Fieldstone Farm Therapeutic Riding Center and The TRC Foundation

Combined Financial Statements
December 31, 2024 and 2023

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and The TRC Foundation

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December 31, 2024 and 2023

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Ciuni & Panichi
CPAs and Business Advisors
Where Relationships Count.

Independent Auditor's Report

To the Boards of Trustees of
Fieldstone Farm Therapeutic Riding Center and
The TRC Foundation

Opinion

We have audited the combined financial statements of Fieldstone Farm Therapeutic Riding Center and The TRC Foundation (collectively referred to as the "Organization", a nonprofit corporation), which comprise the combined statements of financial position as of December 31, 2024 and 2023, and the related combined statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the combined financial statements.

In our opinion, the accompanying combined financial statements present fairly, in all material respects, the financial position of the Organization as of December 31, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 combined 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 combined financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the combined 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 for one year after the date that the combined financial statements are available to be issued.

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To the Boards of Trustees of
Fieldstone Farm Therapeutic Riding Center and
The TRC Foundation

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the combined 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 GAAS 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 combined financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the combined 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 combined financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the combined 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.

Ciuni & Panichi, Inc.

Cleveland, Ohio
June 19, 2025

Fieldstone Farm Therapeutic Riding Center
and The TRC Foundation

Combined Statements of Financial Position

December 31, 2024 and 2023

Assets

	2024	2023
Current assets:		
Cash and equivalents		
Operating	$ 666,203	$ 979,830
Restricted	374,995	334,994
Total cash and equivalents	1,041,198	1,314,824
Pledges receivable	37,950	21,700
Accounts receivable – program, net	422	6,236
Accounts receivable – other	3,048	940
Investments- certificate of deposit	250,000	101,000
Prepaids	34,525	85,289
Total current assets	1,367,143	1,529,989
Property, plant, and equipment, at cost:		
Land	440,750	440,750
Land improvements	817,425	777,675
Building	2,887,682	2,877,932
Horses	91,475	89,575
Equipment	1,075,416	989,239
Construction in progress	120,687	18,749
	5,433,435	5,193,920
Less accumulated depreciation	(2,966,666)	(2,814,010)
	2,466,769	2,379,910
Other assets:		
Board-designated capital reserve cash	110,000	110,000
Board-designated endowment:		
Investments	22,440,437	19,753,853
Cash	175,845	95,434
Donor-restricted endowment	65,300	65,300
Total assets	$ 26,625,494	$ 23,934,486

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

Fieldstone Farm Therapeutic Riding Center
and The TRC Foundation

Combined Statements of Financial Position (continued)

December 31, 2024 and 2023

Liabilities and Net Assets

	2024	2023
Current liabilities:		
Accounts payable and accrued expenses	$ 84,315	$ 64,189
Other current liabilities	5,963	7,510
Deferred revenue	4,264	3,863
Total current liabilities	94,542	75,562
Other long-term liabilities	8,559	14,520
Total liabilities	103,101	90,082
Net assets without donor restrictions:		
Operating	856,121	1,727,290
Net investment in property, plant, and equipment	2,452,247	2,357,880
Board-designated capital reserve	110,000	110,000
Board-controlled – Foundation	22,632,370	19,200,277
Total net assets without donor restrictions	26,050,738	23,395,447
Net assets with donor restrictions:		
To be held in perpetuity – time restricted	65,300	65,300
Not yet expended due to time or purpose restrictions	406,355	383,657
Total net assets with donor restrictions	471,655	448,957
Total net assets	26,522,393	23,844,404
Total liabilities and net assets	$ 26,625,494	$ 23,934,486

Fieldstone Farm Therapeutic Riding Center
and The TRC Foundation

Combined Statement of Activities

For the year ended December 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Public support and revenues:			
Public support:			
Contributions	$ 1,229,010	$ 327,916	$ 1,556,926
Contributed nonfinancial assets- donated horses	8,800	-	8,800
Contributed nonfinancial assets- other	70,729	-	70,729
Special event revenue	554,406	-	554,406
Less: direct benefits to donors	(195,528)	-	(195,528)
Total public support	1,667,417	327,916	1,995,333
Revenues:			
Tuition, net	267,743	-	267,743
Gaitway	120,032	-	120,032
Rent	4,235	-	4,235
Miscellaneous	5,994	-	5,994
Total revenues	398,004	-	398,004
Investment income designated for operations	834,496	-	834,496
Board approved transfer to the TRC Foundation	(800,000)	-	(800,000)
Net assets released from restrictions	305,218	(305,218)	-
Total public support and revenues	2,405,135	22,698	2,427,833
Expenses:			
Program services	2,095,405	-	2,095,405
Management and general	186,533	-	186,533
Fundraising	284,109	-	284,109
Total expenses	2,566,047	-	2,566,047
Change in net assets from operating activity	(160,912)	22,698	(138,214)
Non-operating activity:			
Contributions – general	285,285	-	285,285
Investment return, net	2,565,414	-	2,565,414
Investment income designated for operations	(834,496)	-	(834,496)
Board approved transfer to the TRC Foundation	800,000	-	800,000
Total non-operating activity	2,816,203	-	2,816,203
Change in net assets	2,655,291	22,698	2,677,989
Net assets – beginning of year	23,395,447	448,957	23,844,404
Net assets – end of year	$ 26,050,738	$ 471,655	$ 26,522,393

