

**CHESTNUT MOUNTAIN RANCH, INC.  
AND AFFILIATES**

**\*\*\*\*\***

**INDEPENDENT AUDITOR'S REPORT  
AND RELATED CONSOLIDATED  
FINANCIAL STATEMENTS**

**\*\*\*\*\***

**DECEMBER 31, 2020**

## Table of Contents

	<b>Page</b>
Independent Auditor's Report	1-2
<b>Financial Statements:</b>	
Consolidated Statement of Financial Position	3-4
Consolidated Statement of Activities and Changes in Net Assets and Shareholder's Equity	5-6
Consolidated Statement of Cash Flows	7
Notes to Consolidated Financial Statements	8-19
<b>Supplementary Information:</b>	
Consolidating Statement of Financial Position	20-21
Consolidating Statement of Activities and Changes in Net Assets and Shareholder's Equity	22-23
Consolidating Statement of Cash Flows	24-25
Consolidating Income Statement – RRF Visions Properties, Inc. and Affiliate	26
Consolidating Statement of Functional Expenses	27



**Tetrick & Bartlett, PLLC**

**Certified Public Accountants  
Consultants**

---

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
Chestnut Mountain Ranch, Inc.  
Morgantown, West Virginia

We have audited the accompanying consolidated financial statements of Chestnut Mountain Ranch, Inc. (a nonprofit organization) and Affiliates, which comprise the consolidated statement of financial position as of December 31, 2020, and the related consolidated statements of activities and changes in net assets and shareholder's equity, 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 consolidated 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 consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. These 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 consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of Chestnut Mountain Ranch, Inc. and Affiliates as of December 31, 2020, and the changes in its consolidated net assets and shareholder's equity and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Emphasis of Matter***

As described in Note 10 to the consolidated financial statements for the year ended December 31, 2020, Chestnut Mountain Ranch, Inc. and Affiliates adopted new accounting guidance ASU Number 2014-09, Revenue from Contracts with Customers (Topic 606). Our opinion is not modified with respect to this matter.

### **Report on Consolidating Information**

Our audit was conducted for the purpose of forming an opinion on the consolidating financial statements as a whole. The consolidating statements of financial position, activities and changes in net assets and shareholder's equity, cash flows, income statement and functional expenses on pages 20 through 27 are presented for purposes of additional analysis and are not a required part of the consolidating financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the consolidating financial statements. The consolidating information has been subjected to the auditing procedures applied in the audit of the consolidating financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidating financial statements or to the consolidating financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidating financial statements as a whole.

*Detrick, Bachelor, PLLC*

Clarksburg, West Virginia  
July 12, 2021

**CHESTNUT MOUNTAIN RANCH, INC. AND AFFILIATES**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2020**

**Assets**

**Current Assets**

Cash and cash equivalents	\$ 1,775,046	
Accounts receivable	13,798	
Inventory	60,726	
Prepaid expenses	<u>31,521</u>	
Total current assets		\$ 1,881,091

**Property, Plant and Equipment**

Land	809,246	
Furniture and fixtures	363,545	
Shop equipment	37,696	
Leasehold improvements	13,092	
Building and improvements	3,664,872	
Land development	1,875,476	
Vehicles	259,208	
Construction in process	<u>101,847</u>	
	7,124,982	
Less: accumulated depreciation	<u>(1,478,657)</u>	
Property, plant and equipment - net		5,646,325

**Other Assets**

Security deposit	4,900	
Contributed art collectibles	3,968	
Goodwill	<u>180,600</u>	
Total other assets		<u>189,468</u>

<b>Total Assets</b>		<b>\$ <u>7,716,884</u></b>
---------------------	--	----------------------------

See accompanying notes and independent auditor's report.

**CHESTNUT MOUNTAIN RANCH, INC. AND AFFILIATES**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONT'D)**  
**DECEMBER 31, 2020**

**Liabilities and Net Assets**

**Current Liabilities**

Accounts payable	\$	52,109	
Accrued expenses		56,654	
Deferred revenue - Payroll Protection Program loan proceeds		<u>210,200</u>	
Total current liabilities			<u>\$ 318,963</u>

Total liabilities			318,963
-------------------	--	--	---------

**Net Assets**

Without donor restrictions		7,397,921	
With donor restrictions		<u>-</u>	
Total net assets			7,397,921

Stockholder's equity			<u>-</u>
----------------------	--	--	----------

Total Liabilities, Net Assets and Stockholder's Equity			<u>\$ 7,716,884</u>
--	--	--	---------------------

See accompanying notes and independent auditor's report.

**CHESTNUT MOUNTAIN RANCH, INC. AND AFFILIATES  
CONSOLIDATED STATEMENT OF ACTIVITIES AND  
CHANGES IN NET ASSETS AND SHAREHOLDER'S EQUITY  
FOR THE YEAR ENDED DECEMBER 31, 2020**

<b>Public Support and Revenues</b>		
Contributions	\$ 2,703,426	
Ranch store support	<u>863,052</u>	
Total public support and revenues		\$ 3,566,478
<b>Operating Revenues</b>		
Tuition	33,165	
Rent income	<u>33,000</u>	
Total operating revenues		66,165
Net assets released from restrictions		<u>-</u>
Total public support and revenues		3,632,643
<b>Operating Expenses</b>		
Program services	1,244,517	
Fundraising	131,526	
Administrative	<u>426,440</u>	
Total operating expenses		<u>1,802,483</u>
Change in net assets without donor restrictions before non-operating revenues (expenses)		1,830,160
<b>Non-Operating Revenues (Expenses)</b>		
Income from For-Profit Subsidiary	46,516	
Interest	14	
Other income (expense)	<u>26,014</u>	
Total non-operating revenues (expenses)		<u>72,544</u>
Change in net assets without donor restrictions		1,902,704

See accompanying notes and independent auditor's report.

