REBUILD UPSTATE

FINANCIAL STATEMENTS

Years Ended August 31, 2025 and 2024

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Rebuild Upstate
Greenville, South Carolina

Opinion

We have audited the accompanying financial statements of Rebuild Upstate (a nonprofit organization), which comprise the statement of financial position as of August 31, 2025, and the related statement of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Rebuild Upstate as of August 31, 2025, and the changes in its net assets and its cash flows for the year ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Rebuild Upstate and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Prior Period Financial Statements

The financial statements of Rebuild Upstate as of and for the year ended August 31, 2024 were audited by another auditor whose report dated December 6, 2024 expressed an unmodified opinion on those financial statements.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Rebuild Upstate's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of 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 Rebuild Upstate's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Rebuild Upstate'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.

Jennings Cook + Co.

February 27, 2026

REBUILD UPSTATE

STATEMENTS OF FINANCIAL POSITION

August 31, 2025 and 2024

ASSETS

	2025	2024
Cash and cash equivalents	$ 662,765	$ 657,164
Investments - certificate of deposit	259,479	250,000
Accounts receivable	343,397	82,579
Prepaid expenses	4,120	-
Property and equipment, net of accumulated depreciation (Note 5)	468,959	465,159
Total assets	$1,738,720	$1,454,902

LIABILITIES AND NET ASSETS

Accounts payable	$ 60,648	$ 49,350
Accrued expenses	2,713	24,744
Notes payable, net of unamortized debt issuance cost (Note 2)	120,808	329,870
Total liabilities	184,169	403,964
Net assets:		
Without donor restrictions	1,541,011	907,820
With donor restrictions	13,540	143,118
Total net assets	1,554,551	1,050,938
Total liabilities and net assets	$1,738,720	$1,454,902

See accompanying notes.

REBUILD UPSTATE

STATEMENTS OF ACTIVITIES

Years Ended August 31, 2025 and 2024

	Without Donor Restrictions	With Donor Restrictions	Total 2025	Total 2024
OPERATING REVENUE				
Contributions of cash and other financial assets:				
Corporate and individual giving	$ 682,849	$ 44,228	$ 727,077	$ 533,154
Operational grants	418,450	-	418,450	520,149
Capital grants and contributions	2,219	106,000	108,219	296,381
Contract grants	969,068	-	969,068	777,035
Contributions of non-financial assets	38,737	-	38,737	46,469
Gross special events revenue	-	-	-	52,522
Net assets released from restriction	279,806	(279,806)	-	-
Total operating revenue	2,391,129	(129,578)	2,261,551	2,225,710
OPERATING EXPENSES				
Program Services	1,593,475	-	1,593,475	1,172,423
Management and general	252,646	-	252,646	236,726
Fundraising	259,643	-	259,643	332,053
Total operating expenses	2,105,764	-	2,105,764	1,741,202
NONOPERATING ACTIVITIES				
Interest income	39,840	-	39,840	8,373
Management fees	28,495	-	28,495	-
Employee retention tax credits	276,492	-	276,492	-
Other	2,999	-	2,999	2,458
Total nonoperating activities	347,826	-	347,826	10,831
INCREASE (DECREASE) IN NET ASSETS	633,191	(129,578)	503,613	495,339
NET ASSETS, BEGINNING OF YEAR	907,820	143,118	1,050,938	555,599
NET ASSETS, END OF YEAR	$1,541,011	$ 13,540	$1,554,551	$1,050,938

See accompanying notes.

