JT SHULMAN
& COMPANY, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

Pal-O-Mine Equestrian, Inc.

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

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JT SHULMAN & COMPANY, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Pal-O-Mine Equestrian, Inc.
Islandia, New York

We have audited the accompanying financial statements of Pal-O-Mine Equestrian, Inc. (a New York not-for-profit organization), which comprise the statement of financial position as of December 31, 2019, and the related statements of activities and changes in net assets, 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 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 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 Pal-O-Mine Equestrian, 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.

Substantial Doubt about the Organization's Ability to Continue as a Going Concern

The accompanying financial statements have been prepared assuming that the Organization will continue as a going concern. As discussed in Note 16 to the financial statements, there are certain factors that raise substantial doubt about the Organization's ability to continue as a going concern. Management's evaluation of these events and conditions and management's plans regarding those matters are also described in Note 16. The accompanying financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not modified with respect to this matter.

Change in Accounting Principles

As described in Note 2 to the financial statements, during the year ended December 31, 2019, the Organization adopted Accounting Standards Update No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*. The amendments have been applied utilizing a modified retrospective transition method. There was no significant effect on the accompanying financial statements as a result of these amendments. Our opinion is not modified with respect to this matter.

As described in Note 2 to the financial statements, during the year ended December 31, 2019, the Organization adopted Accounting Standards Update No. 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made.* The amendments have been applied retrospectively to all prior periods presented. There was no significant effect on the accompanying financial statements as a result of these amendments. Our opinion is not modified with respect to this matter.

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As described in Note 2 to the financial statements, during the year ended December 31, 2019, the Organization adopted Accounting Standards Update No. 2016-15, *Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments*. The amendments have been applied retrospectively to all prior periods presented. There were no significant reclassifications made to the statement of cash flows for the year ended December 31, 2019 as a result of these amendments. Our opinion is not modified with respect to this matter.

As described in Note 2 to the financial statements, during the year ended December 31, 2019, the Organization adopted Accounting Standards Update No. 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash – a consensus of the FASB Emerging Issues Task Force.* The amendments have been applied retrospectively to all prior periods presented. The change in classification of the statement of cash flows is described in Note 2 to the financial statements. Our opinion is not modified with respect to this matter.

As described in Note 2 to the financial statements, during the year ended December 31, 2019, the Organization adopted Accounting Standards Update No. 2016-01, *Financial Instruments – Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Liabilities.* The amendments have been applied utilizing the modified retrospective adoption method. There was no significant effect on the accompanying financial statements as a result of these amendments. Our opinion is not modified with respect to this matter.

J.T. Shulman & Company, P.C.

Carle Place, New York
May 26, 2020

Pal-O-Mine Equestrian, Inc.

Statement of Financial Position

December 31, 2019 (with Comparative Totals for December 31, 2018)

	2019	2018
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 53,402	$ 110,775
Investments in marketable securities	19,758	-
Accounts receivable	13,383	6,703
Prepaid expenses	5,734	2,818
TOTAL CURRENT ASSETS	92,277	120,296
PROPERTY AND EQUIPMENT	3,163,123	2,603,340
OTHER ASSETS:		
Cash restricted for purchase of property and equipment	65,108	-
TOTAL ASSETS	$ 3,320,508	$ 2,723,636
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts payable and accrued expenses	$ 57,456	$ 52,740
Contract liabilities	7,634	6,068
Line of credit	3,539	6,419
Other loans payable, current maturities	22,981	28,020
Long-term debt, current maturities	56,091	53,398
Capital lease obligations, current maturities	2,691	-
TOTAL CURRENT LIABILITIES	150,392	146,645
OTHER LIABILITIES:		
Other loans payable, net of current maturities	222,001	89,057
Long-term debt, net of current maturities	1,491,660	1,544,695
Capital lease obligations, net of current maturities	10,779	-
TOTAL OTHER LIABILITIES	1,724,440	1,633,752
TOTAL LIABILITIES	1,874,832	1,780,397
NET ASSETS:		
Without donor restrictions	1,342,331	847,526
With donor restrictions	103,345	95,713
TOTAL NET ASSETS	1,445,676	943,239
TOTAL LIABILITIES AND NET ASSETS	$ 3,320,508	$ 2,723,636

The accompanying notes are an integral part of these financial statements.

Pal-O-Mine Equestrian, Inc.

Statement of Activities and Changes in Net Assets

For the Year Ended December 31, 2019
(with Summarized Comparative Information for the Year Ended December 31, 2018)

	2019			2018
	Without Donor Restrictions	With Donor Restrictions	Total	Summarized Total
SUPPORT AND REVENUE:				
Revenue from contracts with participants	$ 515,591	$ -	$ 515,591	$ 534,552
Contributions	548,010	438,500	986,510	792,513
Contributed services	193,184	-	193,184	253,184
In-kind donation of property and equipment	-	225,000	225,000	-
In-kind donation of investments in marketable securities	-	65,108	65,108	-
Special events, net of direct benefit to contributors of $80,711 and $76,513 in 2019 and 2018, respectively	137,689	-	137,689	126,116
Other income	54,765	-	54,765	55,510
Investment income	590	-	590	-
Net assets released from restrictions	720,976	(720,976)	-	-
TOTAL SUPPORT AND REVENUE	2,170,805	7,632	2,178,437	1,761,875
EXPENSES:				
Program services:				
Contracts	538,025	-	538,025	537,123
Lessons	338,444	-	338,444	398,372
Job security through equine partnership	333,433	-	333,433	294,610
Other programs	251,589	-	251,589	222,444
Total program services	1,461,491	-	1,461,491	1,452,549
Supporting services:				
Management and general	156,617	-	156,617	123,005
Fundraising	57,892	-	57,892	67,034
Total supporting services	214,509	-	214,509	190,039
TOTAL EXPENSES	1,676,000	-	1,676,000	1,642,588
CHANGE IN NET ASSETS	494,805	7,632	502,437	119,287
NET ASSETS - BEGINNING OF YEAR	847,526	95,713	943,239	823,952
NET ASSETS - END OF YEAR	$ 1,342,331	$ 103,345	$ 1,445,676	$ 943,239

The accompanying notes are an integral part of these financial statements.

