

MARYLAND THERAPEUTIC RIDING, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

MARYLAND THERAPEUTIC RIDING, INC.

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For the Years Ended December 31, 2023 and 2022

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Certified Public Accountants

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Maryland Therapeutic Riding, Inc.  
Crownsville, Maryland

### Opinion

We have audited the financial statements of Maryland Therapeutic Riding, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Maryland Therapeutic Riding, Inc. 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 (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Maryland Therapeutic Riding, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of 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 Maryland Therapeutic Riding, Inc.'s ability to continue as a going concern for one (1) year after the date that the financial statements are issued.

Maryland Therapeutic Riding, Inc.

### **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements 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 GAAS, 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 Maryland Therapeutic Riding, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as 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 Maryland Therapeutic Riding, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control - related matters that we identified during the audit.

*Grandizio, Wilkins, Little & Matthews LLP*

Grandizio, Wilkins, Little & Matthews, LLP  
August 21, 2024

MARYLAND THERAPEUTIC RIDING, INC.  
STATEMENTS OF FINANCIAL POSITION

December 31,	2023	2022
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	\$ 398,367	\$ 347,367
Accounts Receivable	11,125	-
Investments	462,566	402,775
<b>TOTAL CURRENT ASSETS</b>	<b>872,058</b>	<b>750,142</b>
<b>FIXED ASSETS</b>	<b>1,655,324</b>	<b>1,660,030</b>
<b>TOTAL ASSETS</b>	<b>\$ 2,527,382</b>	<b>\$ 2,410,172</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts Payable	\$ 10,462	\$ 7,234
Accrued Payroll	6,140	3,500
<b>TOTAL CURRENT LIABILITIES</b>	<b>16,602</b>	<b>10,734</b>
<b>NET ASSETS</b>		
Without Donor Restrictions	2,214,661	2,220,265
With Donor Restrictions	296,119	179,173
<b>TOTAL NET ASSETS</b>	<b>2,510,780</b>	<b>2,399,438</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 2,527,382</b>	<b>\$ 2,410,172</b>

The independent auditors' report and the accompanying notes  
are an integral part of these financial statements.

MARYLAND THERAPEUTIC RIDING, INC.  
STATEMENTS OF ACTIVITIES

For the Year Ended December 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT AND REVENUES</b>			
Contributions	\$ 373,583	\$ 135,630	\$ 509,213
In-Kind Contributions	61,660	-	61,660
Therapeutic Riding Lessons	328,421	-	328,421
Special Events Revenue	207,418	-	207,418
Less: Special Events Costs of Direct Benefits to Donors	(71,630)	-	(71,630)
Other Revenue	2,945	-	2,945
Gain (Loss) on Disposal of Fixed Assets	(583)	-	(583)
Investment Return, Net	58,930	-	58,930
	960,744	135,630	1,096,374
TOTAL SUPPORT AND REVENUES			
Net Assets Released from Restrictions	18,684	(18,684)	-
	979,428	116,946	1,096,374
TOTAL SUPPORT, REVENUES, AND RECLASSIFICATIONS			
<b>EXPENSES</b>			
Program Services	909,333	-	909,333
Management and General	61,550	-	61,550
Fundraising	14,149	-	14,149
	985,032	-	985,032
TOTAL EXPENSES			
CHANGE IN NET ASSETS	(5,604)	116,946	111,342
Net Assets - Beginning of Year	2,220,265	179,173	2,399,438
NET ASSETS - END OF YEAR	\$ 2,214,661	\$ 296,119	\$ 2,510,780

The independent auditors' report and the accompanying notes  
are an integral part of these financial statements.

