THERAPEUTIC HORSES OF SARATOGA, INC.

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

DECEMBER 31, 2024

RB | RICH & BANDER

CERTIFIED PUBLIC ACCOUNTANTS

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RICH AND BANDER, LLP
CERTIFIED PUBLIC ACCOUNTANTS

PETER R. RICH, CPA

JONATHAN A. BANDER, CPA

INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Therapeutic Horses of Saratoga, Inc.
Saratoga Springs, NY

Opinion

We have audited the accompanying financial statements of Therapeutic Horses of Saratoga, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 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 our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Therapeutic Horses of Saratoga, Inc. as of December 31, 2024, and the changes in 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

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Therapeutic Horses of Saratoga, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 Therapeutic Horses of Saratoga, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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Auditor's 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Therapeutic Horses of Saratoga, 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 Therapeutic Horses of Saratoga, 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.

Emphasis of Matter

As described in Note 16, the 2023 financial statements have been restated to correct the recognition of right-of-use assets and lease liabilities in accordance with of Accounting Standards Update 2016-02, *Leases* (Topic 842). Our opinion is not modified with respect to this matter.

Rich and Bander, LLP

New York, NY
November 11, 2025

THERAPEUTIC HORSES OF SARATOGA, INC.
STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2024

ASSETS		
Current assets		
Cash and cash equivalents	$	57,785
Grants and contributions receivable		51,400
Accounts receivable		3,000
Prepaid expenses		12,710
Total current assets		**124,895**
Noncurrent assets		
Property and equipment, net		589,169
Right-of-use of assets		147,848
Total other assets		**737,017**
TOTAL ASSETS	**$**	**861,912**
LIABILITIES AND NET ASSETS		
LIABILITIES		
Current liabilities		
Accounts payable and accrued expenses	$	55,630
Loans payable		12,287
Lease liabilities		43,431
Total current liabilities		**111,348**
Noncurrent liabilities		
Loans payable		207,413
Lease liabilities		112,417
Total noncurrent liabilities		**319,830**
TOTAL LIABILITIES		**431,178**
NET ASSETS		
Without donor restrictions		414,234
With donor restrictions		16,500
TOTAL NET ASSETS		**430,734**
TOTAL LIABILITIES AND NET ASSETS	**$**	**861,912**

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

THERAPEUTIC HORSES OF SARATOGA, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and support			
Grants and contributions			
Government	$ 647,791	$ -	$ 647,791
Foundation	187,042	16,500	203,542
Related organization	259,100	-	259,100
Contributed nonfinancial assets	188,000	-	188,000
Individuals	138,275	-	138,275
Special event contributions	49,005	-	49,005
Corporate	39,359	-	39,359
Total grants and contributions	**1,508,572**	**16,500**	**1,525,072**
Special events revenue			
Special event revenues	72,839	-	72,839
Less: cost of direct benefits to donors	(72,839)	-	(72,839)
Total special events revenue	**-**	**-**	**-**
Program service revenue			
Services revenue	32,699	-	32,699
Total program service revenue	**32,699**	**-**	**32,699**
Total revenue and support	**1,541,271**	**16,500**	**1,557,771**
Expenses			
Program services	710,466	-	710,466
Supporting services			
Management and general	191,140	-	191,140
Fundraising	197,973	-	197,973
Total expenses	**1,099,579**	**-**	**1,099,579**
Change in net assets	441,692	16,500	458,192
Net assets - beginning of year	(13,458)	-	(13,458)
Prior period adjustment	(14,000)	-	(14,000)
Net assets - beginning of year, as adjusted	(27,458)	-	(27,458)
Net assets - end of year	**$ 414,234**	**$ 16,500**	**$ 430,734**

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

THERAPEUTIC HORSES OF SARATOGA, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2024