REBUILD UPSTATE

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended August 31, 2025 and 2025

	2025			
	Program Services	Management and General	Fundraising	Total
Salaries and wages	$ 385,476	$ 126,711	$ 153,408	$ 665,595
Payroll taxes	28,739	9,517	11,585	49,841
Other employee benefits	2,992	3,196	3,740	9,928
Retirement plan contributions	11,084	4,115	4,989	20,188
Professional development	1,549	10,368	204	12,121
Travel	18,167	210	350	18,727
Depreciation	19,462	4,086	5,094	28,642
Office expenses	6,286	5,753	3,731	15,770
Conferences and meetings	-	477	-	477
Accounting and audit	-	9,100	-	9,100
Community engagement	12,485	162	58,462	71,109
Federal grants	4,603	-	-	4,603
Repayment of federal grants	21,709	-	-	21,709
Insurance	20,811	31,567	3,244	55,622
Information technology	31,500	9,659	14,119	55,278
Interest expense	-	23,054	-	23,054
Miscellaneous	-	4,195	-	4,195
Material and services	978,324	-	-	978,324
Occupancy	50,288	10,476	717	61,481
	$1,593,475	$ 252,646	$ 259,643	$2,105,764

See accompanying notes.

REBUILD UPSTATE

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended August 31, 2024

	2024			
	Program Services	Management and General	Fundraising	Total
Salaries and wages	$ 285,521	$ 93,105	$ 242,072	$ 620,698
Payroll taxes	21,848	7,124	18,523	47,495
Other employee benefits	4,018	1,310	3,406	8,734
Retirement plan contributions	-	12,337	-	12,337
Professional development	-	12,491	-	12,491
Vehicles and trailer	19,405	-	-	19,405
Depreciation	-	22,203	-	22,203
Office expenses	-	14,958	1,130	16,088
Conferences and meetings	-	933	-	933
Accounting and audit	-	3,800	-	3,800
Community engagement	-	-	28,444	28,444
Federal grants	589	-	-	589
Insurance	23,656	14,016	177	37,849
Information technology	20,159	13,198	19,776	53,133
Interest expense	-	4,117	-	4,117
Miscellaneous	-	11,227	-	11,227
Material and services	763,135	-	-	763,135
Occupancy	34,092	25,907	2,842	62,841
Food and beverage	-	-	6,216	6,216
Entertainment	-	-	3,000	3,000
Auction items	-	-	5,135	5,135
Advertising and promotion	-	-	1,332	1,332
	$1,172,423	$ 236,726	$ 332,053	$1,741,202

See accompanying notes.

REBUILD UPSTATE

STATEMENTS OF CASH FLOWS

Years Ended August 31, 2025 and 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in net assets	$ 503,613	$ 495,339
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	28,642	22,203
Amortization of debt issuance costs	2,618	654
Noncash donation of asset	(645)	(12,377)
Loss on disposal of asset	-	206
Net changes in operating assets and liabilities:		
Accounts receivable	(260,818)	100,268
Prepaid expenses	(4,120)	-
Accounts payable	11,298	(4,878)
Other accrued expenses	(22,031)	13,630
Net cash provided by operating activities	258,557	615,045
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of land and building	(32,442)	(404,450)
Purchase of certificate of deposit	(9,479)	(250,000)
Net cash used in investing activities	(41,921)	(654,450)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments of debt issuance costs	-	(13,089)
Proceeds from issuance of notes payable	-	343,783
Principal payments of notes payable	(211,035)	(1,478)
Net cash (used) provided by financing activities	(211,035)	329,216
NET INCREASE IN CASH AND CASH EQUIVALENTS	5,601	289,811
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	657,164	367,353
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 662,765	$ 657,164
SUPPLEMENTAL CASH FLOW INFORMATION:		
Interest paid	$ 20,436	$ 3,463

See accompanying notes.

REBUILD UPSTATE

NOTES TO FINANCIAL STATEMENTS

August 31, 2025 and 2024

NOTE 1--NATURE OF OPERATIONS

Rebuild Upstate (the "Organization") exists to repair the existing homes of the disabled, low-income and elderly homeowners, preserving affordable housing in its communities by making houses safer, healthier, and more livable. The Organization accomplishes this mission by engaging with community partners to provide materials, funding and volunteer support for home repair. Rebuild Upstate was organized and incorporated under the laws of the State of South Carolina in February 2007 as a not-for-profit organization. They are exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC).

