EQUINE VOICES RESCUE & SANCTUARY

"A PLACE OF HEALING"

GREEN VALLEY, ARIZONA

AUDITED FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

FREY Solutions P.C.

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FREY Solutions P.C.

Board of Directors
Equine Voices Rescue and Sanctuary
Amado, Arizona

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion on the Financial Statements

We have audited the financial statements of Equine Voices Rescue and Sanctuary (the "Organization"), an Arizona nonprofit corporation, which comprise the statement of financial position as of December 31, 2023, and the related statements of activities and changes in net assets and cash flows and functional expenses for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2023 and the results of its operations and cash flows for the year then ended in conformity 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 (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 the Organization 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 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 the combined 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 the Organization's ability to continue as a going concern for at least one year beyond this report date.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud, 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 an error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these 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 the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting principles used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Consider whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization'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 matters that we identified during the audit.

Report on Summarized Comparative Information

We have previously audited the Organization's 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 25, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022,is consistent, in all material respects, with the audited financial statements from which it has been derived.

Frey Solutions P.C.

Tucson, Arizona
September 6, 2024

STATEMENT 1

EQUINE VOICES RESCUE AND SANCTUARY
STATEMENTS OF FINANCIAL POSITION
December 31, 2023 and 2022

ASSETS

		2023		2022
CURRENT ASSETS				
Cash and cash equivalents - operating	$	628,250	$	1,093,116
Cash and cash equivalents - reserves		95,930		82,789
Receivable		6,925		
Prepaid expenses and deposits		92,879		65,942
Investments		1,067,255		754,518
Certificates of deposit		634,605		208,000
Merchandise inventories		19,761		16,269
Total current assets	$	2,545,605		2,220,634
PROPERTY AND EQUIPMENT, net of accumulated depreciation of $420,113 and $359,684, respectively		1,004,507		1,003,579
OTHER ASSETS				
Right-to-use asset-related party property rental	$	30,000	$	40,000
Security deposit-Boutique		1,400		1,400
Donated investment land		5,600		5,600
Total other assets	$	37,000	$	47,000
TOTAL ASSETS	$	3,587,113	$	3,271,213

LIABILITIES AND NET ASSETS

		2023		2022
CURRENT LIABILITIES				
Accounts payable and accrued expenses	$	164,208	$	157,065
Rental deposits		1,354		3,125
Right-to-use asset-related party property rental		10,000		10,000
Total current liabilities	$	175,562	$	170,190
OTHER LIABILITIES				
Right-to-use asset-related party property rental, net of current portion	$	20,000	$	30,000
NET ASSETS				
Without donor restrictions	$	3,295,621		2,988,234
Without donor restrictions-purpose restrictions		95,930		82,789
Total net assets		3,391,551		3,071,023
TOTAL LIABILITIES AND NET ASSETS	$	3,587,113		3,271,213

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

EQUINE VOICES RESCUE AND SANCTUARY
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
Years Ended December 31, 2023 and 2022

	Without Donor Restrictions	With Donor Restrictions	2023 Total	2022 Total
REVENUES				
Contributions and grants	$ 1,218,382	$ 37,860	$ 1,256,242	$ 1,582,387
In-kind donations	13,765		13,765	3,313
Fundraising events, net of fundraising expenses of $22,625 and $25,384, respectively	79,012		79,012	83,138
Gift and resale boutique stores sales	86,562		86,562	77,132
Cost of merchandise	(7,867)		(7,867)	(10,669)
Guesthouse rental	12,549		12,549	3,490
Equine program income	7,709		7,709	8,756
Merchant fees			-	(9,007)
Investment	147,262		147,262	(157,431)
Employee Retention	110,778		110,778	
Miscellaneous	10,109		10,109	
Net assets released from restrictions	24,719	(24,719)	-	
Total revenues	$ 1,702,980	$ 13,141	$ 1,716,121	$ 1,581,109
EXPENSES				
Program services	$ 975,971	$	$ 975,971	$ 912,940
General and administrative	101,750		101,750	83,980
Fundraising	317,872		317,872	342,281
Total expenses	$ 1,395,593	$ 0	$ 1,395,593	$ 1,339,201
Increase in Total Net Assets	$ 307,387	$ 13,141	$ 320,528	$ 241,908
NET ASSETS, BEGINNING OF YEAR	$ 2,988,234	$ 82,789	$ 3,071,023	$ 2,829,115
NET ASSETS, END OF YEAR	$ 3,295,621	$ 95,930	$ 3,391,551	$ 3,071,023

