



Recycling furniture. Rebuilding lives.

***Financial Statements
For the Years Ended October 31, 2024 and 2023***

NEW LIFE FURNITURE BANK OF MA, INC.

Financial Statements

For the Years Ended October 31, 2024 and 2023

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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, 2024 and 2023, 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, 2024 and 2023, 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.

Kelly Vitale Raffol, LLC

Needham, Massachusetts
February 10, 2025

NEW LIFE FURNITURE BANK OF MA, INC.

Statements of Financial Position

As of October 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Assets		
Cash and cash equivalents	\$ 156,548	\$ 152,491
Account receivable	18,790	5,538
Investments	4,894	6,293
Prepaid expenses	-	6,142
Inventory	38,480	45,650
Operating right-of-use-asset, net	89,174	162,089
Property and equipment, net	36,394	51,971
Total assets	<u>\$ 344,280</u>	<u>\$ 430,174</u>
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	\$ 38,352	\$ 26,296
Lease liability	93,014	165,928
Notes payable	13,365	20,448
Total liabilities	<u>144,731</u>	<u>212,672</u>
Net Assets:		
Without donor restrictions	<u>199,549</u>	<u>217,502</u>
Total net assets	<u>199,549</u>	<u>217,502</u>
Total liabilities and net assets	<u>\$ 344,280</u>	<u>\$ 430,174</u>

See accompanying notes to financial statements.

NEW LIFE FURNITURE BANK OF MA, INC.

Statements of Activities

As of October 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
	<u><i>Without Donor Restrictions</i></u>	<u><i>Without Donor Restrictions</i></u>
<i>Revenues and Other Support:</i>		
Gifts, grants and contributions	\$ 582,104	\$ 471,470
Donated goods and services	584,706	608,274
Service fees	1,041	16,345
Event revenue	-	663
Net investment income	1,708	(3,312)
<i>Total revenues and other support</i>	<u>1,169,559</u>	<u>1,093,440</u>
<i>Expenses:</i>		
Program services	1,050,246	1,004,554
General and administrative	43,342	43,022
Fundraising	93,924	41,046
<i>Total expenses</i>	<u>1,187,512</u>	<u>1,088,622</u>
<i>Change in net assets</i>	(17,953)	4,818
<i>Net assets, beginning of year</i>	<u>217,502</u>	<u>212,684</u>
<i>Net assets, end of year</i>	<u>\$ 199,549</u>	<u>\$ 217,502</u>

See accompanying notes to financial statements.

NEW LIFE FURNITURE BANK OF MA, INC.

Statements of Cash Flow

As of October 31, 2024 and 2023

	2024	2023
Cash Flows from Operating Activities:		
Change in net assets	\$ (17,953)	\$ 4,818
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Donated stock	-	(7,063)
Depreciation	15,575	14,649
Amortization right-of-use asset	78,312	65,260
Unrealized and realized loss on investments	1,708	3,258
Change in:		
Accounts receivable	(13,252)	2,104
Lease liability	(78,312)	(61,421)
Prepaid expenses	6,142	(6,142)
Inventory	7,170	3,945
Accounts payable and accrued expenses	12,056	1,566
Net cash provided by operating activities	11,446	20,974
Cash Flows from Investing Activities:		
Purchase of fixed assets	-	(7,776)
Net cash used in investing activities	-	(7,776)
Cash Flows from Financing Activities:		
Principal payments on notes payable	(7,389)	(5,904)
Net cash used in financing activities	(7,389)	(5,904)
Net change in cash and cash equivalents	4,057	7,294
Cash and cash equivalents, beginning of year	152,491	145,197
Cash and cash equivalents, end of year	\$ 156,548	\$ 152,491
Supplemental disclosures:		
Contributions of donated goods	\$ 579,906	\$ 595,974
Noncash changes to inventory	7,170	(3,945)
Donated professional services	4,800	12,300
Cash paid for interest	993	1,419

See accompanying notes to financial statements.

NEW LIFE FURNITURE BANK OF MA, INC.

