

FURNITURE BANK OF CENTRAL OHIO
Columbus, Ohio

Financial Statements
For the years ended December 31, 2013 and 2012
and Independent Auditors' Report Thereon

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Furniture Bank of Central Ohio
Columbus, Ohio

We have audited the accompanying financial statements of the Furniture Bank of Central Ohio (the Organization), which comprise the statements of financial position as of December 31, 2013 and 2012, and the related statements of activities and change in net assets, functional expenses and cash flows for the years 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits 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 auditors' 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 consolidated 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 the Organization as of December 31, 2013 and 2012, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Schneider Downs & Co., Inc.

Columbus, Ohio
July 11, 2014

FURNITURE BANK OF CENTRAL OHIO

STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2013 AND 2012

	2013	2012
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 585,891	\$ 607,157
Accounts receivable	66,442	59,561
Unconditional promises to give, net	72,930	20,500
Inventory	321,427	377,186
Prepaid expenses	17,991	-
Total Current Assets	1,064,681	1,064,404
PROPERTY AND EQUIPMENT, NET	1,061,077	1,098,553
UNCONDITIONAL PROMISES TO GIVE, NET	15,000	30,000
BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS	99,685	49,918
DEPOSITS	16,618	7,464
Total Assets	\$ 2,257,061	\$ 2,250,339
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Current maturity of notes payable	\$ 28,651	\$ 27,618
Accounts payable	24,045	13,425
Accrued expenses	56,750	48,438
Deferred revenue	20,232	28,752
Total Current Liabilities	129,678	118,233
NOTES PAYABLE, LESS CURRENT MATURITY	198,737	331,035
Total Liabilities	328,415	449,268
NET ASSETS		
Unrestricted	1,813,514	1,699,608
Temporarily restricted	115,132	101,463
Total Net Assets	1,928,646	1,801,071
Total Liabilities And Net Assets	\$ 2,257,061	\$ 2,250,339

See notes to financial statements.

FURNITURE BANK OF CENTRAL OHIO

STATEMENTS OF ACTIVITIES AND CHANGE IN NET ASSETS
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

	2013		
	Unrestricted	Temporarily Restricted	Total
PUBLIC SUPPORT AND REVENUE			
In-kind contributions			
Furniture, equipment and household goods	\$ 2,519,600	-	\$ 2,519,600
Warehouse space	125,391	-	125,391
Services	5,273	-	5,273
Vehicle	1,850	-	1,850
Contributions	1,597,922	\$ 81,027	1,678,949
Agency fees	231,127	-	231,127
Furniture deliveries and pick-ups	292,164	-	292,164
Rental Income	22,800	-	22,800
Miscellaneous	12,090	-	12,090
Interest	883	-	883
Net assets released from restriction due to time and purpose satisfaction	67,358	(67,358)	-
Total Public Support And Revenue	<u>4,876,458</u>	<u>13,669</u>	<u>4,890,127</u>
EXPENSES			
Program	4,037,848	-	4,037,848
Management and general	256,946	-	256,946
Fundraising	467,758	-	467,758
Total Expenses	<u>4,762,552</u>	<u>-</u>	<u>4,762,552</u>
Change In Net Assets	113,906	13,669	127,575
NET ASSETS			
Beginning of year	<u>1,699,608</u>	<u>101,463</u>	<u>1,801,071</u>
End of year	<u>\$ 1,813,514</u>	<u>\$ 115,132</u>	<u>\$ 1,928,646</u>

2012		
Unrestricted	Temporarily Restricted	Total
\$ 2,508,410	-	\$ 2,508,410
217,710	-	217,710
-	-	-
10,000	-	10,000
1,402,711	\$ 86,463	1,489,174
249,390	-	249,390
264,170	-	264,170
22,800	-	22,800
2,895	-	2,895
1,023	-	1,023
151,348	(151,348)	-
4,830,457	(64,885)	4,765,572
3,891,085	-	3,891,085
223,584	-	223,584
335,795	-	335,795
4,450,464	-	4,450,464
379,993	(64,885)	315,108
1,319,615	166,348	1,485,963
\$ 1,699,608	\$ 101,463	\$ 1,801,071

See notes to financial statements.

