

GIANT STEPS THERAPEUTIC EQUESTRIAN CENTER, INC.

PETALUMA, CALIFORNIA

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

JUNE 30, 2024

Hiep Pham, CPA Inc.

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Giant Steps Therapeutic Equestrian Center, Inc.
Petaluma, California

Opinion

I have audited the accompanying financial statements of Giant Steps Therapeutic Equestrian Center, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2024, 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 my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Giant Steps Therapeutic Equestrian Center, Inc. as of June 30, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of Giant Steps Therapeutic Equestrian Center, Inc. and to meet my other ethical responsibilities in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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 Giant Steps Therapeutic Equestrian Center, Inc.' 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

My 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 my 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 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, I:

- 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 Giant Steps Therapeutic Equestrian Center, Inc.' 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 my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Giant Steps Therapeutic Equestrian Center, Inc.' ability to continue as a going concern for a reasonable period of time.

I am 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 I identified during the audit.

Hiep Pham, CPA Inc.

Fremont, California

October 2, 2024

GIANT STEPS THERAPEUTIC EQUESTRIAN CENTER, INC.
STATEMENT OF FINANCIAL POSITION

June 30, 2024

ASSETS

Current assets:

Cash and cash equivalents	\$ 169,655
Investments	3,128,333
Accounts receivable	43,145
Prepaid expenses	7,979
Total current assets	<u>3,349,112</u>

Non-current assets:

Operating lease right-of-use asset	68,985
Fixed assets, net of accumulated depreciation	252,410
Total non-current assets	<u>321,395</u>

Total assets \$ 3,670,507

LIABILITIES AND NET ASSETS

Current liabilities:

Accounts payable	\$ 41,870
Accrued payroll	21,308
Accrued vacation	30,163
Deferred revenue	10,731
Operating lease liability, current portion	37,518
Total current liabilities	<u>141,590</u>

Long-term liabilities:

Operating lease liability, net of current portion	32,567
Total long-term liabilities	<u>32,567</u>
Total liabilities	<u>174,157</u>

Net assets:

Net assets without donor restrictions	3,496,350
Total net assets	<u>3,496,350</u>

Total liabilities and net assets \$ 3,670,507

The accompanying notes are an integral part of these financial statements.

GIANT STEPS THERAPEUTIC EQUESTRIAN CENTER, INC.
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2024

	<u>Without Donor Restrictions</u>
Operating revenues:	
Contributions	\$ 466,647
Program service fees	207,057
Special events, net	224,036
In-kind contributions	<u>39,969</u>
Total operating revenues	<u>937,709</u>
 Operating expenses:	
Program services	<u>875,384</u>
Support services:	
General and administrative	250,077
Fundraising	<u>120,633</u>
Total supportive services	<u>370,710</u>
Total operating expenses	<u>1,246,094</u>
 Change in net assets from operating activities	 <u>(308,385)</u>
 Non-operating revenues and (expenses):	
Investment return, net	<u>409,459</u>
Total non-operating revenues and (expenses)	<u>409,459</u>
 Change in net assets	 101,074
Net assets, beginning of period	<u>3,395,276</u>
 Net assets, end of period	 <u>\$ 3,496,350</u>

The accompanying notes are an integral part of these financial statements.

GIANT STEPS THERAPEUTIC EQUESTRIAN CENTER, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2024

	Program Services	Support Services		Subtotal Support Services	Total
		General and Administrative	Fundraising		
Expenses:					
Salaries	\$ 428,874	\$ 89,301	\$ 56,252	\$ 145,553	\$ 574,427
Payroll taxes	34,406	7,517	4,475	11,992	46,398
Employee benefits	67,646	34,549	594	35,143	102,789
Travel and training	2,181	919	15	934	3,115
Insurance	22,374	4,967	-	4,967	27,341
Postage and printing	3,930	5,271	70	5,341	9,271
Dues and subscriptions	3,287	8,655	11,075	19,730	23,017
Supplies and equipment	10,980	6,057	-	6,057	17,037
Professional fees	13,703	70,109	17,493	87,602	101,305
Outside services	800	10,074	1,999	12,073	12,873
Rentals	17,346	2,628	-	2,628	19,974
Repairs and maintenance	12,537	-	-	-	12,537
Communications	5,221	1,939	-	1,939	7,160
Facilities and horse management	188,697	-	-	-	188,697
Depreciation	53,376	3,049	-	3,049	56,425
Service fees	4,749	122	-	122	4,871
Donated goods and services	4,819	-	28,630	28,630	33,449
Other expenses	458	4,920	30	4,950	5,408
Total expenses	<u>\$ 875,384</u>	<u>\$ 250,077</u>	<u>\$ 120,633</u>	<u>\$ 370,710</u>	<u>\$ 1,246,094</u>

The accompanying notes are an integral part of these financial statements.

