

Missouri State Highway Patrol Benevolent Fund, Inc.  
Poplar Bluff, Missouri  
September 30, 2015 and 2014

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**KRAFT, MILES & TATUM, LLC**  
CERTIFIED PUBLIC ACCOUNTANTS

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**INDEPENDENT ACCOUNTANT'S REVIEW REPORT**

To the Board of Directors  
Missouri State Highway Patrol Benevolent Fund, Inc.  
Poplar Bluff, Missouri

We have reviewed the accompanying statements of financial position - modified cash basis of the Missouri State Highway Patrol Benevolent Fund, Inc., (a not-for-profit organization) as of September 30, 2015 and 2014, the related statements of activities - modified cash basis and statements of functional expenses - modified cash basis for the years then ended. 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 is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis of accounting and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements for them to be in conformity with the modified cash basis of accounting, as described in Note 1.

*Kraft, Miles & Tatum, LLC*  
Certified Public Accountants  
November 12, 2015

Missouri State Highway Patrol Benevolent Fund, Inc.  
 Statements of Financial Position - Modified Cash Basis  
 September 30, 2015 and 2014

<u>ASSETS</u>	<u>2015</u>	<u>2014</u>
Cash	\$ 116,035	16,505
Certificates of deposit (Note 3)	494,015	1,074,381
Investments (Note 4)	<u>859,704</u>	<u>260,162</u>
Total assets	<u>\$ 1,469,754</u>	<u>1,351,048</u>
 <u>NET ASSETS</u>		
Unrestricted net assets	<u>\$ 1,469,754</u>	<u>1,351,048</u>
Total net assets	<u>\$ 1,469,754</u>	<u>1,351,048</u>

See accompanying notes and independent accountant's review report.

Missouri State Highway Patrol Benevolent Fund, Inc.  
 Statements of Activities - Modified Cash Basis  
 For the Year Ended September 30, 2015

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Revenues and gains:				
Dues and donations	\$ 230,744	-	-	230,744
Interest and dividend income	20,812	-	-	20,812
Realized gain on investment	4,484	-	-	4,484
Other income	13,673	-	-	13,673
	<u>269,713</u>	<u>-</u>	<u>-</u>	<u>269,713</u>
Expenses and losses:				
Benefits paid	18,640	-	-	18,640
Meeting expense	6,951	-	-	6,951
Office supplies and postage	7,997	-	-	7,997
Payroll expense	31,557	-	-	31,557
Professional fees	800	-	-	800
Investment fees	6,141	-	-	6,141
Cost of logo items	4,338	-	-	4,338
Fundraising expense	69	-	-	69
Unrealized loss on investment	68,685	-	-	68,685
Insurance	2,351	-	-	2,351
Miscellaneous	3,478	-	-	3,478
	<u>151,007</u>	<u>-</u>	<u>-</u>	<u>151,007</u>
Change in net assets	118,706	-	-	118,706
Net assets at beginning of year	<u>1,351,048</u>	<u>-</u>	<u>-</u>	<u>1,351,048</u>
Net assets at end of year	<u>\$1,469,754</u>	<u>-</u>	<u>-</u>	<u>1,469,754</u>

See accompanying notes and independent accountant's review report.

Missouri State Highway Patrol Benevolent Fund, Inc.  
 Statements of Activities - Modified Cash Basis  
 For the Year Ended September 30, 2014

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Revenues and gains:				
Dues and donations	\$ 214,449	-	-	214,449
Interest and dividend income	15,868	-	-	15,868
Realized gain on investment	1,132	-	-	1,132
Unrealized gain on investment	10,246	-	-	10,246
Other income	15,315	-	-	15,315
	<u>257,010</u>	<u>-</u>	<u>-</u>	<u>257,010</u>
Expenses and losses:				
Benefits paid	6,000	-	-	6,000
Meeting expense	11,121	-	-	11,121
Office supplies and postage	8,026	-	-	8,026
Payroll expense	29,362	-	-	29,362
Professional fees	800	-	-	800
Investment fees	1,928	-	-	1,928
Cost of logo items	1,629	-	-	1,629
Supplies	85	-	-	85
Insurance	2,337	-	-	2,337
Miscellaneous	2,198	-	-	2,198
	<u>63,486</u>	<u>-</u>	<u>-</u>	<u>63,486</u>
Change in net assets	193,524	-	-	193,524
Net assets at beginning of year	<u>1,157,524</u>	<u>-</u>	<u>-</u>	<u>1,157,524</u>
Net assets at end of year	<u>\$1,351,048</u>	<u>-</u>	<u>-</u>	<u>1,351,048</u>

See accompanying notes and independent accountant's review report.

Missouri State Highway Patrol Benevolent Fund, Inc.  
 Statements of Functional Expenses - Modified Cash Basis  
 For the Year Ended September 30, 2015

	<u>Program</u>	<u>Fundraising</u>	<u>Management and General</u>	<u>Total</u>
Benefits paid	\$ 18,640	-	-	18,640
Postage	3,764	-	-	3,764
Printing & supplies	4,232	-	-	4,232
Meeting expense	6,951	-	-	6,951
Professional fees	-	-	800	800
Investment fees	6,141	-	-	6,141
Salaries	23,566	-	5,892	29,458
Payroll taxes	1,680	-	420	2,100
Cost of logo items	4,338	-	-	4,338
Supplies	-	69	-	69
Unrealized loss on investment	68,685	-	-	68,685
Insurance	1,351	-	1,000	2,351
Miscellaneous	3,478	-	-	3,478
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenses	<u>\$ 142,826</u>	<u>69</u>	<u>8,112</u>	<u>151,007</u>

