

INSTITUTE OF THE RANGE & THE AMERICAN MUSTANG

Financial Statements

Years ended December 31, 2019 and 2018

with

Independent Accountants' Compilation Report



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Independent Accountants' Compilation Report

The Board of Directors
Institute of the Range & the American Mustang

Management is responsible for the accompanying financial statements of the Institute of the Range & the American Mustang (a nonprofit organization), which comprise the statement of financial position as of December 31, 2019 and 2018, and the related statements of activities and changes in net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Management has elected to omit substantially all of the disclosures required by accounting principles generally accepted in the United States. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Institute's financial position, results of operations, and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

WMB2, LLP
Larkspur, California
May 1, 2020

INSTITUTE OF THE RANGE & THE AMERICAN MUSTANG

Statements of Financial Position

December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Assets		
Current assets		
Cash - non interest bearing	\$ 100,794	\$ 224,360
Savings and temporary investments	1,116,798	1,014,335
Prepaid expenses	(1,500)	(8,167)
Inventory, at average cost	<u>88,612</u>	<u>54,200</u>
Total current assets	1,304,704	1,284,728
Property and equipment, at cost		
Land	1,730,502	1,730,502
Buildings and improvements	684,600	684,600
Machinery and equipment	755,982	755,982
Furniture and fixtures	83,464	83,464
Livestock	149,123	149,123
Vehicles	<u>399,345</u>	<u>372,257</u>
	3,803,016	3,775,928
Less accumulated depreciation	<u>(1,553,132)</u>	<u>(1,467,814)</u>
Property and equipment, net	2,249,884	2,308,114
Investments, at market value		
Custom Diversification Fund Management, Inc. an S corporation	-	-
Held by Merrill Lynch		
Cash and money market accounts	84,917	67,748
Equities, with a cost of \$1,028,289 (2018 - 1,002,545)	1,444,275	1,117,143
Mutual funds, with a cost of \$418,811 (2018 - \$395,533)	<u>458,184</u>	<u>358,718</u>
Total held by Merrill Lynch	<u>1,987,376</u>	<u>1,543,609</u>
Total assets	<u>\$ 5,541,964</u>	<u>\$ 5,136,451</u>
Liabilities and Net Assets		
Current liabilities		
Accounts payable and accrued liabilities	\$ 3,290	\$ 79,952
Notes payable to bank due within one year	<u>-</u>	<u>55,712</u>
Total current liabilities	3,290	135,664
Long term liabilities		
Loan payable to officer/director	-	23,500
Mortgage payable	<u>-</u>	<u>749,818</u>
Total long term liabilities	-	773,318
Net assets - unrestricted	<u>5,538,674</u>	<u>4,227,469</u>
Total liabilities and net assets	<u>\$ 5,541,964</u>	<u>\$ 5,136,451</u>

See accompanying independent accountants' compilation report.

INSTITUTE OF THE RANGE & THE AMERICAN MUSTANG
 Statements of Activities and Net Assets
 Years ended December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Support and revenue		
Donations	\$ 1,850,462	\$ 1,061,372
Sales - merchandise	71,315	148,277
Less merchandise cost of goods sold	(10,670)	(68,063)
Sales - livestock	19,604	45,100
Less livestock purchases	-	(1,067)
Sales - tours and lodging	186,556	208,004
Interest and dividends	35,087	33,834
Net realized gain (loss) on sale of investments	60,611	123,575
Change in net unrealized gain (loss) on investments held at end of year	377,345	(202,518)
Other income	24,483	21,036
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Total support and revenue	2,614,793	1,369,550
Expenses		
Program services	1,109,285	1,355,757
Management and general	156,008	139,988
Fundraising	38,295	34,051
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Total expenses	1,303,588	1,529,796
Revenues over (under) expenses	1,311,205	(160,246)
Write-off of investment	-	161,241
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Change in net assets	1,311,205	(321,487)
Net assets, beginning of year	4,227,469	4,548,956
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Net assets, end of year	<u>\$ 5,538,674</u>	<u>\$ 4,227,469</u>

See accompanying independent accountants' compilation report.

