

# MCKINNEY COMMUNITY DEVELOPMENT CORPORATION

## Promotional and Community Event Grant Application

Fiscal Year 2023

### IMPORTANT:

- Please read the McKinney Community Development Corporation Grant Guidelines prior to completing this application.
- The Grant Guidelines and Application are available at [www.mckinneycdc.org](http://www.mckinneycdc.org); by calling 972.547.7653 or by emailing [cschneible@mckinneycdc.org](mailto:cschneible@mckinneycdc.org)
- **Please call to discuss your plans for submitting an application in advance of completing the form.** A completed application and all supporting documents are required to be submitted via email or on a thumb drive for consideration by the MCDC board. Please submit the application to:

McKinney Community Development Corporation  
7300 SH 121, SB, Suite 200  
McKinney, TX 75070

- *If you are interested in preliminary Board of Directors review of your project proposal or idea, please complete and submit the **Letter of Inquiry** form, available at [www.mckinneycdc.org](http://www.mckinneycdc.org), by calling 972.547.7653 or emailing [cschneible@mckinneycdc.org](mailto:cschneible@mckinneycdc.org).*

***Applications must be completed in full, using this form, and received by MCDC, via email or on a thumb drive, by 5:00 p.m. on the date indicated in schedule below.***

### Promotional and Community Event Grant Calendar:

Application Deadline	Presentation to MCDC Board	Board Vote and Award Notification
Cycle I: November 30, 2022	December 15, 2022	January 26, 2023
Cycle II: May 31, 2023	June 22, 2023	July 27, 2023

### APPLICATION

#### INFORMATION ABOUT YOUR ORGANIZATION

Name: ManeGait Therapeutic Horsemanship

Federal Tax I.D.: 26-1525268

Incorporation Date: Nov 2007

Mailing Address: 4261 E. University Dr. #30-253 Prosper TX 75078

Physical Address: 3160 N. Custer Rd. McKinney TX 75071

Phone: (469) 742-9611 Fax: Email: [danna@manegait.org](mailto:danna@manegait.org) Cell: 214-250-0083

Website: [manegait.org](http://manegait.org)

**Check One:**

- Nonprofit – 501(c) Attach a copy of IRS Determination Letter
- Governmental entity
- For profit corporation
- Other

Professional affiliations and organizations to which your organization belongs:

Professional Association of Therapeutic Horsemanship International (PATH Intl.)

**REPRESENTATIVE COMPLETING APPLICATION:**

Name: Patricia Nelson

Title: Executive Director

Mailing Address: 4261 E. University Dr. #30-253 Prosper TX 75078

Physical Address: 3160 N. Custer Rd. McKinney TX 75071

Phone: 469-424-4942

Fax: 469-742-9677

Email: pnelson@manegait.org

**CONTACT FOR COMMUNICATIONS BETWEEN MCDC AND ORGANIZATION:**

Name: Danna Hamann

Title: Marketing and Development Director

Mailing Address: 4261 E. University Dr. #30-253 Prosper TX 75078

Physical Address: 3160 N. Custer Rd. McKinney TX 75071

Phone: 469-424-1247

Fax: 469-742-9677

Email: dhamann@manegait.org

## FUNDING

Total amount requested: 12,500

Matching Funds Available (Y/N and amount): No

Have you received or will funding be requested from any other City of McKinney entity (e.g. McKinney Convention and Visitors Bureau, Arts Commission, City of McKinney) for this event?

Yes

No

Please provide details and funding requested:

## PROMOTIONAL/COMMUNITY EVENT

Start Date: April 29, 2023

Completion Date: April 29, 2023

## BOARD OF DIRECTORS *(may be included as an attachment)*

Bill Darling – ManeGait Co-Founder and Board President – Tradition Homes | Chairman

Priscilla Lewis Darling – ManeGait Co-Founder

Dawnda Daniel – Board Treasurer – Independent Bank | Audit Manager

Ryan Byrne – Appian Corporation | Account Director

Ryan Griffin – FCS Construction | President

Helen Fasken-Bell – Compass Counseling | Owner

Bill Heard – KVIL CBS Radio – Dallas | Retired

Katrina Hunter – 4T8 Investment Group | Owner

Bruce Mead – Gray Branch Ranch | Proprietor

Shelley Mead – Shelley Mead Photography | Owner

Craig Moen – Wells Fargo Advisors | Financial Advisor

Cameron Reeves – Eagle Strategies, LLC | New York Life

Tom Reidy – Inspired Intellect | Executive Vice President

Josh Sandler – Gold Medal Pools | President and CEO

Landon Darling Schneider – ManeGait Founding Family

Zach Schneider – ManeGait Founding Family, Tradition Homes | President

Michael Scovel – New York Life | Dallas Managing Partner

Dr. David Stephens, DVM, DABVP – Weems & Stephens Equine Hospital | Veterinarian

Mark Wakeland – Wakeland Real Estate | President

Kelly Waterman – KNS LLC | President

## LEADERSHIP STAFF *(may be included as an attachment)*

Patricia Nelson, Executive Director

Danna Hamann, Marketing and Development Director

Sarah Bisel, Program Director

**Using the outline below, provide a written narrative no longer than 7 pages in length:**

## **I. Applying Organization**

- Describe the mission, strategic goals and objectives, scope of services, day to day operations and number of paid staff and volunteers.

**OUR MISSION:** *At ManeGait Therapeutic Horsemanship, children and adults with disabilities move beyond their boundaries through the healing power of the horse and the dedication of a professional and caring community.*

Founded in 2007 by business and community leaders Priscilla and Bill Darling and their daughter, Landon Darling Schneider, ManeGait has had the privilege of serving North Texas for over 15 years.

Nestled in the heart of one of the fastest-growing communities in the country, ManeGait has become a beacon serving **thousands** of riders, families, volunteers, and organizations each year.

### **MANEGAIT PROGRAM OVERVIEW:**

ManeGait's nationally recognized equine therapy and brain building programs enable individuals with disabilities and military veterans to live more independent, fulfilling lives.

ManeGait provides weekly therapeutic programs to **150** riders with physical, emotional, cognitive, and behavioral disabilities, delivering more than **7,000** hours of services each year. Certified instructors lead our programs with the assistance of **30** therapy horses and a team of over **285** volunteers each week.

