

**FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITOR'S REPORT
DECEMBER 31, 2022**

**John R. Prall
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East Boothbay, ME**

Tabby's Place

TABLE OF CONTENTS

	<u>PAGE</u>
INDEPENDENT AUDITOR'S REPORT	1
STATEMENT OF FINANCIAL POSITION	2
STATEMENT OF ACTIVITIES	3
STATEMENT OF FUNCTIONAL EXPENSES	4
STATEMENT OF CASH FLOWS	5
NOTES TO FINANCIAL STATEMENTS	6

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, 2022, 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, 2021, report dated June 28, 2022, 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.

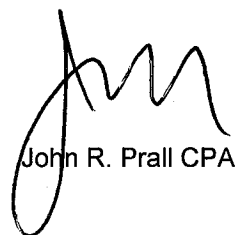
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or 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, 2022, 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.

East Boothbay, ME
November 10, 2023



John R. Prall CPA

TABBYS PLACE - A CAT SANCTUARY
 STATEMENT OF ASSETS, LIABILITIES, AND OTHER CHANGES IN NET ASSETS -
 INCOME TAX BASIS
 DECEMBER 31, 2022
 WITH COMPARATIVE TOTALS FOR 2021

	2022	2021
<u>ASSETS</u>		
Cash and cash equivalents	\$ 371,869	\$ 907,959
Investments	36,253	42,130
Property and equipment at cost, net of accumulated depreciation	4,695,032	2,445,033
Total assets	<u>\$ 5,103,154</u>	<u>\$ 3,395,122</u>
<u>LIABILITIES AND NET ASSETS</u>		
LIABILITIES:		
Accounts payable	\$ 44,001	\$ 17,764
Line of credit	100,000	0
Total liabilities	<u>144,001</u>	<u>17,764</u>
NET ASSETS:		
Without donor restrictions	4,739,913	2,787,040
With donor restrictions	219,240	590,318
Total net assets	<u>4,959,153</u>	<u>3,377,358</u>
Total liabilities and net assets	<u>\$ 5,103,154</u>	<u>\$ 3,395,122</u>

See accompanying notes to the financial statements.

John R. Prall CPA

TABBYS PLACE - A CAT SANCTUARY
 STATEMENT OF REVENUES, EXPENSES, AND OTHER CHANGES IN NET ASSETS - INCOME TAX BASIS
 YEAR ENDED DECEMBER 31, 2022
 WITH COMPARATIVE TOTALS FOR 2021

	<u>2022</u>			<u>2021</u>		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE:						
Foundation grants	35,500	1,313,937	1,349,437	36,325	689,022	725,347
Individuals and other	1,702,980	616,386	2,319,366	1,433,385	933,201	2,366,586
In-kind donations	18,686		18,686	16,809		16,809
Investment income	157		157	505		505
Gain on sale of investments	(1,388)		(1,388)	18,781		18,781
PPP loan forgiveness				71,700		71,700
Other	7,000		7,000	2,629		2,629
Total revenue	1,762,935	1,930,323	3,693,258	1,580,134	1,622,223	3,202,357
EXPENSES:						
Program costs	1,687,088		1,687,088	1,367,564		1,367,564
General and administrative	224,799		224,799	111,477		111,477
Development	199,576		199,576	139,201		139,201
Total expenses	2,111,463		2,111,463	1,618,242		1,618,242
CHANGE IN NET ASSETS	(348,528)	1,930,323	1,581,795	(38,108)	1,622,223	1,584,115
NET ASSETS, BEGINNING OF THE YEAR	2,787,040	590,318	3,377,358	1,754,211	39,032	1,793,243
Fixed Asset additions satisfying restrictions	2,301,401	(2,301,401)		1,070,937	(1,070,937)	
NET ASSETS, END OF YEAR	\$ 4,739,913	\$ 219,240	4,959,153	\$ 2,787,040	\$ 590,318	3,377,358

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, 2022
WITH COMPARATIVE TOTALS FOR 2021

