

AHEAD WITH HORSES, INC.
(A California Non-profit Corporation)

FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

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(A CALIFORNIA NON-PROFIT CORPORATION)
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TABLE OF CONTENTS

	<u>PAGE</u>
INDEPENDENT AUDITORS' REPORT	1 - 2
STATEMENTS OF FINANCIAL POSITION	3
STATEMENTS OF ACTIVITIES	4
STATEMENTS OF CASH FLOWS	5
NOTES TO FINANCIAL STATEMENTS	6 - 11
SCHEDULES OF FUNCTIONAL EXPENSES	12



Independent Auditors' Report

To the Board of Directors
Ahead with Horses, Inc.
Shadow Hills, CA 91040

We have audited the accompanying financial statements of Ahead with Horses, Inc. (a nonprofit Corporation), which comprise the statements of financial position as of June 30, 2020 and 2019, and the related statements of activities, functional expenses, and cash flows for the years 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 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 Ahead with Horses, Inc as of June 30, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses on page 9 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Goldman Kurland & Miraglia LLP

Goldman Kurland & Miraglia, LLP
Encino, California

November 23, 2020

AHEAD WITH HORSES, INC.
(A CALIFORNIA NON-PROFIT CORPORATION)
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2020 AND 2019

	WITHOUT DONOR RESTRICTIONS		WITH DONOR RESTRICTIONS		COMBINED	
	2020	2019	2020	2019	2020	2019
ASSETS						
CASH	\$ 111,291	\$ 421,351	\$ -	\$ -	\$ 111,291	\$ 421,351
INVESTMENTS	67,914	133,384	-	-	67,914	133,384
PROPERTY AND EQUIPMENT (NOTE 3)	935,749	944,962	-	-	935,749	944,962
SITE DEVELOPMENT COSTS (NOTE 3)	106,400	86,265	-	-	106,400	86,265
DEPOSITS	3,100	3,000	-	-	3,100	3,000
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL ASSETS	<u>\$ 1,224,454</u>	<u>\$ 1,588,962</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,224,454</u>	<u>\$ 1,588,962</u>
LIABILITIES						
CURRENT LIABILITIES						
CREDIT CARD LIABILITIES	\$ 1,101	\$ 422	\$ -	\$ -	\$ 1,101	\$ 422
LINE OF CREDIT (NOTE 6)	50,434	-	-	-	50,434	-
CURRENT PORTION LOAN PAYABLE - RELATED PARTY (NOTE 5)	4,377	-	-	-	4,377	-
CURRENT PORTION LOAN PAYABLE - SBA (NOTE 6)	11,952	-	-	-	11,952	-
CURRENT PORTION MORTGAGE PAYABLE (NOTE 6)	-	12,702	-	-	-	12,702
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL CURRENT LIABILITIES	67,864	13,124	-	-	67,864	13,124
LONG-TERM LIABILITIES						
LOAN PAYABLE - RELATED PARTY (NOTE 5)	293,866	-	-	-	293,866	-
LOAN PAYABLE - SBA (NOTE 6)	8,622	-	-	-	8,622	-
MORTGAGE PAYABLE (NOTE 6)	-	730,266	-	-	-	730,266
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL LONG-TERM LIABILITIES	302,488	730,266	-	-	302,488	730,266
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL LIABILITIES	<u>\$ 370,352</u>	<u>\$ 743,390</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 370,352</u>	<u>\$ 743,390</u>
NET ASSETS						
WITHOUT DONOR RESTRICTIONS	<u>854,102</u>	<u>845,572</u>	<u>-</u>	<u>-</u>	<u>854,102</u>	<u>845,572</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL NET ASSETS	<u>854,102</u>	<u>845,572</u>	<u>-</u>	<u>-</u>	<u>854,102</u>	<u>845,572</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,224,454</u>	<u>\$ 1,588,962</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,224,454</u>	<u>\$ 1,588,962</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

