

MCKINNEY COMMUNITY DEVELOPMENT CORPORATION

Promotional and Community Event Grant Application

Fiscal Year 2020

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; by calling 972.547.7653 or by emailing 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
5900 S. Lake Forest Blvd., Suite 110
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, by calling 972.547.7653 or emailing 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 29, 2019	December 19, 2019	January 23, 2020
Cycle II: May 29, 2020	June 25, 2020	July 23, 2020

APPLICATION

INFORMATION ABOUT YOUR ORGANIZATION

Name: ManeGait Therapeutic Horsemanship

Federal Tax I.D.: 26-1525268

Incorporation Date: November 2007

Mailing Address: 3160 N. Custer Rd.

City: McKinney

ST: Texas

Zip: 75071

Phone: (469) 742-9611

Fax: 469-742-9677

Email: dhamann@manegait.org

Website: www.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: 3160 N. Custer Rd

City: McKinney

ST: Texas

Zip: 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: 3160 N. Custer Rd

City: McKinney

ST: Texas

Zip: 75071

Phone: 469-424-1247

Fax: 469-742-9677

Email: dhamann@manegait.org

FUNDING

Total amount requested: \$7,000

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

Will funding be requested from any other City of McKinney entity (e.g. McKinney Convention and Visitors Bureau, Arts Commission, City of McKinney Community Support Grant)?

Yes

No

Please provide details and funding requested:

This grant will fund **marketing and promotional expenses** for the **2020 ManeGait Country Fair** to include advertising in community magazines, radio promotion, and social media outreach. By promoting the ManeGait Country Fair, the MCDC grant will promote the services, businesses, and beauty of McKinney in support of tourism and community development.

PROMOTIONAL/COMMUNITY EVENT

Start Date: March 15, 2020

Completion Date: April 25, 2020

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

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

Priscilla Darling, Co-Founder

Dawnda Daniel, Board Treasurer – Independent Bank

Rich Allen - Action COACH

Bill Benton - Benton-Luttrell Company

Ryan Griffin - FCS Construction

Bill Heard - KVIL CBS Radio – Dallas, Retired

Craig Moen - Wells Fargo Advisors

Mike Reeves - New York Life, Retired

Tom Reidy - Avalon Consulting, LLC

Josh Sandler – Gold Medal Pools

Michael Scovel - New York Life

Dr. David Stephens - Weems & Stephens Equine Hospital

Cameron Reeves - Eagle Strategies, LLC | New York Life

Mark Wakeland - Wakeland Real Estate

Kelly Waterman - KNS LLC

Zach Schneider - Tradition Homes | President

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

Patricia Nelson, Executive Director

Danna Hamann, Marketing and Development Director

Sarah Dobbins, 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 Bill and Priscilla Darling and their daughter, Landon Darling Schneider, ManeGait has had the privilege of serving North Texas for over 12 years. Guided by our mission, ManeGait believes in the life-changing benefits of equine therapy and the impact of our programs on the families we serve.

As a nonprofit organization, ManeGait's stewardship, business leadership, and community support have become the foundation for our center's growth and longevity. Building on this solid foundation, we are excited about the future of ManeGait and aspire to serve our riders, advance our industry, and enrich our community for generations to come.

MANEGAIT PROGRAM OVERVIEW: ManeGait provides weekly therapeutic horsemanship programs to 150 adults and children with physical, emotional, cognitive and behavioral disabilities, delivering more than 6,000 hours of services each year. Our staff is made up of 10 full-time and 8 part-time employees. Certified instructors lead our programs with the assistance of 26 skilled 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 72 years of age, with more than 70% 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 the ManeGait Country Fair will support ManeGait's 2020 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 **\$7,000** grant from the McKinney Community Development Corporation to support **promotional activities** for the **2020 ManeGait Country Fair** on April 25, 2020.

Modeled after old-fashioned county fairs, the event will feature wholesome fun for the whole family. It will be held on ManeGait's 14-acre property in northwest McKinney and is expected to draw attendance from 1,800 adults and children from surrounding cities.

All proceeds will fund 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 and Rockwall counties.



Goals & Objectives of ManeGait Country Fair

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.

ManeGait Country Fair 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.

- Describe how the proposed Promotional/Community Event fulfills strategic goals and objectives for your organization.

To support ManeGait’s strategic goals and objectives, the 2020 ManeGait Country Fair is expected to raise \$61,000 in net funding for ManeGait’s equine-assisted therapy programs.

- Provide information regarding planned activities in support of the event, timeframe/schedule, estimated attendance and admission/registration fees, if planned. **(Please note: if admission/registration fees are charged, they must be limited to \$35 or less; event must be open to the public.)**

Date: Saturday, April 25, 2020; 11 AM - 4 PM

Estimated Attendance: 1,800 visitors; 150 volunteers

Admission: \$25 per car, up to 8 people

Activities include: bounce houses, petting zoo, pony rides, face painting, carnival games, live entertainment, nerf gun battlefield, food trucks and more. **Live entertainment will be featured on the City of McKinney stage.**



- Include the venue/location for the proposed event.

ManeGait Country Fair will be held at ManeGait’s riding facility in northwest McKinney (HWY 380 and Custer Rd).

The carnival will be located in ManeGait’s 20,000 square foot, “High Five” riding arena, which was built with the support of MCDC in 2010.



- Provide a timeline for the production of the event.
 - Present – March 2020: Secure event sponsors, vendors, and volunteer support
 - March 15 – April 25: Promote event via press coverage, email, social media and event calendars
 - April 1 – April 24: Online ticket sales open
 - April 25: ManeGait Country Fair
 - April 30 – May 4: Post event promotion and acknowledgements

- Detail goals for growth/expansion in future years.

ManeGait Country Fair 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 experience the fun of ManeGait’s riding center.

- 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 12 years. Funding from the ManeGait Country Fair 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 the Country Fair 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 Country Fair also attracts visitors to McKinney. In 2019, 67% of online ticket sales were from outside of McKinney including 19 different North Texas cities.

- Highlight and promote McKinney as a unique destination for residents and visitors alike.

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 1,100 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 fourth year for the ManeGait Country Fair, and our team is committed to optimizing the impact of this event 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 Country Fair directly supports ManeGait’s therapeutic riding programs and helps us keep costs affordable for rider families.