- **Therapeutic Horseback Riding** – ManeGait's core riding program consists of weekly private or small group riding lessons tailored to the needs of each rider. Individual goals are established and monitored throughout the session to help our special needs riders receive the physical, mental, and emotional benefits of therapeutic riding.
- **Therapeutic Carriage Driving** – This is a form of equine-assisted therapy where participants drive a horse-drawn carriage or cart. The program promotes coordination, fine and gross motor skills, visual perception, spatial awareness, communication skills, and independence.
- **GaitWay to the Brain Program** – Developed at ManeGait, the GaitWay to the Brain program improves outcomes for our riders by incorporating brain-building exercises into the framework of riding lessons and reinforcing these outcomes with at-home activities. Supported by evidence-based neurological research, this methodology is designed to increase brain and body integration for participants. Success of this program has led to a university research study and replication at riding centers across the U.S. and Canada.
- **'ManeGait to Freedom' Veteran Program** – This program is specifically designed to support the needs of injured and disabled military veterans.

**WHO WE SERVE:** ManeGait riders range from 5 to 81 years of age, with more than 62% are under the age of 21. Participants come from five North Texas counties. Disabilities served include: Autism Spectrum Disorder, Cerebral Palsy, Intellectual Disability, Developmental Delay, Down Syndrome, Attention Deficit Disorder / ADHD, Traumatic Brain Injury, Post-Traumatic Stress Disorder, among many other disabilities.



- Disclose and summarize any significant, planned organizational changes and describe their potential impact on the Project/Promotional/Community Event for which funds are requested.

Proceeds from this event will support ManeGait's 2023 program goals to increase our program capacity (reducing our rider waitlist) and ensuring rider fees remain affordable for families (not to exceed 15% of operating budget).

## II. Promotional/Community Event

- Outline details of the Promotional/Community Event for which funds are requested. Include information regarding scope, goals, objectives, target audience.

ManeGait is requesting an **\$12,500** grant from the McKinney Community Development Corporation to support **promotional activities** for the **2023 ManeGait LIVE - Country Fair & Concert** on April 29, 2023.

Net proceeds from the event provide direct support ManeGait's therapy programs serving our special needs riders.

The **target audience** for this event includes friends of ManeGait and families from Dallas, Denton, Collin, Grayson, Tarrant and Rockwall counties.



### Goals & Objectives of this event:

1. To raise financial support for ManeGait programs, which increases the quality of life for adults and children with disabilities
  2. To raise awareness of ManeGait programs and increase community involvement as clients, volunteers, donors, and sponsors
  3. To support the local community by promoting local businesses and providing a family-friendly activity for residents of McKinney and surrounding areas
- Describe how this event will **showcase McKinney and promote the City for the purpose of business development and/or tourism.**

This event is an opportunity to promote local business development and tourism by bringing families from surrounding communities to McKinney. ManeGait is the perfect setting to feature the beauty of our city and the impact McKinney businesses and MCDC are having on the quality of life of our residence and the North Texas community.

- Promotional/Community Events must be **open to the public**. If a registration fee is charged, it must be \$35 or less.

General Admission fee will be **\$40 per carload** (up to 6 guests at \$6.67 each)



- **If the event benefits a nonprofit organization, specific detail must be provided regarding the benefit (e.g. X\$ per entry; X% of overall revenue; X% of net revenue).**

100% of net event proceeds benefit ManeGait

- Provide information regarding planned activities in support of the event, timeframe/schedule, estimated attendance and admission/registration fees, if planned.

Date: Saturday, April 29, 2023

Estimated Attendance: 2,200 visitors; 100 volunteers

**Event Offering and Schedule**

**General Admission (12 PM – 7 PM) - Cost: \$40 per carload (up to 6 guests)**

General admission to the event includes FREE access to all inflatables, carnival games, face painting, pony meet-and-greet, stable tours, nerf battlefield, live entertainment, AND MORE. Concessions, food truck fare, beer, and wine are also available for purchase. Musical acts will perform throughout the afternoon from the McKinney community stage.

**'Toss for the Trot' Cornhole Tournament (1:30 PM – 3:30 PM) - Cost: \$50 for a team of 2 to compete**

ManeGait's 2nd annual charity cornhole tournament will have teams battling for the title of CHAMPION. All proceeds from entry fees support ManeGait programs serving military veterans and first responders.

**VIP Concert & Happy Hour (4 PM – 7 PM) - Cost: \$100 per ticket, \$150 with artist meet-and-greet**

The ManeGait VIP concert from the ManeStage will feature headline entertainers and offer complimentary happy hour with drinks and food for VIP attendees. General Admissions guests will have great vantage points to enjoy the concert as well.

- Include the venue/location for the proposed event.



The event will be held at ManeGait's riding facility in northwest McKinney (HWY 380 and Custer Rd).

**Much of the event will be located in ManeGait's 20,000 square foot, "High Five" riding arena, which was built with the support of MDCD in 2010.**

- Provide a timeline for the production of the event.
  - Present – March 2023: Secure event sponsors, vendors, and volunteer support
  - February 15 – April 29: Promote event via press coverage, email, social media & event calendars
  - March 20 – April 28: Online ticket sales open
  - April 29: ManeGait LIVE – Country Fair and Concert
  - April 30 – May 4: Post event promotion and acknowledgements

- Detail goals for growth/expansion in future years.

This is an annual event that will be held at ManeGait each spring. Our goal is to grow attendance and sponsorship support year over year. This event is an excellent way to create awareness about our programs, build partnerships with local businesses, and give the residents of McKinney (and surrounding areas) an opportunity to be part of ManeGait’s mission.

- Provide plans to attract resident and visitor participation and contribute to business development, tourism and growth of McKinney sales tax revenue.

ManeGait has been improving the quality of life of McKinney residents and their families for over 15 years. Funding from this event will help us continue to grow our programs and to serve more members of our community. ManeGait also invites local businesses to take part in ManeGait LIVE to promote their company and to introduce visitors to all that McKinney has to offer. As a thank you for sponsorship and support, we look forward to promoting our business sponsors, vendors and, MCDC with onsite and pre/post event media coverage.

ManeGait LIVE also attracts visitors from other cities to McKinney. **In 2022, 68% of online ticket sales were from outside of McKinney including residences from 40 different North Texas cities.**

**ManeGait is a perfect example of how McKinney is “unique by nature”.** It is a beautiful, peaceful property, which gives visitors the opportunity to experience nature in a personal way. Volunteers tell us that just being at ManeGait is a therapeutic experience in and of itself. Visiting during special events often inspires people to become regular weekly volunteers. Resulting in over 1,200 active ManeGait volunteers who come to McKinney from all over the metroplex.

- Demonstrate informed budgeting/financial planning – addressing revenue generation, costs and use of net revenue.

This is the sixth year for this event, and our team is committed to optimizing its impact through careful budget planning. This includes leveraging opportunities to increase sponsorships and in-kind donations and to minimize expenditures when possible. We continue to work to ensure that expenses are allocated to areas which drive attendance, improve the guest experience, ensure safety and security at the event, and promote ManeGait and the City of McKinney. Net revenue generated from the event directly supports ManeGait’s therapeutic riding programs and helps us keep costs affordable for rider families.

