

RIDE ON ST. LOUIS, INC.
AUDITED FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

RIDE ON ST. LOUIS, INC.

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Fick, Eggemeyer & Williamson

Certified Public Accountants, PC



MEMBERS OF THE
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Ride On St. Louis, Inc.

We have audited the accompanying financial statements of Ride On St. Louis, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 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.

Auditors' 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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 Ride On St. Louis, Inc. as of December 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 Ride On St. Louis, Inc.'s 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 9, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.



Fick, Eggemeyer, and Williamson CPAs
Saint Louis, Missouri
April 23, 2021

RIDE ON ST. LOUIS, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2020 AND 2019

| | 2020 | 2019 |
|---|-----------|-----------|
| ASSETS | | |
| CURRENT ASSETS | | |
| Cash and cash equivalents | \$ 53,934 | \$ 64,575 |
| Accounts receivable, net of allowance | 695 | 195 |
| Prepaid insurance | 3,170 | 4,831 |
| Security deposit | 500 | - |
| Total current assets | 58,299 | 69,601 |
| NONCURRENT ASSETS | | |
| Property and equipment, net of accumulated depreciation | 18,983 | 25,790 |
| Total noncurrent assets | 18,983 | 25,790 |
| Total assets | \$ 77,282 | \$ 95,391 |
| LIABILITIES AND NET ASSETS | | |
| CURRENT LIABILITIES | | |
| Credit cards payable | \$ 755 | \$ 2,165 |
| Accrued payroll | 6,761 | 6,761 |
| Note payable | 4,000 | - |
| Total current liabilities | 11,516 | 8,926 |
| NONCURRENT LIABILITIES | | |
| None | - | - |
| Total noncurrent liabilities | - | - |
| Total liabilities | 11,516 | 8,926 |
| NET ASSETS | | |
| Without donor restriction | 65,766 | 81,060 |
| With donor restriction | - | 5,405 |
| Total net assets | 65,766 | 86,465 |
| Total liabilities and net assets | \$ 77,282 | \$ 95,391 |

See accompanying notes and independent auditors' report.

RIDE ON ST. LOUIS, INC.
STATEMENT OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

| | Without Donor Restriction | With Donor Restriction | 2020 Total | 2019 Total |
|--|------------------------------|---------------------------|------------------|------------------|
| SUPPORT AND REVENUE | | | | |
| Contributions | \$ 96,812 | \$ - | \$ 96,812 | \$ 131,460 |
| In-kind contributions | 19,403 | - | 19,403 | 28,117 |
| Grants | 42,331 | - | 42,331 | 21,300 |
| Student fees | 1,642 | - | 1,642 | 1,896 |
| Fundraising events | 19,615 | - | 19,615 | 26,416 |
| Other | 430 | - | 430 | 2,168 |
| | <u>180,233</u> | <u>-</u> | <u>180,233</u> | <u>211,357</u> |
| Total support and revenue | | | | |
| Net assets released from restrictions | | | | |
| Satisfaction of restrictions | 5,405 | (5,405) | - | - |
| | <u>185,638</u> | <u>(5,405)</u> | <u>180,233</u> | <u>211,357</u> |
| Total | | | | |
| EXPENSES | | | | |
| Program | 188,245 | - | 188,245 | 180,088 |
| | <u>188,245</u> | <u>-</u> | <u>188,245</u> | <u>180,088</u> |
| Total program expenses | | | | |
| Support expenses | | | | |
| General and administration | 8,458 | - | 8,458 | 10,035 |
| Fundraising | 3,780 | - | 3,780 | 12,376 |
| | <u>12,238</u> | <u>-</u> | <u>12,238</u> | <u>22,411</u> |
| Total support expenses | | | | |
| | <u>200,483</u> | <u>-</u> | <u>200,483</u> | <u>202,499</u> |
| Total expenses | | | | |
| Changes in net assets from operations | (14,845) | (5,405) | (20,250) | 8,858 |
| INVESTMENT ACTIVITIES | | | | |
| Interest income | 63 | - | 63 | 119 |
| Loss on disposal of property and equipment | (512) | - | (512) | (24,805) |
| | <u>(449)</u> | <u>-</u> | <u>(449)</u> | <u>(24,686)</u> |
| Total investment activities | | | | |
| Changes in net assets | (15,294) | (5,405) | (20,699) | (15,828) |
| Net assets - beginning of year | 81,060 | 5,405 | 86,465 | 102,293 |
| Net assets - end of year | <u>\$ 65,766</u> | <u>\$ -</u> | <u>\$ 65,766</u> | <u>\$ 86,465</u> |

See accompanying notes and independent auditors' report.

