

HIGHLAND RIVERS FOUNDATION, INC.

FINANCIAL REPORT

JUNE 30, 2022 AND 2021

HIGHLAND RIVERS FOUNDATION, INC.

TABLE OF CONTENTS

	<u>PAGE</u>
INDEPENDENT AUDITOR'S REPORT	1 - 2
FINANCIAL STATEMENTS:	
STATEMENTS OF FINANCIAL POSITION	3
STATEMENTS OF ACTIVITIES	4 - 5
STATEMENTS OF FUNCTIONAL EXPENSES	6 - 7
STATEMENTS OF CASH FLOWS	8
NOTES TO FINANCIAL STATEMENTS	9 - 14



ROBERT BAKER
— & ASSOCIATES, CPAs —

INDEPENDENT AUDITOR'S REPORT

To The Board of Directors
Highland Rivers Foundation, Inc.
Dalton, Georgia

Opinion

We have audited the accompanying financial statements of Highland Rivers Foundation, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2022 and 2021, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Highland Rivers Foundation, Inc. as of June 30, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Financial Statements

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

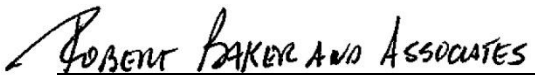
In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Highland Rivers Foundation, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Highland Rivers Foundation, Inc.'s ability to continue as a going concern for a reasonable period of time.

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

ROBERT BAKER & ASSOCIATES, CPAs

A handwritten signature in black ink that reads "ROBERT BAKER AND ASSOCIATES". The signature is written in a cursive, flowing style. Below the signature is a horizontal line.

Albany, Georgia
May 15, 2023

HIGHLAND RIVERS FOUNDATION, INC.

STATEMENTS OF FINANCIAL POSITION

June 30, 2022 and 2021

ASSETS

	<u>2022</u>	<u>2021</u>
CURRENT ASSETS		
Cash	\$ 472,853	\$ 604,102
Cash - Restricted	28,720	6,476
Accounts Receivable	22,675	9,406
Due to Highland Rivers Community Service Board	4,554	-
Current Portion of Notes Receivable	24,787	23,438
Total Current Assets	<u>\$ 553,589</u>	<u>\$ 643,422</u>
NOTES RECEIVABLE	<u>\$ 156,060</u>	<u>\$ 181,847</u>
CAPITAL ASSETS		
Land	\$ 217,600	\$ 217,600
Buildings, Net of Accumulated Depreciation	2,986,541	3,064,664
Total Capital Assets, Net of Accumulated Depreciation	<u>\$ 3,204,141</u>	<u>\$ 3,282,264</u>
TOTAL ASSETS	<u>\$ 3,913,790</u>	<u>\$ 4,107,533</u>
	LIABILITIES AND NET ASSETS	
CURRENT LIABILITIES		
Due to Highland Rivers Community Service Board	\$ -	\$ 5,396
Total Current Liabilities	<u>\$ -</u>	<u>\$ 5,396</u>
TOTAL LIABILITIES	<u>\$ -</u>	<u>\$ 5,396</u>
NET ASSETS		
Without Donor Restrictions:		
Undesignated	\$ 3,883,570	\$ 4,094,161
Board Designated	1,500	1,500
Total Without Donor Restrictions	<u>\$ 3,885,070</u>	<u>\$ 4,095,661</u>
With Donor Restrictions	28,720	6,476
Total Net Assets	<u>\$ 3,913,790</u>	<u>\$ 4,102,137</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 3,913,790</u>	<u>\$ 4,107,533</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

HIGHLAND RIVERS FOUNDATION, INC.

