

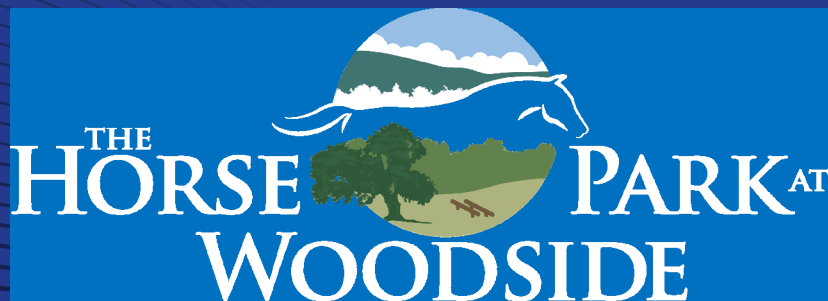
**THE HORSE PARK AT WOODSIDE**

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**FINANCIAL STATEMENTS**

March 31, 2025

(with summarized information for March 31, 2024)



# 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

### Opinion

We have audited the financial statements of The Horse Park at Woodside (the "Organization"), a nonprofit organization, which comprise the statement of financial position as of March 31, 2025, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of March 31, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

### Basis for Opinion

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

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with U.S. GAAS, we:

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

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

#### **Report on Summarized Comparative Information**

We have previously audited the Organization's March 31, 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 11, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended March 31, 2024 is consistent, in all material respects, with the audited financial statements from which it has been derived.

*BPM LLP*

Santa Rosa, California  
December 19, 2025

# THE HORSE PARK AT WOODSIDE

## STATEMENT OF FINANCIAL POSITION

As of March 31, 2025

(with summarized information for March 31, 2024)

	2025	2024
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 1,421,005	\$ 92,628
Accounts receivable	1,746	58,836
Investments in marketable securities, at fair value	1,046,367	899,761
Total current assets	2,469,118	1,051,225
Property and equipment, net	5,738,037	4,389,567
Investments in marketable securities, at fair value	-	103,250
Prepaid expenses and other assets	132,369	10,763
Right-of-use assets	919,415	902,522
Total assets	<u>\$ 9,258,939</u>	<u>\$ 6,457,327</u>
<b>LIABILITIES AND NET ASSETS</b>		
Current liabilities:		
Accounts payable and accrued expenses	\$ 458,652	\$ 316,106
Deferred revenue	305,483	212,703
Current portion of operating lease liabilities	70,315	85,857
Long-term debt, current	19,025	19,033
Total current liabilities	853,475	633,699
Non-current liabilities:		
Operating lease liabilities, net of current portion	894,596	851,058
Long-term debt, net of current portion	-	19,026
Total liabilities	<u>1,748,071</u>	<u>1,503,783</u>
Commitments and contingencies (Note 7)		
Net assets:		
Without donor restrictions	5,801,616	4,913,394
With donor restrictions	1,709,252	40,150
Total net assets	<u>7,510,868</u>	<u>4,953,544</u>
Total liabilities and net assets	<u>\$ 9,258,939</u>	<u>\$ 6,457,327</u>

# THE HORSE PARK AT WOODSIDE

## STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

For the year ended March 31, 2025  
(with summarized information for March 31, 2024)

