

furnish for good

Furnish for Good, Inc.

Financial Statements

For the Years Ended May 31, 2025 and 2024

Table of Contents

Independent Auditors' Report	1 - 2
Financial Statements:	
• Statements of Financial Position	3
• Statements of Activities	4
• Statements of Functional Expenses	5 - 6
• Statements of Cash Flows	7
Notes to Financial Statements	8 - 11



**Davies, Goldstein
& Associates CPA's PLLC**
Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Furnish for Good, Inc.:

Opinion

We have audited the accompanying financial statements of Furnish for Good, Inc. (a nonprofit organization), which comprise the statements of financial position as of May 31, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the years 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 Furnish for Good, Inc. as of May 31, 2025 and 2024, 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

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 Furnish for Good, Inc. 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 Furnish for Good, Inc.'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 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 Furnish for Good, Inc.'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 Furnish for Good, Inc.'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.

JONES, GOLDSTEIN & ASSOCIATES, CPA'S PLLC

Matthews, North Carolina

November 18, 2025

Furnish for Good, Inc.
Statements of Financial Position
As of May 31, 2025 and 2024

Assets	<u>May 31, 2025</u>	<u>May 31, 2024</u>
Current Assets		
Cash and Cash Equivalents	\$ 359,417	\$ 333,388
Certificate of Deposit	411,094	358,025
Accounts Receivable	9,726	4,351
Prepaid Expense	5,123	9,601
Inventory	71,383	91,618
Total Current Assets	<u>856,743</u>	<u>796,983</u>
Long-term Assets		
Deposits	8,835	11,548
Right of Use Assets (Note 4)	222,299	314,255
Property and Equipment, net	25,908	33,243
Total Long-term Assets	<u>257,042</u>	<u>359,046</u>
Total Assets	<u>\$ 1,113,785</u>	<u>\$ 1,156,029</u>
 Liabilities and Net Assets		
Current Liabilities		
Accounts Payable and Accrued Expenses	\$ 24,824	\$ 10,647
Payroll Liabilities	11,059	6,291
Right of Use Liability - Current	91,956	87,046
Total Current Liabilities	<u>127,839</u>	<u>103,984</u>
Obligations Under Right of Use Assets (Note 4)	130,343	227,209
Total Liabilities	<u>258,182</u>	<u>331,193</u>
Net Assets		
Net Assets Without Donor Restrictions	805,603	824,836
Net Assets With Donor Restrictions	50,000	-
Total Net Assets	<u>855,603</u>	<u>824,836</u>
Total Liabilities and Net Assets	<u>\$ 1,113,785</u>	<u>\$ 1,156,029</u>

Furnish for Good, Inc.
Statements of Activities
For the Years Ended May 31, 2025 and 2024

	2025			2024		
	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
Revenues and Other Support						
In-Kind Donations	\$ 445,304	\$ -	\$ 445,304	\$ 355,349	\$ -	\$ 355,349
Contributions and Grants	431,468	50,000	481,468	407,709	-	407,709
Fundraising Event Income	298,367	-	298,367	192,236	-	192,236
Less: Costs of Direct Benefits to Donors	(33,660)	-	(33,660)	(14,770)	-	(14,770)
Net Income from Fundraising Events	264,707	-	264,707	177,466	-	177,466
Program Revenue	216,202	-	216,202	159,941	-	159,941
Other Income, net	17,447	-	17,447	19,501	-	19,501
Total Revenues and Other Support	1,375,128	50,000	1,425,128	1,119,966	-	1,119,966
Expenses						
Program Expenses	1,126,164	-	1,126,164	987,416	-	987,416
Management and General Expenses	124,877	-	124,877	108,218	-	108,218
Fundraising Expenses	143,320	-	143,320	85,578	-	85,578
Total Expenses	1,394,361	-	1,394,361	1,181,212	-	1,181,212
Change in Net Assets	\$ (19,233)	\$ 50,000	\$ 30,767	\$ (61,246)	\$ -	\$ (61,246)
Net Assets, Beginning of Year	\$ 824,836	\$ -	\$ 824,836	\$ 886,082	\$ -	\$ 886,082
Change in Net Assets	(19,233)	50,000	30,767	(61,246)	-	(61,246)
Net Assets, End of Year	\$ 805,603	\$ 50,000	\$ 855,603	\$ 824,836	\$ -	\$ 824,836

Furnish for Good, Inc.
Statement of Functional Expenses
For the Year Ended May 31, 2025

	Program	Management and General	Fundraising	Total
Compensation	\$ 365,165	\$ 59,625	\$ 120,265	\$ 545,055
Furnishings Distributed	532,839	-	-	532,839
Occupancy	137,649	-	-	137,649
Truck and Delivery Expenses	48,285	-	-	48,285
Other	9,630	12,530	1,945	24,105
Insurance	22,410	-	-	22,410
Professional Services	-	17,998	-	17,998
Communications and Technology	-	16,905	-	16,905
Travel, meals, gifts	536	11,467	-	12,003
Marketing	-	-	11,736	11,736
Depreciation Expense	9,650	-	-	9,650
Fundraising Expenses	-	-	9,374	9,374
Bank and Finance Fees	-	6,352	-	6,352
Total Functional Expenses	\$ 1,126,164	\$ 124,877	\$ 143,320	\$ 1,394,361

