



MOODY, FAMIGLIETTI & ANDRONICO  
Certified Public Accountants & Consultants

**THE HUNDRED CLUB OF MASS., INC.**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2017 AND 2016**



To the Board of Directors  
The Hundred Club of Mass., Inc.  
Boston, Massachusetts

### INDEPENDENT AUDITORS' REPORT

We have audited the accompanying financial statements of The Hundred Club of Mass., Inc. (the "Organization"), which comprise the statements of financial position as of December 31, 2017 and 2016, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

#### *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.

#### *Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of 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 auditors' 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 auditors consider internal control relevant to the Organization'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 Organization's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### *Opinion*

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Hundred Club of Mass., Inc. as of December 31, 2017 and 2016, 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.

*Moody, Famiglietti & Andronico, LLP*

Moody, Famiglietti & Andronico, LLP  
Tewksbury, Massachusetts  
May 15, 2018

Statements of Financial Position

The Hundred Club of Mass., Inc.

December 31	2017				2016			
	Unrestricted General Fund	Temporarily Restricted Fund	Permanently Restricted James B. Crockett Memorial Fund	Total	Unrestricted General Fund	Temporarily Restricted Fund	Permanently Restricted James B. Crockett Memorial Fund	Total
<b>Assets</b>								
Cash	\$ 281,272	\$ -	\$ -	\$ 281,272	\$ 182,837	\$ -	\$ -	\$ 182,837
Investments	3,159,912	235,485	-	3,395,397	2,609,784	235,425	-	2,845,209
Endowment	-	79,250	3,195,250	3,274,500	-	136,684	2,982,417	3,119,101
Property and Equipment, Net of Accumulated Depreciation	113,452	-	-	113,452	137,910	-	-	137,910
<b>Total Assets</b>	<b>\$ 3,554,636</b>	<b>\$ 314,735</b>	<b>\$ 3,195,250</b>	<b>\$ 7,064,621</b>	<b>\$ 2,930,531</b>	<b>\$ 372,109</b>	<b>\$ 2,982,417</b>	<b>\$ 6,285,057</b>
<b>Liabilities and Net Assets</b>								
Accounts Payable and Accrued Expenses	\$ 28,799	\$ -	\$ -	\$ 28,799	\$ 65,920	\$ -	\$ -	\$ 65,920
Benefits Payable	-	79,250	-	79,250	-	136,684	-	136,684
<b>Total Liabilities</b>	<b>28,799</b>	<b>79,250</b>	<b>-</b>	<b>108,049</b>	<b>65,920</b>	<b>136,684</b>	<b>-</b>	<b>202,604</b>
Net Assets:								
Unrestricted	3,525,837	-	-	3,525,837	2,864,611	-	-	2,864,611
Temporarily Restricted	-	235,485	-	235,485	-	235,425	-	235,425
Permanently Restricted	-	-	3,195,250	3,195,250	-	-	2,982,417	2,982,417
<b>Total Net Assets</b>	<b>3,525,837</b>	<b>235,485</b>	<b>3,195,250</b>	<b>6,956,572</b>	<b>2,864,611</b>	<b>235,425</b>	<b>2,982,417</b>	<b>6,082,453</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 3,554,636</b>	<b>\$ 314,735</b>	<b>\$ 3,195,250</b>	<b>\$ 7,064,621</b>	<b>\$ 2,930,531</b>	<b>\$ 372,109</b>	<b>\$ 2,982,417</b>	<b>\$ 6,285,057</b>