**III. Has a request for funding, for this Project/Promotional/Community Event, been submitted to MCDC in the past?**

Yes  No

**Date(s):** December 2017, 2018, 2019, 2021

**Financial**

- Provide an overview of the organization’s financial status including the impact of this event on organization mission and goals.

ManeGait’s total annual operating budget is \$1,382,000. By supporting ManeGait LIVE promotions, the MCDC grant will grow attendance and awareness for this event, generate financial support for ManeGait programs, and increased overall support for our mission.

- Please attach your organization’s budget for the current year and audited financial statements for the preceding two years. If audited financials are not available, please indicate why.

Financial statements are enclosed.

- In addition to your organization’s budget, please provide a detailed budget for the proposed Promotion/Community Event.

Event budget is enclosed

**Overview of Promotional/Community Event financial goal?**

<b>Gross Revenue</b>	<b>\$190,500</b>
<b>Projected Expenses</b>	<b>\$95,000</b>
<b>Net Revenue</b>	<b>\$95,500</b>

**What dollar amount and percentage of Promotional/Community Event funding will be provided by other sources such as sponsorship, registration fees, individual or corporate donations, etc.? **\$178,000 (93% of funding comes from sources other than MCDC)****

<b>Sponsorship Revenue</b>	<b>\$166,500</b>
<b>Registration Fees</b>	<b>\$15,000</b>
<b>Donations</b>	<b>\$5,000</b>
<b>Other (raffle, auction, etc.)</b>	<b>\$4,000</b>
<b>Net Revenue</b>	<b>\$95,500</b>

**IV. Marketing and Outreach**

- Provide specific detail regarding the advertising, marketing plans and outreach strategies developed for this event.



ManeGait's event committee is refining our marketing plan to improve the ROI of our promotional investments. Enhanced benefits packages have also led to greater sponsorship revenue.

- Provide a detailed outline and budget for planned marketing, advertising and outreach activities and promotional channels (e.g. print, radio, social media platforms, etc.).

### **Marketing Plan Includes:**

- Radio Promotions (\$4,500)
  - The weeks leading up to the event, ManeGait will purchase advertising spots on 97.5 KLAK and KHYI The Range
- Online Promotions (\$1,500)
  - Includes, promotion of event website and listing on local event calendars
  - E-Blasts to ManeGait database prior to the event (5,500 contacts)
  - Significant Facebook and Instagram Promotions
- Print Promotions (1,500)
  - Advertisement in community magazines including Community Impact and Star Local
- Billboard Advertising (\$4,000)
  - ManeGait will secure billboard space on HWY 380 for 3-4 weeks leading up to the event. Should there be limited availability or the cost exceeds this budget, we will reallocate this advertising funding to additional radio and print promotions.
- Signage and Flags (\$1,000)
  - Feather flags will be printed and displayed on ManeGait's property line on Custer Road.
  - Flyers and signs will be printed to be displayed in local businesses.
  - Sign spinner for the day of the event

McKinney Community Development Corporation will be featured in all promotions.

## **V. Metrics to Evaluate Success**

- Outline the metrics that will be used to evaluate success of the proposed Event.

In alignment with the event goals, metrics to evaluate **2023 ManeGait LIVE - Country Fair & Concert** success include:

### **1. Raise financial support**

- Gross event revenue (targeted at \$190,500)
- Net event revenue (targeted at \$95,500)

### **2. Raise awareness**

- Number of media mentions and advertisements
- Number of social media posts / reach
- Event Attendance (targeted at 2,200)

### **3. Build community partnership and promote local businesses**

- Number of community organizations participating / local business sponsorships

## **VI. Presentation to MCDC Board of Directors**

Completed applications that are eligible for consideration by MCDC will be presented to the board according to the schedule included on the first page of this application. **Please be prepared to provide the information outlined below in your presentation:**

- Details regarding the specific marketing activities (promotional channels) that you plan to use and the budget allocated to each (print, radio, social media, etc.).
- If this is an annual/biennial event, please include results you saw from use of the various marketing activities in the past (what worked, what didn't).
- Do you plan to utilize the grant requested to fund your total marketing budget? If not, what percentage would the grant cover?
- If possible, please include examples of past marketing initiatives (screen shots of ads, social media, etc.). Also – please include photos of previous year's event in your presentation.
- Please share the attendance numbers from the previous year's event (if this is a repeat event).
- If possible, please identify the number of people who attended from McKinney – and those who were visitors to the city.
- If you are applying as a for-profit organization, with a nonprofit beneficiary identified for your event, please include the name(s) of the nonprofit groups who will be supported by the event and the percentage of revenue (indicate gross or net) or dollar amount that will be provided.
- Presentations to the Board will be limited to no more than five (5) minutes.

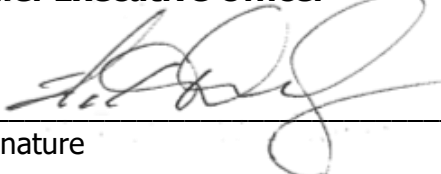
## Acknowledgements

### ***If funding is approved by the MCDC board of directors, Applicant will assure:***

- The Promotional/Community Event for which financial assistance is sought will be administered by or under the supervision of the applying organization.
- All funds awarded will be used **exclusively** for advertising, marketing and promotion of the Promotional/Community event described in this application.
- MCDC will be recognized in all marketing, advertising, outreach and public relations as a funder of the Promotional/Community Event. A logo will be provided by MCDC for inclusion on all advertising, marketing and promotional materials. Specifics for audio messaging will be agreed upon by applicant and MCDC and included in an executed performance agreement.
- The Organization officials who have signed the application are authorized by the organization to submit the application;
- Applicant will comply with the MCDC Grant Guidelines in executing the Promotional/Community Event for which funds were received.
- A final report detailing the success of the Promotional/Community Event, as measured against identified metrics, will be provided to MCDC no later than 30 days following the completion of the Promotional/Community Event.
- Grant funding is provided on a reimbursement basis subsequent to submission of a reimbursement request, with copies of invoices and paid receipts for qualified expenses. Up to 20% of the grant awarded may be withheld until the final report on the Promotional/Community Event is provided to MCDC.
- Funds granted must be used within one year of the date the grant is approved by the MCDC board.

