Eagle Ranch, Inc. and Supporting Affiliate COMBINED FINANCIAL STATEMENTS December 31, 2022 and 2021

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REPORT



INDEPENDENT AUDITORS' REPORT

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To the Board of Directors of Eagle Ranch, Inc. and its Supporting Affiliate – Eagle Ranch Foundation, Inc.

Opinion

We have audited the accompanying combined financial statements of Eagle Ranch, Inc. (a nonprofit organization) and its Supporting Affiliate –Eagle Ranch Foundation, Inc. (a nonprofit organization) which comprise the combined statements of financial position as of December 31, 2022 and 2021, and the related combined statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of Eagle Ranch, Inc. and its Supporting Affiliate as of December 31, 2022 and 2021, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Eagle Ranch, Inc. and its Supporting Affiliate and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 combined 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 combined financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the combined financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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, including omissions, 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 combined 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 combined 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 the Organizations' 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 combined financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organizations' 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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the combined financial statements as a whole. The Supplemental Statements of Activities is presented for purposes of additional analysis and is not a required part of the combined financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined 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 combined financial statements as a whole.

CARR, RIGGS & INGRAM, LLC

Carr, Riggs & Ungram, L.L.C.

Atlanta, Georgia May 17, 2023



FINANCIAL STATEMENTS

Eagle Ranch, Inc. and Supporting Affiliate Combined Statements of Financial Position

December 31, 2022	Fag	gle Ranch, Inc.	Fο	Eagle Ranch undation, Inc.	Combined
December 31, 2022	Lue	sie italien, me.	- 10	arradition, me.	Combined
Assets					
Cash and cash equivalents	\$	1,631,026	\$	-	\$ 1,631,026
Accounts receivable		11,245		-	11,245
Promises to give		813,697		-	813,697
Prepaid expenses and other assets		102,524		-	102,524
Investments		6,296,379		17,556,193	23,852,572
Property and equipment, net		1,095,953		13,020,051	14,116,004
Beneficial interest in assets held by					
Community Foundations		1,252,899		-	1,252,899
Total assets	\$	11,203,723	\$	30,576,244	\$ 41,779,967
Liabilities and Net Assets					
Liabilities					
Accounts payable and accrued expenses	\$	226,113	\$	-	\$ 226,113
Charitable gift annuity obligations		84,775		-	84,775
Total liabilities		310,888		-	310,888
Nish sasah					
Net assets		E 040 474		46 707 604	24 700 450
Without donor restrictions		5,010,474		16,787,684	21,798,158
With donor restrictions		5,882,361		13,788,560	19,670,921
Total wat assats		10 002 025		20 576 244	44 460 070
Total net assets		10,892,835		30,576,244	41,469,079
Total liabilities and net assets	\$	11,203,723	\$	30,576,244	\$ 41,779,967

Eagle Ranch, Inc. and Supporting Affiliate Combined Statements of Financial Position (Continued)

				Eagle Ranch		
December 31, 2021	Eag	gle Ranch, Inc.	F	oundation, Inc.		Combined
Assets						
Cash and cash equivalents	\$	2,677,249	\$	-	\$	2,677,249
Accounts receivable		4,196		-		4,196
Promises to give		1,819,374		-		1,819,374
Prepaid expenses and other assets		42,916		-		42,916
Investments		3,324,055		21,296,141		24,620,196
Property and equipment, net		926,224		13,611,901		14,538,125
Beneficial interest in assets held by						
Community Foundations		1,555,530		-		1,555,530
-						
Total assets	\$	10,349,544	\$	34,908,042	\$	45,257,586
Liabilities and Net Assets						
Liabilities Liabilities						
Accounts payable and accrued expenses	\$	335,752	ć	_	\$	335,752
Charitable gift annuity obligations	Ą	90,192	۲	_	Ą	90,192
Charitable gift annuity obligations		90,192		<u>-</u>		90,192
Total liabilities		425,944		_		425,944
Total habinites		.23,3				.23,3
Net assets						
Without donor restrictions		4,154,621		18,564,425		22,719,046
With donor restrictions		5,768,979		16,343,617		22,112,596
-		, , -		, ,		. ,
Total net assets		9,923,600		34,908,042		44,831,642
Total liabilities and net assets	\$	10,349,544	\$	34,908,042	\$	45,257,586

Eagle Ranch, Inc. and Supporting Affiliate Combined Statements of Activities

		Eagle Ranch	
For the year ended December 31, 2022	Eagle Ranch, Inc.	Foundation, Inc.	Combined
Changes in Net Assets Without Donor Restrictions			
Revenue and Other Support			
Contributions	\$ 3,938,627	\$ - \$	3,938,627
Fundraising event revenues	124,620	-	124,620
Program service revenue	430,239	-	430,239
Investment income (loss), net	81,192	99,026	180,218
Realized and unrealized gain (loss) on investments	(26,510)	(1,021,175)	(1,047,685)
Investment income (loss), net - beneficial interest	41,565	-	41,565
Change in value of charitable gift annuity, net	(23,383)	-	(23,383)
Other income	20,393	-	20,393
Total revenue and other support	4,586,743	(922,149)	3,664,594
Net assets released from restrictions	2,347,175	-	2,347,175
Total revenue and other support and net assets released from restrictions	6,933,918	(922,149)	6,011,769
Expenses			
Program services			
Counseling	1,839,157	17,756	1,856,913
Home Therapy	2,428,035	432,052	2,860,087
Education	1,011,191	118,370	1,129,561
Total program services	5,278,383	568,178	5,846,561
Supporting services			
Management and general	752,730	20,415	773,145
Fundraising	672,192	5,919	678,111
Total supporting services	1,424,922	26,334	1,451,256
Total expenses	6,703,305	594,512	7,297,817
Change in net assets without donor restrictions before transfers	230,613	(1,516,661)	(1,286,048)
Transfers of net assets without donor restrictions			
Distributions from Foundation	625,240	(260,080)	365,160
Total transfers of net assets without donor restrictions	625,240	(260,080)	365,160
Change in net assets without donor restrictions after transfers	855,853	(1,776,741)	(920,888)
Changes in Net Assets with Donor Restrictions			
Contributions	2,844,598	_	2,844,598
Realized and unrealized gain (loss) on investments		(2,497,915)	(2,497,915)
Interest and dividend income	-	226,608	226,608
Gain (loss) on beneficial interest in assets held by Community Foundations	(302,631)		(302,631)
Net assets released from restrictions	(2,347,175)		(2,347,175)
Change in net assets with donor restrictions before transfers	194,792	(2,271,307)	(2,076,515)
Transfers of net assets with donor restrictions			
Distributions from Foundation - purpose restricted	251,588	(616,748)	(365,160)
Distributions to Foundation - purpose restricted	(332,998)	• • • •	(307,949)
Distributions to Foundation - perpetually restricted		307,949	307,949
Total transfers of net assets with donor restrictions	(81,410)	(283,750)	(365,160)
Change in net assets with donor restrictions after transfers	113,382	(2,555,057)	(2,441,675)
Change in net assets	969,235	(4,331,798)	(3,362,563)
Net assets at beginning of year	9,923,600	34,908,042	44,831,642
	, ,		, ,
Net assets at end of year	\$ 10,892,835	\$ 30,576,244 \$	41,469,079

Eagle Ranch, Inc. and Supporting Affiliate Combined Statements of Activities (Continued)

				Eagle Ranch	
For the year ended December 31, 2021	Eag	le Ranch, Inc.	Fo	undation, Inc.	Combined
Changes in Net Assets Without Donor Restrictions Revenue and Other Support					
Contributions	\$	4,468,471	\$	- \$	4,468,471
Fundraising event revenue		190,964		-	190,964
Program service revenue		145,999		-	145,999
Investment income (loss), net		1,381		61,834	63,215
Realized and unrealized gain (loss) on investments		(14,362)		634,118	619,756
Investment income (loss), net - beneficial interest Change in value of charitable gift annuity, net		68,763		-	68,763
Other income		(27,982) 39,953		-	(27,982) 39,953
Total revenue and other support		4,873,187		695,952	5,569,139
Net assets released from restrictions		3,946,886		-	3,946,886
Total revenue and other support and net assets released from restrictions		8,820,073		695,952	9,516,025
Expenses					
Program services					
Counseling		1,387,853		17,073	1,404,926
Home Therapy		2,437,282		415,438	2,852,720
Education		982,428		113,819	1,096,247
Total program services		4,807,563		546,330	5,353,893
Supporting services					
Management and general		643,879		17,073	660,952
Fundraising		547,921		5,691	553,612
Total supporting services		1,191,800		22,764	1,214,564
Total expenses		5,999,363		569,094	6,568,457
Change in net assets without donor restrictions before transfers		2,820,710		126,858	2,947,568
Transfers of net assets without donor restrictions					
Distributions from Foundation		577,000		(228,832)	348,168
Transfer of property to Foundation		(3,489,791)		3,489,791	
Total transfers of net assets without donor restrictions		(2,912,791)		3,260,959	348,168
Change in net assets without donor restrictions after transfers		(92,081)		3,387,817	3,295,736
Changes in Net Assets with Donor Restrictions					
Contributions		8,553,626		-	8,553,626
Realized and unrealized gain (loss) on investments		-		1,376,809	1,376,809
Interest and dividend income		-		134,037	134,037
Gain (loss) on beneficial interest in assets held by Community Foundations	5	129,358		-	129,358
Net assets released from restrictions		(3,946,886)		-	(3,946,886)
Change in net assets with donor restrictions before transfers		4,736,098		1,510,846	6,246,944
Transfers of net assets with donor restrictions					
Distributions from Foundation - purpose restricted		178,804		(526,972)	(348,168)
Distributions to Foundation - purpose restricted		(2,228,813)		2,089,108	(139,705)
Distributions to Foundation - perpetually restricted		-		139,705	139,705
Total transfers of net assets with donor restrictions		(2,050,009)		1,701,841	(348,168)
Change in net assets with donor restrictions after transfers		2,686,089		3,212,687	5,898,776
Change in net assets		2,594,008		6,600,504	9,194,512
Net assets at beginning of year		7,329,592		28,307,538	35,637,130
Net assets at end of year	\$	9,923,600	\$	34,908,042 \$	44,831,642

