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To the Board of Directors of
Big Red Barn Retreat

We have audited the financial statements of Big Red Barn Retreat (the "Retreat") as of and for the year ended December 31, 2018, and have issued our report thereon dated April 30, 2019. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated January 4, 2019, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of its respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the Retreat solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, and our firm, have complied with all relevant ethical requirements regarding independence.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the Retreat is included in Note A to the financial statements. As described in Note A to the financial statements, during the year, the Retreat adopted ASU 2016-14, Not-for-Profit Entities (Topic 958), Presentation of Financial Statements of Not-for-Profit Entities. This update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The Retreat has adjusted the presentation of their financial statements accordingly. The ASU has been applied retrospectively to all periods presented. No other matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are:

Management's estimate of in-kind revenue and in-kind expense for donated rent is based on a third party estimate of the real estate market in the surrounding area. We evaluated the key factors and assumptions used to develop the current year in-kind revenue and in-kind expense related to those items in determining that they are reasonable in relation to the financial statements taken as a whole.

Management's estimate of the functional allocation of expenses by functional category is based on the Retreat's cost allocation methodology. We evaluated the key factors and assumptions used to develop the functional expense allocation and determined that it is reasonable in relation to the basic financial statements taken as a whole.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. There were no uncorrected misstatements noted during the audit.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. The attached misstatements that we identified as a result of our audit procedures were brought to the attention of, and corrected by, management.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the Retreat's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management, which are included in the attached letter dated April 30, 2019.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings or Issues

In the normal course of our professional association with the Retreat, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating conditions affecting the entity, and operating plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the Retreat's auditors.

This report is intended solely for the information and use of the Board of Directors, and management of the Retreat and is not intended to be and should not be used by anyone other than these specified parties.

Columbia, South Carolina
April 30, 2019

The Halle Group, P.A.



The Hobbs Group, P.A.
1704 Laurel Street
Columbia, South Carolina 29201

This representation letter is provided in connection with your audits of the financial statements of Big Red Barn Retreat (the "Retreat"), which comprise the statement of financial position as of December 31, 2018 and 2017, and the related statement of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements, for the purpose of expressing an opinion on whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm that to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of the date of this letter:

Financial Statements

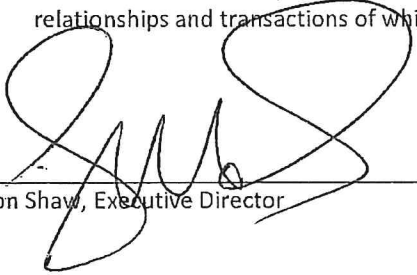
- We have fulfilled our responsibilities, as set out in the terms of the audit engagement dated January 4, 2019, for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP.
- The financial statements referred to above have been fairly presented in accordance with generally accepted accounting principles and include all proper classifications and note disclosure.
- We acknowledge our responsibility 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.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- With respect to the preparation of financial statements, we have performed the following:
 - a) Made all management decisions and performed all management functions;
 - b) Assigned a competent individual to oversee the services;
 - c) Evaluated the adequacy of the services performed;

- d) Evaluated and accepted responsibility for the result of the service performed; and
 - e) Established and maintained internal controls, including monitoring ongoing activities.
- Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
 - Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
 - All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
 - We are not aware of any pending or threatened litigation, claims, or assessments, of unasserted claims or assessments that are required to be accrued or disclosed in the financial statements in accordance with FASB Accounting Standards Codification (ASC)450, contingencies, and we have not consulted a lawyer concerning litigation, claims, or assessments.
 - We have complied with all contractual agreements, grants, and donor restrictions.
 - We have maintained an appropriate composition of assets in amounts needed to comply with all donor restrictions.
 - We have accurately presented the entity's position regarding taxation and tax-exempt status.
 - The Retreat has disclosed all matters of taxation that are deemed to be reasonably uncertain including, but not limited to, aggressive tax elections, the status or results of IRS examinations, provisions for unpaid unrelated business income taxes and tax benefits to the extent that the Retreat believes that it is "more likely than not" that its tax positions will be sustained upon IRS examination.
 - The bases used for allocation of functional expenses are reasonable and appropriate.
 - We have included in the financial statements all assets and liabilities under the entity's control.
 - We have designed, implemented, and maintained adequate internal controls over the receipt and recording of contributions.
 - Net assets presented in the statement of financial position are appropriately classified, and reclassifications between net asset classes are proper.
 - The governing board's interpretations concerning whether laws place restrictions on net appreciation of donor-restricted endowments are reasonable and have been disclosed to you.
 - Methods and significant assumptions used by management to determine fair values, their consistency in application, and the completeness and adequacy of fair value information for financial statement measurement and disclosure purposes are appropriate.