FURNITURE BANK OF CENTRAL OHIO

STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2013 AND 2012

	2013			
	Program Services	Management and General	Fundraising	Total
Personnel, salaries and payroll taxes	\$ 762,496	\$ 216,846	\$ 208,028	\$ 1,187,370
Vehicle expense	81,316	-	-	81,316
Facility expense	103,780	2,264	5,282	111,326
Utilities	19,402	647	1,509	21,558
Telephone, computer, office equip.	27,928	5,172	7,241	40,341
Office/warehouse supplies	12,624	2,338	3,273	18,235
Public relations	26,787	-	8,435	35,222
Postage, printing, freight expense	22,738	-	24,466	47,204
Depreciation	100,858	3,362	7,844	112,064
Special events expense	-	-	121,063	121,063
Furniture building expense	87,065	-	-	87,065
Professional fees	22,817	13,968	62,008	98,793
Insurance	39,861	2,286	1,180	43,327
Interest	11,687	390	909	12,986
Bad debt expense	330	-	11,460	11,790
Miscellaneous	21,484	9,673	5,060	36,217
	<u>1,341,173</u>	<u>256,946</u>	<u>467,758</u>	<u>2,065,877</u>
In-kind expenses:				
Warehouse and office space	125,391	-	-	125,391
Furniture, equipment and household goods distribution	2,384,858	-	-	2,384,858
Furniture manufacturing materials	126,426	-	-	126,426
Miscellaneous	60,000	-	-	60,000
	<u>2,696,675</u>	<u>-</u>	<u>-</u>	<u>2,696,675</u>
	<u>\$ 4,037,848</u>	<u>\$ 256,946</u>	<u>\$ 467,758</u>	<u>\$ 4,762,552</u>

2012

Program Services	Management and General	Fundraising	Total
\$ 774,486	\$ 156,990	\$ 115,127	\$ 1,046,603
88,020	-	-	88,020
33,620	1,121	2,614	37,355
17,843	595	1,387	19,825
27,754	7,036	4,300	39,090
13,925	3,530	2,157	19,612
29,342	-	5,258	34,600
10,033	-	20,216	30,249
92,770	3,092	7,216	103,078
-	-	104,762	104,762
88,341	-	-	88,341
170	33,670	35,367	69,207
42,585	10,837	3,312	56,734
14,788	493	1,150	16,431
315	-	22,920	23,235
16,968	6,220	10,009	33,197
1,250,960	223,584	335,795	1,810,339
217,710	-	-	217,710
2,330,550	-	-	2,330,550
91,865	-	-	91,865
-	-	-	-
2,640,125	-	-	2,640,125
\$ 3,891,085	\$ 223,584	\$ 335,795	\$ 4,450,464

See notes to financial statements.

FURNITURE BANK OF CENTRAL OHIO

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 127,575	\$ 315,108
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	112,064	103,078
Loss (gain) on disposal of property and equipment	3,542	(1,059)
Change in beneficial interest	233	42
Inventory	55,759	(85,245)
Bad debt expense	11,790	-
Change in assets and liabilities:		
Accounts receivable	(6,881)	(1,502)
Unconditional promises to give	(49,220)	(12,205)
Prepaid expenses	(17,991)	6,418
Other assets	(9,154)	(2,391)
Accounts payable	10,620	(2,104)
Accrued liabilities	8,312	14,105
Deferred revenue	(8,520)	23,185
	238,129	357,430
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(80,105)	(59,352)
Proceeds from disposal of property and equipment	1,975	2,000
Contributions to beneficial interest	(50,000)	(40,000)
Net Cash Used In Investing Activities	(128,130)	(97,352)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on note payable	(131,265)	(14,343)
Net (Decrease) Increase In Cash And Cash Equivalents	(21,266)	245,735
CASH AND CASH EQUIVALENTS		
Beginning of Year	607,157	361,422
End of Year	\$ 585,891	\$ 607,157
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid for interest	\$ 12,986	\$ 16,431

See notes to financial statements.

FURNITURE BANK OF CENTRAL OHIO

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012

NOTE 1 - ORGANIZATION

The Furniture Bank of Central Ohio (the Organization) is a nonprofit corporation formed in 1998 to provide furniture and household goods to families in need in Columbus, Ohio and the surrounding area. The Organization is funded primarily by individual and corporate monetary and furniture contributions. The Organization also charges referral fees to local agencies that identify, evaluate and sponsor families in need.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of significant accounting policies consistently applied by management in the preparation of the accompanying financial statements follows:

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

Cash and Cash Equivalents - The Organization maintains its cash in various financial institutions. Balances may exceed federally insured amounts at times. The Organization considers all highly liquid investments with initial maturities of three months or less to be cash equivalents.