GIANT STEPS THERAPEUTIC EQUESTRIAN CENTER, INC.
STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2024

Cash flows from operating activities:	
Change in net assets	\$ 101,074
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	56,425
Amortization of operating lease	40,064
Net realized and unrealized (gains)/losses on investments	(274,406)
Changes in certain assets and liabilities:	
Accounts receivable	(42,720)
Prepaid expenses	(4,202)
Accounts payable	25,523
Accrued payroll	2,716
Accrued vacation	6,564
Deferred revenue	(6,457)
Operating lease liability	(39,636)
Net cash provided (used) by operating activities	(135,055)
Cash flows from investing activities:	
Purchase of investments	(135,052)
Sale of investments	125,000
Purchase of fixed assets	(6,636)
Net cash provided (used) by investing activities	(16,688)
Net increase (decrease) in cash	(151,743)
Cash and cash equivalents, beginning of period	321,398
Cash and cash equivalents, end of period	\$ 169,655
Supplemental disclosures of cash flow information:	
Noncash activities:	
Disposition of fully depreciated fixed assets	\$ 36,281

The accompanying notes are an integral part of these financial statements.

GIANT STEPS THERAPEUTIC EQUESTRIAN CENTER, INC.
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2024

NOTE 1 - GENERAL

Giant Steps Therapeutic Equestrian Center, Inc. (the Organization) was incorporated in 1997 under the laws of the State of California for the charitable purpose of bringing the proven benefits of therapeutic horseback riding to physically, developmentally, and/or cognitively disabled individuals. The Organization has since added groundbreaking programming for individuals living with emotional disabilities. The Organization is open to people of all ages with disabilities who reside in the bay area counties. It is a Premier Accredited Center Member of the Professional Association of Therapeutic Horsemanship (“PATH”) which provides safety standards to its members. The Organization’s instructors are certified by PATH. The Organization’s support comes primarily from special events, individual donors’ contributions and private grants. The Organization receives no government funding.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting

The financial statements and records of the Organization are prepared on the accrual basis of accounting and, therefore, include all support and revenues when earned and all expenses when incurred, regardless of whether the support and revenues or expenses were received or paid as of the end of the period. Contributions are recognized at their fair value as revenues in the period received.

B. Basis of Presentation

The financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958 and the provisions of the American Organization of Certified Public Accountants (AICPA) *Audit and Accounting Guide for Not-for-Profit Organizations*. Under the provisions, net assets and revenues, and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified as follows:

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. The Organization’s board may designate assets without restrictions for specific operational purposes from time to time.

Net Assets with Donor Restrictions - Net assets are subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

GIANT STEPS THERAPEUTIC EQUESTRIAN CENTER, INC.
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2024

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Measure of Operations

The statement of activities reports all changes in net assets, including changes in net assets from operating and non-operating activities. Operating activities consist of those items attributable to the Organization's ongoing activities. Non-operating activities are limited to resources that generate return from investments, financing costs, and other activities considered to be of a more unusual or nonrecurring nature.

D. Cash and Cash Equivalents

For purposes of reporting the statement of cash flows, cash and cash equivalents include cash on deposit with financial institutions and highly liquid investments with a maturity of three months or less.

E. Investments

Investments are stated at fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced liquidation. The fair value of the investments is generally based on published market prices and quotations from major investment firms. Realized gains and losses from the sale of marketable securities are computed based on specific identification of historical cost. Unrealized gains and losses of marketable securities are computed based on specific identifications of recorded cost, as they may have been previously adjusted to market, and are included in the change in net assets. Investment return is presented net of investment fees.

In addition, the Organization frequently receives donations in the form of marketable securities. Donated marketable securities are sold within a short period after receipt. Investments are recorded at current market value on the statement of financial position.

F. Accounts Receivable

Accounts receivable represent amounts earned but not yet collected. The Organization uses the allowance method to reserve for uncollectible accounts. Management periodically evaluates the allowance. As of June 30, 2024, management determined that no allowance was necessary. It is the Organization's policy to write-off uncollectible accounts receivable when management determines the receivable will not be collected.

