

Fieldstone Farm Therapeutic Riding Center and The TRC Foundation

**Consolidated Financial Statements
December 31, 2025 and 2024**

**Fieldstone Farm Therapeutic Riding Center
and The TRC Foundation**

Consolidated Financial Statements

December 31, 2025 and 2024

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Independent Auditor's Report

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

Opinion

We have audited the consolidated financial statements of Fieldstone Farm Therapeutic Riding Center and The TRC Foundation (collectively referred to as the "Organization", a nonprofit corporation), which comprise the consolidated statements of financial position as of December 31, 2025 and 2024, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Organization as of December 31, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our 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 consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated 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 consolidated financial statements are available to be issued.

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 consolidated 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 consolidated 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 consolidated 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 consolidated 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 consolidated 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.

Cimini & Panzani, Inc.

Cleveland, Ohio
June 18, 2026

**Fieldstone Farm Therapeutic Riding Center
and The TRC Foundation**

Consolidated Statements of Financial Position

December 31, 2025 and 2024

	<u>Assets</u>	
	2025	2024
Current assets:		
Cash and equivalents		
Operating	\$ 899,597	\$ 666,203
Restricted	316,103	374,995
Total cash and equivalents	1,215,700	1,041,198
Current portion of pledges receivable	58,150	37,950
Accounts receivable – program, net	2,150	422
Accounts receivable – other	1,438	3,048
Investments- certificate of deposit	450,000	250,000
Prepays	36,064	34,525
Total current assets	1,763,502	1,367,143
Property, plant, and equipment, at cost:		
Land	440,750	440,750
Land improvements	853,991	817,425
Building	3,071,554	2,887,682
Horses	89,575	91,475
Equipment	1,168,689	1,075,416
Construction in progress	30,706	120,687
	5,655,265	5,433,435
Less accumulated depreciation	(3,126,233)	(2,966,666)
	2,529,032	2,466,769
Other assets:		
Pledges receivable, net of current portion	25,000	-
Board-designated capital reserve cash	150,000	110,000
Board-designated endowment:		
Investments	26,862,295	22,440,437
Cash	51,423	175,845
Donor-restricted endowment	65,300	65,300
Total assets	\$ 31,446,552	\$ 26,625,494

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

Fieldstone Farm Therapeutic Riding Center and The TRC Foundation

Consolidated Statement of Activities

For the year ended December 31, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Public support and revenues:			
Public support:			
Contributions	\$ 1,167,154	\$ 305,907	\$ 1,473,061
Contributed nonfinancial assets- donated horses	17,000	-	17,000
Contributed nonfinancial assets- other	62,502	-	62,502
Special event revenue	527,982	-	527,982
Less: direct benefits to donors	(189,328)	-	(189,328)
Total public support	1,585,310	305,907	1,891,217
Revenues:			
Tuition, net	258,852	-	258,852
Gaitway	114,490	-	114,490
Rent	9,702	-	9,702
Miscellaneous	6,536	-	6,536
Total revenues	389,580	-	389,580
Investment income designated for operations	858,134	-	858,134
Net assets released from restrictions	329,114	(329,114)	-
Total public support and revenues	3,162,138	(23,207)	3,138,931
Expenses:			
Program services	2,149,011	-	2,149,011
Management and general	178,480	-	178,480
Fundraising	299,682	-	299,682
Total expenses	2,627,173	-	2,627,173
Change in net assets from operating activity	534,965	(23,207)	511,758
Non-operating activity:			
Contributions – general	1,632,975	-	1,632,975
Investment return, net	3,556,826	-	3,556,826
Investment income designated for operations	(858,134)	-	(858,134)
Total non-operating activity	4,331,667	-	4,331,667
Change in net assets	4,866,632	(23,207)	4,843,425
Net assets – beginning of year	26,050,738	471,655	26,522,393
Net assets – end of year	\$ 30,917,370	\$ 448,448	\$ 31,365,818

