# TABLE OF CONTENTS

## I. FINANCIAL SECTION

**INDEPENDENT AUDITOR’S REPORT**  
3-4

**FINANCIAL STATEMENTS**

- **STATEMENT OF FINANCIAL POSITION**  
  5
- **STATEMENT OF ACTIVITIES**  
  6
- **STATEMENT OF FUNCTIONAL EXPENSES - 2015**  
  7
- **STATEMENT OF FUNCTIONAL EXPENSES - 2014**  
  8
- **STATEMENT OF CASH FLOWS**  
  9
- **NOTES TO FINANCIAL STATEMENTS**  
  10

## II. SUPPLEMENTARY INFORMATION

- **Schedule of Expenditures of Federal Awards**  
  17
- **Notes to Schedule of Expenditures of Federal Awards**  
  18

## III. REPORTS

- **Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards**  
  19-20
- **Independent Auditor’s Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by OMB Circular A-133**  
  21-23

## IV. SCHEDULE OF FINDINGS AND QUESTIONED COSTS

- **Schedule of Findings and Questioned Costs**  
  24
INDEPENDENT AUDITOR’S REPORT

Board of Directors
Rebuilding Together Silicon Valley
(A California Nonprofit Public Benefit Corporation)
San Jose, California

Report on the Financial Statements

We have audited the accompanying financial statements of Rebuilding Together Silicon Valley (a California nonprofit public benefit corporation), which comprise the statement of financial position as of July 31, 2015, 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.

Auditor’s 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 and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Rebuilding Together Silicon Valley, as of July 31, 2015 and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.
Report on Summarized Comparative Information

We have previously audited the Rebuilding Together Silicon Valley' 2014 financial statements, and our report dated December 2, 2014, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended July 31, 2014, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated November 2, 2015, on our consideration of Rebuilding Together Silicon Valley’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 Rebuilding Together Silicon Valley’s internal control over financial reporting and compliance.

Boman Accounting Group, Inc.
Campbell, California
November 2, 2015
## ASSETS

### Current assets
- Cash and equivalents $529,507  $439,491
- Investments 313,997  304,900
- Contribution and grant receivable 37,758  58,636
- Prepaid expenses 10,686  31,275
- Building supplies inventory 25,443  24,895

**Total current assets** 917,391  859,197

### Fixed assets
- Property and equipment - net 36,928  64,718

### Other assets
- Deposits 4,464  4,464

**Total Assets** $958,783  $928,379

## LIABILITIES AND NET ASSETS

### Current liabilities
- Accounts payable $34,018  $24,895
- Accrued liabilities 54,421  52,527
- Deferred rent 13,389  13,480
- Deferred support, restricted 18,845  6,250

**Total current liabilities** 120,673  97,152

**Total liabilities** 120,673  97,152

### Net assets
- Unrestricted net assets 806,110  816,691
- Temporarily restricted net assets 32,000  14,536

**Total net assets** 838,110  831,227

**Total Liabilities and Net Assets** $958,783  $928,379

---

The accompanying notes are an integral part of these financial statements
## REBUILDING TOGETHER SILICON VALLEY

(A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION)