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

EQUINE VOICES RESCUE AND SANCTUARY
STATEMENTS OF CASH FLOWS
Years Ended December 31, 2023 and 2022

		2023		2022
CASH FLOWS FROM OPERATING ACTIVITIES				
Increase in total net assets	$	320,528	$	241,908
Adjustments to reconcile increase in total net assets to net cash provided by operating activities:				
Depreciation		60,429		51,845
Net realized and unrealized (gain) loss on investments		(96,760)		185,150
Changes in operating assets and liabilities:				
Decrease (Increase) in accounts receivable		(6,925)		5,585
Decrease (Increase) in prepaid expenses and deposits		(26,937)		2,316
Decrease (Increase) in merchandise inventories		(3,492)		(285)
Increase (Decrease) in accounts payable and accrued expenses		7,143		(16,514)
Increase (Decrease) in rental deposits		(1,771)		3,125
Net cash provided by operating activities	$	252,216	$	473,130
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchases of certificates of deposit	$	(634,605)	$	(208,000)
Redemption of certificates of deposit		208,000		0
(Purchases) sales of investments		(215,979)		110,436
Purchases of fixed assets		(61,357)		(160,174)
Net cash used by investing activities	$	(703,941)	$	(257,738)
NET INCREASE IN CASH AND CASH EQUIVALENTS		(451,725)		215,392
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR		1,175,905		960,513
CASH AND CASH EQUIVALENTS, END OF YEAR	$	724,180		1,175,905
COMPONENTS OF CASH AND CASH EQUIVALENTS				
Cash and cash equivalents- operating		628,250		1,093,116
Cash and cash equivalents-reserves		95,930		82,789
	$	724,180	$	1,175,905
SUPPLEMENTAL DISCLOSURES				
Interest paid				
Income taxes paid				
Noncash transactions- In-kind donations	$	13,765	$	3,313

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

STATEMENT 4

EQUINE VOICES RESCUE AND SANCTUARY
STATEMENTS OF FUNCTONAL EXPENSES
Years Ended December 31, 2023 and 2022

For Year Ended 2023	Program Services	General and Administrative	Fundraising	Totals
Animal care and local oprations				
Payroll, benefits and taxes	$ 252,197	$ 54,042	$ 54,042	$ 360,282
Advertising and promotion	2,511	471	157	3,139
Depreciation	53,178	6,043	1,209	60,429
Animal care	149,308			149,308
Donor management			10,822	10,822
Professional fees	33,361	6,255	2,085	41,701
Bank & Merchant fees	7,666	1,437	479	9,583
Travel and meals	2,762	518	173	3,452
Seminar and Education		599		599
Office expenses	4,971	932	311	6,214
Occupancy	22,876	4,289	1,430	28,595
Insurance	14,474	2,714	905	18,093
Ranch and equipment	24,659			24,659
Guesthouse rental		3,292		3,292
Postage/printing	2,019	433	433	2,884
State registration costs			4,057	4,057
Clinic and Workshop Expense	4,811			4,811
Volunteer expense	2,492	467	156	3,115
Vehicles operations	19,396	3,637	1,212	24,245
Repairs and maintenance	8,015			8,015
Supplies	1,790	336	112	2,238
Telephone and internet	4,157	779	260	5,196
Utilities	3,914	734	245	4,893
Website	864	162	54	1,080
Miscellaneous	14,226	2,667	889	17,783
Total animal care and local operations	$ 629,648	$ 89,808	$ 79,029	$ 798,485
National public awareness and fundraising				
Postage/printing	$ 85,997	$ 2,965	$ 59,308	$ 148,271
Printing	74,830	2,580	51,607	129,018
Mailhouse/Laser	44,458	1,533	30,661	76,651
Agency fee	40,876	1,410	28,190	70,475
Front-end premiums	48,720	1,680	33,600	84,000
Data processing	11,708	404	8,074	20,185
Bookkeeping	8,434	291	5,816	14,541
List rental/advertising	6,978	241	4,812	12,031
Back-end	4,629	160	3,192	7,981
Fulfilment	6,756	233	4,659	11,649
All other	12,937	446	8,922	22,305
Total national public awareness and fundraising	$ 346,323	$ 11,942	$ 238,843	$ 597,108
TOTALS	$ 975,971	$ 101,750	$ 317,872	$ 1,395,593