Furnish for Good, Inc.
Statement of Functional Expenses
For the Year Ended May 31, 2024

	Program	Management and General	Fundraising	Total
Compensation	\$ 288,727	\$ 48,675	\$ 76,212	\$ 413,614
Furnishings Distributed	514,344	-	-	514,344
Occupancy	105,348	-	-	105,348
Truck and Delivery Expenses	45,135	-	-	45,135
Other	3,717	11,452	-	15,169
Insurance	13,048	-	-	13,048
Professional Services	-	22,143	-	22,143
Communications and Technology	-	15,568	-	15,568
Travel, meals, gifts	295	3,169	-	3,464
Marketing	-	-	7,247	7,247
Depreciation Expense	16,802	-	-	16,802
Fundraising Expenses	-	-	2,119	2,119
Bank and Finance Fees	-	7,211	-	7,211
Total Functional Expenses	\$ 987,416	\$ 108,218	\$ 85,578	\$ 1,181,212

Furnish for Good, Inc.
Statements of Cash Flows
For the Years Ended May 31, 2025 and 2024

Cash Flows from Operating Activities	2025	2024
Change in Net Assets	30,767	(61,246)
Depreciation expense	9,650	16,802
Adjustments to reconcile Change in Net Assets to net cash flows from operating activities:		
Decrease (Increase) in:		
Accounts Receivable	(5,375)	(2,650)
Prepaid Expense	4,478	(9,601)
Inventory	20,235	86,357
Right of Use Assets	91,956	20,574
Deposits	2,713	-
Increase (Decrease) in:		
Accounts Payable and Accrued Expenses	14,177	(102,815)
Payroll Liabilities	4,768	6,291
Obligations Under Right of Use Assets	(91,956)	86,371
Net Cash Provided By Operating Activities	<u>81,413</u>	<u>40,083</u>
 Cash Flows from Investing Activities		
Purchase of Certificate of Deposit	(53,069)	(258,025)
Purchases of Property and Equipment	<u>(2,315)</u>	<u>(1,170)</u>
Net Cash Used In Investing Activities	<u>(55,384)</u>	<u>(259,195)</u>
 Net Change in Cash and Cash Equivalents	 26,029	 (219,112)
 Cash and Cash Equivalents, beginning of period	 <u>333,388</u>	 <u>552,500</u>
Cash and Cash Equivalents, end of period	<u><u>359,417</u></u>	<u><u>333,388</u></u>

Furnish for Good, Inc.
Notes to Financial Statements
For the Years Ended May 31, 2025 and 2024

Note 1 - The Organization

Furnish for Good, Inc. (hereafter referred to as the “Organization”) is a nonprofit organization formed in 2019, in Charlotte, North Carolina. The Organization’s mission is to connect well-loved home furnishings to underserved communities through an experience of empowerment. Rather than simply donating the items, Furnish for Good curates and showcases them so that recipients receive more than home furnishings – they receive self-respect and dignity. The Organization partners with local agencies to meet the needs of individuals and families in most need.

Note 2 - Summary of Significant Accounting Policies

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in conformity with generally accepted accounting principles in the United States of America (US GAAP).

The financial statements are presented in accordance with the provisions of ASU 2016-14: *Presentation of Financial statements of Not-for-Profit Entities*. Under the ASU, net assets are to be presented in two categories: net assets with donor restrictions and net assets without donor restrictions. The ASU also contains disclosure requirements related to net assets, liquidity and availability of resources, and functional expenses which were considered in the preparation of these financial statements.

Cash and Cash Equivalents

The Organization considers all highly liquid debt instruments with an original maturity of three months or less to be cash equivalents. During the years ended May 31, 2025 and 2024 there were times when cash balances exceeded the Federal Deposit Insurance Corporation limit of \$250,000 per depositor. There were no losses as a result and management believes the associated risk to be minimal.

Use of Estimates

The accompanying financial statements have been prepared in accordance with US GAAP, which 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 reporting period. Actual results could differ from those estimates.

Contributions, Grants and Pledges Receivable

The Organization recognizes unconditional promises to give as support in the period the promise is received. Management examines historical trend data and individual past due debts to estimate an allowance for credit losses on an annual basis. An allowance for credit losses was not deemed necessary as of May 31, 2025 and 2024.

Inventory

Substantially all of the furnishings inventory is obtained through in-kind donations. Management records this inventory at fair value on the date it is donated. Fair value of donated new product is estimated using current retail pricing. Used product donations in good condition are valued using the guidelines provided by similar agencies (i.e. Salvation Army or Goodwill). Inventory that is purchased is recorded at the purchase price and tracked using the first-in, first-out method. Management reviewed the inventory on hand at May 31, 2025 and 2024 for decline in value or obsolescence and determined no reserve was necessary.

