

FINANCIAL STATEMENTS
AUGUST 31, 2025 AND 2024
EQUUS FOUNDATION, INC.
WESTPORT, CT

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
EQUUS Foundation, Inc.
Westport, CT

Opinion

We have audited the accompanying financial statements of EQUUS Foundation, Inc. (the "Organization") (a nonprofit organization), which comprise the statements of financial position as of August 31, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the years 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 the Organization as of August 31, 2025 and 2024, and the changes in its net assets and its cash flows for the years 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 the Organization 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 the Organization'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

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 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 the Organization'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 the Organization'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.

Turner & Associates, LLP

Weston, Florida
December 10, 2025

EQUUS FOUNDATION, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED AUGUST 31, 2025
(with comparative totals for 2024)

ASSETS

	August 31	
	2025	2024
CURRENT ASSETS		
Cash and cash equivalents	\$ 435,060	\$ 300,494
Investments	654,225	653,846
Accounts receivable	32,467	41,035
Prepaid expenses	3,672	4,843
Total Current Assets	1,125,424	1,000,218
Total Assets	\$ 1,125,424	\$ 1,000,218

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Grants payable	\$ 241,000	\$ 226,725
Accounts payable and accrued expenses	26,371	23,856
Deferred revenue	80,000	-
Total Current Liabilities	347,371	250,581
NET ASSETS		
Without donor restrictions	778,053	749,637
With donor restrictions	-	-
	778,053	749,637
Total Liabilities and Net Assets	\$ 1,125,424	\$ 1,000,218

EQUUS FOUNDATION, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED AUGUST 31, 2025
(with comparative totals for 2024)

	Without Donor Restrictions	With Donor Restrictions	August 31	
			2025	2024
REVENUES, SUPPORT, AND GAINS				
Donations and grants	\$ 593,772	\$ 28,000	\$ 621,772	\$ 618,924
In-kind contributions	-	302,832	302,832	282,793
Investment income, net	39,182	-	39,182	35,770
Net realized/unrealized gain (loss) on investments	21,546	-	21,546	35,778
Gross special events	10,550	-	10,550	21,670
Less cost of direct benefit to donors	(12,801)	-	(12,801)	(16,403)
Net special events revenue	(2,251)	-	(2,251)	5,267
Release from restrictions	330,832	(330,832)	-	-
Total Revenues	983,081	-	983,081	978,532
EXPENSES				
Program services:				
Awards of donated inventory	302,832	-	302,832	282,793
Awards and scholarships	360,955	-	360,955	331,905
Other program related expenses	188,933	-	188,933	186,060
Program services:				
Management and general	36,127	-	36,127	31,534
Fundraising	65,818	-	65,818	73,413
Total Expenses	954,665	-	954,665	905,705
CHANGE IN NET ASSETS	28,416	-	28,416	72,827
NET ASSETS, beginning of year	749,637	-	749,637	676,810
NET ASSETS, end of year	\$ 778,053	\$ -	\$ 778,053	\$ 749,637

See independent auditors' report and notes to financial statements.

EQUUS FOUNDATION, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED AUGUST 31, 2025
(with comparative totals for 2024)

FUNCTIONAL EXPENSES	August 31				
	Program	Management and General	Fundraising	2025	2024
Awards of donated inventory	\$ 302,832	\$ -	\$ -	\$ 302,832	\$ 282,793
Awards and scholarships	360,955	-	-	360,955	331,905
Communication and education	41,866	-	-	41,866	33,987
Management and staffing fees	135,732	7,540	47,148	190,420	196,803
Occupancy	2,520	1,080	3,600	7,200	10,000
Campaign expenses	-	-	7,748	7,748	11,407
Media and publicity	6,000	-	6,000	12,000	12,500
Professional fees	-	15,053	-	15,053	19,838
Insurance	-	2,179	-	2,179	1,168
Office expenses	2,815	10,275	1,322	14,412	5,304
TOTAL FUNCTIONAL EXPENSES	\$ 852,720	\$ 36,127	\$ 65,818	\$ 954,665	\$ 905,705

See independent auditors' report and notes to financial statements.