Major sources of revenue include contributions from businesses, individuals and churches, and contracts from local, state and federal agencies. Rebuild Upstate serves homes in Greenville, Anderson, Pickens and Oconee Counties in South Carolina.

NOTE 2--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The books and accounts of the Organization are maintained, and the accompanying financial statements are prepared, on the accrual basis of accounting in accordance with accounting principles generally accepted in the United State of America ("US GAAP"). Income is recognized when earned and costs and expenses are recognized when the obligations are incurred. Accordingly, all significant receivables, payables, and other assets and liabilities are reflected in the accompanying Statement of Financial Position.

ESTIMATES

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

CASH AND CASH EQUIVALENTS

The Organization considers all unrestricted, highly liquid investments with an initial maturity of three months or less to be cash equivalents.

INVESTMENTS

Investments consist of a certificate of deposit with a regional bank. It is reported at cost which approximates fair value in the accompanying statement of financial position, and has a maturity date of February 23, 2026 and bears interest at 3.68%. Interest income is recorded in the statement of activities as an increase in unrestricted net assets.

NOTE 2--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

CONTRACTS RECEIVABLE

Contracts receivable at August 31, 2025 and 2024 consist of amounts due from federal and state grantor agencies to fund items through reimbursable grants. Management believes that items submitted for reimbursement are within funding guidelines and that collection is reasonably assured. No allowance for credit losses was considered necessary at August 31, 2025 or 2024.

PROPERTY AND EQUIPMENT

Property and equipment is stated at cost or if donated, at the estimated fair value at the date of donation. Additions with a value of $5,000 or greater are capitalized. Replacements, maintenance, and repairs, which do not improve or extend the life of an asset, are expensed as incurred. Depreciation is computed by the straight-line method over the assets' respective estimated useful lives as follows:

Buildings	39 years
Equipment and furnishings	5 years
Vehicles	5-7 years

NET ASSETS

The Organization presents information regarding its financial position and activities according to two classes of net assets described as follows:

Net assets without donor restrictions – These net assets generally result from contributions that have no donor restrictions, providing services, and receiving interest from operating investments, less expenses incurred in providing program related services, raising contributions, and performing administrative functions.

Net assets with donor restrictions – These net assets result from gifts of cash and other assets that are received with donor stipulations that limit the use of the donated assets, either temporarily or permanently, until the stipulated time restriction ends, or the purpose of the restriction is accomplished.

REVENUE RECOGNITION

The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, through the accomplishment of a specific purpose or the passage of time, or both, 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. Restricted contributions received for which the restrictions are met in the year of receipt are reported as net assets without donor restriction support.

NOTE 2--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

REVENUE RECOGNITION (Continued)

The Organization recognizes contributions in accordance with Accounting Standards Update No. 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made.* This guidance clarifies the definition of a conditional contribution, and states that these contributions should not be recognized as revenue until such time as the conditions are substantially met. The Organization received no conditional contributions during the years ended August 31, 2025 or 2024.

CONTRIBUTIONS OF NON-FINANCIAL ASSETS

Support arising from donated goods, property, material and services are recognized in the financial statements at fair value. Such donations are reported in net assets without donor restrictions unless the donor has restricted the donated asset to a specific purpose.

Donated services are recognized when the services received create or enhance non-financial assets or require specialized skills provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. A substantial number of volunteers have made significant contributions of their time to the Organization principally in the area of house construction. The value of non-professional contributed time is not reflected in the accompanying financial statements.

From time to time the Organization may receive donations of materials and supplies used in home repair. Such items are recorded as contributions of non-financial assets in the accompanying Statement of Activities. Donations of vehicles suitable for use by the organization are recorded in property and equipment.

FUNCTIONAL EXPENSES

Management considers all expenses incurred in the Organization’s focus areas to be program related.

Certain categories of expenses are attributable to both program services and supporting functions. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Expenses are allocated based on management estimates of time, effort and usage.