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

Fieldstone Farm Therapeutic Riding Center and The TRC Foundation

Consolidated Statement of Functional Expenses

For the year ended December 31, 2025

	Program Services	Management and General	Fundraising	Total
Personnel expenses:				
Salaries	\$ 1,071,119	\$ 138,943	\$ 234,380	\$ 1,444,442
Fringe benefits	188,403	14,871	17,125	220,399
Payroll taxes	81,814	10,121	16,766	108,701
	1,341,336	163,935	268,271	1,773,542
Other expenses:				
Horse operating	208,422	-	-	208,422
Depreciation	171,992	1,755	1,754	175,501
Maintenance and utilities	95,374	1,109	1,336	97,819
Student expense	24,986	-	-	24,986
Office supplies and expenses	51,677	3,861	4,146	59,684
Marketing and communications	50,909	1,782	13,756	66,447
Insurance	45,234	-	-	45,234
Meeting and education	19,051	757	1,407	21,215
Contract labor	75,944	2,967	4,952	83,863
Professional fees	19,976	1,726	2,959	24,661
Volunteer expenses	13,213	-	-	13,213
Telephone	12,427	284	467	13,178
Postage	2,781	240	524	3,545
Credit loss	6,000	-	-	6,000
Event expenses: direct				
benefits to donors	-	-	189,328	189,328
Miscellaneous	9,689	64	110	9,863
	807,675	14,545	220,739	1,042,959
Total functional expenses	2,149,011	178,480	489,010	2,816,501
Less: expenses included with revenues on the statement of activities	-	-	(189,328)	(189,328)
Total expenses included in the expenses section of the statement of activities	\$ 2,149,011	\$ 178,480	\$ 299,682	\$ 2,627,173

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

Fieldstone Farm Therapeutic Riding Center and The TRC Foundation

Consolidated 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

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

Fieldstone Farm Therapeutic Riding Center and The TRC Foundation

Consolidated 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)	-
	2,405,135	22,698	2,427,833
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 consolidated financial statements

**Fieldstone Farm Therapeutic Riding Center
and The TRC Foundation**

Consolidated Statements of Financial Position (continued)

December 31, 2025 and 2024

Liabilities and Net Assets

	<u>2025</u>	<u>2024</u>
Current liabilities:		
Accounts payable and accrued expenses	\$ 68,656	\$ 84,315
Other current liabilities	5,963	5,963
Deferred revenue	3,518	4,264
Total current liabilities	<u>78,137</u>	<u>94,542</u>
Other long-term liabilities	<u>2,597</u>	<u>8,559</u>
Total liabilities	<u>80,734</u>	<u>103,101</u>
Net assets without donor restrictions:		
Operating	1,324,046	856,121
Net investment in property, plant, and equipment	2,520,472	2,452,247
Board-designated capital reserve	150,000	110,000
Board-controlled – Foundation	26,922,852	22,632,370
Total net assets without donor restrictions	<u>30,917,370</u>	<u>26,050,738</u>
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	<u>383,148</u>	<u>406,355</u>
Total net assets with donor restrictions	<u>448,448</u>	<u>471,655</u>
Total net assets	<u>31,365,818</u>	<u>26,522,393</u>
Total liabilities and net assets	<u>\$ 31,446,552</u>	<u>\$ 26,625,494</u>

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

**Fieldstone Farm Therapeutic Riding Center
and The TRC Foundation**

Consolidated Statements of Cash Flows

For the years ended December 31, 2025 and 2024

	2025	2024
Cash flows from operating activities:		
Changes in net assets	\$ 4,843,425	\$ 2,677,989
Adjustments to reconcile change in net assets to net cash and equivalents provided by operating activities:		
Depreciation	175,501	156,648
Credit loss expense	6,000	576
Donated horses	(17,000)	(8,800)
Net realized and unrealized gain on investments	(3,266,394)	(2,395,552)
Loss on sale/retirement of assets	7,483	462
(Increase) decrease in assets:		
Pledges receivable	(51,200)	(16,826)
Accounts receivable – program, net	(1,728)	5,814
Accounts receivable – other	1,610	(2,108)
Prepays	(1,539)	50,764
(Decrease) increase in liabilities		
Accounts payable and accrued expenses	(15,659)	20,126
Other liabilities	(5,962)	(7,508)
Deferred revenue	(746)	401
Net cash and equivalents provided by operating activities	1,673,791	481,986
Cash flows from investing activities:		
Purchases of property, plant, and equipment	(228,247)	(237,615)
Proceeds from sale of property, plant, and equipment	-	2,446
Purchases of investments	(2,251,598)	(1,838,895)
Proceeds from sales of investments	896,134	1,398,863
Net cash and equivalents used by investing activities	(1,583,711)	(675,201)
Increase (decrease) in cash and equivalents	90,080	(193,215)
Cash and equivalents – beginning of year	1,327,043	1,520,258
Cash and equivalents – end of year	\$ 1,417,123	\$ 1,327,043

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

**Fieldstone Farm Therapeutic Riding Center
and The TRC Foundation**

Consolidated Statements of Cash Flows (continued)

For the years ended December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Components of cash and equivalents:		
Operating cash	\$ 899,597	\$ 666,203
Restricted cash	316,103	374,995
Board-designated capital reserve cash	150,000	110,000
Board-designated endowment cash	<u>51,423</u>	<u>175,845</u>
Total cash and equivalents	<u>\$ 1,417,123</u>	<u>\$ 1,327,043</u>

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

Fieldstone Farm Therapeutic Riding Center and The TRC Foundation

Notes to Consolidated Financial Statements

December 31, 2025 and 2024

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.

