



**Eagle Ranch, Inc. and Supporting Affiliate**

**COMBINED FINANCIAL STATEMENTS**

**December 31, 2021 and 2020**



	<b>Page</b>
<b>REPORT</b>	
Independent Auditors' Report .....	1
<b>FINANCIAL STATEMENTS</b>	
Combined Statements of Financial Position .....	4
Combined Statements of Activities.....	6
Combined Statements of Functional Expenses .....	8
Combined Statements of Cash Flows .....	10
Notes to the Combined Financial Statements .....	12
<b>Supplementary Information</b>	
Statements of Activities – Eagle Ranch, Inc. ....	34
Statements of Activities – Eagle Ranch Foundation, Inc. ....	36



# REPORT





Carr, Riggs & Ingram, LLC  
4004 Summit Boulevard NE  
Suite 800  
Atlanta, GA 30319

770.394.8000  
770.451.2873 (fax)  
CRlcpa.com

## **INDEPENDENT AUDITORS' REPORT**

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 statement of financial position as of December 31, 2021, and the related combined 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 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, 2021, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for 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 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 audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Prior Period Financial Statements**

The combined financial statements of Eagle Ranch, Inc. and its Supporting Affiliate – Eagle Ranch Foundation, Inc. as of December 31, 2020, were audited by other auditors whose report dated March 19, 2021 expressed an unmodified opinion on those statements.

### **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.

A handwritten signature in black ink that reads "Carr, Riggs & Ingram, L.L.C." in a cursive script.

CARR, RIGGS & INGRAM, LLC

Atlanta, Georgia  
December 29, 2022



# FINANCIAL STATEMENTS



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

<b>December 31, 2021</b>	Eagle Ranch, Inc.	Eagle Ranch Foundation, Inc.	Combined
<b>Assets</b>			
Cash and cash equivalents	\$ 613,120	\$ -	\$ 613,120
Accounts receivable	4,196	-	4,196
Unconditional promises to give	1,819,374	-	1,819,374
Prepaid expenses and other assets	42,916	-	42,916
Investments	5,388,184	21,296,141	26,684,325
Property and equipment, net	926,224	13,611,901	14,538,125
Beneficial interest in assets held at Community Foundations	1,555,530	-	1,555,530
<b>Total assets</b>	<b>\$ 10,349,544</b>	<b>\$ 34,908,042</b>	<b>\$ 45,257,586</b>
<b>Liabilities and Net Assets</b>			
<b>Liabilities</b>			
Accounts payable and accrued expenses	\$ 335,752	\$ -	\$ 335,752
Charitable gift annuity obligations	90,192	-	90,192
<b>Total liabilities</b>	<b>425,944</b>	<b>-</b>	<b>425,944</b>
<b>Net assets</b>			
Without donor restrictions	4,154,621	18,564,425	22,719,046
With donor restrictions	5,768,979	16,343,617	22,112,596
<b>Total net assets</b>	<b>9,923,600</b>	<b>34,908,042</b>	<b>44,831,642</b>
<b>Total liabilities and net assets</b>	<b>\$ 10,349,544</b>	<b>\$ 34,908,042</b>	<b>\$ 45,257,586</b>

*The accompanying notes are an integral part of these financial statements.*



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

<i>December 31, 2020</i>	Eagle Ranch, Inc.	Eagle Ranch Foundation, Inc.	Combined
<b>Assets</b>			
Cash and cash equivalents	\$ 1,078,579	\$ -	\$ 1,078,579
Accounts receivable	3,340	-	3,340
Unconditional promises to give	281,222	-	281,222
Prepaid expenses and other assets	96,208	-	96,208
Investments	3,374,954	17,616,338	20,991,292
Property and equipment, net	1,622,317	10,691,200	12,313,517
Beneficial interest in assets held at Community Foundations	1,426,172	-	1,426,172
<b>Total assets</b>	<b>\$ 7,882,792</b>	<b>\$ 28,307,538</b>	<b>\$ 36,190,330</b>
<b>Liabilities and Net Assets</b>			
<b>Liabilities</b>			
Accounts payable and accrued expenses	\$ 198,233	\$ -	\$ 198,233
Construction accounts payable	258,399	-	258,399
Charitable gift annuity obligations	96,568	-	96,568
<b>Total liabilities</b>	<b>553,200</b>	<b>-</b>	<b>553,200</b>
<b>Net assets</b>			
Without donor restrictions	4,246,702	15,176,608	19,423,310
With donor restrictions	3,082,890	13,130,930	16,213,820
<b>Total net assets</b>	<b>7,329,592</b>	<b>28,307,538</b>	<b>35,637,130</b>
<b>Total liabilities and net assets</b>	<b>\$ 7,882,792</b>	<b>\$ 28,307,538</b>	<b>\$ 36,190,330</b>

