

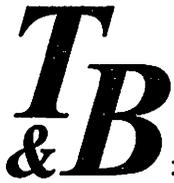
**CHESTNUT MOUNTAIN RANCH, INC.
AND AFFILIATES**

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

DECEMBER 31, 2022

Table of Contents

	Page
Independent Auditor's Report	1-2
Financial Statements:	
Consolidated Statement of Financial Position	3-4
Consolidated Statement of Activities and Changes in Net Assets and Shareholder's Equity	5-6
Consolidated Statement of Cash Flows	7
Notes to Consolidated Financial Statements	8-20
Supplementary Information:	
Consolidating Statement of Financial Position	21-23
Consolidating Statement of Activities and Changes in Net Assets and Shareholder's Equity	24-25
Consolidating Statement of Cash Flows	26-27
Consolidating Income Statement – RRF Visions Properties, Inc. and Affiliate	28
Consolidating Statement of Functional Expenses	29



Tetrick & Bartlett, PLLC

**Certified Public Accountants
Consultants**

INDEPENDENT AUDITOR'S REPORT

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

Qualified Opinion

We have audited the accompanying consolidated financial statements of Chestnut Mountain Ranch, Inc. (a nonprofit organization) and Affiliates, which comprise the consolidated statement of financial position as of December 31, 2022, and the related consolidated statement of activities and changes in net assets and shareholder's equity and consolidated statement of cash flows, for the year then ended, and the related notes to the financial statements.

In our opinion, except for the possible effects of the matters described in the Basis of Qualified Opinion section of our report, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Chestnut Mountain Ranch, Inc. and Affiliates as of December 31, 2022, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Qualified Opinion

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

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibility for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Chestnut Mountain Ranch, Inc. and Affiliates' internal control. Accordingly, no such opinion is expressed.

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

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

Report on Supplementary Information

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

Robert B. Baker, PCA

Clarksburg, West Virginia
August 7, 2023

CHESTNUT MOUNTAIN RANCH, INC. AND AFFILIATES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2022

Assets

Current Assets

Cash and cash equivalents	\$ 5,398,805	
Accounts receivable	33,300	
Inventory	118,842	
Prepaid expenses	<u>66,598</u>	
Total current assets		\$ 5,617,545

Property, Plant and Equipment

Land	809,246	
Furniture and fixtures	382,893	
Shop equipment	84,951	
Leasehold improvements	432,645	
Building and improvements	5,101,437	
Land development	2,020,680	
Vehicles	559,152	
Construction in process	<u>416,615</u>	
	9,807,619	
Less: accumulated depreciation	<u>(2,011,915)</u>	
Property, plant and equipment - net		7,795,704

Other Assets

Investments	164,008	
Contributed art collectibles	3,968	
Goodwill	<u>129,000</u>	
Total other assets		<u>296,976</u>

Total Assets

\$ 13,710,225

See accompanying notes and independent auditor's report.

CHESTNUT MOUNTAIN RANCH, INC. AND AFFILIATES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONT'D)
DECEMBER 31, 2022

Liabilities and Net Assets

Current Liabilities

Notes payable	\$	66,905
Accounts payable		288,547
Accrued expenses		<u>82,118</u>
Total current liabilities		437,570

Noncurrent Liabilities

Notes payable net of current portion		<u>234,340</u>
--------------------------------------	--	----------------

Total liabilities		\$ 671,910
-------------------	--	------------

Net Assets

Without donor restrictions		13,038,315
With donor restrictions		<u>-</u>
Total net assets		13,038,315

Shareholder's equity

-

Total Liabilities, Net Assets and Shareholder's Equity		<u>\$ 13,710,225</u>
---	--	-----------------------------

See accompanying notes and independent auditor's report.