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

Years Ended July 31, 2015 and 2014

<table>
<thead>
<tr>
<th>Year Ended July 31, 2015</th>
<th>Year Ended July 31, 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Unrestricted</td>
</tr>
<tr>
<td>Revenues, gains and other support</td>
<td></td>
</tr>
<tr>
<td>Contributions and net revenue</td>
<td></td>
</tr>
<tr>
<td>Sponsorship</td>
<td>$ 204,145</td>
</tr>
<tr>
<td>Non-sponsorship</td>
<td>796,716</td>
</tr>
<tr>
<td>In-kind donations</td>
<td>118,572</td>
</tr>
<tr>
<td>Contributions</td>
<td>73,921</td>
</tr>
<tr>
<td>Special event (net of direct expenses of $32,374 and $35,080)</td>
<td>19,698</td>
</tr>
<tr>
<td>Investment income</td>
<td>9,761</td>
</tr>
<tr>
<td>Loss on disposal of assets</td>
<td>-</td>
</tr>
<tr>
<td>Other Income</td>
<td>52</td>
</tr>
<tr>
<td></td>
<td>1,222,865</td>
</tr>
<tr>
<td>Net assets released from restriction</td>
<td>14,536</td>
</tr>
<tr>
<td>Total revenues, gains and other support</td>
<td>1,237,401</td>
</tr>
<tr>
<td>Expenses</td>
<td></td>
</tr>
<tr>
<td>Program Services</td>
<td>1,061,248</td>
</tr>
<tr>
<td>Supporting Services:</td>
<td></td>
</tr>
<tr>
<td>Management and general</td>
<td>92,377</td>
</tr>
<tr>
<td>Fundraising</td>
<td>94,357</td>
</tr>
<tr>
<td>Total expenses</td>
<td>1,247,982</td>
</tr>
<tr>
<td>Change in net assets</td>
<td>(10,581)</td>
</tr>
<tr>
<td>Net assets at beginning of year</td>
<td>816,691</td>
</tr>
<tr>
<td>Net assets at end of year</td>
<td>$ 806,110</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these financial statements

- 6 -
## REBUILDING TOGETHER SILICON VALLEY
(A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION)

### STATEMENT OF FUNCTIONAL EXPENSES

Year Ended July 31, 2015

<table>
<thead>
<tr>
<th>Expenses</th>
<th>Program Services</th>
<th>Supporting Services</th>
<th>2015 Total Expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Home and Facility Repairs</td>
<td>Management and General</td>
<td>Fundraising</td>
</tr>
<tr>
<td>Salaries and wages</td>
<td>$311,251</td>
<td>56,216</td>
<td>71,402</td>
</tr>
<tr>
<td>Payroll taxes and benefits</td>
<td>64,313</td>
<td>8,807</td>
<td>12,664</td>
</tr>
<tr>
<td>Total salaries and related expenses</td>
<td>375,564</td>
<td>65,023</td>
<td>84,066</td>
</tr>
<tr>
<td>Program materials &amp; supplies</td>
<td>446,856</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>In-kind materials</td>
<td>18,518</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>In-kind labor</td>
<td>50,560</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Equipment rental &amp; purchase</td>
<td>1,097</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Volunteer program</td>
<td>19,785</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Rent &amp; facility expenses</td>
<td>59,699</td>
<td>3,316</td>
<td>3,317</td>
</tr>
<tr>
<td>Insurance</td>
<td>17,830</td>
<td>4,215</td>
<td>1,740</td>
</tr>
<tr>
<td>Office, printing &amp; related costs</td>
<td>12,210</td>
<td>2,835</td>
<td>1,771</td>
</tr>
<tr>
<td>Fundraising &amp; marketing</td>
<td>5,165</td>
<td>14,619</td>
<td>2,615</td>
</tr>
<tr>
<td>Professional fees</td>
<td>11,175</td>
<td>87</td>
<td>87</td>
</tr>
<tr>
<td>Training</td>
<td>5,635</td>
<td>87</td>
<td>87</td>
</tr>
<tr>
<td>Travel</td>
<td>8,165</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>-</td>
<td>162</td>
<td>-</td>
</tr>
<tr>
<td>Total expenses before depreciation</td>
<td>1,032,259</td>
<td>92,377</td>
<td>94,357</td>
</tr>
<tr>
<td>Depreciation &amp; amortization</td>
<td>28,989</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total expenses</td>
<td>$1,061,248</td>
<td>$92,377</td>
<td>$94,357</td>
</tr>
<tr>
<td>Percentage of total</td>
<td>85.04%</td>
<td>7.40%</td>
<td>7.56%</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these financial statements
## Program Services

