

**SARATOGA WARHORSE FOUNDATION, INC.**

**INDEPENDENT AUDITOR'S REPORT**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2015**

**SARATOGA WARHORSE FOUNDATION, INC.**

**TABLE OF CONTENTS**

**DECEMBER 31, 2015**

	<u>Page</u>
Independent Auditor's Report .....	1-2
Statement of Financial Position .....	3
Statement of Unrestricted Revenues and Expenses .....	4
Statement of Functional Expenses .....	5
Statement of Changes in Net Assets .....	6
Statement of Cash Flows .....	7
Notes to Financial Statements.....	8-13

# FLYNN, WALKER, DIGGIN C.P.A., P.C.

CERTIFIED PUBLIC ACCOUNTANTS

50 Seward Street  
Saratoga Springs, New York 12866

(518) 583-1234  
FAX (518) 584-1328  
E-mail:cpa@flynnwalkerdiggin.com

## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Saratoga WarHorse Foundation, Inc.  
Saratoga Springs, NY 12866

We have audited the accompanying financial statements of Saratoga WarHorse Foundation, Inc. (a non-profit organization) which comprise the statement of financial position as of December 31, 2015 and the related statements of unrestricted revenues and expenses, functional expenses, changes in net assets 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.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's 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 Saratoga WarHorse Foundation, Inc. as of December 31, 2015, and the results of its operations, its cash flows and changes in net assets 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 Saratoga WarHorse Foundation, Inc.'s 2014 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated April 21, 2015. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2014, is consistent with the audited financial statements from which it has been derived.

  
FLYNN, WALKER, DIGGIN C.P.A., P.C.

July 15, 2016

**SARATOGA WARHORSE FOUNDATION, INC.**

**STATEMENT OF FINANCIAL POSITION**

**DECEMBER 31, 2015**

**(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2014)**

<b>ASSETS</b>	<u>2015</u>	<u>2014</u>
CURRENT ASSETS:		
CASH AND CASH EQUIVALENTS	\$ 501,021	477,794
UNCONDITIONAL PROMISES TO GIVE	25,000	25,000
PREPAID EXPENSES	6,727	24,609
SECURITY DEPOSIT	-	600
TOTAL CURRENT ASSETS	<u>532,748</u>	<u>528,003</u>
EQUIPMENT, NET OF ACCUMULATED DEPRECIATION	<u>28,170</u>	<u>4,722</u>
OTHER ASSETS:		
UNCONDITIONAL PROMISES TO GIVE	49,140	73,853
SECURITY DEPOSIT	800	800
TOTAL OTHER ASSETS	<u>49,940</u>	<u>74,653</u>
TOTAL ASSETS	<u>\$ 610,858</u>	<u>607,378</u>
<b>LIABILITIES AND NET ASSETS</b>		
LIABILITIES:		
ACCOUNTS PAYABLE	\$ 8,259	4,060
ACCRUED EXPENSES	9,662	-
CURRENT PORTION OF OBLIGATION UNDER CAPITAL LEASE	1,712	-
TOTAL LIABILITIES	<u>19,633</u>	<u>4,060</u>
OBLIGATION UNDER CAPITAL LEASE, NET OF CURRENT PORTION	<u>2,356</u>	<u>-</u>
COMMITMENT		
NET ASSETS:		
UNRESTRICTED NET ASSETS	423,502	374,606
TEMPORARILY RESTRICTED NET ASSETS	165,367	228,712
TOTAL NET ASSETS	<u>588,869</u>	<u>603,318</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 610,858</u>	<u>607,378</u>

SEE ACCOMPANYING NOTES.

**SARATOGA WARHORSE FOUNDATION, INC.**

**STATEMENT OF UNRESTRICTED REVENUES AND EXPENSES**

**YEAR ENDED DECEMBER 31, 2015  
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2014)**

	<u>2015</u>	<u>2014</u>
UNRESTRICTED REVENUES:		
CONTRIBUTIONS AND SUPPORT	\$ 293,913	611,993
SPECIAL EVENTS	329,957	-
DONATED MATERIALS AND SERVICES	13,723	17,146
DONATED USE OF FACILITIES	12,750	6,000
GAIN (LOSS) ON SALE OF SECURITY	1,177	(31)
MISCELLANEOUS	50	118
	651,570	635,226
NET ASSETS RELEASED FROM RESTRICTIONS	170,845	53,363
	822,415	688,589
TOTAL UNRESTRICTED REVENUES:	<b>822,415</b>	<b>688,589</b>
FUNCTIONAL EXPENSES:		
PROGRAM SERVICES	469,839	223,922
MANAGEMENT AND GENERAL	97,874	124,631
FUNDRAISING	205,806	139,022
TOTAL FUNCTIONAL EXPENSES	773,519	487,575
CHANGE IN UNRESTRICTED NET ASSETS	<b>\$ 48,896</b>	<b>201,014</b>

SEE ACCOMPANYING NOTES.