**We certify that all figures, facts and representations made in this application, including attachments, are true and correct to the best of our knowledge.**


### **Chief Executive Officer**

  
\_\_\_\_\_  
Signature

**William Darling**  
Printed Name

November 29, 2022  
Date

### **Representative Completing Application**

  
\_\_\_\_\_  
Signature

**Patricia Nelson**  
Printed Name

November 29, 2022  
Date

***INCOMPLETE APPLICATIONS, OR THOSE RECEIVED AFTER THE DEADLINE, WILL NOT BE CONSIDERED.***

## CHECKLIST:

### Completed Application:

- Use the form/format provided
- Organization Description
- Outline of Promotional/Community Event; description, budget, goals and objectives
- Indicate how this event will showcase the City of McKinney for business development/tourism
- Promotional/Community Event timeline and venue included
- Overall organization **and** event budget that includes plans and budget for advertising, marketing and outreach included
- Evaluation metrics are outlined
- List of board of directors and staff
- Financials: organization's budget and P&L statement for current and previous fiscal year;  
Promotional/Community Event budget; audited financial statements are provided
- IRS Determination Letter (if applicable)

***A FINAL REPORT MUST BE PROVIDED TO MCDC WITHIN 30 DAYS OF THE EVENT/COMPLETION OF THE PROJECT/PROMOTIONAL/COMMUNITY EVENT.***

***FINAL PAYMENT OF FUNDING AWARDED WILL BE MADE UPON RECEIPT OF FINAL REPORT.***

***PLEASE USE THE FORM/FORMAT OUTLINED ON THE NEXT PAGE FOR THE FINAL REPORT.***



## **McKINNEY COMMUNITY DEVELOPMENT CORPORATION**

### **Final Report**

**Organization:**

**Funding Amount:**

**Project/Promotional/Community Event:**

**Start Date:**

**Completion Date:**

**Location of Project/Promotional/Community Event:**

**Please include the following in your report:**

- Narrative report on the Project/Promotional/Community Event
- Identify goals and objectives achieved
- Financial report – budget as proposed and actual expenditures, with explanations for any variance. If the event includes a charitable component, include the donation made.
- Samples of printed marketing and outreach materials (MCDC logo to be included)
- Screen shots of online Promotions (MCDC logo to be included)
- Photographs, slides, videotapes, etc.
- Performance against metrics outlined in application

**Please submit Final Report no later than 30 days following the completion of the Promotional/Community Event to:**

McKinney Community Development Corporation  
7300 SH 21, SB, Suite 200  
McKinney, TX 75070

Attn: Cindy Schneible  
[cschneible@mckinneycdc.org](mailto:cschneible@mckinneycdc.org)



## 2023 Annual Operating Budget

### REVENUE

Donations	\$270,000
Special Events	
Gala at the 'Gait	\$492,000
Rider Cup Golf Tournament	\$110,000
ManeGait LIVE – Country Fair and Concert	\$95,000
Net Special Events	\$697,000
Grant Revenue	\$220,000
Riders Fees	\$160,000
Other Program Income	\$35,000
<b>Total Revenue</b>	<b>\$1,382,000</b>

### EXPENSES

Therapeutic Riding Program Expenses	\$15,000
GaitWay Program Expenses	\$5,000
Horse Care	\$100,000
Volunteer Expenses	\$4,000
Repairs and Maintenance	\$62,000
Equipment Expense	\$4,000
Utilities	\$30,000
Total Employee Costs	\$970,000
Marketing & Development	\$35,000
Information Technology	\$20,000
Accounting	\$15,000
Insurance	\$26,000
General Administration	\$20,000
Interest Expense	\$2,400
Uncollectable Rider Fees	\$5,000
<b>Total Expenses</b>	<b>\$1,313,400</b>



**2023 ManeGait LIVE - Country Fair and Concert Budget**

<b>Income Sources</b>	<b>2023 Budget</b>
Presenting Sponsor	\$ 25,000
Triple Crown	\$ 50,000
Grand Champion	\$ 40,000
Winner's Circle	\$ 20,000
Blue Ribbon	\$ 15,000
Good Neighbor	\$ 4,000
<b>Sponsorship Totals</b>	<b>\$ 154,000</b>
GA Tickets	\$ 5,000
VIP Tickets	\$ 10,000
Raffle/Donations	\$ 5,000
Beer & Wine; Mini Bar	\$ 2,500
Corhole Tournament	\$ 1,000
Food Truck Donations	\$ 500
<b>Event Proceeds</b>	<b>\$ 24,000</b>
MCDC Grant	\$ 12,500
<b>Total Income</b>	<b>\$190,500</b>
<b>Expenses</b>	<b>2022 Budget</b>
Auction/Raffle	\$ 1,000
Décor	\$ 800
Community Stage Entertainment	\$ 13,500
Facilities	\$ 7,000
Food and Beverage	\$ 2,750
Hospitality	\$ 7,000
VIP Experience & Concert	\$ 45,000
Cornhole Tournament	\$ 1,000
Marketing and Promotion	\$ 12,500
Rentals	\$ 2,000
Security	\$ 1,200
Volunteer/Committee Mgmt	\$ 1,250
<b>Total Expenses</b>	<b>\$95,000</b>
<b>Net Event Proceeds</b>	<b>\$95,500</b>

MANEGAIT

FINANCIAL STATEMENTS  
AND INDEPENDENT AUDITOR'S REPORT

DECEMBER 31, 2021 AND 2020

DRAFT

MANEGAIT

DECEMBER 31, 2021 AND 2020

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**LORI K. ORTA, P.C.**  
Certified Public Accountant

## Independent Auditor's Report

To the Board of Directors of  
ManeGait  
McKinney, Texas

We have audited the accompanying financial statements of ManeGait (a non-profit organization) (the "Organization"), which comprise the statements of financial position as of December 31, 2021, and 2020, and the related statements of activities and changes in net assets, cash flows, and functional expenses 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 ManeGait as of December 31, 2021, and 2020, and the statements of activities and changes in its net assets, its cash flows and functional expenses for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audits 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 audits. 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.

**Auditor's Responsibilities for the Audit of the Financial Statements (continued)**

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 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.

*Lore K. Carter, P.C.*

Dallas, Texas  
October 10, 2022

DRAFT

ManeGait  
STATEMENTS OF FINANCIAL POSITION  
December 31,

ASSETS

	2021	2020
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 1,199,272	\$ 784,577
Cash and cash equivalents - with donor restrictions	529,811	-
Accounts receivable	10,511	10,054
Contributions receivable	7,783	-
Prepaid expenses	20,493	8,409
Total current assets	1,767,870	803,040
 <b>PROPERTY, PLANT AND EQUIPMENT AT COST - NET</b>	 1,523,225	 1,521,049
 <b>TOTAL ASSETS</b>	 \$ 3,291,095	 \$ 2,324,089

LIABILITIES AND NET ASSETS

<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 5,460	\$ 16,618
Accrued liabilities	34,055	40,418
Deferred revenues	2,273	-
Note payable	-	152,100
Total current liabilities	41,788	209,136
 <b>NET ASSETS</b>		
Without donor restrictions		
Designated by Board for operating reserve	400,000	200,000
Undesignated	2,319,497	1,914,953
Total without donor restrictions	2,719,497	2,114,953
With donor restrictions	529,810	-
Total net assets	3,249,307	2,114,953
 <b>TOTAL LIABILITIES AND NET ASSETS</b>	 \$ 3,291,095	 \$ 2,324,089

