

EQUINE ADVOCATES, INC.
FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

SCOTT, STACKROW & CO., P.C.
CERTIFIED PUBLIC ACCOUNTANTS

EQUINE ADVOCATES, INC.

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DECEMBER 31, 2025 AND 2024

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SCOTT, STACKROW & CO., P.C.

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Equine Advocates, Inc.
Valatie, NY

Opinion

We have audited the accompanying financial statements of Equine Advocates, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2025, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the 2025 financial statements referred to above present fairly, in all material respects, the financial position of Equine Advocates, Inc. as of December 31, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Equine Advocates, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Prior Period Financial Statements

The financial statements of Equine Advocates, Inc. as of December 31, 2024, were audited by other auditors whose report dated April 1, 2025, expressed an unmodified opinion on those statements.

Responsibilities of Management for the Financial Statements

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

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In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Equine Advocates Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Equine Advocates, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Equine Advocate Inc.'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.

Scott, Stackrow & Co., CPAs, P.C.

Troy, New York
February 26, 2026

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SCOTT, STACKROW & CO., P.C.
CERTIFIED PUBLIC ACCOUNTANTS

EQUINE ADVOCATES, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2025 AND 2024

| | <u>ASSETS</u> | |
|--|----------------------------|----------------------------|
| | <u>2025</u> | <u>2024</u> |
| Current Assets | | |
| Cash and cash equivalents | \$ 2,597,334 | \$ 913,154 |
| Investments | 1,762,706 | 1,791,637 |
| Prepaid expenses | 17,994 | 27,344 |
| Total Current Assets | <u>4,378,034</u> | <u>2,732,135</u> |
| Property and Equipment | | |
| Buildings and improvements | 4,836,638 | 4,446,126 |
| Land and improvements | 1,655,311 | 1,655,311 |
| Vehicles and equipment | 500,249 | 449,539 |
| Furniture and fixtures | 21,618 | 21,618 |
| Software | 8,857 | 9,619 |
| Total | <u>7,022,673</u> | <u>6,582,213</u> |
| Less: accumulated depreciation | <u>2,162,964</u> | <u>1,993,442</u> |
| Property and Equipment, net | <u>4,859,709</u> | <u>4,588,771</u> |
| Other Assets | | |
| Trademark | <u>4,285</u> | <u>4,285</u> |
| <u>TOTAL ASSETS</u> | <u>\$ 9,242,028</u> | <u>\$ 7,325,191</u> |
| <u>LIABILITIES AND NET ASSETS</u> | | |
| | <u>2025</u> | <u>2024</u> |
| Current Liabilities | | |
| Accounts payable | \$ 59,990 | \$ 57,676 |
| Accrued payroll | <u>13,097</u> | <u>7,396</u> |
| Total Current Liabilities | <u>73,087</u> | <u>65,072</u> |
| Net Assets | | |
| Net assets without donor restrictions | 9,158,515 | 7,049,485 |
| Net assets with donor restrictions | <u>10,426</u> | <u>210,634</u> |
| Total Net Assets | <u>9,168,941</u> | <u>7,260,119</u> |
| <u>TOTAL LIABILITIES AND NET ASSETS</u> | <u>\$ 9,242,028</u> | <u>\$ 7,325,191</u> |

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

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EQUINE ADVOCATES, INC.
STATEMENTS OF ACTIVITIES AND CHANGE IN NET ASSETS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