		Supporting Services			
	Program Services	Management and General	Fundraising	Cost of Direct Benefits to Donors	Total
Salaries and wages	$ 212,936	$ 86,833	$ 133,135	$ -	$ 432,904
Equine therapy	181,091	-	-	-	181,091
Horse supplies and fees	115,833	-	-	-	115,833
Event expenses	-	-	6,230	66,608	72,838
Occupancy	66,629	106	-	-	66,735
Office expenses	8,650	12,060	13,749	4,795	39,254
Professional fees	-	37,244	-	-	37,244
Payroll taxes	15,360	6,264	9,603	-	31,227
Veterinarian	26,015	-	-	-	26,015
Insurance	12,475	5,087	7,799	-	25,361
Payroll fees	11,235	4,581	7,025	-	22,841
Employee benefits	10,794	4,402	6,748	-	21,944
Repairs and maintenance	19,020	30	-	-	19,050
Travel and transportation	4,182	11,032	3,398	-	18,612
Depreciation and amortization	17,787	29	-	-	17,816
Interest	-	14,482	-	-	14,482
Advertising	2,187	2,180	5,486	1,365	11,218
Miscellaneous	1,858	4,113	2,433	71	8,475
Computer services	2,703	2,697	2,367	-	7,767
Donations	1,711	-	-	-	1,711
	710,466	191,140	197,973	72,839	1,172,418
Less expenses included with revenue on the statement of activities					
Cost of direct benefits to donors	-	-	-	(72,839)	(72,839)
Total expenses included in the expense section on the statement of activities	**$ 710,466**	**$ 191,140**	**$ 197,973**	**$ -**	**$ 1,099,579**

THERAPEUTIC HORSES OF SARATOGA, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2024

Cash flows from operating activities:	
Change in net assets	$ 458,192
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation and amortization	17,816
(Increase) decrease in operating assets:	
Accounts receivable	(3,000)
Grants and contributions receivable	(51,400)
Prepaid expense	(9,210)
Right-of-use of assets	34,907
Increase (decrease) in operating liabilities:	
Accounts payable and accrued expenses	49,771
Lease liabilities	(40,907)
Total adjustments	(2,023)
Net cash provided by operating activities	456,169
Cash flows from investing activities:	
Acquisition of property and equipment	(442,864)
Net cash used in investing activities	(442,864)
Net increase in cash and cash equivalents	13,305
Cash and cash equivalents, beginning of year	44,480
Cash and cash equivalents, end of year	**$ 57,785**

Supplemental disclosures of cash flow information:	
Cash paid during the year for:	
Interest	$ 4,543
Income taxes	$ -

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

1) NATURE OF THE ORGANIZATION

Therapeutic Horses of Saratoga, Inc. (the "Organization") is a non-for-profit corporation organized in March 2018 under the laws of the State of New York. The Organization supports retired racehorses in leading a peaceful, safe and meaningful life by rescuing and retraining them for therapeutic programming.

The Organization's programs are primarily supported by grants and contributions from government, corporate, foundation, and individuals, and as well as program service revenues.

2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Cash and Cash Equivalents

The Organization considers all highly liquid investments, except those held for long-term investment, with maturities of three months or less when purchased to be cash and cash equivalents.

Contract Balances

Contract assets are recognized when the Organization has satisfied a contract obligation but must satisfy other performance obligations before being entitled to payment, or when the Organization has the right to bill a customer before satisfying any or some of the performance obligations. Contract liabilities are recognized when the Organization has an obligation to transfer goods or service to a customer for which the Organization has received consideration or when payment is due prior to satisfying any or some of the performance obligations. The Organization does not have any opening balance for contract assets nor contract liabilities or such balances for the year ended December 31, 2024.

Advertising

The Organization uses advertising to promote its programs among the audience it serves. The Organization's policy is to expense advertising costs as they are incurred.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management of the Organization to use estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor - (or certain grantor) - imposed restrictions. 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 those resources be maintained in perpetuity. The Organization reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, 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.