Accounts Receivable - The Organization performs ongoing credit evaluations of its clients and generally does not require collateral. Accounts receivable are stated at their net realizable value. Provisions are made for estimated uncollectible receivables. The Organization's estimate of the allowance is based on historical collection experience, a review of current status of trade receivables and judgment. Accounts receivable are generally due 30 days after billing and are determined to be past due or delinquent when collection is not received by the due date. Decisions to charge-off receivables are based on management's judgment after consideration of facts and circumstances surrounding potential uncollectible accounts. No allowance was deemed necessary as of December 31, 2013 and 2012.

Promises to Give - Unconditional promises to give are recognized as revenue in the year received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional. Management provides an allowance for probable uncollectible pledges based upon its assessment of the current status of individual pledges. Management deems a pledge to be uncollectible after all reasonable collection efforts have been exhausted. Once a pledge is determined to be uncollectible, it is written off through a charge to the allowance. As of December 31, 2013 and 2012, the allowance for doubtful accounts totaled approximately \$35,500 and \$27,800, respectively.

Inventory - Inventory consists primarily of furniture and household goods contributed to the Organization. Inventory is stated at estimated fair value at the date of donation. Inventory that is purchased by the Organization consists of hardware and lumber. These items are valued at the lower of cost or market. As of December 31, 2013 and 2012, the value of purchased materials in inventory was 10% and 12%, respectively.

FURNITURE BANK OF CENTRAL OHIO

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment - Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets.

Beneficial Interest in Assets Held by Others - During the year ended June 30, 2007, the Organization made contributions to a component fund of The Columbus Foundation. These contributions were made primarily so that these funds could be managed using The Columbus Foundation's investment management expertise, with the expectation that the Organization could periodically, as determined by the Organization's Board of Trustees, take distributions to fund the Organization's operations. If the Organization ceases to exist, or if the Board of Trustees of The Columbus Foundation determines that support of the Organization is no longer necessary, or is inconsistent with the needs of the community, The Columbus Foundation retains the right to substitute another beneficiary in place of the Organization. The possibility that these circumstances will arise is remote.

Classification of Net Assets - Resources are classified into net asset categories according to donor-imposed restrictions. A description of these categories follows:

Unrestricted - Net assets that are free of donor-imposed restrictions; all revenues, expenses, gains and losses that are not changes in permanently or temporarily restricted net assets.

Temporarily Restricted - Net assets whose use by the Organization is limited by donor-imposed stipulations that either expire by passage of time or that can be fulfilled or removed by actions of the Organization. Donor-imposed restrictions that will be met in the same year in which the revenue is received are immediately classified in unrestricted net assets in the statement of activities. When a temporary restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently Restricted Net Assets - Net assets whose use by the Organization is permanently limited by donor-imposed restrictions. There were no permanently restricted net assets for the years ending December 31, 2013 and 2012.

Donated Warehouse Space - The Organization utilized warehouse space to store excess inventory at no cost to the Organization through August 2013. The fair value of the rent-free use of the warehouse space was approximately \$125,000 and \$218,000 for the years ended December 31, 2013 and 2012, respectively.

Concentration of Revenue - The Organization is the sole beneficiary of a fundraising event sponsored by an unrelated third party. The sponsor incurs a significant amount of time and expenses related to the production of the event. Proceeds from this event approximate 24% and 22% of the total revenue for the years ended December 31, 2013 and 2012, respectively, and are reported as contributions on the statement of activities.

Revenue Recognition of Donated Goods - Non-cash donations of furniture, equipment and household goods are recorded as contributions at their estimated fair values at the date of donation.

FURNITURE BANK OF CENTRAL OHIO

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Donated Services - Some individuals provide a variety of services, including marketing, designing and consulting services. The fair values of these services are recorded as in-kind contributions. In addition, many individuals volunteer their time and perform a variety of tasks, including assistance with fundraising events, solicitation of contributions of goods and services from organizations and individuals, and management of donated furniture pick-up and distribution. These services have not been recognized as contributions in the accompanying financial statements because the Organization's management does not consider the recognition criteria under *ASC Topic 958 Not-for-Profit Entities - Revenue Recognition* to have been met.

Deferred Revenue - Revenue from agency fees is recognized at the time a sponsored family selects furniture to meet their needs. Advance payments received from local sponsoring agencies are initially recorded as deferred revenue.

