

REVIEWED FINANCIAL STATEMENTS

*BIG RED BARN RETREAT*

December 31, 2021

TABLE OF CONTENTS  
*BIG RED BARN RETREAT*  
December 31, 2021

Independent Accountants' Review Report..... 1

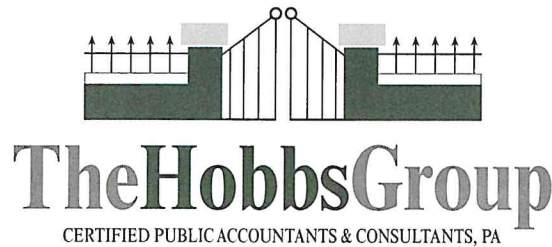
REVIEWED FINANCIAL STATEMENTS

Statement of Financial Position ..... 3  
Statement of Activities..... 4  
Statement of Functional Expenses..... 5  
Statement of Cash Flows ..... 6  
Notes to the Financial Statements..... 7

1704 Laurel Street  
Columbia, SC 29201

P.O. Box 2411  
Columbia, SC 29202

Phone (803) 799-0555  
Fax (803) 799-4212



125 W. Stone Avenue  
Greenville, SC 29609

Phone (864) 271-7503  
Fax (864) 751-5889

[www.hobbscpa.com](http://www.hobbscpa.com)

## INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Board of Directors of  
Big Red Barn

We have reviewed the accompanying financial statements of Big Red Barn (the "*Retreat*"), which comprise the statement of financial position as of December 31, 2021, and the related statement of activities, functional expenses, and cash flows for the year then ended and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the Retreat's management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

### MANAGEMENT'S RESPONSIBILITY 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; this includes 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.

### ACCOUNTANTS' RESPONSIBILITY

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of the Retreat and to meet our ethical responsibilities, in accordance with the relevant ethical requirements to our reviews.

ACCOUNTANTS' CONCLUSION

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Columbia, South Carolina  
August 17, 2022

*The Holla Group, P.A.*

REVIEWED FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION  
*BIG RED BARN RETREAT*  
 December 31, 2021

ASSETS

Current Assets

Cash and cash equivalents - unrestricted	\$ 862,488
--	------------

Cash and cash equivalents - restricted	273,485
--	---------

Investments	200,317
-------------	---------

Noncurrent Assets

Furniture and equipment, net	<u>23,568</u>
------------------------------	---------------

TOTAL ASSETS	<u><u>\$ 1,359,858</u></u>
--------------	----------------------------

LIABILITIES AND NET ASSETS

Current Liabilities

Accrued expenses	<u>18,960</u>
------------------	---------------

Total Liabilities	18,960
-------------------	--------

Net Assets

Without donor restrictions	1,077,491
----------------------------	-----------

With donor restrictions	<u>263,407</u>
-------------------------	----------------

Total Net Assets	<u>1,340,898</u>
------------------	------------------

TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 1,359,858</u></u>
----------------------------------	----------------------------

See independent accountant's review report and notes to the financial statements.

STATEMENT OF ACTIVITIES  
*BIG RED BARN RETREAT*  
 For the Year Ended December 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUES AND OTHER SUPPORT</b>			
Contributions	\$ 457,360		\$ 457,360
Grants	24,950	\$ 696,950	721,900
In-kind rent	225,000		225,000
Investment income	1,463		1,463
Rental income	11,500		11,500
Program revenue	43,090		43,090
Net assets released from restrictions	504,565	(504,565)	-
Total Revenues and Other Support	<u>1,267,928</u>	<u>192,385</u>	<u>1,460,313</u>
<b>EXPENSES</b>			
Program Services	848,037		848,037
Supporting Services			
Management and general	15,205		15,205
Fundraising	96,205		96,205
Total Expenses	<u>959,447</u>	<u>-</u>	<u>959,447</u>
CHANGE IN NET ASSETS	308,481	192,385	500,866
Net assets at beginning of year, as restated	<u>769,010</u>	<u>71,022</u>	<u>840,032</u>
NET ASSETS AT END OF YEAR	<u>\$ 1,077,491</u>	<u>\$ 263,407</u>	<u>\$ 1,340,898</u>

See independent accountant's review report and notes to the financial statements

STATEMENT OF FUNCTIONAL EXPENSES  
 BIG RED BARN RETREAT  
 For the Year Ended December 31, 2021

