



**YEARS ENDED
DECEMBER 31, 2024 AND 2023**



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ACCOUNTANTS + ADVISORS

PLATOON 22, INC.

YEARS ENDED DECEMBER 31, 2024 AND 2023

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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, 2024 and 2023 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 provide 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.



Frederick, Maryland
November 24, 2025

PLATOON 22, INC.

STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2024 AND 2023
(See independent accountant's review report)

ASSETS

	<u>2024</u>	<u>2023</u>
Current assets:		
Cash and cash equivalents	\$ 73,898	\$ 410,047
Unconditional promises to give	10,000	55,000
Promised use of facility	27,952	26,909
Prepaid expenses	4,477	15,004
Vendor receivable	-	20,780
	<u>116,327</u>	<u>527,740</u>
Total current assets	116,327	527,740
Property and equipment:		
Land	62,587	62,587
Building and improvements	645,913	451,546
Furniture and fixtures	2,500	2,500
Leasehold improvements	49,858	49,858
Vehicle	30,000	30,000
	<u>790,858</u>	<u>596,491</u>
Less accumulated depreciation	18,075	6,905
	<u>772,783</u>	<u>589,586</u>
Total property and equipment	772,783	589,586
Other assets:		
Restricted cash, debt service reserve	45,895	45,008
Unconditional promises to give	20,000	30,000
Promised use of facility (net of unamortized discount of \$40,545 and \$50,936, respectively)	214,361	242,313
Website (net of accumulated amortization of \$2,700 and \$2,400, respectively)	-	300
Intangible asset, trademark	4,260	4,260
	<u>284,516</u>	<u>321,881</u>
Total other assets	284,516	321,881
Total assets	<u>\$ 1,173,626</u>	<u>\$ 1,439,207</u>

See notes to financial statements.

PLATOON 22, INC.

STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2024 AND 2023
(See independent accountant's review report)

LIABILITIES AND NET ASSETS

	<u>2024</u>	<u>2023</u>
Current liabilities:		
Accounts payable	\$ 23,523	\$ 7,361
Accrued salaries and taxes payable	10,636	6,121
Accrued interest	1,508	3,003
Deferred revenue	-	13,142
Current portion of long-term liabilities	8,783	6,557
	<u>44,450</u>	<u>36,184</u>
Total current liabilities	44,450	36,184
Long-term liabilities, mortgage payable	<u>381,590</u>	<u>388,845</u>
Total liabilities	<u>426,040</u>	<u>425,029</u>
Net assets:		
Without donor restrictions	475,273	654,073
With donor restrictions	272,313	360,105
	<u>747,586</u>	<u>1,014,178</u>
Total net assets	<u>747,586</u>	<u>1,014,178</u>
Total liabilities and net assets	<u>\$ 1,173,626</u>	<u>\$ 1,439,207</u>

See notes to financial statements.

PLATOON 22, INC.

STATEMENTS OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2024 AND 2023
(See independent accountant's review report)

	2024			2023		
	Without donor restrictions	With donor restrictions	Total	Without donor restrictions	With donor restrictions	Total
Support and revenue:						
Contributions and grants	\$ 308,205	\$ -	\$ 308,205	\$ 309,981	\$ 45,883	\$ 355,864
Gifts in-kind:						
Donated use of facilities	10,391	-	10,391	11,397	-	11,397
Donated items	9,300	-	9,300	38,500	-	38,500
Special events and related sponsorships	92,858	-	92,858	174,411	-	174,411
Rental income	7,621	-	7,621	-	-	-
Merchandise sales	572	-	572	-	-	-
Interest income	787	-	787	111	-	111
Net assets released from restrictions	87,792	(87,792)	-	70,903	(70,903)	-
Total support and revenue	517,526	(87,792)	429,734	605,303	(25,020)	580,283
Expenses:						
Program services	479,686	-	479,686	424,399	-	424,399
Management and general	123,796	-	123,796	68,114	-	68,114
Fundraising	92,844	-	92,844	98,069	-	98,069
Total expenses	696,326	-	696,326	590,582	-	590,582
Change in net assets	(178,800)	(87,792)	(266,592)	14,721	(25,020)	(10,299)
Net assets:						
Beginning of year	654,073	360,105	1,014,178	639,352	385,125	1,024,477
End of year	\$ 475,273	\$ 272,313	\$ 747,586	\$ 654,073	\$ 360,105	\$ 1,014,178

See notes to financial statements.