- The valuation methodologies surrounding in-kind rent are presented fairly.

Information Provided

- We have provided you with:
 - Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, meeting minutes, and other matters;
 - Additional information that you have requested from us for the purpose of the audit; and
 - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
- All transactions have been recorded in the accounting records and are reflected in the financial statements.
- We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
 - Management;
 - Employees who have significant roles in internal control; or
 - Others when the fraud could have a material effect on the financial statements.
- We have no knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, analysts, regulators, or others.
- We have no knowledge of any noncompliance or suspected noncompliance with laws, regulations, contracts, and grant agreements whose effects should be considered when preparing financial statements.
- We are not aware of any pending or threatened litigation and claims whose effects should be considered when preparing the financial statements and we have not consulted legal counsel concerning litigation or claims.
- We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.


Sutton Shaw, Executive Director

4/30/19
Date

AUDITED FINANCIAL STATEMENTS

BIG RED BARN RETREAT

December 31, 2018

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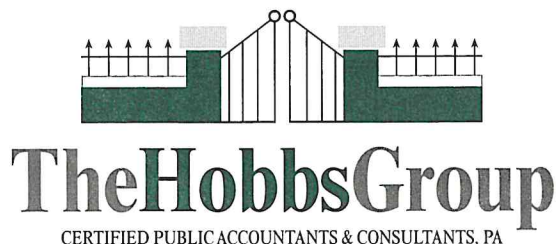
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Big Red Barn Retreat

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Big Red Barn Retreat (the "Retreat"), which comprise the statements of financial position as of December 31, 2018 and 2017, and the related statements of activities, functional expenses, and cash flows for the years then ended and the related notes to the financial statements.

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.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

OPINION

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Retreat as of December 31, 2018 and 2017, 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.

Columbia, South Carolina
April 30, 2019

The Hall Group, P.A.

AUDITED FINANCIAL STATEMENTS

STATEMENTS OF FINANCIAL POSITION
BIG RED BARN RETREAT

	December 31,	
	<u>2018</u>	<u>2017</u>
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 233,999	\$ 107,065
Noncurrent Assets		
Furniture and equipment, net	<u>3,424</u>	<u>4,056</u>
TOTAL ASSETS	<u>\$ 237,423</u>	<u>\$ 111,121</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Total Liabilities	<u>\$ 0</u>	<u>\$ 0</u>
Net Assets		
Without donor restrictions	<u>237,423</u>	<u>111,121</u>
Total Net Assets	<u>237,423</u>	<u>111,121</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 237,423</u>	<u>\$ 111,121</u>

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

STATEMENTS OF ACTIVITIES
BIG RED BARN RETREAT

	For the Years Ended December 31,	
	2018	2017
REVENUES AND OTHER SUPPORT		
Contributions	\$ 151,077	\$ 79,209
Grants	31,500	25,000
In-kind rent	99,300	99,300
Rental income	12,000	13,938
Retreat income	15,125	2,740
Yoga income	6,268	0
Insurance proceeds	16,639	0
Special events, net of related expenses of \$30,926	832	0
Other	0	1,813
Total Revenues and Other Support	<u>332,741</u>	<u>222,000</u>
EXPENSES		
Program Services	190,318	174,824
Supporting Services		
Management and general	14,556	13,276
Fundraising	1,565	1,187
Total Expenses	<u>206,439</u>	<u>189,287</u>
CHANGE IN NET ASSETS	126,302	32,713
Net assets at beginning of year	<u>111,121</u>	<u>78,408</u>
NET ASSETS AT END OF YEAR	<u>\$ 237,423</u>	<u>\$ 111,121</u>

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

STATEMENT OF FUNCTIONAL EXPENSES
BIG RED BARN RETREAT
 For the Year Ended December 31, 2018

	Program Services	Supporting Services		Total Expenses
		Management and General	Fundraising	
Advertising	\$ 5,553	\$ 653	\$ 327	\$ 6,533
Healing Arts	11,581			11,581
In-kind rent	89,370	9,930		99,300
Insurance	3,123	367	184	3,674
Maintenance	855	101	50	1,006
Office supplies	621	72	37	730
Other	2,485	292	146	2,923
Professional services	2,233	263	131	2,627
Psychotherapy	26,995			26,995
Utilities	6,374	750	375	7,499
Yoga	35,289			35,289
Food and Water	5,359	631	315	6,305
Garden	480			480
Grants		865		865
Depreciation		632		632
TOTAL FUNCTIONAL EXPENSES	<u>\$ 190,318</u>	<u>\$ 14,556</u>	<u>\$ 1,565</u>	<u>\$ 206,439</u>

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

STATEMENT OF FUNCTIONAL EXPENSES
BIG RED BARN RETREAT
 For the Year Ended December 31, 2017

	Program Services	Supporting Services		Total Expenses
		Management and General	Fundraising	
Advertising	\$ 3,574	\$ 420	\$ 210	\$ 4,204
Fuel	100	12	5	117
Healing Arts	12,140			12,140
In-kind rent	89,370	9,930		99,300
Insurance	3,045	358	179	3,582
Maintenance	1,687	199	99	1,985
Office supplies	272	32	16	320
Other	778	92	46	916
Professional services	2,664	314	157	3,135
Psychotherapy	24,776			24,776
Utilities	5,037	593	296	5,926
Yoga	22,868			22,868
Food and Water	3,035	357	179	3,571
Garden	5,478			5,478
Grants		600		600
Depreciation		369		369
TOTAL FUNCTIONAL EXPENSES	<u>\$ 174,824</u>	<u>\$ 13,276</u>	<u>\$ 1,187</u>	<u>\$ 189,287</u>

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

STATEMENTS OF CASH FLOWS
BIG RED BARN RETREAT

	For the Years Ended December 31,	
	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 126,302	\$ 32,713
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation expense	632	369
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>126,934</u>	<u>33,082</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of equipment	0	(4,425)
NET CASH USED IN INVESTING ACTIVITIES	<u>0</u>	<u>(4,425)</u>
CHANGE IN CASH AND CASH EQUIVALENTS	126,934	28,657
Cash at beginning of year	<u>107,065</u>	<u>78,408</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 233,999</u>	<u>\$ 107,065</u>

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

NOTES TO THE FINANCIAL STATEMENTS

BIG RED BARN RETREAT

December 31, 2018

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

Nature of Activities

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 three main therapeutic services for military personnel: therapeutic yoga, equine assisted psychotherapy, and healing art workshops. 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. Between these three programs the Retreat served approximately 2,200 veterans in 2018.

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 into 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. The Retreat has no net assets with donor restrictions as of December 31, 2018 and 2017.

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.

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 \$1,000 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.

NOTES TO THE FINANCIAL STATEMENTS
BIG RED BARN RETREAT

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

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, 2018 and 2017, 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 2014.

Advertising: Advertising expense for the years ended December 31, 2018 and 2017 was \$6,533 and \$4,204, respectively.

Reclassifications: Certain reclassifications have been made to the 2017 account classifications to make the presentation comparable to 2018. These classifications have no impact on net assets as previously reported.

New Accounting Pronouncement: On August 18, 2016, FASB issued ASU 2016-14, Not-for-Profit Entities (Topic 958), *Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses. The new standard has been applied retrospectively to all periods presented.

The changes have the following effect on net assets at December 31, 2018:

Net Assets Class	As Originally Presented	After adoption of ASU 2016-14
Unrestricted net assets	\$ 111,121	
Net assets without donor restrictions		\$ 111,121
TOTAL NET ASSETS	\$ 111,121	\$ 111,121

Subsequent events: Management performed an evaluation of subsequent events through April 30, 2019, the date in which the financial statements were available to be issued.

NOTE B -- CONCENTRATION OF CREDIT RISK

The Retreat maintains its cash in bank deposit accounts which at times may exceed federally insured limits. Accounts at each financial institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At December 31, 2018 and 2017, the Retreat's cash balance was fully insured by FDIC.

NOTES TO THE FINANCIAL STATEMENTS
BIG RED BARN RETREAT

NOTE C -- FURNITURE AND EQUIPMENT

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

	2018	2017
Furniture and equipment	\$ 4,425	\$ 4,425
Less accumulated depreciation	(1,001)	(369)
TOTAL FURNITURE AND EQUIPMENT, NET	<u>\$ 3,424</u>	<u>\$ 4,056</u>

Depreciation expense was \$632 and \$369 for the years ending December 31, 2018 and 2017, respectively.

NOTE D -- IN-KIND REVENUE AND EXPENSE

The Retreat receives 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 donated rental expense received was \$99,300 for both the years ended December 31, 2018 and 2017.

NOTE E -- RELATED PARTY TRANSACTIONS

For the years ended December 31, 2018 and 2017, a substantial portion of revenue was derived from a Board member who is also a family member of the Executive Director. Additionally, the property donated to the Retreat and reflected as in-kind revenue and in-kind expense was made by the same person. The agreement between the Retreat and the land owner is set to expire on December 31, 2020. Revenue derived from this person represents 53% and 56% of total revenues for the years ended December 31, 2018 and 2017, respectively.

NOTE F -- LIQUIDITY AND AVAILABILITY OF RESOURCES

Financial assets are considered unavailable when illiquid or not convertible to cash within one year, or because the Board has set aside the funds for a specific contingency reserve. As of December 31, 2018 and 2017, all cash was deemed available to meet needs for general expenditures within one year.