

Missouri State Highway Patrol Benevolent Fund, Inc.
Poplar Bluff, Missouri
September 30, 2014 and 2013

CONTENTS

	<u>Page</u>
Financial Section:	
Independent Accountant's Review Report	1
Financial Statements:	
Statements of Financial Position - Modified Cash Basis	2
Statements of Activities - Modified Cash Basis	3-4
Statements of Functional Expenses - Modified Cash Basis	5-6
Notes to Financial Statements	7-9



KRAFT, MILES & TATUM, LLC
CERTIFIED PUBLIC ACCOUNTANTS

1650 WEST HARPER, POPLAR BLUFF, MISSOURI 63901-4196
(573)-785-6438
FAX (573) 785-0114

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, 2014 and 2013, 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 25, 2014

Missouri State Highway Patrol Benevolent Fund, Inc.
 Statements of Financial Position - Modified Cash Basis
 September 30, 2014 and 2013

<u>ASSETS</u>	<u>2014</u>	<u>2013</u>
Cash	\$ 16,505	16,478
Certificates of deposit (Note 3)	1,074,381	993,177
Investments (Note 4)	<u>260,162</u>	<u>147,869</u>
Total assets	<u>\$ 1,351,048</u>	<u>1,157,524</u>
 <u>NET ASSETS</u>		
Unrestricted net assets	<u>\$ 1,351,048</u>	<u>1,157,524</u>
Total net assets	<u>\$ 1,351,048</u>	<u>1,157,524</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
Secretarial expense	29,362	-	-	29,362
Professional fees	800	-	-	800
Investment fees	1,928	-	-	1,928
Cost of logo items	1,629	-	-	1,629
Fundraising expense	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 Activities - Modified Cash Basis
 For the Year Ended September 30, 2013

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Revenues and gains:				
Dues and donations	\$ 192,240	-	-	192,240
Interest and dividend income	19,480	-	-	19,480
Realized gain on investment	1,038	-	-	1,038
Unrealized gain on investment	11,596	-	-	11,596
Other income	14,326	-	-	14,326
	<u>238,680</u>	<u>-</u>	<u>-</u>	<u>238,680</u>
Expenses and losses:				
Benefits paid	4,738	-	-	4,738
Meeting expense	11,603	-	-	11,603
Office supplies and postage	7,911	-	-	7,911
Secretarial expense	28,374	-	-	28,374
Professional fees	700	-	-	700
Investment fees	1,068	-	-	1,068
Cost of logo items	8,272	-	-	8,272
Insurance	1,893	-	-	1,893
Miscellaneous	2,370	-	-	2,370
	<u>66,929</u>	<u>-</u>	<u>-</u>	<u>66,929</u>
Change in net assets	171,751	-	-	171,751
Net assets at beginning of year	<u>985,773</u>	<u>-</u>	<u>-</u>	<u>985,773</u>
Net assets at end of year	<u>\$1,157,524</u>	<u>-</u>	<u>-</u>	<u>1,157,524</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
	<hr/>	<hr/>	<hr/>	<hr/>
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.
 Statements of Functional Expenses - Modified Cash Basis
 For the Year Ended September 30, 2013

	<u>Program</u>	<u>Fundraising</u>	<u>Management And General</u>	<u>Total</u>
Benefits paid	\$ 4,738	-	-	4,738
Postage	2,907	-	-	2,907
Printing & supplies	5,004	-	-	5,004
Meeting expense	11,603	-	-	11,603
Professional fees	-	-	700	700
Investment fees	1,068	-	-	1,068
Salaries	14,800	-	11,660	26,460
Payroll taxes	1,072	-	842	1,914
Cost of logo items	8,272	-	-	8,272
Insurance	1,000	-	893	1,893
Miscellaneous	2,370	-	-	2,370
Total expenses	<u>\$ 52,834</u>	<u>-</u>	<u>14,095</u>	<u>66,929</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, 2014 and 2013

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 2014 and 2013 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, 2014 and 2013

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, 2014 and 2013.

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, 2014 and 2013, and, accordingly, these financials do not reflect any activity related to this class of net assets for the years then ended September 30, 2014 and 2013.

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, 2014 and 2013, respectively. The Organization's had no uninsured bank balances at September 30, 2014 and 2013, respectively.

NOTE 3 - CERTIFICATES OF DEPOSIT

The Organization's investments consist of certificates of deposit totaling \$1,074,381 and \$993,177 at September 30, 2014 and 2013, respectively. The certificates bear interest ranging from 0.75% 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, 2014 and 2013:

	<u>2014</u>	
<u>Unrestricted</u>	<u>Cost</u>	<u>Fair Value</u>
Marketable securities	\$ 230,000	\$ 260,162

Missouri State Highway Patrol Benevolent Fund, Inc.
Notes to Financial Statements
For the Years Ended September 30, 2014 and 2013

2013

<u>Unrestricted</u>	<u>Cost</u>	<u>Fair Value</u>
Marketable securities	\$ 130,000	\$ 147,869

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>\$ 112,293</u>	<u>-</u>	<u>-</u>	<u>112,293</u>

The following schedule summarizes the investment activity for the year ended September 30, 2013:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Dividend income	\$ 2,311	-	-	2,311
Realized gain	1,038	-	-	1,038
Administrative fees	(1,068)	-	-	(1,068)
Unrealized gain	11,596	-	-	11,596
Total	<u>\$ 13,877</u>	<u>-</u>	<u>-</u>	<u>13,877</u>

The fair value measurements at September 30, 2014 and 2013 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 25, 2014, which is the date the financial statement were available to be issued.