

REVIEWED FINANCIAL STATEMENTS

EQUINE ASSISTED THERAPY ALASKA

Year ended December 31, 2014



Certified Public Accounting Firm

Tel 707 377-3003

Email admin@dycpas.com

Website www.dycpas.com

Equine Assisted Therapy Alaska

[Table of Contents](#)

Independent Accountants’ review report 1

Financial Statements 2-5

- Statement of Financial Position 2
- Statement of Activities and Net Assets 3
- Statement of Functional Expenses 4
- Statement of Cash Flows..... 5

Notes to Financial Statements..... 6-9



Certified Public Accounting firm

Independent Accountants' Review report

To the Board of Trustees of
Equine Assisted Therapy Alaska
Anchorage, Alaska

We have reviewed the accompanying statement of financial position of Equine Assisted Therapy Alaska (a nonprofit organization) (EATA) as of December 31, 2014, and the related statements of activities, net assets, functional expenses, and cash flows for the year then ended.

A review includes primarily applying analytical procedures to management's financial data and making inquiries of Organization management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility 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 designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Accountants' Responsibility

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

Anchorage, Alaska
March 20, 2015

DY CPA

Equine Assisted Therapy Alaska
Statement of Financial Position
As of December 31, 2014

Assets

Current Assets	
Cash and cash equivalents:	
Unrestricted	\$ 151,486
Temporarily restricted	120,099
Cash and cash equivalents	<u>271,585</u>
Pledges and accounts receivable	<u>3,000</u>
Total Current Assets	274,585
Property and Equipment, net	<u>231,404</u>
Total Assets	<u>\$ 505,989</u>

Liabilities and Net Assets

Current Liabilities	
Accounts payable	\$ 7,781
Accrued liabilities	3,015
Total Current Liabilities	<u>10,796</u>
Net Assets	
Unrestricted designated for	
Operations	310,465
Capital reserve	10,000
Property and equipment	54,629
Total unrestricted net assets	<u>375,094</u>
Temporarily restricted net assets	<u>120,099</u>
Total Net Assets	<u>495,193</u>
Total Liabilities and Net Assets	<u>\$ 505,989</u>

Equine Assisted Therapy Alaska
Statement of Activities and Net Assets
Year Ended December 31, 2014

Change in Unrestricted Net Assets

Operating activities

Support:

Individual	\$ 59,769
Corporations	5,000
Foundation	7,500
Government	-
Inkind	76
Total support	<u>72,345</u>

Revenue:

Fees and services	22,944
Special events	58,533
Interest Income	85
Other Income	200
Total revenue	<u>81,762</u>

Total support and revenue	<u>154,107</u>
---------------------------	----------------

Program support	79,799
Support services	
Management and general	17,322
Fundraising	64,949
Total support services	<u>82,271</u>
Total expenses	<u>162,070</u>

Change from operating activities	(7,963)
Net assets released from restrictions	9,221
Net change in unrestricted net assets	<u>1,258</u>

Unrestricted Net Assets, beginning of the year	<u>373,836</u>
Unrestricted Net Assets, end of the year	<u>375,094</u>

Change in Temporarily Restricted Net Assets

Interest income	28
Net asset released for capital purpose	(9,221)
Net change in temporarily restricted net assets	<u>(9,193)</u>

Temporarily Restricted Net Assets, beginning of the year	<u>129,292</u>
Temporarily Restricted Net Assets, end of the year	<u>120,099</u>

Total Net Assets	<u><u>495,193</u></u>
------------------	-----------------------

Equine Assisted Therapy Alaska
Statement of Functional Expenses
Year Ended December 31, 2014

	Program Services	Support Services		Total
		Management and General	Fund Raising	
Payroll expenses	19,795	9,897	9,897	39,589
Contract and professional fees	17,939	2,413	17,778	38,131
Special events expenses	-	-	23,102	23,102
Program operation	20,129	371	944	21,444
Facilities and equipment	13,903	320	320	14,543
Office expenses	1,973	2,403	9,862	14,237
Insurance	5,343	1,126	1,126	7,594
Dues and subscriptions	190	190	716	1,096
Development expenses	13	13	1,013	1,039
Capital projects	-	589	-	589
Awards and grants	300	-	166	466
Business expenses	215	-	25	240
	<u>79,799</u>	<u>17,322</u>	<u>64,949</u>	<u>162,070</u>

See independent accountants' review report and accompanying notes.

