

TABBY'S PLACE

FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITOR'S REPORT
DECEMBER 31, 2015

John R. Prall
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Hamburg, NJ

Tabby's Place

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of
Tabby's Place - A Cat Sanctuary

Report on the Financial Statements

We have audited the accompanying statement of financial statements of Tabby's Place - A Cat Sanctuary (a nonprofit organization) which comprise the statement of financial position as of December 31, 2015, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the basis of accounting Tabby's Place uses for income tax purposes; this includes determining that the income tax basis of accounting is an acceptable basis for the preparation of the financial statements under the circumstances. Management is also responsible 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Tabby's Place - A Cat Sanctuary as of December 31, 2015, and the changes in its net assets and its cash flows for the year then ended in accordance with the basis of accounting Tabby's Place uses for income tax purposes as described in note 1.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describe the basis of accounting. The financial statements are prepared on the basis of accounting Tabby's Place uses for income tax purposes, which is a basis of accounting other than accounting principles generally accepted in the United States of America. My opinion is not modified with respect to this matter.

Hamburg, NJ
August 27, 2016


John R. Prall CPA

TABBY'S PLACE
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2015

	2015
<u>ASSETS</u>	
Cash and cash equivalents	\$ 192,079
Investments	11,666
Prepaid expense	0
Property and equipment at cost, net of accumulated depreciation	1,377,148
Escrow Deposit	<u>0</u>
Total assets	<u>\$ 1,580,893</u>
<u>LIABILITIES AND NET ASSETS</u>	
LIABILITIES:	
Accounts payable	\$ 12,440
Loans payable	<u>20,030</u>
Total liabilities	<u>32,470</u>
NET ASSETS:	
Unrestricted	1,548,423
Temporarily restricted	<u>0</u>
Total net assets	<u>1,548,423</u>
Total liabilities and net assets	<u>\$ 1,580,893</u>

See accompanying notes to the financial statements.

John R. Prall CPA

TABBY'S PLACE
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2015

		<u>2015</u>	
	Unrestricted	Temporarily Restricted	Total
SUPPORT AND REVENUE:			
Foundation grants	36,850		36,850
Corporations	20,089		20,089
Individuals and other	1,130,443		1,130,443
In-kind donations	18,059		18,059
Investment income	68		68
Total revenue	<u>1,205,509</u>	0	<u>1,205,509</u>
EXPENSES:			
Program costs	995,509		995,509
General and administrative	136,227		136,227
Development	28,762		28,762
Total expenses	<u>1,160,498</u>	0	<u>1,160,498</u>
CHANGE IN NET ASSETS	45,011	0	45,011
NET ASSETS, BEGINNING OF THE YEAR	<u>1,503,412</u>	0	<u>1,503,412</u>
NET ASSETS, END OF YEAR	<u>\$ 1,548,423</u>	0	<u>1,548,423</u>

See accompanying notes to the financial statements.

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TABBY'S PLACE
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2015

Item of Expense	Program Costs	General and Administrative	Development	Total 2015
Bank Charges				
Consulting				
Computer expense	18,606			18,606
Employee benefits	32,326	6,992		39,318
Fundraising expenses			28,762	28,762
Food	43,855			43,855
Insurance	52,689			52,689
Interest	2,071			2,071
In Kind	18,059			18,059
Medical equipment maintenance	2,206			2,206
Medical testing	36,959			36,959
Medical supplies	108,190			108,190
Miscellaneous	602			602
Office expense		27,224		27,224
Payroll taxes	33,178	7,176		40,354
Postage	6,370			6,370
Professional fees		18,634		18,634
Repairs and maintenance	49,504			49,504
Salaries	352,320	76,201		428,521
Supplies	30,107			30,107
Telephone and internet	3,428			3,428
Utilities	18,495			18,495
Veterinary services	122,349			122,349
	931,314	136,227	28,762	1,096,303
Depreciation	64,195			64,195
Total	\$ 995,509	\$ 136,227	\$ 28,762	\$ 1,160,498

See accompanying notes to the financial statements.

