

**REBOOT RECOVERY, INC.**

**INDEPENDENT ACCOUNTANTS' AUDIT REPORT  
AND FINANCIAL STATEMENTS**

**DECEMBER 31, 2019 AND DECEMBER 31, 2018**

**REBOOT RECOVERY, INC.**

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# **HOSKINS & COMPANY**

**CERTIFIED PUBLIC ACCOUNTANTS**

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## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors of  
REBOOT Recovery, Inc.  
P.O. Box 381  
Pleasant View, TN 37146

We have audited the accompanying financial statements of REBOOT Recovery, Inc. (a not-for-profit organization), which comprise the statement of financial position-cash basis as of December 31, 2019, and the related statements of activities-cash basis, and statement of functional expenses-cash basis, for the year 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 the cash basis of accounting as described in Note 1; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible 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.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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 of material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depends on the auditor's 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**

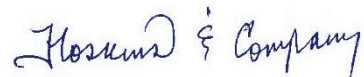
In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and net assets of REBOOT Recovery, Inc. as of December 31, 2019, and its support, revenue, and expenses for the year then ended in accordance with the cash basis of accounting as described in Note 1.

### **Basis of Accounting**

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

### **Report on Summarized Comparative Information**

We have previously audited REBOOT Recovery, Inc.'s 2018 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated February 22, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived.



Hoskins & Company  
Nashville, TN  
March 10, 2020

**REBOOT RECOVERY, INC.**  
**STATEMENT OF FINANCIAL POSITION-CASH BASIS**  
**DECEMBER 31, 2019 AND DECEMBER 31, 2018**

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<b>Assets</b>	<u><b>2019</b></u>	<u><b>2018</b></u>
Current assets		
Cash	<u>\$ 716,337</u>	<u>\$ 672,568</u>
Total current assets	<u>716,337</u>	<u>672,568</u>
<b>Total assets</b>	<u><u>\$ 716,337</u></u>	<u><u>\$ 672,568</u></u>
<b>Liabilities and net assets</b>		
Current liabilities		
Credit card	<u>\$ 14,153</u>	<u>\$ 24,269</u>
Total current liabilities	<u>14,153</u>	<u>24,269</u>
Net assets		
Without donor restrictions	<u>702,184</u>	<u>648,299</u>
Total net assets	<u>702,184</u>	<u>648,299</u>
<b>Total liabilities and net assets</b>	<u><u>\$ 716,337</u></u>	<u><u>\$ 672,568</u></u>

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

**REBOOT RECOVERY, INC.**  
**STATEMENT OF ACTIVITIES-CASH BASIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2019 AND DECEMBER 31, 2018**

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**Revenues and support**

	<u>Without</u> <u>Donor Restrictions</u>	<u>With</u> <u>Donor Restrictions</u>	<u>2019</u> <u>Total</u>	<u>2018</u> <u>Total</u>
Fundraising	\$ 110,367	\$ -	\$ 110,367	\$ 119,954
Sales	154,042	-	154,042	180,225
Interest income	13,885	-	13,885	9,240
Other contributions, gifts, grants	900,082	-	900,082	846,567
Total revenues and support	<u>1,178,376</u>	<u>-</u>	<u>1,178,376</u>	<u>1,155,986</u>
<b>Expenses</b>				
Fundraising	145,698	-	145,698	122,232
Management & general	147,663	-	147,663	163,422
Program	831,130	-	831,130	653,982
Total expenses	<u>1,124,491</u>	<u>-</u>	<u>1,124,491</u>	<u>939,636</u>
Increase in net assets	53,885	-	53,885	216,350
Net assets at beginning of year	648,299	-	648,299	431,949
Net assets at end of year	<u>\$ 702,184</u>	<u>\$ -</u>	<u>\$ 702,184</u>	<u>\$ 648,299</u>

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

**REBOOT RECOVERY, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES-CASH BASIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2019 AND DECEMBER 31, 2018**

