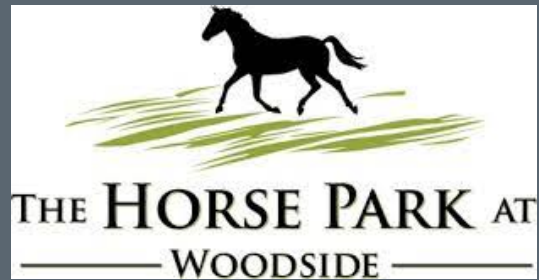


THE HORSE PARK AT WOODSIDE

FINANCIAL STATEMENTS

March 31, 2021



THE HORSE PARK AT WOODSIDE

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INDEPENDENT AUDITORS' REPORT

To the Board of Governors of
The Horse Park at Woodside
Woodside, California

We have audited the accompanying financial statements of The Horse Park at Woodside (a nonprofit organization; the "Organization"), which comprise the statement of financial position as of March 31, 2021, and the related statements of activities, functional expenses, and cash flows for the year 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.

Accountants' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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 from 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 judgement, 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 entity'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 entity'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 the Organization as of March 31, 2021, 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.

BPM LLP

San Francisco, California
January 18, 2022

THE HORSE PARK AT WOODSIDE

STATEMENT OF FINANCIAL POSITION

As of March 31, 2021

ASSETS

Current assets:	
Cash and cash equivalents	\$ 409,383
Accounts receivable	5,808
Total current assets	<u>415,191</u>
Property and equipment, net	4,031,319
Investments in marketable securities, at fair value	1,460,179
Lease deposits and other assets	10,769
Total assets	<u>\$ 5,917,458</u>

LIABILITIES AND NET ASSETS

Current liabilities:	
Accounts payable and accrued expenses	\$ 132,593
Deferred revenue	218,548
Capital lease obligations, current	47,531
Total current liabilities	<u>398,672</u>
Non-current liabilities:	
Capital lease obligations, net of current portion	103,172
Note payable from Paycheck Protection Program	191,382
Total liabilities	<u>693,226</u>
Commitments and contingencies (Note 6)	
Net assets:	
Without donor restrictions	5,184,402
With donor restrictions	39,830
Total net assets	<u>5,224,232</u>
Total liabilities and net assets	<u>\$ 5,917,458</u>

THE HORSE PARK AT WOODSIDE

STATEMENT OF ACTIVITIES

For the year ended March 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, gains and other support:			
Boarding and bedding	\$ 1,110,732	\$ -	\$ 1,110,732
Horse events	350,460	-	350,460
Membership fees	188,183	-	188,183
Contributions	253,455	137,796	391,251
Dividend and interest income, net	46,790	-	46,790
Realized gain on sale of investments	13,770	-	13,770
Unrealized gain on fair value of investments	327,727	-	327,727
Gain on forgiveness of Paycheck Protection Program loan	137,345	-	137,345
Miscellaneous income	24,603	-	24,603
Total revenue, gains and other support	2,453,065	137,796	2,590,861
Net assets released from restrictions	114,355	(114,355)	-
Total revenue, gains and other support with restrictions satisfied by payments	2,567,420	23,441	2,590,861
Expenses:			
Program services:			
Facilities management and maintenance	1,256,120	-	1,256,120
Boarding and bedding	557,916	-	557,916
Horse events	231,425	-	231,425
Total program services	2,045,461	-	2,045,461
Supporting services:			
Management and general	783,928	-	783,928
Total supporting services	783,928	-	783,928
Total expenses	2,829,389	-	2,829,389
Change in net assets	(261,969)	23,441	(238,528)
Net assets, beginning of year	5,446,371	16,389	5,462,760
Net assets, end of year	\$ 5,184,402	\$ 39,830	\$ 5,224,232

THE HORSE PARK AT WOODSIDE
STATEMENT OF FUNCTIONAL EXPENSES
For the year ended March 31, 2021

