

EQUINE ASSISTED THERAPIES OF SOUTH FLORIDA, INC

FINANCIAL STATEMENTS

AND

INDEPENDENT AUDITOR'S REPORT

JUNE 30, 2018 and 2017

EQUINE ASSISTED THERAPIES OF SOUTH FLORIDA, INC
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INDEPENDENT AUDITORS' REPORT

Board of Directors

Equine Assisted Therapies of South Florida, Inc

Pompano Beach, Florida

Report on the financial statements

We have audited the accompanying financial statements of Equine Assisted Therapies of South Florida, Inc (a nonprofit organization) which comprise the statements of financial position as of June 30, 2018 and 2017, and the related statement of activities and cash flows for the years then ended, and the related notes to the financial statements

Management's responsibility for the financial statement

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, this includes 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

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Entity's preparation and fair presentation of the financial statements 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 the Entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating

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 statement

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion

Opinion

In our opinion, the financial statements of Equine Assisted Therapies of South Florida, Inc (a nonprofit organization) referred to above present fairly, in all material respects, the financial position of as June 30, 2018 and 2017, 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

LANZARO & HALPERIN CPA's PA

Lanzaro & Halperin, CPA's P.A.

Boca Raton, Florida
October 15, 2018

EQUINE ASSISTED THERAPIES OF SOUTH FLORIDA, INC
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2018 AND 2017

<i>ASSETS</i>	<u>UNRESTRICTED</u>	<u>RESTRICTED</u>	<u>TOTALS</u> June 30, 2018	<u>TOTALS</u> June 30, 2017
<u>CURRENT ASSETS</u>				
Cash	\$ 251,003	\$ 290,000	\$ 541,003	\$ 360,998
Prepaid Expenses & Insurance	6,710	-	6,710	5,919
Total Current Assets	<u>257,713</u>	<u>290,000</u>	<u>547,713</u>	<u>366,917</u>
<u>OTHER ASSETS</u>				
Office Building	812,279	-	812,279	840,273
Property & Equipment -Net (Note 1)	59,038	-	59,038	74,118
Covered Arena -Net (Note 1)	401,136	-	401,136	426,305
Other Assets	287	-	287	287
Total Other Assets	<u>1,272,740</u>	<u>-</u>	<u>1,272,740</u>	<u>1,340,983</u>
<i>TOTAL ASSETS</i>	<u>\$ 1,530,453</u>	<u>\$ 290,000</u>	<u>\$ 1,820,453</u>	<u>\$ 1,707,900</u>
 <i>LIABILITIES AND NET ASSETS</i>				
<u>CURRENT LIABILITIES</u>				
Accounts Payable & Accrued Expenses	\$ 3,011	-	\$ 3,011	\$ 3,765
Deferred & Prepaid Revenue	68,360	-	68,360	94,000
Total Current Liabilities	<u>71,371</u>	<u>-</u>	<u>71,371</u>	<u>97,765</u>
TOTAL NET ASSETS	<u>1,459,082</u>	<u>290,000</u>	<u>1,749,082</u>	<u>1,610,135</u>
	<u>1,459,082</u>	<u>290,000</u>	<u>1,749,082</u>	<u>1,610,135</u>
<i>TOTAL LIABILITIES AND NET ASSETS</i>	<u>\$ 1,530,453</u>	<u>\$ 290,000</u>	<u>\$ 1,820,453</u>	<u>\$ 1,707,900</u>

The accompanying notes are an integral part of these financial statements

EQINE ASSISTED THERAPIES OF SOUTH FLORIDA, INC
STATEMENTS OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018 AND 2017

