

**THE HORSE PARK AT WOODSIDE**

---

**FINANCIAL STATEMENTS**

March 31, 2020

*(with summarized comparative information for 2019)*

# THE HORSE PARK AT WOODSIDE

---

## T A B L E O F C O N T E N T S

	<b>Page(s)</b>
Independent Auditors' Report	1–2
Financial Statements:	
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to Financial Statements	7–16

## 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, 2020, 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, 2020, 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.

***Report on Summarized Comparative Information***

We have previously audited the Organization's 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated January 7, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended March 31, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

BPM LLP

Santa Rosa, California  
November 17, 2020

# THE HORSE PARK AT WOODSIDE

## STATEMENT OF FINANCIAL POSITION

As of March 31, 2020

(with summarized comparative information as of March 31, 2019)

	2020	2019
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 157,541	\$ 248,533
Accounts receivable	25,626	4,923
Total current assets	<u>183,167</u>	<u>253,456</u>
Property and equipment, net	4,373,197	4,437,689
Investments in marketable securities, at fair value	1,118,682	1,500,115
Lease deposits and other assets	7,715	8,887
Total assets	<u>\$ 5,682,761</u>	<u>\$ 6,200,147</u>
<b>LIABILITIES AND NET ASSETS</b>		
Current liabilities:		
Accounts payable and accrued expenses	\$ 100,078	\$ 106,025
Deferred revenue	17,490	6,423
Capital lease obligations, current	34,343	26,723
Total current liabilities	<u>151,911</u>	<u>139,171</u>
Non-current liabilities:		
Capital lease obligations, net of current portion	<u>68,090</u>	<u>84,656</u>
Total liabilities	<u>220,001</u>	<u>223,827</u>
Commitments and contingencies (Note 6)		
Net assets:		
Without donor restrictions	5,446,371	5,822,046
With donor restrictions	16,389	154,274
Total net assets	<u>5,462,760</u>	<u>5,976,320</u>
Total liabilities and net assets	<u>\$ 5,682,761</u>	<u>\$ 6,200,147</u>

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

# THE HORSE PARK AT WOODSIDE

## STATEMENT OF ACTIVITIES

For the year ended March 31, 2020

*(with summarized comparative information for the year ended March 31, 2019)*

	Without Donor Restrictions	With Donor Restrictions	Total	2019
Revenue and other support:				
Boarding and bedding	\$ 1,066,235	\$ -	\$ 1,066,235	\$ 1,066,141
Horse events	881,296	-	881,296	627,693
Membership fees	356,660	-	356,660	310,598
Contributions	193,530	84,672	278,202	420,445
Dividend and interest income	51,455	-	51,455	66,129
Realized gain on sale of investments	172,012	-	172,012	443,019
Unrealized loss on fair value of investments	(300,801)	-	(300,801)	(252,089)
Miscellaneous income	2,908	-	2,908	2,341
Total revenue and other support	2,423,295	84,672	2,507,967	2,684,277
Net assets released from restrictions	222,557	(222,557)	-	-
Total revenue and other support with restrictions satisfied by payments	2,645,852	(137,885)	2,507,967	2,684,277
Expenses:				
Program services:				
Facilities management and maintenance	1,104,638	-	1,104,638	1,052,649
Boarding and bedding	482,069	-	482,069	450,143
Horse events	688,267	-	688,267	585,402
Total program services	2,274,974	-	2,274,974	2,088,194
Supporting services:				
Management and general	746,553	-	746,553	560,544
Total supporting services	746,553	-	746,553	560,544
Total expenses	3,021,527	-	3,021,527	2,648,738
Change in net assets	(375,675)	(137,885)	(513,560)	35,539
Net assets, beginning of year	5,822,046	154,274	5,976,320	5,940,781
Net assets, end of year	\$ 5,446,371	\$ 16,389	\$ 5,462,760	\$ 5,976,320

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

**THE HORSE PARK AT WOODSIDE**  
**STATEMENT OF FUNCTIONAL EXPENSES**

For the year ended March 31, 2020  
*(with summarized comparative information for the year ended March 31, 2019)*

