

REBUILDING TOGETHER PENINSULA

FINANCIAL STATEMENTS

SEPTEMBER 30, 2018

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Rebuilding Together Peninsula

Report on the Financial Statements

We have audited the accompanying financial statements of Rebuilding Together Peninsula (a nonprofit organization), which comprise the Statement of Financial Position as of September 30, 2018, and the related Statements of Activities, Functional Expenses, and Cash Flows for the year 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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 auditors' 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 Peninsula as of September 30, 2018, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

INDEPENDENT AUDITORS' REPORT

continued

Other Matter

Report on Summarized Comparative Information

The financial statements of Rebuilding Together Peninsula as of September 30, 2017 and September 30, 2016, were audited by other auditors whose reports dated June 11, 2018 and February 13, 2017 expressed an unmodified opinion on those statements.

Harrington Group

Oakland, California

March 28, 2019

REBUILDING TOGETHER PENINSULA

STATEMENT OF FINANCIAL POSITION

September 30, 2018

With comparative totals at September 30, 2017 and 2016

	<u>2018</u>	<u>2017</u>	<u>2016</u>
ASSETS			
Cash and cash equivalents	\$ 212,606	\$ 455,180	\$ 215,394
Accounts receivable	283,080	139,972	183,112
Investments (Note 3)	1,282,019	1,173,541	1,086,200
Prepaid and other assets	37,617	17,713	15,618
Inventories	42,726	23,454	50,564
Property and equipment (Note 4)	2,863,567	2,931,548	2,860,187
Other non-current assets (Note 4)	29,754	50,925	63,843
TOTAL ASSETS	<u><u>\$ 4,751,369</u></u>	<u><u>\$ 4,792,333</u></u>	<u><u>\$ 4,474,918</u></u>
LIABILITIES AND NET ASSETS			
LIABILITIES			
Accounts payable	\$ 41,138	\$ 22,609	\$ 29,695
Accrued liabilities (Note 5)	35,371	68,725	38,429
TOTAL LIABILITIES	<u>76,509</u>	<u>91,334</u>	<u>68,124</u>
NET ASSETS			
Unrestricted	3,831,349	4,082,496	3,911,891
Temporarily restricted (Note 6)	843,511	618,503	494,903
TOTAL NET ASSETS	<u>4,674,860</u>	<u>4,700,999</u>	<u>4,406,794</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 4,751,369</u></u>	<u><u>\$ 4,792,333</u></u>	<u><u>\$ 4,474,918</u></u>

The accompanying notes are an integral part of these financial statements.

REBUILDING TOGETHER PENINSULA

STATEMENT OF ACTIVITIES

For the year ended September 30, 2018

With comparative totals for the years ended September 30, 2017 and 2016

	2018			2017	2016
	Unrestricted	Temporarily Restricted	Total		
REVENUE AND SUPPORT					
Contributions	\$ 680,592	\$ 594,800	\$ 1,275,392	\$ 737,723	\$ 1,201,082
Government contracts	434,199		434,199	467,585	417,835
In-kind contributions (Note 8)	329,033		329,033	810,183	615,502
Gain on investment	137,811		137,811	86,579	145,982
Interest and dividend	31,642		31,642	31,630	36,792
Rental income	12,600		12,600	17,088	-
Special events	12,480		12,480	383,933	-
Other income			-	-	25,500
Net assets released from restrictions (Note 6)	369,792	(369,792)	-	-	-
TOTAL REVENUE AND SUPPORT	2,008,149	225,008	2,233,157	2,534,721	2,442,693
EXPENSES					
Program expenses	1,757,657		1,757,657	1,745,344	1,988,720
Management and general	290,566		290,566	310,882	219,876
Fundraising	211,073		211,073	184,290	231,719
TOTAL EXPENSES	2,259,296	-	2,259,296	2,240,516	2,440,315
CHANGE IN NET ASSETS	(251,147)	225,008	(26,139)	294,205	2,378
NET ASSETS, BEGINNING OF YEAR	4,082,496	618,503	4,700,999	4,406,794	4,404,416
NET ASSETS, END OF YEAR	\$ 3,831,349	\$ 843,511	\$ 4,674,860	\$ 4,700,999	\$ 4,406,794

The accompanying notes are an integral part of these financial statements.

