

THE MUSTARD SEED OF CENTRAL FLORIDA, INC.

FINANCIAL STATEMENTS

JUNE 30, 2023 and 2022



McCRADY & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS

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McCrary & Associates
CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditor's Report

To the Members of the Board of Directors
The Mustard Seed of Central Florida, Inc.

Opinion

We have audited the accompanying financial statements of The Mustard Seed of Central Florida, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, cash flows and functional expenses 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 Mustard Seed of Central Florida, Inc. as of June 30, 2023, and the changes in its net assets, cash flows and functional expenses 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 Mustard Seed of Central Florida, 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 The Mustard Seed of Central Florida, 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 The Mustard Seed of Central Florida, 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 The Mustard Seed of Central Florida, 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.

Report on Summarized Comparative Information

We have reviewed previously audited The Mustard Seed of Central Florida, Inc 2022 financial statements which was audited by other auditors. Those auditors expressed an unmodified opinion on those financial statements in their report dated September 15, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022 is consistent, in all material respects, with the audited financial statements from which it has been derived.

McCrary & Associates, PLLC

Altamonte Springs, Florida
November 17, 2023

107 Water Oak Lane | Altamonte Springs, FL 32714
Office 407-960-4429 ■ admin@mccraryandassociates.com
www.mccraryandassociates.com

THE MUSTARD SEED OF CENTRAL FLORIDA, INC.

Statements of Financial Positions

ASSETS	For the Years Ended June 30,	
	2023	2022
Current assets:		
Cash and cash equivalents	\$ 380,320	\$ 226,546
Contributions and grants receivables	19,473	20,548
Inventory of furniture, household goods, and clothing	71,672	93,251
Total current assets	471,465	340,345
Property and equipment:		
Land	260,000	260,000
Building and improvement	1,079,601	1,079,601
Furniture and equipment	116,555	116,555
Vehicles	161,070	161,070
Accumulated depreciation	(912,350)	(854,653)
Total property and equipment	704,876	762,573
Total assets	\$ 1,176,341	\$ 1,102,918
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable and accrued expenses	\$ 25,089	\$ 31,427
Note payables, due within one year	7,978	9,763
Total current liabilities	33,067	41,190
Long-term liabilities:		
Notes payable, due after one year	-	32,958
Total long-term liabilities	-	32,958
Net assets:		
Without donor restrictions	1,143,274	1,028,770
Total net assets	1,143,274	1,028,770
Total liabilities and net assets	\$ 1,176,341	\$ 1,102,918

See accompanying notes to financial statements.

THE MUSTARD SEED OF CENTRAL FLORIDA, INC.

Statements of Activities

Net Assets Without Donor Restrictions	For the Year Ended June 30,	
	2023	2022
REVENUES:		
Support:		
In-kind donations	\$ 562,900	\$ 403,099
Clothing, furniture, and pick-up fees	397,266	337,175
Contributions and grants	628,409	471,914
Recycling	87,109	125,167
Fundraising and special events	111,846	57,340
Total support, revenue and net assets released from restrictions	1,787,530	1,394,695
EXPENSES:		
Program Services:		
Resource center	1,421,080	1,198,086
Total program services	1,421,080	1,198,086
Supporting activities:		
Management and general	140,900	131,383
Fundraising	111,046	68,633
Total supporting activities	251,946	200,016
Total expenses	1,673,026	1,398,102
Change in net assets	114,504	(3,407)
Net assets without donor restrictions, beginning of year	1,028,770	1,032,177
Net assets without donor restrictions, end of year	\$ 1,143,274	\$ 1,028,770

See accompanying notes to financial statements.

THE MUSTARD SEED OF CENTRAL FLORIDA, INC.

Statements of Cash Flows

	For the Year Ended June 30,	
	2023	2022
Cash flows from operating activities:		
Change in net assets	\$ 114,504	\$ (3,407)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities:		
Depreciation	57,697	58,315
Net change in assets and liabilities:		
Contributions and grants receivables	1,075	(4,764)
Inventory	21,579	(17,913)
Accounts payable and accrued expenses	(6,338)	(1,960)
	188,517	30,271
Net cash provided by operating activities		
Cash flows from financing activities:		
Payments on note payable	(34,743)	(34,901)
	(34,743)	(34,901)
Net cash used for financing activities		
Net increase (decrease) in cash and cash equivalents	153,774	(4,630)
Cash and cash equivalents, beginning of year	226,546	231,176
Cash and cash equivalents, end of year	\$ 380,320	\$ 226,546
Supplemental disclosures:		
In-kind noncash donations	\$ 562,900	\$ 403,099
Cash paid during the year for interest	\$ 1,172	\$ 2,820

See accompanying notes to financial statements.