	Therapeutic Yoga	Program Services										Total Program Services	Supporting Services		Total Expenses
		Psychotherapy Services	Healing Arts Workshops	Warrior PATHH	Day Retreat	Active Duty Retreats	Garden	Peer to Peer	Other Programs	Management and General	Fundraising				
Accounting	\$ 1,574	\$ 1,574	\$ 1,574	\$ 1,637	\$ 1,574	\$ 1,574	\$ 1,574	\$ 1,574	\$ 1,574	\$ 1,574	\$ 1,574	\$ 14,229	\$ 777	\$ 787	\$ 15,793
Advertising	2,630	2,630	2,630	2,630	2,630	2,630	2,630	2,630	2,630	2,630	2,630	23,672	699	38,945	63,316
Automobile	24	24	24	24	24	24	24	24	24	24	24	552	12	12	576
Bank charges	22	22	22	22	22	22	22	22	22	22	22	198	11	164	373
Depreciation	695	695	695	695	695	695	695	695	695	695	695	6,255	343	347	6,945
Equipment	57	57	57	11,734	1,151	57	57	57	57	57	57	13,284	45	28	45
Food and Water	22,500	22,500	22,500	22,500	22,500	22,500	22,500	22,500	22,500	22,500	22,500	209,500	11,250	1,625	225,000
Fundraising	941	941	941	941	941	941	941	941	941	941	941	8,469	471	3,174	12,114
In-kind rent	17	17	17	17	17	17	17	17	17	17	17	403	9	9	421
Insurance	167	167	167	167	167	167	167	167	167	167	167	1,503	83	83	1,669
Licenses and certifications	11	11	11	11	11	11	11	11	11	11	11	99	6	6	111
Maintenance	16	16	16	16	16	16	16	16	16	16	16	144	8	8	160
Memberships	11	11	11	11,223	11	11	11	11	11	11	11	11,223	8	8	11,223
Office supplies	28,765	75,623	8,980	218,225	10,975	6,275	6,275	6,275	6,275	6,275	6,275	367,670	777	38,878	407,325
Payroll taxes	39	6,157	39	142,500	39	39	39	39	39	39	39	142,500	19	178	142,500
Postage	413	413	413	24,663	413	413	413	413	413	413	413	3,717	207	207	32,852
Professional services												1,646			1,646
Salaries and wages	709	709	709	9,020	709	709	709	709	709	709	709	6,381	354	354	9,020
Supplies	213	213	213	213	213	213	213	213	213	213	213	1,917	106	106	2,129
Telephone and internet	58,793	114,001	39,008	447,360	42,097	36,303	37,865	36,303	36,303	36,303	36,303	848,037	15,205	96,205	959,447
Training															
Travel															
Utilities															
Waste removal															
TOTAL FUNCTIONAL EXPENSES	\$ 58,793	\$ 114,001	\$ 39,008	\$ 447,360	\$ 42,097	\$ 36,303	\$ 37,865	\$ 36,303	\$ 36,303	\$ 36,303	\$ 36,303	\$ 848,037	\$ 15,205	\$ 96,205	\$ 959,447

See independent accountant's review report and notes to the financial statements



STATEMENT OF CASH FLOWS  
*BIG RED BARN RETREAT*  
 For the Year Ended December 31, 2021

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ 500,866
Adjustments to reconcile change in net assets to net cash provided by operating activities	
Depreciation expense	6,945
Changes in operating assets and liabilities:	
Increase in accrued expenses	1,293
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>509,104</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Sales of investments	701,055
Purchase of investments	<u>(601,188)</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>99,867</u>
CHANGE IN CASH AND CASH EQUIVALENTS	608,971
Cash and cash equivalents at beginning of year	<u>527,002</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>\$ 1,135,973</u></u>

See independent accountant's review report and notes to the financial statements

NOTES TO THE FINANCIAL STATEMENTS  
*BIG RED BARN RETREAT*  
December 31, 2021

NOTE A -- NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities and Economic Dependency

Big Red Barn Retreat (the "Retreat") is a non-profit organization founded in 2014 in memory of a late veteran. The mission of the Retreat is to provide healing to those in need of peace. The Retreat's activities focus on providing non-clinical therapeutic services to active-duty and retired service members, veterans and their immediate family members who are suffering from military or combat related stress issues in a natural, relaxed setting. The Retreat funds its programs through private donations and local grants.