John R. Prall CPA

TABBY'S PLACE
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2015

	2015
CASH PROVIDED BY (APPLIED TO) OPERATING ACTIVITIES:	
Change in net assets	\$ 45,011
Adjustments to reconcile net change in net assets to net cash provided by operating activities:	
Depreciation	64,195
Changes in operating assets and liabilities:	
Prepaid expense	15,161
Escrow	0
Accounts payable and accrued expense	<u>(2,879)</u>
Net cash provided by (applied to) operating activities	<u>121,488</u>
CASH PROVIDED BY (APPLIED TO) INVESTING ACTIVITIES:	
Purchase of property and equipment	(48,887)
Investments	<u>(1,892)</u>
Net cash provided by (applied to) investing activities	<u>(50,779)</u>
CASH PROVIDED BY (APPLIED TO) FINANCING ACTIVITIES:	
Loan payable	<u>(8,547)</u>
Net cash provided by (applied to) financing activities	<u>(8,547)</u>
NET INCREASE (DECREASE) IN CASH	62,162
CASH, BEGINNING OF YEAR	<u>129,917</u>
CASH, END OF YEAR	<u><u>\$ 192,079</u></u>
SUPPLEMENTAL DISCLOSURE:	
Interest paid	<u><u>\$ 2,071</u></u>

See accompanying notes to the financial statements.

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TABBY'S PLACE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

1. Nature of Activities:

Organization – Tabby's Place - A Cat Sanctuary (Tabby's Place), a NJ nonprofit corporation, is a cage free sanctuary that provides refuge to cats in hopeless situations. This one of a kind facility serves as an adoption center, finding loving homes for cats; a hospital, providing medical and surgical treatment for sick or injured residents; and a hospice, providing palliative care and a warm, loving environment for chronically ill or terminally ill cats to live out their lives in comfort. Tabby's Place's support comes primarily from public donor contributions. Tabby's Place was founded in 1999 and incorporated under the laws of the State of New Jersey.

2. Summary of Significant Accounting Policies:

Tabby's place prepares its financial statements in conformity with methods of accounting that it considers appropriate for federal income tax reporting, which is a comprehensive basis of accounting other than generally accepted accounting principles. Income is recorded when received and expenses when paid or charged via credit card. Contributions are recognized when received by Tabby's Place, and are in substance unconditional. Net assets and revenues, expenses, gains and losses are classified based upon the existence or absence of donor imposed restrictions. Accordingly net assets and changes therein are classified and reported as follows:

Unrestricted net assets – Net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets – Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the organization and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently restricted net assets – Net assets subject to donor-imposed stipulations that they be maintained permanently by the organization. Generally, the donors of these assets permit the use of all or part of the income earned on any related investments for general or specific purposes.

Estimates – 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.

Cash and Cash Equivalents – The Organization considers all cash on hand and in the bank, money market funds and certificates of deposit with an original maturity of less than three months to be cash equivalents.

Income Taxes – The Organization is a not-for-profit organization exempt from taxes under section 501(c)(3) of the Internal Revenue Code. There is, therefore, no provision for income taxes in these financial statements. Annually, the Organization files Form 990, Return of Organizations Exempt from Income Tax, with the Internal Revenue Service. This form is open for public inspection. The Organization believes that it has appropriate support for all tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements. Tax returns are open for examination by the Internal Revenue Service for three years after filing. Thus, returns for this year and the last three years remain open.

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or

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DECEMBER 31, 2015

permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Property and equipment over \$1,000 are recorded at cost or, if donated, as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated assets to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time. Property and equipment are depreciated using the straight-line method over the estimated useful lives of the various assets.

Donated Services – Tabby's Place receives a significant amount of donated services from unpaid volunteers who assist in cleaning, feeding and socializing with the cats. Donated services are recognized as contributions if the services create or enhance nonfinancial assets; or require specialized skills and would otherwise be purchased by Tabby's Place. No amounts have been recognized in the statement of activities because these criteria have not been met.

Advertising Costs – Advertising costs are expensed as incurred.

Subsequent Events – The Organization has evaluated subsequent events for potential recognition or disclosure through August 2016, the date the financial statements were available to be issued.

3. Property and Equipment is summarized as follows:

Land	\$ 276,475
Building	1,417,614
Furniture and equipment	<u>333,321</u>
	2,027,410
Less: accumulated depreciation	<u>650,262</u>
	<u>\$1,377,148</u>

4. Loan Payable:

Tabby's Place entered into a \$34,000 5 year promissory note payable with the ASPCA for the purchase of a standby generator. The note is payable in quarterly installments of \$2,296, and carries an interest rate of 2.5%. As of December 31, 2013 no principal has been paid.

The future minimum payments are as follows:

<u>Year ended</u>	<u>Principal due</u>
December 31, 2016	8,763
December 31, 2017	8,985
December 31, 2018	2,282

5. Related Party Transactions:

Tabby's Place provides food and medical care to the feline pets of staff at cost. During the year ended December 31, 2015 these costs were considered not material.

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NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

6. Functional Allocation of Expenses:

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities and the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and services benefited.

7. Concentrations:

The Organization operates primarily in Hunterdon County, New Jersey. The Organization is thus subject to fluctuations in local economic conditions.