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

EQUINE VOICES RESCUE AND SANCTUARY
STATEMENTS OF FUNCTONAL EXPENSES
Years Ended December 31, 2023 and 2022

For Year Ended 2022	Program Services	General and Administrative	Fundraising	Totals
Animal care and local operartions				
Payroll, benefits and taxes	$ 189,819	$ 40,675	$ 40,675	$ 271,169
Advertising and promotion	1,455	273	91	1,820
Depreciation	45,623	5,185	1,037	51,845
Animal care	141,688			141,688
Donor management			10,867	10,867
Professional fees	37,429	7,018	2,339	46,786
Bank fees	518	97	32	647
Travel and meals	3,617	678	226	4,521
Office expenses	3,428	643	214	4,285
Occupancy	14,736	2,763	921	18,420
Amortization of ROU asset	10,000			10,000
Insurance	13,024	2,442	814	16,280
Ranch and equipment	11,312			11,312
Guesthouse rental		3,256		3,256
Postage/printing	2,393	513	513	3,417
State Registration Costs			4,701	4,701
Volunteer expense	2,147	403	134	2,684
Vehicles operations	20,968	3,931	1,310	26,209
Repairs and maintenance	329			329
Supplies	1,574	295	98	1,968
Telephone and internet	4,106	770	257	5,134
Utilities	3,898	731	244	4,872
Website	877	165	55	1,097
Miscellaneous	1,385	260	87	1,732
Total animal care and local operations	$ 510,325	$ 70,097	$ 64,616	$ 645,039
National public awareness and fundraising				
Postage	$ 95,265	$ 3,285	$ 65,700	$ 164,250
Printing	91,222	3,146	62,912	157,279
Mailhouse / Laser	49,176	1,696	33,914	84,786
Agency Fee	47,789	1,648	32,958	82,394
Front-End Premiums	45,872	1,582	31,636	79,090
Data Processing	16,139	557	11,130	27,825
Bookkeeping	12,257	423	8,453	21,133
List Rental / Advertising	10,823	373	7,464	18,660
Back-End	9,293	320	6,409	16,022
Fulfillment	7,451	257	5,138	12,846
All Other	17,330	598	11,952	29,879
Total national public awareness and fundraising	$ 402,615	$ 13,883	$ 277,666	$ 694,164
TOTALS	$ 912,940	$ 83,980	$ 342,281	$ 1,339,203

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

NOTE 1- NATURE OF OPERATIONS

Equine Voices Rescue and Sanctuary (the "Organization") is a nonprofit corporation located in Amado, Arizona and was incorporated August 8, 2004 under the laws of the State of Arizona. The Organization is dedicated to saving Premarin mares and foals from neglect, abuse and slaughter, as well as serving as a voice for all equines to end abuse, suffering and slaughter. The Organization conducts education and community awareness activities to enlighten the public about the horrors of the Premarin and horse slaughter industries. The Organization operates a ranch facility to care for these equines and accomplishes its purpose mainly through solicitation of grants and donations as well as the conduct of fundraising events.