The Retreat offers four main therapeutic services for military personnel: therapeutic yoga, equine assisted psychotherapy, healing art workshops, and the Warrior PATHH program. Therapeutic yoga assists in treating mental stresses, physical injuries, and limitations received in military service using the time-honored and unique principles, teachings, and practices of yoga. Equine assisted psychotherapy is the practice of using horses to address mental and behavioral health issues and/or personal development goals. It is a collaborative effort between a licensed therapist and a horse professional working with the clients and horses to address treatment or personal growth goals. Healing art workshops, led by an experienced facilitator, support emotional healing for those suffering from military or combat related stress issues and their immediate family members in need of peace. Warrior PATHH is progressive and alternative training for healing heroes, which are based on the science of post traumatic growth.

Economic Dependency: One of the four main therapeutic services offered by the Retreat is the Warrior PATH program, which has been determined to have an economic dependency on one grant agreement. The grant agreement in question provided approximately 92% of total funding received by the Retreat for the Warriors PATH service program for the year-end December 31, 2021.

Summary of Significant Accounting Policies

Basis of Accounting: The financial statements of the Retreat have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Basis of Presentation: The Retreat prepares its financial statements in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958 dated August 2016, and the provisions of the American Institute of Certified Public Accountants (AICPA) *Audit and Accounting Guide for Not-for-Profit Organizations* (the "Guide").

Under the provisions of the Guide, net assets and revenues, and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Retreat and changes therein are classified as follows:

*Net assets without donor restrictions:* The portion of the net assets of the Retreat that can be used subject only to the broad limits resulting from the nature of the Retreat, the environment in which it operates, and the purposes specified in its bylaws. In some cases, the use of these resources is also subject to limits resulting from contractual agreements with suppliers, creditors, and others entered by the Retreat in the course of its business. The Retreat has the ability to choose when using these resources.

NOTES TO THE FINANCIAL STATEMENTS  
*BIG RED BARN RETREAT*

NOTE A -- NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES –  
Continued

*Net assets with donor restrictions:* The portion of net assets of the Retreat that is subject to either donor-imposed time restrictions or donor-imposed purpose restrictions. These restrictions limit the Retreat's choices when using these resources because the Retreat has a fiduciary responsibility to the donors to follow their instructions.

Revenue Recognition: Contributions received are recorded as increases in net assets without donor restrictions or net assets with donor restrictions depending on the existence and/or nature of any donor restrictions. When restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

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 changes therein, 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. The significant estimates in these financial statements relate to the functional allocation of expenses. Actual results could differ from those estimates.

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

Accounts Receivable: Accounts receivable is stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible accounts through a provision for bad debt expenses and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are credit to accounts receivable. Management has determined all amounts are collectible at December 31, 2021.

Investments: Investments in marketable securities with readily determinable fair values and all debt instruments in debt securities are reported at their fair values in the statement of financial position. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note C for the discussion of fair value.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation (depreciation) (i.e., realized and unrealized gains and losses on investments) is included in the statement of activities, net of investment expenses, as increases or decreases in net assets without donor restrictions unless such income or appreciation is restricted by donor or law.

NOTES TO THE FINANCIAL STATEMENTS  
BIG RED BARN RETREAT

NOTE A -- NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES –  
Continued

Property and Equipment: Property and equipment are stated at cost at the date of acquisition or fair market value at the date of donation. Depreciation is calculated on a straight-line method over estimated useful lives of three, five, and seven years. The Retreat's property and equipment purchases that exceed or are valued \$5,000 or more are capitalized.

Functional Expenses: All expenses are recorded when incurred in accordance with the accrual basis of accounting. The costs of providing program and supporting services are allocated and summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the program and supporting services benefited. The allocation between program services, management and general, and fundraising expense is based on square footage.

Income Taxes: The Retreat has received a determination letter from the Internal Revenue Service (IRS) indicating it is a tax-exempt organization under section 501(c)(3) of the Internal Revenue Code and is subject to federal income tax only on net unrelated business income. Management has determined that the Retreat has no current obligations for unrelated business income tax. Accordingly, no provisions for federal and state income taxes are included in the financial statements.

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Retreat and recognize a tax liability (or asset) if the Retreat has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. Management has analyzed the tax positions taken by the Retreat, and has concluded that as of December 31, 2021, 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 Retreat is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. Management believes it is no longer subject to income tax examinations for tax years prior to 2018.

Advertising: Advertising expense for the year ended December 31, 2021, was \$63,316.

Subsequent Events: Subsequent events were evaluated through August 17, 2022, which represents the date the financial statements were available to be issued.