AHEAD WITH HORSES, INC.
(A CALIFORNIA NON-PROFIT CORPORATION)
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

	WITHOUT DONOR RESTRICTIONS		WITH DONOR RESTRICTIONS		COMBINED	
	2020	2019	2020	2019	2020	2019
SUPPORT AND REVENUES						
CONTRIBUTIONS	\$ 236,041	\$ 227,146	\$ -	\$ -	\$ 236,041	\$ 227,146
GRANTS	99,003	76,477	-	-	99,003	76,477
SPECIAL EVENTS	7,255	28,570	-	-	7,255	28,570
INTEREST	418	987	-	-	418	987
DIVIDENDS	3,296	3,866	-	-	3,296	3,866
	<u>346,013</u>	<u>337,046</u>	<u>-</u>	<u>-</u>	<u>346,013</u>	<u>337,046</u>
FUNCTIONAL EXPENSES (SCHEDULE)						
PROGRAM SERVICES	258,813	273,084	-	-	258,813	273,084
SUPPORT SERVICES	28,572	28,546	-	-	28,572	28,546
FUND RAISING	618	8,367	-	-	618	8,367
SPECIAL EVENTS	714	6,517	-	-	714	6,517
	<u>288,717</u>	<u>316,514</u>	<u>-</u>	<u>-</u>	<u>288,717</u>	<u>316,514</u>
OTHER (EXPENSES)/INCOME						
REALIZED GAIN ON SALE OF INVESTMENTS	6,897	-	-	-	6,897	-
UNREALIZED (LOSS)/GAIN ON INVESTMENTS	(55,488)	9,763	-	-	(55,488)	9,763
INVESTMENT ADVISORY FEES	(175)	(175)	-	-	(175)	(175)
	<u>(48,766)</u>	<u>9,588</u>	<u>-</u>	<u>-</u>	<u>(48,766)</u>	<u>9,588</u>
INCREASE IN NET ASSETS	8,530	30,120	-	-	8,530	30,120
NET ASSETS						
BEGINNING OF PERIOD	<u>845,572</u>	<u>815,452</u>	<u>-</u>	<u>-</u>	<u>845,572</u>	<u>815,452</u>
END OF PERIOD	<u>\$ 854,102</u>	<u>\$ 845,572</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 854,102</u>	<u>\$ 845,572</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