**CHESTNUT MOUNTAIN RANCH, INC. AND AFFILIATES  
CONSOLIDATED STATEMENT OF ACTIVITIES AND  
CHANGES IN NET ASSETS AND SHAREHOLDER'S EQUITY (CONT'D)  
FOR THE YEAR ENDED DECEMBER 31, 2020**

<b>Net Assets - Beginning of Year</b>		
Without donor restrictions	\$ 5,495,217	
With donor restrictions	<u>                    -</u>	
Total net assets beginning of year		\$ 5,495,217
<b>Net Assets - End of Year</b>		
Without donor restrictions	7,397,921	
With donor restrictions	<u>                    -</u>	
Total net assets end of year		7,397,921
<b>Shareholder's Equity of For-Profit Subsidiary</b>		
Total shareholder's equity, beginning of year	-	
Capital contributions	-	
Dividends	-	
Net income	<u>                    -</u>	
Total shareholder's equity end of year		<u>                    -</u>
Total net assets and shareholder's equity		<u>\$ 7,397,921</u>

See accompanying notes and independent auditor's report.



**CHESTNUT MOUNTAIN RANCH, INC. AND AFFILIATES**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

**Cash Flows From Operating Activities**

Change in net assets	\$	1,902,704
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation		238,097
(Increase) decrease in assets:		
Accounts receivable		7,805
Inventory		(1,371)
Prepaid expense		8,069
Increase (decrease) in liabilities:		
Accounts payable		(15,959)
Accrued expenses		<u>20,550</u>
Net cash provided by (used in) operating activities		\$ 2,159,895

**Cash Flow From Investing Activities**

Acquisition of property, plant and equipment	(1,218,409)	
Net cash provided by (used in) investing activities		(1,218,409)

**Cash Flow From Financing Activities**

Proceeds from loan payable - Payroll Protection Program	<u>210,200</u>	
Net cash provided by (used in) financing activities		<u>210,200</u>

Net increase (decrease) in cash and cash equivalents 1,151,686

Cash and cash equivalents beginning of year 623,360

Cash and cash equivalents end of year \$ 1,775,046

**Noncash Investing and Financing Activities**

In-kind contributions of materials and services \$ -

See accompanying notes and independent auditor's report.

**CHESTNUT MOUNTAIN RANCH, INC. AND AFFILIATES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**Note 1: Nature of Organization**

Chestnut Mountain Ranch, Inc. (the Organization) was formed in 2005 for the purpose of creating a Christ centered safe-haven for boys and families in crisis. The Organization is a ministry for boys ages 6 through 14 who are in need of a stronger family support system. The Ranch school opened in 2011 with 5 students. In 2013, the Ranch Thrift Store opened. The store helps generate operational funds for the Ranch and provides a place for the students to learn job skills and develop a strong work ethic. Also in 2013, the first boys home opened, followed by the second home in 2016. The home gives the students an opportunity to learn what a healthy family can look like. They learn this through doing chores, learning how to work through family conflict and being part of a team. Since opening in 2011, the Ranch has directly served more than 35 students and families. In addition, 700-1,000 individuals come to the Ranch annually through way of service and mission teams.

The Organization's primary area of operations is north central West Virginia and its primary source of funding is direct public contributions and grants.

Chestnut Mountain Ranch Foundation, Inc. was incorporated on May 5, 2016. The corporation is organized and will be operated exclusively for charitable and education purposes. The Foundation will operate exclusively for the benefit of, perform the functions of, or carry out the purposes of Chestnut Mountain Ranch, Inc. including but not limited to holding and managing real and personal property and carrying out fundraising activities to benefit the mission of Chestnut Mountain Ranch, Inc.

RRF Vision Properties, Inc. was incorporated on March 2, 2017 as a for profit corporation. All of the stock of RRF Vision Properties, Inc. is owned by Chestnut Mountain Ranch, Inc. The corporation was formed to transact all lawful business for which corporations may be organized including without limitation serving as the member of the Ranch Quick Lube, LLC and operating other business interest to benefit Chestnut Mountain Ranch, Inc. and its related entities.

Ranch Quick Lube, LLC is a for profit LLC providing automobile repair and maintenance services to the general public while providing a revenue source for Chestnut Mountain Ranch, Inc.

See independent auditor's report.

**CHESTNUT MOUNTAIN RANCH, INC. AND AFFILIATES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)**  
**DECEMBER 31, 2020**

**Note 2: Significant Accounting Policies**

**Basis of Accounting** – The financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

**Basis of Presentation** – The financial statements are prepared in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 958-205, Not-for-Profit Entities, Presentation of Financial Statements. During 2018, the Organization adopted the provisions of Accounting Standards Updated ("ASU") 2016-14, *Not-for-Profit Entities (Topic 958) Presentation of Financial Statements of Not-for-Profit Entities*, which improves the current net asset classification and the related information presented in the financial statements and notes about the Organization's liquidity, financial performance, and cash flows.