**CHESTNUT MOUNTAIN RANCH, INC. AND AFFILIATES
CONSOLIDATED STATEMENT OF ACTIVITIES AND
CHANGES IN NET ASSETS AND SHAREHOLDER'S EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2022**

Public Support and Revenues		
Contributions	\$ 3,723,877	
Ranch store support	<u>1,108,339</u>	
Total public support and revenues		\$ 4,832,216
Operating Revenues		
Tuition	38,805	
Rent income	<u>38,400</u>	
Total operating revenues		77,205
Net assets released from restrictions		<u>-</u>
Total public support and revenues		4,909,421
Operating Expenses		
Program services	1,808,127	
Fundraising	203,220	
Administrative	<u>629,068</u>	
Total operating expenses		<u>2,640,415</u>
Change in net assets without donor restrictions before non-operating revenues (expenses)		2,269,006
Non-Operating Revenues (Expenses)		
Income from For-Profit Subsidiary	(85,010)	
Interest	7,292	
Gain (loss) on stocks	8,989	
Gain (loss) on sale of fixed assets	2,953	
Other income (expense)	<u>120,666</u>	
Total non-operating revenues (expenses)		<u>54,890</u>
Change in net assets without donor restrictions		2,323,896

See accompanying notes and independent auditor's report.

**CHESTNUT MOUNTAIN RANCH, INC. AND AFFILIATES
CONSOLIDATED STATEMENT OF ACTIVITIES AND
CHANGES IN NET ASSETS AND SHAREHOLDER'S EQUITY (CONT'D)
FOR THE YEAR ENDED DECEMBER 31, 2022**

Net Assets - Beginning of Year		
Without donor restrictions	\$ 10,714,419	
With donor restrictions	<u> -</u>	
Total net assets beginning of year		<u>\$ 10,714,419</u>
 Net Assets - End of Year		
Without donor restrictions	13,038,315	
With donor restrictions	<u> -</u>	
Total net assets end of year		13,038,315
 Shareholder's Equity of For-Profit Subsidiary		
Total shareholder's equity, beginning of year	-	
Capital contributions	-	
Dividends	-	
Net income	<u> -</u>	
Total shareholder's equity end of year		<u> -</u>
Total net assets and shareholder's equity		<u><u>\$ 13,038,315</u></u>

See accompanying notes and independent auditor's report.

CHESTNUT MOUNTAIN RANCH, INC. AND AFFILIATES
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2022

Cash Flows From Operating Activities

Change in net assets	\$	2,323,896	
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:			
Depreciation		344,220	
(Gain) on disposal of stock		(8,989)	
(Gain) on disposal of capital asset		(2,953)	
(Increase) decrease in assets:			
Accounts receivable		(18,186)	
Investments		29,107	
Inventory		(53,282)	
Prepaid expense		(45,255)	
Increase (decrease) in liabilities:			
Accounts payable		246,419	
Accrued expenses		<u>16,372</u>	
Net cash provided by (used in) operating activities			\$ 2,831,349

Cash Flow From Investing Activities

Acquisition of property, plant and equipment	(1,342,872)	
Proceeds from sale of property, plant and equipment	<u>13,000</u>	
Net cash provided by (used in) investing activities		(1,329,872)

Cash Flow From Financing Activities

Proceeds from notes payable	301,245	
Proceeds from sale of investments	<u>7,076</u>	
Net cash provided by (used in) financing activities		<u>308,321</u>

Net increase (decrease) in cash and cash equivalents 1,809,798

Cash and cash equivalents beginning of year 3,589,007

Cash and cash equivalents end of year \$ 5,398,805

Noncash Investing and Financing Activities

In-kind contributions of materials and services \$ -

See accompanying notes and independent auditor's report.

CHESTNUT MOUNTAIN RANCH, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022

Note 1: Nature of Organization

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

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

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

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

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

See independent auditor's report.

CHESTNUT MOUNTAIN RANCH, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)
DECEMBER 31, 2022

Note 2: Significant Accounting Policies

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

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

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

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

Advertising Costs – The Organization uses advertising to promote its programs among the audiences it serves. Advertising costs are expensed as incurred. Advertising expense for the year ended December 31, 2022 was \$32,692.

Revenue Recognition – Revenue from Exchange Transactions: The Organization recognizes revenue in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers*, as amended. ASU 2014-09 applies to exchange transactions with customers that are bound by contracts or similar arrangements and establishes a performance obligation approach to revenue recognition. The Organization records the following exchange transaction revenue in its consolidated statement of activities and changes in net assets and shareholder's equity for the year ended December 31, 2022:

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

See independent auditor's report.