	<u>Fundraising</u>	<u>Management &amp; General</u>	<u>Program</u>	<u>2019 Total</u>	<u>2018 Total</u>
Accounting Fees	\$ 35	\$ 16,737	\$ 821	\$ 17,593	\$ 19,522
Advertising and Promotion	-	-	59,057	59,057	28,623
Conferences and Meetings	585	1,372	32,677	34,634	36,992
Events	21,765	-	-	21,765	44,242
Grants	-	-	78,321	78,321	60,727
Information Technology	8,989	2,233	12,703	23,925	12,631
Insurance	-	4,925	-	4,925	5,054
Legal Fees	-	998	-	998	5,297
Management Fees	-	822	-	822	1,025
Occupancy	-	33,840	-	33,840	30,239
Office Expenses	2,651	11,947	3,781	18,379	20,435
Other	574	563	148,632	149,769	104,432
Payments to Affiliates	-	4,800	-	4,800	3,700
Payroll Taxes	-	39,518	-	39,518	30,545
Professional Funding Services	3,000	-	-	3,000	21,300
Salaries and Benefits	107,833	29,908	457,916	595,657	497,303
Travel	266	-	37,222	37,488	17,569
<b>Total</b>	<u>\$ 145,698</u>	<u>\$ 147,663</u>	<u>\$831,130</u>	<u>\$1,124,491</u>	<u>\$ 939,636</u>

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

**REBOOT RECOVERY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2019 AND DECEMBER 31, 2018**

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**NOTE 1---NATURE OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Nature of Organization

REBOOT Recovery, Inc. (“REBOOT”) is a not-for-profit organization that exists to help veterans, first responders and their families heal from the moral and spiritual wounds associated with service-related trauma. They do this through outcomes-based trauma healing courses – REBOOT Combat Recovery and REBOOT First Responders. The courses provide a unique blend of clinical insight with Christian faith-based support. REBOOT Recovery, Inc., “communities” are safe, private, peer-led and are offered at no cost to participants. Childcare and a pre-discussion meal are provided on a weekly bases to remove barriers of entry for families seeking help. They encourage the participation of spouses and loved ones because they know trauma impacts the entire family.

Basis of Presentation

The financial statements of the Organization have been prepared on a cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles.

The financial statement presentation follows the recommendations of the Financial Accounting Standard Board’s Accounting Standard Codification 958 (FASB ASC 958) financial statements of not-for-profit Organizations. Under FASB ASC 958, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions, and net assets with donor restrictions.

Financial position and activities are classified based on the existence or absence of donor restrictions as follows:

Net Assets without donor restrictions — Net assets that are not restricted by purpose or time either temporarily or perpetually by explicit donor stipulations or by law. Board designation does not constitute a donor restriction.

Net Assets with donor restrictions — Net assets that are restricted by purpose or time either temporarily or perpetually by explicit donor stipulations or by law.

At December 31, 2019 and December 31, 2018, REBOOT had no net assets with donor restrictions respectively.

Income Taxes

REBOOT is qualified as a tax-exempt organization as defined under Section 501(c) (3) of the Internal Revenue Code. Accordingly, no provisions for income taxes are applicable.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash held in checking and savings accounts. At year-end and throughout the year, REBOOT’s cash balances were deposited in bank. (See NOTE 2 regarding the risk associated with cash and cash equivalents).



**REBOOT RECOVERY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2019 AND DECEMBER 31, 2018**

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**NOTE 1---NATURE OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Revenue, Support, and Expenses

REBOOT receives its contributions and donations from individuals, foundations and businesses, and recognizes revenue when cash is received. REBOOT reports gifts of cash as Net Assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets, or if they are designated as support for future periods. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as Net Assets without donor restrictions.

Expenses are recorded when paid in accordance with cash basis of accounting.

**NOTE 2---CONCENTRATION OF CREDIT RISK**

As of December 31, 2019 and December 31, 2018, REBOOT had a total of \$716,336 and \$672,568 in cash deposit accounts respectively. The amount that exceeded the Federal Deposit Insurance Corporation (FDIC) coverage limitation of \$250,000 for a financial institution was by \$466,336 and \$422,568 respectively.

**NOTE 3---FUNCTIONAL ALLOCATION OF EXPENSES**

Management allocates expenses among its various functional areas according to the purpose or function for which they are incurred. Expenses that identifiable with a specific program are assigned directly to the specific program by natural expenditure classification. Other expenses that are common to several programs and supporting activities are allocated based on objective, reasonable, rational and systematic established methodology.

**NOTE 4---LEASE AGREEMENT**

On April 1, 2018 and April 23, 2018, REBOOT entered into a lease agreement for offices in Eugene, OR and Pleasant View, TN , for terms of twelve months and eighteen months respectively. The leases were extended on a month to month basis. The Eugene, OR office has a monthly rental expense of \$1,200, and the Pleasant View, TN office has a monthly rental expense of \$1,620. The total rent expense under these leases for December 31, 2019 and December 31, 2018 was \$33,840 and \$25,380.

**NOTE 5---SUBSEQUENT EVENTS**

There were no subsequent events requiring disclosure as of March 10, 2020, the date management evaluated such events. March 10, 2020 is the date the financial statements were available to be issued.