

**Equine Assisted Growth & Learning Association
Financial Statements and
Independent Auditor's Report**

December 31, 2023 and 2022

**Equine Assisted Growth & Learning Association
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December 31, 2023 and 2022**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
of Equine Assisted Growth & Learning Association
Fort Myers, Florida

Opinion

We have audited the accompanying financial statements of Equine Assisted Growth & Learning Association (a nonprofit organization), which comprise the statements of financial position as of December 31, 2023 and 2022, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years 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 Equine Assisted Growth & Learning Association as of December 31, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits 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 Equine Assisted Growth & Learning Association 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 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 Equine Assisted Growth & Learning Association'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 Audits 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 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 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 Equine Assisted Growth & Learning Association'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 substantial doubt about Equine Assisted Growth & Learning Association'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 audits.



Evolve Financial I
Frankfort, Illinois

December 18, 2025

Equine Assisted Growth & Learning Association
Statements of Financial Position
December 31, 2023 and 2022

ASSETS

	2023	2022
Current Assets:		
Cash and cash equivalents	\$ 360,781	\$ 418,851
Accounts receivable	21,552	23,870
Employee retention tax credit receivable (Note 7)	35,782	35,782
Inventory	779	6,613
Prepaid expenses	46,200	33,897
Total Current Assets	465,094	519,013
Non-Current Assets:		
Property and Equipment:		
Property and equipment	33,360	33,360
Less: accumulated depreciation	(32,109)	(31,554)
Total Property and Equipment, Net	1,251	1,806
Other Assets:		
Security deposit	1,500	1,500
Total Non-Current Assets	2,751	3,306
Total Assets	\$ 467,845	\$ 522,319

LIABILITIES AND NET ASSETS

Current Liabilities:		
Accounts payable and accrued expenses	\$ 137,401	\$ 117,475
Deferred revenue (Note 8)	71,495	94,905
Premium finance note (Note 5)	16,157	12,675
Total Current Liabilities	225,053	225,055
Total Liabilities	225,053	225,055
Net Assets:		
Without donor restrictions	242,792	297,264
Total Liabilities and Net Assets	\$ 467,845	\$ 522,319

Equine Assisted Growth & Learning Association
Statements of Activities and Changes in Net Assets
For the Years Ended December 31, 2023 and 2022

	2023	2022
Support and revenue:		
Program fees	\$ 1,032,555	\$ 988,649
Government grants	207,375	414,694
Private grants	2,340	-
Membership activities	129,327	139,194
Sales of merchandise, net of direct costs	5,346	7,105
Contributions and scholarships	6,462	27,815
Total Support and Revenue	1,383,405	1,577,457
Expenses:		
Program services	1,076,348	1,088,070
Management and general	375,456	513,759
Total Expenses	1,451,804	1,601,829
Decrease in net assets from program activities	(68,399)	(24,372)
Other Revenue		
Employee retention tax credit	-	35,782
Settlement (Note 6)	-	45,000
Miscellaneous	8,027	4,776
Interest income	5,900	301
Total Other Revenue	13,927	85,859
Increase (decrease) in net assets	(54,472)	61,487
Net assets without donor restrictions, beginning of year	297,264	235,777
Net assets without donor restrictions, end of year	\$ 242,792	\$ 297,264

Equine Assisted Growth & Learning Association
Statement of Functional Expenses
For the Year Ended December 31, 2023

	<u>Conferences and Training</u>	<u>Management and General</u>	<u>Total</u>
Personnel and Labor Expenses			
Outside contractors	\$ 209,957	\$ 34,913	\$ 244,870
Salaries and wages	258,201	66,076	324,277
Employee benefits	32,166	8,231	40,397
Payroll taxes	20,845	5,334	26,179
Total Personnel and Labor Expenses	<u>521,169</u>	<u>114,554</u>	<u>635,723</u>
Other Expenses			
Bank charges and credit card fees	19,116	7,549	26,665
Depreciation	556	-	556
Information technology	91,937	22,984	114,921
Insurance	7,716	14,581	22,297
Marketing	9,193	2,298	11,491
Miscellaneous	591	-	591
Occupancy	14,432	5,560	19,992
Office	7,012	1,795	8,807
Professional fees	-	205,225	205,225
Session fees	1,800	-	1,800
Telephone	2,613	669	3,282
Training event	399,513	102	399,615
Travel	700	139	839
Total Other Expenses	<u>555,179</u>	<u>260,902</u>	<u>816,081</u>
Total Expenses	<u>\$ 1,076,348</u>	<u>\$ 375,456</u>	<u>\$ 1,451,804</u>

