

**PLATOON 22, INC.**

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

**FOR THE YEAR ENDED DECEMBER 31, 2019**

**PLATOON 22, INC.**

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**IRA MARC MILLER & CO., PA**  
**CERTIFIED PUBLIC ACCOUNTANTS**

**Independent Accountants' Review Report**

To the Board of Directors  
Platoon 22, Inc.  
Frederick, Maryland

We have reviewed the accompanying financial statements of Platoon 22, Inc. (a non-profit corporation), which comprise the statement of financial position as of December 31, 2019, and the related statements of activities, functional expenses, 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 Organization 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 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.

**Accountant's 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 provided a reasonable basis for our conclusion.

**Accountant's 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.

*Ira Marc Miller & Co., P.A.*

December 11, 2020

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**PLATOON 22, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2019**

ASSETS

CURRENT ASSETS

Cash and cash equivalents \$ 364,806

Total current assets 364,806

Total assets \$ 364,806

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Sales tax payable \$ 6

Total current liabilities 6

NET ASSETS

Without donor restrictions 364,800

Total net assets 364,800

Total liabilities and net assets \$ 364,806

See accompanying notes and independent accountants' review report

**PLATOON 22, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

	With Donor Restrictions	Without Donor Restrictions	Total
<b>REVENUE</b>			
Contributions and grants	\$ -	\$ 143,570	\$ 143,570
Special events, net of expenses of \$13,084	-	39,318	39,318
Merchandise sales	-	3,599	3,599
Other income	-	700	700
Interest income	-	2,654	2,654
	-	189,841	189,841
<b>FUNCTIONAL EXPENSES</b>			
Program services	-	37,932	37,932
Management and general	-	10,577	10,577
Fundraising	-	728	728
	-	49,237	49,237
Total functional expenses	-	49,237	49,237
Increase in net assets	-	140,604	140,604
<b>NET ASSETS</b>			
Beginning of year	-	224,196	224,196
End of year	\$ -	\$ 364,800	\$ 364,800

**PLATOON 22, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

FUNCTIONAL EXPENSES	Program services	Management and general	Fundraising	Total
Salaries and payroll taxes	\$ 2,182	728	728	\$ 3,638
Other program expenses	280	-	-	280
Merchandise costs	5,423	-	-	5,423
Professional fees	13,741	2,425	-	16,166
Sponsorships	5,125	-	-	5,125
Veteran center expenses	7,113	-	-	7,113
Occupancy	1,112	663	-	1,775
Printing and postage	-	156	-	156
Office expenses	-	680	-	680
Advertising and promotion	50	600	-	650
Bank fees	183	191	-	374
Dues and subscriptions	-	759	-	759
Computer expenses	-	2,748	-	2,748
Insurance expense	-	1,144	-	1,144
Travel	2,723	483	-	3,206
	<u>\$ 37,932</u>	<u>10,577</u>	<u>728</u>	<u>\$ 49,237</u>

**PLATOON 22, INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Increase in net assets	\$ <u>140,604</u>
Adjustments to reconcile increase in net assets to net cash provided by operating activities	
Change in liabilities	
Increase in sales tax payable	<u>6</u>
Total adjustments	<u>6</u>
Net cash provided by operating activities	<u>140,610</u>
Net increase in cash and cash equivalents	140,610
<b>CASH AND CASH EQUIVALENTS</b>	
Beginning of year	<u>224,196</u>
End of year	\$ <u><u>364,806</u></u>

See accompanying notes and independent accountants' review report

**PLATOON 22, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2019**

**NOTE 1 - ORGANIZATION**

Platoon 22, Inc. was organized on September 2, 2014 as a not-for-profit corporation in the State of Maryland. Platoon 22, Inc. was created to win the war against veteran suicide by using awareness to create a social movement in our nation, consisting of both veterans and civilians that lets our war fighters know that it is not a sign of weakness to ask for help, but a sign of strength.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

- A. Basis of accounting – The financial statements of Platoon 22, Inc. have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Revenues are recognized when earned and expenditures when incurred.
- B. Basis of presentation - Nets assets of Platoon 22, Inc. and changes therein are classified and reported as follows:

Net assets without donor restrictions-Net assets that are not subject to donor-imposed restrictions.

Net assets with donor restrictions-Net assets subject to donor-imposed stipulations that will be met either by actions of the Organization and/or the passage of time or subject to donor-imposed stipulations that they be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on related investments for general or specific purposes.