**SARATOGA WARHORSE FOUNDATION, INC.**

**STATEMENT OF FUNCTIONAL EXPENSES**

**YEAR ENDED DECEMBER 31, 2015  
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2014)**

	<u>PROGRAM SERVICES</u>	<u>MANAGEMENT AND GENERAL</u>	<u>FUNDRAISING</u>	<u>TOTAL</u>	<u>2014 TOTAL</u>
ACCOUNTING AND LEGAL	\$ 7,569	17,416	5,728	<b>30,713</b>	33,908
ADVERTISING	-	-	-	-	1,055
BAD DEBT	-	-	-	-	18,000
BANK AND CREDIT CARD CHARGES	-	2,785	328	<b>3,113</b>	2,026
DEPRECIATION	-	3,889	-	<b>3,889</b>	278
DEVELOPMENT	-	-	7,500	<b>7,500</b>	20,010
DONOR CULTIVATION	-	-	62	<b>62</b>	26,060
DUES AND SUBSCRIPTIONS	789	263	701	<b>1,753</b>	874
FILING FEES	208	208	279	<b>695</b>	545
HORSE FEED AND SUPPLIES	1,032	-	-	<b>1,032</b>	1,648
HORSE TRAINING AND CARE	20,775	-	-	<b>20,775</b>	11,525
HORSE TRANSPORT	7,649	-	-	<b>7,649</b>	3,228
INSURANCE	11,361	7,668	775	<b>19,804</b>	15,795
MEALS AND ENTERTAINMENT	9,029	743	506	<b>10,278</b>	6,834
MISCELLANEOUS	-	217	152	<b>369</b>	3,188
PAYROLL	153,991	33,889	40,995	<b>228,875</b>	117,768
PAYROLL TAXES	13,235	2,944	3,543	<b>19,722</b>	10,750
PHOTOGRAPHY	1,600	-	-	<b>1,600</b>	1,700
POSTAGE AND DELIVERY	1,877	704	2,111	<b>4,692</b>	6,866
PRINTING AND REPRODUCTION	225	-	1,229	<b>1,454</b>	15,565
PROFESSIONAL FEES	14,359	9,160	6,000	<b>29,519</b>	21,954
PROGRAM DEVELOPMENT	1,894	-	40	<b>1,934</b>	-
RECRUITMENT	-	-	-	-	7,587
RENTAL, FACILITIES AND HORSES	16,676	-	-	<b>16,676</b>	10,510
RENTAL, OFFICE	2,933	4,334	2,933	<b>10,200</b>	6,600
REPAIRS AND MAINTENANCE	-	407	-	<b>407</b>	-
SPECIAL EVENTS	-	-	126,115	<b>126,115</b>	-
SUPPLIES	6,939	5,725	4,684	<b>17,348</b>	13,229
TELEPHONE AND INTERNET	3,763	806	806	<b>5,375</b>	7,732
TRAVEL	165,112	5,368	117	<b>170,597</b>	97,943
UTILITIES	749	748	749	<b>2,246</b>	-
VETERINARIAN	2,654	-	-	<b>2,654</b>	1,251
	<u>444,419</u>	<u>97,274</u>	<u>205,353</u>	<u><b>747,046</b></u>	<u>464,429</u>
DONATED MATERIALS AND SERVICES	12,670	600	453	<b>13,723</b>	17,146
DONATED USE OF FACILITIES	12,750	-	-	<b>12,750</b>	6,000
TOTAL EXPENSES	<u><b>\$ 469,839</b></u>	<u><b>97,874</b></u>	<u><b>205,806</b></u>	<u><b>773,519</b></u>	<u><b>487,575</b></u>

SEE ACCOMPANYING NOTES.

SARATOGA WARHORSE FOUNDATION, INC.