	2025			2024
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Revenues, gains, and other support:				
Boarding and bedding	\$ 2,151,034	\$ -	\$ 2,151,034	\$ 1,885,660
Horse events	1,891,666	-	1,891,666	1,817,994
Membership fees	460,397	-	460,397	475,415
Contributions	1,521,658	1,933,302	3,454,960	654,446
Dividend and interest income, net	48,854	-	48,854	41,186
Realized gain on sale of investments	1,236	-	1,236	615,769
Unrealized gain/(loss) on fair value of investments	43,669	-	43,669	(538,950)
Employee retention credit	258,307	-	258,307	9,518
Sponsorships	-	-	-	1,250
Miscellaneous income	8,750	-	8,750	46,127
	6,385,571	1,933,302	8,318,873	5,008,415
Total revenue, gains, and other support				
Net assets released from restrictions	264,200	(264,200)	-	-
Total revenue, gains, and other support with restrictions satisfied by payments	6,649,771	1,669,102	8,318,873	5,008,415
Expenses:				
Program services:				
Facilities management and maintenance	2,053,005	-	2,053,005	1,781,799
Boarding and bedding	1,299,530	-	1,299,530	1,202,433
Horse events	1,656,930	-	1,656,930	1,702,626
	5,009,465	-	5,009,465	4,686,858
Total program services				
Supporting services:				
Management and general	752,084	-	752,084	749,997
	752,084	-	752,084	749,997
Total supporting services				
Total expenses	5,761,549	-	5,761,549	5,436,855
Change in net assets from operations	888,222	1,669,102	2,557,324	(428,440)
Total change in net assets	888,222	1,669,102	2,557,324	(428,440)
Net assets, beginning of year	4,913,394	40,150	4,953,544	5,381,984
Net assets, end of year	\$ 5,801,616	\$ 1,709,252	\$ 7,510,868	\$ 4,953,544

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, 2025  
(with summarized information for March 31, 2024)

	2025				2024		
	Program Services			Total Program Services	Supporting Services - Management and General	Total Expenses	Total Expenses
	Facilities Management and Maintenance	Boarding and Bedding	Horse Events				
Functional expenses:							
Salaries and wages	\$ 479,006	\$ 384,905	\$ 274,283	\$ 1,138,194	\$ 373,542	\$ 1,511,736	\$ 1,427,313
Employee benefits	3,793	3,048	-	6,841	2,958	9,799	(75,168)
Payroll taxes	55,689	30,502	20,983	107,174	43,427	150,601	142,720
Total salaries and wages and related expenses	538,488	418,455	295,266	1,252,209	419,927	1,672,136	1,494,865
Ground expenses	729,008	179,595	-	908,603	-	908,603	751,552
Bedding and feed	-	524,496	63,376	587,872	-	587,872	518,999
Professional services	70,299	42,165	263,065	375,529	89,724	465,253	461,361
Horse show	-	-	800,797	800,797	-	800,797	851,264
Utilities	149,089	-	62,529	211,618	-	211,618	220,202
Rent	-	-	-	-	16,143	16,143	21,763
Insurance	186,949	-	-	186,949	-	186,949	195,017
Equipment repairs and maintenance	166,184	-	-	166,184	-	166,184	188,634
Administrative	-	-	-	-	63,510	63,510	90,911
Bank fees	-	-	-	-	66,751	66,751	36,721
Miscellaneous	-	-	-	-	18,004	18,004	43,544
Total expenses before depreciation and amortization	1,840,017	1,164,711	1,485,033	4,489,761	674,059	5,163,820	4,874,833
Depreciation and amortization	212,988	134,819	171,897	519,704	78,025	597,729	562,022
Total program and supporting services expenses	\$ 2,053,005	\$ 1,299,530	\$ 1,656,930	\$ 5,009,465	\$ 752,084	\$ 5,761,549	\$ 5,436,855

# THE HORSE PARK AT WOODSIDE

## STATEMENT OF CASH FLOWS

For the year ended March 31, 2025  
(with summarized information for March 31, 2024)

