

ANN'S PLACE INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2020

ANN'S PLACE INC.

INDEX

INDEPENDENT AUDITOR'S REPORT Page 3

Statement of Financial Position
December 31, 2020 with comparative totals for
December 31, 2019 Page 5

Statement of Activities
For the year ended December 31, 2020
with comparative totals for December 31, 2019..... Page 6

Statement of Functional Expenses
For the year ended December 31, 2020
with comparative totals for December 31, 2019..... Page 7

Statement of Cash Flows
For the year ended December 31, 2020
with comparative totals for December 31, 2019..... Page 8

Notes to Financial Statements..... Page 9

ANN'S PLACE INC.

INDEPENDENT AUDITOR'S REPORT



INDEPENDENT AUDITOR'S REPORT

TO THE BOARD OF DIRECTORS OF
ANN'S PLACE INC.

Opinion

We have audited the accompanying financial statements of Ann's Place Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities, functional expenses, and cash flows for the year 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 Ann's Place Inc., as of December 31, 2020, and the changes in its net assets and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit 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 Ann's Place Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 the 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 Ann's Place 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 it 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, including omissions, 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 excepted 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 Ann's Place 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 a substantial doubt about Ann's Place 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.

Report on Summarized Comparative Information

We have previously audited Ann's Place Inc.'s 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 26, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.



HOPE & HERNANDEZ, P.C.
Bridgeport, Connecticut
April 15, 2021

ANN'S PLACE INC.

FINANCIAL STATEMENTS

**ANN'S PLACE INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2020 and 2019**

<u>ASSETS</u>	<u>2020</u>	<u>2019</u>
Current Assets:		
Cash	\$ 339,826	\$ 296,056
Contributions and Grants Receivable, Net	37,365	17,654
Prepaid Insurance Expense	17,200	16,357
Investments	309,330	259,549
Total Current Assets	<u>703,721</u>	<u>589,616</u>
Property, Plant and Equipment:		
Land, Building and Equipment, Net	<u>4,336,870</u>	<u>4,450,157</u>
TOTAL ASSETS	<u>\$ 5,040,591</u>	<u>\$ 5,039,773</u>
<u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities:		
Accounts Payable & Accrued Expenses	\$ 719	\$ 14,620
Deferred Revenue	-	14,177
CT Bridge Loan	10,000	-
Total Current Liabilities	<u>10,719</u>	<u>28,797</u>
Long-Term Liabilities:		
Paycheck Protection Program Note Payable	<u>164,300</u>	<u>-</u>
TOTAL LIABILITIES	<u>175,019</u>	<u>28,797</u>
NET ASSETS		
Without Donor Restrictions	4,852,457	4,998,206
With Donor Restrictions	13,115	12,770
Total Net Assets	<u>4,865,572</u>	<u>5,010,976</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 5,040,591</u>	<u>\$ 5,039,773</u>

See Accompanying Notes and Accountant's Report.