GIANT STEPS THERAPEUTIC EQUESTRIAN CENTER, INC.
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2024

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

G. Fixed Assets

Property, equipment and improvements are stated at cost. Depreciation is computed under the straight-line method over the estimated useful lives of the assets, which range from 3 to 20 years. Leasehold improvements are depreciated using the straight-line method over the lesser of the estimated useful lives or the term of the lease agreement during the year of acquisition. Donated property is recorded at the estimated fair value at the date of receipt. Such donations are reported as net assets without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as net assets with donor restrictions. It is the Organization's policy to capitalize property and equipment over \$2,500.

Expenditures for maintenance and repairs are charged to expense as incurred. Any impaired assets will be written down to their actual value.

H. Deferred Revenue

Deferred revenue represents funds received in advance for an event held in August 2024.

I. Revenue Recognition

Revenue is recognized in accordance with authoritative guidance, including *ASU 2018-08, Not-for-Profit Entities (Topic 605)* and *ASU No. 2014-09, Revenue from Contracts with Customers (Topic 606)*.

Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met. A transfer of funds with a conditional promise to contribute are accounted for as a refundable advance until the conditions have been substantially met. Certain payments received include both elements of contributed income and earned income, and management evaluates such transactions to determine the proper revenue rules to apply and to bifurcate the revenue components. When applicable, revenue earned under a contractual arrangement (an "exchange transaction") is recognized when earned and therefore measured as services are provided in accordance with Topic 606.

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized.

GIANT STEPS THERAPEUTIC EQUESTRIAN CENTER, INC.
NOTES TO THE FINANCIAL STATEMENTS
 For the Year Ended June 30, 2024

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

J. Program Service Fees

Program service fee revenue is recognized as revenue at the time the classes are held. Fees are discounted for select individuals as determined based on need using the United States Department of Housing and Urban Development's definition of Median Family Income for Sonoma County.

K. Donated Goods and Services

In-kind contributions are recognized as follows: Donated goods are recorded at their estimated fair market value on the date of donation. Donated services are recognized as contributions in accordance with FASB ASC 958, *Accounting for Contributions Received and Contributions Made*, if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization.

L. Functional Allocation of Expenses

The Organization allocates operational costs between program services, general and administrative, and fundraising by utilizing a cost allocation policy that is updated and reviewed annually. The Organization applies several methods for allocating costs. Expenses that can be identified with the program are charged directly to that program as direct costs. Costs common to multiple functions have been allocated among the various functions benefited on the basis of periodic time and effort. General and administrative expenses include those costs that are not directly identifiable with the program, but which provide for the overall support and direction of the Organization. These costs are allocated to the functions using a base that results in an equitable distribution. The allocation is reflected in the statement of functional expenses.

The expenses that are allocated include the following:

<u>Expense</u>	<u>Method of Allocation</u>
Personnel expenses	Time and effort
Travel and training	Time and effort
Insurance	Function and usage
Postage and printing	Function and usage
Dues and subscriptions	Function and usage
Supplies and equipment	Function and usage
Professional fees	Function and usage
Outside services	Function and usage
Rentals	Function and usage
Communications	Function and usage
Depreciation	Function and usage
Service fees	Function and usage
Donated goods and services	Function and usage
Other expenses	Function and usage

GIANT STEPS THERAPEUTIC EQUESTRIAN CENTER, INC.
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2024

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

M. Concentration of Credit Risk

Financial instruments that potentially subject the Organization to credit risk consist primarily of cash and cash equivalents, investments and accounts receivable.

The Organization maintains cash and cash equivalents and investments with commercial banks and other major financial institutions. Cash equivalents include overnight investments, and money market funds. At times, such amounts might exceed Federal Deposit Insurance Corporation (FDIC) limits. The Organization maintains a portfolio of financial instruments which potentially expose the Organization to concentrations of investment risk. To limit the amount of risk exposure the Organization diversifies its portfolio by asset class and by depository. Subject to market fluctuations, management does not consider this risk a particular concern at this time.

The Organization is vulnerable to the inherent risk associated with revenue that is substantially dependent on public support and contributions. The continued growth and well being of the Organization are contingent upon successful achievement of its long-term revenue-raising goals. Management is taking steps to address potential changes in funding levels and reduce Organization's exposure to these fluctuations.

N. Use of Estimates

The financial statements have been prepared in conformity with U.S. generally accepted accounting principles and, as such, include amounts based on informed estimates and judgments of management with consideration given to materiality. Actual results could differ from those estimates.

O. Risk Management

The Organization is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the Organization carries commercial insurance.

P. Subsequent Events

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through October 2, 2024, the date the financial statements were available to be issued.