THE MUSTARD SEED OF CENTRAL FLORIDA, INC.

Statement of Functional Expenses

For the Year Ended June 30, 2023

	Program Services	Supporting Activities		Total
		Management and General	Fund Raising	
Employment	\$ 528,921	\$ 84,889	\$ 39,179	\$ 652,989
Distributions to needy individuals and families	584,479	-	-	584,479
Depreciation	50,196	7,501	-	57,697
Vehicles	43,898	-	-	43,898
Facilities and equipment	46,486	5,746	-	52,232
Utilities and telephone	29,182	3,963	2,882	36,027
Operations	32,625	11,186	2,796	46,607
Insurance	80,091	14,016	6,007	100,114
Professional fees	6,563	6,562	-	13,125
Marketing and fundraising	-	-	59,882	59,882
Bank charges	6,388	6,387	-	12,775
Sales tax	4,697	-	-	4,697
Recycling	3,504	-	-	3,504
Miscellaneous	4,050	650	300	5,000
Total functional expenses	\$ 1,421,080	\$ 140,900	\$ 111,046	\$ 1,673,026

See accompanying notes to financial statements.

THE MUSTARD SEED OF CENTRAL FLORIDA, INC.

Statement of Functional Expenses

For the Year Ended June 30, 2022

	Program Services	Supporting Activities		Total
		Management and General	Fund Raising	
Employment	\$ 503,881	\$ 80,870	\$ 37,325	\$ 622,076
Distributions to needy individuals and families	385,186	-	-	385,186
Depreciation	50,734	7,581	-	58,315
Vehicles	64,597	-	-	64,597
Facilities and equipment	59,928	7,407	-	67,335
Utilities and telephone	27,268	3,614	1,971	32,853
Operations	33,514	11,490	2,873	47,877
Insurance	46,715	8,175	3,504	58,394
Professional fees	6,128	6,128	-	12,256
Marketing and fundraising	-	-	22,609	22,609
Bank charges	5,357	5,358	-	10,715
Sales tax	4,090	-	-	4,090
Recycling	5,952	-	-	5,952
Miscellaneous	4,736	760	351	5,847
Total functional expenses	\$ 1,198,086	\$ 131,383	\$ 68,633	\$ 1,398,102

See accompanying notes to financial statements.

THE MUSTARD SEED OF CENTRAL FLORIDA, INC.

Notes to Financial Statements

For the Years Ended June 30, 2023 and 2022

1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The Mustard Seed of Central Florida, Inc. (the "Organization") is a not-for-profit corporation, incorporated in June 1988 under the laws of the State of Florida and has received tax-exempt status under Section 501(c)(3) of the Internal Revenue Code. The Organization provides direct public assistance to needy families in the Central Florida area. Its mission is to help rebuild the lives of families and individuals who have suffered disaster or personal tragedy by providing household furnishings and clothing while being environmentally responsible to our community. The organization collects donations of household furniture and fixtures, clothing, cooking items, and person goods and redistributes them to needy individuals and families. The primary sources of support are from donor contributions, private foundation grants, application fees, furniture sales, and recycling.

Description of Net Assets

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

The Organization uses the following two classifications of net assets:

Net Assets with Donor Restrictions – assets subject to usage limitations based on donor-imposed restrictions. These restrictions may be temporary or may be based on a particular use. Restrictions may be met by the passage of time or actions by management. Certain restrictions may remain in perpetuity.

Net Assets without Donor Restrictions – amounts that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. This class also includes assets previously restricted donations where restrictions have expired or been met. Unrestricted net assets may be designated for specific purposes or locations by action of the Board of Directors.

As of June 30, 2023 and 2022, there was \$1,143,274 and \$1,102,918 net assets without donor restrictions, respectively, and \$0 with donor restrictions both years.

Cash and cash equivalents

The Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

THE MUSTARD SEED OF CENTRAL FLORIDA, INC.