REBUILDING TOGETHER PENINSULA

STATEMENT OF FUNCTIONAL EXPENSES

For the year ended September 30, 2018

With comparative totals for the years ended September 30, 2017 and 2016

	Program Services	Management and General	Fundraising	2018	Total Expenses	
					2017	2016
Salaries and wages	\$ 485,765	\$ 78,554	\$ 109,442	\$ 673,761	\$ 718,626	\$ 718,822
Payroll taxes and benefits	100,101	13,545	12,771	126,417	152,096	150,557
Total salaries and related expenses	<u>585,866</u>	<u>92,099</u>	<u>122,213</u>	800,178	870,722	869,379
Renovation-cash paid	681,969	38		682,007	694,048	849,324
Renovation-in kind	276,598			276,598	202,072	332,379
Depreciation	21,716	70,559	21,981	114,256	110,241	90,744
Professional fees	29,751	73,150	4,939	107,840	112,759	94,141
Volunteer expenses	64,797	1,286	3,937	70,020	64,670	20,305
In-kind expenses		16,335	28,100	44,435	24,857	805
Occupancy	23,631	1,723	2,149	27,503	25,703	17,656
Printing and postage	4,741	1,671	11,174	17,586	17,167	23,776
Taxes and licenses	14,522	1,135	1,053	16,710	8,387	8,388
Insurance	12,485	3,900	261	16,646	15,777	8,368
Advertising	7,126	229	8,349	15,704	5,878	15,987
Bank and investment fees	600	10,524	1,810	12,934	14,854	14,267
Transportation	9,020	3,145	352	12,517	15,141	24,623
Telephone	9,720	550	702	10,972	4,896	11,396
Office expenses	6,097	1,504	2,341	9,942	11,471	3,646
Staff training and conferences	902	8,242	560	9,704	17,435	14,328
Equipment maintenance	7,782	974	679	9,435	6,969	29,792
Dues and subscriptions	197	1,692	459	2,348	15,316	1,350
Payroll expenses		1,810		1,810	1,939	1,616
Other expenses	137		14	151	214	368
Newsletter				-	-	7,677
TOTAL 2018 FUNCTIONAL EXPENSES	<u>\$ 1,757,657</u>	<u>\$ 290,566</u>	<u>\$ 211,073</u>	<u>\$ 2,259,296</u>		
TOTAL 2017 FUNCTIONAL EXPENSES	<u>\$ 1,745,344</u>	<u>\$ 310,882</u>	<u>\$ 184,290</u>		<u>\$ 2,240,516</u>	
TOTAL 2016 FUNCTIONAL EXPENSES	<u>\$ 1,988,720</u>	<u>\$ 219,876</u>	<u>\$ 231,719</u>			<u>\$ 2,440,315</u>

The accompanying notes are an integral part of these financial statements.

REBUILDING TOGETHER PENINSULA

STATEMENT OF CASH FLOWS

For the year ended September 30, 2018

With comparative totals for the years ended September 30, 2017 and 2016

	2018	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES:			
Change in net assets	\$ (26,139)	\$ 294,205	\$ 2,378
Adjustments to reconcile change in net assets to net cash (used) provided by operating activities			
Depreciation	114,256	110,241	90,744
Net realized and unrealized (gains) on investments	(137,811)	(86,579)	(145,982)
Donation of property and equipment	(8,000)	(143,897)	(272,318)
(Increase) decrease in operating assets:			
Accounts receivable	(143,108)	43,140	(63,702)
Prepaid and other assets	(19,904)	(2,095)	1,058
Building supplies inventory	(19,272)	27,110	(16,314)
Increase (decrease) in operating liabilities:			
Accounts payable	18,529	(7,086)	12,904
Accrued liabilities	(33,354)	30,296	13,641
	(254,803)	265,335	(377,591)
NET CASH (USED) PROVIDED BY OPERATING ACTIVITIES			
CASH FLOWS FROM INVESTING ACTIVITIES:			
Proceeds from sale of investment	69,586	179,491	437,255
Purchase of investments	(40,253)	(180,253)	(147,181)
Purchase of property and equipment	(17,104)	(24,787)	(50,212)
	12,229	(25,549)	239,862
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES			
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(242,574)	239,786	(137,729)
CASH AND CASH EQUIVALENTS, BEGINNING OF THE YEAR	455,180	215,394	353,123
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 212,606	\$ 455,180	\$ 215,394
SUPPLEMENTAL DISCLOSURE:			
Property acquired by in-kind contributions:	\$ 8,000	\$ 143,897	\$ 272,318

The accompanying notes are an integral part of these financial statements.