Furnish for Good, Inc.
Notes to Financial Statements
For the Years Ended May 31, 2025 and 2024

Note 2 - Summary of Significant Accounting Policies (continued)

Property and Equipment

Property and Equipment are recorded at cost if purchased and estimated fair value at the time of donation if received as a donation. During the years ended May 31, 2025 and 2024, no property and equipment was donated to the Organization. Depreciation is computed using the straight-line method over the estimated useful lives of the assets as follows:

Leasehold Improvements	15 years
Furniture, equipment and software	3 – 7 years

Maintenance and repairs of property and equipment are charged to operations, and major improvements are capitalized. Upon retirement, sale, or other disposition of property and equipment, the cost and accumulated depreciation are eliminated from the accounts and gain or loss is included in operations.

Total depreciation expense was \$9,650 and \$16,802 for the years ended May 31, 2025 and 2024, respectively.

Net Assets

Net assets without donor restrictions are comprised of all resources without donor-imposed restrictions at the date of the contribution. Donor restricted contributions that are received and expended in the same year are classified as net assets without donor restrictions. Additionally, net assets without donor restrictions include the total carrying value of all buildings, building improvements, furniture and equipment used in the Organization.

Net assets with donor restrictions carry restrictions that expire upon the passage of a prescribed period or upon the occurrence of a stated event as specified by the donor. When a donor restriction expires, the net assets are reclassified as net assets without donor restrictions and reported in the Statement of Activities as net assets released from restrictions. Any funds received with restrictions which are received and spent in the same fiscal year are recorded as net assets without donor restrictions.

Donated Services

Contributed services for voluntary donation of services are recognized in the financial statements when those services: (1) create or enhance non-financial assets; or (2) require specialized skills provided by individuals possessing those skills and are services that would be typically purchased if not provided by donation. During the years ended May 31, 2025 and 2024, no donated services were recorded.

In addition, a substantial number of unpaid volunteers, including the Board of Directors, have made significant contributions of their time to provide services to the Organization which do not meet the criteria for recognition described above. The estimated value of their contributed time is not reflected in the financial statements.

Functional Allocation of Expenses

The costs of providing the various programs and supporting services have been summarized and allocated on a functional basis in the accompanying Statements of Functional Expenses. These allocations are based on management's best estimate of time, effort and funds spent across program, management and fundraising activities. This is done primarily by evaluating the amount of effort spent by personnel in each area as it relates to the natural expense.

Furnish for Good, Inc.
Notes to Financial Statements
For the Years Ended May 31, 2025 and 2024

Note 2 - Summary of Significant Accounting Policies (continued)

Income Taxes

The Organization is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and therefore has made no provision for income taxes in the accompanying financial statements. The Organization has analyzed tax positions taken for filing with the Internal Revenue Service and the state jurisdiction of North Carolina where it operates. The Organization believes that income tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse effect on the Organization's financial condition, results of operations or cash flows. Accordingly, the Organization has not recorded any reserves, or related accruals for interest and penalties for uncertain income tax positions at May 31, 2025 and 2024.

The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

Certificate of Deposit

The Organization held one certificate of deposit as of May 31, 2025 which bears interest at 3.65% and renews in August 2025.

Note 3 – Property and Equipment

Property and equipment consist of the following as of May 31,

	<u>2025</u>	<u>2024</u>
Leasehold Improvements	\$29,428	\$29,428
Furniture, equipment and software	48,307	45,992
	77,735	75,420
Accumulated Depreciation	(51,827)	(42,177)
	\$25,908	\$33,243

Note 4 – Right of Use Assets and Obligations

The Organization leases its facility and a commercial truck for furniture delivery. These leases were determined to be operating leases as they do not transfer property to the Organization. The facility lease runs from June 2022 to October 2027. The truck lease runs from July 2021 to July 2026. The discount rate used in calculating the discount on the right of use assets and corresponding liabilities is 5.5% which was determined to be the Organization's implicit borrowing rate. Future maturities on the leases are as follows:

Year Ending May 31,		
	2026	106,945
	2027	88,837
	2028	37,015
Total Lease Payments	\$232,798	
Less: Interest	(10,499)	
Present Value of Lease Obligations	\$222,299	

Furnish for Good, Inc.
Notes to Financial Statements
For the Years Ended May 31, 2025 and 2024

Note 5 – Liquidity and Availability of Resources

The following reflects the Organization’s financial assets which include cash and cash equivalents and investments as of May 31, 2025, reduced by amounts not available for general use because of restrictions:

Financial assets, at May 31, 2025	\$780,237
Less: assets unavailable for general expenditures within one year due to:	
Donor Restrictions	<u>(50,000)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$730,237</u>

As of May 31, 2025, \$50,000 of funds were restricted for the purchase of a new truck by the donor. The truck had not been purchased as of year end.

The Organization has a multi-faceted revenue structure that includes corporate and private grants, individual donations, and fundraising events. The Organization has structured its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

Management believes that the resources available combined with the future receipts will be sufficient to meet operating cash needs in the next year.

Note 6 – Subsequent Events

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through November 18, 2025, the date the financial statements were available to be issued. The Organization has no knowledge of other significant subsequent events as of the date of this report.