STATEMENT OF CHANGES IN NET ASSETS

YEAR ENDED DECEMBER 31, 2015  
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2014)

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>TOTAL</u>	<u>2014 TOTAL</u>
REVENUES:				
UNRESTRICTED REVENUES	\$ 651,570	-	<b>651,570</b>	635,226
RESTRICTED REVENUE:				
CONTRIBUTIONS	-	107,500	<b>107,500</b>	281,075
NET ASSETS RELEASED FROM RESTRICTIONS	<u>170,845</u>	<u>(170,845)</u>	<u>-</u>	<u>-</u>
TOTAL REVENUES	822,415	(63,345)	<b>759,070</b>	916,301
EXPENSES:				
FUNCTIONAL EXPENSES	<u>773,519</u>	<u>-</u>	<u><b>773,519</b></u>	<u>487,575</u>
CHANGE IN NET ASSETS	48,896	(63,345)	<b>(14,449)</b>	428,726
NET ASSETS, BEGINNING OF YEAR	<u>374,606</u>	<u>228,712</u>	<u><b>603,318</b></u>	<u>174,592</u>
NET ASSETS, END OF YEAR	<u><u>\$ 423,502</u></u>	<u><u>165,367</u></u>	<u><u><b>588,869</b></u></u>	<u><u>603,318</u></u>

SEE ACCOMPANYING NOTES.



**SARATOGA WARHORSE FOUNDATION, INC.**

**STATEMENT OF CASH FLOWS**

**YEAR ENDED DECEMBER 31, 2015  
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2014)**

	<u>2015</u>	<u>2014</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
CHANGE IN NET ASSETS	\$ (14,449)	428,726
ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
DEPRECIATION	3,889	278
DONATED INVESTMENT	(2,928)	(3,040)
(GAIN) LOSS ON SALE OF DONATED INVESTMENT	(1,177)	31
SECURITY DEPOSIT	-	(800)
UNCONDITIONAL PROMISES TO GIVE	24,713	(73,853)
(INCREASE) DECREASE IN CURRENT ASSETS:		
UNCONDITIONAL PROMISES TO GIVE	-	(7,000)
PREPAID EXPENSES	17,882	(20,286)
SECURITY DEPOSIT	600	(600)
INCREASE IN CURRENT LIABILITIES:		
ACCOUNTS PAYABLE	4,199	1,411
ACCRUED EXPENSES	9,662	-
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>42,391</u>	<u>324,867</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
PURCHASE OF EQUIPMENT	(21,980)	(5,000)
PROCEEDS FROM SALE OF DONATED INVESTMENT	4,105	3,009
NET CASH USED BY INVESTING ACTIVITIES	<u>(17,875)</u>	<u>(1,991)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
PAYMENTS MADE ON OBLIGATION UNDER CAPITAL LEASE	<u>(1,289)</u>	<u>-</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	23,227	322,876
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>477,794</u>	<u>154,918</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 501,021</u>	<u>477,794</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
CASH PAID DURING THE YEAR FOR:		
INTEREST	<u>\$ 194</u>	<u>-</u>
SUPPLEMENTAL DISCLOSURE OF NON-CASH INVESTING AND FINANCING ACTIVITY:		
PURCHASE OF EQUIPMENT UNDER CAPITAL LEASE	5,357	-
CAPITAL LEASE OBLIGATION	(5,357)	-
CASH PAID	<u>\$ -</u>	<u>-</u>

SEE ACCOMPANYING NOTES.

SARATOGA WARHORSE FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2015

**1. Summary of Significant Accounting Policies**

Organization – Saratoga WarHorse Foundation, Inc. is a non-profit organization qualified under Section 501(c)(3) of the Internal Revenue Code. The Organization was formed to assist men and women who have experienced trauma with a strong primary emphasis on United States veterans struggling to reintegrate into life at home after military service. Increasingly, the psychological wounds of war leave our veterans in a state of emotional turmoil resulting in depression, anxiety, withdrawal, sleeplessness, sexual assault, prescription drug abuse and suicide. The Organization is dedicated to neutralizing such effects through its unique and interactive equine-based experience known as “Connection”. To provide this experience, the Organization will acquire or lease thoroughbred horses whose racing or breeding career has come to an end, typically geldings four years and older, and provides them with a meaningful purpose. These horses might otherwise be prematurely euthanized or sent to a slaughterhouse upon the end of their career. The horses are paired with veterans over the multi-day Connection program, resulting in a powerful experience that creates positive and immediate changes in the lives of veterans. Saratoga WarHorse Foundation, Inc. receives funds from private donors, foundations and corporations.

Basis of Presentation - The financial statements of Saratoga WarHorse, Foundation, Inc. have been prepared on the accrual basis in conformity with generally accepted accounting principles and follow the recommendations of the Financial Accounting Standards Board which require that net assets and revenues, gains, expenses and losses be classified as unrestricted, temporarily restricted or permanently restricted based on the existence or absence of donor-imposed restrictions. A description of the three net asset categories follows:

Unrestricted - Net assets that are not subject to donor-imposed restrictions.