	2025	2024
Cash flows from operating activities:		
Change in net assets	\$ 2,557,324	\$ (428,440)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation of property and equipment	500,769	467,050
Realized (gain) on sale of investments	(1,236)	(615,769)
Unrealized (gain)/loss on fair value of investments	(43,669)	538,950
Noncash operating lease expense	11,103	14,735
Changes in operating assets and liabilities:		
Accounts receivable	57,090	5,480
Prepaid expenses and other assets	(121,606)	25,007
Accounts payable and accrued expenses	142,546	(266,537)
Deferred revenue	92,780	2,972
Net cash provided by (used in) operating activities	<u>3,195,101</u>	<u>(256,552)</u>
Cash flows from investing activities:		
Purchases of property and equipment	(1,849,237)	(871,553)
Proceeds from sale of investments	202,597	1,293,659
Purchases of investments	(201,050)	(1,042,019)
Net cash used in investing activities	<u>(1,847,690)</u>	<u>(619,913)</u>
Cash flows from financing activities:		
Payments on long-term debt	(19,034)	(23,180)
Net cash (used in) financing activities	<u>(19,034)</u>	<u>(23,180)</u>
Net increase (decrease) in cash and cash equivalents	1,328,377	(899,645)
Cash and cash equivalents, beginning of year	<u>92,628</u>	<u>992,273</u>
Cash and cash equivalents, end of year	<u>\$ 1,421,005</u>	<u>\$ 92,628</u>
Supplemental disclosure of cash flow information:		
Right-of-use assets obtained from lease liability	<u>\$ 113,853</u>	<u>\$ -</u>

# THE HORSE PARK AT WOODSIDE

## NOTES TO FINANCIAL STATEMENTS

March 31, 2025

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### 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, California, that offers a variety of memberships for horse riding and training. 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 to 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 eight 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 their 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 up to 120 horses that board year-round in park stabling. 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 is also the site for nine major horse shows plus schooling shows and educational clinics. These shows are organized and run by, or in partnership with, 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”).

#### ***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.

# THE HORSE PARK AT WOODSIDE

## NOTES TO FINANCIAL STATEMENTS

March 31, 2025

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

#### ***Basis of Presentation***, continued

**Net Assets With Donor Restrictions** – Net assets with donor restrictions are 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, a high-yield savings account, and a money market fund. Periodically throughout the year, cash is maintained at the bank in excess of the Federal Deposit Insurance Corporation amount of \$250,000.

#### ***Cash and Cash Equivalents***

For purposes of the statement of cash flows, the Organization considers cash in the bank, money market accounts, and certificates of deposit accounts with maturities of three months or less to be cash and cash equivalents.

#### ***Accounts Receivable and Provisions for Credit Losses***

The Organization's accounts receivable are derived from revenue earned from donations, membership fees, boarding facilities, and organized events. As of March 31, 2025, accounts receivable totaled \$1,746. All accounts receivable are considered to be due within one year.

The Organization performs ongoing credit evaluations of its customers' financial condition and currently requires no collateral from its customers. The provision for credit losses is based on management's assessment of the aging of the accounts receivable, historical experience, and other currently available evidence. If there is a deterioration of a major customer's creditworthiness or actual defaults are higher than the historical experience, management's estimates of the recoverability of amounts due to the Organization could be adversely affected. If the financial condition of the Organization's customers were to deteriorate, adversely affecting their ability to make payments, additional provisions may be required. Based on management's assessment, the Organization provides for estimated uncollectible amounts through a charge to earnings and a credit to a valuation allowance. Balances that remain outstanding after the Organization has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. There has been no provision for credit losses as of March 31, 2025.

#### ***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

# THE HORSE PARK AT WOODSIDE

## NOTES TO FINANCIAL STATEMENTS

March 31, 2025

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

#### ***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 has a readily determinable fair value.

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

#### ***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.

#### ***In-Kind Contributions***

The Organization records contributions of nonfinancial assets as in-kind contributions. In-kind contributions of nonfinancial assets are reported as contributions at their estimated fair value on the date of receipt and reported as expenses when utilized. The Organization does not receive a significant number of in-kind contributions.

#### ***Donated Marketable Securities***

Donated marketable securities are recorded as contributions at their estimated fair values at the date of donation. There were no donated marketable securities for the year ended March 31, 2025.