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

For the Years Ended December 31	2017				2016			
	Unrestricted General Fund	Temporarily Restricted Fund	Permanently Restricted James B. Crockett Memorial Fund	Total	Unrestricted General Fund	Temporarily Restricted Fund	Permanently Restricted James B. Crockett Memorial Fund	Total
Revenue, Gains and Other Support:								
Members' Contributions	\$ 92,170	\$ 235,485	\$ -	\$ 327,655	\$ 98,569	\$ 235,425	\$ -	\$ 333,994
Net Realized and Unrealized Gains on Investments and Endowments	291,926	-	236,178	528,104	197,226	-	185,726	382,952
Interest and Dividends Foundations	88,279	102,595	-	190,874	83,425	87,701	-	171,126
Bequests and Memorials	152,550	-	-	152,550	9,600	-	-	9,600
Other Contributions	136,436	-	-	136,436	11,282	-	-	11,282
Donated Services	51,019	-	-	51,019	12,140	-	-	12,140
Net Assets Released from Restriction	9,400	-	-	9,400	14,152	-	-	14,152
	338,020	(338,020)	-	-	330,313	(330,313)	-	-
<b>Total Revenue, Gains and Other Support</b>	<b>1,159,800</b>	<b>60</b>	<b>236,178</b>	<b>1,396,038</b>	<b>756,707</b>	<b>(7,187)</b>	<b>185,726</b>	<b>935,246</b>
Expenses:								
Benefit Program Services	426,711	-	23,345	450,056	561,053	-	22,533	583,586
General and Administrative	49,964	-	-	49,964	49,871	-	-	49,871
Member Fundraising	21,899	-	-	21,899	22,820	-	-	22,820
<b>Total Expenses</b>	<b>498,574</b>	<b>-</b>	<b>23,345</b>	<b>521,919</b>	<b>633,744</b>	<b>-</b>	<b>22,533</b>	<b>656,277</b>
<b>Increase (Decrease) in Net Assets</b>	<b>661,226</b>	<b>60</b>	<b>212,833</b>	<b>874,119</b>	<b>122,963</b>	<b>(7,187)</b>	<b>163,193</b>	<b>278,969</b>
Net Assets at Beginning of Year	2,864,611	235,425	2,982,417	6,082,453	2,741,648	242,612	2,819,224	5,803,484
<b>Net Assets at End of Year</b>	<b>\$ 3,525,837</b>	<b>\$ 235,485</b>	<b>\$ 3,195,250</b>	<b>\$ 6,956,572</b>	<b>\$ 2,864,611</b>	<b>\$ 235,425</b>	<b>\$ 2,982,417</b>	<b>\$ 6,082,453</b>

Statements of Functional Expenses

The Hundred Club of Mass., Inc.

For the Years Ended December 31	2017				2016			
	Benefit Program Services	General and Administrative	Member Fundraising	Total	Benefit Program Services	General and Administrative	Member Fundraising	Total
Functions and Other Benefits Provided to								
Families of Fallen Heroes	\$ 114,358	\$ -	\$ -	\$ 114,358	\$ 116,252	\$ -	\$ -	\$ 116,252
Lump-Sum Benefits - Memorial Fund	79,250	-	-	79,250	65,167	-	-	65,167
Payments to Children of Fallen Heroes:								
Scholarship Aid	60,000	-	-	60,000	66,000	-	-	66,000
Summer Camp	9,104	-	-	9,104	6,474	-	-	6,474
Other Benefits	8,000	-	-	8,000	36,500	-	-	36,500
Salaries and Related Fringe	49,303	5,801	2,900	58,004	64,393	7,576	3,788	75,757
Memorial Fund Administrative Fee	46,690	-	-	46,690	45,067	-	-	45,067
Lump-Sum Benefits - General Fund	40,000	-	-	40,000	140,000	-	-	140,000
Office Expense, Postage and Miscellaneous	16,973	3,264	12,404	32,641	16,842	3,239	12,309	32,390
Professional Fees	-	21,651	-	21,651	-	20,818	-	20,818
Depreciation Expense	15,256	2,119	3,814	21,189	15,339	2,131	3,835	21,305
Occupancy	9,918	1,378	2,480	13,776	10,343	1,437	2,586	14,366
Donated Legal Services	-	9,400	-	9,400	-	14,152	-	14,152
Promotion	-	6,184	-	6,184	-	350	-	350
Functions and Related Expenses	1,204	167	301	1,672	1,209	168	302	1,679
	<u>\$ 450,056</u>	<u>\$ 49,964</u>	<u>\$ 21,899</u>	<u>\$ 521,919</u>	<u>\$ 583,586</u>	<u>\$ 49,871</u>	<u>\$ 22,820</u>	<u>\$ 656,277</u>

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

Statements of Cash Flows

The Hundred Club of Mass., Inc.

