

CONCERNS OF POLICE SURVIVORS, INC.

Camdenton, Missouri

INDEPENDENT AUDITOR'S REPORT

For the Years Ended March 31, 2017 and 2016

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Concerns of Police Survivors, Inc.
Camdenton, Missouri

Report on the Financial Statements

We have audited the accompanying financial statements of Concerns of Police Survivors, Inc., (the "Organization"), a nonprofit organization, which comprise the statements of financial position as of March 31, 2017 and 2016, and the related statements of activities, functional expenses (operational and grant funds), 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.

Auditor's 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from 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 auditor's 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 auditor considers internal control relevant to the entity'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 entity'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 Organization, as of March 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.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 23, 2017, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

Graves and Associates,
CPAs, LLC

GRAVES AND ASSOCIATES, CPAs, LLC
Jefferson City, Missouri

June 23, 2017

CONCERNS OF POLICE SURVIVORS, INC.

STATEMENT OF FINANCIAL POSITION

March 31, 2017

ASSETS	OPERATIONAL FUND		GRANT FUND	TOTAL
	UNRESTRICTED	TEMPORARILY RESTRICTED	TEMPORARILY RESTRICTED	
CURRENT ASSETS				
Cash and Cash Equivalents	\$ 1,687,429	\$ 477,095	\$ 62,466	\$ 2,226,990
Grants Receivable	-	-	2,837,000	2,837,000
Inventory	144,026	-	-	144,026
Construction in Progress	328,919	-	-	328,919
Due To/From	76,332	-	(76,332)	-
Total Current Assets	<u>2,236,706</u>	<u>477,095</u>	<u>2,823,134</u>	<u>5,536,935</u>
PROPERTY AND EQUIPMENT				
Property and Equipment	971,755	-	-	971,755
Less: Accumulated Depreciation	<u>(336,046)</u>	<u>-</u>	<u>-</u>	<u>(336,046)</u>
Net Property and Equipment	635,709	-	-	635,709
OTHER ASSETS				
Investments	3,994,551	104,595	-	4,099,146
Officer's Annuities	<u>80,475</u>	<u>-</u>	<u>-</u>	<u>80,475</u>
Total Other Assets	<u>4,075,026</u>	<u>104,595</u>	<u>-</u>	<u>4,179,621</u>
Total Assets	<u>\$ 6,947,441</u>	<u>\$ 581,690</u>	<u>\$ 2,823,134</u>	<u>\$ 10,352,265</u>
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES				
Accounts Payable	\$ 204,939	\$ -	\$ -	204,939
Grants Payable	-	-	22,080	22,080
Accrued Vacation	68,712	-	-	68,712
Accrued Wages, Fees and Taxes	48,670	-	-	48,670
Building Loan	75,302	-	-	75,302
Lease Liability-Current	10,519	-	-	10,519
Deferred Grant Revenue	-	-	2,801,054	2,801,054
Total Current Liabilities	<u>408,142</u>	<u>-</u>	<u>2,823,134</u>	<u>3,231,276</u>
LONG TERM LIABILITIES				
Lease Liability	48,763	-	-	48,763
Less: Lease Liability-Current	<u>(10,519)</u>	<u>-</u>	<u>-</u>	<u>(10,519)</u>
Total Long Term Liabilities	<u>38,244</u>	<u>-</u>	<u>-</u>	<u>38,244</u>
Total Liabilities	<u>446,386</u>	<u>-</u>	<u>2,823,134</u>	<u>3,269,520</u>
NET ASSETS				
Unrestricted	6,078,055	-	-	6,078,055
Designated	423,000	-	-	423,000
Temporarily Restricted	-	581,690	-	581,690
Total Net Assets	<u>6,501,055</u>	<u>581,690</u>	<u>-</u>	<u>7,082,745</u>
Total Liabilities and Net Assets	<u>\$ 6,947,441</u>	<u>\$ 581,690</u>	<u>\$ 2,823,134</u>	<u>\$ 10,352,265</u>

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

CONCERNS OF POLICE SURVIVORS, INC.

