

REBOOT COMBAT RECOVERY, INC.
INDEPENDENT ACCOUNTANTS' AUDIT REPORT
AND FINANCIAL STATEMENTS
DECEMBER 31, 2017

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, 2017, 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, 2017, 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.



Hoskins & Company
Nashville, TN
March 7, 2018

REBOOT COMBAT RECOVERY, INC.
STATEMENT OF FINANCIAL POSITION-CASH BASIS
DECEMBER 31, 2017

Assets

Current assets

Cash - without donor restrictions	\$ 388,235
Cash - with donor restrictions (Note 4)	56,906
Total current assets	<u>445,141</u>

Total assets \$ 445,141

Liabilities and net assets

Current liabilities

Credit card	\$ 13,192
Total current liabilities	<u>13,192</u>

Net assets

Without donor restrictions	375,043
With donor restrictions	56,906
Total net assets	<u>431,949</u>

Total liabilities and net assets \$ 445,141

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, 2017

Revenues and support

	Without	With	
	Donor Restrictions	Donor Restrictions	Total
Fundraising	\$ 63,983	\$ -	\$ 63,983
Sales	50,304	-	50,304
Interest income	4,271	-	4,271
Other contributions, gifts, grants	505,984	56,906	562,890
Net assets released from restriction	97,906	(97,906)	-
Total revenues and support	<u>722,448</u>	<u>(41,000)</u>	<u>681,448</u>
 Expenses			
Fundraising	64,717	-	64,717
Management & general	90,632	-	90,632
Program	448,836	-	448,836
Total expenses	<u>604,185</u>	<u>-</u>	<u>604,185</u>
Increase in net assets	118,263	(41,000)	77,263
Net assets at beginning of year	256,780	97,906	354,686
Net assets at end of year	<u>\$ 375,043</u>	<u>\$ 56,906</u>	<u>\$ 431,949</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, 2017

	<u>Fundraising</u>	<u>Management & General</u>	<u>Program</u>	<u>Total</u>
Accounting Fees	\$ -	\$ 8,230	\$ -	\$ 8,230
Advertising and Promotion	148	-	66,047	66,195
Conferences/Meetings	844	1,302	15,958	18,104
Events	22,390	-	-	22,390
Grants	-	-	61,657	61,657
Information Technology	-	437	6,702	7,139
Insurance	-	991	1,882	2,873
Legal Fees	-	6,622	-	6,622
Management Fees	-	320	-	320
Occupancy	-	12,147	-	12,147
Office Expenses	2,044	6,574	-	8,618
Other	-	-	102,015	102,015
Payments to Affiliates	-	3,650	-	3,650
Payroll Taxes	-	16,789	-	16,789
Professional Funding Services	7,750	-	-	7,750
Salaries and Benefits	31,541	33,570	182,692	247,803
Travel	-	-	11,883	11,883
Total	<u>\$ 64,717</u>	<u>\$ 90,632</u>	<u>\$448,836</u>	<u>\$ 604,185</u>

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, 2017**

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 exists to help combat veterans and their families heal from the spiritual and moral wounds of war by providing 12-week Combat Trauma Healing courses in local communities. They are mostly veteran led, and provide childcare and a meal as a way to remove barriers to the spouse, caregiver, or family member getting help since combat 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 31,2017 REBOOT had \$56,906 in Net assets with donor restrictions.

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 bank. (See NOTE 2 regarding the risk associated with cash and cash equivalents).

**REBOOT COMBAT RECOVERY, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

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, 2017, REBOOT had a total of \$445,141 in cash deposit accounts. The amount that exceeded the Federal Deposit Insurance Corporation (FDIC) coverage limitation of \$250,000 for a financial institution was by \$195,141.

NOTE 3---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 4---DONOR RESTRICTED CASH

Donor restricted cash for the year then ended December 31, 2017 consisted of \$1,022, \$20,228 and \$35,656 from the Christian Broadcast Network, Bob Woodruff Fund Grant and the HCA Grant respectively.

NOTE 5---SUBSEQUENT EVENTS

On November 3, 2017 REBOOT legally merged with Branches of Valor International. REBOOT's financials were not impacted during the 2017 fiscal year due to this merger. The financial merger took place beginning on January 1, 2018. There were no other subsequent events requiring disclosure as of March 7, 2018, the date management evaluated such events. March 7, 2018 is the date the financial statements were available to be issued.