REBUILDING TOGETHER PENINSULA

NOTES TO FINANCIAL STATEMENTS

1. Organization

Rebuilding Together Peninsula is a California nonprofit public benefit corporation, that provides critical repairs, accessibility modifications and energy efficient upgrades to low income homes and community facilities at no cost to service recipients in San Mateo County and Santa Clara County. It solicits donations of money, material and labor in order to support these activities which occur throughout the year.

2. Summary of Significant Accounting Policies

A summary of the significant accounting policies applied in the preparation of the accompanying financial statements is as follows:

a) Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting.

b) Accounting

To ensure observance of certain constraints and restrictions placed on the use of resources, the accounts of Rebuilding Together Peninsula are maintained in accordance with the principles of net asset accounting. This is the procedure by which resources for various purposes are classified for accounting and reporting purposes into net asset classes that are in accordance with specified activities or objectives. Accordingly, all financial transactions have been recorded and reported by net asset class as follows:

Unrestricted. These generally result from revenue generated by providing services, receiving unrestricted contributions, and receiving interest from investments less expenses incurred in providing program-related services, raising contributions, and performing administrative functions.

Temporarily Restricted. Rebuilding Together Peninsula reports gifts of cash and other assets as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or the purpose of the restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions. Rebuilding Together Peninsula has temporarily restricted net assets of \$843,511 at September 30, 2018.

Permanently Restricted. These net assets are restricted by donors who stipulate that resources are to be maintained permanently but permit the expenditure of all of the income (or other economic benefits) derived from the donated assets. Rebuilding Together Peninsula has no permanently restricted net assets at September 30, 2018.

REBUILDING TOGETHER PENINSULA

NOTES TO FINANCIAL STATEMENTS

2. Summary of Significant Accounting Policies, continued

c) Cash and Cash Equivalents

Rebuilding Together Peninsula has defined cash and cash equivalents as consisting mainly of cash, petty cash and money market funds. For the purposes of the Cash Flow Statement, Rebuilding Together Peninsula considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

d) Accounts Receivable

Rebuilding Together Peninsula considers all accounts receivable to be fully collectible, accordingly no allowance for doubtful debts is considered necessary.

e) Contributions and Grants Receivable

Unconditional promises to give that are expected to be collected within one year are recorded as net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at fair value, which is measured as the present value of their future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Conditional promises to give are not included as support until the conditions are substantially met.

f) Investments

Rebuilding Together Peninsula values its investments at fair value. Unrealized gains or losses (including investments bought, sold, and held during the year) are reflected in the Statement of Activities as gain or loss on investments. Short-term highly liquid money market deposits that are not used for operations are treated as cash.

g) Inventory

Inventory consists of building supplies and materials purchased and received for repair and rebuilding projects and is stated at lower of cost or market.

h) Concentration of Credit Risks

Rebuilding Together Peninsula places its temporary cash investments with high-credit, quality financial institutions. At times, such investments may be in excess of the Federal Deposit Insurance Corporation insurance limit. Rebuilding Together Peninsula has not incurred losses related to these investments.

REBUILDING TOGETHER PENINSULA

NOTES TO FINANCIAL STATEMENTS

2. Summary of Significant Accounting Policies, continued

i) Fair Value Measurements

Generally accepted accounting principles provide guidance on how fair value should be determined when financial statement elements are required to be measured at fair value. Valuation techniques are ranked in three levels depending on the degree of objectivity of the inputs used with each level:

Level 1 inputs - quoted prices in active markets for identical assets

Level 2 inputs - quoted prices in active or inactive markets for the same or similar assets

Level 3 inputs - estimates using the best information available when there is little or no market

Rebuilding Together Peninsula is required to measure in-kind contributions and investments at fair value. The specific techniques used to measure fair value for these financial statement elements are described in the notes below that relate to each element.