Functional Allocation of Expenses - The costs of providing various programs and other activities have been summarized on a functional basis in the accompanying financial statements. Accordingly, certain costs have been allocated among the program and supporting services benefited.

Income Taxes - The Organization is an Ohio nonprofit corporation and is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2). The Organization has not identified any material uncertain tax positions requiring an accrual or disclosure in the financial statements. There were no interest or penalties recognized in the statement of activities for the years ended December 31, 2013 or 2012 related to uncertain tax positions. The Organization is no longer subject to U.S. federal or state tax examinations for years prior to 2010.

Subsequent Events - Subsequent events are defined as events or transactions that occur after the statement of financial position date, but before the financial statements are issued or are available to be issued. Management has evaluated subsequent events through July 11, 2014, the date on which the financial statements were available to be issued.

FURNITURE BANK OF CENTRAL OHIO

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012

NOTE 3 - UNCONDITIONAL PROMISES TO GIVE

Unconditional promises to give at December 31 consist of the following:

	<u>2013</u>	<u>2012</u>
Unrestricted	\$ 93,430	\$ 28,300
Temporarily Restricted	<u>30,000</u>	<u>50,000</u>
	123,430	78,300
Less: Allowance	<u>(35,500)</u>	<u>(27,800)</u>
	<u>\$ 87,930</u>	<u>\$ 50,500</u>
Amounts due in:		
Less than one year	\$ 72,930	\$ 20,500
One to five years	<u>15,000</u>	<u>30,000</u>
	<u>\$ 87,930</u>	<u>\$ 50,500</u>

NOTE 4 - FAIR VALUE MEASUREMENTS

The Financial Accounting Standards Board (FASB) has issued an accounting standard related to fair value measurements. This standard defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements. This standard establishes a fair value hierarchy regarding the assumptions used to measure fair value and clarifies assumptions about risk and the effect of a restriction on the sale or use of an asset. It defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. It also establishes a fair value hierarchy that requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

The standard describes three levels of inputs that may be used to measure fair value:

Level 1: Quoted prices (unadjusted) or identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2: Significant other observable inputs other than Level 1 inputs, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, and other inputs that are observable or can be corroborated by observable market data.

Level 3: Significant, unobservable inputs that reflect an organization's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

FURNITURE BANK OF CENTRAL OHIO

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012

NOTE 4 - FAIR VALUE MEASUREMENTS (Continued)

The Organization has adopted this standard. The following is a description of the Organization's valuation methodologies used to measure and disclose the fair values of its financial assets and liabilities on a recurring or nonrecurring basis:

Beneficial Interests in Asset Held by Others: Valued based upon the Organization's proportional share of the underlying assets and is valued on a recurring basis. However, because there is not currently an active market to observe quoted prices for beneficial interest in asset held by others, the assets are considered to be valued using unobservable inputs and are therefore considered to be Level 3 asset.

The carrying amounts of cash and cash equivalents, accounts receivable, grants, note and trade receivables, prepaid expenses, accounts payable, notes payable and capital leases all approximate their fair values.

The following table sets forth by level, within the fair value hierarchy, the Organization's assets and liabilities at fair value as of December 31, 2013 and 2012:

Assets at Fair Value as of December 31, 2013				
	Level 1	Level 2	Level 3	Total
ASSETS				
Beneficial interest in asset held by others	-	-	\$ 99,685	\$ 99,685
Assets at Fair Value as of December 31, 2012				
	Level 1	Level 2	Level 3	Total
ASSETS				
Beneficial interest in asset held by others	-	-	\$ 49,918	\$ 49,918

Level 3 Gains and Losses - The following table sets forth a summary of changes in the fair value of the Organization's Level 3 assets and liabilities for the year ended December 31, 2013:

	Level 3 Asset Year Ended December 31, 2013
Balance, beginning of year	\$ 49,918
Administration Fees	(233)
Purchases	50,000
Balance, End Of Year	\$ 99,685

FURNITURE BANK OF CENTRAL OHIO

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012

NOTE 4 - FAIR VALUE MEASUREMENTS (Continued)

The following table sets forth a summary of changes in the fair value of the Organization's Level 3 assets and liabilities for the year ended December 31, 2012:

	Level 3 Asset Year Ended <u>December 31, 2012</u>
Balance, beginning of year	\$ 9,960
Administration Fees	(42)
Purchases	<u>40,000</u>
Balance, End Of Year	\$ <u><u>49,918</u></u>

