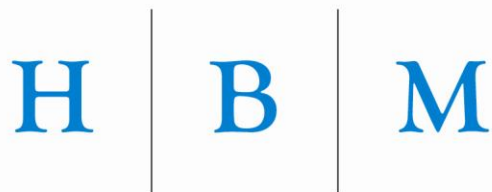


RIVERS OF RECOVERY, INC.
INDEPENDENT AUDITORS' REPORT
AND
FINANCIAL STATEMENTS
December 31, 2010 and 2009



HANSEN, BARNETT & MAXWELL, P.C.
Certified Public Accountants

RIVERS OF RECOVERY, INC.

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Rivers of Recovery, Inc.

We have audited the accompanying statements of financial position of Rivers of Recovery, Inc. (a non-profit organization) as of December 31, 2010 and 2009 and the related statements of activities, functional expenses, and cash flows for the year ended December 31, 2010 and 2009. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits 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 includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Rivers of Recovery, Inc. as of December 31, 2010 and December 31, 2009, and the results of its operations and cash flows for the years ended December 31, 2010 and 2009 in conformity with accounting principles generally accepted in the United States of America.

Hansen, Barnett & Maxwell, P.C.
HANSEN, BARNETT & MAXWELL, P.C.

Salt Lake City, Utah
July 12, 2011

RIVERS OF RECOVERY, INC.
Statements Of Financial Position
December 31, 2010 And 2009

	2010	2009
ASSETS		
Current Assets		
Cash	\$ 17,567	\$ 109,793
Prepaid insurance	3,172	-
Total Current Assets	20,739	109,793
Property and Equipment , net of accumulated depreciation of \$1,414 and \$0, respectively	6,473	-
Intangible assets , net of accumulated amortization of \$3,675 and \$1,575, respectively	6,825	8,925
Total Assets	\$ 34,037	\$ 118,718
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	\$ 3,022	\$ 4,570
Total Liabilities	3,022	4,570
Unrestricted Net Assets	31,015	114,148
Total Liabilities and Net Assets	\$ 34,037	\$ 118,718

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

RIVERS OF RECOVERY, INC.
Statements Of Activities
For The Years Ended December 31, 2010 And 2009

	2010	2009
Revenue and Support		
Special event revenue	\$ 74,280	\$ -
Less costs of direct benefits to donors	(12,360)	-
<hr/>		
Net revenue from special event	61,920	-
Donations	67,531	177,764
In-kind support	-	700
Interest income	219	-
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Total Revenue and Support	129,670	178,464
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Expenses		
Program services	165,183	60,871
Management and general	26,559	7,504
Fundraising	21,062	10,113
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Total Expenses	212,803	78,488
<hr/>		
Change in Net Assets	(83,133)	99,976
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Unrestricted Net Assets		
Beginning of Period	114,148	14,172
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End of Period	\$ 31,015	\$ 114,148
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The accompanying notes are an integral part of these financial statements.

RIVERS OF RECOVERY, INC.
Statements Of Functional Expenses
For The Years Ended December 31, 2010 And 2009

	2010				2009			
	Program Services	Management and General	Fundraising	2010 Total	Program Services	Management and General	Fundraising	2009 Total
Advertising	\$ 13,325	\$ -	\$ 7,710	\$ 21,035	\$ 3,340	\$ -	\$ 4,528	\$ 7,868
Amortization	-	2,100	-	2,100	-	1,575	-	1,575
Depreciation	-	1,414	-	1,414	-	-	-	-
Bank fees	-	1,055	-	1,055	-	686	-	686
Conferences	-	568	-	568	154	153	-	307
Food	5,204	-	1,390	6,594	2,055	-	-	2,055
Fuel	2,756	-	-	2,756	1,034	-	-	1,034
Guiding fees and supplies	57,303	-	-	57,303	24,010	-	-	24,010
Insurance	2,650	524	-	3,173	1,400	-	-	1,400
Lobbying	-	6,000	-	6,000	-	-	-	-
Lodging	13,654	-	-	13,654	1,539	-	-	1,539
Medical study	18,395	-	-	18,395	6,039	-	-	6,039
Miscellaneous	-	3,595	-	3,595	-	-	-	-
Office supplies	-	5,542	-	5,542	-	1,090	-	1,090
Payroll and related taxes	7,006	-	-	7,006	-	-	-	-
Professional fees	3,848	5,761	-	9,609	9,439	4,000	3,146	16,585
Travel	41,042	-	11,962	53,004	11,161	-	2,439	13,600
In-kind supplies	-	-	-	-	700	-	-	700
Total Expenses	\$ 165,183	\$ 26,559	\$ 21,062	\$ 212,803	\$ 60,871	\$ 7,504	\$ 10,113	\$ 78,488

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

RIVERS OF RECOVERY, INC.
Statements Of Cash Flows
For The Years Ended December 31, 2010 And 2009