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

Fieldstone Farm Therapeutic Riding Center
and The TRC Foundation

Combined Statement of Activities

For the year ended December 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Public support and revenues:			
Public support:			
Contributions	$ 1,134,918	$ 259,677	$ 1,394,595
Contributed nonfinancial assets- donated horses	14,000	-	14,000
Contributed nonfinancial assets- other	55,280	-	55,280
Special event revenue	513,508	-	513,508
Less: direct benefits to donors	(179,971)	-	(179,971)
Total public support	1,537,735	259,677	1,797,412
Revenues:			
Tuition, net	234,105	-	234,105
Gaitway	130,916	-	130,916
Rent	6,376	-	6,376
Miscellaneous	5,994	-	5,994
Total revenues	377,391	-	377,391
Investment income designated for operations	776,503	-	776,503
Board approved transfer to the TRC Foundation	(350,000)	-	(350,000)
Net assets released from restrictions	203,624	(203,624)	-
Total public support and revenues	2,545,253	56,053	2,601,306
Expenses:			
Program services	2,085,686	-	2,085,686
Management and general	167,800	-	167,800
Fundraising	250,086	-	250,086
Total expenses	2,503,572	-	2,503,572
Change in net assets from operating activity	41,681	56,053	97,734
Non-operating activity:			
Contributions – general	52,529	-	52,529
Investment return, net	2,689,069	-	2,689,069
Investment income designated for operations	(776,503)	-	(776,503)
Board approved transfer to the TRC Foundation	350,000	-	350,000
Total non-operating activity	2,315,095	-	2,315,095
Change in net assets	2,356,776	56,053	2,412,829
Net assets – beginning of year	21,038,671	392,904	21,431,575
Net assets – end of year	$ 23,395,447	$ 448,957	$ 23,844,404

Fieldstone Farm Therapeutic Riding Center
and The TRC Foundation

Combined Statement of Functional Expenses

For the year ended December 31, 2024

	Program Services	Management and General	Fundraising	Total
Personnel expenses:				
Salaries	$ 1,049,353	$ 147,812	$ 221,670	$ 1,418,835
Fringe benefits	155,711	13,034	14,754	183,499
Payroll taxes	81,141	9,877	15,219	106,237
	1,286,205	170,723	251,643	1,708,571
Other expenses:				
Horse operating	218,827	-	-	218,827
Depreciation	153,465	1,616	1,567	156,648
Maintenance and utilities	91,605	1,565	2,258	95,428
Student expense	42,549	-	-	42,549
Office supplies and expenses	44,449	3,181	3,671	51,301
Marketing and communications	54,410	1,710	11,287	67,407
Insurance	44,324	-	-	44,324
Meeting and education	18,317	897	2,464	21,678
Contract labor	80,000	2,770	4,591	87,361
Professional fees	28,734	2,517	4,702	35,953
Volunteer expenses	11,362	-	-	11,362
Telephone	11,989	765	774	13,528
Postage	1,694	221	437	2,352
Credit loss	576	-	-	576
Event expenses: direct benefits to donors	-	-	195,528	195,528
Miscellaneous	6,899	568	715	8,182
	809,200	15,810	227,994	1,053,004
Total functional expenses	2,095,405	186,533	479,637	2,761,575
Less: expenses included with revenues on the statement of activities	-	-	(195,528)	(195,528)
Total expenses included in the expenses section of the statement of activities	$ 2,095,405	$ 186,533	$ 284,109	$ 2,566,047