NOTE 5 - PROPERTY AND EQUIPMENT

Property and equipment consisted of the following as of December 31:

	<u>2013</u>	<u>2012</u>
Building and improvements	\$ 989,107	\$ 987,107
Furniture and equipment	161,906	133,034
Vehicles and trailers	<u>306,872</u>	<u>271,866</u>
	1,457,885	1,392,007
Less accumulated depreciation	<u>(496,808)</u>	<u>(393,454)</u>
	961,077	998,553
Land	<u>100,000</u>	<u>100,000</u>
	\$ <u><u>1,061,077</u></u>	\$ <u><u>1,098,553</u></u>

NOTE 6 - LINE OF CREDIT

The Organization has a \$100,000 revolving line of credit with a commercial bank, bearing interest at the bank's prime rate, 3.25% at December 31, 2013 and 2012, plus 1.5%. Interest is payable monthly. Any outstanding balance is secured by substantially all assets of the Organization. There was no outstanding balance as of December 31, 2013 and 2012.

FURNITURE BANK OF CENTRAL OHIO

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012

NOTE 7 - NOTES PAYABLE

Notes payable consist of the following at December 31:	<u>2013</u>	<u>2012</u>
Loan agreement with a bank, maturing July 30, 2015. Payable in 59 regular payments of \$1,966, including interest at 5.25%, and a balloon payment on July 30, 2015 of remaining principal and accrued interest. The note is collateralized by real estate.	\$ 155,653	\$ 269,481
Loan agreement with Daimler Truck Financial, maturing November 1, 2017. Payable in 60 regular monthly payments of \$885, including interest at 2.63%. The note is collateralized by a vehicle.	33,057	48,364
Loan agreement with Daimler Truck Financial, maturing June 1, 2017. Payable in 60 regular monthly payments of \$812, including interest at 2.99%. The note is collateralized by a vehicle.	<u>38,678</u>	<u>40,808</u>
Total Notes Payable	227,388	358,653
Current maturities notes payable	<u>(28,651)</u>	<u>(27,618)</u>
Notes Payable, less current maturities	<u>\$ 198,737</u>	<u>\$ 331,035</u>

Principal payments due for years subsequent to December 31, 2013 are as follows:

<u>Year Ending</u> <u>December 31</u>	<u>Amount</u>
2014	\$ 28,651
2015	165,522
2016	19,699
2017	<u>13,516</u>
	<u>\$ 227,388</u>

NOTE 8 - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consisted of the following at December 31:

	<u>2013</u>	<u>2012</u>
Operations - Time Restriction	\$ 85,000	\$ 45,000
Furniture Building Supplies	10,000	29,333
Emergency Assistance	4,105	9,730
Capacity Expansion	-	15,000
Woodshop Safety	4,657	-
Other	<u>11,370</u>	<u>2,400</u>
Total	<u>\$ 115,132</u>	<u>\$ 101,463</u>

FURNITURE BANK OF CENTRAL OHIO

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012

NOTE 9 - RENTAL INCOME

The Organization leases a portion of its facility on a month-to-month basis. Rental income totaled \$22,800 for the years ended December 31, 2013 and 2012.

NOTE 10 - OPERATING LEASE

The Organization has a noncancelable operating lease for a phone system. The phone system lease expired in March 2013 and was purchased by the Organization. Rental expense under the lease totaled \$300 and \$3,567 for the years ended December 31, 2013 and 2012, respectively.

The Organization entered into a lease agreement for a warehouse on September 1, 2013. This lease agreement expired on February 28, 2014, with an option to extend on a month-to-month basis, thereafter. Rental expense under the lease totaled \$46,800 and \$0 for the years ended December 31, 2013 and 2012, respectively.

NOTE 11 - RELATED-PARTY TRANSACTIONS

The Organization receives cash and in-kind contributions from members of the Board of Directors, their employers, the Organization's management, and their family members, which are considered related-party transactions. During the years ended December 31, 2013 and 2012, the Organization recorded contribution revenue from related parties in the amounts of \$169,056 and \$155,402, respectively.

NOTE 12 - SIGNIFICANT ESTIMATES

Management has estimated the fair value of the warehouse and office space, inventory, property and equipment, services, and other products that were contributed to the Organization during the years ended December 31, 2013 and 2012 based on information provided by donors, and by making judgments regarding the condition, age and quality of the donated items. These contributions represent a significant portion of the Organization's revenue.