STATEMENT OF ACTIVITIES

For the Year Ended March 31, 2017

	OPERATIONAL FUND		GRANT FUND	TOTAL
	UNRESTRICTED	TEMPORARILY RESTRICTED	TEMPORARILY RESTRICTED	
REVENUES, PUBLIC SUPPORT, AND RECLASSIFICATIONS				
Grants	\$ -	\$ -	\$ 1,139,165	\$ 1,139,165
Contributions				
Cash Contributions	604,001	539,046	-	1,143,047
C.O.P.S. KIDS	-	351,525	-	351,525
Scholarships	140,586	-	-	140,586
Non-Cash Donations	154,494	-	-	154,494
Allocations by Federated and Nonfederated Campaigns	100,072	-	-	100,072
Law Enforcement	120,243	-	-	120,243
Chapter Support	114,643	-	-	114,643
Total Contributions	1,234,039	890,571	-	2,124,610
Other Revenue				
National Awareness Campaign	6,415	-	-	6,415
National Conference Fees	107,217	-	-	107,217
Returning Survivor Fees	47,800	-	-	47,800
Investment Income (Loss)	276,788	9,082	-	285,870
Corporate	199,931	-	-	199,931
Sponsorships	577,217	-	-	577,217
Special Events Income	127,508	-	-	127,508
Miscellaneous Income	1,033	-	-	1,033
Total Other Revenue	1,343,909	9,082	-	1,352,991
Sales	212,778	-	-	212,778
Cost of Good Sold	(132,090)	-	-	(132,090)
Gross Margin on Sales	80,688	-	-	80,688
Net Assets Released from Restrictions	1,919,484	(780,319)	(1,139,165)	-
Total Revenues, Public Support, and Reclassifications	4,578,120	119,334	-	4,697,454
EXPENSES				
Program Services				
Program Services	2,209,045	-	-	2,209,045
Peer Support and Benefits Assistance	759,102	-	-	759,102
Public Relations	264,248	-	-	264,248
Total Program Services	3,232,395	-	-	3,232,395
Supporting Services				
Management and General	189,319	-	-	189,319
Fundraising	303,573	-	-	303,573
Total Supporting Services	492,892	-	-	492,892
Total Expenses	3,725,287	-	-	3,725,287
Change in Net Assets Before Other Income (Expense)	852,833	119,334	-	972,167
Other Income (Expense)				
Unrealized Loss in Property and Equipment	(82,811)	-	-	(82,811)
Total Other Income (Expense)	(82,811)	-	-	(82,811)
Changes In Net Assets	770,022	119,334	-	889,356
Net Assets, Beginning	5,731,033	462,356	-	6,193,389
Net Assets, Ending	\$ 6,501,055	\$ 581,690	\$ -	\$ 7,082,745

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

CONCERNS OF POLICE SURVIVORS, INC.

STATEMENT OF FUNCTIONAL EXPENSES-OPERATIONAL FUNDS
For the Year Ended March 31, 2017

Description	PROGRAM SERVICES				SUPPORTING SERVICES			Total Operational
	Programs	Peer Support and Benefits	Public Relations	Total Program Services	Management and General	Fund- Raising	Total Supporting Services	
Salary Expense	\$ 132,626	\$ 76,661	\$ 57,284	\$ 266,571	\$ 24,990	\$ 46,598	\$ 71,588	\$ 338,159
Contract Labor	31,798	9,368	7,000	48,166	3,054	10,155	13,209	61,375
Payroll Benefits Expense	14,587	8,432	6,301	29,320	2,749	5,125	7,874	37,194
403(b) Retirement	1,577	911	681	3,169	297	554	851	4,020
Payroll Taxes	18,608	10,756	8,037	37,401	3,506	6,538	10,044	47,445
Employee Training	-	-	-	-	230	-	230	230
Furniture & Equipment	640	370	1,122	2,132	121	225	346	2,478
Building & Grounds	2,986	1,726	1,290	6,002	563	1,049	1,612	7,614
List Purchase	2,300	-	-	2,300	-	-	-	2,300
Office Equipment Lease / Rent	(1,073)	(620)	(463)	(2,156)	(202)	(377)	(579)	(2,735)
Meeting Space Rent	27,162	908	-	28,070	-	1,857	1,857	29,927
General Business Insurance	7,345	4,246	3,173	14,764	1,384	2,581	3,965	18,729
Lodging & Meals	718,263	62,805	1,483	782,551	581	55,761	56,342	838,893
Transportation	48,099	2,501	-	50,600	-	115	115	50,715
Registration Fees	2,272	-	-	2,272	870	15,941	16,811	19,083
Accounting	4,574	2,644	1,975	9,193	862	1,607	2,469	11,662
Legal	2,221	1,284	959	4,464	418	780	1,198	5,662
Interest Expense	-	-	-	-	5,130	-	5,130	5,130
Consulting Fees	35,262	13,117	6,387	54,766	2,786	5,195	7,981	62,747
Contract Program Counselors	83,150	-	-	83,150	-	-	-	83,150
Children's Private Counseling	-	15,217	-	15,217	-	-	-	15,217
Supplies	65,438	6,544	5,626	77,608	1,184	23,184	24,368	101,976
Telephone	1,998	1,125	841	3,964	367	867	1,234	5,198
Postage and Shipping	11,379	21,528	4,368	37,275	1,391	20,341	21,732	59,007
Internet Fees	4,121	2,006	1,452	7,579	633	1,180	1,813	9,392

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

CONCERNS OF POLICE SURVIVORS, INC.

