



**YEARS ENDED
DECEMBER 31, 2021 AND 2020**



CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS ADVISORS

A Professional Corporation

PLATOON 22, INC.

YEARS ENDED DECEMBER 31, 2021 AND 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 statements of financial position as of December 31, 2021 and 2020, and the related statements of activities, functional expenses and cash flows for the years 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 engagements 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.

We are required to be independent of Platoon 22, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our reviews.

Accountant's Conclusion

Based on our reviews, 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 Steindler & Fritz

Frederick, Maryland
October 31, 2022

PLATOON 22, INC.

STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2021 AND 2020
(See independent accountant's review report)

	<u>2021</u>	<u>2020</u>
ASSETS		
Current assets, cash and cash equivalents	\$ 622,745	\$ 453,746
Other assets, website (net of accumulated amortization of \$600 and \$-0-, respectively)	2,100	
Total assets	<u>\$ 624,845</u>	<u>\$ 453,746</u>
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accrued salaries and taxes payable	\$ 4,775	\$ 2,615
Deferred revenue	23,000	
Total liabilities	27,775	2,615
Net assets, without donor restrictions	<u>597,070</u>	<u>451,131</u>
Total liabilities and net assets	<u>\$ 624,845</u>	<u>\$ 453,746</u>

See notes to financial statements.

PLATOON 22, INC.

STATEMENTS OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2021 AND 2020
(See independent accountant's review report)

	<u>2021</u>	<u>2020</u>
	Without donor restrictions	Without donor restrictions
Revenue:		
Contributions and grants	\$ 313,823	\$ 150,542
Special events	54,610	64,538
Merchandise sales	224	706
Interest income	677	1,062
	<u>369,334</u>	<u>216,848</u>
Total revenue	369,334	216,848
Expenses:		
Program services	141,255	77,187
Management and general	43,533	35,250
Fundraising	38,607	18,080
	<u>223,395</u>	<u>130,517</u>
Total expenses	223,395	130,517
Change in net assets	145,939	86,331
Net assets:		
Beginning of year	<u>451,131</u>	<u>364,800</u>
End of year	<u>\$ 597,070</u>	<u>\$ 451,131</u>

See notes to financial statements.

PLATOON 22, INC.

STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2021
(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	\$ 66,545	\$ 8,318	\$ 8,318	\$ 83,181
Advertising and promotion	1,930	458	9,704	12,092
Amortization		600		600
Bank and processing fees	296	1,802		2,098
Direct support	5,000			5,000
Event rentals			10,212	10,212
Food and beverage	1,429	5	5,881	7,315
Insurance		1,803		1,803
Merchandise costs	3,503			3,503
Miscellaneous		398		398
Miscellaneous event costs	11,848		4,492	16,340
Office		975		975
Printing and postage		392		392
Professional fees		18,235		18,235
Travel	5,261	929		6,190
Veteran experiences	45,443			45,443
Website and software		9,618		9,618
Total functional expenses	<u>\$ 141,255</u>	<u>\$ 43,533</u>	<u>\$ 38,607</u>	<u>\$ 223,395</u>

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.

STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2021 AND 2020
(See independent accountant's review report)

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities:		
Inflows:		
Cash received from:		
Contributions and grants	\$ 313,823	\$ 150,542
Special events	77,610	64,538
Merchandise sales	224	706
Interest	677	1,062
	<u>392,334</u>	<u>216,848</u>
Outflows:		
Payments to:		
Employees	81,021	48,909
Suppliers	139,614	78,999
	<u>220,635</u>	<u>127,908</u>
Net cash provided by operating activities	171,699	88,940
Cash flows used in investing activities, outflows, purchase of website	(2,700)	<u> </u>
Net increase in cash and cash equivalents	168,999	88,940
Cash and cash equivalents:		
Beginning of year	<u>453,746</u>	<u>364,806</u>
End of year	<u>\$ 622,745</u>	<u>\$ 453,746</u>

See notes to financial statements.

PLATOON 22, INC.

NOTES TO FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2021 AND 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.

Website:

Website development costs are carried at cost, net of accumulated amortization. These costs are amortized using the straight-line method over the estimated useful life of the website of three years.

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, 2021 and 2020.

PLATOON 22, INC.

NOTES TO FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2021 AND 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 fundraising events, which includes revenue from sponsorships, registration fees and games. All special event revenue is recognized when the specific event occurs.

The Organization accounts 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 is 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 event, 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.

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.

PLATOON 22, INC.

NOTES TO FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2021 AND 2020 (See independent accountant's review report)

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

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, management and general and fundraising expenses on the statement of functional expenses.

2. Liquidity and availability of resources:

The Organization's financial assets as of December 31, 2021 and 2020 consisted of cash and cash equivalents of \$622,745, and \$453,746, respectively, 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.

3. Concentration of credit risk:

The Organization maintains its cash deposits in two financial institutions. Cash deposits are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. As of December 31, 2021, the cash deposits exceed the limit by \$335,605, representing the maximum loss risk.

PLATOON 22, INC.

NOTES TO FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2021 AND 2020 (See independent accountant's review report)

4. 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 \$0 and \$12,850 to SoldierFit for hosting the Platoon Care Wellness Retreat in 2021 and 2020, respectively.

5. Subsequent events:

In preparing the financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through October 31, 2022, the date the financial statements are available to be issued.

In August 2022, the Organization entered into a sublease for a veterans services center. The initial lease term is through July 2027, with one available option term of five additional years. Rent is set for \$1 per month, and the Organization also agrees to reimburse the sublandlord for its portion of operating expenses, trash removal, water and sewer charges, real estate taxes and utility expenses related to the building beginning in January 2024.