CHESTNUT MOUNTAIN RANCH, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)
DECEMBER 31, 2022

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

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

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

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

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

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

See independent auditor's report.

CHESTNUT MOUNTAIN RANCH, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)
DECEMBER 31, 2022

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

Reclassifications – Chestnut Mountain Ranch, Inc. and Affiliates' policy is to reclassify amounts reported in prior year financial statements when necessary for classifications adopted during the current year. There were no reclassifications in 2022.

Use of Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. For example, significant estimates and assumptions have been made with respect to useful lives of capitalized building and development costs. Actual results could differ from those estimates.

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

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

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

See independent auditor's report.

CHESTNUT MOUNTAIN RANCH, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)
DECEMBER 31, 2022

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

Chestnut Mountain Ranch, Inc. and Affiliates reviews its fixed assets for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Recoverability is measured by a comparison of the carrying amount to the future net undiscounted cash flow expected to be generated by the fixed assets and any estimated proceeds from the eventual disposition of the fixed assets. If the fixed assets are considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying amount exceed the fair value of such fixed assets. There were no impairment losses recognized in 2022.

Note 3: Fair Value Measurement

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

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

See independent auditor's report.

CHESTNUT MOUNTAIN RANCH, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)
DECEMBER 31, 2022

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

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

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

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

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

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

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

See independent auditor's report.

CHESTNUT MOUNTAIN RANCH, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)
DECEMBER 31, 2022

The preceding method described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the organization believes its valuation methods are appropriate and consistent with other market participants, the use of difference methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Note 4: Other Assets – Fair Value Measurement

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

The assets' fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The following is a description of the valuation methodologies used for other assets measured at fair value. There have been no changes in methodologies used at December 31, 2022.

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

Note 5: Contract Assets and Contract Liabilities

Contract assets consist of accounts receivable as follows:

Accounts receivable:

Beginning of the year	\$	15,114
End of the year	\$	33,300

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

Accounts payable:

Beginning of the year	\$	42,128
End of the year	\$	288,547

Notes payable:

Beginning of the year	\$	-
End of the year	\$	301,245

See independent auditor's report.

CHESTNUT MOUNTAIN RANCH, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)
DECEMBER 31, 2022

Note 6: Liquidity and Availability of Funds

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

Cash	\$ 5,398,805
Accounts receivable	33,300
Investments	<u>164,008</u>
 Total financial assets available to meet general expenditures within the next 12 months	 <u>\$ 5,596,113</u>

Note 7: Notes Payable – Truist Bank

Notes Payable – Truist Bank

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

\$ 301,245

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

2023	\$ 66,905
2024	69,395
2025	71,978
2026	74,657
2027	<u>18,310</u>
	<u>\$ 301,245</u>

See independent auditor's report.

CHESTNUT MOUNTAIN RANCH, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD)
DECEMBER 31, 2022

Note 8: Operating Lease as Lessee

The Organization opted to extend the original lease for an additional five year non-cancelable property lease for the Ranch Community Store through January 2028. Future minimum lease payments are as follows:

2023	\$ 116,337
2024	116,337
2025	116,337
2026	116,337
2027	116,337
2028	<u>9,695</u>
Total	<u>\$ 591,380</u>

Operating lease, including common area maintenance fees, expense was \$130,500 for year ended December 31, 2022.

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

2023	\$ 50,400
2024	50,400
2025	50,400
2026	50,400
2027	<u>16,800</u>
Total	<u>\$ 218,400</u>

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

See independent auditor's report.