Notes to Financial Statements (continued)

The Organization maintains its cash with two financial institutions, which are insured through the Federal Depository Insurance Corporation ("FDIC"). At June 30, 2023 and 2022 the amount held in these cash accounts are in excess of the FDIC insurance limits by approximately \$109,000 and \$0, respectively. The Organization has not historically incurred losses on such accounts, and management believes that the Organization does not have significant credit risk with respect to these accounts as of June 30, 2023.

Property and equipment

Property and equipment are recorded at cost or at their estimated fair value at date of purchase or donation. Items costing \$1,000 or more are capitalized in the statement of financial position, whereas all other items are expensed. Depreciation is provided using the straight-line method over the estimated useful lives of the related assets, which range from 5 to 30 years.

Maintenance and repairs are charged to expense when incurred.

Donated Inventory

The Organization receives household, personal goods, and clothing as donations to be redistributed to needy families. These donated inventory items are recorded as a component of in-kind donations and as inventory. At the time of donation, the items are valued at their fair market value based on values reflected on internet websites listing tax deductible values.

Long-Lived Assets

The Organization follows the policy of lifting restrictions on contributions of cash and other assets received for the acquisition of long-lived assets when the long-lived assets are acquired.

In accordance with generally accepted accounting principles, long-lived assets, such as property and equipment, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If circumstances require a long-lived asset be tested for possible impairment, the Organization first compares undiscounted cash flows expected to be generated by an asset to the carrying value of the asset. If the carrying value of the long-lived asset is not recoverable on an undiscounted cash flow basis, an impairment is recognized to the extent that the carrying value exceeds its fair value. Fair value is determined through various valuation techniques including discounted cash flow models, quoted market value and third-party independent appraisals, as considered necessary. No impairment charges have been recorded in the accompanying financial statements related to long-lived assets.

Revenue Recognition - Contributions

Transfers of cash or other assets or settlement of liabilities that are both voluntary and nonreciprocal are recognized as contributions. Contributions may either be conditional or unconditional. A contribution is considered conditional when the donor imposed both a

THE MUSTARD SEED OF CENTRAL FLORIDA, INC.

Notes to Financial Statements (continued)

barrier and a right of return. Conditional contributions are recognized as revenue on the date all donor-imposed barriers are overcome or explicitly waived by the donor. Barriers may include specific and measurable outcomes, limitations on the performance of an activity and other stipulations related to the contribution. A donor has a right of return of any assets transferred or a right of release of its obligation to transfer any assets in the event the Organization fails to overcome one or more barriers. Assets received before the barrier is overcome are accounted for as refundable advances.

Unconditional contributions may or may not be subject to donor-imposed restrictions. Donor-imposed restrictions limit the use of the donated assets but are less specific than donor-imposed conditions. Contributions received as unconditional promises to give are measured at their fair values and are reported as an increase in net assets. The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations about the use of the donated assets, or if they are designated as support for future periods.

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". Donor-restricted contributions whose restrictions are met in the same reporting period in which received are reported as "net assets without donor restrictions".

Donations are received from several sources including private foundations, corporations, individuals, and other donors. Donations are evaluated as to whether they qualify as exchange transactions or contributions as defined by U.S. GAAP.

Contributed Nonfinancial Assets

Contributed nonfinancial assets are recorded as revenue and expense in the accompanying statement of activities at their estimated fair value. Donated services are recorded if such services enhance a nonfinancial asset or require specialized skills that would need to be purchased. No amounts have been reflected in the financial statements for donated services which did not; (a) create or enhance non-financial assets or (b) require specialized skills provided by individuals possessing such skills and which would have been purchased if not provided by donation. Contributions of donated goods are recorded based on their estimated fair values.

Revenue Recognition – Exchange Transactions

Reciprocal transfers in which each party receives and sacrifices goods or services with approximate commensurate value are recognized as exchange transactions and are accounted for under ASC Topic 606, *Revenue from Contracts with Customers* ("Topic 606"). The Organization applies Topic 606 to exchange transaction in which it receives consideration for products or services offered. Under U.S. GAAP, these arrangements are exchange transactions between the Organization and the customers participating in the Organization's programs.

THE MUSTARD SEED OF CENTRAL FLORIDA, INC.

Notes to Financial Statements (continued)

Sales of donated goods provides a revenue stream that falls within the scope of Topic 606. Sales of donated goods consist of sales of donated items which are recorded at the point of sale at the Organization's facility. The price is fixed and determinable as each item is labeled with a selling price. The performance obligation is met at a point in time when the customer takes possession of the item after payment has been received.