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

Yes No

Date(s): December 2017 and 2018

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 \$1,299,328. By supporting Country Fair 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.

Overview of Promotional/Community Event financial goal?

Gross Revenue	\$90,000
Projected Expenses	\$29,000
Net Revenue	\$61,000

(Attach a detailed budget specific to the proposed Promotional/Community Event.)

Project budget is enclosed.

What percentage of Project/Promotional/Community Event funding will be provided by the Applicant?

75% of the Total Budget will be generated by ManeGait through development activities.

Are Matching Funds available? Yes No

- Please provide details regarding other potential sources for funding. Include name of organization solicited; date of solicitation; amount of solicitation and date that notice of any award is expected.

ManeGait Country Fair offers a range of business sponsorship opportunities ranging from a \$20,000 Presenting Sponsorship to a \$500 Friend of ManeGait Sponsor.

IV. Marketing and Outreach

Describe advertising, marketing plans and outreach strategies for this event – and how they are designed to help you achieve current and future goals. Provide a detailed outline of planned marketing, advertising and outreach activities and the amount budgeted for each.

ManeGait Country Fair Marketing Plan Includes:

- Radio Promotions (\$500)
 - During the weeks leading up to the Country Fair, ManeGait will purchase advertising spots on 97.5 KLAK
- Online Promotions (\$2,500)
 - Advertising in the McKinney-based online magazine, *The Art of Living Beautifully Magazine*
 - Promotion of ManeGait Country Fair website and listing on local event calendars
 - E-Blasts to ManeGait database prior to the event (5,500 contacts)
 - Facebook and Instagram Promotions
- Print Promotions (\$1,500)
 - Advertisement in neighboring community magazines including Community Impact and Star Local Newspapers
 - Printed flyers and signs to be displayed in local businesses.
- Billboard and Signage (\$2,500)
 - ManeGait is working to secure billboard space on HWY 380 for 3-4 weeks leading up to the Country Fair. Should there be limited availability or the cost exceeds this budget, we will reallocate this advertising funding to additional radio and print promotions.
 - In addition to billboard advertising, ManeGait will print yard signs to promote in local neighborhoods and businesses.

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 Promotional/ Community Event.

In alignment with the event goals, metrics to evaluate 2020 ManeGait Country Fair success include:

1. Raise financial support

- Gross event revenue (targeted at \$90,000)
- Net event revenue (targeted at \$61,000)

2. Raise awareness

- Number of media mentions and advertisements
- Number of social media posts / reach
- Event Attendance (targeted at 1,800)

3. Build community partnership and promote local businesses

- Number of community organizations participating / local business sponsorship

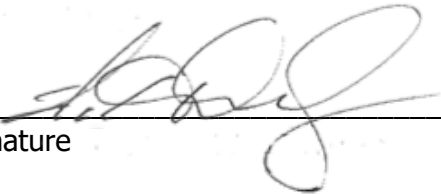
Acknowledgements

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 MCDCV 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

Bill Darling
Printed Name

November 27, 2019
Date

Representative Completing Application



Signature

Patricia Nelson
Printed Name

November 27, 2019
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 the MCDC goal(s) that will be supported by this Promotional/Community Event
- Promotional/Community Event timeline and venue included
- Overall 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
5900 S. Lake Forest Blvd., Suite 110
McKinney, TX 75070

Attn: Cindy Schneible
cschneible@mckinneycdc.org



ManeGait Therapeutic Horsemanship 2020 COUNTRY FAIR BUDGET

Event Income

Event Sponsorships	\$63,000
Donations	\$1,000
Country Fair Event Proceeds (Admission, Sales, Raffle)	\$19,00
MCDC Grant (Proposed)	\$7,000
Total Income	\$90,000

Event Expenses

Décor	\$500
Entertainment/Games	\$7,000
Facilities	\$4,500
Food and Beverage	\$3,000
Hospitality/Parking	\$1,600
Rentals	\$2,000
Giveaways	\$2,000
Signage /Banners	\$1,400
Marketing and Promotions	
<i>Radio Promotions</i>	\$500
<i>Print/Magazine Promotions</i>	\$2,500
<i>Online Digital Promotions</i>	\$1,500
<i>Billboard and Yard Signs</i>	\$2,500
	<hr/>
	\$ 7,000
Total Expenses	\$29,000

Total Net Revenue **\$61,000**



ManeGait Therapeutic Horsemanship
2019 OPERATING BUDGET

REVENUE

Donations	\$275,000
Special Events	
Gala at the 'Gait	\$470,000
Rider Cup Golf Tournament	\$92,000
ManeGait Country Fair	\$60,000
Net Special Events	\$622,000
Grant Revenue	\$210,000
Riders Fees	\$160,000
Other Program Income	\$35,000
Total Revenue	\$1,302,000

EXPENSES

Therapeutic Riding Program Expenses	\$35,000
GaitWay Program Expenses	\$50,000
Horse Care	\$85,000
Volunteer Expenses	\$3,000
Repairs and Maintenance	\$48,000
Equipment Expense	\$4,000
Utilities	\$22,800
Total Employee Costs	\$783,728
Marketing & Development	\$35,000
Information Technology	\$11,000
Accounting	\$25,000
Insurance	\$25,000
General Administration	\$36,800
Depreciation	\$80,000
Board Designated Reserve	\$50,000
Total Expenses	\$1,299,328

MANEGAIT
FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT
DECEMBER 31, 2017 AND 2016

MANEGAIT
DECEMBER 31, 2017 AND 2016

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

Independent Auditor's Report

To the Board of Directors
ManeGait

We have audited the accompanying financial statements of ManeGait (the "Organization"), which comprise the statements of financial position as of December 31, 2017 and 2016, and the related statements of activities and change in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of ManeGait as of December 31, 2017 and 2016, 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.

Lori K. Orta, P.C.

