

**THE FURNITURE RESOURCE CENTER
D/B/A FURNITURE BANK OF
SOUTHEASTERN MICHIGAN**

FINANCIAL STATEMENTS

DECEMBER 31, 2021

**BOISVENU & COMPANY, P.C.
Certified Public Accountants
Bingham Farms, Michigan**

THE FURNITURE RESOURCE CENTER D/B/A FURNITURE BANK OF
SOUTHEASTERN MICHIGAN

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
The Furniture Resource Center
d/b/a Furniture Bank of Southeastern Michigan

Opinion

We have audited the accompanying financial statements of The Furniture Resource Center d/b/a Furniture Bank of Southeastern Michigan (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021, and the related statements 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 The Furniture Resource Center d/b/a Furniture Bank of Southeastern Michigan as of December 31, 2021, 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.

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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The Furniture Resource Center d/b/a Furniture Bank of Southeastern Michigan 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.

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 The Furniture Resource Center d/b/a Furniture Bank of Southeastern Michigan's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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, including omissions, 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 The Furniture Resource Center d/b/a Furniture Bank of Southeastern Michigan'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 The Furniture Resource Center d/b/a Furniture Bank of Southeastern Michigan'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.

Report on Summarized Comparative Information

We have previously audited The Furniture Resource Center d/b/a Furniture Bank of Southeastern Michigan's December 31, 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 10, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Boisvenu & Company, P.C.

August 12, 2022

THE FURNITURE RESOURCE CENTER D/B/A FURNITURE BANK OF
SOUTHEASTERN MICHIGAN

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2021, WITH COMPARATIVE TOTALS FOR 2020

	Without Donor Restrictions	With Donor Restrictions	Total	
			2021	2020
ASSETS				
Current Assets				
Cash and cash equivalents	\$ 285,473	\$ 98,130	\$ 383,603	\$ 286,741
Pledges and accounts receivable	6,764	37,500	44,264	27,231
Prepaid expenses	7,737	-	7,737	11,032
Furniture supplies	44,931	-	44,931	52,073
Total Current Assets	<u>344,905</u>	<u>135,630</u>	<u>480,535</u>	<u>377,077</u>
Non-current Assets				
Security deposits	1,900	-	1,900	1,900
Property and equipment - net	<u>199,164</u>	<u>-</u>	<u>199,164</u>	<u>209,203</u>
Total Non-current Assets	<u>201,064</u>	<u>-</u>	<u>201,064</u>	<u>211,103</u>
TOTAL ASSETS	<u>\$ 545,969</u>	<u>\$ 135,630</u>	<u>\$ 681,599</u>	<u>\$ 588,180</u>
LIABILITIES AND NET ASSETS				
Current Liabilities				
Accounts payable	\$ 11,439	\$ -	\$ 11,439	\$ 11,249
Accrued expenses	384	-	384	5,931
Deferred revenue	<u>15,015</u>	<u>-</u>	<u>15,015</u>	<u>120</u>
Total Liabilities	<u>26,838</u>	<u>-</u>	<u>26,838</u>	<u>17,300</u>
Net Assets				
Without donor restrictions	519,131	-	519,131	500,261
With donor restrictions	<u>-</u>	<u>135,630</u>	<u>135,630</u>	<u>70,619</u>
Total Net Assets	<u>519,131</u>	<u>135,630</u>	<u>654,761</u>	<u>570,880</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 545,969</u>	<u>\$ 135,630</u>	<u>\$ 681,599</u>	<u>\$ 588,180</u>

See accompanying notes to financial statements.

