



Kelly Vitale Raffol LLC
CERTIFIED PUBLIC ACCOUNTANTS



Recycling furniture. Rebuilding lives.

Financial Statements

For the Years Ended October 31, 2023 and 2022

*105 Chestnut Street, Suite 12, Needham, MA 02492
4238 Washington Street, Suite 307, Boston, Massachusetts 02131
Member, American Institute of Certified Public Accountants
Member, Association of Fraud Examiners*

NEW LIFE FURNITURE BANK OF MA, INC.

Financial Statements

For the Years Ended October 31, 2023 and 2022

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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, 2023 and 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, 2023 and 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.

KellyVitaleRaffol, LLC

Needham, Massachusetts
January 24, 2024

NEW LIFE FURNITURE BANK OF MA, INC.

Statements of Financial Position

As of October 31, 2023 and 2022

	<i>2023</i>	<i>2022</i>
<i>Assets</i>		
Cash and cash equivalents	\$ 152,491	\$ 145,197
Account receivable	5,538	7,642
Investments	6,293	2,487
Prepaid expenses	6,142	-
Inventory	45,650	49,595
Operating right-of-use-asset, net	162,089	-
Property and equipment, net	51,971	58,845
<i>Total assets</i>	\$ 430,174	\$ 263,766
<i>Liabilities and Net Assets</i>		
Liabilities:		
Accounts payable and accrued expenses	\$ 26,296	\$ 24,730
Lease liability	165,928	-
Notes payable	20,448	26,352
<i>Total liabilities</i>	212,672	51,082
Net Assets:		
Without donor restrictions	217,502	212,684
<i>Total net assets</i>	217,502	212,684
<i>Total liabilities and net assets</i>	\$ 430,174	\$ 263,766

NEW LIFE FURNITURE BANK OF MA, INC.

Statements of Activities

As of October 31, 2023 and 2022

	2023	2022
<i>Revenues and Other Support:</i>		
Gifts, grants and contributions	\$ 471,470	\$ 428,173
Donated goods and services	608,274	573,032
Service fees	16,345	-
Event revenue	663	5,000
Net investment income	(3,312)	(1,141)
<i>Total revenues and other support</i>	1,093,440	1,005,064
<i>Expenses:</i>		
Program services	1,004,554	974,239
General and administrative	43,022	28,007
Fundraising	41,046	35,404
<i>Total expenses</i>	1,088,622	1,037,650
<i>Change in net assets from operating activities</i>	4,818	(32,586)
<i>Non-Operating Activities:</i>		
Gain from sale of fixed assets	-	11,940
<i>Total non-operating activities</i>	-	11,940
<i>Change in net assets</i>	4,818	(20,646)
<i>Net Assets, beginning</i>	212,684	233,330
<i>Net Assets, ending</i>	\$ 217,502	\$ 212,684

See accompanying notes to financial statements.

NEW LIFE FURNITURE BANK OF MA, INC.

Statements of Cash Flow

As of October 31, 2023 and 2022

	2023	2022
<i>Cash Flows from Operating Activities:</i>		
Change in net assets	\$ 4,818	\$ (20,646)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Donated stock	(7,063)	(12,933)
Depreciation	14,649	10,236
Gain on sale of fixed asset	-	(11,940)
Right-of-use asset and lease liability, net	3,839	-
Unrealized and realized (gain) and loss on investments	3,258	949
Change in:		
Accounts receivable	2,104	(6,742)
Prepaid expenses	(6,142)	6,729
Inventory	3,945	16,953
Accounts payable and accrued expenses	1,566	(941)
<i>Net cash used by operating activities</i>	20,974	(18,335)
<i>Cash Flows from Investing Activities:</i>		
Purchase of fixed assets	(7,776)	(50,729)
Proceeds from sale of motor vehicle	-	11,940
Proceeds from sale of investments	-	9,496
<i>Net cash used by investing activities</i>	(7,776)	(29,293)
<i>Cash Flows from Financing Activities:</i>		
Proceeds from note payable	-	25,793
Principal payments on notes payable	(5,904)	(4,030)
<i>Net cash provided by financing activities</i>	(5,904)	21,763
<i>Net change in cash and cash equivalents</i>	7,294	(25,865)
<i>Cash and cash equivalents, beginning of year</i>	145,197	171,062
<i>Cash and cash equivalents, end of year</i>	\$ 152,491	145,197
<i>Supplemental disclosures:</i>		
Contributions of donated goods	\$ 595,974	\$ 559,752
Noncash changes to inventory	(3,945)	(16,953)
Donated professional services	12,300	13,280
Cash paid for interest	1,419	885
<i>See accompanying notes to financial statements.</i>		