Dallas, Texas
April 23, 2018

ManeGait
STATEMENTS OF FINANCIAL POSITION
December 31,

ASSETS

	2017	2016
CURRENT ASSETS		
Cash and cash equivalents	\$ 228,880	\$ 133,254
Cash and cash equivalents - temporarily restricted	30,500	30,540
Accounts receivable	12,482	14,294
Contributions receivable	4,177	2,500
Insurance proceeds receivable	24,924	-
Other receivable	500	-
Prepaid expenses	8,704	18,955
Total current assets	310,167	199,543
 PROPERTY, PLANT AND EQUIPMENT AT COST - net	 1,559,613	 1,568,016
 TOTAL ASSETS	 \$ 1,869,780	 \$ 1,767,559

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Line of credit	\$ 50,000	\$ -
Accounts payable	8,846	17,293
Accrued liabilities	207,335	31,478
Deferred revenue	19,663	33,832
Total current liabilities	285,844	82,603
 NET ASSETS		
Unrestricted	1,553,436	1,654,416
Temporarily restricted	30,500	30,540
	1,583,936	1,684,956
 TOTAL LIABILITIES AND NET ASSETS	 \$ 1,869,780	 \$ 1,767,559

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, 2017

	Unrestricted	Temporarily Restricted	Total
SUPPORT AND REVENUES			
Donations	\$ 244,572	\$ -	\$ 244,572
Special events	873,181	-	873,181
Less direct expenses	<u>(263,602)</u>	<u>-</u>	<u>(263,602)</u>
Net special events	609,579	-	609,579
Grant revenue	138,450	30,500	168,950
Riders fees	146,397	-	146,397
Other program income	27,528	-	27,528
In-kind goods and services	15,250	-	15,250
Insurance proceeds	184,605	-	184,605
Net assets released from restrictions	<u>30,540</u>	<u>(30,540)</u>	<u>-</u>
Total support and revenues	<u>1,396,921</u>	<u>(40)</u>	<u>1,396,881</u>
EXPENSES			
Program services - riding services	1,194,956	-	1,194,956
Supporting services			
Management and general	99,241	-	99,241
Fundraising	<u>203,704</u>	<u>-</u>	<u>203,704</u>
Total expenses	<u>1,497,901</u>	<u>-</u>	<u>1,497,901</u>
Decrease in net assets	(100,980)	(40)	(101,020)
NET ASSETS, at beginning of year	<u>1,654,416</u>	<u>30,540</u>	<u>1,684,956</u>
NET ASSETS, at end of year	<u>\$ 1,553,436</u>	<u>\$ 30,500</u>	<u>\$ 1,583,936</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, 2016

	Unrestricted	Temporarily Restricted	Total
SUPPORT AND REVENUES			
Donations	\$ 185,563	\$ -	\$ 185,563
Special events	783,625	-	783,625
Less direct expenses	(220,862)	-	(220,862)
Net special events	562,763	-	562,763
Grant revenue	47,612	35,000	82,612
Riders fees	156,582	-	156,582
Other program income	11,287	-	11,287
Net assets released from restrictions	24,460	(24,460)	-
Total support and revenues	<u>988,267</u>	<u>10,540</u>	<u>998,807</u>
EXPENSES			
Program services - riding services	900,548	-	900,548
Supporting services			
Management and general	69,781	-	69,781
Fundraising	169,831	-	169,831
Total expenses	<u>1,140,160</u>	<u>-</u>	<u>1,140,160</u>
Increase (decrease) in net assets	(151,893)	10,540	(141,353)
NET ASSETS, at beginning of year	<u>1,806,309</u>	<u>20,000</u>	<u>1,826,309</u>
NET ASSETS, at end of year	<u>\$ 1,654,416</u>	<u>\$ 30,540</u>	<u>\$ 1,684,956</u>

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

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

	2017	2016
Cash flows from operating activities		
Decrease in net assets	\$ (101,020)	\$ (141,353)
Adjustments to reconcile decrease in net assets to net cash provided by (used in) operating activities		
Loss on sale of assets	4,270	3,583
Depreciation	83,279	77,722
Bad debt	1,377	1,069
Donated horses	(9,250)	-
Changes in operating assets and liabilities, net		
Accounts receivable	435	31,697
Contributions receivable	(1,677)	(2,500)
Insurance proceeds receivable	(24,924)	-
Other receivable	(500)	-
Prepaid expenses	10,251	(4,966)
Accounts payable	(8,447)	13,274
Accrued liabilities	175,857	(1,333)
Deferred revenue	(14,169)	3,837
Net cash provided by (used in) operating activities	115,482	(18,970)
Cash flows from investing activities		
Change in restricted cash	40	(10,540)
Acquisition of property, plant and equipment	(69,896)	(30,518)
Net cash used in investing activities	(69,856)	(41,058)
Cash flows from financing activities		
Proceeds from line of credit	150,000	50,000
Payments on line of credit	(100,000)	(50,000)
Net cash provided financing activities	50,000	-
 INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	 95,626	 (60,028)
Cash and cash equivalents, at beginning of year	133,254	193,282
Cash and cash equivalents, at end of year	\$ 228,880	\$ 133,254
 Supplemental disclosure of cash flow information		
Cash paid during the year for		
Interest	\$ 3,232	\$ 513
Non-cash transactions		
Horses acquired via non-cash contributions	\$ 9,250	\$ -

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

ManeGait
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2017

	Program Services		Supporting Services		Total Supporting Services	Total
	Riding	Management and General	Fundraising	Total		
Employee salaries and benefits	\$ 589,510	\$ 58,144	\$ 182,738	\$ 240,882	\$ 830,392	
Employee development and training	5,946	586	1,842	2,428	8,374	
Program expenses	21,531	-	9,962	9,962	31,493	
GaitWay program	44,178	-	-	-	44,178	
Horse care	103,629	-	714	714	104,343	
Volunteer expenses	1,199	-	-	-	1,199	
Repairs and maintenance	207,722	23,083	-	23,083	230,805	
Equipment expense	1,841	229	220	449	2,290	
Utilities	18,175	2,019	-	2,019	20,194	
Development and marketing	35,926	-	441	441	36,367	
Information technology	7,638	753	2,367	3,120	10,758	
Accounting	16,451	1,622	5,097	6,719	23,170	
Insurance	23,865	-	-	-	23,865	
General administration	34,346	3,969	-	3,969	38,315	
Depreciation	74,766	8,513	-	8,513	83,279	
Interest expense	2,586	323	323	646	3,232	
Bad debt	1,377	-	-	-	1,377	
Loss on disposal of assets	4,270	-	-	-	4,270	
	\$ 1,194,956	\$ 99,241	\$ 203,704	\$ 302,945	\$ 1,497,901	