	Program Service			Total Program Services	Supporting Services - Management and General	Total Expenses	2019
	Facilities Management and Maintenance	Boarding and Bedding	Horse Events				
Functional expenses:							
Salaries and wages	\$ 246,805	\$ 136,026	\$ 77,784	\$ 460,615	\$ 275,597	\$ 736,212	\$ 524,582
Employee benefits	15,561	-	-	15,561	48,547	64,108	78,881
Payroll taxes	28,704	11,104	-	39,808	22,119	61,927	45,403
Total salaries and wages and related expenses	291,070	147,130	77,784	515,984	346,263	862,247	648,866
Administrative	-	-	-	-	37,300	37,300	53,842
Rent	-	-	-	-	90,378	90,378	87,341
Bank fees	-	-	-	-	27,676	27,676	27,864
Professional services	93,680	-	9,288	102,968	91,057	194,025	199,267
Utilities	111,236	-	53,720	164,956	-	164,956	145,611
Insurance	19,976	-	-	19,976	16,140	36,116	14,599
Equipment repairs and maintenance	99,186	-	-	99,186	-	99,186	93,995
Ground expenses	309,413	-	-	309,413	-	309,413	310,182
Bedding and feed	-	183,126	-	183,126	-	183,126	148,061
Boarding	-	74,792	-	74,792	-	74,792	94,916
Miscellaneous	-	-	-	-	22,049	22,049	10,892
Horse show	-	-	437,510	437,510	-	437,510	380,789
Total expenses before depreciation	924,561	405,048	578,302	1,907,911	630,863	2,538,774	2,216,225
Depreciation	180,077	77,021	109,965	367,063	115,690	482,753	432,513
Total program and supporting services expense	<u>\$ 1,104,638</u>	<u>\$ 482,069</u>	<u>\$ 688,267</u>	<u>\$ 2,274,974</u>	<u>\$ 746,553</u>	<u>\$ 3,021,527</u>	<u>\$ 2,648,738</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, 2020

*(with summarized comparative information for the year ended March 31, 2019)*

	2020	2019
Cash flows from operating activities:		
Change in net assets	\$ (513,560)	\$ 35,539
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation of property and equipment	482,753	432,513
Realized gain on sale of investments	(172,012)	(443,019)
Unrealized loss on fair value of investments	300,801	252,089
Donated investments	(31,272)	(155,720)
Loss from sale of property and equipment	635	-
(Increase) decrease in operating assets:		
Accounts receivable	(20,703)	3,528
Lease deposits and other assets	1,172	4,183
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	(5,947)	49,684
Deferred revenue	11,067	5,323
Net cash provided by operating activities	52,934	184,120
Cash flows from investing activities:		
Purchases of property and equipment	(405,787)	(970,667)
Proceeds from sale of investments	283,916	725,478
Proceeds from sale of property and equipment	9,750	-
Net cash used in investing activities	(112,121)	(245,189)
Cash flows from financing activities:		
Payments on capital lease obligations	(31,805)	(22,235)
Net cash used in financing activities	(31,805)	(22,235)
Net decrease in cash and cash equivalents	(90,992)	(83,304)
Cash and cash equivalents, beginning of year	248,533	331,837
Cash and cash equivalents, end of year	\$ 157,541	\$ 248,533

### 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	\$ (428,646)	\$ (1,104,281)
Less: amount financed through capital lease	22,859	133,614
	\$ (405,787)	\$ (970,667)

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

# THE HORSE PARK AT WOODSIDE

## NOTES TO FINANCIAL STATEMENTS

March 31, 2020

---

### 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”).

Continued

# THE HORSE PARK AT WOODSIDE

## NOTES TO FINANCIAL STATEMENTS

March 31, 2020

---

### 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 intentions 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 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.

Continued

# THE HORSE PARK AT WOODSIDE

## NOTES TO FINANCIAL STATEMENTS

March 31, 2020

---

### 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 restriction 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 \$31,272 in fiscal year 2020.

#### *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 present natural classification detail of expenses by function. The major functional expense classifications are program services and supporting services. Program services include expenses that are directly related to facilities management and maintenance, boarding and bedding or horse events. Supporting services are all activities of the Organization other than program services. Supporting services consist 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.

