

EQUINE ASSISTED THERAPIES OF SOUTH FLORIDA, INC F/K/A
HORSES AND THE HANDICAPPED OF SOUTH FLORIDA, INC.

FINANCIAL STATEMENT

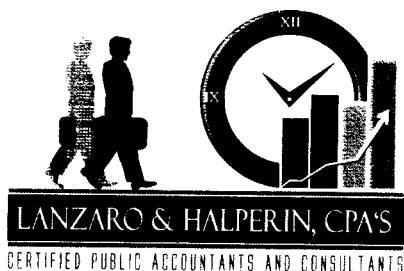
AND

INDEPENDENT AUDITOR'S REPORT

JUNE 30, 2014

**EQUINE ASSISTED THERAPIES OF SOUTH FLORIDA, INC F/K/A
HORSES AND THE HANDICAPPED OF SOUTH FLORIDA, INC.
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JUNE 30, 2014**

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To Board of Directors of
Equine Assisted Therapies of South Florida, Inc. F/K/A
Horses and the Handicapped of South Florida, Inc.
Pompano Beach, Florida

Report on the financial statement

We have audited the accompanying financial statement of Equine Assisted Therapies of South Florida, Inc. F/K/A Horses and the Handicapped of South Florida, Inc. (a nonprofit organization) which comprise the statement of financial position as of June 30, 2014, and 2013, and the related statement of activities and cash flows for the year then ended, and the related notes to the financial statement.

Management's responsibility for the financial statement

Management is responsible for the preparation and fair presentation of these financial statement 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 financial statement that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Entity's preparation and fair presentation of the financial statement 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 Entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statement of Equine Assisted Therapies of South Florida, Inc. F/K/A Horses and the Handicapped of South Florida, Inc. (a nonprofit organization) referred to above present fairly, in all material respects, the financial position of as June 30, 2014, and 2013, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

LANZARO & HALPERIN CPA's PA

Lanzaro & Halperin, CPAs P.A.

Boca Raton, Florida
October 8, 2014

EQUINE ASSISTED THERAPIES OF SOUTH FLORIDA, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2014

<i>ASSETS</i>	<u>UNRESTRICTED</u>	<u>TOTAL</u>	<u>June 30, 2013</u>
<u>CURRENT ASSETS</u>			
Cash	\$ 975,696	\$ 975,696	\$ 1,083,682
Prepaid Insurance	4,273	\$ 4,273	4,273
Total Current Assets	<u>979,969</u>	<u>\$ 979,969</u>	<u>\$ 1,087,955</u>
<u>OTHER ASSETS</u>			
Property & Equipment - Net (Note 1)	63,889	63,889	79,608
Covered Arena -Net (Note 1)	501,810	501,810	526,979
Pre Construction TLC WIP (Note 7)	180,057	180,057	-
Other Assets	287	287	287
Total Other Assets	<u>746,043</u>	<u>746,043</u>	<u>606,874</u>
<i>TOTAL ASSETS</i>	<u>\$ 1,726,012</u>	<u>\$ 1,726,012</u>	<u>\$ 1,694,829</u>
<i>LIABILITIES AND NET ASSETS</i>			
<u>CURRENT LIABILITIES</u>			
Accounts Payable & Accrued Expenses	\$ 16,683	\$ 16,683	\$ 872
Deferred Revenue	350,000	\$ 350,000	350,000
Total Current Liabilities	<u>366,683</u>	<u>\$ 366,683</u>	<u>350,872</u>
<u>NET ASSETS</u>			
Unrestricted	<u>1,359,329</u>	<u>1,359,329</u>	<u>1,343,957</u>
Total Net Assets	<u>1,359,329</u>	<u>1,359,329</u>	<u>1,343,957</u>
<i>TOTAL LIABILITIES AND NET ASSETS</i>	<u>\$ 1,726,012</u>	<u>\$ 1,726,012</u>	<u>\$ 1,694,829</u>

The accompanying notes are an integral part of this financial statement.