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

ManeGait
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2016

	Program Services		Supporting Services		Total Supporting Services	Total
	Riding	Management and General	Fundraising			
Employee salaries and benefits	\$ 476,577	\$ 46,986	\$ 147,671	\$ 194,657	\$ 671,234	
Employee development and training	4,827	476	1,496	1,972	6,799	
Program expenses	28,618	-	8,946	8,946	37,564	
GaitWay program	67,546	-	-	-	67,546	
Horse care	87,946	-	399	399	88,345	
Volunteer expenses	2,164	-	-	-	2,164	
Repairs and maintenance	23,312	2,595	45	2,640	25,952	
Equipment expense	3,004	334	-	334	3,338	
Utilities	17,546	1,950	-	1,950	19,496	
Development and marketing	29,213	-	2,586	2,586	31,799	
Information technology	7,960	785	2,466	3,251	11,211	
Accounting	19,371	1,620	5,090	6,710	26,081	
Property taxes	90	10	-	10	100	
Legal fees	-	160	-	160	160	
Insurance	25,498	-	-	-	25,498	
General administration	28,519	3,408	1,081	4,489	33,008	
Depreciation	69,899	7,823	-	7,823	77,722	
Interest expense	411	51	51	102	513	
Fundraising expenses	6,978	-	-	-	6,978	
Bad debt	1,069	-	-	-	1,069	
Loss on disposal of assets	-	3,583	-	3,583	3,583	
	<u>\$ 900,548</u>	<u>\$ 69,781</u>	<u>\$ 169,831</u>	<u>\$ 239,612</u>	<u>\$ 1,140,160</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

ManeGait (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.

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.

For reporting purposes, resources are classified into three net asset categories according to the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Unrestricted net assets - net assets that are not subject to donor-imposed stipulations. Unrestricted net assets may be designated for specific purposes by action of the Board of Directors.

Temporarily restricted net assets - net assets subject to donor-imposed stipulations that may or will be met either by actions of the Organization and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Contributions received with donor imposed restrictions that are met in the same year as received are reported as revenues of the unrestricted net asset class.

Permanently restricted net assets - net assets subject to donor-imposed stipulations that they be maintained in perpetuity by the Organization. There were no permanently restricted net assets at December 31, 2017 and 2016.

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 no uninsured cash at December 31, 2017 and 2016.

Accounts Receivables

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

ManeGait
NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, 2017 and 2016, respectively, but paid afterward, have been accrued and reported as accrued liabilities.

Contributions

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. Contributions are recorded as revenue at the time an unassailable right to the gift has been established and the proceeds are measurable in the amount. Conditional promises to give are not included as support until the conditions are substantially met.

Insurance Proceeds

During 2017, the Organization sustained roof damages which was covered by insurance. Insurance proceeds for the year ended December 31, 2017 was \$184,605.

Contributed Assets 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 the 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. Contributed assets and services are donated to the Organization by various individuals, corporations, and other organizations. In-kind goods and services for the year ended December 31, 2017 was \$15,250. In-kind goods and services for the year ended December 31, 2016 was \$1,248.

Approximately 490 individuals volunteered approximately 19,900 hours of service with an estimated value of approximately \$480,000 for the year ended December 31, 2017. Approximately 465 individuals volunteered approximately 18,200 hours of service with an estimated value of approximately \$440,000 for the year ended December 31, 2016. The value of this contributed time is not reflected in the accompanying financial statements because it does not meet the above criteria.

ManeGait
NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Revenue

Deferred revenue arise from advance billing of rider fees for the subsequent riding sessions and special event revenue received in the current period, which relate to the following year's special event. Rider fees and special event revenue are reflected as revenue as services are provided and when the special event occurs.

Functional Allocation of Expenses

The costs of providing the Organization's various programs and supporting services have been summarized on a functional basis in the statement of activities and change in net assets for the years ended December 31, 2017 and 2016. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

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, 2017 and 2016, 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 statement of activities and change in net assets for the years ended December 31, 2017 and 2016. 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 2014.

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. PROPERTY, PLANT AND EQUIPMENT

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

	<u>2017</u>	<u>2016</u>
Land	\$ 1,043,320	\$ 1,043,320
Buildings	213,200	213,199
Land improvements	203,305	203,305
Farm equipment	55,094	55,094
Program equipment	110,472	50,069
Vehicles	33,220	33,220
Admin Equipment	45,095	45,095
Horses	78,000	68,850
Arena	<u>259,209</u>	<u>259,209</u>
	2,040,915	1,971,361
Less accumulated depreciation	<u>(481,302)</u>	<u>(403,345)</u>
Total property, plant and equipment at cost-net	<u>\$ 1,559,613</u>	<u>\$ 1,568,016</u>

Depreciation expense was \$83,279 and \$77,722 for the years ended December 31, 2017 and 2016, respectively.

ManeGait
NOTES TO THE FINANCIAL STATEMENTS

3. ACCRUED LIABILITIES

Accrued liabilities consist of the following at December 31, 2017:

	<u>2017</u>	<u>2016</u>
Audit fees	\$ 8,000	\$ 8,000
Gala expenses	14,730	23,478
Roof repair expenses	<u>184,605</u>	<u>-</u>
	<u>\$ 207,335</u>	<u>\$ 31,478</u>

4. 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 4.25%. Collateral is a first lien deed of trust on the Organization's property at 3160 North Custer Road, McKinney, Texas. On August 25, 2016, the line of credit was renewed with a new maturity date of August 25, 2018. As of December 31, 2017 and 2016, the outstanding balance was \$50,000 and \$0, respectively.

5. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consists of the following at December 31,:

	<u>2017</u>	<u>2016</u>
GaitWay program	\$ 10,000	\$ 540
Horse simulator	-	30,000
Herd expansion	10,500	-
Harnessing Our Horsepower – capital improvement project	<u>10,000</u>	<u>-</u>
	<u>\$ 30,500</u>	<u>\$ 30,540</u>

Temporarily restricted net assets were released for the following purposes for the years ended December 31,:

	<u>2017</u>	<u>2016</u>
Horses and horse care	\$ 540	\$ 5,000
GaitWay program	-	9,460
Development of the sensory trail	-	10,000
Horse simulator	<u>30,000</u>	<u>-</u>
	<u>\$ 30,540</u>	<u>\$ 24,460</u>

6. 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,:

	<u>2017</u>		
	<u>Special Events Revenue</u>	<u>Special Events Expense</u>	<u>Net Special Events</u>
Golf outing	\$ 114,497	\$ 25,340	\$ 89,157
Gala at the Gait	689,559	210,328	479,231
Country fair	<u>69,125</u>	<u>27,934</u>	<u>41,191</u>
	<u>\$ 873,181</u>	<u>\$ 263,602</u>	<u>\$ 609,579</u>

ManeGait
NOTES TO THE FINANCIAL STATEMENTS

6. SPECIAL EVENTS (Continued)

	2016		
	Special Events Revenue	Special Events Expense	Net Special Events
Golf outing	\$ 135,096	\$ 39,062	\$ 96,034
Gala at the Gait	595,659	169,396	426,263
Gaitapalooza	52,870	12,404	40,466
	\$ 783,625	\$ 220,862	\$ 562,763

In addition to special events, total fundraising expenses were 32% and 21% of total donations, net special events and grant revenues for the years ended December 31, 2017 and 2016, respectively.

7. CONDITIONAL PROMISE TO GIVE

In December 2017, the Organization was awarded a matching grant in the amount of \$43,000 from Adair Foundation. The Organization must raise the \$43,500 for the Harnessing Our Horsepower – capital improvement project to receive the matching grant. At December 31, 2017, the Organization had raised \$10,000 in matching funds.

8. FINANCIAL CONDITION

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.

9. SUBSEQUENT EVENTS

In preparing the financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through April 23, 2018, 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, 2017.

MANEGAIT

FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT

DECEMBER 31, 2018

MANEGAIT

DECEMBER 31, 2018

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

Independent Auditor's Report

To the Board of Directors
ManeGait

We have audited the accompanying financial statements of ManeGait (a non-profit organization) (the "Organization"), which comprise of the statement of financial position as of December 31, 2018, and the related statement of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of ManeGait as of December 31, 2018, 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.

Lori K. Orta, P.C.

Dallas, Texas
June 5, 2019

ManeGait
STATEMENT OF FINANCIAL POSITION
December 31, 2018

ASSETS

CURRENT ASSETS	
Cash and cash equivalents	\$ 301,517
Cash and cash equivalents - with donor restrictions	67,172
Accounts receivable	21,713
Contributions receivable	6,922
Prepaid expenses	<u>9,342</u>
Total current assets	<u>406,666</u>
PROPERTY, PLANT AND EQUIPMENT AT COST - NET	<u>1,494,158</u>
TOTAL ASSETS	<u>\$ 1,900,824</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES	
Accounts payable	\$ 8,678
Accrued liabilities	68,486
Refundable advance	<u>50,000</u>
Total current liabilities	<u>127,164</u>
NET ASSETS	
Without donor restrictions	
Designated by Board for operating reserve	50,000
Undesignated	<u>1,656,488</u>
Total without donor restrictions	1,706,488
With donor restrictions	<u>67,172</u>
Total net assets	<u>1,773,660</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,900,824</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, 2018

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUES			
Donations	\$ 360,556	\$ -	\$ 360,556
Special events	987,628	-	987,628
Less direct expenses	<u>(334,955)</u>	-	<u>(334,955)</u>
Net special events	652,673	-	652,673
Grant revenue	202,250	86,000	288,250
Riders fees	171,329	-	171,329
Other program income	40,228	-	40,228
In-kind goods and services	15,386	-	15,386
Gain on sales of assets	11,266	-	11,266
Net assets released from restrictions	<u>49,328</u>	<u>(49,328)</u>	<u>-</u>
Total support and revenues	<u>1,503,016</u>	<u>36,672</u>	<u>1,539,688</u>
EXPENSES			
Program services			
Therapeutic Riding	873,726	-	873,726
GaitWay to the Brain	129,239	-	129,239
Supporting services			
Management and general	104,481	-	104,481
Fundraising	<u>242,518</u>	-	<u>242,518</u>
Total expenses	<u>1,349,964</u>	<u>-</u>	<u>1,349,964</u>
Increase in net assets	153,052	36,672	189,724
NET ASSETS, at beginning of year	<u>1,553,436</u>	<u>30,500</u>	<u>1,583,936</u>
NET ASSETS, at end of year	<u>\$ 1,706,488</u>	<u>\$ 67,172</u>	<u>\$ 1,773,660</u>

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

ManeGait
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2018

Cash flows from operating activities	\$	189,724
Increase in net assets		
Adjustments to reconcile increase in net assets to net cash provided by (used in) operating activities		
Gain on sale of assets		(11,266)
Depreciation		77,138
Bad debt		3,200
Donated property, plant and equipment		(8,999)
Changes in operating assets and liabilities, net		
Accounts receivable		(12,431)
Contributions receivable		(2,745)
Insurance proceeds receivable		24,924
Other receivable		500
Prepaid expenses		(638)
Accounts payable		(168)
Accrued liabilities		(138,849)
Deferred rider fees		(19,663)
Refundable advance		<u>50,000</u>
Net cash used in operating activities		<u>150,727</u>
 Cash flows from investing activities		
Change in restricted cash		(36,672)
Acquisition of property, plant and equipment		(41,226)
Proceeds from sale of assets		<u>49,808</u>
Net cash provided by investing activities		<u>(28,090)</u>
 Cash flows from financing activities		
Proceeds from line of credit		125,000
Payments on line of credit		<u>(175,000)</u>
Net cash used in financing activities		<u>(50,000)</u>
 INCREASE IN CASH AND CASH EQUIVALENTS		72,637
 Cash and cash equivalents, at beginning of year		<u>228,880</u>
 Cash and cash equivalents, at end of year	\$	<u>301,517</u>
 Supplemental disclosure of cash flow information		
Cash paid during the year for		
Interest	\$	<u>7,285</u>
Non-cash transactions		
Property, plant and equipment acquired via non-cash contributions	\$	<u>8,999</u>

