

i

ANN'S PLACE INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2022

ANN'S PLACE INC.

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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, 2022, 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, 2022, 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 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 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 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 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated March 31, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.



HOPE & HERNANDEZ, P.C.
Bridgeport, Connecticut
March 30, 2023

ANN'S PLACE INC.

FINANCIAL STATEMENTS

**ANN'S PLACE INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2022 and 2021**

<u>ASSETS</u>	<u>2022</u>	<u>2021</u>
Current Assets:		
Cash	\$ 565,639	\$ 478,574
Accounts Receivable	43,328	17,225
Contributions and Grants Receivable, Net	21,164	18,501
Prepaid Expenses	21,077	21,362
Investments	518,157	453,852
Total Current Assets	<u>1,169,365</u>	<u>989,514</u>
Property, Plant and Equipment:		
Land, Building and Equipment, Net	<u>4,153,636</u>	<u>4,231,037</u>
Other Assets:		
Operating Lease Right-Of-Use Assets	<u>12,242</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 5,335,243</u>	<u>\$ 5,220,551</u>
<u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities:		
Accounts Payable & Accrued Expenses	\$ 13,553	\$ 17,417
Deferred Revenue	35,369	17,800
Operating Lease Liability-Short Term	10,524	-
Total Current Liabilities	<u>59,446</u>	<u>35,217</u>
Long-Term Liabilities:		
Operating Lease Liability	<u>1,718</u>	<u>-</u>
TOTAL LIABILITIES	<u>61,164</u>	<u>35,217</u>
NET ASSETS		
Without Donor Restrictions	5,200,408	5,177,001
With Donor Restrictions	73,671	8,333
Total Net Assets	<u>5,274,079</u>	<u>5,185,334</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 5,335,243</u>	<u>\$ 5,220,551</u>

See Accompanying Notes and Accountant's Report.

ANN'S PLACE INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total 2022</u>	<u>Total 2021</u>
SUPPORT AND REVENUE:				
Corporate & Foundations	\$ 99,644	\$ 215,100	\$ 314,744	\$ 269,155
Individuals	417,665	79,673	497,338	406,529
Government	400	6,700	7,100	1,200
Religious, Service & Civic Organizations	14,550	-	14,550	10,554
Employee Matching	4,548	-	4,548	11,757
Financial Aid Donations	-	-	-	300
Fundraisers Held by Community	78,471	-	78,471	59,652
Ann's Place Fundraisers	640,673	-	640,673	465,113
Paycheck Protection Program Revenue	-	-	-	317,932
Contributed Services	180,044	-	180,044	155,203
In-Kind Contributions (Fundraising Event Items)	109,752	-	109,752	86,124
Interest & Dividend Income	5,878	-	5,878	2,816
Other Income	3,566	-	3,566	13,126
Net Assets Released from Restrictions	236,135	(236,135)	-	-
TOTAL SUPPORT AND REVENUE	<u>1,791,326</u>	<u>65,338</u>	<u>1,856,664</u>	<u>1,799,461</u>
EXPENSES:				
Program Services:				
Client Services	986,246	-	986,246	888,337
Outreach & Education	253,288	-	253,288	242,982
Total Program Services	<u>1,239,534</u>	<u>-</u>	<u>1,239,534</u>	<u>1,131,319</u>
Support Services:				
Management and General	139,606	-	139,606	115,343
Fundraising	323,686	-	323,686	247,629
Total Support Services	<u>463,292</u>	<u>-</u>	<u>463,292</u>	<u>362,972</u>
Total Expenses	<u>1,702,826</u>	<u>-</u>	<u>1,702,826</u>	<u>1,494,291</u>
Change in Net Assets from Operations	88,500	65,338	153,838	305,170
Non-Operating Activities:				
Investment Return, Net	(65,093)	-	(65,093)	14,592
Total Non-Operating Activities	<u>(65,093)</u>	<u>-</u>	<u>(65,093)</u>	<u>14,592</u>
CHANGE IN NET ASSETS	23,407	65,338	88,745	319,762
NET ASSETS - BEGINNING OF YEAR	<u>5,177,001</u>	<u>8,333</u>	<u>5,185,334</u>	<u>4,865,572</u>
NET ASSETS - END OF YEAR	<u>\$ 5,200,408</u>	<u>\$ 73,671</u>	<u>\$ 5,274,079</u>	<u>\$ 5,185,334</u>

See Accompanying Notes and Accountant's Report.