STATEMENT OF FUNCTIONAL EXPENSES-OPERATIONAL FUNDS
For the Year Ended March 31, 2017

Description	PROGRAM SERVICES			SUPPORTING SERVICES			Total Operational	
	Programs	Peer Support and Benefits	Public Relations	Total Program Services	Management and General	Fund- Raising		Total Supporting Services
Utilities	2,395	1,384	1,034	4,813	451	841	1,292	6,105
Expenses (Continued)								
Memberships, Dues and Subscriptions	\$ 788	\$ 432	\$ 323	\$ 1,543	\$ 141	\$ 558	\$ 699	\$ 2,242
Printing	16,292	29,337	4,094	49,723	1,742	30,901	32,643	82,366
Awards and Grants - Individuals	-	98,900	-	98,900	-	-	-	98,900
Event Fees, Prizes and Awards	-	-	-	-	-	8,392	8,392	8,392
Miscellaneous	1,012	-	300	1,312	(102)	6,433	6,331	7,643
Charitable Donations	1,776	1,176	767	3,719	335	1,124	1,459	5,178
Bank Charges	3,573	2,065	7,158	12,796	673	1,255	1,928	14,724
Program Activities	60,304	2,221	-	62,525	1,338	-	1,338	63,863
Marketing	-	-	14,058	14,058	-	-	-	14,058
Public Relations	-	184	3,610	3,794	15,538	-	15,538	19,332
Scholarships	-	88,362	-	88,362	-	-	-	88,362
Software	7,815	4,517	3,375	15,707	1,473	2,746	4,219	19,926
Travel	72,173	57,488	-	129,661	15,148	11,704	26,852	156,513
Total Expenses Before Depreciation and Non-Cash Donations	1,381,461	527,595	142,235	2,051,291	87,651	263,230	350,881	2,402,172
Depreciation / Amortization	-	-	-	-	39,453	-	39,453	39,453
Non-Cash Donations	90,789	-	3,765	94,554	9,600	40,343	49,943	144,497
Total Operational	90,789	-	3,765	94,554	49,053	40,343	89,396	183,950
Total Operational Functional Expenses	\$ 1,472,250	\$ 527,595	\$ 146,000	\$ 2,145,845	\$ 136,704	\$ 303,573	\$ 440,277	\$ 2,586,122

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

CONCERNS OF POLICE SURVIVORS, INC.

STATEMENT OF FUNCTIONAL EXPENSES - GRANT FUNDS
For the Year Ended March 31, 2017

Description	PROGRAM SERVICES				SUPPORTING SERVICES		Total Grant
	Programs	Peer Support and Benefits	Public Relations	Total Program Services	Management and General	Total Supporting Services	
Salary Expense	\$ 189,728	\$ 109,650	\$ 81,956	\$ 381,334	\$ 35,744	\$ 35,744	\$ 417,078
Contract Labor	2,164	-	-	2,164	-	-	2,164
Payroll Benefits Expense	23,566	13,619	10,180	47,365	4,440	4,440	51,805
403(b) Retirement	2,850	1,647	1,231	5,728	537	537	6,265
Payroll Taxes	17,601	10,172	7,603	35,376	3,316	3,316	38,692
Furniture & Equipment	1,298	750	561	2,609	245	245	2,854
Office Equipment Lease / Rent	10,951	6,329	4,730	22,010	2,063	2,063	24,073
Meeting Space Rent	18,308	-	-	18,308	-	-	18,308
Lodging & Meals	121,564	387	123	122,074	54	54	122,128
Transportation	68,230	-	-	68,230	-	-	68,230
Registration Fees	3,629	-	-	3,629	-	-	3,629
Accounting	5,520	3,190	2,385	11,095	1,040	1,040	12,135
Consulting Fees	18,775	-	-	18,775	-	-	18,775
Contract Program Counselors	21,800	-	-	21,800	-	-	21,800
Supplies	30,730	1,735	1,297	33,762	566	566	34,328
Telephone	2,701	1,120	837	4,658	365	365	5,023
Postage and Shipping	47,703	29,476	3,170	80,349	1,382	1,382	81,731
Internet Fees	3,597	-	-	3,597	-	-	3,597
Memberships, Dues and Subscriptions	496	-	-	496	-	-	496
Printing	50,413	48,166	1,531	100,110	668	668	100,778
Software	6,121	3,538	2,644	12,303	1,153	1,153	13,456
Travel	89,050	1,728	-	90,778	1,042	1,042	91,820
Total Grant Functional Expenses	\$ 736,795	\$ 231,507	\$ 118,248	\$ 1,086,550	\$ 52,615	\$ 52,615	\$ 1,139,165