PLATOON 22, INC.

STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2024
(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	\$ 160,165	\$ 12,540	\$ 8,720	\$ 181,425
Advertising, merchandise and promotion	20,425	-	385	20,810
Amortization	225	-	75	300
Depreciation	11,170	-	-	11,170
Bank and processing fees	-	6,231	-	6,231
Direct support	84,567	-	-	84,567
Dues and subscriptions	-	1,199	-	1,199
Equipment	4,245	-	-	4,245
Event entertainment	-	-	4,646	4,646
Event prizes	-	-	6,838	6,838
Event auction items	-	-	9,300	9,300
Event rentals	-	-	9,640	9,640
Food and beverage	14,305	-	19,684	33,989
Insurance	14,945	4,237	-	19,182
Interest expense	36,884	-	-	36,884
Miscellaneous	-	299	-	299
Miscellaneous event costs	-	-	5,731	5,731
Occupancy	35,707	5,824	-	41,531
Office	4,049	5,291	-	9,340
Professional fees	65,825	88,175	-	154,000
Rental management fees	2,589	-	-	2,589
Travel	1,496	-	-	1,496
Vehicle	15,754	-	-	15,754
Veteran experiences	4,243	-	-	4,243
Website and software	3,092	-	27,825	30,917
Total functional expenses	<u>\$ 479,686</u>	<u>\$ 123,796</u>	<u>\$ 92,844</u>	<u>\$ 696,326</u>

See notes to financial statements.

PLATOON 22, INC.

STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2023
(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	\$ 161,578	\$ 14,380	\$ 9,104	\$ 185,062
Advertising, merchandise and promotion	29,486	3,150	20,529	53,165
Amortization	675	-	225	900
Depreciation	6,074	-	-	6,074
Bank and processing fees	5,954	262	-	6,216
Direct support	64,375	-	-	64,375
Event entertainment	-	-	925	925
Event prizes	-	-	1,002	1,002
Event auction items	-	-	8,500	8,500
Event rentals	-	-	19,891	19,891
Food and beverage	11,700	-	26,356	38,056
Insurance	8,503	1,500	-	10,003
Interest expense	3,081	-	-	3,081
Miscellaneous	3,129	723	-	3,852
Occupancy	31,705	5,595	-	37,300
Miscellaneous event costs	-	-	2,793	2,793
Office	7,364	56	-	7,420
Professional fees	6,830	41,413	-	48,243
Travel	6,697	-	-	6,697
Vehicle	242	-	-	242
Veteran experiences	52,871	-	-	52,871
Veteran center supplies	6,979	-	-	6,979
Website and software	17,156	1,035	8,744	26,935
Total functional expenses	<u>\$ 424,399</u>	<u>\$ 68,114</u>	<u>\$ 98,069</u>	<u>\$ 590,582</u>

See notes to financial statements.

PLATOON 22, INC.

STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(See independent accountant's review report)

	2024	2023
Cash flows from operating activities:		
Inflows:		
Cash received from:		
Contributions and grants	\$ 363,205	\$ 360,864
Special events	79,716	185,053
Rentals	7,621	-
Merchandise sales	572	-
Interest	787	111
	451,901	546,028
Outflows:		
Payments to:		
Employees	162,497	173,641
Suppliers	386,891	368,250
Payments for interest	37,444	-
	586,832	541,891
Net cash provided by (used in) operating activities	(134,931)	4,137
Cash flows used in investing activities, outflows, purchase of property and equipment	(194,367)	(125,569)
Cash flows used in financing activities, outflows, payments on mortgage payable	(5,964)	-
Net decrease in cash, cash equivalents and restricted cash	(335,262)	(121,432)
Cash, cash equivalents, and restricted cash:		
Beginning of year	455,055	576,487
End of year	\$ 119,793	\$ 455,055
Reconciliation of cash, cash equivalents and restricted cash to the statements of financial position:		
Current assets, cash and cash equivalents	\$ 73,898	\$ 410,047
Other assets, restricted cash, debt service reserve	45,895	45,008
Cash, cash equivalents and restricted cash	\$ 119,793	\$ 455,055
Supplemental disclosures of noncash investing and financing activities:		
Donation of property and equipment	\$ -	\$ 30,000
Purchase of property and equipment financed through long-term debt	-	400,000

See notes to financial statements.

