



St. Louis, Missouri

**Financial Statements
with
Independent Accountant's Review Report**

Year Ended December 31, 2016

Joshua Chamberlain Society
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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

Board of Directors
Joshua Chamberlain Society
St. Louis, Missouri

We have reviewed the accompanying financial statements of Joshua Chamberlain Society (a nonprofit organization), which comprise the statement of financial position as of December 31, 2016, and the related statements of activities, functional expenses, and cash flows for the year 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 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 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.

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 accounting principles generally accepted in the United States of America. 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 accounting principles generally accepted in the United States of America.

Catlett & Associates, LLC
April 30, 2017

**Joshua Chamberlain Society
Statement of Financial Position
December 31, 2016**

ASSETS

Current Assets

Cash and cash equivalents	\$ 147,740
Short term investments	552,977
Total Current Assets	<u>700,717</u>

Total Assets \$ 700,717

NET ASSETS

Net Assets

Unrestricted	<u>700,717</u>
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Total Net Assets \$ 700,717

See accompanying notes and independent accountant's review report.

Joshua Chamberlain Society
Statement of Activities
Year Ended December 31, 2016

	Unrestricted
REVENUES, GAINS, AND OTHER SUPPORT	
Contributions	\$ 265,519
Contributions-gifts in kind	2,454
Special events	
Special events revenue	242,441
Less: direct benefit to donors	(162,984)
Net support from special events	<u>79,457</u>
Investment return	44,015
Other	<u>1,567</u>
Total Revenues, Gains, and Other Support	<u>393,012</u>
EXPENSES	
Program	215,296
Management and general	9,995
Fundraising	<u>14,211</u>
Total Expenses	<u>239,502</u>
Change in net assets	153,510
Net assets, beginning of year	<u>547,207</u>
Net assets, end of year	<u><u>\$ 700,717</u></u>

See accompanying notes and independent accountant's review report.

Joshua Chamberlain Society
Statement of Cash Flows
Year Ended December 31, 2016

OPERATING ACTIVITIES

Change in net assets	\$ 153,510
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Donated securities	(2,454)
Net unrealized and realized gain on investments	<u>(25,293)</u>
Net cash provided by operating activities	<u>125,763</u>

INVESTING ACTIVITIES

Purchase of investments, net	<u>(165,664)</u>
Net cash used in investing activities	<u>(165,664)</u>
Change in cash and cash equivalents	(39,901)
Cash and cash equivalents, beginning of year	<u>187,641</u>
Cash and cash equivalents, end of year	<u><u>\$ 147,740</u></u>

See accompanying notes and independent accountant's review report.

Joshua Chamberlain Society
Statement of Functional Expenses
Year Ended December 31, 2016

EXPENSES	Hero Support Program	Management and General	Fundraising	Total
Personnel Costs				
Salaries and wages	\$ 38,532	\$ 5,928	\$ 4,940	\$ 49,400
Payroll taxes	2,948	453	378	3,779
Total Personnel Costs	<u>41,480</u>	<u>6,381</u>	<u>5,318</u>	<u>53,179</u>
Other Operating Expense				
Contributions	151,383	-	-	151,383
Office expense	18,170	3,068	2,795	24,033
Insurance	1,944	249	299	2,492
Professional fees	2,319	297	357	2,973
Meetings and events	-	-	163,139	163,139
Advertising and promotional	-	-	5,287	5,287
Total Other Operating Expenses	<u>173,816</u>	<u>3,614</u>	<u>171,877</u>	<u>349,307</u>
Less: direct benefit to donors	-	-	(162,984)	(162,984)
Total Expenses by Function	<u>\$ 215,296</u>	<u>\$ 9,995</u>	<u>\$ 14,211</u>	<u>\$ 239,502</u>

See accompanying notes and independent accountant's review report.

Joshua Chamberlain Society
Notes to the Financial Statements
December 31, 2016

NOTE A – ORGANIZATION

Joshua Chamberlain Society (the “Organization”), a non-profit organization was formed with the mission of providing long term support to veterans from local areas who have sustained permanent combat injuries fighting the long war on terror for the United States of America. The Organization also provides long term support to the children of local veterans who made the ultimate sacrifice. The Organization operates primarily within the city of St. Louis, Missouri and surrounding areas.