MARYLAND THERAPEUTIC RIDING, INC.  
STATEMENTS OF ACTIVITIES

For the Year Ended December 31, 2022 - (As Restated)

	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT AND REVENUES</b>			
Contributions	\$ 566,439	\$ 37,458	\$ 603,897
In-Kind Contributions	35,563	-	35,563
Therapeutic Riding Lessons	349,953	-	349,953
Special Events Revenue	283,099	-	283,099
Less: Special Events Costs of Direct Benefits to Donors	(130,534)	-	(130,534)
Other Revenue	1,667	-	1,667
Gain (Loss) on Disposal of Fixed Assets	(19,281)	-	(19,281)
Investment Return, Net	(43,444)	-	(43,444)
<b>TOTAL SUPPORT AND REVENUES</b>	<b>1,043,462</b>	<b>37,458</b>	<b>1,080,920</b>
Net Assets Released from Restrictions	250,921	(250,921)	-
<b>TOTAL SUPPORT, REVENUES, AND RECLASSIFICATIONS</b>	<b>1,294,383</b>	<b>(213,463)</b>	<b>1,080,920</b>
<b>EXPENSES</b>			
Program Services	806,511	-	806,511
Management and General	52,024	-	52,024
Fundraising	12,802	-	12,802
<b>TOTAL EXPENSES</b>	<b>871,337</b>	<b>-</b>	<b>871,337</b>
<b>CHANGE IN NET ASSETS</b>	<b>423,046</b>	<b>(213,463)</b>	<b>209,583</b>
Net Assets - Beginning of Year	1,797,219	392,636	2,189,855
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 2,220,265</b>	<b>\$ 179,173</b>	<b>\$ 2,399,438</b>

The independent auditors' report and the accompanying notes  
are an integral part of these financial statements.

MARYLAND THERAPEUTIC RIDING, INC.  
STATEMENTS OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2023

	Program Services	Management and General	Fundraising	Total
Advertising	\$ 18,103	\$ 388	\$ 424	\$ 18,915
Awards and Recognition	3,766	-	-	3,766
Bank Charges	200	-	45	245
Computer/IT	9,521	942	-	10,463
Contract Labor	23,651	-	-	23,651
Derby Day Expenses	-	-	71,630	71,630
Depreciation	68,557	3,874	-	72,431
Donor Development and Management	2,833	-	500	3,333
Dues, Subscriptions and Membership	7,198	-	-	7,198
Development Travel and Entertainment	3,092	-	-	3,092
Education and Training	13,685	-	-	13,685
Employee Benefits	18,544	7,959	1,420	27,923
Equipment Rental and Maintenance	-	5,480	-	5,480
Horse Maintenance	110,957	-	-	110,957
In-Kind Expenses	52,447	-	-	52,447
Insurance	32,600	1,733	427	34,760
Interest Expense	280	-	-	280
Meals and Entertainment	6,575	475	474	7,524
Miscellaneous Expense	11,066	423	2,765	14,254
Office	19,830	-	-	19,830
Payroll Services	7,755	-	-	7,755
Postage and Printing	2,727	-	-	2,727
Professional Fees	15,598	-	302	15,900
Program Events	20,735	-	-	20,735
Rentals	3,676	-	-	3,676
Repairs and Maintenance	12,499	816	272	13,587
Salaries and Payroll Taxes	407,311	38,305	6,289	451,905
Supplies	10,246	-	-	10,246
Taxes - Real Estate, Fees and Interest	442	-	-	442
Utilities	18,737	1,155	1,231	21,123
Vehicle Expense	6,702	-	-	6,702
<b>TOTAL EXPENSES</b>	<b>909,333</b>	<b>61,550</b>	<b>85,779</b>	<b>1,056,662</b>
Less: Special Events Expenses included with Revenue in the Statements of Activities	-	-	(71,630)	(71,630)
<b>TOTAL EXPENSES REPORTED ON THE STATEMENTS OF ACTIVITIES</b>	<b>\$ 909,333</b>	<b>\$ 61,550</b>	<b>\$ 14,149</b>	<b>\$ 985,032</b>

The independent auditors' report and the accompanying notes  
are an integral part of these financial statements.