Item of Expense	Program Costs	General and Administrative	Development	Total 2022	Total 2021
Bank Charges	1,873			1,873	
Consulting	765			765	
Computer/Internet expense	72,393			72,393	56,981
Employee benefits	66,052	12,881	12,425	91,358	65,344
Fundraising expenses			172,948	172,948	111,832
Food	102,245			102,245	68,998
Insurance	60,976	6,775		67,751	67,715
Interest		1,755		1,755	
In Kind	18,686			18,686	16,809
Lease expense	11,290			11,290	3,745
Medical equipment maintenance	7,311			7,311	6,902
Medical testing	81,467			81,467	64,211
Medical supplies	136,303			136,303	129,886
Miscellaneous	12,890			12,890	8,631
Office expense		16,632		16,632	17,130
Payroll taxes	47,902	9,342	9,010	66,254	50,614
Postage	21,268	2,363		23,631	21,640
Professional fees		63,622		63,622	53,519
Repairs and maintenance	70,951			70,951	45,580
Salaries	555,988	108,277	104,788	769,053	587,752
Supplies	66,309			66,309	29,752
Telephone	3,680	409		4,089	3,428
TNR	8,263			8,263	6,768
Trash removal	10,038			10,038	6,888
Utilities	24,679	2,742		27,421	23,311
Veterinary services	151,115			151,115	127,781
	1,532,444	224,798	299,171	2,056,413	1,575,217
Depreciation	55,050			55,050	43,025
Total	\$ 1,587,494	\$ 224,798	\$ 299,171	\$ 2,111,463	\$ 1,618,242

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, 2022
WITH COMPARATIVE TOTALS FOR 2021

	2022	2021
CASH PROVIDED BY (APPLIED TO) OPERATING ACTIVITIES:		
Changes in net assets	\$ 1,581,795	\$ 1,584,115
Adjustments to reconcile net change in net assets to net cash provided by operating activities:		
Depreciation	55,050	43,025
Gain on sale of short term investments		
Changes in operating assets and liabilities:		
Prepaid expense		
Accounts payable and accrued expense	26,237	4,563
Net cash provided by (applied to) operating activities	<u>1,663,082</u>	<u>1,631,703</u>
CASH PROVIDED BY (APPLIED TO) INVESTING ACTIVITIES:		
Purchase of property and equipment	(2,305,049)	(1,070,937)
Proceeds from sale of short term investments	5,877	0
Purchase of short term investments	0	(2,920)
Net cash provided by (applied to) investing activities	<u>(2,299,172)</u>	<u>(1,073,857)</u>
CASH (APPLIED TO) FINANCING ACTIVITIES:		
Loan payable	100,000	(71,700)
Net cash (applied to) financing activities	<u>100,000</u>	<u>(71,700)</u>
NET INCREASE (DECREASE) IN CASH	(536,090)	486,146
CASH, BEGINNING OF YEAR	<u>907,959</u>	<u>421,813</u>
CASH, END OF YEAR	<u>\$ 371,869</u>	<u>\$ 907,959</u>
SUPPLEMENTAL DISCLOSURE:		
Interest paid	<u>\$ 1,755</u>	<u>\$ 396</u>

See accompanying notes to the financial statements.

John R. Prall CPA

TABBY'S PLACE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

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, 2022

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 June 20, 2022, the date the financial statements were available to be issued.

3. Property and Equipment is summarized as follows:

	<u>2022</u>	<u>2021</u>
Land	\$ 276,475	\$ 276,475
Building	5,037,356	2,796,490
Furniture and equipment	<u>461,992</u>	<u>397,809</u>
	5,775,823	3,440,774
Less: accumulated depreciation	<u>1,080,791</u>	<u>1,025,741</u>
	<u>\$4,695,032</u>	<u>\$2,455,033</u>

4. Net Assets with Donor restrictions:

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

	<u>2022</u>	<u>2021</u>
Building addition	\$ 219,240	\$590,318

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, 2022 and December 31, 2021 these costs were considered not material.

TABBY'S PLACE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

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.

8. Building expansion:

Thanks to a generous gift, Tabby's Place has begun a 5,000 square foot expansion at our current location, which we expect to complete in 2023.

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 is in process at 12/31/22.

In conjunction with the expansion, we are doing significant maintenance on the existing building, including exterior painting, roof replacement, and replacing the floor coverings in approximately half of the building.

As of December 31, 2022, \$3,566,299 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 requirements under the PPP program. The loans were forgiven in 2021.

10 Subsequent events:

The organization has evaluated subsequent events for potential recognition or disclosure through November 10, 2023, the date the financial statements were available to be issued.