**ANN'S PLACE INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2021**

EXPENSES	PROGRAM SERVICES		SUPPORT SERVICES			TOTALS		
	Client Services	Outreach & Education	Totals	Management & General	Fundraising	Totals	2022	2021
Salaries	\$ 459,624	\$ 210,516	\$ 670,140	\$ 85,179	\$ 85,827	\$ 171,006	\$ 841,146	\$ 720,378
Payroll Taxes	34,794	15,805	50,599	12,630	6,525	19,155	69,754	65,707
Employee Benefits	20,778	232	21,010	2,535	231	2,766	23,776	49,609
Total Salaries & Related Expenses	515,196	226,553	741,749	100,344	92,583	192,927	934,676	835,694
Professional Fees	19,387	824	20,211	3,531	4,247	7,778	27,989	36,803
Program Specific Costs	68,575	-	68,575	-	-	-	68,575	46,768
Insurance	9,332	-	9,332	8,164	7,205	15,369	24,701	19,842
Tech & Communications	29,472	964	30,436	2,330	932	3,262	33,698	37,744
Facilities	60,785	737	61,522	8,565	737	9,302	70,824	55,741
Consumables/Copying/Printing	19,524	10,882	30,406	2,623	28,084	30,707	61,113	48,001
Staff Development/Dues & Subscriptions	2,195	1,595	3,790	-	-	-	3,790	4,762
Advertising & Event Specific Costs	-	1,019	1,019	-	171,809	171,809	172,828	135,604
Financing/Business Fees/Other	185	123	308	5,576	12,794	18,370	18,678	12,296
Contributed Services	180,044	-	180,044	-	-	-	180,044	155,203
Total Expenses Before Depreciation	904,695	242,697	1,147,392	131,133	318,391	449,524	1,596,916	1,388,458
Depreciation of Buildings and Equipment	81,551	10,591	92,142	8,473	5,295	13,768	105,910	105,833
TOTAL EXPENSES	\$ 986,246	\$ 253,288	\$ 1,239,534	\$ 139,606	\$ 323,686	\$ 463,292	\$ 1,702,826	\$ 1,494,291

See Accompanying Notes and Accountant's Report.

**ANN'S PLACE INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2022
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2021**

CASH FLOWS FROM OPERATING ACTIVITIES	<u>2022</u>	<u>2021</u>
Change in Net Assets	\$ 88,745	\$ 319,762
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation	105,910	105,833
Unrealized (Gain)/Loss on Investments	65,093	(14,592)
Change in:		
Accounts Receivable	(26,103)	(17,225)
Contributions & Grants Receivable	(2,663)	18,864
Prepaid Expenses	285	(4,162)
Accounts Payable and Other Accrued Expenses	(3,864)	16,698
Deferred revenue	17,569	17,800
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>244,972</u>	<u>442,978</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of CT Bridge Loan	-	(10,000)
Paycheck Protection Program Note Forgiveness	-	(164,300)
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	<u>-</u>	<u>(174,300)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Investments	(129,398)	(129,933)
Acquisition of Fixed Assets	(28,509)	-
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>(157,907)</u>	<u>(129,933)</u>
NET INCREASE (DECREASE) IN CASH	87,065	138,745
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>478,574</u>	<u>339,829</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 565,639</u>	<u>\$ 478,574</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, 2022**

NOTE 1 - STATEMENT OF PURPOSE

Ann's Place mission is to provide comfort, support and resources to people living with cancer and to their loved ones, helping to create a unique pathway through cancer to improve their quality of life. All services are offered free of charge.

Ann's Place provides professional family and individual counseling, children's play therapy and 18 different support groups focusing on specific areas of concern for cancer patients and caregivers. In addition, the organization offers an extensive range of wellness programs such as movement classes, grief yoga, creative arts expression, horticulture therapy and more. Staff are actively involved in community outreach and education as well as regularly inviting speakers in to address issues of client interest, advances in cancer diagnosis and treatment, and wellness education. All programs are designed to strengthen and sustain our families and make sure no one faces cancer alone.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Change In Accounting Principle – No Restatement – Adoption of FASB ASC 842

Effective January 1, 2022, Ann's Place Inc. adopted FASB ASC 842, *Leases*. The Agency determines if an arrangement contains a lease at inception based on whether the Agency has the right to control the asset during the contract period and other facts and circumstances. Ann's Place Inc. elected the package of practical expedients permitted under the transition guidance within the new standard, which among other things, allowed it to carry forward the historical lease classification.

The adoption of FASB ASC 842 resulted in the recognition of right-of-use assets, net of prepaid lease payments and lease incentives, of \$23,647 and operating lease liabilities of \$23,647 as of January 1, 2022. Results for periods beginning prior to January 1, 2022 continue to be reported in accordance with the historical accounting treatment. The adoption of FASB ASC 842 did not have a material impact on the Agency's results of operations, cash flows or debt covenants. See Note 12.

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

ANN'S PLACE INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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:

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, 2022.

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

ANN'S PLACE INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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, 2022, 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.