	-	Program	Services		Su _l	oporting Services	5	_
		Home		Total	Management		Total Supporting	
	Counseling	Therapy	Education	Program	and General	Fundraising	Services	Total
Salaries and wages	\$ 1,125,483	\$ 850,920	\$ 641,377	\$ 2,617,780	\$ 356,167	\$ 262,658	\$ 618,825	\$ 3,236,605
Employee benefits	120,284	186,709	58,304	365,297	45,633	12,514	58,147	423,444
Payroll taxes	75,513	57,679	47,339	180,531	24,556	20,386	44,942	225,473
Total salaries and benefits	1,321,280	1,095,308	747,020	3,163,608	426,356	295,558	721,914	3,885,522
Accounting fees	-	_	_	-	29,430	_	29,430	29,430
Advertising and public relations	13,623	4,377	220	18,220	45,654	240	45,894	64,114
Bank charges	6,636	-	-	6,636	55,508	230	55,738	62,374
Home expenses	-	28,848	-	28,848	-	-	-	28,848
Counseling	22,849	-	7,303	30,152	1,250	-	1,250	31,402
Consulting and legal fees	76,197	35,040	46,583	157,820	84,999	90,291	175,290	333,110
Depreciation	34,058	533,942	122,446	690,446	27,265	9,994	37,259	727,705
Education and tuition reimbursement	3,000	17,485	4,500	24,985	-	, -	, -	24,985
Enrichment and entertainment	35,410	36,164	8,335	79,909	11,832	13,278	25,110	105,019
Equipment rental	-	9,640	-	9,640	-	, -	, -	9,640
Fundraising events	-	-	-	, -	-	97,330	97,330	97,330
Insurance	29,374	121,965	36,686	188,025	20,194	11,563	31,757	219,782
Other	18,111	22,027	2,052	42,190	8,661	3,188	11,849	54,039
Newsletter	10,238	8,600	6,962	25,800	7,371	35,130	42,501	68,301
Postage and shipping	1,286	802	192	2,280	4,748	6,574	11,322	13,602
Printing and publications	10,703	3,503	2,078	16,284	5,971	62,848	68,819	85,103
Repairs and maintenance	165,443	580,683	85,064	831,190	5,564	3,795	9,359	840,549
Staff development	9,454	14,734	3,935	28,123	12,721	2,159	14,880	43,003
Supplies	60,301	167,838	29,082	257,221	14,463	39,669	54,132	311,353
Tags and licenses	310	1,140	117	1,567	115	-	115	1,682
Telephone	16,979	28,126	7,141	52,246	4,225	2,042	6,267	58,513
Travel	1,980	3,533	65	5,578	2,701	1,687	4,388	9,966
Utilities	17,330	104,967	16,780	139,077	3,560	2,061	5,621	144,698
Vehicle expense	2,351	41,365	3,000	46,716	, 557	474	1,031	47,747
Total	\$ 1,856,913	\$ 2,860,087	\$ 1,129,561	\$ 5,846,561	\$ 773,145	\$ 678,111	\$ 1,451,256	\$ 7,297,817

		Program	Services		Su _l	oporting Services		_
							Total	
		Home		Total	Management		Supporting	
	Counseling	Therapy	Education	Program	and General	Fundraising	Services	Total
Salaries and wages	\$ 824,961	\$ 960,161	\$ 663,719	\$ 2,448,841	\$ 313,903	\$ 269,416	\$ 583,319	\$ 3,032,160
Employee benefits	111,804	272,598	67,263	451,665	55,969	16,404	72,373	524,038
Payroll taxes	55,112	70,092	49,223	174,427	23,913	21,096	45,009	219,436
Total salaries and benefits	991,877	1,302,851	780,205	3,074,933	393,785	306,916	700,701	3,775,634
rotal salaries and beliefits	331,077	1,302,031	700,203	3,074,333	333,703	300,310	700,701	3,773,034
Accounting fees	-	-	-	-	33,186	-	33,186	33,186
Advertising and public relations	15,442	-	1,361	16,803	58,632	5,025	63,657	80,460
Bank charges	-	-	-	-	27,893	-	27,893	27,893
Home expenses	-	51,212	-	51,212	-	-	-	51,212
Counseling	12,956	-	-	12,956	-	-	-	12,956
Consulting and legal fees	80,044	38,860	35,022	153,926	50,952	27,909	78,861	232,787
Depreciation	30,846	501,517	117,262	649,625	25,107	9,134	34,241	683,866
Education and tuition reimbursement	6,000	15,500	-	21,500	-	-	-	21,500
Enrichment and entertainment	27,592	48,607	4,692	80,891	6,538	16,142	22,680	103,571
Equipment rental	47	9,665	48	9,760	-	-	-	9,760
Fundraising events	-	-	-	-	-	41,048	41,048	41,048
Insurance	24,272	134,469	30,725	189,466	20,479	12,949	33,428	222,894
Other	9,637	16,914	2,553	29,104	-	5,130	5,130	34,234
Newsletter	-	-	-	-	-	78,637	78,637	78,637
Postage and shipping	290	3,889	68	4,247	8,235	918	9,153	13,400
Printing and publications	7,369	425	149	7,943	4,310	24,008	28,318	36,261
Repairs and maintenance	132,868	376,199	38,218	547,285	8,516	2,570	11,086	558,371
Staff development	9,917	9,152	3,912	22,981	3,779	1,484	5,263	28,244
Supplies	31,744	157,601	63,764	253,109	11,140	15,328	26,468	279,577
Tags and licenses	20	1,813	168	2,001	504	-	504	2,505
Telephone	13,351	32,209	6,150	51,710	3,386	2,565	5,951	57,661
Travel	946	1,158	-	2,104	349	1,557	1,906	4,010
Utilities	9,583	113,375	11,950	134,908	3,384	1,913	, 5,297	140,205
Vehicle expense	125	37,304	-	37,429	777	379	1,156	38,585
Total	\$ 1,404,926	\$ 2,852,720	\$ 1,096,247	\$ 5,353,893	\$ 660,952	\$ 553,612	\$ 1,214,564	\$ 6,568,457

Eagle Ranch, Inc. and Supporting Affiliate Combined Statements of Cash Flows

	E	agle Ranch,		Eagle Ranch		
For the year ended December 31, 2022		Inc.	Fοι	undation, Inc.		Combined
Operating Activities	_		_	(_	(
Change in net assets	\$	969,235	Ş	(4,331,798)	Ş	(3,362,563)
Adjustments to reconcile change in net assets to						
net cash provided by (used in) operating activities	5					
Depreciation		135,853		591,852		727,705
Realized (gain) loss on sale of investments		(864)		583,203		582,339
Unrealized (gain) loss on investments		27,374		2,935,889		2,963,263
Change in charitable gift annuity		23,383		-		23,383
Contributions received for long-term purposes		(218,628)		-		(218,628)
Changes in operating assets and liabilities						
Accounts receivable		(7,049)		-		(7,049)
Prepaids and other assets		(59,608)		-		(59,608)
Promises to give		1,005,677		-		1,005,677
Accounts payable and accrued expenses		(109,639)		-		(109,639)
Net cash provided by (used in) operating activities		1,765,734		(220,854)		1,544,880
Investing Activities						
Purchase of property and equipment		(305,582)		-		(305,582)
Purchase of investments		(4,098,793)		(4,589,234)		(8,688,027)
Proceeds from sale of investments		1,071,159		4,810,088		5,881,247
Change in beneficial interest		302,631		-		302,631
Net cash provided by (used in) investing activities		(3,030,585)		220,854		(2,809,731)
Financing Activities						
Contributions received for endowments		218,628		-		218,628
Net cash provided by (used in) financing activities		218,628		-		218,628
Net change in cash and cash equivalents		(1,046,223)		-		(1,046,223)
Cash and cash equivalents, at beginning of year		2,677,249		-		2,677,249
Cash and cash equivalents, at end of year	\$	1,631,026	\$	-	\$	1,631,026
Schedule of Certain Cash Flow Information						
Cash maid far impares tays	۲	200	۲		Ļ	200
Cash paid for income taxes	<u> </u>	366	\	-	\	366

Eagle Ranch, Inc. and Supporting Affiliate Combined Statements of Cash Flows (Continued)

