

Missouri State Highway Patrol Benevolent Fund, Inc.
Whitewater, Missouri
September 30, 2022 and 2021

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CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Members of the Board
Missouri State Highway Patrol Benevolent Fund, Inc.
Whitewater, 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, 2022 and 2021, 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
November 10, 2022

Missouri State Highway Patrol Benevolent Fund, Inc.
 Statements of Financial Position - Modified Cash Basis
 September 30, 2022 and 2021

<u>ASSETS</u>	<u>2022</u>	<u>2021</u>
Cash	\$ 473,376	632,711
Certificates of deposit (Note 4)	669,981	1,193,220
Investments (Note 5)	2,054,974	1,304,266
Other assets	<u>300</u>	<u>300</u>
Total assets	<u>\$ 3,198,631</u>	<u>3,130,497</u>
<u>NET ASSETS</u>		
Without donor restrictions (Note 1)	<u>\$ 3,198,631</u>	<u>3,130,497</u>
Total net assets	<u>\$ 3,198,631</u>	<u>3,130,495</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, 2022

	<u>Without Donor</u> <u>Restrictions</u>	<u>With Donor</u> <u>Restrictions</u>	<u>Total</u>
Revenues and gains:			
Dues and donations	\$ 403,336	-	403,336
Interest and dividend income	48,474	-	48,474
Other income	734	-	734
	<u>452,544</u>	<u>-</u>	<u>452,544</u>
Expenses and losses:			
Program services expense	107,015	-	107,015
Realized loss on investment	41,056	-	41,056
Unrealized loss on investment	225,115	-	225,115
Management and general expense	11,224	-	11,224
	<u>384,410</u>	<u>-</u>	<u>384,410</u>
Change in net assets	68,134	-	68,134
Net assets at beginning of year	<u>3,130,497</u>	<u>-</u>	<u>3,130,497</u>
Net assets at end of year	<u>\$ 3,198,631</u>	<u>-</u>	<u>3,198,631</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, 2021

	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	<u>Total</u>
Revenues and gains:			
Dues and donations	\$ 252,701	-	252,701
Interest and dividend income	43,958	-	43,958
Realized gain on investment	98,236	-	98,236
Unrealized gain on investment	120,914	-	120,914
Other income	13,218	-	13,218
	<u>529,027</u>	<u>-</u>	<u>529,027</u>
Expenses and losses:			
Program services expense	93,399	-	93,399
Management and general expense	10,938	-	10,938
	<u>104,337</u>	<u>-</u>	<u>104,337</u>
Change in net assets	424,690	-	424,690
Net assets at beginning of year	<u>2,705,807</u>	<u>-</u>	<u>2,705,807</u>
Net assets at end of year	<u>\$ 3,130,497</u>	<u>-</u>	<u>3,130,497</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, 2022

	<u>Program</u>	<u>Fundraising</u>	<u>Management and General</u>	<u>Total</u>
Postage	\$ 3,187	-	-	3,187
Printing & supplies	4,854	-	-	4,854
Meeting expense	12,038	-	-	12,038
Professional fees	-	-	1,500	1,500
Investment fees	17,570	-	-	17,570
Salaries	50,500	-	5,413	55,913
Payroll taxes	3,736	-	541	4,277
Cost of logo items	612	-	-	612
Awards	2,740	-	-	2,740
Supplies	4,238	-	-	4,238
Realized loss on investment	41,056	-	-	41,056
Unrealized loss on investment	225,115	-	-	225,115
Insurance	3,770	-	3,770	7,540
Telephone, telecommunication	2,206	-	-	2,206
Miscellaneous	1,564	-	-	1,564
	<u>1,564</u>	<u>-</u>	<u>-</u>	<u>1,564</u>
 Total expenses	 <u>\$ 373,186</u>	 <u>-</u>	 <u>11,224</u>	 <u>384,410</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, 2021