| | <u>2025</u> | <u>2024</u> |
|--|---------------------|---------------------|
| NET ASSETS WITHOUT DONOR RESTRICTIONS | | |
| Support and Revenue | | |
| Donations and grants | \$ 3,929,880 | \$ 2,591,895 |
| Special events | | |
| Revenue | 0 | 293,276 |
| Less - Food and entertainment | 0 | 64,993 |
| Net revenue from special event | 0 | 228,283 |
| Investment income | 142,160 | 76,226 |
| Net assets released from restrictions | 393,043 | 0 |
| Total Support and Revenue | <u>4,465,083</u> | <u>2,896,404</u> |
| Functional Expenses | | |
| Program services | 1,785,707 | 1,786,168 |
| Management and general | 337,472 | 307,206 |
| Fundraising | 232,874 | 290,393 |
| Total Functional Expenses | <u>2,356,053</u> | <u>2,383,767</u> |
| Change in Net Assets Without Donor Restrictions | <u>2,109,030</u> | <u>512,637</u> |
| NET ASSETS WITH DONOR RESTRICTIONS | | |
| Support and Revenue | | |
| Capital improvements fund | 192,835 | 210,634 |
| Less - Net assets released from restrictions | 393,043 | 0 |
| Change in Net Assets With Donor Restrictions | (<u>200,208</u>) | <u>210,634</u> |
| Change in Total Net Assets | 1,908,822 | 723,271 |
| Total Net Assets, Beginning | <u>7,260,119</u> | <u>6,536,848</u> |
| Total Net Assets, Ending | <u>\$ 9,168,941</u> | <u>\$ 7,260,119</u> |

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

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EQUINE ADVOCATES, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2025

| | 2025 | | | | | |
|----------------------------------|--|-----------------------------|-----------------------------------|-----------------------------------|--------------------|---------------------|
| | <u>Equine Rescue and Sanctuary</u> | <u>Equine Education</u> | <u>Total Program Services</u> | <u>Management and General</u> | <u>Fundraising</u> | <u>Total</u> |
| Salaries | \$ 494,039 | \$ 91,702 | \$ 585,741 | \$ 164,365 | \$ 66,660 | \$ 816,766 |
| Veterinary services | 165,451 | 0 | 165,451 | 0 | 0 | 165,451 |
| Feed, medications and supplies | 141,628 | 0 | 141,628 | 0 | 0 | 141,628 |
| Farm maintenance and supplies | 142,636 | 0 | 142,636 | 0 | 0 | 142,636 |
| Hay | 71,505 | 0 | 71,505 | 0 | 0 | 71,505 |
| Farrier supplies | 30,240 | 0 | 30,240 | 0 | 0 | 30,240 |
| Travel | 1,971 | 1,095 | 3,066 | 219 | 1,094 | 4,379 |
| Informational publications | 0 | 271,169 | 271,169 | 0 | 116,215 | 387,384 |
| Depreciation | 102,561 | 18,986 | 121,547 | 34,074 | 13,901 | 169,522 |
| Payroll taxes | 40,838 | 7,560 | 48,398 | 13,568 | 5,535 | 67,501 |
| Insurance | 34,920 | 6,465 | 41,385 | 11,602 | 4,732 | 57,719 |
| Health insurance | 30,459 | 5,639 | 36,098 | 10,119 | 4,128 | 50,345 |
| Utilities | 29,958 | 5,546 | 35,504 | 9,953 | 4,061 | 49,518 |
| Office supplies | 16,739 | 3,099 | 19,838 | 5,561 | 2,269 | 27,668 |
| Administrative expenses | 0 | 15,129 | 15,129 | 17,290 | 10,806 | 43,225 |
| Real estate taxes | 0 | 0 | 0 | 6,689 | 0 | 6,689 |
| Professional fees | 0 | 0 | 0 | 20,063 | 0 | 20,063 |
| Telephone | 9,231 | 1,709 | 10,940 | 3,067 | 1,251 | 15,258 |
| Postage and delivery | 11,091 | 2,053 | 13,144 | 3,685 | 1,504 | 18,333 |
| Subscriptions and memberships | 0 | 11,819 | 11,819 | 0 | 0 | 11,819 |
| Public relations | 11,235 | 2,809 | 14,044 | 0 | 0 | 14,044 |
| Interest | 0 | 0 | 0 | 17,887 | 0 | 17,887 |
| Credit card and bank fees | 5,295 | 980 | 6,275 | 1,759 | 718 | 8,752 |
| Payroll service | 0 | 0 | 0 | 11,485 | 0 | 11,485 |
| Filing fees | 0 | 0 | 0 | 6,086 | 0 | 6,086 |
| Contributions | 0 | 150 | 150 | 0 | 0 | 150 |
| Total Functional Expenses | \$ 1,339,797 | \$ 445,910 | \$ 1,785,707 | \$ 337,472 | \$ 232,874 | \$ 2,356,053 |

