



Kelly Vitale Raffol LLC  
CERTIFIED PUBLIC ACCOUNTANTS

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*Recycling furniture. Rebuilding lives.*

***Financial Statements***

***For the Years Ended October 31, 2022 and 2021***

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Member, American Institute of Certified Public Accountants  
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**NEW LIFE FURNITURE BANK OF MA, INC.**

***Financial Statements***

***For the Years Ended October 31, 2022 and 2021***

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***Independent Auditors' Report***

To the Board of Directors  
New Life Furniture Bank of MA, Inc.  
Medfield, Massachusetts

***Opinion***

We have audited the accompanying financial statements of New Life Furniture Bank of MA, Inc. (a nonprofit organization), which comprise the statement of financial position as of October 31, 2022, 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 New Life Furniture Bank of MA, Inc. as of October 31, 2022, 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 audits 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 New Life Furniture Bank of MA, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 New Life Furniture Bank of MA, 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 New Life Furniture Bank of MA, 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 New Life Furniture Bank of MA, 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***

Other auditors' previously audited the Organization's 2021 financial statements, and they expressed an unmodified audit opinion on those audited financial statements dated June 21, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended October 31, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

***KellyVitaleRaffol LLC***

Needham, Massachusetts  
January 17, 2023

NEW LIFE FURNITURE BANK OF MA, INC.

*Statements of Financial Position*

*As of October 31, 2022 and 2021*

	<u>2022</u>	<u>2021</u>
<b><i>Assets</i></b>		
Cash and cash equivalents	\$ 145,197	\$ 171,062
Account receivable	7,642	900
Investments	2,487	-
Prepaid expenses	-	6,729
Inventory	49,595	66,548
Property and equipment, net	58,845	18,351
<b><i>Total assets</i></b>	<b><u>\$ 263,766</u></b>	<b><u>\$ 263,590</u></b>
<b><i>Liabilities and Net Assets</i></b>		
Liabilities:		
Accounts payable and accrued expenses	\$ 24,730	\$ 25,671
Notes payable	26,352	4,589
<b><i>Total liabilities</i></b>	<b>51,082</b>	<b>30,260</b>
Net Assets:		
Without donor restrictions	212,684	233,330
<b><i>Total net assets</i></b>	<b><u>212,684</u></b>	<b><u>233,330</u></b>
<b><i>Total liabilities and net assets</i></b>	<b><u>\$ 263,766</u></b>	<b><u>\$ 263,590</u></b>

**NEW LIFE FURNITURE BANK OF MA, INC.**

*Statements of Activities*

*For the Years Ended October 31, 2022 and 2021*

	<b>2022</b>	<b>2021</b>
<b><i>Revenues and Other Support:</i></b>		
Gifts, grants and contributions	\$ 428,173	\$ 373,514
Donated goods and services	573,032	513,208
Event revenue	5,000	-
Net investment income	(1,141)	120
<b><i>Total revenues and other support</i></b>	1,005,064	886,842
<b><i>Expenses:</i></b>		
Program services	951,811	814,322
General and administrative	62,607	43,970
Fundraising	23,232	28,231
<b><i>Total expenses</i></b>	1,037,650	886,523
<b><i>Change in net assets from operating activities</i></b>	(32,586)	319
<b><i>Non-Operating Activities:</i></b>		
Gain from sale of fixed assets	11,940	-
<b><i>Total non-operating activities</i></b>	11,940	-
<b><i>Change in net assets</i></b>	(20,646)	319
<b><i>Net Assets, beginning</i></b>	233,330	233,011
<b><i>Net Assets, ending</i></b>	\$ 212,684	\$ 233,330

