

MUNGER & COMPANY, CPAs

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**OCEANSIDE IVEY RANCH
PARK ASSOCIATION, INC.**
Audited Financial Statements
For the Year Ended June 30, 2024

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Oceanside Ivey Ranch Park Association, Inc.

Opinion

We have audited the accompanying financial statements of Oceanside Ivey Ranch Association, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Oceanside Ivey Ranch Association, Inc. as of June 30, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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 Oceanside Ivey Ranch Association, Inc. 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 audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 judgment made by a reasonable user based on the 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 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 Oceanside Ivey Ranch Association, Inc.'s 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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Oceanside Ivey Ranch Association, Inc.'s 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 the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

May 2, 2025


Munger & Company, CPAs

Oceanside Ivey Ranch Park Association, Inc.
STATEMENT OF FINANCIAL POSITION
June 30, 2024

ASSETS

Cash	\$ 58,360
Grants Receivable	120,167
Accounts Receivable	50,291
Prepaid Expenses	349
Certificates of Deposit	583,653
Land Improvements	67,794
Barn	590,553
Leasehold Improvements	274,257
Fixtures	91,750
Horses and Related Equipment	189,141
Vehicles	5,260
Less: Accumulated Depreciation	(602,414)
Construction in Progress	41,512
TOTAL ASSETS	\$ 1,470,673

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts Payable	\$ 21,687
Related Party Payable	8,340
Credit Card Payable	27,728
Accrued Expenses	23,468
TOTAL LIABILITIES	81,223

NET ASSETS

Net Assets Without Donor Restrictions	
Undesignated	1,389,450
TOTAL NET ASSETS	1,389,450
TOTAL LIABILITIES AND NET ASSETS	\$ 1,470,673

The Accompanying Notes Are an Integral Part of the Financial Statements

Oceanside Ivey Ranch Park Association, Inc.
STATEMENT OF ACTIVITIES
For The Year Ended June 30, 2024

	Net Assets Without Donor Restrictions
REVENUES, GAINS, AND SUPPORT	
Grants	\$ 55,610
Contributions	210,579
Program Revenues	1,191,296
Rental Income	23,000
Interest Income	21,479
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Total Revenue, Gains, and Support	1,501,964
EXPENSES	
Program Services	
Horses	692,616
In-Home Respite	125,930
Child Care	440,756
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Total Program Expenses	1,259,302
Supporting Services	
Management and General	104,984
Fundraising	20,484
	<hr/>
Total Supporting Expenses	125,467
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Total Expenses	1,384,770
	<hr/>
Change in Net Assets	117,194
NET ASSETS AT BEGINNING OF FISCAL YEAR	1,272,256
	<hr/>
NET ASSETS AT END OF FISCAL YEAR	\$ 1,389,450
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The Accompanying Notes Are an Integral Part of the Financial Statements

Oceanside Ivey Ranch Park Association, Inc.

STATEMENT OF FUNCTIONAL EXPENSES

For The Year Ended June 30, 2024

	PROGRAM SERVICES				SUPPORTING SERVICES		
	Horses	In Home Respite	Child Care	Total Program	Management & General	Fundraising	Total
OPERATING EXPENSES							
Salaries & Wages	\$ 396,998	\$ 72,182	\$ 252,634	\$ 721,814	59,793	\$ 4,860	\$ 786,467
Payroll Taxes	35,693	6,490	22,713	64,896	5,376	437	70,709
Benefits	9,081	1,651	5,778	16,510	1,368	112	17,989
Worker's Compensation	21,099	3,837	13,427	38,363	3,178	258	41,799
Payroll Processing Fees	2,183	397	1,389	3,969	329	27	4,325
Advertising	1,118	203	712	2,033	-	-	2,033
Insurance	7,613	1,384	4,845	13,842	3,904	-	17,746
Professional Fees	57,934	10,534	36,867	105,335	11,716	-	117,051
Dues & Subscriptions	2,983	542	1,899	5,424	-	-	5,424
Grant Writing	-	-	-	-	-	13,220	13,220
Education and Promotion	19,265	3,503	12,260	35,028	-	-	35,028
Repairs and Maintenance	40,181	7,305	25,570	73,057	6,052	492	79,601
Transportation	3,784	688	2,410	6,882	-	-	6,882
Food	37,349	6,791	23,767	67,906	5,626	457	73,989
Communications	3,704	674	2,356	6,734	558	45	7,337
Bank and Credit Card Fees	3,300	600	2,099	6,000	497	40	6,537
Occupancy	7,226	1,314	4,599	13,139	1,088	89	14,316
Program Workshops and Supplies	6,584	1,197	4,189	11,970	-	-	11,970
Office and Related	5,821	1,059	3,704	10,584	877	71	11,532
Depreciation	30,126	5,477	19,171	54,774	4,537	369	59,680
Interest	385	70	246	700	58	5	763
Taxes	187	34	120	341	28	2	371
TOTAL EXPENSES	\$ 692,616	\$ 125,930	\$ 440,756	\$ 1,259,302	\$ 104,984	\$ 20,484	\$ 1,384,770

