

REBOOT RECOVERY, INC.

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

**DECEMBER 31, 2021
(WITH COMPARATIVE TOTALS DECEMBER 31, 2020)**

REBOOT RECOVERY, INC.

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INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the accompanying financial statements of REBOOT Recovery, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities – Cash basis and the statement of functional expense – Cash Basis and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of REBOOT Recovery, Inc as of December 31, 2021, and the changes in its net assets for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of REBOOT Recovery, Inc and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about REBOOT Recovery, Inc's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

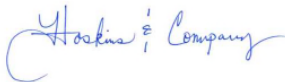
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing

standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

A handwritten signature in blue ink that reads "Hoskins & Company". The signature is written in a cursive, flowing style.

Hoskins & Company
Nashville, TN
March 8, 2022

REBOOT RECOVERY, INC.
STATEMENT OF FINANCIAL POSITION-CASH BASIS
DECEMBER 31, 2021 AND DECEMBER 31, 2020

Assets	2021	2020
Current assets		
Cash	\$ 1,299,158	\$ 918,139
Total current assets	<u>1,299,158</u>	<u>918,139</u>
Total assets	<u>\$ 1,299,158</u>	<u>\$ 918,139</u>
 Liabilities and net assets		
Current liabilities		
Credit card	\$ 27,068	\$ 11,593
Total current liabilities	<u>27,068</u>	<u>11,593</u>
Net assets		
Without donor restrictions	<u>1,272,090</u>	<u>906,546</u>
Total net assets	<u>1,272,090</u>	<u>906,546</u>
Total liabilities and net assets	<u>\$ 1,299,158</u>	<u>\$ 918,139</u>

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

REBOOT RECOVERY, INC.
STATEMENT OF ACTIVITIES-CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2021 (WITH COMPARATIVE TOTALS DECEMBER 31, 2020)

Revenues and support

	Without Donor Restrictions	With Donor Restrictions	2021 Total	2020 Total
Fundraising	\$ 32,533	\$ -	\$ 32,533	\$ 88,109
Sales	201,677	-	201,677	138,161
Interest income	1,192	-	1,192	3,534
Other contributions, gifts, grants	1,212,581	-	1,212,581	850,021
Cares Act- PPP forgiven	-	-	-	100,000
Total revenues and support	<u>1,447,983</u>	<u>-</u>	<u>1,447,983</u>	<u>1,179,825</u>

Expenses

Fundraising	114,358	-	114,358	117,724
Management & general	115,040	-	115,040	160,350
Program	853,041	-	853,041	697,388
Total expenses	<u>1,082,439</u>	<u>-</u>	<u>1,082,439</u>	<u>975,462</u>
Increase in net assets	365,544	-	365,544	204,363
Net assets at beginning of year	906,546	-	906,546	702,183
Net assets at end of year	<u><u>\$ 1,272,090</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,272,090</u></u>	<u><u>\$ 906,546</u></u>

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

REBOOT RECOVERY, INC.
STATEMENT OF FUNCTIONAL EXPENSES-CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2021 (WITH COMPARATIVE TOTALS DECEMBER 31, 2020)

				2021	2020
	Fundraising	Management & General	Program	Total	Total
Accounting Fees	\$ -	\$ 15,059	\$ -	\$ 15,059	\$ 20,342
Advertising and Promotion	-	-	38,058	38,058	60,682
Conferences and Meetings	136	2,500	2,989	5,625	38,351
Events	-	-	-	-	300
Grants	-	-	73,318	73,318	62,536
Information Technology	8,026	4,300	34,943	47,269	42,528
Insurance	-	7,156	-	7,156	5,242
Legal Fees	-	-	-	-	2,813
Management Fees	-	888	-	888	711
Occupancy	-	23,345	-	23,345	33,840
Office Expenses	7,609	14,839	12,031	34,479	18,040
Other	672	1,519	75,996	78,187	37,468
Other Employee Benefits	7,435	-	52,263	59,698	-
Payments to Affiliates	275	-	5,000	5,275	4,800
Payroll Taxes	6,730	3,487	35,902	46,119	39,953
Supplies and Materials	-	-	76,124	76,124	-
Salaries	80,960	41,947	431,908	554,815	603,558
Travel	2,515	-	14,509	17,024	4,298
Total	<u>\$ 114,358</u>	<u>\$ 115,040</u>	<u>\$ 853,041</u>	<u>\$ 1,082,439</u>	<u>\$ 975,462</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, 2021 AND DECEMBER 31, 2020

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 helps people overcome trauma through faith-based programs. Our courses, training, and online community are open to anyone looking to move forward from trauma and tragedy into a better future. Utilizing nationally recognized assessment tools, we continually measure our courses' impact. Our published studies and ongoing program evaluation demonstrate our courses are effective in improving quality of life and character resiliency.

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, 2021 and December 31, 2020, REBOOT had no net assets with donor restrictions.

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, 2021 AND DECEMBER 31, 2020

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, 2021 and December 31, 2020, REBOOT had a total of \$1,299,158 and \$918,139 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 \$799,158 and \$418,139 respectively.

NOTE 3---LIQUIDITY

As of December 31, 2021 REBOOT had \$1,299,158 in assets that are both current and without donor restrictions to meet its general expenditure within the next 12 months

NOTE 4---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 5---LEASE AGREEMENT

On April 26, 2021, REBOOT entered into a lease agreement for offices in Pleasant View, TN , for terms of twelve months. The Pleasant View, TN office has a monthly rental expense of \$1,600. The total rent expense under these leases for December 31, 2021 and December 31, 2020 was \$23,345 and \$33,840. The future minimum lease payments are as follows:

2022	\$19,200
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REBOOT RECOVERY, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND DECEMBER 31, 2020

NOTE 6--- FUND-RAISING EXPENSE

Total fund-raising expense for the year ended December 31, 2021 was \$107,628 which about 8% of the total contribution and fundraising revenue. The ratio of expenses to amounts raised is computed using actual expenses and related contributions received.

NOTE 7---SUBSEQUENT EVENTS

There were no subsequent events requiring disclosure as of March 9, 2022, the date management evaluated such events. March 9, 2022 is the date the financial statements were available to be issued.