STATEMENT OF ACTIVITIES

For The Fiscal Year Ended June 30, 2022

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
OPERATING GRANTS AND CONTRIBUTIONS			
Grants and Contracts	\$ 49,681	\$ -	\$ 49,681
Donations and Grants	2,004	30,166	32,170
Interest Income	6,563	-	6,563
Rental Income	7,618	-	7,618
Net Assets Released from Restrictions	<u>7,922</u>	<u>(7,922)</u>	<u>-</u>
TOTAL OPERATING GRANTS AND CONTRIBUTIONS			
	<u>\$ 73,788</u>	<u>\$ 22,244</u>	<u>\$ 96,032</u>
EXPENSES			
Program Services	<u>\$ 125,033</u>	<u>\$ -</u>	<u>\$ 125,033</u>
Support Services:			
General and Administrative	\$ 57,516	\$ -	\$ 57,516
Fundraising	<u>101,830</u>	<u>-</u>	<u>101,830</u>
Total Support Services	<u>\$ 159,346</u>	<u>\$ -</u>	<u>\$ 159,346</u>
TOTAL EXPENSES			
	<u>\$ 284,379</u>	<u>\$ -</u>	<u>\$ 284,379</u>
CHANGE IN NET ASSETS	\$ (210,591)	\$ 22,244	\$ (188,347)
NET ASSETS - BEGINNING OF YEAR	<u>4,095,661</u>	<u>6,476</u>	<u>4,102,137</u>
NET ASSETS - END OF YEAR	<u><u>\$ 3,885,070</u></u>	<u><u>\$ 28,720</u></u>	<u><u>\$ 3,913,790</u></u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

HIGHLAND RIVERS FOUNDATION, INC.

STATEMENT OF ACTIVITIES - CONTINUED

For The Fiscal Year Ended June 30, 2021

	WITHOUT DONOR <u>RESTRICTIONS</u>	WITH DONOR <u>RESTRICTIONS</u>	<u>TOTAL</u>
OPERATING GRANTS AND CONTRIBUTIONS			
Rental Income	\$ 12,019	\$ -	\$ 12,019
Fundraising	10,020	-	10,020
Donations and Grants	10,755	12,025	22,780
Gain on Sale of Capital Assets	7,316	-	7,316
Interest Income	6,000	-	6,000
Net Assets Released from Restrictions	<u>16,632</u>	<u>(16,632)</u>	<u>-</u>
TOTAL OPERATING GRANTS AND CONTRIBUTIONS	<u>\$ 62,742</u>	<u>\$ (4,607)</u>	<u>\$ 58,135</u>
EXPENSES			
Program Services	\$ 119,495	\$ -	\$ 119,495
Support Services:			
General and Administration	71,487	-	71,487
Fundraising	<u>90,570</u>	<u>-</u>	<u>90,570</u>
Total Support Services	<u>\$ 162,057</u>	<u>\$ -</u>	<u>\$ 162,057</u>
TOTAL EXPENSES	<u>\$ 281,552</u>	<u>\$ -</u>	<u>\$ 281,552</u>
CHANGE IN NET ASSETS	\$ (218,810)	\$ (4,607)	\$ (223,417)
NET ASSETS - BEGINNING OF YEAR	<u>4,314,471</u>	<u>11,083</u>	<u>4,325,554</u>
NET ASSETS - END OF YEAR	<u>\$ 4,095,661</u>	<u>\$ 6,476</u>	<u>\$ 4,102,137</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

HIGHLAND RIVERS FOUNDATION, INC.