The Organization operates a resale boutique store in Tubac, Arizona, generally selling donated items, as well as a small gift shop on its premises. Commencing in late 2022 the Organization also commenced renting out its former visitor's center on a nightly basis for visitors who wish to stay on the ranch.

The Organization partners with a professional fundraising consultant to conduct national mail campaigns that are designed to raise awareness about the plight of horses used in the Premarin industry, call members of the public to take action to change these practices, and raise funds.

NOTE 2-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Organization prepares its financial statements in accordance with generally accepted accounting principles promulgated in the United States of America (U.S. GAAP) for not-for-profit entities, in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2016-14, "Not-For-Profit Entities (Topic 958): Presentation of Financial Statements of Not-For-Profit Entities", and other applicable standards. The significant accounting and reporting policies used by the Organization are described subsequently to enhance the usefulness and understandability of the financial statements.

RECENT NEW MAJOR ACCOUNTING PRONOUNCEMENT

Previously the FASB issued ASU No. 2016-02, "Leases" (topic 842), requiring lessees to recognize most leases on their balance sheets as lease liabilities with corresponding right-of-use assets and to disclose key information about lease agreements. The guidance is effective for entities' fiscal years beginning after December 15, 2021, therefore the Organization adopted it on its 2022 financial statements.

USE OF ESTIMATES IN PREPARING FINANCIAL STATEMENTS

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities at the date of financial statements and the reported amounts of revenues and expenses during the reporting period. On an ongoing basis, the Organization's management evaluates the estimates and assumptions based upon historical experience and various other factors and circumstances. The Organization's management believes that the estimates and assumptions are reasonable in the circumstances, however, the actual results could differ from those estimates.

CASH EQUIVALENTS

The Organization considers both unrestricted and restricted highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

INVESTMENTS

Investments are carried at fair market value, as determined by market quotations.

INVENTORIES

Inventories of purchased merchandise for the gift and thrift shops for resale are carried at the lower of cost or net realizable value, based on a first-in, first-out basis.

EQUIPMENT AND FURNITURE

Equipment and furniture are reported at cost, if purchased, and at their fair value at the date of the donation, if donated. Items purchased or donated under $1,000 are expensed. Maintenance and repairs that do not significantly increase the useful life of the asset are expensed as incurred. Depreciation is provided over the estimated useful lives of the respective assets using the straight-line method. Useful lives are generally 5 years for office equipment, 7 years for program equipment, 5-8 years for vehicles, 10-15 years for improvements, and 20 years for ranch buildings.

NET ASSETS

Net assets are classified into one of two classes of net assets based on the existence or absence of donor-imposed restrictions as follows:

Net Assets Without Donor Restrictions

Net assets without donor restrictions are resources available to support operations. The only limits on the use of unrestricted net assets are the broad limits resulting from the nature of the Organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from agreements with grantor agencies and others entered into in the course of its operations.

Net Assets With Donor Restrictions

Net assets with donor restrictions include contributed net assets for which donors have imposed future time and particular purpose restrictions. The Organization's unspent contributions are classified in this class if the donor limited their use.

When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

ACCOUNTING FOR CONTRIBUTIONS

Contributions, including unconditional promises to give, are recognized when received. All contributions are reported as increases in net assets without donor restrictions unless they are received with donor stipulations that limit the use of the donated assets. Amounts received that are restricted by the donor to use in future periods or for specific purposes are reported as increases in net assets with donor restrictions, consistent with the nature of the restriction. Contributions with donor restrictions that are satisfied in the same reporting period the contribution is received are reported as contributions without donor restrictions.

Unconditional promises with payments due in future years have an implied restriction to be used in the year the payment is due, and therefore are reported as restricted until the payment is due unless the contribution is clearly intended to support activities of the current fiscal year or is received with permanent restrictions. Conditional promises, such as matching grants, are not recognized until they become unconditional, that is, until all conditions on which they depend are substantially met.