EQINE ASSISTED THERAPIES OF SOUTH FLORIDA, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2014

PUBLIC SUPPORT AND REVENUES	UNRESTRICTED	TOTAL	June 30, 2013
Special Events Revenues	\$ 166,035	\$ 166,035	\$ 147,953
Less: directly related costs	(70,407)	(70,407)	(71,662)
Net Special Events Revenues	<u>95,628</u>	<u>95,628</u>	<u>76,291</u>
CONTRIBUTIONS			
Grants & Donations	355,954	355,954	211,500
Monetary Contributions	37,869	37,869	325,697
Program Fees	57,072	57,072	73,724
Interest Income	3,883	3,883	5,243
Memorial & In Honor of	1,035	1,035	5,123
Membership Income	1,960	1,960	3,784
Miscellaneous Income	1,412	1,412	1,075
<i>Total Support, Revenues and Grants</i>	<u>\$ 554,813</u>	<u>\$ 554,813</u>	<u>\$ 702,437</u>
 EXPENSES			
Program Services	\$ 447,646	\$ 447,646	\$ 393,710
Management & General	64,063	64,063	75,822
Fundraising	25,151	25,151	19,128
<i>Total Expenses</i>	<u>\$ 536,860</u>	<u>\$ 536,860</u>	<u>\$ 488,660</u>
<i>Change in Net Assets</i>	<u>\$ 17,953</u>	<u>\$ 17,953</u>	<u>\$ 213,777</u>
 Net Assets beginning of year	\$ 1,343,957	\$ 1,343,957	\$ 1,130,180
Prior Period Adjustment	\$ (2,581)	\$ (2,581)	\$ -
Net Assets end of year	<u>\$ 1,359,329</u>	<u>\$ 1,359,329</u>	<u>\$ 1,343,957</u>

The accompanying notes are an integral part of this financial statement.

EQUINE ASSISTED THERAPIES OF SOUTH FLORIDA, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2014

	<u>Unrestricted</u>	<u>Total</u>	<u>June 30,</u> <u>2013</u>
Cash flows from operating activities:			
Cash received from fundraising special events	166,035	166,035	147,953
Cash received from unrestricted contributions	104,481	104,481	387,197
Cash received from estates & wills	127,900	127,900	240,000
Cash received from program fees	57,072	57,072	73,724
Cash received from interest and dividends	3,883	3,883	5,243
Cash received from memorial & in honor of	1,035	1,035	5,123
Cash received from membership fees	1,960	1,960	3,784
Cash received from Miscellaneous Income	1,412	1,412	1,075
Cash disbursed for management & general activities, program & fundraising	(501,357)	(501,357)	(336,389)
Cash disbursed for special events	(70,407)	(70,407)	(71,662)
<i>Net cash (used in) provided by operating activities</i>	<u>\$ (107,986)</u>	<u>(107,986)</u>	<u>456,048</u>
Cash and equivalents, beginning of year	1,083,682	1,083,682	627,634
Cash and equivalents, end of year	<u>\$ 975,696</u>	<u>\$ 975,696</u>	<u>\$ 1,083,682</u>

**Reconciliation of changes in net assets to net cash provided
(used) by operating activities:**

Cash flows from operating activities:

<i>Change in Net Assets</i>	\$ 17,953	\$ 17,953	213,777
<i>Depreciation</i>	40,887	\$ 40,887	44,769
<i>Fixed Asset Additions</i>	-	\$ -	(23,658)
<i>Pre Construction TLC WIP</i>	(180,057)	\$ (180,057)	-
<i>Accounts Payable, Accrued Expenses & Payroll Liability</i>	15,812	\$ 15,812	(3,840)
<i>Deferred Revenue</i>	-	\$ -	225,000
<i>Prior Period Adjustment</i>	(2,581)	\$ (2,581)	-
<i>Net cash (used in) provided by operating activities</i>	<u>\$ (107,986)</u>	<u>\$ (107,986)</u>	<u>456,048</u>

The accompanying notes are an integral part of this financial statement.

