# EQUUS FOUNDATION

#### FOR THE LOVE OF HORSES



## EQUUS Foundation Guardian Data Analysis Report

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#### I. Introduction

The EQUUS Foundation (Foundation) is the only national animal welfare organization and accrediting body in the United States that is 100% dedicated to protecting America's horses from peril while also strengthening the bond between horses and people. The core of the Foundation's mission is safeguarding the comfort and dignity of America's horses throughout their lives and sharing their ability to empower, teach and heal as many people as possible. The Foundation is committed to ensuring that horses involved in any role and in any capacity - as athletes, companions, teachers and healers - are safe, protected, and treated with dignity as partners. The term, horse, is used collectively to include donkeys and mules.

The EQUUS Foundation was established in 2002 in Connecticut as an all-volunteer group to provide financial support to a handful of local equine charities with an intent of providing more safe places to land for 'at risk' horses. At that time, USDA reported 66,400 equines sold to slaughter (Institute, 2023) and US slaughter plants were still operating. In 2003, a first round of grants was provided to seven charities with a geographic focus of Connecticut and New York. In 2008, the founder, Lynn Coakley, transitioned from a volunteer to staff, and the Foundation's mission was streamlined to provide support for two groups: those providing Equine Transition Services (ETS) by rehabilitating, retraining and re-homing America's at-risk, transitioning, and aged horses and those utilizing the horse-human relationship to elevate the lives of people with and without special needs through Equine Assisted Services (EAS).

With a passion for supporting even safer places for at-risk horses to land – and ensuring these places were operating with integrity and strong operational standards - the EQUUS Foundation launched its Equine Welfare Network ("Network"). The goal was to empower equine charities working in equine welfare providing Equine Assisted Services (EAS), Equine Transition Services (ETS) and/or Community Outreach involving Human-Equine Interaction:

- 1. EAS services: Equine Assisted Services are services conducted in accordance with the EQUUS Foundation Guidelines for Conducting Equine Assisted Services that incorporate equine interactions and/or the equine environment, mounted or unmounted, and are provided to people with special needs by credentialed service providers, that involve one or more of the following services:
  - a. Psychotherapy and/or mental health counseling aimed at achieving goals set forth by the licensed mental health professional and the client,
  - b. Occupational therapy, physical therapy, and speech-language pathology treatment strategies utilizing equine movement set forth by the licensed therapist and the client,
  - c. Horsemanship instruction adapted to the ability/disability of those receiving services conducted by a certified professional for the purpose of contributing positively to their cognitive, physical, emotional and social well-being,
  - d. Experiential learning approaches that promote the development of life skills to achieve educational, professional and personal goals conducted by a licensed educator, mental health professional and/or certified professional

- ➤ ETS Services: Equine Transitional Services are services involved with equines in transition, including the rescue of equines at peril, rehabilitation, training, re-homing, and/or the provision of sanctuary and/or retirement of equines.
- ➤ Community Outreach: Community Outreach involving Human-Equine Interaction are Public education programs and activities that incorporate equine interactions and/or the equine environment, mounted or unmounted, aimed at educating the public about the horse-human bond, issues impacting the welfare of horses, and how horses enhance lives of people that include, but are not limited to, off site visits with horses at hospitals, nursing homes, and schools, on site tours, seminars and clinics, camps, volunteer/community service programs, and able-bodied mounted and unmounted lessons – other than Equine Assisted Services (EAS) that require a credentialed service provider.

In 2018, the EQUUS Foundation expanded its grant making program through the establishment of the Guardians program to increase not only financial support of equine charities but also recognition, guidance and resources. The Mentor Accreditation was established in 2022 to recognize organizations with exemplary operations in both equine welfare and business practices. In the 2022 calendar year, there were 129 participating as Guardians in the Equine Welfare Network. Together they cared for 3528 equines. To date, \$6.2 million has been provided through EQUUS Foundation grant and awards since Foundation-was founded in 2022.

#### Overview of Equine Welfare Network Programs:

- <u>Member Status</u>: Applying to join the Network is the entry point for charity organizations. Organizations are not recruited. They typically find the EQUUS Foundation organically through social media, word of mouth, and/or media presence. Interest in joining the Network typically comes from recognizing the value that comes from the EQUUS Foundation review and associated networking and support. Those in the network are united by their commitment to horse welfare, meeting EQUUS Foundation code of equine business and welfare practices.
- <u>**Guardian Status**</u> Guardian Seal of Transparency is the 'next tier' Network designation offering increased recognition and the eligibility to receive financial support. Charities apply for review to determine if they meet or exceed the guidelines and equine welfare requirements to attain the Guardian Seal. The designation recognizes an organization's commitment to transparency and accountability by their willingness to make the following available for public scrutiny: comprehensive program data, horse care practices, governance practices, and organizational practices. Organizations submit materials annually for determination of ongoing status.
- <u>Mentor Designation</u> The Mentor Designation is awarded annually to organizations that operate at the highest standards for business and equine welfare practices. The organizations must have already attained Guardian designation, have a minimum of a two-year record as recipient of an EQUUS Foundation grant, and adhere to additional

levels of business and equine welfare practices. A site visit, a self-assessment using the EQUUS Foundation site assessment tool, and/or a recommendation from an existing EQUUS Foundation Mentor may also be required.

As a result of a rigorous application and review process for Guardian Status, a unique set of data is available to evaluate characteristics related to management and operational sustainability of ETS and EAS operations. Recognizing the potential value of this data to both the EQUUS Foundation work and the industry sectors involved with ETS and EAS operations, the EQUUS Foundation commissioned this study in early 2022 to analyze and understand key characteristics that impact on factors related to organizational sustainability and longevity. While these factors are important in any charity, their importance in ETS and EAS operations rise to a higher level given that business failure most often results in loss of ability to retain horses, thereby placing those horses at the very risks they first seek to remove.

This report details the result of the review of 2022 'start of year' Guardian data. Research questions guiding this review centered on 3 key areas:

- 1. Organizational Characteristics
- 2. Operational Capacity
- 3. Operational Sustainability

Note: This review study does not cover equine care standards. The data on equine care standards collected by the EQUUS Foundation is comprehensive and unique. The intent is to conduct a separate study addressing equine care standards.

This report is organized with a first look at descriptive characteristics of the 2022 set of operations of the Guardian charities and then moves to a review of Business Operations. The next section discusses findings related to Board Governance and Management. The report concludes with a hypothetical extrapolation to financial resources needed under a scenario whereby the SAFE Act (or comparable legislation) is passed in the United States.

#### Key Findings Overview:

- Importance of Donations of Goods, Services, and Volunteer Time
  - For this set of programs, an average of 22% of operational expense needs were covered by donations of goods, services, and volunteer time to horse and facility care. By far, the largest and most financially significant donation category is staffing though volunteers. Donation of veterinary services, and farrier services along with facility maintenance and manure removal are examples of other donation areas. In theory, if donations of time, goods, and services stopped, operational budget would need to be adjusted accordingly.
- Considering Capacity:
  - In this study, capacity was determined by asking operations to identify the total number of equines in their care and also the maximum number of horses they could house. The difference was identified as potential additional capacity.