**Inventory** – Inventory comprises goods for resale which are valued at net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less any applicable selling expenses.

**Cash and Cash Equivalents** – The Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

**Advertising Costs** – The Organization uses advertising to promote its programs among the audiences it serves. Advertising costs are expensed as incurred. Advertising expense for the year ended December 31, 2020 was \$11,201.

**Revenue Recognition** – Revenue from Exchange Transactions: The Organization recognizes revenue in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers*, as amended. ASU 2014-09 applies to exchange transactions with customers that are bound by contracts or similar arrangements and establishes a performance obligation approach to revenue recognition. The Organization records the following exchange transaction revenue in its consolidated statement of activities and changes in net assets and stockholder's equity for the year ended December 31, 2020:

**Ranch Store Support** – The Organization operates a high-end thrift store providing gently used merchandise to the community. The Ranch Store receives contributions of personal and household items from the general public that are sold to the general public at their retail location. Due to the uncertainty of assigning values to the contributions at the time of the donation, management has elected to record the values of the contributions at the time the items are sold. Management feels this procedure for revenue recognition provides the most

See independent auditor's report.

**CHESTNUT MOUNTAIN RANCH, INC. AND AFFILIATES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)**  
**DECEMBER 31, 2020**

accurate sources for values of donated items. All proceeds from the Store's sales go to Chestnut Mountain Ranch, a home and school for boys in crisis. The merchandise is sold on a retail basis to customers. The performance obligation is the delivery of the goods to the customers. The transaction price is established by the Organization. As each item is individually priced no allocation of the transaction prices is necessary. The Organization recognizes revenue as the customer pays and takes possession of the merchandise.

**Ranch Quick Lube Sales** – The Organization operates a Quick Lube in Sabraton. All proceeds from the Quick Lube sales go towards Chestnut Mountain Ranch, a home and school for boys in crisis. The Quick Lube service is sold on a retail basis to customers. The performance obligation is the oil change service provided to the customer. The transaction price is established by the Organization. As each service is individually priced no allocation of the transaction prices is necessary. The Organization recognizes revenue as the customer pays for the service and the service is completed by the Organization's personnel.

**Contributions** – Unconditional promises to give that are expected to be collected within one year are recorded as receivables at their estimated realizable value in the year made. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows.

**Other Revenue** – Other revenue consists primarily of rent revenue, and tuition and is recognized on a monthly basis as earned.

**Contributions** – Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. Contributions of property and equipment are reported as net assets with donor restrictions if the donor restricted the use of the property or equipment to a particular program, as are contributions of cash restricted to the purchase of property and equipment. Otherwise, donor restrictions on contributions of property and equipment or assets restricted for purchase of property and equipment are considered to expire when the assets are placed in service. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities as net assets released from restrictions.

See independent auditor's report.

**CHESTNUT MOUNTAIN RANCH, INC. AND AFFILIATES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)**  
**DECEMBER 31, 2020**

**Functional Expenses** – The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are charged to programs and supporting services on the basis of periodic time and expense studies. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

**Reclassifications** – Chestnut Mountain Ranch, Inc. and Affiliates' policy is to reclassify amounts reported in prior year financial statements when necessary for classifications adopted during the current year. There were no reclassifications in 2020.

**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. These estimates and assumptions affect the reported amounts of assets and liabilities and the 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. For example, significant estimates and assumptions have been made with respect to useful lives of capitalized building and development costs. Actual results could differ from those estimates.

**Property, Plant and Equipment** – Property, plant and equipment are stated at cost at date of acquisition or fair value at date of donation in the case of in-kind gifts. The carrying amounts of assets and the related accumulated depreciation are removed from the accounts when such assets are disposed of and the resulting gain or loss is included in the change in unrestricted assets.

**Depreciation** – Depreciation on the property, plant and equipment owned by the Organization has been computed during the straight-line method. The estimated useful lives of the assets are as follows:

	<u>Years</u>
Furniture and fixtures	10
Buildings	40
Office equipment	7-10
Trucks and trailers	5-7
Small tools	7-10

See independent auditor's report.

**CHESTNUT MOUNTAIN RANCH, INC. AND AFFILIATES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)**  
**DECEMBER 31, 2020**

Property and equipment owned by Chestnut Mountain Ranch, Inc. and Affiliates are stated at cost. Expenditures for property and equipment and for renewals and betterments, which extend the originally estimated economic life of assets greater than \$2,000, are capitalized at cost. Expenditures for maintenance and repairs are charged to expense. Depreciation is computed using the straight-line method.

Chestnut Mountain Ranch, Inc. and Affiliates reviews its fixed assets for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Recoverability is measured by a comparison of the carrying amount to the future net undiscounted cash flow expected to be generated by the fixed assets and any estimated proceeds from the eventual disposition of the fixed assets. If the fixed assets are considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying amount exceed the fair value of such fixed assets. There were no impairment losses recognized in 2020.