Equine Assisted Growth & Learning Association
Statement of Functional Expenses
For the Year Ended December 31, 2022

	<u>Conferences and Training</u>	<u>Management and General</u>	<u>Total</u>
Personnel and Labor Expenses			
Outside contractors	\$ 492,539	\$ -	\$ 492,539
Salaries and wages	131,008	146,753	277,761
Employee benefits	11,756	14,369	26,125
Payroll taxes	9,997	11,989	21,986
Total Personnel and Labor Expenses	<u>645,300</u>	<u>173,111</u>	<u>818,411</u>
Other Expenses			
Bank charges and credit card fees	23,953	2,356	26,309
Bad debt expense	1,319	-	1,319
Depreciation	556	-	556
Information technology	99,701	11,078	110,779
Insurance	7,047	17,078	24,125
Marketing	-	84	84
Occupancy	-	2,663	2,663
Office	2,988	2,866	5,854
Professional fees	-	283,527	283,527
Rent	-	18,000	18,000
Telephone	-	2,996	2,996
Training event	307,206	-	307,206
Total Other Expenses	<u>442,770</u>	<u>340,648</u>	<u>783,418</u>
Total Expenses	<u>\$ 1,088,070</u>	<u>\$ 513,759</u>	<u>\$ 1,601,829</u>

Equine Assisted Growth & Learning Association
Statements of Cash Flows
For the Years Ended December 31, 2023 and 2022

	2023	2022
Cash flows from operating activities:		
Increase (decrease) in net assets	\$ (54,472)	\$ 61,487
Adjustments to reconcile changes in net assets		
to net cash provided by (used in) operating activities:		
Depreciation	556	556
Decrease (increase) in operating assets:		
Accounts receivable - net	2,317	(15,079)
Employee retention tax credit receivable	-	(35,782)
Inventory	5,834	(2,678)
Prepaid expenses	(12,303)	(14,705)
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	19,926	39,880
Deferred revenue	(23,410)	13,495
Net cash provided by (used in) operating activities	(61,552)	47,174
Cash flows from financing activities:		
Proceeds for premium finance	3,482	3,644
Net cash provided by financing activities	3,482	3,644
Net increase (decrease) in cash and cash equivalents	(58,070)	50,818
Cash and cash equivalents, beginning of year	418,851	368,033
Cash and cash equivalents, end of year	\$ 360,781	\$ 418,851

Equine Assisted Growth & Learning Association
Notes to Financial Statements
December 31, 2023 and 2022

Note 1. Nature of Organization

Equine Assisted Growth & Learning Association (the "Association") is a not-for-profit corporation established in 1999 for the purpose of, but not limited to, promoting, educating, and providing standards of practice for the fields of equine-assisted psychotherapy and learning.

Note 2. Significant Accounting Policies

Standards of Reporting

The accompanying financial statements have been prepared in accordance with standards of accounting and financial reporting established by the Financial Accounting Standards Board (FASB) to ensure consistent reporting of financial condition, results of activities, and cash flows. References to Generally Accepted Accounting Principles ("GAAP") in these footnotes are to the *FASB Accounting Standards Codification*, sometimes referred to as the Codification or ASC.

Basis of Accounting

The accounts of the Association are maintained on the accrual basis.

Basis of Presentation:

For financial reporting purposes, the Association follows the reporting requirements of US GAAP, by classifying net assets into two groups. These groups are described as follows:

Net Assets Without Donor Restrictions:

Amounts that are not subject to usage restrictions based on donor-imposed requirements. This class also includes assets previously restricted where restrictions have expired or been met.