MARYLAND THERAPEUTIC RIDING, INC.  
STATEMENTS OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2022

	Program Services	Management and General	Fundraising	Total
Advertising	\$ 8,085	\$ 173	\$ 190	\$ 8,448
Awards and Recognition	5,001	-	-	5,001
Bank Charges	191	-	43	234
Computer/IT	9,570	946	-	10,516
Contract Labor	21,696	-	-	21,696
Derby Day Expenses	-	-	130,534	130,534
Depreciation	78,024	4,408	-	82,432
Donor Development and Management	2,671	-	471	3,142
Dues, Subscriptions and Membership	6,769	-	-	6,769
Development Travel and Entertainment	8,184	-	-	8,184
Education and Training	13,577	-	-	13,577
Employee Benefits	15,442	6,628	1,182	23,252
Equipment Rental and Maintenance	-	2,988	-	2,988
Horse Maintenance	66,512	-	-	66,512
In-Kind Expenses	35,563	-	-	35,563
Insurance	27,226	1,447	357	29,030
Interest Expense	7,188	-	-	7,188
Meals and Entertainment	8,562	618	618	9,798
Miscellaneous Expense	9,816	375	2,453	12,644
Office	21,622	-	-	21,622
Payroll Services	6,708	-	-	6,708
Postage and Printing	2,854	-	-	2,854
Professional Fees	29,872	-	578	30,450
Program Events	22,300	-	-	22,300
Rentals	3,309	-	-	3,309
Repairs and Maintenance	25,694	1,677	559	27,930
Salaries and Payroll Taxes	336,951	31,688	5,203	373,842
Supplies	10,801	-	-	10,801
Utilities	17,460	1,076	1,148	19,684
Vehicle Expense	4,863	-	-	4,863
<b>TOTAL EXPENSES</b>	<b>806,511</b>	<b>52,024</b>	<b>143,336</b>	<b>1,001,871</b>
Less: Special Events Expenses included with Revenue in the Statements of Activities	-	-	(130,534)	(130,534)
<b>TOTAL EXPENSES REPORTED ON THE STATEMENTS OF ACTIVITIES</b>	<b>\$ 806,511</b>	<b>\$ 52,024</b>	<b>\$ 12,802</b>	<b>\$ 871,337</b>

The independent auditors' report and the accompanying notes  
are an integral part of these financial statements.

MARYLAND THERAPEUTIC RIDING, INC.  
STATEMENTS OF CASH FLOWS

For the Years Ended December 31,	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ 111,342	\$ 209,583
Adjustments to Reconcile Change in Net Assets to Net Cash and Cash Equivalents Provided by (Used In) Operating Activities:		
Depreciation	72,431	82,432
(Gain) Loss on Disposal of Assets	583	19,281
Realized (Gain) Loss on Investments	3,040	(580)
Unrealized (Gain) Loss on Investments	(42,349)	58,103
Contributions of Investments	(5,185)	-
Contributions of Fixed Assets	(4,028)	-
Decrease (Increase) in Operating Assets:		
Accounts Receivable	(11,125)	-
Grant Receivable	-	10,000
Increase (Decrease) in Operating Liabilities:		
Accounts Payable	3,228	2,673
Accrued Payroll	2,640	-
	<u>130,577</u>	<u>381,492</u>
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>		
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of Investments	(86,177)	(268,227)
Proceeds from Sale of Investments	70,880	25,209
Purchases of Fixed Assets	(64,280)	(98,281)
	<u>(79,577)</u>	<u>(341,299)</u>
<b>NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES</b>		
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment on Notes Payable	-	(496,079)
	<u>-</u>	<u>(496,079)</u>
<b>NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES</b>		
<b>NET INCREASE (DECREASE) IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH</b>	<b>51,000</b>	<b>(455,886)</b>
Cash, Cash Equivalents, and Restricted Cash - Beginning of Year	<u>347,367</u>	<u>803,253</u>
<b>CASH, CASH EQUIVALENTS, AND RESTRICTED CASH - END OF YEAR</b>	<b><u>\$ 398,367</u></b>	<b><u>\$ 347,367</u></b>
Cash and Cash Equivalents	\$ 103,973	\$ 269,413
Restricted Cash and Cash Equivalents	<u>294,394</u>	<u>77,954</u>
<b>TOTAL CASH, CASH EQUIVALENTS, AND RESTRICTED CASH - END OF YEAR</b>	<b><u>\$ 398,367</u></b>	<b><u>\$ 347,367</u></b>

The independent auditors' report and the accompanying notes  
are an integral part of these financial statements.

MARYLAND THERAPEUTIC RIDING, INC.  
NOTES TO FINANCIAL STATEMENTS

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December 31, 2023 and 2022

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**Note 1: Nature of Organization and Summary of Significant Accounting Policies**

**Nature of Organization**

Maryland Therapeutic Riding, Inc. (MTR) (the Organization), was organized on April 4, 1997 for the purpose of providing physical, psychological and social rehabilitation to special needs individuals through the use of therapeutic horseback riding. MTR is supported primarily through donations, special events, and ridership revenue.