**Note 3: Fair Value Measurement**

The FASB established a framework for measuring fair value and disclosing fair value measurements to financial statement users. Fair value is the price that would be received to sell an asset or paid to transfer a liability (referred to as the "exit price") in an orderly transaction between market participants in the principal market, or if none exists, the most advantageous market, for specific assets or liabilities at the measurement dates. The fair value should be based on assumptions that market participants would use, including consideration of nonperformance risk.

In determining fair value, the Organization uses various valuation approaches. The FASB established a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are inputs that market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the Organization. Unobservable inputs are inputs that reflect the Organization's assumptions about assumptions market participants would use in pricing the assets or liabilities developed based on the best information available in the circumstances.

See independent auditor's report.

**CHESTNUT MOUNTAIN RANCH, INC. AND AFFILIATES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)**  
**DECEMBER 31, 2020**

The hierarchy is broken down into three levels based on the observability of inputs as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets to which the Organization has access.

Level 2 – Inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in inactive markets; inputs other than quoted market prices that are observable for the asset or liability; and inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The availability of observable inputs can vary and is affected by a wide variety of factors, including, for example, the type of asset or liability, the liquidity of markets and other characteristics particular to the transaction. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised by the Organization in determining fair value is greatest for instruments categorized in Level 3.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement falls in its entirety is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

Fair value is a market-based measure considered from the perspective of a market participant rather than an organization-specific measure. Therefore, even when market assumptions are not readily available, the Organization's own assumptions are set to reflect those that the Organization believes market participants would use in pricing the asset or liability at the measurement date.

See independent auditor's report.

**CHESTNUT MOUNTAIN RANCH, INC. AND AFFILIATES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)**  
**DECEMBER 31, 2020**

The preceding method 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 believes its valuation methods are appropriate and consistent with other market participants, the use of difference methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

**Note 4: Other Assets – Fair Value Measurement**

Other assets consist of three paintings that were given to the Organization as a donation.

The assets' fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The following is a description of the valuation methodologies used for other assets measured at fair value. There have been no changes in methodologies used at December 31, 2020.

The Organization carries donations of art and other collectibles at fair market value as determined by qualified appraisals and capitalizes these collectibles when the fair market values exceeds \$250.

**Note 5: Liquidity and Availability of Funds**

The Organization's financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, are as follows:

Cash	\$ 1,775,046
Accounts receivable	<u>13,798</u>
Total financial assets available to meet general expenditures within the next 12 months	<u>\$ 1,788,844</u>

See independent auditor's report.



**CHESTNUT MOUNTAIN RANCH, INC. AND AFFILIATES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD)**  
**DECEMBER 31, 2020**

**Note 6: Operating Lease as Lessee**

The Organization opted to extend the original lease for an additional five year non-cancelable property lease for the Ranch Community Store through January 2023. Future minimum lease payments are as follows:

2021	\$ 110,797
2022	<u>116,337</u>
Total	<u>\$ 227,134</u>

Operating lease, including common area maintenance fees, expense was \$130,500 for year ended December 31, 2020.

Ranch Quick Lube, LLC is obligated under a 10 year non-cancelable property lease for the shop's premises through April 2027. The lease agreement contains a provision whereby the annual lease payments will increase annually by the same percentage increase (if any) in the Consumer Price Index-All Urban Consumers South Region All Items, as published by the Bureau of Labor Statistics of the U.S. Department of Labor. Future minimum lease payments are as follows:

2021	\$ 50,400
2022	50,400
2023	50,400
2024	50,400
2025	50,400
Threerafter	<u>67,200</u>
Total	<u>\$ 319,200</u>

See independent auditor's report.

**CHESTNUT MOUNTAIN RANCH, INC. AND AFFILIATES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)**  
**DECEMBER 31, 2020**

**Note 7: Contributed Services and Materials**

The Organization receives substantial amount of services donated by volunteers in carrying out the Organization's ministry. No amounts have been reflected in the financial statements for those services since they do not meet the recognition under Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958.605, *Accounting for Contributions Received and Contributions Made*. Specialized services donated by volunteers in carrying out the land preparation and facilities construction under the capital campaign meet the criteria for recognition and have been recorded as in-kind donations in the period incurred.

The Organization receives contributions from various entities for certain land, furniture and other materials. These in-kind contributions are reflected as operating revenues and operating expenses, where applicable, at the value calculated by the entities providing the donation.

**Note 8: Income Tax Status**

Chestnut Mountain Ranch, Inc. and Chestnut Mountain Ranch Foundation, Inc. are not-for-profit organizations that are exempt from income taxes under Section 501(c)(3) of the U.S. Internal Revenue Code and classified by the Internal Revenue Service as other than private foundations. RRF Visions Properties, Inc. is organized as a for profit corporation. Ranch Quick Lube, LLC is organized as a for profit LLC.

Accounting principles generally accepted in the United States of America requires management to evaluate tax positions taken by the Organization and recognize a tax liability (or asset) if the Organization has taken an uncertain position that more likely than not would be sustained upon examination by the IRS. Management has analyzed the tax positions taken by the Organization, and has concluded that as of December 31, 2020, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Organization is subject to routine audits by taxing jurisdictions, however, there are currently no audits for any tax periods in progress. Chestnut Mountain Ranch, Inc.'s Federal Return of Organization Exempt for Income Tax (Form 990) for 2017, 2018 and 2019 are subject to examination by the IRS, generally for three years after they were filed. Chestnut Mountain Ranch Foundation, Inc. began operations in 2017. Chestnut Mountain Ranch Foundation, Inc.'s federal return of organization exempt for income tax (form 990) for 2017, 2018 and 2019 are subject to examination by the IRS generally for three years after they are filed.

