

MISSOURI STATE HIGHWAY PATROL BENEVOLENT FUND, INC.

FINANCIAL STATEMENTS

SEPTEMBER 30, 2018 AND 2017

Missouri State Highway Patrol Benevolent Fund, Inc.
Poplar Bluff, Missouri
September 30, 2018 and 2017

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 ACCOUNTANTS' REVIEW REPORT

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

We have reviewed the accompanying financial statements of the Missouri State Highway Patrol Benevolent Fund, Inc. (a non-profit organization), which comprise the statement of financial position - modified cash basis as of September 30, 2018 and 2017, and the related statements of activities - modified cash basis and statements of functional expenses - modified cash basis for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of 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 taken as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with the modified cash basis of accounting. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

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

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our conclusion is not modified with respect to this matter.

Kraft, Miles & Tatum, LLC

Certified Public Accountants
December 10, 2018

Missouri State Highway Patrol Benevolent Fund, Inc.
 Statements of Financial Position - Modified Cash Basis
 September 30, 2018 and 2017

<u>ASSETS</u>	<u>2018</u>	<u>2017</u>
Cash	\$ 19,824	31,645
Certificates of deposit (Note 3)	1,248,867	1,037,670
Investments (Note 4)	<u>1,053,288</u>	<u>1,004,092</u>
Total assets	<u>\$ 2,321,979</u>	<u>2,073,407</u>
 <u>NET ASSETS</u>		
Unrestricted net assets	<u>\$ 2,321,979</u>	<u>2,073,407</u>
Total net assets	<u>\$ 2,321,979</u>	<u>2,073,407</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, 2018

	<u>Unrestricted</u>	Temporarily <u>Restricted</u>	Permanently <u>Restricted</u>	<u>Total</u>
Revenues and gains:				
Dues and donations	\$ 248,693	-	-	248,693
Interest and dividend income	34,722	-	-	34,722
Realized gain on investment	11,562	-	-	11,562
Unrealized gain on investment	30,202	-	-	30,202
Other income	14,169	-	-	14,169
	<u>339,348</u>	<u>-</u>	<u>-</u>	<u>339,348</u>
Expenses and losses:				
Benefits paid	15,000	-	-	15,000
Meeting expense	10,868	-	-	10,868
Office supplies and postage	8,212	-	-	8,212
Payroll expense	38,314	-	-	38,314
Professional fees	1,175	-	-	1,175
Investment fees	10,406	-	-	10,406
Cost of logo items	580	-	-	580
Insurance	3,185	-	-	3,185
Miscellaneous	3,036	-	-	3,036
	<u>90,776</u>	<u>-</u>	<u>-</u>	<u>90,776</u>
Change in net assets	248,572	-	-	248,572
Net assets at beginning of year	<u>2,073,407</u>	<u>-</u>	<u>-</u>	<u>2,073,407</u>
Net assets at end of year	<u>\$2,321,979</u>	<u>-</u>	<u>-</u>	<u>2,321,979</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, 2017

	<u>Unrestricted</u>	Temporarily <u>Restricted</u>	Permanently <u>Restricted</u>	<u>Total</u>
Revenues and gains:				
Dues and donations	\$ 324,870	-	-	324,870
Interest and dividend income	27,545	-	-	27,545
Fundraising income	5,045	-	-	5,045
Realized gain on investment	7,261	-	-	7,261
Unrealized gain on investment	71,147	-	-	71,147
Other income	14,040	-	-	14,040
	<u>449,908</u>	<u>-</u>	<u>-</u>	<u>449,908</u>
Expenses and losses:				
Benefits paid	6,000	-	-	6,000
Meeting expense	11,351	-	-	11,351
Office supplies and postage	8,332	-	-	8,332
Payroll expense	40,646	-	-	40,646
Professional fees	1,000	-	-	1,000
Investment fees	9,614	-	-	9,614
Cost of logo items	484	-	-	484
Insurance	2,038	-	-	2,038
Miscellaneous	2,963	-	-	2,963
	<u>82,428</u>	<u>-</u>	<u>-</u>	<u>82,428</u>
Change in net assets	367,480	-	-	367,480
Net assets at beginning of year	<u>1,705,927</u>	<u>-</u>	<u>-</u>	<u>1,705,927</u>
Net assets at end of year	<u><u>\$2,073,407</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>2,073,407</u></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, 2018