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

ManeGait
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2018

	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	\$ 557,405	\$ 60,966	\$ 618,371	\$ 60,966	\$ 191,608	\$ 252,574	\$ 870,945
Employee development and training	-	-	-	895	-	895	895
Program expenses	21,098	-	21,098	-	-	-	21,098
GaitWay program	-	53,584	53,584	-	-	-	53,584
Horse care	101,151	-	101,151	-	-	-	101,151
Volunteer expenses	214	-	214	3,631	-	3,631	3,845
Repairs and maintenance	34,305	6,212	40,517	2,289	2,616	4,905	45,422
Equipment expense	3,243	85	3,328	31	36	67	3,395
Utilities	17,246	-	17,246	498	1,016	1,514	18,760
Development and marketing	-	-	-	-	33,266	33,266	33,266
Information technology	18,359	-	18,359	661	1,349	2,010	20,369
Accounting	-	-	-	18,143	-	18,143	18,143
Insurance	18,830	-	18,830	4,486	1,384	5,870	24,700
General administration	29,150	8,392	37,542	3,092	3,533	6,625	44,167
Depreciation	69,525	-	69,525	2,504	5,109	7,613	77,138
Interest expense	-	-	-	7,285	-	7,285	7,285
Bad debt	3,200	-	3,200	-	-	-	3,200
Other	-	-	-	-	2,601	2,601	2,601
	<u>\$ 873,726</u>	<u>\$ 129,239</u>	<u>\$ 1,002,965</u>	<u>\$ 104,481</u>	<u>\$ 242,518</u>	<u>\$ 346,999</u>	<u>\$ 1,349,964</u>

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

ManeGait
NOTES TO THE FINANCIAL STATEMENTS

1. CHANGE IN ACCOUNTING PRINCIPLE

Effective January 1, 2018, ManeGait (the “Organization”) adopted Accounting Standards Update (ASU) 2016-14, Not-for-Profit Entities (Topic 958) and Health Care Entities (Topic 954) – *Presentation of Financial Statements of Not-for-Profit Entities*. The ASU amends the current reporting model for nonprofit organizations and enhances their required disclosures. The major changes include: (a) requiring the presentation of only two classes of net assets now entitled “net assets without donor restrictions” and “net assets with donor restrictions”, (b) modifying the presentation of underwater endowment funds and related disclosures, (c) requiring the use of the placed in service approach to recognize the expirations of restrictions on gifts used to acquire or construct long-lived assets absent explicit donor stipulations otherwise, (d) requiring that all nonprofits present an analysis of expenses by function and nature in either the statement of activities and changes in net assets, a separate statement, or in the notes and disclose a summary of the allocation methods used to allocate costs, (e) requiring the disclosure of quantitative and qualitative information regarding liquidity and availability of resources, (f) presenting investment return net of external and direct expenses, and (g) modifying other financial statement reporting requirements and disclosures intended to increase the usefulness of nonprofit financial statements.

Implementation of ASU 2016-14 did not require reclassification or restatement of any opening balances related to the period presented. The Organization’s net assets previously reported as temporarily restricted and permanently restricted are now reported as net assets with donor restrictions. Likewise, the Organization’s net assets previously reported as unrestricted are now reported as net assets without donor restrictions.

2. 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.

ManeGait
NOTES TO THE FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting (Continued)

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. 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 not perpetual net assets in nature at December 31, 2018. See Note 8.

Liquidity

Assets are presented in the accompanying statement 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 3.

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 \$120,000 uninsured cash at December 31, 2018.

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, 2018, respectively, but paid afterward, have been accrued and reported as accrued liabilities.

ManeGait
NOTES TO THE FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 refundable advance approximate fair value due to the short-term maturities of these assets and liabilities.

Contributions

Contributions, including unconditional promises to give, are recognized as revenue in the period received. All contributions are available for unrestricted use unless specifically restricted by the donor. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Unconditional promises to give due in the next year are recorded at their net realizable value. Unconditional promises to give due in subsequent years are reported at the present value of their net realizable value, using risk-free interest rates applicable to the years in which the promises are to be received.

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 year ended December 31, 2018:

Program equipment	\$ 3,000
Horses	6,000
Repairs and maintenance	<u>6,386</u>
	<u>\$ 15,386</u>

In addition, many individuals volunteer their time and efforts that help the Organization provide its services. For the year ended December 31, 2018, approximately 470 volunteers spent approximately 21,000 hours of service. The value of these services were approximately \$534,000. The value of this contributed time is not reflected in the accompanying financial statements because it does not meet the above criteria.

Deferred Revenue

Deferred revenue arise from advance billing of rider fees for the subsequent riding sessions received in the current period. Rider fees are reflected as revenue as services are provided.

Refundable Advance

Refundable advance includes amounts received prior to year-end in connection with the 2019 Gala at the Gait which is held after December 31, 2018.

ManeGait
NOTES TO THE FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statement 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

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 year ended December 31, 2018, 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 statement of activities and change in net assets for the year ended December 31, 2018. 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 2015.

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.

3. LIQUIDITY AND AVAILABILITY

The following reflects the Organization's financial assets as of December 31, 2018, reduced by amounts not available for general use because of donor-imposed restrictions within one year of the statement of financial position date. Amounts available include donor restricted amounts that are available for general expenditure in the following year.

Financial assets		
Cash and cash equivalents	\$	301,517
Cash and cash equivalents – with donor restrictions		67,172
Accounts receivable		21,713
Contributions receivable		<u>6,922</u>
Total financial assets		397,324
Less amounts not available to be used within one year, due to		
Net assets with donor restrictions		(67,172)
Designated by Board for operating reserve		<u>(50,000)</u>
Financial assets available to meet general expenditures within one year	\$	<u><u>280,152</u></u>

ManeGait
NOTES TO THE FINANCIAL STATEMENTS

3. LIQUIDITY AND AVAILABILITY (Continued)

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. In addition, the Board designates a portion of any operating surplus to its operating reserve, which was \$50,000 as of December 31, 2018. See Note 7.

4. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consist of the following at December 31, 2018:

Land	\$ 1,014,273
Buildings	220,000
Land improvements	235,833
Farm equipment	56,994
Program equipment	113,473
Vehicles	33,219
Admin Equipment	45,095
Horses	70,499
Arena	<u>259,209</u>
	2,048,595
Less accumulated depreciation	<u>(554,437)</u>
Total property, plant and equipment at cost-net	<u>\$ 1,494,158</u>

Depreciation expense was \$77,138 for the year ended December 31, 2018.

5. ACCRUED LIABILITIES

Accrued liabilities consist of the following at December 31, 2018:

Audit fees	\$ 8,500
Gala expenses	50,611
Accrued unemployment claims	<u>9,375</u>
	<u>\$ 68,486</u>

6. 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 4.25%. Collateral is a first lien deed of trust on the Organization's property at 3160 North Custer Road, McKinney, Texas. On August 25, 2018, the line of credit was renewed with a new maturity date of August 25, 2020. As of December 31, 2018, the outstanding balance was \$0.