Net Assets With Donor Restrictions:

Assets subject to usage limitations based on donor-imposed or grantor restrictions. These restrictions may be temporary or may be based on a particular use. Restrictions may be met by the passage of time or by actions of the Association. Certain restrictions may need to be maintained in perpetuity.

Earnings on restricted net assets are considered restricted unless the donor allows such funds to be used in an unrestricted way. If the original gift is restricted (e.g., for building funds or specific programs), the income generated from those funds is also considered with donor restriction and must be used according to the same restrictions. If the donor specifies that income earned may be used for general purposes, then it would be classified as without donor restriction.

The Association has no net assets with donor restrictions at December 31, 2023 and 2022.

Cash and Cash Equivalents

The Association considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Equine Assisted Growth & Learning Association
Notes to Financial Statements (Continued)
December 31, 2023 and 2022

Note 2. Significant Accounting Policies (Continued)

Allowance for Doubtful Accounts

Accounts receivable consists primarily of uncollected service fees. The Association considers receivables past due or delinquent when payments have not been received in a timely manner, and receivables are written off when management deems the possibly of collecting amounts due as completely unlikely. The Association closely monitors outstanding balances for all receivables and adheres to a standard set of protocols for collection activities to be undertaken at certain times based upon delinquency status. In accordance with ASU No. 2016-13, Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments, receivables are evaluated based on historical collection experience, the nature of the receivables, current economic conditions, and reasonable and supportable forecasts. Based on this analysis, management maintains an allowance for doubtful accounts to reflect amounts considered uncollectible, if any. Accounts receivable are stated net of an allowance for doubtful accounts. The Association estimated the allowance based on its historical experience of the relationship between actual bad debts and net amounts collected. There was no allowance for doubtful accounts for the years ended December 31, 2023 and 2022. For the years ended December 31, 2023 and 2022, the Association had no bad debt expense.

In-Kind Contributions

The Association benefits from volunteer services in program, fundraising, and administrative duties from Board members and other volunteers. Even though these donated services are valuable to the Association, and help to advance the Association’s mission, no amounts have been reflected in the financial statements for contributed services because such services do not meet the criteria for recognition in the financial statements, nor do they create or enhance non-financial assets.

Inventory

Inventory, which is comprised mainly of apparel and literature used to promote the Association, is stated at the lower of cost or net realizable value using the first-in-first-out method of accounting.

Prepaid Expenses

Prepaid expenses represent amounts paid for travel deposits for the Association’s future training events.

Property and Equipment

Property and equipment is recorded at historical cost. The Association capitalizes fixed asset additions over \$2,500. Depreciation is computed using the straight-line method for all property and equipment based on the asset’s estimated useful life.

Maintenance and repairs, which neither materially add to the value of property nor appreciably prolong the lives, are charged to expense as incurred. Gains or losses on dispositions of property and equipment are included in the statements of activities and changes in net assets.

Equine Assisted Growth & Learning Association
Notes to Financial Statements (Continued)
December 31, 2023 and 2022

Note 2. Significant Accounting Policies (Continued)

Service Revenue

The Association primarily generates its revenue from conferences, training courses for Eagala certification, certification renewals, and membership dues. Revenues from conferences and training courses are recognized when the related services are performed; membership dues are recognized when received. In accordance with ASU No, 2014-09, Revenue from Contracts with Customers (Topic 606), the Association is required to include disclosure of the remaining performance obligations. Due to the nature of the Association's contracts, these reporting requirements are not applicable. The majority of the Association's contracts meet the exemption as defined in Accounting Standards Codification ("ASC") 606-10-50-14 because the performance obligations are part of a contract that has an original expected duration of one year or less.