*The accompanying notes are an integral part of these financial statements.*

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

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

*The accompanying notes are an integral part of these financial statements.*

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

<i>For the year ended December 31, 2020</i>	Eagle Ranch, Inc.	Eagle Ranch Foundation, Inc.	Combined
<b>Changes in Net Assets Without Donor Restrictions</b>			
<i>Support, gains and revenue</i>			
Public support contributions	\$ 3,487,115	\$ -	\$ 3,487,115
Fundraising event revenue	178,120	-	178,120
Program service revenue	218,502	-	218,502
Investment income	30,203	142,834	173,037
Realized and unrealized gain on investments	1,647	548,721	550,368
Investment income - beneficial interest	63,142	-	63,142
Change in value of charitable gift annuity, net	(22,742)	-	(22,742)
Other income	22,320	-	22,320
<b>Total support, gains and revenue</b>	<b>3,978,307</b>	<b>691,555</b>	<b>4,669,862</b>
<b>Net assets released from restrictions</b>	<b>2,280,374</b>	<b>-</b>	<b>2,280,374</b>
<b>Total support, gains, revenue and net assets released from restrictions</b>	<b>6,258,681</b>	<b>691,555</b>	<b>6,950,236</b>
<b>Expenses</b>			
<i>Program services</i>			
Counseling	1,023,244	16,377	1,039,621
Home Therapy	2,334,179	398,512	2,732,691
Education	979,871	109,181	1,089,052
<b>Total program services</b>	<b>4,337,294</b>	<b>524,070</b>	<b>4,861,364</b>
<i>Supporting services</i>			
Management and general	678,404	16,377	694,781
Fundraising	595,892	5,462	601,354
<b>Total supporting services</b>	<b>1,274,296</b>	<b>21,839</b>	<b>1,296,135</b>
<b>Total expenses</b>	<b>5,611,590</b>	<b>545,909</b>	<b>6,157,499</b>
<b>Increase in net assets without donor restrictions before transfers</b>	<b>647,091</b>	<b>145,646</b>	<b>792,737</b>
<b>Transfers of net assets without donor restrictions</b>			
Distributions from Foundation	539,004	(197,536)	341,468
Distributions to Foundation	(387,837)	385,336	(2,501)
Transfer of property to Foundation	(210,940)	210,940	-
<b>Total transfers of net assets without donor restrictions</b>	<b>(59,773)</b>	<b>398,740</b>	<b>338,967</b>
<b>Increase in net assets without donor restrictions after transfers</b>	<b>587,318</b>	<b>544,386</b>	<b>1,131,704</b>
<b>Changes in Net Assets with Donor Restrictions</b>			
Contributions	2,481,693	-	2,481,693
Realized and unrealized gain on investments	-	1,168,368	1,168,368
Interest and dividend income	-	306,099	306,099
Gain on beneficial interest in assets held at Community Foundations	92,411	-	92,411
Net assets released from restrictions	(2,280,374)	-	(2,280,374)
<b>Increase in net assets with donor restrictions before transfers</b>	<b>293,730</b>	<b>1,474,467</b>	<b>1,768,197</b>
<b>Transfers of net assets with donor restrictions</b>			
Distributions from Foundation - purpose restricted	153,216	(494,684)	(341,468)
Distributions to Foundation - purpose restricted	(511,054)	233,499	(277,555)
Distributions to Foundation - perpetually restricted	-	280,056	280,056
<b>Total transfers of net assets with donor restrictions</b>	<b>(357,838)</b>	<b>18,871</b>	<b>(338,967)</b>
<b>Increase (decrease) in net assets with donor restrictions after transfers</b>	<b>(64,108)</b>	<b>1,493,338</b>	<b>1,429,230</b>
<b>Increase in net assets</b>	<b>523,210</b>	<b>2,037,724</b>	<b>2,560,934</b>
<b>Net assets at beginning of year</b>	<b>6,806,382</b>	<b>26,269,814</b>	<b>33,076,196</b>
<b>Net assets at end of year</b>	<b>\$ 7,329,592</b>	<b>\$ 28,307,538</b>	<b>\$ 35,637,130</b>

*The accompanying notes are an integral part of these financial statements.*

**Eagle Ranch, Inc. and Supporting Affiliate  
Combined Statements of Functional Expenses**

*For the year ended December 31, 2021*

	Program Services				Supporting		Total	
	Counseling	Home	Education	Total Program	Management and General	Fundraising	Supporting	Total
		Therapy					Services	
<b>Eagle Ranch, Inc. and Supporting Affiliate</b>								
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
<b>Total salaries and related expenses</b>	<b>991,877</b>	<b>1,302,851</b>	<b>780,205</b>	<b>3,074,933</b>	<b>393,785</b>	<b>306,916</b>	<b>700,701</b>	<b>3,775,634</b>
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
<b>Total expenses</b>	<b>\$ 1,404,926</b>	<b>\$ 2,852,720</b>	<b>\$ 1,096,247</b>	<b>\$ 5,353,893</b>	<b>\$ 660,952</b>	<b>\$ 553,612</b>	<b>\$ 1,214,564</b>	<b>\$ 6,568,457</b>

*The accompanying notes are an integral part of these financial statements.*

**Eagle Ranch, Inc. and Supporting Affiliate**  
**Combined Statements of Functional Expenses (Continued)**

For the year ended December 31, 2020

	Program Services				Supporting		Total Supporting Services	Total
	Counseling	Home Therapy	Education	Total Program	Management and General	Fundraising		
<b>Eagle Ranch, Inc. and Supporting Affiliate</b>								
Salaries and wages	\$ 673,860	\$ 878,626	\$ 628,385	\$ 2,180,871	\$ 309,137	\$ 247,656	\$ 556,793	\$ 2,737,664
Employee benefits	96,092	269,952	50,123	416,167	48,172	14,735	62,907	479,074
Payroll taxes	48,444	59,712	46,782	154,938	23,075	18,126	41,201	196,139
<b>Total salaries and related expenses</b>	<b>818,396</b>	<b>1,208,290</b>	<b>725,290</b>	<b>2,751,976</b>	<b>380,384</b>	<b>280,517</b>	<b>660,901</b>	<b>3,412,877</b>
Accounting fees	-	-	-	-	30,658	-	30,658	30,658
Advertising and public relations	21,863	-	1,923	23,786	62,731	11,025	73,756	97,542
Bank charges	-	-	-	-	27,317	-	27,317	27,317
Home expenses	-	64,415	-	64,415	-	-	-	64,415
Counseling	18,166	-	-	18,166	-	-	-	18,166
Consulting and legal fees	56,417	64,899	51,902	173,218	70,330	29,841	100,171	273,389
Depreciation	31,930	495,717	113,069	640,716	25,449	9,350	34,799	675,515
Education and tuition reimbursement	3,000	17,121	-	20,121	-	-	-	20,121
Enrichment and entertainment	13,605	51,038	2,147	66,790	4,901	32,299	37,200	103,990
Equipment rental	-	4,629	-	4,629	6,000	-	6,000	10,629
Fundraising events	-	-	-	-	-	55,338	55,338	55,338
Insurance	15,534	122,115	28,353	166,002	24,326	10,398	34,724	200,726
Other	1,240	18,502	1,200	20,942	5,739	4,340	10,079	31,021
Newsletter	-	-	-	-	-	71,463	71,463	71,463
Postage and shipping	91	369	7	467	8,078	1,012	9,090	9,557
Printing and publications	13,322	1,604	747	15,673	10,554	70,722	81,276	96,949
Repairs and maintenance	10,541	314,852	81,043	406,436	7,610	3,991	11,601	418,037
Staff development	6,480	13,532	4,905	24,917	4,694	592	5,286	30,203
Supplies	10,884	183,363	59,913	254,160	18,771	14,742	33,513	287,673
Tags and licenses	20	1,975	186	2,181	60	-	60	2,241
Telephone	11,634	24,597	4,558	40,789	3,089	1,989	5,078	45,867
Travel	161	1,859	-	2,020	191	1,456	1,647	3,667
Utilities	5,390	113,818	13,725	132,933	3,367	1,936	5,303	138,236
Vehicle expense	947	29,996	84	31,027	532	343	875	31,902
<b>Total expenses</b>	<b>\$ 1,039,621</b>	<b>\$ 2,732,691</b>	<b>\$ 1,089,052</b>	<b>\$ 4,861,364</b>	<b>\$ 694,781</b>	<b>\$ 601,354</b>	<b>\$ 1,296,135</b>	<b>\$ 6,157,499</b>

The accompanying notes are an integral part of these financial statements.