Consolidation

The consolidated financial statements include the accounts of the Center and the Foundation (collectively referred to as the “Organization”). Consolidation is required because the Center has control of the Foundation through its ability to appoint a majority of the Foundation's governing board and possesses an economic interest in the Foundation, as defined by U.S. generally accepted accounting principles. Accordingly, the accounts of the Foundation are included in the accompanying consolidated financial statements, and all significant intercompany balances and transactions have been eliminated.

Prior to 2024, the Organization's financial statements were presented on a combined basis. In 2025, management concluded that the Foundation should be consolidated with the Center because the Center has both a controlling financial interest in and an economic interest in the Foundation. Accordingly, the accompanying financial statements for the year ended December 31, 2024 have been revised to reflect a consolidated presentation.

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 consolidated 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 consolidated 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.

Fieldstone Farm Therapeutic Riding Center and The TRC Foundation

Notes to Consolidated Financial Statements

December 31, 2025 and 2024

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 consolidated 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 consolidated 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 consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Adopted Accounting Pronouncement

In July 2025, the FASB issued Accounting Standards Update (ASU) 2025-05, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets*. The objective of this ASU is to reduce complexities in applying the guidance in Topic 326, Financial Instruments – Credit Losses. On January 1, 2025, the Organization adopted this ASU. There was no impact on beginning net assets as a result of this implementation.

Fieldstone Farm Therapeutic Riding Center and The TRC Foundation

Notes to Consolidated Financial Statements

December 31, 2025 and 2024

Note 1: Summary of Significant Accounting Policies (continued)

Cash and Equivalents

For purposes of the consolidated 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.

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 consolidated statement of financial position date, the Organization develops a loss rate. This loss rate is based on management's historical collection experience, management's expectations about current economic conditions, and amounts collected subsequent to year end. The allowance for credit losses was \$773 at December 31, 2025 and 2024.

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

Fieldstone Farm Therapeutic Riding Center and The TRC Foundation

Notes to Consolidated Financial Statements

December 31, 2025 and 2024

Note 1: Summary of Significant Accounting Policies (continued)

Income Taxes

The Organization's entities are tax-exempt under Section 501c(3) of the Internal Revenue Code. No provision for federal income taxes has been reported in the consolidated 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 consolidated statements of activities. As of December 31, 2025 and 2024, 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 \$175 per lesson for 2025 and \$177 per lesson for 2024. There were approximately 15,044 and 14,488 hours of student service hours during 2025 and 2024, respectively. Also, a substantial contribution of approximately 15,596 and 15,300 volunteer hours during 2025 and 2024, respectively, subsidizes the lessons. Tuition is presented net of riderships awarded.

The tuition revenue for 2025 and 2024 is as follows:

	<u>2025</u>	<u>2024</u>
Cost of lessons provided	\$ 2,632,700	\$ 2,564,376
Less: the Center's subsidy	<u>(2,373,848)</u>	<u>(2,296,633)</u>
Net tuition revenue	\$ <u>258,852</u>	\$ <u>267,743</u>

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, 2025 or 2024. In 2025, concentration risks with respect to pledges receivable are primarily due to the significant portion of receivables outstanding with two donors, which represents 94% of the balance at December 31, 2025. 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.

Fieldstone Farm Therapeutic Riding Center and The TRC Foundation

Notes to Consolidated Financial Statements

December 31, 2025 and 2024

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, 2025 and 2024, 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 consolidated financial statements through June 18, 2026, the date the consolidated 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.