RIDE ON ST. LOUIS, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

| | Program | General and Administration | Fundraising | 2020 Total | 2019 Total |
|---------------------------|-------------------|-------------------------------|-----------------|-------------------|-------------------|
| Salary and payroll tax | \$ 82,518 | \$ 4,291 | \$ 860 | \$ 87,669 | \$ 80,283 |
| Employee benefits | 22,763 | - | - | 22,763 | 25,919 |
| Continuing education | 360 | - | - | 360 | 528 |
| Horse supplies | 14,247 | - | - | 14,247 | 14,609 |
| Fundraising | 33 | - | 1,240 | 1,273 | 1,749 |
| Occupancy | 12,209 | 8 | - | 12,217 | 328 |
| Stipends | 1,740 | - | - | 1,740 | 2,913 |
| Small equipment | 420 | - | - | 420 | 295 |
| Office supplies | 1,141 | 99 | - | 1,240 | 1,120 |
| Repairs and maintenance | 292 | - | - | 292 | - |
| Postage and shipping | 728 | - | 247 | 975 | 1,146 |
| Printing and publications | 5,856 | 44 | 9 | 5,909 | 6,935 |
| Membership dues | 643 | - | - | 643 | 2,675 |
| Insurance | 923 | - | - | 923 | 2,933 |
| Telephone | 1,472 | 8 | - | 1,480 | 1,288 |
| Depreciation | 6,295 | - | - | 6,295 | 6,420 |
| Auto | 6,145 | - | - | 6,145 | 5,474 |
| Professional fees | 6,155 | 74 | 15 | 6,244 | 3,040 |
| In-kind expenses | | | | | |
| Auto | 1,948 | - | - | 1,948 | - |
| Rent | 7,600 | - | - | 7,600 | 18,500 |
| Horse supplies | 243 | - | - | 243 | - |
| Program | 1,233 | - | - | 1,233 | 732 |
| Fundraising events | - | - | 1,409 | 1,409 | 9,740 |
| Small equipment | 2,230 | - | - | 2,230 | - |
| Repairs and maintenance | 2,326 | - | - | 2,326 | - |
| Travel | 2,414 | - | - | 2,414 | - |
| Other | 2,908 | - | - | 2,908 | 4,300 |
| Travel | 3,403 | 3,934 | - | 7,337 | 11,572 |
| Total | \$ 188,245 | \$ 8,458 | \$ 3,780 | \$ 200,483 | \$ 202,499 |

See accompanying notes and independent auditors' report.

RIDE ON ST. LOUIS, INC.
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

| | <u>2020</u> | <u>2019</u> |
|--|------------------|------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Changes in net assets | \$ (20,699) | \$ (15,828) |
| Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities: | | |
| Depreciation | 6,295 | 6,420 |
| Loss on disposal of property and equipment | 512 | 24,805 |
| Forgiveness of note payable | (17,500) | - |
| Changes in assets and liabilities: | | |
| (Increase) decrease in accounts receivable | (500) | 105 |
| (Increase) decrease in prepaid insurance | 1,661 | (1,526) |
| (Increase) decrease in security deposit | (500) | - |
| Increase (decrease) in accounts payable | - | (3,332) |
| Increase (decrease) in credit cards payable | (1,410) | 835 |
| Increase (decrease) in accrued payroll | - | 521 |
| Net cash provided by (used in) operating activities | <u>(32,141)</u> | <u>12,000</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| None | <u>-</u> | <u>-</u> |
| Net cash provided by (used in) investing activities | <u>-</u> | <u>-</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Proceeds from note payable | <u>21,500</u> | <u>-</u> |
| Net cash provided by (used in) financing activities | <u>21,500</u> | <u>-</u> |
| Net increase (decrease) in cash and cash equivalents | (10,641) | 12,000 |
| Cash and cash equivalents - beginning of year | <u>64,575</u> | <u>52,575</u> |
| Cash and cash equivalents - end of year | <u>\$ 53,934</u> | <u>\$ 64,575</u> |

See accompanying notes and independent auditors' report.

