

Financial Statements

**Adopt a Platoon
Soldier Support Effort, Inc.**

December 31, 2018

Adopt a Platoon Soldier Support Effort, Inc.
Statements of Financial Position
December 31, 2018 and 2017

	<u>ASSETS</u>	
	<u>2018</u>	<u>2017</u>
CURRENT ASSETS		
Cash	\$ 1,526,150	\$ 1,532,663
Accounts receivable	-	-
Inventory	640,704	476,439
Prepaid expenses	<u>197,867</u>	<u>270,029</u>
Total current assets	<u>2,364,721</u>	<u>2,279,131</u>
PROPERTY & EQUIPMENT		
Land	30,000	30,000
Buildings & improvements	250,075	212,275
Vehicles	31,391	40,442
Furniture & equipment	<u>45,630</u>	<u>40,910</u>
	357,096	323,627
Less: accumulated depreciation	<u>(91,296)</u>	<u>(93,800)</u>
Net property & equipment	<u>265,800</u>	<u>229,827</u>
OTHER ASSETS		
	<u>-</u>	<u>-</u>
Total assets	<u>\$ 2,630,521</u>	<u>\$ 2,508,958</u>

See independent auditor's report and notes to the financial statements.

Adopt a Platoon Soldier Support Effort, Inc.
Statements of Financial Position
December 31, 2018 and 2017

	<u>LIABILITIES AND NET ASSETS</u>	
	<u>2018</u>	<u>2017</u>
CURRENT LIABILITIES		
Accounts payable & accrued expenses	\$ 497,997	\$ 296,575
Total Current Liabilities	<u>497,997</u>	<u>296,575</u>
Total Liabilities	<u>497,997</u>	<u>296,575</u>
NET ASSETS		
Without donor restrictions	2,132,524	2,212,383
With donor restrictions	<u>-</u>	<u>-</u>
Total Net Assets	<u>2,132,524</u>	<u>2,212,383</u>
Total Liabilities and Net Assets	<u>\$ 2,630,521</u>	<u>\$ 2,508,958</u>

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Adopt a Platoon Soldier Support Effort, Inc.
Statements of Activities
For the Year Ended, December 31, 2018 with Comparative
Totals for the Year Ended, December 31, 2017

	Without Donor Restrictions	With Donor Restrictions	Total	
			2018	2017
PUBLIC SUPPORT				
Donations	\$ 6,563,705	\$ -	\$ 6,563,705	\$ 7,331,972
	<u>6,563,705</u>	<u>-</u>	<u>6,563,705</u>	<u>7,331,972</u>
REVENUE				
Royalty list	104,176	-	104,176	103,876
Interest & misc.	25,597	-	25,597	14,402
	<u>129,773</u>	<u>-</u>	<u>129,773</u>	<u>118,278</u>
Total support and net revenue	<u>6,693,478</u>	<u>-</u>	<u>6,693,478</u>	<u>7,450,250</u>
EXPENSES				
Program services				
Troop support	5,631,889	-	5,631,889	4,033,731
Support Services				
Management	115,004	-	115,004	62,686
Fundraising	1,026,444	-	1,026,444	2,908,587
Total expenses	<u>6,773,337</u>	<u>-</u>	<u>6,773,337</u>	<u>7,005,004</u>
Changes in Net Assets	(79,859)	-	(79,859)	445,246
Net assets - beginning of year	<u>2,212,383</u>	<u>-</u>	<u>2,212,383</u>	<u>1,767,137</u>
Net assets - end of year	<u>\$ 2,132,524</u>	<u>\$ -</u>	<u>\$ 2,132,524</u>	<u>\$ 2,212,383</u>

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Adopt a Platoon Soldier Support Effort, Inc.
Statements of Functional Expenses
For the Year Ended, December 31, 2018 with Comparative
Totals for the Year Ended, December 31, 2017