Temporarily Restricted - Net assets whose use by the Organization is subject to donor-imposed restrictions that can be fulfilled by actions of the Organization pursuant to those restrictions or that expire by the passage of time.

Permanently Restricted - Net assets subject to donor-imposed restrictions that they be maintained permanently by the Organization. There were no permanently restricted net assets as of December 31, 2015 and 2014.

Expenses are generally reported as decreases in unrestricted net assets. Expirations of donor-imposed restrictions that simultaneously increase one class of net assets and decrease another are reported as reclassifications between the applicable classes of net assets.

**SARATOGA WARHORSE FOUNDATION, INC.**

**NOTES TO FINANCIAL STATEMENTS, CONTINUED**

**1. Summary of Significant Accounting Policies, Continued**

Cash and Cash Equivalents - Cash and cash equivalents represent demand deposits and other investments, with purchased maturities of three months or less.

Concentrations of Credit Risk - Financial instruments which potentially subject the Organization to concentrations of credit risk include temporary cash investments. In some instances such cash investments may exceed the FDIC insurance limit.

Fair Value Measurements - The Organization records purchased investments and donated investments at their fair value. Generally accepted accounting principles define fair value, establish a framework for measuring fair value, and establish a fair value hierarchy that prioritizes the inputs to valuation techniques. Fair value is 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. The fair value hierarchy prioritizes the inputs to valuation techniques used to measure value into three broad levels:

- Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority
- Level 2 inputs consist of observable inputs other than quoted prices for identical assets
- Level 3 inputs are unobservable for the investments and include situations where there is little, if any, market activity for the investment.

The fair value measurement for each investment is based on the lowest level of observable input for that investment.

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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.

Promises to Give - Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. A promise is unconditional if its receipt depends only on the passage of time and no right of return of any assets transferred exists. A conditional promise to give is not recognized until said condition is satisfied.

**SARATOGA WARHORSE FOUNDATION, INC.**

**NOTES TO FINANCIAL STATEMENTS, CONTINUED**

**1. Summary of Significant Accounting Policies, Continued**

The Organization uses the allowance method to determine uncollectible unconditional promises receivable. The allowance is based on management's analysis of specific promises made.

Equipment - Equipment is stated at cost and depreciated for financial and tax reporting purposes using the straight line method.

Maintenance, repairs and minor replacements are charges to operations as incurred while major additions and improvements are capitalized. When assets are sold, retired or otherwise disposed of, the applicable costs and accumulated depreciation will be removed from the accounts and any resulting gain or loss will be recognized.

Donated Materials and Services - Contributions of donated materials and services that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received.

Functional Allocation of Expenses - The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of unrestricted revenues and expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefitted.

Reclassification - Certain prior year amounts have been reclassified to current period presentation.

Tax Status - Under provisions of the Internal Revenue Code, Section 501(c)(3), the Organization is exempt from taxes on income other than unrelated business income. Since the Organization had no net unrelated business income during the year, no provision for income taxes has been made.

The Organization evaluates its tax positions and believes they are appropriate based on current facts and circumstances.

The Organization's tax filings are subject to audit by various taxing authorities for which the open audit periods are 2013 through 2015.

Advertising Costs - It is the Organization's policy to expense advertising costs as incurred. Advertising costs totaled \$ -0- and \$1,055 for the years ended December 31, 2015 and 2014, respectively.

**SARATOGA WARHORSE FOUNDATION, INC.**

**NOTES TO FINANCIAL STATEMENTS, CONTINUED**

**2. Unconditional Promises to Give**

Unconditional promises to give as of December 31, 2015 and 2014 are unrestricted and temporarily restricted net assets and are deemed to be fully collectible by management. Unconditional promises to give are reflected at the present value of estimated future cash flows using a discount rate at December 31, 2015 and 2014 of 1.53% and 1.53%, respectively. The unamortized present value discount at December 31, 2015 and 2014 was \$861 and \$1,148, respectively.

	<u>2015</u>	<u>2014</u>
Receivable in less than one year	\$ <b>25,000</b>	25,000
Receivable in one to five years	<u>49,140</u>	<u>73,853</u>
	<u>\$ <b>74,140</b></u>	<u>98,853</u>

**3. Property and Equipment**

Property and equipment is summarized as follows:

	<u>2015</u>	<u>2014</u>
Equipment	\$ <b>26,980</b>	5,000
Equipment under capital lease	<u>5,357</u>	<u>-</u>
	<u>32,337</u>	<u>5,000</u>
Less: accumulated depreciation	<u>(4,167)</u>	<u>(278)</u>
	<u>\$ <b>28,170</b></u>	<u>4,722</u>

Depreciation expense related to property and equipment amounted to \$3,889 and \$278 for the years ended December 31, 2015 and 2014, respectively.

