

PLATOON 22, INC.
FINANCIAL STATEMENTS
AND ACCOUNTANT'S REVIEW REPORT
December 31, 2018

HALEY & ASSOCIATES, LLC

CERTIFIED PUBLIC ACCOUNTANTS
BELTSVILLE, MARYLAND 20705



PLATOON 22, Inc.

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FOR THE YEAR ENDING DECEMBER 31, 2018

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HALEY & ASSOCIATES, LLC
Certified Public Accountants

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

Board of Directors of the
Platoon 22, Inc.

We have reviewed the accompanying statement of financial position of Platoon 22, Inc. (a nonprofit organization) as of December 31, 2018 and the related statements activities, functional expenses and cash flows for the year then ended, in accordance with the Statement on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A review consists principally of inquires of personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Management is responsible for the fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States and for designing, implementing, and maintaining internal controls relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

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

H/A & Associates, LLC

November 27, 2019
Haley & Associates, LLC, Certified Public Accountants

PLATOON 22, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2018

ASSETS

Current Assets	
Cash and cash equivalents	<u>\$ 224,196</u>
Total Assets	<u><u>\$ 224,196</u></u>

NET ASSETS

Net Assets	
Net Assets without donor restrictions	<u>\$ 224,196</u>
Total Net Assets	<u><u>\$ 224,196</u></u>

The accompanying notes are an integral part of these financial statements, see accountants' review report.

PLATOON 22, INC.
STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
YEAR ENDED DECEMBER 31, 2018

REVENUE AND SUPPORT:	
Contributions and Grants	\$ 58,304
Special Event Income, Net	39,833
Investment Income	1,829
Other Income	840
TOTAL REVENUE AND SUPPORT	<u>100,806</u>
EXPENSES:	
Program Services	53,385
Management and General	26,718
TOTAL EXPENSES	<u>80,103</u>
CHANGE IN NET ASSETS	20,703
NET ASSETS, BEGINNING OF YEAR	<u>203,493</u>
NET ASSETS, END OF YEAR	<u><u>\$ 224,196</u></u>

The accompanying notes are an integral part of these financial statements, see accountants' review report.

PLATOON 22, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2018

	Program Services	Management and General	Total
Salaries and Payroll Taxes	\$ 14,049	\$ 4,683	\$ 18,732
Other Program Expenses	16,927	-	16,927
Cost of Goods Sold	3,856	776	4,632
Professional Fees	2,065	13,364	15,429
Sponsorships	5,418	-	5,418
Veteran's Assistance	3,292	-	3,292
Occupancy	1,812	1,111	2,923
Printing and Postage	910	322	1,232
Office Expenses	559	3,329	3,888
Advertising and Promotion	1,006	489	1,495
Bank Fees	173	330	503
Dues and Subscriptions	-	593	593
Computer Expenses	-	432	432
Insurance Expense	1,309	1,095	2,404
Travel	2,009	194	2,203
Total	\$ 53,385	\$ 26,718	\$ 80,103

The accompanying notes are an integral part of these financial statements, see accountants' review report.

PLATOON 22, INC.
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2018

Cash flows from Operating Activities:	
Change in Net Assets	\$ 20,703
Net increase in cash	<u>20,703</u>
Cash and cash equivalents, beginning of year	<u>203,493</u>
Cash and cash equivalents, end of year	<u><u>\$ 224,196</u></u>

The accompanying notes are an integral part of these financial statements, see accountants' review report.

Platoon 22, Inc.

Notes to Financial Statements December 31, 2018

Note 1 - Organization and summary of significant accounting policies

Organization

Platoon 22, Inc. ("The Organization") is a not-for-profit organized in the State of Maryland. The Organization was created to raise awareness for the suicide epidemic facing our warriors and first responders, while providing empowerment through programming.

Basis of accounting

The accompanying financial statements have been prepared using the accrual basis of accounting. Accordingly, revenue is recognized when earned, and expenses when the obligation is incurred.

Cash and cash equivalents

For the purposes of the statements of cash flows, the Organization considers cash in operating and savings bank accounts to be cash and cash equivalents.

Use of estimates

Management uses estimates and assumptions in preparing these financial statements in conformity with accounting principles generally accepted in the United States of America. These estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenue and expenses. Actual results could vary from the estimates that were used.

Net assets

The Organization reports its net assets as net assets without donor restrictions and net assets with donor restrictions. For financial statement purposes, net assets without donor restrictions consist of those net assets whose use is not restricted by donors, even though their use may be limited in other respects, such as by board designation. At December 31, 2018, the Organization has \$0 of net assets with donor restrictions.

Revenue recognition

Contributions and grants are recorded as net assets without donor restrictions or net assets with donor restrictions depending upon the existence and/or nature of donor restrictions. Donor restricted revenue is reported as an increase in net assets with donor restrictions and then reclassified to net assets without donor restrictions when restrictions expire. Contributions and grants whose restrictions are met in the same period in which they are received are reported as net assets without donor restrictions.

Revenue from special events consist primarily of sponsorships, which are in substance contributions. Revenue received in advance of the year to which they relate are considered to be with donor restrictions.

Income taxes

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Tax years prior to 2015 are no longer subject to examination by the IRS or the tax jurisdiction of the state of Maryland.

In accordance with the provisions in the Income Taxes topic of the FASB Accounting Standards Codification ("FASB ASC"), the Association has performed an evaluation of its tax positions and believes it has appropriate support for its tax positions taken.

Platoon 22, Inc.

**Notes to Financial Statements
December 31, 2018**

During the year ended December 31, 2018, the Organization did not have net taxable income from unrelated business activity; therefore, there is no provision in these financial statements for income taxes or interest and penalties related to unrecognized tax benefits.

Functional expenses

In accordance with the Not-for-Profit Entities topic of the FASB ASC, expenses are reported on a functional basis as follows:

Program Services - direct and allocated costs associated with certain projects and programs that deal with the Organization's exempt purpose, i.e. raising awareness for the suicide epidemic facing our warriors and first responders.

Management and General – direct and allocated costs associated with the day-to-day operations of the Organization.

The cost of the Organization's programs and administration has been summarized on a functional basis in the statement of activities and change in net assets. Accordingly, certain costs have been allocated among the programs benefited. Direct expenses are recorded directly to the department to which they relate. The Organization's salaries and other operational expenses are allocated on a functional basis to program and supporting services based on management's estimate of time relate to each activity.

Change in accounting principle

During the year ended December 31, 2018, the Organization adopted FASB ASU No. 2016-14, *Not For-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities* ("ASU 2016-14"). ASU 2016-14 requires additional disclosures in the areas of liquidity and availability and beginning balances of the net assets previously classified as unrestricted have been retrospectively adjusted as without donor restrictions.

Concentrations of credit risk

As of December 31, 2018, the Organization had no balances of cash in excess of Federal Deposit Insurance Corporation ("FDIC") coverage.

Subsequent events

The Organization has evaluated events and transactions for potential recognition or disclosure through November 27, 2019, the date the financial statements were available to be issued.

Platoon 22, Inc.

Notes to Financial Statements
December 31, 2018

Note 2 - Liquidity

The Organization's process of liquidity management calls for the organization to maintain sufficient liquid financial assets to readily meet general expenditures and obligations as they may become due. Management assesses the immediate needs and adjusts the cash balances as necessary. The following table reflects the Organization's financial assets as of December 31, 2018:

Financial assets	
Cash and cash equivalents	<u>\$ 224,196</u>
Financial assets available to meet cash needs for general expenditure within one year	<u>\$ 224,196</u>