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



ManeGait  
STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS  
For the Year Ended December 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT AND REVENUES</b>			
Donations	\$ 517,282	\$ -	\$ 517,282
Special events	860,643	-	860,643
Less direct expenses	<u>(187,066)</u>	<u>-</u>	<u>(187,066)</u>
Net special events	673,577	-	673,577
Grant revenue	188,501	598,910	787,411
Riders fees, net of financial aid \$21,551	126,132	-	126,132
Extinguishment of debts	282,100	-	282,100
Other program income	10,649	-	10,649
In-kind goods and services	18,540	-	18,540
Gain on sale of property and equipment	9,334	-	9,334
Net assets released from restrictions	<u>69,100</u>	<u>(69,100)</u>	<u>-</u>
Total support and revenues	<u>1,895,215</u>	<u>529,810</u>	<u>2,425,025</u>
<b>EXPENSES</b>			
Program services			
Therapeutic Riding	874,102	-	874,102
GaitWay to the Brain	79,768	-	79,768
Total program services	<u>953,870</u>	<u>-</u>	<u>953,870</u>
Supporting services			
Management and general	95,736	-	95,736
Fundraising	241,065	-	241,065
Total supporting services	<u>336,801</u>	<u>-</u>	<u>336,801</u>
Total expenses	<u>1,290,671</u>	<u>-</u>	<u>1,290,671</u>
Changes in net assets	604,544	529,810	1,134,354
NET ASSETS, at beginning of year	<u>2,114,953</u>	<u>-</u>	<u>2,114,953</u>
NET ASSETS, at end of year	<u>\$ 2,719,497</u>	<u>\$ 529,810</u>	<u>\$ 3,249,307</u>

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

ManeGait  
STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS  
For the Year Ended December 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT AND REVENUES</b>			
Donations	\$ 346,951	\$ -	\$ 346,951
Special events	628,692	-	628,692
Less direct expenses	(78,512)	-	(78,512)
Net special events	550,180	-	550,180
Grant revenue	189,779	-	189,779
Riders fees	113,521	-	113,521
Other program income	16,117	-	16,117
In-kind goods and services	5,000	-	5,000
Net assets released from restrictions	10,000	(10,000)	-
Total support and revenues	1,231,548	(10,000)	1,221,548
<b>EXPENSES</b>			
Program services			
Therapeutic Riding	763,127	-	763,127
GaitWay to the Brain	80,507	-	80,507
Total program services	843,634	-	843,634
Supporting services			
Management and general	83,425	-	83,425
Fundraising	193,617	-	193,617
Total supporting services	277,042	-	277,042
Total expenses	1,120,676	-	1,120,676
Changes in net assets	110,872	(10,000)	100,872
NET ASSETS, at beginning of year	2,004,081	10,000	2,014,081
NET ASSETS, at end of year	\$ 2,114,953	\$ -	\$ 2,114,953

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

ManeGait  
STATEMENTS OF CASH FLOWS  
For the Years Ended December 31,

	2021	2020
Cash flows from operating activities		
Increase in net assets	\$ 1,134,354	\$ 100,872
Adjustments to reconcile increase in net assets to net cash provided by (used in) operating activities		
Gain on sale of property and equipment	(9,334)	2,460
Depreciation	75,577	76,893
Bad debt	4,772	5,069
Acquisition of property, plant and equipment via non-cash contributions	-	(5,000)
Gain on extinguishment of debts	(282,100)	-
Contributions restricted for Beacon Project	(568,911)	-
Changes in operating assets and liabilities, net		
Accounts receivable	(5,229)	769
Contributions receivable	(7,783)	6,000
Insurance proceeds receivable	-	-
Other receivable	-	-
Prepaid expenses	(12,084)	8,102
Accounts payable	(11,158)	6,408
Accrued liabilities	(6,363)	(8,815)
Deferred revenues	2,273	-
Net cash provided by operating activities	314,014	192,758
Cash flows from investing activities		
Acquisition of property, plant and equipment	(81,919)	-
Proceeds from sale of assets	13,500	-
Net cash used in investing activities	(68,419)	-
Cash flows from financing activities		
Collections of contributions restricted for Beacon Project	568,911	-
Proceeds from note payable	130,000	152,100
Net cash provided by financing activities	698,911	152,100
 INCREASE IN CASH AND CASH EQUIVALENTS	 944,506	 344,858
Cash and cash equivalents, at beginning of year	784,577	439,719
Cash and cash equivalents, at end of year	\$ 1,729,083	\$ 784,577
<b>Supplemental disclosures of cash flow information</b>		
Cash paid during the year for		
Interest	\$ 6	\$ 113
Non-cash transactions		
Property, plant and equipment acquired via non-cash contributions	\$ -	\$ 5,000
Extinguishment of debts	\$ 282,100	\$ -
Reconciliation of cash and cash equivalents reported within the statements of financial position to the statements of cash flows:		
Cash and cash equivalents	\$ 1,199,272	\$ 784,577
Cash and cash equivalents - with donor restrictions	529,811	-
Total cash and cash equivalents shown in the statements of cash flows	\$ 1,729,083	\$ 784,577

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

ManeGait  
STATEMENT OF FUNCTIONAL EXPENSES  
For the Year Ended December 31, 2021

	Program Services			Supporting Services			Total
	Therapeutic Riding	GaitWay to the Brain	Total Program Services	Management and General	Fundraising	Total Supporting Services	
Employee salaries and benefits	\$ 564,535	\$ 61,746	\$ 626,281	\$ 56,547	\$ 194,059	\$ 250,606	\$ 876,887
Employee development and training	-	-	-	3,641	-	3,641	3,641
Program expenses	20,150	-	20,150	-	-	-	20,150
GaitWay program	-	3,893	3,893	-	-	-	3,893
Horse care	87,654	-	87,654	-	-	-	87,654
Volunteer expenses	3,289	-	3,289	-	-	-	3,289
Repairs and maintenance	29,561	8,452	38,013	3,113	3,559	6,672	44,685
Equipment expense	14,683	2,369	17,052	873	997	1,870	18,922
Utilities	28,690	-	28,690	1,032	2,108	3,140	31,830
Development and marketing	-	-	-	-	31,280	31,280	31,280
Information technology	19,435	-	19,435	700	1,428	2,128	21,563
Professional fees	-	-	-	16,226	-	16,226	16,226
Insurance	20,748	-	20,748	5,050	1,525	6,575	27,323
Bank fees and office expenses	11,489	3,308	14,797	6,417	1,759	8,176	22,973
Depreciation	69,096	-	69,096	2,131	4,350	6,481	75,577
Interest expense	-	-	-	6	-	6	6
Bad debt	4,772	-	4,772	-	-	-	4,772
	<u>\$ 874,102</u>	<u>\$ 79,768</u>	<u>\$ 953,870</u>	<u>\$ 95,736</u>	<u>\$ 241,065</u>	<u>\$ 336,801</u>	<u>\$ 1,290,671</u>