	<u>Program</u>	<u>Fundraising</u>	<u>Management and General</u>	<u>Total</u>
Benefits paid	\$ 3,000	-	-	3,000
Postage	3,721	-	-	3,721
Printing & supplies	7,607	-	-	7,607
Meeting expense	3,848	-	-	3,848
Professional fees	-	-	1,497	1,497
Investment fees	12,799	-	-	12,799
Salaries	48,300	-	5,367	53,667
Payroll taxes	3,695	-	411	4,106
Cost of logo items	1,241	-	-	1,241
Awards	2,149	-	-	2,149
Insurance	3,663	-	3,663	7,326
Telephone, telecommunication	2,066	-	-	2,066
Miscellaneous	1,310	-	-	1,310
Total expenses	<u>\$ 93,399</u>	<u>-</u>	<u>10,938</u>	<u>104,337</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, 2022 and 2021

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. Functional Expenses

The Organization allocates its expenses on a functional basis among its various programs and support services. Expenses that can be identified with a specific program and support service are allocated directly according to their natural expenditure classification. Other expenses that are common to several functions are allocated by various statistical bases used in conjunctions with the Organization's cost allocation plan.

Missouri State Highway Patrol Benevolent Fund, Inc.

Notes to Financial Statements

For the Years Ended September 30, 2022 and 2021

E. 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 2022 and 2021 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 two classes of net assets: without restrictions and with restrictions. A description of the two net asset categories follows:

Net Assets Without Donor Restrictions- Net assets available for use in general operations and not subject to donor-imposed restrictions. Net assets without donor restrictions may be designated for specific purposes by action of the Board of Directors.

Net Assets With Donor Restrictions- Net assets whose use by the Missouri State Highway Patrol Benevolent Fund, Inc. is subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates the resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Missouri State Highway Patrol Benevolent Fund, Inc.

Notes to Financial Statements

For the Years Ended September 30, 2022 and 2021

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, 2022 and 2021, respectively. The Organization had no uninsured bank balances at September 30, 2022 and 2021, respectively.

NOTE 3 - LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, within one year of the balance sheet date, comprise the following:

Cash	\$ 473,376
Certificates of deposit	669,981
Investments	2,054,974
Other assets	300
Total	<u>\$ 3,198,631</u>

NOTE 4 - CERTIFICATES OF DEPOSIT

The Organization's investments consist of certificates of deposit totaling \$669,981 and \$1,193,220 at September 30, 2022 and 2021, respectively. The certificates bear interest ranging from 0.50% to 2.01% 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 5 - INVESTMENTS

Investments are stated at readily determinable fair values and are summarized as follows as of September 30, 2022 and 2021:

	<u>2022</u>	
	<u>Cost</u>	<u>Fair Value</u>
Marketable securities	\$ 1,883,775	2,054,974

	<u>2021</u>	
	<u>Cost</u>	<u>Fair Value</u>
Marketable securities	\$ 898,319	1,304,266

Missouri State Highway Patrol Benevolent Fund, Inc.

Notes to Financial Statements

For the Years Ended September 30, 2022 and 2021

The following schedule summarizes the investment activity for the year ended September 30, 2022:

	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	<u>Total</u>
Purchases	\$ 998,119	-	998,119
Dividend income	31,692	-	31,692
Realized loss	(41,056)	-	(41,056)
Administrative fees	(12,932)	-	12,932
Unrealized gain	(225,115)	-	(225,115)
Total	<u>\$ 750,708</u>	<u>-</u>	<u>750,708</u>

The following schedule summarizes the investment activity for the year ended September 30, 2021:

	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	<u>Total</u>
Purchases	\$ -	-	-
Dividend income	21,369	-	21,369
Realized gain	98,236	-	98,236
Administrative fees	(12,799)	-	12,799
Unrealized gain	120,914	-	120,914
Total	<u>\$ 227,720</u>	<u>-</u>	<u>227,720</u>

The fair value measurements at September 30, 2022 and 2021 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 6 - SUBSEQUENT EVENTS

The "MASTERS" has evaluated subsequent events through November 10, 2022, which is the date the financial statements were available to be issued.