

The Furniture Bank of Metro Atlanta, Inc.

Audit of Financial Statements

September 30, 2024 & 2023

Independent Auditor's Report

To the Board of Directors of
Furniture Bank of Metro Atlanta, Inc.

Opinion

I have audited the accompanying financial statements of Furniture Bank of Metro Atlanta, Inc. (FBMA) (a nonprofit organization), which comprise the statements of financial position and cash flows as of and for the years ended September 30, 2024 and 2023, and the related statements of activities and functional expenses the year ended September 30, 2024, and the related notes to the financial statements. The prior year summarized comparative information has been derived from the FBMA's financial statements for the year ended September 30, 2023 and in my report dated August 9, 2024 I expressed an unqualified opinion thereon.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Furniture Bank of Metro Atlanta, Inc. as of September 30, 2024 and 2023 and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

I conducted my audit in accordance with auditing standards generally accepted in the United States of America (GAAS). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of FBMA and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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 FBMA's ability to continue as a going concern for one year from the issuance of these financial statements.

Auditor's Responsibilities for the Audit of the Financial Statements

My 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 my 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 GAAS 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 GAAS, I:

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 the 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 FBMA'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 my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about FBMA's ability to continue as a going concern for a reasonable period of time.

I am 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 I identified during the audit.

J. Lunsford CPA

May 6, 2025

Furniture Bank of Metro Atlanta, Inc.

Statements of Financial Position At September 30, 2024 and 2023

The Accompanying Notes are an Integral Part of These Financial Statements

	<u>2024</u>	<u>2023</u>
Assets		
Cash and cash equivalents	\$ 693,895	\$ 553,421
Grants and other receivables	167,863	218,742
Prepaid Expense	3,600	58,913
Inventory	20,849	17,119
Property and equipment - net of accumulated depreciation	671,485	711,825
Deposits	700	700
	<u>1,558,392</u>	<u>1,560,720</u>
Total Assets	1,558,392	1,560,720
<hr/>		
Liabilities		
Accounts payable	\$ 34,074	\$ 51,610
Accrued vacation and sick pay	33,008	33,008
Accrued expenses	4,996	6,211
	<u>72,078</u>	<u>90,829</u>
Total Liabilities	72,078	90,829
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Net Assets		
Without donor restrictions	1,354,126	1,328,109
With donor restrictions	132,188	141,782
	<u>1,486,314</u>	<u>1,469,891</u>
Total Net Assets	1,486,314	1,469,891
	<u>\$ 1,558,392</u>	<u>\$ 1,560,720</u>
Total Liabilities and Net Assets	\$ 1,558,392	\$ 1,560,720

Furniture Bank of Metro Atlanta, Inc.

Statement of Activities

For the Year Ended September 30, 2024 with
Comparative Information for September 30, 2023

The Accompanying Notes are an Integral Part of These Financial Statements

	Without Donor Restrictions	With Donor Restrictions	Total	2023
Revenues, Gains and Other Support				
Support				
Government financial assistance	\$ 230,392	\$ -	\$ 230,392	\$ 192,950
Individuals, organizations and foundations	584,005	106,993	690,998	705,395
Total Support	814,397	106,993	921,390	898,345
Special events	169,899	-	169,899	172,044
Program service fees				
Client delivery	279,288	-	279,288	263,747
Furniture pickup service	74,659	-	74,659	89,853
Other revenue generating programs	430,717	-	430,717	455,156
Sale of Assets	-	-	-	2,000
Interest Income	14,201	-	14,201	-
Non-cash donations	588,821	-	588,821	660,356
Other Revenues and Gains	1,557,585	-	1,557,585	1,643,156
Support Provided by Expiring Time and Purpose Restrictions	116,587	(116,587)	-	-
Total Revenues, Gains and Other Support	2,488,569	(9,594)	2,478,975	2,541,501
Expenses				
Program Services	2,083,234	-	2,083,234	2,111,743
Total Program Services	2,083,234	-	2,083,234	2,111,743
Management and General	171,793	-	171,793	119,185
Fundraising	207,525	-	207,525	136,492
Total Expenses	2,462,552	-	2,462,552	2,367,420
Change in Net Assets	26,017	(9,594)	16,423	174,081

Furniture Bank of Metro Atlanta, Inc.