### Home and Facility Repairs
- **Salaries and wages**: $310,031
- **Payroll taxes and benefits**: $60,799
- **Total salaries and related expenses**: $370,830
- **Program materials & supplies**: $415,096
- **In-kind materials**: $8,873
- **In-kind labor**: $71,303
- **Equipment rental & purchase**: $1,969
- **Volunteer program**: $17,779
- **Rent & facility expenses**: $58,475
- **Insurance**: $14,146
- **Office, printing & related costs**: $8,069
- **Fundraising & marketing**: $1,950
- **Professional fees**: $13,762
- **Training**: $1,240
- **Travel**: $10,099
- **Miscellaneous**: $10,099

**Total expenses before depreciation**: $993,591

### Supporting Services
- **Management and General**: $48,710
- **Fundraising**: $24,768
- **Total**: $73,478

**Depreciation & amortization**: $33,659

**Total expenses**: $1,027,250

**Percentage of total**: 88.29%

### 2014 Total Expenses

<table>
<thead>
<tr>
<th>Expenses</th>
<th>Program Services</th>
<th>Supporting Services</th>
<th>2014 Total Expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total salaries and related expenses</td>
<td>$370,830</td>
<td>$54,802</td>
<td>$455,139</td>
</tr>
<tr>
<td>Program materials &amp; supplies</td>
<td>$415,096</td>
<td>-</td>
<td>$415,096</td>
</tr>
<tr>
<td>In-kind materials</td>
<td>$8,873</td>
<td>-</td>
<td>$8,873</td>
</tr>
<tr>
<td>In-kind labor</td>
<td>$71,303</td>
<td>-</td>
<td>$71,303</td>
</tr>
<tr>
<td>Equipment rental &amp; purchase</td>
<td>$1,969</td>
<td>-</td>
<td>$1,969</td>
</tr>
<tr>
<td>Volunteer program</td>
<td>$17,779</td>
<td>-</td>
<td>$17,779</td>
</tr>
<tr>
<td>Rent &amp; facility expenses</td>
<td>$58,475</td>
<td>$7,844</td>
<td>$12,386</td>
</tr>
<tr>
<td>Insurance</td>
<td>$14,146</td>
<td>$1,848</td>
<td>$2,421</td>
</tr>
<tr>
<td>Office, printing &amp; related costs</td>
<td>$8,069</td>
<td>$6,930</td>
<td>$17,364</td>
</tr>
<tr>
<td>Fundraising &amp; marketing</td>
<td>$1,950</td>
<td>$102</td>
<td>$644</td>
</tr>
<tr>
<td>Professional fees</td>
<td>$13,762</td>
<td>$16,315</td>
<td>$32,886</td>
</tr>
<tr>
<td>Training</td>
<td>$1,240</td>
<td>$105</td>
<td>$210</td>
</tr>
<tr>
<td>Travel</td>
<td>$10,099</td>
<td>-</td>
<td>$10,099</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>-</td>
<td>$200</td>
<td>$200</td>
</tr>
</tbody>
</table>

| Total expenses before depreciation    | $993,591         | $88,146             | $1,122,630           |
| Depreciation & amortization           | $33,659          | $7,173              | $40,832              |
| Total expenses                        | $1,027,250       | $95,319             | $1,163,462           |

**Percentage of total**: 88.29% 8.19% 3.51% 11.71% 100.00%

The accompanying notes are an integral part of these financial statements

- 8 -
REBUILDING TOGETHER SILICON VALLEY
(A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION)
STATEMENT OF CASH FLOWS

Year Ended July 31, 2015
(With Comparative Totals for 2014)

Cash flows from operating activities:

Change in net assets $ 6,883 $ (54,242)
Noncash items included in revenues and expenses:
  Depreciation 28,989 40,832
  Loss on disposal of fixed assets 3,317 10,535
  Donated stocks - -
  Net realized and unrealized (gains) losses on investments (9,097) (5,881)
Increase (decrease) in cash resulting from changes in:
  Accounts receivable 20,878 34,010
  Building supplies inventory (548) 1,519
  Prepaid expenses 20,589 (16,383)
  Deposits - 2,536
  Accounts payable 9,123 10,022
  Deferred rent (91) 13,480
  Deferred support, restricted 12,595 2,900
  Accrued liabilities 1,894 11,028

