



**YEAR ENDED
DECEMBER 31, 2020**



CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS ADVISORS

A Professional Corporation

PLATOON 22, INC.

YEAR ENDED DECEMBER 31, 2020

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Independent Accountant's Review Report

Board of Directors
Platoon 22, Inc.
Frederick, Maryland

We have reviewed the accompanying financial statements of Platoon 22, Inc. (a nonprofit corporation), which comprise the statement of financial position as of December 31, 2020, 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.

Brown Schultz Sheridan & Fritz

Frederick, Maryland
November 8, 2021

PLATOON 22, INC.

STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2020
(See independent accountant's review report)

ASSETS

Current assets, cash and cash equivalents **\$ 453,746**

LIABILITIES AND NET ASSETS

Current liabilities, accrued salaries and taxes payable **\$ 2,615**

Net assets, without donor restrictions **451,131**

Total liabilities and net assets **\$ 453,746**

See notes to financial statements.

PLATOON 22, INC.

STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2020
(See independent accountant's review report)

	<u>Without donor restrictions</u>
Revenue:	
Contributions and grants	\$ 150,542
Special events	64,538
Merchandise sales	706
Interest income	1,062
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Total revenue	216,848
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Expenses:	
Program services	77,187
Management and general	35,250
Fundraising	18,080
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Total expenses	130,517
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Change in net assets	86,331
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Net assets:	
Beginning of year	364,800
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End of year	\$ 451,131
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See notes to financial statements.

PLATOON 22, INC.

STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2020
(See independent accountant's review report)

	<u>Program services</u>	<u>Management and general</u>	<u>Fundraising</u>	<u>Total</u>
Functional expenses:				
Salaries and payroll taxes	\$ 41,219	\$ 5,153	\$ 5,152	\$ 51,524
Advertising and promotion	1,393	776		2,169
Bank and processing fees	144	45		189
Direct support	8,075			8,075
Dues and subscriptions		652		652
Event rentals			7,698	7,698
Food and beverage	3,078	157	1,163	4,398
Insurance		1,124		1,124
Merchandise costs	5,625			5,625
Miscellaneous		996		996
Miscellaneous event costs	188		4,067	4,255
Office		781		781
Printing and postage		643		643
Professional fees	450	21,070		21,520
Travel	2,540	448		2,988
Veteran experiences	14,475			14,475
Website and software		3,405		3,405
Total functional expenses	<u>\$ 77,187</u>	<u>\$ 35,250</u>	<u>\$ 18,080</u>	<u>\$ 130,517</u>

See notes to financial statements.

PLATOON 22, INC.

STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2020
(See independent accountant's review report)

Cash flows from operating activities:

Inflows:

Cash received from:

Contributions and grants	\$ 150,542
Special events	64,538
Merchandise sales	706
Interest	1,062

216,848

Outflows:

Payments to:

Employees	48,909
Suppliers	78,999

127,908

Net cash provided by operating activities and net increase in cash and cash equivalents

88,940

Cash and cash equivalents:

Beginning of year	<u>364,806</u>
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End of year

\$ 453,746

See notes to financial statements.

PLATOON 22, INC.

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2020
(See independent accountant's review report)

1. Summary of Organization and significant accounting policies:

Organization:

Platoon 22, Inc. (the Organization) 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.

Basis of accounting:

The financial statements of the Organization 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.

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.

Net assets:

The Organization reports information regarding its financial position and activities according to two classes of net assets as follows:

Net assets without donor restrictions - Net assets without donor restrictions are resources available for support of the Organization's operations and are not subject to donor-imposed restrictions.

Net assets with donor restrictions - Net assets with donor restrictions are resources that are restricted by a donor for use for a particular purpose or in a particular future period. Resources may also be received with donor-imposed restrictions that neither expire by being used in accordance with a donor's restriction, nor by the passage of time. The Organization considers all contributions that are designated to a particular program to be transferred to net assets without donor restrictions when the terms of the restrictions have been met.

The Organization had no net assets with donor restrictions as of December 31, 2020.

PLATOON 22, INC.