There were no assets released from donor-imposed restrictions for the year ended December 31, 2019.

Revenues are reported as increases in without donor restricted net assets unless use of the related assets is limited by donor-imposed stipulations. Expenses are recorded as decreases in without donor restricted net assets. Gains and losses on assets or liabilities are reported as increases or decreases in without donor restricted net assets unless their use is restricted by explicit donor stipulation or by law. Expirations of with donor restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated passage of time has elapsed) are reported as without donor restricted net assets released from with donor restrictions.

- C. Use of estimates in preparing financial statements – 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, expenses, gains, losses, and other changes in net assets during the reporting period. Actual results could differ from those estimates.



**PLATOON 22, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2019**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

- D. Income taxes – Platoon 22, Inc. is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Organizations tax exempt purpose is subject to taxation as unrelated business income. In addition, the Organization qualifies for the charitable organization deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(1). The accounting standard on accounting for uncertainty in income taxes addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under that guidance, the Organization may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities based on the technical merits of the position. Examples of tax positions include the tax-exempt status of the Organization and various positions related to the potential sources of unrelated business taxable income (UBIT). The tax benefits recognized in the financial statements from such as position are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. There were no unrecognized tax benefits or recorded as liabilities for the year ended December 31, 2019. Platoon 22, Inc. is generally not subject to examination by the Internal Revenue Service or the State of Maryland three years after the filing of its latest information returns.
- E. Cash and cash equivalents - For purposes of the statement of cash flows, cash equivalents include time deposits, certificates of deposit and all highly liquid debt instruments with original maturities of three months or less.
- F. Allocation of expenses - The costs of providing various programs and other activities have been summarized on a functional basis in the Statement 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. Program services expenses represent direct and allocated costs associated with certain projects that are related to the Organization's exempt function such as raising awareness of veteran suicides. Management and general expenses are direct and allocated expenses which relate to the overall management of the Organization. Fundraising expenses are direct and allocated expenses which relate to fundraising aspects of the Organization.
- G. Advertising – Advertising costs are expensed as incurred and are included in program services and management and general expenses on the statement of functional expenses.

**NOTE 3 - ADOPTION OF ACCOUNTING PRONOUNCEMENT**

In June 2018, the FASB issued ASU No. 2018-08, Not-For-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made. The new guidance clarifies the definitions of reciprocal and non-reciprocal transactions and modifies the criteria used to evaluate conditional versus unconditional contributions. In addition, the new guidance defines that a conditional contribution exists when the agreement contains both a right of return of the contributed asset and a barrier that must be overcome. The guidance is effective for Platoon 22, Inc. for years beginning after December 15, 2019. Platoon 22, Inc. early adopted this guidance on January 1, 2019. The adoption of this guidance had no impact on how the

**PLATOON 22, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2019**

**NOTE 3 – ADOPTION OF ACCOUNTING PRONOUNCEMENT (continued)**

Organization accounts for its grantmaking activities.

**NOTE 4 – LIQUIDITY AND AVAILABILITY OF RESOURCES**

The following reflects the Organization's financial assets as of the statement of financial position date, reduced by amounts not available for general use because of contractual or donor-imposed regulation within one year of the statement of financial position date.

Financial assets at year-end	\$ 364,806
Less those unavailable for general expenditures within	
One year due to:	0
Contractual or donor-imposed restrictions:	0
Restricted by donor with time or purpose restrictions	0
Subject to appropriation and satisfaction of donor restrictions	0
Board Designations (if any):	<u>0</u>
Financial assets available to meet cash needs for general	
Expenditures within one year	\$ <u>364,806</u>

The Organization is not supported by any donor restricted contributions.

**NOTE 5 – CONCENTRATION OF CREDIT RISK**

The Organization maintains its cash in highly rated financial institutions insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC). As of December 31, 2019, the Organization had funds of \$88,234 in excess of the FDIC limit.

**NOTE 6 – EVALUATION OF SUBSEQUENT EVENTS**

Events that occur after the statement of financial position date, but before the financial statements were available to be issued, must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the statement of financial position date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the statement of financial position date require disclosure in the accompanying notes. Management evaluated the activity of Platoon 22, Inc. as of December 11, 2020 and concluded that no subsequent events have occurred that would require recognition or disclosure in the financial statements.