**NEW LIFE FURNITURE BANK OF MA, INC.**

*Statements of Cash Flows*

*For the Years Ended October 31, 2022 and 2021*

	<i>2022</i>	<i>2021</i>
<b><i>Cash Flows from Operating Activities:</i></b>		
Change in net assets	\$ (20,646)	\$ 319
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Donated stock	(12,933)	-
Depreciation	10,236	3,239
Reinstatement of Paycheck Protection Loan	-	4,589
Gain on sale of fixed asset	(11,940)	-
Unrealized and realized (gain) and loss on investments	949	-
Change in:		
Accounts receivable	(6,742)	(900)
Prepaid expenses	6,729	(6,729)
Inventory	16,953	1,774
Accounts payable and accrued expenses	(941)	(8,256)
	<b>(18,335)</b>	<b>(5,964)</b>
<b><i>Cash Flows from Investing Activities:</i></b>		
Purchase of motor vehicle	(50,729)	(21,590)
Proceeds from sale of motor vehicle	11,940	-
Proceeds from sale of investments	9,496	-
	<b>(29,293)</b>	<b>(21,590)</b>
<b><i>Cash Flows from Financing Activities:</i></b>		
Proceeds from note payable	25,793	-
Principal payments on notes payable	(4,030)	-
	<b>21,763</b>	<b>-</b>
	<b>(25,865)</b>	<b>(27,554)</b>
<b><i>Cash and cash equivalents, beginning of year</i></b>	<b>171,062</b>	<b>198,616</b>
<b><i>Cash and cash equivalents, end of year</i></b>	<b>\$ 145,197</b>	<b>171,062</b>
<b><i>Supplemental disclosures:</i></b>		
Contributions of donated goods	\$ 559,752	\$ 500,008
Noncash changes to inventory	(16,953)	(1,774)
Donated professional services	13,280	13,200
Cash paid for interest	885	-

*See accompanying notes to financial statements.*

**NEW LIFE FURNITURE BANK OF MA, INC.**

***Statements of Functional Expenses***

***For the Years Ended October 31, 2022 and 2021***

	<i>2022</i>				<i>2021</i>			
	<i>Program Services</i>	<i>General and Administrative</i>	<i>Fundraising</i>	<i>Total</i>	<i>Program Services</i>	<i>General and Administrative</i>	<i>Fundraising</i>	<i>Total</i>
Salaries and wages	\$ 209,504	\$ 10,545	\$ 15,817	\$ 235,866	149,634	9,182	13,827	172,643
Payroll taxes	18,444	870	1,305	20,619	12,920	778	1,113	14,811
Employee benefits	4,796	199	299	5,294	13,987	1,793	2,690	18,470
	<u>232,744</u>	<u>11,614</u>	<u>17,421</u>	<u>261,779</u>	<u>176,541</u>	<u>11,753</u>	<u>17,630</u>	<u>205,924</u>
Donated goods and services	609,881	13,280	-	623,161	515,475	13,200	2,189	530,864
Contractors and consultants	797	-	-	797	5,186	-	-	5,186
Professional fees	-	-	-	-	-	11,225	-	11,225
Program supplies	11,267	-	512	11,779	6,785	40	589	7,414
Vehicle maintenance	11,355	-	-	11,355	13,703	-	-	13,703
Facilities lease	70,019	-	1,575	71,594	74,052	-	-	74,052
Insurance	9,514	213	-	9,727	5,909	540	-	6,449
Utilities	6,346	-	-	6,346	4,406	-	-	4,406
Repairs and maintenance	400	-	-	400	-	-	-	-
Depreciation expense	10,236	-	-	10,236	3,239	-	-	3,239
Telephone and communications	4,807	-	-	4,807	1,825	-	-	1,825
Marketing and advertising	-	-	4,162	4,162	655	-	664	1,319
Office expenses	1,457	-	2,805	4,262	316	4,499	286	5,101
Dues, fees, and subscriptions	3,631	2,836	6,104	12,571	4,006	2,713	5,337	12,056
Printing and postage	-	64	2,825	2,889	2,224	-	1,536	3,760
Bad debt expense	900	-	-	900	-	-	-	-
Interest expenses	885	-	-	885	-	-	-	-
<b><i>Total expenses</i></b>	<u>\$ 974,239</u>	<u>\$ 28,007</u>	<u>\$ 35,404</u>	<u>\$ 1,037,650</u>	<u>\$ 814,322</u>	<u>\$ 43,970</u>	<u>\$ 28,231</u>	<u>\$ 886,523</u>