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

<i><b>For the year ended December 31, 2021</b></i>	Eagle Ranch, Inc.	Eagle Ranch Foundation, Inc.	Combined
<b>Operating Activities</b>			
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:			
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 on investments	(749)	(1,774,916)	(1,775,665)
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	(856)	-	(856)
Prepays and other assets	53,292	-	53,292
Unconditional 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
<b>Investing Activities</b>			
Purchase of property and equipment	(2,618,474)	-	(2,618,474)
Transfer of property	3,489,791	(3,489,791)	-
Purchase of investments	(4,350,469)	(3,785,499)	(8,135,968)
Proceeds from sale of investments	2,288,523	2,116,619	4,405,142
Change in beneficial interest	(129,358)	-	(129,358)
Net cash provided by (used in) investing activities	(1,319,987)	(5,158,671)	(6,478,658)
<b>Financing Activities</b>			
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	(465,459)	-	(465,459)
Cash and cash equivalents at beginning of year	1,078,579	-	1,078,579
Cash and cash equivalents at end of year	\$ 613,120	\$ -	\$ 613,120
<b>Schedule of Certain Cash Flow Information</b>			
Cash paid for income taxes	\$ 2,621	\$ -	\$ 2,621

*The accompanying notes are an integral part of these financial statements.*

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

<i>For the year ended December 31, 2020</i>	Eagle Ranch, Inc.	Eagle Ranch Foundation, Inc.	Combined
<b>Operating Activities</b>			
Change in net assets	\$ 523,210	\$ 2,037,724	\$2,560,934
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:			
Depreciation	129,606	545,909	675,515
Realized gain on sale of investments	(2,347)	(6,759)	(9,106)
Unrealized (gain) loss on investments	700	(1,710,330)	(1,709,630)
Change in charitable gift annuity	22,742	-	22,742
Contributions received for long-term purposes	(1,224,981)	-	(1,224,981)
Changes in operating assets and liabilities:			
Accounts receivable	(2,496)	-	(2,496)
Prepays and other assets	35,416	-	35,416
Unconditional promises to give	(195,563)	-	(195,563)
Accounts payable and accrued expenses	200,074	-	200,074
Net cash provided by (used in) operating activities	(513,639)	866,544	352,905
<b>Investing Activities</b>			
Purchase of property and equipment	(1,296,862)	-	(1,296,862)
Transfer of property	210,940	(210,940)	-
Purchase of investments	(1,740,141)	(4,698,081)	(6,438,222)
Proceeds from sale of investments	899,892	4,042,477	4,942,369
Change in beneficial interest	(92,411)	-	(92,411)
Net cash provided by (used in) investing activities	(2,018,582)	(866,544)	(2,885,126)
<b>Financing Activities</b>			
Contributions received for building and property	964,863	-	964,863
Contributions received for endowments	260,118	-	260,118
Net cash provided by (used in) financing activities	1,224,981	-	1,224,981
Net change in cash and cash equivalents	(1,307,240)	-	(1,307,240)
Cash and cash equivalents at beginning of year	2,385,819	-	2,385,819
Cash and cash equivalents at end of year	\$ 1,078,579	\$ -	\$ 1,078,579
<b>Schedule of Certain Cash Flow Information</b>			
Cash paid for income taxes	\$ 2,136	\$ -	\$ 2,136

*The accompanying notes are an integral part of these financial statements.*

## Eagle Ranch, Inc. and Supporting Affiliate Notes to Combined Financial Statements

### **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, 2021 and 2020 and for the years then ended. All significant intercompany accounts and transactions have been eliminated.

#### ***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.



## Eagle Ranch, Inc. and Supporting Affiliate Notes to Combined Financial Statements

### Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### ***Accounts Receivable (continued)***

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, 2021 and 2020, management believes that all promises to give are collectible.

#### ***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 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.

#### ***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.

## Eagle Ranch, Inc. and Supporting Affiliate Notes to Combined Financial Statements

### Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### ***Net Assets (continued)***

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.

#### ***Revenue Recognition***

Program service fees are accounted for under ASC Topic 606, *Revenue from Contracts with Customers* (ASC 606), recognizing revenue when performance obligations under the terms of the contracts with customers are satisfied. Prior to the adoption of ASC 606, the Organizations recognized revenue when persuasive evidence of an arrangement existed, delivery of products had occurred, the sales price was fixed or determinable and collectability was reasonably assured.

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 released the restriction. 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 Equipment, Material and 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.

During 2021 and 2020, the Ranch recorded donated equipment, materials and food of approximately \$412,000 and \$105,000, respectively.

#### ***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.

## Eagle Ranch, Inc. and Supporting Affiliate Notes to Combined Financial Statements

### Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### ***Advertising Expense***

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, 2021 and 2020, advertising cost totaled \$80,460 and \$97,542, 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, 2021 and 2020, the Organizations has no uncertain tax provisions that qualify for recognition or disclosure in the combined financial statements.

Income from certain activities not directly related to the Organizations' tax-exempt purpose is subject to taxation as unrelated business income. For the years ended December 31, 2021 and 2020, the Organizations did have unrelated business income. The tax provision for years ended December 31, 2021 and 2020 was \$2,621 and \$2,136, respectively and are included in the statements of functional expenses.

#### ***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, December 29, 2022. See Note 14 for relevant disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these combined financial statements.

#### ***Accounting Guidance Not Yet Adopted***

In February 2016, the FASB issued ASU No. 2016-02, *Leases* (Topic 842). This ASU requires that a lease liability and related right-of-use-asset representing the lessee's right to use or control the asset be recorded on the statement of financial position upon the commencement of all leases except for short-term leases. Leases will be classified as either finance leases or operating leases, which are substantially similar to the classification criteria for distinguishing between capital leases and operating in existing lease accounting guidance. As a result, the effect of leases in the statement of activities and changes in net assets and the statement of cash flows will be substantially unchanged from the existing lease accounting guidance. For nonpublic entities, the standard is effective for fiscal years beginning after December 15, 2021. Early adoption is permitted. The Ranch is currently evaluating the impact of the guidance on its combined financial statements.

## Eagle Ranch, Inc. and Supporting Affiliate Notes to Combined Financial Statements

### Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### *Accounting Guidance Not Yet Adopted (continued)*

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 ASU specifies requirements for the recognition and initial measurement of contributions and disclosure requirements for contributed services. The ASU is effective for fiscal years beginning after June 15, 2021. Early adoption is permitted. The Ranch is currently evaluating the full effect that the adoption of this standard will have on the combined financial statements.

