NEIGHBORHOOD CATS, INC.

(A NON-PROFIT ORGANIZATION)

FINANCIAL STATEMENTS

DECEMBER 31, 2025 AND 2024

NEIGHBORHOOD CATS, INC.

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DECEMBER 31, 2025 AND 2024

BLOOM AND STREIT LLP
CERTIFIED PUBLIC ACCOUNTANTS

MARK COHEN, CPA
WILLIAM J. RANK, CPA, CFP
LORI B. LERMAN, CPA

INDEPENDENT AUDITORS' REPORT

To the Board
NEIGHBORHOOD CATS, INC.

Opinion
We have audited the accompanying financial statements of Neighborhood Cats, Inc., which comprise the statements of financial position as of December 31, 2025 and 2024, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Neighborhood Cats, Inc., as of December 31, 2025 and 2024, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion
We have conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 Neighborhood Cats, Inc., and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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 these 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 Neighborhood Cats, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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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 is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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 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 Neighborhood Cats, 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 evaluating the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Neighborhood Cats, 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 Supplementary Information
Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of program expenses, schedule of functional expenses - current year, schedule of functional expenses - prior year, and comparative schedule of functional expenses are presented for purposes of additional analysis and are not a required part of the financial statements. Such information, except for the portion marked "unaudited" is the responsibility of the entity's management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, that information is fairly stated in all material respects in relation to the financial statements as a whole. The information marked "unaudited" has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Bloom and Streit LLP

BLOOM AND STREIT LLP
Certified Public Accountants
June 23, 2026

NEIGHBORHOOD CATS, INC.

Statements of Financial Position

As of December 31,

	2025	2024
ASSETS		
CURRENT ASSETS		
Cash in Bank and Money Funds	232,916	233,035
Investments	654,664	542,138
Accounts Receivable	23,574	18,355
Prepaid Expenses	3,759	3,457
Total Current Assets	914,913	796,985
PROPERTY AND EQUIPMENT		
Furniture and Equipment	4,000	4,000
Less: Accumulated Depreciation	(4,000)	(4,000)
Total Property and Equipment	0	0
TOTAL ASSETS	914,913	796,985
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable and Accrued Expenses	5,710	18,185
Total Liabilities	5,710	18,185
NET ASSETS		
Without Donor Restrictions	909,203	778,800
Total Net Assets	909,203	778,800
TOTAL LIABILITIES AND NET ASSETS	914,913	796,985

See accompanying notes and auditors' report

NEIGHBORHOOD CATS, INC.

Statements of Activities

For the Years Ended December 31,

	2025	2024
REVENUE AND PUBLIC SUPPORT		
Program Service Fees	40,610	59,953
Grants - Foundations and Organizations	51,000	45,000
Contributions - Bequests	113,714	54,000
Contributions - Individuals	663,786	578,502
Investment Income	32,111	25,133
Realized Investment (Loss) Gain	(5,596)	(6,032)
Unrealized Investment Gain	15,167	18,156
Total Revenue and Public Support	910,792	774,712
EXPENSES		
Program Expenses:		
Trap-Neuter-Return	496,126	402,246
Education	133,338	63,094
Other Programs - Wildfires	113	43,454
Total Program Expenses	629,577	508,794
Fundraising Expenses	121,529	116,099
General and Administrative Expenses	29,283	29,586
Total Expenses	780,389	654,479
Increase in Net Assets Without Donor Restrictions	130,403	120,233
Increase in Net Assets	130,403	120,233
Net Assets - Beginning of Year	778,800	658,567
Net Assets - End of Year	909,203	778,800

See accompanying notes and auditors' report

NEIGHBORHOOD CATS, INC.