Contributions, Grants and Contracts

All contributions, grants, and contracts are considered to be net assets without donor restrictions unless specifically restricted by the donor, grantor or contracting funder. Amounts received that are designated for future periods or are restricted for specific purposes are reported as support that increases net assets with donor restrictions. Unconditional promises to give, which do not state a due date, are presumed to be net assets without donor restrictions. Contributions with donor restrictions that expire within the same fiscal year are recorded as net assets without donor restrictions.

A donor restriction expires when a stipulated time restriction ends, when an unconditional promise with an implied time restriction is due, or when a purpose restriction is accomplished. Upon expiration, net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the statements of activities and changes in net assets as net assets released from restrictions.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities and changes undesignated net assets. Expenses that are easily and directly associated with a particular program or supporting service are allocated directly to that functional category. Certain costs have been allocated among the programs and supporting services benefited based on time devoted to the functional areas and other appropriate methods.

Income Taxes

The Association is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and is not considered to be a private Association. It is also required to recognize or derecognize in its financial statements positions taken or expected to be taken in a tax return on a "more likely than not" threshold. The Association does not believe its financial statements include any uncertain tax positions. The Association's income tax filings for the years 2022 and thereafter remain subject to examination by the Internal Revenue Service.

Equine Assisted Growth & Learning Association
Notes to Financial Statements (Continued)
December 31, 2023 and 2022

Note 2. Significant Accounting Policies (Continued)

Impairment of Long-Lived Assets

The Association reviews long-lived assets, including property and equipment and intangible assets, for impairment whenever events or changes in business circumstances indicate that the carrying amount of an asset may not be fully recoverable, but not less than annually. An impairment loss would be recognized when the estimated future cash flows from the use of the asset are less than the carrying amount of that asset. To date, there have been no such losses.

Use of 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, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the relevant period. Actual results could differ from those estimates.

Fair Values

The carrying amounts for cash and cash equivalents, receivables, accounts payable and accrued expenses approximate fair value due to the short period of time to maturity.

Deferred Revenue

The Association's deferred revenue consists of conference and training fees received in advance of them being earned, and are reflected in the statements of financial position as deferred revenue.

New Accounting Pronouncement

On January 1, 2023, the Association adopted ASU No. 2016- 13, Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments, as amended, which replaces the incurred loss methodology with an expected loss methodology that is referred to as the current expected credit loss (CECL) methodology. The measurement of expected credit losses under the CECL methodology is applicable to financial assets measured at amortized cost, including loan receivables and held-to-maturity debt securities. It also applies to off-balance sheet credit exposures not accounted for as insurance (loan commitments, standby letters of credit, financial guarantees, and other similar instruments) and net investments in leases recognized by a lessor in accordance with Topic 842 on leases. In addition, ASC 326 made changes to the accounting for available-for-sale debt securities. One such change is to require credit losses to be presented as an allowance rather than as a write-down on available-for-sale debt securities management does not intend to sell or believes that it is more likely than not they will be required to sell.

The adoption of this ASC did not have any impact on the financial statements for the years ended December 31, 2023 and 2022.

Equine Assisted Growth & Learning Association
Notes to Financial Statements (Continued)
December 31, 2023 and 2022

Note 2. Significant Accounting Policies (Continued)

Reclassifications

Certain expenses such as merchandise and fundraising, have been reclassified to management and general miscellaneous expense in the financial statements as of December 31, 2022, and for the year then ended, to conform to the 2023 presentation.

Note 3. Liquidity

The following represents the Association's financial assets available to meet general expenditures over the next twelve months at December 31st:

	2023	2022
Financial Assets:		
Cash and cash equivalents	\$ 360,781	\$ 418,851
Receivables	21,552	23,870
Total	\$ 382,333	\$ 442,721

The Association manages liquidity by developing and adopting annual operating budgets that provide sufficient funds for the general expenditures in meeting its liabilities and other obligations as they become due.

Note 4. Concentrations of Risk

Credit Risk

The Association maintains its cash and cash equivalents in bank accounts with what it believes to be quality financial institutions which are insured by the Federal Deposit Insurance Corporation. The Association maintains its cash in various bank deposit accounts which, at times, may exceed federally insured limits. The Association has not experienced any losses in such accounts. Concentrations of credit risk with respect to receivables are generally diversified due to the large number of entities and individuals composing the Association's program and donor base. The Association performs ongoing credit evaluations and adjusts its reserve for uncollectible accounts as they become known.