**Basis of Accounting**

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America. This basis of accounting involves the application of accrual accounting; consequently, revenues and gains are recognized when earned and expenses and losses are recognized when incurred.

**Basis of Presentation**

The Organization is required to report information regarding its financial position and activities according to two (2) classes of net assets: with donor restrictions and without donor restrictions.

- Net Assets Without Donor Restrictions - Net assets available for use in general operations and not subject to donor stipulations.
- Net Assets With Donor Restrictions - Net assets subject to donor-imposed stipulations expire by passage of time, can be fulfilled and removed by actions of the Board pursuant to those stipulations or when the donor authorizes the Organization to expend the net assets. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that restrictions be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or when the donor authorizes the expenditure.

**Cash, Cash Equivalents, and Restricted Cash**

For purposes of the statements of cash flows, the Organization considers all highly liquid debt instruments purchased with an initial maturity of three (3) months or less to be cash equivalents. Cash and restricted cash includes amounts in an operating cash account and a restricted cash account.

**Investments and Investment Return**

Investments in marketable securities with readily determinable fair values are carried at fair value. Investment return includes dividends, interest and realized and unrealized gains and losses on investments carried at fair value. Unrealized gains and losses are included in the changes in net assets. Investment income and gains restricted by a donor are reported as increases in net assets without donor restrictions if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

MARYLAND THERAPEUTIC RIDING, INC.  
NOTES TO FINANCIAL STATEMENTS

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December 31, 2023 and 2022

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**Note 1: Nature of Organization and Summary of Significant Accounting Policies  
(Continued)**

**Revenue Recognition**

The Organization reports grants and contributions of cash and other assets as restricted support if they are received with donor stipulations that limit the time period or manner of use of the grant or contribution. Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Under Accounting Standards Codification (ASC) 606, recognition of revenue related to non-contributions requires evidence of a contract, probable collection of proceeds and completion of performance obligations. Revenue is recognized at a point in time when services are performed. Payments for riding lessons received prior to the service provided are recognized as deferred revenue on the statements of financial position.

**Accounts Receivable and Allowance for Credit Losses**

Accounts receivable are stated at the amount management expects to collect from outstanding balances. The allowance estimate is derived from a review of the Organization's historical losses based on the aging of receivables. This estimate is adjusted for management's assessment of current conditions, reasonable and supportable forecasts regarding future events, and any other factors deemed relevant by the Organization. Management believes historical loss information is a reasonable starting point from which to calculate the expected allowance for credit losses. All accounts receivable balances are deemed to be collectible by management at December 31, 2023. Therefore, no allowance for doubtful accounts has been established. The balance of accounts receivable as of January 1, 2022 was \$-0-.

**Fixed Assets and Depreciation**

The Organization capitalizes property and equipment over \$300. Lesser amounts are expensed. Purchased property and equipment is capitalized at cost. Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as contributions 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 contributions with donor restrictions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time. Property and equipment are depreciated using the straight-line method over estimated useful lives ranging from five (5) to forty (40) years.

**Income Taxes**

The Organization is exempt from federal and state taxation under Section 501(c)(3) of the Internal Revenue Code and is classified as other than a private foundation.

The Organization's evaluation on December 31, 2023 revealed no uncertain tax positions that would have a material impact on the financial statements. The previous three (3) tax years remain subject to examination by the IRS. The Organization does not believe that any reasonably possible changes will occur within the next twelve (12) months that will have a material impact on the financial statements.

MARYLAND THERAPEUTIC RIDING, INC.  
NOTES TO FINANCIAL STATEMENTS

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December 31, 2023 and 2022

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**Note 1: Nature of Organization and Summary of Significant Accounting Policies  
(Continued)**

**Special Events Revenue**

Net special events revenue from ticket sales and sponsorship of fundraising events is recognized as revenue in the period in which the events are held. The costs of direct benefits to attendees such as food, beverages and entertainment are deducted from gross revenues.

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Functional Allocation of Expenses**

Expenses are charged directly to program, management and general, or fundraising categories based on specific identification, when determinable. A reasonable allocation is made for costs not specifically identifiable.