#### *Prior Year Summarized Comparative Financial Information*

The financial statements include certain prior year summarized comparative information in total, but not by functional classification or net asset classification. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended March 31, 2019, from which the summarized information was derived.

#### *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."

Continued

# THE HORSE PARK AT WOODSIDE

## NOTES TO FINANCIAL STATEMENTS

March 31, 2020

---

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

#### *Fair Value Measurement*, continued

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.

#### *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.

#### *Advertising*

The Organization's policy is to expense advertising costs as the costs are incurred. Advertising expense was \$3,923 for the year ended March 31, 2020.

#### *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.

Continued

# THE HORSE PARK AT WOODSIDE

## NOTES TO FINANCIAL STATEMENTS

March 31, 2020

---

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

#### *Change in Accounting Principles*

On April 1, 2019, the Organization adopted the requirements of the Financial Accounting Standard Board (“FASB”) Accounting Standards Update (“ASU”) No. 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* (“ASU 2018-08”). The accounting for contributions has been modified to clarify distinguishing whether grants or contracts should be accounted for as non-reciprocal contributions, or as exchange transactions that follow revenue recognition accounting. For exchange transactions, ASU 2018-08 clarifies when each party directly receives commensurate value in the transaction, and how to deal with third-party payers to a transaction. Additionally, the criteria for determining whether a contribution is conditional have been changed from a probability-based approach to one focused on barriers in an arrangement. The adoption of ASU 2018-08 had no significant impact to the Organization’s contributions received as of and for the year ended March 31, 2020.

#### *Recent Accounting Pronouncements*

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)* (“ASU 2014-09”), which, along with subsequent amendments, modified revenue recognition accounting guidance under ASU 2014-09. The new guidance 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. ASU 2014-09 provides alternative methods of initial adoption and will become effective for annual periods beginning after December 15, 2020. The Organization is currently evaluating the impact of adopting ASU 2014-09 on its financial statements.

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.

#### *Reclassification*

There are some items in the financial statements that were reclassified in order to be comparable to current year presentation.

Continued

# THE HORSE PARK AT WOODSIDE

## NOTES TO FINANCIAL STATEMENTS

March 31, 2020

### 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, 2020:

Cash and cash equivalents	\$	157,541
Investments in marketable securities, at fair value		<u>1,118,682</u>
Total financial assets		<u>1,276,223</u>
Less: net assets with donor restrictions		<u>(16,389)</u>
Financial assets available to meet cash needs for general expenditures within one year	\$	<u><u>1,259,834</u></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.

### 3. Investments in Marketable Securities, at Fair Value

Investments are summarized as follows as of March 31, 2020:

Equity securities	\$	<u>1,118,682</u>
-------------------	----	------------------

The following schedules summarize the investment return for the year ended March 31, 2020:

Dividend and interest income	\$	<u>51,455</u>
Realized gain on sale of investments	\$	<u>172,012</u>
Unrealized loss on fair value of investments	\$	<u>(300,801)</u>

### 4. Property and Equipment, Net

Property and equipment, net are summarized as follows as of March 31, 2020:

Improvements	\$	6,265,519
Machinery and equipment		345,129
Buildings		664,954
Construction in progress		495,210
Furniture and fixtures		<u>14,172</u>
		7,784,984
Less: accumulated depreciation		<u>(3,411,787)</u>
Property and equipment, net	\$	<u><u>4,373,197</u></u>

Depreciation expense was \$482,753 for the year ended March 31, 2020.

Continued

# THE HORSE PARK AT WOODSIDE

## NOTES TO FINANCIAL STATEMENTS

March 31, 2020

---

### 4. Property and Equipment, Net, continued

As of March 31, 2020, the Organization has one barn project that is expected to be completed in August 2020. The estimated cost to complete the project is \$496,000. As of March 31, 2020, the Organization had incurred and capitalized “construction in progress” of approximately \$495,000.

### 5. Deferred Revenue

Deferred revenue is recorded when fees for services are received in advance. Revenue is recognized at the time the service is provided. As of March 31, 2020, the Organization had \$17,490 of deferred revenue for horse boarding fees.