	2019					2018
	Contracts	Lessons	Job Security Through Equine Partnership	Other Programs	Program Services Total	Program Services Total Summarized
Depreciation	$ 14,874	$ 14,874	$ 15,823	$ 28,327	$ 73,898	$ 79,293
General, operating and office expenses	14,836	14,835	13,496	23,288	66,455	69,064
Horse equipment, supplies and maintenance	50,595	39,351	-	22,487	112,433	106,743
Interest expense	19,184	19,183	19,184	19,184	76,735	70,412
Occupancy, maintenance and insurance	35,971	40,575	27,623	20,944	125,113	187,471
Outreach	-	-	-	7,396	7,396	9,402
Personnel expenses	371,530	178,592	231,325	99,178	880,625	861,131
Postage, printing and delivery	15,000	15,000	15,282	10,000	55,282	35,001
Professional fees	3,200	3,200	3,200	3,200	12,800	-
Program related expenses	10,000	10,000	7,500	7,500	35,000	4,592
Training expenses	-	-	-	7,250	7,250	17,798
Vehicle expenses	2,835	2,834	-	2,835	8,504	11,642
Total expenses	$ 538,025	$ 338,444	$ 333,433	$ 251,589	$ 1,461,491	$ 1,452,549

The accompanying notes are an integral part of these financial statements.

Pal-O-Mine Equestrian, Inc.

Statement of Functional Expenses

For the Year Ended December 31, 2019 (with Summarized Comparative Information for the Year Ended December 31, 2018)

	2019						2018
		Supporting Services					
	Total Program Services	Management and General	Fundraising	Total Supporting Services	Direct Benefit to Contributors	Total	Summarized Total
Depreciation	$ 73,898	$ 5,466	$ -	$ 5,466	$ -	$ 79,364	$ 85,731
General, operating and office expenses	66,455	18,585	11,516	30,101	-	96,556	83,439
Horse equipment, supplies and maintenance	112,433	-	-	-	-	112,433	106,743
Interest expense	76,735	7,500	-	7,500	-	84,235	75,412
Occupancy, maintenance and insurance	125,113	20,726	6,670	27,396	-	152,509	210,035
Outreach	7,396	-	-	-	-	7,396	9,402
Personnel expenses	880,625	36,565	14,574	51,139	-	931,764	915,333
Postage, printing and delivery	55,282	-	7,500	7,500	-	62,782	59,240
Professional fees	12,800	60,330	13,260	73,590	-	86,390	60,252
Program related expenses	35,000	-	4,372	4,372	-	39,372	4,592
Special events	-	-	-	-	80,711	80,711	76,513
Training expenses	7,250	-	-	-	-	7,250	17,798
Travel and Entertainment	-	4,610	-	4,610	-	4,610	2,171
Vehicle expenses	8,504	2,835	-	2,835	-	11,339	12,440
Total expenses	1,461,491	156,617	57,892	214,509	80,711	1,756,711	1,719,101
Less: direct benefit to contributors	-	-	-	-	(80,711)	(80,711)	(76,513)
Total expenses included in the statement of activities	$ 1,461,491	$ 156,617	$ 57,892	$ 214,509	$ -	$ 1,676,000	$ 1,642,588

The accompanying notes are an integral part of these financial statements.

Pal-O-Mine Equestrian, Inc.

Statement of Cash Flows
For the Year Ended December 31, 2019
(with Comparative Information for the Year Ended December 31, 2018)

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	$ 502,437	$ 119,287
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	79,364	85,731
Realized and unrealized gains on investments in marketable securities	(590)	-
In-kind donation of investments in marketable securities	(65,108)	-
In-kind donation of property and equipment	(225,000)	-
In-kind donations	(20,000)	
Amortization of debt issuance costs	2,659	4,531
Changes in operating assets and liabilities:		
Accounts receivable	(6,680)	(4,384)
Prepaid expenses	(2,916)	(2,818)
Accounts payable and accrued expenses	4,716	16,537
Contract liabilities	1,566	6,068
NET CASH PROVIDED BY OPERATING ACTIVITIES	270,448	224,952
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of investments in marketable securities	45,940	-
Acquisition of property and equipment	(400,475)	(723,737)
NET CASH USED IN INVESTING ACTIVITIES	(354,535)	(723,737)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net (repayment) proceeds on line of credit	(2,880)	3,073
Proceeds from long-term debt	-	550,000
Repayment of long-term debt	(53,001)	(43,119)
Repayment of capital lease obligations	(202)	-
Proceeds from other loans payable	160,000	80,000
Repayment of other loans payable	(12,095)	(14,105)
NET CASH PROVIDED BY FINANCING ACTIVITIES	91,822	575,849
NET INCREASE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	7,735	77,064
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH - BEGINNING OF YEAR	110,775	33,711
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH - END OF YEAR	$ 118,510	$ 110,775
SUPPLEMENTAL CASHFLOW INFORMATION:		
Cash paid for interest	$ 76,932	$ 65,880
NON-CASH INVESTING AND FINANCING ACTIVITIES:		
Property and equipment acquired under capital lease obligations	$ 13,672	$ -

The accompanying notes are an integral part of these financial statements.

NOTE 1 - NATURE OF ACTIVITIES

Pal-O-Mine Equestrian, Inc. (the "Organization") is a New York not-for-profit organization incorporated in 1995. The Organization's mission is to provide a comprehensive therapeutic equine program using horses to facilitate growth, learning and healing for children and adults with disabilities, those who have been abused or neglected, the military, and the economically compromised. The Organization offers daily sessions throughout the year and support of highly trained therapy horses on a thirteen-acre facility that serves approximately 400 individuals each week from the greater New York metropolitan area.

The Organization provides several unique programs as part of carrying out its mission. The major programs of the Organization, which are displayed in the statement of functional expenses, are as follows:

Lessons - adaptive riding lessons and unmounted programs for students at least five years old.

Contracts - adaptive riding lessons and unmounted programs contracted by various educational institutions including local school districts.

Job Security through Equine Partnership ("J-STEP") - provides employment and vocational training, supportive job coaching, financial literacy training and other employment related training to young adults with disabilities.