	2010	2009
Cash Flows From Operating Activities:		
Change in net assets	\$ (83,133)	\$ 99,976
Adjustments to reconcile change in net assets to net cash from operating activities:		
Amortization	2,100	1,575
Depreciation	1,414	-
Changes in operating assets and liabilities:		
Prepaid insurance	(3,172)	-
Accounts payable	(1,548)	1,705
Net cash flows from operating activities	(84,339)	103,256
Cash Flows From Investing Activities:		
Purchase of property and equipment	(7,887)	-
Acquisition of intangible assets	-	(10,500)
Net cash flows from investing activities	(7,887)	(10,500)
Cash Flows From Financing Activities:		
	-	-
Net Change in Cash	(92,226)	92,756
Cash-Beginning of Period	109,793	17,037
Cash-End of Period	\$ 17,567	\$ 109,793

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

RIVERS OF RECOVERY, INC.
Notes To Financial Statements
December 31, 2010 And 2009

NOTE 1 — ORGANIZATION

Organization—Rivers of Recovery, Inc. (the “Organization”) was organized under laws of the State of Utah on February 21, 2008 as a non-profit organization. Its mission is to provide unique and meaningful recreational trips for disabled veterans affected by physical disabilities, such as Post-Traumatic Stress Disorder (PTSD) and Traumatic Brain Injury (TBI), and their families and for the families of fallen soldiers at no cost to the participants. The Organization's main source of funding is contributions from donors.

The Organization’s programs embrace the following:

Appreciation – The Organization provides the means to demonstrate its appreciation for the dedication and sacrifice of veterans.

Empowerment – Learning new skills, embracing adventure, accomplishing goals—These build self-esteem and self-confidence which can be reinforced and applied in everyday life.

Reconnecting – With nature, with fellow veterans, with oneself—The Organization’s programs provide opportunities to experience camaraderie while offering ample time for solitary activities.

Fun – A majestic setting, plenty of friends and a stress-free environment maximize enjoyment and relaxation.

Innovation – The Organization is constantly developing new programs which bring veterans and their families together with nature, appreciative new friends and extraordinary experiences.

Presently, the Organization uses the services and equipment of professional guides, as well as some of the Organizations equipment.

NOTE 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Statement Presentation - The Organization follows the accrual basis of accounting and the accounting standards applicable to not-for-profit organizations. The Organization reports 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. As of December 31, 2010 and 2009, all net assets were unrestricted.

Revenue Recognition - Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. Restricted contributions are required to be reported as temporarily or permanently restricted support and are then reclassified to unrestricted net assets upon expiration of the time restriction or appropriate use of the assets.

All contributions are considered available for unrestricted use unless specifically restricted by the donor. For the years ended December 31, 2010 and 2009, none of the contributions were restricted.

Contributions and Donated Services - Contributions of donated cash, assets and services are recorded at their fair values in the period received. Contributions of donated services that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received. The Organization received \$0 and \$700 in donated supplies and services during the years ended December 31, 2010 and 2009, respectively.

Functional Allocation of Expenses - The cost of providing the program and other activities is summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Income Taxes - The Organization is qualified as a non-profit organization under the Internal Revenue Code Section 501(c)(3) and, accordingly, is exempt from federal and state income taxes with respect to its exempt activities. There was no unrelated business income for the years ended December 31, 2010 and 2009.

Estimates - The preparation of financial statements in conformity with U.S generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures in the financial statements. Actual results could differ from those estimates.

Cash and Cash Equivalents - As of December 31, 2010 and 2009, cash is comprised of cash, checking accounts, and savings accounts. Cash equivalents are generally comprised of certain highly liquid investments with original maturities of less than three months. As of December 31, 2010 and 2009, the Organization did not hold any cash equivalents.

Property and Equipment - Property and equipment are reported at cost. Depreciation of property and equipment is computed using the straight-line basis over the estimated useful lives of the assets. Property and equipment consists of outdoor equipment as well as computers. These items are being depreciated over 5 years. Depreciation expense for the years ended December 31, 2010 and 2009 was \$1,414 and \$0, respectively.

Intangible Assets - Amortization of intangible assets is provided on a straight-line basis over the economic lives of the respective assets, which are generally three to five years. During the year ended December 31, 2009, the Organization paid \$10,500 for developing its website. These costs are being amortized over 5 years. Amortization expense for the years ended December 31, 2010 and 2009 was \$2,100 and \$1,575, respectively.

Advertising - The Organization follows the policy of charging the costs of advertising to expense as incurred.

Subsequent Events - The Organization evaluated the accompanying financial statements for subsequent events through July 13, 2011, the date these financial statements were available to be issued.

NOTE 3 — RELATED PARTY TRANSACTIONS

During the year ended December 31, 2010, the Organization paid \$11,250 to a company related through common management for lodging used in the Organization's programs.