CHESTNUT MOUNTAIN RANCH, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)
DECEMBER 31, 2022

Note 9: Contributed Services and Materials

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

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

Note 10: Income Tax Status

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

Accounting principles generally accepted in the United States of America requires management to evaluate tax positions taken by the Organization and recognize a tax liability (or asset) if the Organization has taken an uncertain position that more likely than not would be sustained upon examination by the IRS. Management has analyzed the tax positions taken by the Organization, and has concluded that as of December 31, 2022, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Organization is subject to routine audits by taxing jurisdictions, however, there are currently no audits for any tax periods in progress. Chestnut Mountain Ranch, Inc.'s Federal Return of Organization Exempt for Income Tax (Form 990) for 2020, 2021 and 2022 are subject to examination by the IRS, generally for three years after they were filed. Chestnut Mountain Ranch Foundation, Inc. began operations in 2017. Chestnut Mountain Ranch Foundation, Inc.'s federal return of organization exempt for income tax (form 990) for 2020, 2021 and 2022 are subject to examination by the IRS generally for three years after they are filed.

See independent auditor's report.

CHESTNUT MOUNTAIN RANCH, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)
DECEMBER 31, 2022

Note 11: Concentrations of Credit Risk

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

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

Note 12: Recently Issued Accounting Standards

Recently adopted accounting pronouncements issued by the FASB:

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

See independent auditor's report.

CHESTNUT MOUNTAIN RANCH, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)
DECEMBER 31, 2022

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*. This ASU requires that a lease liability and related right-of-use-asset representing the lessee's right to use or control the asset be recorded on the consolidated statement of financial position upon the commencement of all leases except for short-term leases. Leases will be classified as either finance leases or operating leases, which are substantially similar to the classification criteria for distinguishing between capital leases and operating in existing lease accounting guidance. As a result, the effect of leases in the consolidated statement of activities and changes in net assets and the consolidated statement of cash flows will be substantially unchanged from the existing lease accounting guidance. The ASU is effective for fiscal years beginning after December 15, 2021. Early adoption is permitted. The Organization has not implemented this Statement as of December 31, 2022. The Organization has not determined the impact on the accompanying Statement of Financial Position resulting from not implementing this Standard.

Note 13: COVID-19 Pandemic

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

Note 14: Subsequent Events

Management evaluated the activity of the nonprofit organization through August 7, 2023 (the date the financial statements were available to be issued) and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.

See independent auditor's report.

CHESTNUT MOUNTAIN RANCH, INC. AND AFFILIATES
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2022

	<u>Chestnut Mountain Ranch, Inc.</u>	<u>Chestnut Mountain Ranch Foundation, Inc.</u>	<u>RRF Visions Properties, Inc.</u>	<u>Ranch Quick Lube, LLC</u>	<u>Elimination Entries</u>	<u>Chestnut Mountain Ranch, Inc. Consolidated</u>
Assets						
Current Assets:						
Cash and cash equivalents	\$ 3,128,071	\$ 2,235,472	\$ 116	\$ 35,146	\$ -	\$ 5,398,805
Accounts receivable	21,101	-	-	12,199	-	33,300
Inventory	18,387	-	-	100,455	-	118,842
Prepaid expenses	<u>8,152</u>	<u>-</u>	<u>39,961</u>	<u>18,485</u>	<u>-</u>	<u>66,598</u>
Total current assets	<u>3,175,711</u>	<u>2,235,472</u>	<u>40,077</u>	<u>166,285</u>	<u>-</u>	<u>5,617,545</u>
Property, Plant and Equipment						
Land	-	809,246	-	-	-	809,246
Furniture and fixtures	367,472	15,421	-	-	-	382,893
Shop equipment	-	-	-	84,951	-	84,951
Leasehold improvements	-	-	-	432,645	-	432,645
Building and improvements	102,403	4,999,034	-	-	-	5,101,437
Land development	-	2,020,680	-	-	-	2,020,680
Vehicles	494,285	-	-	64,867	-	559,152
Construction in process	<u>-</u>	<u>416,615</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>416,615</u>
	964,160	8,260,996	-	582,463	-	9,807,619
Less: accumulated depreciation	<u>(542,809)</u>	<u>(1,387,700)</u>	<u>-</u>	<u>(81,406)</u>	<u>-</u>	<u>(2,011,915)</u>
Property, plant and equipment - net	<u>421,351</u>	<u>6,873,296</u>	<u>-</u>	<u>501,057</u>	<u>-</u>	<u>7,795,704</u>

See accompanying notes and independent auditor's report.