In addition to the above major programs, the Organization also offers additional programs including Equine Assisted Psychotherapy ("EAP"), Hippotherapy, Equine Assisted Learning ("EAL"), Continuing Education, Corporate Leadership Training, Work Study Program, Restore to Balance Program, the Herd Group, Military Programs, Speech and Occupational Therapy, and other programs that further the Organization's mission.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP"). The financial statements are presented in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 958, *Not-for-Profit-Entities*.

Financial Statement Presentation

The Organization's net assets and revenues, expenditures, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified and reported as follows:

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. The Organization's board may also designate assets without restrictions for specific operational purposes from time to time.

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 the funds be maintained in perpetuity.

Use of Estimates

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd.)

Cash and Cash Equivalents
The Organization considers all highly liquid investments with original maturities of three months or less to be cash equivalents. The Organization places its temporary cash investments with high credit quality financial institutions. The Organization has not experienced any losses in these accounts.

Investments in Marketable Securities
Investments primarily consist of common stocks and mutual funds. GAAP requires investments in marketable securities with readily determinable fair values and all investments in debt securities to be reported at their fair values in the statement of financial position. The fair value of common stocks and mutual funds with readily determinable fair values approximates quoted market prices. Investment income is reported net of investment expenses and is included as a change in net assets without donor restrictions unless otherwise restricted by the donor. Investment income and gains restricted by a donor are reported as increases in net assets without donor restrictions if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized. There were no investment expenses incurred during the years ended December 31, 2019 or 2018.

Contract Assets and Liabilities
Contract assets arise from revenues earned and recognized in excess of amounts billed on incomplete contracts. Revenues earned and recognized in excess of amounts billed are considered contract assets only when the right to payment is not unconditional. Once the Organization has an unconditional right to consideration under a contract, the amount of consideration unconditionally due is reclassified to accounts receivable as either billed or unbilled accounts receivable (depending on when the invoice is issued to the participant). Consideration is unconditionally due when it is subject only to the passage of time. Contract assets are carried at their net realizable value and are periodically tested for impairment. When contract assets are not considered recoverable, an impairment charge is reported as a component of other expenses for the non-recoverable amount. Receivables from contracts with participants were $13,383, $6,703 and $2,319 at December 31, 2019, 2018 and 2017, respectively. Contract liabilities arise from deposits received on contracts with participants where services have not commenced at the balance sheet date. Contract liabilities were $7,634 and $6,068 at December 31, 2019 and 2018, respectively. There were no contract liabilities at December 31, 2017.

Accounts Receivable
Accounts receivable are stated at the historical carrying amount, net of allowances for uncollectible accounts. The Organization establishes an allowance for uncollectible accounts based on specific collection issues the Organization has identified. Uncollectible accounts are written off when a settlement is reached for an amount less that the historical balance or when the Organization has determined that the balance will not be collected. At December 31, 2019 and 2018, management considered all accounts receivable to be fully collectible, and accordingly has not provided for an allowance for doubtful accounts.

Property and Equipment
Purchased property and equipment are carried at cost and are depreciated on the straight-line method over the estimated useful lives of the assets. The Organization capitalizes all significant property and equipment deemed to have an estimated useful life of greater than one year. Contributed property and equipment is recorded at fair market value on the date contributed. Assets and liabilities under capital lease are recorded at the lower of the present value of the minimum lease payments or the fair market value of the asset at the inception of the lease. Amortization of the assets held under capital lease is included in depreciation expense in the accompanying statement of functional expenses.

Impairment of Long-Lived Assets
The Organization reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to estimated future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized for the amount by which the carrying amount of the asset exceeds the fair value of the asset.

Contributions
Contributions are considered available for unrestricted use unless specifically restricted by the donor. Amounts received that are restricted by the donor for specific purposes are reported as contributions with donor restrictions that increase that net asset class, respectively. When donor restrictions expire, that is, when a time restriction ends and/or a purpose restriction is fulfilled, 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. Unconditional promises to give expected to be collected within one year are recorded at net realizable value. Contributions and promises to give are considered conditional if the agreement includes one or more barriers that must be overcome before the Organization is entitled to the resources transferred or promised and there is a right of return or right of release from the contributor.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd.)

Contributions (Cont'd.)
Conditional promises to give are not included as support until the conditions are substantially met. The Organization did not receive any pledges during the years ended December 31, 2019 or 2018.

The Organization receives contributed services from a number of volunteers who have donated various amounts of time to the Organization's program services. Contributed services are recognized and recorded at fair market value only to the extent they create or enhance nonfinancial assets or require specialized skills, are provided by individuals possessing those skills and would typically need to be purchased if not provided by donations. Contributed goods are recognized at fair market value on the date received.

On December 19, 2019, the Organization was awarded a grant from New York State's 2019 Regional Council Economic Development Council Initiative. The Organization expects to receive $600,000 from Empire State Development to expand its facility and program for high-risk youth and adults with disabilities to receive job training, work-force preparedness, and internships under the 2020 Restore to Balance Program.

Special Events
Special event revenues are reported net of the direct costs of the event that are attributable to the benefit that the donors receive referred to as "direct benefit to contributors." Special events revenues are recognized in the period in which the events are held.

Revenue Recognition

General Revenue Recognition
The Organization recognizes revenue depicting the transfer of promised services under the performance obligations of its contracts with participants in accordance with FASB ASC Topic 606, *Revenue from Contracts with Customers*. Under Topic 606, revenues are measured in an amount specified in a contract with a participant, that reflects the consideration the Organization expects to be entitled to in exchange for these services. The Organization recognizes revenue when and as the Organization's performance obligations (i.e. the Organization's obligations to transfer services) are satisfied, which generally occurs with the transfer of control of the services to the participant. The Organization does not have any significant financing components as payment is received at or shortly after performance obligations are satisfied.

To determine proper revenue recognition, the Organization evaluates whether two or more contracts should be combined and accounted for as a single contract and whether a combined or single contract should be accounted for as more than one performance obligation. This evaluation requires significant judgment, and the decision to combine contracts or separate a combined contract into multiple performance obligations could change the amount of revenue recorded in a given period. Contracts are considered to contain a single performance obligation if the promise to transfer individual services is not separately identifiable from other promises in the contracts.