STATEMENT OF FUNCTIONAL EXPENSES

For The Fiscal Year Ended June 30, 2022

	<u>SUPPORT SERVICES</u>				<u>TOTAL EXPENSES</u>
	<u>PROGRAM SERVICES</u>	<u>GENERAL AND ADMINISTRATIVE</u>	<u>FUND- RAISING</u>	<u>TOTAL</u>	
PERSONNEL EXPENSES					
Salaries	\$ 20,728	\$ 41,069	\$ 52,406	\$ 93,475	\$ 114,203
Taxes and Benefits	7,481	3,912	16,040	19,952	27,433
Total Personnel Expenses	<u>\$ 28,209</u>	<u>\$ 44,981</u>	<u>\$ 68,446</u>	<u>\$ 113,427</u>	<u>\$ 141,636</u>
DIRECT EXPENSES					
Advertising and Promotions	\$ -	\$ -	\$ 790	\$ 790	\$ 790
Computer Maintenance and Support	-	139	3,844	3,983	3,983
Depreciation Expense	83,422	-	-	-	83,422
Insurance	-	-	1,446	1,446	1,446
Office Supplies	-	-	12	12	12
Other Expenses	1,314	10,187	19,731	29,918	31,232
Other Supplies	5,065	17	-	17	5,082
Pharmaceuticals	6,300	-	-	-	6,300
Printing	148	138	1,399	1,537	1,685
Professional Fees	-	-	5,250	5,250	5,250
Small Equipment	-	1,600	-	1,600	1,600
Telecommunications	99	-	320	320	419
Travel	476	454	592	1,046	1,522
Total Direct Expenses	<u>\$ 96,824</u>	<u>\$ 12,535</u>	<u>\$ 33,384</u>	<u>\$ 45,919</u>	<u>\$ 142,743</u>
TOTAL EXPENSES	<u><u>\$ 125,033</u></u>	<u><u>\$ 57,516</u></u>	<u><u>\$ 101,830</u></u>	<u><u>\$ 159,346</u></u>	<u><u>\$ 284,379</u></u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

HIGHLAND RIVERS FOUNDATION, INC.

STATEMENT OF FUNCTIONAL EXPENSES - CONTINUED

For The Fiscal Year Ended June 30, 2021

	SUPPORT SERVICES				TOTAL EXPENSES
	PROGRAM SERVICES	GENERAL AND ADMINISTRATIVE	FUND- RAISING	TOTAL	
PERSONNEL EXPENSES					
Salaries	\$ 9,369	\$ 33,067	\$ 56,022	\$ 89,089	\$ 98,458
Taxes and Benefits	3,440	12,332	21,305	33,637	37,077
Total Personnel Expenses	<u>\$ 12,809</u>	<u>\$ 45,399</u>	<u>\$ 77,327</u>	<u>\$ 122,726</u>	<u>\$ 135,535</u>
DIRECT EXPENSES					
Advertising and Promotions	\$ 262	\$ 35	\$ -	\$ 35	\$ 297
Computer Maintenance and Support	612	389	-	389	1,001
Depreciation Expense	83,392	-	-	-	83,392
Donations	100	15,551	-	15,551	15,651
Repairs and Maintenance	33	675	-	675	708
Insurance	-	1,318	-	1,318	1,318
Office Supplies	-	53	-	53	53
Other Expenses	17,117	2,687	636	3,323	20,440
Other Supplies	-	86	9,640	9,726	9,726
Pharmaceuticals	5,111	-	-	-	5,111
Printing	59	-	-	-	59
Professional Fees	-	2,871	-	2,871	2,871
Small Equipment	-	820	-	820	820
Telecommunications	-	749	-	749	749
Travel	-	847	2,967	3,814	3,814
Utilities	-	7	-	7	7
Total Direct Expenses	<u>\$ 106,686</u>	<u>\$ 26,088</u>	<u>\$ 13,243</u>	<u>\$ 39,331</u>	<u>\$ 146,017</u>
TOTAL EXPENSES	<u><u>\$ 119,495</u></u>	<u><u>\$ 71,487</u></u>	<u><u>\$ 90,570</u></u>	<u><u>\$ 162,057</u></u>	<u><u>\$ 281,552</u></u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

HIGHLAND RIVERS FOUNDATION, INC.