EQUUS FOUNDATION, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED AUGUST 31, 2025
(with comparative totals for 2024)

	August 31	
	2025	2024
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>		
Change in Net Assets	\$ 28,416	\$ 72,827
Adjustments to reconcile the change in net assets to net cash from (used for) operating activities:		
Awards of donated in-kind equestrian supplies	302,832	282,793
In-kind donations	(302,832)	(282,793)
Donated investments	(2,156)	-
Realized/unrealized investment (gains) losses	(21,546)	(35,778)
Change in operating assets and liabilities:		
(Increase) Decrease in:		
Accounts receivable	8,568	(32,180)
Prepaid expenses	1,171	4,005
Increase (Decrease) in:		
Grants payable	14,275	(15,440)
Deferred revenue	80,000	-
Accounts payable and accrued expenses	2,515	6,989
Net Change in Operating Activities	111,243	423
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>		
Proceeds from matured Treasury bills	810,119	616,000
Purchases of investments	(786,796)	(648,795)
Net Change in Investing Activities	23,323	(32,795)
Net Change in Cash and Cash Equivalents	134,566	(32,372)
CASH AND CASH EQUIVALENTS, beginning of year	300,494	332,866
CASH AND CASH EQUIVALENTS, end of year	\$ 435,060	\$ 300,494
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
In-kind donations	\$ 304,988	\$ 282,793
Awards of donated inventory	302,832	282,793

Note 1 – Nature of Organization

EQUUS Foundation, Inc. (the Organization) was incorporated under the laws of the State of Connecticut in 2002 and operates as a publicly supported nonprofit organization under the DBA of Horse Charities of America. The mission is to protect America's horses and strengthen the horse-human bond.

Note 2 – Summary of Significant Accounting Policies

Basis of Accounting

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

Basis of Presentation

The financial statements have been prepared in accordance with U.S. generally accepted accounting principles ("US GAAP"), which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

Use of Estimates

In preparing financial statements in conformity with generally accepted accounting principles, management may make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the revenue and expenses during the reported periods. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

The Organization considers all cash and highly liquid financial instruments with original maturities of three months or less, which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents. There is no restricted cash or cash equivalent at year-end.

Financial Instruments and Credit Risk

The Organization manages deposit concentration risk by placing cash and money market accounts with financial institutions believed by them to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. Insured accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per depositor, per insured bank, for each account ownership category. Accounts at brokerage firms are insured up to \$500,000, with a limit of \$250,000 for cash, by the Securities Investor Protection Corporation ("SIPC"). To date, the Organization has not experienced losses in any of these accounts.

Credit risk associated with accounts receivable and promises to give is limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from Board members, individual donors, and foundations supportive of our mission. Investments are made by investment managers whose performance is monitored by us and the Board of Directors. Although the fair values of investments are subject to fluctuation on a year-to-year basis, the Organization believes that the investment policies and guidelines are prudent for the long-term welfare of the Organization.

Note 2 – Summary of Significant Accounting Policies (Continued)

Investments

The Organization records investment purchases at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statements of financial position. **Investments (Continued)**

Net investment income/(loss) is reported in the statements of activities and consists of interest and dividend income, less investment expenses. In the statement of activities, realized and unrealized capital gains and losses are presented separately.

Accounts Receivables

Accounts receivables are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. Management believes that the historical loss information that they have compiled is a reasonable basis for determining that no allowance or expected credit revenue is required for accounts receivable held at August 31, 2025 and 2024.

Property, Equipment and Depreciation

The expenditures for property and equipment are capitalized at cost. Donated assets are capitalized at their fair market value on the date of the gift. Depreciation is computed on the straight-line method over the estimated useful lives of the assets. As of August 31, 2025 and 2024, there is no property and equipment balance.

Right of Use Leased Assets and Liabilities

Right to use leased assets and the related liabilities are recognized at the lease commencement date and represent the right to use an underlying asset and lease obligations for the lease term. Right to use leased assets are measured at the initial value of the lease liability plus any payments made to the lessor before the commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease term, plus any initial direct costs necessary to place the lease asset into service. Right to use leased assets are amortized over the shorter of the lease term or the useful life of the underlying asset using the straight-line method. The amortization period varies among the leases. At year-end there are no leases outstanding.

Revenue and Revenue Recognition

The Organization recognizes contributions when cash, securities or other assets, an unconditional promise to give, or a notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. At August 31, 2025, the Organization has deferred revenue of \$80,000 to provide scholarships over the next two years as of August 31, 2025.

Contributions

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Note 2 – Summary of Significant Accounting Policies (Continued)

In-kind Donations and Services

Contributed nonfinancial assets include donated equestrian related clothing and equipment which are used to carry out the Rider's Closet's mission of ensuring that riding apparel is accessible to scholastic riding programs, pony clubs, therapeutic and veterans' programs, equine charities, equestrian camp programs, and individual riders in need. The Organization does not sell donated gifts-in-kind. In addition to contributed nonfinancial assets, volunteers contribute significant amounts of time to program services, administration, and fundraising and development activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles. Contributed goods are recorded at fair value at the date of donation.

Special Event and Fundraising

The Organization conducts special and fundraising events in which a portion of the proceeds paid by the participant represent payment for the direct cost benefits received by the participant at the event – the exchange component, and a portion represent a contribution to the Organization. The fair value of meals and entertainment provided at these events are measured at actual cost to the Organization and is recognized when the event takes place. The contribution portion is the excess of the gross revenue over the fair value of the direct donor benefit and is recognized immediately, unless there is a right of return if the event does not take place.

