

**Mane Stream, Inc.**  
**Audited Financial Statements**  
**Year ended December 31, 2022**

# **Mane Stream, Inc.**

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**December 31, 2022**

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**Donna Foxman**  
*Certified Public Accountant*

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Office address:  
2130 Highway 35  
Building B, Suite 224  
Sea Girt, New Jersey 08750  
732-974-0300 phone

Mailing address:  
105 Foxwood Terrace  
Toms River, New Jersey 08755  
Email: foxmancpa@aol.com  
Phone/Fax 732-349-7638

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, 2022, 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, 2022, 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.

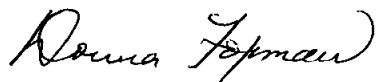
In performing an audit in accordance with generally accepted auditing standards, I:

- 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 2021 financial statements, and in my report dated June 28, 2022, 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, 2021, is consistent, in all material respects, with the audited financial statements from which it was derived.



Donna Foxman, CPA  
Toms River, New Jersey

June 20, 2023

**Mane Stream, Inc.**  
**Statement of Financial Position**  
**December 31, 2022**  
**With Comparative Totals for 2021**

	<b>2022</b>	<b>2021</b>
<b>Assets:</b>		
Cash	\$1,379,272	\$1,220,080
Accounts receivable	33,835	3,465
Prepaid expenses	437	7,287
Property and equipment, net	<u>679,267</u>	<u>719,060</u>
Total assets	<u><u>\$2,092,811</u></u>	<u><u>\$1,949,892</u></u>
 <b>Liabilities:</b>		
Accounts payable and accrued expenses	<u>14,069</u>	<u>19,110</u>
Total liabilities	<u>14,069</u>	<u>19,110</u>
 <b>Net assets:</b>		
Without donor restrictions	2,015,352	1,858,587
With donor restrictions	<u>63,390</u>	<u>72,195</u>
Total net assets	<u>2,078,742</u>	<u>1,930,782</u>
Total liabilities and net assets	<u><u>\$2,092,811</u></u>	<u><u>\$1,949,892</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, 2022**  
**With Comparative Totals for 2021**

	<u>Without donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2022 Totals</u>	<u>2021 Totals</u>
<b>Revenues and Support:</b>				
Contributions	\$219,498	31,193	250,691	204,910
Bequests	11,637	-	11,637	8,374
Program revenue	189,231	-	189,231	189,613
Fundraising and special events	731,567	-	731,567	520,587
Interest income	6,841	-	6,841	282
Miscellaneous income	5,612	-	5,612	5,167
Forgiveness of PPP loans	-	-	-	197,445
Employee retention credits	14,540	-	14,540	170,693
Net assets released in satisfaction of donor restrictions	<u>39,998</u>	<u>(39,998)</u>	<u>-</u>	<u>-</u>
Total revenues and support	<u>1,218,924</u>	<u>(8,805)</u>	<u>1,210,119</u>	<u>1,297,071</u>
<b>Expenses:</b>				
Program expenses	591,662	-	591,662	596,258
Administrative expenses	114,413	-	114,413	73,106
Development and fundraising costs	<u>356,084</u>	<u>-</u>	<u>356,084</u>	<u>161,509</u>
Total expenses	<u>1,062,159</u>	<u>-</u>	<u>1,062,159</u>	<u>830,873</u>
Increase (decrease) in net assets	156,765	(8,805)	147,960	466,198
Net assets, beginning of year	<u>1,858,587</u>	<u>72,195</u>	<u>1,930,782</u>	<u>1,464,584</u>
Net assets, end of year	<u><u>\$2,015,352</u></u>	<u><u>63,390</u></u>	<u><u>2,078,742</u></u>	<u><u>1,930,782</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, 2022  
With Comparative Totals for 2021

	<b>2022</b>	<b>2021</b>
<b>Cash flows from operating activities:</b>		
Contributions, program, and fundraising revenue	\$1,172,906	\$1,293,731
Interest income	6,841	282
Cash paid to suppliers and employees	<u>(1,020,555)</u>	<u>(843,390)</u>
Net cash provided (used) by operating activities	<u>159,192</u>	<u>450,623</u>
<b>Cash flows from investing activities:</b>		
Purchase of building improvements, equipment	<u>-</u>	<u>-</u>
Net cash provided (used) by investing activities	<u>-</u>	<u>-</u>
<b>Cash flows from financing activities:</b>		
Proceeds from borrowings	-	105,645
Payments on long term debt	<u>-</u>	<u>(197,445)</u>
Net cash provided (used) by financing activities	<u>-</u>	<u>(91,800)</u>
Increase (decrease) in cash	159,192	358,823
Cash at beginning of year	<u>1,220,080</u>	<u>861,257</u>
Cash at end of year	<u><u>\$1,379,272</u></u>	<u><u>\$1,220,080</u></u>
Reconciliation of change in net assets to net cash provided (used) by operating activities:		
Change in net assets	\$147,960	\$466,198
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	39,793	39,796
(Increase) decrease in accounts receivable	(30,370)	(2,990)
(Increase) decrease in prepaid expenses	6,850	8,725
Increase (decrease) in accounts payable and accrued expenses	<u>(5,041)</u>	<u>(61,106)</u>
Net cash provided (used) by operating activities	<u><u>\$159,192</u></u>	<u><u>\$450,623</u></u>
<b>Non-cash financing activities:</b>		
Forgiveness of PPP loans	<u>-</u>	<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, 2022**  
**With Comparative Totals for 2021**