The Accompanying Notes Are an Integral Part of the Financial Statements

Oceanside Ivey Ranch Park Association, Inc.
STATEMENT OF CASH FLOWS
For The Year Ended June 30, 2024

CASH FLOWS FROM OPERATING ACTIVITIES

Change in Net Assets	\$ 117,194
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	59,680
(Increase) / Decrease in operating assets:	
Grants Receivable	32,901
Accounts Receivable	(44,196)
Prepaid Expenses	1,700
Increase / (Decrease) in operating liabilities	
Accounts Payable	(8,058)
Related Party Payable	(22,917)
Credit Card Payable	19,965
Accrued Expenses	(5,982)
Advanced Tuition	(16,690)
Net Cash Provided by Operating Activities	<u>133,597</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Purchases of Fixed Assets	(88,956)
Purchases of Investments	<u>9,438</u>
Net Cash (Used by) Investing Activities	(79,518)

NET CHANGE IN CASH AND CASH EQUIVALENTS 54,079

CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR 4,281

CASH AND CASH EQUIVALENTS AT END OF YEAR \$ 58,360

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

Cash Paid for Interest	<u><u>\$ 763</u></u>
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The Accompanying Notes Are an Integral Part of the Financial Statements

OCEANSIDE IVEY RANCH PARK ASSOCIATION, INC.
Notes to the Financial Statements
For the Year Ended June 30, 2024

Note 1. Nature of Organization

Oceanside Ivey Ranch Park Association, Inc. (the Organization) is a not-for-profit corporation organized under the laws of the State of California in 1981. The Organization's mission is to provide services to children and adults with and without special needs, located throughout San Diego County. The Organization provides services on an improved, 12-acre portion of the original Ivey Ranch in Oceanside, California.

Note 2. Summary of Significant Accounting Policies

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting which is in accordance with accounting principles generally accepted in the United States of America.

Cash and Cash Equivalents

The Organization has defined cash and cash equivalents as cash in banks and highly liquid investments with an original maturity of three months or less.

Receivables and Credit Policies

Effective July 1, 2023, the Organization adopted the provisions of FASB ASC Topic 326, Financial Instruments - Credit Losses: Measurement of Credit Losses on Financial Instruments (ASU 2016-13). This update establishes the current expected credit loss (CECL) model established by ASU 2016-13, which requires the immediate recognition of estimated expected credit losses over the life of a financial instrument, including trade receivables, net investments in leases (for lessors with sales-type or direct financing leases), and certain off-balance sheet credit exposures. The estimate of expected credit losses considers historical information as well as current and future economic conditions and events. The impact of the adoption was not considered material to the financial statements.

An allowance for doubtful accounts for estimated losses that result from the failure or inability of customers to make required payments is considered. In addition, the additional method and assumptions are not deemed to be more than zero for an expected loss. When determining the allowance, the Organization considers the probability of recoverability of accounts receivable based on past experience, taking into account current collection trends as well as general economic factors. Credit risks are assessed based on historical write-offs, net of recoveries, as well as an analysis of the aged accounts receivable balances with allowances generally increasing as the receivable ages if that receivable expected loss is deemed more than zero. At that time, accounts receivable would be reserved with an allowance for doubtful accounts. The analysis of receivables is performed throughout the year. For the year ended June 30, 2024, management determined that an allowance was not necessary based on the factors above.

OCEANSIDE IVEY RANCH PARK ASSOCIATION, INC.
Notes to the Financial Statements
For the Year Ended June 30, 2024

Note 2. Summary of Significant Accounting Policies (continued)

Property and Equipment

Property and equipment additions over \$2,000 at cost, or if donated, are recorded at fair value on the date of donation. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets ranging from 3 to 39 years, or in the case of capitalized leased assets or leasehold improvements, the lesser of the useful life of the asset or the lease term. When assets are sold or otherwise disposed of, the cost and related depreciation or amortization are removed from the accounts, and any resulting gain or loss is included in the statements of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed as incurred.

The carrying values of property and equipment are reviewed for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. Management determined that there was no impairment as of June 30, 2024.

Investments

Investment purchases are recorded at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statements of financial position. Net investment return/(loss) is reported in the statements of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Contributions restricted by donors 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. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

OCEANSIDE IVEY RANCH PARK ASSOCIATION, INC.
Notes to the Financial Statements
For the Year Ended June 30, 2024

Note 2. Summary of Significant Accounting Policies (continued)

Revenue and Revenue Recognition

Program revenue is recognized daily based upon attendance of students under funder mandated rates. The Organization combined contracts in program services with customers into a single portfolio of similar contracts. The performance obligation is simultaneously received and consumed by the customer unless the customer prepays for future services.

Rental income is earned monthly during the period related to the performance obligation being met. The performance obligation of providing access to the rented facilities is simultaneously received and consumed. The Organization combines contracts with similar customers into a single portfolio of similar contracts.

Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. Our contracts and grants are conditioned upon certain performance requirements and the incurrence of allowable qualifying expenses. As a result, contracts and grants are recognized as revenue when the performance requirements and the incurrence of allowable qualifying expenses are met.