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

CONCERNS OF POLICE SURVIVORS, INC.

STATEMENT OF CASH FLOWS
For the Year Ended March 31, 2017

	OPERATIONAL FUND	GRANT FUND	TOTAL
CASH FLOWS FROM OPERATING ACTIVITIES:			
Changes in Net Assets	\$ 889,356	\$ -	\$ 889,356
Adjustments To Reconcile Changes In Net Assets			
To Net Cash Provided (Used) By Operating Activities:			
Depreciation and Amortization	39,453	-	39,453
Non-Cash Donations-Received	(154,495)	-	(154,495)
Non-Cash Donations-Made	144,497	-	144,497
Loss (Gain) on Disposal of Equipment	82,811	-	82,811
Unrealized Loss (Gain) on Investments	(183,093)	-	(183,093)
Realized Loss (Gain) on Investments	(32,518)	-	(32,518)
(Increase) Decrease in:			
Accounts Receivable	2,993	-	2,993
Grants Receivable	-	(2,273,546)	(2,273,546)
Inventory	(24,840)	-	(24,840)
Construction in Progress	(328,919)	-	(328,919)
Due from Other Funds	37,734	(37,734)	-
Increase (Decrease) in:			
Accounts Payable	198,896	-	198,896
Grants Payable	-	(7,513)	(7,513)
Accrued Vacation	5,984	-	5,984
Accrued Wages, Fees, and Taxes	(28,879)	-	(28,879)
Disbanded Chapter Reserve	(2,890)	-	(2,890)
Deferred Grant Revenue	-	2,360,835	2,360,835
Total Adjustments	(243,266)	42,042	(201,224)
Net Cash Provided (Used) By Operating Activities	646,090	42,042	688,132
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of Investments	(851,949)	-	(851,949)
Proceeds on Sale of Investments	784,074	-	784,074
Change in Value of Officer's Annuities	(1,188)	-	(1,188)
Purchase of Property and Equipment	(1,260)	-	(1,260)
Net Cash Provided (Used) In Investing Activities	(70,323)	-	(70,323)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Loan Proceeds	75,302	-	75,302
Payment on Capital Leases	(9,570)	-	(9,570)
Net Cash Provided (Used) By Financing Activities	65,732	-	65,732
Net Increase (Decrease) In Cash And Cash Equivalents	641,499	42,042	683,541
Cash And Cash Equivalents, Beginning	1,523,025	20,424	1,543,449
Cash And Cash Equivalents, Ending	\$ 2,164,524	\$ 62,466	\$ 2,226,990

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

CONCERNS OF POLICE SURVIVORS, INC.

STATEMENT OF CASH FLOWS
For The Year Ended March 31, 2017

(Continued)

<u>Cash and Cash Equivalents</u>	<u>Beginning of Year</u>	<u>End of Year</u>	<u>Increase or (Decrease)</u>
Petty Cash	\$ 1,314	\$ 1,067	\$ (247)
Checking - Grant	20,425	62,466	42,041
Marketing - Non Grant	59,410	97,417	38,007
Money Market - Non Grant	950,195	929,086	(21,109)
Checking - Restricted Fund	154,816	806,268	651,452
Credit Union	370	31,574	31,204
Credit Union - COPS Kids	354,619	295,719	(58,900)
Checking - JAFLEF	2,300	3,392	1,092
Totals	<u>\$ 1,543,449</u>	<u>\$ 2,226,990</u>	<u>\$ 683,541</u>

Supplemental Disclosure of Cash Flow Information:

Cash paid during the year for:

Interest	\$ 5,130
Taxes	-

Supplemental Disclosure of NonCash Activity:

The Organization received donated stock valued at \$9,998 during the year ended.