	Eagle Ranch,	Eagle Ranch	
For the year ended December 31, 2021	Inc.	Foundation, Inc.	Combined
Out and the state of the state of			
Operating Activities	ć 2.504.000	ć CC00 F04	ć 0.404.F43
Change in net assets	\$ 2,594,008	\$ 6,600,504	\$ 9,194,512
Adjustments to reconcile change in net assets to			
net cash provided by (used in) operating activities		FCO 004	C02.0CC
Depreciation	114,772	569,094	683,866
Donated property	(290,000)		(290,000)
Realized (gain) loss on sale of investments	15,111	(236,011)	(220,900)
Unrealized (gain) loss on investments	(749)	(1,774,916)	• • • • •
Change in charitable gift annuity	27,982	-	27,982
Contributions received for long-term purposes	(3,515,907)	-	(3,515,907)
Changes in operating assets and liabilities Accounts receivable	(056)		(056)
	(856)	-	(856)
Prepaids and other assets	53,292	-	53,292
Promises to give	(1,538,152)	-	(1,538,152)
Accounts payable and accrued expenses	(120,880)		(120,880)
Net cash provided by (used in) operating activities	(2,661,379)	5,158,671	2,497,292
Investing Activities			
Purchase of property and equipment	(2,618,474)	-	(2,618,474)
Transfer of property	3,489,791	(3,489,791)	-
Purchase of investments	(5,629,535)	(3,785,499)	(9,415,034)
Proceeds from sale of investments	4,810,881	2,116,619	6,927,500
Change in beneficial interest	(129,358)	-	(129,358)
Net cash provided by (used in) investing activities	(76,695)	(5,158,671)	(5,235,366)
Financing Activities			
Contributions received for building and property	3,376,202	-	3,376,202
Contributions received for endowments	139,705	-	139,705
Net cash provided by (used in) financing activities	3,515,907	-	3,515,907
Net change in cash and cash equivalents	777,833	-	777,833
Cash and cash equivalents, at beginning of year	1,899,416	-	1,899,416
Cash and cash equivalents, at end of year	\$ 2,677,249	\$ -	\$ 2,677,249
Schedule of Certain Cash Flow Information			
Cash paid for income taxes	\$ 2,621	\$ -	\$ 2,621

Note 1: DESCRIPTION OF THE ORGANIZATION

Eagle Ranch, Inc., (the Ranch) founded in 1982, is a non-profit, Christ-centered home for children ages six to eighteen who are in need of a stronger family support system. The goal of the Ranch is the spiritual, intellectual, emotional, social, and physical development of children and eventual reunification with their natural families, whenever possible. The combined financial statements include the accounts of the Ranch and its supporting affiliate (collectively, the Organizations). The Ranch's supporting affiliate is the Eagle Ranch Foundation, Inc. (the Foundation), which was formed to manage the portfolio of investments of the Ranch and has its own Board of Directors.

Since the Foundation was initially funded with the transfer of the Ranch's endowment funds to the Foundation, and since there is certain common control and management of these entities, it is the policy of the Ranch to present combined financial statements showing each entity.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying combined financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The Financial Accounting Standards Board (FASB) provides authoritative guidance regarding U.S. GAAP through the Accounting Standards Codification (ASC) and related Accounting Standards Updates (ASUs).

Use of Estimates

The preparation of U.S. GAAP financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities at the date of the combined financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Estimates that are particularly susceptible to significant change in the near term are related to the fair value of investments, allowance for doubtful accounts, useful lives of depreciable assets and the allocation of functional expenses.

Principles of Combination

The accompanying combined financial statements include the accounts of Eagle Ranch, Inc. and Eagle Ranch Foundation, Inc. as of December 31, 2022 and 2021 and for the years then ended. All significant intercompany accounts and transactions have been eliminated.

Program Services

The Ranch's program services consist of the following:

Homelife – The Ranch's campus includes neighborhood-style homes staffed by professionally trained Houseparent Couples and Program Assistants who provide a structured and stable home environment, live and teach principles for healthy family relationships, reinforce positive decision-making and share family meals and activities.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Program Services (continued)

Counseling – The Ranch has a team of Licensed Professional Counselors that benefit the whole family, including siblings that may still be living at home by providing individual, group and family counseling, parent support groups and educational events and Continued Care counseling to help families succeed after completing the program. Additional outpatient counseling services are offered through The Wings Center at Eagle Ranch, located next door to the residential campus.

Education – The Ranch has a SACS-accredited, on-campus school that helps children close any existing academic gaps and promote success through small classes with a certified teacher and paraprofessional, targeted goal-setting and instruction, read 180 intervention program and exploratory classes to broaden horizons and build life skills. A Day Student program offers a non-residential option for children to attend Eagle Ranch School, while their families receive additional program benefits, such as counseling, support groups and training.

Cash and Cash Equivalents

Cash and cash equivalents include cash and all highly liquid investments with an original maturity of 90 days or less.

Accounts Receivable

Accounts receivable are stated at unpaid balances, less an allowance for doubtful accounts. The Organizations provide for losses on accounts receivable using the allowance method. The allowance is based on experience, third-party contracts, and other circumstances, which may affect the ability of clients to meet their obligations.

Receivables are considered impaired if full principal payments are not received in accordance with the contractual terms. It is the Ranch's policy to charge off uncollectible accounts receivable when management determines the receivable will not be collected.

Promises to Give

Conditional promises to give are not recognized in the combined financial statements until the conditions are substantially met or explicitly waived by the donor. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in more than one year are recorded at fair value, which is measured as the present value of their future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. In the absence of donor stipulations to the contrary, promises with payments due in future periods are restricted to use after the due date. Promises that remain uncollected more than one year after their due dates are written off unless the donors indicate that payment is merely postponed. As of December 31, 2022 and 2021, management believes that all promises to give are collectible.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments

The Organizations report investments in equity securities with readily determinable fair values and all investments in debt securities at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying statement of activities. Investment income and gains restricted by donors are reported as increases in net assets without donor restrictions if the restrictions are met (either a stipulated time period ends, or a purpose restriction is accomplished) in the reporting period in which the income and gains are recognized.

Property and Equipment

All acquisitions of property and equipment in excess of \$10,000 and all expenditures for maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Repairs and maintenance are expensed as incurred. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets.

Net Assets

The Organizations' report information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions are resources available to support operations and not subject to donor restrictions. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the Organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve and capital assets reserve.

Net assets with donor restrictions are resources that are subject to donor-imposed restrictions. Some restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a particular future period. Other restrictions may be perpetual in nature; such as those that are restricted by a donor that the resources be maintained in perpetuity.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions. Contributions with donor restrictions that are both received and released within the same year are recorded as an increase in net assets with donor restrictions and as a satisfaction of program restrictions.

Revenue Recognition

Revenue from program service fees and payments under various contracts is recognized as revenue when performance obligations under the terms of the contracts with customers are satisfied. Revenue received in advance is deferred and recognized over the periods to the which the dates and fees relate. These amounts are included in performance obligation liabilities within the statements of financial position.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition (continued)

Contributions are recognized when cash, other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met or the donor has explicitly removed the conditions. Contributions received with donor-imposed restrictions that are met in the same year in which the contributions are received are classified as net assets without donor restrictions.

Donated Assets

Donated investments and other noncash donations are recorded as contributions at their fair values at the date of donation.

Donated Services

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Ranch. Volunteers also provided fund-raising services throughout the year that are not recognized as contributions in the combined financial statements since the recognition criteria were not met.

Functional Allocation of Expenses

Directly identifiable expenses are charged to programs and supporting services. Expenses related to salaries and wages, payroll taxes, and employee benefits are allocated based on actual percentages of time spent in each functional area. Expenses related to maintenance and upkeep of the entire facility are allocated across functional areas based on a fixed percentage.

Advertising

The Ranch uses advertising to promote its programs among the audiences its serve. The production costs of advertising are expensed as incurred. During the years ended December 31, 2022 and 2021, advertising cost totaled \$64,114 and \$80,460, respectively.

Income Taxes

Under Section 501(c)(3) of the Internal Revenue Code, both the Ranch and the Foundation are exempt from taxes on income other than unrelated business income. Unrelated business income results from sale of products unrelated to the mission of the Organizations.

The Organizations utilizes the accounting requirements associated with uncertainty in income taxes using the provisions of Financial Accounting Standards Board (FASB) ASC 740, *Income Taxes*. Using that guidance, tax positions initially need to be recognized in the combined financial statements when it is more-likely-than-not the positions will be sustained upon examination by the tax authorities. It also provides guidance for derecognition, classification, interest, and penalties, accounting in interim periods, disclosure and transition. As of December 31, 2022 and 2021, the Organizations have no uncertain tax positions that qualify for recognition or disclosure in the combined financial statements.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Reclassifications

Certain reclassifications were made to prior year balances to conform with current year presentation.

Subsequent Events

Management has evaluated subsequent events through the date that the combined financial statements were available to be issued, May 17, 2023, and determined there were no events that occurred that required disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these combined financial statements.

Recent Accounting Pronouncements

In February 2016, the Financial Accounting Standards Board (FASB) issued guidance (Accounting Standards Codification [ASC] 842, Leases) to increase transparency and comparability among organizations by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the balance sheet. Most prominent among the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

The Organizations adopted the standard effective January 1, 2022 and recognized and measured leases existing at, or entered into after, January 1, 2022 (the beginning of the period of adoption) through a cumulative effect adjustment, with certain practical expedients available.

The standard did not have a material impact on the Organizations' financial statements.

In September 2020, the FASB issued ASU 2020-07, Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets. This change in accounting principal did not have a material impact on the Organizations' financial statements.

Note 3: LIQUIDITY AND FINANCIAL ASSET AVAILABILITY

The Organizations maintain their financial assets primarily in cash and cash equivalents and investments to provide liquidity to ensure funds are available as the Organizations' expenditures come due.

Note 3: LIQUIDITY AND FINANCIAL ASSET AVAILABILITY (Continued)

The following reflects the Organizations' financial assets as of the statement of financial position date, reduced by amounts not available for general use within one year of the statement of financial position date because of contractual or donor-imposed restrictions as of December 31, 2022 and 2021.