	Program Services			Total Program Services	Supporting Services - Management and General	Total Expenses
	Facilities Management and Maintenance	Boarding and Bedding	Horse Events			
Functional expenses:						
Salaries and wages	\$ 390,190	\$ 167,627	\$ 33,692	\$ 591,509	\$ 296,162	\$ 887,671
Employee benefits	6,532	2,806	-	9,338	4,958	14,296
Payroll taxes	35,925	13,418	2,577	51,920	27,268	79,188
Total salaries and wages and related expenses	432,647	183,851	36,269	652,767	328,388	981,155
Ground expenses	337,545	-	-	337,545	-	337,545
Bedding and feed	-	179,085	10,789	189,874	-	189,874
Professional services	51,582	-	8,000	59,582	48,810	108,392
Horse show	-	-	106,209	106,209	-	106,209
Boarding	-	97,609	-	97,609	-	97,609
Utilities	67,712	-	29,768	97,480	-	97,480
Rent	-	-	-	-	92,318	92,318
Insurance	70,152	-	-	70,152	14,531	84,683
Equipment repairs and maintenance	77,256	-	-	77,256	-	77,256
Settlement expense	-	-	-	-	45,203	45,203
In-kind expense	-	-	-	-	39,741	39,741
Administrative	-	-	-	-	33,414	33,414
Bank fees	-	-	-	-	19,124	19,124
Miscellaneous	-	-	-	-	10,648	10,648
Fundraising expense	-	-	-	-	6,674	6,674
Bad debt expense	-	-	-	-	8,261	8,261
Total expenses before depreciation	1,036,894	460,545	191,035	1,688,474	647,112	2,335,586
Depreciation	219,226	97,371	40,390	356,987	136,816	493,803
Total program and supporting services expenses	<u>\$ 1,256,120</u>	<u>\$ 557,916</u>	<u>\$ 231,425</u>	<u>\$ 2,045,461</u>	<u>\$ 783,928</u>	<u>\$ 2,829,389</u>

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

THE HORSE PARK AT WOODSIDE

STATEMENT OF CASH FLOWS

For the year ended March 31, 2021

Cash flows from operating activities:	
Change in net assets	\$ (238,528)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation of property and equipment	493,803
Realized gain on sale of investments	(13,770)
Unrealized gain on fair value of investments	(327,727)
Bad debt expense	(8,261)
Loss from sale of property and equipment	3,757
Gain on forgiveness of Paycheck Protection Program loan	(137,345)
Discharge of capital lease related to asset trade in	(26,428)
(Increase) decrease in operating assets:	
Accounts receivable	28,079
Lease deposits and other assets	(3,054)
Increase (decrease) in operating liabilities:	
Accounts payable and accrued expenses	32,515
Deferred revenue	201,058
Net cash provided by operating activities	<u>4,099</u>
Cash flows from investing activities:	
Purchases of property and equipment	(88,678)
Proceeds from sale of property and equipment	40,246
Net cash used in investing activities	<u>(48,432)</u>
Cash flows from financing activities:	
Payments on capital lease obligations	(32,552)
Proceeds from Paycheck Protection Program loans	328,727
Net cash provided by financing activities	<u>296,175</u>
Net increase in cash and cash equivalents	251,842
Cash and cash equivalents, beginning of year	<u>157,541</u>
Cash and cash equivalents, end of year	<u>\$ 409,383</u>

Supplemental Disclosure of Cash Flow Information

1. Accounting Policy - The Organization considers all highly paid liquid investments with a maturity date of three months or less when purchased to be "cash equivalents."

2. Schedule of non-cash investing activities:

Purchase of property and equipment	\$ (195,928)
Less: amount financed through capital lease	107,250
	<u>\$ (88,678)</u>

THE HORSE PARK AT WOODSIDE

NOTES TO FINANCIAL STATEMENTS

March 31, 2021

1. Business Description and Summary of Significant Accounting Policies

The Organization

The Horse Park at Woodside (the “Organization”) is a beautiful 272 acre equestrian facility in the heart of the San Francisco Bay Area that offers low cost memberships for horse riding and training, and for dog walking. The Organization provides opportunities for educational, recreational and competitive activities in a variety of equestrian disciplines that encourage the growth and development of youth and adults. The Organization is committed to: thoughtful stewardship of the land; providing broad access to land appropriate to equestrian use; adding value in the community; and other activities compatible with equestrian uses.