The value of the stock is reported as noncash donations received and is excluded from investment purchases

Disclosure of Accounting Policy:

The Organization considers all highly liquid investments, except those held for long-term investment, with original maturities of three months or less when purchased, to be cash equivalents.

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

CONCERNS OF POLICE SURVIVORS, INC.

STATEMENT OF FINANCIAL POSITION

March 31, 2016

ASSETS	OPERATIONAL FUND		GRANT FUND	TOTAL
	UNRESTRICTED	TEMPORARILY RESTRICTED	TEMPORARILY RESTRICTED	
CURRENT ASSETS				
Cash and Cash Equivalents	\$ 1,164,182	\$ 358,843	\$ 20,424	\$ 1,543,449
Accounts Receivable	2,993	-	-	2,993
Grants Receivable	-	-	563,454	563,454
Inventory	119,186	-	-	119,186
Due To/From	106,066	8,000	(114,066)	-
Total Current Assets	1,392,427	366,843	469,812	2,229,082
PROPERTY AND EQUIPMENT				
Property and Equipment	1,056,001	-	-	1,056,001
Less: Accumulated Depreciation	(299,288)	-	-	(299,288)
Net Property and Equipment	756,713	-	-	756,713
OTHER ASSETS				
Investments	3,710,149	95,513	-	3,805,662
Officer's Annuities	79,287	-	-	79,287
Total Other Assets	3,789,436	95,513	-	3,884,949
Total Assets	\$ 5,938,576	\$ 462,356	\$ 469,812	\$ 6,870,744
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES				
Accounts Payable	\$ 6,043	\$ -	\$ -	\$ 6,043
Grants Payable	-	-	29,593	29,593
Accrued Vacation	62,728	-	-	62,728
Accrued Wages, Fees and Taxes	77,549	-	-	77,549
Disbanded Chapter Reserve	2,890	-	-	2,890
Lease Liability-Current	9,570	-	-	9,570
Deferred Grant Revenue	-	-	440,219	440,219
Total Current Liabilities	158,780	-	469,812	628,592
LONG TERM LIABILITIES				
Lease Liability	58,333	-	-	58,333
Less: Lease Liability-Current	(9,570)	-	-	(9,570)
Total Long Term Liabilities	48,763	-	-	48,763
Total Liabilities	207,543	-	469,812	677,355
NET ASSETS				
Unrestricted	5,731,033	-	-	5,731,033
Temporarily Restricted	-	462,356	-	462,356
Total Net Assets	5,731,033	462,356	-	6,193,389
Total Liabilities and Net Assets	\$ 5,938,576	\$ 462,356	\$ 469,812	\$ 6,870,744

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

CONCERNS OF POLICE SURVIVORS, INC.

STATEMENT OF ACTIVITIES

For the Year Ended March 31, 2016

	OPERATIONAL FUND		GRANT FUND	TOTAL
	UNRESTRICTED	TEMPORARILY RESTRICTED	TEMPORARILY RESTRICTED	
REVENUES, PUBLIC SUPPORT, AND RECLASSIFICATIONS				
Grants	\$ -	\$ -	\$ 1,532,732	\$ 1,532,732
Contributions				
Cash Contributions	436,254	241,324	-	677,578
C.O.P.S. KIDS	-	346,225	-	346,225
United Way	12,762	-	-	12,762
Scholarships	93,056	-	-	93,056
Non-Cash Donations	36,092	-	-	36,092
Allocations by Federated and Nonfederated Campaigns	71,651	-	-	71,651
Law Enforcement	63,716	-	-	63,716
Chapter Support	123,098	-	-	123,098
Total Contributions	836,629	587,549	-	1,424,178
Other Revenue				
Direct Mail Income	14,481	-	-	14,481
National Conference Fees	100,406	-	-	100,406
Returning Survivor Fees	29,850	-	-	29,850
Investment Income (Loss)	(15,044)	(3,941)	-	(18,985)
Corporate	92,435	-	-	92,435
Sponsorships	500,152	-	-	500,152
Royalties	501	-	-	501
Board Chapter Training	5,600	-	-	5,600
Special Events Income	18,991	-	-	18,991
Miscellaneous Income	907	-	-	907
Total Other Revenue	748,279	(3,941)	-	744,338
Sales	160,934	-	-	160,934
Cost of Good Sold	(105,232)	-	-	(105,232)
Gross Margin on Sales	55,702	-	-	55,702
Net Assets Released from Restrictions	2,138,273	(605,541)	(1,532,732)	-
Total Revenues, Public Support, and Reclassifications	3,778,883	(21,933)	-	3,756,950
EXPENSES				
Program Services				
Grief Seminars	1,352,404	-	-	1,352,404
Peer Support and Benefits Assistance	771,971	-	-	771,971
Public Safety Agency Assistance	621,991	-	-	621,991
Education and Awareness	296,063	-	-	296,063
Children's Counseling	13,502	-	-	13,502
Awards and Grants to Individuals and Other Organizations	216,052	-	-	216,052
Total Program Services	3,271,983	-	-	3,271,983
Supporting Services				
Management and General	126,857	-	-	126,857
Fundraising	205,399	-	-	205,399
Total Supporting Services	332,256	-	-	332,256
Total Expenses	3,604,239	-	-	3,604,239
Changes In Net Assets	174,644	(21,933)	-	152,711
Net Assets, Beginning	5,556,389	484,289	-	6,040,678
Net Assets, Ending	\$ 5,731,033	\$ 462,356	\$ -	\$ 6,193,389