ACCOUNTING FOR GIFTS-IN-KIND CONTRIBUTIONS

The Organization periodically receives contributions in a form other than cash or investments. If the Organization receives a contribution of property or equipment, the contributed asset is recognized as an asset at its estimated fair value at the date of the gift, provided that the value of the asset and its estimated useful life meets the Organization's capitalization policy. Donated supplies are recorded as contributions at the date of the gift and as expenses when the donated items are placed into service or distributed.

The Organization benefits from personal services provided by a substantial number of volunteers that have donated significant amounts of time and services in the Organization's program operations and its fund-raising events. However, the majority of the contributed services do not meet the criteria for recognition in the financial statements. GAAP allows recognition of contributed services only if the donated services create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donations. There were no such services recorded during the year ended December 31, 2023.

OTHER REVENUE AND EXPENSE RECOGNITION
Revenues from grants and special events are recognized as received. Expenses are recognized as incurred rather than paid.

ADVERTISING and PROMOTION COSTS
Advertising and promotion costs are expensed as incurred and totaled $3,139 and $1,732 for the years ended December 31, 2023 and December 31, 2022, respectively.

TAX STATUS
The Organization is incorporated exempt from federal and state income taxes under Internal Revenue Code (IRC) Section 501(c)(3) and is not classified as a private foundation. Contributions to the Organization are tax deductible to donors under Section 170 of the IRC. Management believes that all tax positions the Organization has taken would be sustainable under audit by any taxing jurisdiction. The statute of limitations for tax examinations is generally three years for federal, four years for Arizona.

Program expense classification and functional allocation of expenses
The organization carries out two major programs: animal care and local operations, which encompass all activities and personnel serving the organization on the Organization’s ranch and boutique, and national public awareness and fundraising, which encompasses the activities that are carried out by the organization’s professional fundraising consultant in coordination with and under the direction of the Organization’s management.

The national fundraising and public awareness activities primarily include direct solicitation mailing. These mailing are not solely related to fundraising and contain various calls to action, public awareness messages, and similar content designed to raise awareness and call members of the public to take action regarding the issues the Organization advocates for.

The cost of providing the programs and other activities are summarized on a functional basis. Accordingly, costs are allocated among programs and supporting services benefited. Management’s estimate of the functional allocation of expenditures is based on actual expenditures and management’s estimate of levels of service.

National public awareness and fundraising expenses are estimated to be 58% program services, 2% general and administrative, and 40% fundraising. This estimation is based on information provided by the organization's fundraising consultants regarding the content of mailings, and is based on the methodology of FASB ASC 958-720 regarding joint activities.

Animal care and local operations expenses that are allocated include the following:

Expense	Method of Allocation
Payroll, benefits and taxes	Time and effort
Depreciation	Usage
Bank and credit card fees	Full time equivalent
Professional fees	Full time equivalent
Postage and printing	Full time equivalent
Travel and meals	Time and effort
Office expenses	Full time equivalent
Occupancy	Square footage and usage
Insurance	Full time equivalent
Volunteer expense	Time and effort
Vehicles operations	Usage
Website	Full time equivalent
Miscellaneous and other expenses	Full time equivalent

Prior Year Information

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America.

NOTE 3- INVESTMENTS, CERTIFICATES OF DEPOSIT AND FAIR VALUE MEASUREMENTS

GAAP requires that entities use a three-level hierarchy to prioritize the inputs used to measure fair value, and maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. Level 1 of the hierarchy utilizes quoted prices for identical assts in active markets to which the Organization had access at the measurement date. Level 2 would utilize quoted prices for similar assets in active markets or identical assets in inactive markets. Level 3 utilizes unobservable inputs for an asset's fair value measurement. Since the Organization has ready access to quoted prices from an active market for its endowment investments, it utilizes level 1inputs to measure their fair value.