Fieldstone Farm Therapeutic Riding Center and The TRC Foundation

Notes to Consolidated Financial Statements

December 31, 2025 and 2024

Note 2: Fair Value Measurements (continued)

Financial assets measured at fair value on a recurring basis consisted of the following at December 31, 2025:

	2025			Total
	Level 1	Level 2	Level 3	
Exchange traded funds	\$ 7,007,836	\$ -	\$ -	\$ 7,007,836
Equities	8,833,035	-	-	8,833,035
Money market funds	2,142,718	-	-	2,142,718
Investment in real estate investment trust	100,424	-	-	100,424
Private Placement Funds	-	6,417,352	-	6,417,352
Certificates of deposit	-	450,000	-	450,000
Private equity	-	-	2,426,230	2,426,230
	\$ 18,084,013	\$ 6,867,352	\$ 2,426,230	\$ 27,377,595

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

	2024			Total
	Level 1	Level 2	Level 3	
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
	\$ 14,987,270	\$ 5,714,766	\$ 2,053,701	\$ 22,755,737

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.

Fieldstone Farm Therapeutic Riding Center and The TRC Foundation

Notes to Consolidated Financial Statements

December 31, 2025 and 2024

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.

Certificates of Deposit

Certificates of deposit are valued at cost, plus any accrued and unpaid interest, which approximates fair value.

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 2024 to 2025. 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 \$840,128 into private equity partnerships remains at December 31, 2025.

Limited Partnership

The Foundation has a percentage interest in a limited partnership. The underlying holdings of that limited partnership included assets that are considered Levels 1, 2, and 3 in the fair value hierarchy. The Level 3 holdings were significant to the value of the limited partnership. Investors in the fund received valuations on a monthly basis. Investors had 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 \$-0- and \$250,000 for the years ended December 31, 2025 and 2024, respectively.

**Fieldstone Farm Therapeutic Riding Center
and The TRC Foundation**

Notes to Consolidated Financial Statements

December 31, 2025 and 2024

Note 3: Pledges Receivable

Pledges receivable are due as follows for the years ending December 31:

2026	\$	58,150
2027		<u>25,000</u>
 Total pledges outstanding at December 31, 2025	 \$	 <u><u>83,150</u></u>

Note 4: Net Assets with Donor Restrictions

The balances and amounts released from restriction are as follows:

	2025			
	Beginning Balance	Additions	Net Assets Released	Ending Balance
Other programs	\$ 202,638	\$ 152,854	\$ (131,273)	\$ 224,219
Veterans' programs	190,767	67,999	(184,891)	73,875
Autism programs	-	51,904	-	51,904
Time restricted	12,950	33,150	(12,950)	33,150
Time restricted – perpetuity	<u>65,300</u>	<u>-</u>	<u>-</u>	<u>65,300</u>
	<u>\$ 471,655</u>	<u>\$ 305,907</u>	<u>\$ (329,114)</u>	<u>\$ 448,448</u>
	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	<u>65,300</u>	<u>-</u>	<u>-</u>	<u>65,300</u>
	<u>\$ 448,957</u>	<u>\$ 327,916</u>	<u>\$ (305,218)</u>	<u>\$ 471,655</u>

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.

Fieldstone Farm Therapeutic Riding Center and The TRC Foundation

Notes to Consolidated Financial Statements

December 31, 2025 and 2024

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, 2025		
	Without Donor Restriction	With Donor Restriction	Total
Endowment net assets, beginning of year	\$ 22,616,282	\$ 65,300	\$ 22,681,582
Investment return, net:			
Investment income	368,431	-	368,431
Investment fees	(119,184)	-	(119,184)
Net realized and unrealized gains	<u>3,266,394</u>	<u>-</u>	<u>3,266,394</u>
Total investment return, net	3,515,641	-	3,515,641
Contributions	1,639,929	-	1,639,929
Appropriation of endowment assets for expenditure	<u>(858,134)</u>	<u>-</u>	<u>(858,134)</u>
Endowment net assets, end of year	\$ <u>26,913,718</u>	\$ <u>65,300</u>	\$ <u>26,979,018</u>

Fieldstone Farm Therapeutic Riding Center and The TRC Foundation

Notes to Consolidated Financial Statements

December 31, 2025 and 2024

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

	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 losses	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

At December 31, 2025 and 2024, the Organization had cash in-transit of \$9,134 and \$16,088, 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.

Fieldstone Farm Therapeutic Riding Center and The TRC Foundation

Notes to Consolidated Financial Statements

December 31, 2025 and 2024

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, 2025 and 2024. The Foundation appropriated \$858,134 and \$834,496 for the years ended December 31, 2025 and 2024, 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, 2025 and 2024.

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, 2025 and 2024. 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, 2025 (9.11%) and December 31, 2024 (9.86%). The line is available for temporary funding of expenses and there was no outstanding balance at December 31, 2025 and 2024. The line matures on June 10, 2027.

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, 2025 and 2024.

