

Captain Planet Foundation, Inc.

Audit of Financial Statements

June 30, 2018 and 2017

## **Independent Auditor's Report**

To the Board of Trustees  
Captain Planet Foundation, Inc.

I have audited the accompanying financial statements of Captain Planet Foundation, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2018 and 2017, and the related statements of activities, functional expenses, cash flows and the related notes to the financial statements for the year ended June 30, 2018. The prior year comparative information has been derived from the Organization's financial statements for the year ended June 30, 2017 and in my report dated December 12, 2017, I expressed an unqualified opinion thereon.

## **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.

## **Auditor's Responsibility**

My responsibility is to express an opinion on these financial statements based on my audits. I conducted my audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control, accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

## **Opinion**

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Captain Planet Foundation, Inc. as of June 30, 2018 and 2017 and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*J. Lunsford CPA*

October 5, 2018



# CAPTAIN<sup>TM</sup> PLANET FOUNDATION

## Statement of Financial Position

At June 30, 2018 and 2017

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

	<u>6/30/2018</u>	<u>6/30/2017</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 749,798	\$ 703,396
Cash restricted (Fiscal Sponsorship)	20,706	11,585
Grants and other receivables	79,696	1,116
Property and equipment - net of accumulated depreciation	<u>3,148</u>	<u>3,865</u>
<b>Total Assets</b>	<b><u>\$ 853,348</u></b>	<b><u>\$ 719,962</u></b>
<b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
Accrued expense	\$ 55,560	\$ -
Unearned revenue	<u>75,000</u>	<u>-</u>
<b>Total Liabilities</b>	<b><u>130,560</u></b>	<b><u>-</u></b>
<b>Net Assets</b>		
Temporarily restricted	20,706	11,585
Unrestricted	<u>702,082</u>	<u>708,377</u>
<b>Total Net Assets</b>	<b><u>722,788</u></b>	<b><u>719,962</u></b>
<b>Total Liabilities and Net Assets</b>	<b><u>\$ 853,348</u></b>	<b><u>\$ 719,962</u></b>



# CAPTAIN PLANET<sup>TM</sup> FOUNDATION

## Statement of Activities & Changes in Net Assets For the Year Ended June 30, 2018 with Comparative Information for June 30, 2017

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

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>	<u>6/30/2017</u>
<b>Revenues and Gains:</b>				
Gifts - educational initiatives	\$ 854,994	\$ -	\$ 854,994	\$ 633,246
Gala & special events - net of \$218,948 in direct expenses	515,183		515,183	467,347
Fiscal sponsor	-	26,606	26,606	28,852
Gifts and grants - foundations	107,255	-	107,255	165,250
Government financial assistance	7,935	-	7,935	91,000
Donations	22,877	-	22,877	16,215
Gifts and grants - corporations	53,500	-	53,500	35,000
Gifts and grants - individuals	11,311	-	11,311	8,147
Donated services & materials	496,500	-	496,500	546,950
Gain on sale of asset	-	-	-	-
Investment income	1,158	-	1,158	239
Merchandise sales	20	-	20	145
Net assets released from restrictions	17,485	(17,485)	-	-
<b>Total Revenues and Gains</b>	<b>2,088,218</b>	<b>9,121</b>	<b>2,097,339</b>	<b>1,992,391</b>
<b>Expenses:</b>				
Program services	1,669,966	-	1,669,966	1,420,706
Management and general	328,309	-	328,309	366,045
Fundraising	96,238	-	96,238	151,993
<b>Total Expenses</b>	<b>2,094,513</b>	<b>-</b>	<b>2,094,513</b>	<b>1,938,744</b>
<b>Changes in Net Assets</b>	<b>(6,295)</b>	<b>9,121</b>	<b>2,826</b>	<b>53,647</b>
Net Assets at the Beginning of the Year	708,377	11,585	719,962	666,315
<b>Net Assets at the End of the Year</b>	<b>\$ 702,082</b>	<b>\$ 20,706</b>	<b>\$ 722,788</b>	<b>\$ 719,962</b>



# CAPTAIN<sup>TM</sup> PLANET FOUNDATION

## Statement of Functional Expense For the Year Ended June 30, 2018 with Comparative Information for June 30, 2017

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

	Program Services	Management & General	Fundraising	Total	6/30/2017
Bank charges	\$ 1	\$ 518	\$ 10,064	\$ 10,583	\$ 13,824
Conferences & meetings	12,937	963	135	14,035	11,742
Depreciation	886	755	-	1,641	3,403
Donated services	294,623	201,877	-	496,500	546,950
Dues & subscriptions	1,098	55	160	1,313	225
Fiscal sponsor expense	18,348	137	-	18,485	72,182
Grants to organizations	830,878	-	-	830,878	602,751
Insurance	-	85,095	-	85,095	79,963
Meals & entertainment	854	122	-	976	407
Office maintenance & supplies	2,741	2,561	56	5,358	5,662
Postage & courier	-	360	-	360	575
Printing & duplicating	-	586	-	586	381
Professional fees	-	6,289	-	6,289	5,572
Promotion	14,629	-	-	14,629	21,957
Return of Grant Funds	91,000	-	-	91,000	-
Salaries and payroll tax	354,952	26,849	82,252	464,053	491,841
Technology fees	25,395	657	633	26,685	47,531
Temporary help	17,949	-	-	17,949	13,149
Training/development	-	-	-	-	320
Travel & parking	2,925	1,485	1,838	6,248	17,834
Utilities & telephone	750	-	1,100	1,850	2,475
	<b>\$ 1,669,966</b>	<b>\$ 328,309</b>	<b>\$ 96,238</b>	<b>\$ 2,094,513</b>	<b>\$ 1,938,744</b>