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

EQUINE ADVOCATES, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2024

| | 2024 | | | | | |
|----------------------------------|--------------------------------|---------------------|---------------------------|---------------------------|-------------------|---------------------|
| | Equine Rescue and Sanctuary | Equine Education | Total Program Services | Management and General | Fundraising | Total |
| Salaries | \$ 473,075 | \$ 88,610 | \$ 561,685 | \$ 142,035 | \$ 64,439 | \$ 768,159 |
| Veterinary services | 211,112 | 0 | 211,112 | 0 | 0 | 211,112 |
| Feed, medications and supplies | 155,245 | 0 | 155,245 | 0 | 0 | 155,245 |
| Farm maintenance and supplies | 113,337 | 0 | 113,337 | 0 | 0 | 113,337 |
| Hay | 64,029 | 0 | 64,029 | 0 | 0 | 64,029 |
| Farrier supplies | 36,041 | 0 | 36,041 | 0 | 0 | 36,041 |
| Travel | 1,832 | 1,018 | 2,850 | 204 | 1,018 | 4,072 |
| Informational publications | 0 | 276,513 | 276,513 | 0 | 118,505 | 395,018 |
| Depreciation | 97,142 | 18,195 | 115,337 | 29,166 | 13,232 | 157,735 |
| Payroll taxes | 38,119 | 7,140 | 45,259 | 11,445 | 5,192 | 61,896 |
| Fund raising events | 0 | 0 | 0 | 0 | 59,768 | 59,768 |
| Insurance | 35,760 | 6,698 | 42,458 | 10,736 | 4,871 | 58,065 |
| Health insurance | 30,413 | 5,697 | 36,110 | 9,131 | 4,143 | 49,384 |
| Utilities | 25,477 | 4,772 | 30,249 | 7,649 | 3,470 | 41,368 |
| Office supplies | 24,723 | 4,631 | 29,354 | 7,424 | 3,368 | 40,146 |
| Administrative expenses | 0 | 12,795 | 12,795 | 14,622 | 9,139 | 36,556 |
| Real estate taxes | 0 | 0 | 0 | 25,852 | 0 | 25,852 |
| Professional fees | 0 | 0 | 0 | 15,875 | 0 | 15,875 |
| Telephone | 9,178 | 1,719 | 10,897 | 2,756 | 1,250 | 14,903 |
| Postage and delivery | 8,358 | 1,566 | 9,924 | 2,510 | 1,139 | 13,573 |
| Subscriptions and memberships | 0 | 13,557 | 13,557 | 0 | 0 | 13,557 |
| Public relations | 9,344 | 2,336 | 11,680 | 0 | 0 | 11,680 |
| Interest | 0 | 0 | 0 | 11,667 | 0 | 11,667 |
| Credit card and bank fees | 6,305 | 1,181 | 7,486 | 1,894 | 859 | 10,239 |
| Payroll service | 0 | 0 | 0 | 10,151 | 0 | 10,151 |
| Filing fees | 0 | 0 | 0 | 4,089 | 0 | 4,089 |
| Contributions | 0 | 250 | 250 | 0 | 0 | 250 |
| Total Functional Expenses | \$ 1,339,490 | \$ 446,678 | \$ 1,786,168 | \$ 307,206 | \$ 290,393 | \$ 2,383,767 |

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

EQUINE ADVOCATES, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

| | <u>2025</u> | <u>2024</u> |
|---|---------------------|--------------------|
| Cash Flows From Operating Activities | | |
| Change in net assets | \$ 1,908,822 | \$ 723,271 |
| Adjustments to reconcile change in net assets to cash provided by operating activities: | | |
| Depreciation | 169,522 | 157,735 |
| Unrealized gain on investments | (64,057) | (7,800) |
| Realized gain on investments | (2,496) | 0 |
| Non cash donation - stock | (193,654) | (93,192) |
| Decrease in: | | |
| Prepaid expenses | 9,350 | 3,803 |
| Increase in: | | |
| Accounts payable and accrued expenses | 8,015 | 16,915 |
| Net Cash Provided by Operating Activities | <u>1,835,502</u> | <u>800,732</u> |
| Cash Flows From Investing Activities | | |
| Purchase of investments | (1,637,203) | (1,841,379) |
| Sale of investments | 1,926,341 | 1,311,000 |
| Purchase of property and equipment | (440,460) | (71,175) |
| Net Cash Used by Operating Activites | <u>(151,322)</u> | <u>(601,554)</u> |
| Cash Flows From Financing Activities | | |
| Payments on notes payable | <u>0</u> | (<u>300,000</u>) |
| Net Increase (Decrease) in Cash and Cash Equivalents | 1,684,180 | (100,822) |
| Cash and Cash Equivalents, Beginning | <u>913,154</u> | <u>1,013,976</u> |
| Cash and Cash Equivalents, Ending | <u>\$ 2,597,334</u> | <u>\$ 913,154</u> |