	UNRESTRICTED	RESTRICTED	TOTALS June 30, 2018	TOTALS June 30, 2017
<u>PUBLIC SUPPORT AND REVENUES</u>				
Special Events Revenues	\$ 115,580	\$ -	\$ 115,580	\$ 132,478
Less Direct related costs	(35,318)	-	(35,318)	(76,395)
Net Special Events Revenues	80,262	-	80,262	56,083
Program Fees & Other	56,587	-	56,587	76,731
Interest Income	171	-	171	172
Education & Training	1,850	-	1,850	9,855
<u>CONTRIBUTIONS</u>				
Grants & Donations	348,140	290,000	638,140	253,600
Monetary Contributions	95,624	-	95,624	92,586
Memorial & In Honor of	3,047	-	3,047	14,690
Miscellaneous Income	1,395	-	1,395	795
<i>Total Public Support, Revenues and Contributions</i>	\$ 587,076	\$ 290,000	\$ 877,076	\$ 504,512
<u>EXPENSES</u>				
Program Services	\$ 627,049	\$ -	\$ 627,049	\$ 540,936
Management & General	79,829	-	79,829	69,821
Fundraising	31,175	-	31,175	28,119
<i>Total Expenses</i>	\$ 738,053	\$ -	\$ 738,053	\$ 638,876
<i>Change in Net Assets</i>	\$ (150,977)	\$ 290,000	\$ 139,023	\$ (134,364)
Net Assets, beginning of year	\$ 1,610,135	\$ -	\$ 1,610,135	\$ 1,741,444
Prior Period Adjustment	\$ (76)	\$ -	\$ (76)	\$ 3,055
Net Assets, end of year	\$ 1,459,082	\$ 290,000	\$ 1,749,082	\$ 1,610,135

The accompanying notes are an integral part of these financial statements

EQUINE ASSISTED THERAPIES OF SOUTH FLORIDA, INC
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2018 AND 2017

CASH FLOWS FROM OPERATING ACTIVITIES	2018	2017
Change in Net Assets	\$ 139,023	\$ (134,364)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities		
Depreciation	69,618	71,204
Loss on Abandonment of Fixed Assets	3,125	-
(Increase) Decrease in Operating Assets		
Prepaid Expenses & Insurance	(791)	3,639
Increase (Decrease) in Operating Liabilities		
Accounts Payable & Accrued Expenses	(754)	3,765
Deferred & Prepaid Revenue	(25,640)	77,055
Prior Period Adjustment	(76)	3,055
	<hr/>	<hr/>
Net Cash Provided By Operating Activities	\$ 184,505	\$ 24,354
	<hr/>	<hr/>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Property & Equipment	\$ (4,500)	\$ -
	<hr/>	<hr/>
Net Cash (Used) in Investing Activities	\$ (4,500)	\$ -
	<hr/>	<hr/>
Net Increase in Cash	\$ 180,005	\$ 24,354
Cash, at beginning of year	\$ 360,998	\$ 336,644
	<hr/>	<hr/>
Cash, at end of year	<u>\$ 541,003</u>	<u>\$ 360,998</u>

The accompanying notes are an integral part of these financial statements

EQUINE ASSISTED THERAPIES OF SOUTH FLORIDA, INC
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018 and 2017

NOTE 1 NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

MISSION Equine-Assisted Therapies of South Florida is dedicated to providing therapeutic riding and equine-activities to children and adults with special needs so that they may improve physically, mentally and emotionally

Equine-Assisted Therapies of South Florida, Inc (“EATSF”) is a Florida not-for-profit organization incorporated on July 6, 1982 Equine Assisted Therapies of South Florida Inc is governed by a Board of Directors for the purpose of providing equine assisted activities and therapy for clients of all ages with special needs, particularly children that are striving to overcome challenges brought on by physical, mental and emotional disabilities such as Cerebral Palsy, Autism, Down Syndrome, and developmental delay In addition, adults with Parkinson’s, Stroke and many other challenges benefit from equine assisted therapy as well

EATSF offers unique and integrated programs that provide riders with equine activities six days a week at their Tradewinds Park location in Broward County Florida Therapeutic riding, hippotherapy and equine facilitated learning and psychotherapy are widely recognized as beneficial forms of recreational therapy A heavy emphasis is placed on preparing young people for effective adult living and the development of self-confidence and an enhanced value of self-esteem, self-discipline and improved concentration

Significant Accounting Policies.