December 31, 2022	Eagle Ranch,		Eagle Ranch Foundation, Inc.		Combined
December 31, 2022	IIIC.		IIIC.		Combined
Total assets at year end Less non-financial assets	\$ 11,203,723	\$	30,576,244	\$	41,779,967
Prepaid expenses and other assets Property and equipment, net	(102,524) (1,095,953)		- (13,020,051)		(102,524) (14,116,004)
Financial assets at year-end	10,005,246		17,556,193		27,561,439
Less those not available for general expenditures within one year, due to contractual or donor-imposed restrictions					
Board designations Restrictions by donors with time or	(3,090,582))	(3,493,060)		(6,583,642)
purpose restrictions	(5,882,361))	(13,788,560)		(19,670,921)
Financial assets available to meet cash needs	ć 4.022.202		224	ć	4 200 070
for general expenditures within one year	\$ 1,032,303	<u>Ş</u>	274,573	Ş	1,306,876
for general expenditures within one year	\$ 1,032,303	\$		\$	1,306,876
for general expenditures within one year	\$ 1,032,303 Eagle Ranch,	<u> </u>	Eagle Ranch Foundation,	<u>\$</u>	1,306,876
December 31, 2021		<u> </u>	Eagle Ranch	\$	Combined
December 31, 2021 Total assets at year end	Eagle Ranch,		Eagle Ranch Foundation, Inc.	\$	
December 31, 2021	Eagle Ranch, Inc.	\$	Eagle Ranch Foundation, Inc.	<u>*</u>	Combined
December 31, 2021 Total assets at year end Less non-financial assets Prepaid expenses and other assets	Eagle Ranch, Inc. \$ 10,349,544 (42,916)	\$	Eagle Ranch Foundation, Inc. 34,908,042	<u>*</u>	Combined 45,257,586 (42,916)
December 31, 2021 Total assets at year end Less non-financial assets Prepaid expenses and other assets Property and equipment, net Financial assets at year-end Less those not available for general expenditures within one year, due to	Eagle Ranch, Inc. \$ 10,349,544 (42,916) (926,224)	\$	Eagle Ranch Foundation, Inc. 34,908,042	<u>*</u>	Combined 45,257,586 (42,916) (14,538,125)
December 31, 2021 Total assets at year end Less non-financial assets Prepaid expenses and other assets Property and equipment, net Financial assets at year-end Less those not available for general expenditures within one year, due to contractual or donor-imposed restrictions Board designations	Eagle Ranch, Inc. \$ 10,349,544 (42,916) (926,224)	\$	Eagle Ranch Foundation, Inc. 34,908,042	<u>*</u>	Combined 45,257,586 (42,916) (14,538,125)
December 31, 2021 Total assets at year end Less non-financial assets Prepaid expenses and other assets Property and equipment, net Financial assets at year-end Less those not available for general expenditures within one year, due to contractual or donor-imposed restrictions	Eagle Ranch, Inc. \$ 10,349,544 (42,916) (926,224) 9,380,404	\$))	Eagle Ranch Foundation, Inc. 34,908,042 (13,611,901) 21,296,141	<u>*</u>	Combined 45,257,586 (42,916) (14,538,125) 30,676,545

Note 3: LIQUIDITY AND FINANCIAL ASSET AVAILABILITY (Continued)

The Organizations receive significant contributions restricted by donors for programs, which are ongoing, major, and central to its annual operations. As such, donor-restricted net assets of \$12,799,032 and \$15,246,023 as of December 31, 2022 and 2021, respectively, are available for future use towards the Ranch's programs.

The Organizations' Boards have designated resources without donor restrictions of \$6,583,642 and \$7,244,533 for emergency operations and various other purposes at December 31, 2022 and 2021, respectively. These purposes are for activities, which are ongoing, major, and central to the Organizations' operations.

The Organizations structure their financial assets to be available as their general expenditure, liabilities, and other obligations come due. The Foundation has an endowment fund as described in Note 11. The Foundation maintains a spending policy of 5% based on a three-year rolling average of the Foundation's investment portfolio. However, the Board may appropriate additional funds from the accumulated earnings at its discretion. In addition to financial assets available to meet general expenditures over the next twelve months, the Organizations utilize an operating budget and anticipate collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources.

The Organizations are substantially supported by contributions with and without donor restrictions. The goal of the Organizations is to maintain available financial assets to meet its 120 days of operating expenses of approximately \$2,400,000.

Note 4: PROMISES TO GIVE

Promises to give consist of the following:

December 31,		2022	2021
Foundation, Individual and Corporation	¢	_	\$ 1,262,262
Georgia GOAL Scholarship program	Ą	813,697	557,112
		242.52	.
Promises to give	Ş	813,697	\$ 1,819,374

Promises to give are expected to be collected within one year of December 31, 2022 and 2021.

Note 5: INVESTMENTS

Investments in marketable securities consist of the following:

	Eagle F	anch, In	ıc.	Eagle Ranch Fo	oundation, Inc.		
							Market
		М	larket		Market	Cost	Value
December 31, 2022	Cost		Value	Cost	Value	Combined	Combined
Equity stocks and							
mutual funds	\$ 1,064	\$	9,593	\$ 7,577,085	\$ 10,270,354	\$ 7,578,149	\$ 10,279,947
Fixed income securities		•	-	1,770,000	1,784,978	1,770,000	1,784,978
Money market	3,878		3,878	9,910	9,910	13,788	13,788
U.S. Treasuries	6,265,368	6,23	39,509	1,607,525	1,607,525	7,872,893	7,847,034
Exchange-traded funds			-	3,495,370	3,762,370	3,495,370	3,762,370
Real estate investment trust			-	79,498	121,056	79,498	121,056
Cash value of life insurance	43,399		43,399	-	-	43,399	43,399
Total investments in							
marketable securities	\$ 6,313,709	\$ 6,29	96,379	\$14,539,388	\$ 17,556,193	\$ 20,853,097	\$ 23,852,572
	Fagle F	anch In		Eagle Danch F	aundation Inc		
	Eagle F	anch, In	IC.	Eagle Ranch Fo	oundation, Inc.		
	Eagle F	anch, In	ıc.	Eagle Ranch Fo	oundation, Inc.		Market
	Eagle F			Eagle Ranch Fo		Cost	Market
Documber 21 2021		M	larket		Market	Cost	Value
December 31, 2021	Eagle F	M		Eagle Ranch Fo		Cost Combined	
		M	larket		Market		Value
December 31, 2021 Equity stocks and mutual funds		M	larket		Market		Value
Equity stocks and	Cost	M	larket Value	Cost	Market Value	Combined	Value Combined
Equity stocks and mutual funds	Cost	M	larket Value	Cost \$ 10,287,440	Market Value \$ 11,943,486	Combined \$ 10,310,129	Value Combined \$ 11,987,856
Equity stocks and mutual funds Fixed income securities	\$ 22,689	M \$ 2	larket Value 44,370	Cost \$10,287,440 2,582,403	Market Value \$ 11,943,486 2,518,327	\$ 10,310,129 2,582,403	Value Combined \$ 11,987,856 2,518,327
Equity stocks and mutual funds Fixed income securities Money market	\$ 22,689 \$ 3,878	M \$ 2	larket Value 44,370 - 3,878	Cost \$ 10,287,440 2,582,403 12,482	Market Value \$ 11,943,486 2,518,327 12,482	\$ 10,310,129 2,582,403 16,360	Value Combined \$ 11,987,856 2,518,327 16,360
Equity stocks and mutual funds Fixed income securities Money market U.S. Treasuries	\$ 22,689 \$ 3,878	M \$ 2	larket Value 44,370 - 3,878	Cost \$ 10,287,440 2,582,403 12,482 2,341,554	Market Value \$ 11,943,486 2,518,327 12,482 2,341,554	\$ 10,310,129 2,582,403 16,360 5,575,829	Value Combined \$ 11,987,856 2,518,327 16,360 5,575,829
Equity stocks and mutual funds Fixed income securities Money market U.S. Treasuries Exchange-traded funds	\$ 22,689 \$ 3,878	\$ 4 3,23	larket Value 44,370 - 3,878	Cost \$ 10,287,440 2,582,403 12,482 2,341,554 3,465,664	Market Value \$ 11,943,486 2,518,327 12,482 2,341,554 4,324,670	\$ 10,310,129 2,582,403 16,360 5,575,829 3,465,664	Value Combined \$ 11,987,856 2,518,327 16,360 5,575,829 4,324,670
Equity stocks and mutual funds Fixed income securities Money market U.S. Treasuries Exchange-traded funds Real estate investment trust Cash value of life insurance	\$ 22,689 \$ 3,878 3,234,275	\$ 4 3,23	larket Value 44,370 - 3,878 34,275 -	Cost \$ 10,287,440 2,582,403 12,482 2,341,554 3,465,664	Market Value \$ 11,943,486 2,518,327 12,482 2,341,554 4,324,670	\$ 10,310,129 2,582,403 16,360 5,575,829 3,465,664 69,798	Value Combined \$ 11,987,856 2,518,327 16,360 5,575,829 4,324,670 155,622
Equity stocks and mutual funds Fixed income securities Money market U.S. Treasuries Exchange-traded funds Real estate investment trust	\$ 22,689 \$ 3,878 3,234,275	\$ 2 3,23	larket Value 44,370 - 3,878 34,275 - - - 41,532	Cost \$10,287,440 2,582,403 12,482 2,341,554 3,465,664 69,798	Market Value \$ 11,943,486 2,518,327 12,482 2,341,554 4,324,670	\$ 10,310,129 2,582,403 16,360 5,575,829 3,465,664 69,798 41,532	Value Combined \$ 11,987,856 2,518,327 16,360 5,575,829 4,324,670 155,622

