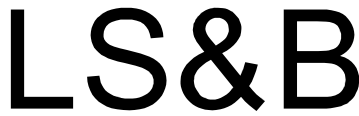


STONEBROOK FOUNDATION, INC.

**d/b/a NICKERS N' NEIGHS
THERAPEUTIC RIDING CENTER**

Financial Statements

December 31, 2015 and December 31, 2014



LOVE, SCHERLE & BAUER, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

A PROFESSIONAL CORPORATION

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Stoneybrook Foundation
d/b/a Nickers N' Neighs
Therapeutic Riding Center
Acme, Pennsylvania

We have audited the accompanying financial statements of Nickers N' Neighs Therapeutic Riding Center (a not-for-profit Pennsylvania organization), which comprise the statement of financial position as of December 31, 2015 and December 31, 2014, and the related statements of activities, changes in net assets and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Nickers N' Neighs Therapeutic Riding Center as of December 31, 2015 and December 31, 2014, 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.

Love, Scherle + Bauer, P.C.
Certified Public Accountants

Pittsburgh, Pennsylvania
April 26, 2016

STONEYBROOK FOUNDATION

d/b/a NICKERS N' NEIGHS THERAPEUTIC RIDING CENTER

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2015 AND DECEMBER 31, 2014

	<u>ASSETS</u>	<u>2015</u>	<u>2014</u>
CURRENT ASSETS:			
Cash		\$ 148,719	\$ 136,464
Accounts receivable		<u>6,625</u>	<u>5,966</u>
Total Current Assets		<u>155,344</u>	<u>142,430</u>
PROPERTY AND EQUIPMENT:			
Property and equipment		82,857	24,317
Equines		<u>15,175</u>	<u>11,975</u>
		98,032	36,292
Less: Accumulated depreciation		<u>25,447</u>	<u>15,897</u>
Net property and equipment		<u>72,585</u>	<u>20,395</u>
Total Assets		<u>\$ 227,929</u>	<u>\$ 162,825</u>
<u>LIABILITIES AND NET ASSETS</u>			
CURRENT LIABILITIES:			
Accounts payable		\$ 2,317	\$ 1,327
Accrued expenses		1,469	869
Prepaid lessons		<u>4,607</u>	<u>6,623</u>
Total Current Liabilities		<u>8,393</u>	<u>8,819</u>
NET ASSETS:			
Unrestricted		216,005	103,911
Temporarily restricted		<u>3,531</u>	<u>50,095</u>
Total Net Assets		<u>219,536</u>	<u>154,006</u>
Total Liabilities and Net Assets		<u>\$ 227,929</u>	<u>\$ 162,825</u>

The attached notes are an integral part of this statement.

STONEYBROOK FOUNDATION

d/b/a NICKERS N' NEIGHS THERAPEUTIC RIDING CENTER

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

FOR THE YEARS ENDED DECEMBER 31, 2015 AND DECEMBER 31, 2014

	2015			2014
	Unrestricted	Temporarily Restricted	Total	Total
SUPPORT AND REVENUE:				
Program revenue	\$ 72,891	\$ -	\$ 72,891	\$ 60,536
Contributions (Note 4)	255,517	42,675	298,192	304,271
Fundraising	14,328	-	14,328	22,234
Interest income	12	-	12	5
Net assets released from restriction	<u>89,239</u>	<u>(89,239)</u>	<u>-</u>	<u>-</u>
Total Support and Revenue	<u>431,987</u>	<u>(46,564)</u>	<u>385,423</u>	<u>387,046</u>
EXPENSES:				
Program	<u>285,822</u>	<u>-</u>	<u>285,822</u>	<u>266,954</u>
General and administrative expenses:				
Salary and benefits	3,882	-	3,882	6,673
Accounting	4,200	-	4,200	4,000
Insurance	900	-	900	4,160
Grant writing	12,000	-	12,000	11,000
Memberships	1,820	-	1,820	1,313
Office	3,782	-	3,782	3,975
Technology	2,512	-	2,512	1,225
Training	295	-	295	105
Depreciation	<u>1,514</u>	<u>-</u>	<u>1,514</u>	<u>3,860</u>
Total General and Administrative	<u>30,905</u>	<u>-</u>	<u>30,905</u>	<u>36,311</u>
Fundraising	<u>3,166</u>	<u>-</u>	<u>3,166</u>	<u>5,775</u>
Total Expenses	<u>319,893</u>	<u>-</u>	<u>319,893</u>	<u>309,040</u>
Income (Loss) from Operations	112,094	(46,564)	65,530	78,006
Other Income (Expense):				
Gain (loss) on sale of equines	<u>-</u>	<u>-</u>	<u>-</u>	<u>(945)</u>
Change in Net Assets	112,094	(46,564)	65,530	77,061
NET ASSETS - BEGINNING OF YEAR	<u>103,911</u>	<u>50,095</u>	<u>154,006</u>	<u>76,945</u>
NET ASSETS - END OF YEAR	<u>\$ 216,005</u>	<u>\$ 3,531</u>	<u>\$ 219,536</u>	<u>\$ 154,006</u>

The attached notes are an integral part of this statement.

