

**INSTITUTE OF THE RANGE & THE AMERICAN MUSTANG**

Financial Statements

Years ended December 31, 2018 and 2017

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, 2018 and 2017, 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*  
WMB2, LLP  
Larkspur, California  
May 9, 2019

**INSTITUTE OF THE RANGE & THE AMERICAN MUSTANG**  
 Statements of Financial Position  
 December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
<b>Assets</b>		
<b>Current assets</b>		
Cash - non interest bearing	\$ 224,360	\$ 302,991
Savings and temporary investments	1,014,335	986,506
Prepaid expenses	(8,167)	1,395
Inventory, at average cost	<u>54,200</u>	<u>56,628</u>
Total current assets	1,284,728	1,347,520
<b>Property and equipment, at cost</b>		
Land	1,730,502	1,730,502
Buildings and improvements	684,600	684,600
Machinery and equipment	755,982	688,096
Furniture and fixtures	83,464	83,464
Livestock	149,123	149,123
Vehicles	<u>372,257</u>	<u>363,588</u>
	3,775,928	3,699,373
Less accumulated depreciation	<u>(1,467,814)</u>	<u>(1,357,906)</u>
Property and equipment, net	2,308,114	2,341,467
<b>Investments, at market value</b>		
Custom Diversification Fund Management, Inc. an S corporation	-	161,241
Held by Merrill Lynch		
Cash and money market accounts	67,748	46,425
Equities, with a cost of \$1,002,545 (2017 - \$924,021)	1,117,143	1,172,103
Mutual funds, with a cost of \$395,533 (2017 - \$386,760)	<u>358,718</u>	<u>418,979</u>
Total held by Merrill Lynch	<u>1,543,609</u>	<u>1,637,507</u>
Total assets	<u>\$ 5,136,451</u>	<u>\$ 5,487,735</u>
<b>Liabilities and Net Assets</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	\$ 79,952	\$ 43,468
Notes payable to bank due within one year	<u>55,712</u>	<u>49,663</u>
Total current liabilities	135,664	93,131
<b>Long term liabilities</b>		
Loan payable to officer/director	23,500	28,500
Loan payable to bank	-	25,460
Mortgage payable	<u>749,818</u>	<u>791,688</u>
Total long term liabilities	773,318	845,648
Net assets - unrestricted	<u>4,227,469</u>	<u>4,548,956</u>
Total liabilities and net assets	<u>\$ 5,136,451</u>	<u>\$ 5,487,735</u>

See accompanying independent accountants' compilation report.

INSTITUTE OF THE RANGE & THE AMERICAN MUSTANG  
 Statements of Activities and Net Assets  
 Years ended December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Support and revenue		
Donations	\$ 1,061,372	\$ 1,261,559
Sales - merchandise	148,277	134,450
Less merchandise cost of goods sold	(68,063)	(92,107)
Sales - livestock	45,100	61,223
Less livestock purchases	(1,067)	(6,201)
Sales - tours and lodging	208,004	160,702
Interest and dividends	33,834	24,680
Net realized gain (loss) on sale of investments	123,575	52,791
Change in net unrealized gain (loss) on investments held at end of year	(202,518)	231,906
Other income	<u>21,036</u>	<u>111,738</u>
Total support and revenue	1,369,550	1,940,741
Expenses		
Program services	1,355,757	1,432,924
Management and general	139,988	136,415
Fundraising	<u>34,051</u>	<u>51,264</u>
Total expenses	<u>1,529,796</u>	<u>1,620,603</u>
Revenues over (under) expenses	(160,246)	320,138
Write-off of investment	<u>161,241</u>	<u>-</u>
Change in net assets	(321,487)	320,138
Net assets, beginning of year	<u>4,548,956</u>	<u>4,228,818</u>
Net assets, end of year	<u>\$ 4,227,469</u>	<u>\$ 4,548,956</u>

See accompanying independent accountants' compilation report.