Revenue

All of the Association's program revenue are for services provided to its membership. For the years ended December 31, 2023 and 2022, approximately 90% and 71%, respectively, of program revenue was comprised of training fees. For the year ended December 31, 2023, 100% of the Association's grants were funded by two providers, with one governmental agency comprising 99% and one provider contributing 100% of the total grant income for the year ended December 31, 2022.

The Association hosted a bi-annual member conference during the year ended December 31, 2022. Due to the bi-annual nature of the conference, it was not held during 2023.

Equine Assisted Growth & Learning Association
Notes to Financial Statements (Continued)
December 31, 2023 and 2022

Note 5. Premium Finance Agreement

The Association entered into a premium finance agreement with Olympus Insurance Agency to cover unpaid premiums for directors' and officers' insurance. The agreement, which typically renews in December, requires a down payment followed by nine monthly installments beginning in January. It includes the premium, a finance charge, and a service fee. As of December 31, 2023 and 2022, the total amount financed and outstanding was \$16,157 and \$12,675, respectively. The downpayment that was due December 15, 2022, was not paid until January 15, 2023. However, there was a monthly payment made in December 2022 reducing the outstanding balance. The downpayment that was due December 15, 2023, was not paid until January 10, 2024.

Note 6. Contingency

In May 2021, the Association filed a case with alleged claims against the former Chief Executive Officer, for: (1) misappropriation of trade secrets under the Utah Uniform Trade Secrets Act; (2) conversion; (3) unjust enrichment; intentional interference with existing and prospective economic relations; unfair competition; and (6) computer trespass. In June 2021, the former Chief Executive Officer filed a Cross-Complaint against the Company, alleging claims for: (1) breach of contract; (2) defamation; (3) negligence; and (4) intentional interference with existing and prospective economic relations. The Association obtained a legal settlement during 2022 totaling \$45,000. The case was settled in late 2022 and the Court issued its Order of Dismissal dated December 26, 2022, whereby all claims and counterclaims were resolved, and the case was dismissed with prejudice.

Note 7. Employee Retention Tax Credit Receivable

The Association applied for and was awarded refundable tax credits under the federal Employee Retention Tax Credit program of \$8,498 and \$27,284 for the years ended December 31, 2021 and 2020, respectively. The total outstanding receivable at December 31, 2023 and 2022, amounts to \$35,782.

Note 8. Deferred Revenue

Deferred revenue is recorded when cash advances exceed support and revenue earned. The following is information about changes in deferred revenue as of and for the years ended December 31st:

	<u>2023</u>	<u>2022</u>
Deferred revenue, beginning of year	\$ 94,905	\$ 81,410
Revenue recognized in current year that was collection in prior years	(94,905)	(81,410)
Increase in deferred revenue due to cash received during the current year	<u>71,495</u>	<u>94,905</u>
Total	<u>\$ 71,495</u>	<u>\$ 94,905</u>

Equine Assisted Growth & Learning Association
Notes to Financial Statements (Continued)
December 31, 2023 and 2022

Note 9. Advertising Costs

Advertising and marketing costs, which are predominantly incurred by the Association to promote its programs, conferences, and events, are expensed as incurred. Advertising and marketing expenses amount to \$11,491 and \$84 for the years ended December 31, 2023 and 2022, respectively.

Note 10. Subsequent Events

In July 2025, the Association's Finance Committee and the majority of the Association's Board resigned. In addition, the Association's fiscal consultant also resigned. These resignations coincided with the Association's need for new leadership within the Association regarding governance, finances, and member services. A new Finance Committee, Board, and leadership team was installed to replace the members who resigned.

Subsequent events have been evaluated through December 18, 2025, which is the date the financial statements were available to be issued; there are no other subsequent events requiring recognition and/or disclosure in the financial statements.