AHEAD WITH HORSES, INC.
(A CALIFORNIA NON-PROFIT CORPORATION)
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

	WITHOUT DONOR RESTRICTIONS		WITH DONOR RESTRICTED		COMBINED	
	2020	2019	2020	2019	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES:						
INCREASE IN NET ASSETS	\$ 8,530	\$ 30,120	\$ -	\$ -	\$ 8,530	\$ 30,120
DEPRECIATION AND AMORTIZATION	9,213	9,646	-	-	9,213	9,646
ACCRUED INTEREST ON LINE OF CREDIT	434	-	-	-	434	-
DIVIDENDS RECEIVED ON INVESTMENTS	(3,296)	(3,866)	-	-	(3,296)	(3,866)
CREDIT CARD LIABILITIES	679	348	-	-	679	348
REALIZED GAIN ON SALE OF INVESTMENTS	(6,897)	-	-	-	(6,897)	-
UNREALIZED LOSS/(GAIN) AND FEES ON INVESTMENTS	55,663	(9,588)	-	-	55,663	(9,588)
DEPOSITS	(100)	-	-	-	(100)	-
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>64,226</u>	<u>26,660</u>	<u>-</u>	<u>-</u>	<u>64,226</u>	<u>26,660</u>
CASH FLOWS FROM INVESTING ACTIVITIES:						
SITE DEVELOPMENT COSTS	(20,135)	(65,302)	-	-	(20,135)	(65,302)
PROCEEDS FROM SALE OF INVESTMENTS	<u>20,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,000</u>	<u>-</u>
NET CASH USED IN INVESTING ACTIVITIES	<u>(135)</u>	<u>(65,302)</u>	<u>-</u>	<u>-</u>	<u>(135)</u>	<u>(65,302)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:						
BORROWINGS ON LINE OF CREDIT	50,000	-	-	-	50,000	-
BORROWINGS ON LOAN PAYABLE - RELATED PARTY	300,000	-	-	-	300,000	-
PRINCIPAL PAYMENTS ON LOAN PAYABLE - RELATED PARTY	(1,757)	-	-	-	-	-
BORROWINGS ON LOAN PAYABLE - SBA	20,574	-	-	-	20,574	-
PRINCIPAL PAYMENTS ON MORTGAGE PAYABLE	<u>(742,968)</u>	<u>(11,496)</u>	<u>-</u>	<u>-</u>	<u>(742,968)</u>	<u>(11,496)</u>
NET CASH USED IN FINANCING ACTIVITIES	<u>(374,151)</u>	<u>(11,496)</u>	<u>-</u>	<u>-</u>	<u>(374,151)</u>	<u>(11,496)</u>
NET DECREASE IN CASH	(310,060)	(50,138)	-	-	(310,060)	(50,138)
CASH AT BEGINNING OF PERIOD	421,351	471,489	-	-	421,351	471,489
CASH AT END OF PERIOD	<u>\$ 111,291</u>	<u>\$ 421,351</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 111,291</u>	<u>\$ 421,351</u>
SUPPLEMENTAL INFORMATION						
	<u>2020</u>	<u>2019</u>				
INTEREST	<u>\$ 30,354</u>	<u>\$ 37,462</u>				
INCOME TAXES	<u>\$ -</u>	<u>\$ -</u>				
NON-CASH INVESTING AND FINANCING ACTIVITIES:						
MORTGAGE PAYABLE ON PURCHASE OF RAW LAND	<u>\$ -</u>	<u>\$ 760,000</u>				

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

AHEAD WITH HORSES, INC.
(A California Non-Profit Corporation)
Notes to Financial Statements
Year Ended June 30, 2020 and 2019

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Nature of Activities

Ahead with Horses, Inc. (the "Company") is a not-for-profit corporation organized under the laws of the State of California. The Company provides a therapeutic and developmental riding program for the disabled which serves approximately 50 disabled individuals each week in portions of the City of Los Angeles and throughout Southern California.

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP"). Accordingly, the financial statements reflect all significant receivables, payables, and other liabilities.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Contributions

The Company receives contributions from grants, contracts, and public donations. Contributions received are recorded with or without donor restrictions depending on the existence and/or nature of any donor restrictions. Net assets with donor restrictions are reclassified to net assets upon satisfaction of the time or purpose of restrictions.

Credit Risk

The Company's credit risks primarily relate to cash and cash equivalents and investments. The Company maintains its cash balances at various financial institutions. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to an aggregate of \$250,000. The Company has not experienced any such losses and management believes the Company is not exposed to significant credit risk pertaining to cash.

Cash and Cash Equivalents

For the purposes of the statements of cash flows, the Company considers all highly liquid debt instruments purchased with initial maturities of three months or less to be cash equivalents.

Investments

Purchased investments are carried at their fair market values in the statements of financial position. Donated investments are recorded at fair value at the date of donation. Net investment return is reported in the statement of activities and consists of interest and dividend income, realized and unrealized gains and losses, less related investment advisory fees.

Furniture and Equipment

Furniture and equipment are state at costs, if purchased, or fair market value at the date of donation.

AHEAD WITH HORSES, INC.
(A California Non-Profit Corporation)
Notes to Financial Statements
Year Ended June 30, 2020 and 2019

Depreciation is provided on a straight-line basis over the estimated useful life of the asset. Depreciation ranges from three to five years. Expenditures for normal maintenance and repairs are charged to expense. Expenditures for major renewals and betterments that materially extend the life of assets in excess of \$500 are capitalized.