Property and Equipment

Property and equipment are recorded at cost or, if donated, the fair market value at the date of donation. Pursuant to the Organization's policy, the Organization capitalizes expenditures for these items in excess of $1,000. Leasehold improvements are amortized over the lesser of the remaining term of the lease or the useful life of the improvement utilizing the straight-line method. Depreciation for property and equipment is provided using the straight-line method for financial reporting purposes at rates on the following estimated useful lives.

	Years
Furniture and equipment	5-10
Land improvements	15 (150% DBM)
Leasehold improvements	Lesser of 20 years or remaining lease term

Functional Allocation of Expenses

The financial statements report certain categories of expenses that are attributable to one or more programs or supporting functions of the Organization. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries and wages, payroll taxes, employee benefits, insurance, and payroll fees, which are allocated on the basis of estimates of time and effort, as well as repairs and maintenance, occupancy, and depreciation and amortization, which are allocated on the basis of square footage usage.

2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Revenue, Revenue Recognition, and Receivables

Grants and Contributions – Grants (from government and organizations) and contributions (from individuals, corporations, and other sources) are recognized when cash, securities or other assets; an unconditional promise to give; or notification of a beneficial interest is received. A portion of grant revenue is derived from cost-reimbursable government contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as grant advance in the statement of financial position. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of release/return, are not recognized until the conditions on which they depend have been substantially met.

Grants and Contributions Receivable **-** Grants and contributions that are not yet collected are recorded as grants and contributions receivable. Amounts expected to be collected within one year are recorded at net realizable value. Amounts expected to be collected in future years are recoded at present value of their estimated future cash flows. The Organization uses the allowance method to determine uncollectible grants and contributions receivable. Allowance is based on prior years' experience and management's analysis of specific promises made.

Program Service Revenue – Performance and other fees are recognized when the performance takes place at which time the Organization's performance obligation is satisfied. All program service revenue amounts received in advance of the satisfaction of the performance obligation are deferred to the applicable period.

Accounts Receivable – Program service revenue earned but not yet received that is expected to be collected within one year are recorded as accounts receivable at net realizable value. The Organization uses the allowance method to determine uncollectible accounts receivable. The allowance is based on prior years' experience and management's analysis of specific accounts receivable.

Special Events – The exchange element of special events is recognized as special events revenue equal to the fair value of direct benefits to donors when the special event takes place or if the fair value amount is impracticable to obtain, the actual cost or non-tax deductibility is used. The excess amount received is the contribution element, which is recognized immediately, unless there is a right of return if the special event does not take place.

Costs of Direct Benefits to Donors – The cost of the items and services furnished to donors as inducements to attend the Organization's special events are presented in their natural expense classification in the statement of functional expenses and backed out so that it is shown as a deduction from special events revenue on the statement of activities.

2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Revenue, Revenue Recognition, and Receivables (Cont'd)

Contributed Nonfinancial Assets – The value of donated services and use of facilities is recorded as contributions with or without donor restrictions and expensed in the year donated. These donations are valued at the estimated fair value of similar services. A number of volunteers have donated significant amounts of their time to the Organization in connection with its programs. Directors and officers have made a significant contribution of their time to develop the Organization and its programs. These donated services are not reflected in the financial statements since they do not meet the criteria for recognition as contributed services. These donated services do not create or enhance a nonfinancial asset nor require a specialized skill that the contributors have and would typically need to purchase if not provided through donation.

Allowance for Credit Losses

The Organization operates in the not-for-profit industry and its accounts receivables are generally derived from program service revenues. At each statement of financial position date, the Organization recognized an expected allowance for credit losses. In addition, also at each reporting date, this estimate is updated to reflect any changes in credit risk since the receivable was initially recorded. 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 loss information is a reasonable starting point in which to calculate the expected allowance for credit losses as the Organization's portfolio segment(s) have remained constant since the Organization's inception. As of December 31, 2024, the Organization has no allowance for credit losses has been recognized.