Comparing reported current capacity to reported maximum capacity, 20% of operations were at capacity with 2% over capacity. Mathematically this means that 78% of operations felt they had some additional physical capacity that could be tapped if resources for management and care were available. The result is potential for an additional 1038 horses within the 78% of operations that had capacity. To be noted here, in other ETS capacity studies, the question is often posed as to how many additional equines could be taken in. Those studies have found lower potential capacity. **This likely represents the important distinction between having physical space and having the physical space, financial resources, and staffing to accommodate additional equines.** 

- Owning a Facility:
  - Operations that own a facility had, on average, lower physical expenditures and a higher liquidity ratio. These are indicators of greater potential for operational longevity. In addition, ETS operations were significantly less likely to own a facility and significantly more likely to use a facility. Note that 'use' is different than lease. The term, lease, is defined as having possession of the entire facility whereas the term, use, is defined as having access to the facility.
- Importance of Liquidity
  - In 2016, FASB updated the Accounting Standards for the' Presentation of Financial Statements of Not-for-Profit Entities (Robert A. Dyson, 2017). The updates significantly changed the financial information – and financial transparency – nonprofits were required to disclose to stakeholders, and this included the requirement for public disclosure of liquidity ratios. Liquidity ratio is calculated to determine how many months an operation can sustain current practices assuming no new liquid assets are obtained. The calculation in use during this report period is: Liquidity Ratio: LR = ( [net assets at end of year]-[fixed assets])(/[total expenses]\*12). This figure identifies the number of months expenses can be covered by existing liquid assets.
  - <sup>1</sup>In this review, liquidity ratio was significantly impacted to the positive by operational longevity and volunteer ratio.
    - Each additional year of operation is associated with an increase in liquidity ratio of about 0.29 months (p < 0.05)</li>
    - Organizations with a higher volunteer ratio are more likely to have a liquidity ratio of at least 12 (p < 0.10)</li>
  - On the other hand, liquidity ratio was negatively impacted by higher daily cost of operation, and higher number of program horses.
    - Organizations with a higher daily total cost of operations are LESS likely to have a liquidity ratio of at least 12 (p < 0.10)
    - Organizations with a higher number of program horses are LESS likely to have a liquidity ratio of at least 12 (p < 0.05)
- Importance of operating within standard nonprofit business practices

<sup>&</sup>lt;sup>1</sup> Liquidity ratio analysis conducted by Jill Stowe, PhD, University of Kentucky

ETS and EAS operations are often launched from a place of passion more than a comprehensive understanding of business operations – including nonprofit practices and procedures. In the Guardian review process, this is reported as among – if not the top – challenge for these operations. However, those operations that do have a solid grasp and a commitment to best practices are the ones most likely to have strong liquidity figures and therefore more operational sustainability. The use of nonprofit business practices and tools such as Liquidity Ratio, Program Expense Ratio, Board engagement and Donor relations are critical in sustainability considerations of equine welfare operations engaged in ETS and EAS work.

While this report focuses on its Equine Welfare Network program, the EQUUS Foundation's full scope of work includes additional programs aimed at empowering equine charities, cultivating volunteerism and advocacy and educating the public on the positive impact of horses in our lives: Next Chapters, Happy Endings, Safe Landings, Riders Closet, Champions, Equine Experiential Learning Initiative, and the Equine Education Network. *Figure 1* 



#### FOR THE LOVE OF HORSES

## At Work

Ensuring a humane and sustainable environment for horses now and in the future



EQUINE WELFARE NETWORK Connecting enthusiasts with equine organizations across America

GUARDIANS service of America's horses



MENTORS Ensuring transparency in the care and Recognizing the highest standards for the care of America's horses



**PARTNERSHIPS & ALLIANCES** Partnering to improve the way horses are treated and perceived .



EQUINE WELFARE GRANTS - BROOKE USA BRIDGE GRANTS - LAFITTE SAFETY NETGRANTS Providing financial support where it is needed most to equine charities operating at the highest standards for business and equine welfare practices.





SAFE LANDINGS Providing opportunities for horses





#HORSEPROTECTORS Building advocacy and onsensus that horses enhance our lives and need our protection



FOREVER FARMS Private or for-profit equestrian facillities committed to our mission

EXPERIENTIAL LEARNING INITIATIVE Cultivating advocacy through education



CHAMPIONS Stimulating and rewarding volunteerism on behalf of horses



HUMANITARIAN AWARD Honoring those dedicated to making our equine partners paramount.



THE RIDER'S CLOSET Providing riding attire to equestrians Encouraging the pursuit of equine



SPIRIT AWARD Honoring those who elevate the image and desirability of horses.



HONOR & SERVICE AWARD HORSE WHISPERER AWARDS

Recognizing the best honor & servictonoring equine charities with the

in a horse, individual or organiation highest equine welfare standards.

EQUINE EDUCATION NETWORK EQUINE STUDIES SCHOLARSHIPS generation of equine professionals



HORSE STARS HALL OF FAME Scholarships to inspire and reward the next Celebrating the extraordinary talent of horses



VETERINARY RESEARCH FELLOWSHIP Rewarding researchers to meet the need for equine veterinary research



#### II. Descriptive Characteristics of Guardian Operations

#### A. Facility Locations

The EQUUS Foundation began in New York and Connecticut. The network-now encompasses hundreds of equine charities nationwide. Of the 129 Guardian operations, using US Census Regions of the Northeast, the Midwest, the South, and the West, the distribution of operations in the 2022 data set is: 35% in Northeast; 35% in South; 15% in Midwest, and 15% in West. The top two states represented were New York and Virginia with 11 operations each, followed by CT, FL, CO, MA. Given this, the operations can be characterized as being more strongly represented in the Northeast and South. States without a participating operation in this study period: Alaska, Arkansas, Delaware, Hawaii, Idaho, Iowa, Louisiana, Mississippi, Nevada, North Dakota, Oregon, Rhode Island, Utah.





Figure 3: Geographic Distribution across US Census Bureau Regions

#### A. Operational Focus

As noted earlier, nonprofit charity operations among the 129 Guardians represented both EAS and ETS work. In the 2022 data set, 46% are ETS operations while 61% are EAS. Some operations have missions covering both EAS and ETS and this accounts for some tables and figures with counts greater than 100%.