NOTE 2--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

COMPENSATED ABSENCES

The Organization provides eligible employees vacation leave based on years of service. The Organization's vacation policy allows limited carryover from one year to the next. Upon termination of employment for any reason all unused vacation leave is forfeited; therefore, no provision has been made in the financial statement.

INCOME TAXES

The Organization is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code but remains subject to income taxes on any business income unrelated to the Organization's tax exempt purpose. For the year ended August 31, 2025, there was no unrelated business income. The Organization is subject to audits by various taxing authorities, but as August 31, 2025, no such audits or examinations were in process. The Organization's policy is to record any income tax-related interest and penalties separate from any income tax expense. The Organization is not a private foundation within the meaning of Section 509(a) of the Internal Revenue Code.

DEBT ISSUANCE COSTS

Debt issuance costs are deferred and amortized to interest expense on the accompanying Statements of Activities using the effective interest method or the straight-line method when it does not materially differ from the effective interest method. The Organization records debt issuance costs as a direct reduction of the carrying value of the debt liability. Total debt issuance costs (net of accumulated amortization) totaled $9,817 and $12,435 at August 31, 2025 and 2024, respectively.

FAIR VALUE OF FINANCIAL INSTRUMENTS

The Organization's financial instruments consist of cash and cash equivalents, investments, accounts receivable, accounts payable, and accrued expenses, and notes payable. These items are stated at cost, which approximates fair value.

RECLASSIFICATIONS

Certain amounts in the prior year financial statements have been reclassified for comparative purposes to conform with the presentation in the current year financial statements. The reclassifications have no effect on the previously reported net assets or changes in net assets.

NOTE 3--LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donors or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

	2025	2024
Cash and cash equivalents	$ 662,765	$ 657,164
Accounts receivable	343,397	82,579
Investments	259,479	250,000
Less amounts not available to be used within one year:		
Net assets with donor restrictions	(13,540)	(143,118)
Financial assets available to meet general expenditures within one year	$1,252,101	$ 846,625

The Organization has diverse revenue streams that include contributions from businesses, individuals and churches, income from fundraisers, and various grant sources. The Organization continues to implement its strategic plan which includes a capital campaign, in an effort to increase the number of homeowners served. The Organization's financial health is monitored through monthly reporting to the Board of Directors, and it maintains budgetary guidelines and cash management policies to ensure proper management of financial assets.

The Organization maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities, and other obligations become due. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its ongoing program activities, as well as the conduct of services undertaken to support those activities, to be general expenditures.

NOTE 4--CONCENTRATION OF CREDIT RISK

The Organization maintains accounts and deposits three financial institutions. These accounts are insured by the Federal Deposit Insurance Corporation for up to $250,000 per institution. Amounts on deposit may exceed the federally insured limit at times during the year. The Organization believes that there is no significant credit risk with respect to these deposits.

The Organization receives substantial amount of support from grantor agencies for its programs. A significant change in the level of this support, if it were to occur, would have an adverse effect on the Organization's programs and activities. It is reasonably possible that benefactors, grantors, or contributors might be lost in the near term.

NOTE 5--PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at August 31,

	2025	2024
Buildings	$ 275,112	$ 242,670
Land	161,780	161,780
Equipment and furnishings	1,580	1,580
Trailers	19,650	19,650
Vehicles	127,354	127,354
In-kind donated vehicles	19,377	19,377
	604,853	572,411
Less accumulated depreciation	135,894	107,252
	$ 468,959	$ 465,159

Depreciation expense was $28,642 and $22,203 for the years ended August 31, 2025 and 2024, respectively.