Statement of Functional Expense For the Year Ended September 30, 2024 with Comparative Information for September 30, 2023

The Accompanying Notes are an Integral Part of These Financial Statements

	Program Services	Management & General	Fundraising	Total	2023
Salaries	\$ 516,963	\$ 64,620	\$ 64,620	\$ 646,203	\$ 489,895
Payroll taxes & benefits	90,224	11,278	11,278	112,780	109,989
Communication	12,759	3,403	851	17,013	19,019
Contract labor	23,996	-	-	23,996	65,654
Donated furniture distribution	588,821	-	-	588,821	660,356
Furniture distribution	51,819	-	-	51,819	107,843
Insurance	96,966	1,681	-	98,647	78,519
Occupancy	24,281	6,475	1,619	32,375	21,301
Office expense	11,525	31,281	12,073	54,879	42,329
Professional development	10,618	-	-	10,618	6,534
Professional fees	-	23,856	49,305	73,161	5,890
Promotion	7,285	29,199	-	36,484	28,793
Purchases	346,017	-	-	346,017	387,673
Special events	-	-	67,779	67,779	65,175
Employment program	105,791	-	-	105,791	91,207
Warehouse & truck	155,829	-	-	155,829	141,863
Depreciation	40,340	-	-	40,340	45,380
	\$ 2,083,234	\$ 171,793	\$ 207,525	\$ 2,462,552	\$ 2,367,420

Furniture Bank of Metro Atlanta, Inc.

Statement of Cash Flows

For the Years Ended September 30, 2024 and 2023

The Accompanying Notes are an Integral Part of These Financial Statements

	<u>2024</u>	<u>2023</u>
Operating Activities:		
Cash Inflows for Operations:		
Government financial assistance	\$ 260,375	\$ 209,121
Individuals, organizations and foundations	716,739	550,876
Special events	169,899	172,044
Program service fees	784,664	808,756
Cash Outflows for Operations:		
Payments for Salaries, Benefits, and Payroll Taxes	(758,983)	(656,399)
Payments to Vendors	(1,032,220)	(978,063)
Net Cash (Used) Provided by Operating Activities	140,474	106,335
Investing Activities:		
Sale of Assets	-	2,000
Net Cash (Used) Provided by Investing Activities	-	2,000
Change in Cash and Cash Equivalents	140,474	108,335
Cash and Cash Equivalents at Beginning of Year	553,421	445,086
Cash and Cash Equivalents at End of Year	\$ 693,895	\$ 553,421

Furniture Bank of Metro Atlanta, Inc.

Notes to Financial Statements September 30, 2024 and 2023

Note 1: Organization and Nature of Activities

Furniture Bank of Metro Atlanta, Inc. (FBMA) was incorporated in the state of Georgia in September 1988 as a nonprofit organization. FBMA was founded in response to the lack of furniture for families moving out of homelessness and partners with over 200 non-profit agencies that screen and refer clients. FBMA is the only agency in the Atlanta metropolitan area whose mission is to provide free furniture to people in need.

Note 2: Summary of Significant Accounting Policies

FBMA prepares its financial statements in accordance with generally accepted accounting principles promulgated in the United States of America (U.S. GAAP) for not-for-profit entities. The significant accounting and reporting policies used by FBMA are described subsequently to enhance the usefulness and understandability of the financial statements.

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses during the reporting period and the reported amounts of assets and liabilities at the date of the financial statements. On an ongoing basis, FBMA's management evaluates the estimates and assumptions based upon historical experience and various other factors and circumstances. FBMA's management believes that the estimates and assumptions are reasonable in the circumstances; however, the actual results could differ from those estimates.