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

ManeGait  
STATEMENT OF FUNCTIONAL EXPENSES  
For the Year Ended December 31, 2020

	Program Services			Supporting Services			Total
	Therapeutic Riding	GaitWay to the Brain	Total Program Services	Management and General	Fundraising	Total Supporting Services	
Employee salaries and benefits	\$ 495,888	\$ 54,238	\$ 550,126	\$ 54,238	\$ 170,462	\$ 224,700	\$ 774,826
Employee development and training	-	-	-	2,963	-	2,963	2,963
Program expenses	13,949	-	13,949	-	-	-	13,949
GaitWay program	-	16,136	16,136	-	-	-	16,136
Horse care	80,608	-	80,608	-	-	-	80,608
Volunteer expenses	1,022	-	1,022	-	-	-	1,022
Repairs and maintenance	20,840	5,999	26,839	2,210	2,526	4,736	31,575
Equipment expense	2,154	620	2,774	228	261	489	3,263
Utilities	25,835	-	25,835	930	1,899	2,829	28,664
Development and marketing	-	-	-	8,336	9,300	17,636	17,636
Information technology	11,548	-	11,548	415	849	1,264	12,812
Professional fees	-	-	-	9,513	-	9,513	9,513
Insurance	22,244	-	22,244	801	1,635	2,436	24,680
Bank fees and office expenses	12,206	3,514	15,720	1,295	1,479	2,774	18,494
Depreciation	69,304	-	69,304	2,496	5,093	7,589	76,893
Interest expense	-	-	-	-	113	113	113
Bad debt	5,069	-	5,069	-	-	-	5,069
Loss on disposal of assets	2,460	-	2,460	-	-	-	2,460
	<u>\$ 763,127</u>	<u>\$ 80,507</u>	<u>\$ 843,634</u>	<u>\$ 83,425</u>	<u>\$ 193,617</u>	<u>\$ 277,042</u>	<u>\$ 1,120,676</u>

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

ManeGait  
NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business

The Organization is incorporated under the laws of the State of Texas as a nonprofit organization and is located in McKinney, Texas. The Organization is a therapeutic horsemanship center offering therapeutic equestrian activities and therapy in a caring, high-integrity environment. The Organization serves children and adults with disabilities so that they can move beyond their boundaries through the healing power of the horse and the dedication of a professional, caring community. The focus of therapeutic riding lessons is skill development and progression while improving the rider's physical, cognitive, emotional and social skills. The Organization derives most of their revenues from free-will donations, fundraising events, grants and rider fees.

The Organization's programs are as follows:

Therapeutic Riding – The Organization's riding programs consist of weekly private or small group lessons where riders learn to walk, trot, canter jump, and compete as equestrians. Horseback riding is a rewarding activity that provides many physical, cognitive, and emotional benefits. These benefits include greater core strength, balance, coordination, and speech; as well as confidence, independence, teamwork, and the unconditional acceptance and companionship of a horse.

GaitWay to the Brain – Developed at the Organization, GaitWay to the Brain ("GaitWay") is the first program of its kind to integrate brain-building exercises into the framework of equine therapy to extend and amplify the benefits of riding. Outcomes of the GaitWay program have been validated by third-party research and have led to replication of the program at riding centers across the U.S. and Canada. GaitWay classes are conducted one-on-one or in small groups. The program takes participants through a series of activities that stimulate underutilized parts of the brain, which gives clients the improved ability to focus, center themselves, and get the most benefit out of therapeutic riding.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net assets without donor restrictions - Net assets available for use in general operations and not subject to donor restrictions. Net assets without donor restrictions may be designated for specific purposes by action of the Board of Directors as reserve funds. See Note 7.

Net assets with donor restrictions - Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are restrictions when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. There were no perpetual net assets in nature at December 31, 2021, and 2020. See Note 8.



ManeGait  
NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Liquidity and Availability

Assets are presented in the accompanying statements of financial position according to their nearness of conversion to cash and liabilities according to the nearness of their maturity and resulting use of cash. See Note 2.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand and all highly liquid investments purchased with an initial maturity of three months or less. The FDIC deposit insurance insures deposits up to \$250,000 per deposit, per insured bank for each ownership category. There was approximately \$1,420,000 and \$497,000 uninsured cash at December 31, 2021 and 2020, respectively.

Accounts Receivable

Accounts receivable consist of rider fees. Management evaluates accounts receivable and writes off accounts when they are deemed uncollectible. The results of using the method are not materially different from using the reserve method.

Property, Plant and Equipment

Property, plant and equipment are recorded at cost if purchased, or at estimated fair value as of the date of donation. The Organization capitalizes expenditures for these assets in excess of \$1,000 and with an estimated useful life greater than one year. The costs of maintenance and repairs are charged to expense as incurred. Depreciation is computed on a straight-line basis over estimated useful lives as follows:

	<u>Estimated Lives</u>
Leasehold improvements	10 - 20 years
Farm equipment	5 - 7 years
Program equipment	5 years
Vehicles	5 - 7 years
Admin equipment	5 years
Horses	5 years
Arena	19 - 20 years

Accrued Liabilities

Various expenses of the Organization that were incurred before December 31, 2021, and 2020, respectively, but paid afterwards, have been accrued and reported as accrued liabilities. See Note 4.

Fair Value of Financial Instruments

The carrying value of cash and cash equivalents, cash and cash equivalents – with donor restrictions, accounts receivable, contributions receivable, prepaid expenses, accounts payable, accrued liabilities, and note payable approximate fair value due to the short-term maturities of these assets and liabilities.

ManeGait  
NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition

Contributions and grants are generally recorded only upon receipt unless evidence of an unconditional promise to give has been received. Unconditional promises to give (pledges receivable) that are expected to be collected in future years are recorded at the present value of the amounts expected to be collected and reduced by an allowance for uncollectible amounts. Conditional promises to give are recognized when the conditions to which they are subject are met. Rider fees are reflected as revenue as services are provided. Deferred revenue arises from advance billing of rider fees for the subsequent riding sessions received in the current period.

In-kind Goods and Services

Contributed assets are reflected as contributions in the accompanying financial statements at their estimated values on the dates of receipt. Contributed services are reflected in the financial statements at fair value of the services received if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation.