	Program Expenses	Administrative Expenses	Development & Fundraising	2022 Expenses	2021 Expenses
Salaries	\$332,411	70,877	105,308	508,596	477,007
Payroll taxes	25,833	6,997	11,264	44,094	38,110
Employee benefits	14,572	21,684	10,604	46,860	44,258
Outside services	4,666	650	668	5,984	4,898
Development & Software contracts	5,133	581	7,387	13,101	10,675
Advertising	968	157	2,552	3,677	2,015
Bank and credit card fees	4,851	-	1,229	6,080	5,849
Depreciation	27,855	5,173	6,765	39,793	39,796
Dues and subscriptions	2,000	44	41	2,085	2,560
Equipment rental and expenses	10,533	31	29	10,593	3,675
Insurance	44,609	2,184	1,968	48,761	41,296
Licenses and fees	271	47	263	581	889
Training, seminars & workshops	1,246	284	95	1,625	2,590
Office & technology expenses	4,761	1,645	1,132	7,538	9,276
Postage	735	235	234	1,204	694
Professional fees	4,009	545	446	5,000	4,950
Program expenses	8,578	-	-	8,578	6,432
Animal food & supplies	25,702	-	-	25,702	24,739
Veterinary & farrier fees	22,652	-	-	22,652	31,645
Repairs and maintenance	38,645	1,862	1,665	42,172	10,495
Telephone	2,862	341	325	3,528	2,786
Utilities	8,770	1,076	970	10,816	9,650
subtotal	591,662	114,413	152,945	859,020	774,285
Fundraising expenses	-	-	203,139	203,139	56,588
<b>Total expenses</b>	<b>\$591,662</b>	<b>114,413</b>	<b>356,084</b>	<b>1,062,159</b>	<b>830,873</b>

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

**Mane Stream, Inc.**  
**Notes to Financial Statements**  
**For the year ended December 31, 2022**

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, 2022**

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, 2022 are:

Financial assets:	
Cash	\$1,379,272
Accounts receivable	<u>33,835</u>
Total available	<u>\$1,413,107</u>
Less financial assets unavailable for operating expenditures within one year:	
Donor restricted cash	\$10,815
Endowment funds	<u>52,575</u>
Total unavailable	<u>\$63,390</u>
Financial assets available for current year	<u><u>\$1,349,717</u></u>

**Mane Stream, Inc.**  
**Notes to Financial Statements**  
**For the year ended December 31, 2022**

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 4,747 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 20, 2023, 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, 2022**

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	<u>211,298</u>
	1,424,280
Less accumulated depreciation	<u>(745,013)</u>
Property and equipment, net	<u><u>\$679,267</u></u>

Depreciation expense for the year was \$39,793.

3. Cash Accounts

The Organization has their 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. PPP Loans for 2020 and 2021

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, 2022**

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 \$1,625 was spent from these funds in 2022. The balance of these funds at December 31, 2022, was \$52,575.

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 2019, 2020 and 2021.

7. Program Activities

Mane Stream provides therapy services and adaptive horseback riding for children and adults with special needs. In 2022 we served 34 clients with 436 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 2022 over 250 volunteers provided 4,747 hours of assistance for our programs. Of those hours, 791 were spent in direct service to our therapy services clients.

Mane Stream's PATH certified riding instructors provided over 1,600 adaptive riding lessons to 92 riders with special needs, teaching riding and horsemanship skills. In 2022 both semi-private and private lessons were offered.

**Mane Stream, Inc.**  
**Notes to Financial Statements**  
**For the year ended December 31, 2022**

7. Program Activities, continued,

Mane Stream hosts an inclusive summer camp that is NJ DOH and PerformCare approved. In 2022 there were 77 camp spots filled over 10 one-week sessions.

Horses for Healing (H4H) combines riding lessons and grooming/groundwork for individuals living with, recovering from and living life after cancer. In 2022 we served 3 participants in this program.

Mane Stream also provides programs to community groups and school groups throughout the year.

8. 401K Plan

The Organization has a 401k plan for all eligible employees. Employer contributions to the plan in 2022 totaled \$25,665.

9. In 2021 Mane Stream 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.