Net Assets

The financial statements report net assets and changes in net assets in two classes that are based upon the existence or absence of restrictions on use, that are placed by its donors, as follows:

Net Assets Without Donor Restrictions

Net assets without donor restrictions are resources available to support operations. The only limits on the use of these assets are the broad limits resulting for the nature of FBMA, 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.

Net assets with donor restrictions are resources that are restricted by a donor for use for a particular purpose or in a particular future period. Some donor-imposed restrictions are temporary in nature, and the restriction will expire when the resources are used in accordance with the donor's instructions or when the stipulated time has passed. Other donor-imposed restrictions are perpetual in nature; FBMA must continue to use the resources in accordance with the donor's instructions.

FBMA's unspent contributions are included in this class if the donor limited their use.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions.

Functional Expenses

The costs of providing the various programs and events are shown on the statement of activities under expenses. Accordingly, certain costs, as shown on the statement of functional expenses have been allocated among the programs and events benefited. Management charges costs related directly to programs conducted by FBMA directly to those programs. Management reviews other indirect costs such as occupancy, office expense and other expenses required to run the programs or events and allocates the appropriate share of these costs accordingly.

Furniture Bank of Metro Atlanta, Inc.

Notes to Financial Statements September 30, 2024 and 2023

Note 2: Summary of Significant Accounting Policies - continued

Classification of Transactions

All revenues and net gains are reported as increases in net assets without donor restrictions in the statement of activities unless the donor specified the use of related resources for a particular purpose or in a future period. All expenses and net losses are reported as decreases in net assets without donor restrictions.

Donated Assets and Services

Contributions of donated noncash assets are recorded at their estimated fair values in the period received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. These services are recorded at their estimated fair values in the period received.

Cash and Cash Equivalents

Cash and cash equivalents include cash and highly liquid investments that are readily convertible into cash and have a maturity of ninety days or less when purchased. At times, cash and cash equivalents may exceed federally insured amounts. FBMA believes that it mitigates risks by depositing cash and investing in cash equivalents with major financial institutions.

Property and Equipment

FBMA capitalizes all expenditures for property and equipment in excess of \$500. Property and equipment are recorded at cost or fair value for contributed property and equipment and depreciated over the estimated useful lives of three to thirty-nine years using the straight-line method. Depreciation expense for the years ended September 30, 2024 and 2023 amounted to \$40,340 and \$45,380, respectively.

Property and equipment at September 30, 2024 and 2023 consists of the following:

	2024	2023
Building and Improvements	\$ 970,664	\$ 970,664
Trucks	340,149	340,149
Furniture and Fixtures	17,618	17,618
Total	1,328,431	1,328,431
Less Accumulated Depreciation	(656,946)	(616,606)
Net Property and Equipment	\$ 671,485	\$ 711,825

Revenue Recognition and Expenses

Contributions are recorded in the year they are received or pledged. Program services include expenses incurred in line with the purpose of FBMA.

FBMA depends heavily on contributions and grants for its public support. The ability of some of FBMA's contributors and grantors to continue giving amounts comparable with prior years may be dependent upon current and future overall economic conditions and the continued deductibility for income tax purposes of contributions and grants to FBMA.

FBMA recognizes revenues in accordance with Accounting Standards Update (ASU) 2018-8, Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made, which provides a framework for evaluating whether the transfer of assets constitutes a contribution or an exchange transaction. The ASU also provides additional clarification as to whether or not a contribution is conditional.

Furniture Bank of Metro Atlanta, Inc.

Notes to Financial Statements September 30, 2024 and 2023

Note 2: Summary of Significant Accounting Policies - continued

Income Taxes

FBMA is a not-for-profit organization that is exempt from income taxes under section 501(c)(3) of the Internal Revenue Code (the Code). FBMA had no significant unrelated business taxable income during FYE 09/30/2024. Accordingly, no provision or benefit for income taxes has been recorded in the accompanying financial statements.