The value of in-kind goods and services is as follows for the years ended December 31,:

	2021	2020
Horses	\$ 5,000	\$ 5,000
Equipment	6,455	-
Horse care	4,296	-
Repairs and maintenance	202	-
Program equipment	2,587	1,000
	\$ 18,540	\$ 1,000

In addition, many individuals volunteer their time and efforts that help the Organization provide its services. Approximately 300 individuals volunteered approximately 13,100 hours of service with an estimated value of approximately \$357,000 for the year ended December 31, 2021. Approximately 350 individuals volunteered approximately 10,800 hours of service with an estimated value of approximately \$294,000 for the year ended December 31, 2020. The value of this contributed time is not reflected in the accompanying financial statements because it does not meet the above criteria.

Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities and changes in net assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Such allocations are determined by management on an equitable basis.

The expenses that are allocated include the following:

	<u>Method of Allocation</u>
Salaries and benefits	Time and effort
Depreciation	Square footage
Insurance	Square footage and usage
Utilities	Square footage and usage

ManeGait  
NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes

The Organization is exempt from federal income taxes under Section 501(c) (3) of the Internal Revenue Code, except to the extent it has unrelated business income. For the years ended December 31, 2021, and 2020, the Organization had no material net unrelated business income. Accordingly, no provision for income taxes has been provided in the accompanying financial statements. The Organization is not recognized as a private foundation.

The Organization has concluded that it does not have any unrecognized tax benefits resulting from the current or prior period tax positions. Accordingly, no additional disclosures have been made on the financial statements regarding ASC 740, *Income Taxes*. The Organization does not have any outstanding interest or penalties, and none have been recorded in the statements of activities and change in net assets for the years ended December 31, 2021, and 2020. The Organization's informational returns filed are generally subject to examination for three years after the later of the due date or date of filing. As a result, the Foundation is no longer subject to income tax examination by tax authorities for years prior to 2018.

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 certain reported and disclosures. Actual results could differ from those estimates.

2. LIQUIDITY AND AVAILABILITY

The following reflects the Organization's financial assets as of December 31, 2021, and 2020, reduced by amounts not available for general use because of donor-imposed restrictions within one year of the statements of financial position date. Amounts available include donor restricted amounts that are available for general expenditure in the following year.

	2021	2020
Financial assets		
Cash and cash equivalents	\$ 1,199,272	\$ 784,577
Cash and cash equivalents – with donor restrictions	529,811	-
Accounts receivable	10,511	10,054
Contributions receivable	7,783	-
Total financial assets	1,747,377	794,631
Less amounts not available to be used within one year, due to		
Net assets with donor restrictions	(10,900)	-
Designated by Board for operating reserve	(400,000)	(200,000)
Financial assets available to meet general expenditures within one year	\$ 1,336,477	\$ 594,631

As a part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. To help manage unanticipated liquidity needs, the Organization has a committed line of credit in the amount of \$200,000, which it could draw upon. See Note 5. In addition, the Board designates a portion of any operating surplus to its operating reserve, which was \$400,000 and \$200,000 as of December 31, 2021, and 2020, respectively. See Note 7.

ManeGait  
NOTES TO THE FINANCIAL STATEMENTS

3. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consist of the following at December 31,:

	2021	2020
Land	\$ 1,014,273	\$ 1,014,273
Buildings	220,000	220,000
Land improvements	398,224	398,224
Farm equipment	56,994	56,994
Program equipment	134,261	124,848
Vehicles	28,725	33,219
Admin Equipment	50,051	45,095
Horses	66,249	66,249
Arena	259,209	259,209
Construction in process – Beacon Project	62,550	-
	2,290,536	2,218,111
Less accumulated depreciation	(767,311)	(697,062)
Total property, plant and equipment at cost-net	\$ 1,523,225	\$ 1,521,049

Depreciation expense was \$75,577 and \$76,893 for the years ended December 31, 2021, and 2020, respectively.

In April 2021, the Organization approved a Capital Campaign Project, the Beacon Project, to fully optimize every acre of land by adding a second covered riding area, a 20-stall horse barn, pasture reconfiguration, and a new administrative building with a therapy center and conference space. The total budget for this multi-phased project is \$9,000,000. Groundbreaking is anticipated by July 2023. See Note 11.

4. ACCRUED LIABILITIES

Accrued liabilities consist of the following at December 31,:

	2021	2020
Audit and accounting fees	\$ 17,055	\$ 10,500
Gala expenses	17,000	29,918
	\$ 34,055	\$ 40,418

5. LINE OF CREDIT

The Organization has a \$200,000 line of credit with a financial institution. The interest rate is the Prime rate with a floor of 3.25%. Collateral is a first lien deed of trust on the Organization’s property at 3160 North Custer Road, McKinney, Texas. On August 25, 2020, the line of credit was renewed with a new maturity date of August 25, 2022. The Organization had no outstanding balances at December 31, 2021, and 2020. See Note 11.

6. NOTE PAYABLE

On April 28, 2020, the Organization received loan proceeds in the amount of \$152,100 under the Paycheck Protection Program (“PPP”). Established as part of the Coronavirus Aid, Relief and Economic Security Act (“CARES Act”), the PPP provides for loans to qualifying businesses in amounts up to 2.5 times the business’s average monthly payroll expenses. PPP loans and accrued interest are forgivable after a “covered period” (eight or 24 weeks) as long as the borrower maintains its payroll levels and uses the loan proceeds for eligible purposes, including payroll, benefits, rent, and utilities. The forgiveness amount will be reduced if the borrower terminates employees or reduces salaries during the covered period. Any unforgiven portion of a PPP loan is payable over two or five years at an interest rate of 1%, with a deferral of payments for 10 months after then end of the covered period. The Organization intends to use PPP loan proceeds for purposes consistent with the PPP and apply for forgiveness within 10 months of the end of the covered period. In January 2021, the Organization received full forgiveness of the PPP loan and is not required to repay any of the balance or interest.

ManeGait  
NOTES TO THE FINANCIAL STATEMENTS

6. NOTE PAYABLE (Continued)

On February 2, 2021, the Organization received loan proceeds in the amount \$130,000 loan under the second round of the Paycheck Protection Program (“PPP2”). Established as part of the Coronavirus Aid, Relief and Economic Security Act (“CARES Act”), the PPP2 provides for loans to qualifying businesses in amounts up to 2.5 times the business’s average monthly payroll expenses. PPP2 loans and accrued interest are forgivable after a “covered period” (24 weeks) as long as the borrower maintains its payroll levels and uses the loan proceeds for eligible purposes, including payroll, benefits, rent, and utilities. The forgiveness amount will be reduced if the borrower terminates employees or reduces salaries during the covered period. Any unforgiven portion of a PPP2 loan is payable over two or five years at an interest rate of 1%, with a deferral of payments for 10 months after then end of the covered period. In August 2021, the Organization received full forgiveness of the PPP loan and is not required to repay any of the balance or interest.