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

CONCERNS OF POLICE SURVIVORS, INC.

STATEMENT OF FUNCTIONAL EXPENSES - OPERATIONAL FUNDS
For the Year Ended March 31, 2016

Description	PROGRAM SERVICES						SUPPORTING SERVICES				
	Grief Seminars	Peer Support and Benefits Assistance	Public Safety Agency Assistance	Education and Awareness	Children's Counseling	Awards and Grants to Individuals and Other Organizations	Total Program Services	Management and General	Fund - Raising	Total Supporting Services	Total Operational
Salary Expense	\$ 65,609	\$ 64,880	\$ 58,802	\$ 51,843	\$ 1,246	\$ 5,895	\$ 248,275	\$ 22,913	\$ 32,698	\$ 55,611	\$ 303,886
Contract Labor	17,033	36,449	1,019	705	17	80	55,303	311	3,917	4,228	59,531
Payroll Benefits Expense	2,836	2,804	2,542	2,241	54	255	10,732	990	1,413	2,403	13,135
403(b) Retirement	157	155	141	124	3	14	594	56	78	134	728
Employee Training	244	241	218	193	5	22	923	85	121	206	1,129
Furniture & Equipment	1,397	1,381	1,252	1,104	27	125	5,286	487	696	1,183	6,469
Building & Grounds	1,332	1,318	1,194	1,053	25	120	5,042	465	664	1,129	6,171
Office Equipment Lease / Rent	-	624	11,498	-	-	-	12,122	-	1,766	1,766	13,888
Meeting Space Rent	-	-	2,036	-	-	-	2,036	-	102	102	2,138
General Business Insurance	5,353	2,720	3,184	2,174	52	247	13,730	961	1,406	2,367	16,097
Lodging & Meals	594,935	47,544	99,429	6,858	165	893	749,824	3,031	53,382	56,413	806,237
Transportation	21,410	65	-	-	-	-	21,475	-	100	100	21,575
Registration Fees	-	-	-	-	-	-	-	-	100	100	100
Accounting	8,709	8,613	7,806	6,882	165	783	32,958	3,041	4,341	7,382	40,340
Legal	1,201	2,248	1,077	2,816	23	108	7,473	2,869	3,301	6,170	13,643
Consulting Fees	17,096	12,737	7,413	6,536	157	743	44,682	2,888	4,122	7,010	51,692
Contract Program Counselors	47,227	-	-	-	-	-	47,227	-	-	-	47,227
Children's Private Counseling	-	-	-	-	7,544	-	7,544	-	-	-	7,544
Supplies	44,614	11,687	6,489	3,814	73	346	67,023	3,639	13,950	17,589	84,612
Telephone	563	713	543	445	11	51	2,326	196	354	550	2,876
Postage and Shipping - Direct Mail	-	-	-	2,125	-	-	2,125	2,619	5,108	7,727	9,852
Postage and Shipping	2,714	3,696	1,485	862	21	98	8,876	379	544	923	9,799
Internet Fees	1,164	1,334	1,204	920	22	105	4,749	406	580	986	5,735
Utilities	1,351	1,336	1,211	1,067	26	121	5,112	472	673	1,145	6,257

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

CONCERNS OF POLICE SURVIVORS, INC.

