

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

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

DECEMBER 31, 2023

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Tetrick & Bartlett, PLLC

**Certified Public Accountants
Consultants**

INDEPENDENT AUDITOR'S REPORT

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

Qualified Opinion

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, 2023, and the related consolidated statement of activities and changes in net assets and shareholder's equity and consolidated statement of cash flows, for the year then ended, and the related notes to the financial statements.

In our opinion, except for the possible effects of the matters described in the Basis of Qualified Opinion section of our report, 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, 2023, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Qualified Opinion

The Chestnut Mountain Ranch, Inc. and Affiliates have leases for real estate that, in accordance with ASU No. 2016-02, *Leases (Topic 842)* accounting principles generally accepted in the United States of America, should be presented as financing leases. Management has informed us that the Organization has not adopted ASU No. 2016-02, *Leases (Topic 842)*. The effect of this departure on the consolidated financial statements has not been determined.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Chestnut Mountain Ranch, Inc. and Affiliates and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events considered in the aggregate, that raise substantial doubt about Chestnut Mountain Ranch, Inc. and Affiliates' ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Chestnut Mountain Ranch, Inc. and Affiliates' internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Chestnut Mountain Ranch, Inc. and Affiliates ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of our audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating statement of financial position, consolidating statement of activities and changes in net assets and stockholder's equity, consolidating statement of cash flows, consolidating income statement – RRF Visions Properties, Inc. and Affiliate, and consolidating statement of functional expenses are presented for purposes of additional analysis and are not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 consolidated financial statements as a whole.

T. Daniel, Bachelor, CPA

Clarksburg, West Virginia
September 26, 2024

CHESTNUT MOUNTAIN RANCH, INC. AND AFFILIATES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2023

Assets

Current Assets

Cash and cash equivalents	\$ 4,436,885	
Accounts receivable	24,780	
Inventory	106,227	
Prepaid expenses	<u>52,872</u>	
Total current assets		\$ 4,620,764

Property, Plant and Equipment

Land	810,816	
Furniture and fixtures	260,521	
Shop equipment	84,951	
Leasehold improvements	550,048	
Building and improvements	6,934,518	
Land development	697,854	
Vehicles	889,622	
Construction in process	<u>404,295</u>	
	10,632,625	
Less: accumulated depreciation	<u>(2,083,168)</u>	
Property, plant and equipment - net		8,549,457

Other Assets

Investments	1,705,104	
Goodwill	<u>86,000</u>	
Total other assets		<u>1,791,104</u>

Total Assets		\$ <u>14,961,325</u>
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See accompanying notes and independent auditor's report.

CHESTNUT MOUNTAIN RANCH, INC. AND AFFILIATES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONT'D)
DECEMBER 31, 2023

Liabilities and Net Assets

Current Liabilities

Notes payable	\$	69,250
Accounts payable		79,618
Accrued expenses		<u>140,554</u>
Total current liabilities		289,422

Noncurrent Liabilities

Notes payable net of current portion		<u>165,573</u>
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Total liabilities		\$ 454,995
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Net Assets

Without donor restrictions		14,506,330
With donor restrictions		<u>-</u>
Total net assets		14,506,330

Shareholder's equity

		<u>-</u>
Total Liabilities, Net Assets and Shareholder's Equity		<u>\$ 14,961,325</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, 2023**

Public Support and Revenues

Contributions	\$ 2,655,942	
Ranch store support	1,295,968	
Miscellaneous income	<u>13,837</u>	
Total public support and revenues		\$ 3,965,747

Operating Revenues

Tuition	55,393	
Rent income	<u>42,000</u>	
Total operating revenues		97,393

Net assets released from restrictions -

Total public support and revenues 4,063,140

Operating Expenses

Program services	2,680,857	
Fundraising	257,606	
Administrative	<u>317,375</u>	
Total operating expenses		<u>3,255,838</u>

Change in net assets without donor restrictions
before non-operating revenues (expenses) 807,302