See accompanying notes and independent accountant's review report

Missouri State Highway Patrol Benevolent Fund, Inc.  
 Statements of Functional Expenses - Modified Cash Basis  
 For the Year Ended September 30, 2014

	<u>Program</u>	<u>Fundraising</u>	<u>Management and General</u>	<u>Total</u>
Benefits paid	\$ 6,000	-	-	6,000
Postage	2,431	-	-	2,431
Printing & supplies	5,595	-	-	5,595
Meeting expense	11,121	-	-	11,121
Professional fees	-	-	800	800
Investment fees	1,928	-	-	1,928
Salaries	15,673	-	12,000	27,673
Payroll taxes	900	-	789	1,689
Cost of logo items	1,629	-	-	1,629
Supplies	-	85	-	85
Insurance	1,337	-	1,000	2,337
Miscellaneous	2,198	-	-	2,198
Total expenses	<u>\$ 48,812</u>	<u>85</u>	<u>14,589</u>	<u>63,486</u>

See accompanying notes and independent accountant's review report

Missouri State Highway Patrol Benevolent Fund, Inc.  
Notes to Financial Statements  
For the Years Ended September 30, 2015 and 2014

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Organization**

Missouri State Highway Patrol Benevolent Fund, Inc., is a Missouri nonprofit organization that provides assistance and scholarships to the spouses and children of Missouri State Troopers who have been killed in the line of duty. The Organization is also known as the Missouri Association of State Troopers Emergency Relief Society (the MASTERS).

**B. Estimates**

The preparation of financial statements in conformity with the modified cash basis of accounting requires management to make estimates and assumptions that effect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**C. Basis of Accounting**

The Organization's policy is to prepare its financial statements on the modified cash basis of accounting; consequently, revenues are recognized when received rather than when earned and expenses and purchases of assets are recognized when cash is disbursed rather than when the obligation is incurred except for investments which are stated at fair market value.

**D. Tax Status**

Missouri State Highway Patrol Benevolent Fund, Inc., is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Therefore, provisions for federal and state income taxes are not required. The MASTERS believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements. The MASTERS' Federal Exempt Organization Income Tax Returns (Form 990) for 2015 and 2014 are subject to examination by the IRS, generally for three years after they were filed.

**F. Financial Statement Presentation**

The Organization reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. A description of the three net asset categories follows:



Missouri State Highway Patrol Benevolent Fund, Inc.  
Notes to Financial Statements  
For the Years Ended September 30, 2015 and 2014

Unrestricted - Net assets that are not subject to donor-imposed restrictions. Unrestricted net assets may be designated for specific purposes by action of the Board of Directors.

Temporarily restricted - Net assets whose use by the Organization is subject to donor restrictions that can be fulfilled by actions of the Organization pursuant to those restrictions or that expire by the passage of time. No temporarily restricted net assets are present at September 30, 2015 and 2014.

Permanently restricted - Net assets subject to donor-imposed restrictions that they be maintained permanently by the Organization. No permanently restricted net assets were held during the years ended September 30, 2015 and 2014, and, accordingly, these financials do not reflect any activity related to this class of net assets for the years then ended September 30, 2015 and 2014.

NOTE 2 - CONCENTRATION OF CREDIT RISK

The Organization maintains cash and certificate of deposit balances at several different financial institutions. The accounts are insured by the Federal Deposit Insurance Corporation for \$250,000 at each institution for each year ending September 30, 2015 and 2014, respectively. The Organization had no uninsured bank balances at September 30, 2015 and 2014, respectively.

NOTE 3 - CERTIFICATES OF DEPOSIT

The Organization's investments consist of certificates of deposit totaling \$494,015 and \$1,074,381 at September 30, 2015 and 2014, respectively. The certificates bear interest ranging from 1.00% to 4.02% and have maturities ranging from three months to forty-eight months, with penalties for early withdrawal. Any penalties for early withdrawal would not have a material effect on the financial statements.

NOTE 4 - INVESTMENTS

Investments are stated at readily determinable fair values and are summarized as follows as of September 30, 2015 and 2014:

	<u>2015</u>	
<u>Unrestricted</u>	<u>Cost</u>	<u>Fair Value</u>
Marketable securities	\$ 892,500	859,704

Missouri State Highway Patrol Benevolent Fund, Inc.  
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2014

<u>Unrestricted</u>		
Marketable securities	\$ 230,000	260,162

The following schedule summarizes the investment activity for the year ended September 30, 2015:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Purchases	\$ 662,500	-	-	662,500
Dividend income	7,384	-	-	7,384
Realized gain	4,484	-	-	4,484
Administrative fees	(6,141)	-	-	(6,141)
Unrealized loss	(68,685)	-	-	(68,685)
Total	<u>\$ 599,542</u>	<u>-</u>	<u>-</u>	<u>599,542</u>

The following schedule summarizes the investment activity for the year ended September 30, 2014:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Purchases	\$ 100,000	-	-	100,000
Dividend income	2,843	-	-	2,843
Realized gain	1,132	-	-	1,132
Administrative fees	(1,928)	-	-	(1,928)
Unrealized gain	10,246	-	-	10,246
Total	<u>\$ 112,294</u>	<u>-</u>	<u>-</u>	<u>112,293</u>

The fair value measurements at September 30, 2015 and 2014 are based upon quoted prices in active markets for identical assets (Level 1). The Organization has no assets to be measured based upon significant other observable inputs (Level 2) or significant unobservable inputs (Level 3).

NOTE 5 - SUBSEQUENT EVENTS

The "MASTERS" has evaluated subsequent events through November 12, 2015, which is the date the financial statement were available to be issued.