#### Type of EAS services offered within operations:

Organizations were asked to report the type of EAS services they provided using the categories below. The responses, in rank order of frequency (#) are as follows:

By far, the top two were:

- 1. Therapeutic Unmounted Services (62)
- 2. Therapeutic Mounted Services (60)

These were followed by a middle grouping of four service types:

- 1. Equine-Assisted Learning involving Personal and/or Professional Development (32)
- 2. Equine-Assisted Psychotherapy/Counseling (Mental Health) (27)
- 3. Equine-Assisted Occupational Therapy/Physical Therapy/Speech-Language Pathology (24)
- 4. Equine-Assisted Learning involving Academic Learning (20)

The list was rounded out by:

- 5. Therapeutic Driving Services (7)
- 6. Therapeutic Vaulting Services (2)

The variety of service offerings is robust in this set of operations and reflects established and emerging service areas, as well as newer niche areas. In addition, there is a strong tendency to offer multiple EAS services within the same organization as 71 of the 79 (90%) offered 2 or more, and 43 of the 79 (54%) offered 3 or more. As might be expected, Therapeutic Mounted and Unmounted Services were most often coupled in offerings.

#### Types of ETS offerings within the operations:

Organizations were asked to report the type of ETS offerings within their organization by using the categories provided below. The responses, in rank order of frequency, are as follows:

- 1. Rescue, Adoption (rehoming) and Retirements (34)
- 2. Rescue and Adoption (rehoming) (18)
- 3. Rescue and Retirement (4)
- 4. Retirement (3)

The higher number of organizations with rehoming/adoption services is important to note. From a business model and sustainability forecast, the importance of finding 'next homes' for horses that enter the ETS network is critical. Rescuing on its own is rarely a viable business model. Retirement can, however, be a viable business model under income generating programming with non-riding environments.

#### B. Years in Operation

A wide range of operational years are represented in the full dataset with a range of 4-84yrs and an average of 23yrs. Further analysis shows that 81% of the operations have been in business longer than 10 years, and 46% longer than 20 years. The operational lengths found in this review for both for EAS and ETS operations demonstrate characteristics of a more mature set of operations than found in comparable studies.

#### C. Facility Status - Own, Lease, or Use

The operations in the data set reported whether they owned, leased, or used their facilities. The definitions for facility status are as follows:

- 1. Own The charity owns the physical facility.
- 2. Lease The charity leases the entire facility from the owner.
- 3. Use The charity uses a portion of the facility; the owner also uses the facility

Overall, there was a relatively even distribution across the three categories: 32% Own, 27% Lease, and 31% Use. However, important differences were found when comparing ETS and EAS operations. ETS operations in this study were significantly less likely to own a facility and significantly more likely to use a facility (Table 1). This may reflect difference in business models where EAS operations are more likely to have income from scheduled paid services, and ETS operations may more often rely on adoption fee collection which is generally seen as a less stable and reliable income stream.

Operation Focus	Own	Lease	Use
Combined	32%	37%	31%
ETS	22%	36%	42%
EAS	46%	38%	16%

#### Distinctions between EAS and ETS

Table 1: Facility Status Comparison: Own, Lease, Use

#### D. Number of Equines

A total of 3528 equines were identified in the dataset. Of those, 54% were primarily in ETS programs while 45% were primarily maintained in EAS program. Rehoming was the primary goal for a majority of the animals in ETS operations.

#### Distinctions in herd size between EAS and ETS

The range of herd size is highly varied in this population. Still a look at average and most frequently found herd sizes is useful for understanding the nature of these operations. As shown in Table 2, the average herd size is larger in EAS operations. However, when looking at the most frequently found sizes, herd size is smaller in EAS than ETS. While this may seem confusing, it is reflective again of a highly diverse approach to operations with herd sizes as small as 2 and others as large as 150. In general, herd size should reflect the mission of operation and be determined in line with what is financially feasible and sustainable for each operation.

Operation Focus	Range of horse herd size	Average herd size	Most frequently found herd size
ETS	2-150	13	20
EAS	3-112	18	12

Table 2: Number of Equines: Overall, EAS, ETS

#### E. Breeds of Equines.

Operations report the breeds of equine in their care through selection from a list of breed options. In the dataset, 61 horse breeds were identified with 9 breeds appearing in greater than 2% of the population (Figure 3).



Figure 4: Breeds Making Up Greater than 2% of the Population

As depicted in Figure 3, the dominant breeds overall, in ranked order, are: Thoroughbred, Quarter Horse, Miniature, Paint, Mustang, Standardbred, Arabian, Appaloosa, Donkey. The Thoroughbred and Quarter Horse US registry numbers are higher than other breeds and therefore it is not surprising to find these two breeds at the top of the list. The general categories of 'pony' and 'draft' were higher than 2% but as categories, and not equine breeds, they are not included in Figure 3.

There may be some surprise in seeing miniature horses, paints and mustangs in Figure 3, especially their presence in higher numbers than breeds such as Standardbred and Arabians. Miniature horses may appear here in response to their public popularity as a way to have a horse that seems more like a 'pet', is less expensive to purchase, care for, and requires less land to house. These characteristics, however, can land them with owners with little equine care background who may then find they are ill equipped to care for them. However, miniature horses may also appear here for their appeal and usefulness in EAS programming, and their fit in an ETS operation for new volunteer training as well as organizational 'ambassadors' interfacing with the public at events – including offsite events at schools, libraries, and nursing homes. For Paints and Mustangs, these may also appear in greater numbers here given their appealing colors and/or history which may also result in stronger emotional appeal for both ETS placement and EAS programming. Overall, the findings of dominant breeds in the Guardian dataset are in line with findings in other studies (Coalition, 2022) (Emily Weiss \*, 2017).

#### F. Ages of Equines

Reported ages of equines in the Guardian Network range from 1-47yrs with an average of 17yrs (Figure 4). Further, 82% of equines were over 10 years of age while 42% were over 20. At age 20 and above, equines are considered, from a veterinary perspective, to be geriatric. "Most equids reach sexual maturity at about 3 to 4 years of age, and they are considered fully mature— with height and bone development equivalent to those of older equids—by 4 to 5 years of age. During the adult life stage—from about 5 to 20 years of age— most equids reach their optimal athletic potential. Equids more than 20 years old (geriatric) may still serve in some athletic capacity but might not have the stamina, athletic ability, or soundness they had when they were younger." (USDA, 2016) That being said, advances in equine nutrition and disease management have led to increased longevity of equines and lifespans ranging 25-30 years. Some equines exceed the 30-year mark in lifespan.



Figure 5: Horse Count by Age in Full population

In examining the data in Figure 4, it is important to note the pattern of total horses by age ranges and where 'peaks' occur showing marked increases or decreases of horses at certain ages. The first to note is the rise up to age 5, which is often an age at which decisions about athletic potential are strongly considered. From ages 5 to 16, there is an incline (including a rise/fall pattern) that is likely indicative of the various ways equine are used, sold, and managed during their adult life stage. Equine count levels off from age 17 to 20 and then a sharp peak at the start of the Geriatric Life Stage at age 21 and then at age 23. This is followed by a sharp continuous decline.