Non-Operating Revenues (Expenses)

Income from For-Profit Subsidiary	125,510	
Interest	84,361	
Gain (loss) on stocks	100,808	
Gain (loss) on sale of fixed assets	14,364	
Other income (expense)	<u>183,163</u>	
Total non-operating revenues (expenses)		<u>508,206</u>

Change in net assets without donor restrictions 1,315,508

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, 2023**

Net Assets - Beginning of Year

Without donor restrictions - restated	\$ 13,190,822	
With donor restrictions	<u> -</u>	
Total net assets beginning of year		<u>\$ 13,190,822</u>

Net Assets - End of Year

Without donor restrictions	14,506,330	
With donor restrictions	<u> -</u>	
Total net assets end of year		14,506,330

Shareholder's Equity of For-Profit Subsidiary

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>\$ 14,506,330</u>
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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, 2023

Cash Flows From Operating Activities

Change in net assets		\$ 1,315,508
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation		362,483
(Gain) on disposal of stock		(11,521)
(Gain) on disposal of capital asset		(14,364)
Gifts in kind		(25,974)
(Increase) decrease in assets:		
Accounts receivable		(167,586)
Investments		-
Inventory		1,730
Prepaid expense		5,564
Increase (decrease) in liabilities:		
Accounts payable		338
Accrued expenses		55,110
Net cash provided by (used in) operating activities		\$ 1,521,288

Cash Flow From Investing Activities

Acquisition of property, plant and equipment		(928,971)
Proceeds from sale of property, plant and equipment		42,009
Net cash provided by (used in) investing activities		(886,962)

Cash Flow From Financing Activities

Repayment of notes payable		(66,757)
Purchase of investments		(1,541,096)
Proceeds from sale of investments		11,521
Net cash provided by (used in) financing activities		(1,596,332)

Net increase (decrease) in cash and cash equivalents		(962,006)
Cash and cash equivalents beginning of year		5,398,891
Cash and cash equivalents end of year		\$ 4,436,885

Noncash Investing and Financing Activities

In-kind contributions of materials and services		\$ 25,974
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See accompanying notes and independent auditor's report.

CHESTNUT MOUNTAIN RANCH, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023

Note 1: Nature of Organization

Chestnut Mountain Ranch, Inc. (the Organization) was formed in 2004 for the purpose of creating a Christ centered safe-haven for boys and families in crisis. The Organization is a ministry for boys ages 11 through 17 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 85 students and families. In addition, hundreds of 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, 2023

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, 2023 was \$49,324.

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 shareholder's equity for the year ended December 31, 2023:

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, 2023

accurate sources for values of donated items. All proceeds from the Store's sales go to Chestnut Mountain Ranch, Inc. 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 two Quick Lube locations in Sebraton and Granville. All proceeds from the Quick Lube sales go towards Chestnut Mountain Ranch, Inc. 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.

Fundraising – There were special fundraising events during the year that represent exchange transactions. Revenue from special fundraising events is recognized at a point in time, on the date the special event takes place, and the amounts earned during the year are reported on the statement of activities. There were no contract assets or liabilities related to special fundraising events at either the beginning or end of the fiscal year. There are no obligations for returns or refunds arising from the special fundraising events.

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, 2023

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 2023.

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 equipment	7-10
Buildings	40
Office equipment	7-10
Vehicles	5-7
Shop equipment	7-10
Land development	40
Leasehold improvements	40
Intangible assets	10

See independent auditor's report.

CHESTNUT MOUNTAIN RANCH, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)
DECEMBER 31, 2023

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 \$10,000, 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 2023.

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, 2023

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, 2023

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: Contract Assets and Contract Liabilities

Contract assets consist of accounts receivable as follows:

Accounts receivable:

Beginning of the year	\$ 50,463
End of the year	\$ 24,780

Contract liabilities consist of accounts payable and notes payable as follows:

Accounts payable:

Beginning of the year	\$ 263,245
End of the year	\$ 79,618

Notes payable:

Beginning of the year	\$ 301,580
End of the year	\$ 66,757

See independent auditor's report.