Net cash provided by (used in) operating activities 94,532 50,356

Cash flows from investing activities:

Purchase of investments - (242,466)
Investment expenses - 2,014
Purchase of property and equipment (4,516) (31,893)

Net cash provided by (used in) investing activities (4,516) (272,345)

Cash flows from financing activities:

Net cash provided by (used in) financing activities - -

Net change in cash and cash equivalents 90,016 (221,989)
Beginning cash and cash equivalents 439,491 661,480

Ending cash and cash equivalents $ 529,507 $ 439,491

The accompanying notes are an integral part of these statements
NOTE   A — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

1. **Nature of Activities**

   Rebuilding Together Silicon Valley (the “Organization”) believes that everyone deserves to live in a safe and healthy home. For over 24 years, Rebuilding Together Silicon Valley has transformed homes and lives by repairing and rebuilding homes and community facilities to improve the homes and lives of low – income homeowners in need.

   Annually, more than 1,400 volunteers complete safety and accessibility repairs and improvements, enabling residents to live in warmth, safety and independence. All work is provided at no cost to the owner, with materials provided through donations and funds from area businesses, organizations, faith communities and private individuals. Since inception, over 31,348 local volunteers have renovated over 2,627 homes and non-profit community facilities in the Silicon Valley community. The impact extends beyond the individuals served to revitalize and stabilize vulnerable neighborhoods in the community.

2. **Basis of Accounting**

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

3. **Basis of Presentation**

   Net assets are classified based on the existence or absence of donor-imposed restrictions. Net assets are defined as follows:

   **Unrestricted net assets** – net assets that are not subject to donor-imposed stipulations. The Organization has elected to report as an increase in unrestricted net assets any restricted support received in the current reporting period for which the restrictions have been met in the current reporting period.

   **Temporarily restricted net assets** – net assets subject to donor-imposed stipulations that may or will be met either by actions of the Organization and/or the passage of time.
NOTE A — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

4. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of support revenue and expenses during the period. Accordingly, actual results could differ from those estimates.

5. Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

6. Contribution and Grant Receivable

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

7. Inventory

Building supplies inventory consists of materials purchased and received for repair and rebuilding projects and is stated at the lower of cost or market.

8. Property and Equipment

Property and equipment are recorded at cost or estimated fair value for donated items. Equipment purchases over $500 are capitalized. The cost of repairs and maintenance which do not improve or extend the lives of the respective assets are expensed currently. Depreciation is computed using the straight-line method based on the estimated useful lives of the assets which range from 3 to 5 years. Depreciation is charged to the activity benefiting from the use of the property or equipment. During fiscal year ended July 31, 2013, the Organization changed the capitalization policy to expense wheelchair lifts and ramps as a program expense when purchased instead of a capitalized item.

9. Accrued Vacation

Accrued vacation represents vacation earned but not taken as of July 31, 2015 and 2014 and is included in "accrued liabilities" in the statement of financial position. The accrued vacation balances as of July 31, 2015 and 2014 was $32,287 and $34,332, respectively.
10. **Revenue Recognition**

Contributions are recognized when the donor makes a promise to the Organization that is, in substance, unconditional. The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

11. **Contributions In-Kind**

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

12. **Expense Allocation**

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Indirect functional expenses are allocated to program and supporting services based on an analysis of personnel time and space utilized.

13. **Income Taxes**

Rebuilding Together Silicon Valley is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and state income taxes under Section 23701(d) of the California Revenue Taxation Code. Accordingly, no provision for income taxes has been made in the accompanying statements. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) of the Internal Revenue Code and has been classified as an organization that is not a private foundation under Section 509(a)(1) of the Internal Revenue Code.