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

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EQUINE ADVOCATES, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of Equine Advocates, Inc. (the Organization) is presented to assist in understanding the Organization's financial statements. The financial statements and notes are the representations of the Organization's management, who are responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

Nature of Activities

Equine Advocates, Inc., is a New York not-for-profit organization incorporated in 1996. The Organization was created to promote equine protection by rescuing equines in distress and by expanding public education regarding equine abuse and slaughter. The Organization is supported by general donations and grants.

Program Services:

Equine Rescue & Sanctuary - To rescue horses from slaughter, abuse, and neglect. To demonstrate and set an example of how horses should be treated and how they should live. To operate a horse sanctuary where we house many of the equines and educate the public about where they came from and why they needed to be rescued.

Equine Education - To educate the public about preventing different forms of equine neglect and abuse, including slaughter, to inform the public about the humane way to care and handle horses, including natural horsemanship, to teach the significance and importance of The Horse to American history and culture and to educate the public, teachers, students and law enforcement officials about recognizing and reporting equine cruelty so that the cruelty laws can be enforced. To offer Humane Education classes and field trips from Pre-K through Middle School (taught by an educator), in addition to offering classes and seminars to High School and College students, as well as to Chapters of National Children's groups and other organizations. The main goal is to help instill empathy, compassion, understanding and a sense of responsibility for having an equine in one's life, as well as developing an appreciation of an animal that has played such an integral role to the development and evolution of our country.

Supporting Services:

General and Administrative

This supporting service category includes the functions necessary to secure proper administrative functioning of the Organization's governing board, maintain an adequate working environment, and manage financial responsibilities of the Organization.

EQUINE ADVOCATES, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2025 AND 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Nature of Activities (Continued)

Fundraising

This supporting service category includes expenditures which provide the structure necessary to encourage and secure financial support for the Organization's operations.

Basis of Accounting

The Organization reports on the accrual basis for financial statement reporting and for income tax reporting. Under the accrual method, income is recognized when earned and expenses are recognized when incurred.

Cash and Cash Equivalents

The Organization considers all cash on hand and in banks, including accounts in book overdraft position, certificates of deposit, and other highly liquid investments with maturities of three months or less, when purchased, to be cash equivalents.

Concentration of Credit Risk

The Organization maintains the majority of its cash balances in a single financial institution. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000 per institution. From time to time, the Organization maintains cash balances in excess of this limit.

Property and Equipment

Property and equipment are carried at cost. Depreciation of assets is computed using straight line and accelerated methods over various useful lives.

Major expenditures for property acquisitions and those expenditures which substantially increase useful lives are capitalized. Expenditures for maintenance, repairs, and minor replacements are expensed as incurred. When assets are retired or otherwise disposed of, their costs and related accumulated depreciation are removed from the accounts and resulting gains or losses are included in income.

EQUINE ADVOCATES, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2025 AND 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation

Net Assets of the Organization and changes therein are classified and reported as follows:

Net assets without donor restrictions are net assets that are not subject to donor-imposed stipulations. This category of net assets includes net assets with board designations. Board designated assets held during the years ended December 31, 2025 and 2024 were \$0 and \$0, respectively

Net assets with donor restrictions are net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Organization or the passage of time.

Contributed Services

Many individuals volunteer their time and perform a variety of tasks that assist the Organization, but these services do not meet the criteria for recognition as contributed services. The Organization receives an unknown number of volunteer hours per year.

Income Taxes

The Organization is exempt from income taxes under Internal Revenue Code Section 501(c)(3). Accordingly, no provision for income taxes is made in the financial statements.