In relationship to horse ownership costs, the growing and geriatric stages are typically higher expense years. However, in the growing years, there is often an expectation of personal and professional gain by investing in a young horse. In geriatric years, there can be a personal gain by providing a safe and supportive environment for an aging equine. There can, however, be a toll both financially and emotionally that may compel owners to seek other options to step away from owning a geriatric horse.

#### Distinctions between EAS and ETS

A deeper look into age patterns of equines in this population finds important differences between EAS and ETS equine populations. In particular, the differences that occur between ETS and EAS horse numbers at ages that mark key lifecycle difference in growing years, adult life stage years, and geriatric life stage years (Figure 5).



Figure 6: Horse Count by Age and Data Set of Full, EAS & ETS

For EAS operations, accepting a horse requires securing a good fit for work in EAS programming. Such horses are more likely to be at an adult life stage, with previous training, and able to provide a benefit to the organization. While there is an increase in number of horses as the ages progress, and the presence of sharp peaks at the start of the geriatric life years, the ability of a horse to be successful in an EAS program can remain high, with well managed care, far into their 20s. Anticipated success in EAS operations makes these equines suitable for entering as an intake of donation, a lease, or purchase.

For ETS programs, the primary goal is for equines to be rehomed through the provided transition services. Young horses and behaviorally and physical sound horses in the adult stage are perceived as more likely to be successfully adopted given their potential for recreational or performance work. When equines approach and enter the geriatric life stage, there are significantly more hurdles in the transition process. Therefore, while it is understandable that horse owners may be looking to find a different homes for their aging equine, surrendering it to an ETS program is not a best-fit option for the animal unless the owner is under financial duress and/or the equine is surrendered with funds for several years of care. This is an area deserving of further consideration and analysis including potential untapped opportunities for utilizing a set of aged equines for companion and behavioral training assistance in working with young horses.

G. Gender of Equines.

A look at gender of equines in Guardian operations reveals the presence of a larger percentage of geldings than mares, and no stallions: 54% Geldings, 44% Mares. This is in line with other reports showing a tendency for more geldings than mares in the ETS environment (Emily Weiss

\*, 2017) and typical absence of stallions. Comparable data for EAS operations was unable to be found and there were no significant differences between EAS and ETS.

H. Intake Sources for Equines

Equines arrive at ETS and EAS facilities from a number of sources which is representative of the complexity of the movement of horses throughout their lifetime, as well as the differences in mission between ETS and EAS operations. As part of the application paperwork, Guardian operations select from a list of 13 possible intake pathways (Figure 6) for each equine in their program. This allows for analysis of patterns in intake sources found in the full population as well as between ETS and EAS operations.

- <u>Auction</u>: The ownership and custody of the equine is transferred to the organization by acquiring the equine at an auction.
- <u>Abandoned</u>: The ownership and custody of the equine is transferred to the organization as a result of the equine being abandoned by the owner and/or the owner was unable to be located.
- <u>Adopted from Rescue Organization</u>: The ownership and custody of the equine is transferred to the organization by an organization specializing in the re-homing of equines in transition utilizing an adoption document.
- <u>Born</u> The equine was born at the facility.
- <u>Donated</u>: The ownership and custody of the equine is transferred to the organization by its owner/trainer/responsible agent utilizing a donation document.
- <u>Kill Pen</u>: The ownership and custody of the equine is transferred to the organization by acquiring the equine from a kill pen, which are privately owned holding areas where equines purchased at auction are offered for sale and if not sold, held until they are shipped to Mexico or Canada for slaughter.
- <u>Leased</u>: The ownership of the equine is maintained by the owner/trainer/responsible agent while the custody and responsibility for the shelter and care of the equine is transferred to the organization utilizing a lease document.
- <u>Purchased from Owner:</u> The ownership and custody of the equine is transferred to the organization by its owner/trainer/responsible agent utilizing a purchase document.
- <u>Returned</u>: The equine was previously a part of the organization, was adopted, and ownership and custody of the equine has been transferred back to the organization.
- <u>Surrendered</u>: The ownership and custody of the equine is relinquished to the organization by its owner/trainer/responsible agent with or without the use of an intake document.
- <u>Seized:</u> The ownership and custody of the equine is transferred to the organization as a result of the equine being seized by law and/or animal control enforcement and removed from the owner.
- <u>Transferred in from another facility</u>: The custody of the equine is transferred within an organization, or from one organization to another non-profit or foster organization, to provide retirement, retraining, rehabilitation and/or adoption services with no change in ownership.

Figure 7: EQUUS Foundation Intake Source Definitions

In

In the 2022 dataset, the most frequent intake source for the combined population was surrendered at 32% (Table 3). Donated was second at 22%. The finding of Surrendered as the most frequent intake source is in line with findings from the 2022 Equine Welfare Data Collective report by the United Horse Coalition. (Coalition, 2022).

Donated	Surrendered	Leased	Purchase from owner	Abandoned	Auction	kill pen	Returned	born	seized	Transfer
22%	32%	9%	8%	2%	3%	5%	5%	1%	7.5%	2%

 Table 3: Intake Source by % of Population

Distinctions between EAS and ETS

A look at differences between EAS and ETS intake patterns identifies important findings to consider (Figure 7).

Intake sources for EAS should align with the nature and mission of organizations that utilize horses to elevate the lives of people with and without special needs through Equine Assisted Services. Horses that enter EAS organizations are mostly perceived as having found a 'home' in EAS work rather than entering with the need to transition to a home. This is reflected by the top intake source of Donation followed closely by Leased, and then Purchased from owner. Together, these three sources account for 92.5% of the intakes.

For the ETS population, horses enter because they are without a home or are in an emergency need for a new home. This is reflected in the top intake source of Surrender (45%) and is indicative of the purpose and mission of ETS operations. Donations appear as the next largest (16%), followed by Seized (10%) and Returned (7%). Returned reflects policies in EQUUS network organizations that ETS horses adopted out are to be returned if//when the horse no longer is suitable for the adopted home.



Figure 8. Equine Intake Source Frequency

Finding donations of equines in ETS intake data deserves further consideration and discussion. The action of donating an equine to an ETS program does not align with the purpose for, and intent of, donations. When a horse enters an ETS operation, the owner is seeking relief from their responsibilities as a horse owner and placing the responsibility on an ETS operation for care of the horse until a new home is found. If voluntary, the intake is a surrender. If required by an agency, it is considered a seizure. This is far different than a horse owner placing a horse in an EAS operation where the horse has value for the work it can do in the EAS programming. That value is what qualifies it as a donation to the EAS and, if desired, qualifies the owner to record it as a donation for tax benefits UHC Tax Ramifications Of Charitable Contributions 2019.pdf

(unitedhorsecoalition.org). Given this, ETS operations using Donation as an intake method is perplexing. It is possible that there is lack of understanding in some ETS operations as to the important distinctions between donate and surrender. Another possibility is that some ETS organizations only take in Owner Surrenders if accompanied by funds to help cover some of the costs associated with care of the horse (until a new home can be found) and they may be inaccurately recording this as an equine donation. The intake of the equine is still a Surrender. The donation comes from an associated gift of funds – not the surrender of the horse.