	Program Services	Support Services		Total	
	Troop Support	Management & General	Fundraising	2018	2017
Advertising	\$ 1,130	\$ -	\$ -	\$ 1,130	\$ 2,200
Agency fee	-	-	67,713	67,713	305,094
Back-end premiums	-	-	19,667	19,667	98,521
Bank & finance charges	1,564	-	30,551	32,115	34,028
Computer services	45,780	-	-	45,780	49,047
Conferences & travel	4,227	-	-	4,227	6,910
Calls for action	3,624,376	925	-	3,625,301	1,896,236
Depreciation	15,961	-	-	15,961	10,760
Dues & registration	380	-	-	380	13,895
Troop support	1,368,419	-	-	1,368,419	1,420,400
Front-end premiums	-	-	17,680	17,680	-
Fulfillment	-	-	16,045	16,045	31,455
Insurance	6,997	-	-	6,997	26,864
Legal & accounting	30,318	-	34,075	64,393	178,103
Mail list management	-	-	52,890	52,890	170,105
Meals & lodging	1,713	-	-	1,713	329
Miscellaneous	24,977	-	11,208	36,185	44,030
Occupancy	76,113	-	-	76,113	58,860
Office supplies & expense	17,265	-	-	17,265	11,818
Postage & shipping	-	2,289	381,522	383,811	1,777,960
Printing & production costs	-	-	395,093	395,093	310,392
Repairs & maintenance	32,399	-	-	32,399	4,868
Salaries & wages	348,176	103,846	-	452,022	484,718
Taxes	32,095	7,944	-	40,038	68,411
Total Functional Expenses	\$ 5,631,889	\$ 115,004	\$ 1,026,444	\$ 6,773,337	\$ 7,005,004

See independent auditor's report and notes to the financial statements.

Adopt a Platoon Soldier Support Effort, Inc.
Statements of Cash Flows
For the Year Ended, December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (79,859)	\$ 445,246
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities		
Depreciation	15,961	(10,760)
Net Change in:		
Accounts receivable	-	92,266
Inventory	(164,265)	(146,575)
Prepaid expenses	72,162	(261,777)
Accounts payable and accrued expenses	201,422	6,669
Total adjustments	<u>125,280</u>	<u>(320,177)</u>
Net Cash Provided (Used) by Operating Activities	<u>45,421</u>	<u>125,069</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property & equipment	<u>(51,934)</u>	<u>(471)</u>
Net Cash Provided (Used) by Investing Activities	<u>(51,934)</u>	<u>(471)</u>
CASH FLOWS FROM FINANCING ACTIVITIES	<u>-</u>	<u>-</u>
Net Cash Provided (Used) by Financing Activities	<u>-</u>	<u>-</u>
NET INCREASE (DECREASE) IN CASH	(6,513)	124,598
CASH AT BEGINNING OF YEAR	<u>1,532,663</u>	<u>1,408,065</u>
CASH AT END OF YEAR	<u>\$ 1,526,150</u>	<u>\$ 1,532,663</u>

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Adopt a Platoon Soldier Support Effort, Inc.
Statements of Cash Flows
For the Year Ended, December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
SCHEDULE OF NON-CASH INVESTING AND FINANCING TRANSACTIONS		
Acquisition of equipment	\$ 51,934	\$ 471
Less: equipment loans	<u>-</u>	<u>-</u>
Cash Used for Acquisition of Equipment	<u>\$ 51,934</u>	<u>\$ 471</u>

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

Cash Paid During the Year for:

Interest

\$ -

\$ -

See independent auditor's report and notes to the financial statements.

Adopt A Platoon Soldier Support Effort, Inc.
Notes to Financial Statements
For the Years ended, December 31, 2018 and 2017

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NATURE OF ACTIVITIES

Adopt A Platoon (the Organization) is a non-profit organization, founded in 1998, and is dedicated to improving quality of life and raising morale for deployed military forces by providing on-going care packages. The Organization's main support is from donations from the general public and direct-mail donor contributions.

BASIS OF PRESENTATION

The accompanying financial statements are presented on the accrual basis of accounting, and in accordance with FASB ASC 958, *Not-for-Profit Entities*.

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended, December 31, 2017, from which summarized information was derived.

CONTRIBUTIONS

Contributions received are recorded as with, or without donor restrictions depending on the nature and existence of donor restrictions.

CASH AND CASH EQUIVALENTS

For purposes of the statement of cash flows, the Organization considers all highly-liquid debt instruments purchased with original maturities of three months or less to be cash equivalents.