Fieldstone Farm Therapeutic Riding Center and The TRC Foundation

Combined Statement of Functional Expenses

For the year ended December 31, 2023

	Program Services	Management and General	Fundraising	Total
Personnel expenses:				
Salaries	$ 955,320	$ 131,928	$ 196,926	$ 1,284,174
Fringe benefits	153,112	12,853	14,983	180,948
Payroll taxes	72,042	8,604	13,564	94,210
	1,180,474	153,385	225,473	1,559,332
Other expenses:				
Horse operating	361,838	-	-	361,838
Depreciation	145,842	1,489	1,489	148,820
Maintenance and utilities	106,843	1,063	1,180	109,086
Student expense	49,393	-	-	49,393
Office supplies and expenses	33,974	2,062	2,707	38,743
Marketing and communications	26,268	1,991	8,792	37,051
Insurance	41,269	-	-	41,269
Meeting and education	19,118	316	749	20,183
Contract labor	62,677	2,672	4,512	69,861
Professional fees	26,158	2,261	3,875	32,294
Volunteer expenses	11,185	-	-	11,185
Telephone	12,904	132	125	13,161
Postage	3,102	265	614	3,981
Credit loss	309	-	-	309
Event expenses: direct benefits to donors	-	-	179,971	179,971
Miscellaneous	4,332	2,164	570	7,066
	905,212	14,415	204,584	1,124,211
Total functional expenses	2,085,686	167,800	430,057	2,683,543
Less: expenses included with revenues on the statement of activities	-	-	(179,971)	(179,971)
Total expenses included in the expenses section of the statement of activities	$ 2,085,686	$ 167,800	$ 250,086	$ 2,503,572

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

Fieldstone Farm Therapeutic Riding Center
and The TRC Foundation

Combined Statements of Cash Flows

For the years ended December 31, 2024 and 2023

	2024	2023
Cash flows from operating activities:		
Changes in net assets	$ 2,677,989	$ 2,412,829
Adjustments to reconcile change in net assets to net cash and equivalents provided by operating activities:		
Depreciation	156,648	148,820
Credit loss expense	576	309
Donated horses	(8,800)	(14,000)
Net realized and unrealized gain on investments	(2,395,552)	(2,482,793)
Loss on sale/retirement of assets	462	4,046
(Increase) decrease in assets:		
Pledges receivable	(16,826)	24,091
Accounts receivable – program, net	5,814	4,761
Accounts receivable – other	(2,108)	632
Prepaids	50,764	(27,167)
Increase (decrease) in liabilities		
Accounts payable and accrued expenses	20,126	(14,945)
Other liabilities	(7,508)	2,896
Deferred revenue	401	(10,928)
Net cash and equivalents provided by operating activities	481,986	48,551
Cash flows from investing activities:		
Purchases of property, plant, and equipment	(237,615)	(125,104)
Proceeds from sale of property, plant, and equipment	2,446	-
Purchases of investments	(1,838,895)	(893,898)
Proceeds from sales of investments	1,398,863	837,778
Net cash and equivalents used by investing activities	(675,201)	(181,224)
Decrease in cash and equivalents	(193,215)	(132,673)
Cash and equivalents – beginning of year	1,520,258	1,652,931
Cash and equivalents – end of year	$ 1,327,043	$ 1,520,258

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

Fieldstone Farm Therapeutic Riding Center
and The TRC Foundation

Combined Statements of Cash Flows (continued)

For the years ended December 31, 2024 and 2023

	2024	2023
Components of cash and equivalents:		
Operating cash	$ 666,203	$ 979,830
Restricted cash	374,995	334,994
Board-designated capital reserve cash	110,000	110,000
Board-designated endowment cash	175,845	95,434
Total cash and equivalents	$ 1,327,043	$ 1,520,258

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

Fieldstone Farm Therapeutic Riding Center and The TRC Foundation

Notes to Combined Financial Statements

December 31, 2024 and 2023

Note 1: Summary of Significant Accounting Policies

Organization and Operations

Fieldstone Farm Therapeutic Riding Center (the "Center" or "FFTRC") engages the therapeutic power of horses to discover and nurture the special abilities of individuals, families and communities. The TRC Foundation (the "Foundation") was organized in 1995 to operate exclusively for the support of Fieldstone Farm Therapeutic Riding Center.

Combination

The combined financial statements include the accounts of the Center and the Foundation (collectively referred to as the "Organization"). All significant intercompany accounts and transactions have been eliminated in combination.

Basis of Presentation

The Organization follows authoritative guidance issued by the Financial Accounting Standards Board (FASB) which established the FASB Accounting Standards Codification (ASC) as the single source of authoritative accounting principles generally accepted in the United States of America.

The accompanying combined financial statements have been prepared on the accrual basis of accounting. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are reported as follows:

Net Assets Without Donor Restrictions – represent net assets that are not subject to donor-imposed restrictions. Contributions are considered to be available for use unless specifically restricted by the donor. Included in these net assets are amounts designated by the Boards of Trustees for specific purposes.

Net Assets With Donor Restrictions – represent net assets that are subject to donor-imposed restrictions as to time and/or purpose. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the combined statement of activities as net assets released from restrictions. If donor-imposed restrictions are met in the same year as they are imposed, the net assets are reported as net assets without donor restrictions. Similarly, restricted investment income utilized during the same year it is earned is reported as net assets without donor restrictions.

