

REBOOT COMBAT RECOVERY, INC.

**INDEPENDENT AUDITORS' REPORT
AND FINANCIAL STATEMENTS**

DECEMBER 31, 2015

REBOOT COMBAT RECOVERY, INC.

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
REBOOT Combat Recovery, Inc.
P.O. Box 1223
Ft. Campbell, KY 42223

We have audited the accompanying financial statements of REBOOT Combat Recovery, Inc. (a not-for-profit organization), which comprise the statement of financial position-cash basis as of December 31, 2015, 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 Combat Recovery, Inc. as of December 31, 2015, 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.

A handwritten signature in blue ink that reads "Hoskins & Company". The signature is written in a cursive style with a large initial "H" and a decorative flourish at the end.

Hoskins & Company
Nashville, TN
February 12, 2016

REBOOT COMBAT RECOVERY, INC.
STATEMENT OF FINANCIAL POSITION-CASH BASIS
DECEMBER 31, 2015

Assets

Current assets

Cash - unrestricted	\$ 142,354
Cash - restricted	15,150
Total current assets	<u>157,504</u>

Total assets \$ 157,504

Liabilities and net assets

Current liabilities

Credit card	\$ 953
Total current liabilities	<u>953</u>

Net assets

Unrestricted	141,401
Temporarily restricted (Note 1)	15,150
Total net assets	<u>156,551</u>

Total liabilities and net assets \$ 157,504

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

REBOOT COMBAT RECOVERY, INC.
STATEMENT OF ACTIVITIES-CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015

Revenues and support

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Church donations	\$ 4,710	\$ -	\$ 4,710
Corporate and individual donations	69,227	-	69,227
Foundation donations	17,714	-	17,714
John DM24	26,337	15,150	41,487
Memorial grant	10,000	-	10,000
Montgomery County Community Health Foundation	127,800	-	127,800
REBOOT 360	2,094	-	2,094
Kindful	31,938	-	31,938
Other revenue	499	-	499
Total revenues and support	<u>290,319</u>	<u>15,150</u>	<u>305,469</u>

Expenses

Program	113,051	-	113,051
Management & general	29,687	-	29,687
Fundraising	51,438	-	51,438
Total expenses	<u>194,176</u>	<u>-</u>	<u>194,176</u>
Increase in net assets	96,143	15,150	111,293
Net assets at beginning of year	45,258	-	45,258
Net assets at end of year	<u>\$ 141,401</u>	<u>\$ 15,150</u>	<u>\$ 156,551</u>

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

REBOOT COMBAT RECOVERY, INC.
STATEMENT OF FUNCTIONAL EXPENSES-CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015

	Program	Management & General	Fundraising	Total
Childcare	\$ 4,526	\$ -	\$ -	\$ 4,526
Curriculum	686	-	-	686
Contract labor	20,550	-	6,692	27,242
Facility rental	4,110	-	-	4,110
Supplies & materials	7,307	-	-	7,307
Outreach	550	-	2,500	3,050
Shipping, freight, & delivery	153	-	-	153
Meals & entertainment	-	1,244	1,205	2,449
Group Meals	9,538	-	-	9,538
Marketing, Communication, Awareness	3,669	-	3,000	6,669
Salaries	50,410	12,469	34,405	97,284
Payroll Taxes	-	7,048	-	7,048
One-on-One	214	-	-	214
Processing fees	-	835	-	835
Legal fees	-	779	-	779
IT	-	2,231	-	2,231
Professional fees	-	2,692	-	2,692
Travel	6,752	-	-	6,752
Training	4,586	-	-	4,586
Networking	-	-	3,636	3,636
Other expenses	-	56	-	56
Insurance	-	2,333	-	2,333
Total	\$ 113,051	\$ 29,687	\$ 51,438	\$ 194,176

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

REBOOT COMBAT RECOVERY, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

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

Nature of Organization

REBOOT Combat Recovery, Inc. (“REBOOT”) is a not-for-profit organization that provides spiritual healing services to military families with soldiers that have experienced combat trauma, while implementing a 12 week course that serves the entire family. After completion of the 12 week course, graduates focus on rebuilding strong character, engaging in a healthy community and reclaiming leadership positions. The overall goal of REBOOT is to produce graduates that no longer need their program.

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 three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

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

Unrestricted Net Assets — Net assets that are not temporarily or permanently restricted by explicit donor stipulations or by law.

Temporarily Restricted Net Assets — Net assets of gifts of cash and other assets, accepted by board actions, that are received with donor stipulations that limit the use of the donated assets, or designated as support for future periods.

Permanently Restricted Net Assets — Net assets, accepted by board actions, subject to donor stipulations that require the asset be invested in perpetuity.

At December 31, 2015, REBOOT had \$15,150 in temporarily restricted net assets.

Income Taxes

The Organization 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, the Organization’s cash balances were deposited in two banks.

REBOOT COMBAT RECOVERY, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

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 restricted support 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 unrestricted support.

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

NOTE 2---FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of functional expenses.

NOTE 3---CONCENTRATION OF REVENUE

REBOOT received 42% of its support from Montgomery County Community Health Foundation. A reduction in the level of this support may have a significant effect on REBOOT's programs and activities.

NOTE 4---RELATED PARTY TRANSACTIONS

One of the key employees of the Organization has a family relationship with the founder of the organization. The founder is not compensated for services rendered.

NOTE 5---SUBSEQUENT EVENTS

There were no subsequent events requiring disclosure as of February 12, 2016, the date management evaluated such events. February 12, 2016 is the date the financial statements were available to be issued.