An additional area for further exploration and discussion is the finding of horses purchased by an ETS organization. The purchase may be a transaction with an owner, an auction, or a kill pen. It is not uncommon for ETS operations to periodically 'purchase' a horse they feel is in immediate harm's way and cannot get an owner to surrender. Ideally, operational funds would not be used for this purpose. There are, however, organizations that utilize social media to gather new funds to purchase the 'at-risk' animal who is then surrendered to an ETS. Policies regarding purchasing of horses are best determined through Board and staff discussions with a focus on mission, budget, and liquidity.

#### I. Capacity of Operations

Operations annually report the total number of equines in their care, along with maximum physical horse housing capacity, during the review process. Any negative difference in the figures is considered additional available capacity. In the 2022 data set of 129 organizations, 26 reported they were at capacity and 2 reported they were over capacity. Within the 101 organizations that were not at capacity (78% of the total), there could be room for an additional 1038 horses if funding and staffing support was available for the care and management of additional equines. Of note, EAS operations do show a 3% greater capacity for additional housing (Table 4).

Operation Focus	Potential Additional Capacity #	Potential Additional Capacity %
ETS	584	20%
EAS	454	23%

Table 4: Additional Capacity Potential for ETS and EAS

#### J. Size of Horse Herd Operations

Size of horse herd operations is another descriptive characteristic to consider. The definitions used by the Equine Welfare Data Collective (Coalition, 2022) were used to describe the population in this data (Table 5): Small (0-10) Medium (10-50) Large (51-100), Extra-large (over 100). Medium sized operations were most frequent which aligns with findings in other literature on ETS and EAS operations.

	Small (0-10)	Medium (10-50)	Large (51-100)	Extra-large (over 100)
ETS	19%	38 %	3 %	1%
EAS	10%	28 %	1 %	0

Overall	29%	66 %	4 %	1%		
Table E: Size of Horse Hard Operations						

Table 5: Size of Horse Herd Operations

#### K. Acreage within Operations

Consideration of acreage is part of capacity analysis for equine welfare and safety, as it is essential that equines have access to appropriate acreage. In this study, the 129 operations accounted for use of 4149 acres. On average, this resulted in an acreage range of 1.04 to 1.14 acres per horse. There was no significant difference in acreage per horse by region or between EAS and ETS operations.

Best practices for equine acreage are dependent upon use of acreage. In this study, it is unclear if reported acreage is used for grazing, turnout, or both. If used as primary forage for equine nutrition, the general rule is 1 ½ to 2 acres per horse (Horses, How much land do I need for a horse?, July ). If the land is used for turnout only, 1/2-1 acre may be suitable. At times, local zoning ordinances will determine required acreage per equine.

The finding of 1.04 to 1.14 acres per horse in this population is an indication of access to acreage aligning with best practices for turnout. If, however, acreage is used as a primary nutrition source through grazing, the finding indicates that access to additional acreage is necessary.

#### III. Business Performance Indicators:

All EQUUS Foundation Guardian operations are required to be not-for-profit charities that annually file Federal Tax Form 990 (About Form 990, Return of Organization Exempt from Income Tax | Internal Revenue Service (irs.gov) and annually earn a GuideStar Seal of Transparency (guidesestar.org).

Financial review of these materials is conducted as part of the application process. Tax Form 990 figures are compared to self-reported figures submitted in the application process. This ensures integrity and transparency of financial operations. Two figures in these materials are of particular importance: Program Services Expense; Program Expense Ratio. Liquidity Ratio is an additional business performance indicator calculated during review. Together, these figures provide an essential look at ETS and EAS business performance toward financial sustainability and longevity. For ETS operations, equine adoption rate is an additional performance indicator of importance in considering organizational success As a business performance indicator, adoption rate should match the operational mission and goals of the ETS organization.

#### A. Program Services Expenses

During this review, consideration of Program Services Expenses in ETS and EAS operations focused on direct daily per-horse costs of direct equine care and then daily total per-horse costs. Daily direct costs are incurred while carrying out the charity work of an organization. Program expenses reflect the Mission of the organization and its operations. The latter encompasses operating costs beyond daily equine care requirements.

The range of daily equine care costs was highly varied including outliers at the bottom and top end of costs: \$3.24 to \$64.3 per horse. The average for daily *direct* equine care cost in the full data set landed at \$15 per horse per day while the average daily *total* cost was \$22 (Table 6).

	<b>Daily</b> <u>direct</u> cost 2022 (2022 data used in report)	<b>Daily</b> total cost 2022 (2022 data used in report)
Full set	\$15	\$22
EAS	\$14	\$22
ETS	\$16	\$21

Table 6: Daily Per-Horse Equine Care Costs

As shown in Table 6, ETS operations direct costs average \$1 dollar higher than the overall, and \$2 higher than EAS.

Finding current comparable industry averages for equine care is problematic as the variety of scenarios and possible expenditures is immense between types of horses, operations, and geographic locations. However, a recent report published by Synchrony (a consumer financial services company) identifies lifetime care for horses ranging from "\$8,600 to \$26,000 per year, not including events or operating expenses" ( (Garrison, 2023). On a per day costs, this results in a range of \$23.50 to \$71.25 per horse. Considering the mission of ETS and EAS operations, it would seem that the average daily direct cost found in this study is remarkably low, although comparable to the Synchrony report. This may well reflect the ways in which EAS and ETS operations utilize volunteers for cost savings as well as scrimp/save/ bootstrap and seek donations to lower daily costs of operation.

#### Categorical Expenses

A look at categorical expenses provides a deeper dive into ETS and EAS expenditures. Table 7 shows the primary daily cost categories along with total expenditures within each. This is followed by the % of operations providing their expenditures in each category. The next column is the total reported value of donations in each category. This is again followed by % of operations providing donated value figures. The final column provides the total expenditure (in real dollars and donated services) for each category.