Generally accepted accounting principles provide accounting and disclosure guidance about positions taken by an organization in its tax returns that might be uncertain. Management has considered its tax positions and believes that all of the positions taken by the Organization in its federal and state exempt organization tax returns are more likely than not to be sustained upon examination.
The Organization’s federal returns for the years ended July 31, 2014, 2013, and 2012 could be subject to examination by federal taxing authorities, generally for three years after they are filed. The Organization’s state returns for the years ended July 31, 2014, 2013, 2012, and 2011 could be subject to examination by state taxing authorities, generally for four years after they are filed.

14. **Advertising**

The Organization’s policy is to expense advertising costs as the costs are incurred. Advertising expenses for the year ended July 31, 2015 was $0-.

15. **Subsequent Events**

Management of the Organization has evaluated events and transactions subsequent to July 31, 2015 for potential recognition or disclosure in the financial statements. The Organization did not have subsequent events that required recognition of disclosure in the financial statements for the fiscal year ended July 31, 2015. Subsequent events have been evaluated through November 2, 2015, the date the financial statements became available to be issued.

16. **Fair Value Measurements**

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

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

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

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

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

NOTE C — FAIR VALUE MEASUREMENTS

The table below presents the assets measured at fair values at July 31, 2015 on a recurring basis.

<table>
<thead>
<tr>
<th>Investments</th>
<th>Total</th>
<th>Level 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity securities</td>
<td>$ 313,997</td>
<td>$ 304,900</td>
</tr>
<tr>
<td>Total assets measured at fair value</td>
<td>$ 313,997</td>
<td>$ 304,900</td>
</tr>
</tbody>
</table>

The Level 1 assets consist of equity securities held with Morgan Stanley. The valuation method for these assets is described in Note A16.

NOTE D — PROPERTY AND EQUIPMENT

The cost and related accumulated depreciation of the property and equipment consisted of the following as of:

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equipment</td>
<td>$ 68,671</td>
<td>$ 70,835</td>
</tr>
<tr>
<td>Ramps/Lifts</td>
<td>3,782</td>
<td>124,549</td>
</tr>
<tr>
<td>Software</td>
<td>21,519</td>
<td>21,519</td>
</tr>
<tr>
<td>Leasehold Improvements</td>
<td>22,142</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>116,114</td>
<td>239,045</td>
</tr>
<tr>
<td>e Less Accumulated Depreciation</td>
<td>(79,186)</td>
<td>(174,327)</td>
</tr>
<tr>
<td>Net Property and Equipment</td>
<td>$ 36,928</td>
<td>$ 64,718</td>
</tr>
</tbody>
</table>

Depreciation expense for the year ended July 31, 2015 was $28,989.
NOTE E -- TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets as of July 31, 2015 and 2014 consisted of:

<table>
<thead>
<tr>
<th>Program</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fall Rebuilding Projects</td>
<td>$32,000</td>
<td>$14,536</td>
</tr>
<tr>
<td>Total Temporarily Restricted Net Assets</td>
<td>$32,000</td>
<td>$14,536</td>
</tr>
</tbody>
</table>

NOTE F— CONCENTRATIONS OF CREDIT RISK

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

NOTE G — DONATED SERVICES AND MATERIALS

1. The Organization received donated services from a variety of unpaid volunteers. The value of this contributed time is not reflected in the accompanying financial statements since the services do not require specialized skills. During the year ended July 31, 2015, these volunteers donated approximately 17,410 hours with an estimated value of $467,806. This value was computed using an hourly rate of $26.87. This amount is based upon the average hourly earnings of volunteer time as determined by the Independent Sector.