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2020
(See independent accountant's review report)

1. Summary of Organization and significant accounting policies (continued):

Contributions:

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions are recorded as support without donor restrictions or support with donor restrictions depending on the existence and/or nature of any donor restrictions. When restrictions are met in the same year as designated, all activity related to the donation is recorded as support without donor restrictions in the current year. Restrictions on gifts of capital assets or cash for the purchase of capital assets expire when the asset is placed in service. Management has determined the Organization's contributions are considered nonexchange transactions.

Revenue recognition:

The Organization generates revenue primarily through a special event, an annual golf tournament, which includes revenue from sponsorships, registration fees and games. All special event revenue is recognized when the specific event occurs.

Revenue recognition is determined through the following steps:

- Identification of the contract, or contracts, with the customer
- Identification of the performance obligations in the contract
- Determination of the transaction price
- Allocation of the transaction price to the performance obligations in the contract
- Recognition of revenue when, or as, the Organization satisfies a performance obligation

In accordance with Accounting Standards Codification 606, the Organization should account for a customer contract when both parties have approved the contract and are committed to perform their respective obligations, each party's rights are identified, payments terms can be identified, the contract has legal substance and it is at least probable that the Organization will collect the consideration to which it is entitled. Revenue should be recognized at the point in time when the services are provided, as this represents the satisfaction of the Organization's performance obligation.

The Organization has determined that contracts do not include a significant financing component. Generally, sponsorships and registration fees are received before the event occurs. Sponsorships can be paid for more than one tournament, which is recorded as deferred revenue until the event occurs.

The Organization allocates the transaction price to each event or program which they consider to be their performance obligation based on its relative standalone price. Sponsorships and registration fees are determined before the registration period for the event opens.

PLATOON 22, INC.

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2020
(See independent accountant's review report)

1. Summary of Organization and significant accounting policies (continued):

Revenue recognition:

The Organization offers no warranties on its services. The Organization offers no refunds for events or services provided.

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.

Tax-exempt status:

The Organization is incorporated under the laws of the State of Maryland as a nonprofit organization. The Organization has elected, under provisions of Internal Revenue Code Section 501(c)(3) and state income tax statutes, to be excluded from taxes on exempt function income. Therefore, no provision is made for taxes on income.

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.

Advertising:

Advertising costs are expensed as incurred and are included in program services and management and general expenses on the statement of functional expenses.

PLATOON 22, INC.

NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2020 (See independent accountant's review report)

2. Adoption of accounting pronouncement:

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers*, Accounting Standard Codification (ASC) 606, which amends previous guidance. The core principle of ASC 606 is that any entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Additionally, the guidance requires improved disclosures to help users of financial statements better understand the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers.

Effective January 1, 2020, the Organization adopted ASU 2014-09 using the full retrospective method applied to those contracts which were not completed as of January 1, 2020. The Organization's impact of the adoption on the statements was enhanced disclosures with no quantitative impact on the financial statements.

3. Liquidity and availability of resources:

The Organization's financial assets as of December 31, 2020 consisted of cash and cash equivalents of \$453,746, all of which is available for general expenditures within one year as the Organization does not have any contractual, donor or board-imposed limitations. As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due.

4. 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, 2020, the Organization had funds of \$176,143 in excess of the FDIC limit.

5. Related party transactions:

The Organization engaged SoldierFit to host the Platoon Care Wellness Retreat. The president of the Organization is the founder of SoldierFit. The Organization paid \$12,850 to SoldierFit for hosting the Platoon Care Wellness Retreat in 2020.

PLATOON 22, INC.

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2020
(See independent accountant's review report)

6. Risks and uncertainties:

The COVID-19 pandemic remains a rapidly evolving situation. The Organization continues to monitor the impact of the COVID-19 pandemic on all aspects of their business, including how it impacts clients, the community, vendors and employees; in addition to how the COVID-19 pandemic impacts the ability to provide services to clients. The extent of the impact of COVID-19 on the Organization's mission and financial results will be determined by factors which are uncertain, unpredictable and outside the Organization's control. If disruptions to the Organization's operations do arise, they could materially and financially adversely impact the Organization's business.

7. Subsequent events:

In preparing the financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through November 8, 2021, the date the financial statements are available to be issued.