### Note 3: PRIOR PERIOD ADJUSTMENT

As of January 1, 2020, beneficial interest in assets held at Community Foundations of \$1,333,761 was reclassified from net assets without donor restrictions to net assets with donor restrictions perpetual in nature resulting in a restatement of classification in net assets. See Note 11 for further information.

### Note 4: 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. 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.

<b><i>December 31, 2021</i></b>	Eagle Ranch, Inc.	Eagle Ranch Foundation, Inc.	Combined
Total assets at year end	\$ 10,349,544	\$ 34,908,042	\$ 45,257,586
Less non-financial assets			
Prepaid expenses and other assets	(42,916)	-	(42,916)
Property and equipment, net	(926,224)	(13,611,901)	(14,538,125)
Financial assets at year-end	9,380,404	21,296,141	30,676,545
Less:			
Board designated net assets	(2,633,038)	(4,611,495)	(7,244,533)
Donor restricted net assets	(5,768,979)	(16,343,617)	(22,112,596)
Financial assets available to meet cash needs for general expenditures within one year	<b>\$ 978,387</b>	<b>\$ 341,029</b>	<b>\$ 1,319,416</b>

## Eagle Ranch, Inc. and Supporting Affiliate Notes to Combined Financial Statements

### Note 4: LIQUIDITY AND FINANCIAL ASSET AVAILABILITY (Continued)

<i>December 31, 2020</i>	Eagle Ranch, Inc.	Eagle Ranch Foundation, Inc.	Combined
Total assets at year end	\$ 7,882,792	\$ 28,307,538	\$ 36,190,330
Less non-financial assets			
Prepaid expenses and other assets	(96,208)	-	(96,208)
Property and equipment, net	(1,622,317)	(10,691,200)	(12,313,517)
Financial assets at year-end	6,164,267	17,616,338	23,780,605
Less:			
Board designated net assets	(1,781,105)	(4,169,517)	(5,950,622)
Donor restricted net assets	(3,082,890)	(13,130,930)	(16,213,820)
Financial assets available to meet cash needs for general expenditures within one year	\$ 1,300,272	\$ 315,891	\$ 1,616,163

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 \$15,246,023 and \$9,616,310 as of December 31, 2021 and 2020, respectively, are available for future use towards the Ranch's programs.

The Organizations' Boards have designated resources without donor restrictions of \$7,244,533 and \$5,950,622 for emergency operations and various other purposes at December 31, 2021 and 2020, 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 12. 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 \$2,200,000.

## Eagle Ranch, Inc. and Supporting Affiliate Notes to Combined Financial Statements

### Note 5: UNCONDITIONAL PROMISES TO GIVE

Unconditional promises to give consist of the following:

<i>December 31,</i>	<b>2021</b>	2020
Foundation, Individual and Corporation Georgia GOAL Scholarship program	<b>\$ 1,262,262</b>	\$ 20,000
	<b>557,112</b>	261,222
<b>Total unconditional promises to give</b>	<b>\$ 1,819,374</b>	<b>\$ 281,222</b>

Unconditional promises to give are collected within one year of December 31, 2021 and 2020.

### Note 6: INVESTMENTS

Investments in marketable securities consist of the following at December 31, 2021:

	<u>Eagle Ranch, Inc.</u>		<u>Eagle Ranch Foundation, Inc.</u>		Cost Combined	Market Value Combined
	Cost	Market Value	Cost	Market Value		
<b><i>December 31, 2021</i></b>						
Equity stocks and mutual funds	\$ 22,689	\$ 44,370	\$ 6,888,884	\$ 11,943,486	\$ 6,911,573	\$ 11,987,856
Fixed income securities	-	-	2,582,403	2,518,327	2,582,403	2,518,327
Money market	2,068,007	2,068,007	12,482	12,482	2,080,489	2,080,489
U.S. Treasuries	3,234,275	3,234,275	2,341,554	2,341,554	5,575,829	5,575,829
Exchange-traded funds	-	-	3,465,664	4,324,670	3,465,664	4,324,670
Real estate investment trust	-	-	69,798	155,622	69,798	155,622
Cash value of life insurance	41,532	41,532	-	-	41,532	41,532
<b>Total investments in marketable securities</b>	<b>\$ 5,366,503</b>	<b>\$ 5,388,184</b>	<b>\$ 15,360,785</b>	<b>\$ 21,296,141</b>	<b>\$ 20,727,288</b>	<b>\$ 26,684,325</b>

## Eagle Ranch, Inc. and Supporting Affiliate Notes to Combined Financial Statements

### Note 6: INVESTMENTS (Continued)

Investments in marketable securities consist of the following at December 31, 2020:

<i>December 31, 2020</i>	Eagle Ranch, Inc.		Eagle Ranch Foundation, Inc.			
	Cost	Market Value	Cost	Market Value	Cost Combined	Market Value Combined
Equity stocks and mutual funds	\$ -	\$ -	\$ 6,141,306	\$ 9,940,981	6,141,306	\$ 9,940,981
Fixed income securities	-	-	2,283,922	2,320,371	2,283,922	2,320,371
Money market	824,717	824,717	512,432	512,432	1,337,149	1,337,149
U.S. Treasuries	2,484,275	2,484,275	413,734	413,735	2,898,009	2,898,010
Exchange-traded funds	7,842	10,141	3,727,566	4,330,506	3,735,408	4,340,647
Real estate investment trust	-	-	43,991	98,313	43,991	98,313
Investment in limited partnerships	-	16,109	-	-	-	16,109
Cash value of life insurance	39,712	39,712	-	-	39,712	39,712
<b>Total investments in marketable securities</b>	<b>\$ 3,356,546</b>	<b>\$ 3,374,954</b>	<b>\$ 13,122,951</b>	<b>\$ 17,616,338</b>	<b>\$ 16,479,497</b>	<b>\$ 20,991,292</b>

### Note 7: PROPERTY AND EQUIPMENT, NET

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

<i>December 31, 2021</i>	Estimated Useful Lives (in years)	Eagle Ranch, Inc.	Eagle Ranch Foundation, Inc.	Combined
	Land and infrastructure		\$ 290,000	\$ 3,151,048
Buildings and improvements	15-40	62,569	19,606,091	19,668,660
Furniture and fixtures	5-7	1,235,091	-	1,235,091
Office equipment	3-5	292,565	-	292,565
Machinery and equipment	3-5	131,404	-	131,404
Farm equipment	3-5	40,938	-	40,938
Vehicles	3-5	771,989	-	771,989
		2,824,556	22,757,139	25,581,695
Less: accumulated depreciation		(1,969,645)	(9,145,238)	(11,114,883)
		854,911	13,611,901	14,466,812
Construction in progress		71,313	-	71,313
<b>Property and equipment, net</b>		<b>\$ 926,224</b>	<b>\$ 13,611,901</b>	<b>\$ 14,538,125</b>