Nature of Activities

The following three programs are included in the accompanying financial statements:

- **Facilities Management and Maintenance** - The Organization resides on 272 acres of land that is leased from Stanford University. The Organization has nine different arenas that are used with various equine disciplines by members, boarders and exhibitors during the horse show season. In addition, the Organization has a large cross-country course. All of these facilities require ongoing maintenance. As part of our mission as a non-profit, the Organization provides multiple equine educational opportunities and has extensive land stewardship programs for erosion control, native plant restoration, and beautification efforts to help steward its extensive land and equestrian courses. In addition to these activities, the Organization also has management staff that handles all of the financial and operational aspects.
- **Boarding and Bedding** - The Organization is also home to almost 120 horses that board here year round in either a barn stall or in the pasture. These horses are fed twice a day and have their barn stalls cleaned once a day. Horse facilities do require ongoing maintenance to ensure the safety of the horses. The Organization has minor revenues associated with the sale of hay and bedding to the boarders.
- **Horse Events** - On an annual basis, the Organization also is the site for over seven major horse shows plus numerous smaller and schooling horse shows. These shows are organized and run by outside organizations that pay rental and service fees to use the facilities including the arenas, the temporary stabling, and the cross-country course. All of these shows operate under specific agreements.

Basis of Accounting

The financial statements of the Organization are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”).

THE HORSE PARK AT WOODSIDE

NOTES TO FINANCIAL STATEMENTS

March 31, 2021

1. Business Description and Summary of Significant Accounting Policies, continued

Basis of Presentation

Net assets are classified based on the existence or absence of donor imposed restrictions. Accordingly, the Organization classified its net assets and changes in net assets as follows:

Net Assets Without Donor Restrictions – Net assets without donor restrictions represent resources available to support the Organization’s operations, including previously restricted donor net assets that became available for use by the Organization in accordance with the intensions of donors.

Net Assets With Donor Restrictions – Net assets subject to stipulations imposed by donors, and grantors. These include those assets which are subject to a contributor’s restriction and for which the applicable restriction was not yet satisfied as of the end of the current reporting period. Donor imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Concentration of Credit Risk

The Organization maintains its cash and cash equivalents in a commercial checking account, high yield savings account and a money market fund. Periodically throughout the year, cash is maintained at the bank in excess of the insured (FDIC) amount of \$250,000.

Property and Equipment, Net

Purchases of property, equipment or improvements costing more than \$1,000 are recorded at cost. Depreciation is computed using the straight-line method over the following useful lives:

<u>Assets</u>	<u>Useful Lives</u>
Buildings	5-39 years
Leasehold improvements	15-39 years
Furniture and equipment	3-7 years

Investments

The Organization carries at fair value those investments in marketable securities with readily determinable fair values at fair value. Unrealized gains and losses are included in the change in net assets. The investments are primarily in common stock which have a readily determinable fair value.

Investment securities are exposed to various risks, such as interest rate, market fluctuations and credit risks. Due to the level of risk associated with certain investments securities, it is at least reasonably possible that changes in risks in the near term would materially affect fair value and the amounts reported in the statement of financial position and the statement of activities.

THE HORSE PARK AT WOODSIDE

NOTES TO FINANCIAL STATEMENTS

March 31, 2021

1. Business Description and Summary of Significant Accounting Policies, continued

Contributions

Contribution revenue is recognized when contributions are received. All contributions are considered available for general operations unless specifically restricted by the donor.

The Organization reports contributions as net assets with donor restrictions if such contributions are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported as net assets released from restrictions.

Donated Marketable Securities

Donated marketable securities are recorded as contributions at their estimated fair values at the date of donation. Included in contribution revenues are donated marketable securities of \$39,739 for the year ended March 31, 2021.

Revenue Recognition

Program Service Fees

The Organization recognizes revenue when services are provided to customers in an amount that reflects the consideration to which the Organization expects to be entitled to in exchange for the services.

The Organization determines revenue recognition through the following steps:

- Identification of the contract, or contracts, with a customer;
- Identification of the performance obligations in the contract;
- Determination of the transaction price;
- Allocation of the transaction price to the performance obligations in the contract; and
- Recognition of revenue when, or as, a performance obligation is satisfied.

Program service fees include boarding and bedding, horse events and membership fees. Boarding and bedding and horse events only include one performance obligation that is satisfied simultaneously as the customer receives the services at a point in time. Membership fees are recognized over the period of the contract term.

The Organization's contracts do not include highly variable components. The timing of revenue recognition, billings and cash collections can result in billed accounts receivable, unbilled receivables (contract assets), and deferred revenue (contract liabilities).