PROPERTY AND EQUIPMENT

Property and equipment are capitalized when the total purchase price exceeds \$500 and are carried at cost, less accumulated depreciation. Depreciation is provided using the straight-line method based upon the estimated useful lives of the asset. Furniture, fixtures, equipment and vehicles are depreciated over 5-7 years. Buildings and leasehold improvements are depreciated using the straight-line method over 39 years.

INCOME TAXES

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation.

Adopt A Platoon Soldier Support Effort, Inc.
Notes to Financial Statements
For the Years ended, December 31, 2018 and 2017

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

INCOME TAXES (continued)

The Organization's forms 990, *Return of Organization Exempt from Income Tax*, for the years 2015, 2016 and 2017 are subject to examination by the IRS, generally for three years after they were filed.

COSTS OF JOINT ACTIVITIES

FASB ASC 958-720-50-2, "*Accounting for Costs of Activities That Include Fund Raising*", establishes accounting standards for recording costs associated with joint activities (activities which are part fundraising and have elements of one or more other functions, such as program or general and administrative). The pronouncement requires that the criteria of purpose, audience and content be met in order to allocate any portion of the costs of joint activities to a functional area other than fundraising.

SHIPPING COSTS

The Organization includes shipping costs in program services. Total shipping costs for the years ended, December 31, 2018 and 2017, were \$ 611,555 and \$ 578,403 respectively.

ADVERTISING

Advertising costs are expensed as incurred. Advertising expense for the years ended, December 31, 2018 and 2017, were \$ 1,130 and \$ 2,200, respectively.

ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

COMPENSATED ABSENCES

Vacation, personal, and sick pay are considered expenditures in the year paid, and do not carry over from year to year. Therefore, there are no accrued liabilities for compensated absences.

RECLASSIFICATIONS

Certain prior year amounts have been reclassified to conform with the current year presentation.

Adopt A Platoon Soldier Support Effort, Inc.
Notes to Financial Statements
For the Years ended, December 31, 2018 and 2017

B. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

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

	<u>2018</u>	<u>2017</u>
Financial assets at year-end	\$ 1,526,150	\$ 1,563,995
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,526,150</u>	<u>\$ 1,563,995</u>

C. INVENTORY

Inventory is stated at cost and consists of the following:

	<u>2018</u>	<u>2017</u>
Marketing Materials	\$ 168,058	\$ 9,126
Troop Support	472,645	467,313
	<u>\$ 640,704</u>	<u>\$ 476,439</u>

C. ALLOCATION OF JOINT ACTIVITIES

During the years ended, December 31, 2018 and 2017, the Organization incurred joint costs of approximately \$4,627,178 and \$4,805,739 respectively, for printing, postage and related costs primarily related to fundraising appeals. Pursuant to FASB ASC 958-720-50-2, these costs were allocated to the functional areas as follows:

	<u>2018</u>	<u>2017</u>
Program Services	\$ 3,624,376	1,896,236
Fund Raising	1,001,877	2,908,587
Management	925	916
	<u>\$ 4,627,178</u>	<u>\$ 4,805,739</u>

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Notes to Financial Statements
For the Years ended, December 31, 2018 and 2017

D. CONTINGENCY

The Organization maintains cash balances at various financial institutions. Cash balances are insured by the Federal Deposit Insurance Corporation up to \$250,000 per depositor per insured financial institution. Amounts in excess of insured limits at December 31, 2018 and 2017, were \$294,982 and \$-0-, respectively.

E. CONCENTRATIONS

Approximately 98% of the Organization's revenue is derived from the fundraising efforts of a professional fundraising company. In the event the professional fundraiser no longer performed services for the Organization, the current level of the Organization's operations and services would be negatively impacted. At December 31, 2018, there is no provision in the financial statements for such an event as a reasonable estimate cannot be made and no losses are anticipated.

F. RELATED PARTY TRANSACTIONS

Troop Support

During the year, the Organization purchased troop food and supplies from a local retail supermarket which is owned by one of the Organization's board members. Total purchases for the year were \$874,342.

Rent Expense

The Organization leases office space from property owned by the executive director, under a month-to-month operating lease. The total rent paid for the year ended, December 31, 2018, was \$10,800.

G. SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through July 19, 2019, the date which the financial statements were available to be issued.