Investments, all recorded at fair market value at level 1 fair value hierarchy except certificates of deposit which are level 2, were as follows as of December 31, 2023:

	2023	2022
Equities	$1,067,255	$754,518
Certificates of Deposit	$634,605	$208,000
Total Investments	$1,701,860	$962,518

The composition of the investment return reported in the statement of activities were as follows as of December 31, 2023:

	2023	2022
Dividends and interest	$ 52,418	$ 14,210
Capital gains	7,627	13,509
Unrealized gains	87,217	(185,150)
Net investment increase	$147,262	$(157,431)

NOTE 4 – PROPERTY AND EQUIPMENT

Property and equipment consisted of the following as of December 31, 2023 and 2022:

	2023	2022
Vehicles	$ 143,675	$ 134,975
Buildings and ranch improvements	911,615	894,909
Land	274,500	274,500
Equipment	94,830	58,879
	$ 1,430,221	$ 1,363,263
Less accumulated depreciation	(420,113)	(359,684)
	$ 1,004,507	$ 1,003,579

Depreciation expense was $60,429 and $51,845 for the year ended December 31, 2023 and 2022, respectively.

NOTE 5- LEASE AGREEMENTS; RELATED PARTY TRANSACTION

The Organization had entered into a one-year lease for its Tubac, Arizona thrift store at $1,400 monthly though August, 2022 at which time the lease went to month-to-month at the same rate.

The Organization entered into a lease agreement with the Board President for a portion of the ranch property. The lease requires monthly payments of $833.33 to the Executive Director through December 2026. The Board President was paid $10,000 of rents for 2023.

Future minimum lease commitments, are as follows:

Years Ended	
December 31, 2024	10,000
December 31, 2025	10,000
December 31, 2026	10,000
Total	$ 30,000

NOTE 6 – NET ASSETS WITH DONOR RESTRICTIONS

The net assets with donor restrictions were restricted for the following purposes as of

December 31, 2023 and 2022:	**2023**	**2022**
Horse trainer	$ 11,621	$ 11,621
Ranch expansion	27,734	31,898
Shade structures	2,659	23,214
Backhoe	36,000	
Nick's Legacy Fund- to provide funding for special animals' need situations	17,916	16,056
	$ 95,930	$ 82,789

NOTE 7 –AND EMPLOYEE RETENTION CREDIT

The Organization retained several employees throughout the COVID-19 period, and applied for the Employee Retention Credit ("ERC") during the fiscal year ending December 31, 2023. The Organization paid an ERC specialist $10,350 in fees conjunction with these services.

The Organization received ERC refunds for the following amounts for different quarters, which have been recognized in revenue for the fiscal year ending December 31, 2023.

Quarter	**Year**	**Amount Received**
Q2	2020	$12,170
Q3	2020	$12,608
Q4	2020	$13,489
Q1	2021	$22,916
Q2	2021	$23,596
Q3	2021	$25,998
	Total	$110,778

NOTE 8 – LIQUIDITY

Financial assets as of 12-31-23	$ 2,426,696
Less those unavailable for general expenditures within one year, due to:	
Contractual or donor-imposed restrictions:	
Property lease commitments	(10,000)
Subject to appropriation and satisfaction of donor restrictions	(95,930)
Financial assets available to meet cash needs for general expenditures within one year	$2,320,766

The Organization is partially supported by restricted contributions. Because a donor's restriction requires resources to be used in a particular manner or in a future period, the Organization must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due. In addition, the Organization invests cash in excess of immediate and very short-term projected requirements in short-term investments. These short-term, liquid investments may be used to fulfill needs resulting from events outside the typical life cycle of converting financial assets to cash or settling financial liabilities. In the event of an unanticipated liquidity need, the Organization also could draw upon its investments or conduct an appeal.

NOTE 9 – SUBSEQUENT EVENTS

Subsequent events have been evaluated by management through September 6, 2024, the date the report was made available for issuance. Events occurring after that date have not been evaluated to determine whether a change to the financial statements would be required.

NOTE 10 – CONCENTRATIONS OF RISK

As of December 31, 2023, the Organization has cash funds deposited at a financial institution that were in excess of the FDIC insurance coverage limit of $250,000 by $180,015. Additionally, the Organization had two certificates of deposit at a separate institution that exceeded the FDIC limit by $44,505 on December 31, 2023. Management of the Organization is not concerned about the financial well-being of the financial institutions.