Functional Allocation of Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the program services and supporting activities benefited. Such allocations are determined by management on an equitable basis. Facilities and related costs including depreciation and maintenance are allocated based on per usages of specific events, personnel costs and professional fees are allocated based on time and effort; and remaining costs including supplies, office-related costs, advertising and miscellaneous expenses are allocated based on actual utilization.

Use of Estimates

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

Income taxes

The Organization qualifies as a tax-exempt organization under Internal Revenue Code Section 501(c)(3), and is therefore, exempt from income taxes. Accordingly, no tax provision has been made in the accompanying financial statements. Additionally, no uncertain tax positions have been made requiring disclosure in the related notes to the financial statements. The Organization's income tax returns for the three previous years are subject to examination by tax authorities, and may change upon examination.

New Accounting Pronouncements

In March 2016, the FASB issued ASU No. 2016-02, *Leases* (Topic 842). The underlying principle is that lessees should recognize the assets and liabilities arising from leases on the statement of financial position. The guidance requires a lessee to recognize a liability to make lease payments (the lease liability) and a right-of-use asset representing its right to use the underlying asset for the lease term. The guidance is effective for nonpublic entities with fiscal years beginning after December 15, 2021. Lessees and lessors are required to recognize and measure leases at the beginning of the earliest period presented using a modified retrospective approach. The Organization does not currently participate in lease agreements which require the adoption of ASU 2016-02.

THE MUSTARD SEED OF CENTRAL FLORIDA, INC.

Notes to Financial Statements (continued)

In September 2020, the FASB issued ASU No. 2020-07, *Presentation and Disclosure by Not-for-Profit Entities for Contributed Nonfinancial Assets*, to increase the transparency of contributed nonfinancial assets through enhancements to presentation and disclosure. The guidance requires contributed nonfinancial assets to be presented as a separate line item on the statements of activities, apart from cash and other financial asset contributions. The guidance also requires disclosure of the types of contributed nonfinancial assets and, for each category, information about whether the assets were monetized or utilized, a description of the policies to monetize or utilize such assets, a description of donor-imposed restrictions associated with the contributions, and a description of the valuation techniques and principal market used to arrive at a fair value measure at initial recognition. The Organization has implemented this guidance for the year ending June 30, 2023. The related disclosure can be found in Note 8.

2 FAIR VALUE MEASUREMENTS

Accounting principles generally accepted in the United States (GAAP) define fair value for an investment generally as the price an organization would receive upon selling the investment in an orderly transaction to an independent buyer in the principal or most advantageous market for the investment. The information available to measure fair value varies depending on the nature of each investment and its market or markets. Accordingly, GAAP recognizes a hierarchy of "inputs" an organization may use in determining or estimating fair value. The inputs are categorized into "levels" that relate to the extent to which an input is objectively observable and the extent to which markets exist for identical or comparable investments. In determining or estimating fair value, an organization is required to maximize the use of observable market data (to the extent available) and minimize the use of unobservable inputs. The hierarchy assigns the highest priority to unadjusted quoted prices in active markets for identical items (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

The fair value hierarchy distinguishes between independent observable inputs and unobservable inputs used to measure fair value as follows:

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

Level 2: Inputs other than quoted market prices included within Level 1 that are observable for an asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for an asset or liability. Level 3 inputs should be used to measure fair value to the extent that observable level 1 or 2 inputs are not available.

This statement requires disclosures to be made about fair value measurements, the level of fair value hierarchy, and valuation techniques. The Organization's significant financial instruments are cash, accounts receivable, accounts payable, short term borrowings, and other short term assets and liabilities. For these financial instruments (level 1), carrying values approximate fair value because of the short maturity of these instruments.

THE MUSTARD SEED OF CENTRAL FLORIDA, INC.