7. BOARD DESIGNATED NET ASSETS

The Board has designated \$50,000 from net assets without donor restrictions as an operating reserve at December 31, 2018. 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.

ManeGait
NOTES TO THE FINANCIAL STATEMENTS

8. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purpose at December 31, 2018:

Subject to expenditure for specified purpose:	
Herd expansion	\$ 10,500
Harnessing Our Horsepower – capital improvement project	<u>56,672</u>
	<u>\$ 67,172</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose for the year ended December 31, 2018:

Satisfaction of purpose restrictions:	
GaitWay program	\$ 10,000
Harnessing Our Horsepower – capital improvement project	<u>39,328</u>
	<u>\$ 49,328</u>

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 year ended December 31, 2018:

	Special Events <u>Revenue</u>	Special Events <u>Expense</u>	Net Special <u>Events</u>
Golf outing	\$ 131,318	\$ 27,852	\$ 103,466
Gala at the Gait	763,011	281,984	481,027
Country fair	<u>93,399</u>	<u>25,119</u>	<u>68,280</u>
	<u>\$ 987,728</u>	<u>\$ 334,955</u>	<u>\$ 652,773</u>

In addition to special events, total fundraising expenses were 19% of total donations, net special events and grant revenues for the year ended December 31, 2018.

10. CONDITIONAL PROMISE TO GIVE

In December 2017, the Organization was awarded a matching grant in the amount of \$43,000 from Adair Foundation. The Organization must raise the \$43,500 for the Harnessing Our Horsepower – capital improvement project to receive the matching grant. During 2018, the Organization fulfilled the condition.

11. FINANCIAL CONDITION

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.

12. SUBSEQUENT EVENTS

In preparing the financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through June 5, 2019, 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, 2018.

ManeGait Therapeutic Horsemanship

STATEMENT OF ACTIVITY

January - December 2018

	TOTAL
Revenue	
4100 Rider Fees	157,363.35
4110 Prepaid Riding Fee	25.00
4120 Horse Show Competition	11,892.96
Total 4100 Rider Fees	169,281.31
4200 Donations	241,820.20
4220 3rd Party Events	50,586.54
4230 Donations - Angel Tree	2,789.00
4240 Designated	5,500.00
4250 Champions for Horses	59,859.63
Total 4200 Donations	360,555.37
4300 Donations - In Kind	15,386.27
4400 Grants	35,000.00
4410 Restricted Funds	21,500.00
4420 Capital Spending (Unrestricted)	69,000.00
4430 Operating Funds (Unrestricted)	162,750.00
Total 4400 Grants	288,250.00
4800 Fundraising Event Income	
4810 Golf Outing	131,318.09
4820 Gala at the Gait	763,011.05
4845 Country Fair	93,299.09
Total 4800 Fundraising Event Income	987,628.23
4900 Other Program Income	17,865.54
4910 PATH Certification Workshop	2,407.54
4920 Horse Show Income	20.00
4930 Logo Wear and Promo	1,554.92
Total 4900 Other Program Income	21,848.00
4950 Other Income	18,378.84
Total Revenue	\$1,861,328.02
GROSS PROFIT	\$1,861,328.02
Expenditures	
5000 Program Expenses	3,122.74
5001 Program Supplies	2,743.81
5003 Dues and Memberships	1,862.00
5004 Horse Show Competitions	7,139.28
5005 Logo Wear & Mdse	1,867.36
5006 Program Events	236.36
5007 Helmet Program	247.49
5009 Other	3,880.02
Total 5000 Program Expenses	21,099.06
5100 GaitWay Supplies	10,943.19
5101 Therapy Services	42,641.25

	TOTAL
Total 5100 GaitWay Supplies	53,584.44
5200 Horse Care	
5202 Vet Services	20,343.69
5204 Equine Supplies	4,170.02
5206 Feed/Hay	57,887.21
5207 Farrier Fees	18,750.00
Total 5200 Horse Care	101,150.92
5300 Volunteer Expenses	102.89
5301 Recognition Event	3,631.36
5304 Volunteer Expenses{55}	110.69
Total 5300 Volunteer Expenses	3,844.94
5500 Fundraising Event Expense	
5501 Fundraising Events	
5511 Golf Outing Expense	27,851.94
5521 Gala at the 'Gait Expenses	281,983.63
5532 Country Fair Expenses	26,130.72
Total 5501 Fundraising Events	335,966.29
Total 5500 Fundraising Event Expense	335,966.29
6000 Employee Costs	3,000.00
6001 Salaries & Wages	722,840.03
6010 Payroll Taxes	53,495.42
6015 Workman's Comp	13,779.60
6020 Health	74,391.10
6025 Payroll Processing Fees	3,438.67
Total 6000 Employee Costs	870,944.82
6060 Insurance	
6062 Officer's Liability	3,808.00
6063 Umbrella Policy	7,078.20
6064 Auto	8,772.58
6065 Commercial Liability	5,040.67
Total 6060 Insurance	24,699.45
6100 Developement & Marketing	
6101 Marketing - Outside Services	16,260.34
6103 Grant Proposal Expenses	17.50
6104 Other Fund Raising Expenses	475.00
6105 Donor Recognition/Gifts/Signage	14,821.61
6106 Donor Cultivation	564.52
6108 Marketing Supplies	203.21
6109 Miscellaneous	922.54
Total 6100 Developement & Marketing	33,264.72
6210 Repairs and Maintenance	6.46
6211 Gait House	875.03
6212 Equipment	1,838.26
6213 Truck and Trailer	2,330.05
6214 Admin Building	1,416.23
6215 Barn	2,678.17
6216 Pasture & Arena	7,329.94
6218 Gas	2,561.23
6219 Facilities	20,762.16