## Eagle Ranch, Inc. and Supporting Affiliate Notes to Combined Financial Statements

### Note 7: PROPERTY AND EQUIPMENT, NET (Continued)

The components of property and equipment consist of the following at December 31, 2020:

<i>December 31, 2020</i>	Estimated Useful Lives (in years)	Eagle Ranch, Inc.	Eagle Ranch Foundation, Inc.	Combined
Land and infrastructure	15-40	\$ -	\$ 3,151,048	\$ 3,151,048
Buildings and improvements	5-7	62,569	16,116,297	16,178,866
Furniture and fixtures	3-5	1,102,678	-	1,102,678
Office equipment	3-5	292,565	-	292,565
Machinery and equipment	3-5	117,404	-	117,404
Farm equipment	3-5	40,938	-	40,938
Vehicles		741,926	-	741,926
		2,358,080	19,267,345	21,625,425
Less: accumulated depreciation		(1,901,872)	(8,576,145)	(10,478,017)
		456,208	10,691,200	11,147,408
Construction in progress		1,166,109	-	1,166,109
<b>Property and equipment, net</b>		<b>\$ 1,622,317</b>	<b>\$ 10,691,200</b>	<b>\$ 12,313,517</b>

Depreciation expense for the years ended December 31, 2021 and 2020 was \$114,772 and \$129,606, respectively, as recorded by the Ranch. Depreciation expense for the years ended December 31, 2021 and 2020 was \$569,094 and \$545,909, respectively, as recorded by the Foundation.

Construction in progress for year ended December 31, 2021, consist of furnishings and technology for the new WINGS Counseling Center (Center). The Center will officially open in Spring 2022 and will offer counseling services to the general public. The Center will institute a new major program for the Ranch. Construction in progress for year ended December 31, 2020 consist of construction of the Center and renovations of various properties of the Ranch.

### Note 8: 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, 2021 and 2020, 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. The resulting actuarial gain (loss) is recorded as revenue without donor restriction.



**Eagle Ranch, Inc. and Supporting Affiliate  
Notes to Combined Financial Statements**

**Note 8: CHARITABLE GIFT ANNUITY OBLIGATIONS (Continued)**

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

<i>December 31,</i>	<b>2021</b>	2020
Investments (short-term)	\$ 47,437	\$ 62,954
Annuity payable	\$ 90,192	\$ 96,568

**Note 9: NET ASSETS**

A summary of net assets without donor restrictions follows:

<b><i>December 31, 2021</i></b>	Eagle Ranch, Inc.	Eagle Ranch Foundation, Inc.	Combined
Undesignated	\$ 1,521,583	\$ 13,952,930	\$ 15,474,513
Board designated			
Emergency operations reserve	2,100,000	-	2,100,000
Other reserves	533,038	-	533,038
Endowment	-	1,201,170	1,201,170
Eagle Ranch School	-	851,279	851,279
Ranch general reserve	-	993,938	993,938
Repairs and maintenance	-	111,817	111,817
Home maintenance	-	1,453,291	1,453,291
<b>Total net assets without donor restrictions</b>	<b>\$ 4,154,621</b>	<b>\$ 18,564,425</b>	<b>\$ 22,719,046</b>

<i>December 31, 2020</i>	Eagle Ranch, Inc.	Eagle Ranch Foundation, Inc.	Combined
Undesignated	\$ 2,465,597	\$ 11,007,091	\$ 13,472,688
Board designated			
Emergency operations reserve	1,600,000	-	1,600,000
Other reserves	181,105	-	181,105
Endowment	-	1,075,068	1,075,068
Eagle Ranch School	-	790,881	790,881
Ranch general reserve	-	906,713	906,713
Repairs and maintenance	-	103,575	103,575
Home maintenance	-	1,293,280	1,293,280
<b>Total net assets without donor restrictions</b>	<b>\$ 4,246,702</b>	<b>\$ 15,176,608</b>	<b>\$ 19,423,310</b>

**Eagle Ranch, Inc. and Supporting Affiliate  
Notes to Combined Financial Statements**

**Note 9: NET ASSETS (Continued)**

A summary of net assets with donor restrictions follows:

<b><i>December 31, 2021</i></b>	Eagle Ranch, Inc.	Eagle Ranch Foundation, 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
<b>Total purpose restricted net assets</b>	<b>4,213,449</b>	<b>11,032,574</b>	<b>15,246,023</b>
Perpetual in nature: endowed net assets - Note 12	-	5,311,043	5,311,043
Perpetual in nature: beneficial interest in assets held at Community Foundations	1,555,530	-	1,555,530
<b>Total net assets with donor restrictions</b>	<b>\$ 5,768,979</b>	<b>\$ 16,343,617</b>	<b>\$ 22,112,596</b>
<b><i>December 31, 2020</i></b>	Eagle Ranch, Inc.	Eagle Ranch Foundation, Inc.	Combined
Purpose restricted:			
Educational	\$ 324,871	\$ 625,379	\$ 950,250
Facilities	744,841	644,806	1,389,647
Operational programs	587,006	6,689,407	7,276,413
<b>Total purpose restricted net assets</b>	<b>1,656,718</b>	<b>7,959,592</b>	<b>9,616,310</b>
Perpetual in nature: endowed net assets - Note 12	-	5,171,338	5,171,338
Perpetual in nature: beneficial interest in assets held at Community Foundations	1,426,172	-	1,426,172
<b>Total net assets with donor restrictions</b>	<b>\$ 3,082,890</b>	<b>\$ 13,130,930</b>	<b>\$ 16,213,820</b>

**Eagle Ranch, Inc. and Supporting Affiliate  
Notes to Combined Financial Statements**

**Note 9: NET ASSETS (Continued)**

A summary of the release of donor restrictions follows:

<b><i>December 31, 2021</i></b>	Eagle Ranch, Inc.	Eagle Ranch Foundation, Inc.	Combined
Net assets released from program restrictions			
Counseling	\$ 467,542	\$ -	\$ 467,542
Home Therapy	468,844	-	468,844
Education	387,368	-	387,368
Total net assets released from program restrictions	1,323,754	-	1,323,754
Net assets released from other restrictions			
General and administrative	26,227	-	26,227
Purchase of property and equipment	2,596,905	-	2,596,905
Total net assets released from other restrictions	2,623,132	-	2,623,132
<b>Total net assets released from restrictions</b>	<b>\$ 3,946,886</b>	<b>\$ -</b>	<b>\$ 3,946,886</b>
<b><i>December 31, 2020</i></b>	Eagle Ranch, Inc.	Eagle Ranch Foundation, Inc.	Combined
Net assets released from program restrictions			
Counseling	\$ 122,616	\$ -	\$ 122,616
Home Therapy	398,533	-	398,533
Education	361,756	-	361,756
Total net assets released from program restrictions	882,905	-	882,905
Net assets released from other restrictions			
General and administrative	16,084	-	16,084
Fundraising	96,500	-	96,500
Purchase of property and equipment	1,284,885	-	1,284,885
Total net assets released from other restrictions	1,397,469	-	1,397,469
<b>Total net assets released from restrictions</b>	<b>\$ 2,280,374</b>	<b>\$ -</b>	<b>\$ 2,280,374</b>

## Eagle Ranch, Inc. and Supporting Affiliate Notes to Combined Financial Statements

### Note 10: 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 \$145,999 and \$218,502 are recognized as revenue for the years ended December 31, 2021 and 2020, respectively.