Statements of Cash Flows

For the Years Ended December 31,

	2025	2024
Cash Flows From Operating Activities		
Increase in Net Assets	130,403	120,233
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Donated Stock	(32,270)	(30,178)
Net Realized Investment Loss (Gain)	5,596	6,032
Net Unrealized Investment Gain	(15,167)	(18,156)
Decrease (Increase) in operating assets:		
Accounts Receivable	(5,219)	(813)
Prepaid Expenses	(302)	(3,372)
Increase (Decrease) in operating liabilities:		
Accounts Payable and Accrued Expenses	(12,475)	(4,264)
Net cash provided by operating activities	70,566	69,482
Cash Flows From Investing Activities		
Proceeds from Sale of Investments	556,465	514,400
Purchase of Investments	(627,150)	(546,118)
Net cash used by financing activities	(70,685)	(31,718)
(Decrease) Increase in Cash and Cash Equivalents	(119)	37,764
Cash and Cash Equivalents - Beginning of Year	233,035	195,271
Cash and Cash Equivalents - End of Year	232,916	233,035
Supplemental Disclosures:	**N/A**	

See accompanying notes and auditors' report

Note 1 **Nature of Activities**

Neighborhood Cats, Inc. is a non-profit corporation incorporated July 11, 2000 to reduce the overpopulation of feral and stray cats, improve the quality of their lives and support the compassionate individuals who care for them. Neighborhood Cats operates community Trap-Neuter-Return programs in New York City, Jersey City and the island of Maui, Hawaii. Nationally, programs include a popular website on feral and stray cat care, an online colony tracking database available to animal welfare agencies, design of trapping equipment for feral cats and creation of educational materials, including handbooks and videos. The organization's support comes primarily through donor contributions and grants.

Note 2 **Summary of Significant Accounting Policies**

Financial Statement Presentation

Neighborhood Cats, Inc. records all its transactions in the operating fund which includes resources with and without donor restrictions and represents the portion of expendable funds that is available for support of operations.

Basis of Accounting

The financial statements of the organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Estimates

The preparation 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 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. Actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of the statements of cash flows, Neighborhood Cats, Inc. considers all highly liquid debt instruments, purchased with a maturity of three months or less, and money market funds to be cash equivalents.

Note 2 **Summary of Significant Accounting Policies - continued**

Concentration of Credit Risk

The organization maintains various bank and money market accounts that at times may exceed insured credit limits. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk with respect to such balances.

The organization has investments in money funds which are not bank deposits or F.D.I.C. insured and are not guaranteed by the brokerage house. These funds are subject to investment risks including possible loss of the principal amount invested.

Property and Equipment

Property and equipment is stated at cost. Any donations of property and equipment are recorded as contributions at their estimated fair value Property and equipment are depreciated using the straight-line method over five years.

Net Assets

Net assets of the organization are classified based upon the existence or absence of donor-imposed restrictions, as follows:

Net Assets without Donor Restrictions

Net assets that are not subject to donor-imposed stipulations and are therefore, available for the general operations of the organization.

Net Assets with Donor Restrictions

Net assets that are subject to donor-imposed stipulations that will be met either by actions of the organization and/or the passage of time. As such restrictions are satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions in the accompanying statement of activities as net assets released from restrictions.

Donated Services

Contributions of donated services are recognized if the services received (a) create or enhance long-lived assets; or (b) require specialized skills, are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. Neighborhood Cats, Inc. received a significant amount of contributed services from unpaid volunteers who assist in fundraising and special projects. No amounts have been recognized for these services in the statements of activities because they do not meet the criteria for recognition as contributed services.

Note 2 **Summary of Significant Accounting Policies - continued**

Contributions

Contributions are recognized when the donor makes a promise to give the organization that is, in substance, unconditional. Donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without restrictions. Neighborhood Cats, Inc. has not received any contributions with donor-imposed restrictions that would result in net assets with donor restrictions.

Revenue Recognition

The Organization recognizes revenue for program service fees as the related performance obligations are satisfied at transaction amounts expected to be collected.

Tax Status

Neighborhood Cats, Inc. is a nonprofit organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and, therefore, has made no provision for federal income taxes on the accompanying financial statements.

Cost Allocation

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include expenses related to employee compensation and benefits, office expenses and insurance which are all allocated on the basis of time and effort. Occupancy expenses are allocated based on usage of the building.