*See accompanying notes to financial statements.*



# NEW LIFE FURNITURE BANK OF MA, INC.

## *Notes to Financial Statements*

*For the Years Ended October 31, 2022 and 2021*

### **Note 1. Nature of Activities**

New Life Furniture Bank of MA, Inc. (the Organization), was incorporated in 2013 in the State of Massachusetts. The Organization provides gently used donated household furnishings to individuals and families transitioning out of homelessness, victims of fire, those escaping domestic violence, military veterans, and refugees. Regardless of the situation they are striving to overcome, they share a common theme, the need for a new beginning. By empowering those we serve with the means to furnish their home, we are providing comfort, security and hope as they rebuild their lives. At the same time, we give our donors a meaningful way to recycle their gently used furniture and housewares while keeping these items out of landfills. Our vision is a future where no one is forced to live, eat, or sleep on the floor.

### **Note 2. Summary of Significant Accounting Policies**

#### ***Basis of Accounting and Financial Statement Presentation***

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities. Revenues are recognized when the services are performed, and expenses are recorded as incurred.

As required by the FASB Accounting Standards Codification, the Organization's net assets, revenues, gains, and losses are classified based on the existence or absence of donor- or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

***Net assets without donor restrictions:*** Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

***Net assets with donor restrictions:*** Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates those resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

#### ***Use of Estimates and Assumptions***

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

**NEW LIFE FURNITURE BANK OF MA, INC.**

*Notes to Financial Statements*

*For the Years Ended October 31, 2022 and 2021*

**Note 2. Summary of Significant Accounting Policies (Continued)**

***Income Taxes***

The Organization qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code, and therefore, has no provision for federal income taxes. In addition the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A)(vi) and has been classified as an organization that is not a private foundation.

***Concentration of Credit Risk***

The Organization occasionally maintains deposits in excess of federally insured limits. Accounting standards generally accepted in the United States of America, identifies these items as a concentration of credit risk requiring disclosure, regardless of the degree of risk. The risk is managed by maintaining all cash accounts in high quality financial institutions insured by the Federal Deposit Insurance Corporation up to \$250,000. The Organization had no balances that exceeded the FDIC limit as of October 31, 2022 and 2021.

***Cash and Cash Equivalents***

For financial statement purposes, the Organization considers cash and cash equivalents to be cash on hand, cash in operating bank accounts, sweep accounts and money market funds. The Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

***Accounts Receivable***

We record unconditional promises to give that are expected to be collected within one year at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the statements of activities. We determine the allowance for uncollectable promises to give based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Contributions receivables are written off when deemed uncollectable. Management determined that there was no need for an allowance of uncollectable accounts

***Property and Equipment***

Acquisitions of property and equipment in excess of \$2,500 are capitalized. 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 calculated to extinguish the book value of the respective assets over their estimated useful lives, which are as follows:

Motor vehicles	5 years
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# NEW LIFE FURNITURE BANK OF MA, INC.

## *Notes to Financial Statements*

*For the Years Ended October 31, 2022 and 2021*

### **Note 2. Summary of Significant Accounting Policies (Continued)**

#### ***Inventory***

Inventory consists of gently used furniture and other household goods received as donations and held as inventory until distributed to program recipients. The donated inventory is reported at fair value using a widely published valuation guide for similar donated goods. Household items may periodically be purchased when levels are low, and the need is great. Purchased inventory is stated at cost.

#### ***Revenue Recognition***

***Contributions:*** The Organization recognizes contributions when cash, securities, other assets, and unconditional promise to give, or notification of a beneficial interest are received. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met.

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 and 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.