2. The Organization also received donated services and material which were recorded at market value as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Donated items for fundraising event</td>
<td>$22,152</td>
</tr>
<tr>
<td>Donated materials and equipment</td>
<td>45,860</td>
</tr>
<tr>
<td>Donated labor (professional)</td>
<td>50,560</td>
</tr>
<tr>
<td>Total</td>
<td>$118,572</td>
</tr>
</tbody>
</table>
NOTE H — COMMITMENTS

The Organization is an affiliate of Rebuilding Together. Under the Affiliate Partnership Agreement, Rebuilding Together Silicon Valley is required to contribute an established percentage of its annual monetary income each year to the national organization as a dues for affiliation. The dues fee for the year ended July 31, 2015 was $10,875.

NOTE I — OPERATING LEASE

The Organization leases commercial space for operations and storage use. The lease began February 1, 2009 and expired January 31, 2014. On January 10, 2014 the organization moved and entered a new lease, term beginning February 1, 2014 and ending April 30, 2019 with an option to extend for an additional 60 months available when the term expires.

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

<table>
<thead>
<tr>
<th>Year ending July 31</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>55,049</td>
</tr>
<tr>
<td>2017</td>
<td>56,701</td>
</tr>
<tr>
<td>2018</td>
<td>58,402</td>
</tr>
<tr>
<td>2019</td>
<td>44,779</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$214,931</strong></td>
</tr>
</tbody>
</table>

NOTE J – RETIREMENT PLAN

The Organization has a 403(b) profit sharing plan that covers all eligible employees. Each participant may elect to contribute up to the maximum limit by federal law. The Organization made no contributions to the plan.
REBUILDING TOGETHER SILICON VALLEY  
(A California Nonprofit Public Benefit Corporation)  

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year Ended July 31, 2015

<table>
<thead>
<tr>
<th>Federal Grantor</th>
<th>Pass-Through Grantor</th>
<th>Program Title/Grant Number</th>
<th>Federal CFDA #</th>
<th>Pass-Through Grantor’s Number/Grant Number</th>
<th>Federal Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>MAJOR PROGRAMS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Department of Housing and Urban Development</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>City of San Jose</td>
<td></td>
<td>Rebuilding Housing Repair 7/1/2014–6/30/2015</td>
<td>14.218</td>
<td></td>
<td>$ 482,708</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Rebuilding Housing Repair 7/1/2015 – 6/30/2016</td>
<td>14.218</td>
<td></td>
<td>27,021</td>
</tr>
<tr>
<td>County of Santa Clara</td>
<td></td>
<td>Rebuilding Housing Repair 7/1/2014 – 6/30/2015</td>
<td>14.218</td>
<td></td>
<td>82,384</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Rebuilding Housing Repair 7/1/2015 – 6/30/2016</td>
<td>14.218</td>
<td></td>
<td>5,105</td>
</tr>
<tr>
<td>City of Cupertino</td>
<td></td>
<td>Rebuilding Housing Repair &amp; Rehabilitation Program 7/1/2014 – 6/30/2015</td>
<td>14.218</td>
<td></td>
<td>30,630</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Rebuilding Housing Repair &amp; Rehabilitation Program 7/1/2015 – 6/30/2016</td>
<td>14.218</td>
<td></td>
<td>994</td>
</tr>
<tr>
<td>City of Milpitas</td>
<td></td>
<td>Rebuilding Housing Repair 7/1/2014 – 6/30/2015</td>
<td>14.218</td>
<td></td>
<td>92,177</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Rebuilding Housing Repair 7/1/2015 – 6/30/2016</td>
<td>14.218</td>
<td></td>
<td>4,072</td>
</tr>
</tbody>
</table>

**Total Department of Housing and Urban Development** 725,091

**TOTAL EXPENDITURES OF FEDERAL AWARDS**  $725,091

See accompanying notes to schedule of expenditures of federal awards
NOTE A – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal grant activity of Rebuilding Together Silicon Valley under programs of the federal government for the year ended July 31, 2014. The information in this Schedule is presented in accordance with the requirements of OMB A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the Schedule presents only a selected portion of the operations of Rebuilding Together Silicon Valley, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Rebuilding Together Silicon Valley.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the OMB Circular A-122, *Cost Principles for Non-profit Organizations*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Directors
Rebuilding Together Silicon Valley
(A California Nonprofit Public Benefit Corporation)
San Jose, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of Rebuilding Together Silicon Valley (a California Nonprofit Public Benefit Corporation), which comprise the statement of financial position as of July 31, 2015, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 2, 2015.