See independent auditor's report.

**CHESTNUT MOUNTAIN RANCH, INC. AND AFFILIATES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)**  
**DECEMBER 31, 2020**

**Note 9: Concentrations of Credit Risk**

Funds of Chestnut Mountain Ranch, Inc. and Affiliates are on deposit in banks and are maintained in accounts insured by the F.D.I.C. up to \$250,000. Funds on deposit exceeded FDIC coverage at various times during the year.

Chestnut Mountain Ranch, Inc. and Chestnut Mountain Ranch Foundation, Inc. receive a substantial amount of their support from individual contributions. A significant reduction of this support would have a major effect on the operations of the corporations.

**Note 10: Recently Issued Accounting Standards**

Recently adopted accounting pronouncements issued by the FASB:

In May 2014, the FASB issued Accounting Standards Update ("ASU") No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*. This ASU will supersede most current revenue recognition guidance, including industry- specific guidance. The core principle of the new guidance is that an entity will recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard provides a five-step analysis of transactions to determine when and how revenue is recognized. Other major provisions include the capitalization and amortization of certain contract costs, ensuring the time value of money is considered in the transaction price, and allowing estimates of variable consideration to be recognized before contingencies are resolved in certain circumstances. Additionally, the guidance requires disclosures related to the nature, amount, timing, and uncertainty of revenue that is recognized. In August 2015, the FASB issued ASU No. 2015-14, *Revenue from Contracts with Customers (Topic 606)*, which changed the effective dates of ASU 2014-09. The provisions of ASU 2014-09 are now effective for annual reporting periods beginning after December 31, 2019. Transition to the new guidance may be done using either a full or modified retrospective method. The adoption of this standard had no effect on the Organization's financial statements.

See independent auditor's report.

**CHESTNUT MOUNTAIN RANCH, INC. AND AFFILIATES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)**  
**DECEMBER 31, 2020**

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*. This ASU requires that a lease liability and related right-of-use-asset representing the lessee's right to use or control the asset be recorded on the consolidated statement of financial position upon the commencement of all leases except for short-term leases. Leases will be classified as either finance leases or operating leases, which are substantially similar to the classification criteria for distinguishing between capital leases and operating in existing lease accounting guidance. As a result, the effect of leases in the consolidated statement of activities and changes in net assets and the consolidated statement of cash flows will be substantially unchanged from the existing lease accounting guidance. The ASU is effective for fiscal years beginning after December 15, 2020. Early adoption is permitted. The Organization is currently evaluating the full effect that the adoption of this standard will have on the financial statements.

**Note 11: COVID-19 Pandemic**

In January 2020, the World Health Organization declared the novel coronavirus (COVID-19) outbreak, a public health emergency. There have been mandates from international, federal, state and local authorities requiring forced closures of various schools, businesses, and other facilities and organizations. In response to this, the U.S. Government has allocated and spent trillions of dollars in economic aid. Should these trends continue, the impact could have a material adverse effect on the Organization's financial position, results of operations and cash flows.

On May 8, 2020, Chestnut Mountain Ranch, LLC qualified for and received \$157,900 loan from the Payroll Protection Program. On April 21, 2020 the Ranch Quick Lube, LLC qualified for and received \$52,300 loan from the Payroll Protection Program. The Payroll Protection Program is authorized under the Small Business Administration 7(a) Loan Program and the CARES Act. The principal of this loan is reduced or forgiven in accordance with the loan forgiveness provisions of the CARES Act and regulations or requirements established by the Small Business Administration and the U.S. Treasury. The portion of the loan that is not forgiven is repayable at 1% over a two-year term from the date of the note. The interest rate may only be changed in accordance with SOP 50 10, the CARES Act, or guidance established by the Small Business Administration or the U.S. Treasury. The repayment of any amount not forgiven, will be deferred for the first six months following the disbursement of the loan. Principal and interest payments are to begin seven months following the date of the disbursement of the loan. Interest shall continue during the six-month deferral.

See independent auditor's report.

**CHESTNUT MOUNTAIN RANCH, INC. AND AFFILIATES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)**  
**DECEMBER 31, 2020**

**Note 12: Subsequent Events**

Management evaluated the activity of the nonprofit organization through July 12, 2020 (the date the financial statements were available to be issued) and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.

See independent auditor's report.

**CHESTNUT MOUNTAIN RANCH, INC. AND AFFILIATES**  
**CONSOLIDATING STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2020**