Statements of Functional Expenses

For the Years Ended October 31, 2024 and 2023

	<u>2024</u>				<u>2023</u>			
	<u>Program Services</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total</u>	<u>Program Services</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and wages	\$ 182,647	\$ 16,712	\$ 65,291	\$ 264,650	\$ 188,530	\$ 12,535	\$ 16,575	\$ 217,640
Payroll taxes	15,285.00	1,575	5,601	22,461	17,446	1,084	1,361	19,891
Employee benefits	220	-	-	220	2,819	-	-	2,819
	<u>198,152</u>	<u>18,287</u>	<u>70,892</u>	<u>287,331</u>	<u>208,795</u>	<u>13,619</u>	<u>17,936</u>	<u>240,350</u>
Donated goods and services	607,223	4,800	-	612,023	604,888	12,300	-	617,188
Mattress distribution	82,719	-	-	82,719	52,412	-	-	52,412
Contractors and consultants	-	-	-	-	1,103	-	300	1,403
Program supplies	16,480	-	509	16,989	9,823	-	312	10,135
Vehicle expense	7,753	-	45	7,798	7,762	25	-	7,787
Professional fees	-	15,000	-	15,000	-	13,975	-	13,975
Facilities lease	84,069	-	-	84,069	76,606	-	7,034	83,640
Insurance	8,707	681	-	9,388	5,941	53	-	5,994
Utilities	6,695	-	-	6,695	9,217	-	-	9,217
Depreciation expenses	15,575	-	-	15,575	14,649	-	-	14,649
Telephone and communications	6,596	-	-	6,596	5,765	-	-	5,765
Marketing and advertising	6,550	-	4,460	11,010	-	-	8,587	8,587
Office expense	2,321	437	3,391	6,149	1,647	106	50	1,803
Dues, fees, and subscriptions	6,413	4,137	11,038	21,588	4,620	2,851	6,078	13,549
Printing and postage	-	-	3,589	3,589	-	-	749	749
Interest expenses	993	-	-	993	1,326	93	-	1,419
Total expenses	<u>\$ 1,050,246</u>	<u>\$ 43,342</u>	<u>\$ 93,924</u>	<u>\$ 1,187,512</u>	<u>\$ 1,004,554</u>	<u>\$ 43,022</u>	<u>\$ 41,046</u>	<u>\$ 1,088,622</u>

See accompanying notes to financial statements.

NEW LIFE FURNITURE BANK OF MA, INC.

Notes to Financial Statements

For the Years Ended October 31, 2024 and 2023

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, 2024 and 2023

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.

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

The Organization records 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, 2024 and 2023

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, 2024 and 2023

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

Investments

Investment purchases are recorded at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statements of financial position. Net investment return/(loss) is reported in the statements of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses.

NEW LIFE FURNITURE BANK OF MA, INC.

Notes to Financial Statements

For the Years Ended October 31, 2024 and 2023

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>2024</i>		
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Assets			
Investment			
Equities	<u>\$ 4,894</u>	<u>\$ -</u>	<u>\$ -</u>

NEW LIFE FURNITURE BANK OF MA, INC.

Notes to Financial Statements

For the Years Ended October 31, 2024 and 2023

Note 2. Summary of Significant Accounting Policies (Continued)

Fair Value Measurements (Continued)

	2023		
	Level 1	Level 2	Level 3
Assets			
Investment			
Equities	<u>\$ 6,293</u>	<u>\$ -</u>	<u>\$ -</u>

Adopted Accounting Pronouncements

In June 2016, the Financial Accounting Standards Board (FASB) issued guidance Accounting Standard Codification (ASC) 326 – Financial Instruments – Credit Losses which significantly change how entities will measure credit losses for most financial assets and certain other instruments that aren't measure at fair value through net income. The most significant change in this standard is a shift from the incurred loss model to the expected loss model. Under the standard, the disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. Financial assets held by the Company are subject to the guidance in FASB ASC 326 – Financial Instruments – Credit Losses were trade accounts receivables. The Organization has adopted the standard effective November 1, 2023. The impact of the adoption was not considered material to the financial statements and primarily resulted in new or enhanced disclosure only.

Right of Use Assets and Liabilities

Right to use leased assets and the related liabilities are recognized at the lease commencement date and represent the Organization's right to use an underlying asset and lease obligations for the lease term. Right to use leased assets are measured at the initial value of the lease liability plus any payments made to the lessor before the commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease term, plus any initial direct costs necessary to place the lease asset into service. Right to use leased assets are amortized over the shorter of the lease term or the useful life of the underlying asset using the straight-line method. The amortization period varies among the leases.

NEW LIFE FURNITURE BANK OF MA, INC.

