

FINANCIAL STATEMENTS

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ADOPTAPLATOON SOLDIER SUPPORT EFFORT, INC.**Statement of Financial Position****As of 12/31/2016****Assets**

Cash and cash equivalents	\$ 1,459,353
Accounts receivables	117,346
Prepaid	8,252
Inventories	329,864
Land, buildings and equipment, net	218,434

Total Assets2,133,249**Liabilities and Net Assets**

Accounts payable	14,833
Accrued expenses and other current liabilities	59,275

Total liabilities74,108**Net Assets**

Unrestricted	2,059,141
Temporarily restricted	
Permanently restricted	

Total Liabilities and Net Assets\$ 2,133,249

The accompanying notes are an integral part of these financial statements.

ADOPTAPLATOON SOLDIER SUPPORT EFFORT, INC.
Statement of Activities
For the Year Ended December 31, 2016

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenues, gains, and other support				
Program support- contributions	\$ 7,494,913	\$ -	\$ -	\$ 7,494,913
Interest income and miscellaneous	709			709
Total Revenues, Gains, and Other Support	7,495,622			7,495,622
Expenses				
Program services	4,809,474			4,809,474
Fundraising	2,746,981			2,746,981
Management and general	133,587			133,587
Total expenses	7,690,042			7,690,042
Change in net assets	(194,420)			(194,420)
Net assets at beginning of year	2,253,561			2,253,561
Net Assets at End of Year	\$ 2,059,141	\$ -	\$ -	\$ 2,059,141

The accompanying notes are an integral part of these financial statements.

ADOPTAPLATOON SOLDIER SUPPORT EFFORT, INC.
Statement of Functional Expense
For the Year Ended December 31, 2016

Description	Program Support	Management and General	Fundraising	Totals
Payroll				
Salaries and wages	\$ 435,275	\$ 34,476	\$ 15,577	\$ 485,328
Employee benefits				0
Payroll taxes	35,635	2,742	1,016	39,393
Total salaries-wages and related expenses	470,910	37,218	16,593	524,721
Troop support	2,330,541			2,330,541
Education	1,816,371			1,816,371
Fundraising			2,730,388	2,730,388
Office expenses		18,259		18,259
Professional and contractual services	28,750			28,750
Insurance	29,272			29,272
Computer services	41,630			41,630
Occupancy	66,469			66,469
Travel and conferences	14,472			14,472
Miscellaneous		78,110		78,110
Total expenses before depreciation	4,798,415	133,587	2,746,981	7,678,983
Depreciation	11,059			11,059
Total Expenses	\$ 4,809,474	\$ 133,587	\$ 2,746,981	\$ 7,690,042

The accompanying notes are an integral part of these financial statements.

ADOPTAPLATOON SOLDIER SUPPORT EFFORT, INC.
Statement of Cash Flows
For the Year Ended December 31, 2016

Cash flows form operating activities

Changes in net assets	\$ (194,420)
Adjustments to reconcile change in net assets to net cash provided by operating activities	
Depreciation and amortization	9,493
(Increase) decrease in:	
Accounts receivable	449,060
Inventories	122,931
Prepaid expenses	8,690
Increase (decrease) in:	
Accounts payable	(143,732)
Accrued expenses	(14,422)
Net cash (used) provided by operating activities	<u>237,600</u>

Cash flows from investing activities

Purchases of property and equipment	0
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Cash flows from financing activities

Net cash (used provided by financial activities)	<u> </u>
Net Increase (decrease) in cash and cash equivalents	237,600
Cash and cash equivalents, beginning of year	<u>1,221,753</u>
Cash and cash equivalents, end of year	<u>\$ 1,459,353</u>

ADOPTA PLATOON SOLDIER SUPPORT EFFORT, INC.

Notes to the Financial Statements

For the Year Ended December 31, 2016

Description of Organization

AdoptaPlatoon Solider Support Effort, Inc... (a not-for-profit organization) was organized in 1998, with the mission to serve United States military forces deployed all over the world, especially those service members in remote oversea areas, regardless of branch of service and to assist family members. A nonprofit 501 (c) (3) organization managed by a few employees and thousands of volunteers, (about 48,000), with its headquarters located in San Benito, Texas, and highly involved branch offices located in Indiana, Massachusetts, New Hampshire, and Ohio. The primary function of this organization is the sending of care packages to deployed troops overseas, with a secondary focus on assisting military families. The organization has a large database linking service members with families and individuals that send support and correspondence to service members.

General and administrative activities include the functions necessary to provide support of the organization's program activities, including, not limited to, governance (Board of Directors), oversight, business management, financial recordkeeping, budgeting, legal services, human resource management, and similar activities that ensure an adequate working environment and an equitable employment program.

Fundraising activities include publicizing and conducting fundraising campaign; maintaining donor lists; conducting special fundraising events; and other activities involved with soliciting contributions from corporations, foundations, individuals, and others.

Significant Accounting Policies

The organization prepares its financial statements in accordance with generally accepted accounting principles promulgated in the United States of America (US GAAP) for Non-for-profit entities. The significant accounting and reporting policies used by the organization are described subsequently to enhance the usefulness and understandability of the financial statements.