#### ***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 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.

# THE HORSE PARK AT WOODSIDE

## NOTES TO FINANCIAL STATEMENTS

March 31, 2025

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

#### **Revenue Recognition**, continued

##### **Program Service Fees**, continued

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).

#### **Functional Expense Allocation**

The costs of providing the Organization's program and other activities have been summarized on a functional basis on the statement of functional expenses. The statement of functional expenses presents a 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 includes activities of the Organization other than program services. Supporting services consist of management and general. Management and general include 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 value 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.

# THE HORSE PARK AT WOODSIDE

## NOTES TO FINANCIAL STATEMENTS

March 31, 2025

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

#### ***Fair Value Measurement***, continued

*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.

#### ***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 twelve months, with amounts not yet earned as of year-end included as deferred revenue.

#### ***Income Taxes***

The Organization is exempt from federal and state income taxes related to revenue received in connection with exempt purposes under Section 501(c)(3) of the Internal Revenue Code (“IRC”) and Section 23701(d) of the California Revenue and Tax Code. The Organization qualifies for the charitable contribution deductions under Section 170(c)(2) of the IRC and is classified as an Organization that is not a private foundation under Section 509(a)(1). Income from certain activities not directly related to the Organization’s tax-exempt purpose may be subject to taxation as unrelated business income. The Organization uses the same accounting methods for tax and financial reporting.

U.S. GAAP provides accounting and disclosure guidance about positions taken by an organization in its tax returns that might be uncertain. The Organization evaluates uncertain tax positions whereby the effect of the uncertainty would be recorded if the tax positions will more-likely-than-not be sustained upon examination. As of March 31, 2025, management does not believe the Organization has any uncertain tax positions requiring accrual or disclosure.

The Organization is subject to potential income tax audits on open tax years by any taxing jurisdiction in which it operates. The statute of limitations for federal and California state purposes is generally three and four years, respectively. There are no returns under examination as of March 31, 2025.

#### ***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.

#### ***Leases***

Lease agreements are evaluated to determine whether an arrangement is or contains a lease in accordance with ASC 842, *Leases* (“ASC 842”). Operating leases are included in operating lease right-of-use (“ROU”) assets, net and operating lease liabilities on the statement of financial position. As of March 31, 2025, the Organization was not a party to finance lease arrangements.

# THE HORSE PARK AT WOODSIDE

## NOTES TO FINANCIAL STATEMENTS

March 31, 2025

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

#### **Leases**, continued

ROU assets represent the Organization's right to use an underlying asset for the lease term, and lease liabilities represent the Organization's obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at the commencement date based on the present value of lease payments over the lease term. The Organization uses the risk-free rates based on information available at the commencement date in determining the present value of lease payments. The risk-free rates are different than incremental borrowing rates as they are based on U.S. treasuries. The operating lease ROU asset also includes any lease payments made and excludes lease incentives. The Organization's lease terms may include options to extend or terminate the lease when it is reasonably certain that we will exercise that option. Operating lease expense is recognized on a straight-line basis over the lease term under rent expense allocated to various program expenses on the statements of activities and changes in net assets.

A lease with an initial term of 12 months or less ("short-term leases") is generally not recorded on the statement of financial position unless the arrangement includes an option to purchase the underlying asset or renew the arrangement that the Organization is reasonably certain to exercise. The Organization recognizes short-term leases as lease expenses when incurred.

During the year ended March 31, 2025, the Organization entered into a modification of an existing lease agreement. As a result of this modification, the Organization recognized an increase of \$113,853 in both the operating lease ROU asset and the corresponding operating lease liability. The modification was accounted for in accordance with ASC 842, and the updated balances are reflected on the Organization's statement of financial position as of March 31, 2025.

The lease modification did not result in a change to the classification of the lease, and all other terms and conditions of the lease remain substantially unchanged. The Organization continues to recognize lease expense on a straight-line basis over the remaining lease term.

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

The financial statements include certain prior year summarized comparative information in total. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended March 31, 2024, from which the summarized information was derived.