Note 6: PROPERTY AND EQUIPMENT, NET

The components of property and equipment consist of the following at December 31, 2022 and 2021:

	Estimated						
	Useful Lives	Ea	gle Ranch,		Eagle Ranch		
December 31, 2022	(in years)		Inc.	Fou	undation, Inc.	C	ombined
Land Improvements	15-40	\$	15,000	\$	1,069,469		1,084,469
Buildings and improvements	15-40		62,568		19,606,091		19,668,659
Furniture and fixtures	5-7		1,309,496		-		1,309,496
Office equipment	3-5		292,565		-		292,565
Machinery and equipment	3-5		129,549		-		129,549
Farm equipment	3-5		40,938		-		40,938
Vehicles	3-5		791,873		-		791,873
Tatal dangariable property and co			2 (41 000		20.675.560	2	12 217 540
Total depreciable property and ed	quipment		2,641,989		20,675,560		23,317,549
Less accumulated depreciation			(2,093,641)		(9,737,088)	(1	1,830,729)
Total depreciable property and ed	nuinment net		548,348		10,938,472	1	1,486,820
Land	faipinient, net		290,000		2,081,579		2,371,579
Construction in progress			257,605		-		257,605
Total property and equipment, ne	et	\$	1,095,953	\$	13,020,051	\$ 1	4,116,004
	Estimated						
	Estimated Useful Lives	Ea	gle Ranch,		Eagle Ranch		
December 31, 2021		Ea	igle Ranch, Inc.	Fou	Eagle Ranch undation, Inc.	Co	ombined
	Useful Lives (in years)		•		undation, Inc.		
Land Improvements	Useful Lives (in years) 15-40	Ea \$	Inc.	Fou \$	1,069,469	\$	1,069,469
Land Improvements Buildings and improvements	Useful Lives (in years) 15-40 15-40		Inc. - 62,568		undation, Inc.	\$ 1	1,069,469 19,668,659
Land Improvements Buildings and improvements Furniture and fixtures	Useful Lives (in years) 15-40 15-40 5-7		62,568 1,103,127		1,069,469	\$ 1	1,069,469 19,668,659 1,103,127
Land Improvements Buildings and improvements Furniture and fixtures Office equipment	Useful Lives (in years) 15-40 15-40 5-7 3-5		62,568 1,103,127 292,565		1,069,469	\$ 1	1,069,469 19,668,659 1,103,127 292,565
Land Improvements Buildings and improvements Furniture and fixtures Office equipment Machinery and equipment	Useful Lives (in years) 15-40 15-40 5-7 3-5 3-5		62,568 1,103,127 292,565 131,404		1,069,469	\$ 1	1,069,469 19,668,659 1,103,127 292,565 131,404
Land Improvements Buildings and improvements Furniture and fixtures Office equipment Machinery and equipment Farm equipment	Useful Lives (in years) 15-40 15-40 5-7 3-5 3-5 3-5		62,568 1,103,127 292,565 131,404 40,938		1,069,469	\$ 1	1,069,469 19,668,659 1,103,127 292,565 131,404 40,938
Land Improvements Buildings and improvements Furniture and fixtures Office equipment Machinery and equipment	Useful Lives (in years) 15-40 15-40 5-7 3-5 3-5		62,568 1,103,127 292,565 131,404		1,069,469	\$ 1	1,069,469 19,668,659 1,103,127 292,565 131,404
Land Improvements Buildings and improvements Furniture and fixtures Office equipment Machinery and equipment Farm equipment Vehicles	Useful Lives (in years) 15-40 15-40 5-7 3-5 3-5 3-5 3-5		62,568 1,103,127 292,565 131,404 40,938 771,990		1,069,469 19,606,091 - - -	\$ 1	1,069,469 19,668,659 1,103,127 292,565 131,404 40,938 771,990
Land Improvements Buildings and improvements Furniture and fixtures Office equipment Machinery and equipment Farm equipment Vehicles Total depreciable property and ed	Useful Lives (in years) 15-40 15-40 5-7 3-5 3-5 3-5 3-5		62,568 1,103,127 292,565 131,404 40,938 771,990 2,402,592		1,069,469 19,606,091 - - - - 20,675,560	\$ 1	1,069,469 19,668,659 1,103,127 292,565 131,404 40,938 771,990
Land Improvements Buildings and improvements Furniture and fixtures Office equipment Machinery and equipment Farm equipment Vehicles	Useful Lives (in years) 15-40 15-40 5-7 3-5 3-5 3-5 3-5		62,568 1,103,127 292,565 131,404 40,938 771,990		1,069,469 19,606,091 - - -	\$ 1	1,069,469 19,668,659 1,103,127 292,565 131,404 40,938 771,990
Land Improvements Buildings and improvements Furniture and fixtures Office equipment Machinery and equipment Farm equipment Vehicles Total depreciable property and edules accumulated depreciation	Useful Lives (in years) 15-40 15-40 5-7 3-5 3-5 3-5 3-5		62,568 1,103,127 292,565 131,404 40,938 771,990 2,402,592 (1,969,644)		1,069,469 19,606,091 - - - 20,675,560 (9,145,238)	\$ 1 2 (1	1,069,469 19,668,659 1,103,127 292,565 131,404 40,938 771,990 23,078,152
Land Improvements Buildings and improvements Furniture and fixtures Office equipment Machinery and equipment Farm equipment Vehicles Total depreciable property and edules accumulated depreciation Total depreciable property and edules accumulated depreciation	Useful Lives (in years) 15-40 15-40 5-7 3-5 3-5 3-5 3-5		62,568 1,103,127 292,565 131,404 40,938 771,990 2,402,592 (1,969,644) 432,948		1,069,469 19,606,091 - - - 20,675,560 (9,145,238) 11,530,322	\$ 1 2 (1	1,069,469 19,668,659 1,103,127 292,565 131,404 40,938 771,990 23,078,152 1,114,882)
Land Improvements Buildings and improvements Furniture and fixtures Office equipment Machinery and equipment Farm equipment Vehicles Total depreciable property and educes accumulated depreciation Total depreciable property and educed to the second to t	Useful Lives (in years) 15-40 15-40 5-7 3-5 3-5 3-5 3-5		62,568 1,103,127 292,565 131,404 40,938 771,990 2,402,592 (1,969,644) 432,948 290,000		1,069,469 19,606,091 - - - 20,675,560 (9,145,238)	\$ 1 2 (1	1,069,469 19,668,659 1,103,127 292,565 131,404 40,938 771,990 23,078,152 11,114,882)
Land Improvements Buildings and improvements Furniture and fixtures Office equipment Machinery and equipment Farm equipment Vehicles Total depreciable property and edules accumulated depreciation Total depreciable property and edules accumulated depreciation	Useful Lives (in years) 15-40 15-40 5-7 3-5 3-5 3-5 3-5		62,568 1,103,127 292,565 131,404 40,938 771,990 2,402,592 (1,969,644) 432,948		1,069,469 19,606,091 - - - 20,675,560 (9,145,238) 11,530,322	\$ 1 2 (1	1,069,469 19,668,659 1,103,127 292,565 131,404 40,938 771,990 23,078,152 1,114,882)

Note 6: PROPERTY AND EQUIPMENT, NET (Continued)

Depreciation expense for the years ended December 31, 2022 and 2021 was \$135,853 and \$114,772, respectively, as recorded by the Ranch. Depreciation expense for the years ended December 31, 2022 and 2021 was \$591,852 and \$569,094, respectively, as recorded by the Foundation.

Construction in progress for the year ended December 31, 2022 consist of road improvement and renovation projects. Construction in progress for the year ended December 31, 2021 consist primarily of furnishings and technology for the new WINGS Counseling Center (Center). The Center officially opened in Spring 2022 and offers counseling services to the general public.

Note 7: CHARITABLE GIFT ANNUITY OBLIGATIONS

The Ranch has received gift annuities whereby the donors may contribute assets to the Ranch in exchange for the right to receive a fixed-dollar annual return during their lifetime. A portion of the transfer is considered a charitable contribution for income tax purposes. The difference between the amount provided for the gift annuity and the present value of the liability for future payments, determined on an actuarial basis, is recognized as a contribution without donor restriction at the date of the gift.

The annuity liability is revalued annually based upon actuarially computed present value. At December 31, 2022 and 2021, the present value was calculated at a discount rate of 2.0% for the annuities received prior to 2019 and at a discount rate of 3.6% for the annuity received during 2019. There were no annuities received after 2019. The resulting actuarial gain (loss) is recorded as revenue without donor restriction.