**Notes to Financial Statements
(continued)**

3 INVENTORY

Inventory is valued at the estimated fair value at the time of donation. The inventory of donated furniture, household good and clothing consists of the following at June 30:

	<u>2023</u>	<u>2022</u>
Furniture and household goods	\$ 29,733	\$ 33,622
Clothing	41,939	59,629
	<u>\$ 71,672</u>	<u>\$ 93,251</u>

4 PROPERTY AND EQUIPMENT

	<u>2023</u>	<u>2022</u>
Buildings and improvements	\$ 1,079,601	\$ 1,079,601
Furniture and Equipment	116,555	116,555
Vehicles	161,070	161,070
Land	260,000	260,000
	<u>1,617,226</u>	<u>1,617,226</u>
Less accumulated depreciation	<u>(912,350)</u>	<u>(854,653)</u>
Total	<u>\$ 704,876</u>	<u>\$ 762,573</u>

Depreciation expense totaled approximately \$58,000 for each year ending June 30, 2023 and 2022.

5 LOANS PAYABLE

In July 2019, the Organization entered into a promissory note payable to MIDFLORIDA Credit Union, as lender, for \$100,000. The loan payable bears a 5.00% fixed interest rate, with monthly installments of principal and interest of \$664 and a balloon payment at maturity. In December 2022, the Organization made an additional payment of \$25,000 to pay down a portion of the loan balance. The loan balance as of June 30, 2023 was \$7,978. The loan was paid in full in August 2023.

Balance at the beginning of year	\$ 42,721
Reductions	<u>(34,743)</u>
Balance at the end of year	<u>\$ 7,978</u>

In November 2017, the Organization purchased a truck from Maudlin International Trucks, Inc. in the amount of \$42,530. A down payment of \$15,000 was made at the time of purchase with the remaining balance of \$27,530 financed with a 0% interest loan, payable in monthly principal installments of \$451. The loan was paid in full in December 2022, leaving \$0 balance outstanding as of June 30, 2023.

THE MUSTARD SEED OF CENTRAL FLORIDA, INC.

**Notes to Financial Statements
(continued)**

6 UNPAID VACATION AND SICK TIME

The Organization's uncompensated vacation and sick policy allows an employee to roll over their unused paid time off. The payout policy varies depending upon the timing, terms of termination and whether certain required procedures have been met. Approximately \$15,000 has been recorded for potential vacation and sick carry-over time for each year ending June 30, 2023 and 2022.

7 QUALITATIVE LIQUIDITY FINANCIAL RESOURCES

The Organization maintains a policy of structuring its financial assets to be available as general expenditures, liabilities, and other obligations come due. In managing its liquidity needs, the Organization monitors and maintains a cash float to cover general operating expenditures as well as establish a strict budget..

Financial assets available within one year of the statement of financial position dates for general expenditures are as follows:

	2023	2022
Cash and cash equivalents	\$ 380,320	\$ 226,546
Receivables	19,473	20,548
Financial assets at end of year	399,793	247,094
Add: line of credit	150,000	150,000
Financial assets available to meet cash needs for general expenses	\$ 549,793	\$ 397,094

8 CONTRIBUTIONS OF NONFINANCIAL ASSETS

Contributed nonfinancial assets during the years ended June 30, 2023 and 2022 were as follows:

Nonfinancial Asset:	June 30, 2023	June 30, 2022	Utilization in Program/Activities	Valuation Techniques
Apparel & accessories	\$ 101,088	\$ 338,810	Donated or sold	Fair value based on sales of similar items
Furniture & household	461,812	64,289	Donated, sold, or recycled	Fair value based on sales of similar items or recycled value
	\$ 461,812	\$ 403,099		

THE MUSTARD SEED OF CENTRAL FLORIDA, INC.

Notes to Financial Statements (continued)

The Organization recognized contributed nonfinancial assets within in-kind donations on the statement of activities. Contributed nonfinancial assets did not have donor-imposed restrictions. It is the Organization's policy to sell or contribute all apparel, accessories, furniture and miscellaneous household goods as soon as possible after donations are received in the facility. Mattress donations are either distributed to families/individuals in need or broken down for recycling. All contributed nonfinancial assets are valued according the actual cash proceeds historically received for similar items at the facility.

9 LEGAL

In the normal course of conducting its operations, the Organization occasionally becomes party to various legal actions and proceedings. In the opinion of management, the ultimate resolution of such legal matters will not have a significant adverse effect on the accompanying financial statements.

10 SUBSEQUENT EVENTS

The Organization has adopted guidance that requires the disclosure of the date through which an entity has evaluated subsequent events and the basis for that date (that is, whether that date represents the date the financial statements were issued or were available to be issued). The Organization has evaluated subsequent events through November 17, 2023, which is the date the financial statements were available to be issued.