CHESTNUT MOUNTAIN RANCH, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)
DECEMBER 31, 2023

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	\$ 4,436,885
Accounts receivable	24,780
Investments	<u>1,705,104</u>
	6,166,769
Less: Endowment fund	<u>(1,451,692)</u>
 Total financial assets available to meet general expenditures within the next 12 months	 <u>\$ 4,715,077</u>

Note 6: Notes Payable – Truist Bank

Notes Payable – Truist Bank

3.66%; \$350,000 installment obligation dated March 17, 2022, payable in monthly installments of \$6,401; maturing March 17, 2027; secured by equipment and accounts receivable.

\$ 234,823

Future debt maturity based on current financing arrangements is as follows:

2024		\$ 69,250
2025		71,887
2026		74,601
2027		<u>19,085</u>
		<u>\$ 234,823</u>

See independent auditor's report.

CHESTNUT MOUNTAIN RANCH, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)
DECEMBER 31, 2023

Note 7: 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 2028. Future minimum lease payments are as follows:

2024	\$ 169,454
2025	169,454
2026	169,454
2027	169,454
2028	<u>14,121</u>
Total	<u>\$ 691,937</u>

Operating lease, including common area maintenance fees, expense was \$169,229 for year ended December 31, 2023.

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:

2024	\$ 50,400
2025	50,400
2026	50,400
2027	<u>16,800</u>
Total	<u>\$ 168,000</u>

See independent auditor's report.

CHESTNUT MOUNTAIN RANCH, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)
DECEMBER 31, 2023

Ranch Quick Lube, Inc. is obligated under a 5 year property lease for the entity's second shop premises through October 2026. The lease agreement contains a provision whereby the monthly rent payments of \$7,300. Throughout the term of the lease additional rent may be required for any increase in the real estate taxes assessed against the premises, increase in insurance premiums on the premises, maintenance, replacement and improvement costs and all charges for electricity, gas, water and sewer. The lease may be terminated by either party by delivering a written notice one hundred eighty (180) days prior to termination. The lease may be renewed for up to two (2) consecutive five (5) year periods. The rent for any renewal term shall be at an amount that is 15% higher than the prior term. Future minimum lease payments are as follows:

2024	\$ 87,600
2025	87,600
2026	<u>73,000</u>
Total	<u>\$ 248,200</u>

In accordance with ASU No. 2016-02, *Leases (Topic 842)* both of these leases should be classified as financing leases with right to use assets recorded on the statement of financial position. The Organization has opted not to implement ASU No. 2016-02 in the current year.

Note 8: 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.

See independent auditor's report.

CHESTNUT MOUNTAIN RANCH, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)
DECEMBER 31, 2023

Note 9: 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, 2023, 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 2021, 2022 and 2023 are subject to examination by the IRS, generally for three years after they were filed. Chestnut Mountain Ranch Foundation, Inc. began operations in 2016. Chestnut Mountain Ranch Foundation, Inc.'s federal return of organization exempt for income tax (form 990) for 2021, 2022 and 2023 are subject to examination by the IRS generally for three years after they are filed.

Note 10: 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.

See independent accountant's review report.

CHESTNUT MOUNTAIN RANCH, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)
DECEMBER 31, 2023

Note 11: 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.

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, 2021. Early adoption is permitted. The Organization has not implemented this Statement as of December 31, 2023. The Organization has not determined the impact on the accompanying Statement of Financial Position resulting from not implementing this Standard.

See independent auditor's report.