Grants

The Organization recognizes grants as expenses at the time recipients are entitled to receive them. Generally, this occurs when the board of directors approves a specific grant, or when management, pursuant to grant-authorization policies established by the board of directors, approves a grant. Unconditional grants approved but not yet disbursed are reported as grants payable in the statement of financial position. Conditional grants approved but contingent will be considered unconditional when the conditional requirement is met.

Functional Allocation of Expenses

The costs of providing the various programs and supporting services 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. Such allocations are determined by management on an equitable basis. Expenses that are allocated include the following:

Expense	Method of Allocation
Staffing/Management fees	Percentage of time spent
Occupancy	Percentage of square footage
Allocated administrative expenses	Percentage of time spent

Income taxes

The Organization has been classified by the Internal Revenue Service as a publicly supported tax-exempt charity pursuant to IRC Section 501 (c) (3) and as a not-for-profit corporation under the laws of the State of Connecticut. Accordingly, no provision for Federal or State income taxes is required. As of August 31, 2025, no amounts have been recognized for uncertain income tax positions. The Organization's tax returns for the year 2021 and forward are subject to the usual review by the appropriate taxing authorities

Summarized Financial Information for 2025

The accompanying financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America (GAAP). Accordingly, such information should be read in conjunction with the audited financial statements for the year ended August 31, 2024, from which the summarized information was derived.

Recent accounting pronouncements

Financial statements will not be materially affected by the adoption of accounting standards issued or proposed by the FASB or other standards-setting bodies.

EQUUS FOUNDATION, INC.
Notes to the Financial Statements
August 31, 2025 and 2024

Note 3 – Availability and Liquidity

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

	August 31	
	2025	2024
Cash and cash equivalents	\$ 435,060	\$ 300,494
Investments	654,225	653,846
Accounts receivable	32,467	41,035
Total Financial Assets	\$ 1,121,752	\$ 995,375
Less financial assets not available to be used within one year:		
Financial assets with donor restriction	-	-
Financial assets available to meet cash needs for general expenditures within one year	\$ 1,121,752	\$ 995,375

The Organization maintains financial assets to meet operating expenses. As part of its liquidity plan, excess cash, if any, is invested in short-term investments, including money market accounts and mutual funds and ETF's.

Note 4 – Investments and Fair Value Measurements

Fair values for investments are determined by reference to quoted market prices for similar investments, yield curves, and other relevant information. There were no changes in valuation techniques in the year ended August 31, 2025. The Organization recognizes transfers into and out of levels within the fair value hierarchy at the end of the reporting period. There were no transfers between levels in the year ended August 31, 2025.

Generally accepted accounting principles provide a framework for measuring fair value. That framework establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2 - Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or by other means.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The Organization's investments consist solely of level one investments and comprise the following as of August 31, 2025 and 2024:

Category	2025	
	Total Fair Value	Cost
Mutual funds	\$ 34,021	\$ 33,706
Bonds	361,819	359,637
Equity ETF's and stocks	258,385	204,408
Total	\$ 654,225	\$ 597,752

EQUUS FOUNDATION, INC.
Notes to the Financial Statements
August 31, 2025 and 2024

Note 4 – Investments and Fair Value Measurements (Continued)

2024			
Category	Total Fair Value	Cost	
Mutual funds	\$ 31,837	\$	35,277
Bonds	387,356		382,132
Equity ETF's	234,653		200,476
Total	\$ 653,846	\$	617,885

The relationship between carrying values and fair values of investments as of August 31, 2025 and 2024, is as follows:

2025			
Category	Carrying Value	Fair Value	Unrealized Gain (losses)
Balance, beginning of year	\$ 617,885	\$ 653,846	\$ 35,961
Balance, end of year	597,752	654,225	56,473
Change in unrealized gains/(losses)			\$ 20,512

2024			
Category	Carrying Value	Fair Value	Unrealized Gain (losses)
Balance, beginning of year	\$ 585,090	\$ 585,273	\$ 183
Balance, end of year	617,885	653,846	35,961
Change in unrealized gains/(losses)			\$ 35,778

Note 5– Grants Payable

Grants payable totaled \$241,000 and \$226,725 as of August 31, 2025 and 2024, respectively. As of August 31, 2025, based on the specific grant agreements, grants payable are all expected to be paid in the following year.

Note 6– Related Party Transactions

Members of the Board of Directors have provided financial support to the Organization in the amounts of \$79,500 and \$30,000 for the years ended August 31, 2025 and 2024, respectively.

Note 7 – Subsequent Events

The Organization has evaluated subsequent events from the date of the Statement of Financial Position through December 10, 2025, the date at which the financial statements were available to be issued and has determined that no adjustments are needed to the financial statements.