#### *Disaggregated Revenue*

A summary of disaggregated revenue information at December 31, 2021 and 2020 follows:

<b><i>December 31, 2021</i></b>	Eagle Ranch, Inc.	Eagle Ranch Foundation, Inc.	Combined
Program service revenue recognized at a point in time	\$ 145,999	\$ -	\$ 145,999
Investment income (non-exchange)	157,158	2,206,798	2,363,956
Other income (non-exchange)	39,953	-	39,953
Contributions (non-exchange)	13,022,097	-	13,022,097
Fundraising event revenues (non-exchange)	190,964	-	190,964
<b>Total support, gains and revenue</b>	<b>\$ 13,556,171</b>	<b>\$ 2,206,798</b>	<b>\$ 15,762,969</b>

<b><i>December 31, 2020</i></b>	Eagle Ranch, Inc.	Eagle Ranch Foundation, Inc.	Combined
Program service revenue recognized at a point in time	\$ 218,502	\$ -	\$ 218,502
Investment income (non-exchange)	164,661	2,166,022	2,330,683
Other income (non-exchange)	22,320	-	22,320
Contributions (non-exchange)	5,968,808	-	5,968,808
Fundraising event revenues (non-exchange)	178,120	-	178,120
<b>Total support, gains and revenue</b>	<b>\$ 6,552,411</b>	<b>\$ 2,166,022</b>	<b>\$ 8,718,433</b>

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

## Eagle Ranch, Inc. and Supporting Affiliate Notes to Combined Financial Statements

### Note 11: BENEFICIAL INTEREST IN ASSETS HELD AT 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 statement of activities.

Changes in the Funds for the years ended December 31, 2021 and 2020 are as follows:

Balance at December 31, 2020	\$ 1,426,172
Share of appreciation of fund	197,731
Distributions received	(68,373)
<hr/>	
<b>Balance at December 31, 2021</b>	<b>\$ 1,555,530</b>
<hr/>	
Balance at December 31, 2019	\$ 1,333,761
Share of appreciation of fund	155,553
Distributions received	(63,142)
<hr/>	
<u>Balance at December 31, 2020</u>	<u>\$ 1,426,172</u>

### 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.

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.

## Eagle Ranch, Inc. and Supporting Affiliate Notes to Combined Financial Statements

### Note 12: ENDOWMENTS (Continued)

*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 2021 and 2020, the Foundation made total distributions in the amount of \$755,804 and \$692,220, respectively of which \$440,150 and \$372,708, 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, 2021 and 2020.

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.

## Eagle Ranch, Inc. and Supporting Affiliate Notes to Combined Financial Statements

### Note 12: ENDOWMENTS (Continued)

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 9. In addition, the Board of Trustees of the Foundation has classified the other designated net assets fund balances described in Note 9 as endowed net assets without donor restrictions.

Endowment net asset composition by type of fund follows:

<i>December 31,</i>	<b>2021</b>	2020
Endowment funds with donor restrictions	\$ 6,813,816	\$ 6,278,189
Board-designated endowment funds without donor restrictions	4,611,495	4,169,517
<b>Total endowment funds</b>	<b>\$ 11,425,311</b>	<b>\$ 10,447,706</b>

The changes in the Foundation's endowment net assets as of December 31, 2021 and 2020, follows:

<i>December 31, 2021</i>	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 4,169,517	\$ 6,278,189	\$ 10,447,706
Contributions	-	139,705	139,705
Investment income, net	58,412	55,117	113,529
Net appreciation of investments	599,032	565,489	1,164,521
Appropriation of endowment assets for expenditure	(215,466)	(224,684)	(440,150)
<b>Endowment net assets, end of year</b>	<b>\$ 4,611,495</b>	<b>\$ 6,813,816</b>	<b>\$ 11,425,311</b>

  

<i>December 31, 2020</i>	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 3,300,971	\$ 5,568,683	\$ 8,869,654
Contributions	385,337	282,556	667,893
Investment income, net	136,225	130,567	266,792
Net appreciation of investments	517,648	498,427	1,016,075
Appropriation of endowment assets for expenditure	(170,664)	(202,044)	(372,708)
<b>Endowment net assets, end of year</b>	<b>\$ 4,169,517</b>	<b>\$ 6,278,189</b>	<b>\$ 10,447,706</b>

## Eagle Ranch, Inc. and Supporting Affiliate Notes to Combined Financial Statements

### 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.

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, 2021 and 2020.

*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.

*Investment in limited partnership:* Valued based on privately held limited partnership.



## Eagle Ranch, Inc. and Supporting Affiliate Notes to Combined Financial Statements

### Note 13: FAIR VALUE MEASUREMENTS (Continued)

*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.

Assets and liabilities measured at fair value on a recurring basis, are summarized for the years ended December 31, 2021 and 2020 for Eagle Ranch, Inc.:

<b><i>December 31, 2021</i></b>	Level 1	Level 2	Level 3	Total
Equity stocks and mutuals funds	\$ 44,370	\$ -	\$ -	\$ 44,370
Fixed income securities	-	-	-	-
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	2,068,007	-	-	2,068,007
<b>Total investments at fair value</b>	<b>\$ 5,346,652</b>	<b>\$ -</b>	<b>\$ 1,555,530</b>	<b>\$ 6,902,182</b>
<hr/>				
<b><i>December 31, 2020</i></b>	Level 1	Level 2	Level 3	Total
Equity stocks and mutuals funds	\$ -	\$ -	\$ -	-
Fixed income securities	-	-	-	-
U.S. Treasuries	2,484,275	-	-	2,484,275
Exchange-traded funds	10,141	-	-	10,141
Real estate investment trust	-	-	-	-
Investment in limited partnership	-	-	16,109	16,109
Beneficial interest in assets held at Community Foundations	-	-	1,426,172	1,426,172
Money market	824,717	-	-	824,717
<b>Total investments at fair value</b>	<b>\$ 3,319,133</b>	<b>\$ -</b>	<b>\$ 1,442,281</b>	<b>\$ 4,761,414</b>