The Organization generates revenue from the following program service offerings:

1) Adaptive horse-riding lessons (including unmounted horsemanship).

2) Work-based learning and career mentoring including hands-on work experiences in a farm setting for students at local educational institutions.

3) EAL including educational and emotional growth, learning and development.

4) EAP including therapy for grief, trauma and abuse, eating disorders, substance abuse, addiction and codependency based on the model designed by the Equine Assisted Growth and Learning Association ("EAGALA"), the leading international EAP training and certifying organization.

5) Speech and Occupational Therapy including hippotherapy utilizing equine movement to engage sensory, neuromotor, and cognitive systems to achieve functional outcomes.

6) Military programs for veterans, law enforcement and first responders and their family members as an EAGALA Military Services Provider.

7) Corporate workshops including activities with horses, team discovery, and collaborating with staff to enhance communication and adaptation to new management styles and initiatives.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd.)

Revenue Recognition (Cont'd.)

General Revenue Recognition (Cont'd.)
Each of the Organization's independent services represents a separate promise under a contract and is provided independently for each participant. As a result, the Organization has concluded that each independent service is capable of being distinct and is distinct within the context of the contract. The performance obligations for each independent service meets the criteria to be recognized over time. The Organization believes this to be the most faithful depiction of the transfer of control of services, as the participant simultaneously receives and consumes the benefits provided by the Organization's performance. Revenues are recognized on performance obligations for services rendered using a number-of-sessions completed output method, by which actual number of sessions completed relative to total estimated sessions to complete, as a percentage, is used to determine the progress towards contract completion. The number of sessions completed are directly related to the progress and completion of the Organization's services. Therefore, the Organization believes the number-of-sessions completed output method is the most meaningful depiction of performance because it directly measures the value of the services transferred to the participant.

The Organization's contracts are in the form of either monthly contracts or individual (one-time) transactions as requested by its participants. In both cases, the Organization's contracts consist of either fixed price arrangements for a specified service or prices based on quoted hourly rates. Most of the Organization's services are paid at the time of service. For services that are not paid at the time of service, invoices are issued at the conclusion of work performed and typically include payment terms between 30 and 60 days. Adaptive horse-riding lesson participants purchase a minimum of four lessons up-front and use the lessons upon request. These up-front deposits are recorded as contract liabilities until the lesson is performed at which time they are reclassified to revenue.

For contracts that contain multiple performance obligations, the Organization allocates the transaction price to each performance obligation based on the relative stand-alone prices of the various services encompassed by the contract. All of the Organization's performance obligations relate to contracts with an expected duration of less than one year. Therefore, the Organization has elected to apply the exception provided in Topic 606 and is not required to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially satisfied at the end of the reporting period.

Transaction Price
Under Topic 606, the transaction price of a contract comprises: 1) fixed cash considerations due from the participant; plus 2) estimated cash variable consideration due from the participant; plus 3) noncash consideration due from the participant; minus 4) estimated cash or noncash consideration payable to the participant; minus 5) contingent amounts, unless no revenue reversal is probable (i.e., constraint); plus or minus 6) any significant financing component. The Organization bases the expected consideration from the participant on the existing contract and assumes services will be transferred as promised.

The Organization's contracts typically do not include variable consideration, non-cash consideration, consideration payable to participants, contingent amounts, obligations for returns, or significant financing components. As such, the transaction price is the fixed price included in the contracts.

The Organization has elected a practical expedient to not adjust the promised amount of consideration when it is expected, at contract inception, that the period between the transfer of a promised service to a participant and when the participant pays for that service will be one year or less. The Organization did not have any unsatisfied (or partially satisfied) performance obligations at December 31, 2019 or 2018.

Contract Modifications
Contracts are often modified due to changes in contract specifications and requirements. The Organization considers contract modifications to exist when the modification either creates new or changes the existing enforceable rights and obligations. As required by Topic 606, modifications that are not distinct, due to significant integration provided in the context of the contract, are accounted for as if they were part of the original contract. The effect of a contract modification which is not distinct, is recognized as an adjustment to revenue on a cumulative catch-up basis.

Contract modifications are accounted for as separate contracts when the modification results in the promise to deliver additional services that are distinct and the change in the price of the contract is for the same amount as the stand-alone selling price of the additional services included in the modification.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd.)

Revenue Recognition (Cont'd.)

Contract Estimates
Due to the nature of the Organization's performance obligations, the estimation of total revenue is subject to many variables and requires significant judgment. The Organization must make assumptions and estimates regarding completion of sessions including the complexity of the work to be performed, among other variables. As a significant change in one or more of these estimates could affect the profitability of the Organization's contracts, contract-related estimates are reviewed and updated regularly through a review process in which management reviews the progress and execution of the Organization's performance obligations and the estimated number of sessions of all contracts. As part of this process, management reviews information including, but not limited to, any outstanding key contract matters, progress towards completion and the related changes in estimates.

Functional Allocation of Expenses
The costs of providing various programs and other activities have been summarized on a functional basis in the accompanying statement of activities and changes in net assets. Certain categories of expenses are attributable to both program services and supporting activities and require allocation on a reasonable basis that is consistently applied. Occupancy, maintenance and insurance and depreciation of certain property and equipment are allocated on a square footage basis. General operating and office expenses, professional fees, travel and entertainment, postage, printing and delivery, and depreciation of certain property and equipment are allocated based on actual usage. Interest expense is allocated based on the functional purpose for which the debt proceeds were used. Personnel expenses are allocated based on estimates of time and effort.

Advertising Costs
Advertising costs are expensed when incurred. Advertising costs aggregating $23,165 and $2,827 for the years ended December 31, 2019 and 2018, respectively, are included in general, operating and office expenses in the accompanying statement of functional expenses.

Income Taxes
The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code, and from state and local income tax under comparable state and local laws. Accordingly, the Organization is not subject to federal, state and local income tax, except to the extent it has unrelated business income. The Organization did not have unrelated business income for the years ended December 31, 2019 or 2018. As a result, no provision for federal, state or local income taxes has been reflected in the accompanying financial statements.