The Organization write offs receivables when there is information that indicates the debtor is facing significant financial difficulty and there is no possibility of recovery. If any recoveries are made from any accounts previously written off, they will be recognized in income or an offset to credit loss expense in the year of recovery, in accordance with the entity's accounting policy election. There were no write-offs to the financial statements for the year ended December 31, 2024.

Income Tax Status

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. It is also exempt from state income taxes. However, any unrelated business income may be subject to taxation. Currently, the Organization has no obligation for any unrelated business income tax.

The Organization's Forms 990, *Return of Organizations Exempt from Income Tax*, for the years ended December 31, 2023, 2022, and Form 990-EZ, *Short Form Return of Organization Exempt from Income Tax,* for the year ended December 31, 2021 are subject to examination by the Internal Revenue Service, generally for three years after they were filed.

2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Income Tax Status (cont'd)

The Organization has evaluated its current tax positions and has concluded that as of December 31, 2024, the Organization does not have any significant uncertain tax positions for which a reserve would be necessary.

Leases

The Organization determines if an arrangement is or contains a lease at inception. Leases are included in right-of-use (ROU) assets and lease liabilities in the statement of financial position. ROU assets and lease liabilities reflect the present value of the future minimum lease payments over the lease term, and ROU assets also include prepaid or accrued rent. Operating lease expense is recognized on a straight-line basis over the lease term. The Organization does not report ROU assets and leases liabilities for short-term leases (leases with a term of 12 months or less). Instead, the lease payments of those leases are reported as lease expense on a straight-line basis over the lease term. The Organization applied practical expedient for short-term lease arrangements.

Recent Accounting Pronouncements

On December 13, 2023, the Financial Accounting Standards ("FASB") issued Accounting Standards Update ("ASU") 2023-08, *Intangibles—Goodwill and Other—Crypto Assets (Subtopic 350-60)*: *Accounting for and Disclosure of Crypto Assets*. The amendments in ASU 2023-08 require that the Organization measure crypto assets at fair value in the statement of financial position each reporting period and recognize changes from remeasurement in net income. The amendments also require that the Organization provide enhanced disclosures for both annual and interim reporting periods to provide financial statement users with relevant information to analyze and assess the exposure and risk of significant individual crypto asset holdings. In addition, fair value measurement aligns the accounting required for holders of crypto assets with the accounting for entities that are subject to certain industry-specific guidance (such as investment companies) and eliminates the requirement to test those assets for impairment. The amendments in ASU 2023-08 are effective for all organizations for fiscal years beginning after December 15, 2024, including interim periods within those fiscal years. Early adoption is permitted for both interim and annual financial statements that have not yet been issued or made available for issuance.

On December 14, 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*. The amendments in ASU 2023-09 require greater disaggregation of income tax disclosures related to the income tax rate reconciliation and income taxes paid. In addition, the amendments require: (1) disclosure of income (or loss) from continuing operations before income tax expense (or benefit) disaggregated between domestic and foreign; and (2) disclosure of income tax expense (or benefit) from continuing operations disaggregated by federal (national), state, and foreign.
There are also disclosure requirements that are to be eliminated upon adoption of the amendments.

2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Recent Accounting Pronouncements (cont'd)

For entities other than public business entities, the amendments are effective for annual periods beginning after December 15, 2025. Early adoption is permitted for annual financial statements that have not yet been issued or made available for issuance. The amendments are to be applied on a prospective basis and retrospective application is permitted.

The Organization is currently evaluating the effect that these updates will have on its financial statements.

3) LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restriction limiting their use, within one year of the statement of financial position date, comprise the following:

Cash and cash equivalents	$	57,785
Grants and contributions receivable		51,400
Accounts receivable		3,000
Total	$	112,185

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 come due.

4) ACCOUNTS RECEIVABLE

Accounts receivable at December 31, 2024 totaled to $3,000. These amounts are generally collected within one year. The Organization believes its receivables to be fully collectible; accordingly, no allowance for credit losses was recorded for the year then ended.