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:

**ANN'S PLACE INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Clinical Care	800 hours X \$45 = \$36,000
Meditation & Spirituality, Needlework, Music, Movement, Yoga, Client Retreats, Self-Care, Nutrition & Healthy Eating and Peer to Peer Support	650.25 hours X \$55 per hour = \$35,764
Clinical Care, Programs in Partnership With Danbury Hospital, Horticultural Therapy, Speaker Series, Reiki and Support Group Programs	1,353.50 hours X \$80 per hour = \$108,280
	<u>\$180,044</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. Over 800 individuals volunteer their time and perform a variety of tasks.

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. Ann's Place Inc.'s policy is to capitalize all fixed asset purchases greater than \$2,000 and expense normal repairs and maintenance costs 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

**ANN'S PLACE INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

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, 2022, maintained \$133,864 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, 2022:

Financial assets at year end:	<u>2022</u>
Cash and cash equivalents	\$ 565,639
Accounts, contributions and grants receivable	64,492
Investments	<u>518,157</u>
Total Financial Assets	\$ 1,148,288
Less amounts not available to be used within one year	-0-
Financial assets available to meet general expenditures over the next twelve months	\$ <u>1,148,288</u>

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

ANN'S PLACE INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

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, 2022, 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 2019 through 2022 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, 2022.

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,

**ANN'S PLACE INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 7 - INVESTMENTS - FAIR VALUE MEASUREMENTS - Continued

- 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, 2022 as follows:

	Fair Value	Level 1
Cash & Equivalents	\$ 10,866	\$ 10,866
Exchange Traded Products	213,278	213,278
Fixed Income	178,672	178,672
Mutual Funds	<u>115,341</u>	<u>115,341</u>
Total	<u>\$ 518,157</u>	<u>\$ 518,157</u>

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

NOTE 8 - LAND, BUILDING AND EQUIPMENT, NET

Below is a summary of the Agency's fixed assets at December 31, 2022:

	<u>2022</u>
Land	\$1,050,000
Building & Improvements	4,000,987
Artwork	218,957
Office Equipment	65,156
Furniture and Fixtures	61,827
Software	<u>65,748</u>
Sub-Total	5,462,675
Less: Accumulated Depreciation	<u>(1,309,039)</u>
TOTAL	<u>\$4,153,636</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, 2022, the credit line balance outstanding is \$0.

ANN'S PLACE INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 10 – NET ASSETS

Net assets with donor restrictions were as follows for the year ended December 31, 2022:

	<u>2022</u>
Specific Purpose	
Client Aid	\$ 9,902
Building Repairs	55,000
Wilda's Garden	<u>8,769</u>
	\$ <u>73,671</u>

Net assets without donor restrictions were as follows for the year ended December 31, 2022:

Board designated for capital improvements	\$ 287,466
Unrestricted	<u>4,912,942</u>
	\$ <u>5,200,408</u>

NOTE 11 - 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 12 - OPERATING LEASES

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. On June 22, 2021, Ann's Place Inc. entered into a 63 month operating lease for a postage machine. Quarterly payments are \$157. The leases do not include renewal options or adjustments for inflation or other variables. The lease agreements do not include any material residual value guarantees or restrictive covenants.

The following summarizes the line items in the statement of financial position which includes amounts for operating leases as of December 31, 2022:

**ANN'S PLACE INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 12 - OPERATING LEASES – Continued

Operating lease right-of-use assets	\$ <u>12,242</u>
Current portion of long term debt operating lease liabilities	\$ 10,524
Long term debt operating lease liabilities	<u>1,718</u>
Total operating lease liabilities	\$ <u>12,242</u>

The components of operating lease expenses that are included in "Consumables/Copying/Printing" in the statement of functional expenses for the year ended December 31, 2022 were as follows:

Operating lease cost	\$ <u>11,441</u>
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The following summarizes the cash flow information related to operating leases for the year ended December 31, 2022:

Cash paid for amounts included in the measurement of lease liabilities:

Operating cash flows for operating leases	\$ 11,441
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Lease assets obtained in exchange for lease liabilities:

Operating leases	23,647
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Weighted average lease term and discount rate as of December 31, 2022, are as follows:

Weighted average remaining lease term	1 year
Weighted average discount rate (risk free rate method)	.21%

The maturities of operating lease liabilities as of December 31, 2022, are as follows:

2023	\$ 10,540
2024	628
2025	628
2026	471
2027	<u>-0-</u>
Total lease payments	\$ 12,267
Less: Interest	<u>(25)</u>
Present value of operating lease liability	\$ <u>12,242</u>

ANN'S PLACE INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 13 - 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 conjunction with Ann's Place Inc's financial statements for the year ended December 31, 2021, from which the summarized information was derived.

NOTE 14 - SUBSEQUENT EVENTS

Date of Management Evaluation - Management has evaluated subsequent events through March 30, 2023, the date on which the financial statements were available to be issued. Management has not identified any significant subsequent events requiring disclosure.