**Advertising Expenses**

Advertising expenses are charged to operations when incurred. Expenses were \$18,915 and \$8,448 for the years ended December 31, 2023 and 2022, respectively.

**Grant Receivable**

Unconditional grants are recognized when awarded. Conditional grants are recorded when such conditions are met. All grants are deemed collectible by management. Therefore, an allowance for doubtful accounts has not been established.

**Contributed Services**

The value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded. In addition, many individuals volunteer their time and perform a variety of tasks that assist the Organization in carrying out its mission, but these services do not meet the criteria for financial reporting recognition as contributed services.

**FASB ASC No. 360**

Statement of Financial Accounting Standards Codification (FASB) ASC No. 360 requires that long-lived assets and certain identifiable intangibles held and used by an entity be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Application of FASB ASC No. 360 has not materially affected the Organization's reported earnings, financial condition or cash flows.

**Leases**

The Organization has elected not to apply the recognition requirements of ASC 842 to all short-term leases, defined as leases with a term of twelve (12) months or less at commencement.

MARYLAND THERAPEUTIC RIDING, INC.  
NOTES TO FINANCIAL STATEMENTS

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December 31, 2023 and 2022

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**Note 1: Nature of Organization and Summary of Significant Accounting Policies  
(Continued)**

**Recently Adopted Accounting Guidance - Allowance for Credit Losses**

In June 2016, the Financial Accounting Standards Board (FASB) issued guidance (FASB ASC 326) which significantly changes how entities will measure credit losses for most financial assets and certain other instruments that aren't measured at fair value through net income. The most significant change in this standard is a shift from the incurred loss model to the expected loss model. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing the entity's exposure to credit risk and the measurement of credit losses. Financial assets held by the Organization that are subject to the guidance in FASB ASC 326 are accounts receivable. The Organization adopted the standard effective January 1, 2023. The impact of the adoption was not considered material to the financial statements and primarily resulted in enhanced disclosures only.

**Date of Management Review**

The Organization has evaluated events and transactions that occurred during the period from the date of the financial statements through August 21, 2024, the date the Organization's financial statements were available to be issued. There were no events or transactions that occurred during the period that materially impacted the amounts or disclosures in the Organization's financial statements.

**Note 2: Fixed Assets**

The following is a summary of fixed assets at December 31:

	Estimated Lives	2023	2022
Transportation and Equipment	7 - 10 Years	\$ 36,568	\$ 36,568
Equipment	5 - 10 Years	203,209	158,901
Capital Improvements	5 - 40 Years	1,491,490	1,491,490
Land	-	536,704	536,704
Horses	7-10 Years	49,250	35,550
Total		2,317,221	2,259,213
Less: Accumulated Depreciation		(661,897)	(599,183)
NET FIXED ASSETS		<u>\$ 1,655,324</u>	<u>\$ 1,660,030</u>

MARYLAND THERAPEUTIC RIDING, INC.  
NOTES TO FINANCIAL STATEMENTS

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December 31, 2023 and 2022

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**Note 3: Line-of-Credit**

On December 31, 2014, the Organization entered into a business equity line note (note) in the amount of \$250,000. The note is secured by land and facilities. The interest rate is the Wall Street Journal Prime Rate, minimum four percent (4%) (effective rate was eight and one-half percent [8.5%] and seven and one-half percent [7.5%] at December 31, 2023 and 2022, respectively). The note is interest only payments and matured on March 25, 2020. On March 6, 2020, the Organization entered into a modification agreement for the equity line note. The limit was reduced to \$100,000 and the maturity of the note was extended to March 6, 2025. The Organization had \$-0- outstanding on this note as of December 31, 2023 and 2022.

**Note 4: Concentrations of Credit Risk**

The Organization, at various times during the year, maintained a cash balance in several financial institutions in excess of \$250,000, the limit of federal insurance. The Organization has not experienced any losses in such account and believes it is not exposed to any significant risk on cash balances.

The Organization's investments are maintained by an investment brokerage firm. Although the firm has a diversified investment portfolio, the value of the portfolio is subject to certain market risks. The portfolio is insured up to \$500,000 against fraud, but not loss of value, by the Securities Investor Protection Corporation.