***Exchange transactions:*** Reciprocal transfers in which each party receives and sacrifices goods or services with approximate commensurate value are recognized as exchange transactions. The Organization adopted Accounting Standards Codification (ASC) Topic 606, Revenue from Contracts with Customers (Topic 606) using the modified retrospective method applied to all contracts not completed as of the date of the adoption. The core principle is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. To achieve that core principle, an entity should apply the following steps: (i) identify the contract(s) with a customer, (ii) identify the performance obligations in the contract, (iii) determine the transaction price, (iv) allocate the transaction price to the performance obligations in the contract and (v) recognize revenue when (or as) the entity satisfies a performance obligation.

The Organization applies Topic 606 to exchange transactions 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 or using their services.

The Organization's revenue is derived from grants and contributions from individuals and corporations. All revenue is recorded at estimated net realizable amounts.

# NEW LIFE FURNITURE BANK OF MA, INC.

## *Notes to Financial Statements*

*For the Years Ended October 31, 2022 and 2021*

### **Note 2. Summary of Significant Accounting Policies (Continued)**

#### ***Donated Goods and Services***

The Organization maintains a policy whereby contributions of donated goods and 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, are recognized as revenue on the Statements of Activities and reported as expenses on the Statements of Functional Expenses. Donations of goods and services utilized by the Organization are recorded as Donated Goods and Services. Donations of household goods for distribution to program recipients are recorded as Donated Goods and Inventory using thrift shop values for similar items.

#### ***Functional Allocation of Expenses***

The costs of providing program and other activities have been summarized on a functional basis in the Statements of Functional Expenses. Accordingly, certain costs have been allocated among program services and supporting services benefited. Expenses that can be identified with a specific program and support service are allocated to the programs, projects, and departments they are utilized. Such allocations are determined by management on an equitable basis. Salaries, payroll taxes and employee benefits are allocated depending on time and effort. Depreciation is allocated across the useful life of the assets. Rent is allocated in accordance with square footage used by full time equivalents.

The following functional expenses are directly allocated to the programs, projects and departments as they are utilized:

- Meeting expenses
- Program supplies
- Postage and delivery
- Printing
- Office supplies
- Professional fees
- Rent
- Telephone

The following functional expenses are allocated depending on time and effort:

- Payroll taxes and employee benefits
- Salaries

#### ***Reclassifications***

Certain reclassifications have been made to the prior-year financial statements in order for them to be in conformity with the current-year presentation. The reclassifications were immaterial and did not result in any changes to the beginning net assets.

## NEW LIFE FURNITURE BANK OF MA, INC.

### *Notes to Financial Statements*

#### *For the Years Ended October 31, 2022 and 2021*

#### *Note 2. Summary of Significant Accounting Policies (Continued)*

##### *Fair Value Measurements*

Financial Accounting Standards Board Statement ASC 820, Fair Value Measurements, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB Statement ASC 820 are described below:

Level 1            Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2            Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3            Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The fair value of investments appearing on the Statements of Financial Position has the following valuation approaches as defined by FASB ASC 820 hierarchy:

- Assets utilizing Level 1 inputs include equities which amount to \$2,487, and \$0 as of October 31, 2022 and 2021, respectively. There no liabilities utilizing Level 1 inputs.
- There are no assets or liabilities utilizing Level 2 inputs.
- There are no assets or liabilities utilizing Level 3 inputs.

NEW LIFE FURNITURE BANK OF MA, INC.

*Notes to Financial Statements*

*For the Years Ended October 31, 2022 and 2021*

**Note 2. Summary of Significant Accounting Policies (Continued)**

***New Accounting Pronouncements***

The Organization is currently reviewing the implementation of ASU No. 2016-02 Leases (Topic 842) for the fiscal year ended October 31, 2023, which requires the Organization to capitalize any operating leases which are greater than 12-months as an asset and liability on the statement of financial position and amortize the lease over the term of the lease on a straight-line basis. Finance leases have both an interest factor and depreciation of the lease asset. Non-lease components of monthly payment are a consideration, and the standard allows a practical expedient to lessees to account for non-lease components separately. This ASU is required for fiscal years beginning after December 15, 2021.