Equine Assisted Therapy Alaska
Statement of Cash Flows
Year Ended December 31, 2014

Cash Flows from Operating Activities

Change in Net Assets	\$ (7,935)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:	
Depreciation	3,640
Decrease (Increase) in Operating Assets:	
Accounts receivable	3,000
Increase (Decrease) in Operating Liabilities:	
Accounts payable	7,781
Accrued liabilities	<u>2,057</u>
Net Cash Provided By (Used In) Operating Activities	<u>8,543</u>

Cash Flows from Investing Activities

Capital Expenditures	<u>(9,921)</u>
Net Cash Provided By (Used In) Investing Activities	<u>(9,921)</u>
Net Increase (Decrease) In Cash and Cash Equivalents	(1,378)
Beginning Cash and Cash Equivalents	<u>278,432</u>
Ending Cash and Cash Equivalents	<u><u>\$ 271,585</u></u>

Equine Assisted Therapy Alaska
Notes to Financial Statements
Year Ended December 31, 2014

Note 1 - Nature of Operation

Equine Assisted Therapy Alaska, Inc. (EATA) was incorporated as a nonprofit organization under Alaska State Law in 2002. EATA's objective is to provide physically, mentally and emotionally challenged individuals an opportunity for emotional and physical growth through horsemanship.

EATA operations are sustained through donations, memberships, and program revenue. At time EATA also receives Federal, State and or Municipal capital grants and supports.

Note 2 - Summary of Significant Accounting Policies

The summary of significant accounting policies of the financial statements of EATA, are presented to aid in understanding EATA's financial statements. The financial statements and notes are the representation of EATA's management, which is responsible for their integrity and objectivity. These accounting principles conform to generally accepted accounting principles.

Basis of Accounting

The financial statements of EATA have been prepared on the accrual basis of accounting, consistent with accounting principle generally accepted in the United States of America.

Income Taxes

EATA is a tax-exempt corporation under Section 501(c) (3) of the Internal Revenue Code. Accordingly, no provision for federal income taxes is included in the financial statements.

Basis of Presentation

The accompanying financial statements follows the recommendations of the Financial Accounting Standards Board in its Accounting Standards Codification; EATA is required to report information regarding its financial position and activities according to three classes of net assets:

Unrestricted net assets represent that portion of net assets of EATA that are neither permanently nor temporarily restricted by donor-imposed stipulations.

Temporarily restricted net assets represent assets EATA whose use is limited by donor imposed stipulations that either expire by the passage of time or can be fulfilled by actions of EATA. When the stipulated time restriction ends or action is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and are reported in the statement of activities as net asstes released from program restrictions.

Permanently restricted net assets represent the part of the net assets from contributions whose use by EATA is limited by donor-imposed stipulations that neither expire by the passage of time, nor can be otherwise removed by actions of EATA.

Program Activities

EATA pursues its mission of improving the health and quality of life for children and adults who are living with physical, emotional and cognitive disabilities through a number of equine-assisted activities and therapies, including therapeutic riding, hippotherapy, equine-facilitated mental health, competition, ground work and stable management. In current development are programs designed to assist wounded warriors, military groups, families, business groups and foster care/ residential treatment facilities. EATA is also working to develop a Therapeutic Driving program.

Equine Assisted Therapy Alaska
Notes to Financial Statements
Year Ended December 31, 2014

Note 2 - Summary of Significant Accounting Policies - Continued

Support, Revenue, and Promise to Give

Unconditional promises to give are recognized as revenues or gains in the period received and as assets, decrease of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. Donor restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Support Service

Support Service includes:

Management and General - provides for the overall coordination and articulation of the Organizations' mission and strategies through the Executive Director, facilitates administrative functioning of the Board of Directors; arrange legal services necessary for program administration; and provides business and financial management for all EATAs activities.

Fundraising - Encourages and secures financial support from individuals, foundations, and other organizations. Facilitates special events designed to raise funds for specific program purposes or in support of general operations.

Functional Expenses

Expenses are charged to program and supporting services on the basis of direct identification of expenditures made, periodic time and expenses studies. Expenses not directly chargeable are allocated based on estimates of actual usage.

