

ANN'S PLACE INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2021

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, 2021, 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, 2021, 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 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 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated April 15, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.


HOPE & HERNANDEZ, P.C.
Bridgeport, Connecticut
March 31, 2022

ANN'S PLACE INC.

FINANCIAL STATEMENTS

**ANN'S PLACE INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2021 and 2020**

<u>ASSETS</u>	<u>2021</u>	<u>2020</u>
Current Assets:		
Cash	\$ 478,574	\$ 339,826
Accounts Receivable	17,225	-
Contributions and Grants Receivable, Net	18,501	37,365
Prepaid Expenses	21,362	17,200
Investments	453,852	309,330
Total Current Assets	<u>989,514</u>	<u>703,721</u>
Property, Plant and Equipment:		
Land, Building and Equipment, Net	<u>4,231,037</u>	<u>4,336,870</u>
TOTAL ASSETS	\$ <u>5,220,551</u>	\$ <u>5,040,591</u>
<u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities:		
Accounts Payable & Accrued Expenses	\$ 17,417	\$ 719
Deferred Revenue	17,800	-
CT Bridge Loan	-	10,000
Total Current Liabilities	<u>35,217</u>	<u>10,719</u>
Long-Term Liabilities:		
Paycheck Protection Program Note Payable	<u>-</u>	<u>164,300</u>
TOTAL LIABILITIES	<u>35,217</u>	<u>175,019</u>
NET ASSETS		
Without Donor Restrictions	5,177,001	4,852,457
With Donor Restrictions	8,333	13,115
Total Net Assets	<u>5,185,334</u>	<u>4,865,572</u>
TOTAL LIABILITIES AND NET ASSETS	\$ <u>5,220,551</u>	\$ <u>5,040,591</u>

See Accompanying Notes and Accountant's Report.

**ANN'S PLACE INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2020**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total 2021</u>	<u>Total 2020</u>
SUPPORT AND REVENUE:				
Corporate & Foundations	\$ 99,830	\$ 169,325	\$ 269,155	\$ 219,354
Individuals	362,272	44,257	406,529	419,970
Government	-	1,200	1,200	-
Religious, Service & Civic Organizations	10,554	-	10,554	16,136
Employee Matching	11,757	-	11,757	10,945
Financial Aid Donations	-	300	300	400
Fundraisers Held by Community	59,652	-	59,652	32,964
Ann's Place Fundraisers	465,113	-	465,113	288,558
Paycheck Protection Program Revenue	317,932	-	317,932	-
Contributed Services	155,203	-	155,203	105,438
In-Kind Contributions (Fundraising Event Items)	86,124	-	86,124	16,835
Interest & Dividend Income	2,816	-	2,816	2,163
Other Income	13,126	-	13,126	12,708
Net Assets Released from Restrictions	<u>219,864</u>	<u>(219,864)</u>	<u>-</u>	<u>-</u>
TOTAL SUPPORT AND REVENUE	<u>1,804,243</u>	<u>(4,782)</u>	<u>1,799,461</u>	<u>1,125,471</u>
EXPENSES:				
Program Services:				
Client Services	888,337	-	888,337	822,649
Outreach & Education	<u>242,982</u>	<u>-</u>	<u>242,982</u>	<u>197,943</u>
Total Program Services	<u>1,131,319</u>	<u>-</u>	<u>1,131,319</u>	<u>1,020,592</u>
Support Services:				
Management and General	115,343	-	115,343	98,323
Fundraising	<u>247,629</u>	<u>-</u>	<u>247,629</u>	<u>159,465</u>
Total Support Services	<u>362,972</u>	<u>-</u>	<u>362,972</u>	<u>257,788</u>
Total Expenses	<u>1,494,291</u>	<u>-</u>	<u>1,494,291</u>	<u>1,278,380</u>
Change in Net Assets from Operations	309,952	(4,782)	305,170	(152,909)
Non-Operating Activities:				
Investment Return, Net	<u>14,592</u>	<u>-</u>	<u>14,592</u>	<u>7,505</u>
Total Non-Operating Activities	<u>14,592</u>	<u>-</u>	<u>14,592</u>	<u>7,505</u>
CHANGE IN NET ASSETS	324,544	(4,782)	319,762	(145,404)
NET ASSETS - BEGINNING OF YEAR	<u>4,852,457</u>	<u>13,115</u>	<u>4,865,572</u>	<u>5,010,976</u>
NET ASSETS - END OF YEAR	<u>\$ 5,177,001</u>	<u>\$ 8,333</u>	<u>\$ 5,185,334</u>	<u>\$ 4,865,572</u>

See Accompanying Notes and Accountant's Report.

