

RIDE ON ST. LOUIS, INC.
AUDITED FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

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 Saint Louis, Inc.

We have audited the accompanying financial statements of Ride On Saint Louis, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2019, 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 Saint Louis, Inc. as of December 31, 2019, 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 Saint Louis, Inc.'s 2018 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated July 24, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Fick, Eggemeyer, & Williamson
Fick, Eggemeyer, & Williamson CPAs
Saint Louis, Missouri
June 9, 2020

RIDE ON ST. LOUIS, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2019 AND 2018

	2019	2018
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 64,575	\$ 52,575
Accounts receivable	195	300
Prepaid insurance	4,831	3,305
Total current assets	69,601	56,180
NONCURRENT ASSETS		
Property and equipment, net of accumulated depreciation	25,790	57,015
Total noncurrent assets	25,790	57,015
Total assets	\$ 95,391	\$ 113,195
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ -	\$ 3,332
Credit cards payable	2,165	1,330
Accrued payroll	6,761	6,240
Total current liabilities	8,926	10,902
NONCURRENT LIABILITIES		
None	-	-
Total noncurrent liabilities	-	-
Total liabilities	8,926	10,902
NET ASSETS		
Without donor restriction	81,060	102,293
With donor restriction	5,405	-
Total net assets	86,465	102,293
Total liabilities and net assets	\$ 95,391	\$ 113,195

See accompanying notes and independent auditors' report.

RIDE ON ST. LOUIS, INC.
STATEMENT OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	Without Donor Restriction	With Donor Restriction	2019 Total	2018 Total
SUPPORT AND REVENUE				
General donations	\$ 131,460	\$ -	\$ 131,460	\$ 80,046
Grants	-	21,300	21,300	39,551
In-kind contributions	28,117	-	28,117	52,289
Student fees	1,896	-	1,896	20,238
Fundraising events	26,416	-	26,416	65,607
Other	2,168	-	2,168	3,796
Total support and revenue	190,057	21,300	211,357	261,527
Net assets released from restrictions				
Satisfaction of restrictions	15,895	(15,895)	-	-
Total	205,952	5,405	211,357	261,527
EXPENSES				
Program	180,088	-	180,088	181,605
Total program expenses	180,088	-	180,088	181,605
Support expenses				
General and administration	10,035	-	10,035	42,144
Fundraising	12,376	-	12,376	17,912
Total support expenses	22,411	-	22,411	60,056
Total expenses	202,499	-	202,499	241,661
Changes in net assets from operations	3,453	5,405	8,858	19,866
INVESTMENT ACTIVITIES				
Loss on disposal of property and equipment	(24,805)	-	(24,805)	(1,802)
Interest income	119	-	119	132
Total investment activities	(24,686)	-	(24,686)	(1,670)
Changes in net assets	(21,233)	5,405	(15,828)	18,196
Net assets - beginning of year	102,293	-	102,293	84,097
Net assets - end of year	\$ 81,060	\$ 5,405	\$ 86,465	\$ 102,293

See accompanying notes and independent auditors' report.

RIDE ON ST. LOUIS, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	Program	General and Administration	Fundraising	2019 Total	2018 Total
Salary and payroll tax	\$ 75,290	\$ 4,167	\$ 826	\$ 80,283	\$ 77,648
Employee benefits	25,919	-	-	25,919	22,654
Continuing education	528	-	-	528	4,435
Horse supplies	14,609	-	-	14,609	20,763
Fundraising	391	75	1,283	1,749	12,620
Occupancy	328	-	-	328	4,120
Stipends	2,913	-	-	2,913	14,468
Small equipment	295	-	-	295	-
Office supplies	1,081	20	19	1,120	2,094
Repairs and maintenance	-	-	-	-	1,281
Postage and shipping	700	-	446	1,146	2,277
Printing and publications	6,935	-	-	6,935	3,078
Membership dues	2,575	100	-	2,675	695
Insurance	2,933	-	-	2,933	2,510
Telephone	1,226	62	-	1,288	3,018
Bad debt	-	-	-	-	175
Depreciation	6,420	-	-	6,420	8,095
Auto	5,474	-	-	5,474	2,212
Professional fees	2,946	77	17	3,040	6,233
In-kind expenses					
Rent	-	-	-	-	27,288
Horse use	-	-	-	-	2,800
Program	732	-	-	732	1,547
Fundraising events	-	-	9,740	9,740	9,298
Horse boarding	18,500	-	-	18,500	-
Other	3,781	474	45	4,300	4,946
Travel	6,512	5,060	-	11,572	7,406
Total	\$ 180,088	\$ 10,035	\$ 12,376	\$ 202,499	\$ 241,661

See accompanying notes and independent auditors' report.