FBMA applies the provisions of accounting standards for income taxes. These standards require that a tax position be recognized or derecognized based on a 'more-likely-than-not' threshold. This applies to positions taken or expected to be taken in a tax return. FBMA does not believe its financial statements include any material uncertain tax positions. FBMA is no longer subject to Federal or State income tax examination by tax authorities for years prior to FYE 09/30/ 2021.

Note 3: Commitments, Contingencies and Subsequent Events

Certain grants and contracts often require the fulfillment of certain conditions as set forth in the instrument or agreement. Failure to fulfill the conditions could result in the return of funds to the grantors. Although the return of funds is a possibility, management of FBMA deems the contingency to be unlikely. The grants and contracts are subject to audit by the grantor. They have the authority to determine liabilities or limits or suspend participation in the various sponsored programs.

FBMA has evaluated subsequent events through May 6, 2025 which is the date the financial statements were prepared. No subsequent events were identified that required adjustment to or disclosure within the financial statements.

Note 4: Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of September 30, 2024 and 2023 are:

	2024	2023
Financial assets:		
Cash and cash equivalents	\$ 693,895	\$ 553,421
Grants and other receivables	167,863	218,742
Prepaid expense	3,600	58,913
Total financial assets	865,358	831,076
Less financial assets held to meet donor-imposed restrictions	(132,188)	(141,782)
Amount available for general expenditures within one year	\$ 733,170	\$ 689,294

Note 5: Net Assets With Donor Restrictions

Purpose/Donor	2024	2023
Veteran Employment	\$ -	\$ 34,856
Capital Campaign	-	39,422
Foundation Funds Prepaid	48,243	19,769
Faith Based Truck	40,000	-
Home Again United Way Program	3,840	3,840
United Way Apartment Project	18,925	21,125
Mattress Recycling	21,180	22,770
	\$ 132,188	\$ 141,782

Furniture Bank of Metro Atlanta, Inc.

Notes to Financial Statements September 30, 2024 and 2023

Note 6: Grants and Accounts Receivable

FBMA has not set up an allowance for doubtful accounts as of September 30, 2024 and 2023, respectively. FBMA considers all receivables to be collectible as of September 30, 2024 and 2023, respectively.

Note 7: Retirement Plan

During 2004, FBMA adopted a Simple IRA retirement plan. The plan is available to all employees earning at least \$5,000 as described in the plan document. Contributions to the plan are made by participating employees through salary deferrals. The plan also provides that FBMA will match each participant's deferral on a dollar-for-dollar basis up to 3% of each participant's compensation. FBMA contributed \$7,824 and \$8,079 to the plan for the years ended September 30, 2024 and 2023 respectively.

Note 8: Fair Value Measurements

FBMA reports its fair value measures using a three-level hierarchy that prioritizes the inputs used to measure fair value. This hierarchy, established by GAAP, requires that entities maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The three levels of inputs used are:

Level 1 - Quoted prices for identical assets or liabilities in active markets to which FBMA has access at the measurement date.

Level 2 - Inputs other than quoted market prices included in level 1 that are observable for the asset or liability, either directly, or indirectly.

Level 2 inputs include:

- quoted prices for similar assets or liabilities in active markets
- quoted prices for identical or similar assets in markets that are not active
- observable inputs other than quoted prices for the asset or liability (for example, interest rates and yield curves); and
- inputs derived principally from, or corroborated by, observable market data by correlation or by other means

Level 3 - Unobservable inputs for the asset or liability. These should be used to measure the fair value to the extent that observable inputs are unavailable.

When available, FBMA measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. However, level 1 inputs are not available for all of the assets and liabilities that FBMA may be required to measure fair value (for example, in-kind contributions).

End of Footnotes