

### **Revenue Recognition (Continued)**

Revenues from programs are recognized at the time the service is provided. Revenue received for programs ahead of the time the service is provided are reported as deferred revenue in the statement of financial position. Revenues from rental income and other charges to residents are recognized in the month earned.

### **Contributions of Nonfinancial Assets**

The Organization recognized in-kind contributions that create or enhance nonfinancial assets or require specialized skills and would typically be purchased had they not been provided by donation. These contributions assist the programs and supportive services of the Organization and are recorded at their fair value as contributions and expenses in the consolidated statement of activities in the period the service is provided. See Note J for more detailed information on the donated services and goods received.

### **Functional Expense Allocation**

Directly identifiable expenses are charged to programs and supporting services. 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. All expenses are allocated by direct invoices and program related expenses.

### **Income Taxes**

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(2). The Organization evaluates tax positions taken on its federal Exempt Organization Business Income Tax Returns in accordance with accounting principles generally accepted in the United States of America, which require that tax positions taken be more-likely-than-not to be sustained. Management believes that the Organization has no significant unrecognized tax benefits under that criteria. Penalties and interest, if any, assessed by income taxing authorities are included in operating expenses. The Organization's federal Exempt Organization Business Income Tax Returns are generally subject to examination by taxing authorities for three years after they were filed.

CR LDHA is a disregarded entity of Community Rebuilders, and as such the results of their operations are consolidated for federal and state tax purposes.

### **Leases**

The Organization has made an accounting policy election not to recognize right of use assets and lease liabilities that arise from short term leases (lease periods for less than 12 months and/or month-to-month leases) for any class of underlying asset.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

COMMUNITY REBUILDERS AND SUBSIDIARY  
For the years ended December 31, 2024 and 2023

### **Note A – Nature of Activities and Summary of Significant Accounting Policies (Continued)**

#### **Reclassifications**

Certain balances in the prior year financial statements have been reclassified for comparative purposes to confirm to the presentation in the current year consolidated financial statements.

#### **Subsequent Events**

Management evaluates events occurring subsequent to the date of the consolidated financial statements in determining the accounting for and disclosure of transactions and events that affect the consolidated financial statements. Subsequent events have been evaluated through June 30, 2025, which is the date the consolidated financial statements were available to be issued.

### **Note B – Liquidity and Availability**

The following represents the Organization's financial assets at December 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Financial assets:		
Cash and cash equivalents	\$ 588,613	\$ 611,109
Restricted cash	59,346	30,678
Investments	1,217,335	2,179,275
Accounts receivable, net	514,763	595,408
Grants receivable	572,345	326,988
Interest receivable	8,975	16,230
	<u>2,961,377</u>	<u>3,759,688</u>
Less amounts not available to be used within one year:		
Contractual limitations:		
Security deposits	43,530	30,678
GRACE Homes reserves	15,816	-
	<u>59,346</u>	<u>-</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 2,902,031</u>	<u>\$ 3,729,010</u>

Community Rebuilders regularly monitors the availability of resources to meet operating needs and other contractual commitments. The majority of the Organization's funds are received through direct reimbursement grants from the federal government and other funding sources; these funds are accessible as needed through reimbursement request and draws, with funds being available within a 24–48-hour period. The Organization regularly receives general contributions along with the utilization of its own rental program that is used to supplement grant funds. In addition, all other receivables from funding sources and program participants are net/30.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

COMMUNITY REBUILDERS AND SUBSIDIARY  
For the years ended December 31, 2024 and 2023

### **Note C – Investments**

Following are the values of investments securities as of December 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Money market	\$ 140,061	\$ 171,045
Mutual funds - fixed income	80,826	98,871
Corporate bonds	517,184	1,030,437
US Government notes and bonds	479,264	878,922
	<u>                  </u>	<u>                  </u>
Total	<u>\$ 1,217,335</u>	<u>\$ 2,179,275</u>

### **Note D – Retirement Plan**

The Organization sponsors a 403(b) plan. Under the plan, the Organization's retirement plan contribution is equal to 3% of an eligible employee's salary. Total retirement plan expense was \$96,675 and \$82,515 for the years ending December 31, 2024 and 2023, respectively.