# CAPTAIN<sup>TM</sup> PLANET FOUNDATION

## Statement of Cash Flows For the Years Ended June 30, 2018 and 2017

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

	<u>6/30/2018</u>	<u>6/30/2017</u>
<b>Cash Flows From Operating Activities</b>		
Change in net assets	\$ 2,826	\$ 53,647
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	2,937	4,699
Gain on sale of asset	-	-
Change in grants and other receivables	(81,856)	23,934
Change in prepaid expense	-	-
Change in accrued expenses	58,833	-
Change in unearned revenue	75,000	(147,250)
<b>Net Cash Provided by Operating Activities</b>	<b><u>\$ 57,740</u></b>	<b><u>\$ (64,970)</u></b>
<b>Cash Flows From Investing Activities</b>		
Purchase of property and equipment	\$ (2,219)	\$ (537)
Proceeds from sale of property and equipment	-	-
<b>Net Cash Provided (Used) in Investing Activities</b>	<b><u>\$ (2,219)</u></b>	<b><u>\$ (537)</u></b>
Net Increase in Cash & Cash Equivalents	55,521	(65,507)
Cash & Cash Equivalents at Beginning of the Year	714,981	780,488
<b>Cash &amp; Cash Equivalents at End of the Year</b>	<b><u>\$ 770,502</u></b>	<b><u>\$ 714,981</u></b>





# **CAPTAIN PLANET<sup>TM</sup>**

## **FOUNDATION**

### **Notes to the Financial Statements**

**For the Years Ended June 30, 2018 and 2017**

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#### **Organization and Nature of Activities**

The mission of the Captain Planet Foundation, Inc. is to fund and support hands-on, environmental projects for children and youth. Their objective is to encourage innovative programs that empower children and youth around the world to work individually and collectively to solve environmental problems in their neighborhoods and communities. Through environmental education, Captain Planet Foundation, Inc. believes that children can achieve a better understanding and appreciation for the world in which they live.

#### **Summary of Significant Accounting Policies**

##### ***Revenue Recognition***

The Foundation considers all gifts of cash and other assets to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a temporary restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. The Foundation had no permanently restricted net assets for the years ended June 30, 2018 & 2017.

##### ***Financial Statement Presentation***

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with the accounting principles generally accepted in the United States of America. 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 CPF's financial statements for the year ended June 30, 2017, from which the summarized information was derived.

##### ***Functional Expenses***

The costs of providing the various programs and events are shown on the statement of activities under expenses. Accordingly, certain costs, as shown on the statement of functional expenses have been allocated among the programs and events benefited. Management charges costs related directly to programs conducted by The Foundation directly to those programs. Management reviews other indirect costs required to run the programs or events and allocates the appropriate share of these costs accordingly.

##### ***Estimates***

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of management's estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.



# CAPTAIN<sup>TM</sup> PLANET FOUNDATION

## Notes to the Financial Statements For the Years Ended June 30, 2018 and 2017

### Summary of Significant Accounting Policies - continued

#### ***Cash and Cash Equivalents***

For purposes of the financial statements, the Foundation considers all highly liquid investments in marketable equity securities and fixed income funds to be cash equivalents.

#### ***Income Taxes***

The Foundation is a not-for-profit organization that is exempt from income taxes under section 501(C)(3) of the Internal Revenue Code.

#### ***Public Support and Revenue***

CPF depends heavily on contributions and grants for its public support. The ability of some of CPF's contributors and grantors to continue giving amounts comparable with prior years may be dependent upon current and future overall economic conditions and the continued deductibility for income tax purposes of contributions and grants to CPF.

Contributions of donated noncash assets are recorded at their estimated fair values in the period received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. These services are recorded at their estimated fair values in the period received.

#### ***Property and Equipment***

CPF capitalizes all expenditures for property and equipment. Property and equipment are recorded at cost or fair value for contributed property and equipment and depreciated over the estimated useful lives of three to seven using the straight-line method. Depreciation expense for the years ended June 30, 2018 and 2017 amounted to \$2,937 and \$4,699 respectively.