STONEYBROOK FOUNDATION

d/b/a NICKERS N' NEIGHS THERAPEUTIC RIDING CENTER

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

FOR THE YEAR ENDED DECEMBER 31, 2014

	2014		
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
SUPPORT AND REVENUE:			
Program revenue	\$ 60,536	\$ -	\$ 60,536
Contributions (Note 4)	257,454	46,817	304,271
Fundraising	22,234	-	22,234
Interest income	5	-	5
Net assets released from restriction	11,997	(11,997)	-
	<u>352,226</u>	<u>34,820</u>	<u>387,046</u>
Total Support and Revenue			
EXPENSES:			
Program	<u>266,954</u>	<u>-</u>	<u>266,954</u>
General and administrative expenses:			
Salary and benefits	6,673	-	6,673
Accounting	4,000	-	4,000
Insurance	4,160	-	4,160
Grant writing	11,000	-	11,000
Memberships	1,313	-	1,313
Office	3,975	-	3,975
Technology	1,225	-	1,225
Training	105	-	105
Depreciation	3,860	-	3,860
	<u>36,311</u>	<u>-</u>	<u>36,311</u>
Total General and Administrative			
Fundraising	<u>5,775</u>	<u>-</u>	<u>5,775</u>
Total Expenses	<u>309,040</u>	<u>-</u>	<u>309,040</u>
Income (Loss) from Operations	43,186	34,820	78,006
Other Income (Expense):			
Gain (loss) on sale of equines	<u>(945)</u>	<u>-</u>	<u>(945)</u>
Change in Net Assets	42,241	34,820	77,061
NET ASSETS - BEGINNING OF YEAR	<u>61,670</u>	<u>15,275</u>	<u>76,945</u>
NET ASSETS - END OF YEAR	<u>\$ 103,911</u>	<u>\$ 50,095</u>	<u>\$ 154,006</u>

The attached notes are an integral part of this statement.

STONEYBROOK FOUNDATION

d/b/a NICKERS N' NEIGHS THERAPEUTIC RIDING CENTER

STATEMENT OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2015 AND DECEMBER 31, 2014

	<u>2015</u>	<u>2014</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Changes in net assets	\$ 65,530	\$ 77,061
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Changes in operating assets and liabilities:		
Depreciation and amortization	9,550	8,041
(Gain) loss on sale of equines	-	945
(Increase) decrease in accounts receivable	(659)	(5,354)
Increase (decrease) in accounts payable and accrued expenses	<u>(426)</u>	<u>(6,259)</u>
Net Cash Provided (Used) by Operating Activities	<u>73,995</u>	<u>74,434</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of equines, equipment, and property	<u>(61,740)</u>	<u>(5,636)</u>
Net Cash Provided (Used) by Investing Activities	<u>(61,740)</u>	<u>(5,636)</u>
NET INCREASE (DECREASE) IN CASH	12,255	68,798
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>136,464</u>	<u>67,666</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 148,719</u>	<u>\$ 136,464</u>

See accompanying notes to the financial statements.

STONEYBROOK FOUNDATION

d/b/a NICKERS N' NEIGHS THERAPEUTIC RIDING CENTER

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2015 AND DECEMBER 31, 2014

NOTE 1 — ORGANIZATION:

The Stoneybrook Foundation is a tax exempt organization under Section 501(c)(3) of the Internal Revenue Code. The Foundation's mission is "to work to improve the lives of individuals with disabilities" by giving them the opportunity to grow and develop through equine assisted activities. As an entity of the foundation, Nickers 'N Neighs Therapeutic Riding Center provides a variety of equine services to individuals with a wide range of disabilities. These disabilities include, but are not limited to muscular dystrophy, cerebral palsy, down syndrome, spina bifida, pervasive development delay, autism, non-verbal disorders, visual and hearing impairment, and development and learning disabilities. It will seek funding for these existing and evolving supportive programs. The foundation was established on June 14, 2009 as a nonprofit corporation in the state of Pennsylvania.