GAAP requires management to evaluate tax positions taken by the Organization and recognize a tax liability if the Organization has taken an uncertain position that more likely than not would not be sustained upon examination by taxing jurisdictions, based on the technical merits of the position. The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Organization recognizes interest and penalties, if applicable, as a component of supporting activities. There were no interest and penalties incurred related to uncertain tax positions during the years ended December 31, 2019 or 2018.

Change in Accounting Principles
In August 2016, the FASB issued ASU No. 2016-15, *Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments – a consensus of the FASB Emerging Issues Task Force* ("ASU 2016-15"). The purpose of ASU 2016-15 is to reduce the diversity in practice regarding how certain cash receipts and cash payments are presented and classified in the statement of cash flows. ASU 2016-15 is effective for fiscal years beginning after December 15, 2018, with early adoption permitted. A retrospective transition method should be used in the application of the amendments within ASU 2016-15. The Organization adopted ASU 2016-15 for the year ended December 31, 2019 using a retrospective approach. There were no significant reclassifications made to the statement of cash flows for the year ended December 31, 2019 as a result of these amendments.

In May 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers (Topic 606)* ("ASU 2014-09"). The purpose of ASU 2014-09 is to clarify the principles for recognizing revenue and create a common revenue recognition standard that more closely aligns GAAP and International Financial Reporting Standards. ASU 2014-09 outlines a single, comprehensive model for accounting for revenue from contracts with customers. ASU 2014-09 affects any entity that either enters into contracts with customers to transfer goods or services or enters into contracts for the transfer of nonfinancial assets unless those contracts are within the scope of other standards (for example, insurance contracts or lease contracts). The amendments in ASU 2014-09 are effective for annual reporting periods beginning after December 15, 2018.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd.)

Change in Accounting Principles (Cont'd.)
Subsequently, the FASB has issued the following standards related to ASU 2014-09: ASU No. 2015-14, *Revenue from Contracts with Customers (Topic 606): Deferral of the Effective Date* ("ASU 2015-14"); ASU No. 2016-08, *Revenue from Contracts with Customers (Topic 606): Principal versus Agent Considerations* ("ASU 2016-08"); ASU No. 2016-10, *Revenue from Contracts with Customers (Topic 606): Identifying Performance Obligations and Licensing* ("ASU 2016-1 0"); ASU No. 2016-12, *Revenue from Contracts with Customers (Topic 606): Narrow-Scope Improvements and Practical Expedients* ("ASU 2016-12"); ASU No. 2016-20, *Technical Corrections and Improvements to Topic 606, Revenue from Contracts with Customers* ("ASU 2016-20"); ASU No. 2017-05, *Other Income-Gains and Losses from the Derecognition of Nonfinancial Assets (Subtopic 610-20): Clarifying the Scope of Asset Derecognition Guidance and Accounting for Partial Sales of Nonfinancial Assets* ("ASU 2017-05"); and ASU No. 2017-10, *Service Concession Arrangements (Topic 853): Determining the Customer of the Operation Services* ("ASU 2017-10"). The Organization must adopt ASU 2016-08, ASU 2016-10, ASU 2016-12, ASU 2016-20, ASU 2017-05 and ASU 2017-10 with ASU 2014-09 (collectively, the "New Revenue Standards").

The New Revenue Standards may be applied retrospectively to each prior period presented or retrospectively, with the cumulative effect recognized as of the date of adoption. The Organization adopted the New Revenue Standards effective January 1, 2019, the first day of the Organization's fiscal year, using the cumulative effect adoption method. The New Revenue Standards did not have any impact on the amount and timing of revenue recognized in the Organization's financial statements. As such, there was no cumulative effect adjustment to beginning net assets as a result of the New Revenue Standards.

As part of the adoption of ASU 2014-09, the Organization elected to use the following transition practical expedients: (1) to reflect the aggregate of all contract modifications that occurred prior to the date of initial application when identifying satisfied and unsatisfied performance obligations, determining the transaction price, and allocating the transaction price; and (2) to apply the New Revenue Standards only to contracts that are not completed at the initial date of application. The initial application of the New Revenue Standards was applied to all uncompleted contracts at January 1, 2019.

The Organization has analyzed the provisions of the New Revenue Standards and has concluded that the Organization's contracts do not contain variable consideration, consist of a single performance obligation, do not contain warranties or a right of return and contracts are rarely modified. The Organization's service offerings consist either of monthly contracts that expire at the end of a calendar month or service offerings that are consumed by the participant as the benefit is received that typically are performed on a single day, and as such, there were no unsatisfied performance obligations at the adoption date of the New Revenue Standards. For these reasons, the Organization has concluded that no significant changes are necessary to conform with the New Revenue Standards.

In June 2018, the FASB issued ASU No. 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* ("ASU 2018-08"), with the purpose of improving consistency in reporting whether a transfer of assets is a contribution or an exchange transaction. ASU 2018-08 clarifies how an entity determines whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of FASB ASC Topic 958 or as exchange (reciprocal) transactions subject to other guidance by evaluating whether the resource provider is receiving commensurate value in return for the resources transferred. Additionally, ASU 2018-08 requires that an entity determine whether a contribution is conditional on the basis of whether an agreement includes a barrier that must be overcome and whether a right of return of assets transferred exists. ASU 2018-08 requires either full retrospective application to all periods presented or retrospective application with a cumulative effect on the prior reporting periods to beginning net assets in the year the standard becomes effective. The Organization adopted ASU 2018-08 on January 1, 2019, the first day of the Organization's fiscal year using the cumulative effect approach. The adoption of ASU 2018-08 did not have a material impact on the financial statements.

In January 2016, the FASB issued ASU No. 2016-01, *Financial Instruments – Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities* ("ASU 2016-01"), as amended by ASU No. 2018-03, *Financial Instruments-Overall: Technical Corrections and Improvements*; ASU No. 2018-09, *Codification Improvements;* and ASU 2019-04, *Codification Improvements to Topic 326, Financial Instruments – Credit Losses (Topic 815): Derivatives and Hedging, and Topic 825, Financial Instruments*. ASU 2016-01 updates certain aspects of recognition, measurement, presentation and disclosure of financial instruments. ASU 2016-01 is for fiscal years beginning after December 15, 2018. The Organization adopted ASU 2016-01 for the year ended December 31, 2019, utilizing the modified retrospective adoption method. The adoption of ASU 2016-01 did not have a material impact on the financial statements.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd.)