General and administrative activities include the functions necessary to support the Organization's program activities. General and administrative activities include those that provide governance (Board of Directors), oversight, business management, financial recordkeeping, budgeting, legal services, human resource management, and similar activities that ensure an adequate working environment and an equitable employment program.

Fundraising activities include publicizing and conducting fundraising campaigns; maintaining donor lists; conducting special fundraising events; and other activities involved with soliciting contributions from corporations, foundations, individuals, and others.

Sources of revenue consist primarily of unrestricted contributions from donors and fund raising events.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Organization prepares its financial statements in accordance with generally accepted accounting principles promulgated in the United States of America (U.S. GAAP) for not-for-profit entities. The significant accounting and reporting policies used by the Organization are described subsequently to enhance the usefulness and understandability of the financial statements.

1. Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that may affect the reported amounts of revenues and expenses during the reporting period and the reported amounts of assets and liabilities at the date of the financial statements. On an ongoing basis, the Organization’s management evaluates the estimates and assumptions based upon historical experience and various other factors and circumstances. The Organization’s management believes that the estimates and assumptions are reasonable in the circumstances; however, the actual results could differ from those estimates.

2. Net Assets

The financial statements report net assets and changes in net assets in three classes that are based upon the existence or absence of restrictions on use that are placed by its donors, as follows:

Unrestricted net assets – These are net assets that are resources available to support operations. The only limits on the use of unrestricted net assets are the broad limits resulting from the nature of the Organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

Joshua Chamberlain Society
Notes to the Financial Statements
December 31, 2016

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Net Assets (Continued)

Temporarily restricted net assets – These are net assets restricted by a donor for use for a particular purpose or in a particular future period. The Organization's unspent contributions are classified in this class if the donor limited their use. When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from temporarily restricted to unrestricted net assets. There were no temporarily restricted net assets at December 31, 2016.

Permanently restricted net assets – These are net assets that are resources whose use by the Organization is limited by donor-imposed restrictions that neither expire by being used in accordance with a donor's restriction nor by the passage of time. As of December 31, 2016, the Organization had no permanently restricted net assets.

All revenues and net gains are reported as increases in unrestricted net assets in the statement of activities unless the use of the related resources is subject to temporary or permanent donor restrictions. All expenses and net losses are reported as decreases in unrestricted net assets.

3. Cash Equivalents

Cash equivalents are short term, interest bearing, highly liquid investments with original maturities of three months or less that are not included in restricted funds.

4. Short Term Investments

The Organization invests cash in excess of its immediate needs in an investment account holding U.S. common stocks, mutual funds, and money market funds. Short term investments are reported at fair value.

5. Contributions

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and nature of any donor restrictions. Support that is not restricted by the donor is reported as an increase in unrestricted net assets. All other donor restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction.

When a restriction expires (that is when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

6. Gifts-in-Kind Contributions

The Organization periodically receives contributions in a form other than cash or investments. If the Organization receives a contribution of equipment, the contributed asset is recognized as an asset at its estimated fair value at the date of gift, provided that the value of the asset and its estimated useful life meets the Organization's capitalization policy. Donated use of facilities is reported as contributions and as expenses at the estimated fair value of similar space for rent under similar conditions. If the use of the space is promised unconditionally for a period greater than one year, the contribution is reported as a contribution and an unconditional promise to give at the date of gift, and the expense is reported over the term of use.

Joshua Chamberlain Society
Notes to the Financial Statements
December 31, 2016

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

6. Gifts-in-Kind Contributions (Continued)

Donated supplies are recorded as contributions at the date of gift and as expenses when the donated items are placed into service or distributed. The Organization did not receive any donated goods or property other than investment assets during the year ended December 31, 2016.