j) Property and Equipment

Property and equipment are recorded at cost if purchased or at fair value at the date of donation if donated. Maintenance and repair costs are charged to expense as incurred. Property and equipment are capitalized if the cost of an asset is greater than or equal to one thousand dollars and the useful life is greater than one year. Depreciation is computed on the straight-line basis over the estimated useful lives of the related assets.

k) In-kind Contributions

Contributions of donated non-cash assets are measured on a non-recurring basis and recorded at fair value in the period received. Contributions of donated services that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at fair value in the period received. For the year ended September 30, 2018, Rebuilding Together Peninsula received in-kind contributions of \$329,033 of which \$201,132 were donated services, \$8,000 were donated property and equipment and \$112,301 were donated materials. See note 8.

l) Functional Allocation of Expenses

Costs of providing Rebuilding Together Peninsula's programs and other activities have been presented in the Statement of Functional Expenses. During the year, such costs are accumulated into separate groupings as either direct or indirect. Indirect or shared costs are allocated among program and support services based upon usage, employee ratios, and/or square footage of occupied space.

REBUILDING TOGETHER PENINSULA

NOTES TO FINANCIAL STATEMENTS

2. Summary of Significant Accounting Policies, continued

m) Income Taxes

Rebuilding Together Peninsula is exempt from taxation under Internal Revenue Code Section 501(c)(3) and California Revenue and Taxation Code Section 23701d.

Generally accepted accounting principles provide accounting and disclosure guidance about positions taken by an organization in its tax returns that might be uncertain. Management has considered its tax positions and believes that all of the positions taken by Rebuilding Together Peninsula in its federal and state exempt organization tax returns are more likely than not to be sustained upon examination. Rebuilding Together Peninsula's returns are subject to examination by federal and state taxing authorities, generally for three and four years, respectively, after they are filed.

n) Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect reported amounts of assets, liabilities, revenues, and expenses as of the date and for the period presented. Actual results could differ from those estimates.

o) Comparative Totals

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with Rebuilding Together Peninsula's financial statements for the year ended September 30, 2017 and September 30, 2016, from which the summarized information were derived.

p) Reclassifications

Certain amounts from the September 30, 2017 and September 30, 2016 financial statements have been reclassified to conform to the September 30, 2018 presentation.

q) Subsequent Events

Management has evaluated subsequent events through March 28, 2019, the date which the financial statements were available for issue. No events or transactions have occurred during this period that appear to require recognition or disclosure in the financial statements.

continued

REBUILDING TOGETHER PENINSULA

NOTES TO FINANCIAL STATEMENTS

3. Investments

Investments at September 30, 2018, 2017 and 2016 consist of the following:

	<u>2018</u>	<u>2017</u>	<u>2016</u>
Equities	\$ 842,771	\$ 803,872	\$ 829,050
Fixed income	373,385	313,005	196,734
Exchange traded funds	34,936	34,400	30,056
Other assets	<u>30,927</u>	<u>22,264</u>	<u>30,360</u>
Total	<u>\$1,282,019</u>	<u>\$1,173,541</u>	<u>\$1,086,200</u>

4. Property and Equipment and Other non-current assets

Property and equipment and other non-current assets at September 30, 2018, 2017 and 2016 consist of the following:

Property and Equipment

	<u>2018</u>	<u>2017</u>	<u>2016</u>
Land	\$1,287,613	\$1,287,613	\$1,287,613
Building	738,297	738,297	738,297
Building improvements	1,341,341	1,340,179	1,198,251
Furniture and equipment	139,743	131,742	124,984
Vehicles	<u>15,000</u>	<u>15,000</u>	<u>15,000</u>
	3,521,994	3,512,831	3,364,145
Less: accumulated depreciation	<u>(658,427)</u>	<u>(581,283)</u>	<u>(503,958)</u>
	<u>\$2,863,567</u>	<u>\$2,931,548</u>	<u>\$2,860,187</u>

Other non-current assets

	<u>2018</u>	<u>2017</u>	<u>2016</u>
Promotional videos	\$ 72,968	\$ 57,968	\$ 37,967
Database development/conversion	62,610	62,610	62,610
Website	<u>45,684</u>	<u>45,683</u>	<u>45,683</u>
	181,262	166,261	146,260
Less: accumulated depreciation	<u>(151,508)</u>	<u>(115,336)</u>	<u>(82,417)</u>
	<u>\$ 29,754</u>	<u>\$ 50,925</u>	<u>\$ 63,843</u>