The assets and corresponding liabilities (the present value of the estimated future actuarial liability to annuitants) of the gift annuities are as follows:

December 31,	2022	2021
Investments (short-term) Annuity payable	\$ 37,494 \$ 84.775	· ·

Note 8: NET ASSETS

A summary of net assets without donor restrictions consists of the following:

December 31, 2022	Eagle	Ranch, Inc.	Fou	Eagle Ranch undation, Inc.	Combined
•				•	
Undesignated	\$ 1,	919,892	\$	13,294,624	\$ 15,214,516
Board designated					
Emergency operations reserve	1,	.800,000		-	1,800,000
Other reserves	1,	290,582		-	1,290,582
Endowment		-		677,469	677,469
Eagle Ranch School		-		685,106	685,106
Ranch general reserve		-		807,317	807,317
Repairs and maintenance		-		90,027	90,027
Home maintenance		-		1,233,141	1,233,141
Total net assets without donor restrictions	\$ 5,	010,474	\$	16,787,684	\$ 21,798,158
	Eagle	Ranch,		Eagle Ranch	
December 31, 2021	Eagle	Ranch,	Fou	Eagle Ranch undation, Inc.	Combined
·		Inc.		undation, Inc.	Combined
Undesignated			Fou	•	\$ Combined 15,474,513
Undesignated Board designated	\$ 1,	Inc. .521,583		undation, Inc.	\$ 15,474,513
Undesignated Board designated Emergency operations reserve	\$ 1,	Inc. .521,583 .100,000		undation, Inc.	\$ 15,474,513 2,100,000
Undesignated Board designated	\$ 1,	Inc. .521,583		undation, Inc.	\$ 15,474,513 2,100,000 533,038
Undesignated Board designated Emergency operations reserve	\$ 1,	Inc. .521,583 .100,000		undation, Inc.	\$ 15,474,513 2,100,000
Undesignated Board designated Emergency operations reserve Other reserves	\$ 1,	Inc. .521,583 .100,000		13,952,930 - -	\$ 15,474,513 2,100,000 533,038
Undesignated Board designated Emergency operations reserve Other reserves Endowment	\$ 1,	Inc. .521,583 .100,000		13,952,930 - 1,201,170	\$ 15,474,513 2,100,000 533,038 1,201,170
Undesignated Board designated Emergency operations reserve Other reserves Endowment Eagle Ranch School	\$ 1,	Inc. .521,583 .100,000		13,952,930 - 1,201,170 851,279	\$ 15,474,513 2,100,000 533,038 1,201,170 851,279
Undesignated Board designated Emergency operations reserve Other reserves Endowment Eagle Ranch School Ranch general reserve	\$ 1,	Inc. .521,583 .100,000		13,952,930 - - 1,201,170 851,279 993,938	\$ 15,474,513 2,100,000 533,038 1,201,170 851,279 993,938
Undesignated Board designated Emergency operations reserve Other reserves Endowment Eagle Ranch School Ranch general reserve Repairs and maintenance	\$ 1,	Inc. .521,583 .100,000		13,952,930 - 1,201,170 851,279 993,938 111,817	\$ 15,474,513 2,100,000 533,038 1,201,170 851,279 993,938 111,817

Note 8: NET ASSETS (Continued)

A summary of net assets with donor restrictions consists of the following:

	E	Eagle Ranch,		Eagle Ranch	
December 31, 2022		Inc.	Fou	ındation, Inc.	Combined
Purpose restricted					
Educational	\$	1,012,876	\$	516,077	\$ 1,528,953
Facilities		1,469,015		579,594	2,048,609
Operational programs		2,147,571		7,073,899	9,221,470
Total purpose restricted net assets		4,629,462		8,169,570	12,799,032
Perpetual in nature: endowed net					
assets - Note 11		_		5,618,990	5,618,990
Perpetual in nature: beneficial interest in				-,,	-,,
assets held at Community Foundations		1,252,899		-	1,252,899
		·			· · ·
Total net assets with donor restrictions	\$	5,882,361	\$	13,788,560	\$ 19,670,921
		Eagle Ranch,		Eagle Ranch	
December 31, 2021		Inc.	Fo	oundation, Inc.	Combined
Purpose restricted					
Educational	\$	650,031	\$	689,549	\$ 1,339,580
Facilities		1,618,730		745,717	2,364,447
Operational programs		1,944,688		9,597,308	11,541,996
Total purpose restricted net assets		4,213,449		11,032,574	15,246,023
Perpetual in nature: endowed net assets - Note 11		-		5,311,043	5,311,043
Perpetual in nature: beneficial interest in		1 555 530			1 555 530
assets held at Community Foundations		1,555,530			1,555,530
Total net assets with donor restrictions	\$	5,768,979	\$	16,343,617	\$ 22,112,596

Note 8: NET ASSETS (Continued)

A summary of the release of donor restrictions consists of the following:

	Eagle Ranch,		Eagle Ranch	
December 31, 2022	Inc.	Fo	undation, Inc.	Combined
Net assets released from program restrictions				
Operational	\$ 996,297	\$	-	\$ 996,297
Facilities	879,684		-	879,684
Education	471,194		-	471,194
Total net assets released from restrictions	\$ 2,347,175	\$	-	\$ 2,347,175
	Eagle Ranch,		Eagle Ranch	
December 31, 2021	Inc.	Fo	undation, Inc.	Combined
Net assets released from program restrictions				
Operational	\$ 721,289	\$	-	\$ 721,289
	\$ 721,289 2,845,173	\$	-	\$ 721,289 2,845,173
Operational	\$ •	\$	- - -	\$ •
Operational Facilities	\$ 2,845,173	\$	- - -	\$ 2,845,173

Note 9: REVENUE

The Ranch recognizes revenue over time for its counseling and home therapy programs included in program service revenue. The fees for these programs totaling \$430,239 and \$145,999 are recognized as revenue for the years ended December 31, 2022 and 2021, respectively.

The Ranch's customers are primarily individuals and families located in the North Georgia area of the United States.

Note 10: CONTRIBUTIONS IN-KIND

All donated assets and goods were utilized by the Ranch's program and supporting services. There were no donor-imposed restrictions associated with the contributed assets and goods.

The components of donated materials and food contributed to the Ranch for the year ended December 31, 2022 totaled approximately \$16,000. The components of donated assets and goods consisted of land in the amount of \$290,000 and other donated materials and food totaling approximately \$122,000 for the year ended December 31, 2021.

Donated land is valued at the fair value of similar properties available in real estate listings. Donated materials and food is valued at the fair value of similar items in the market.

Note 11: BENEFICIAL INTEREST IN ASSETS HELD BY COMMUNITY FOUNDATIONS

Prior to the year 2019, the Ranch has transferred certain unrestricted assets to the North Georgia Community Foundation, the Community Foundation for Northeast Georgia, and the Community Foundation for Greater Atlanta, Inc. (the Community Foundations) which are holding them as endowed component funds (the Funds) for the benefit of the Ranch. The Ranch has granted the Community Foundations variance power that gives the Community Foundations' Boards the power to use the Funds for other purposes in certain circumstances. Accordingly, these Funds are reflected in the financial statements as donor restricted net assets. The Funds are subject to the Community Foundations' investment and spending policies that currently result in a distribution to the Ranch of 5 percent of the previous year's balance. The Ranch reports the fair value of the Funds as beneficial interest in assets held at Community Foundations in the statement of financial position and reports distributions received as investment income. Changes in the value of the Funds are reported as gains or losses in the statements of activities.

Changes in the Funds for the years ended December 31, 2022 and 2021 are as follows:

Balance at December 31, 2021 Share of appreciation of fund Distributions received	\$ 1,555,530 (261,066) (41,565)
Balance at December 31, 2022	\$ 1,252,899
Balance at December 31, 2020 Share of appreciation of fund	\$ 1,426,172 197,731
Distributions received Balance at December 31, 2021	\$ (68,373) 1,555,530

Note 12: ENDOWMENTS

The Foundation's endowments consists of several individual funds established for a variety of purposes. Its endowment includes both donor-restricted funds and funds designated by the Foundation's Board of Trustees to function as endowments. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Foundation's Board of Trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Note 12: ENDOWMENTS (Continued)

Absent explicit donor stipulations to the contrary, the Foundation's Board of Trustees has interpreted Uniform Management of Institutional Fund Act UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds. As a result of this interpretation, the Foundation retains in perpetuity and classifies as net assets with donor restrictions (1) the original value of gifts donated to the perpetual endowment, (2) the original value of subsequent gifts to the perpetual endowment, and (3) accumulations to the perpetual endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not retained in perpetuity are subject to appropriation for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Foundation, and (7) the Foundation's investment policies.

Investment Return Objectives, Risk Parameters and Strategies. The Foundation's investments have a long-term focus and the objective for the fund is to maintain a moderate current income and to achieve an above average growth in principal over the long-term in excess of inflation. This objective can be obtained through a well-diversified portfolio. It is the policy of the Foundation's Board of Trustees (the Trustees) to invest in such a manner as to achieve a balanced approach. Further, the Trustees have approved and implemented an annual spending policy related to its invested funds. The Investment Committee of the Board of Trustees of the Foundation oversees the administration of and the distribution of the endowment funds. Decisions about individual assets must be made as part of an overall investment strategy and investments must be diversified. The institution, subject to the intent of the donor expressed in a gift instrument, "may appropriate for expenditure or accumulate so much of an endowment fund as the institution determines prudent for the uses, benefits, purposes, and duration for which the endowment fund is established."

Spending Policy. The spending policy stipulates that five percent (5.0%) of the market value of the investment portfolio based on a three-year rolling average, determined at September 30th of each year, shall be available to the Ranch during its next fiscal year, unless otherwise restricted by the donor. Distributions are made to the Ranch on a quarterly basis. During 2022 and 2021, the Foundation made total distributions in the amount of \$876,828 and \$755,804, respectively of which \$485,292 and \$440,150, respectively, were distributions from the endowment funds. Investment income consisting of dividends and interest (as well as any capital gains that may be necessary to achieve the percent allocation) along with any contributions without donor restrictions received by the Foundation are transferred to the Ranch when requested. Interest, dividends, realized and unrealized gains or losses in excess of the percent allocated are recorded as increases or decreases in net assets without donor restrictions.

