

Mane Stream, Inc.

Audited Financial Statements

Year ended December 31, 2021

Mane Stream, Inc.

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December 31, 2021

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Independent Auditor's Report

Board of Directors
Mane Stream, Inc.

Report on Financial Statements

I have audited the accompanying financial statements of Mane Stream, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, cash flows and functional expenses for the year then ended, and the related notes to the financial statements.

In my opinion, the financial statements present fairly, in all material respects, the financial position of Mane Stream, Inc. as of December 31, 2021, 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.

Basis for Opinion

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of Mane Stream, Inc. and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

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 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 Mane Stream's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial statements

My 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 my 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 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.

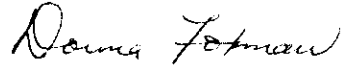
In performing an audit in accordance with generally accepted auditing standards, I:

- Exercise professional judgment and maintain professional skepticism throughout the audit
- Identify and assess the risks of material misstatements 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 Mane Stream's internal control. Accordingly, no such opinion is expressed
- Evaluate the appropriateness of accounting policies used the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Mane Stream's ability to continue as a going concern for a reasonable period of time.

I am 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 I identified during the audit.

Report on Summarized Comparative Information

I have previously audited Mane Stream's 2020 financial statements, and in my report dated June 23, 2021, expressed an unmodified opinion on those audited financial statements. In my opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020, is consistent, in all material respects, with the audited financial statements from which it was derived.



Donna Foxman, CPA
Toms River, New Jersey

June 28, 2022

Mane Stream, Inc.
Statement of Financial Position
December 31, 2021
With Comparative Totals for 2020

	2021	2020
Assets:		
Cash	\$1,220,080	\$861,257
Accounts receivable	3,465	475
Prepaid expenses	7,287	16,012
Property and equipment, net	<u>719,060</u>	<u>758,856</u>
Total assets	<u><u>\$1,949,892</u></u>	<u><u>\$1,636,600</u></u>
 Liabilities:		
Accounts payable and accrued expenses	19,110	80,216
Loans payable - PPP	<u>-</u>	<u>91,800</u>
Total liabilities	<u>19,110</u>	<u>172,016</u>
 Net assets:		
Without donor restrictions	1,858,587	1,391,997
With donor restrictions	<u>72,195</u>	<u>72,587</u>
Total net assets	<u>1,930,782</u>	<u>1,464,584</u>
Total liabilities and net assets	<u><u>\$1,949,892</u></u>	<u><u>\$1,636,600</u></u>

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

Mane Stream, Inc.
Statement of Activities
For the year ended December 31, 2021
With Comparative Totals for 2020

	<u>Without donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2021 Totals</u>	<u>2020 Totals</u>
Revenues and Support:				
Contributions	\$169,410	35,500	204,910	456,024
Bequests	8,374	-	8,374	79,509
Program revenue	189,613	-	189,613	98,870
Fundraising and special events	520,587	-	520,587	33,272
Interest income	282	-	282	2,380
Miscellaneous income	5,167	-	5,167	2,532
Forgiveness of PPP loans	197,445	-	197,445	-
Employee retention credits	170,693	-	170,693	-
Net assets released in satisfaction of donor restrictions	<u>35,892</u>	<u>(35,892)</u>	<u>-</u>	<u>-</u>
Total revenues and support	<u>1,297,463</u>	<u>(392)</u>	<u>1,297,071</u>	<u>672,587</u>
Expenses:				
Program expenses	596,258	-	596,258	549,348
Administrative expenses	73,106	-	73,106	91,028
Development and fundraising costs	<u>161,509</u>	<u>-</u>	<u>161,509</u>	<u>116,651</u>
Total expenses	<u>830,873</u>	<u>-</u>	<u>830,873</u>	<u>757,027</u>
Increase (decrease) in net assets	466,590	(392)	466,198	(84,440)
Net assets, beginning of year	<u>1,391,997</u>	<u>72,587</u>	<u>1,464,584</u>	<u>1,549,024</u>
Net assets, end of year	<u><u>\$1,858,587</u></u>	<u><u>72,195</u></u>	<u><u>1,930,782</u></u>	<u><u>1,464,584</u></u>