**Note 5: Contributed Goods**

In 2023, the Organization received miscellaneous in-kind contributions in the amount of \$61,660. Contributions in the amount of \$52,447 were used for program purposes and were fully expensed in the year ended December 31, 2023. A contribution of office equipment of \$4,028 was capitalized into fixed assets, and the remaining contribution of stocks of \$5,185 were invested with the investment brokerage firm.

In 2022, the Organization received miscellaneous in-kind contributions in the amount of \$35,563. These contributions were used for program purposes and were fully expensed in the year ended December 31, 2022.

MARYLAND THERAPEUTIC RIDING, INC.  
NOTES TO FINANCIAL STATEMENTS

December 31, 2023 and 2022

**Note 6: Net Assets With Donor Restrictions**

The following are the net assets with donor restrictions and their purposes at December 31:

	<u>2023</u>	<u>2022</u> (As Restated)
Build Our Future	\$ 62,500	\$ -
Horse Acquisition	-	5,750
Horse Emergency	49,723	62,057
Ramp Project	10,000	-
Youth and Military Riding Scholarships	<u>173,896</u>	<u>111,366</u>
<b>TOTAL NET ASSETS WITH DONOR RESTRICTIONS</b>	<b><u>\$ 296,119</u></b>	<b><u>\$ 179,173</u></b>

**Note 7: Net Assets Released from Restriction**

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors. The following amounts were released from restrictions for the year ended December 31:

	<u>2023</u>	<u>2022</u> (As Restated)
Fencing	\$ -	\$ 10,000
Horse Acquisition	5,750	-
Horse Emergency	12,334	-
Pavilion Project	-	21,000
Mortgage Campaign	-	216,092
Youth and Military Riding Scholarships	<u>600</u>	<u>3,829</u>
<b>TOTAL NET ASSETS RELEASED FROM RESTRICTIONS</b>	<b><u>\$ 18,684</u></b>	<b><u>\$ 250,921</u></b>



MARYLAND THERAPEUTIC RIDING, INC.  
NOTES TO FINANCIAL STATEMENTS

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December 31, 2023 and 2022

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**Note 8: Fair Value Measurements**

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three (3) levels of the fair value hierarchy under FASB ASC 820 are described as follows:

*Level 1 Fair Value Measurements*

Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

*Level 2 Fair Value Measurements*

Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability; and
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

*Level 3 Fair Value Measurements*

Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2023 and 2022.

*Money Market Funds:* Valued at cost, which approximates fair value.

*Mutual Funds:* Valued at the daily closing price as reported by the fund. Mutual funds held by the Organization are open-end mutual funds that are registered with the U.S. Securities and Exchange Commission. These funds are required to publish their daily net asset value and to transact at that price. The mutual funds held by the Organization are deemed to be actively traded.

*Stocks and Exchange Traded Funds:* Securities traded on a national securities exchange are stated at the last reported sales price on the day of valuation.

MARYLAND THERAPEUTIC RIDING, INC.  
NOTES TO FINANCIAL STATEMENTS

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December 31, 2023 and 2022

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**Note 8: Fair Value Measurements (Continued)**

The fair value measurements and levels within the fair value hierarchy of those measurements for the assets reported at fair value on a recurring basis are as follows:

DECEMBER 31, 2023

Description	Fair Value	Level 1
Exchange Traded Funds	\$ 218,040	\$ 218,040
Money Market Funds	30,239	30,239
Mutual Funds	214,287	214,287
TOTAL	<u>\$ 462,566</u>	<u>\$ 462,566</u>

DECEMBER 31, 2022

Description	Fair Value	Level 1
Stocks	\$ 24,014	\$ 24,014
Exchange Traded Funds	142,697	142,697
Money Market Funds	70,835	70,835
Mutual Funds	165,229	165,229
TOTAL	<u>\$ 402,775</u>	<u>\$ 402,775</u>

MARYLAND THERAPEUTIC RIDING, INC.  
NOTES TO FINANCIAL STATEMENTS

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December 31, 2023 and 2022

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**Note 9: Liquidity and Availability of Financial Assets**

The following reflects the Organization's financial assets as of the date of the statements of financial position, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one (1) year of the date of the statements of financial position.