Categories	Paid	**% reporting	Donated	% reporting	Total
Staff	\$5,871,695	71%	\$3,392,684	47%	\$9,264,379
Feed	\$4,396,494	95%	\$190,106	37%	\$4,586,600
Veterinary	\$2,438,013	98%	\$222,867	31%	\$2,660,880
Maintenance	\$1,343,615	70%	\$302,997	24%	\$1,646,612
*Other	\$1,282,446	59%	\$125,205	13%	\$1,407,651
Farrier	\$1,010,315	95%	\$131,106	11%	\$1,141,421
Training	\$857,073	50%	\$219,048	14%	\$1,076,121
Supplies	\$637,103	91%	\$172,393	34%	\$809,496
Medications and					
Supplements	\$585,590	72%	\$93 <i>,</i> 389	22%	\$678,979
Bedding	\$537,718	69%	\$102,444	13%	\$640,162
Dentist	\$338,546	61%	\$81,189	17%	\$419,735
Transportation	\$277,965	50%	\$23,281	12%	\$301,246
Manure Removal	\$234,138	33%	\$342,126	14%	\$576,264
Other Therapies	\$98,076	35%	\$80,399	24%	\$178,475
Total Daily cost	\$19,908,587		\$5,479,948		\$25,388,021
Total Direct cost	\$13,179,819				

Table 7: Categorical Expenses

\*Other represents costs not including overhead or other program costs that do not fit within listed categories. \*\* Total reporting is not an indicator of % expending in this category; it represents the % that reported the cost/value of service used in this category.

Staff represents the top expenditure within the dataset. This is not surprising as labor costs are typically the biggest cost of doing business (Pay (Paycor, 2022). Feed and Veterinary categories follow which aligns with normal expenditure patterns. Medications and Supplements is an area that could be explored further including a breakout in the reporting to 2 categories: DVM prescribed medications/supplements, caretaker-prescribed medications/supplements. Equine management literature often identifies a tendency for overuse of non DVM prescribed medications and supplements resulting in financial expenditures that would be better spent in other areas.

#### Impact of Donations on Program Services Expenses

Donations to ETS and EAS operations take many forms including monetary contributions, product contributions, and volunteer time. When looking at the impact on annual budgets, an average of 22% of operational needs were covered by donations of goods, services, and volunteer time to horse and facility care.

While funds and products are most frequently thought of in terms of donations, the contributions of time and talent by volunteers are typically of greatest donation value. The true value of this is that volunteer hours may not be fully recognized - not only for equine care but also for finance and legal services, fundraising, and communication with stakeholders. In this review, the total

reported value of donations was \$5,479,134. Of this, volunteer 'staff' time accounted for \$3,392,684 (Figure 8).



Figure 9: Financial Value of Donations

Another way to think about donations is the impact by category. In other words, how much is required to meet the needs within a category and how much of that need is met by donation. This gives a deeper look at the impact of donation within categories (Figure 9).



Figure 10: Impact of donation within category

For this data set, donations within the category of manure removal had the biggest impact. While manure removal ranks 13/14 on the order of *total* expenditures (Table 7), for those that rely on manure removal the impact of donation on the **category** of donation is quite large. Similarly,

'Other therapies' is lowest on the list of *total* expenditures (14/14), the financial impact of donations in that **category** is second in impact.

Overall, the impact of donations cannot be understated. Best business practice in financial management is to not rely on donations for the day-to-day requirements of an operation but rather consider them as budgetary cushions. This is particularly important in an operation that must provide daily care to farm animals where cuts to essential operations are not possible. Budget forecasting can be a very helpful tool for addressing 'what if' scenarios before they happen. In this way, budgets can be planned based on predictors from past history while also forecasting for implications if past predictors do not hold for current scenarios. Examples of this would include 'what if' losses in key donation areas such as volunteers, feed, veterinary care. Ideally an organization would have at least 3 months of funds in reserve to help offset 'what if' scenarios.

The nature of ETS and EAS operations are that they do, in substantial part, rely on donations. The biggest area of concern on reliance of donations in ETS and EAS operations is volunteer staffing. Loss of volunteer staffing (in part or in whole) would likely be devastating to the majority of the operations in this dataset. Given this, volunteer recruitment, training, oversight/scheduling, support and recognition is critical.

#### B. Program Expense Ratio

The use of a Program Expense Ratio formula provides a look at the amount of operational funds spent directly on programming: Program Expense Ratio = [program expenses]/ [total expenses]. The EQUUS Foundation application review process favors those operations who have a ratio of at least 65%. This is in line with best practices as the Better Business Bureau recommends a minimum 65% ratio. An 'ideal' ratio has been identified as 75% by both Charity Navigator and the American Institute of Philanthropy.

Guardian operations in the data set have a wide range of program expense ratios reflecting the varying approaches and longevity of the ETS and EAS operations. While the overall range is 9% to 100%, the average for all operations is 86% with a Standard Deviation of 12.8. This means that Guardian operations in the 2022 data set are largely made up of operations that are well within the 65% ratio, and even at or above the 75%+ recommended ratio.

Given the importance of Program Expense Ratio to donor/funder confidence, advanced statistical analysis was conducted to identify any areas of significance in trend and impact. Two findings were of note:

- Operations that owned a location (rather than use or lease) had a lower program expense ratio by an average of 5 points. This may reflect program expenditures aimed at facility improvement/upgrade investment as a result of owning.
- ETS operations have, on average, a program expense ratio 9.2 points higher. In an interesting possible twist, ETS operations were found to be least likely to own a facility

and this may have the reverse impact - leaving ETS operations to spend more money on program expenses and less on facility maintenance and improvements.

#### C. Liquidity Ratio

In 2016, FASB updated the Accounting Standards for the' Presentation of Financial Statements of Not-for-Profit Entities (Robert A. Dyson, 2017). The updates significantly changed the financial information – and financial transparency – nonprofits were required to disclose to stakeholders, and this included the requirement for public disclosure of liquidity ratios. Liquidity ratio is an important public indicator of solvency and sustainability. "More than just an obscure accounting metric, liquidity is a crucial measure of the availability and flexibility of nonprofit operating funds" (CPA, 2020).

Liquidity ratio is calculated to determine how many months an operation can sustain current practices assuming no new liquid assets are obtained. The calculation in use during this report period is: Liquidity Ratio: LR = ( [net assets at end of year]-[fixed assets])(/[total expenses]\*12). This figure identifies the number of months expenses can be covered by existing assets. During the report period, an additional calculation was identified for use as a secondary measure of liquidity to be used in future years: Cash Reserves Ratio = ([cash]/[total expenses]. This calculation shows the number of months of expenses that can be covered by existing cash.

In this review, overall Liquidity ratios ranged from -33 to 113 months with an average of 10.34 months (Table 8). The Standard Deviation was 19.6 months and is reflective of the significant variation within the dataset.

Operation Focus	Liquidity Ratio range	Liquidity Ratio average
Overall	-33 to 113 months	10.34 months
ETS	-32 to 113 months	9.45 months
EAS	-23 to 107 months	10.63 months

Table 8: Liquidity Ratio Analysis

In the EQUUS Foundation review, a ratio of 1:1 is considered minimum to ensure monthly expenses can be met with a month's reserve on hand. A 3 to 6 month 'reserve' is preferred to ensure that operations have some flexibility for downturn in revenue streams and/or encountering emergencies.

The National Council for Nonprofits reports a majority of nonprofits have less than six months of cash in reserve. Further, "many nonprofits report that they have less than three months of operating reserves on hand." (Nonprofits N. C., 2023). With this in mind, the average liquidity ratios found in the dataset indicate that a subset of the ETS and EAS operations are 'above the norm' for liquidity reserves while others fall far below.