Basis of Accounting

The financial statements of EATSF have been prepared on the accrual basis of accounting Significant accounting policies are disclosed to enhance the usefulness of the financial statements to the reader

Cash and Cash Equivalents

EATSF considers cash equivalents as short-term, low risk, highly liquid investments, which are readily convertible to cash These may include money market accounts and certificates of deposit with maturity of three months or less The cash balance at June 30, 2018 includes \$251,003 for operations and \$290,000 in endowments where the earnings will be for mission-essential activities The cash balance at June 30, 2017 was \$360,998 for operations

EQUINE ASSISTED THERAPIES OF SOUTH FLORIDA, INC
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2018 and 2017

NOTE 1: NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Uninsured Cash Balances

EATSF Inc maintains its cash balances in various financial institutions located in Florida which at times are insured up to \$250,000 per institution. None of these financial institutions cash balances exceeded the FDIC limit at June 30, 2018.

Income Tax Status

EATSF Inc is currently exempt from income taxes under the provisions of Section 501(C) (3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been in the accompanying financial statements.

Property and Equipment

Property, equipment and leasehold improvements are capitalized at cost or at estimated fair market value at the date of gift (if received as a donation). It is the organization's policy to capitalize expenditures for items in excess of \$500. Gifts of long-lived assets received without stipulations about how long the donated asset must be used or other donor-imposed restrictions on use of the asset are reported as unrestricted support. Depreciation is determined on a straight-line basis over the estimated useful life of the related asset. The accumulated depreciation amount for the covered arena is \$228,076 based on the arena's total cost of \$629,212. The remainder accumulated depreciation amount of \$ 323,902 is calculated on the remaining fixed assets. Total Fixed Assets breakdown at June 30, 2018 is as follows:

<u>Property & Equipment</u>	<u>Cost</u>	<u>Estimated Useful Life</u>
Barn & Improvements	\$ 185,826	25 years
Computer Software & Equipment	82,570	5 years
Horses	59,000	7 years
Office Building	867,823	31 years
Covered Arena	<u>629,212</u>	25 years
 Total Property & Equipment	 1,824,431	
 Less Accumulated Depreciation	 <u>(551,978)</u>	
 Total Property & Equipment, Net	 <u>\$ 1,272,453</u>	

EQUINE ASSISTED THERAPIES OF SOUTH FLORIDA, INC
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018 and 2017

NOTE 1 NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Donated Services

EATSF Inc receives donated services from a variety of unpaid volunteers assisting in EATSF Inc 's programs, day-to-day operations and fundraising projects services which are not reflected in the accompanying financial statements because the criteria for recognition of such volunteer under SFAS No 116 have not been met 10,131 volunteer hours were logged in the fiscal year ending June 30, 2018 and 11,002 for fiscal 2017

Use of Estimates

The presentation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures Accordingly, actual results could differ from those estimates

SFAS No 117

Equine Assisted Therapies of S Florida Inc adopted Statement of Financial Accounting Standards (SFAS) No 117 "Financial Statements of Not-For-Profit Organizations" Under SFAS No 117, Equine-Assisted Therapies of South Florida, Inc is required to report information regarding its financial position and activities according to three classes of net assets, unrestricted, temporarily restricted, and permanently restricted

SFAS No 116

Equine Assisted Therapies of S Florida Inc also adopted SFAS No 116, "Accounting for Contributions Received and Contributions Made", whereby contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions All donor-restricted support is reported as an increase in temporarily or permanent restricted net assets, depending on the nature of the restriction When a restriction expires (that is when a stipulated time restriction ends or purpose restriction is accomplished) temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions

Revenue Recognition Policy

Contributions, Gifts and Grants received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and or nature of any donor restrictions

EQUINE ASSISTED THERAPIES OF SOUTH FLORIDA, INC
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018 and 2017

NOTE 1· NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Restricted Assets

In fiscal 2018, the organization was granted \$250,000 to seed an endowment fund to assist with scholarships and operations in the future. The organization has also received seed money for the following endowments: The Herd Stewardship Fund, \$36,000 and The Stanley and Carol Zeitchick Scholarship Fund, \$4,000. These funds are restricted for an intended purpose based on fund agreements with the organization and the donor.