Property and equipment consists of the following:

	<b>2018</b>	<b>2017</b>
Furniture, Fixtures & Equipment	\$ 44,969	\$ 44,207
Computer Hardware	33,635	32,178
Computer Software	25,561	25,561
<b>Total</b>	<b>104,165</b>	<b>101,946</b>
Less Accumulated Depreciation	(101,017)	(98,081)
<b>Net Property and Equipment</b>	<b>\$ 3,148</b>	<b>\$ 3,865</b>





# **CAPTAIN<sup>TM</sup> PLANET FOUNDATION**

## **Notes to the Financial Statements** **For the Years Ended June 30, 2018 and 2017**

### **Concentration of Credit Risk for Cash**

From time to time during the years ended June 30, 2018 and 2017 CPF held cash balances in FDIC insured banks and money market accounts with brokerage houses that exceeded those institutions FDIC insurance limits. CPF has not experienced any losses in such accounts and does not believe that it is exposed to any significant credit risk on cash

### **Fair Value Measurements**

The Foundation reports its fair value measures using a three-level hierarchy that prioritizes the inputs used to measure fair value. This hierarchy, established by GAAP, requires that entities maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The three levels of inputs used are

Level 1 - Quoted prices for identical assets or liabilities in active markets at the measurement date.

Level 2 - Inputs other than quoted market prices that are observable either directly or indirectly.

Level 2 inputs include:

- quoted prices for similar assets or liabilities in active markets
- quoted prices for identical or similar assets in markets that are not active
- observable inputs other than quoted prices such as interest rates and yield curves; and
- inputs derived or corroborated by observable market data by correlation or by other means.

Level 3 - Unobservable inputs. Used to the extent that observable inputs are unavailable.

When available, The Foundation measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. However, Level 1 inputs are not available for all of the assets and liabilities that the Foundation may be required to measure (for example, in-kind contributions). The primary use of fair value measures in these financial statements are in the recurring measurement of donated services.

### **Related Party Transactions**

Certain Foundation board members were also board members of grantor organizations for the period presented. During the years ended June 30, 2018 and 2017 the Foundation received \$318,359 and \$449,123, respectively in grants from these organizations.

### **Grants and Other Receivables**

CPF considers all grant and accounts receivable to be collectible and, accordingly, has not recorded a reserve for uncollectible accounts.

### **Commitments, Contingencies and Subsequent Events**

Certain grants and contracts often require the fulfillment of certain conditions as set forth in the instrument or agreement. Failure to fulfill the conditions could result in the return of funds to the grantors. Although the return of funds is a possibility, management of CPF deems the contingency to be unlikely. The grants and contracts are subject to audit by the grantor and the grantor has the authority to determine liabilities or limits or suspend participation in the various programs.



# CAPTAIN<sup>TM</sup> PLANET FOUNDATION

## Notes to the Financial Statements For the Years Ended June 30, 2018 and 2017

### Commitments, Contingencies and Subsequent Events - continued

CPF has evaluated subsequent events through October 5, 2018 which is the date the financial statements were prepared. No subsequent events were identified that required adjustment to or disclosure within the financial statements.

### Uncertain Tax Positions

CPF has adopted the recognition requirements for uncertain income tax positions as required by generally accepted accounting principles, with no cumulative effect adjustment required. Income tax benefits are recognized for income tax positions taken or expected to be taken in a tax return, only when it is determined that the income tax position will more-than-likely-than-not be sustained upon examination by taxing authorities. CPF has analyzed tax positions taken for filing with the Internal Revenue Service and all state tax jurisdictions where it operates. CPF believes that the income tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse affect on the CPF's financial condition, results of operations or cash flows. Accordingly, CPF has not recorded any reserves, or related accruals for interest and penalties for uncertain income tax positions at June 30, 2018.

### Fiscal Sponsorships

On February 1, 2015 CPF entered into two Fiscal Sponsor Agreements with Seed Life Skills and I am EcoWarrior Foundation (Fiscal Partners) both of which are unincorporated nonprofits. The purpose of the agreements was for CPF to act as the fiscal agent for both Fiscal Partners by receiving assets and incurring liabilities identified for the purposes of the Fiscal Partners and administering them to pursue those purposes, which will further CPF's charitable and educational goals. The Fiscal Partners agreed to operate its charitable and educational activities, program activities, and grant-making subject to CPF's administration, discretion and control.

The Fiscal Partners have agreed to work with their legal representatives to prepare an application for 501(c)(3) tax exemption. CPF agreed to serve as fiscal sponsor for the Fiscal Partners for a period of up to two years from February 1, 2015. The Fiscal Sponsor Agreement expired on February 1, 2017 and CPF has agreed to continue as Fiscal Sponsor under the same terms as specified in the agreement dated February 1, 2015.

### Temporarily Restricted Net Assets

Temporarily restricted net assets consisted of the following at June 30, 2018 and 2017:

<u>Purpose</u>	<u>2018</u>	<u>2017</u>
Seed Life Skills	\$ 15,681	\$ 3,815
I am EcoWarrior Foundation	5,025	7,770
<b>Total</b>	<b>\$ 20,706</b>	<b>\$ 11,585</b>

**END OF FOOTNOTES**