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 disclosures of contingent assets and liabilities at 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.

Concentration of Credit Risk

EATA maintains its cash in bank deposit accounts, which at time may exceed federally insured limits. The organization has not experienced any losses in such accounts and believe it is not exposed to any significant credit risk on cash and cash equivalents.

Fair Value Measurements

Financial instruments carried at fair value have been classified as Level 1, for disclosure purposes, based on the hierarchy defined by generally accepted accounting principles. Level 1 financial instruments have values that can be measured against unadjusted quoted prices for identical assets and liabilities in active markets accessible at the measurement dates.

Equine Assisted Therapy Alaska
Notes to Financial Statements
Year Ended December 31, 2014

Note 2 - Summary of Significant Accounting Policies - Continued

Cash and Cash Equivalent

EATA includes cash on deposit, cash on hand, money market accounts, certificates of deposits, if any, and short-term investments with original maturities less than three months, if any, to be cash and cash equivalents. Temporarily restricted cash consists of amounts donated for use in the Cover-all project.

Pledges and Accounts Receivable

Pledges and accounts receivable are collectible within one year and are recorded net of an allowance for uncollectible amounts. Management believes all amounts to be collectible; accordingly, no provision for uncollectible pledges has been made.

Property, Plant & Equipment

Items of property, plant, and equipment, in excess of \$1,000, are capitalized at cost, if purchased or at fair market value at the date of donation. Donation of property, plant, and equipment are recorded as support at their estimated fair value at the date of donation. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets purchased with explicit restrictions regarding their use are reported as restricted support. Absent donor stipulation regarding how long those donated assets must be maintained, EATA reports expirations of donor restrictions when the donated assets are placed in service as instructed by the donor. EATA reclassifies temporarily restricted net assets to unrestricted net assets at that time. Depreciation is provided over the estimated useful lives of the assets on a straight-line basis over the estimated useful lives of the assets. Property, plant, and equipment and leasehold improvements are depreciated over a range of 3 to 30 years.

Advertising

Non direct response advertising costs are expended as incurred.

Prepaid Expenses

Payments made to vendors if any for services that will benefit periods beyond the December 31 year end are recorded as a prepaid items.

Note 3 - Cash and Cash Equivalents

The carrying amount of cash and cash equivalents at December 31, 2014 consist of:

	<u>Bank Balance</u>	<u>Book Balance</u>
Unrestricted		
Checking	\$ 86,857	\$ 83,534
Demand deposits	64,629	64,629
	151,486	148,164
Temporarily restricted		
Saving	120,099	120,099
	120,099	120,099
Total cash and cash equivalents	\$ 271,585	\$ 268,263

EATA maintain accounts at several financial institutions, where amounts on deposit are insured by the Federal Deposit Insurance Corporation (FDIC) or the National Credit Union Administration (NCUA) for up to \$250,000 per institution. As of December 31, 2014, all bank balances are covered by FDIC or NCUA programs.

EATA maintains a separate bank account for gaming proceeds, in accordance with State regulations.

Equine Assisted Therapy Alaska
Notes to Financial Statements
Year Ended December 31, 2014

Note 4 - Property and Equipment

Property and equipment at December 31, 2014 consist of:

	<u>Life</u>	<u>Balance</u>
Furniture and fixture	5	\$ 8,700
Horses	5	9,500
Construction in progress - Coverall		226,164
		<u>244,364</u>
Less Accumulated Depreciation		(12,960)
		<u>\$ 231,404</u>

Depreciation of property and equipment for the years ended December 31, 2014 was \$3,640.

Note 5 - Income Tax

EATA records interest and penalties associated with income tax expenses as incurred. With few exceptions, EATA is no longer subject to examinations by federal and state tax authorities for years before December 31, 2012.

Note 6 - Contingencies

In the ordinary course of business, EATA may be involved in legal actions incidental to its operations. In the opinion of management, the ultimate liability, if any, of such actions will not materially affect EATA's financial statements. Some grants and donations restrict the use of its moneys to carrying out contract programs. The final expenditures are subject to examination by the grantors or donors. Management does not expect the amount, if any, of expenditures, which may be disallowed by the granting agency or donor to be material to the financial statements.

Note 7 - Subsequent Event

Subsequent events have been evaluated by management through March 20, 2015, which is the date the financial statements were issued.