CHESTNUT MOUNTAIN RANCH, INC. AND AFFILIATES
CONSOLIDATING STATEMENT OF FINANCIAL POSITION (CONT'D)
DECEMBER 31, 2022

	<u>Chestnut Mountain Ranch, Inc.</u>	<u>Chestnut Mountain Ranch Foundation, Inc.</u>	<u>RRF Visions Properties, Inc.</u>	<u>Ranch Quick Lube, LLC</u>	<u>Elimination Entries</u>	<u>Chestnut Mountain Ranch, Inc. Consolidated</u>
Other Assets						
Investments	\$ 575,786	\$ -	\$ 371,726	\$ -	\$ (783,504)	\$ 164,008
Contributed art collectibles	3,968	-	-	-	-	3,968
Goodwill	-	-	-	129,000	-	129,000
Due from Chestnut Mountain Ranch Foundation, Inc.	70,379	-	-	-	(70,379)	-
Due From Chestnut Mountain Village	7,759	-	-	99	(7,858)	-
Due From RRF Visions Properties, LLC	25	-	-	-	(25)	-
Due from Ranch Quick Lube, LLC	<u>12,025</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(12,025)</u>	<u>-</u>
Total other assets	<u>669,942</u>	<u>-</u>	<u>371,726</u>	<u>129,099</u>	<u>(873,791)</u>	<u>296,976</u>
Total Assets	<u>\$ 4,267,004</u>	<u>\$ 9,108,768</u>	<u>\$ 411,803</u>	<u>\$ 796,441</u>	<u>\$ (873,791)</u>	<u>\$ 13,710,225</u>

See accompanying notes and independent auditor's report.

CHESTNUT MOUNTAIN RANCH, INC. AND AFFILIATES
CONSOLIDATING STATEMENT OF FINANCIAL POSITION (CONT'D)
DECEMBER 31, 2022

	<u>Chestnut Mountain Ranch, Inc.</u>	<u>Chestnut Mountain Ranch Foundation, Inc.</u>	<u>RRF Visions Properties, Inc.</u>	<u>Ranch Quick Lube, LLC</u>	<u>Elimination Entries</u>	<u>Chestnut Mountain Ranch, Inc. Consolidated</u>
Liabilities, Net Assets and Shareholder's Equity						
Current Liabilities:						
Notes payable	\$ -	\$ -	\$ -	\$ 66,905	\$ -	\$ 66,905
Accounts payable	187,973	17,272	-	83,302	-	288,547
Accrued expenses	<u>61,833</u>	<u>-</u>	<u>-</u>	<u>20,285</u>	<u>-</u>	<u>82,118</u>
Total current liabilities	<u>249,806</u>	<u>17,272</u>	<u>-</u>	<u>170,492</u>	<u>-</u>	<u>437,570</u>
Other Liabilities						
Notes payable net of current portion	-	-	-	234,340	-	234,340
Due to Chestnut Mountain Ranch, Inc.	<u>-</u>	<u>70,379</u>	<u>25</u>	<u>19,883</u>	<u>(90,287)</u>	<u>-</u>
Total other liabilities	<u>-</u>	<u>70,379</u>	<u>25</u>	<u>254,223</u>	<u>(90,287)</u>	<u>234,340</u>
Total liabilities	<u>249,806</u>	<u>87,651</u>	<u>25</u>	<u>424,715</u>	<u>(90,287)</u>	<u>671,910</u>
Net Assets						
Without donor restrictions	4,017,198	9,021,117	-	-	-	13,038,315
With donor restrictions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total net assets	<u>4,017,198</u>	<u>9,021,117</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,038,315</u>
Shareholder's equity	<u>-</u>	<u>-</u>	<u>411,778</u>	<u>371,726</u>	<u>(783,504)</u>	<u>-</u>
Total Liabilities, Net Assets and Shareholders' Equity	<u>\$ 4,267,004</u>	<u>\$ 9,108,768</u>	<u>\$ 411,803</u>	<u>\$ 796,441</u>	<u>\$ (873,791)</u>	<u>\$ 13,710,225</u>

See accompanying notes and independent auditor's report.