PLATOON 22, INC.

NOTES TO FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2024 AND 2023 (See independent accountant's review report)

1. Summary of Organization and significant accounting policies:

Organization:

Platoon 22, Inc. (the Organization) was organized in 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. Today, the Organization works towards this mission through the successful reintegration of service members and their families by assembling critical resources, providing peer support and developing transitional programs.

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.

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.

Cash and cash equivalents:

For purposes of the statements of cash flows, the Organization considers all highly liquid investments available for current use with original maturities of three months or less to be cash equivalents.

Unconditional promises to give:

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at fair value, which is measured as the present value of their future cash flows, as management believes that this is the most accurate method of reporting the receivables and related revenues. At December 31, 2024, management expects to collect all unconditional promises to give; therefore, no allowance for uncollectible promises to give has been recorded.

PLATOON 22, INC.

NOTES TO FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2024 AND 2023 (See independent accountant's review report)

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

Promised use of facility:

The Organization leases a space at below market value to provide its services. Promised use of facility is capitalized and recorded as donor-restricted contributions at their fair value at the start date of the lease and reported as increases in net assets with donor restrictions. The restriction expires based on the term of the lease agreement, and the Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

Property and equipment:

The Organization capitalizes all purchases of property and equipment with a useful life of greater than one year at cost. Depreciation of property and equipment is computed using the straight-line method based on the estimated useful lives of the assets as follows:

Building and improvements	40 years
Furniture and fixtures	5 years
Leasehold improvements	15 years
Vehicle	5 years

Donations of property and equipment are recorded as revenue (support) at their estimated fair value at the date of donation. Such donations are reported as without donor restrictions revenue (support) unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as revenue (support) with donor restrictions.

Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

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.

Trademarks:

Trademarks are considered indefinite-lived intangible assets and are not subject to amortization. Costs related to the registration and legal defense of trademarks are capitalized as part of the trademark's carrying value. Trademarks are tested for impairment annually. The impairment test is performed by comparing the fair value of the trademark to its carrying amount. If the carrying amount exceeds the fair value, an impairment loss is recognized in the amount of the excess. The Organization uses a variety of methods to determine the fair value of its trademarks, including discounted cash flow analysis and market-based approaches, where applicable.

PLATOON 22, INC.

NOTES TO FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2024 AND 2023 (See independent accountant's review report)

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

Support:

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.

Donated items:

The Organization receives a variety of donated goods valued at fair value to be auctioned at their annual gala. These donated items are recorded as support and expenses in the financial statements.

Donated/promised use of facility:

The Organization leases a space at below market value to provide its services. The Organization records a contribution with donor restriction in the year of the contributed lease at its discounted fair value. Over the duration of the lease, the promise is reduced, the restriction is released, and the related expense is recorded in the financial statements.

Revenue recognition:

The Organization generates revenue partially 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 refunds for events.

PLATOON 22, INC.

NOTES TO FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2024 AND 2023 (See independent accountant's review report)

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

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, 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.

Functional expenses:

The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs are allocated among the programs and supporting services benefited.

Expenses are charged to program services, management and general and fundraising on the basis of actual invoices received. Management and general expenses are direct and allocated expenses which relate to the overall management of the Organization.

Certain expenses, such as personnel, occupancy and insurance have been allocated to each functional expense category based upon the estimated time and effort by management and the use of the occupied space.

Advertising:

Advertising costs are expensed as incurred.

Reclassifications:

Certain accounts in the prior year financial statements have been reclassified for comparative purposes to conform with the presentation in the current financial statements.

2. 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, 2024, the Organization had no amounts in excess of insured limits.