Note 1: Summary of Significant Accounting Policies (continued)

Revenue Recognition

The Organization's contracts are with students and the Western Reserve Educational Service Center (WRESC). A contract is identified when it has approval and commitment from both parties, the rights of the parties are identified, payment terms are identified, the contract has commercial substance, and collectability of consideration is probable.

The Organization may apply revenue recognition guidance to a portfolio of contracts with similar characteristics if the Organization reasonably expects the effects on the combined financial statements of applying this guidance to the portfolio would not differ materially from applying this guidance to the individual contracts (or performance obligations) within that portfolio. The Organization is taking the practical expedient approach for tuition as all contracts are the same.

The transaction price for tuition is the agreed upon tuition fee. Each riding lesson is considered a separate performance obligation. Tuition revenue is recognized at a point in time, when the student receives the riding lesson.

Gaitway revenue consists of revenue received by WRESC for tuition on behalf of the students. The transaction price for Gaitway revenue is the agreed upon fee per the contract, which is calculated each quarter. The performance obligation is considered the tuition per quarter, as the student simultaneously receives and consumes the benefits provided by the Organization's performance as the Organization performs, the Gaitway revenue is recognized over time. The Gaitway revenue is recognized ratably over the quarter the tuition is earned.

Use of Estimates

The preparation of combined financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the combined financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Equivalents

For purposes of the combined statements of cash flows, cash and equivalents include short-term highly liquid investments with original maturities of three months or less, other than cash and equivalents held at brokerage accounts, which is included in investments.

Note 1: Summary of Significant Accounting Policies (continued)

Accounts Receivable

The Center utilizes the allowance for credit losses method to account for potential uncollectible receivables from tuition fees. In determining the amount of the allowance as of the combined statement of financial position date, the Organization develops a loss rate. This loss rate is based on management's historical collection experience, adjusted for management's expectations about current and future economic conditions. The allowance for credit losses was $773 at December 31, 2024 and 2023.

Contributions and Pledges Receivable

Unconditional pledges are recognized as revenues in the period the promise is received. Conditional pledges are recognized when the conditions upon which they depend are substantially met. The pledges are stated at their fair value. Pledges that are to be received over a period of years are discounted to their fair value assuming their respective payment terms and an appropriate discount rate as of the date the pledge is received. The discount is amortized into contribution revenue over the term of the respective pledge agreement.

The Organization utilizes the allowance method to account for potential uncollectible pledges receivable. The Organization estimates the allowance for doubtful accounts based upon management's review of all accounts and an assessment of the Organization's historical evidence of collections. Specific accounts are charged directly to the allowance when management obtains evidence that the account is uncollectible.

The Organization considers all contributions to be without donor restriction unless specially restricted by the donor.

Property, Plant, and Equipment

Property, plant, and equipment are recorded at cost or, if contributed, estimated fair market value at the date of the gift. Expenditures for maintenance and repairs are expensed as incurred. Depreciation is computed over the estimated useful lives of the assets using the straight-line method. The following lives are assigned to the various assets:

Land improvements	20 years
Building	40 years
Equipment	3-8 years
Horses	1-10 years

Note 1: Summary of Significant Accounting Policies (continued)

Income Taxes

The Organization's entities are tax-exempt under Section 501(c)(3) of the Internal Revenue Code. No provision for federal income taxes has been reported in the combined financial statements for exempt-purpose activities.

The Organization accounts for income taxes in accordance with the "Income Taxes" topic of the FASB ASC. Uncertain income tax positions are evaluated at least annually by management. The Organization classifies interest and penalties related to income tax matters as management and general expenses in the accompanying combined statements of activities. As of December 31, 2024 and 2023, the Organization has identified no uncertain income tax positions and has incurred no amounts for income tax penalties and interest for the years then ended.

The Organization's entities each file a Federal Form 990 in the U.S. federal jurisdiction and a state registration in the office of the Attorney General for the State of Ohio.

Tuition

The Center provides lessons at an estimated cost of $177 per lesson for 2024 and $189 per lesson for 2023. However, through a substantial contribution of approximately 14,500 and 14,250 volunteer hours during 2024 and 2023, respectively, the Center subsidizes the lessons. In addition, tuition is presented net of riderships awarded.

The tuition revenue for 2024 and 2023 is as follows:

	2024	2023
Cost of lessons provided	$ 2,564,376	$ 2,693,250
Less: the Center's subsidy	(2,296,633)	(2,459,145)
Net tuition revenue	$ 267,743	$ 234,105

Concentrations of Credit Risk

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash and cash equivalents, investments, and pledges receivable. There was no concentration risk for revenue for the years ended December 31, 2024 or 2023. In 2024, concentration risks with respect to pledges receivable are primarily due to the significant portion of receivables outstanding with one donor, which represents 66% of the balance at December 31, 2024. In 2023, concentration risks with respect to pledges receivable are primarily due to the significant portion of receivables outstanding with one donor, which represents 92% of the balance at December 31, 2023.