	<u>Chestnut Mountain Ranch, Inc.</u>	<u>Chestnut Mountain Ranch Foundation, Inc.</u>	<u>RRF Visions Properties, Inc.</u>	<u>Ranch Quick Lube, LLC</u>	<u>Elimination Entries</u>	<u>Chestnut Mountain Ranch, Inc. Consolidated</u>
<b>Assets</b>						
<b>Current Assets:</b>						
Cash and cash equivalents	\$ 659,612	\$ 952,366	\$ 115	\$ 162,953	\$ -	\$ 1,775,046
Accounts receivable	-	-	-	13,798	-	13,798
Inventory	18,387	-	-	42,339	-	60,726
Prepaid expenses	7,355	-	20,738	3,428	-	31,521
Total current assets	<u>685,354</u>	<u>952,366</u>	<u>20,853</u>	<u>222,518</u>	<u>-</u>	<u>1,881,091</u>
<b>Property, Plant and Equipment</b>						
Land	-	809,246	-	-	-	809,246
Furniture and fixtures	348,124	15,421	-	-	-	363,545
Shop equipment	-	-	-	37,696	-	37,696
Leasehold improvements	-	-	-	13,092	-	13,092
Building and improvements	102,403	3,562,469	-	-	-	3,664,872
Land development	-	1,875,476	-	-	-	1,875,476
Vehicles	244,255	-	-	14,953	-	259,208
Construction in process	-	101,847	-	-	-	101,847
Less: accumulated depreciation	694,782	6,364,459	-	65,741	-	7,124,982
	(407,643)	(1,043,788)	-	(27,226)	-	(1,478,657)
Property, plant and equipment - net	<u>287,139</u>	<u>5,320,671</u>	<u>-</u>	<u>38,515</u>	<u>-</u>	<u>5,646,325</u>
<b>Other Assets</b>						
Security deposit	4,900	-	-	-	-	4,900
Investments	356,681	-	335,828	-	(692,509)	-
Contributed art collectibles	3,968	-	-	-	-	3,968
Goodwill	-	-	-	180,600	-	180,600
Due from Chestnut Mountain Ranch Inc.	-	32,742	-	-	(32,742)	-
Total other assets	<u>365,549</u>	<u>32,742</u>	<u>335,828</u>	<u>180,600</u>	<u>(725,251)</u>	<u>189,468</u>
<b>Total Assets</b>	<u>\$ 1,338,042</u>	<u>\$ 6,305,779</u>	<u>\$ 356,681</u>	<u>\$ 441,633</u>	<u>\$ (725,251)</u>	<u>\$ 7,716,884</u>

See accompanying notes and independent auditor's report.

**CHESTNUT MOUNTAIN RANCH, INC. AND AFFILIATES**  
**CONSOLIDATING STATEMENT OF FINANCIAL POSITION (CONTD)**  
**DECEMBER 31, 2020**

	<u>Chestnut Mountain Ranch, Inc.</u>	<u>Chestnut Mountain Ranch Foundation, Inc.</u>	<u>RRF Visions Properties, Inc.</u>	<u>Ranch Quick Lube, LLC</u>	<u>Elimination Entries</u>	<u>Chestnut Mountain Ranch, Inc. Consolidated</u>
<b>Liabilities and Net Assets</b>						
<b>Current Liabilities:</b>						
Accounts payable	\$ 12,472	-	-	\$ 39,637	-	\$ 52,109
Accrued expenses	42,786	-	-	13,868	-	56,654
Deferred revenue - Payroll Protection Program loan proceeds	157,900	-	-	52,300	-	210,200
Total current liabilities	<u>213,158</u>	<u>-</u>	<u>-</u>	<u>105,805</u>	<u>-</u>	<u>318,963</u>
<b>Other Liabilities</b>						
Due to RRF Vision Properties	-	-	-	-	-	-
Due to Chestnut Mountain Ranch, Foundation Inc.	<u>32,742</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(32,742)</u>	<u>-</u>
Total other liabilities	<u>32,742</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(32,742)</u>	<u>-</u>
Total liabilities	<u>245,900</u>	<u>-</u>	<u>-</u>	<u>105,805</u>	<u>(32,742)</u>	<u>318,963</u>
<b>Net Assets</b>						
Without donor restrictions	1,092,142	6,305,779	-	-	-	7,397,921
With donor restrictions	-	-	-	-	-	-
Total net assets	<u>1,092,142</u>	<u>6,305,779</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,397,921</u>
Stockholder's equity	-	-	356,681	335,828	(692,509)	-
<b>Total Liabilities, Net Assets and Stockholders' Equity</b>	<u>\$ 1,338,042</u>	<u>\$ 6,305,779</u>	<u>\$ 356,681</u>	<u>\$ 441,633</u>	<u>\$(725,251)</u>	<u>\$ 7,716,884</u>

See accompanying notes and independent auditor's report.

**CHESTNUT MOUNTAIN RANCH, INC. AND AFFILIATES**  
**CONSOLIDATING STATEMENT OF ACTIVITIES AND**  
**CHANGES IN NET ASSETS AND SHAREHOLDER'S EQUITY**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>Chestnut Mountain Ranch, Inc.</u>	<u>Chestnut Mountain Ranch Foundation, Inc.</u>	<u>RRE Visions Properties, Inc.</u>	<u>Ranch Quick Lube, LLC</u>	<u>Elimination Entries</u>	<u>Chestnut Mountain Ranch, Inc. Consolidated</u>
<b>Public Support and Revenues</b>						
Contributions	\$ 884,895	\$ 1,818,531	\$ -	\$ -	\$ -	\$ 2,703,426
Ranch store support	<u>863,052</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>863,052</u>
Total public support and revenues	<u>1,747,947</u>	<u>1,818,531</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,566,478</u>
<b>Operating Revenues</b>						
Tuition	33,165	-	-	-	-	33,165
Rent income	<u>-</u>	<u>33,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>33,000</u>
Total operating revenues	<u>33,165</u>	<u>33,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>66,165</u>
Net assets released from restrictions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total public support and revenues	<u>1,781,112</u>	<u>1,851,531</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,632,643</u>
<b>Operating Expenses</b>						
Program services	1,244,517	-	-	-	-	1,244,517
Fundraising	131,526	-	-	-	-	131,526
Administrative	246,350	180,090	-	-	-	426,440
Total operating expenses	<u>1,622,393</u>	<u>180,090</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,802,483</u>
Change in net assets without donor restrictions before non-operating revenues (expenses)	<u>158,719</u>	<u>1,671,441</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,830,160</u>

See accompanying notes and independent auditor's report.