Notes to Financial Statements

For the Years Ended October 31, 2024 and 2023

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:

	<u>2024</u>	<u>2023</u>
Financial assets:		
Cash and cash equivalents	\$ 156,548	\$ 152,491
Accounts receivable	18,790	5,538
Investment	<u>4,894</u>	<u>6,293</u>
Financial assets available to meet general expenditures within one year	<u>\$ 180,232</u>	<u>\$ 164,322</u>

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>2024</u>	<u>2023</u>
Vehicles	\$ 72,317	\$ 72,317
Machinery and equipment	<u>7,776</u>	<u>7,776</u>
	80,093	80,093
Less: accumulated depreciation	<u>(43,699)</u>	<u>(28,122)</u>
Property and equipment, net	<u>\$ 36,394</u>	<u>\$ 51,971</u>

Depreciation expense was \$15,575 and \$14,649 for the years ended October 31, 2024 and 2023, respectively.

Note 5. 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, 2024 and 2023.

NEW LIFE FURNITURE BANK OF MA, INC.

Notes to Financial Statements

For the Years Ended October 31, 2024 and 2023

Note 6. 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 Organization includes in the determination of the right-of-use assets and lease liabilities any renewal options when the options are reasonably certain to be exercised. The Organization's operating lease provides for increases in future minimum annual rental payments. Additionally, the operating lease agreement requires the Organization to pay real estate taxes, insurance, and repairs.

The weighted-average discount rate is based on the discount rate implicit in the lease. The Organization has elected the option to use the risk-free rate determined using a period comparable to the lease terms as the discount rate for leases where the implicit rate is not readily determinable. The Organization has applied the risk-free rate option to the building and office equipment classes of assets.

The total lease cost for the years ended October 31, 2024 and 2023 are as follows:

	<u>2024</u>	<u>2023</u>
Operating lease cost	\$ 77,543	\$ 61,420

The following summarizes the weighted-average remaining lease term and weight-average discount rate:

Weighted-Average Remaining Lease Term In Years	<u>2024</u>	<u>2023</u>
Operating lease	1.085	2.17
Weighted- Average Discount Rate	<u>2024</u>	<u>2023</u>
Operating leases	4.25%	4.25%

The following summarizes the right-of-use assets and accumulated amortization as of October 31, 2024, and 2023:

	<u>2024</u>	<u>2023</u>
Operating right-of-use assets	\$ 220,618	\$ 220,618
Accumulated amortization of right-of-use assets	(131,444)	(58,529)
<i>Right-of-use assets, net of accumulated amortization</i>	<u>\$ 89,174</u>	<u>\$ 162,089</u>

NEW LIFE FURNITURE BANK OF MA, INC.

Notes to Financial Statements

For the Years Ended October 31, 2024 and 2023

Note 5. Leases (Continued)

The future minimum lease payments under noncancelable operating lease with terms greater than one year are list as of October 31:

2025	\$ 82,149
2026	13,819
Total lease payments	<u>95,968</u>
Less: interest	<u>(2,954)</u>
Present value of operating lease liability	<u>\$ 93,014</u>

Note 7. Donated Goods and Services

Donated Goods

For the years ended October 31, 2024 and 2023, 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, 2024 and 2023, the Organization received donations of goods valued at \$579,906 and \$595,794, 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, 2024 and 2023, there were two volunteers who provided donated accounting services in each year. The value of these services at the years ended October 31, 2024 and 2023, was \$4,800 and \$12,300, respectively. The professional services were utilized within the Organization and are recorded on the Statements of Activities and Functional Expenses.

Note 8. Advertising

The Organization expenses advertising costs as incurred. In the years ended October 31, 2024 and 2023, the Organization had advertising expenses in the amount of \$11,010 and \$8,587, respectively, related to program and fundraising events.

NEW LIFE FURNITURE BANK OF MA, INC.

Notes to Financial Statements

For the Years Ended October 31, 2024 and 2023

Note 9. 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:

2025	\$	5,296
2026		5,622
2027		2,447
Total	\$	13,365

Note 10. Revenue with Customers

Revenue is disaggregated by the type of fee for the year ended October 31,:

	<u>2024</u>	<u>2023</u>
Services fees		
Disposal fees	\$ 1,043	\$ 3,110
Consulting fees	-	13,235
Total service fees	<u>\$ 1,043</u>	<u>\$ 16,345</u>

Receivables from customers are reported as accounts receivable, net of allowance for credit losses. The beginning and ending balance for accounts receivables were as follow for the years ended October 31, 2024, and 2023:

	<u>2024</u>	<u>2023</u>
Accounts receivable, net of allowance for credit losses	<u>\$ 18,790</u>	<u>\$ 5,538</u>

Note 11. Subsequent Events

The Organization evaluated events that occurred after October 31, 2024, the date of the statement of financial position, but before the date the financial statements were available to be issued, February 10, 2025, 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.