Note 1: Summary of Significant Accounting Policies (continued)

Concentrations of Credit Risk (continued)

The Foundation has significant investments in equity securities and is therefore subject to concentrations of credit risk. Investments are managed by investment advisors who operate under an Investment Policy Statement (IPS) approved by the Foundation Board. Though the market value of investments is subject to fluctuations, the Foundation Board believes that the investment policy is prudent for the long-term welfare of the Foundation.

At various times during the years ended December 31, 2024 and 2023, the Organization's cash in bank balances may have exceeded the federally insured limits.

Contributed Nonfinancial Assets

The Organization recognizes contributions of services received when those services (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by the donation. The value assigned to the services received is equal to their estimated fair value.

Contributed nonfinancial assets are recorded by the Organization at their estimated fair value at the date of donation. The Organization records the value of the material received or the services rendered as revenue and expense.

Subsequent Events

The Organization has evaluated events for potential disclosure or recognition in the combined financial statements through June 19, 2025, the date the combined financial statements were available to be issued.

Note 2: Fair Value Measurements

In accordance with the "Fair Value Measurements" topic of the FASB ASC, the Organization uses a three-level fair value hierarchy that categorizes assets and liabilities measured at fair value based on the observability of the inputs utilized in the valuation. This hierarchy prioritizes the inputs into three broad levels as follows: Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities; Level 2 inputs are quoted prices for similar assets and liabilities in active markets or inputs that are observable for the asset or liability, either directly or indirectly; and Level 3 inputs are unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own valuation assumptions. These inputs reflect management's judgment about the assumptions that a market participant would use in pricing the asset or liability and are based on the best available information, which has been internally developed.

Note 2: Fair Value Measurements (continued)

Financial assets measured at fair value on a recurring basis consisted of the following at December 31, 2024:

	2024			
	Level 1	Level 2	Level 3	Total
Exchange traded funds	$ 5,689,910	$ -	$ -	$ 5,689,910
Equities	6,524,736	-	-	6,524,736
Money market funds	2,772,624	-	-	2,772,624
Private Placement Funds	-	5,464,766	-	5,464,766
Certificates of deposit	-	250,000	-	250,000
Private equity	-	-	2,028,414	2,028,414
Limited partnership	-	-	25,287	25,287
Total	$ 14,987,270	$ 5,714,766	$ 2,053,701	$ 22,755,737

Financial assets measured at fair value on a recurring basis consisted of the following at December 31, 2023:

	2023			
	Level 1	Level 2	Level 3	Total
Exchange traded funds	$ 4,817,549	$ -	$ -	$ 4,817,549
Equities	5,920,479	-	-	5,920,479
Money market funds	1,953,182	-	-	1,953,182
Private Placement Funds	-	5,050,542	-	5,050,542
Certificates of deposit	-	101,000	-	101,000
Private equity	-	-	1,765,326	1,765,326
Limited partnership	-	-	312,075	312,075
Total	$ 12,691,210	$ 5,151,542	$ 2,077,401	$ 19,920,153

Exchange Traded Funds

The Foundation invests in exchange traded funds in a variety of industries with quoted prices in active markets that are considered to be Level 1 inputs.

Equities

The Foundation invests in equities. Equities are listed or traded on any national market or exchange and are valued at the last sales price as of the close of the principal securities exchange on which such securities are traded or, if traded over the counter, at the final bid price on the valuation date. They are subject to changes in value that can occur from events or other conditions that affect the markets in which they are traded.

Note 2: Fair Value Measurements (continued)

Money Market Funds

Money market funds are valued using quoted market prices, or broker or dealer quotations with reasonable levels of price transparency.

Private Placement Funds

The Foundation invests in private placement funds. These partnerships invest in publicly traded securities with quoted prices in active markets.

Private Equity

The Foundation has a percentage of its investment in several private equity funds that are valued at Level 3 based on redemption restrictions as described below. The funds are valued monthly and valuations are obtained from fund managers and validated through the Foundation and its investment advisor. Redemptions are limited by the funds' managers and the funds are not redeemable in the near term.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. There have been no changes in methodologies used in 2023 to 2024. Furthermore, while the Foundation believes that its valuation methods are appropriate and consistent with other market participants, the use of different valuation methodologies or assumptions to determine the fair value of certain instruments could result in different fair value measurement at the reporting date.

A commitment to make future year investments of $1,264,205 into private equity partnerships remains at December 31, 2024.