For the Years Ended December 31	2017				2016			
	Unrestricted General Fund	Temporarily Restricted Fund	Permanently Restricted James B. Crockett Memorial Fund	Total	Unrestricted General Fund	Temporarily Restricted Fund	Permanently Restricted James B. Crockett Memorial Fund	Total
Cash Flows from Operating Activities:								
Increase (Decrease) in Net Assets	\$ 661,226	\$ 60	\$ 212,833	\$ 874,119	\$ 122,963	\$ (7,187)	\$ 163,193	\$ 278,969
Adjustments to Reconcile Increase (Decrease) in Net Assets to Net Cash Provided by (Used in) Operating Activities:								
Depreciation	24,458	-	-	24,458	24,456	-	-	24,456
Non-Cash Administrative Fee	(23,345)	-	23,345	-	(22,533)	-	22,533	-
Realized (Gains) Losses on Sale of Investments and Endowment	(199,077)	-	(84,183)	(283,260)	-	-	2,401	2,401
Unrealized Gains on Investments and Endowment	(92,849)	-	(151,995)	(244,844)	(197,226)	-	(188,127)	(385,353)
(Decrease) Increase in Accounts Payable and Accrued Expenses	(37,121)	-	-	(37,121)	34,528	-	-	34,528
(Decrease) Increase in Benefits Payable	-	(57,434)	-	(57,434)	-	65,167	-	65,167
Net Cash Provided by (Used in) Operating Activities	333,292	(57,374)	-	275,918	(37,812)	57,980	-	20,168
Cash Flows from Investing Activities:								
Proceeds from Sale or Maturity of Endowment Investments	38,894	57,434	941,842	1,038,170	45,067	7,187	164,458	216,712
Purchase of Endowment Investments	(15,489)	(60)	(941,842)	(957,391)	(29,721)	(65,167)	(164,458)	(259,346)
Proceeds from Sale of Investments	727,439	-	-	727,439	218,425	-	-	218,425
Purchase of Investments	(985,701)	-	-	(985,701)	(246,993)	-	-	(246,993)
Acquisition of Property and Equipment	-	-	-	-	(6,333)	-	-	(6,333)
Net Cash (Used in) Provided by Investing Activities	(234,857)	57,374	-	(177,483)	(19,555)	(57,980)	-	(77,535)
Net Increase (Decrease) in Cash	98,435	-	-	98,435	(57,367)	-	-	(57,367)
Cash at Beginning of Year	182,837	-	-	182,837	240,204	-	-	240,204
Cash at End of Year	\$ 281,272	\$ -	\$ -	\$ 281,272	\$ 182,837	\$ -	\$ -	\$ 182,837

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

## 1. Organization and Significant Accounting Policies:

*Nature of Organization:* The Hundred Club of Mass., Inc. (the "Organization") is a charitable corporation that was incorporated in Massachusetts in November 1959. The primary purpose of the Organization is to provide benefits to the surviving spouses and dependents of police, court, and fire personnel employed by the Commonwealth of Massachusetts, or by a county, city, town, or other political subdivision or agency thereof, who have lost their lives in connection with the performance of their duties, or who while so employed, have died, leaving a surviving spouse and/or one or more children and/or other dependents.

*Method of Accounting:* The financial statements of the Organization have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP).

*Classification and Reporting of Net Assets:* 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 classes follows:

- Unrestricted net assets represent the portion of net assets of the Organization that is neither permanently restricted nor temporarily restricted by donor-imposed stipulations. Unrestricted net assets include expendable funds available for support of the Organization and funds invested in property and equipment.
- Temporarily restricted net assets represent contributions and other inflows of assets whose use by the Organization is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the Organization pursuant to those stipulations, as well as growth earned on permanently restricted net assets restricted by state law.

- Permanently restricted net assets represent contributions and other inflows of assets whose use by the Organization is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Organization. The Organization's permanently restricted net assets consist entirely of the James B. Crockett Memorial Fund (the "Memorial Fund").

*Fair Value Measurements:* The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2 - Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability; and
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

## 1. Organization and Significant Accounting Policies (Continued):

*Cash:* The Organization maintains cash in deposit accounts which, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant risks on cash.

*Investments, Endowment and Investment Income:* The Organization's investments and endowment are reported at fair value as of the dates of the statements of financial position. Realized and unrealized gains and losses and investment income are reflected in the accompanying statements of activities.