**EQUINE ASSISTED THERAPIES OF SOUTH FLORIDA, INC. F/K/A
HORSES AND THE HANDICAPPED OF SOUTH FLORIDA, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 1: NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities:

MISSION: Equine-Assisted Therapies of South Florida is dedicated to providing therapeutic riding and equine-activities to children and adults with special needs so that they may improve physically, mentally and emotionally.

Equine-Assisted Therapies of South Florida, Inc. F/K/A Horses and the Handicapped of South Florida, Inc. is a Florida not-for-profit organization incorporated on July 6, 1982. Equine Assisted Therapies of S. Florida Inc. is governed by a Board of Directors for the purpose of providing equine assisted activities and therapy for clients of all ages with special needs, particularly children that are striving to overcome challenges brought on by physical, mental and emotional disabilities such as Cerebral Palsy, autism, down syndrome, and developmental delay to name a few. In addition, adults with Parkinson's, Stroke and many other challenges benefit from equine assisted therapy as well.

Equine Assisted Therapies of South Florida, Inc. offers unique and integrated programs that provide riders with equine activities six days a week at their Tradewinds Park location in Broward County Florida. Therapeutic riding, hippotherapy and equine facilitated learning and psychotherapy are widely recognized as beneficial forms of recreational therapy. A heavy emphasis is placed on preparing young people for effective adult living and the development of self-confidence and an enhanced value of self-esteem, self-discipline and improved concentration.

Significant Accounting Policies:

Basis of Accounting

The financial statements of Equine Assisted Therapies of South Florida, Inc. F/K/A Horses and the Handicapped of South Florida, Inc. have been prepared on the accrual basis of accounting. Equine-Assisted Therapies of South Florida, Inc. significant accounting policies are disclosed to enhance the usefulness of the financial statements to the reader.

Cash and Cash Equivalents

Equine Assisted Therapies of South Florida, Inc. considers cash equivalents as short-term, low risk, highly liquid investments, which are readily convertible to cash. These may include money market accounts and certificates of deposit with maturity of three months or less. The cash balances at June 30, 2014 are \$975,696, which includes Board designated funds of \$ 60,000 to seed an endowment along with \$519,943 to be used on the expansion known as Project 200.

**EQUINE ASSISTED THERAPIES OF SOUTH FLORIDA, INC. F/K/A
HORSES AND THE HANDICAPPED OF SOUTH FLORIDA, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 1: NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Uninsured Cash Balances

Equine Assisted Therapies of South Florida, Inc. maintains its cash balances in various financial institutions located in Florida which are insured up to \$250,000 per institution. One of these financial institutions cash balances exceeded the FDIC limit by \$550,473. The majority of these funds will be disbursed with the completion of the Therapeutic Learning Center early in 2015.

Income Tax Status

Equine Assisted Therapies of South Florida, Inc. is currently exempt from income taxes under the provisions of Section 501(C) (3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been in the accompanying financial statements.

Property and Equipment

Property, equipment and leasehold improvements are capitalized at cost or at estimated fair market value at the date of gift if received as a donation. It is the organization's policy to capitalize expenditures for these items in excess of \$500. Lesser amounts are expensed. Gifts of long-lived assets received without stipulations about how long the donated asset must be used or other donor-imposed restrictions on use of the asset are reported as unrestricted support. Depreciation is determined on a straight-line basis over the estimated useful life of the related asset. The accumulated depreciation amount for the covered arena is \$127,402 based on the arena's total cost of \$629,212. The remainder accumulated depreciation amount of \$ 207,178 is calculated on the remaining cost value of the property & equipment in the amount of \$271,607. Total Fixed Assets breakdown at June 30, 2014 is as follows:

Asset	Cost	Estimated Useful Life
Barn	\$ 161,613	25 years
Leasehold Improvements-Office	8,373	25 years
Computer Software & Equipment	18,108	5 years
Horses & Horses Donated	61,500	7 years
Vehicle - Kubota	17,191	7 years
Barn Dutch Doors	<u>4,282</u>	3 years
Total Property & Equipment	271,067	
Covered Arena	629,212	
Less: Accumulated Depreciation	<u>(334,580)</u>	25 years
Total Property & Equipment Net	<u>\$ 565,699</u>	

**EQUINE ASSISTED THERAPIES OF SOUTH FLORIDA, INC. F/K/A
HORSES AND THE HANDICAPPED OF SOUTH FLORIDA, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

**NOTE 1: NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT
ACCOUNTING POLICIES (CONTINUED)**

Donated Services

Equine Assisted Therapies of S. Florida Inc., receives donated services from a variety of unpaid volunteers assisting in Equine-Assisted Therapies of South Florida, Inc.'s programs, day-to-day operations and fundraising projects services which are not reflected in the accompanying financial statements because the criteria for recognition of such volunteer under SFAS No. 116 have not been met. 13,431 volunteer hours were logged in the fiscal year ending June 30, 2014.

Use of Estimates

The presentation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

SFAS No. 117

Equine Assisted Therapies of S. Florida Inc., adopted Statement of Financial Accounting Standards (SFAS) No. 117 "Financial Statements of Not-For-Profit Organizations". Under SFAS No. 117, Equine-Assisted Therapies of South Florida, Inc. is required to report information regarding its financial position and activities according to three classes of net assets; unrestricted, temporarily restricted, and permanently restricted.

SFAS No. 116

Equine Assisted Therapies of S. Florida Inc., also adopted SFAS No. 116, "Accounting for Contributions Received and Contributions Made", whereby contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. All donor-restricted support is reported as an increase in temporarily or permanent 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.

**EQUINE ASSISTED THERAPIES OF SOUTH FLORIDA, INC. F/K/A
HORSES AND THE HANDICAPPED OF SOUTH FLORIDA, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 1: NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition Policy

Contributions, Gifts and Grants received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and or nature of any donor restrictions.

NOTE 2: FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The Supplementary Schedules of Expenses by Function identifies the aforementioned allocated costs. This allocation is based on estimates provided by management.

NOTE 3: FAIR VALUE OF FINANCIAL INSTRUMENTS

Equine-Assisted Therapies of South Florida, Inc. used the following method and assumptions in estimating its fair value disclosures for financial instruments: The carrying amounts reported for cash and cash equivalents in the Statement of Financial Position approximated fair values because of the short maturities of those instruments.

NOTE 4: DONATED LONG LIVED ASSETS

Equine-Assisted Therapies of South Florida, Inc. established a policy that any horse contributions are evaluated on a case by case basis to determine whether to include the donation of a long lived asset at fair market value on the financial statements. During fiscal year ending June 30, 2014, Fred was retired. Two additional horses were placed in service during this fiscal year; Mambo Dan aka Grey Goose and Maggie. Koda continued to be a leased horse. EASTF is allowed to use Koda as a program horse for up to 10 hours per week. EATSF does not own Koda, but she works in our program.

Equine Assisted Therapies of S. Florida, Inc. of South Florida, Inc. currently have fair title and possession of the following eleven horses as of June 30, 2014:

**EQUINE ASSISTED THERAPIES OF SOUTH FLORIDA, INC. F/K/A
HORSES AND THE HANDICAPPED OF SOUTH FLORIDA, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 4: DONATED LONG LIVED ASSETS (CONTINUED)

<u>Date of Donation</u>	<u>Horses Name</u>	<u>Current Age</u>
August 2012	Maximus	19
February 2002	Star	18
July 2003	Hallory	15
August 2011	Lexington	16
August 2006	Jose	16
August 2011	Kingsley	6
June 2007	Fire	11
October 2009	Devon	17
July 2013	Maggie	10
Aug 2012	Koda	19
July 2013	Goose	4

NOTE 5: DEFERRED REVENUE – Project 200 and Impact 100

In June, 2014 the Organization received an additional \$100,000 from a family donor foundation, and is recognizing into income \$100,000 per year from the original June 30, 2013. The balance remains \$350,000 in the deferred revenue account as of June30, 2014.