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

Mane Stream, Inc.
Statement of Cash Flows
For the year ended December 31, 2021
With Comparative Totals for 2020

	2021	2020
Cash flows from operating activities:		
Contributions, program, and fundraising revenue	\$1,293,731	\$706,956
Interest income	282	2,380
Cash paid to suppliers and employees	<u>(843,390)</u>	<u>(652,098)</u>
Net cash provided (used) by operating activities	<u>450,623</u>	<u>57,238</u>
Cash flows from investing activities:		
Purchase of building improvements, equipment	<u>-</u>	<u>(23,558)</u>
Net cash provided (used) by investing activities	<u>-</u>	<u>(23,558)</u>
Cash flows from financing activities:		
Proceeds from borrowings	105,645	91,800
Payments on long term debt	<u>(197,445)</u>	<u>-</u>
Net cash provided (used) by financing activities	<u>(91,800)</u>	<u>91,800</u>
Increase (decrease) in cash	358,823	125,480
Cash at beginning of year	<u>861,257</u>	<u>735,777</u>
Cash at end of year	<u><u>\$1,220,080</u></u>	<u><u>\$861,257</u></u>
Reconciliation of change in net assets to net cash provided (used) by operating activities:		
Change in net assets	\$466,198	(\$84,440)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	39,796	41,174
(Increase) decrease in accounts receivable	(2,990)	44,001
(Increase) decrease in prepaid expenses	8,725	(11,932)
Increase (decrease) in accounts payable and accrued expenses	<u>(61,106)</u>	<u>68,435</u>
Net cash provided (used) by operating activities	<u><u>\$450,623</u></u>	<u><u>\$57,238</u></u>
Non-cash financing activities:		
Forgiveness of PPP loans	<u>\$197,445</u>	

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

Mane Stream, Inc.
Statement of Functional Expenses
For the year ended December 31, 2021
With Comparative Totals for 2020

	Program Expenses	Administrative Expenses	Development & Fundraising	2021 Expenses	2020 Expenses
Salaries	\$384,158	32,167	60,682	477,007	465,736
Payroll taxes	23,539	4,852	9,719	38,110	39,002
Employee benefits	15,629	19,221	9,408	44,258	41,671
Outside services	3,741	580	577	4,898	5,982
Development & Software contracts	5,389	608	4,678	10,675	12,268
Advertising	149	94	1,772	2,015	1,785
Bank and credit card fees	3,896	50	1,903	5,849	4,389
Depreciation	23,556	7,037	9,203	39,796	41,174
Dues and subscriptions	2,479	43	38	2,560	2,202
Equipment rental and expenses	3,675	-	-	3,675	4,592
Insurance	37,198	2,157	1,941	41,296	46,937
Licenses and fees	519	77	293	889	2,182
Training, seminars & workshops	1,149	1,356	85	2,590	2,317
Office & technology expenses	5,387	2,357	1,532	9,276	4,557
Postage	453	109	132	694	626
Professional fees	4,009	495	446	4,950	4,850
Program expenses	6,432	-	-	6,432	5,356
Animal food & supplies	24,739	-	-	24,739	24,721
Veterinary & farrier fees	31,645	-	-	31,645	17,640
Repairs and maintenance	8,560	1,019	916	10,495	9,977
Telephone	2,213	302	271	2,786	3,405
Utilities	7,743	582	1,325	9,650	8,406
subtotal	596,258	73,106	104,921	774,285	749,775
Fundraising expenses	-	-	56,588	56,588	7,252
Total expenses	\$596,258	73,106	161,509	830,873	757,027

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

Mane Stream, Inc.
Notes to Financial Statements
For the year ended December 31, 2021