The Organization benefits from personal services provided by a number of volunteers. Those volunteers have donated significant amounts of time and services in the Organization's program operations and in its fund-raising campaigns. However, none of the contributed services meet the criteria for recognition in financial statements. GAAP allows recognition of contributed services only if (a) the services create or enhance nonfinancial assets, or (b) the services would have been purchased if not provided by contribution, require specialized skills, and are provided by individuals possessing those skills. Accordingly, the Organization did not record any gift-in-kind contributions from personal services provided by volunteers during the year ended December 31, 2016.

7. Expense Recognition and Allocation

The cost of providing the Organization's programs and other activities is summarized on a functional basis in the statement of activities and statement of functional expenses. Expenses that can be identified with a specific program or support service are charged directly to that program or support service. Costs common to multiple functions have been allocated among the various functions benefited.

General and administrative expenses include those costs that are not directly identifiable with any specific program, but which provide for the overall support and direction of the Organization.

Fundraising costs are expensed as incurred, even though they may result in contributions received in future years. The Organization generally does not conduct its fundraising activities in conjunction with its other activities. In the few cases in which it does, joint costs have been allocated between fundraising and management and general expenses in accordance with standards for accounting for costs of activities that include fundraising. Additionally, advertising costs are expensed as incurred.

8. Income Taxes

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. It is also exempt from state income taxes. However, any unrelated business income may be subject to taxation. Currently, the Organization has no obligation for any unrelated business income tax.

9. Credit Risk

Financial instruments that could potentially subject the Organization to credit risk consist principally of cash balances in excess of federally insured limits.

NOTE C – FAIR VALUE MEASUREMENT

The Organization reports its fair value measures using a three-level hierarchy that prioritizes the inputs used to measure fair value. This hierarchy, established by GAAP, requires that entities maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The three levels of inputs used to measure fair value are as follows:

Joshua Chamberlain Society
Notes to the Financial Statements
December 31, 2016

NOTE C – FAIR VALUE MEASUREMENT (CONTINUED)

1. Quoted prices for identical assets or liabilities in active markets to which the Organization has access at the measurement date.
2. Inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include:
 - a. Quoted prices for similar assets or liabilities in active markets;
 - b. Quoted prices for identical or similar assets in markets that are not active;
 - c. Observable inputs other than quoted prices for the asset or liability (for example, interest rates and yield curves); and
 - d. Inputs derived principally from, or corroborated by, observable market data by correlation or by other means.
3. Unobservable inputs for asset or liability. Unobservable inputs are used to measure the fair value to the extent that observable inputs are not available.

When available, the Organization measures fair value using level 1 inputs, because they generally provide the most reliable evidence of fair value. The primary uses of fair value measures in the Organization's financial statements are initial measurements of noncash gifts of investment assets.

NOTE D – INVESTMENTS

Investments at December 31, 2016 were as follows:

	<u>Fair Value</u>
Short-term investments:	
U.S. common stocks	\$ 14,347
Mutual funds	538,630
	<u>\$ 552,977</u>

As discussed in Note C to these financial statements, the Organization is required to report its fair value measurements in one of three levels, which are based on the ability to observe in the marketplace the inputs to the Organization's valuation techniques. Level 1, the most observable level of inputs, is for investments measured at quoted prices in active markets for identical investments as of the December 31, 2016, including investments measured at net asset value (NAV) if the NAV is determined as the fair value per share (unit) is published, and is the basis for current transactions. Level 2 is for investments measured using inputs such as quoted prices for similar assets or quoted prices for the identical asset in inactive markets. Level 3 is for investments measured using inputs that are unobservable, and is used in situations for which there is little, if any, market activity for the investment. At December 31, 2016, the Organization does not have any investments measured using level 2 or 3 inputs. Fair value for all investments was determined by the published NAV per unit at the end of the last trading day of the year, which is the basis for transactions at that date.

Joshua Chamberlain Society
Notes to the Financial Statements
December 31, 2016

NOTE D – INVESTMENTS (CONTINUED)

The composition of the investment return reported in the statement of activities is as follows:

Interest and dividends	\$	18,722
Capital gain distributions		264
Unrealized and realized net gains on investments		<u>25,029</u>
Total investment returns	\$	<u><u>44,015</u></u>

NOTE E – SUBSEQUENT EVENTS

Subsequent events were evaluated to April 30, 2017.