CHESTNUT MOUNTAIN RANCH, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)
DECEMBER 31, 2023

Note 12: Restatement of Net Assets

Chestnut Mountain Ranch, LLC

The beginning net assets of Chestnut Mountain Ranch, LLC were restated as follows:

Beginning net assets as previously stated	\$ 4,017,198
Restatement: Understatement of current assets	<u>2,384</u>
Beginning net assets restated	<u>\$ 4,019,582</u>

The beginning net assets of Chestnut Mountain Ranch Foundation, LLC were restated as follows:

Beginning net assets as previously stated	\$ 9,021,117
Restatement: Understatement of current assets	<u>150,123</u>
Beginning net assets restated	<u>\$ 9,171,240</u>

The beginning net assets of Ranch Quick Lube, LLC were restated as follows:

Beginning net assets as previously stated	\$ 371,736
Restatement: Understatement of current assets	<u>33,909</u>
Beginning net assets restated	<u>\$ 405,645</u>

The beginning net assets of RRF Vision Properties, Inc. were restated as follows:

Beginning net assets as previously stated	\$ 411,778
Restatement: Understatement of current assets	<u>33,909</u>
Beginning net assets restated	<u>\$ 445,687</u>

See independent auditor's report.

CHESTNUT MOUNTAIN RANCH, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)
DECEMBER 31, 2023

Note 13: Subsequent Events

Management evaluated the activity of the nonprofit organization through September 26, 2024 (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, 2023

	<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>
Assets						
Current Assets:						
Cash and cash equivalents	\$ 2,051,864	\$ 2,213,830	\$ 116	\$ 171,075	\$ -	\$ 4,436,885
Accounts receivable	135,607	-	-	24,780	(135,607)	24,780
Inventory	-	-	-	106,227	-	106,227
Prepaid expenses	-	-	39,951	12,921	-	52,872
Total current assets	<u>2,187,471</u>	<u>2,213,830</u>	<u>40,067</u>	<u>315,003</u>	<u>(135,607)</u>	<u>4,620,764</u>
Property, Plant and Equipment						
Land	-	810,816	-	-	-	810,816
Furniture and fixtures	175,657	84,864	-	-	-	260,521
Shop equipment	-	-	-	84,951	-	84,951
Leasehold improvements	102,403	-	-	447,645	-	550,048
Building and improvements	-	6,934,518	-	-	-	6,934,518
Land development	-	697,854	-	-	-	697,854
Vehicles	800,600	-	-	89,022	-	889,622
Construction in process	-	404,295	-	-	-	404,295
	<u>1,078,660</u>	<u>8,932,347</u>	<u>-</u>	<u>621,618</u>	<u>-</u>	<u>10,632,625</u>
Less: accumulated depreciation	<u>(634,443)</u>	<u>(1,383,497)</u>	<u>-</u>	<u>(65,228)</u>	<u>-</u>	<u>(2,083,168)</u>
Property, plant and equipment - net	<u>444,217</u>	<u>7,548,850</u>	<u>-</u>	<u>556,390</u>	<u>-</u>	<u>8,549,457</u>

See accompanying notes and independent auditor's report.

CHESTNUT MOUNTAIN RANCH, INC. AND AFFILIATES
CONSOLIDATING STATEMENT OF FINANCIAL POSITION (CONT'D)
DECEMBER 31, 2023

	<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>
Other Assets						
Investments	\$ 735,205	\$ 1,541,096	\$ 531,180	\$ -	\$ (1,102,377)	\$ 1,705,104
Goodwill	<u>-</u>	<u>-</u>	<u>-</u>	<u>86,000</u>	<u>-</u>	<u>86,000</u>
Total other assets	<u>735,205</u>	<u>1,541,096</u>	<u>531,180</u>	<u>86,000</u>	<u>(1,102,377)</u>	<u>1,791,104</u>
Total Assets	<u>\$ 3,366,893</u>	<u>\$ 11,303,776</u>	<u>\$ 571,247</u>	<u>\$ 957,393</u>	<u>\$ (1,237,984)</u>	<u>\$ 14,961,325</u>

See accompanying notes and independent auditor's report.