**CHESTNUT MOUNTAIN RANCH, INC. AND AFFILIATES
CONSOLIDATING STATEMENT OF ACTIVITIES AND
CHANGES IN NET ASSETS AND SHAREHOLDER'S EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2022**

	<u>Chestnut Mountain Ranch, Inc.</u>	<u>Chestnut Mountain Ranch Foundation, Inc.</u>	<u>RRF Visions Properties, Inc.</u>	<u>Ranch Quick Lube, LLC</u>	<u>Elimination Entries</u>	<u>Chestnut Mountain Ranch, Inc. Consolidated</u>
Public Support and Revenues						
Contributions	\$ 2,212,026	\$ 1,511,851	\$ -	\$ -	\$ -	\$ 3,723,877
Ranch store support	<u>1,108,339</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,108,339</u>
Total public support and revenues	<u>3,320,365</u>	<u>1,511,851</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,832,216</u>
Operating Revenues						
Tuition	38,805	-	-	-	-	38,805
Rent income	<u>-</u>	<u>38,400</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>38,400</u>
Total operating revenues	<u>38,805</u>	<u>38,400</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>77,205</u>
Net assets released from restrictions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total public support and revenues	<u>3,359,170</u>	<u>1,550,251</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,909,421</u>
Operating Expenses						
Program services	1,808,127	-	-	-	-	1,808,127
Fundraising	203,220	-	-	-	-	203,220
Administrative	<u>374,618</u>	<u>254,450</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>629,068</u>
Total operating expenses	<u>2,385,965</u>	<u>254,450</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,640,415</u>
Change in net assets without donor restrictions before non-operating revenues (expenses)	<u>973,205</u>	<u>1,295,801</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,269,006</u>

See accompanying notes and independent auditor's report.

CHESTNUT MOUNTAIN RANCH, INC. AND AFFILIATES
CONSOLIDATING STATEMENT OF ACTIVITIES AND
CHANGES IN NET ASSETS AND SHAREHOLDER'S EQUITY (CONT'D)
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Chestnut Mountain Ranch, Inc.</u>	<u>Chestnut Mountain Ranch Foundation, Inc.</u>	<u>RRF Visions Properties, Inc.</u>	<u>Ranch Quick Lube, LLC</u>	<u>Elimination Entries</u>	<u>Chestnut Mountain Ranch, Inc. Consolidated</u>
Non-Operating Revenues (Expenses)						
Income from For-Profit Subsidiary	\$ (85,010)	\$ -	\$ -	\$ -	\$ -	\$ (85,010)
Interest	4,521	2,771	-	-	-	7,292
Gain (loss) on stocks	8,989	-	-	-	-	8,989
Gain (loss) on sale of fixed assets	2,953	-	-	-	-	2,953
Other income (expense)	<u>120,666</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>120,666</u>
Total non-operating revenues (expenses)	<u>52,119</u>	<u>2,771</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>54,890</u>
Change in net assets without donor restrictions	<u>1,025,324</u>	<u>1,298,572</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,323,896</u>
Net Assets - Beginning of Year						
Without donor restrictions - restated	2,991,874	7,722,545	-	-	-	10,714,419
With donor restrictions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total net assets beginning of year	<u>2,991,874</u>	<u>7,722,545</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,714,419</u>
Net Assets - End of Year						
Without donor restrictions	4,017,198	9,021,117	-	-	-	13,038,315
With donor restrictions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total net assets end of year	<u>4,017,198</u>	<u>9,021,117</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,038,315</u>
Shareholder's Equity of For-Profit Subsidiary						
Total shareholder's equity, beginning of year	-	-	496,788	486,711	(983,499)	-
Capital contributions	-	-	-	-	-	-
Dividends	-	-	-	(31,200)	31,200	-
Net income	<u>-</u>	<u>-</u>	<u>(85,010)</u>	<u>(83,785)</u>	<u>168,795</u>	<u>-</u>
Total shareholder's equity end of year	<u>-</u>	<u>-</u>	<u>411,778</u>	<u>371,726</u>	<u>(783,504)</u>	<u>-</u>
Total net assets and shareholder's equity	<u>\$ 4,017,198</u>	<u>\$ 9,021,117</u>	<u>\$ 411,778</u>	<u>\$ 371,726</u>	<u>\$ (783,504)</u>	<u>\$ 13,038,315</u>

See accompanying notes and independent auditor's report.