ANN'S PLACE INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2019

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total 2020</u>	<u>Total 2019</u>
SUPPORT AND REVENUE:				
Corporate & Foundations	\$ 94,279	\$ 125,075	\$ 219,354	\$ 297,557
Individuals	369,625	50,345	419,970	347,125
Religious, Service & Civic Organizations	16,136	-	16,136	14,412
Employee Matching	10,945	-	10,945	6,186
Financial Aid Donations	-	400	400	1,775
Fundraisers Held by Community	32,964	-	32,964	140,510
Ann's Place Fundraisers	288,558	-	288,558	594,115
Contributed Services	105,438	-	105,438	122,873
In-Kind Contributions	16,835	-	16,835	107,986
Interest & Dividend Income	2,163	-	2,163	3,187
Other Income	12,708	-	12,708	9,876
Net Assets Released from Restrictions	175,475	(175,475)	-	-
TOTAL SUPPORT AND REVENUE	<u>1,125,126</u>	<u>345</u>	<u>1,125,471</u>	<u>1,645,602</u>
EXPENSES:				
Program Services:				
Client Services	822,649	-	822,649	877,892
Outreach & Education	197,943	-	197,943	240,147
Total Program Services	<u>1,020,592</u>	<u>-</u>	<u>1,020,592</u>	<u>1,118,039</u>
Support Services:				
Management and General	98,323	-	98,323	110,674
Fundraising	159,465	-	159,465	328,470
Total Support Services	<u>257,788</u>	<u>-</u>	<u>257,788</u>	<u>439,144</u>
Total Expenses	<u>1,278,380</u>	<u>-</u>	<u>1,278,380</u>	<u>1,557,183</u>
Change in Net Assets from Operations	(153,254)	345	(152,909)	88,419
Non-Operating Activities:				
Investment Return, Net	7,505	-	7,505	7,146
Total Non-Operating Activities	<u>7,505</u>	<u>-</u>	<u>7,505</u>	<u>7,146</u>
CHANGE IN NET ASSETS	<u>(145,749)</u>	<u>345</u>	<u>(145,404)</u>	<u>95,565</u>
NET ASSETS - BEGINNING OF YEAR	<u>4,998,206</u>	<u>12,770</u>	<u>5,010,976</u>	<u>4,915,411</u>
NET ASSETS - END OF YEAR	<u>\$ 4,852,457</u>	<u>\$ 13,115</u>	<u>\$ 4,865,572</u>	<u>\$ 5,010,976</u>

See Accompanying Notes and Accountant's Report.

**ANN'S PLACE INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2020
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2019**

EXPENSES	PROGRAM SERVICES		SUPPORT SERVICES			TOTALS		
	Client Services	Outreach & Education	Totals	Management & General	Fundraising	Totals	2020	2019
Salaries	\$ 354,969	\$ 124,657	\$ 479,626	\$ 50,381	\$ 72,477	\$ 122,858	\$ 602,484	\$ 699,723
Payroll Taxes	35,100	12,326	47,426	4,981	7,167	12,148	59,574	66,699
Employee Benefits	63,697	22,369	86,066	9,042	13,005	22,047	108,113	92,019
Total Salaries & Related Expenses	453,766	159,352	613,118	64,404	92,649	157,053	770,171	858,441
Professional Fees	19,753	8,010	27,763	2,464	3,500	5,964	33,727	29,339
Program Specific Costs	58,874	-	58,874	-	-	-	58,874	35,544
Insurance	7,715	-	7,715	6,777	4,629	11,406	19,121	18,081
Tech & Communications	28,355	5,837	34,192	2,938	881	3,819	38,011	34,704
Facilities	40,398	468	40,866	5,259	468	5,727	46,593	60,130
Consumables/Copying/Printing	17,340	10,829	28,169	2,902	2,989	5,891	34,060	76,603
Staff Development/Dues & Subscriptions	933	633	1,566	5	-	5	1,571	3,680
Advertising & Event Specific Costs	-	1,351	1,351	-	40,730	40,730	42,081	186,887
Financing/Business Fees/Other	2,846	134	2,980	4,511	7,955	12,466	15,446	15,088
Contributed Services	105,438	-	105,438	-	-	-	105,438	122,873
Total Expenses Before Depreciation	735,418	186,614	922,032	89,260	153,801	243,061	1,165,093	1,441,370
Depreciation of Buildings and Equipment	87,231	11,329	98,560	9,063	5,664	14,727	113,287	115,813
TOTAL EXPENSES	\$ 822,649	\$ 197,943	\$ 1,020,592	\$ 98,323	\$ 159,465	\$ 257,788	\$ 1,278,380	\$ 1,557,183

See Accompanying Notes and Accountant's Report.

**ANN'S PLACE INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2020
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2019**

CASH FLOWS FROM OPERATING ACTIVITIES	<u>2020</u>	<u>2019</u>
Change in Net Assets	\$ (145,404)	\$ 95,565
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation	113,287	115,813
Unrealized Gain on Investments	(7,505)	(7,146)
Change in:		
Contributions, Grants and Other Receivables	(19,711)	11,537
Prepaid Expenses	(843)	(1,001)
Accounts Payable and Other Accrued Expenses	(13,901)	(14,468)
Deferred revenue	(14,177)	(822)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(88,254)</u>	<u>199,478</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
CT Bridge Loan Proceeds	10,000	-
Paycheck Protection Program Note Proceeds	164,300	-
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	<u>174,300</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Investments	(42,276)	(75,836)
Acquisition of Fixed Assets	-	(3,974)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>(42,276)</u>	<u>(79,810)</u>
NET INCREASE (DECREASE) IN CASH	43,770	119,668
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>296,056</u>	<u>176,388</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 339,826</u>	<u>\$ 296,056</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash Paid During the Year for:		
Interest	\$ -	\$ -
Income Taxes	\$ -	\$ -

See Accompanying Notes and Accountant's Report.