RIDE ON ST. LOUIS, INC.
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	\$ (15,828)	\$ 18,196
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:		
Depreciation	6,420	8,095
Loss on disposals of property and equipment	24,805	1,802
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	105	470
(Increase) decrease in prepaid insurance	(1,526)	-
(Increase) decrease in deposit on asset	-	7,000
Increase (decrease) in accounts payable	(3,332)	2,101
Increase (decrease) in credit card payable	835	(2,388)
Increase (decrease) in accrued payroll	521	-
Increase (decrease) due to related party	-	(1,000)
Net cash provided by (used in) operating activities	12,000	34,276
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	-	(19,464)
Net cash provided by (used in) investing activities	-	(19,464)
CASH FLOWS FROM FINANCING ACTIVITIES		
None	-	-
Net cash provided by (used in) financing activities	-	-
Net increase (decrease) in cash and cash equivalents	12,000	14,812
Cash and cash equivalents - beginning of year	52,575	37,763
Cash and cash equivalents - end of year	\$ 64,575	\$ 52,575

See accompanying notes and independent auditors' report.

RIDE ON ST. LOUIS, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

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, 2018 in the accompanying financial statements are included to provide a basis for comparison with 2019 and present summarized totals only. Accordingly, the 2018 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, 2018, 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, 2019 AND 2018

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, 2019 and 2018 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, 2019 and 2018 was \$6,420 and \$8,095, 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 investments and other activities considered to be of a more unusual or nonrecurring nature.

RIDE ON ST. LOUIS, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

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, 2019, no amounts have been recognized for uncertain tax positions. The Organizations tax returns for 2016 and prior are now 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, 2019 and 2018 follows:

	2019	2018
Furniture and fixtures	\$ 25,009	\$ 25,009
Horses	17,700	17,700
Leasehold improvements	-	36,712
Vehicles	34,392	34,392
Equipment	6,133	6,133
Total depreciable property	<u>83,234</u>	<u>119,946</u>
Accumulated depreciation	(57,444)	(62,931)
Property and equipment, net	<u>\$ 25,790</u>	<u>\$ 57,015</u>

RIDE ON ST. LOUIS, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE 4 - IN-KIND CONTRIBUTIONS

The Organization recognized the following non-cash revenues for 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Donated use of horses	\$ -	\$ 2,800
Donated use of land	-	27,288
Donated supplies and equipment	9,617	22,201
Donated horse boarding	18,500	-
Total	<u>\$ 28,117</u>	<u>\$ 52,289</u>

NOTE 5 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions at December 31, 2019 and 2018 are restricted as follows:

	<u>2019</u>		<u>2018</u>	
	Purpose	Periods	Purpose	Periods
Arena footing	\$ 1,000	\$ -	\$ -	\$ -
New facility	3,232	-	-	-
Saddle	750	-	-	-
Horse equipment	423	-	-	-
Total	<u>\$ 5,405</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

NOTE 6 - AVAILABILITY AND LIQUIDITY

The following represents the Organization's financial assets at December 31, 2019:

Financial assets at year-end:

Cash and cash equivalents	\$ 64,575
Accounts receivable	195
Total financial assets at year-end	<u>64,770</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	5,405
Total amounts not available for general expenditures within one year	<u>5,405</u>

Financial assets available to meet general expenditures within one year	<u>\$ 59,365</u>
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RIDE ON ST. LOUIS, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE 6 - AVAILABILITY AND LIQUIDITY (Continued)

The following represents the Organization's financial assets at December 31, 2018:

Financial assets at year-end:

Cash and cash equivalents	\$ 52,575
Accounts receivable	300
Total financial assets at year-end	<u>52,875</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>\$ 52,875</u>
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NOTE 7 - SUBSEQUENT EVENTS

Management has evaluated subsequent events through June 9, 2020, the date which the financial statements were available for issue, and noted the following reportable event.

Subsequent to year-end 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 are forgivable after 8-24 weeks as long as the Organization uses the loan proceeds for eligible purposes, such as payroll, benefits, rent, and utilities. The amount of loan forgiveness may be reduced if the Organization reduces payroll during the forgiveness period. The unforgiven portion of the PPP loan is payable over a twenty-four month period at an interest rate of 1%, with a deferral of payments for the first six months.