**CHESTNUT MOUNTAIN RANCH, INC. AND AFFILIATES  
CONSOLIDATING STATEMENT OF ACTIVITIES AND  
CHANGES IN NET ASSETS AND SHAREHOLDER'S EQUITY (CONTD)  
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>Mountain Ranch, Inc.</u>	<u>Ranch Foundation, Inc.</u>	<u>RRF Visions Properties, Inc.</u>	<u>Ranch Quick Lube, LLC</u>	<u>Elimination Entries</u>	<u>Ranch, Inc. Consolidated</u>
<b>Non-Operating Revenues (Expenses)</b>						
Income from For-Profit Subsidiary	\$ 46,516	-	-	-	-	\$ 46,516
Interest	14	-	-	-	-	14
Other income (expense)	26,014	-	-	-	-	26,014
Total non-operating revenues (expenses)	<u>72,544</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>72,544</u>
Change in net assets without donor restrictions	<u>231,263</u>	<u>1,671,441</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,902,704</u>
<b>Net Assets - Beginning of Year</b>						
Without donor restrictions	860,879	4,634,338	-	-	-	5,495,217
With donor restrictions	-	-	-	-	-	-
Total net assets beginning of year	<u>860,879</u>	<u>4,634,338</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,495,217</u>
<b>Net Assets - End of Year</b>						
Without donor restrictions	1,092,142	6,305,779	-	-	-	7,397,921
With donor restrictions	-	-	-	-	-	-
Total net assets end of year	<u>1,092,142</u>	<u>6,305,779</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,397,921</u>
<b>Shareholder's Equity of For-Profit Subsidiary</b>						
Total shareholder's equity, beginning of year	-	-	310,165	282,077	(592,242)	-
Capital contributions	-	-	-	-	-	-
Dividends	-	-	-	(14,001)	14,001	-
Net income	-	-	46,516	67,752	(114,268)	-
Total shareholder's equity end of year	<u>-</u>	<u>-</u>	<u>356,681</u>	<u>335,828</u>	<u>(692,509)</u>	<u>-</u>
Total net assets and shareholder's equity	<u>\$ 1,092,142</u>	<u>\$ 6,305,779</u>	<u>\$ 356,681</u>	<u>\$ 335,828</u>	<u>\$ (692,509)</u>	<u>\$ 7,397,921</u>

See accompanying notes and independent auditor's report.

**CHESTNUT MOUNTAIN RANCH, INC. AND AFFILIATES**  
**CONSOLIDATING STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>Chestnut Mountain Ranch, Inc.</u>	<u>Chestnut Mountain Ranch Foundation, Inc.</u>	<u>RRF Visions Properties, Inc.</u>	<u>Ranch Quick Lube, LLC</u>	<u>Elimination Entries</u>	<u>Chestnut Mountain Ranch, Inc. Consolidated</u>
<b>Cash Flows From Operating Activities</b>						
Change in net assets	\$ 231,263	\$ 1,671,441	\$ 46,516	\$ 67,752	\$ (114,268)	\$ 1,902,704
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:						
Depreciation	55,302	147,116	-	35,679	-	238,097
Loss on disposal of capital assets	-	-	-	-	-	-
Payment in-kind contributions	-	-	-	-	-	-
(Increase) decrease in assets:						
Accounts receivable	-	-	-	7,805	-	7,805
Investments	(46,516)	-	(53,751)	-	100,267	-
Inventory	-	-	-	(1,371)	-	(1,371)
Prepaid expense	(453)	-	4,459	4,063	-	8,069
Due from affiliated entity	46,852	(32,742)	1,000	-	(15,110)	-
Increase (decrease) in liabilities:						
Accounts payable	491	-	-	(16,450)	-	(15,959)
Accrued expenses	16,100	-	-	4,450	-	20,550
Deferred revenue	-	-	-	-	-	-
Due to affiliated entity	32,742	(47,852)	-	-	15,110	-
Net cash provided by (used in) operating activities	<u>335,781</u>	<u>1,737,963</u>	<u>(1,776)</u>	<u>101,928</u>	<u>(14,001)</u>	<u>2,159,895</u>

See accompanying notes and independent auditor's report.