NOTE 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Basis of Accounting – The financial statements of the Foundation have been prepared on the accrual basis.

Income Taxes – Stoneybrook Foundation is qualified under IRC Section 501(c)(3) of the Internal Revenue Code and thereby exempt from Federal and State income taxes. The Foundation files Federal Form 990.

The Foundation accounts for uncertain tax positions under Accounting for Uncertainty in Income Taxes subtopic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (Codification or ASC). This subtopic clarifies the accounting for uncertainty in income taxes recognized in an entity's financial statements and prescribed recognition thresholds and measurement principles for financial statement disclosure of tax positions to be taken or expected to be taken on a tax return. The Foundation reviewed all open tax years (2012 - present) and major jurisdictions and has not identified any uncertain tax positions requiring an accrual or disclosure in the financial statements.

Use of Estimates in the Preparation of Financial Statements – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates.

Display of Net Assets by Class – The Foundation classifies resources for accounting and reporting purposes into separate net asset classes based on the absence or existence of donor-imposed restrictions. In the accompanying financial statements, net assets that have similar characteristics have been combined into similar categories. The Foundation's net asset categories consist of Unrestricted Net Assets - Net assets not subject to donor-imposed restrictions or stipulations as to purpose or use and Temporarily Restricted Net Assets - Net assets subject to restrictions or stipulations as to purpose or use.

Cash Equivalents – For purposes of the statements of cash flows, the Foundation considers all interest-bearing money market funds and accounts to be cash equivalents.

NOTE 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Property and Equipment – Property and equipment costing over \$500 are capitalized and are carried at cost when purchased or fair value when contributed. Depreciation is provided on a straight-line basis over estimated useful lives of the assets at three to seven years. Maintenance and repairs are charged to expenses when incurred. Significant betterments which extend the useful lives of assets are capitalized. When property and equipment are sold or otherwise disposed of, the asset account and related accumulated depreciation accounts are relieved, and any resulting gain or loss from the transaction is recorded in the statement of activities.

Contributed Services – For both the years ended December 31, 2015 and December 31, 2014 \$54,000 of contributed services were recorded.

Tax Exempt Status – The Foundation is a tax-exempt organization under Internal Revenue Code 501(c)(3). No provision for income taxes was recorded for the year under such exemption.

Subsequent Events – The Subsequent Events topic of ASC establishes general standards of accounting for and disclosures of events that occur after the balance sheet date but before financial statements are issued or are available to be issued. The Foundation evaluated events through April 26, 2016, the date the financial statements were available to be issued and determined that no material subsequent events exist that require disclosure.

Advertising – Advertising costs are expensed in the period benefited. Advertising expense was \$2,401 and \$1,007 for 2015 and 2014, respectively.

NOTE 3 — TEMPORARILY RESTRICTED NET ASSETS:

Temporarily restricted net assets are restricted for the following purposes:

	<u>2015</u>	<u>2014</u>
Capital Campaign funds	\$ 2,000	\$ 2,000
Prepaid lessons	-	275
Purchase of horses	-	3,400
Purchase of equipment	-	9,417
Hiring a grant writer and professional fundraiser	-	2,000
Technology infrastructure improvements	1,531	4,003
Volunteer program enhancements	-	19,000
Pave and widen driveway	-	10,000
	<u>\$ 3,531</u>	<u>\$ 50,095</u>

NOTE 4 — CONTRIBUTED USE OF PROPERTY:

During the years ended December 31, 2015 and December 31, 2014, John L. M^cCain, Jr. and Deborah N. M^cCain provided the foundation the use of a horse boarding facility including the use of the grounds and riding arena. The Foundation accounts for the contribution under SFAS No. 116 "Accounting for Contributions Received and Contributions Made." That statement provides the Foundation recognize the fair value of the contributed use of the facilities as both revenue and expense in the period it is received and used. The fair value of the contribution amounted to \$54,000 for both 2015 and 2014 and is included on the statement of activities.

NOTE 5 — FUNCTIONAL EXPENSES:

Management and general expenses, which consist primarily of salaries and benefits, insurance, accounting, and office expense, amount to 10% of total expense and fundraising expenses amount to 1% of total expenses. The remaining expenditures are program expenses.

NOTE 6 — RELATED PARTY TRANSACTIONS:

For the years ending December 31, 2015 and 2014, the use of a horse boarding facility including the riding arena and surrounding acreage was donated by a member of the Board of Directors.