**Note 3. Liquidity and Availability of Financial Assets**

The table below presents the Organization's financial assets available within one year to meet its general expenditures at October 31, 2022:

***Financial assets:***

Cash and cash equivalents	\$	145,197
Pledges receivable		7,642
Investments		<u>2,487</u>

<b><i>Financial assets available to meet general expenditures within one year</i></b>	<b>\$</b>	<b><u>155,326</u></b>
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As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due.

**Note 4. Property and Equipment**

Property and equipment and accumulated depreciation account balances at October 31, are as follows:

	<u>2022</u>	<u>2021</u>
Vehicles	\$ 72,320	\$ 41,840
Less: accumulated depreciation	<u>(13,475)</u>	<u>(23,489)</u>
<b><i>Net book value of property and equipment</i></b>	<b><u>\$ 58,845</u></b>	<b><u>\$ 18,351</u></b>

Depreciation expense was \$10,236 and \$3,239 for the years ended October 31, 2022 and 2021, respectively.

**NEW LIFE FURNITURE BANK OF MA, INC.**

*Notes to Financial Statements*

*For the Years Ended October 31, 2022 and 2021*

**Note 5. Leases**

The Organization leases approximately 18,400 square feet of warehouse space in Walpole, Massachusetts under a long-term rental agreement originating in 2013 and extended through December 31, 2025. The future minimum lease payments are as follows:

<u>October 31,</u>	<u>Amount</u>
2023	\$ 73,090
2024	77,544
2025	82,152
2026	13,820
<b>Total</b>	<b>\$ 246,606</b>

Rent expense for the years ended October 31, 2022 and 2021, were \$71,594 and \$74,052, respectively.

**Note 6. Donated Goods and Services**

**Donated Goods**

For the years ended October 31, 2022 and 2021, the Organization received donated furniture and household goods which were utilized within the Organization's program for distribution to families and individuals in need. Donations which meet the Organization's guidelines are accepted and recognized as contribution revenue and inventoried for subsequent distribution. For the years ended October 31, 2022 and 2021, the Organization received donations of goods valued at \$559,752 and \$483,749, respectively. The Organization used the thrift store valuation method to determine a fair market value for these donations.

**Donated Services**

Volunteers are an integral component of the Organization. During the years ended October 31, 2022 and 2021, there were two volunteers who provided approximately 132 hours of donated accounting services in each year. The value of these services at the years ended October 31, 2022 and 2021, was \$13,280 and \$13,200, respectively. The professional services were utilized within the Organization and are recorded on the Statements of Activities and Functional Expenses.

**Note 7. Advertising**

The Organization expenses advertising costs as incurred. In the years ended October 31, 2022 and 2021, the Organization had advertising expenses in the amount of \$4,162 and \$1,319, respectively, related to program and fundraising events.

NEW LIFE FURNITURE BANK OF MA, INC.

*Notes to Financial Statements*

*For the Years Ended October 31, 2022 and 2021*

**Note 8. Notes Payable**

***Financed Vehicle***

The Organization financed a new vehicle during the fiscal year 2022 which requires minimum payments of \$499 for a term of 60 months at a 5.99% interest rate. The minimum future finance payments are as follows:

<u>October 31,</u>	<u>Amount</u>
2023	\$ 4,319
2024	4,988
2025	5,296
2026	5,622
2027	2,940
<b>Total</b>	<b>\$ 23,165</b>

***Small Business Association Paycheck Protection Program (SBA PPP)***

The Organization was granted partial forgiveness of their SBA PPP loan, with a remaining balance of \$4,589. The remaining balance will be repaid over five years beginning in November 2021 with required monthly payments of \$110. The minimum future loan payments are as follows:

<u>October 31,</u>	<u>Amount</u>
2023	\$ 1,296
2024	1,309
2025	582
<b>Total</b>	<b>\$ 3,187</b>

**Note 9. Subsequent Events**

The Organization evaluated events that occurred after October 31, 2022, the date of the statement of financial position, but before the date the financial statements were available to be issued, January 17, 2023, for potential recognition or disclosure in the financial statements. There were no material subsequent events that require adjustment to or disclosure in the financial statements.