5) GRANTS AND CONTRIBUTIONS RECEIVABLE

Grants and contributions receivable at December 31, 2024 consists of the following:

Thoroughbred Aftercare Alliance Foundation	$	33,000
Dormitory Authority of the State of New York		18,400
	$	51,400

These amounts are generally collected within one year. The Organization believes its receivables to be fully collectible; accordingly, no allowance for doubtful accounts was recorded for the year then ended.

6) FAIR VALUE MEASUREMENTS

The Organization's financial instruments are reported at fair value in the accompanying statement of financial position. The methods used to measure fair value may produce an amount that may not be indicative of net realizable value of reflective of future fair values. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

ASC 820, *Fair Value Measurement*, establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level1 inputs of unadjusted quoted prices in active markets for identical assets and have highest priority; Level 2, defined as inputs other than the quoted prices in active markets that are either directly or indirectly observable; and Level 3, defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions. The asset's 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. At December 31, 2024, no investments at fair value are noted in the statement of financial position.

7) NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following period:

Subject to passage of time:	
For periods after December 31, 2024	$ 16,500

8) PROPERTY AND EQUIPMENT

The following is a summary of property and equipment less accumulated depreciation and amortization as of December 31, 2024. Depreciation and amortization for the year ended December 31, 2024 was $17,816.

Leasehold improvements	$ 591,308
Land improvements	27,500
Total	618,808
Less: accumulated depreciation and amortization	29,639
	$ 589,169

9) CONCENTRATION OF RISKS

The Organization maintains its cash balances at various financial institutions. The balances, at times, may exceed federally insured limits. As of December 31, 2024, the Organization has no uninsured cash balances. The Organization has not experienced any losses on such accounts and believes it is not exposed to any significant credit risk regarding its cash balances.

9) CONCENTRATION OF RISKS (CONT'D)

During the year ended December 31, 2024, the Organization received approximately 32% of its total grants and contributions from a government donor. As of December 31, 2024, 100% of the grants and contribution receivables was from two donors. The concentration from the contributor does not make the Organization vulnerable to a risk of severe near-term impact because the Organization only spends money according to the amount received from the contributors and other revenue.

10) ADVERTISING

During the year ended December 31, 2024, advertising expense was $11,218, including cost of direct benefits to donors.

11) RELATED PARTY TRANSACTIONS

The Organization is related to ECS Psychological, Inc. ("ECS"), a privately held mental health company owned by the Organization's Executive Director. For the year ended December 31, 2024, the Organization received contribution from ECS totaling to $259,100.

Additionally, the Organization leases property and building from 683 RT 29, LLC, which is also owned by the Organization's Executive Director. The total lease expense for the year ended December 31, 2024 amounted to $30,000, including $20,400 as contributed nonfinancial asset (see Note 14).

12) DISAGGREGATION OF REVENUE FROM CONTRACTS WITH CUSTOMERS

The following table disaggregates the revenue from the Organization's revenue from contracts with customers based on the timing of satisfaction of performance obligations for the year ended December 31, 2024:

Revenue recognized at a point in time:	
Special events revenue (exchange portion)	$ 72,839
Contract service revenue	32,699
Total revenue from contracts with customers	$ 105,538

13) LEASE COMMITMENTS

The Organization evaluated current contracts to determine which met the criteria of a lease. The right-of-use (ROU) assets represent the Organization's right to use underlying assets for the lease term, and the lease liabilities represent the Association's obligation to make lease payments arising from the leases. The ROU assets and lease liabilities, all of which arise from operating leases, were calculated based on the present value of future lease payments over the lease terms. The Organization has made an accounting policy election to use a risk-free rate in lieu of its incremental borrowing rate to discount future lease payments. As of December 31, 2024, the average remaining lease term for the Organization's operating leases was approximately 12 years.