1. Summary of Significant Accounting Policies

a. Organization

Mane Stream, Inc., located in Oldwick, New Jersey, is a nonprofit organization founded in 1972 and incorporated in 1973 in the state of New Jersey for the purpose of improving the quality of life for individuals with physical, developmental, emotional, and medical challenges by providing a diverse program of equine assisted activities, therapy services and educational initiatives. The organization is a Premier Accredited Center by the Professional Association of Therapeutic Horsemanship International (PATH Int'l). The organization offers both recreation and medical treatment programs. In adaptive horsemanship children and adults participate in recreational equestrian activities in a safe, controlled environment. In therapy services, New Jersey licensed physical, occupational and speech therapists treat clients in the organization's clinic and have the opportunity to use horses as a tool during treatment. The horse's movement can help clients attain functional goals.

Mane Stream's annual revenues are derived primarily from program fees and contributions.

b. Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables and other liabilities.

c. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure 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.

d. Net Assets

The financial statements report net assets and changes in net assets in two classes that are based upon the existence or absence of restrictions on use that are placed by its donors, as follows:

Net Assets Without Donor Restrictions

Net assets without donor restrictions are resources available to support operations. The only limits on the use of these net assets are the broad limits resulting from the nature of the organization, the environment in which it operates, the purposes specified in its corporate documents and its application

Mane Stream, Inc.
Notes to Financial Statements
For the year ended December 31, 2021

d. Net Assets, continued,

for tax exempt status, and any limits resulting from contractual agreements that are entered into in the course of its operations.

Net Assets With Donor Restrictions

Net assets with donor restrictions are resources that are restricted by a donor for use for a particular purpose or in a particular future period. Some donor imposed restrictions are temporary in nature, and the restriction will expire when the resources are used in accordance with the donor's instructions or when the stipulated time has past. Other donor-imposed restrictions are perpetual in nature, the organization must continue to use the resources in accordance with the donor's instructions. The organization's endowment funds are included in this class.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions.

e. Liquidity and Availability of Financial Assets

The following reflects the Organization's financial assets as of the statement of financial position date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position date. The financial assets available as of December 31, 2021 are:

Financial assets:	
Cash	\$1,220,080
Accounts receivable	<u>3,465</u>
Total available	<u>\$1,223,545</u>

Less financial assets unavailable for operating expenditures within one year:

Donor restricted cash	\$18,596
Endowment funds	<u>53,599</u>
Total unavailable	<u>\$72,195</u>

Financial assets available for current year	<u><u>\$1,151,350</u></u>
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Mane Stream, Inc.
Notes to Financial Statements
For the year ended December 31, 2021

1. Summary of Significant Accounting Policies, continued,

f. Income Taxes

The Organization is qualified as tax exempt under Section 501(c)(3) of the Internal Revenue Code.

g. Donated Assets

Noncash donated assets are recorded as contributions at their estimated fair values at the date of donation.

h. Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities and in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

i. Donated Services

No amounts have been reflected in the financial statements for donated services. The Organization pays for most services requiring specific expertise. However, during the year approximately 250 individuals provided more than 4,708 hours to assist the Organization in their program activities and various special events and fundraising activities.

j. Advertising

The Organization uses advertising to promote its programs and events in the communities it serves.

k. Subsequent Events

The Organization has evaluated subsequent events through June 28, 2022, which is the date the financial statements were available to be issued.

Mane Stream, Inc.
Notes to Financial Statements
For the year ended December 31, 2021

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2. Property and Equipment

Property and equipment are carried at cost and, except for land, are depreciated over their estimated useful lives ranging from five to thirty-nine years using straight-line depreciation. Amounts at December 31 were:

Land	\$297,281
Buildings and improvements	915,701
Furniture and equipment	211,298
	<u>1,424,280</u>
Less accumulated depreciation	<u>(705,220)</u>
Property and equipment, net	<u><u>\$719,060</u></u>

Depreciation expense for the year was \$39,796.

3. Cash Accounts

The Organization has several bank accounts at Peapack-Gladstone Bank. The accounts are insured by the Federal Deposit Insurance Corporation up to \$250,000. At times throughout the year balances can exceed the insured limits.

