Financial Statements
December 31, 2014 and 2013

Rivers of Recovery, Inc.

EideBailly
CPAs & BUSINESS ADVISORS

Independent Auditor's Report

The Board of Directors
Rivers of Recovery, Inc.
Eagan, MN

Report on the Financial Statements
We have audited the accompanying financial statements of Rivers of Recovery, Inc. (the Organization) which comprise the statements of financial position as of December 31, 2014 and 2013, and the related statements of activities, functional expenses, and cash flows for the years 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 accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility
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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend 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 financial position of Rivers of Recovery, Inc. as of December 31, 2014 and 2013, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Eide Bailly LLP

Salt Lake City, Utah
July 30, 2015

		2014		2013
Assets				
Current Assets				
Cash	$	86,746	$	124,443
Promises to give		11,894		-
Prepaid insurance		3,394		4,359
Total current assets		102,034		128,802
Property and Equipment, net of accumulated depreciation of $24,909 and $16,264, respectively		21,650		21,084
Intangible Assets, net of accumulated amortization of $10,500 and $9,975, respectively		-		525
	$	123,684	$	150,411
Liabilities and Net Assets				
Current Liabilities				
Accounts payable	$	84,327	$	20,666
Total Liabilities		84,327		20,666
Unrestricted Net Assets		39,357		129,745
	$	123,684	$	150,411

	2014	2013
Revenue and Support		
Special event revenue	$ 251,782	$ 109,516
Less costs of direct benefits to donors	(59,369)	(55,855)
Net revenue from special events	192,413	53,661
Donations	264,477	470,538
In-kind support	50,167	4,864
Total Revenue and Support	507,057	529,063
Expenses		
Program services	378,426	398,550
Management and general	103,714	125,193
Fundraising	115,305	57,462
Total Expenses	597,445	581,205
Change in Net Assets	(90,388)	(52,142)
Unrestricted Net Assets, Beginning of Period	129,745	181,887
Unrestricted Net Assets, End of Period	$ 39,357	$ 129,745

	2014				2013			
	Program Services	Management and General	Fundraising	Total	Program Services	Management and General	Fundraising	Total
Advertising and promotion	$ 7,750	$ -	$ 73,311	$ 81,061	$ 12,754	$ -	$ 19,822	$ 32,576
Amortization	-	525	-	525	-	2,100	-	2,100
Depreciation	-	10,970	-	10,970	-	8,364	-	8,364
Bank fees	-	9,474	-	9,474	-	3,707	-	3,707
Food	15,750	-	-	15,750	20,453	-	-	20,453
Transportation	11,353	-	3,981	15,334	8,779	-	10,587	19,366
Guiding fees and supplies	113,764	-	-	113,764	116,747	-	-	116,747
Insurance	-	22,634	-	22,634	-	30,581	-	30,581
Lobbying and consulting	38,851	12,959	-	51,810	37,515	17,209	-	54,724
Lodging and lease	40,976	-	-	40,976	39,864	-	-	39,864
Miscellaneous	5,000	398	-	5,398	-	3,084	-	3,084
Office supplies	8,102	2,640	6,509	17,251	10,065	2,438	3,297	15,800
Payroll and related taxes	88,420	6,632	15,473	110,525	99,860	14,980	7,489	122,329
Professional fees	-	37,482	-	37,482	-	42,730	-	42,730
Travel	48,460	-	16,031	64,491	52,513	-	16,267	68,780
Total expenses by function	$ 378,426	$ 103,714	$ 115,305	$ 597,443	$ 398,550	$ 125,193	$ 57,462	$ 581,205

	2014	2013
Operating Activities		
Change in net assets	$ (90,388)	$ (52,142)
Adjustments to reconcile change in net assets to net cash from (used for) operating activities		
Amortization	525	2,100
Depreciation	10,970	8,364
Gain on sale of equipment	(1,425)	
Changes in operating assets and liabilities		
Prepaid insurance	965	850
Accounts payable	63,661	2,481
Net Cash Flows from (used for) Operating Activities	(15,692)	(38,347)
Investing Activities		
Proceeds from sale of equipment	3,600	-
Purchase of equipment	(13,711)	-
Net Cash Flows from (used for) Investing Activities	(10,111)	-
Financing Activities		
Net Cash Flows from (used for) Financing Activities	-	-
Net Change in Cash	(25,803)	(38,347)
Cash, Beginning of Period	124,443	162,790
Cash, End of Period	$ 98,640	$ 124,443

Note 1 - Organization

Rivers of Recovery, Inc. (the "Organization") was organized under laws of the State of Utah on February 21, 2008 as a nonprofit organization. Its mission is to provide unique and meaningful recreational trips for disabled military 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 values 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.