THE FURNITURE RESOURCE CENTER D/B/A FURNITURE BANK OF
SOUTHEASTERN MICHIGAN

STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2021, WITH COMPARATIVE TOTALS FOR 2020

	Without Donor Restrictions	With Donor Restrictions	Total	
			2021	2020
SUPPORT AND REVENUE				
United Way allocations and designations	\$ 1,922	\$ 125,000	\$ 126,922	\$ 85,816
Donated furniture	625,444	-	625,444	686,818
Contributions	227,320	40,150	267,470	232,312
Governmental grants	19,816	-	19,816	133,475
Program and other income	438,801	-	438,801	344,501
Special events - net	47,217	-	47,217	42,071
	<u>1,360,520</u>	<u>165,150</u>	<u>1,525,670</u>	<u>1,524,993</u>
Net assets released from restrictions	<u>100,139</u>	<u>(100,139)</u>	<u>-</u>	<u>-</u>
TOTAL SUPPORT AND REVENUE	<u>1,460,659</u>	<u>65,011</u>	<u>1,525,670</u>	<u>1,524,993</u>
EXPENSES				
Program services	1,309,193	-	1,309,193	1,242,423
Management and general	65,274	-	65,274	37,670
Fund raising	79,686	-	79,686	87,078
TOTAL EXPENSES	<u>1,454,153</u>	<u>-</u>	<u>1,454,153</u>	<u>1,367,171</u>
INCREASE IN NET ASSETS FROM OPERATIONS	6,506	65,011	71,517	157,822
OTHER CHANGES				
Adjustment to furniture supplies	12,364	-	12,364	(3,128)
CHANGE IN NET ASSETS	18,870	65,011	83,881	154,694
NET ASSETS, beginning of year	<u>500,261</u>	<u>70,619</u>	<u>570,880</u>	<u>416,186</u>
NET ASSETS, end of year	<u>\$ 519,131</u>	<u>\$ 135,630</u>	<u>\$ 654,761</u>	<u>\$ 570,880</u>

See accompanying notes to financial statements.

THE FURNITURE RESOURCE CENTER D/B/A FURNITURE BANK OF
SOUTHEASTERN MICHIGAN

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2021, WITH COMPARATIVE TOTALS FOR 2020

	Program	Management	Fund	Total	
	Services	and General	Raising	2021	2020
Salaries	\$ 375,464	\$ 33,103	\$ 54,398	\$ 462,965	\$ 398,759
Payroll taxes	28,995	2,556	4,201	35,752	30,483
Employee benefits	13,733	1,211	1,989	16,933	11,227
Contract labor	-	20,466	14,274	34,740	24,110
Donated furniture	650,172	-	-	650,172	680,562
Program activities and materials	77,849	-	-	77,849	62,464
Occupancy	44,901	380	623	45,904	48,463
Telephone	3,767	332	546	4,645	4,329
Office supplies and expenses	13,166	1,161	1,908	16,235	15,457
Printing, publications and promotion	7,142	5,630	1,034	13,806	7,599
Equipment rental and maintenance	1,717	151	249	2,117	1,540
Vehicle	75,829	-	-	75,829	64,468
Insurance	3,845	66	108	4,019	4,417
Total Functional Expenses					
Before Depreciation	1,296,580	65,056	79,330	1,440,966	1,353,878
Depreciation	12,613	218	356	13,187	13,293
Total Functional Expenses	<u>\$ 1,309,193</u>	<u>\$ 65,274</u>	<u>\$ 79,686</u>	<u>\$ 1,454,153</u>	<u>\$ 1,367,171</u>

See accompanying notes to financial statements.

THE FURNITURE RESOURCE CENTER D/B/A FURNITURE BANK OF
SOUTHEASTERN MICHIGAN

STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2021, WITH COMPARATIVE TOTALS FOR 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 83,881	\$ 154,694
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	13,187	13,293
Change in donated furniture	12,364	(3,128)
(Increase) decrease in operating assets		
Pledges and accounts receivable	(17,033)	8,412
Prepaid expenses	3,295	(1,825)
Supplies	(5,222)	3,150
Increase (decrease) in operating liabilities		
Accounts payable and accrued expenses	(5,357)	(6,468)
Deferred revenue	14,895	(250)
NET CASH PROVIDED BY OPERATING ACTIVITIES	100,010	167,878
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(3,148)	-
NET CASH USED BY INVESTING ACTIVITIES	(3,148)	-
NET INCREASE IN CASH AND CASH EQUIVALENTS	96,862	167,878
CASH AND CASH EQUIVALENTS, beginning of year	286,741	118,863
CASH AND CASH EQUIVALENTS, end of year	\$ 383,603	\$ 286,741

See accompanying notes to financial statements.