From time to time, certain donor-restricted endowment funds may have fair values that are less than the amount required to be maintained by donors or by law (underwater endowments). The Foundation has interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. There were no underwater endowment funds as of December 31, 2022 and 2021.

Note 12: ENDOWMENTS (Continued)

Net assets perpetual in nature consist of several donor restricted endowment funds for which the income and gains are used to support the following purposes:

- 1. a trust to be maintained in perpetuity to support the Girls Ranch operations.
- 2. a trust to be maintained in perpetuity to support staff development.
- 3. a trust to be maintained in perpetuity to support the director and the assistant of the spiritual life program.
- 4. a trust to be maintained in perpetuity to support continued counseling services for families after a child returns home.
- 5. trusts to be maintained in perpetuity to support specific current needs of the Ranch through the Soaring Futures Legacy program.
- 6. a trust to be maintained in perpetuity to support the Ranch's core services through the Soaring Futures Legacy program.

Accumulated earnings on the first five endowment funds are classified as net assets with purpose restrictions until appropriated for expenditures for the intended purpose. Accumulated earnings on the Soaring Futures Legacy program endowment fund are classified as net assets without donor restrictions, and the fund balance is included in designated net assets in Note 8. In addition, the Board of Trustees of the Foundation has classified the other designated net assets fund balances described in Note 8 as endowed net assets without donor restrictions.

Endowment net asset composition by type of fund consist of the following:

December 31,	2022	2021
Endowment funds with donor restrictions Board-designated endowment funds without	\$ 6,048,995 \$	6,813,816
donor restrictions	3,493,060	4,611,495
Total endowment funds	\$ 9,542,055 \$	11,425,311

Note 12: ENDOWMENTS (Continued)

Changes in the Foundation's endowment net assets consists of the following for the years ended December 31, 2022 and 2021:

	W	ithout Donor		With Donor	
December 31, 2022	Restrictions			Restrictions	Total
Endowment net assets - January 1, Contributions Investment income, net Net appreciation (depreciation) Amounts appropriated	\$	4,611,495 - 91,150 (964,533)	\$	6,813,816 307,949 83,330 (915,860)	\$ 11,425,311 307,949 174,480 (1,880,393)
for expenditure		(245,052)		(240,240)	(485,292)
Endowment net assets - December 31,	\$	3,493,060	\$	6,048,995	\$ 9,542,055
December 31, 2021	W	ithout Donor Restrictions		With Donor Restrictions	Total
Endowment net assets - January 1, Contributions Investment income, net Net appreciation (depreciation) Amounts appropriated for expenditure	\$	4,169,517 - 58,412 599,032 (215,466)	\$	6,278,189 139,705 55,117 565,489 (224,684)	\$ 10,447,706 139,705 113,529 1,164,521 (440,150)
Endowment net assets - December 31,	\$	4,611,495	\$	6,813,816	\$ 11,425,311

Note 13: FAIR VALUE MEASUREMENTS

Fair value is the exchange price that would be received for an asset or paid to transfer a liability (exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. There are three levels of inputs that may be used to measure fair values:

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2: Significant other observable inputs other than Level 1 prices, such as:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs, other than quoted prices, that are:
 - observable; or
 - can be corroborated by observable market data.

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Note 13: FAIR VALUE MEASUREMENTS (Continued)

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 asset or liability's 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. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2022 and 2021.

Equity stocks and mutual funds: Valued at the closing price reported on the active market on which the individual stocks and stock mutual funds are traded.

Fixed income securities and U.S. Treasuries: Valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing value on yields currently available on comparable securities of issuers with similar credit ratings.

Exchange-traded funds: Valued at the daily closing price as reported by the fund. Exchange-traded funds held by the Organizations are open-end mutual funds that are registered with the SEC. These funds are required to publish their daily NAV and to transact at that price. These funds are deemed to be actively traded.

Real estate investment trust: Valued based on NAV per share or unit as a practical expedient as reported by the fund manager, multiplied by the number of shares or units held as of the measurement date. Accordingly, the NAV based investments have been excluded from the fair value hierarchy leveling.

Beneficial interest in assets held by Community Foundations: The fair value of beneficial interest in assets held by Foundations is based upon the net present value of expected future cash flows. The Ranch does not have the ability to redeem this beneficial interest and withdrawals are limited to the terms of the Ranch's agreement with the Foundations.

Money Market: Cash held at financial institutions based on fair market value.

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

Note 13: FAIR VALUE MEASUREMENTS (Continued)

Assets and liabilities measured at fair value on a recurring basis consists of the following at December 31, 2022 and 2021 for Eagle Ranch, Inc.:

December 31, 2022		Level 1		Level 2		Level 3		Total
Equity stocks and mutual funds Fixed income securities	\$	9,593	\$	-	\$	-	\$	9,593
U.S. Treasuries		6,239,509		-		-		6,239,509
Exchange-traded funds		-		-		-		-
Real estate investment trust		-		-		-		-
Beneficial interest in assets held at Community Foundations Money market		-		- 3,878		1,252,899		1,252,899 3,878
T. 1:		6 240 402		2.070		4 252 000		7.505.070
Total investments at fair value	Ş	6,249,102	Ş	3,878	Ş	1,252,899	Ş	7,505,879
December 31, 2021		Level 1		Level 2		Level 3		Total
Equity stocks and mutual funds Fixed income securities	\$	44,370	\$	-	\$	-	\$	44,370
U.S. Treasuries		3,234,275		-		_ _		3,234,275
Exchange-traded funds		-		-		-		-
Real estate investment trust		-		-		-		-
Beneficial interest in assets held at Community Foundations		-		-		1,555,530		1,555,530
Money market		-		3,878		-		3,878
Total investments at fair value	\$	3,278,645	\$	3,878	\$	1,555,530	\$	4,838,053

Note 13: FAIR VALUE MEASUREMENTS (Continued)

Assets and liabilities measured at fair value on a recurring basis consists of the following at December 31, 2022 and 2021 for Eagle Ranch Foundation, Inc.:

December 31, 2022	Level 1	Level 2	Level 3	Total
Equity stocks and mutual funds	\$ 10,270,354	\$ -	\$ -	\$ 10,270,354
Fixed income securities	1,784,978	-	-	1,784,978
U.S. Treasuries	1,607,525	-	-	1,607,525
Exchange-traded funds	3,762,370	-	-	3,762,370
Real estate investment trust	121,056	-	-	121,056
Beneficial interest in assets held				
at Community Foundations	-	-	-	-
Money market	-	9,910	-	9,910
Total investments at fair value	\$ 17,546,283	\$ 9,910	\$ 	\$ 17,556,193
December 31, 2021	Level 1	Level 2	Level 3	Total
Equity stocks and mutual funds	\$ 11,943,486	\$ -	\$ -	\$ 11,943,486
Fixed income securities	2,518,327	-	-	2,518,327
U.S. Treasuries	2,341,554	-	-	2,341,554
Exchange-traded funds	4,324,670	-	-	4,324,670
Real estate investment trust	155,622	-	-	155,622
Beneficial interest in assets held				
at Community Foundations	-	-	-	-
Money market	-	12,482	-	12,482
Total investments at fair value	\$ 21,283,659	\$ 12,482	\$ -	\$ 21,296,141

Note 13: FAIR VALUE MEASUREMENTS (Continued)

Assets and liabilities measured at fair value on a recurring basis consists of the following at December 31, 2022 and 2021 for Eagle Ranch, Inc. and Eagle Ranch Foundation, Inc. combined:

December 31, 2022	Level 1	Level 2	Level 3	Total
Equity stocks and mutual funds Fixed income securities U.S. Treasuries Exchange-traded funds Real estate investment trust Beneficial interest in assets held	\$ 10,279,947 1,784,978 7,847,034 3,762,370 121,056	\$ - - - -	\$ - - - -	\$ 10,279,947 1,784,978 7,847,034 3,762,370 121,056
at Community Foundations Money market	-	- 13,788	1,252,899	1,252,899 13,788
Total investments at fair value	\$ 23,795,385	\$ 13,788	\$ 1,252,899	\$ 25,062,072
December 31, 2021	Level 1	Level 2	Level 3	Total
Equity stocks and mutual funds Fixed income securities U.S. Treasuries Exchange-traded funds Real estate investment trust Beneficial interest in assets held at Community Foundations Money market	\$ 11,987,856 2,518,327 5,575,829 4,324,670 155,622	\$ - - - - - 16,360	\$ - - - - 1,555,530 -	\$ 11,987,856 2,518,327 5,575,829 4,324,670 155,622 1,555,530 16,360
Total investments at fair value	\$ 24,562,304	\$ 16,360	\$ 1,555,530	\$ 26,134,194

The following table presents the activity for investments measured at fair value on a recurring basis using significant unobservable inputs (Level 3) as defined by GAAP at December 31, 2022:

	Eagle	Eagle Ranch	
December 31, 2022	Ranch, Inc.	Foundation, Inc.	Combined
Beginning balance \$	1,555,530	\$ -	\$ 1,555,530
Purchases	-	-	-
Share of appreciation of fund	(261,066)	-	(261,066)
Distribution received	(41,565)	-	(41,565)
Ending balance \$	1,252,899	<u>\$</u> -	\$ 1,252,899

Note 13: FAIR VALUE MEASUREMENTS (Continued)

The following table presents the activity for investments measured at fair value on a recurring basis using significant unobservable inputs (Level 3) as defined by GAAP at December 31, 2021:

	Eagle	Eagle Ranch	
December 31, 2021	Ranch, Inc.	Foundation, Inc.	Combined
Beginning balance Purchases Share of appreciation of fund Distribution received	\$ 1,426,172 - 197,731 (68,373)	\$ - - -	\$ 1,426,172 - 197,731 (68,373)
Ending balance	\$ 1,555,530	\$ -	\$ 1,555,530

Changes in Fair Value Levels

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the beginning of the reporting period.