NOTE 3 - INCOME TAXES

The Organization is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Organization is also exempt from California franchise taxes under Section 23701(d) of the Revenue and Taxation Code and, therefore, has made no provision for Federal or California income taxes. Contributors, donors, and grantors may obtain tax benefits. In addition, the Organization has been determined by the Internal Revenue Service not to be a "private foundation" within the meaning of Section 509(a) of the Code.

GIANT STEPS THERAPEUTIC EQUESTRIAN CENTER, INC.
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2024

NOTE 3 - INCOME TAXES (concluded)

The Organization adopted the recognition requirements for uncertain income tax positions as required by generally accepted accounting principles, with no cumulative effect adjustment required. Income tax benefits are recognized for income tax positions taken or expected to be taken in a tax return, only when it is determined that the income tax position will more-likely-than-not be sustained upon examination by taxing authorities. The Organization has analyzed tax positions taken for filing with the Internal Revenue Service and all state jurisdictions where it operates. The Organization believes that income tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse effect on the Organization's financial condition, results of operations, or cash flows. Accordingly, the Organization has not recorded any reserves, or related accruals for interest and penalties for uncertain income tax positions at June 30, 2024. The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

NOTE 4 - CASH AND CASH EQUIVALENTS

The cash balances as of June 30, 2024 are as follows:

Summit State Bank	\$	169,122
PayPal		333
Petty cash		200
Total		\$ 169,655

The account balances were insured under the \$250,000 blanket umbrella by the Federal Deposit Insurance Corporation (FDIC).

NOTE 5 - INVESTMENTS

The investment activity for the year ended June 30, 2024 is as follows:

Account balances, beginning of period	\$	2,843,875
Interest and dividend income		135,052
Sale of investments		(125,000)
Net realized and unrealized gains and (losses)		274,406
Account balances, end of period		\$ 3,128,333

NOTE 6 - SUMMARY OF FAIR VALUE EXPOSURE

FASB ASC 820-10 and subsections, *Fair Value Measurements and Disclosures* clarifies the definition of fair value for financial reporting, establishes a framework for measuring fair value, and requires additional disclosure about the use of fair value measurements in an effort to make the measurement of fair value more consistent and comparable. The Organization has adopted FASB ASC 820-10 for its financial assets and liabilities measured on a recurring and nonrecurring basis.

GIANT STEPS THERAPEUTIC EQUESTRIAN CENTER, INC.
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2024

NOTE 6 - SUMMARY OF FAIR VALUE EXPOSURE (concluded)

FASB ASC 820-10 defines fair value as the amount that would be received from the sale of an asset or paid for the transfer of a liability in an orderly transaction between market participants, i.e. an exit price. To estimate an exit price, a three-tier hierarchy is used to prioritize the inputs:

- Level 1: Quoted prices in active markets for identical securities.
- Level 2: Other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment spreads, credit risk, etc.)
- Level 3: Significant unobservable inputs (including the Organization's own assumptions in determining the fair value of investments).

The inputs and methodology used for valuing the Organization's financial assets and liabilities are not indicators of the risks associated with those investments.

The following table provides fair value measurement information for financial assets and liabilities measured at fair value on a recurring basis as of June 30, 2024:

Level 1: Quoted prices	\$ 3,128,333
Level 2: Other significant observable inputs	-
Level 3: Significant unobservable inputs	-
Total	<u>\$ 3,128,333</u>

FSP FAS 157-4, which supersedes FSP FAS 157-3, provides further clarification on SFAS 157 in determining an inactive market and a non-distressed transaction. The above investments for June 30, 2024 are further classified in accordance with FSP FAS 157-4 as follows:

	Total Investment	Level 1	Level 2	Level 3
Stocks and bonds	<u>\$ 3,128,333</u>	<u>\$ 3,128,333</u>	<u>\$ -</u>	<u>\$ -</u>

NOTE 7 - FIXED ASSETS

Fixed assets as of June 30, 2024 are as follows:

	<u>Years</u>	
Building	16	\$ 24,893
Leasehold improvements	13-20	904,301
Furniture and equipment	3-10	174,526
Vehicles	5	50,897
Horses	5-7	<u>32,160</u>
Total		1,186,777
Less accumulated depreciation		<u>(934,367)</u>
Fixed assets, net		<u>\$ 252,410</u>

Depreciation expense was \$56,425 for the year ended June 30, 2024.