Designated Grants

The organization works with a variety of funders that help to fund major capital projects throughout the property. These funds are referred to as designated grants that are used for a specific purpose, and are recognized as deferred revenue until expenses are incurred.

NOTE 2: FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The Supplementary Schedules of Expenses by Function identifies the aforementioned allocated costs. This allocation is based on estimates provided by management.

NOTE 3 FAIR VALUE OF FINANCIAL INSTRUMENTS

EATSF Inc used the following method and assumptions in estimating its fair value disclosures for financial instruments. The carrying amounts reported for cash and cash equivalents in the Statement of Financial Position approximated fair values because of the short maturities of those instruments.

NOTE 4· DONATED LONG LIVED ASSETS

EATSF Inc established a policy that any horse contributions are evaluated on a case by case basis to determine whether to include the donation of a long lived asset at fair market value on the financial statements. Horses are either purchased, donated or accepted on a free lease program (A free lease is one in which the owner maintains ownership and costs are covered by EATSF during the horse's tenure at their facility.) During fiscal year ended 2017-2018, Diamond & Lexington were retired, and Oreo was purchased and Wyatt was donated.

EATSF Inc currently has fair title and possession of the following ten horses as of June 30, 2018 and 2017. Sugar is on a free lease program.

EQUINE ASSISTED THERAPIES OF SOUTH FLORIDA, INC
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018 and 2017

DONATED LONG LIVED ASSETS (CONTINUED)

<u>Date of Donation</u>	<u>Horses Name</u>	<u>Current Age</u>
August 2012	Maximus	23
November 2002	Star	22
July 2003	Hallory	20
October 2017	Oreo	16
August 2006	Jose	20
November 2016	Beauty	18
June 2007	Fire	15
August 2009	Devon	21
July 2014	Goose	9
August 2017	Wyatt	10

NOTE 5- SUBSEQUENT EVENTS

Subsequent events have been evaluated through October 15, 2018 the date the financial statements were available to be issued in accordance with FASB ASC 855

NOTE 6- PENDING LITIGATION

The Organization is not involved in any pending or threatening litigation as of the date of this financial statement

EQUINE ASSISTED THERAPIES OF SOUTH FLORIDA, INC
 SUPPLEMENTARY SCHEDULE OF PROGRAM SERVICES,
 MANAGEMENT & GENERAL SERVICES AND FUNDRAISING SERVICES
 FOR THE YEAR ENDED JUNE 30, 2018

<u>EXPENSE</u>	<u>TOTAL</u>	<u>PROGRAM</u>	<u>SUPPORTING SERVICES</u>	
			<u>MANAGEMENT & GENERAL</u>	<u>FUNDRAISING</u>
Barn Supplies	\$ 5,995	\$ 5,995	\$ -	\$ -
Board Meeting Expense	546		546	-
Business Development	787		787	-
Contract Labor	44,073	41,160	796	2,117
Credit Card Processing	3,471	2,314	-	1,157
Depreciation	69,618	69,618	-	-
Dues and Subscriptions	5,337	5,337	-	-
Education & Training	1,320	1,320	-	-
Equipment & Rental	6,122	6,122	-	-
Horse Expenses	73,836	73,836	-	-
Insurance	10,156	9,647	509	-
Loss on Abandonment of Fixed Assets	3,125	3,125	-	-
Master Maintenance	113,246	113,246	-	-
Miscellaneous	2,617	2,617	-	-
Office Expenses	20,208	16,194	3,773	241
Postage & Shipping	1,826	944	283	599
Professional Fees	3,980	-	3,980	-
Program Expenses	2,681	2,681	-	-
Public Relations	2,300	2,300	-	-
Salaries & Wages	341,104	252,079	64,084	24,941
Telephone	12,424	8,072	3,547	805
Utilities	10,918	8,079	1,524	1,315
Volunteer Expenses	2,363	2,363	-	-
TOTALS	\$ 738,053	\$ 627,049	\$ 79,829	\$ 31,175

(See Independent Auditor's Report on the Supplementary Information)
 The accompanying notes are an integral part of these supplementary schedules