STATEMENT OF FUNCTIONAL EXPENSES - OPERATIONAL FUNDS
For the Year Ended March 31, 2016

Description	PROGRAM SERVICES						SUPPORTING SERVICES				
	Grief Seminars	Peer Support and Benefits Assistance	Public Safety Agency Assistance	Education and Awareness	Children's Counseling	Awards and Grants to Individuals and Other Organizations	Total Program Services	Management and General	Fund - Raising	Total Supporting Services	Total Operational
Expenses (Continued)											
Memberships, Dues, and Subscriptions	\$ 279	\$ 276	\$ 250	\$ 221	\$ 5	\$ 25	\$ 1,056	\$ 98	\$ 729	\$ 827	\$ 1,883
Printing	2,411	670	1,429	17,837	7	706	23,060	4,417	4,912	9,329	32,389
Awards and Grants - Individuals	-	-	-	-	-	115,687	115,687	-	-	-	115,687
Event Fees, Prizes, and Awards	-	-	-	-	-	-	-	-	13,611	13,611	13,611
Miscellaneous	158	1,057	142	125	3	14	1,499	655	151	806	2,305
Bank Charges	2,287	2,262	2,050	1,807	43	206	8,655	799	2,931	3,730	12,385
Program Activities	-	48,931	-	-	-	-	48,931	-	-	-	48,931
State Registration Fees	-	-	-	1,466	-	-	1,466	1,923	2,122	4,045	5,511
Marketing	746	737	668	589	14	67	2,821	260	372	632	3,453
Public Relations	1,605	-	17,655	-	-	-	19,260	-	-	-	19,260
Scholarships	-	-	-	-	-	88,090	88,090	-	-	-	88,090
Software	6,429	6,358	5,762	5,080	122	578	24,329	2,246	3,204	5,450	29,779
Travel	40,658	19,784	10,564	900	18	87	72,011	339	9,969	10,308	82,319
Memorials and Recognition	-	15,734	-	-	-	-	15,734	3,107	97	3,204	18,938
Total Expenses Before Depreciation and Non-Cash Donations	889,518	296,354	247,063	119,787	9,848	215,466	1,778,036	59,652	167,514	227,166	2,005,202
Depreciation / Amortization	6,523	6,450	5,846	5,154	124	586	24,683	2,278	3,251	5,529	30,212
Non-Cash Donations	-	198	1,261	-	-	-	1,459	-	34,634	34,634	36,093
Total Operational											
Total Operational Functional Expenses	<u>\$ 896,041</u>	<u>\$ 303,002</u>	<u>\$ 254,170</u>	<u>\$ 124,941</u>	<u>\$ 9,972</u>	<u>\$ 216,052</u>	<u>\$ 1,804,178</u>	<u>\$ 61,930</u>	<u>\$ 205,399</u>	<u>\$ 267,329</u>	<u>\$ 2,071,507</u>

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

CONCERNS OF POLICE SURVIVORS, INC.

STATEMENT OF FUNCTIONAL EXPENSES - GRANT FUNDS

For the Year Ended March 31, 2016

Description	PROGRAM SERVICES						SUPPORTING SERVICES		
	Grief Seminars	Peer Support and Benefits Assistance	Public Safety Agency Assistance	Education and Awareness	Children's Counseling	Total Program Services	Management and General	Total Supporting Services	Total Grant
Salary Expense	\$ 126,030	\$ 124,629	\$ 112,954	\$ 99,586	\$ 2,393	\$ 465,592	\$ 44,014	44,014	\$ 509,606
Contract Labor	1,940	-	-	669	-	2,609	-	-	2,609
403(b) Retirement	2,570	2,542	2,304	2,031	49	9,496	897	897	10,393
Payroll Benefits Expense	20,884	20,652	18,717	16,502	397	77,152	7,294	7,294	84,446
Office Equipment Maintenance	10,317	9,259	8,392	7,399	178	35,545	3,270	3,270	38,815
Meeting Space Rent	-	1,388	92	-	-	1,480	-	-	1,480
Office Equipment Lease	19,443	2,865	-	-	-	22,308	-	-	22,308
Lodging and Meals	47,418	74,546	50,171	-	-	172,135	1	1	172,136
Transportation	67,295	360	-	-	-	67,655	-	-	67,655
Registration Fees	-	1,177	4,994	-	-	6,171	-	-	6,171
Accounting	14,855	14,690	13,314	11,738	282	54,879	5,187	5,187	60,066
Consulting Fees	-	3,200	21,500	-	-	24,700	1	1	24,701
Contract Program Counselors	46,800	-	-	-	-	46,800	-	-	46,800
Office Supplies	13,643	3,357	6,172	21,805	19	44,996	348	348	45,344
Telephone	2,701	1,728	1,566	1,381	33	7,409	611	611	8,020
Postage and Shipping	16,840	37,718	47,907	2,400	52	104,917	963	963	105,880
Membership Fees	19	18	2,734	15	-	2,786	6	6	2,792
List Purchase, Fulfillment, and Maintenance	-	-	2,249	-	-	2,249	-	-	2,249
Printing	21,852	88,719	30,995	5,605	79	147,250	1,457	1,457	148,707
Software	2,519	2,491	2,258	1,991	48	9,307	880	880	10,187
Internet Fees	1,826	-	-	-	-	1,826	(2)	(2)	1,824
Travel	39,411	79,630	41,502	-	-	160,543	-	-	160,543
Total Grant Functional Expenses	<u>\$ 456,363</u>	<u>\$ 468,969</u>	<u>\$ 367,821</u>	<u>\$ 171,122</u>	<u>\$ 3,530</u>	<u>\$ 1,467,805</u>	<u>\$ 64,927</u>	<u>64,927</u>	<u>\$ 1,532,732</u>