PLATOON 22, INC.

NOTES TO FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2024 AND 2023 (See independent accountant's review report)

3. Liquidity and availability of resources:

The following reflects the Organization's financial assets as of December 31, reduced by amounts not available for general use because of contractual or donor-imposed restrictions, within one year of December 31:

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 73,898	\$ 410,047
Restricted cash, debt service reserve	45,895	45,008
Unconditional promises to give, current	10,000	55,000
Vendor receivable	<u>-</u>	<u>20,780</u>
Financial assets due within one year, as of December 31	129,793	530,835
Unavailable for general expenditures within one year, due to:		
Contractual or donor-imposed restrictions:		
Restricted by donor with time or purpose restrictions	(10,000)	(60,883)
Restricted by loan agreement	<u>(45,895)</u>	<u>(45,008)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 73,898</u>	<u>\$ 424,944</u>

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. Mortgage payable:

In November 2023, the Organization financed the purchase of a multi-unit residential property in Hagerstown, Maryland. The mortgage bears interest at 8.89%, payable in monthly installments of \$3,617 through December 2028, with an estimated balloon payment of \$359,899 due at that time. The note is secured by the property and a \$45,000 debt service reserve account required to be maintained, which has been recorded as restricted cash on the statements of financial position. Mortgage payable totaled \$390,373 as of December 31, 2024, which consisted of the outstanding mortgage balance of \$394,036, less unamortized loan fees of \$3,663. The mortgage matures as follows for the years ending December 31:

2025	\$ 8,783
2026	9,597
2027	10,486
2028	<u>365,170</u>
	<u>\$ 394,036</u>

PLATOON 22, INC.

NOTES TO FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2024 AND 2023 (See independent accountant's review report)

5. Net assets with donor restrictions:

Net assets with donor restrictions were available for the following purposes as of December 31:

	<u>2024</u>	<u>2023</u>
Purpose restricted:		
Care coordination	\$ -	\$ 3,467
Relief and resiliency	-	2,416
	<u>-</u>	<u>5,883</u>
Time restricted, promised use of facility (Note 7)	<u>242,313</u>	<u>\$ 269,222</u>
Time and purpose restricted:		
Case management	30,000	40,000
Relief and resiliency	-	45,000
	<u>30,000</u>	<u>85,000</u>
Total net assets with donor restrictions	<u>\$ 272,313</u>	<u>\$ 360,105</u>

6. Unconditional promises to give:

The Organization occasionally receives unconditional promises to give over time to benefit the Organization. As of December 31, 2024, collections were expected pertaining to multi-year commitments as follows:

Receivable in less than one year	\$ 10,000
Receivable in one to five years	<u>20,000</u>
Unconditional promises to give	<u>\$ 30,000</u>

7. Promised use of facility:

A nearly ten-year lease was entered into in September 2022 with another nonprofit organization to sublease a space in the Veteran Services Center in Frederick, Maryland, for \$1 per month. The initial lease term is four years and ten months with an option to renew for an additional five years. In connection with this lease agreement, the Organization discounted the value of the nearly ten-year term of the lease and recorded a restricted contribution for the year ended December 31, 2022. For the years ended December 31, 2024 and 2023, occupancy expense of \$37,300 was recorded in connection with this lease agreement. Support recorded for the years ended December 31, 2024 and 2023 was \$10,391 and \$11,397, respectively.

PLATOON 22, INC.

NOTES TO FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2024 AND 2023 (See independent accountant's review report)

7. Promised use of facility (continued):

Promised use of facility was as follows as of December 31, 2024:

Receivable in:	
Less than one year	\$ 37,300
One to five years	186,500
More than five years	<u>59,058</u>
	282,858
Less unamortized discount to net present value	<u>40,545</u>
Net promised use of facility	<u><u>\$ 242,313</u></u>

The Organization began reimbursing 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.