	<u>Program</u>	<u>Fundraising</u>	<u>Management and General</u>	<u>Total</u>
Benefits paid	\$ 15,000	-	-	15,000
Postage	2,981	-	-	2,981
Printing & supplies	5,231	-	-	5,231
Meeting expense	10,868	-	-	10,868
Professional fees	-	-	1,175	1,175
Investment fees	10,406	-	-	10,406
Salaries	32,032	-	3,559	35,591
Payroll taxes	2,451	-	272	2,723
Cost of logo items	580	-	-	580
Insurance	1,595	-	1,590	3,185
Miscellaneous	<u>3,036</u>	<u>-</u>	<u>-</u>	<u>3,036</u>
 Total expenses	 <u>\$ 84,180</u>	 <u>-</u>	 <u>6,596</u>	 <u>90,776</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, 2017

	<u>Program</u>	<u>Fundraising</u>	<u>Management and General</u>	<u>Total</u>
Benefits paid	\$ 6,000	-	-	6,000
Postage	2,982	-	-	2,982
Printing & supplies	5,350	-	-	5,350
Meeting expense	11,351	-	-	11,351
Professional fees	-	-	1,000	1,000
Investment fees	9,614	-	-	9,614
Salaries	32,370	-	3,597	35,967
Payroll taxes	4,211	-	468	4,679
Cost of logo items	484	-	-	484
Insurance	1,038	-	1,000	2,038
Miscellaneous	2,963	-	-	2,963
Total expenses	<u>\$ 76,363</u>	<u>-</u>	<u>6,065</u>	<u>82,428</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, 2018 and 2017

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 2017 and 2016 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, 2018 and 2017

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, 2018 and 2017.

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, 2018 and 2017, and, accordingly, these financials do not reflect any activity related to this class of net assets for the years then ended September 30, 2018 and 2017.

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, 2018 and 2017, respectively. The Organization had no uninsured bank balances at September 30, 2018 and 2017, respectively.

NOTE 3 - CERTIFICATES OF DEPOSIT

The Organization's investments consist of certificates of deposit totaling \$1,248,867 and \$1,037,670 at September 30, 2018 and 2017, respectively. The certificates bear interest ranging from 1.03% to 1.75% 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, 2018 and 2017:

	<u>2018</u>	
<u>Unrestricted</u>	<u>Cost</u>	<u>Fair Value</u>
Marketable securities	\$ 898,319	1,053,288

Missouri State Highway Patrol Benevolent Fund, Inc.

Notes to Financial Statements

For the Years Ended September 30, 2018 and 2017

2017

<u>Unrestricted</u>	<u>Cost</u>	<u>Fair Value</u>
Marketable securities	\$ 898,319	1,004,092

The following schedule summarizes the investment activity for the year ended September 30, 2018:

	<u>Unrestricted</u>	Temporarily <u>Restricted</u>	Permanently <u>Restricted</u>	<u>Total</u>
Purchases	\$ -	-	-	-
Dividend income	17,838	-	-	17,838
Realized gain	11,562	-	-	11,562
Administrative fees	(10,406)	-	-	(10,406)
Unrealized gain	30,202	-	-	30,202
Total	<u>\$ 49,196</u>	<u>-</u>	<u>-</u>	<u>49,195</u>

The following schedule summarizes the investment activity for the year ended September 30, 2017:

	<u>Unrestricted</u>	Temporarily <u>Restricted</u>	Permanently <u>Restricted</u>	<u>Total</u>
Purchases	\$ 810	-	-	810
Dividend income	15,338	-	-	15,338
Realized gain	7,261	-	-	7,261
Administrative fees	(9,614)	-	-	(9,614)
Unrealized loss	71,147	-	-	71,147
Total	<u>\$ 84,942</u>	<u>-</u>	<u>-</u>	<u>84,942</u>

The fair value measurements at September 30, 2018 and 2017 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 December 10, 2018, which is the date the financial statement were available to be issued.