**ANN'S PLACE INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2020**

EXPENSES	PROGRAM SERVICES		SUPPORT SERVICES			TOTALS		
	Client Services	Outreach & Education	Totals	Management & General	Fundraising	Totals	2021	2020
Salaries	\$ 411,018	\$ 187,351	\$ 598,369	\$ 62,341	\$ 59,668	\$ 122,009	\$ 720,378	\$ 602,484
Payroll Taxes	30,446	13,709	44,155	17,117	4,435	21,552	65,707	59,574
Employee Benefits	46,738	573	47,311	1,723	575	2,298	49,609	108,113
Total Salaries & Related Expenses	488,202	201,633	689,835	81,181	64,678	145,859	835,694	770,171
Professional Fees	14,638	13,269	27,907	2,451	6,445	8,896	36,803	33,727
Program Specific Costs	46,768	-	46,768	-	-	-	46,768	58,874
Insurance	8,136	2	8,138	6,906	4,798	11,704	19,842	19,121
Tech & Communications	28,047	6,613	34,660	1,876	1,208	3,084	37,744	38,011
Facilities	46,060	1,192	47,252	7,935	554	8,489	55,741	46,593
Consumables/Copying/Printing	15,135	6,174	21,309	1,898	24,794	26,692	48,001	34,060
Staff Development/Dues & Subscriptions	3,847	915	4,762	-	-	-	4,762	1,571
Advertising & Event Specific Costs	178	550	728	20	134,856	134,876	135,604	42,081
Financing/Business Fees/Other	632	2,051	2,683	4,609	5,004	9,613	12,296	15,446
Contributed Services	155,203	-	155,203	-	-	-	155,203	105,438
Total Expenses Before Depreciation	806,846	232,399	1,039,245	106,876	242,337	349,213	1,388,458	1,165,093
Depreciation of Buildings and Equipment	81,491	10,583	92,074	8,467	5,292	13,759	105,833	113,287
TOTAL EXPENSES	\$ 888,337	\$ 242,982	\$ 1,131,319	\$ 115,343	\$ 247,629	\$ 362,972	\$ 1,494,291	\$ 1,278,380

See Accompanying Notes and Accountant's Report.

**ANN'S PLACE INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2021
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2020**

CASH FLOWS FROM OPERATING ACTIVITIES	<u>2021</u>	<u>2020</u>
Change in Net Assets	\$ 319,762	\$ (145,404)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation	105,833	113,287
Unrealized Gain on Investments	(14,592)	(7,505)
Change in:		
Accounts Receivable	(17,225)	-
Contributions & Grants Receivable	18,864	(19,711)
Prepaid Expenses	(4,162)	(843)
Accounts Payable and Other Accrued Expenses	16,698	(13,901)
Deferred revenue	17,800	(14,177)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>442,978</u>	<u>(88,254)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of CT Bridge Loan	(10,000)	10,000
Paycheck Protection Program Note Forgiveness	(164,300)	164,300
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	<u>(174,300)</u>	<u>174,300</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Investments	(129,933)	(42,276)
Acquisition of Fixed Assets	-	-
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>(129,933)</u>	<u>(42,276)</u>
NET INCREASE (DECREASE) IN CASH	138,745	43,770
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>339,829</u>	<u>296,056</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 478,574</u>	<u>\$ 339,826</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, 2021**

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 15 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

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, 2021

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, 2021.

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, 2021, 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, 2021**

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:

Meditation & Spirituality, Needlework, Music, Movement, Art and Yoga	670.60 hours X \$55 per hour = \$36,883
Art Therapy, Horticultural Therapy, Speaker Series, Reiki and Support Group Programs	1,479 hours X \$80 per hour = \$118,320
	\$155,203

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, 2021**

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. 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 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, 2021

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, 2021, maintained \$34,915 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, 2021.

Financial assets at year end:	<u>2021</u>
Cash and cash equivalents	\$ 478,574
Accounts, contributions and grants receivable	35,726
Investments	<u>453,852</u>
Total Financial Assets	\$ 968,152
Less amounts not available to be used within one year	-0-
Financial assets available to meet general expenditures over the next twelve months	\$ <u>968,152</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, 2021, 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 2018 through 2021 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, 2021.

**ANN'S PLACE INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021**

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, 2021 as follows:

	Fair Value	Level 1
Cash & Equivalents	\$ 95,473	\$ 95,473
Exchange Traded Products	244,418	244,418
Mutual Funds	<u>113,961</u>	<u>113,961</u>
Total	<u>\$ 453,852</u>	<u>\$ 453,852</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, 2021**

NOTE 8 - LAND, BUILDING AND EQUIPMENT, NET

Below is a summary of the Agency's fixed assets at December 31, 2021:

	<u>2021</u>
Land	\$1,050,000
Building	3,972,478
Artwork	218,957
Office Equipment	65,156
Furniture and Fixtures	61,827
Software	65,748
Sub-Total	5,434,166
Less: Accumulated Depreciation	(1,203,129)
TOTAL	<u>\$4,231,037</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, 2021, the credit line balance outstanding is \$0.

NOTE 10 - NET ASSETS

Net assets with donor restrictions were as follows for the year ended December 31, 2021:

	<u>2021</u>
Specific Purpose	
Client Aid	\$ <u>8,333</u>

Net assets without donor restrictions were as follows for the year ended December 31, 2021:

Board designated for capital improvements	\$ 192,473
Unrestricted	<u>4,984,528</u>
	<u>\$ 5,177,001</u>

**ANN'S PLACE INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021**

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 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. On June 22, 2021, Ann's Place Inc. entered into a 63 month operating lease for a postage machine. Quarterly payments are \$157. Minimum lease payments for the operating leases at December 31, 2021 are as follows:

2022	\$ 11,441
2023	10,540
2024	628
2025	628
2026	<u>471</u>
Total	\$ 23,708

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, 2020, from which the summarized information was derived.

NOTE 14 - SUBSEQUENT EVENTS

Date of Management Evaluation - Management has evaluated subsequent events through March 31, 2022, 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.