REACT INTERNATIONAL, INC.
Chicago, Illinois

FINANCIAL STATEMENTS
DECEMBER 31, 2015
INDEPENDENT ACCOUNTANTS' REVIEW REPORT

We have reviewed the accompanying financial statements of REACT International, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2015, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility 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; 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.

Accountants' Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountants' Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

ROJAS & ASSOCIATES, CPAs

Los Angeles, California
January 20, 2016
**REACT INTERNATIONAL, INC.**  
Chicago, Illinois

**STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2015**

**ASSETS**

<table>
<thead>
<tr>
<th>CURRENT ASSETS</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>$ 3,163</td>
<td></td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>2,196</td>
<td></td>
</tr>
<tr>
<td>Total current assets</td>
<td>5,359</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>FIXED ASSETS</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>At cost</td>
<td>1,000</td>
<td></td>
</tr>
<tr>
<td>Accumulated depreciation</td>
<td>(1,000)</td>
<td></td>
</tr>
<tr>
<td>Net fixed assets</td>
<td>0</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>OTHER ASSETS</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Investments</td>
<td>45,614</td>
<td></td>
</tr>
<tr>
<td>Total other assets</td>
<td>45,614</td>
<td></td>
</tr>
</tbody>
</table>

**TOTAL ASSETS**  
$ 50,973

**LIABILITIES AND NET ASSETS**

<table>
<thead>
<tr>
<th>CURRENT LIABILITIES</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Loan from officer</td>
<td>$ 1,000</td>
<td></td>
</tr>
<tr>
<td>Deferred revenues</td>
<td>2,926</td>
<td></td>
</tr>
<tr>
<td>Total current liabilities</td>
<td>3,926</td>
<td></td>
</tr>
</tbody>
</table>

**TOTAL LIABILITIES**  
3,926

**NET ASSETS**  

| Temporarily restricted       | 3,020 |       |
| Unrestricted                 | 44,027 |       |

**TOTAL NET ASSETS**  
47,047

**TOTAL LIABILITIES AND NET ASSETS**  
$ 50,973

This statement is to be considered in conjunction with the accompanying independent accountants’ review report. The accompanying notes are an integral part of this statement.
REACT INTERNATIONAL, INC.
Chicago, Illinois

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2015

PUBLIC SUPPORT AND REVENUE

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dues</td>
<td>$21,480</td>
</tr>
<tr>
<td>Team Charters</td>
<td>30</td>
</tr>
<tr>
<td>Team insurance</td>
<td>6,351</td>
</tr>
<tr>
<td>Affiliate</td>
<td>468</td>
</tr>
<tr>
<td>Merchandise store revenues</td>
<td>891</td>
</tr>
<tr>
<td>Contributions</td>
<td>2,660</td>
</tr>
<tr>
<td>Realized loss on sale of securities</td>
<td>(2,294)</td>
</tr>
<tr>
<td>Dividends and interest</td>
<td>4,494</td>
</tr>
</tbody>
</table>

TOTAL PUBLIC SUPPORT AND REVENUES 34,080

EXPENSES

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program services</td>
<td>5,328</td>
</tr>
<tr>
<td>General and administrative</td>
<td>44,222</td>
</tr>
</tbody>
</table>

TOTAL EXPENSES 49,550

CHANGE IN UNRESTRICTED NET ASSETS (15,470)

UNRESTRICTED NET ASSETS AT BEGINNING OF YEAR 59,497

UNRESTRICTED NET ASSETS AT END OF YEAR $44,027

This statement is to be considered in conjunction with the accompanying independent accountants' review report. The accompanying notes are an integral part of this statement.
REACT INTERNATIONAL, INC.
Chicago, Illinois

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2015

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets ($ 15,470)
Loss on sale of assets 2,294
Changes in operating assets and liabilities:
  Increase in prepaids ( 20)
  Increase in loan to officers 1,000
  Increase in deferred revenues 591

Net cash used in operating activities ( 11,605)

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of securities ( 4,494)
Sale of securities 15,066

Net cash provided by investing activities 10,572

Net decrease in cash ( 1,033)

CASH, BEGINNING 4,196
CASH, ENDING $ 3,163

This statement is to be considered in conjunction with the accompanying independent accountants' review report.
The accompanying notes are an integral part of this statement.
NOTE 1. NATURE OF OPERATIONS

REACT International, Inc. was founded in 1962 and formed in 1975 pursuant to the Illinois Nonprofit Corporation Law as a public benefit corporation. The Company provides public service and emergency communications activities for emergencies, disasters and other forms of aid to citizens. The Company’s office is located in California.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting: The Company prepares its financial statements on the accrual basis of accounting in accordance with generally accepted accounting principles; consequently, revenues are recognized when earned and expenses are recognized when the obligation is incurred. Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted depending on the nature or existence of any donor restriction.