Internal Control over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

We noted certain matters that we reported to management of Rebuilding Together Silicon Valley in a separate letter dated November 2, 2015.

Purpose of this Report

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

Boman Accounting Group, Inc.
Campbell, California
November 2, 2015
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

To the Board of Directors
Rebuilding Together Silicon Valley
(A California Nonprofit Public Benefit Corporation)
San Jose, California

Report on Compliance for Each Major Federal Program

We have audited Rebuilding Together Silicon Valley's (A California Nonprofit Public Benefit Corporation) compliance with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement that could have a direct and material effect on each of Rebuilding Together Silicon Valley's major federal programs for the year ended July 31, 2015. Rebuilding Together Silicon Valley's major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Rebuilding Together Silicon Valley's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Rebuilding Together Silicon Valley's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Rebuilding Together Silicon Valley’s compliance.
**Opinion on Each Major Federal Program**

In our opinion, Rebuilding Together Silicon Valley complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended July 31, 2015.

**Other Matters**

The results of our auditing procedures disclosed instances of non-compliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 2014-1. Our opinion of the major federal program is not modified with respect to these matters.

Rebuilding Together Silicon Valley’s response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Rebuilding Together Silicon Valley’s response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

**Report on Internal Control over Compliance**

Management of Rebuilding Together Silicon Valley is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Rebuilding Together Silicon Valley's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Rebuilding Together Silicon Valley's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However,
material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items 2014-1.

Rebuilding Together Silicon Valley’s response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Rebuilding Together Silicon Valley’s response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Boman Accounting Group, Inc.
Campbell, California
November 2, 2015
Section I
Summary of Auditor’s Results

Financial Statements
Type of auditor's report issued: Unqualified

Internal control over financial reporting:
- Material weaknesses identified? None
- Significant deficiencies identified that are not considered to be material weaknesses? None

Noncompliance material to financial statements noted? None

Federal Awards
Internal control over major programs:
- Material weaknesses identified? None
- Significant deficiencies identified that are not considered to be material weaknesses? None Reported

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? None

Identification of major programs:
Community Development Block Grant
Housing Repair and Rehabilitation

Dollar threshold used to distinguish between type A and type B programs: $300,000

Auditee qualified as low-risk auditee? Yes

Section II
Financial Statement Findings

None.
Federal Award Findings and Questioned Costs – Major Federal Award Programs
Audit:
U.S. Department of Housing and Urban Development
Name of Program – Rebuilding Housing Repair
CFDA No. 14.235
Grant Period 7/1/2014 to 6/30/2015

Item 2014-1 – Expense reimbursement documentation

Condition
During our audit, we noted that Rebuilding Together Silicon Valley had a formula error in the worksheet that they use to submit for reimbursement of federal funds.

Criteria
An effective internal control system includes adequate procedures to ensure that Rebuilding Together Silicon Valley does not submit reimbursement requests with incorrect amounts.

Effect
For the purpose of the reimbursement request, there were two instances where the wrong amounts were submitted for reimbursement.

Cause
The electronic worksheet that was used to submit for reimbursement contained a formula error which caused the wrong amount to be reimbursed.

Context
We reviewed 12 months of expense reimbursements for each federal award and noted that there were 2 instances where a formula error caused the incorrect amount of expenditures to be reported for reimbursement. The total amount of the error was $1,036.63.

Recommendation
We recommend that Rebuilding Together Silicon Valley review the worksheet that is used for the expense reimbursement reporting for mathematical accuracy prior to submitting to the governmental agency for reimbursement.

Management’s Response:
Management agrees with the recommendation to review the worksheet for accuracy prior to submission for reimbursement.