Intangible Assets

Intangible assets consist of capitalized acquisition escrow costs. Amortization is computed using the straight-line method over its useful life, which is fifteen years.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. There were no donor-imposed restrictions of perpetual nature at June 30, 2020. 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. When a restriction expires, 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.

Functional Allocation of Expenses

The costs of program and supporting services have been summarized on a functional basis in the statement of activities. The statements of functional expenses present the natural classification detail of expenses by function. Expenses that are identified with a specific program or support service are charged directly to the appropriate function. Other shared costs have been allocated among the programs and supporting services benefited on management's estimate of the relative effort expended for the related functions.

Income Taxes

The Company is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes is included in the financial statements.

Recent Accounting Pronouncements

In February 2016, the Financial Accounting and Standards Board (FASB) amended the Leases topic of the Accounting Standards Codification to revise certain aspects of recognition, measurement, presentation, and disclosure of leasing transactions. The amendments will be effective for fiscal years beginning after December 15, 2020, and interim periods within fiscal years beginning after December 15, 2021. The Company is currently evaluating the effect that implementation of the new standard will have on its financial position, results of operations, and cash flows.

AHEAD WITH HORSES, INC.
(A California Non-Profit Corporation)
Notes to Financial Statements
Year Ended June 30, 2020 and 2019

On June 21, 2018, the FASB issued ASU 2018-08, Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made, which applies to all entities that receive or make contributions. The criteria for evaluating whether contributions are unconditional (and thus recognized immediately in income) or conditional (for which income recognition is deferred) have been clarified. The focus is whether a gift or grant agreement both (1) specifies a "barrier or hurdle" that the recipient must overcome to be entitled to the resources, and (2) releases the donor from its obligation to transfer resources (or if assets are advanced, a right to demand their return) if the barrier or hurdle is not achieved. An agreement that contains both is a conditional contribution. An agreement that omits one or both is unconditional. No new disclosures are required. For grants/contributions made, donors will use the same criteria as recipients (i.e., a barrier or hurdle coupled with a right of return/release) to determine whether gifts or grants are conditional or unconditional.

For federal and other government grants, the ASU clarifies the definition of an exchange transaction. As a result, not-for-profit entities will account for most federal grants as donor-restricted conditional contributions, rather than as exchange transactions (the prevalent practice today). An accommodation ("simultaneous release" option) is provided which, if elected, would allow grants received and used within the same period to be reported in net assets without donor restrictions, consistent with where the grant revenue is reported today.

For transactions in which a non-public entity serves as a resource recipient, the entity should apply the amendments in this ASU on contributions received to annual periods beginning after December 15, 2018. For transactions in which a non-public entity serves as a resource provider, the entity should apply the amendments in this ASU on contributions made to annual periods beginning after December 15, 2019. Early adoption of the amendments is permitted. The Company is currently evaluating the effect that implementation of the new standard will have on its financial position, results of operations, and cash flows.

Change in Accounting Principle

On August 18, 2016, FASB issued Accounting Standards Update (ASU) 2016-14, Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The Company has implemented ASU 2016-14 and has adjusted the presentation in these financial statements accordingly. The ASU has been applied retrospectively to all periods presented, which did not have a material effect on the financial statements.

NOTE 2. LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, are comprised of the following:

	As of June 30,	
	2020	2019
Cash	\$ 111,291	\$ 421,351
Investments	67,914	133,384
Total financial assets	179,205	554,735
Less: amounts restricted for certain purposes	-	-
Total	\$ 179,205	\$ 554,735

AHEAD WITH HORSES, INC.
(A California Non-Profit Corporation)
Notes to Financial Statements
Year Ended June 30, 2020 and 2019

As part of the Company's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. Normal operating expenses per month are, on average, approximately \$24,000 and \$25,000 for June 30, 2020 and June 30, 2019, respectively.