*Interpretation of Relevance Law:* The Organization follows the "Uniform Prudent Management of Institutional Funds Act" (UPMIFA) as promulgated by Massachusetts. The Board of Directors has interpreted UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, permanently restricted net assets have been reflected to consist of the original value of the gifts donated to the permanent endowment, which consist entirely of the Memorial Fund at the date of the gift, plus any accumulations to the permanent endowment made in accordance with the applicable donors' explicit directions, net of administrative fees. Any excess donor-restricted endowment fund above the designated balance is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Organization in a manner considered to be prudent under UPMIFA. From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires the Organization to retain as a fund of perpetual duration. Deficiencies of this nature would be reported in unrestricted net assets.

In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate endowment funds:

- Duration and preservation of the fund;
- Purpose of the Organization and the donor-restricted endowment fund;
- General economic conditions;
- Possible effect of inflation and deflation;
- Expected total return from income and the appreciation of investments;
- Other resources of the Organization; and,
- Investment policies of the Organization.

*Property and Equipment:* Property and equipment acquisitions are recorded at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets, as follows:

Building	32 Years
Building Improvements	20 Years
Office Equipment	3 Years
Computer Equipment	3 Years

*Impairment of Long-Lived Assets:* It is required that long-lived assets be reviewed for possible impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. As of December 31, 2017 and 2016, the Organization evaluated its long-lived assets for impairment and determined that they were not impaired.

*Contributions:* Contributions, including unconditional promises to give, are recognized as revenue in the period the promise is received. Conditional promises to give are not recognized until they become unconditional; that is, at the time when the conditions on which they depend are substantially met.

## 1. Organization and Significant Accounting Policies (Continued):

Contributions of assets other than cash are recorded at their estimated fair value. An allowance for uncollectible contributions receivable is provided based upon management's judgment of potential defaults. The determination includes such factors as prior collection history, type of contribution, and nature of fundraising activities.

Contributions received with donor imposed restrictions that are met in the same year as recognized, are reported as revenues of the temporarily restricted net asset class. Contributions received with donor-imposed restrictions that are met subsequent to the year in which they are recognized are also reported as revenues of the temporarily restricted net asset class. A reclassification to unrestricted net assets is made to reflect the expiration of such restrictions in the year the restriction is met.

The Organization has a donor base of members consisting of individuals and organizations who contribute to the Organization. This donation provides the members with voting rights under the Organization's bylaws.

Contributions of goods or services to be used in program operations are reported as revenue and expenses of the unrestricted net asset class at the time the goods or services are received.

*Income Taxes:* The Organization is a nonprofit corporation as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes. As a result, no provision for income taxes is presented in these financial statements. However, in certain circumstances, the Organization may be subject to federal and state income taxes for profits generated from unrelated trade or business income. The Organization has determined that it does not have any liabilities associated with unrelated trade or business income.

The Organization assesses the recording of uncertain tax positions by evaluating the minimum recognition

threshold and measurement requirements a tax position must meet before being recognized as a benefit in the financial statements. The Organization's policy is to recognize interest and penalties accrued on any uncertain tax positions as a component of income tax expense, if any, in its statements of activities.

*Use of Estimates:* Management has used estimates and assumptions relating to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities in its preparation of the financial statements in accordance with GAAP. Actual results experienced by the Organization may differ from those estimates.

*Reclassification:* Certain accounts in the December 31, 2016 financial statements have been reclassified for comparative purposes to conform to the presentation in the December 31, 2017 financial statements. On the statement of financial position, unrestricted endowment funds were reclassified to unrestricted investments. This resulted in a reclassification of purchases of the sale of investments to proceeds from the sale or maturity of endowment investments on the statement of cash flows. Additionally, Memorial Fund Administrative Fees were reclassified from general and administrative to benefit program services on the statements of activities and statements of functional expenses as these fees are to administer the James B. Crockett Memorial Fund Program.

*Subsequent Events:* The Organization has evaluated subsequent events spanning the period from December 31, 2017 through May 15, 2018, the date the financial statements were available to be issued.

## 2. Related Parties:

Two members of the Board of Directors are employed by companies that perform investment and legal services for the Organization. During the years ended December 31, 2017 and 2016, the Organization did not incur any expenses in connection with these services.

**3. Investments and Endowment:**

Investments as of December 31, 2017 and 2016 are stated at fair value and consist of the following:

	2017	2016
Equity Securities	\$ 2,087,569	\$ 1,990,577
Mutual Funds	875,185	598,476
Money Market Funds	432,643	256,156
	<u>\$ 3,395,397</u>	<u>\$ 2,845,209</u>

For the years ended December 31, 2017 and 2016, the Organization has recorded net unrealized and realized gains on these investments in the amounts of \$291,926 and \$197,226, respectively.

