



**FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITOR'S REPORT
DECEMBER 31, 2020**

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East Boothbay, ME**

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 financial statements of Tabby's Place - A Cat Sanctuary (a nonprofit organization) which comprise the statement of assets, liabilities, and net assets as of December 31, 2020, and the related statements of revenues, expenses, and other changes in net assets, functional expenses and cash flows for the year then ended, and the related notes to the financial statements. The prior year summarized comparative information as of December 31, 2019, report dated August 6, 2020, expressed an unmodified opinion on those 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 accounting principle generally accepted in the United States. 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 statement of assets, liabilities, and net assets of Tabby's Place - A Cat Sanctuary as of December 31, 2020, and the statements of revenues, expenses, and other changes in net assets and its cash flows for the year then ended in accordance accounting principles generally accepted in the United States.



John R. Prall CPA

East Boothbay, ME
November 5, 2021

TABBY'S PLACE - A CAT SANCTUARY
STATEMENT OF ASSETS, LIABILITIES, AND OTHER CHANGES IN NET ASSETS -
INCOME TAX BASIS
DECEMBER 31, 2020
WITH COMPARATIVE TOTALS FOR 2019

| | 2020 | 2019 |
|--|--------------|--------------|
| <u>ASSETS</u> | | |
| Cash and cash equivalents | \$ 421,813 | \$ 304,947 |
| Investments | 39,210 | 17,569 |
| Property and equipment at cost, net of accumulated depreciation | 1,417,121 | 1,279,716 |
| Total assets | \$ 1,878,144 | \$ 1,602,232 |
| <u>LIABILITIES AND NET ASSETS</u> | | |
| LIABILITIES: | | |
| Accounts payable | \$ 13,201 | \$ 20,848 |
| PPP Loan | 71,700 | |
| Loans payable | | 20,000 |
| Total liabilities | 84,901 | 40,848 |
| NET ASSETS: | | |
| Without donor restrictions | 1,754,211 | 1,507,841 |
| With donor restrictions | 39,032 | 53,543 |
| Total net assets | 1,793,243 | 1,561,384 |
| Total liabilities and net assets | \$ 1,878,144 | \$ 1,602,232 |

See accompanying notes to the financial statements.

John R. Prall CPA

TABBY'S PLACE - A CAT SANCTUARY
STATEMENT OF REVENUES, EXPENSES, AND OTHER CHANGES IN NET ASSETS - INCOME TAX BASIS
YEAR ENDED DECEMBER 31, 2020
WITH COMPARATIVE TOTALS FOR 2019

| | <u>2020</u> | | | <u>2019</u> | | |
|---|-------------------------------|----------------------------|------------------|-------------------------------|----------------------------|------------------|
| | Without Donor Restrictions | With Donor Restrictions | Total | Without Donor Restrictions | With Donor Restrictions | Total |
| SUPPORT AND REVENUE: | | | | | | |
| Foundation grants | 31,510 | 178,565 | 210,075 | 22,100 | 59,103 | 81,203 |
| Individuals and other | 1,425,344 | | 1,425,344 | 1,390,727 | 77,059 | 1,467,786 |
| In-kind donations | 25,003 | | 25,003 | 24,398 | | 24,398 |
| Investment income | 1,545 | | 1,545 | 1,021 | | 1,021 |
| Gain on sale of investments | (871) | | (871) | 760 | | 760 |
| Other | | | | 2,177 | | 2,177 |
| Total revenue | 1,482,531 | 178,565 | 1,661,096 | 1,441,183 | 136,162 | 1,577,345 |
| EXPENSES: | | | | | | |
| Program costs | 1,205,185 | | 1,205,185 | 1,189,786 | | 1,189,786 |
| General and administrative | 144,654 | | 144,654 | 104,722 | 48,391 | 153,113 |
| Development | 79,398 | | 79,398 | 50,487 | | 50,487 |
| Total expenses | 1,429,237 | | 1,429,237 | 1,344,995 | 48,391 | 1,393,386 |
| CHANGE IN NET ASSETS | 53,294 | 178,565 | 231,859 | 96,188 | 87,771 | 183,959 |
| NET ASSETS, BEGINNING OF THE YEAR | 1,507,841 | 53,543 | 1,561,384 | 1,377,425 | 0 | 1,377,425 |
| Fixed Asset additions satisfying restrictions | 193,076 | (193,076) | | 34,228 | (34,228) | |
| NET ASSETS, END OF YEAR | \$ 1,754,211 | \$ 39,032 | 1,793,243 | \$ 1,507,841 | \$ 53,543 | 1,561,384 |

See accompanying notes to the financial statements.

John R. Prall CPA

TABBY'S PLACE - A CAT SANCTUARY
STATEMENT OF FUNCTIONAL EXPENSES - INCOME TAX BASIS
YEAR ENDED DECEMBER 31, 2020
WITH COMPARATIVE TOTALS FOR 2019