Change in Accounting Principles (Cont'd.)

In November 2016, the FASB issued Accounting Standards Update ("ASU") No. 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash – a consensus of the FASB Emerging Issues Task Force* ("ASU 2016-18"). The purpose of ASU 2016-18 is to provide guidance on the presentation of restricted cash or restricted cash equivalents in the statement of cash flows. Specifically, ASU 2016-18 requires companies to include amounts generally described as restricted cash and restricted cash equivalents in cash and cash equivalents when reconciling beginning-of-period and end-of-period total amounts shown on the statement of cash flows. ASU 2016-18 is effective for fiscal years beginning after December 15, 2018, with early adoption permitted. The amendments in ASU 2016-18 should be applied using a retrospective transition method to each prior period presented. The Organization has adopted ASU 2016-18 for the year ended December 31, 2019 retrospectively to all prior periods presented. Cash and cash equivalents were amended to include cash restricted for purchase of property and equipment of $65,108 for the year ended December 31, 2019.

Summarized Comparative Financial Information

The financial statements include certain prior period summarized comparative information. Such information does not include enough detail to constitute a presentation in conformity with GAAP. Accordingly, 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.

NOTE 3 – CASH, CASH EQUIVALENTS, AND RESTRICTED CASH

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the accompanying statement of financial position that sum to the total of the same such amounts shown in the statement of cash flows as of December 31, 2019 and 2018:

	2019	2018
Cash and cash equivalents	$ 53,402	$ 110,775
Restricted cash included in non-current assets	65,108	-
Total cash, cash equivalents, and restricted cash shown in the statement of cash flows	$ 118,510	$ 110,775

NOTE 4 – INVESTMENTS IN MARKETABLE SECURITIES

Investments in marketable securities consisted entirely of mutual funds as of December 31, 2019 with a cost basis and fair value of $19,758.

NOTE 5 - PROPERTY AND EQUIPMENT

Property and equipment consists of the following at December 31, 2019 and 2018:

	2019	2018	Useful Life In Years
Land	$ 1,439,260	$ 1,439,260	
Buildings	1,348,494	1,103,701	39
Improvements	768,998	406,542	15
Horses	166,684	166,184	7
Equipment	175,833	144,435	5
Property and equipment	3,899,269	3,260,122	
Less accumulated depreciation	736,146	656,782	
Property and equipment, net	$ 3,163,123	$ 2,603,340	

Depreciation expense related to property and equipment aggregated $79,364 and $85,731 for the years ended December 31, 2019 and 2018, respectively.

NOTE 6 - LINE OF CREDIT

On February 15, 2017, the Organization entered into a financing agreement with a bank for a $10,000 revolving line of credit. The line of credit is cancellable at any time by both the Organization and the bank and bears interest at 2.77% per annum. The line is collateralized by substantially all assets of the Organization excluding real property. The outstanding principal balance was $3,539 and $6,419 at December 31, 2019 and 2018, respectively.

NOTE 7 - OTHER LOANS PAYABLE

Loans from Board Members

On November 16, 2016, in connection with the refinancing of its mortgage (see Note 8), the Organization received a loan from a board member in the amount of $44,000 in order to pay off a previous lender. The loan is unsecured, non-interest bearing and payable in monthly installments of principal of $415 until the loan is repaid in October 2025. The balance of the loan was $29,482 and $34,038 at December 31, 2019 and 2018, respectively, of which $4,981 represents current maturities at December 31, 2019 and 2018.

On June 21, 2018, the Organization received a loan in the amount of $100,000 from a board member which is unsecured and non-interest bearing. The Organization and the board member have agreed that no payments are due on the loan until 2021, at which time the loan is payable on demand. The balance of the loan was $60,000 and $80,000 at December 31, 2019 and 2018, respectively. During the years ended December 31, 2019 and 2018, the board member agreed to forgive $20,000 of the outstanding loan balance which is included in contributions in the accompanying statement of activities and changes in net assets.

On September 1, 2019, the Organization received a loan from a board member in the amount of $160,000. The loan is unsecured, non-interest bearing and payable in monthly installments of principal of $1,500 until the loan is repaid in April 2028. The balance of the loan was $155,500 at December 31, 2019, of which $18,000 represents current maturities.

Loans from Employees

On September 4, 2015, the Organization received a loan from an employee which was unsecured and payable in monthly installments of principal and interest of $389 until the loan was repaid in August 2019. The loan bore an interest at a rate of 10.25% per annum. The balance of the loan was $3,039 at December 31, 2018.

The following table summarizes future maturities of other loans payable at December 31, 2019:

Years Ending December 31,		
2020	$	22,981
2021		82,981
2022		22,981
2023		22,981
2024		22,981
Thereafter		70,077
Total	$	244,982

NOTE 8 - LONG-TERM DEBT

On March 10, 2016, in connection with the purchase of equipment (included in Note 5), the Organization entered into a financing agreement with a lender for $27,612. The loan bears interest at a rate of 6.64% per annum, requires monthly payments of principal and interest of $466, and matures on March 10, 2022. The loan is collateralized by the equipment. The balance of the loan was $11,620 and $16,273 at December 31, 2019 and 2018, respectively, of which $4,967 and $4,649 represents current maturities at December 31, 2019 and 2018, respectively.

NOTE 8 - LONG-TERM DEBT (Cont'd.)

On November 16, 2016, in connection with the refinance of the Organization's previous mortgage with another lender, the Organization entered into a mortgage agreement with a bank for $1,125,000. The mortgage bears interest at a rate of 5% per annum through November 30, 2023, and subsequently at a rate equal to the greater of 5% or 3.25% plus the weekly average of the five-year United States Treasury Rate, as defined by the agreement. The mortgage requires monthly payments of principal and interest to amortize the principal amount over a twenty-year term ($7,469 through November 30, 2023) and a balloon payment on the maturity date of December 1, 2026 equal to the unpaid principal balance. The balance of the loan was $1,019,608 and $1,056,516 at December 31, 2019 and 2018, respectively, of which $38,695 and $36,925 represents current maturities at December 31, 2019 and 2018, respectively. The mortgage is collateralized by substantially all assets of the Organization including the premises owned by the Organization located at 829 Old Nichols Road, Islandia, New York.