# THE HORSE PARK AT WOODSIDE

## NOTES TO FINANCIAL STATEMENTS

March 31, 2025

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### 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, 2025:

Cash and cash equivalents	\$	1,421,005
Accounts receivable		1,746
Investments in marketable securities, at fair value		<u>1,046,367</u>
Total financial assets		2,469,118
Less: net assets with donor restrictions		<u>(1,709,252)</u>
Financial assets available to meet cash needs for general expenditures within one year	\$	<u><u>759,866</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. Employee Retention Credit

The Employee Retention Credit (“ERC”), a refundable tax credit against certain employment taxes allowed to an eligible employer for qualifying wages, was established by the Coronavirus Aid, Relief, and Economic Security (“CARES”) Act and was subsequently amended through additional legislation. The tax credit is equal to 50% of the qualified wages, up to \$10,000 per employee, that an employer whose business has been financially impacted by COVID-19 pays to employees after March 12, 2020 and before January 1, 2022.

The ERC program is subject to inspection and audit by the Internal Revenue Service (“IRS”). The purpose of such audits is to determine whether entities met eligibility requirements under the program and that funds were used in accordance with guidelines and regulations. While management believes the Organization met the ERC requirements, it is possible that ERC funds recognized could ultimately be disallowed. The ultimate liability, if any, which may result from a governmental audit cannot be reasonably estimated and, accordingly, no provision for the possible disallowance of ERC funds has been recorded on the Organization’s financial statements.

The Organization determined they were eligible to apply for the ERC and calculated a total ERC of \$258,157 for the wages paid during the period April 2020 through March 2021. As the Organization has substantially met the program’s eligibility conditions, the Organization has received and recognized income for the ERC in the amount of \$258,157 for the year ended March 31, 2025.

# THE HORSE PARK AT WOODSIDE

## NOTES TO FINANCIAL STATEMENTS

March 31, 2025

### 4. 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, 2025:

	Assets at Fair Value			
	Level 1	Level 2	Level 3	Total
Cash equivalents	\$ 1,218,744	\$ -	\$ -	\$ 1,218,744
Investments - Equity securities	743,511	-	-	\$ 743,511
Investments - Fixed income	302,856	-	-	302,856
	<u>\$ 2,265,111</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,265,111</u>

The following summarizes the investment return for the year ended March 31, 2025:

Dividend and interest income, net	<u>\$ 48,854</u>
Realized gain on sale of investments	<u>\$ 1,236</u>
Unrealized gain on fair value of investments	<u>\$ 43,669</u>

### 5. Property and Equipment, Net

Property and equipment, net was summarized as follows as of March 31, 2025:

Leasehold improvements	\$ 7,528,609
Buildings	1,624,473
Machinery and equipment	652,154
Furniture and fixtures	13,871
Construction in progress	<u>1,691,374</u>
	11,510,481
Less: accumulated depreciation	<u>(5,772,444)</u>
Property and equipment, net	<u>\$ 5,738,037</u>

The depreciation charge on property and equipment for the year ended March 31, 2025 was \$500,769.

The Organization has ongoing projects to expand and improve its property and equipment. As of March 31, 2025, the total commitment for these projects is approximately \$2,897,000.

### 6. Deferred Revenue

The Organization recognizes revenue from memberships over the twelve-month membership term. Each month, the member simultaneously receives and consumes the performance obligation of delivering park access. 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, 2025

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### 6. Deferred Revenue, continued

The following table provides information about significant changes in deferred revenue liabilities for the year ended March 31, 2025:

Deferred revenue, beginning of year	\$	212,703
Add: increase in deferred revenue due to cash received during the year		305,483
Less: revenue recognized that was included in deferred revenue at the beginning of the year		<u>(212,703)</u>
Deferred revenue, end of year	\$	<u><u>305,483</u></u>

### 7. Commitments and Contingencies

#### **Legal Matters**

The Organization may be subject to certain litigation claims that arise in the ordinary course of business. After consulting with legal counsel, management believes that the ultimate liability with respect to these actions will not materially affect the Organization's financial position or results of operations. However, it is not reasonably possible to estimate any potential losses.