THE HORSE PARK AT WOODSIDE

NOTES TO FINANCIAL STATEMENTS

March 31, 2021

1. Business Description and Summary of Significant Accounting Policies, continued

Functional Expense Allocation

The costs of providing the Organization's program and other activities have been summarized on a functional basis in the statement of functional expenses. The statement of functional expenses presents natural classification detail of expenses by function. The major functional expense classifications are program services and supporting services. Program services includes expenses that are directly related to facilities management and maintenance, boarding and bedding or horse events. Supporting services includes activities of the Organization other than program services. Supporting services consists of management and general. Management and general includes expenses for general oversight and management of the Organization, recordkeeping, and budgeting.

Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are charged to program and supporting services based on actual employee time incurred or on usage of resources. Indirect expenses have been allocated on a basis proportionate to the salary and occupancy expenses recorded for each function as determined by the Organization's management.

Fair Value Measurement

Fair value is defined as "the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date."

U.S. GAAP established a hierarchy to prioritize the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest ranking to fair value determined using unadjusted quoted prices in active markets for identical assets (Level 1) and the lowest ranking to fair values determined using methodologies and models with unobservable inputs (Level 3). Observable inputs are those that market participants would use in pricing the asset based on market data obtained from sources independent of the Organization. Unobservable inputs reflect the Organization's assumption about the inputs market participants would use in pricing the asset or liability developed based on the best information available in the circumstances.

The fair value hierarchy is categorized into three levels based on the inputs as follows:

Level 1 – Values are unadjusted quoted prices for identical assets and liabilities in active markets accessible at the measurement date.

Level 2 – Inputs include quoted prices for similar assets or liabilities in active markets, quoted prices from those willing to trade in markets that are not active, or other inputs that are observable or can be corroborated by market data for the term of the instrument. Such inputs include market interest rates and volatilities, spreads and yield curves.

Level 3 – Certain inputs are unobservable (supported by little or no market activity) and significant to the fair value measurement. Unobservable inputs reflect the Organization's best estimate of what hypothetical market participants would use to determine a transaction price for the asset or liability at the reporting date.

THE HORSE PARK AT WOODSIDE

NOTES TO FINANCIAL STATEMENTS

March 31, 2021

1. Business Description and Summary of Significant Accounting Policies, continued

Deferred Revenue

Deferred revenue represents payments received for memberships of individuals whose service period crossed the fiscal year end. Membership terms run on a calendar year and are paid at the time the member signs up for the service. Revenue is recognized over the period of twelve months with amounts not yet earned as of year end included as deferred revenue.

Income Taxes

The Internal Revenue Service has determined that the Organization is exempt from federal income tax under IRC Section 501(c)(3). The Franchise Tax Board has determined that the Organization is exempt from state income taxes under Section 23701(d) of the California Revenue and Tax Code. However, income from activities not related to the Organization's tax-exempt purpose may be subject to taxation as unrelated business income.

Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Change in Accounting Principle

On April 1, 2021, the Organization adopted, utilizing the modified retrospective method of transition, the requirements of the Financial Accounting Standard Board ("FASB") Accounting Standards Update ("ASU") No. 2014-09, *Revenue from Contracts with Customers (Topic 606)* ("ASU 2014-09"), which, along with subsequent amendments, modified revenue recognition accounting guidance under Topic 606. ASU 2014-09 sets forth a new five-step revenue recognition model which replaces the prior revenue recognition guidance in its entirety and is intended to eliminate numerous industry-specific pieces of revenue recognition guidance that have historically existed in U.S. GAAP. The underlying principle of ASU 2014-09 is that a business or other organization will recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects what it expects in exchange for the goods or services. The adoption of ASU 2014-09 did not have a material impact to the Organization's revenue recognized as of and for the year ended March 31, 2021.

THE HORSE PARK AT WOODSIDE

NOTES TO FINANCIAL STATEMENTS

March 31, 2021

1. Business Description and Summary of Significant Accounting Policies, continued

Recent Accounting Pronouncements

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 840)* (“ASU 2016-02”), which, along with subsequent amendments, modified lessee accounting guidance under Topic 840. ASU 2016-02 requires the Organization to recognize on the balance sheet the assets and liabilities for the rights and obligations created by leases with terms of more than twelve months. ASU 2016-02 also requires disclosures enabling the users of financial statements to understand the amount, timing and uncertainty of cash flows arising from leases. ASU 2016-02 will become effective for annual periods beginning after December 15, 2021. Currently, the Organization is evaluating the impact of adopting ASU 2016-02 on its financial statements.