Donated Services and In-Kind Contributions

Volunteers contribute significant amounts of time to the Organization's program services, administration, and fundraising and development activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles. Contributed goods are recorded at fair value at the date of donation. Donated services, materials and equipment are recorded at the respective fair values of the services when received. There were no donated goods or services for the year ended June 30, 2024. As a result, no monetization policy was adopted.

Advertising Costs

Advertising costs are expensed as incurred.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

OCEANSIDE IVEY RANCH PARK ASSOCIATION, INC.
Notes to the Financial Statements
For the Year Ended June 30, 2024

Note 2. Summary of Significant Accounting Policies (continued)

Income Taxes

The Organization is organized as a California nonprofit corporation and has been recognized by the IRS as exempt from federal income taxes under IRC Section 501(c)(3) and similar state statutes.

Management has reviewed its position for all open tax years and believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements. There was no unrelated business income taxes for the year ended June 30, 2024.

The Organization's federal and state Exempt Organization Tax Returns are subject to examination, generally for three years after they were filed for federal returns and four years for state returns.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts and disclosures. Actual results could differ from those estimates under different assumptions or conditions.

Financial Instruments and Credit Risk

Deposit concentration risk is managed by placing cash and certificates of deposit with financial institutions believed by management to be creditworthy. To date, the Organization has not experienced losses in any of these accounts. Credit risk associated with accounts receivable is considered to be limited due to high historical collection rates. Investments are made by the Board of Directors. Although the fair values of investments are subject to fluctuation on a year-to-year basis, management believes that the investment policies and guidelines are prudent for the long-term welfare of the Organization.

Note 3. Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

Cash and cash equivalents	\$ 58,360
Grants receivable	120,167
Accounts receivable	50,291
Certificates of Deposit	<u>583,653</u>
	<u>\$ 812,471</u>

As part of the liquidity management plan, cash is invested in excess of daily requirements in CDs.

OCEANSIDE IVEY RANCH PARK ASSOCIATION, INC.
Notes to the Financial Statements
For the Year Ended June 30, 2024

Note 4. Revenue From Contracts with Customers

Advance Tuition, beginning of year	\$ 16,690
Revenue recognized that was included in advance tuition at beginning of year	(16,690)
Increases in advance tuition due to cash received during the year	<u>-</u>
Advanced Tuition, end of year	<u><u>\$ -</u></u>

Note 5. Fair Value Measurements and Disclosures

Certain assets are recorded at fair value in the financial statements. Fair value is the price that would be received to sell an asset in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the Organization's own assumptions about the assumptions market participants would use in pricing the asset based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Organization can access at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly. These include quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.

Level 3 – Unobservable inputs for the asset or liability. In these situations, the Organization develops inputs using the best information available in the circumstances.

The Organization's investments are considered to be Level 1 assets.

The following assets carried at fair value are reviewed and adjusted on a recurring basis:

	Fair Value	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Certificates of Deposit	\$ 583,653	\$ 583,653	\$ -	\$ -
Total Investments	<u>\$ 583,653</u>	<u>\$ 583,653</u>	<u>\$ -</u>	<u>\$ -</u>

OCEANSIDE IVEY RANCH PARK ASSOCIATION, INC.

Notes to the Financial Statements

For the Year Ended June 30, 2024

Note 6. City of Oceanside Lease

The City of Oceanside lease expires in 2031 which requires the Organization to continue operating with its core mission. The lease offers a one-time lease option of an additional 10 years at end of the 2031 lease. The organization does not make any payments to the City but is required to make improvements to the premises during the lease term should improvement or repairs become necessary. The Organization does not have any other material leases and therefore is not required to implement ASC 842.

Note 7. Functionalized Expenses

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include occupancy, depreciation, and amortization, which are allocated on a square footage basis, as well as salaries and wages, benefits, payroll taxes, office and related, interest, worker's compensation, payroll processing fees, food, communications, bank and credit card fees, and taxes, which are allocated on the basis of estimates of time and effort.

Note 8. Contract Billings

The Organization program billings are subject to review by funding sources. Management is not aware of any communications for the current year from the funders that any billed items are being questioned, however, this could occur in the future and could be material in nature.

Note 9. Related Party Transaction

The Executive Director is compensated 15% of grants written and awarded to the Organization. As of June 30, 2024, the amount owed to the Executive Director by the Organization was \$8,340.

Note 10. Concentrations

The revenue received from the Regional Center comprised 57% of total revenues for the year ended June 30, 2024. The Regional Center comprised approximately 95% of accounts receivable as of June 30, 2024.

Bank accounts are insured by the Federal Deposit Insurance Corporation and National Credit Union Share Insurance Fund up to \$250,000. The Cash balances did not exceed this federally insured deposit limit for the year ended June 30, 2024.

Note 11. Subsequent Events

The Organization has evaluated subsequent events through May 2, 2025, the date the financial statements were available to be issued. Management is not aware of any subsequent events that would require adjustment to, or disclosure in the financial statements.