	2023	2022 (As Restated)
Financial Assets at Year-End		
Cash and Cash Equivalents	\$ 398,367	\$ 347,367
Accounts Receivable	11,125	-
Investments	462,566	402,775
TOTAL FINANCIAL ASSETS AT YEAR-END	872,058	750,142
Less Those Unavailable to General Expenditures Within One (1) Year, Due to:		
Donor-Restricted for Programs	(223,619)	(179,173)
Donor-Restricted for Capital Improvement Projects	(72,500)	-
Financial Assets Available to Meet Cash Needs for General Expenditures Within One (1) Year	\$ 575,939	\$ 570,969

The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Organization's goal is generally to maintain financial assets to meet ninety (90) days of operating expenses (approximately \$243,000). As part of its liquidity policy, excess cash is invested in short-term investments, such as money market accounts, as longer-term investments in wider markets. The Organization also has a \$100,000 line-of-credit available to meet cash flow needs, if needed.

MARYLAND THERAPEUTIC RIDING, INC.  
NOTES TO FINANCIAL STATEMENTS

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December 31, 2023 and 2022

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**Note 10: Restatement**

During 2023, it was discovered that net assets with donor restrictions were not properly stated on the statements of financial position and statements of activities due to management oversight for the years ended December 31, 2022 and 2021 in the amount of \$37,676 and \$39,274, respectively.

The December 31, 2022 financial statements have been restated as follows:

**Restatement of the Statement of Financial Position - December 31, 2022**

	As Originally Reported	Change	As Restated
NET ASSETS			
Without Donor Restrictions	\$ 2,257,941	\$ (37,676)	\$ 2,220,265
With Donor Restrictions	141,497	37,676	179,173
	<u>\$ 2,399,438</u>	<u>\$ -</u>	<u>\$ 2,399,438</u>

**Restatement of the Statement of Activities - For the Year Ended December 31, 2022**

	As Originally Reported	Change	As Restated
SUPPORT AND REVENUES			
Contributions - Without Donor Restrictions	\$ 548,212	\$ 18,227	\$ 566,439
TOTAL SUPPORT AND REVENUES - WITHOUT DONOR RESTRICTIONS	\$ 1,025,235	\$ 18,227	\$ 1,043,462
Net Assets Released from Restrictions - Without Donor Restrictions	267,550	(16,629)	250,921
TOTAL SUPPORT, REVENUES, AND RECLASSIFICATIONS - WITHOUT DONOR RESTRICTIONS	<u>\$ 1,292,785</u>	<u>\$ 1,598</u>	<u>\$ 1,294,383</u>
CHANGE IN NET ASSETS - WITHOUT DONOR RESTRICTIONS	\$ 421,448	\$ 1,598	\$ 423,046
Net Assets - Beginning of Year - Without Donor Restrictions	1,836,493	(39,274)	1,797,219
NET ASSETS - END OF YEAR - WITHOUT DONOR RESTRICTIONS	<u>\$ 2,257,941</u>	<u>\$ (37,676)</u>	<u>\$ 2,220,265</u>

MARYLAND THERAPEUTIC RIDING, INC.  
NOTES TO FINANCIAL STATEMENTS

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December 31, 2023 and 2022

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**Note 10: Restatement (Continued)**

**Restatement of the Statement of Activities - For the Year Ended December 31, 2022 (Continued)**

	As Originally Reported	Change	As Restated
SUPPORT AND REVENUES			
Contributions - With Donor Restrictions	\$ 55,685	\$ (18,227)	\$ 37,458
TOTAL SUPPORT AND REVENUES - WITH DONOR RESTRICTIONS	\$ 55,685	\$ (18,227)	\$ 37,458
Net Assets Released from Restrictions - With Donor Restrictions	(267,550)	16,629	(250,921)
TOTAL SUPPORT, REVENUES, AND RECLASSIFICATIONS - WITH DONOR RESTRICTIONS	\$ (211,865)	\$ (1,598)	\$ (213,463)
CHANGE IN NET ASSETS - WITH DONOR RESTRICTIONS	\$ (211,865)	\$ (1,598)	\$ (213,463)
Net Assets - Beginning of Year - With Donor Restrictions	353,362	39,274	392,636
NET ASSETS - END OF YEAR - WITH DONOR RESTRICTIONS	\$ 141,497	\$ 37,676	\$ 179,173