NOTE 6--NOTES PAYABLE

Notes payable are as follows:

	2025	2024
Term note payable to a financial institution, due in 59 monthly installments of $2,470, including accrued interest at 5.95% through August 27, 2034; the Organization made an unscheduled payment of $200,000 in August 2025 resulting in a final ballon payment estimated at $41,434; secured by real property located at 805 Liberty Drive	$ 130,625	$ 342,305
Less unamortized debt issuance costs	(9,817)	(12,435)
Total notes payable, net	$ 120,808	$ 329,870

Future maturities of notes payable are as follows:

2026	$ 22,491
2027	23,771
2028	25,234
2029	59,130
	$ 130,626

NOTE 7--NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are as follows at August 31,

	2025	2024
Capital grants for Liberty Drive building purchase and related expenses.	$ 13,540	$ 143,118

NOTE 7--NET ASSETS WITH DONOR RESTRICTIONS (Continued)

Net assets were released from donor restrictions as they were used for their intended purpose as specified by the donor as follows for the year ended August 31,

	2025	2024
Use of funds for Liberty Drive building:		
Down payment	$ -	$ 68,318
Inspection	-	2,250
Earnest money	-	4,350
Mortgage payments	232,116	3,463
Upfitting	47,690	13,501
Total	$ 279,806	$ 91,882

NOTE 8--LEASES

The Organization entered into a three-year lease agreement with the City of Greenville, South Carolina ("The City") with a commencement date of June 4, 2020 for its principal office space. To assist the Organization in fulfilling its mission to provide home repair services to low-income citizens, the City charges rent to the Organization in the amount of $1 per year. Both the Organization and the City have the right to terminate the agreement with six months' written notice. This agreement does not renew automatically and is expired at the time these financial statements were available to be issued. Fair market value of this discounted rent is estimated to be $34,092 for the years ended August 31, 2025 and 2024 and is recorded as a contribution of nonfinancial assets and associated rent expense in the accompanying Statements of Activity.

The Organization recognizes leases in accordance with the Accounting Standards Update (ASU) 2016-02, *Leases.* This standard requires a lease liability and right-of-use asset to be recorded in the statements of financial position for leases with terms exceeding 12 months, and disclosure of significant terms of such leases. Management has evaluated the lease agreement noted above and believes that it qualifies for the short-term measurement and recognition exemption because 1) the agreement is presently month-to-month; 2) management is unable to determine with reasonable certainty that the City will renew the lease under the same or similar terms; and 3) the Organization can terminate the lease without cause prior to the contractually defined lease expiration date. As such, no lease liability or right-of-use asset are recorded in the Statements of Financial Position.

NOTE 9--CONTRIBUTIONS OF NON-FINANCIAL ASSETS

Contributions of non-financial assets, valued at fair market value at the time of contribution, were as follows for the years ended August 31, 2025 and 2024:

Description	Usage in Programs/Activities	2025	2024
Vehicles	Program Services	$ 645	$ 12,377
Discounted Rent	General & Administrative	34,092	34,092
Materials	Program Services	4,000	-
Total		$ 38,737	$ 46,469

NOTE 10--RETIREMENT PLAN

The Organization sponsors a SIMPLE IRA Plan for all employees who earn in excess of $5,000 in a calendar year. Active participants may elect to defer a portion of their compensation up to the maximum allowed by law. The Organization matches contributions up to a maximum of 3% of contributed salary. The Organization made matching contributions of $20,188 and $12,337 for the years ended August 31, 2025 and 2024, respectively.

NOTE 11--INVESTMENT IN LIMITED LIABILITY COMPANIES (LLCs)

The Organization has entered into three limited liability operating agreements as a Nonprofit Member in order to enhance the supply of affordable housing and carry out the charitable purposes of Rebuild Upstate. The LLCs operate multifamily housing developments that desire to provide housing to low or very low income residents. The Nonprofit Member serves as the manager and is entitled to a management fee and reimbursement of expenses. During the year ended August 31, 2025, Rebuild Upstate received $28,495 in management fees from these LLCs.

NOTE 12--SUBSEQUENT EVENTS

The Organization has evaluated subsequent events have been evaluated through February 27, 2026, which is the date the financial statements were available to be issued. There were no events noted that require adjustments to or disclosure in these financial statements.