The Organization has elected to record these loans under ASC 470, *Debt* in which any subsequent forgiveness of the debt would result in a gain on extinguishment in the period when the Organization is legally released from the obligations of the debt. For the years ended December 31, 2021 and 2020, the Organization recognized \$282,100 and \$0 on extinguishment of debts on the statement of activities and change in net assets, respectively.

7. BOARD DESIGNATED NET ASSETS

The Board has designated \$400,000 and \$200,000 from net assets without donor restrictions as an operating reserve at December 31, 2021, and 2020, respectively. The operative reserve is to ensure the stability of the mission, programs, employment, and ongoing operations of the Organization. The operating reserve will be funded with surplus operating funds and will be calculated each year after approval of the annual budget.

8. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purpose at December 31,:

	2021	2020
Subject to expenditure for specified purpose:		
Beacon Project Design Documents	\$ 518,910	\$ -
ParaGold Event	10,000	-
GaitWay Equipment	900	26,574
	\$ 529,810	\$ 26,574

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose for the years ended December 31,:

	2021	2020
Satisfaction of purpose restrictions:		
Beacon Project Design Documents	\$ 50,000	\$ -
Accessibility lifts	15,000	-
GaitWay program	4,100	10,000
	\$ 69,100	\$ 10,000

ManeGait  
NOTES TO THE FINANCIAL STATEMENTS

9. SPECIAL EVENTS

The Organization has various special events to help fund current operations. The revenue and related expenses from such events are as follows for the years ended December 31,:

	2021		
	Special Events Revenue	Special Events Expense	Net Special Events
Golf outing	\$ 171,201	\$ (36,419)	\$ 134,782
Gala at the Gait	584,165	(109,845)	474,320
LIVE!	105,277	(40,802)	64,475
	\$ 860,643	\$ (187,066)	\$ 673,577
	2020		
	Special Events Revenue	Special Events Expense	Net Special Events
Golf outing	\$ 89,755	\$ -	\$ 89,755
Gala at the Gait	453,182	(70,251)	382,931
Country fair	85,755	(8,261)	77,494
	\$ 628,692	\$ (78,512)	\$ 550,180

In addition to special events, total fundraising expenses were 14% and 18% of total donations, net special events and grant revenues for the years ended December 31, 2021, and 2020, respectively.

10. RISKS, ECONOMIC OUTLOOK AND UNCERTAINTIES

The Organization depends heavily on donations and special events for its revenue. The ability of the donors to continue giving amounts comparable with prior years may be dependent, among other things, upon current and future overall economic conditions and the continued deductibility for income taxes purposes of donations to the Organization. While management believes the Organization has the resources to continue its programs, its ability to do so, and the extent to which it continues, may be dependent on the above factors.

The COVID-19 pandemic, whose effects first became known in January 2020, is having a broad and negative impact on commerce and financial markets around the world. The United States and global markets experienced significant declines in value resulting from uncertainty caused by the pandemic. The Organization is closely monitoring its liquidity and is actively working to minimize the impact of these declines. The extent of the impact of COVID-19 on the Organization's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak and its impacts on the Organization's donors, employees, and vendors, all of which at present, cannot be determined. Accordingly, the extent to which COVID-19 may impact the Organization's financial position and changes in net assets and cash flows is uncertain and the accompanying financial statements include no adjustments relating to the effects of this pandemic.



ManeGait  
NOTES TO THE FINANCIAL STATEMENTS

11. SUBSEQUENT EVENTS

Subsequent to year end, the Organization purchased a \$1,000,000 three-year fixed annuity. The interest rate is 2.2%.

Subsequent to year end, the line of credit was renewed with a new maturity date of August 25, 2024. The Organization had no outstanding balances at December 31, 2021, and 2020. The interest rate is 6.25%.

Subsequent to year end, the Organization has placed the Beacon Project on hold due to the Texas Department of Transportation is proposal project to improve US 380, which could impact the current location of the Organization. The Board of Directors is determined that Organization's mission will continue, whether it is in this location or another, should the Texas Department of Transportation US 380 decision dictate that the Organization cannot operate on the current property. The Beacon Project will be redeveloped to meet this challenge and the needs of our community.

In preparing the financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through October 10, 2022, the date the financial statements were available to be issued and determined that there were no such events or transactions that require disclosure for the year ended December 31, 2021.

DRAFT

E.

INTERNAL REVENUE SERVICE  
P. O. BOX 2508  
CINCINNATI, OH 45201

DEPARTMENT OF THE TREASURY

Date: JUN 24 2008

MANE GAIT  
C/O CHERYL C TURNER  
3160 N CUSTER RD  
MCKINNEY, TX 75071-3051

Employer Identification Number:  
26-1525268  
DLN:  
17053070043028  
Contact Person:  
JOSEPH LAUX ID# 31077  
Contact Telephone Number:  
(877) 829-5500  
Accounting Period Ending:  
December 31  
Public Charity Status:  
170(b)(1)(A)(vi)  
Form 990 Required:  
Yes  
Effective Date of Exemption:  
November 9, 2007  
Contribution Deductibility:  
Yes  
Advance Ruling Ending Date:  
December 31, 2011  
Addendum Applies:  
No

Dear Applicant:

We are pleased to inform you that upon review of your application for tax exempt status we have determined that you are exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code. Contributions to you are deductible under section 170 of the Code. You are also qualified to receive tax deductible bequests, devises, transfers or gifts under section 2055, 2106 or 2522 of the Code. Because this letter could help resolve any questions regarding your exempt status, you should keep it in your permanent records.

Organizations exempt under section 501(c)(3) of the Code are further classified as either public charities or private foundations. During your advance ruling period, you will be treated as a public charity. Your advance ruling period begins with the effective date of your exemption and ends with advance ruling ending date shown in the heading of the letter.

Shortly before the end of your advance ruling period, we will send you Form 8734, Support Schedule for Advance Ruling Period. You will have 90 days after the end of your advance ruling period to return the completed form. We will then notify you, in writing, about your public charity status.

Please see enclosed Publication 4221-PC, Compliance Guide for 501(c)(3) Public Charities, for some helpful information about your responsibilities as an exempt organization.

Letter 1045 (DO/CG)

MANE GAIT

Sincerely,

A handwritten signature in black ink that reads "Robert Choi". The signature is written in a cursive style with a large, prominent initial "R".

Robert Choi  
Director, Exempt Organizations  
Rulings and Agreements

Enclosures: Publication 4221-PC  
Statute Extension