Limited Partnership

The Foundation has a percentage interest in a limited partnership. The underlying holdings of that limited partnership include assets that are considered Levels 1, 2, and 3 in the fair value hierarchy. The Level 3 holdings are significant to the value of the limited partnership. Investors in the fund receive valuations on a monthly basis. Investors have a one year lock-up period which has expired for the Foundation, and after one year there is a 30-day liquidation notice.

Purchases of Level 3 investments totaled $250,000 and $-0- for the years ended December 31, 2024 and 2023, respectively.

Fieldstone Farm Therapeutic Riding Center and The TRC Foundation

Notes to Combined Financial Statements

December 31, 2024 and 2023

Note 3: Pledges Receivable

At December 31, 2024, the Organization had outstanding pledges receivable of $37,950. All pledges receivable are due in 2025.

Note 4: Net Assets with Donor Restrictions

The balances and amounts released from restriction are as follows:

	2024			
	Beginning Balance	Additions	Net Assets Released	Ending Balance
Other programs	$ 182,747	$ 125,345	$ (105,454)	$ 202,638
Veterans' programs	199,210	189,621	(198,064)	190,767
Time restricted	1,700	12,950	(1,700)	12,950
Time restricted – perpetuity	65,300	-	-	65,300
	$ 448,957	$ 327,916	$ (305,218)	$ 471,655

	2023			
	Beginning Balance	Additions	Net Assets Released	Ending Balance
Other programs	$ 163,400	$ 127,442	$ (108,095)	$ 182,747
Veterans' programs	158,104	130,535	(89,429)	199,210
Time restricted	6,100	1,700	(6,100)	1,700
Time restricted – perpetuity	65,300	-	-	65,300
	$ 392,904	$ 259,677	$ (203,624)	$ 448,957

Note 5: Net Asset Classification of Endowment Funds

The Organization's endowment consists of funds with donor restrictions, held by the Foundation, with the income used to support operations as well as funds designated by the Boards of Trustees (the "Boards") to function as endowment. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Boards to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Note 5: Net Asset Classification of Endowment Funds (continued)

The Foundation is subject to the State of Ohio enacted version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA) and, thus, classifies amounts in its donor-restricted endowment funds as net assets with donor restrictions because those net assets are time-restricted until the Boards appropriates such amounts for expenditure. The Foundation has interpreted UPMIFA as not requiring the maintenance of purchasing power of the original gift amount contributed to an endowment fund, unless a donor stipulates the contrary. As a result of this interpretation, when reviewing its donor-restricted endowment funds, the Foundation considers a fund to be underwater if the fair value of the fund is less than the sum of (a) the original value of initial and subsequent gift amounts donated to the fund and (b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument. The Foundation has interpreted UPMIFA to permit spending from underwater funds in accordance with the prudent measures prescribed under the law.

Additionally, in accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the funds
- The purposes of the Foundation and the donor-restricted endowment funds
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Foundation
- The investment policies of the Foundation

	As of December 31, 2024		
	Without Donor Restriction	With Donor Restriction	Total
Endowment net assets, beginning of year	$ 19,849,287	$ 65,300	$ 19,914,587
Investment return, net:			
Investment income	262,091	-	262,091
Investment fees	(136,538)	-	(136,538)
Net realized and unrealized gains	2,395,552	-	2,395,552
Total investment return, net	2,521,105	-	2,521,105
Contributions	1,080,386	-	1,080,386
Appropriation of endowment assets for expenditure	(834,496)	-	(834,496)
Endowment net assets, end of year	$ 22,616,282	$ 65,300	$ 22,681,582

Note 5: Net Asset Classification of Endowment Funds (continued)

	As of December 31, 2023		
	Without Donor Restriction	With Donor Restriction	Total
Endowment net assets, beginning of year	$ 17,556,638	$ 65,300	$ 17,621,938
Investment return, net:			
Investment income	266,680	-	266,680
Investment fees	(85,045)	-	(85,045)
Net realized and unrealized losses	2,482,793	-	2,482,793
Total investment return, net	2,664,428	-	2,664,428
Contributions	404,724	-	404,724
Appropriation of endowment assets for expenditure	(776,503)	-	(776,503)
Endowment net assets, end of year	$ 19,849,287	$ 65,300	$ 19,914,587

At December 31, 2024 and 2023, the Organization had cash in-transit of $16,088 and $11,189, respectively, for purposes of investment in the Board-designated endowment fund.

Return Objectives and Risk Parameters

The Foundation has adopted investment and spending policies for the endowment funds with the understanding that those assets will be prudently invested to provide a continuing source of funding for the Organization and its programs. Assets include those assets of donor-restricted funds that the Foundation must hold in perpetuity or for a donor-specified period, as well as Board-designated funds.