NOTE 3. PROPERTY AND EQUIPMENT

The cost and accumulated depreciation of property and equipment were as follows:

	As of June 30,	
	2020	2019
Furniture and Fixtures	\$ 12,170	\$ 12,170
Acquisition Costs	3,325	3,325
Horse	1,500	1,500
Raw Land	910,000	910,000
Leasehold Improvements	9,987	9,987
Machinery and Equipment	21,206	21,206
Trucks	49,548	49,548
Total Costs	1,007,736	1,007,736
Less: Accumulated Depreciation and Amortization	(71,987)	(62,774)
Net Property and Equipment	\$ 935,749	\$ 944,962

At June 30, 2020 the Company had six horses and ponies which are the essence of the program. All but one of the animals have been donated to the program. No value is reported in the financial statements for the donated horses since the value to the program is undeterminable and no salvage value exists.

In December 2017, the Company purchased land for \$910,000 for the purpose of relocating its operations. The Company is in the development state of this site. As of the date of these financial statements, total accumulated site development costs at June 30, 2020 was \$106,400. The Company anticipates they will move into the new location in 2021.

NOTE 4. NET ASSETS WITH DONOR RESTRICTIONS

As of June 30, 2020, and 2019, there are no assets with donor restrictions.

NOTE 5. RELATED PARTY TRANSACTIONS

The Company is renting its facilities in Shadow Hills, California from a former Board Member. On July 1, 2018, the Company entered into a 1-year lease agreement with this former Board Member for \$3,300 per month. The lease term matured on June 30, 2019. The lease is currently month to month until they move into the new location.

On December 16, 2019, the Company obtained a loan from a Board Member. The Company is responsible for making principal and interest payments on the note. The note is for \$300,000 at a rate of 5.16% and matures on November 1, 2049. Monthly principal and interest payments are \$1,666. The balance of the note as of June 30, 2020 is \$298,243.

AHEAD WITH HORSES, INC.
(A California Non-Profit Corporation)
Notes to Financial Statements
Year Ended June 30, 2020 and 2019

NOTE 6. FINANCING ACTIVITIES

On December 30, 2017, the Company obtained a \$760,000 mortgage with a bank. Monthly payments, including interest at 5% are due, with the loan maturing December 2047. The mortgage is secured by the Company's real property. In December 2019, the loan was paid in full.

On November 29, 2019, the Company obtained a \$50,000 revolving line of credit with a bank. Monthly interest payments are due at the bank's prime rate plus 7%, currently 10.25%. At June 30, 2020, the outstanding balance on this line of credit was \$50,434, which included \$434 of accrued interest.

On April 24, 2020, the Company received \$20,574 from the Paycheck Protection Program ("PPP") from the U.S. Small Business Administration ("SBA"), which is a loan designed to provide a direct incentive for small businesses to keep their workers on the payroll during the Covid-19 pandemic. The loan can be fully forgiven if the funds are used for qualified expense purposes. The loan amount not forgiven will have interest of 1%. Loan payments will be deferred for six months. The Company plans to apply for loan forgiveness with the lender. No collateral or personal guarantees were required.

NOTE 7. COMMITMENTS AND CONTINGENCIES

	As of June 30, 2020
Note payable to Related Party in 357 monthly installments of \$1,666 including interest at 5.16%, maturing November 2049.	\$ 298,243
Principal payments for future years are as follows:	
Year Ended June 30,	
2021	\$ 4,377
2022	4,613
2023	4,862
2024	5,125
Thereafter	279,266
Total	298,243
Less: Current Maturities	(4,377)
Long-Term	\$ 293,866
Loan payable to the SBA in 24 monthly installments of \$866, including interest at 1%, maturing April 2022.	\$ 20,574
Principal payments for future years are as follows:	
Year Ended June 30,	
2021	\$ 11,952
2022	8,622
Total	20,574
Less: Current Maturities	(11,952)
Long-Term	\$ 8,622

AHEAD WITH HORSES, INC.
(A California Non-Profit Corporation)
Notes to Financial Statements
Year Ended June 30, 2020 and 2019

Covid-19

The spread of COVID-19 has severely impacted many local economies around the globe. In many countries, businesses are being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Global stock markets have also experienced great volatility and a significant weakening. Governments and central banks have responded with monetary and fiscal interventions to stabilize economic conditions.