INSTITUTE OF THE RANGE & THE AMERICAN MUSTANG
 Statements of Functional Expenses
 Years ended December 31, 2019 and 2018

	2019				2018			
	Program services	Management and general	Fund-raising	Total	Program services	Management and general	Fund-raising	Total
Advertising	\$ 37,293	\$ -	\$ -	\$ 37,293	\$ 47,596	\$ -	\$ 7,500	\$ 55,096
Auto and vehicle	68,712	-	-	68,712	74,814	-	-	74,814
Bank and credit card fees	9,500	9,741	-	19,241	12,000	13,382	-	25,382
Contract labor	21,597	-	-	21,597	6,736	-	-	6,736
Depreciation	82,318	3,000	-	85,318	107,908	2,000	-	109,908
Fundraising	-	-	30,045	30,045	-	-	14,051	14,051
Hay and feed	387,553	-	-	387,553	506,375	-	-	506,375
Horse/cattle expenses	12,800	-	-	12,800	15,170	-	-	15,170
Insurance	30,000	22,123	-	52,123	25,000	21,219	-	46,219
Interest	21,781	-	-	21,781	27,075	-	-	27,075
Investment fees	24,140	-	-	24,140	-	23,108	-	23,108
Office expenses	-	-	-	-	-	2,490	-	2,490
Payroll	208,162	55,000	3,000	266,162	289,714	25,000	-	314,714
Payroll taxes	17,922	4,200	250	22,372	23,664	1,915	-	25,579
Employee benefits	3,260	-	-	3,260	-	-	-	-
Postage and delivery	2,500	5,093	1,500	9,093	5,000	4,841	4,500	14,341
Professional fees	4,954	11,349	-	16,303	8,374	11,240	-	19,614
Property taxes	23,896	-	-	23,896	24,421	-	-	24,421
Propane	6,521	-	-	6,521	-	-	-	-
Repairs and maintenance	33,084	12,613	-	45,697	37,701	1,500	-	39,201
Supplies	15,488	12,201	-	27,689	36,862	12,183	-	49,045
Telecommunication	4,986	7,500	3,500	15,986	4,833	9,500	4,500	18,833
Travel	12,165	-	-	12,165	5,500	4,110	3,500	13,110
Utilities	43,484	8,000	-	51,484	43,822	7,500	-	51,322
Veterinary	14,983	-	-	14,983	40,073	-	-	40,073
Other expenses	22,186	5,188	-	27,374	13,119	-	-	13,119
	<u>\$ 1,109,285</u>	<u>\$ 156,008</u>	<u>\$ 38,295</u>	<u>\$ 1,303,588</u>	<u>\$ 1,355,757</u>	<u>\$ 139,988</u>	<u>\$ 34,051</u>	<u>\$ 1,529,796</u>

See accompanying independent accountants' compilation report.

INSTITUTE OF THE RANGE & THE AMERICAN MUSTANG

Statements of Cash Flows

Years ended December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Cash flows from operating activities		
Change in net assets	\$ 1,311,205	\$ (321,487)
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	85,318	109,908
Net realized gain on sale of investments	60,611	123,575
Change in unrealized (gain) loss on investments held at end of year	(377,345)	202,518
Write off of investment	-	161,241
Changes in current assets and liabilities		
Other current assets	(6,667)	9,562
Inventory	(34,412)	2,428
Accounts payable and accrued liabilities	(76,662)	36,484
	962,048	324,229
Net cash provided by operating activities	962,048	324,229
Cash flows from investing activities		
Purchases and disposals of property and equipment, net	(27,088)	(76,555)
Purchase of investments, net	(229,496)	(260,024)
	(256,584)	(336,579)
Net cash used by investing activities	(256,584)	(336,579)
Cash flows from financing activities		
Payback of borrowings	(829,030)	(66,281)
	(829,030)	(66,281)
Net cash used by financing activities	(829,030)	(66,281)
Net change in cash	(123,566)	(78,631)
Cash, beginning of year	224,360	302,991
Cash, end of year	\$ 100,794	\$ 224,360
Supplemental cash flow disclosures		
Cash paid for interest	\$ 21,781	\$ 27,075

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