ANN'S PLACE INC.

NOTES TO THE FINANCIAL STATEMENTS

**ANN'S PLACE INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 1 - STATEMENT OF PURPOSE

Ann's Place Inc. provides men, women, children and their loved ones in our community with critical services during their cancer journey. We are honored to provide all of our services free of charge to every member of our community. As a nonprofit agency, Ann's Place Inc. helps inspire people to create a pathway through cancer that strengthens and sustains them, and improves their quality of life. We provide professional and compassionate support services to individuals and families through counseling led by professional and licensed clinical social workers. These services are complemented by 15 Support Groups focusing on specific areas of concern for cancer patients and their loved ones. In addition, we offer an extensive range of Wellness Program activities. Ann's Place Inc. is also involved in community outreach, education, and regularly presents speakers who address cancer issues of client concern, advances in diagnosis and treatment, as well as wellness education.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting Policies

The presentation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. These assumptions include but are not limited to the depreciable lives of long-lived assets and allocation of functional expenses. Actual results could differ from those estimates.

Support and Revenue Recognition

Revenues and expenses are recognized on the accrual basis of accounting which recognizes revenues when earned and expenses when incurred.

Basis of Presentation

Ann's Place Inc.'s financial statements have been prepared in accordance with U.S. generally accepted accounting principles, which require the Agency to report information regarding its financial position and activities according to the following net asset classifications:

**ANN'S PLACE INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Agency's management and the board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Agency or by the passage of time. Other donor restrictions can be perpetual in nature, where by the donor has stipulated that the funds be maintained in perpetuity. Ann's Place Inc. does not have any perpetual type net assets at December 31, 2020.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

Measure of Operations

The statement of activities reports all changes in net assets from operating and non-operating activities. Operating activities consist of those items attributable to the Agency's ongoing programs and interest and dividends earned on investments. Non-operating activities are limited to resources that generate return from investments and other activities considered to be of a more unusual or nonrecurring nature.

Contributions and Grants Receivable

Gifts of cash and other assets received without donor stipulations are reported as revenue and net assets without donor restrictions. Gifts received with a donor stipulation that limits their use are reported as revenue and net assets with donor restrictions. When a donor stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. At December 31, 2020, all contributions and grants receivable are due within one year and are presented net of an allowance for uncollectible contributions of \$0 on the Statement of Financial Position.

**ANN'S PLACE INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Cash and Cash Equivalents

Ann's Place Inc. considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Investments

Investments are recorded at cost, if purchased, or at fair value, if donated. Thereafter, investments are reported at their fair values in the statement of financial position, and changes in fair value are reported as investment return in the statement of activities.

Purchases and sales of securities are reflected on a trade-date basis. Gains and losses on sales of securities are based on average cost and are recorded in the statement of activities in the period in which the securities are sold. Interest is recorded when earned. Dividends are accrued as of the ex-dividend date.

Contributed and Volunteer Services

Ann's Place Inc. recognized Contributed Services revenue and expense for certain services received at the fair market value of such services. Recognized services were recorded as revenue and expense in the Client Services program as follows:

Art, Needlework, Music, Movement, Reiki and Yoga	494.50 hours X \$55 per hour = \$27,198
Horticultural Therapy, Speaker Series and Support Group Programs	978 hours X \$80 per hour = \$78,240
	<u>\$105,438</u>

Volunteer services have not been reflected in the accompanying financial statements because such services do not require specialized skills and therefore no objective basis is available to measure the value of such services. Many individuals volunteer their time and perform a variety of tasks.