Management evaluated the significance of transfer between levels based upon the nature of the financial instrument and size of the transfer relative to total assets. For the years ended December 31, 2022 and 2021, there were no significant transfers in or out of Levels 1, 2 or 3.

Note 14: COMMITMENTS AND CONTINGENCIES

The Organizations are subject to claims and legal actions in the ordinary course of business. Management believes that such claims will not have a material adverse impact on the Organizations' financial position or results of the operations.

Note 15: CONCENTRATIONS OF CREDIT RISK

The Organizations maintains cash deposits with financial institutions at December 31, 2022 and 2021 in excess of federally insured limits of \$528,629 and \$1,489,884, respectively.

The investments held by the Organizations are insured by the Securities Investor Protection Corporation (SIPC). The SIPC insures up to \$500,000 in each institution. At December 31, 2022 and 2021, the investments exceeding the SIPC limit totaled \$23,041,340 and \$24,216,341, respectively.

Note 16 TAX-DEFERRED ANNUITY PLAN

The Ranch has a tax-deferred annuity plan under Section 403(b) of the Internal Revenue Code. This plan allows only employee deferred contributions. All employees of the Ranch meeting certain requirements are eligible to participant in the plan. For the years ended December 31, 2022 and 2021, the Ranch did not contribute to the plan.



SUPPLEMENTARY INFORMATION

Eagle Ranch, Inc. and Supporting Affiliate Supplemental Statements of Activities – Eagle Ranch, Inc.

		With Donor	Restrictions	
	Without			
	Donor	Purpose		
For the year ended December 31, 2022	Restrictions	Restrictions	Perpetual	Total
			. с. рессии.	
Revenue and Other Support				
Contributions	\$ 3,938,627	\$ 2,844,598	\$ - \$	6,783,225
Fundraising revenues	124,620	-	-	124,620
Program service revenue	430,239	-	-	430,239
Investment income	81,192	-	-	81,192
Realized and unrealized gain (loss) on investments	(26,510)	-	-	(26,510)
Investment income - beneficial interest	41,565	-	-	41,565
Gain (loss) on beneficial interest in assets held				
by Community Foundations	-	-	(302,631)	(302,631)
Change in value of charitable gift annuity, net	(23,383)	-	-	(23,383)
Other income	20,393	-	-	20,393
Total revenue and other support	4,586,743	2,844,598	(302,631)	7,128,710
Net assets released from restrictions and				
transfers of net assets:				
Transfers of net assets	625,240	(81,410)	_	543,830
Satisfaction of program restrictions	2,347,175	(2,347,175)	_	343,030
- Cationaction of programmestiments	2,3 17,273	(2)3 17 17 37		
Total revenue and other support and net assets				
released from restrictions	7,559,158	416,013	(302,631)	7,672,540
	, ,	,	, , ,	, ,
Expenses				
Program services:				
Counseling	1,839,157	-	-	1,839,157
Home Therapy	2,428,035	-	-	2,428,035
Education	1,011,191	-	-	1,011,191
Total program services	5,278,383	-	-	5,278,383
Supporting services:				
Management and general	752,730	_	_	752,730
Fundraising	672,192	-	-	672,192
Total supporting services	1,424,922	-	-	1,424,922
Total expenses	6,703,305		-	6,703,305
Change in net assets	855,853	416,013	(302,631)	969,235
Net assets at beginning of year	4,154,621	4,213,449	1,555,530	9,923,600
Net assets at end of year	\$ 5,010,474	\$ 4,629,462	\$ 1,252,899 \$	10,892,835

Eagle Ranch, Inc. and Supporting Affiliate Supplemental Statements of Activities – Eagle Ranch, Inc. (Continued)

		With Donor		
	Without			
	Donor	Purpose		
For the year ended December 31, 2021	Restrictions	Restrictions	Perpetual	Total
Revenue and Other Support				
Contributions	\$ 4,468,471	\$ 8,553,626	\$ -	\$ 13,022,097
Fundraising revenues	190,964	-	-	190,964
Program service revenue	145,999	_	_	145,999
Investment income	1,381	_	_	1,381
Realized and unrealized gain (loss) on investments	(14,362)	_	_	(14,362)
Investment income - beneficial interest	68,763	_	_	68,763
Gain on beneficial interest in assets held	00,703			00,703
by Community Foundations	_	_	129,358	129,358
Change in value of charitable gift annuity, net	(27,982)	_	123,330	(27,982)
Other income	39,953	_	_	39,953
Other income	39,933			39,933
Total revenue and other support	4,873,187	8,553,626	129,358	13,556,171
Net assets released from restrictions and				
transfers of net assets				
Transfers of net assets	(2,912,791)	(2,050,009)	_	(4,962,800)
Satisfaction of program restrictions	3,946,886	(3,946,886)	_	(4,502,000)
Satisfaction of program restrictions	3,340,000	(3,340,000)		
Total revenue and other support and net assets				
released from restrictions	5,907,282	2,556,731	129,358	8,593,371
released from restrictions	3,307,202	2,330,731	123,330	0,555,571
Expenses				
Program services:				
Counseling	1,387,853	_	_	1,387,853
Home Therapy	2,437,282		_	2,437,282
• •		-	-	
Education	982,428	<u>-</u>	<u>-</u>	982,428
Total program services	4,807,563	_	_	4,807,563
rotal program services	1,007,303			1,007,303
Supporting services:				
Management and general	643,879	_	_	643,879
Fundraising	547,921	-	-	547,921
	<u> </u>			
Total supporting services	1,191,800	-	-	1,191,800
				· · · · · ·
Total expenses	5,999,363	-	-	5,999,363
	(00.000)	2 == 2 = 2 :	400.000	2 - 2 4 - 2 2 2
Change in net assets	(92,081)	2,556,731	129,358	2,594,008
Net assets at beginning of year	4,246,702	1,656,718	1,426,172	7,329,592
	,,	,	,,	,,
Net assets at end of year	\$ 4,154,621	\$ 4,213,449	\$ 1,555,530	\$ 9,923,600

Eagle Ranch, Inc. and Supporting Affiliate Supplemental Statements of Activities – Eagle Ranch Foundation, Inc.

	Without	Without		
	Donor	Purpose		
For the year ended December 31, 2022	Restrictions	Restrictions	Perpetual	Total
Revenue and Other Support Investment income Realized and unrealized gain (loss)	\$ 99,026	\$ 226,608	\$ -	\$ 325,634
on investments	(1,021,175)	(2,497,915)	-	(3,519,090)
Total revenue and other support	(922,149)	(2,271,307)	-	(3,193,456)
Net assets released from restrictions and transfers of net assets: Transfers of net assets	(260,080)	(591,699)	307,949	(543,830)
Total revenue and other support and net assets released from restrictions	(1,182,229)		307,949	(3,737,286)
Expenses Program services:				
Counseling	17,756	-	-	17,756
Home Therapy	432,052	-	-	432,052
Education	118,370	-	-	118,370
Total program services	568,178	-	-	568,178
Supporting services: Management and general Fundraising	20,415 5,919	-	-	20,415 5,919
Total supporting services	26,334	-	-	26,334
Total expenses	594,512			594,512
Change in net assets	(1,776,741)	(2,863,006)	307,949	(4,331,798)
Net assets at beginning of year	18,564,425	11,032,574	5,311,043	34,908,042
Net assets at end of year	\$ 16,787,684	\$ 8,169,568	\$ 5,618,992	\$ 30,576,244

Eagle Ranch, Inc. and Supporting Affiliate Supplemental Statements of Activities – Eagle Ranch Foundation, Inc. (Continued)

	With Donor		
Without			
	Purnose		
	•	Pernetual	Total
Restrictions	Restrictions	respetual	Total
\$ 61,834	\$ 134,037	\$ - \$	195,871
634,118	1,376,809	-	2,010,927
695,952	1,510,846	-	2,206,798
3,260,959	1,562,136	139,705	4,962,800
3,956,911	3,072,982	139,705	7,169,598
17,073	-	_	17,073
•	-	-	415,438
113,819	-	-	113,819
546,330	-	-	546,330
17.073	-	-	17,073
5,691	-	-	5,691
·			,
22,764	-	-	22,764
E60.004			E60 004
309,094		<u>-</u>	569,094
3,387,817	3,072,982	139,705	6,600,504
	•	·	•
15,176,608	7,959,592	5,171,338	28,307,538
\$ 18,564,425	\$ 11,032,574	\$ 5,311,043	34,908,042
	634,118 695,952 3,260,959 3,956,911 17,073 415,438 113,819 546,330 17,073 5,691 22,764 569,094 3,387,817 15,176,608	Donor Restrictions Purpose Restrictions \$ 61,834 \$ 134,037 634,118 1,376,809 695,952 1,510,846 3,956,911 3,072,982 17,073 - 415,438 - 113,819 - 546,330 - 22,764 - 569,094 - 3,387,817 3,072,982 15,176,608 7,959,592	Donor Restrictions Purpose Restrictions Perpetual \$ 61,834 \$ 134,037 \$ - \$ 634,118 1,376,809 695,952 1,510,846 3,260,959 1,562,136 139,705 17,073