GIANT STEPS THERAPEUTIC EQUESTRIAN CENTER, INC.
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2024

NOTE 8 - ACCRUED VACATION

Accumulated unpaid employee vacation benefits are recognized as liabilities of the Organization. The amount of accumulated vacation was \$30,163 as of June 30, 2024.

NOTE 9 - OPERATING LEASE RIGHT-OF-USE ASSET AND LIABILITY

The Organization has an operating lease for the riding facility which expires in April 2026. Lease payments increase \$50 per month on each anniversary date of the lease up to \$3,300. The monthly rent at June 30, 2024 was \$3,250. In addition, the Organization holds operating leases with variable cost components and terms lasting less than twelve months. The Organization's operating leases generally do not contain any material restrictive covenants or residual value guarantees.

The total expenses for rent were \$40,461 for the year ended June 30, 2024.

Amounts recognized as right-of-use assets related to operating leases are included in the accompanying Statement of Financial Position, while related lease liabilities are included in the operating lease liabilities. As of June 30, 2024, right-of-use assets and lease liabilities related to operating leases were as follows:

Operating lease right-of-use asset	\$	140,532
Less accumulated amortization		<u>(71,547)</u>
Operating lease right-of-use asset, net	\$	<u>68,985</u>
Operating lease liability:		
Operating lease liability, current portion	\$	37,518
Operating lease liability, net of current portion		<u>32,567</u>
Total	\$	<u>70,085</u>

During the year ended June 30, 2024, the Organization had the following cash and non-cash activities associated with the leases:

Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	\$	38,500

Future minimum lease payments under these agreements are as follows:

Year Ending June 30, 2025	\$	39,100
Year Ending June 30, 2026		<u>33,000</u>
Total		72,100
Less effects of discounting		<u>(2,015)</u>
Lease liabilities recognized	\$	<u>70,085</u>

GIANT STEPS THERAPEUTIC EQUESTRIAN CENTER, INC.
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2024

NOTE 10 - SPECIAL EVENTS, NET

During the years ended June 30, 2024, special events are as follows:

	Farm to Stable	Charity Classic	Total
Special events income	\$ 133,764	\$ 186,210	\$ 319,974
Less related expenses	(55,828)	(40,110)	(95,938)
Special events, net	\$ 77,936	\$ 146,100	\$ 224,036

NOTE 11 - IN-KIND CONTRIBUTIONS - CONTRIBUTED NONFINANCIAL ASSETS

For the years ended June 30, 2024, contributed nonfinancial assets recognized within revenue included:

Auction items	\$ 27,911
Outside services	4,000
Horse and supplies	8,058
Total	\$ 39,969

The Organization received contributed nonfinancial assets within revenue, including contributed auction items, outside services, a horse and supplies. Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions.

Auction Items

The Organization estimated the fair value of the auction items on the basis of estimates of wholesale values that would be received for selling similar products. Contributed auction items were utilized in the special events as referenced in Note 10.

Outside Services

Contributed outside services recognized comprise of professional services from photography services which would be normally paid for by the Organization. Contributed services are valued and are reported at the estimated fair value in the financial statements based on current rates for similar services.

Horse and Supplies

The Organization estimated the fair value of the horse based on temperament, health and age. The Organization estimated the fair value of the supplies on the basis of estimates of wholesale values that would be paid for purchasing similar products.

GIANT STEPS THERAPEUTIC EQUESTRIAN CENTER, INC.
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2024

NOTE 12 - NET ASSETS WITHOUT DONOR RESTRICTIONS

Net assets without donor restrictions as of June 30, 2024 were as follows:

Net assets without donor restrictions - undesignated	\$	368,017
Net assets without donor restrictions - board designated		<u>3,128,333</u>
Total		<u><u>\$ 3,496,350</u></u>

Board Designated Net Assets

From time-to-time donations received without donor restrictions are designated by the Organization's board of directors as board designated funds. The board designated funds consist of funds with no donor or legal restrictions, but through board resolutions have been set aside for specific purposes.

NOTE 13 - AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Organization's financial assets as of June 30, 2024, reduced by amounts not available for general use within one year of the year end date because of contractual or donor-imposed restrictions or internal designations. Amounts not available include amounts set aside for long-term investing in the operating and other reserves that could be drawn upon if the governing board approves that action.

Cash and cash equivalents	\$	169,655
Investments		3,128,333
Accounts receivable		<u>43,145</u>
Total financial assets		3,341,133
Board designations		(3,128,333)
Donor-imposed restrictions		<u>-</u>
Financial assets available to meet cash needs for general expenditures within one year		<u><u>\$ 212,800</u></u>