**ANN'S PLACE INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

In-kind Contributions

In-kind contributions represent the value of donated supplies, materials and equipment and are recorded when these contributions are both specifically identifiable and can be objectively valued in monetary terms (fair market value, as determined by management).

Fixed Assets and Accumulated Depreciation

Fixed assets are recorded at cost and include expenditures that naturally increase values or extend useful lives. Contributed assets are recorded at their fair market value at the date of receipt as determined by the Agency. Depreciation is computed over the estimated useful lives of the assets, which range from 5 to 39 years, using the straight-line method for financial and tax reporting purposes. Expenditures in the nature of normal repairs and maintenance are charged to operations as incurred.

Functional Expenses

The costs of providing program and other activities have been summarized on a functional basis in the statement of activities and presented in detail in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Such allocations are determined by management on an equitable basis.

The expenses that are allocated include the following:

Expense	Method of Allocation
Employee Benefits	Square Footage
IT Support	Square Footage
President/CEO's Salary	Time and Effort
Accounting & Contract Manager's Salary	Time and Effort
Occupancy	Square Footage
Depreciation	Square Footage
Office Supplies, Postage & Copying	Square Footage

ANN'S PLACE INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 3 - CONCENTRATIONS OF CREDIT RISK

Financial instruments that potentially subject the Agency to concentration of credit risk consist principally of cash and investments. The Agency, at December 31, 2020, maintained \$16,854 in cash balances in excess of Federal Deposit Insurance Corporation limits. The Agency has not incurred any losses in the past and believes it is not exposed to any significant credit risk.

NOTE 4 - AVAILABILITY AND LIQUIDITY

The following represents Ann's Place Inc.'s financial assets at December 31, 2020.

Financial assets at year end:	<u>2020</u>
Cash and cash equivalents	\$ 339,826
Contributions and grants receivable	37,365
Investments	<u>309,330</u>
Total Financial Assets	\$ 686,521
Less amounts not available to be used within one year	-0-
Financial assets available to meet general expenditures over the next twelve months	\$ <u>686,521</u>

Ann's Place Inc. has a \$125,000 line of credit available to meet cash flow needs.

NOTE 5 - INCOME TAXES

Ann's Place Inc. (a Connecticut Corporation) is a tax-exempt organization under section 501(c)(3) of the Internal Revenue Code and applicable state statutes and generally is not subject to income taxes. The entity is not aware of any activities that would jeopardize its tax-exempt status. As of December 31, 2020, the Agency had no uncertain tax positions that qualify for either recognition or disclosure in the financial statements and does not expect this to change in the next twelve months. The 2017 through 2020 tax years remain subject to examination by the Internal Revenue Service.

NOTE 6 - CONTRIBUTIONS AND GRANTS RECEIVABLE

Contributions and Grants Receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. The allowance balance is \$0 at December 31, 2020.

**ANN'S PLACE INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 7 - INVESTMENTS - FAIR VALUE MEASUREMENTS

Fair value is defined as the price that would be received to sell an asset in the principal or most advantageous market for the asset in an orderly transaction between market participants on the measurement date. Fair value should be based on the assumptions market participants would use when pricing an asset. U.S. generally accepted accounting principles establish a fair value hierarchy that prioritizes investments based on those assumptions. The fair value hierarchy gives the highest priority to quoted prices in active markets (observable inputs) and the lowest priority to an entity's assumptions (unobservable inputs). The Agency groups assets at fair value in three levels, based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value. These levels are:

Level 1 Unadjusted quoted market prices for identical assets or liabilities in active markets as of the measurement date.

Level 2 Other observable inputs, either directly or indirectly, including:

- Quoted prices for similar assets/liabilities in active markets;
- Quoted prices for identical or similar assets in non-active markets;
- Inputs other than quoted prices that are observable for the asset/liability; and,
- Inputs that are derived principally from or corroborated by other observable market data.

Level 3 Unobservable inputs that cannot be corroborated by observable market data.

The Agency's investments are reported at fair value in the accompanying statement of financial position at December 31, 2020 as follows:

	Fair Value	Level 1
Cash & Equivalents	\$ 24,886	\$ 24,886
Exchange Traded Products	62,018	62,018
Fixed Income	10,031	10,031
Mutual Funds	<u>212,395</u>	<u>212,395</u>
Total	<u>\$ 309,330</u>	<u>\$ 309,330</u>

The class of assets shown are the class of assets reported by the investment advisor.