## Eagle Ranch, Inc. and Supporting Affiliate Notes to Combined Financial Statements

### Note 13: FAIR VALUE MEASUREMENTS (Continued)

Assets and liabilities measured at fair value on a recurring basis, are summarized for the years ended December 31, 2021 and 2020 for Eagle Ranch Foundation, Inc.:

<b><i>December 31, 2021</i></b>	Level 1	Level 2	Level 3	Total
Equity stocks and mutuals 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
<b>Total investments at fair value</b>	<b>\$ 21,296,141</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 21,296,141</b>

  

<b><i>December 31, 2020</i></b>	Level 1	Level 2	Level 3	Total
Equity stocks and mutuals funds	\$ 9,940,981	\$ -	\$ -	\$ 9,940,981
Fixed income securities	2,320,371	-	-	2,320,371
U.S. Treasuries	413,735	-	-	413,735
Exchange-traded funds	4,330,506	-	-	4,330,506
Real estate investment trust	98,313	-	-	98,313
Investment in limited partnership	-	-	-	-
Beneficial interest in assets held at Community Foundations	-	-	-	-
Money market	512,432	-	-	512,432
<b>Total investments at fair value</b>	<b>\$ 17,616,338</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 17,616,338</b>

## Eagle Ranch, Inc. and Supporting Affiliate Notes to Combined Financial Statements

### Note 13: FAIR VALUE MEASUREMENTS (Continued)

Assets and liabilities measured at fair value on a recurring basis, are summarized for the years ended December 31, 2021 and 2020 for Eagle Ranch, Inc. and Eagle Ranch Foundation, Inc. combined:

<b>December 31, 2021</b>	Level 1	Level 2	Level 3	Total
Equity stocks and mutuals funds	\$ 11,987,856	\$ -	\$ -	\$ 11,987,856
Fixed income securities	2,518,327	-	-	2,518,327
U.S. Treasuries	5,575,829	-	-	5,575,829
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	-	-	1,555,530	1,555,530
Money market	2,080,489	-	-	2,080,489
<b>Total investments at fair value</b>	<b>\$ 26,642,793</b>	<b>\$ -</b>	<b>\$ 1,555,530</b>	<b>\$ 28,198,323</b>

<b>December 31, 2020</b>	Level 1	Level 2	Level 3	Total
Equity stocks and mutuals funds	\$ 9,940,981	\$ -	\$ -	\$ 9,940,981
Fixed income securities	2,320,371	-	-	2,320,371
U.S. Treasuries	2,898,010	-	-	2,898,010
Exchange-traded funds	4,340,647	-	-	4,340,647
Real estate investment trust	98,313	-	-	98,313
Investment in limited partnership	-	-	16,109	16,109
Beneficial interest in assets held at Community Foundations	-	-	1,426,172	1,426,172
Money market	1,337,149	-	-	1,337,149
<b>Total investments at fair value</b>	<b>\$ 20,935,471</b>	<b>\$ -</b>	<b>\$ 1,442,281</b>	<b>\$ 22,377,752</b>

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:

<b>December 31, 2021</b>	Eagle Ranch, Inc.	Eagle Ranch Foundation,	Combined
Beginning balance	\$ 1,442,281	\$ -	\$ 1,442,281
Purchases	-	-	-
Share of appreciation of fund	197,705	-	197,705
Distribution received	(68,374)	-	(68,374)
Realized loss	(16,109)	-	(16,109)
<b>Ending balance</b>	<b>\$ 1,555,503</b>	<b>\$ -</b>	<b>\$ 1,555,503</b>

## Eagle Ranch, Inc. and Supporting Affiliate Notes to Combined Financial Statements

### 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, 2020:

<i>December 31, 2020</i>	Eagle Ranch, Inc.	Eagle Ranch Foundation,	Combined
Beginning balance	\$ 1,349,870	\$ -	\$ 1,349,870
Purchases	-	-	-
Share of appreciation of fund	155,553	-	155,553
Distribution received	(63,142)	-	(63,142)
Unrealized gain (loss)	-	-	-
<b>Ending balance</b>	<b>\$ 1,442,281</b>	<b>\$ -</b>	<b>\$ 1,442,281</b>

### *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, 2021 and 2020, 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, 2021 and 2020 in excess of federally insured limits of \$329,793 and \$0, 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, 2021 and 2020, the investments exceeding the SIPC limit totaled \$25,226,433 and \$19,399,139, 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, 2021 and 2020, the Ranch did not contribute to the plan.

## **Eagle Ranch, Inc. and Supporting Affiliate Notes to Combined Financial Statements**

### **Note 17: UNCERTAINTIES**

In March 2020, the World Health Organization made the assessment that the outbreak of a novel coronavirus (COVID-19) can be characterized as a pandemic. As a result, uncertainties have arisen that may have a significant negative impact on the operating activities and results of the Organizations. The occurrence and extent of such an impact will depend on future developments, including (i) the duration and spread of the virus, (ii) government quarantine measures, (iii) voluntary and precautionary restrictions on travel or meetings, (iv) the effects on the financial markets, and (v) the effects on the economy overall, all of which are uncertain.



## SUPPLEMENTARY INFORMATION



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

<i><b>For the year ended December 31, 2021</b></i>	Without Donor Restrictions	With Donor Restrictions		Total
		Purpose Restrictions	Perpetual	
<b>Support and Revenue</b>				
Public 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 loss on investments	(14,362)	-	-	(14,362)
Investment income - beneficial interest	68,763	-	-	68,763
Gain on beneficial interest in assets held by Community Foundations	-	-	129,358	129,358
Change in value of charitable gift annuity, net	(27,982)	-	-	(27,982)
Other income	39,953	-	-	39,953
<b>Total support and revenue</b>	<b>4,873,187</b>	<b>8,553,626</b>	<b>129,358</b>	<b>13,556,171</b>
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)	-	-
<b>Total support, revenue and net assets released from restrictions</b>	<b>5,907,282</b>	<b>2,556,731</b>	<b>129,358</b>	<b>8,593,371</b>
<b>Expenses</b>				
<i>Program services:</i>				
Counseling	1,387,853	-	-	1,387,853
Home Therapy	2,437,282	-	-	2,437,282
Education	982,428	-	-	982,428
<b>Total program services</b>	<b>4,807,563</b>	<b>-</b>	<b>-</b>	<b>4,807,563</b>
<i>Supporting services:</i>				
Management and general	643,879	-	-	643,879
Fundraising	547,921	-	-	547,921
<b>Total supporting services</b>	<b>1,191,800</b>	<b>-</b>	<b>-</b>	<b>1,191,800</b>
<b>Total expenses</b>	<b>5,999,363</b>	<b>-</b>	<b>-</b>	<b>5,999,363</b>
Increase (decrease) in net assets	(92,081)	2,556,731	129,358	2,594,008
Net assets, beginning of year	4,246,702	1,656,718	1,426,172	7,329,592
<b>Net assets, end of year</b>	<b>\$ 4,154,621</b>	<b>\$ 4,213,449</b>	<b>\$ 1,555,530</b>	<b>\$ 9,923,600</b>