Note 3 **Liquidity and Availability of Financial Assets**

As of December 31, 2025 and 2024, the organization had $887,580 and $775,173, respectively of financial assets available within one year of the statement of financial position date for general use. These assets are not subject to donor or contractual restrictions that make them unavailable for general expenditures. As part of it liquidity management, the organization invests excess cash in stocks, mutual funds, and certificates of deposit which are readily available for sale if necessary.

Note 4 **Investments**

The organization maintains various investments, which consist of marketable securities. Purchases of marketable securities are initially recorded at cost; donated securities at fair value on the date of the contribution. Realized and unrealized gains and losses are recorded separately in the Statement of Activities. The following is a summary of the funds as of December 31:

	2025	2024
Stocks	111,259	74,658
Certificates of Deposit	514,298	460,445
Other	29,107	7,035
	654,664	542,138

The organization values its investments at fair value, based on prices provided to it by its custodian. In determining fair value, the highest priority is given to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

Level 1: Quoted prices (unadjusted) for identical investments in active markets
Level 2: Other significant observable inputs (including quoted prices for similar investments, interest rates, credit risk, etc.)
Level 3: Significant unobservable inputs

Neighborhood Cats invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the organization's balance sheet. The following is a summary of the inputs used in valuing the organization's investments at December 31:

	2025	2024
Level 1	654,664	542,138
Level 2	0	0
Level 3	0	0
Total	654,664	542,138

Note 5 **Program Services**

Trap-Neuter-Return(TNR)

In New York City where Neighborhood Cats, Inc. is headquartered, the organization administers a city-wide program to assist residents performing TNR. They provide training, trapping assistance, referrals to free spay/neuter, transportation, winter shelters and ongoing support. In addition, they administer a New York City online database of cat colonies, advocate for colony caretakers with government and other officials and re-unite colony cats turned into shelters with their caretakers. In Jersey City, NJ, the organization operates a targeted TNR program that achieves high sterilization rates among free-roaming cats in select, high-need areas. On the island of Maui, Hawaii, the organization administers a new community TNR program designed to engage residents and target high need neighborhoods.

Education and Workshops

To promote TNR as a policy for curbing feral and stray cat overpopulation, Neighborhood Cats hosts one of the leading websites devoted to the care of free-roaming cats. The organization offers monthly online basic training workshops and, in addition, webinars on advanced topics. Neighborhood Cats is a regular presenter on feral cat topics at national conferences and has authored and produced many of the leading educational materials on the subject of Trap-Neuter-Return. In addition, they consult regularly with individuals and agencies seeking advice on their TNR programs. Neighborhood Cats also administers a scholarship program for veterinarians interested in being trained in high-volume spay/neuter surgical techniques.

Community Assistance and Training

To help other communities establish and administer successful TNR programs, Neighborhood Cats, Inc. offers strategic mentoring and funding to other organizations around the nation.

Wildfires

Neighborhood Cats served as the field coordinator for the rescue of 617 cats who survived the August 2023 wildfire in Lahaina, Hawaii.

Note 6 **Subsequent Events**

Management has evaluated subsequent events through June 23, 2026, the date at which the financial statements became available for issuance. No events have occurred that would require adjustments to, or disclosure in, the financial statements.

NEIGHBORHOOD CATS, INC.

Schedule of Program Expenses

For the Years Ended December 31,

	2025				2024			
	Trap-Neuter-Return	**Education**	**Wildfires**	**Total Programs**	**Trap-Neuter-Return**	**Education**	**Wildfires**	**Total Programs**
EXPENSES								
Coach Fees	4,681	0	0	4,681	4,555	0	0	4,555
Professional Fees	139,822	15,750	0	155,572	124,847	0	16,294	141,141
Equipment	8,889	0	113	9,002	15,771	0	23,267	39,038
Shelter and Relocation	43,722	0	0	43,722	18,227	0	0	18,227
Food	14,171	0	0	14,171	22,463	0	867	23,330
Web and Computer Expenses	0	44,660	0	44,660	0	11,362	863	12,225
Veterinary Expenses	233,136	0	0	233,136	170,215	0	0	170,215
Program Expenses - Other	7,700	4,642	0	12,342	6,000	445	0	6,445
Transportation and Meals	309	0	0	309	816	0	55	871
Director Services	34,650	66,550	0	101,200	31,121	49,515	0	80,636
Rent - Storage	7,603	0	0	7,603	6,356	0	0	6,356
Telephone	0	1,736	0	1,736	0	1,772	0	1,772
Office Expenses	1,443	0	0	1,443	1,875	0	2,108	3,983
Total Expenses	496,126	133,338	113	629,577	402,246	63,094	43,454	508,794

See accompanying notes and auditors' report

NEIGHBORHOOD CATS, INC.