While a high liquidity ratio signals operational stability, liquidity far above the norm could signal management that is holding onto funds otherwise intended to carry out their mission. It could

also signal an operation seeking funds, grants, donations above what is needed for carrying out their operational missions. However, dependent upon accounting practices, it could also indicate a charity building a fund for a capital project to improve operations.

With the importance of Liquidity, further analysis was conducted on the data to determine operational areas of significant impact on liquidity ratio.

#### <sup>2</sup>Liquidity ratio analysis

Positive Impact on Liquidity:

- Organizations that own at least one location were more likely to have a liquidity ratio of at least 12
- Organizations with a higher volunteer ratio were more likely to have a liquidity ratio of at least 12
- Organizations in Region 4 (West) were more likely to have a liquidity ratio of at least 12 as compared to region 1 (Northeast).
- Organizations with strong board engagement had stronger liquidity ratios
- Each additional year of operation was associated with an increase in liquidity ratio of about 0.29 months.

Negative Impact on Liquidity:

- Organizations with a higher daily total cost of operations were less likely to have a liquidity ratio of at least 12
- Organizations with a higher number of program horses were less likely to have a liquidity ratio of at least 12
- D. Success of Services

The final business performance indicator considered is success of services in meeting operational mission as it pertains to the individual equine.

For EAS services there are a host of performance indicators tied to goals of programs that are offered. Those programs and goals are primarily about individual(s) interacting with the horse rather than goals for the horse. Therefore, success of services is not a performance indicator that would fall within The EQUUS Foundation review process. For organizations that conduct EAS programs, the EQUUS Foundation evaluates operations on the basis of the impact of the organization's EAS programs on the health and welfare of the equines involved and the organization's compliance in meeting the EQUUS Foundation Guidelines for Organizations Conducting Equine Assisted Services (EAS) and not on an evaluation of the impact of an

<sup>&</sup>lt;sup>2</sup> Liquidity ratio analysis conducted by Jill Stowe, PhD, University of Kentucky

organization's EAS programs on the individuals involved. A host of oversight and accrediting organizations already exist for this purpose.

For ETS services, the primary measure of mission success is most often successful placement of an equine in a new home. In this first analysis of Guardian data, the measure is reported adoption rate for equines within the year of review. These ranged from 100% to 2% with an average adoption of 35% (Figure 10).



Figure 11: Adoption rates

As a business indicator, adoption rate can be used as a forecasting tool for operational planning in terms of how many new equines can be accepted annually. It can also be used for Board and community discussions regarding operational goals. For example, in ETS organizations such as retirement sanctuaries, a 2% adoption rate may be the intent. For others, a 95% or better may be the intent.

#### E. Management and General Expense

Management and General Expenses are those that occur in the day-to-day work of an operation and are not directly tied to operational Mission. These include expenses such as personnel, insurance, accounting, and legal services. Among these, staffing is most critical in ETS and EAS operations and is the largest single expense category.

#### 1. Employees

For this review, full-time employees and part-time employees were considered in terms of headcount numbers. For full-time Employees, there is wide variation in approaches to staffing and this is reflected in a 0-17 range with an overall average of 3 FT employees. For part-time employees, the range was also quite wide from 0 to 47 part-time employees; the overall average was 6. Further analysis was considered to calculate performance indicator ratios such as #employees/#equines. However, given the vast differences in how equines are kept, handled, and managed the decision was to not proceed with further analysis at this time.

The presence of one or more paid employees in the work of ETS and EAS nonprofit charities is good management for sustainability of operations and the lack of any paid employees can signal a problem for sustainability. If finances from operational income are unable to cover a salary, donor funds may be used to assist with salary payments. Donors may, at times, be concerned about donated funds being used for staffing. Therefore, communication and transparency are key in both seeking and using donated funds.

Ultimately, decisions regarding the type and number of personnel (FT paid staff, PT paid staff, volunteer staff) are best determined by size, scope, mission, and financial standing of the operation along with input from the Board. Consideration should be given to a sustainable ratio of employees/equines needing daily care and oversight.

#### 2. Volunteers

The importance of volunteers in nonprofit work cannot be understated. Volunteers provide essential services and make a real difference in total operational capacity for equine care. In this dataset, there were 14,947 volunteers supporting 129 operations with 3,528 EAS and ETS equines. The range of volunteers within operations was highly varied at 5-504 and an average of 107. Of note, is that two operations reported over 1,000 volunteers each which skews the data on the high end. In addition, it is unclear if operations reported all possible volunteers or only those active in the reporting year. Further, there is no common definition for 'active'.

Gaining clarity on how volunteers are reported, and the rate of pay used to calculate value, would provide opportunities for deeper analysis of reliance on, and impact of, volunteers. This could then be used as a predictor for budget impact if volunteer numbers decline within an operation.

#### IV. Board Governance and Management

Boards of Directors are the governing bodies of nonprofits and strong Board engagement is a critical part of operational sustainability. "Board members are the fiduciaries who steer the organization towards a sustainable future by adopting sound, ethical, and legal governance and

financial management policies, as well as by making sure the nonprofit has adequate resources to advance its mission." (Nonprofits C. o., May ).

To ensure a Board is accountable to stakeholders and operating ethically, Boards are responsible for avoiding – or appropriately managing – any real or potential conflicts of interest. To emphasize this point, "A policy governing conflicts of interests is perhaps the most important policy a nonprofit board can adopt." (Nonprofits C. o., May )

#### Characteristic of an Active and Responsible Board

Board Member Qualities – Board members are public facing individuals who serve with passion to advance the mission of the organization.

According to Board Effect (Boardeffect.com), great nonprofit board members devote their time, money and resources to a nonprofit's cause, this includes being eager to actively participate in Board meetings, having a deep commitment to understanding the organization, and serve as ambassadors to the community on behalf of the organization. https://www.boardeffect.com/.

According to the National Council of Nonprofits, conflicts of interest are a top area of concern to address and manage. "Policy governing conflicts of interest is perhaps the most important policy a nonprofit board can adopt". To have the most impact, the policy should be in writing, and the board and staff should review the policy regularly (Nonprofits C. o., May ).

- "A conflict of interest exists when a member of the organization has a personal interest that may influence them when making decisions" ( (Board Source , 2023). This includes family members serving on boards together and/or on a board for which a family member owns/operates.
- In filing the required IRS Form 990, a nonprofit is required to identify whether or not they have a conflict-of-interest policy and that a process is in place to document and manage conflicts.
- As best practice, nonprofits should annually require board members to identify in writing any/all real or potential conflicts of interest and then discuss those during a board meeting to ensure appropriate practices to avoid/reduce conflict. The EQUUS Foundation review process includes review of IRS Form 990 as well as checks to ensure that conflicts of interest are either not present or are transparent and that policies are in place.