STATEMENTS OF CASH FLOWS

For The Years Ended June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Contributed Support Received	\$ 32,170	\$ 32,800
Earned Revenue Received	39,476	8,613
Interest Received	6,563	7,316
Cash Paid for Salaries and Benefits	(141,636)	(135,535)
Cash Paid for Operating Expenses	<u>(64,717)</u>	<u>(58,406)</u>
NET CASH USED IN OPERATING ACTIVITIES	<u>\$ (128,144)</u>	<u>\$ (145,212)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from Payments on Notes Receivable	\$ 24,438	\$ 24,684
Purchases of Capital Assets	<u>(5,299)</u>	<u>-</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>\$ 19,139</u>	<u>\$ 24,684</u>
NET DECREASE IN CASH	\$ (109,005)	\$ (120,528)
CASH - BEGINNING OF YEAR	<u>610,578</u>	<u>731,106</u>
CASH - END OF YEAR	<u><u>\$ 501,573</u></u>	<u><u>\$ 610,578</u></u>
Reconciliation of Changes in Net Assets to Net Cash		
Provided by Operating Activities:		
Change in Net Assets	\$ (188,347)	\$ (223,417)
Adjustments to Reconcile Change in Net Assets to		
Net Cash Provided by Operating Activities:		
Depreciation	83,422	83,392
Change in Assets and Liabilities:		
Increase in Accounts Receivable	(13,269)	(9,406)
Increase in Due from Highland Rivers Community Service Board	(4,554)	-
Decrease in Accounts Payable	-	(1,177)
Increase (Decrease) in Due to Highland Rivers Community Service Board	<u>(5,396)</u>	<u>5,396</u>
NET CASH USED IN OPERATING ACTIVITIES	<u><u>\$ (128,144)</u></u>	<u><u>\$ (145,212)</u></u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

HIGHLAND RIVERS FOUNDATION, INC.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

NATURE OF ACTIVITIES

Highland Rivers Foundation, Inc. was created to support Highland Rivers Community Service Board in building and sustaining one community of recovery that advances mind, body, and health.

BASIS OF ACCOUNTING

The financial statements of the Organization have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables and other liabilities. Revenues are recorded when earned and expenses are recorded when incurred.

NET ASSETS

Net assets of the Organization are classified based on the presence or absence of donor-imposed restrictions. Net assets are comprised of two groups as follows:

Net Assets Without Donor Restrictions - Amounts that are not subject to usage restrictions based on donor-imposed requirements. This class also includes assets previously restricted where restrictions have expired or been met.

Net Assets With Donor Restrictions - Assets subject to usage limitations based on donor-imposed or grantor restrictions. These restrictions may be temporary or may be based on a particular use. Restrictions may be met by the passage of time or by actions of the Organization. Certain restrictions may need to be maintained in perpetuity.

Earnings related to restricted net assets will be included in net assets without donor-restrictions unless otherwise specifically required to be included in donor-restricted net assets by the donor or by applicable state law.

CUSTODIAL CREDIT RISK

The Organization maintains its cash in bank deposit accounts which exceed federally insured limits. The Organization has not experienced any losses in such accounts.

CAPITAL ASSETS

It is the Foundation's policy to capitalize assets with the initial cost of \$5,000 or more and a life greater than one year. Lesser amounts are expensed. Purchased assets are capitalized at cost. Donations of assets are recorded as contributions at their estimated fair value. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Foundation reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Foundation reclassifies temporarily restricted net assets to unrestricted net assets at that time. Property and equipment are depreciated using the straight-line method. Currently, buildings and improvements are the only depreciable property owned by the Organization and are being depreciated over a 39 year useful life for buildings and a 15 year useful life for improvements.

HIGHLAND RIVERS FOUNDATION, INC.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

REVENUE RECOGNITION

The Organization has earned revenues and public support. Earned revenues represent grants earned or rental revenue generated through the rental of property owned by the Organization. These revenues are recorded when earned, which occurs over time or when the funds are expended. Public support represents unconditional gifts in a voluntary nonreciprocal transfer. The Organization recognizes all contributed public support received as income in the period pledged.