Schedule of Functional Expenses

For the Year Ended December 31, 2025

	Program	Fundraising	General and Admin.	Total 2025
Coach Fees	4,681	0	0	4,681
Professional Fees	155,572	0	0	155,572
Equipment	9,002	0	0	9,002
Shelter and Relocation	43,722	0	0	43,722
Food	14,171	0	0	14,171
Website and Computer Expenses	44,660	0	0	44,660
Veterinary Expenses	233,136	0	0	233,136
Program Expenses - Other	12,342	0	0	12,342
Transportation and Meals	309	0	1,219	1,528
Director Services	101,200	0	7,700	108,900
Rent - Storage	7,603	0	0	7,603
Insurance	0	0	2,220	2,220
Telephone	1,736	0	0	1,736
Accounting and Legal Fees	0	0	5,300	5,300
Office Expenses	1,443	18,293	4,702	24,438
Bank Charges	0	480	213	693
Printing	0	212	0	212
Postage and Delivery	0	0	3,803	3,803
Direct Mail Fundraising Expense	0	50,972	0	50,972
Social Media Expense	0	51,572	0	51,572
Fees and Permits	0	0	4,126	4,126
Total Expenses	629,577	121,529	29,283	780,389

See accompanying notes and auditors' report

NEIGHBORHOOD CATS, INC.

Schedule of Functional Expenses

For the Year Ended December 31, 2024

	Program	Fundraising	General and Admin.	Total 2024
Coach Fees	4,555	0	0	4,555
Professional Fees	141,141	0	0	141,141
Equipment	39,038	0	0	39,038
Shelter and Relocation	18,227	0	0	18,227
Food	23,330	0	0	23,330
Website and Computer Expenses	12,225	0	0	12,225
Veterinary Expenses	170,215	0	0	170,215
Program Expenses - Other	6,445	0	0	6,445
Transportation and Meals	871	0	2,244	3,115
Director Services	80,636	0	7,020	87,656
Rent - Storage	6,356	0	0	6,356
Insurance	0	0	2,190	2,190
Telephone	1,772	0	0	1,772
Accounting and Legal Fees	0	0	5,000	5,000
Office Expenses	3,983	20,760	4,528	29,271
Bank Charges	0	480	152	632
Printing	0	353	0	353
Postage and Delivery	0	0	3,452	3,452
Direct Mail Fundraising Expense	0	53,426	0	53,426
Social Media Expense	0	41,080	0	41,080
Fees and Permits	0	0	5,000	5,000
Total Expenses	508,794	116,099	29,586	654,479

NEIGHBORHOOD CATS, INC.

Comparative Schedule of Functional Expenses

For the Years Ended December 31,

	2025	2024
Coach Fees	4,681	4,555
Professional Fees	155,572	141,141
Equipment	9,002	39,038
Shelter and Relocation	43,722	18,227
Food	14,171	23,330
Website and Computer Expenses	44,660	12,225
Veterinary Expenses	233,136	170,215
Program Expenses - Other	12,342	6,445
Transportation and Meals	1,528	3,115
Director Services	108,900	87,656
Rent - Storage	7,603	6,356
Insurance	2,220	2,190
Telephone	1,736	1,772
Accounting and Legal Fees	5,300	5,000
Office Expenses	24,438	29,271
Bank Charges	693	632
Printing	212	353
Postage and Delivery	3,803	3,452
Direct Mail Fundraising Expense	50,972	53,426
Social Media Expense	51,572	41,080
Fees and Permits	4,126	5,000
Total Expenses	780,389	654,479