CHESTNUT MOUNTAIN RANCH, INC. AND AFFILIATES
CONSOLIDATING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Chestnut Mountain Ranch, Inc.</u>	<u>Chestnut Mountain Ranch Foundation, Inc.</u>	<u>RRF Visions Properties, Inc.</u>	<u>Ranch Quick Lube, LLC</u>	<u>Elimination Entries</u>	<u>Chestnut Mountain Ranch, Inc. Consolidated</u>
Cash Flows From Operating Activities						
Change in net assets	\$ 1,025,324	\$ 1,298,572	\$ (85,010)	\$ (83,785)	\$ 168,795	\$ 2,323,896
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:						
Depreciation	80,504	200,824	-	62,892	-	344,220
(Gain) on disposal of stock	(8,989)	-	-	-	-	(8,989)
(Gain) on disposal of capital assets	(2,953)	-	-	-	-	(2,953)
(Increase) decrease in assets:						
Accounts receivable	(20,998)	-	-	2,812	-	(18,186)
Investments	109,033	-	120,069	-	(199,995)	29,107
Inventory	-	-	-	(53,282)	-	(53,282)
Prepaid expense	-	-	(35,084)	(10,171)	-	(45,255)
Security deposits	-	-	-	-	-	-
Due from affiliated entity	(41,502)	-	-	(99)	41,601	-
Increase (decrease) in liabilities:						
Accounts payable	181,955	17,272	-	47,192	-	246,419
Accrued expenses	6,920	-	-	9,452	-	16,552
Deferred revenue	-	-	-	-	-	-
Due to affiliated entity	-	24,258	25	17,318	(41,601)	-
Net cash provided by (used in) operating activities	<u>1,329,294</u>	<u>1,540,926</u>	<u>-</u>	<u>(7,671)</u>	<u>(31,200)</u>	<u>2,831,349</u>

See accompanying notes and independent auditor's report.

**CHESTNUT MOUNTAIN RANCH, INC. AND AFFILIATES
CONSOLIDATING STATEMENT OF CASH FLOWS (CONTD)
FOR THE YEAR ENDED DECEMBER 31, 2022**

	<u>Chestnut Mountain Ranch, Inc.</u>	<u>Chestnut Mountain Ranch Foundation, Inc.</u>	<u>RRF Visions Properties, Inc.</u>	<u>Ranch Quick Lube, LLC</u>	<u>Elimination Entries</u>	<u>Chestnut Mountain Ranch, Inc. Consolidated</u>
Cash Flow From Investing Activities						
Acquisition of property, plant and equipment	\$ (153,372)	\$ (724,343)	\$ -	\$ (465,157)	\$ -	\$ (1,342,872)
Proceeds from sale of property, plant and equipment	<u>13,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,000</u>
Net cash provided by (used in) investing activities	<u>(140,372)</u>	<u>(724,343)</u>	<u>-</u>	<u>(465,157)</u>	<u>-</u>	<u>(1,329,872)</u>
Cash Flow From Financing Activities						
Proceeds from notes payable	-	-	-	301,245	-	301,245
Proceeds from (to) capital investors	-	-	-	(31,200)	31,200	-
Proceeds from sale of investments	<u>7,076</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,076</u>
Net cash provided by (used in) financing activities	<u>7,076</u>	<u>-</u>	<u>-</u>	<u>270,045</u>	<u>31,200</u>	<u>308,321</u>
Net increase (decrease) in cash and cash equivalents	1,195,998	816,583	-	(202,783)	-	1,809,798
Cash and cash equivalents beginning of year	<u>1,932,073</u>	<u>1,418,889</u>	<u>116</u>	<u>237,929</u>	<u>-</u>	<u>3,589,007</u>
Cash and cash equivalents end of year	<u>\$ 3,128,071</u>	<u>\$ 2,235,472</u>	<u>\$ 116</u>	<u>\$ 35,146</u>	<u>\$ -</u>	<u>\$ 5,398,805</u>
Noncash Investing and Financing Activities						
In-kind contributions of materials and services	<u>\$ 33,072</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 33,072</u>

See accompanying notes and independent auditor's report.