In September 2020, the FASB issued ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets (Topic 958)* (“ASU 2020-07”). ASU 2020-07 requires nonprofits to change their financial statement presentation and disclosure of contributed nonfinancial assets, or gifts-in-kind. The FASB issued ASU 2020-07 in an effort to improve transparency in reporting nonprofit gifts-in-kind. ASU 2020-07 requires the new standard to be applied retrospectively, with amendments taking effect for annual reporting periods beginning after June 15, 2021, and interim periods within annual reporting periods beginning after June 15, 2022. ASU 2020-07 does allow for early adoption. Currently, the Organization is evaluating the impact of adopting ASU 2020-07 on its financial statements.

2. Liquidity and Availability

The Organization had the following financial assets available to meet cash needs for general expenditures within one year as of March 31, 2021:

Cash and cash equivalents	\$	409,383
Accounts receivable		5,808
Investments in marketable securities, at fair value		1,460,179
Total financial assets		<u>1,875,370</u>
Less: net assets with donor restrictions		<u>(39,830)</u>
Financial assets available to meet cash needs for general expenditures within one year	\$	<u>1,835,540</u>

The Organization has a goal to maintain financial assets, which consist of cash and investments, on hand to meet 180 days of normal operating expenses. The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, as part of its liquidity management, the Organization invests cash in excess of daily requirements in various investments.

THE HORSE PARK AT WOODSIDE

NOTES TO FINANCIAL STATEMENTS

March 31, 2021

3. Investments in Marketable Securities, at Fair Value

The following table summarizes the Organization's financial assets measured at fair value on a recurring basis as of March 31, 2021:

	Assets at Fair Value			
	Level 1	Level 2	Level 3	Total
Cash equivalents	\$ 299,768	\$ -	\$ -	\$ 299,768
Investments - equity securities	1,460,179	-	-	1,460,179
	<u>\$ 1,759,947</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,759,947</u>

The following summarizes the investment return for the year ended March 31, 2021:

Dividend and interest income, net	<u>\$ 46,790</u>
Realized gain on sale of investments	<u>\$ 13,770</u>
Unrealized gain on fair value of investments	<u>\$ 327,727</u>

4. Property and Equipment, Net

Property and equipment, net was summarized as follows as of March 31, 2021:

Improvements	\$ 6,811,065
Machinery and equipment	376,807
Buildings	669,706
Furniture and fixtures	14,172
	<u>7,871,750</u>
Less: accumulated depreciation	<u>(3,840,431)</u>
Property and equipment, net	<u>\$ 4,031,319</u>

Depreciation expense was \$493,803 for the year ended March 31, 2021.

5. Deferred Revenue

The Organization recognizes revenue from memberships over the period of the twelve-month membership term. The performance obligation of delivering park access is simultaneously received and consumed by the member each month. Fees received in advance of the performance obligation each month are recorded as deferred revenue.

THE HORSE PARK AT WOODSIDE

NOTES TO FINANCIAL STATEMENTS

March 31, 2021

5. Deferred Revenue, continued

The following table provides information about significant changes in deferred revenue liabilities for the year ended March 31, 2021:

Deferred revenue, beginning of year	\$	17,490
Add: Increase in deferred revenue due to cash received during the year		218,548
Less: Revenue recognized that was included in deferred revenue at the beginning of the year		(17,490)
Deferred revenue, end of year	\$	<u>218,548</u>

6. Commitments and Contingencies

The occurrence and threat of extraordinary events, including public health concerns such as contagious disease outbreaks, natural disasters, or similar events, may substantially impact the Organization's operations, which may result in a change to future financial performance. Since January 2020, there has been an occurrence and threat of an extraordinary event from the COVID-19 virus epidemic. In March 2020, the epidemic was categorized as a pandemic by the World Health Organization and a National Emergency by the President of the United States. Publicized contagious disease outbreaks may result in challenging operating factors for the Organization; such as cancellation of events, limited capacity for facilities, and facility closures. The Organization continues to monitor local outbreaks and follows applicable federal, state, and local regulations.