On August 21, 2018, the Organization entered into a demand loan agreement with a bank for $550,000. Subsequently, on June 10, 2019, the terms of the agreement were amended to remove the demand loan provision. The remaining terms of the original demand loan agreement were not restated. The current agreement provides for interest at a rate of 5% per annum and is collateralized by substantially all assets of the Organization other than the Organization's real property. The current agreement requires monthly payments of $3,239, including principal and interest, and a balloon payment at the maturity date of August 21, 2028. The balance of the loan was $534,910 and $546,350 at December 31, 2019 and 2018, respectively of which $12,429 and $11,824, respectively, represents current maturities.

The Organization is subjected to various restrictive and financial covenants as part of its line of credit (see Note 6) and long-term debt agreements. Under these restrictions, the Organization must maintain certain financial ratios and other covenants. As of and for the years ended December 31, 2019 and 2018, the Organization was in compliance with these covenants.

Long-term debt consisted of the following at December 31, 2019 and 2018:

	2019	2018
Total long-term debt	$ 1,566,138	$ 1,619,139
Less: current portion of long-term debt	56,091	53,398
Long-term portion	1,510,047	1,565,741
Less: unamortized debt issuance costs	18,387	21,046
Long-term debt, net	$ 1,491,660	$ 1,544,695

The following table summarizes future maturities of long-term debt at December 31, 2019:

Years Ending December 31,	
2020	$ 56,091
2021	59,221
2022	58,049
2023	59,634
2024	62,597
Thereafter	1,270,546
Total	$ 1,566,138

NOTE 9 – CAPITAL LEASE OBLIGATIONS

The Organization leases equipment under a capital lease that expires in October 2024 (See Note 5). The capital lease is secured by equipment with a cost of $13,672 and accumulated depreciation of $228 at December 31, 2019.

NOTE 9 – CAPITAL LEASE OBLIGATIONS (Cont'd.)

The minimum future lease payments under capital lease obligations are summarized as follows:

Years Ending December 31,		
2020	$	3,354
2021		3,096
2022		3,096
2023		3,096
2024		2,579
Total minimum lease payments		15,221
Less amount representing interest		(1,751)
Present value of net minimum lease payments		13,470
Less current portion		2,691
Long-term portion	$	10,779

NOTE 10 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions for the years ended December 31, 2019 and 2018 is as follows:

2019	Balance December 31, 2018	Support and Revenue	Net assets released from restrictions	Balance December 31, 2019
Accessible Sensory Playground	$ -	$ 250,000	$ 250,000	$ -
Expansion Campaign	-	131,108	66,000	65,108
Underground Watering System	-	110,000	110,000	-
J-STEP	10,000	85,000	70,010	24,990
Childrens Scholarships	-	30,000	30,000	-
Sprinkler System	-	28,500	28,500	-
Accessibility & Technology Program	-	18,000	14,000	4,000
Restore to Balance	78,213	18,000	96,213	-
Summer Program	-	15,000	15,000	-
All-Terrain Vehicle	-	10,500	10,500	-
School Contracts	-	8,500	8,500	-
The New Hour Program	-	8,000	6,000	2,000
VIBS Initiative	7,500	6,000	13,500	-
EAGALA Training	-	5,000	2,753	2,247
Safe Center	-	5,000	-	5,000
	$ 95,713	$ 728,608	$ 720,976	$ 103,345

2018	Balance December 31, 2017	Support and Revenue	Net assets released from restrictions	Balance December 31, 2018
Restore to Balance	$ -	$ 155,000	$ 76,787	$ 78,213
J-STEP	-	30,000	20,000	10,000
The Herd Group	-	27,000	27,000	-
Path to Perseverance	-	20,000	20,000	-
CECP Program	-	17,503	17,503	-
Summer Program	-	15,000	15,000	-
VIBS Initiative	-	10,000	2,500	7,500
	$ -	$ 274,503	$ 178,790	$ 95,713

NOTE 11 - CONTRIBUTED SERVICES

Contributed services consisted of the following for the years ended December 31, 2019 and 2018:

	2019	2018
Sanitation and manure	$ 30,000	$ 100,000
Volunteer trainers, instructors and professionals	93,184	93,184
Printing	60,000	40,000
Legal and professional fees	10,000	20,000
	$ 193,184	$ 253,184

NOTE 12 – FAIR VALUE MEASUREMENTS

FASB ASC Topic 820, *Fair Value Measurement*, defines fair value, establishes guidelines, enhances disclosure requirements for the fair value measurements and establishes a framework for measuring fair value. Fair value is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1
Quoted prices in active markets for identical assets or liabilities that the Organization has the ability to access.

Level 2
Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities. There are no assets or liabilities valued using Level 2 inputs.

Level 3
Unobservable inputs that are supported by little or no market activity and that are significant to the fair value or settlement value of the asset or liabilities. Level 3 assets and liabilities for which the determination of fair value requires significant management judgment or estimation. There are no assets or liabilities valued using Level 3 inputs.

The asset's or liability's fair value or settlement value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value or settlement value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. Assets valued using the net asset value practical expedient are not required to be reported within the hierarchy.

The following is a description of the valuation methodologies used for assets and liabilities measured at fair value. There have been no changes in the methodologies used during the year ended December 31, 2019.

Common Stock: Common stock of publicly traded corporations. The fair values of common stock are based on quoted market prices in active markets and are included in the Level 1 fair value hierarchy. The Organization believes the market for common stock is an actively traded market given the high level of daily trading volume.

Mutual funds: Valued at the daily closing price as reported by the fund. Mutual funds held by the Organization are open-end mutual funds that are registered with the SEC. These funds are required to publish their daily net asset value ("NAV") and to transact at that price. The Mutual funds held by the Organization are deemed to be actively traded.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization's management believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

NOTE 12 – FAIR VALUE MEASUREMENTS (Cont'd.)