THE FURNITURE RESOURCE CENTER D/B/A FURNITURE BANK OF
SOUTHEASTERN MICHIGAN

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The Furniture Resource Center d/b/a Furniture Bank of Southeastern Michigan (the Organization) is a Michigan nonprofit corporation exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code as an organization that is not a private foundation.

The Organization's program and supporting services are as follows:

Program Services

The purpose of the Organization is to service residents in need by collecting useable beds, furniture and other household items and distributing as needed. The main geographic area served is Southeastern Michigan.

Management and General

This includes the functions necessary to maintain an adequate working environment, provide proper administrative support of the Organization's programs, and manage the financial and budgeting responsibilities of the Organization.

Fund Raising

This provides the structure necessary to encourage and secure support from individuals, foundations and government agencies.

Basis of Presentation

The Organization reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions are resources available to support operations and not subject to donor restrictions. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the Organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

THE FURNITURE RESOURCE CENTER D/B/A FURNITURE BANK OF
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NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Presentation (continued)

Net assets with donor restrictions are subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, such as those that the donor stipulates that resources be maintained in perpetuity.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

New Accounting Pronouncement

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers* (Topic 606) (effective date as amended by ASU 2020-05). The ASU and all subsequently issued clarifying ASUs replaced most existing revenue recognition guidance under generally accepted accounting principles (GAAP) in the U.S. The ASU also required expanded disclosures relating to the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The most noticeable difference with the implementation of the new ASU is the transition away from industry-specific guidance in favor of broader, principles-based guidance. The Organization adopted the new standard effective January 1, 2021, the first day of the Organization's fiscal year, using the full retrospective method. The majority of the Organization's revenue arrangements generally consist of a single performance obligation to transfer promised goods or services. Based on the Organization's evaluation process and review of its contracts with customers, the timing and amount of revenue recognized previously is consistent with how revenue is recognized under the new standard. No changes were required to previously reported revenues as a result of the adoption. There are no significant changes in any financial statement line item that resulted from adopting ASU 2014-09, in comparison with the prior period.

Cash and Cash Equivalents

For purposes of the statement of cash flows, highly liquid investments with maturities of three months or less when purchased are considered cash equivalents and recorded at cost, which approximates fair value.

THE FURNITURE RESOURCE CENTER D/B/A FURNITURE BANK OF
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NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Pledges and Accounts Receivable

The Organization considers pledges and accounts receivable to be fully collectible at December 31, 2021; accordingly, no allowance for doubtful accounts is required. If amounts become uncollectible, they will be charged to operations when that determination is made.

Property and Equipment

Property and equipment are carried at cost or, if donated, at fair value at the time of the donation. Depreciation is provided on a straight-line basis over the estimated useful lives of 5 to 39 years. The Organization's policy is to capitalize acquisitions of \$500 or more. Expenditures for major renewals and betterments that extend the useful lives of property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred.

Revenue and Support

Agency contract arrangements with foundations, corporations or governmental agencies constitute and are accounted for as conditional contributions since the resource provider does not receive commensurate value for the consideration received by the Organization; rather, the purpose of an arrangement is for the benefit of the general public. Revenue is recognized when the condition is satisfied. Conditions are satisfied based on incurring qualified expenses, and/or satisfying a milestone, and/or execution of other deliverable units of service. A refundable advance is recorded when the Organization receives assets (i.e. cash) in advance of the satisfaction of the conditions within these arrangements. As of December 31, 2021, there were no refundable advances recorded for agency contracts.

Contributions received are recorded as net assets with donor restrictions or net assets without donor restrictions, depending on the existence and/or nature of any donor restrictions.