CHESTNUT MOUNTAIN RANCH, INC. AND AFFILIATES
CONSOLIDATING STATEMENT OF FINANCIAL POSITION (CONTD)
DECEMBER 31, 2023

	<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>
Liabilities, Net Assets and Shareholder's Equity						
Current Liabilities:						
Notes payable	\$ -	\$ -	\$ -	\$ 69,250	\$ -	\$ 69,250
Accounts payable	31,789	53,644	50	129,742	(135,607)	79,618
Accrued expenses	<u>78,906</u>	<u>-</u>	<u>-</u>	<u>61,648</u>	<u>-</u>	<u>140,554</u>
Total current liabilities	<u>110,695</u>	<u>53,644</u>	<u>50</u>	<u>260,640</u>	<u>(135,607)</u>	<u>289,422</u>
Other Liabilities						
Notes payable net of current portion	<u>-</u>	<u>-</u>	<u>-</u>	<u>165,573</u>	<u>-</u>	<u>165,573</u>
Total other liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>165,573</u>	<u>-</u>	<u>165,573</u>
Total liabilities	<u>110,695</u>	<u>53,644</u>	<u>50</u>	<u>426,213</u>	<u>(135,607)</u>	<u>454,995</u>
Net Assets						
Without donor restrictions	3,256,198	11,250,132	-	-	-	14,506,330
With donor restrictions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total net assets	<u>3,256,198</u>	<u>11,250,132</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,506,330</u>
Shareholder's equity	<u>-</u>	<u>-</u>	<u>571,197</u>	<u>531,180</u>	<u>(1,102,377)</u>	<u>-</u>
Total Liabilities, Net Assets and Shareholders' Equity	<u>\$ 3,366,893</u>	<u>\$ 11,303,776</u>	<u>\$ 571,247</u>	<u>\$ 957,393</u>	<u>\$ (1,237,984)</u>	<u>\$ 14,961,325</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, 2023**

	<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>
Public Support and Revenues						
Contributions	\$ 1,960,982	\$ 694,960	\$ -	\$ -	\$ -	\$ 2,655,942
Ranch store support	1,295,968	-	-	-	-	1,295,968
Miscellaneous income	-	13,837	-	-	-	13,837
Total public support and revenues	<u>3,256,950</u>	<u>708,797</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,965,747</u>
Operating Revenues						
Tuition	55,393	-	-	-	-	55,393
Rent income	-	42,000	-	-	-	42,000
Total operating revenues	<u>55,393</u>	<u>42,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>97,393</u>
Net assets released from restrictions	-	-	-	-	-	-
Total public support and revenues	<u>3,312,343</u>	<u>750,797</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,063,140</u>
Operating Expenses						
Program services	2,499,115	181,742	-	-	-	2,680,857
Fundraising	255,711	1,895	-	-	-	257,606
Administrative	280,275	37,100	-	-	-	317,375
Total operating expenses	<u>3,035,101</u>	<u>220,737</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,255,838</u>
Change in net assets without donor restrictions before non-operating revenues (expenses) and transfers	<u>277,242</u>	<u>530,060</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>807,302</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, 2023**

	<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>
Non-Operating Revenues (Expenses)						
Income from For-Profit Subsidiary	\$ 125,510	\$ -	\$ -	\$ -	\$ -	\$ 125,510
Interest	26,538	57,823	-	-	-	84,361
Gain (loss) on stocks	11,521	89,287	-	-	-	100,808
Gain (loss) on sale of fixed assets	14,364	-	-	-	-	14,364
Other income (expense)	<u>183,163</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>183,163</u>
Total non-operating revenues (expenses)	<u>361,096</u>	<u>147,110</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>508,206</u>
Nonoperating transfers						
Nonoperating transfers in (out)	<u>(1,401,722)</u>	<u>1,401,722</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net assets without donor restrictions	<u>(763,384)</u>	<u>2,078,892</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,315,508</u>
Net Assets - Beginning of Year						
Without donor restrictions - restated	4,019,582	9,171,240	-	-	-	13,190,822
With donor restrictions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total net assets beginning of year	<u>4,019,582</u>	<u>9,171,240</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,190,822</u>
Net Assets - End of Year						
Without donor restrictions	3,256,198	11,250,132	-	-	-	14,506,330
With donor restrictions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total net assets end of year	<u>3,256,198</u>	<u>11,250,132</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,506,330</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, 2023**