RIDE ON ST. LOUIS, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

Ride On St. Louis, Inc. (the "Organization") is organized as a nonprofit corporation. The Organization promotes health and enriches lives through love, joy, and holistic healing. The Organization provides programs that incorporate the movement of the horse, equine environment, and horse-human interaction to provide substantial and sustaining quality of life improvements for children and adults with disabilities, veterans, youth, and people with health-related obstacles.

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis in accordance with accounting standards generally accepted in the United States of America. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

Basis of Presentation

The financial statements of the Organization have been prepared in accordance with accrual basis of accounting. The Organization reports information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions - Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the board of directors.

Net assets with donor restrictions - Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated that the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

Comparative Data

The amounts shown for the year ended December 31, 2019 in the accompanying financial statements are included to provide a basis for comparison with 2020 and present summarized totals only. Accordingly, the 2019 totals are not intended to present all information necessary for a fair presentation in conformity with accounting principles generally accepted in the United States of America. Such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2019, from which the summarized information was derived.

Cash and Cash Equivalents

The Organization considers all highly liquid investments with an original maturity of three months or less to be cash equivalents for the purposes of the statement of cash flows.

RIDE ON ST. LOUIS, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounts Receivable

The Organization uses the allowance method to account for uncollectible accounts receivable. Allowances would be established to recognize when outstanding receivables are less than fully collectible. The allowance for uncollectible accounts at December 31, 2020 and 2019 was \$0.

Property and Equipment

Property and equipment are recorded at cost or, in the case of donated property, at their estimated fair market value at the date of the donation. Depreciation of fixed assets is provided over the estimated useful lives of the respective assets on a straight-line basis. Currently, assets are depreciated over useful lives of three to twenty-two years. Expenditures for repairs and maintenance are charged to operating expenses as incurred. The cost of assets sold or returned, and the related amounts of accumulated depreciation are eliminated from the accounts in the year of disposal. The resulting gains or losses are included in operations. Depreciation expense for the years ended December 31, 2020 and 2019 was \$6,295 and \$6,420, respectively.

Contributed Services

Several volunteers contribute services to the Organization. No amounts have been recognized in the accompanying statement of activities because the criteria for recognition of such volunteer effort have not been satisfied.

Contributions

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor-restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction, depending on the nature of the restriction, is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Use of Estimates in Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported 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. Actual results could differ from those estimates.

Measure of Operations

The statement of activities reports all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of those items attributable to the Organization's program services and support services. Nonoperating activities are limited to resources that generate a return on investment and other activities considered to be of a more unusual or nonrecurring nature.

RIDE ON ST. LOUIS, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Compensated Absences

Full-time employees of the Organization are entitled to paid vacations and personal days off, depending on job classification, length of service, and other factors. It is impracticable to estimate the amount of compensation for future absences, and accordingly, no liability has been recorded in the accompanying statement of financial position. The Organization's policy is to recognize the costs of compensated absences when actually paid.

Income Taxes

The Organization is exempt from income taxes pursuant to section 501(c)(3) of the Internal Revenue Service Code. Therefore, no provision is made for taxes on income.

The Organization adopted the provisions of Accounting for Uncertainty in Income Taxes on January 1, 2011. The adoption of that guidance resulted in no change to the financial statements for prior periods. As of December 31, 2020, no amounts have been recognized for uncertain tax positions. The Organizations tax returns for 2017 and prior are closed.

NOTE 2 - FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated between fundraising, administration, or the appropriate program based on evaluations of the related benefits. Such allocations are determined by management on an equitable basis. Expenditures have been allocated based on time and effort or specific identification, when available.