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 consolidated statements of activities include:

	2025	2024
Goods for tack sale	\$ 15,907	\$ 17,935
Items for special event auction	6,200	-
Event production for special event	11,758	20,594
Horses	17,000	8,800
Equipment	1,700	6,000
Professional services	26,937	26,200
Totals	\$ 79,502	\$ 79,529

Fieldstone Farm Therapeutic Riding Center and The TRC Foundation

Notes to Consolidated Financial Statements

December 31, 2025 and 2024

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.

Items for special event auction – The contributed items include experiences and events such as a loge at a basketball game. The Organization estimates the fair value based on retail prices of identical or similar experiences.

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.

Equipment – The Organization estimates the fair value based on retail prices of identical or similar vehicles. The equipment 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 consolidated statements of financial position date for general expenditure are as follows:

	2025	2024
Cash and equivalents – operating	\$ 899,597	\$ 666,203
Current portion of pledges receivable	58,150	37,950
Accounts receivables, net	3,588	3,470
Investments – certificate of deposit	450,000	250,000
 Total financial assets available within one year	 \$ 1,411,335	 \$ 957,623

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.

Fieldstone Farm Therapeutic Riding Center and The TRC Foundation

Notes to Consolidated Financial Statements

December 31, 2025 and 2024

Note 9: Consolidated Statements of Functional Expenses

The consolidated 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.

Note 10: Subsequent Events

Subsequent to year end, the Organization was notified that it has been designated as a beneficiary in a long-time supporter's estate, entitling it to the proceeds from the sale of certain real property. The proceeds are to be evenly split between the Organization and another nonprofit organization. The sale has not occurred as of June 18, 2026, but the Organization expects to receive between \$1,000,000 and \$1,400,000, based on the estimated value of the property.

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 consolidated financial statements of Fieldstone Farm Therapeutic Riding Center and The TRC Foundation as of and for the years ended December 31, 2025 and 2024, and have issued our report thereon dated June 18, 2026, which contained an unmodified opinion on those consolidated financial statements. Our audit was performed for the purpose of forming an opinion on the consolidated financial statements as a whole.

The consolidating statements of activities are presented for the purposes of additional analysis and is not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 consolidated financial statements as a whole.

Ciuni & Panichi, Inc.

Cleveland, Ohio
June 18, 2026

Fieldstone Farm Therapeutic Riding Center and The TRC Foundation

Consolidating Statement of Activities

For the year ended December 31, 2025

	Without Donor Restriction FFTRC	With Donor Restriction FFTRC	Without Donor Restriction Foundation	With Donor Restriction Foundation	2025 Totals
Public support, revenues, and gains:					
Public support:					
Contributions	\$ 1,167,154	\$ 305,907	\$ -	\$ -	\$ 1,473,061
Contributed nonfinancial assets- donated horses	17,000	-	-	-	17,000
Contributed nonfinancial assets- other	62,502	-	-	-	62,502
Special event revenue	527,982	-	-	-	527,982
Less: direct benefits to donors	(189,328)	-	-	-	(189,328)
Total public support	1,585,310	305,907	-	-	1,891,217
Revenues:					
Tuition, net	258,852	-	-	-	258,852
Gaitway	114,490	-	-	-	114,490
Rent	9,702	-	-	-	9,702
Miscellaneous	6,536	-	-	-	6,536
Total revenues	389,580	-	-	-	389,580
Investment income designated for operations	858,134	-	-	-	858,134
Net assets released from restrictions	329,114	(329,114)	-	-	-
Total public support and revenues	3,162,138	(23,207)	-	-	3,138,931
Expenses:					
Program services	2,149,011	-	-	-	2,149,011
Management and general	178,480	-	-	-	178,480
Fundraising	299,682	-	-	-	299,682
Total expenses	2,627,173	-	-	-	2,627,173
Change in net assets from operating activity	534,965	(23,207)	-	-	511,758
Non-operating activity					
Contributions – general	-	-	1,632,975	-	1,632,975
Investment return, net	41,185	-	3,515,641	-	3,556,826
Investment income designated for operations	-	-	(858,134)	-	(858,134)
Total non-operating activity	41,185	-	4,290,482	-	4,331,667
Change in net assets	576,150	(23,207)	4,290,482	-	4,843,425
Net assets – beginning of year	3,418,368	406,355	22,632,370	65,300	26,522,393
Net assets – end of year	\$ 3,994,518	\$ 383,148	\$ 26,922,852	\$ 65,300	\$ 31,365,818

Fieldstone Farm Therapeutic Riding Center and The TRC Foundation

Consolidating 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