NOTE B -- CONCENTRATION OF CREDIT RISK

The Retreat maintains cash bank balances that at times, may exceed amounts insured. Accounts at each financial institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. The Retreat believes it is not exposed to any significant credit risk on its cash balances. The bank balances consisted of the following as of December 31:

	2021
Cash on deposit insured by FDIC	\$ 500,000
Cash on deposit in excess of FDIC limits	635,973
TOTAL	<u>\$ 1,135,973</u>

NOTES TO THE FINANCIAL STATEMENTS  
*BIG RED BARN RETREAT*

NOTE C -- FAIR VALUE MEASUREMENTS

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

- Level 1            Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Retreat has the ability to access.
- Level 2            Inputs to the valuation methodology include
- 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 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 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 are descriptions of the valuation methodology used for assets measured at fair value. There have been no changes in the methodology used during the year-ended December 31, 2021.

Equities: Valued at the closing price reported on the active market on which the individual securities are traded.

Fixed Income: Valued at the closing price reported on the active market on which the individual securities are traded.

The following table sets forth by level, within the fair value hierarchy, the Retreat's fair value measurements as of December 31, 2021:

	Fair Value Measurements			
	Level 1	Level 2	Level 3	Total
Equities	\$ 355	\$ 0	\$ 0	\$ 355
Fixed Income	199,962	0	0	199,962
<b>TOTAL ASSETS AT FAIR VALUE</b>	<b>\$ 200,317</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 200,317</b>

NOTES TO THE FINANCIAL STATEMENTS  
*BIG RED BARN RETREAT*

NOTE C -- FAIR VALUE MEASUREMENTS – Continued

Investment return in the statement of activities is reported net of investment expenses and is summarized as follows as of December 31:

	2021
Interest and dividends	<u>\$ 1,463</u>
TOTAL INVESTMENT RETURN	<u>\$ 1,463</u>

NOTE D -- FURNITURE AND EQUIPMENT

Furniture and equipment consist of the following as of December 31:

	2021
Furniture and equipment	<u>\$ 35,731</u>
Less accumulated depreciation	<u>(12,163)</u>
TOTAL FURNITURE AND EQUIPMENT, NET	<u>\$ 23,568</u>

Depreciation expense was \$6,945 for the year ending December 31, 2021.

NOTE E – RELATED PARTY TRANSACTIONS AND IN-KIND REVENUES AND EXPENSES

The Retreat receives substantial contributions from a current Board member that can be monetary or in-kind nature. The Retreat is currently receiving in-kind amounts for the value of the 75-acre farm where the Retreat operates. In kind expenses were evaluated by a third party professional real estate broker based on the fair market rental value if the complex was leased to a third party rather than donated to the Retreat. In assessing the fair market value, lease rates for comparable farms in the area were used to evaluate the in-kind contribution for the donated value of the property in which the Retreat is located on. The value of the in-kind revenues and expenses received was \$225,000 for each account for the year ended December 31, 2021.

NOTE G -- NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are available for the following programs as of December 31:

	2021
Warrior PATHH Grant	<u>\$ 263,407</u>
TOTAL NET ASSETS WITH DONOR RESTRICTIONS	<u>\$ 263,407</u>

NOTES TO THE FINANCIAL STATEMENTS  
*BIG RED BARN RETREAT*

NOTE H – RECLASSIFICATION OF NET ASSETS

Management determined that two programs, Healing Lens and EAP Psychotherapy, were improperly classified as Net Assets with Donor Restrictions for the year-ended December 31, 2020. The impact of this improper classification resulted in Net Assets with Donor Restrictions being understated by \$15,260, while Net Assets without Donor Restrictions was overstated by \$15,262. This impact is illustrated in the table provided below:

	Previously Reported Net Asset Balances	Reclassification Adjustments	Net Asset Balances (As Restated)
Net Assets with Donor Restrictions	\$ 55,760	\$ 15,260	\$ 71,020
Net Assets without Donor Restrictions	784,272	(15,260)	769,012
TOTAL NET ASSETS	<u>\$ 840,032</u>	<u>0</u>	<u>\$ 840,032</u>

NOTE I -- LIQUIDITY AND AVAILABILITY OF RESOURCES

The following table reflects the Retreat’s financial assets as of December 31, 2021, reduced by amounts not available for general expenditure within one year. Financial assets are considered unavailable when illiquid or not convertible to cash within one year, or because the Board of Directors has set aside the funds for a specific contingency reserve.

Financial assets:	
Cash and cash equivalents	\$ 1,335,935
Investments	<u>355</u>
Total Financial Assets	1,336,290
Less those unavailable for general expenditure within one year, due to:	
Funds with donor restrictions	<u>(263,407)</u>
FINANCIAL ASSETS TO MEET CASH NEEDS FOR GENERAL EXPENDITURES WITHIN ON YEAR	<u>\$ 1,072,883</u>