The Organization elects to report restricted contributions that were initially conditional and for which both the condition and the restriction simultaneously occur as increases in net assets without donor restrictions in accordance with *Presentation of Financial Statements of Not-for-Profit Entities* FASB ASC 958-605-45-4B.

The Organization reports unconditional gifts of cash and other assets as support with donor restrictions, 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), 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.

THE FURNITURE RESOURCE CENTER D/B/A FURNITURE BANK OF
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NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue and Support

The Organization reports gifts of property and equipment as support without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

The Organization receives donated services and supplies from various organizations and individuals in order to accomplish its program objectives. Contributions of donated services that create or enhance non-financial assets or require specialized skills that are provided by individuals possessing those skills, and that would typically need to be purchased if not provided by donations are recorded at their fair values in the period received.

In accordance with *Revenue from Contracts with Customers* FASB 606-10-50, revenue from program income is recognized as service is rendered. Revenue under contracts is recognized on the basis of actual time incurred multiplied by the billable hourly rate stated in the contract, plus materials expense incurred. Revenue from contracts with customers includes consulting contracts which are reported under program and other income. The majority of these revenue arrangements generally consist of a single performance obligation to transfer promised goods or services. In cases where costs are incurred in advance of billings, a receivable is recorded in the period during which the expenses are incurred. In cases where billings are in excess of costs or advance payments are received, deferred revenue is recorded in the period during which the advance is received and recognized as income when the related service is rendered.

Functional Classification of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification of expenses by function. Directly identifiable expenses are charged to the associated program and supporting services. Certain indirect costs have been allocated among the programs and supporting services benefited. Personnel and related costs are allocated based on estimates of time and effort. Other costs, such as occupancy, are allocated on a square footage basis.

THE FURNITURE RESOURCE CENTER D/B/A FURNITURE BANK OF
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NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Tax Positions

The Organization is subject to routine audits by taxing jurisdictions; however, there are no audits currently in progress for any tax periods. The Organization believes it is no longer subject to income tax examinations for fiscal years ending prior to December 31, 2014.

Fair Value Disclosure

Generally accepted accounting principles require disclosure of an estimate of fair value of certain financial instruments. The Organization's significant financial instruments are cash and cash equivalents, pledges and accounts receivable, and other short-term assets and liabilities. For these financial instruments, carrying values approximate fair value.

2. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Organization's financial assets as of December 31, 2021, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position date.

Financial assets, at year end	\$ 427,867
Less those unavailable for general expenditures within one year, due to:	
Contractual or donor-imposed restrictions:	
Restricted by donor with time or purpose restrictions	<u>(135,630)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 292,237</u>

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as general expenditures, liabilities, and other obligations come due.

THE FURNITURE RESOURCE CENTER D/B/A FURNITURE BANK OF
SOUTHEASTERN MICHIGAN

NOTES TO FINANCIAL STATEMENTS

3. FAIR VALUE MEASUREMENTS

Various inputs may be used in determining the fair value of the Organization's assets and liabilities measured on a recurring basis. These inputs are market-based measurements based on and determined by the assumptions that market participants would use in pricing an asset or a liability and are summarized into three levels:

- Level (1): Inputs to the valuation methodology are quoted prices for identical assets in active markets.
- Level (2): Inputs to the valuation methodology include quoted prices for similar assets in active markets, and other inputs such as interest rates and yield curves that are observable for the asset, either directly or indirectly.
- Level (3): Inputs to the valuation methodology are unobservable and significant to the fair value measurement (including the Organization's own assumptions in determining the fair value of an asset or a liability) and inputs that are not corroborated by market data.

Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about projections market participants would use in developing a price that would be received to sell an asset or paid to transfer a liability based on the best information available in the circumstances. The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Organization's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

The following table summarizes the Organization's inputs used to determine their values on December 31, 2021:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Furniture supplies	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 44,931</u>

THE FURNITURE RESOURCE CENTER D/B/A FURNITURE BANK OF
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NOTES TO FINANCIAL STATEMENTS

3. FAIR VALUE MEASUREMENTS (continued)

The following table summarizes the changes in the fair values for level 3 assets for the year ended December 31, 2021:

	Furniture Supplies
Balance at December 31, 2020	\$ 52,073
Change in supplies	(7,142)
Balance at December 31, 2021	\$ 44,931

4. PROPERTY AND EQUIPMENT

At December 31, 2021, property and equipment consist of the following:

	Beginning Balance	Additions	Dispositions	Ending Balance
Land	\$ 16,000	\$ -	\$ -	\$ 16,000
Warehouse and office building	382,983	2,601	-	385,584
Land improvements	31,377	-	-	31,377
Office equipment and software	34,659	547	-	35,206
	\$ 465,019	\$ 3,148	\$ -	468,167
Less accumulated depreciation				269,003
				\$ 199,164

5. LEASE COMMITMENTS

The Organization leases office equipment under a lease agreement expiring September 2024. The Organization also leases warehouse and office space and vehicles which expire on various dates through December 2023.

THE FURNITURE RESOURCE CENTER D/B/A FURNITURE BANK OF
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NOTES TO FINANCIAL STATEMENTS

5. LEASE COMMITMENTS (continued)

Future minimum lease payments are as follows for the years ending December 31:

	Office Equipment	Warehouse	Vehicles
2022	\$ 1,164	\$ 22,600	\$ 29,775
2023	1,164	12,600	27,293
2024	776	-	-
	<u>\$ 3,104</u>	<u>\$ 35,200</u>	<u>\$ 57,068</u>

For the year ended December 31, 2021, rental expense for office equipment, warehouse and vehicles was approximately \$1,200, \$22,900 and \$31,600, respectively.

6. NET ASSETS WITH DONOR RESTRICTIONS

At December 31, 2021, net assets with donor restrictions consist of cash and cash equivalents and pledges receivable and are available for the following:

Subject to expenditure for specified purpose:		
Flood emergency relief	\$	50,000
Beds for kids		35,170
Materials to build furniture		9,160
Thrift store consultation		3,800
Subject to the passage of time:		
Future operations		<u>37,500</u>
	\$	<u>135,630</u>

7. SPECIAL EVENTS

Revenue from special events was \$76,077 with related expenses of \$28,860 for the year ended December 31, 2021.

THE FURNITURE RESOURCE CENTER D/B/A FURNITURE BANK OF
SOUTHEASTERN MICHIGAN

NOTES TO FINANCIAL STATEMENTS

8. NET ASSETS RELEASED FROM RESTRICTIONS

Net assets released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors during the year are as follows:

Subject to expenditure for specified purpose:	
Thrift store consultation	\$ 6,200
Beds for kids	4,763
Bedding	426
Subject to the passage of time:	
Future operations	<u>88,750</u>
	<u>\$ 100,139</u>

9. CONCENTRATIONS OF CREDIT RISK

The Organization maintains its cash balances in one financial institution in Michigan. The balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At December 31, 2021, the uninsured cash balances totaled approximately \$131,300.

10. CONTINGENCIES

In the normal course of operations, there could be outstanding contingent liabilities resulting from lawsuits, governmental agency assessments, etc., which are not known to the Organization and therefore have not been reflected in the accompanying financial statements. The Organization's management is of the opinion that such liabilities, if any, will be either immaterial or the Organization's insurance coverage is adequate to cover any potential losses.

11. COMPARATIVE FINANCIAL STATEMENTS

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 generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2020, from which the summarized information was derived.

THE FURNITURE RESOURCE CENTER D/B/A FURNITURE BANK OF
SOUTHEASTERN MICHIGAN

NOTES TO FINANCIAL STATEMENTS

12. SUBSEQUENT EVENTS

Management has evaluated subsequent events through August 12, 2022, the date the financial statements were available to be issued. As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen, which could affect the Organization's operations both directly and indirectly through its impact on funding sources, vendors, staff, and contracted services. The financial effects on the Organization are not readily determinable. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.