It is the Organization's policy to expense, when paid, any interest and penalties associated with its income tax obligations. Interest and penalties will be recognized under management and general expenses on the statement of activities and net assets.

The Organization's federal and state income tax returns are subject to possible examinations by the taxing authorities until the expiration of the related statutes of limitations on those tax returns. In general, the federal and state income tax returns have a three-year statute of limitations.

Contributions

All contributions are considered to be available for net assets without donor restrictions unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as Net assets with donor restrictions that increases that net asset class. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the statement of activities as net assets released from restrictions

EQUINE ADVOCATES, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2025 AND 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reclassification of Financial Presentation

Certain reclassifications have been made to the 2024 financial statements to conform with the 2025 financial statement presentation. Such reclassifications had no effect on net income as previously reported.

Revenue Recognition

The support and revenue of Equine Advocates, Inc., is composed of contributions, grants, and sponsorships.

Contributions and sponsorships are generally available for unrestricted use for the various expenses of the Organization. Contributions and sponsorships are received directly from individuals and corporations throughout the year.

Grants are received directly from various states and private foundations.

Investments

The Organization classifies its debt and marketable equity securities into held-to-maturity, trading, or available-for-sale categories. Debt securities are classified as held-to-maturity when the Organization has the positive intent or ability to hold the securities to maturity. Debt securities for which the Organization does not have the intent or ability to hold to maturity are classified as available for sale. Held-to-maturity securities are recorded as either short-term or long-term on the balance sheet based on contractual maturity date and are stated at amortized cost. Marketable securities that are bought and held principally for the purpose of selling them in the near term are classified as trading securities and are reported at fair value, with unrealized gains and losses recognized in earnings. Debt and marketable equity securities not classified as held-to-maturity or as trading are classified as available-for-sale and are carried at fair market value.

The fair value of substantially all securities is determined by quoted market prices. The estimated fair value of securities for which there are no quoted market prices is based on similar types of securities that are traded in the market. Gains or losses on securities sold are based on the specific identification method.

Advertising

The Organization follows the policy of charging the cost of advertising to expense as incurred.

EQUINE ADVOCATES, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2025 AND 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional Allocation of Expenses

The statements of functional expenses present expenses by function and natural classification. Expenses directly attributable to a specific functional area of the Organization are reported as expenses of those functional areas. A portion of general and administrative costs that benefit multiple functional areas (indirect costs) have been allocated across programs and other supporting services based on the percentage of time employees spend on program and supporting services.

Use of Estimates

Management uses estimates and assumptions in preparing these financial statements in accordance with accounting principles generally accepted in the United States of America. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were used.

Subsequent Events

Management has evaluated subsequent events through February 26, 2026, the date that the financial statements were available for issue, and determined that no events have occurred subsequent to the balance sheet date that would require adjustment to, or disclosure in, the financial statements.

EQUINE ADVOCATES, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2025 AND 2024

NOTE 2 – PROPERTY AND EQUIPMENT

Consist of the following at December 31:

| | 2025 | | 2024 | |
|--------------------------------|--------------|-----------------------------|--------------|-----------------------------|
| | Cost | Accumulated Depreciation | Cost | Accumulated Depreciation |
| Buildings and improvements | \$ 4,836,638 | \$ 1,649,497 | \$ 4,446,126 | \$ 1,499,508 |
| Land and improvements | 1,655,311 | 125,152 | 1,655,311 | 117,399 |
| Vehicles and equipment | 500,249 | 363,174 | 449,539 | 352,657 |
| Furniture and fixtures | 21,618 | 16,284 | 21,618 | 14,259 |
| Software | 8,857 | 8,857 | 9,619 | 9,619 |
| Total | 7,022,673 | \$ 2,162,964 | 6,582,213 | \$ 1,993,442 |
| Less: Accumulated depreciation | 2,162,964 | | 1,993,442 | |
| Property and equipment, net | \$ 4,859,709 | | \$ 4,588,771 | |

Depreciation expense for the years ended December 31, 2025 and 2024 was \$169,522 and \$157,735.