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

<i>For the year ended December 31, 2020</i>	Without Donor Restrictions	With Donor Restrictions		Total
		Purpose Restrictions	Perpetual	
<b>Support and Revenue</b>				
Public support contributions	\$ 3,487,115	\$ 2,481,693	\$ -	\$ 5,968,808
Fundraising revenues	178,120	-	-	178,120
Program service revenue	218,502	-	-	218,502
Investment income	30,203	-	-	30,203
Realized and unrealized gain on investments	1,647	-	-	1,647
Investment income - beneficial interest	63,142	-	-	63,142
Gain on beneficial interest in assets held by Community Foundations	-	-	92,411	92,411
Change in value of charitable gift annuity, net	(22,742)	-	-	(22,742)
Other income	22,320	-	-	22,320
<b>Total support and revenue</b>	<b>3,978,307</b>	<b>2,481,693</b>	<b>92,411</b>	<b>6,552,411</b>
Net assets released from restrictions and transfers of net assets				
Transfers of net assets	(59,773)	(357,838)	-	(417,611)
Satisfaction of program restrictions	2,280,374	(2,280,374)	-	-
<b>Total support, revenue and net assets released from restrictions</b>	<b>6,198,908</b>	<b>(156,519)</b>	<b>92,411</b>	<b>6,134,800</b>
<b>Expenses</b>				
<i>Program services:</i>				
Counseling	1,023,244	-	-	1,023,244
Home Therapy	2,334,179	-	-	2,334,179
Education	979,871	-	-	979,871
<b>Total program services</b>	<b>4,337,294</b>	<b>-</b>	<b>-</b>	<b>4,337,294</b>
<i>Supporting services:</i>				
Management and general	678,404	-	-	678,404
Fundraising	595,892	-	-	595,892
<b>Total supporting services</b>	<b>1,274,296</b>	<b>-</b>	<b>-</b>	<b>1,274,296</b>
<b>Total expenses</b>	<b>5,611,590</b>	<b>-</b>	<b>-</b>	<b>5,611,590</b>
Increase (decrease) in net assets	587,318	(156,519)	92,411	523,210
Net assets, beginning of year, restated	3,659,384	1,813,237	1,333,761	6,806,382
<b>Net assets, end of year</b>	<b>\$ 4,246,702</b>	<b>\$ 1,656,718</b>	<b>\$ 1,426,172</b>	<b>\$ 7,329,592</b>



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

<i><b>For the year ended December 31, 2021</b></i>	Without Donor Restrictions	With Donor Restrictions		Total
		Purpose Restrictions	Perpetual	
<b>Support and Revenue</b>				
Investment income	\$ 61,834	\$ 134,037	\$ -	\$ 195,871
Realized and unrealized gain on investments	634,118	1,376,809	-	2,010,927
<b>Total support and revenue</b>	<b>695,952</b>	<b>1,510,846</b>	<b>-</b>	<b>2,206,798</b>
Net assets released from restrictions and transfers of net assets:				
Transfers of net assets	3,260,959	1,562,136	139,705	4,962,800
<b>Total support, revenue and net assets released from restrictions</b>	<b>3,956,911</b>	<b>3,072,982</b>	<b>139,705</b>	<b>7,169,598</b>
<b>Expenses</b>				
<i>Program services:</i>				
Counseling	17,073	-	-	17,073
Home Therapy	415,438	-	-	415,438
Education	113,819	-	-	113,819
<b>Total program services</b>	<b>546,330</b>	<b>-</b>	<b>-</b>	<b>546,330</b>
<i>Supporting services:</i>				
Management and general	17,073	-	-	17,073
Fundraising	5,691	-	-	5,691
<b>Total supporting services</b>	<b>22,764</b>	<b>-</b>	<b>-</b>	<b>22,764</b>
<b>Total expenses</b>	<b>569,094</b>	<b>-</b>	<b>-</b>	<b>569,094</b>
Increase in net assets	3,387,817	3,072,982	139,705	6,600,504
Net assets, beginning of year	15,176,608	7,959,592	5,171,338	28,307,538
<b>Net assets, end of year</b>	<b>\$ 18,564,425</b>	<b>\$ 11,032,574</b>	<b>\$ 5,311,043</b>	<b>\$ 34,908,042</b>

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

<i>For the year ended December 31, 2020</i>	Without Donor Restrictions	With Donor Restrictions		Total
		Purpose Restrictions	Perpetual	
<b>Support and Revenue</b>				
Investment income	\$ 142,834	\$ 306,099	\$ -	\$ 448,933
Realized and unrealized gain on investments	548,721	1,168,368	-	1,717,089
<b>Total support and revenue</b>	<b>691,555</b>	<b>1,474,467</b>	<b>-</b>	<b>2,166,022</b>
Net assets released from restrictions and transfers of net assets:				
Transfers of net assets	398,740	(261,185)	280,056	417,611
<b>Total support, revenue and net assets released from restrictions</b>	<b>1,090,295</b>	<b>1,213,282</b>	<b>280,056</b>	<b>2,583,633</b>
<b>Expenses</b>				
<i>Program services:</i>				
Counseling	16,377	-	-	16,377
Home Therapy	398,512	-	-	398,512
Education	109,181	-	-	109,181
<b>Total program services</b>	<b>524,070</b>	<b>-</b>	<b>-</b>	<b>524,070</b>
<i>Supporting services:</i>				
Management and general	16,377	-	-	16,377
Fundraising	5,462	-	-	5,462
<b>Total supporting services</b>	<b>21,839</b>	<b>-</b>	<b>-</b>	<b>21,839</b>
<b>Total expenses</b>	<b>545,909</b>	<b>-</b>	<b>-</b>	<b>545,909</b>
Increase in net assets	544,386	1,213,282	280,056	2,037,724
Net assets, beginning of year	14,632,222	6,746,310	4,891,282	26,269,814
<b>Net assets, end of year</b>	<b>\$ 15,176,608</b>	<b>\$ 7,959,592</b>	<b>\$ 5,171,338</b>	<b>\$ 28,307,538</b>