Equipment purchases for the year ended December 31, 2015 included a server for \$21,980 and a telephone system for \$5,357 (See Note 4).

**4. Obligation Under Capital Lease**

The Company entered into a capital lease for the use of equipment which has been capitalized as follows as of December 31, 2015:

Equipment cost	\$ 5,357
Less: accumulated depreciation	<u>625</u>
	<u>\$ <b>4,732</b></u>

**SARATOGA WARHORSE FOUNDATION, INC.**

**NOTES TO FINANCIAL STATEMENTS, CONTINUED**

**4. Obligation Under Capital Lease, Continued**

Minimum future lease payments under this capital lease is as follows:

Years ending December 31, 2016	\$ 1,993
2017	1,993
2018	<u>498</u>
Total minimum lease payments	4,484
Less: amount representing interest	<u>416</u>
Present value of net minimum lease payments	4,068
Less: current portion	<u>1,712</u>
	<u>\$ 2,356</u>

**5. Temporarily Restricted Net Assets**

Temporarily restricted net assets are available for the following purposes:

	<u>2015</u>	<u>2014</u>
Program related expenses	\$ 90,000	50,000
Horse related equipment (see Note 12)	16,227	16,227
Research related to PTS and MST	10,000	-
Buckaroo Ball	-	88,632
Long-term pledges	<u>49,140</u>	<u>73,853</u>
	<u>\$ 165,367</u>	<u>228,712</u>

**6. Special Events**

A summary of special events for 2015 is as follows:

	Battle of Saratoga <u>Polo Match</u>	Buckaroo <u>Ball</u>	Winner's Circle <u>Affaire</u>
Revenues	\$ 74,665	156,067	99,225
Expenses	<u>22,802</u>	<u>71,088</u>	<u>32,225</u>
	<u>\$ 51,863</u>	<u>84,979</u>	<u>67,000</u>

**7. Donated Services and Facilities**

Volunteers with specialized skills donated professional, program and fundraising services to the Organization. Management estimates the fair value of those services recognized during the years ended December 31, 2015 and 2014 to be \$13,723 and \$17,146, respectively. In addition, the lessor of the Organization's facilities charged a nominal rent for use of said facilities. Management estimates the fair value of the use of facilities recognized during the years ended December 31, 2015 and 2014 to be \$12,750 and \$6,000, respectively.

**SARATOGA WARHORSE FOUNDATION, INC.**

**NOTES TO FINANCIAL STATEMENTS, CONTINUED**

**8. Leased Facilities**

- A) The Organization entered into a lease agreement on December 29, 2014 for the rental of office space commencing January 1, 2015 through December 31, 2017. Under the lease, the Organization pays a base rent of \$800 per month (\$9,600 annually).
- B) The Organization entered into a lease agreement on October 23, 2015 for the rental of class facilities including boarding for horses commencing November 1, 2015 on a month-to-month basis. Under the lease, the Organization pays a monthly base rent of \$2,370.

**9. Related Party Transactions**

- A) Contributions from Board Members, Directors, and employees of the Organization (including related corporations and foundations of the aforementioned individuals) for the years ended December 31, 2015 and 2014 totaled \$90,401 and \$274,479, respectively. This includes unconditional promises to give from said individuals of \$-0- and \$98,853 for the years ended December 31, 2015 and 2014, respectively.
- B) The Organization paid \$12,730 and \$3,910 to an entity owned by an employee for the use and boarding of horses used in programming during the years ended December 31, 2015 and 2014, respectively.

**10. Commitment**

The Organization entered into a contract for bookkeeping services (based on hourly rates) commencing June, 2015 through June, 2016. The Organization has the option to extend the contract for a one year period.

**11. Subsequent Events**

- A) At December 31, 2015, the Organization had temporarily restricted net assets of \$16,227 available for the purchase of horse related equipment. During 2016, the Organization refunded the contribution to the donor.
- B) On April 20, 2016 the Organization entered into a lease agreement for the rental of office space commencing May 1, 2016 through April 30, 2019. Under the lease the Organization pays base rent of \$1,500 per month (\$18,000 annually) with a 1.5% annual escalation. Management estimates the fair value of the office space to be \$2,500 per month (\$30,000 annually).
- C) Management has evaluated subsequent events through July 15, 2016, the date the financial statements were available to be issued.