NEW LIFE FURNITURE BANK OF MA, INC.

Statements of Functional Expenses

For the Years Ended October 31, 2023 and 2022

	<i>2023</i>				<i>2022</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	188,530	12,535	16,575	217,640	209,504	10,545	15,817	235,866
Payroll taxes	17,446	1,084	1,361	19,891	18,444	870	1,305	20,619
Employee benefits	2,819	-	-	2,819	4,796	199	299	5,294
	<u>208,795</u>	<u>13,619</u>	<u>17,936</u>	<u>240,350</u>	<u>232,744</u>	<u>11,614</u>	<u>17,421</u>	<u>261,779</u>
Donated goods and services	604,888	12,300	-	617,188	578,926	13,280	-	592,206
Mattress distribution	52,412	-	-	52,412	30,955	-	-	30,955
Contractors and consultants	1,103	-	300	1,403	796	-	-	796
Program supplies	9,823	-	312	10,135	11,267	-	512	11,779
Vehicle expense	7,762	25	-	7,787	11,355	-	-	11,355
Professional fees	-	13,975	-	13,975	-	-	-	-
Facilities lease	76,606	-	7,034	83,640	70,019	-	1,575	71,594
Insurance	5,941	53	-	5,994	9,514	213	-	9,727
Utilities	9,217	-	-	9,217	6,346	-	-	6,346
Repairs and maintenance	-	-	-	-	400	-	-	400
Depreciation expenses	14,649	-	-	14,649	10,236	-	-	10,236
Telephone and communications	5,765	-	-	5,765	4,807	-	-	4,807
Marketing and advertising	-	-	8,587	8,587	-	-	4,162	4,162
Office expense	1,647	106	50	1,803	1,458	-	2,805	4,263
Dues, fees, and subscriptions	4,620	2,851	6,078	13,549	3,631	2,836	6,104	12,571
Printing and postage	-	-	749	749	-	64	2,825	2,889
Bad debt expenses	-	-	-	-	900	-	-	900
Interest expenses	1,326	93	-	1,419	885	-	-	885
	<u>\$ 1,004,554</u>	<u>\$ 43,022</u>	<u>\$ 41,046</u>	<u>\$ 1,088,622</u>	<u>\$ 974,239</u>	<u>\$ 28,007</u>	<u>\$ 35,404</u>	<u>\$ 1,037,650</u>

See accompanying notes to financial statements.

NEW LIFE FURNITURE BANK OF MA, INC.

Notes to Financial Statements

For the Years Ended October 31, 2023 and 2022

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, 2023 and 2022

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, 2023 and 2022.

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
Machinery & equipment	7 years

NEW LIFE FURNITURE BANK OF MA, INC.

Notes to Financial Statements

For the Years Ended October 31, 2023 and 2022

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, 2023 and 2022

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, 2023 and 2022

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 Organization uses appropriate valuation techniques based on available inputs to measure the fair value of its investments. The following investments are reported at fair value for the year ended October 31, 2023:

	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Total</i>
Investments - Equities	\$ 6,293	\$ -	\$ -	\$ 6,293
<i>Total investments</i>	\$ 6,293	\$ -	\$ -	\$ 6,293

NEW LIFE FURNITURE BANK OF MA, INC.