	<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>
Shareholder's Equity of For-Profit Subsidiary						
Total shareholder's equity, beginning of year	\$ -	\$ -	\$ 445,687	\$ 405,645	\$ (851,332)	\$ -
Capital contributions	-	-	-	-	-	-
Dividends	-	-	-	(1,750)	1,750	-
Net income	-	-	125,510	127,285	(252,795)	-
Total shareholder's equity end of year	<u>-</u>	<u>-</u>	<u>571,197</u>	<u>531,180</u>	<u>(1,102,377)</u>	<u>-</u>
Total net assets and shareholder's equity	<u>\$ 3,256,198</u>	<u>\$ 11,250,132</u>	<u>\$ 571,197</u>	<u>\$ 531,180</u>	<u>\$(1,102,377)</u>	<u>\$ 14,506,330</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, 2023

	<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>
Cash Flows From Operating Activities						
Change in net assets	\$ (763,384)	\$ 2,078,892	\$ 125,510	\$ 127,285	\$ (252,795)	\$ 1,315,508
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:						
Depreciation	107,181	189,323	-	65,979	-	362,483
(Gain) on disposal of stock	(11,521)	-	-	-	-	(11,521)
(Gain) on disposal of capital assets	(14,364)	-	-	-	-	(14,364)
Gifts in kind	(25,974)	-	-	-	-	(25,974)
(Increase) decrease in assets:						
Accounts receivable	(114,506)	-	-	(12,581)	(40,499)	(167,586)
Investments	(125,510)	-	(125,535)	-	251,045	-
Inventory	-	-	-	1,730	-	1,730
Prepaid expense	-	-	-	5,564	-	5,564
Security deposits	-	-	-	-	-	-
Due from affiliated entity	93,358	-	-	-	(93,358)	-
Increase (decrease) in liabilities:						
Accounts payable	(156,184)	3,688	25	(45,412)	198,221	338
Accrued expenses	17,073	-	-	38,037	-	55,110
Deferred revenue	-	-	-	-	-	-
Due to affiliated entity	-	(36,181)	-	98,795	(62,614)	-
Net cash provided by (used in) operating activities	<u>(993,831)</u>	<u>2,235,722</u>	<u>-</u>	<u>279,397</u>	<u>-</u>	<u>1,521,288</u>

See accompanying notes and independent auditor's report.

CHESTNUT MOUNTAIN RANCH, INC. AND AFFILIATES
CONSOLIDATING STATEMENT OF CASH FLOWS (CONT'D)
FOR THE YEAR ENDED DECEMBER 31, 2023

	<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>
Cash Flow From Investing Activities						
Acquisition of property, plant and equipment	\$ (135,906)	\$ (716,354)	\$ -	\$ (76,711)	\$ -	\$ (928,971)
Proceeds from sale of property, plant and equipment	42,009	-	-	-	-	42,009
Net cash provided by (used in) investing activities	<u>(93,897)</u>	<u>(716,354)</u>	<u>-</u>	<u>(76,711)</u>	<u>-</u>	<u>(886,962)</u>
Cash Flow From Financing Activities						
Repayment of note payable	-	-	-	(66,757)	-	(66,757)
Proceeds from (to) capital investors	-	-	-	-	-	-
Purchase of investments	-	(1,541,096)	-	-	-	(1,541,096)
Proceeds from sale of investments	11,521	-	-	-	-	11,521
Net cash provided by (used in) financing activities	<u>11,521</u>	<u>(1,541,096)</u>	<u>-</u>	<u>(66,757)</u>	<u>-</u>	<u>(1,596,332)</u>
Net increase (decrease) in cash and cash equivalents	(1,076,207)	(21,728)	-	135,929	-	(962,006)
Cash and cash equivalents beginning of year	<u>3,128,071</u>	<u>2,235,558</u>	<u>116</u>	<u>35,146</u>	<u>-</u>	<u>5,398,891</u>
Cash and cash equivalents end of year	<u>\$ 2,051,864</u>	<u>\$ 2,213,830</u>	<u>\$ 116</u>	<u>\$ 171,075</u>	<u>\$ -</u>	<u>\$ 4,436,885</u>
Noncash Investing and Financing Activities						
In-kind contributions of materials and services	<u>\$ 25,974</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,974</u>