8. Fair value measurements:

The Organization uses a framework for measuring fair value that prioritizes the inputs to valuation techniques used to measure fair value using a fair value hierarchy. The three levels of the fair value hierarchy are described as follows:

- Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.
- Level 2 - Inputs to the valuation methodology for assets and liabilities that have no active market in the same assets, but do have parallel markets or alternative means to estimate fair value using observable information inputs, such as the value placed on similar assets or liabilities that were recently traded or transferred between external entities (i.e., market participants).
- Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value:

Promised use of facility:

The income approach utilizes valuation techniques (the present value method, a Level 2 measurement) to convert future amounts to a single present amount (discounted). The measurement is based on the value indicated by current market expectations about those future amounts. The Organization discounted the value of their long-term donated lease and recorded a restricted contribution in the year the lease was signed. The Organization discounted the value of the lease by the discount interest rate for the United States on September 26, 2022, the start date of the lease, which was 3.88%. The value of the promised use of facility at December 31, 2024 and 2023 is \$242,313 and \$269,222, respectively.

PLATOON 22, INC.

NOTES TO FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2024 AND 2023 (See independent accountant's review report)

8. Fair value measurements (continued):

The preceding method described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

9. Gifts in-kind:

For the year ended December 31, 2024, gifts in-kind recognized within the statement of activities included:

		<u>Usage in programs/activities</u>	<u>Donor-imposed restrictions</u>	<u>Fair value techniques</u>
Sports/event tickets	\$ 1,500	Fundraising	Unrestricted	Estimated U.S. wholesale prices of identical or similar products using pricing data under a 'like-kind' methodology considering the goods condition and utility for use at the time of the contribution.
Food and beverages	1,800	Fundraising	Unrestricted	
Vacation packages	4,000	Fundraising	Unrestricted	
Miscellaneous auction items	<u>2,000</u>	Fundraising	Unrestricted	
	<u>\$ 9,300</u>			
Donated/promised use of facilities: Veteran Services Center	<u>\$ 10,391</u>	Allocated among all functions	Restricted for use to provide services to veterans	Determined in the year of the ten-year promised use of facility as the annual amortization of the discount on the promise over the life of the lease using the discount rate for the United States on the start date of the lease

For the year ended December 31, 2023, gifts in-kind recognized within the statement of activities included:

		<u>Usage in programs/activities</u>	<u>Donor-imposed restrictions</u>	<u>Fair value techniques</u>
Donated vehicle	\$ 30,000	Program	Unrestricted	Estimated U.S. wholesale prices of identical or similar products using pricing data under a 'like-kind' methodology considering the goods condition and utility for use at the time of the contribution.
Vacation packages	2,500	Fundraising	Unrestricted	
Miscellaneous auction items	<u>6,000</u>	Fundraising	Unrestricted	
	<u>\$ 38,500</u>			
Donated/promised use of facilities: Veteran Services Center	<u>\$ 11,397</u>	Allocated among all functions	Restricted for use to provide services to veterans	Determined in the year of the ten-year promised use of facility as the annual amortization of the discount on the promise over the life of the lease using the discount rate for the United States on the start date of the lease

PLATOON 22, INC.

NOTES TO FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2024 AND 2023 (See independent accountant's review report)

10. Operating lease income:

During 2024, the Organization began leasing units from their multi-unit residential property under the HUD-VASH program, which is a program providing subsidized housing under the Department of Veterans Affairs. Rent for each unit is \$950 per month. Lease terms are for 12 months, after which they convert to month-to-month leases. The Organization began leasing units in August 2024, though the property was not fully rented as of December 31, 2024. Lease income is recognized over the lease term and is included in rental income in the statements of activities. As the lessor, the Organization is responsible for all utilities, repairs and maintenance and capital improvements.

For the year ended December 31, 2024, the Organization recognized rental income of \$7,621 related to this property. The asset associated with the leased premises is included in land and building improvements on the statement of financial position, with a total net carrying value of \$707,155 as of December 31, 2024. Depreciation expense related to the leased asset was \$1,346 for the year ended December 31, 2024.

11. Subsequent events:

The lease relating to the promised use of facilities referenced in Note 7 was terminated by the lessor effective October 1, 2025. The Organization began leasing a new facility under a lease agreement effective October 1, 2025 for 12 months at \$3,000 per month.

In preparing the financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through November 24, 2025, the date the financial statements are available to be issued.