Notes to Financial Statements

For the Years Ended October 31, 2023 and 2022

Note 2. Summary of Significant Accounting Policies (Continued)

New Accounting Pronouncements

The Organization implemented the new lease reporting for operating leases as outlined in the FASB-issued Accounting Standards Update (ASU) 2017-13, *Leases (Topic 842)* for the date adopted of November 1, 2022. A lease conveys the right-of-use on an underlying asset for a period of time in exchange for consideration. On the lease commencement date, a lessee is required to measure and record a lease liability and right-of-use asset equal to the present value of the remaining lease payments. The right-of-use asset leased from a lessor under an operating lease is reported on the Statement of Financial Position as a right-of-use asset and is amortized over the lease term. The lease liability is initially reported on the Statement of Financial Position at the present value of the operating lease reduced by the annual lease payments. The Organization has elected the optional transition method as a practical expedient to present comparative financial statements for the year before adoption in accordance with the old standard. The Organization has made an accounting policy election to use the risk-free rate to discount the future lease payments.

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, 2023:

Financial assets:

Cash and cash equivalents	\$	152,491
Accounts receivable		5,538
Investments		<u>6,293</u>

Financial assets available to meet general expenditures within one year

\$ 164,322

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.

NEW LIFE FURNITURE BANK OF MA, INC.

Notes to Financial Statements

For the Years Ended October 31, 2023 and 2022

Note 4. Property and Equipment

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

	2023	2022
Vehicles	\$ 72,319	\$ 72,319
Machinery & equipment	7,776	-
Less: accumulated depreciation	(28,124)	(13,474)
<i>Net book value of property and equipment</i>	\$ 51,971	\$ 58,845

Depreciation expense was \$14,649 and \$10,236 for the years ended October 31, 2023 and 2022, respectively.

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, 2026. The future minimum lease payments are as follows:

Operating lease costs	\$ 61,420
Operating right-of-use-assets	\$ 220,618
Accumulated amortization of right-of-use assets	(58,529)
<i>Right-of-use assets, net of accumulated amortization</i>	\$ 162,089
Weighted average remaining term (in years) - office lease	2.17
Weighted Average Discount Rate	4.25%

The future minimum rental commitments for these leases at October 31, 2023 are as follows:

Year ending October 31,:	
2024	\$ 77,543
2025	82,149
2026	13,819
<i>Total commitments</i>	173,511
Present value interest	(7,583)
<i>Present value of operating lease liability</i>	\$ 165,928

NEW LIFE FURNITURE BANK OF MA, INC.

Notes to Financial Statements

For the Years Ended October 31, 2023 and 2022

Note 6. Donated Goods and Services

Donated Goods

For the years ended October 31, 2023 and 2022, 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, 2023 and 2022, the Organization received donations of goods valued at \$595,974 and \$559,752, 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, 2023 and 2022, there were two volunteers who provided approximately 150 hours of donated accounting services in each year. The value of these services at the years ended October 31, 2023 and 2022, was \$12,300 and \$13,280, 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, 2023 and 2022, the Organization had advertising expenses in the amount of \$8,587 and \$4,162, respectively, related to program and fundraising events.

Note 8. Notes Payable

Financed Vehicle

The Organization financed a new vehicle during the fiscal year 2023 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>
2024	\$ 4,988
2025	5,296
2026	5,622
2027	2,466
<i>Total</i>	<u>\$ 18,372</u>

NEW LIFE FURNITURE BANK OF MA, INC.

Notes to Financial Statements

For the Years Ended October 31, 2023 and 2022

Note 8. Note Payable (Continued)

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>
2024	\$ 1,309
2025	767
Total	<u>\$ 2,076</u>

Note 9. Subsequent Events

The Organization evaluated events that occurred after October 31, 2023, the date of the statement of financial position, but before the date the financial statements were available to be issued, January 24, 2024, 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.