Use of estimates The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses during the reporting period and the reported amounts of assets and liabilities at the date of the financial statements. On an ongoing basis, the organization's management evaluates the estimates and assumptions based on historical experience and various other factors and circumstances. The organization's management believes that the estimates and assumptions are reasonable in the circumstances; however, the actual results could differ from those estimates.

Net Assets

The financial statements report net assets and changes to net assets in three classes that are based upon the existence or absence of restrictions on use that are placed by its donors, as follows:

ADOPTAPLATOON SOLDIER SUPPORT EFFORT, INC.

Notes to the Financial Statements

For the Year Ended December 31, 2016

Unrestricted Net Assets - *Unrestricted* net assets are resources available to support operations. The only limits on the use on unrestricted net assets are the board limits resulting for the nature of the organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

Temporarily Restricted Net Assets – Temporarily restricted net assets are resources that are restricted by a donor for use for a particular purpose or in a particular future period. The organization's unspent contributions are classified in this class if the donor limited their use, as are the unspent appreciation of its donor-restricted endowment funds.

When a donor's restrictions is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from temporarily restricted to unrestricted net assets. Net assets restricted for acquisition of buildings or equipment (or less commonly, the contribution of those assets directly) are reported as temporarily restricted until the specified asset is placed in service by the organization, unless the donor provides more specific directions about the period of its use.

Permanently Restricted Net Assets – Permanently restricted net assets are resources whose use by the organization is limited by donor-imposed restrictions that neither expires by being used in accordance with a donor's restriction nor by the passage of time. The portion of the organization's donor-restricted endowment funds that must be maintained in perpetuity are classified in this net asset class, as is the organization's beneficial interest in a perpetual charitable trust held by a bank trustee.

All revenues and net gains are reported as increases in unrestricted net assets in the statement of activities unless the use of the related resources is subject to temporary or permanent donor restrictions. All expenses and net losses other than losses on endowment investments are reported as decreases in unrestricted net assets. Net losses on endowment investments reduce temporarily restricted net assets to the extent that net gains of the fund from prior years are unspent and classified there; remaining losses are classified as decreases in unrestricted net assets. If an endowment fund has no net gains from prior years, such as when a fund is newly established, net losses are classified as decreases in unrestricted net assets.

Cash Equivalents – Cash equivalents are short-term, interest bearing, highly liquid investments with original maturities of three months or less, unless the investments are held for meeting restrictions of a capital or endowment nature.

Accounts Receivable – Accounts receivables are primarily unsecured non-interest-bearing amounts due from grantors on cost reimbursement or performance grants. Management believes that all outstanding accounts receivable are collectible in full, therefore no allowance for uncollectible receivable has been provided.

Inventory – A major objective of accounting for inventories is the proper determination of income through the process of matching appropriate costs against revenues. The organization implements a purchase order system and conducts periodical monthly physical inventories, which provides the

ADOPTAPLATOON SOLDIER SUPPORT EFFORT, INC.
Notes to the Financial Statements
For the Year Ended December 31, 2016

necessary adjustment of the inventory and expense accounts. The average cost method is used for valuations.

Short Term Investments – The organization invests cash in excess of its immediate needs in money market funds and U.S. Government and Government Agency issues. Short term investments are reported at fair value. The fair value of money market fund units is determined by the published net asset value per unit at the end of the last trading day of the year. The fair value for investments in U.S. Government and Government Agency issues is determined by the closing bid price on the last business day of the fiscal year. As of December 31, 2016, the organization had no short-term investments

Contributions Receivable – Contribution receivable are unconditional promises to give that are recognized as contributions when the promise is received. Contributions receivable that are expected to be collected in less than one year are recorded at net realized value. Contribution receivable that are expected to be collected in more than one year are recorded at fair value at the date of promise. No contribution receivables were recognized in the financial statements in the current period.

Land, Buildings and Equipment – Land, buildings and equipment are reported in the statement of financial position at cost, if purchased, and at fair value at the date of donation, if donated. All land and buildings are capitalized. Equipment is capitalizes if it has a cost of \$2,500.00 or more and a useful life when acquired of more than one year. Repairs and maintenance that do not significantly increase the useful life of the asset are expensed as incurred. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, as follow:

Buildings and improvements	40 years
Leasehold improvements	20 years or remaining lease Term, if shorter
Equipment	5 to 10 years
Equipment used under capital lease	5 to 7 years

Land, buildings and equipment are reviewed for impairment when a significant change in the asset's use or another indicator or possible impairment is present. No impairment losses were recognized in the financial statements in the current period.

Accounting for Contributions – Contributions, including unconditional promises to give, are recognized when received. All contributions are reported as increases in unrestricted net assets unless use of the contributed asset is specially restricted by the donor. Amounts received that are restricted by the donor to use in future periods or for specific purposes are reported as increases in either temporarily restricted or permanently restricted net assets. All contributions received were unrestricted and reported as increases to unrestricted net assets.

Expense Recognition and Allocation - The cost of providing the organization's programs and other activities is summarized on a functional basis in the statement of activities and statement of functional expenses. Expenses that can be identified with a specific program or support service are charged directly to that program or support service. Costs common to multiple functions have been allocated among the various functions benefited.