NOTE 3 - PROPERTY AND EQUIPMENT

A summary of property and equipment as of December 31, 2020 and 2019 follows:

| | 2020 | 2019 |
|-----------------------------|------------------|------------------|
| Furniture and fixtures | \$ 25,009 | \$ 25,009 |
| Horses | 16,200 | 17,700 |
| Vehicles | 34,392 | 34,392 |
| Equipment | 6,047 | 6,133 |
| Total depreciable property | <u>81,648</u> | <u>83,234</u> |
| Accumulated depreciation | (62,665) | (57,444) |
| Property and equipment, net | <u>\$ 18,983</u> | <u>\$ 25,790</u> |

RIDE ON ST. LOUIS, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 4 - NOTE PAYABLE

In May 2020, the Organization received loan proceeds in the amount of \$21,500 under the Paycheck Protection Program (“PPP”). The PPP is administered by the Small Business Administration. The loan and accrued interest (1%) are forgivable after eight to twenty-four weeks as long as the Organization used the loan proceeds for eligible purposes, such as payroll, benefits, rent, and utilities. On December 22, 2020, the Organization received partial loan forgiveness and \$17,500 was recorded as grant revenue on the statement of activities. The balance as of December 31, 2020 was \$4,000. Subsequent to year-end, the Organization received additional loan forgiveness on the entire remaining loan balance of \$4,000.

NOTE 5 - IN-KIND CONTRIBUTIONS

The Organization recognized the following in-kind contributions for 2020 and 2019:

| | 2020 | 2019 |
|-------------------------|-----------|-----------|
| Auto | \$ 1,948 | \$ - |
| Rent | 7,600 | - |
| Horse boarding | - | 18,500 |
| Horse supplies | 243 | - |
| Program | 1,233 | 732 |
| Fundraising events | 1,409 | 9,740 |
| Small equipment | 2,230 | - |
| Repairs and maintenance | 2,326 | - |
| Travel | 2,414 | - |
| Total | \$ 19,403 | \$ 28,972 |

NOTE 6 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions at December 31, 2020 and 2019 are restricted as follows:

| | 2020 | | 2019 | |
|-----------------|---------|--------|----------|--------|
| | Purpose | Period | Purpose | Period |
| Arena footing | \$ - | \$ - | \$ 1,000 | \$ - |
| New facility | - | - | 3,232 | - |
| Saddles | - | - | 750 | - |
| Horse equipment | - | - | 423 | - |
| Total | \$ - | \$ - | \$ 5,405 | \$ - |

RIDE ON ST. LOUIS, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 7 - AVAILABILITY AND LIQUIDITY

The following represents the Organization's financial assets at December 31, 2020:

| | |
|--|------------------|
| Financial assets at year-end: | 2020 |
| Cash and cash equivalents | \$ 53,934 |
| Accounts receivable | 695 |
| Total financial assets at year-end | <u>54,629</u> |
| Less amounts not available for general expenditures within one year: | |
| Net assets with period restrictions in excess of one year | - |
| Net assets with purpose restrictions | - |
| Total amounts not available to meet general expenditures within one year | <u>-</u> |
| Financial assets available to meet general expenditures within one year | <u>\$ 54,629</u> |

NOTE 8 - OPERATING LEASES AS LESSEE

- I. In January 2020, the Organization entered into a 12-month lease agreement with Sharon Gonzalez for barn space and 5 acres of land for the horses. The agreement required minimum monthly payments of \$1,100 and \$400 to be recognized as in-kind contributions. In January 2021, the lease agreement was renewed for another 12 months under revised terms including minimum monthly payments of \$1,200.
- II. The Organization has a verbal lease agreement with the Weinrich family for storage space. The agreement is on a month-to-month basis and would require minimum monthly payments of \$250. The Weinrich family requested these payments not be paid and recorded as in-kind contributions. Monthly payments are recorded as in-kind contributions and expenses when incurred.

Expenses associated with these leases totaled \$20,537 and \$0 for the year end December 31, 2020 and 2019.

NOTE 9 - SUBSEQUENT EVENTS

Management has evaluated subsequent events through April 23, 2021, the date which the financial statements were available for issue, and noted the following reportable events.

On March 1, 2021, the Organization received loan forgiveness on the remaining PPP loan balance of \$4,000.

On February 26, 2021, the Organization received a new loan under the Paycheck Protection Program ("PPP") for \$21,556.