### **Note E – Line of Credit**

The Organization renewed a \$250,000 line of credit with a bank during the year ended December 31, 2024 that matures on October 15, 2026. The interest rate is subject to change from time to time based on changes in the bank's prime rate and is calculated at 0.250 percentage points under the index. The interest rate for the years ending December 31, 2024 and 2023 was 7.50% and 8.25%, respectively. The Organization made monthly draws and repayments on the line of credit totaling \$1,450,000 during 2023. Total draws and repayments on the line of credit were \$550,000 in 2024, however, there was no balance outstanding as of December 31, 2024 and 2023.

### **Note F – Operating Leases**

The Organization has multiple building lease agreements for office space and storage. All leases operate on a month-to-month basis or year-by-year basis and may be terminated at any point with proper written notice. Total payments for these leases are expected to be approximately \$170,932 for the year ending December 31, 2025.

The Organization assesses each agreement individually and determines whether recognition is required. If the related right-of-use (ROU) asset and lease liability are deemed immaterial to the financial statements, the lease is not recognized on the consolidated statement of financial position.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

COMMUNITY REBUILDERS AND SUBSIDIARY  
For the years ended December 31, 2024 and 2023

### **Note F – Operating Leases (Continued)**

Future minimum payments for the next two years are as follows:

Years ending December 31, 2025	\$	179,584
2026		<u>8,652</u>
	\$	<u>188,236</u>

Total lease expense was \$152,034 and \$143,588 for the years ending December 31, 2024 and 2023, respectively.

### **Note G – Fair Value Measurement**

Accounting principles generally accepted in the United States of America establish a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted market prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The fair value hierarchy is categorized into three levels based on the inputs as follows:

**Level 1** – Unadjusted quoted prices in active markets for identical assets or liabilities.

**Level 2** – Quoted prices in markets that are not considered active or financial instruments for which significant inputs include quoted prices for similar assets or liabilities, interest rates, credit risk, etc.

**Level 3** – Significant unobservable inputs, which may include the Organization's own assumption in determining fair value.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for investments measured at fair value. There have been no changes in the methodologies used at December 31, 2024 and 2023.

*US Government and corporate bonds:* Valued based upon prices received from pricing services, using models which maximize observable inputs such as trades in exact or similar securities in active markets where available. Absent such trade data, models may incorporate other inputs such as yield curves constructed from yields of similar securities, broker quotes and other observable market data.

*Money market funds and mutual funds:* Valued based on quoted net asset values of the shares held by the Organization on the last business day of the year.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**COMMUNITY REBUILDERS AND SUBSIDIARY**  
For the years ended December 31, 2024 and 2023

### **Note G – Fair Value Measurement (Continued)**

Assets measured at fair value on a recurring basis comprise the following at December 31, 2024 and 2023:

Description:	Level 1		Level 2		Fair Value
					December 31, 2024
Money market	\$	140,061	\$	-	\$ 140,061
Mutual funds - fixed income		80,826		-	80,826
Corporate bonds		-		517,184	517,184
US Government notes and bonds		-		479,264	479,264
<b>Total</b>	<b>\$</b>	<b>220,887</b>	<b>\$</b>	<b>996,448</b>	<b>\$ 1,217,335</b>

  

Description:	Level 1		Level 2		Fair Value
					December 31, 2023
Money market	\$	171,045	\$	-	\$ 171,045
Mutual funds - fixed income		98,871		-	98,871
Corporate bonds		-		1,030,437	1,030,437
US Government notes and bonds		-		878,922	878,922
<b>Total</b>	<b>\$</b>	<b>269,916</b>	<b>\$</b>	<b>1,909,359</b>	<b>\$ 2,179,275</b>

### **Note H – Contingencies**

In the normal course of its activities, the Organization is a party to various legal actions and is subject to certain asserted and unasserted claims and assessments. The actual costs to the Organization, if any, in the event of an unfavorable outcome, and net of any applicable insurance recoveries, cannot be reasonably estimated at this time. Therefore, no liability has been recorded in the accompanying statement of financial position.