The basic philosophy of the IPS is to state the investment objectives, strategies, guidelines and restrictions of the Foundation, which are used to guide managers, to establish performance benchmarks and to detail the process by which the annual payout will be determined. The long-term objective is to maximize support to the Center without diminishing the real value of the Foundation's assets. Endowment funds are subject to the IPS. Under this policy, the endowment assets are invested in a manner that is designed to maximize long-term returns by allocating assets between equities and cash instruments.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that places the greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Note 5: Net Asset Classification of Endowment Funds (continued)

Spending Policy

Endowment funds are appropriated based on an approval process through both the Foundation Board and the FFTRC Board. The Foundation disbursed to the Center 4.50% of a twelve quarter average market value of investable assets for the years ended December 31, 2024 and 2023. The Foundation appropriated $834,496 and $776,503 for the years ended December 31, 2024 and 2023, respectively. The Foundation has a policy that permits spending from underwater endowment funds depending on the degree to which the fund is underwater, unless otherwise precluded by donor intent or relevant laws and regulations. There were no such underwater funds at December 31, 2024 and 2023.

Note 6: Line of Credit

The Center entered into a revolving line of credit with PNC Bank that renews annually with a maximum borrowing limit of $100,000 at December 31, 2024 and 2023. The line is secured by real property. Outstanding balances on the line carry interest at a rate of prime plus 2.36% at December 31, 2024 (9.86%) and December 31, 2023 (10.86%). The line is available for temporary funding of expenses and there was no outstanding balance at December 31, 2024 and 2023.

In March of 2023, the Boards voted to approve a line of credit to allow the Center to access funds from the Foundation as needed. The line has a maximum borrowing limit of $500,000 and has a maturity of no more than five years. Outstanding balances on the line carry interest at the Mid-term Applicable Federal Rate (Annual Compounding) as published monthly by the IRS. There was no outstanding balance at December 31, 2024 and 2023.

Note 7: Contributed Nonfinancial Assets

All significant contributed nonfinancial assets are recorded by the Organization at their estimated fair value at the date of donation. The Organization records the value of the material received or the services rendered as revenue. The value of any contributed nonfinancial assets whose benefit will last more than one period is capitalized and amortized over its useful life. For the year ended December 31, contributed nonfinancial assets recognized within the combined statement of activities include:

	2024	2023
Goods for tack sale	$ 17,935	$ 15,180
Event production for special event	20,594	14,213
Horses	8,800	14,000
Trailer	6,000	-
Professional services	26,200	25,887
Totals	$ 79,529	$ 69,280

Note 7: Contributed Nonfinancial Assets (continued)

Goods for tack sale – The contributed goods include items for a tack sale. The Organization estimates the fair value based on retail prices of identical or similar products. The goods were monetized during the tack sale.

Event production for special event – The contributed event production services included marketing and advertising, entertainment, valet parking, and labor expenses. The Organization estimates the fair value based on current costs for similar services.

Horses – The Organization estimates the fair value based on prices of similar horses. The horses are used by the Organization during normal operations.

Trailer – The Organization estimates the fair value based on retail prices of identical or similar vehicles. The trailer was used by the Organization during normal operations.

Professional services – The contributed professional services recognized are related to IT and media services provided for the Organization. Services are valued and are reported at the estimated fair value based on current rates for similar IT and media services.

Note 8: Liquidity and Availability of Resources

The Organization's financial assets available within one year of the combined statement of financial position date for general expenditure are as follows:

	2024	2023
Cash and equivalents – operating	$ 666,203	$ 979,830
Pledges receivable	37,950	21,700
Accounts receivables, net	3,470	7,176
Investments – certificate of deposit	250,000	101,000
Total financial assets available within one year	$ 957,623	$ 1,109,706

The Board of Trustees, at its discretion, may repurpose the Board-controlled endowment funds, Board-designated operating reserve, and the Board capital reserve for the purpose of general expenditures.

To help manage unanticipated liquidity needs, the Organization has a committed line of credit of $100,000, upon which it can draw.

The Organization maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

Note 9: Combined Statements of Functional Expenses

The combined statements of functional expenses present expenses by functional and natural classification. Expenses directly attributable to program services, management and general, and fundraising are reported as expenses of that functional area. Payroll expenses have been allocated between program, management and general, and fundraising functions based on job roles. Other indirect expenses have been allocated to functional areas on the basis of payroll per functional area as a percentage of total payroll costs, or on the basis of square footage of the facility.

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Independent Auditor's Report on Supplementary Information

To the Boards of Trustees of
Fieldstone Farm Therapeutic Riding Center
and the TRC Foundation

We have audited the combined financial statements of Fieldstone Farm Therapeutic Riding Center and The TRC Foundation as of and for the years ended December 31, 2024 and 2023, and have issued our report thereon dated June 19, 2025, which contained an unmodified opinion on those combined financial statements. Our audit was performed for the purpose of forming an opinion on the combined financial statements as a whole.