13) LEASE COMMITMENTS (CONT'D)

In December 2021, the Organization entered into a lease agreement for a portion of the premises located at 683 RT 29, Saratoga Springs, New York. The lease term is for twenty years, commencing in December 2021 and expiring in December 2041. The monthly rental fee is $800 through expiration of the lease. During the year ended December 31, 2024, the estimated fair market value of the use of the leased space was $30,000. Accordingly, the Organization recognized contributed nonfinancial assets of $20,400, representing the difference between the fair market value of the use of facilities and the actual cash rent paid during the year (see Note 14). The discount rate applied to calculate the lease liabilities as of implementation date was 6%.

In April 2023, the Organization entered into a three-year lease agreement with NHL Properties, LLC for the exclusive use of four paddocks. The lease commenced in May 2023 and will expire in April 2026. Under the terms of the agreement, the Organization pays monthly rent of $600 during the first year of the lease term and $3,500 per month for the remaining two years. The discount rate applied to calculate the lease liabilities as of commencement date was 6%.

Total right-of-use of assets and lease liabilities at December 31, 2024 are as follows:

	Right-of-use asset	Lease liabilities
January 1, 2024, as restated	$ 182,755	$ 196,755
Lease payments	-	(51,600)
Amortization	(34,907)	-
Interest	-	10,693
Balance, December 31, 2024	$ 147,848	$ 155,848

Future minimum lease payments under the non-cancelable leases are as follows:

Year ending December 31,	
2025	$ 51,600
2026	23,600
2027	9,600
2028	9,600
2029	9,600
Thereafter	115,200
Total lease payments	219,200
Less interest	63,352
Present value of lease liabilities	$ 155,848

Total occupancy costs for the year ended December 31, 2024 amounted to $66,735.

14) CONTRIBUTED NONFINANCIAL ASSETS

During the year ended December 31, 2024, the Organization received the following contributed nonfinancial assets that have been reflected at fair values in the statement of activities:

Therapist services	$	167,600
Use of space (see Notes 11 and 13)		20,400
Total revenue from contracts with customers	$	188,000

15) LOANS PAYABLE

In May 2020, the Organization applied for and received an Economic Injury Disaster Loan in the amount of $44,500 from the U.S. Small Business Administration (“SBA”). The loan is payable in monthly installments of $191, including principal and interest at a fixed rate of 2.75% beginning twelve months from the date of promissory note. The US SBA will apply each installment payment first to pay interest accrued to the day SBA receives the payment, with any remaining balance applied to reduce the principal. All remaining principal and accrued interest due and payable thirty years from the date of the note. The loan is collateralized by substantially all of the Organization’s assets.

In September 2021, the loan was modified and received additional $175,200 from SBA. The modified loan is payable in monthly installment of $966, including principal and interest at fixed rate of 2.75% beginning twenty-four months from the date of the original note.

Due to financial difficulty, the Organization applied for a Hardship Accommodation Request with SBA, which was approved on July 25, 2024. As a result, the monthly installment amount was temporarily reduced to $97, including principal and interest, beginning with installment due on August 19, 2024. The regular monthly installment of $966 resumed on February 19, 2025.

As of December 31, 2024, the balance of the loan amounted to $219,700.

Future minimum payments as of December 31, 2024 are as follows:

Year ending December 31,		
2025	$	12,287
2026		5,080
2027		5,680
2028		5,841
2029		5,990
Thereafter		184,822
Total	$	219,700

Interest expense for the year ended December 31, 2024 was 14,482.

16) PRIOR PERIOD ADJUSTMENT

The Organization has restated its previously issued 2023 financial statements to correct the balances of right-of-use of assets and lease liabilities. The cumulative effect of the prior period adjustment increases right-of-use assets by $1,034, increases lease liabilities by $15,034, and decreases net assets without donor restrictions by $14,000.

17) SUBSEQUENT EVENTS

Management has evaluated subsequent events through November 11, 2025, which is the date of the financial statements were available to be issued. Management is not aware of any material subsequent events.