### **Note I – Net Assets with Donor Restrictions**

Net assets with donor restrictions are available for the following purposes at December 31:

	2024	2023
Veteran Programs	\$ 51,317	\$ 40,803
Non-Veterans Beautifully Home	2,708	3,100
HOME Investment Partnerships Program	308,751	-
<b>Total net assets with donor restrictions</b>	<b>\$ 362,776</b>	<b>\$ 43,903</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

COMMUNITY REBUILDERS AND SUBSIDIARY  
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### Note J – Contributed Nonfinancial Assets

Contributed nonfinancial assets recognized within the Statements of Activities as of December 31, 2024 and 2023 included:

Category	2024 Revenue Recognized	2023 Revenue Recognized	Utilization in Programs/Activities	Donor Restrictions	Valuation Techniques and Inputs
Household goods	\$285,764	\$203,415	Programs that provide household goods to constituents.	No associated donor restrictions.	Donor provides value at time of contribution.

### Note K – Notes Payable

Notes payable consist of a vehicle loan with a financial institution. The vehicle loan requires monthly interest and principal payments in the amount of \$894. The loan incurs an interest rate of 7.05% and matures on November 13, 2028. For the year ended December 31, 2024, total principal payments were \$676.

Future minimum payments are as follows:

Years ending December 31, 2025	\$ 8,404
2026	9,016
2027	9,672
2028	9,482
	<u>36,574</u>
	<u>\$ 36,574</u>

### Note L – Mortgage Payable

In 2024, the Organization received a \$375,000 non-interest-bearing loan from the City of Grand Rapids through the HOME Investment Partnerships Program to support eligible costs associated with the GRACE Homes affordable housing project. The loan is due and payable at the end of a 20-year Period of Affordability, with the balance being conditionally forgivable if all certain program requirements are met.

The loan was recorded at its present value of \$80,456, reflecting a discount of \$294,544. The discount is being amortized over the 20-year period using an 8% discount rate. For the year ended December 31, 2024, \$1,609 of the discount was amortized and reported as interest expense in the Statement of Activities. As of December 31, 2024, the mortgage payable was \$82,065 (net of unamortized discount of \$292,935).

Additionally, the Organization is required to maintain both an operating and replacement reserve. See notes M and N.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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COMMUNITY REBUILDERS AND SUBSIDIARY  
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### ***Note M – Operating Reserve***

In accordance with the requirements of the GRACE Homes project, the Organization is required to maintain an operating reserve. The operating reserve represents restricted cash to be used for short-term cash shortfalls and unexpected expenses. The reserve must maintain a minimum balance of the greater of \$31,040 or an amount equal to five months of operating expenses, required debt service, and replacement reserve payments. The operating reserve totaled \$14,916 for the year ended December 31, 2024.

### ***Note N – Replacement Reserve***

In accordance with the requirements of the GRACE Homes project, the Organization is required to maintain a replacement reserve. The replacement reserve represents restricted cash to be used for the replacement of eligible items at the end of their useful lives or for other eligible repairs or replacements necessary during the project. The Organization is required to make equal monthly deposits totaling \$1,800 for the first 12 months, with annual deposits increasing by 2% each year thereafter. The replacement reserve totaled \$900 for the year ended December 31, 2024.

### ***Note O – Subsequent Events***

On January 27, 2025, the Office of Management and Budget (OMB) of the United States Federal Government announced a freeze on the disbursement of federal grant and loan funds, effective January 28, 2025. Community Rebuilders has received its 2025 Continuum of Care (CoC) Program awards from the U.S. Department of Housing and Urban Development (HUD), including multi-year contracts that extend into 2026. While the broader implications of the OMB freeze remain uncertain and may depend on future federal actions, the organization has secured its federal funding for the current fiscal year. Management continues to monitor the situation and assess any potential impacts on future operations or funding cycles.