	TOTAL
6220 Cleaning	4,400.00
6221 Repairs & Maintenance	1,226.12
Total 6210 Repairs and Maintenance	45,423.65
6230 Utilities	
6231 Trash Disposal	2,560.88
6233 Internet	4,272.80
6234 Water	3,418.22
6235 Electricity	8,508.13
Total 6230 Utilities	18,760.03
6310 Equipment Expense	
6312 Miscellaneous	177.26
6314 Office	141.73
6315 Machinery	125.51
6316 Tack	2,949.88
Total 6310 Equipment Expense	3,394.38
6400 General/Administrative	
6405 Bad Debt Expense	3,199.50
6410 Office Supplies	11,033.08
6420 Postage	2,057.99
6430 Bank/CC Processing Fees	31,075.57
6440 Accounting - Outside Services	18,142.65
6500 IT - Outside Services	20,368.69
8100 Interest Expense	7,285.03
Total 6400 General/Administrative	93,162.51
6700 Employee Development & Training	
6710 Employee Training	75.00
6750 Interview Expense	250.00
6760 Conferences/Meetings	221.99
6780 Appreciation	347.68
Total 6700 Employee Development & Training	894.67
7000 Depreciation	77,138.06
8300 Gain / Loss on Sale of Assets	-11,265.61
Uncategorized Expense	88.54
Total Expenditures	\$1,672,150.87
NET OPERATING REVENUE	\$189,177.15
Other Expenditures	
Other Miscellaneous Expense	2,514.36
Total Other Expenditures	\$2,514.36
NET OTHER REVENUE	\$ -2,514.36
NET REVENUE	\$186,662.79

ManeGait Therapeutic Horsemanship

STATEMENT OF ACTIVITY

January 1 - November 25, 2019

	TOTAL
Revenue	
4100 Rider Fees	152,691.62
4120 Horse Show Competition	7,954.92
Total 4100 Rider Fees	160,646.54
4200 Donations	82,127.15
4220 3rd Party Events	84,196.90
4250 Champions for Horses	43,374.97
Total 4200 Donations	209,699.02
4400 Grants	
4430 Operating Funds (Unrestricted)	213,600.00
Total 4400 Grants	213,600.00
4800 Fundraising Event Income	
4810 Golf Outing	123,240.00
4820 Gala at the Gait	736,222.80
4845 Country Fair	96,704.41
Total 4800 Fundraising Event Income	956,167.21
4900 Other Program Income	3,622.99
4910 PATH Certification Workshop	6,125.80
4920 Horse Show Income	273.00
4930 Logo Wear and Promo	836.03
Total 4900 Other Program Income	10,857.82
4950 Other Income	2,106.40
Uncategorized Income	29,747.00
Total Revenue	\$1,582,823.99
GROSS PROFIT	\$1,582,823.99
Expenditures	
2020 Visa Card 0214	59.11
5000 Program Expenses	2,236.33
5001 Program Supplies	8,584.59
5002 Outside Services	191.76
5003 Dues and Memberships	4,915.00
5004 Horse Show Competitions	9,917.97
5005 Logo Wear & Mdse	3,269.77
5006 Program Events	856.58
5007 Helmet Program	200.57
5009 Other	1,320.48
Total 5000 Program Expenses	31,493.05
5100 GaitWay Supplies	3,160.39
5101 Therapy Services	31,345.42
Total 5100 GaitWay Supplies	34,505.81
5200 Horse Care	
5202 Vet Services	7,905.36

	TOTAL
5204 Equine Supplies	828.29
5206 Feed/Hay	50,756.48
5207 Farrier Fees	15,825.00
Total 5200 Horse Care	75,315.13
5300 Volunteer Expenses	92.18
5301 Recognition Event	2,565.04
5302 Supplies	907.14
5304 Volunteer Expenses{55}	138.42
Total 5300 Volunteer Expenses	3,702.78
5500 Fundraising Event Expense	
5501 Fundraising Events	
5511 Golf Outing Expense	26,708.09
5521 Gala at the 'Gait Expenses	236,267.26
5532 Country Fair Expenses	39,776.59
Total 5501 Fundraising Events	302,751.94
Total 5500 Fundraising Event Expense	302,751.94
6000 Employee Costs	
6001 Salaries & Wages	556,570.67
6010 Payroll Taxes	42,565.27
6015 Workman's Comp	-2,068.18
6020 Health	44,230.12
6025 Payroll Processing Fees	3,103.62
Total 6000 Employee Costs	644,401.50
6060 Insurance	
6062 Officer's Liability	3,348.75
6063 Umbrella Policy	6,576.25
6064 Auto	7,274.64
6065 Commercial Liability	2,676.71
Total 6060 Insurance	19,876.35
6100 Development & Marketing	
6101 Marketing - Outside Services	6,279.64
6103 Grant Proposal Expenses	16.90
6105 Donor Recognition/Gifts/Signage	2,491.36
6108 Marketing Supplies	11,155.92
6109 Miscellaneous	359.39
Total 6100 Development & Marketing	20,303.21
6210 Repairs and Maintenance	
6211 Gait House	1,232.30
6212 Equipment	3,203.93
6213 Truck and Trailer	1,346.43
6215 Barn	226.87
6216 Pasture & Arena	19,473.45
6217 Supplies	32.76
6218 Gas	1,898.21
6219 Facilities	27,673.23
6220 Cleaning	4,400.00
6221 Repairs & Maintenance	775.45
Total 6210 Repairs and Maintenance	60,262.63
6230 Utilities	

	TOTAL
6231 Trash Disposal	2,835.61
6234 Water	4,043.18
6235 Electricity	8,041.82
Total 6230 Utilities	14,920.61
6310 Equipment Expense	
6316 Tack	6,307.57
Total 6310 Equipment Expense	6,307.57
6400 General/Administrative	359.80
6410 Office Supplies	10,194.20
6420 Postage	2,235.50
6430 Bank/CC Processing Fees	30,498.02
6440 Accounting - Outside Services	13,333.40
6500 IT - Outside Services	21,173.09
Total 6400 General/Administrative	77,794.01
6600 Gala at the Gait Program Expens	298.24
6700 Employee Development & Training	80.00
6710 Employee Training	300.00
6750 Interview Expense	200.00
6760 Conferences/Meetings	490.46
6780 Appreciation	875.17
Total 6700 Employee Development & Training	1,945.63
7000 Depreciation	45,574.38
Total Expenditures	\$1,339,511.95
NET OPERATING REVENUE	\$243,312.04
Other Expenditures	
Other Miscellaneous Expense	265.83
Total Other Expenditures	\$265.83
NET OTHER REVENUE	\$ -265.83
NET REVENUE	\$243,046.21

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