EQUINE ADVOCATES, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2025 AND 2024

NOTE 3 – MARKETABLE SECURITIES

Available-for-sale securities consist of the following:

| | December 31, 2025 | | |
|-------------------------------------|-------------------------------------|---|--|
| | Estimated Fair Value | Gains in Statement of Activity | Losses in Statement of Activity |
| Certificate of deposits | \$ 1,139,762 | \$ 1,004 | \$ 0 |
| Stocks and mutual funds | 622,944 | 63,053 | 0 |
| Total available-for-sale securities | <u>\$ 1,762,706</u> | <u>\$ 64,057</u> | <u>\$ 0</u> |
| | December 31, 2024 | | |
| | Estimated Fair Value | Gains in Statement of Activity | Losses in Statement of Activity |
| Certificate of deposits | \$ 1,158,952 | \$ 0 | \$ 49 |
| Stocks and mutual funds | 632,685 | 7,849 | 0 |
| Total available-for-sale securities | <u>\$ 1,791,637</u> | <u>\$ 7,849</u> | <u>\$ 49</u> |

During the years ended December 31, 2025 and 2024, available-for-sale securities were sold for total proceeds of \$1,926,341 and \$1,311,000, respectively. The gross realized gains on these sales totaled \$2,496 and \$0, respectively. For purposes of determining gross realized gains, the cost of securities sold is based on specific identification. Net unrealized holding gains on available-for-sale securities in the amounts of \$64,057 and \$7,800 for the years ended December 31, 2025 and 2024, respectively, have been included in unrestricted net assets.

EQUINE ADVOCATES, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2025 AND 2024

NOTE 4 – FAIR VALUE MEASUREMENTS

| | December 31, 2025 | | | |
|-------------------------------|--|--|--|---------------------------------------|
| | Level 1: Quoted Prices in Active Markets for Identical Assets | Level 2: Significant Other Observable Input | Level 3: Significant Unobservable Input | Total at December 31, 2025 |
| <u>Description</u> | | | | |
| Available-for-sale securities | \$ 1,762,706 | \$ 0 | \$ 0 | \$ 1,762,706 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| | December 31, 2024 | | | |
| | Level 1: Quoted Prices in Active Markets for Identical Assets | Level 2: Significant Other Observable Input | Level 3: Significant Unobservable Input | Total at December 31, 2024 |
| <u>Description</u> | | | | |
| Available-for-sale securities | \$ 1,791,637 | \$ 0 | \$ 0 | \$ 1,791,637 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |

NOTE 5 – COMPENSATED ABSENCES

The Organization provides for paid time off and employees may carry these balances to subsequent years. Accrued paid time off was \$3,360 and \$919 as of December 31, 2025 and 2024, respectively.

EQUINE ADVOCATES, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2025 AND 2024

NOTE 6 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions as of December 31, 2025 and 2024 are restricted for the following purposes:

| | <u>2025</u> | <u>2024</u> |
|--|------------------|-------------------|
| Donor restricted to be used to cover the cost of future capital improvements | \$ <u>10,426</u> | \$ <u>210,634</u> |

NOTE 7 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Organization’s financial assets as of the balance sheet date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions. There are no donor-restricted amounts that are available for use within one year for general purposes.

| | <u>2025</u> | <u>2024</u> |
|--|---------------------|---------------------|
| Financial assets at year-end | \$ 4,360,040 | \$ 2,704,791 |
| Less those unavailable for general expenditures within one year, due to: | | |
| Restricted by donor with time or purpose restrictions | <u>10,426</u> | <u>210,634</u> |
| Financial assets available to meet cash needs for general expenditures within one year | <u>\$ 4,349,614</u> | <u>\$ 2,494,157</u> |

NOTE 8 – PENSION PLAN

During 2023, Equine Advocates adopted a salary reduction pension plan, which is intended to conform to and qualify under Section 401(k) of the Internal Revenue Code. Employees are eligible to participate upon hiring with no restrictions. There were no employer contributions for the years ended December 31, 2025 and 2024.

EQUINE ADVOCATES, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
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NOTE 9 – SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

Cash payments for interest and income taxes were as follows:

| | <u>2025</u> | <u>2024</u> |
|--------------|-------------|-------------|
| Interest | \$ 17,887 | \$ 11,667 |
| Income taxes | 0 | 0 |