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, 2023**

Ranch Quick Lube, LLC

Net sales		\$ 2,648,660
Cost of sales		<u>943,351</u>
Gross profit		1,705,309

Operating, selling, general and administrative expenses

General and administrative expenses	\$ 338,904	
Rent expense	153,771	
Salaries and wages	782,149	
Payroll taxes and benefits	100,585	
Advertising expenses	14,394	
Shop supplies	99,589	
Repair and maintenance	22,653	
Depreciation and amortization expense	<u>65,979</u>	
Total operating, selling, general and administrative expenses		<u>1,578,024</u>

Net income - Ranch Quick Lube, Inc. 127,285

RRF Visions Properties, Inc.

General and administrative expenses	1,775	
Income tax expenses (benefits)	<u>-</u>	<u>(1,775)</u>

Net income - RRF Visions Properties, Inc. \$ 125,510

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, 2023**

	<u>Program Cost</u>	<u>Fund Raising</u>	<u>Administrative Cost</u>	<u>Total</u>
Chestnut Mountain Ranch, Inc.				
Salaries and wages	\$ 1,331,263	\$ 123,417	\$ 150,854	\$ 1,605,534
Payroll taxes and benefits	<u>149,885</u>	<u>30,760</u>	<u>39,994</u>	<u>220,639</u>
Total personnel cost	1,481,148	154,177	190,848	1,826,173
Advertising	32,914	270	1,746	34,930
Bank charges and fees	17,818	2,708	14,272	34,798
Books and subscriptions	15,774	2,397	12,635	30,806
Conferences and meetings	4,000	-	996	4,996
Benevolence and gifts	2,213	336	1,773	4,322
Facilities and equipment	117,767	3,286	1,559	122,612
Licenses, permit, fees	4,938	750	3,955	9,643
Food	87,336	8,998	3,660	99,994
Office expenses	6,758	4,850	1,412	13,020
Insurance	77,399	2,445	1,629	81,473
Resale items	4,450	676	3,564	8,690
Printing and copying	26,742	19,196	5,588	51,526
Professional service	28,216	5,092	12,592	45,900
Rent	211,229	-	-	211,229
Supplies	60,583	16,546	1,670	78,799
Travel and meetings	26,669	7,575	1,894	36,138
Utilities	137,761	6,030	4,079	147,870
Vehicle expense	51,866	6,046	1,978	59,890
Activities expense	12,858	1,954	10,299	25,111
Depreciation	<u>90,676</u>	<u>12,379</u>	<u>4,126</u>	<u>107,181</u>
Total Chestnut Mountain Ranch, Inc.	<u>2,499,115</u>	<u>255,711</u>	<u>280,275</u>	<u>3,035,101</u>
Chestnut Mountain Ranch Foundation, Inc.				
License, permit, fees	-	-	3,941	3,941
Professional services	-	-	17,000	17,000
Depreciation	181,742	1,895	5,686	189,323
Insurance	<u>-</u>	<u>-</u>	<u>10,473</u>	<u>10,473</u>
Total Chestnut Mountain Ranch Foundation, Inc.	<u>181,742</u>	<u>1,895</u>	<u>37,100</u>	<u>220,737</u>
Elimination Entries	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total functional expenses	<u>\$ 2,680,857</u>	<u>\$ 257,606</u>	<u>\$ 317,375</u>	<u>\$ 3,255,838</u>

See accompanying notes and independent auditor's report.