| Item of Expense | Program Costs | General and Administrative | Development | Total 2020 | Total 2019 |
|-------------------------------|---------------------|-------------------------------|------------------|---------------------|---------------------|
| Computer/Internet expense | 44,390 | | | 44,390 | 44,282 |
| Employee benefits | 44,300 | 10,615 | | 54,915 | 58,602 |
| Fundraising expenses | | | 60,720 | 60,720 | 50,487 |
| Food | 49,758 | | | 49,758 | 54,707 |
| Insurance | 76,227 | | | 76,227 | 47,844 |
| In Kind | 25,003 | | | 25,003 | 24,398 |
| Lease expense | 6,481 | | | 6,481 | |
| Medical equipment maintenance | 3,157 | | | 3,157 | 4,502 |
| Medical testing | 60,400 | | | 60,400 | 57,793 |
| Medical supplies | 116,016 | | | 116,016 | 105,061 |
| Miscellaneous | 12,558 | | | 12,558 | 8,575 |
| Office expense | | 12,759 | | 12,759 | 32,027 |
| Payroll taxes | 35,020 | 6,686 | 1,478 | 43,184 | 42,221 |
| Postage | 8,362 | 929 | | 9,291 | 10,651 |
| Professional fees | | 32,888 | | 32,888 | 29,370 |
| Repairs and maintenance | 67,104 | | | 67,104 | 43,490 |
| Salaries | 407,490 | 77,800 | 17,200 | 502,490 | 490,827 |
| Subcontractors | | | | | 15,682 |
| Supplies | 33,232 | | | 33,232 | 35,238 |
| Telephone | 3,023 | 336 | | 3,359 | 3,497 |
| TNR | 9,118 | | | | |
| Utilities | 23,770 | 2,641 | | 26,411 | 26,573 |
| Veterinary services | 122,516 | | | 122,516 | 142,588 |
| | 1,147,925 | 144,654 | 79,398 | 1,371,977 | 1,328,415 |
| Depreciation | 57,260 | | | 57,260 | 64,971 |
| Total | \$ 1,205,185 | \$ 144,654 | \$ 79,398 | \$ 1,429,237 | \$ 1,393,386 |

See accompanying notes to the financial statements.

John R. Prall CPA

TABBY'S PLACE - A CAT SANCTUARY
 STATEMENT OF CASH FLOWS - INCOME TAX BASIS
 YEAR ENDED DECEMBER 31, 2020
 WITH COMPARATIVE TOTALS FOR 2019

| | 2020 | 2019 |
|--|------------|------------|
| CASH PROVIDED BY (APPLIED TO) OPERATING ACTIVITIES: | | |
| Changes in net assets | \$ 231,859 | \$ 183,959 |
| Adjustments to reconcile net change in net assets to net cash provided by operating activities: | | |
| Depreciation | 57,260 | 64,971 |
| Gain on sale of short term investments | | |
| Changes in operating assets and liabilities: | | |
| Prepaid expense | | |
| Accounts payable and accrued expense | (7,647) | (26,251) |
| Net cash provided by (applied to) operating activities | 281,472 | 222,679 |
| CASH PROVIDED BY (APPLIED TO) INVESTING ACTIVITIES: | | |
| Purchase of property and equipment | (194,665) | (66,669) |
| Proceeds from sale of short term investments | 0 | 37,198 |
| Purchase of short term investments | (21,641) | 0 |
| Net cash provided by (applied to) investing activities | (216,306) | (29,471) |
| CASH (APPLIED TO) FINANCING ACTIVITIES: | | |
| Loan payable | 51,700 | (52,000) |
| Net cash (applied to) financing activities | 51,700 | (52,000) |
| NET INCREASE (DECREASE) IN CASH | 116,866 | 141,208 |
| CASH, BEGINNING OF YEAR | 304,947 | 163,739 |
| CASH, END OF YEAR | \$ 421,813 | \$ 304,947 |
| SUPPLEMENTAL DISCLOSURE: | | |
| Interest paid | \$ - | \$ - |

See accompanying notes to the financial statements.

John R. Prall CPA

TABBY'S PLACE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

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:

The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles accepted in the United States. Net assets and revenues, expenses, gains and losses are classified based on 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.

With Donor Restrictions – 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.

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 banks, money market funds and certificates of deposit with an original maturity of less than three months to be cash and 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 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.

TABBY'S PLACE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

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 November 5, 2021, the date the financial statements were available to be issued.

3. Property and Equipment is summarized as follows:

| | <u>2019</u> | <u>2020</u> |
|--------------------------------|--------------------|--------------------|
| Land | \$ 276,475 | \$ 276,475 |
| Building | 1,537,964 | 1,731,040 |
| Furniture and equipment | <u>390,733</u> | <u>392,322</u> |
| | 2,205,172 | 2,399,837 |
| Less: accumulated depreciation | <u>925,456</u> | <u>982,716</u> |
| | <u>\$1,279,716</u> | <u>\$1,417,121</u> |

4. Loans Payable:

In 2018, the Executive Director loaned a total of \$72,000 to Tabby's Place. The balance was \$0 at December 31, 2020 and \$20,000 at December 31, 2019.

5. Related Party Transactions:

Tabby's Place provides food and medical care to the feline pets of staff at cost. During the years ended December 31, 2019 and December 31, 2020 these costs were considered not material.

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.

TABBY'S PLACE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

7. Concentrations:

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

8. Building expansion:

Thanks to a generous gift, Tabby's Place is planning a significant physical expansion in our current location.

The purpose of the gift is to support physical expansion to allow the organization to provide care for FeLV+ cats, in addition to our current services and programs. The primary work includes the addition of 5,000 sq. ft (to be known as Quinn's Corner) to the existing building, which will provide specialized areas for FeLV+ cats, as well as expansion of other areas required to support the new project. Construction started in fall 2020 and we hope to begin operation 12 months after that.

As of December 31, 2020, \$294,063 of related costs have been capitalized and are reflected as part of building costs in Note 3.

9. PPP loan:

The organization received loan proceeds of \$71,700 in 2020 under the paycheck protection program ("PPP"). The loans and accrued interest are conditionally forgivable based on the organization meeting certain requirement under the PPP program. It is anticipated that these loans will be forgiven.

10. Net Assets with Donor restrictions:

Net assets with donor restrictions were attributable to the following purposes:

| | <u>2019</u> | <u>2020</u> |
|-------------------|-------------|-------------|
| Building addition | \$ 53,543 | \$ 39,032 |