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 that affect the reported amounts of assets and liabilities and 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. Actual results could differ from those estimates.

BUDGETARY RESTRICTIONS

Line item budgets were developed as part of the grant agreements. Provisions were made for revision of the budgets during the year. The budgeted amounts shown in the accompanying statements reflect the final revised budgets for the grants. All budgets were prepared on the accrual basis of accounting, and are consistent with accounting principles generally accepted in the United States of America.

INCOME TAXES

The Organization is an exempt organization for Federal income tax purposes under Section 501(c)(3) of the Internal Revenue Code and therefore has made no provision for Federal income taxes. The Organization has processes presently in place to ensure the maintenance of its tax-exempt status; to identify and report any unrelated income; to determine its filing and tax obligations in jurisdictions for which it has nexus; and to identify and evaluate other matters that may be considered tax positions. In addition, the Organization is not classified as an "exempt private foundation" within the meaning of Section 509(a) of the Code. The Organization has no unrelated business income and has determined there are no material uncertain tax positions that require recognition or disclosure in the financial statements.

NON-CASH DONATIONS

Donated marketable securities and other non-cash donations are recorded as contributions at their estimated fair value at the date of donation. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose.

PROMISES TO GIVE

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

HIGHLAND RIVERS FOUNDATION, INC.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

PROMISES TO GIVE (CONTINUED)

The Organization uses the allowance method to determine uncollectible unconditional promises receivable. The allowance is based on prior years' experience and management's analysis of specific promises made.

CONTRIBUTED SERVICES

During the fiscal years ended June 30, 2022 and 2021, the value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded. In addition, many individuals volunteer their time and perform a variety of tasks that assist the Organization at the residents' facilities, but these services do not meet the criteria for recognition as contributed services.

ACCOUNTING PRONOUNCEMENTS ADOPTED IN THE CURRENT YEAR

Gifts In-Kind - In September 2020, the Financial Accounting Standards Board ("FASB") issued ASU 2020-07, Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets (Topic 958), which is effective for fiscal years beginning after June 15, 2021, with early adoption permitted, and is intended to improve transparency in the reporting of contributed nonfinancial assets, also known as gifts in-kind, for not-for-profit organizations. The ASU requires a not-for-profit organization to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash or other financial assets, along with expanded disclosure requirements. The Organization adopted and implemented this pronouncement on July 1, 2021, using the prospective method of application. The adoption of ASU 2020-07 resulted in no material changes to the recognition of collections.

RECENT ACCOUNTING PRONOUNCEMENTS ISSUED NOT YET EFFECTIVE

Leases - In February 2016, the FASB issued the Accounting Standards Update ("ASU") 2016-02, Leases (Topic 842), which requires the recognition of a "right to use" asset and a lease liability, initially measured at the present value of the lease payments, on all of the Organization's lease obligations. This ASU is effective for fiscal years beginning after December 15, 2021. Management does not expect this ASU to have a significant impact on the Organization's financial statements.

FUNCTIONAL ALLOCATION OF EXPENSES

The statement of functional expenses reports certain categories of expenses that are attributable to one or more program or supporting functions of the Organization. Therefore, these expenses require allocation on a reasonable basis that is consistently applied.

SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through May 15, 2023, the date on which the financial statements were available to be issued.

HIGHLAND RIVERS FOUNDATION, INC.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 2 - LIQUIDITY

The Organization regularly monitors liquidity required to meet its annual operating needs and other contractual commitments while also striving to maximize the return on investment of its funds not required for annual operations. As of June 30, 2022 and 2021, the Organization has the following financial assets available to meet annual operating needs for the 2022 and 2021 years as follows:

	<u>2022</u>	<u>2021</u>
Cash	\$ 501,573	\$ 610,578
Accounts Receivable	22,675	9,406
Due from Highland Rivers Community Service Board	4,554	-
Current Portion of Notes Receivable	<u>24,787</u>	<u>23,438</u>
	\$ 553,589	\$ 643,422
Less Amounts For:		
Accounts Payable and Accrued Expenses	<u>-</u>	<u>5,396</u>
TOTAL	<u><u>\$ 553,589</u></u>	<u><u>\$ 638,026</u></u>

NOTE 3 - CASH AND DEPOSITS

Total deposits as of June 30, 2022 and 2021 are summarized as follows:

As reported in the Statement of Financial Position:

	<u>2022</u>	<u>2021</u>
Cash	\$ 472,853	\$ 604,102
Cash - Restricted	<u>28,720</u>	<u>6,476</u>
	<u><u>\$ 501,573</u></u>	<u><u>\$ 610,578</u></u>
Cash deposited with financial institutions	<u><u>\$ 501,573</u></u>	<u><u>\$ 610,578</u></u>

NOTE 4 - NOTES RECEIVABLE

During the year ended June 30, 2020, the Organization entered into an agreement whereby it effectively seller-financed the sale of one of its properties to the Appalachian Judicial Court. The note is receivable in monthly installments of principal and interest as follows: \$2,500 for months 1-36; \$2,562.50 for months 37-72; \$2,626.56 for months 73-108; \$2,692.23 for months 109-113; and a final payment of \$1,400. The note bears interest at 3.279%, matures on March 1, 2029, and is collateralized by real estate. The outstanding balances as of June 30, 2022 and 2021 are \$180,847 and \$205,285, respectively.

HIGHLAND RIVERS FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS

NOTE 5 - CAPITAL ASSETS

Capital Assets activity for the fiscal year ending June 30, 2022 was as follows:

	Balance <u>June 30, 2021</u>	Additions	Deletions	Balance <u>June 30, 2022</u>
Land	\$ 217,600	\$ -	\$ -	\$ 217,600
Buildings and Improvements	\$ 3,252,296	\$ 5,299	\$ -	\$ 3,257,595
Accumulated Depreciation	<u>(187,632)</u>	<u>(83,422)</u>	<u>-</u>	<u>(271,054)</u>
Net	<u>\$ 3,064,664</u>	<u>\$ (78,123)</u>	<u>\$ -</u>	<u>\$ 2,986,541</u>
Net Property and Equipment	<u>\$ 3,282,264</u>	<u>\$ (78,123)</u>	<u>\$ -</u>	<u>\$ 3,204,141</u>

NOTE 6 - BOARD DESIGNATED NET ASSETS

The Organization's Board of Directors periodically designates otherwise unrestricted donations to be spent for specific purposes. The following is a listing of the specific Board designations as of June 30, 2022 and 2021.

	<u>2022</u>	<u>2021</u>
Employee Appreciation	\$ 1,250	\$ 1,250
Veterans Celebrations	<u>250</u>	<u>250</u>
	<u>\$ 1,500</u>	<u>\$ 1,500</u>

HIGHLAND RIVERS FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS

NOTE 7 - RESTRICTIONS ON NET ASSETS

Net assets with donor restrictions at June 30, 2022 and 2021 are available for the following purposes:

	2022	2021
Peer - Levi	\$ 85	\$ 85
HRC	25	25
Mosaic Place	2,803	2,489
Playground	2,064	2,064
Recovery T-shirts	2,631	1,100
Smile Up	33	33
IDD	180	180
Wellspring	500	500
Dancing with the Starts	250	-
ACT	500	-
Greenzone	14,799	-
HRH Team	2,200	-
Generators	2,650	-
	\$ 28,720	\$ 6,476

NOTE 8 - RELATED PARTY TRANSACTIONS

Highland Rivers Foundation, Inc. is related to Highland Rivers Community Service Board by common management. There is \$4,554 owed from Highland Rivers Community Service Board at June 30, 2022. As of June 30, 2021, the Organization owed Highland Rivers Community Service Board \$5,396.