Depreciation expense for the years ended September 30, 2018, 2017 and 2016 were \$114,256, \$110,241 and \$90,743 respectively.

continued

REBUILDING TOGETHER PENINSULA

NOTES TO FINANCIAL STATEMENTS

5. Accrued Liabilities

Accrued liabilities at September 30, 2018, 2017 and 2016, consist of the following:

	<u>2018</u>	<u>2017</u>	<u>2016</u>
Accrued vacation	\$18,896	\$33,724	\$30,739
Other accrued liabilities	16,475	32,454	5,884
Accrued payroll	-	2,547	1,806
	<u>\$35,371</u>	<u>\$68,725</u>	<u>\$38,429</u>

6. Temporarily Restricted Net Assets

Temporarily restricted net assets at September 30, 2018, 2017 and 2016 are restricted for the following programs:

	<u>2018</u>	<u>2017</u>	<u>2016</u>
Healthy Housing Challenge	\$344,211	\$353,503	\$349,903
Accessory Dwelling Unit (“ADU”) Project	201,900	125,000	-
ADU Program	147,400	-	-
Safe at Home	115,000	110,000	95,000
Others	35,000	30,000	50,000
	<u>\$843,511</u>	<u>\$618,503</u>	<u>\$494,903</u>

For the years ended September 30, 2018, 2017 and 2016, net assets released from purpose restrictions were \$369,792, \$278,900 and \$214,448 respectively.

7. Commitment

Rebuilding Together Peninsula is an affiliate member of Rebuilding Together, a national organization. Under the membership agreement Rebuilding Together Peninsula is required to contribute an established percentage of its monetary income each year to the national organization as a fee for membership. The membership fee for the year ended September 30, 2018 was \$15,000.

8. In-kind Contributions

Rebuilding Together Peninsula received donated services from a variety of unpaid volunteers. The value of these contributed time are not reflected in the accompanying financial statements since the services do not require specialized skills. During the years ended September 30, 2018, 2017 and 2016, these volunteers donated approximately 16,932, 17,720 and 17,168 hours respectively.

Rebuilding Together Peninsula also received donated services and materials which were recorded at fair market value as follows:

continued

REBUILDING TOGETHER PENINSULA

NOTES TO FINANCIAL STATEMENTS

8. In-kind Contributions, continued

	<u>2018</u>	<u>2017</u>	<u>2016</u>
Renovation materials and labor	\$276,598	\$202,072	\$332,379
Dreams Happen event and others	29,795	439,357	10,805
Legal services	14,640	24,857	-
Donated property and equipment	<u>8,000</u>	<u>143,897</u>	<u>272,318</u>
	<u>\$329,033</u>	<u>\$810,183</u>	<u>\$615,502</u>

9. Fair Value Measurements

The table below presents the balances of assets measured at fair value at September 30, 2018, 2017 and 2016 on a recurring basis:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>September 30, 2018</u>				
Equities				
Health care	\$198,017	\$ -	\$ -	\$ 198,017
Consumer goods	171,895			171,895
Technology	162,008			162,008
Financial services	128,006			128,006
Industrial goods	77,187			77,187
Energy	52,575			52,575
Communication services	27,496			27,496
Basic materials	<u>25,587</u>			<u>25,587</u>
Total equities	<u>842,771</u>	<u>-</u>	<u>-</u>	<u>842,771</u>
Fixed income				
Corporate bonds		303,660		303,660
U.S. Treasury notes	<u>69,725</u>			<u>69,725</u>
Total fixed income	<u>69,725</u>	<u>303,660</u>	<u>-</u>	<u>373,385</u>
Exchange traded funds ("ETF")				
Diversified emerging market	<u>34,936</u>			<u>34,936</u>
Total ETF	<u>34,936</u>	<u>-</u>	<u>-</u>	<u>34,936</u>
Other assets				
Real estate	<u>30,927</u>			<u>30,927</u>
Total other assets	<u>30,927</u>	<u>-</u>	<u>-</u>	<u>30,927</u>
Fair value at September 30, 2018	<u>\$978,359</u>	<u>\$303,660</u>	<u>\$ -</u>	<u>\$1,282,019</u>