Endowment investments as of December 31, 2017 and 2016 are stated at fair value and consist of the following:

	2017	2016
Equity Securities	\$ 1,943,972	\$ 1,921,427
Mutual Funds	918,834	734,612
Certificates of Deposit	252,500	252,500
Money Market Funds	155,860	127,447
Cash	3,334	83,115
	<u>\$ 3,274,500</u>	<u>\$ 3,119,101</u>

For the years ended December 31, 2017 and 2016, the Organization recorded net unrealized and realized gains on these investments in the amounts of \$236,178 and \$185,726, respectively.

*Return Objectives and Risk Parameters:* The Organization's President, Treasurer, and another member of the Board of Directors, who is a

professional investment manager, collectively, the "Investment Committee," provide recommendations and advise the Board of Directors on the management of endowment assets and investment policies. Endowment assets include those assets of donor-restricted funds that the Organization must hold in perpetuity. The Board designates, from time to time, a portion of the Organization's endowment investment income to support the administration of the benefits of the perpetual funds in accordance with the donor's restrictions for use. The Organization's endowment spending policy provides for 1.4% for the years ended December 31, 2017 and 2016, of the fair value of the total permanently restricted assets, including the endowment investments, to be appropriated to support the administration.

The percentage is allocated to charge 50% to the permanently restricted endowment and 50% to investment income, prior to the allocation of net income to surviving spouses. This percentage was determined in an effort to prevent the rate of return from eroding the contributed principal. The endowment assets are invested with an asset allocation strategy assuming a moderate level of investment risk. The Organization's strategy is to have an appropriate amount of endowment funds invested in equity based investments to achieve its long-term return objective and also an appropriate amount invested in fixed income securities and cash reserves to maintain prudent risk constraints. The allocation percentage between the risk pools is reviewed from time to time by the Board, who rely upon the Investment Committee to select the most appropriate and prudent investments. There are no board-designated endowment funds as of December 31, 2017 and 2016; all endowment funds are either donor-restricted or unrestricted.

**3. Investments and Endowment (Continued):**

The change in the endowment investment balance by net asset classification as of December 31, 2017 and 2016 consists of the following:

	2017			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Endowment Balance, Beginning of Year	\$ -	\$ 136,684	\$ 2,982,417	\$ 3,119,101
Investment Returns:				
Investment Income	-	102,595	-	102,595
Net Realized and Unrealized Gains	-	-	236,178	236,178
Total Investment Returns	-	102,595	236,178	338,773
Endowment Assets Appropriated for Expenditures	(46,690)	(136,684)	-	(183,374)
Transfer of Administrative Fee	46,690	(23,345)	(23,345)	-
Endowment Balance, End of Year	\$ -	\$ 79,250	\$ 3,195,250	\$ 3,274,500
	2016			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment Balance, Beginning of Year	\$ -	\$ 71,517	\$ 2,819,224	\$ 2,890,741
Investment Returns:				
Investment Income	-	87,701	-	87,701
Net Realized and Unrealized Gains	-	-	185,726	185,726
Total Investment Returns	-	87,701	185,726	273,427
Endowment Assets Appropriated for Expenditures	(45,067)	-	-	(45,067)
Transfer of Administrative Fee	45,067	(22,534)	(22,533)	-
Endowment Balance, End of Year	\$ -	\$ 136,684	\$ 2,982,417	\$ 3,119,101

**4. Fair Value Measurements:**

Investment and endowment assets measured at fair value on a recurring basis as of December 31, 2017 and 2016 were as follows:

	2017			
	Totals	Fair Value Measurements at Reporting Date Using		
		Quoted Prices in Active Markets for Identical Assets or Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments:				
Money Market Funds	\$ 432,643	\$ 432,643	\$ -	\$ -
U.S. Equities - Common Stock	2,087,569	2,087,569	-	-
Fixed Income Bond Fund	875,185	875,185	-	-
	<u>3,395,397</u>	<u>3,395,397</u>	-	-
Endowment:				
Certificates of Deposit	252,500	252,500	-	-
Money Market Funds	155,860	155,860	-	-
Cash	3,334	3,334	-	-
U.S. Equities - Common Stock	1,943,972	1,943,972	-	-
Fixed Income Bond Fund	918,834	918,834	-	-
	<u>3,274,500</u>	<u>3,274,500</u>	-	-
	<u>\$ 6,669,897</u>	<u>\$ 6,669,897</u>	<u>\$ -</u>	<u>\$ -</u>
	2016			
	Totals	Fair Value Measurements at Reporting Date Using		
		Quoted Prices in Active Markets for Identical Assets or Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments:				
Money Market Funds	\$ 256,156	\$ 256,156	\$ -	\$ -
U.S. Equities - Common Stock	1,990,577	1,990,577	-	-
Fixed Income Bond Fund	598,476	598,476	-	-
	<u>2,845,209</u>	<u>2,845,209</u>	-	-
Endowment:				
Certificates of Deposit	252,500	252,500	-	-
Money Market Funds	127,447	127,447	-	-
Cash	83,115	83,115	-	-
U.S. Equities - Common Stock	1,921,427	1,921,427	-	-
Fixed Income Bond Fund	734,612	734,612	-	-
	<u>3,119,101</u>	<u>3,119,101</u>	-	-
	<u>\$ 5,964,310</u>	<u>\$ 5,964,310</u>	<u>\$ -</u>	<u>\$ -</u>

**5. Property and Equipment:**

Property and equipment as of December 31, 2017 and 2016 consists of the following:

	2017	2016
Building	\$ 530,000	\$ 530,000
Building Improvements	110,403	110,403
Office Equipment	16,788	16,788
Computer Equipment	12,507	12,507
	<u>669,698</u>	<u>669,698</u>
Less: Accumulated Depreciation	556,246	531,788
	<u>\$ 113,452</u>	<u>\$ 137,910</u>

During the years ended December 31, 2017 and 2016, depreciation expense amounted to \$24,458 and \$24,456 of which \$3,269 and \$3,151, each respectively, is included in the memorial fund administrative fee on the statements of functional expenses.

**6. Temporarily Restricted Net Assets:**

Temporarily restricted net assets as of December 31, 2017 and 2016 include \$235,485 and \$235,425, respectively, of membership contributions received in the year prior to the year for which they were designated.

**7. Permanently Restricted Net Assets:**

Permanently restricted net assets consist of donor restricted contributions in the original amount of \$1,841,042 made to the Organization to establish and maintain the Memorial Fund. The annual income, which consists of interest and dividend income less administrative expenses earned by this fund, is to be distributed equally to the surviving spouses and dependents of law enforcement officers and firefighters who have lost their lives in the line of duty during the year. If there are no line-of-duty deaths during the year, the benefit that would have been payable carries over into the next year. The remaining balance of the permanently restricted fund represents cumulative net gains on the investments. The distribution to beneficiaries is made in the year after the line-of-duty death occurs.

For the years ended December 31, 2017 and 2016, the administrative fee charged to the Memorial Fund by the Organization equaled 1.4% of total Memorial Fund assets as of the end of the fiscal year. The administrative fee consists of salaries and other expenses incurred by the Organization to administer the Memorial Fund and have been separately reflected on the accompanying statements of functional expenses.

**8. Net Assets Released from Restrictions:**

Net assets released from donor restrictions by expending amounts in accordance with donor restricted purposes and the passage of time during the years ended December 31, 2017 and 2016 were as follows:

	2017	2016
Passage of Time -		
Membership Contributions	\$ 235,425	\$ 242,612
Scheduled Payments to		
Beneficiaries	79,250	65,167
Programmatic		
Administrative Fees	23,345	22,534
	<u>\$ 338,020</u>	<u>\$ 330,313</u>

**9. Donated Services**

During the years ended December 31, 2017 and 2016, the Organization received pro-bono legal services with a fair value of \$9,400 and \$14,152, respectively.

**10. Indemnifications:**

In the ordinary course of business, the Organization enters into various agreements containing standard indemnification provisions. The Organization's indemnification obligations under such provisions are typically in effect from the date of execution of the applicable agreement through the end of the applicable statute of limitations. The aggregate maximum potential future liability of the Organization under such indemnification provisions is uncertain. As of December 31, 2017 and 2016, no amounts have been accrued related to such indemnification provisions.