INSTITUTE OF THE RANGE & THE AMERICAN MUSTANG  
 Statements of Functional Expenses  
 Years ended December 31, 2018 and 2017

	2018				2017			
	Program services	Management and general	Fund-raising	Total	Program services	Management and general	Fund-raising	Total
Advertising	\$ 47,596	\$ -	\$ 7,500	\$ 55,096	\$ 18,323	\$ -	\$ 2,500	\$ 20,823
Auto and vehicle	74,814	-	-	74,814	72,056	-	-	72,056
Bank service charges	12,000	13,382	-	25,382	-	6,609	-	6,609
Contract labor	6,736	-	-	6,736	75,931	15,000	-	90,931
Depreciation	107,908	2,000	-	109,908	110,864	2,000	-	112,864
Fundraising	-	-	14,051	14,051	-	-	37,764	37,764
Hay and feed	506,375	-	-	506,375	441,269	-	-	441,269
Horse expenses	15,170	-	-	15,170	29,944	-	-	29,944
Insurance	25,000	21,219	-	46,219	30,000	34,137	-	64,137
Interest	27,075	-	-	27,075	23,575	-	-	23,575
Investment fees	-	23,108	-	23,108	-	19,604	-	19,604
Dues and memberships	-	-	-	-	-	1,672	-	1,672
Credit card fees	-	-	-	-	18,525	-	-	18,525
Miscellaneous	-	-	-	-	2,619	-	-	2,619
Office expenses	-	2,490	-	2,490	-	9,782	1,000	10,782
Payroll	289,714	25,000	-	314,714	318,510	12,000	-	330,510
Payroll taxes	23,664	1,915	-	25,579	26,744	950	-	27,694
Postage and delivery	5,000	4,841	4,500	14,341	5,832	4,000	5,000	14,832
Professional fees	8,374	11,240	-	19,614	35,417	7,749	-	43,166
Property taxes	24,421	-	-	24,421	20,190	-	-	20,190
Rent	-	-	-	-	3,344	-	-	3,344
Repairs and maintenance	37,701	1,500	-	39,201	39,242	2,650	-	41,892
Supplies	36,862	12,183	-	49,045	45,615	2,562	-	48,177
Telecommunication	4,833	9,500	4,500	18,833	8,287	8,000	5,000	21,287
Travel	5,500	4,110	3,500	13,110	12,009	-	-	12,009
Utilities	43,822	7,500	-	51,322	53,660	8,500	-	62,160
Veterinary	40,073	-	-	40,073	21,754	-	-	21,754
Loss on asset disposal	-	-	-	-	4,800	-	-	4,800
Other expenses	13,119	-	-	13,119	14,414	1,200	-	15,614
	<u>\$ 1,355,757</u>	<u>\$ 139,988</u>	<u>\$ 34,051</u>	<u>\$ 1,529,796</u>	<u>\$ 1,432,924</u>	<u>\$ 136,415</u>	<u>\$ 51,264</u>	<u>\$ 1,620,603</u>

See accompanying independent accountants' compilation report.

**INSTITUTE OF THE RANGE & THE AMERICAN MUSTANG**

Statements of Cash Flows

Years ended December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Cash flows from operating activities		
Change in net assets	\$ (321,487)	\$ 320,138
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	109,908	112,864
Net realized gain on sale of investments	123,575	52,791
Change in unrealized (gain) loss on investments held at end of year	202,518	(231,906)
Write off of investment	161,241	-
Changes in current assets and liabilities		
Other current assets	9,562	(1,395)
Inventory	2,428	-
Accounts payable and accrued liabilities	<u>36,484</u>	<u>(73,033)</u>
Net cash provided by operating activities	324,229	179,459
Cash flows from investing activities		
Purchases and disposals of property and equipment, net	(76,555)	(24,700)
Purchase of investments, net	<u>(260,024)</u>	<u>(76,070)</u>
Net cash used by investing activities	(336,579)	(100,770)
Cash flows from financing activities		
Payback of borrowings	<u>(66,281)</u>	<u>(67,170)</u>
Net cash used by financing activities	<u>(66,281)</u>	<u>(67,170)</u>
Net change in cash	(78,631)	11,519
Cash, beginning of year	<u>302,991</u>	<u>291,472</u>
Cash, end of year	<u>\$ 224,360</u>	<u>\$ 302,991</u>
Supplemental cash flow disclosures		
Cash paid for interest	<u>\$ 27,075</u>	<u>\$ 23,575</u>

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