continued

REBUILDING TOGETHER PENINSULA

NOTES TO FINANCIAL STATEMENTS

9. Fair Value Measurements, continued

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>September 30, 2017</u>				
Equities				
Health care	\$179,987	\$ -	\$ -	\$ 179,987
Consumer goods	122,409			122,409
Technology	158,124			158,124
Financial services	125,173			125,173
Industrial goods	103,538			103,538
Energy	47,952			47,952
Communication services	25,487			25,487
Basic materials	<u>41,202</u>			<u>41,202</u>
Total equities	<u>803,872</u>	<u>-</u>	<u>-</u>	<u>803,872</u>
Fixed income				
Corporate bonds		<u>313,005</u>		<u>313,005</u>
Total fixed income	<u>-</u>	<u>313,005</u>	<u>-</u>	<u>313,005</u>
ETF				
Diversified emerging market	<u>34,400</u>			<u>34,400</u>
Total ETF	<u>34,400</u>	<u>-</u>	<u>-</u>	<u>34,400</u>
Other assets				
Real estate	<u>22,264</u>			<u>22,264</u>
Total other assets	<u>22,264</u>	<u>-</u>	<u>-</u>	<u>22,264</u>
Fair value at September 30, 2017	<u>\$860,536</u>	<u>\$313,005</u>	<u>\$ -</u>	<u>\$1,173,541</u>
<u>September 30, 2016</u>				
Equities				
Health care	\$209,891	\$ -	\$ -	\$ 209,891
Consumer goods	115,933			115,933
Technology	146,761			146,761
Financial services	93,105			93,105
Industrial goods	121,358			121,358
Energy	67,940			67,940
Communication services	26,770			26,770
Basic materials	<u>47,292</u>			<u>47,292</u>
Total equities	<u>829,050</u>	<u>-</u>	<u>-</u>	<u>829,050</u>
Fixed income				
Corporate bonds		<u>196,734</u>		<u>196,734</u>
Total fixed income	<u>-</u>	<u>196,734</u>	<u>-</u>	<u>196,734</u>

continued

REBUILDING TOGETHER PENINSULA

NOTES TO FINANCIAL STATEMENTS

9. Fair Value Measurements, continued

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
ETF				
Diversified emerging market	<u>30,056</u>	<u> </u>	<u> </u>	<u>30,056</u>
Total ETF	<u>30,056</u>	<u> </u>	<u> </u>	<u>30,056</u>
Other assets				
Real estate	<u>30,360</u>	<u> </u>	<u> </u>	<u>30,360</u>
Total other assets	<u>30,360</u>	<u> </u>	<u> </u>	<u>30,360</u>
Fair value at September 30, 2016	<u>\$889,466</u>	<u>\$196,734</u>	<u>\$ </u>	<u>\$1,086,200</u>

The fair values of equities, U.S. Treasury notes, exchange traded funds and other assets have been measured on a recurring basis using quoted prices for identical assets in active markets (Level 1 inputs).

The fair value of corporate bonds, has been measured on a non-recurring basis using quoted prices for similar assets in inactive markets (Level 2 inputs).

The table below present transactions measured at fair value on a non-recurring basis during the year ended September 30, 2018, 2017 and 2016:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Donated renovation materials and labor	\$ -	\$276,598	\$ -	\$276,598
Dreams Happen event and others		29,795		29,795
Donated services		14,640		14,640
Donated property and equipment		8,000		8,000
Fair value at September 30, 2018	<u>\$ -</u>	<u>\$329,033</u>	<u>\$ -</u>	<u>\$329,033</u>
Donated renovation materials and labor	\$ -	\$202,072	\$ -	\$202,072
Donated services		24,857		24,857
Donated property and equipment		143,897		143,897
Dreams Happen event materials and labor		439,357		439,357
Fair value at September 30, 2017	<u>\$ -</u>	<u>\$810,183</u>	<u>\$ -</u>	<u>\$810,183</u>
Donated renovation materials and labor	\$ -	\$332,379	\$ -	\$332,379
Donated property and equipment		272,318		272,318
Others		10,805		10,805
Fair value at September 30, 2016	<u>\$ -</u>	<u>\$615,502</u>	<u>\$ -</u>	<u>\$615,502</u>

The fair value of in-kind contributions has been measured on a non-recurring basis using quoted prices for similar assets in inactive markets (Level 2 inputs).