The Company has determined that these events are non-adjusting subsequent events. Accordingly, the financial position and activities and changes in net assets as of and for the year ended June 30, 2020 have not been adjusted to reflect their impact. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Company for future periods.

NOTE 8. SUBSEQUENT EVENTS

In July 2020, the Board President stepped down, although she has agreed to stay on the Board as a member. The position was filled by the Secretary, Judy Beem. The Secretary position was filled by an existing member of the Board, Beth Muraida.

There were no events subsequent to July 1, 2020 through November 23, 2020, the date the financial statements were available to be issued that required recognition or additional disclosure in the financial statements.

AHEAD WITH HORSES, INC.
(A CALIFORNIA NON-PROFIT CORPORATION)
SCHEDULES OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

	PROGRAM SERVICES	SUPPORT SERVICES	FUND RAISING	SPECIAL EVENTS	TOTALS	
					2020	2019
<u>INDIRECT PROGRAM EXPENSES</u>						
SALARIES	\$ 80,817	\$ 17,472	\$ -	\$ -	\$ 98,289	\$ 92,735
<u>DIRECT PROGRAM EXPENSES</u>						
ACCOUNTING	-	8,490	-	-	8,490	7,890
AMORTIZATION	222	-	-	-	222	222
AUTOMOBILE	1,429	-	-	-	1,429	2,186
BANK CHARGES	22	-	25	-	47	137
COMPUTER EXPENSE	79	-	-	-	79	-
DEPRECIATION	8,991	-	-	-	8,991	9,424
DISPOSAL	1,163	-	-	-	1,163	1,254
DOCUMENTATION & REPORTS	172	-	-	-	172	115
DONATIONS	365	-	-	-	365	3,925
DUES & SUBSCRIPTIONS	754	-	-	-	754	849
FEED & TACK	11,219	-	-	-	11,219	12,402
INSURANCE	37,447	-	-	-	37,447	38,957
INTEREST	30,788	-	-	-	30,788	37,462
MEALS	-	-	90	-	90	3,338
MAINTENANCE & REPAIRS	1,121	-	-	-	1,121	1,527
OFFICE SUPPLIES & EXPENSES	5,863	-	-	-	5,863	4,231
OUTSIDE SERVICES	15,758	-	-	-	15,758	16,720
PAYROLL PROCESSING	1,785	1,190	-	-	2,975	3,007
POSTAGE	939	-	-	550	1,489	2,477
PRINTING	2,011	-	-	164	2,175	3,842
RENT	37,000	-	-	-	37,000	47,048
RENT - OTHER	284	-	-	-	284	2,876
SHOEING	4,095	-	-	-	4,095	3,560
SUPPLIES	3,723	-	503	-	4,226	7,811
TAXES & LICENSES	128	-	-	-	128	637
TAXES - PAYROLL	6,568	1,420	-	-	7,988	7,253
TAXES - PROPERTY	137	-	-	-	137	166
UNIFORMS	408	-	-	-	408	547
UTILITIES	1,740	-	-	-	1,740	1,476
VETERINARIAN	3,785	-	-	-	3,785	2,440
TOTAL DIRECT PROGRAM EXPENSES	<u>177,996</u>	<u>11,100</u>	<u>618</u>	<u>714</u>	<u>190,428</u>	<u>223,779</u>
TOTAL FUNCTIONAL EXPENSES	<u>\$ 258,813</u>	<u>\$ 28,572</u>	<u>\$ 618</u>	<u>\$ 714</u>	<u>\$ 288,717</u>	<u>\$ 316,514</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE
AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS