

REBOOT ALLIANCE INC.

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

DECEMBER 31, 2018 AND DECEMBER 31, 2017

REBOOT COMBAT RECOVERY, INC.

TABLE OF CONTENTS

INDEPENDENT ACCOUNTANTS' AUDIT REPORT-----1-2

FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION-CASH BASIS-----3

STATEMENT OF ACTIVITIES-CASH BASIS-----4

STATEMENT OF FUNCTIONAL EXPENSES-CASH BASIS-----5

NOTES TO FINANCIAL STATEMENTS-----6-8

HOSKINS & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

1900 Church Street, Suite 200 Nashville, TN 37203

Phone 615.321.7333 Fax 615.523.1868

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of REBOOT Alliance, Inc. (a not-for-profit organization), which comprise the statement of financial position-cash basis as of December 31, 2018, 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 Alliance, Inc. as of December 31, 2018, 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 Alliance, Inc.'s 2017 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated March 7, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2017, is consistent, in all material respects, with the audited financial statements from which it has been derived.



Hoskins & Company
Nashville, TN
February 22, 2019

REBOOT COMBAT RECOVERY, INC.
STATEMENT OF FINANCIAL POSITION-CASH BASIS
DECEMBER 31, 2018 AND DECEMBER 31, 2017

Assets	2018	2017
Current assets		
Cash - without donor restrictions	\$ 672,568	\$ 388,235
Cash - with donor restrictions (Note 4)	-	56,906
Total current assets	<u>672,568</u>	<u>445,141</u>
Total assets	<u><u>\$ 672,568</u></u>	<u><u>\$ 445,141</u></u>
Liabilities and net assets		
Current liabilities		
Credit card	\$ 24,269	\$ 13,192
Total current liabilities	<u>24,269</u>	<u>13,192</u>
Net assets		
Without donor restrictions	648,299	375,043
With donor restrictions	-	56,906
Total net assets	<u>648,299</u>	<u>431,949</u>
Total liabilities and net assets	<u><u>\$ 672,568</u></u>	<u><u>\$ 445,141</u></u>

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

REBOOT COMBAT RECOVERY, INC.
STATEMENT OF ACTIVITIES-CASH BASIS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND DECEMBER 31, 2017

Revenues and support

	<u>Without</u> <u>Donor Restrictions</u>	<u>With</u> <u>Donor Restrictions</u>	<u>2018</u> <u>Total</u>	<u>2017</u> <u>Total</u>
Fundraising	\$ 119,954	\$ -	\$ 119,954	63,983
Sales	180,225	-	180,225	50,304
Interest income	9,240	-	9,240	4,271
Other contributions, gifts, grants	846,567	-	846,567	562,890
Net assets released from restriction	56,906	(56,906)	-	-
Total revenues and support	<u>1,212,892</u>	<u>(56,906)</u>	<u>1,155,986</u>	<u>681,448</u>
Expenses				
Fundraising	122,232	-	122,232	64,717
Management & general	163,422	-	163,422	90,632
Program	653,982	-	653,982	448,836
Total expenses	<u>939,636</u>	<u>-</u>	<u>939,636</u>	<u>604,185</u>
Increase in net assets	273,256	(56,906)	216,350	77,263
Net assets at beginning of year	375,043	56,906	431,949	354,686
Net assets at end of year	<u>\$ 648,299</u>	<u>\$ -</u>	<u>\$ 648,299</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 YEARS ENDED DECEMBER 31, 2018 AND DECEMBER 31, 2017

	<u>Fundraising</u>	<u>Management & General</u>	<u>Program</u>	<u>2018 Total</u>	<u>2017 Total</u>
Accounting Fees	\$ -	\$ 19,522	\$ -	\$ 19,522	\$ 8,230
Advertising and Promotion	-	-	28,623	28,623	66,195
Conferences/Meetings	314	3,121	33,557	36,992	18,104
Events	44,242	-	-	44,242	22,390
Grants	-	-	60,727	60,727	61,657
Information Technology	4,612	361	7,658	12,631	7,139
Insurance	-	5,054	-	5,054	2,873
Legal Fees	-	5,297	-	5,297	6,622
Management Fees	-	1,025	-	1,025	320
Occupancy	-	30,239	-	30,239	12,147
Office Expenses	2,836	17,599	-	20,435	8,618
Other	413	562	103,457	104,432	102,015
Payments to Affiliates	-	3,700	-	3,700	3,650
Payroll Taxes	-	30,545	-	30,545	16,789
Professional Funding Services	21,300	-	-	21,300	7,750
Salaries and Benefits	48,515	46,069	402,719	497,303	247,803
Travel	-	328	17,241	17,569	11,883
Total	<u>\$ 122,232</u>	<u>\$ 163,422</u>	<u>\$ 653,982</u>	<u>\$ 939,636</u>	<u>\$ 604,185</u>

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

REBOOT ALLIANCE, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND DECEMBER 31, 2017

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

Nature of Organization

REBOOT Alliance, Inc. (“The Alliance”) 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 Firstline. The courses provide a unique blend of clinical insight with Christian faith-based support. REBOOT Alliance “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, 2018 and December 31, 2017, The Alliance had \$0 and \$56,906 in Net assets with donor restrictions respectively.

Income Taxes

The Alliance 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 Alliance’s cash balances were deposited in bank. (See NOTE 2 regarding the risk associated with cash and cash equivalents).

REBOOT ALLIANCE, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND DECEMBER 31, 2017

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

Revenue, Support, and Expenses

The Alliance receives its contributions and donations from individuals, foundations and businesses, and recognizes revenue when cash is received. The Alliance 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, 2018, REBOOT had a total of \$672,568 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 \$422,568.

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. Those funds were released from restriction in the fiscal year December 31, 2018.

NOTE 5---LEASE AGREEMENT

On April 1, 2018 and April 23, 2018, The Alliance entered into a lease agreement for offices in Eugene, OR and Pleasant View, TN, for terms of twelve months and eighteen months respectively. 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, 2018 was \$25,380.

The future minimum lease payments are as follows:

2019	<u>\$ 18,180</u>
Total	<u>\$ 18,180</u>

REBOOT ALLIANCE, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND DECEMBER 31, 2017

NOTE 6---SUBSEQUENT EVENTS

There were no subsequent events requiring disclosure as of February 22, 2019, the date management evaluated such events. February 22, 2019 is the date the financial statements were available to be issued.