Basis of Presentation: The Company follows the presentation requirements of Financial Accounting Standards Board Codification of ASC Topic 958 - Not for Profit Entities. Under ASC Topic 958, the Company is required to report information regarding its financial position and activities according to three classes of net assets: permanently restricted, temporarily restricted, or unrestricted. The Company currently has no permanently restricted net assets.

Cash and Cash Equivalents: Cash and cash equivalents consist of cash on hand and cash in bank accounts.

Receivables: Trade accounts receivable are recorded net of an allowance for expected losses. The allowances are estimated from historical performance and projection of trends. The Company considers the receivable to be fully collectible, and accordingly no allowance for doubtful accounts is considered necessary.

Property and Equipment: Property and equipment are recorded at cost. Depreciation and amortization are calculated using the straight-line method over the estimated useful life of the asset.

Investments and Related Income, Gains and Losses: Investments in equity and debt securities are reported at fair value. Fair values are primarily determined based on quoted market prices or other market inputs. Interest and dividends on investments are included in nonoperating activities. All other investment income, including realized and unrealized gains and losses on short-term and long-term investments, is reported as nonoperating activities.

The Company records its investments under Accounting Standards Codification (ASC) Topic 820, Fair Value Measurements, for fair value measurements of financial assets and financial liabilities and for fair value measurements of nonfinancial items that are recognized or disclosed at fair value in the financial statements on a recurring basis. ASC Topic 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. ASC Topic 820 also establishes a framework for measuring fair value and expands disclosures about fair value measurements (Note 4).

See accompanying independent accountants’ review report.
NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes: REACT International, Inc. is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and Section 805 ILCS 105 of the Illinois General Not For Profit Corporation Act of 1986 for revenue generated from its exempt purpose activities.

Use of Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent 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.

NOTE 3. FIXED ASSETS

<table>
<thead>
<tr>
<th></th>
<th>Cost</th>
<th>Accumulated Depreciation &amp; Amortization</th>
<th>Book Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Furniture and fixtures</td>
<td>$1,000</td>
<td>$1,000</td>
<td>$0</td>
</tr>
<tr>
<td></td>
<td>$1,000</td>
<td>$1,000</td>
<td>$0</td>
</tr>
</tbody>
</table>

The Company provides for depreciation and amortization using the straight-line method over the estimated useful asset lives.

NOTE 4. FAIR VALUE MEASUREMENTS - INVESTMENTS

Investments consist of a single public, non-traded business development company investment, which is valued at the fund’s current offering price. In accordance with its prospectus, the fund must maintain a net asset value of at least 87% and is generally illiquid, with no publically offered shares and a 7.5% discounted share repurchase plan.

Fair value is defined as the price that a party would receive upon selling an investment in a timely transaction to an independent buyer in the principal or most advantageous market of the investment. A three-tier hierarchy has been established based on the extent of use of observable inputs as compared to unobservable inputs for valuing investments and is summarized as follows:

Level 1 - Unadjusted quoted prices in active markets for identical investments at the measurement date.

Level 2 - Significant observable inputs (including quoted prices for similar investments, interest rates, repayment speeds, credit risk, etc.)

Level 3 - Significant unobservable inputs.

See accompanying independent accountants' review report.
NOTE 4. FAIR VALUE MEASUREMENTS - INVESTMENTS (CONTINUED)

As the fund’s valuation is derived from its net asset value which is based upon the fair value of its underlying holdings, but there is no active market for this security, the Company has determined this investment is valued using Level 2 inputs.

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the beginning of the reporting period. There were no transfers between levels during 2015.

NOTE 5. SUBSEQUENT EVENTS

The Company has evaluated subsequent events through the date of this report and has determined that there were no material subsequent events that required recognition or additional disclosure in these financial statements.

See accompanying independent accountants’ review report.