### 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; however, at this time limited information about the long-term effects of this event is available.

#### *Legal Matters*

The Organization is 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, 2020, 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 \$90,378 for the year ended March 31, 2020.

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

Year ending March 31:

2021	\$	92,318
2022		93,046
2023		46,523
	\$	<u>231,887</u>

Continued

**THE HORSE PARK AT WOODSIDE**

**NOTES TO FINANCIAL STATEMENTS**

March 31, 2020

---

**7. Capital Lease Obligations**

A summary of capital lease obligations was as follows as of March 31, 2020:

Kubota tractors, four notes, payable in monthly installments ranging from \$485 to \$1,208, no interest, secured by equipment, due through July 2023.	\$	102,433
Less: current portion		<u>(34,343)</u>
Capital lease obligations, net of current portion	\$	<u>68,090</u>

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

Year ending March 31:

2021	\$	34,343
2022		34,342
2023		27,358
2024		<u>6,390</u>
	\$	<u>102,433</u>

**8. Net Assets With Donor Restrictions**

Net assets with donor restrictions were available for the following purposes as of March 31, 2020:

Premier Turn-out Project	\$	8,857
Footing improvements		1,000
Drag-n-Fly		2,000
Water truck		4,132
Dog Agility Course		<u>400</u>
	\$	<u>16,389</u>

Continued

# THE HORSE PARK AT WOODSIDE

## NOTES TO FINANCIAL STATEMENTS

March 31, 2020

### 8. Net Assets With Donor Restrictions, continued

Net assets released from donor restrictions by incurring expenses satisfying the purpose restrictions specified by donors were as follows as of March 31, 2020:

Waterline project	\$	5,000
Cross Country improvements		4,118
Portola Valley Pony Club		5,600
Whisky Hill Arena footing improvements		11,784
Maintenance building and feed storage building		10,000
Mtn Home Arena renovation and mirrors		9,977
Other capital improvements		74,032
Turnout renovation project		6,986
Polo		5,982
Triton Portable Barn Project		50,000
Prizes, Signs, Gifts		15,972
Perimeter Trail Renovation		2,550
Four Winds Annex		15,556
Concession Area Renovation		5,000
		<u>5,000</u>
	\$	<u>222,557</u>

### 9. Major Funding Source and Related Parties

For the year ended March 31, 2020, the Organization had three funding sources that provided support of approximately \$85,000, \$50,000, and \$35,000, which represents 33%, 20%, and 14%, respectively, of total contributions. The contributions in the amounts of \$85,100 and \$34,867 came from members of the Board of Governors and, as such, are considered related party transactions.

### 10. Fair Value Measurement

The following table summarizes the Organization's financial assets measured at fair value on a recurring basis as of March 31, 2020:

	Assets at Fair Value			
	Level 1	Level 2	Level 3	Total
UBS Money Market Fund*	\$ 90,656	\$ -	\$ -	\$ 90,656
Equity securities	1,118,682	-	-	1,118,682
	<u>\$ 1,209,338</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,209,338</u>

\*This balance is included in cash and cash equivalents on the balance sheet.

Continued

# THE HORSE PARK AT WOODSIDE

## NOTES TO FINANCIAL STATEMENTS

March 31, 2020

---

### 11. Subsequent Events

On May 1, 2020, the Organization successfully secured a \$137,345 Small Business Association loan under the Payroll Protection Program to secure payroll expenses for otherwise furloughed employees impacted by government imposed shelter in place orders. According to the terms of the loan, the full amount can be forgiven as long as loan proceeds are used to cover payroll costs and other specified non-payroll costs. The Organization fully intends to comply with the above terms in order to qualify for loan forgiveness. In the event the Organization is required to repay the loan, all payments are deferred for six months with accrued interest over this period. Amounts outstanding under the loan will bear a fixed interest rate of 1.00% per annum with a maturity date of May 1, 2022 (or two years from the commencement date).

The Organization evaluated subsequent events for recognition and disclosure through November 17, 2020, the date which these financial statements were available to be issued. Management concluded that no material subsequent events have occurred since March 31, 2020, other than the matters described above, that require recognition or disclosure in such financial statements.