The combining statements of activities are presented for the purposes of additional analysis and is not a required part of the combined financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the combined financial statements as a whole.

Ciuni & Panichi, Inc.

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June 19, 2025

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Fieldstone Farm Therapeutic Riding Center
and The TRC Foundation

Combining Statement of Activities

For the year ended December 31, 2024

	Without Donor Restriction FFTRC	With Donor Restriction FFTRC	Without Donor Restriction Foundation	With Donor Restriction Foundation	2024 Totals
Public support, revenues, and gains:					
Public support:					
Contributions	$ 1,229,010	$ 327,916	$ -	$ -	$ 1,556,926
Contributed nonfinancial assets-donated horses	8,800	-	-	-	8,800
Contributed nonfinancial assets-other	70,729	-	-	-	70,729
Special event revenue	554,406	-	-	-	554,406
Less: direct benefits to donors	(195,528)	-	-	-	(195,528)
Total public support	1,667,417	327,916	-	-	1,995,333
Revenues:					
Tuition, net	267,743	-	-	-	267,743
Gaitway	120,032	-	-	-	120,032
Rent	4,235	-	-	-	4,235
Miscellaneous	5,994	-	-	-	5,994
Total revenues	398,004	-	-	-	398,004
Investment income designated for operations	834,496	-	-	-	834,496
Board approved transfer to the TRC Foundation	(800,000)	-	-	-	(800,000)
Net assets released from restrictions	305,218	(305,218)	-	-	-
Total public support and revenues	2,405,135	22,698	-	-	2,427,833
Expenses:					
Program services	2,095,405	-	-	-	2,095,405
Management and general	186,533	-	-	-	186,533
Fundraising	284,109	-	-	-	284,109
Total expenses	2,566,047	-	-	-	2,566,047
Change in net assets from operating activity	(160,912)	22,698	-	-	(138,214)
Non-operating activity					
Contributions – general	-	-	285,285	-	285,285
Investment return, net	44,309	-	2,521,105	-	2,565,414
Investment income designated for operations	-	-	(834,496)	-	(834,496)
Board approved transfer to the TRC Foundation	-	-	800,000	-	800,000
Total non-operating activity	44,309	-	2,771,894	-	2,816,203
Change in net assets	(116,603)	22,698	2,771,894	-	2,677,989
Net assets – beginning of year	3,534,971	383,657	19,860,476	65,300	23,844,404
Net assets – end of year	$ 3,418,368	$ 406,355	$ 22,632,370	$ 65,300	$ 26,522,393

Fieldstone Farm Therapeutic Riding Center and The TRC Foundation

Combining Statement of Activities

For the year ended December 31, 2023

	Without Donor Restriction FFTRC	With Donor Restriction FFTRC	Without Donor Restriction Foundation	With Donor Restriction Foundation	2023 Totals
Public support, revenues, and gains:					
Public support:					
Contributions	$ 1,134,918	$ 259,677	$ -	$ -	$ 1,394,595
Contributed nonfinancial assets- donated horses	14,000	-	-	-	14,000
Contributed nonfinancial assets- other	55,280	-	-	-	55,280
Special event revenue	513,508				513,508
Less: direct benefits to donors	(179,971)	-	-	-	(179,971)
Total public support	1,537,735	259,677	-	-	1,797,412
Revenues:					
Tuition, net	234,105	-	-	-	234,105
Gaitway	130,916	-	-	-	130,916
Rent	6,376	-	-	-	6,376
Miscellaneous	5,994	-	-	-	5,994
Total revenues	377,391	-	-	-	377,391
Investment income designated for operations	776,503	-	-	-	776,503
Board approved transfer to the TRC Foundation	(350,000)				(350,000)
Net assets released from restrictions	203,624	(203,624)	-	-	-
Total public support and revenues	2,545,253	56,053	-	-	2,601,306
Expenses:					
Program services	2,085,686	-	-	-	2,085,686
Management and general	167,800	-	-	-	167,800
Fundraising	250,086	-	-	-	250,086
Total expenses	2,503,572	-	-	-	2,503,572
Change in net assets from operating activity	41,681	56,053	-	-	97,734
Non-operating activity					
Contributions – general	-	-	52,529	-	52,529
Investment return, net	24,641	-	2,664,428	-	2,689,069
Investment income designated for operations	-	-	(776,503)	-	(776,503)
Board approved transfer to the TRC Foundation	-	-	350,000	-	350,000
Total non-operating activity	24,641	-	2,290,454	-	2,315,095
Change in net assets	66,322	56,053	2,290,454	-	2,412,829
Net assets – beginning of year	3,468,649	327,604	17,570,022	65,300	21,431,575
Net assets – end of year	$ 3,534,971	$ 383,657	$ 19,860,476	$ 65,300	$ 23,844,404