The Organization also has two money market mutual funds at Merrill Lynch. The market value of these funds is equal to their cost basis.

4. Loans Payable - PPP

On April 29, 2020, Mane Stream was granted a \$91,800 loan under the Paycheck Protection Program as part of the relief efforts related to COVID-19 and administered by the Small Business Administration. Per revised loan terms, the loan has an interest rate of 1% and has a maturity of two years. Loan payments are deferred for borrowers who apply for loan forgiveness until SBA remits the borrower's loan forgiveness amount to the lender.

On February 11, 2021, they were granted approval for a second PPP loan of \$105,645, with the same terms as the first loan.

In April, 2021, and November, 2021, respectively, both loans were forgiven. They have been legally released and the full amount of the loans has been recorded as revenue in 2021.

Mane Stream, Inc.
Notes to Financial Statements
For the year ended December 31, 2021

5. Endowment Funds

In May, 2007, the Organization received a contribution to establish the Sheila G. Williams Memorial Endowment. The funds are to be invested under the direction of the Board of Directors' Finance Committee. 10% of the total funds available (including principal and accumulated interest or investment income earned on the capital funds) is available annually to be used to fund educational opportunities for staff, including conference attendance and courses of study supportive of and relevant to the Organization's activities and objectives. A total of \$2,796 was spent from these funds in 2021. The balance of these funds at December 31, 2021, was \$53,599.

6. Income Taxes

Generally accepted accounting principles prescribe how an organization should measure, recognize, present and disclose in its financial statements tax positions that the organization has taken or expects to take on its tax or information returns. The Organization regularly reviews and evaluates its tax positions taken on previously filed returns and as reflected in its financial statements, with regard to issues affecting tax matters. The Organization has concluded that no tax benefits or liabilities are required to be recognized in accordance with generally accepted accounting principles.

The Organization's tax and information returns are generally subject to examination by the taxing authorities for three years, including 2018, 2019 and 2020.

7. Program Activities

Mane Stream provides therapy services and adaptive horseback riding for children and adults with special needs. In 2021 we served 32 clients with 603 visits to our occupational therapists, physical therapists and speech-language pathologists. Our medical treatment program provides intensive one-on-one therapy sessions with a licensed therapist, utilizing the movement of the horse as a treatment strategy. The unique combination of an onsite clinic and the use of the horse provides a one of a kind therapy setting.

During 2021 over 250 volunteers provided 4,708 hours of assistance for our programs. Of those hours, 1,004 were spent in direct service to our therapy services clients.

Mane Stream's PATH certified riding instructors provided 1,488 adaptive riding lessons to 80 riders with special needs, teaching riding and horsemanship skills. In 2021 both semi-private and private lessons were offered.

Mane Stream, Inc.
Notes to Financial Statements
For the year ended December 31, 2021

7. Program Activities, continued,

Mane Stream hosts an inclusive summer camp that is NJ DOH and PerformCare approved. In 2021 the camp served 53 children over 11 one-week sessions.

Horses for Healing (H4H) combines riding lessons and grooming/groundwork for individuals living with, recovering from and living life after cancer. H4H was suspended due to COVID. H4H 2.0 is for participants who want to continue with their lessons after their initial H4H participation.

Mane Stream was able to, and continues to be able to, weather the pandemic because we were in a good financial position when the crisis started, we kept a tight rein on our expenses and our donors stepped up to support us and most importantly, our participants.

8. 401K Plan

The Organization has a 401k plan for all eligible employees. Employer contributions to the plan in 2021 totaled \$20,692.

9. Mane Stream has adopted Accounting Standards Update (ASU) No. 2014-09 - Revenue from Contracts with Customers (Topic 606), as amended as management believes the standard improves the usefulness and understandability of the organization's reporting. Analysis of various provisions of this standard resulted in no significant changes in the way the organization recognizes revenue, and therefore no changes to the previously issued financial statements were required on a retrospective basis. The revenue and disclosures of revenue have been enhanced in accordance with the standard.