Assets and liabilities measured at fair value on a recurring basis as of December 31, 2019 were as follows:

	Total	Level 1	Level 2	Level 3
Mutual funds	$ 19,758	$ 19,758	$ -	$ -

NOTE 13 – COMMITMENTS AND CONTINGENCIES

The Organization is currently subject to pending litigation pertaining to the agricultural status of certain real property owned by the Organization. The Organization is optimistic that the agricultural status of these real properties will remain intact, however, management is unable to predict the outcome at this time. Accordingly, no disruption of operations is anticipated. It is at least reasonably possible that management's estimates pertaining to any potential liability will change within the near term. Management cannot predict the outcome or estimate a potential range of loss.

NOTE 14 - LIQUIDITY

Assets are presented in the accompanying statement of financial position according to their nearness of conversion to cash and liabilities according to their nearness of their maturity and resulting use of cash. The Organization maintains a liquid cash balance in traditional checking and savings accounts in an amount necessary to meet its anticipated expenditures for at least the next 30 days. The Organization's policy is to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. Additionally, the Organization has secured a line of credit of $10,000 to help manage cash flow (see Note 6).

Financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of December 31, 2019 and 2018 are comprised of the following:

	2019	2018
Cash and cash equivalents	$ 118,510	$ 110,775
Investments in marketable securities	19,758	-
Accounts receivable	13,383	6,703
Total financial assets, at year-end	151,651	117,478
Less: those unavailable for general expenditures within one year, due to:		
donor-imposed restrictions: purpose	(103,345)	(95,713)
Financial assets available to meet cash needs for general expenditures within one year	$ 48,306	$ 21,765

NOTE 15 - CONCENTRATIONS

At December 31, 2019 and 2018, three customers comprised approximately 74% and 88%, respectively, of the Organization's accounts receivable.

During the years ended December 31, 2019 and 2018, two donors comprised approximately 44% of the Organization's total contributions.

During the year ended December 31, 2019, two customers comprised approximately 38% of the Organization's total program service revenues. During the year ended December 31, 2018, one customer comprised approximately 27% of the Organization's total program service revenues.

NOTE 16 – GOING CONCERN

In accordance with FASB ASC Topic 205-40, *Going Concern*, management is required to assess the Organization's ability to continue as a going concern for one year after the date the financial statements are available to be issued. As required by Topic 205-40, management's evaluation shall initially not take into consideration the potential mitigating effects of plans that have not been fully implemented as of the date the financial statements are available to be issued.

NOTE 16 – GOING CONCERN (Cont'd.)

As more fully described in Note 17, the Organization's operations have been impacted by a global pandemic. Management has evaluated these conditions and determined that the ability of the Organization to meet its obligations and to continue as a going concern is dependent on the availability of future funding and the ability of the Organization to restart program services by July 1, 2020. The aforementioned factors could pose a question for readers of the financial statements as to whether the Organization can meet its obligations as they come due. The above factors create uncertainty about the Organization's ability to continue as a going concern.

As Long Island's largest and oldest equine assisted therapy program, the Organization employs over 45 individuals weekly, treats 400 students weekly and an additional 300 yearly, maintains a volunteer force of 100 strong per week and cares for 13 agricultural acres with a herd of 25 horses. The Organization believes that there is growing demand for the essential services it offers and that it is a vital force within the Long Island community reaching far and wide to a diverse population. Management is optimistic that program service offerings will re-open near July 2020. Based on reduction of expenditures and re-opening program services near July 2020, management is projecting positive cash flows through September 2020. Management's projection is based on actual cash flow data through April 2020 and projected cash flows through September 2020 The Organization is also anticipating grant funding during 2020 from New York State's 2019 Regional Council Economic Development Council initiative of $600,000 which will be used to renovate buildings to accommodate new revenue producing programs for high-risk youth and adults with disabilities for job training, work-force preparedness and internships. Additionally, during April 2020, the Organization submitted a New York State Workforce Development Grant application for $175,000 specifically directed for job training for youth adults with disabilities, which the Organization feels it is well equipped to implement. Subsequent to year end, the Organization entered into an agreement with its financial institution for a forbearance of all long-term debt payments (principal and interest) for a period of six months which will reduce future cash outflows by approximately $66,000. The Organization also secured additional funding of approximately $46,000 and is currently in the process of applying for additional funding as more fully described in Note 17. Given the uncertainty of the current economic environment, there is at least a reasonable possibility that the actual results may differ for management's plans.

The accompanying financial statements have been prepared on a going concern basis which assumes the Organization will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The financial statements do not include any adjustment that might result from the outcome of this uncertainty.

NOTE 17 – SUBSEQUENT EVENTS

The Organization has evaluated events and transactions through May 26, 2020, the date on which the financial statements were available to be issued. The Organization did not have any significant subsequent events which required adjustment or disclosure to the financial statements aside from the following subsequent events.

During January 2020, the Organization liquidated all investments in marketable securities whose proceeds were not significantly different than the value of such investments in marketable securities at December 31, 2019.

Subsequent to December 31, 2019, the coronavirus pandemic spread throughout much of the world. The pandemic's spread has resulted in travel, work and general disruptions impacting many aspects of daily life. The Organization is currently in the process of applying for additional financing through the United States Small Business Administration under the Economic Injury Disaster Loan Program that was enacted by the United States Congress. On March 22, 2019, the State of New York issued a stay-at-home mandate, which required closures of all non-essential businesses. Additionally, all schools in New York closed indefinitely beginning on March 15, 2019. These state mandated restrictions have forced the Organization to suspend its services until the restrictions are lifted. Additionally, on April 20, 2020, the Organization received approximately $46,000 under the Untied States Small Business Administration Paycheck Protection Program that was enacted by the United States Congress. The Organization anticipates this additional funding will be sufficient to cover the Organization's operating costs while the Organization's services are suspended.

NOTE 18 – RECLASSIFICATIONS

Certain reclassifications have been made to the Organization's financial statement presentation as of and for the year ended December 31, 2018 to conform to the presentation of the financial statements as of and for the year ended December 31, 2019. Total net assets and change in net assets were not affected by these reclassifications.