**CHESTNUT MOUNTAIN RANCH, INC. AND AFFILIATES
CONSOLIDATING INCOME STATEMENT
RRF VISIONS PROPERTIES, INC. AND AFFILIATE
FOR THE YEAR ENDED DECEMBER 31, 2022**

Ranch Quick Lube, LLC

Net sales		\$ 1,856,134
Cost of sales		<u>675,948</u>
Gross profit		1,180,186
Operating, selling, general and administrative expenses		
General and administrative expenses	\$ 216,738	
Rent expense	142,338	
Salaries and wages	568,258	
Payroll taxes and benefits	77,979	
Advertising expenses	15,758	
Shop supplies	149,707	
Repair and maintenance	30,301	
Depreciation and amortization expense	<u>62,892</u>	
Total operating, selling, general and administrative expenses		<u>1,263,971</u>
Net income - Ranch Quick Lube, Inc.		(83,785)
RRF Visions Properties, Inc.		
General and administrative expenses	1,225	
Income tax expenses (benefits)	<u>-</u>	<u>(1,225)</u>
Net income - RRF Visions Properties, Inc.		<u>\$ (85,010)</u>

See accompanying notes and independent auditor's report.

CHESTNUT MOUNTAIN RANCH, INC. AND AFFILIATES
CONSOLIDATING STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Program</u> <u>Cost</u>	<u>Fund</u> <u>Raising</u>	<u>Administrative</u> <u>Cost</u>	<u>Total</u>
Chestnut Mountain Ranch, Inc.				
Salaries and wages	\$ 836,845	\$ 133,895	\$ 145,053	\$ 1,115,793
Payroll taxes and benefits	115,677	18,508	20,051	154,236
Total personnel cost	952,522	152,403	165,104	1,270,029
Advertising	32,692	-	-	32,692
Bank charges and fees	17,725	-	11,816	29,541
Books and subscriptions	29,531	-	-	29,531
Conferences and meetings	5,535	-	3,690	9,225
Benevolence and gifts	779	-	334	1,113
Facilities and equipment	86,841	-	4,571	91,412
Licenses, permit, fees	8,484	-	-	8,484
Food	87,445	10,288	5,143	102,876
Office expenses	5,097	127	7,518	12,742
Insurance	51,124	-	2,691	53,815
Resale items	7,011	-	-	7,011
Printing and copying	27,060	-	27,059	54,119
Professional service	-	-	47,511	47,511
Rent	204,933	-	-	204,933
Supplies	38,712	10,323	2,581	51,616
Travel and meetings	3,893	27,250	7,785	38,928
Utilities	124,326	-	31,082	155,408
Vehicle expense	82,044	2,829	9,431	94,304
Activities expense	10,171	-	-	10,171
Depreciation	32,202	-	48,302	80,504
Total Chestnut Mountain Ranch, Inc.	<u>1,808,127</u>	<u>203,220</u>	<u>374,618</u>	<u>2,385,965</u>
Chestnut Mountain Ranch Foundation, Inc.				
License, permit, fees	-	-	254	254
Professional services	-	-	2,850	2,850
Facilities expense	-	-	12,594	12,594
Depreciation	-	-	200,824	200,824
Insurance	-	-	37,928	37,928
Total Chestnut Mountain Ranch Foundation, Inc.	<u>-</u>	<u>-</u>	<u>254,450</u>	<u>254,450</u>
Elimination Entries	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total functional expenses	<u>\$ 1,808,127</u>	<u>\$ 203,220</u>	<u>\$ 629,068</u>	<u>\$ 2,640,415</u>

See accompanying notes and independent auditor's report.