Equine-Assisted Therapies of S. Florida Inc. (EATSF) received a dedicated donation in two parts for the expansion project known as Project 200 for a total of \$350,000 in deferred revenue.

Project 200 will expand the property that EATSF has use of from 2.5 acres to 5.15 acres. It allows for the building of a Therapeutic Learning Center, new barn and additional paddocks. The purpose of this project is to bring the total number of clients to 200 per year while at the same time offering the best equine activities and therapeutic activities for the most needy in our community.

NOTE 6: SUBSEQUENT EVENTS

Subsequent events have been evaluated through October 8, 2014 the date the financial statements were available to be issued in accordance with FASB ASC 855.

**EQUINE ASSISTED THERAPIES OF SOUTH FLORIDA, INC. F/K/A
HORSES AND THE HANDICAPPED OF SOUTH FLORIDA, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 7: PRE CONSTRUCTION TLC WIP

Represents expenditures paid in fiscal 2014 for the future construction of an office building for EATSF. Construction for the project has not yet began, and the Organization is now incurring initial costs for consultants and other vendors prior to the construction. As of June 30, 2014 the Organization incurred \$180,057 and is recording these expenditures as other assets on the balance sheet. Additional costs will be paid in the next fiscal year and will be accumulated until the project is completed, at which time the total cumulative costs we be moved to a land and building fixed assets account.

NOTE 8: PENDING LITIGATION

The Organization is not involved in any pending or threatening litigation as of the date of this financial statement.

EQUINE ASSISTED THERAPIES OF SOUTH FLORIDA, INC.
 SUPPLEMENTARY SCHEDULE OF PROGRAM SERVICES,
 MANAGEMENT & GENERAL SERVICES AND FUNDRAISING SERVICES
 FOR THE YEAR ENDED JUNE 30, 2014

<u>EXPENSE</u>	<u>TOTAL</u>	<u>PROGRAM</u>	<u>SUPPORTING SERVICES</u>	
			<u>MANAGEMENT & GENERAL</u>	<u>FUNDRAISING</u>
Barn Repairs	\$ 5,797	\$ 5,797	-	-
Barn Supplies	6,595	6,595	-	-
Board Meeting Expense	562	562	-	-
Business Development	1,305	1,305	-	-
Contract Labor	54,299	52,011	625	1,663
Credit Card Processing	3,296	3,296	-	-
Depreciation	40,887	40,887	-	-
Dues and Subscriptions	2,004	2,004	-	-
Education & Training	6,567	6,567	-	-
Equipment & Rental	6,646	6,646	-	-
Horse Expenses	71,523	71,523	-	-
Insurance	8,458	8,051	407	-
Licenses & Fees	670	670	-	-
Miscellaneous	2,190	2,190	-	-
Office Expenses	14,269	11,415	2,854	-
Postage & Shipping	5,458	2,822	847	1,789
Professional Fees	3,930	-	3,930	-
Public Relations	7,092	7,092	-	-
Salaries & Wages	274,273	202,691	51,528	20,054
Telephone	9,339	6,068	2,666	604
Utilities	8,494	6,247	1,205	1,041
Volunteer Expenses	3,206	3,206	-	-
TOTALS	\$ 536,860	\$ 447,646	64,063	25,151

(See Independent Auditor's Report on the Supplementary Information)
 The accompanying notes are an integral part of these supplementary schedules