**ANN'S PLACE INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 8 - LAND, BUILDING AND EQUIPMENT, NET

Below is a summary of the Agency's fixed assets at December 31, 2020:

	<u>2020</u>
Land	\$1,050,000
Building	3,972,478
Artwork	218,957
Office Equipment	65,156
Furniture and Fixtures	61,827
Software	<u>65,748</u>
Sub-Total	5,434,166
Less: Accumulated Depreciation	<u>(1,097,296)</u>
TOTAL	<u>\$4,336,870</u>

NOTE 9 - LINE OF CREDIT

The Agency has a \$125,000 line of credit with the Savings Bank of Danbury, secured by a first security interest on Ann's Place Inc.'s business assets. As of December 31, 2020, the credit line balance outstanding is \$0.

NOTE 10 – CT BRIDGE LOAN

On June 11, 2020, the Agency received a \$10,000 Small Business Express Connecticut Recovery Bridge loan. The loan is 0% interest as long as it's repaid in full by December 11, 2021. After December 11, 2021, interest will accrue at 15%. The loan is collateralized by a personal guarantee by a member of the board of directors.

NOTE 11 – PAYCHECK PROTECTION PROGRAM NOTE PAYABLE

On April 1, 2020, the Agency received \$164,300 in Paycheck Protection Program (PPP) funds from the Savings Bank of Danbury. The note's interest was 1% and was repayable in 24 equal monthly payments, 10 months after the end of the 24 week covered program period. The Agency applied for loan forgiveness by submitting documentation to the Savings Bank of Danbury supporting that the loan proceeds were used in accordance with PPP's allowable expense categories. On April 9, 2021, the entire loan balance was forgiven and the \$164,300 loan was converted to grant proceeds.

**ANN'S PLACE INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 12 – NET ASSETS

Net assets with donor restrictions were as follows for the year ended December 31, 2020:

	<u>2020</u>
Specific Purpose	
Client Aid	\$ <u>13,115</u>

NOTE 13 - EMPLOYEE BENEFITS

Deferred Compensation Plan - The Agency maintains a pre-tax 403B savings plan administered through AXA Advisors, LLC, open to all employees. Although it may elect to do so, since its inception, Ann's Place Inc. has not made any contributions to the plan.

NOTE 14 - OPERATING LEASE

In February, 2019 Ann's Place Inc. entered into a 60 month operating lease for a copier/fax machine. Monthly lease payments were \$1,141. In October, 2020, the terms of the lease were re-negotiated and the monthly lease payments were reduced to \$901 for the remaining life of the lease. Minimum lease payments for the operating lease at December 31, 2020 are as follows:

2021	\$ 10,813
2022	10,813
2023	9,912
2024	-0-
2025	<u>-0-</u>
Total	\$ 31,538

On October 20, 2013 Ann's Place Inc. entered into a 51 month operating lease for a postage machine. Quarterly lease payments are \$157. The lease expired during 2018 and continues on a month to month basis.

NOTE 15 - COMPARATIVE FINANCIAL STATEMENTS

The financial statements include certain prior year summarized comparative information in total but not by net asset category or functional expense category. Such information does not include sufficient detail to constitute a presentation in accordance with generally accepted accounting principles. Accordingly, such prior year information should be read in

**ANN'S PLACE INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 15 - COMPARATIVE FINANCIAL STATEMENTS – Continued

conjunction with Ann's Place Inc's financial statements for the year ended December 31, 2019, from which the summarized information was derived.

NOTE 16 - SUBSEQUENT EVENTS

Date of Management Evaluation - Management has evaluated subsequent events through April 15, 2021, the date on which the financial statements were available to be issued.

Management has identified the following significant subsequent events requiring disclosure:

The future effects and additional impact of the COVID-19 pandemic is unknown at this time.

On February 5, 2021, the Agency received a second Paycheck Protection Program (PPP) loan/grant in the amount of \$153,632. The first PPP loan received in April, 2020 was subsequently forgiven on April 9, 2021.