**CHESTNUT MOUNTAIN RANCH, INC. AND AFFILIATES  
CONSOLIDATING STATEMENT OF CASH FLOWS (CONTD)  
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>Chestnut Mountain Ranch, Inc.</u>	<u>Chestnut Mountain Ranch Foundation, Inc.</u>	<u>RRF Visions Properties, Inc.</u>	<u>Ranch Quick Lube, LLC</u>	<u>Elimination Entries</u>	<u>Chestnut Mountain Ranch, Inc. Consolidated</u>
<b>Cash Flow From Investing Activities</b>						
Acquisition of property, plant and equipment	\$ (85,019)	\$ (1,124,311)	-	\$ (9,079)	\$ -	\$ (1,218,409)
Net cash provided by (used in) investing activities	<u>(85,019)</u>	<u>(1,124,311)</u>	-	<u>(9,079)</u>	-	<u>(1,218,409)</u>
<b>Cash Flow From Financing Activities</b>						
Proceeds from loan payable - Payroll Protection Program	157,900	-	-	52,300	-	210,200
Proceeds from (to) capital investors	-	-	-	(14,001)	14,001	-
Net cash provided by (used in) financing activities	<u>157,900</u>	<u>-</u>	<u>-</u>	<u>38,299</u>	<u>14,001</u>	<u>210,200</u>
Net increase (decrease) in cash and cash equivalents	408,662	613,652	(1,776)	131,148	-	1,151,686
Cash and cash equivalents beginning of year	<u>250,950</u>	<u>338,714</u>	<u>1,891</u>	<u>31,805</u>	<u>-</u>	<u>623,360</u>
Cash and cash equivalents end of year	<u>\$ 659,612</u>	<u>\$ 952,366</u>	<u>\$ 115</u>	<u>\$ 162,953</u>	<u>\$ -</u>	<u>\$ 1,775,046</u>
<b>Noncash Investing and Financing Activities</b>						
In-kind contributions of materials and services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

See accompanying notes and independent auditor's report.

CHESTNUT MOUNTAIN RANCH, INC. AND AFFILIATES  
CONSOLIDATING INCOME STATEMENT  
RRF VISIONS PROPERTIES, INC. AND AFFILIATE  
FOR THE YEAR ENDED DECEMBER 31, 2020

**Ranch Quick Lube, LLC**

Net sales		\$ 1,030,636
Cost of sales		<u>368,407</u>
Gross profit		662,229
Operating, selling, general and administrative expenses:		
General and administrative expenses	\$ 117,918	
Rent expense	47,132	
Salaries and wages	273,213	
Payroll taxes and benefits	31,033	
Advertising expenses	26,136	
Shop supplies	39,183	
Repair and maintenance	24,183	
Depreciation and amortization expense	<u>35,679</u>	
Total operating, selling, general and administrative expenses		<u>594,477</u>
Net income - Ranch Quick Lube, Inc.		67,752
RRF Visions Properties, Inc.		
Interest expense	83	
General and administrative expenses	2,776	
Income tax expenses	<u>18,377</u>	<u>(21,236)</u>
Net income - RRF Visions Properties, Inc.		<u>\$ 46,516</u>

See accompanying notes and independent auditor's report.

**CHESTNUT MOUNTAIN RANCH, INC. AND AFFILIATES**  
**CONSOLIDATING STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>Program</u> <u>Cost</u>	<u>Fund</u> <u>Raising</u>	<u>Administrative</u> <u>Cost</u>	<u>Total</u>
<b>Chestnut Mountain Ranch, Inc.</b>				
Salaries and wages	\$ 602,761	\$ 96,442	\$ 104,479	\$ 803,682
Payroll taxes and benefits	<u>101,532</u>	<u>16,245</u>	<u>17,599</u>	<u>135,376</u>
Total personnel cost	704,293	112,687	122,078	939,058
Advertising	11,201	-	-	11,201
Bank charges and fees	14,951	-	9,968	24,919
Books and subscriptions	9,776	-	-	9,776
Conferences and meetings	3,450	-	2,300	5,750
Benevolence and gifts	1,882	-	807	2,689
Facilities and equipment	47,913	-	2,522	50,435
Licenses, permit, fees	2,348	-	-	2,348
Food	43,490	5,116	2,558	51,164
Office expenses	3,737	93	5,511	9,341
Insurance	31,786	-	1,673	33,459
Resale items	6,049	-	-	6,049
Printing and copying	12,027	-	12,027	24,054
Professional service	-	-	27,581	27,581
Rent	193,979	-	-	193,979
Supplies	26,126	6,967	1,742	34,835
Travel and meetings	803	5,619	1,605	8,027
Utilities	77,262	-	19,315	96,577
Vehicle expense	30,290	1,044	3,482	34,816
Activities expense	1,033	-	-	1,033
Depreciation	<u>22,121</u>	<u>-</u>	<u>33,181</u>	<u>55,302</u>
Total Chestnut Mountain Ranch, Inc.	<u>1,244,517</u>	<u>131,526</u>	<u>246,350</u>	<u>1,622,393</u>
<b>Chestnut Mountain Ranch Foundation, Inc.</b>				
License, permit, fees	-	-	1,249	1,249
Professional services	-	-	2,000	2,000
Office expense	-	-	291	291
Depreciation	-	-	147,116	147,116
Insurance	<u>-</u>	<u>-</u>	<u>29,434</u>	<u>29,434</u>
Total Chestnut Mountain Ranch Foundation, Inc.	<u>-</u>	<u>-</u>	<u>180,090</u>	<u>180,090</u>
Elimination Entries	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total functional expenses	<u>\$ 1,244,517</u>	<u>\$ 131,526</u>	<u>\$ 426,440</u>	<u>\$ 1,802,483</u>

See accompanying notes and independent auditor's report.