Legal Matters

The Organization may be subject to various litigation and arbitration claims that arise in the ordinary course of business. While it is the opinion of management, after consultation with legal counsel, that the ultimate liability with respect to these actions will not materially affect the Organization's financial position or results of operations, it is not reasonably possible to estimate any potential losses. As of March 31, 2021, there is no pending or threatened litigation.

Lease

The Organization leases its facility under an operating lease through September 2022. The lease agreement includes specific provisions that allow the landlord the right to withdraw acreage or terminate the lease with sixty days written notice. The Organization would be required to remove all buildings or improvements and restore the property to its natural condition. The base rent is adjusted annually by the increase in the Consumer Price Index, but not to exceed 5% per year. Rent expense was \$92,318 for the year ended March 31, 2021.

THE HORSE PARK AT WOODSIDE

NOTES TO FINANCIAL STATEMENTS

March 31, 2021

6. Commitments and Contingencies, continued

A schedule of future lease commitments under the lease obligation is as follows:

Year ending March 31:

2022	\$	95,108
2023		48,585
	\$	<u>143,693</u>

7. Capital Lease Obligations

A summary of capital lease obligations was as follows as of March 31, 2021:

Kubota tractors, four notes, payable in monthly installments ranging from \$485 to \$1,208, no interest, secured by equipment, due through July 2026.	\$	150,703
Less: current portion		<u>(47,531)</u>
Capital lease obligations, net of current portion	\$	<u>103,172</u>

The aggregate maturities of the capital lease obligations are as follows:

Year ending March 31:

2022	\$	47,531
2023		41,241
2024		23,865
2025		19,033
2026		19,033
	\$	<u>150,703</u>

8. Note Payable from Paycheck Protection Program

On May 1, 2020, the Organization received their first loan proceeds in the amount of \$137,345 under the Paycheck Protection Program (“PPP”). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act (the “CARES Act”), provides for loans to qualifying businesses for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying business. The loans and accrued interest are forgivable after twenty-four weeks as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, and rent and utilities, and maintains its payroll levels. The Organization received formal forgiveness of the full amount of the first PPP loan on March 2, 2021, at which time the debt was removed and a gain on debt forgiveness was recorded.

THE HORSE PARK AT WOODSIDE

NOTES TO FINANCIAL STATEMENTS

March 31, 2021

8. Note Payable from Paycheck Protection Program, continued

On March 25, 2021, the Organization received a second PPP loan in the amount of \$191,382 with the same terms and conditions as the first loan. The unforgiven portion of the PPP loan is payable over two years at an interest rate of 1%, with a deferral of payments for the first ten months. The Organization intends to use the entire PPP loan amount for qualifying expenses. Under the terms of the PPP loan, certain amounts of the PPP loan may be forgiven if they are used for qualifying expenses as described in the CARES Act. The PPP loan will mature on March 25, 2026. The loan amount is classified as a non-current liability, as the full amount is expected to be forgiven.

9. Net Assets With Donor Restrictions

Net assets with donor restrictions were available for the following purposes as of March 31, 2021:

Polo Donations	\$	11,800
Drag-N-Fly		2,000
Premier Turn Out Project		8,858
Equipment Upgrades		4,132
DB Wellness Foundation		1,000
Dog Agility Course		400
Aggravator Purchase		9,640
Polo Arena Footing		2,000
		<u>2,000</u>
	\$	<u>39,830</u>

Net assets released from donor restrictions by incurring expenses satisfying the purpose restrictions specified by donors were as follows as of March 31, 2021:

Cross Country improvements	\$	4,000
Whisky Hill Arena footing improvements		10,000
Maintenance building and feed storage building		10,000
Mountain Home Arena renovation and mirrors		50,000
Other capital improvements		10,000
Aggravator Purchase		17,355
New Trainer Office and Tack Room		8,000
Jumps and Poles		5,000
		<u>5,000</u>
	\$	<u>114,355</u>

THE HORSE PARK AT WOODSIDE

NOTES TO FINANCIAL STATEMENTS

March 31, 2021

10. Major Funding Source and Related Parties

For the year ended March 31, 2021, the Organization had two funding sources that provided support of approximately \$50,000 and \$39,000, which represents 15%, and 12%, respectively, of total contributions.

11. Subsequent Events

The Organization evaluated subsequent events for recognition and disclosure through January 18, 2022, the date which these financial statements were available to be issued. Management concluded that no material subsequent events have occurred since March 31, 2021, that require recognition or disclosure in such financial statements.