The Organization uses the services and equipment of professional guides, as well as some of the Organization's employees and 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 nonprofit 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, 2014 and 2013, all net assets were unrestricted.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Unrestricted Net Assets – Net assets available for use in general operations.

Temporarily Restricted Net Assets – Net assets subject to donor restrictions that may or will be met by expenditures or our actions and/or the passage of time, and certain income earned on permanently restricted net assets that has not yet been appropriated for expenditure by our Board of Directors.

We report contributions restricted by donors as increases in unrestricted net assets if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions.

Permanently Restricted Net Assets – Net assets whose use is limited by donor-imposed restrictions that neither expire by the passage of time nor can be fulfilled or otherwise removed by our actions. The restrictions stipulate that resources be maintained permanently but permit us to expend the income generated in accordance with the provisions of the agreements.

Revenue and Revenue Recognition

Revenue is recognized when earned. Contributions related to special events are recognized in the period that the event occurs. Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

In-kind Contributions and Donated Services

Contributions of donated 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 donated supplies and services in the amount of $50,167 and $4,864 during the years ended December 31, 2014 and 2013, respectively.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Income Taxes

The Organization is organized as a Utah nonprofit corporation and have been recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes under Section 501(a) of the Internal Revenue Code as organizations described in Section 501(c)(3), qualify for the charitable contribution deduction under Section 170(b)(1)(A)(vi), and has been determined not to be private foundations under Section 509(a)(1). The Organization is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the Organization is subject to income tax on net income that is derived from business activities that are unrelated to its exempt purposes. We have determined that the Organization is not subject to unrelated business income tax and has not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

We believe that the Organization has appropriate support for any tax positions taken affecting its annual filing requirements, and as such, does not have any uncertain tax positions that are material to the financial statements. We would recognize future accrued interest and penalties related to unrecognized tax benefits and liabilities in income tax expense if such interest and penalties are incurred. The entitie's Forms 990, and other income tax filings required by state, local, or non-U.S. tax authorities are no longer subject to tax examination for years before 2011.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and those differences could be material.

Cash and Cash Equivalents

Cash is comprised of cash and checking account balances. Cash equivalents are generally comprised of certain highly liquid investments with original maturities of less than three months. As of December 31, 2014 and 2013, the Organization did not hold any cash equivalents.

Promises to Give

We record unconditional promises to give expected to be collected within one year at net realizable value. We determine the allowance for uncollectible promises to give based on historical experience, an assessment of economic conditions and a review of subsequent collections. Promises to give are written off when deemed uncollectible. At December 31, 2014 and 2013, there was no allowance for promises to give.

Property and Equipment

Individual property and equipment additions over $1,000 are reported at cost. Depreciation of property and equipment is computed using the straight-line basis over the estimated useful lives of the assets ranging from three to five years. Property and equipment consists of a vehicle, outdoor equipment as well as computer equipment. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

Intangible Assets

Amortization of intangible assets is provided on a straight-line basis over the economic lives of the respective assets. The intangible asset balance is carried at cost, less accumulated amortization.

Advertising

The Organization follows the policy of charging the costs of advertising to expense as incurred. Advertising expense for the years ended December 31, 2014 and 2013 was $81,061 and $32,576, respectively.

Subsequent Events

The Organization evaluated the accompanying financial statements for subsequent events through July 30, 2015, the date these financial statements were available to be issued.

Note 3 - Property and Equipment

Property and equipment consisted of the following as of December 31, 2014 and 2013:

	2014	2013
Equipment	$ 17,045	$ 11,430
Computers	11,264	7,668
Vehicle	18,250	18,250
	46,559	37,348
Less Accumulated Depreciation	(24,909)	(16,264)
	$ 21,650	$ 21,084

Depreciation expense for the years ended December 31, 2014 and 2013 was $10,970 and $8,364, respectively.

Note 4 - Intangible Asset

The Organization's intangible asset consists of the creation of its website in 2010 at a cost of $10,500. It is being amortized on a straight-line basis over five years. Amortization expense for the years ended December 31, 2014 and 2013 was $525 and $2,100, respectively. The asset is fully amortized as of December 31, 2014.

Note 5 - Related Party Transactions

During the years ended December 31, 2014 and 2013, the Organization rented a lodge used during the year's recreational trips from the former executive director of the organization totaling the amount of $33,250 and $26,310, respectively.