The following qualities of Effective Boards stand out as most critical:

- *Board Size* The range of reported Board size in the 2022 data set was 4-21 with an average of 10. No notable differences were found between ETS and EAS operations. A review of best practices for Board size finds a minimum of 5 Voting Board Members (Bureau, n.d.). The majority of operations in this study met or exceeded this number.
- *Board meetings* Decisions about number and frequency of meetings are typically aligned with organization mission, size, age, operational and strategic plans. In this

review, the range of Board meetings was 1 to 14 times a year for an overall average of 7 times a year. No notable differences were found between ETS and EAS operations. The Better Business Bureau recommends "A minimum of three evenly spaced meetings per year of the full governing body with a majority in attendance" (Bureau, n.d.). With this in mind, all Guardian operations meet the minimum IRS requirement for at least one meeting per year; a majority exceed the BBB recommendation.

- Attention to Liquidity Ratio Among the most important jobs of a nonprofit Board is to ensure operational solvency. An important measure of solvency is liquidity ratio which is emphasized by the Financial Accounting Standards Board (FASB). Liquidity ratio is calculated to determine how many months an operation can sustain current practices assuming no new liquid assets are obtained. In the EQUUS Foundation review, a ratio of 1:1 is considered minimum and it ensures that monthly expenses can be met with a month's reserve on hand. A 3 to 6 month 'reserve' is preferred to ensure that operations have some flexibility for downturn in revenue streams and/or encountering emergencies.
- *Review of Annual Reports* While not required, annual reports are considered best practice particularly for charities that rely on donations for operational sustainability. Filing of the required IRS 990 results in an overview form of an annual report and this is a requirement for GuideStar listing as well as for becoming a Guardian operation. Using that information to create an annual report is not only a useful reflection piece for staff and Board, it can also be a powerful information piece to help in recruitment of volunteers, donor engagement and community support.
- V. Impact of findings to the population of at-risk-horses

A starting goal of this project was to be able to provide a look at the capacity of current EQUUS Foundation Guardian facilities to see if they could house more equines for purposes of ETS *if resources to do so were available*.

The analysis completed using this dataset identified the potential physical capacity to house 1,038 additional horses in the Guardian Network if funding and staffing support was available for the care and management of those additional equines. Using the per horse/per day costs found in this study, 75% had a total monthly cost including staffing for care of a horse of \$480 or less and 50% had a total monthly cost of \$370 or less.

The number of horses reported by USDA as being transported out of the US to either Canadian or Mexican Slaughterhouses has declined significantly over the past ten year from 145,656 in 2013, to 19,989 in 2022. The monthly report breakout for 2022 is provided below. However, a recent finding of the American Horse Council is that USDA-APHIS does not record the actual number of horses per load crossing the border (AHC newsletter, 2023). Therefore, reported figures are estimates.

Year	Month	Canada	Mexico	Total
2022	January	415	1231	1,646
2022	February	197	921	1,118
2022	March	295	652	947
2022	April	131	967	1,098
2022	May	276	1140	1,416
2022	June	428	1509	1,937
2022	July	260	1626	1,886
2022	August	348	1936	2,284
2022	September	479	1591	2,070
2022	October	297	2206	2,503
2022	November	343	1208	1,551
2022	December	158	1375	1,533
		3,627	16362	19,989

Considering capacity for additional at-risk horses, it would appear that upwards of an additional 1000 equines could be accommodated within Network operations if funding was available for care and oversight. In addition, this report found a 35% 1yr success rate in moving horses to an adopted home from a Guardian operation. Furthermore, when looking specifically at those operations focused on rehoming, there was a less than one-year average time-to-rehome. The result is potential for that additional capacity to be available annually to meet additional needs. Together this suggests that the EQUUS Foundation Guardian Network organizations can serve in an important response organization role if/when the SAFE Act should pass.

### VI. Five Pillars of High Performing EQUUS Foundation Network Operations

- Unwavering Commitment to Equine Welfare
- Operational Transparency
- Financial Sustainability
- Support of Community
- Strong and Active Board

#### I. Unwavering commitment to Equine Welfare

- 1. Equine physical and behavioral health care management:
  - ✓ Entering assessment of behaviors and training; periodic re-assessment; determination of weight carrying capacity as well as workload capacity; Veterinary care plan: Primary Veterinarian; On-Call Veterinarian
  - Emergency response plan: Policies, and procedures for emergencies situations/procedures to prevent emergencies/emergency preparedness/fire equipment checked/drills conducted/shared with staff
  - ✓ Health Care plans and procedures including: Feed Management; Weight/Condition management; Dental; Hoof: Daily responsibilities for horse care (work plan); Turnout; Horse Health Care/Barn Management Records systems
  - ✓ Staff and volunteer training, assessment, and management
- 2. <u>Biosecurity:</u>
  - Pre-arrival procedures for equines; equine health status requirements and documentation; quarantine procedures; Equine Identification /tagging/microchipping; manure management; Parasite/Fly/Insect Control procedures
- 3. <u>Safety and oversight of facility</u>
  - Description pastures/other turnout areas; Frequency of fence lines/turnout areas check/equines visually and physically checked
  - ✓ Electrical systems checked/equine access
  - ✓ Ventilation/lighting/floor construction
  - ✓ Equine Transportation Onsite/Onsite Access/Offsite Access
  - ✓ Physical condition, size, cleaning and assignment of stalls for equines
  - $\checkmark$  Policies and procedures for tack, apparel and equipment

#### **II. Operational Transparency**

- 1. <u>Governance documents</u>
  - ✓ Mission; Number of Board Members/Percentage Voting; Board Conflict of Interest Disclosure
- 2. <u>Staffing</u>
  - ✓ Number of Staff & Independent Contractors in Staff Role; Total Number of staff and years of service (Staff Names Published on Website)
- 3. <u>Sustainability metrics</u>
  - ✓ <u>Liquidity Ratio</u>
    - ✓ <u>Program Expense Ratio</u>
- 4. <u>Annual Report</u>

#### **III. Financial Sustainability**

- 1. Fiscal Year Budget
  - ✓ Planned
  - ✓ Year to Date
- 2. Liquidity

  - Current LiquidityOptimum Liquidity
- 3. % Reliance on volunteers
- 4. <u>% Reliance on Donations of Goods and Services</u>
- 5. Insurance
- ✓ Organization Insurance-General Liability and Directors & Officers

#### **IV. Support of Community**

- 1. Volunteers
- ✓ Total Number of Volunteers along with years of service
- 2. Donations and Contributions
- ✓ Donation policies and paperwork
- 3. Grant applications and awards

#### V. Strong and Active Board

- 1. Governance documents
- ✓ On file with last date of review/update
- 2. Number of meetings per year
- ✓ Planned and actual
- 3. Managed Conflicts of Interest
- 4. <u>Board minutes</u>
- $\checkmark$  available on request

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