#### **Leases**

The Organization leases its land under an operating lease agreement that expires in September 2034.

As of March 31, 2025, the balance of land lease ROU assets and lease liabilities were \$919,415 and \$964,911, respectively.

Rental expense for the year ended March 31, 2025 was \$119,039.

Additional information related to operating leases with lease terms greater than one year was as follows as of March 31, 2025:

Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows for operating leases	\$	<u>107,330</u>
Weighted-average remaining lease term (in years)		9.5
Weighted-average discount rate		4.23%

# THE HORSE PARK AT WOODSIDE

## NOTES TO FINANCIAL STATEMENTS

March 31, 2025

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### 7. Commitments and Contingencies

#### **Leases**, continued

The future minimum lease payments under the operating lease are as follows:

Year ending March 31:		
2026	\$	109,835
2027		113,130
2028		116,524
2029		120,020
2030		123,620
Thereafter		<u>603,293</u>
Total undiscounted cash flows		1,186,422
Less: present value discount		<u>(221,511)</u>
Operating lease liability		964,911
Less: current portion		<u>(70,315)</u>
Operating lease liability, net of current portion	\$	<u><u>894,596</u></u>

### 8. Long-Term Debt

A summary of debt obligations was as follows as of March 31, 2025:

Kubota tractors, one note, payable in monthly installments of \$1,586, no interest, secured by equipment, due through March 1, 2026	\$	19,025
Less: current portion		<u>(19,025)</u>
Debt obligations, net of current portion	\$	<u><u>-</u></u>

The aggregate maturities of the debt obligations are as follows:

Year ending March 31:		
2026	\$	19,025

# THE HORSE PARK AT WOODSIDE

## NOTES TO FINANCIAL STATEMENTS

March 31, 2025

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### 9. Net Assets With Donor Restrictions

Net assets with donor restrictions were available for the following purposes as of March 31, 2025:

Southern California Equestrian Sports Donations	\$	469,787
Bay Arena		721,500
Horse Gym		360,000
Solar Project		100,000
Mountain Home		34,750
Music in the Park		18,564
Other		4,651
		<hr/>
	\$	<u>1,709,252</u>

Net assets released from donor restrictions by incurring expenses satisfying the purpose restrictions specified by donors were as follows as of March 31, 2025:

Southern California Equestrian Sports Donations	\$	170,213
Reserve Fund		25,000
Master Plan Improvements		19,500
Eventing Development Fund		17,747
Music in the Park		11,436
Capital Improvements - Siebels		10,000
Others		10,304
		<hr/>
	\$	<u>264,200</u>

### 10. Major Funding Sources

For the year ended March 31, 2025, the Organization had two major funding sources that provided donations of \$2,000,000 and \$500,000, respectively, which represents 58% and 15% of total contributions, respectively.

### 11. Related Parties

Related parties mainly include key management personnel, benefactors, and Board of Governors (the "Board") members. During the year ended March 31, 2025, the Organization received contributions from related parties. These contributions were made in the normal course of business operations and were usually in the form of cash. Total contributions from the Board were \$105,326, which represents 3% of total contributions for the year ended March 31, 2025.

For the year ended March 31, 2025, the Organization paid a Board member \$80,000 for consulting services. Management considers this transaction to be at fair market value and comparable to what third-party vendors would charge.

# THE HORSE PARK AT WOODSIDE

## NOTES TO FINANCIAL STATEMENTS

March 31, 2025

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### 12. Subsequent Events

The Organization evaluated subsequent events for recognition and disclosure through December 19, 2025, the date on which these financial statements were available to be issued. Management concluded that no material subsequent events have occurred since March 31, 2025 that require recognition or disclosure in such financial statements.