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

CONCERNS OF POLICE SURVIVORS, INC.

STATEMENT OF CASH FLOWS
For the Year Ended March 31, 2016

	OPERATIONAL FUND	GRANT FUND	TOTAL
CASH FLOWS FROM OPERATING ACTIVITIES:			
Changes in Net Assets	\$ 152,711	\$ -	\$ 152,711
Adjustments To Reconcile Changes In Net Assets			
To Net Cash Provided (Used) By Operating Activities:			
Depreciation and Amortization	30,211	-	30,211
Non-Cash Donations-Received	(36,092)	-	(36,092)
Non-Cash Donations-Made	36,092	-	36,092
Unrealized Loss (Gain) on Investments	77,398	-	77,398
Realized Loss (Gain) on Investments	29,409	-	29,409
(Increase) Decrease in:			
Accounts Receivable	(2,993)	-	(2,993)
Grants Receivable	-	1,470,000	1,470,000
Inventory	(41,102)	-	(41,102)
Due from Other Funds	10,397	(10,397)	-
Increase (Decrease) in:			
Accounts Payable	(3,034)	-	(3,034)
Grants Payable	-	20,923	20,923
Accrued Vacation	19,809	-	19,809
Accrued Wages	14,601	-	14,601
Disbanded Chapter Reserve	(16,098)	-	(16,098)
Deferred Grant Revenue	-	(1,532,728)	(1,532,728)
Total Adjustments	<u>118,598</u>	<u>(52,202)</u>	<u>66,396</u>
Net Cash Provided (Used) By Operating Activities	271,309	(52,202)	219,107
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of Investments	(2,106,423)	-	(2,106,423)
Proceeds on Sale of Investments	1,920,802	-	1,920,802
Change in Value of Officer's Annuities	(1,173)	-	(1,173)
Purchase of Property and Equipment	<u>(34,789)</u>	<u>-</u>	<u>(34,789)</u>
Net Cash Provided (Used) In Investing Activities	<u>(221,583)</u>	<u>-</u>	<u>(221,583)</u>
Net Increase (Decrease) In Cash And Cash Equivalents	49,726	(52,202)	(2,476)
Cash And Cash Equivalents, Beginning	<u>1,473,299</u>	<u>72,626</u>	<u>1,545,925</u>
Cash And Cash Equivalents, Ending	<u>\$ 1,523,025</u>	<u>\$ 20,424</u>	<u>\$ 1,543,449</u>

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

CONCERNS OF POLICE SURVIVORS, INC.

STATEMENT OF CASH FLOWS
For The Year Ended March 31, 2016

(Continued)

<u>Cash and Cash Equivalents</u>	<u>Beginning of Year</u>	<u>End of Year</u>	<u>Increase or (Decrease)</u>
Petty Cash	\$ 582	\$ 1,314	\$ 732
Checking - Grant	72,627	20,425	(52,202)
Marketing - Non Grant	61,660	59,410	(2,250)
Money Market - Non Grant	886,359	950,194	63,835
Checking - Restricted Fund	1,864	154,816	152,952
Credit Union	48,624	370	(48,254)
Credit Union - COPS Kids	467,201	354,619	(112,582)
Checking - JAFLEF	7,008	2,300	(4,708)
Totals	<u>\$ 1,545,925</u>	<u>1,543,449</u>	<u>\$ (2,476)</u>

Supplemental Disclosure of Cash Flow Information:

Cash paid during the year for:

Interest	\$ -
Taxes	-

Supplemental Disclosure of NonCash Activity:

The Organization entered into a capital lease for equipment totaling \$58,333. This noncash transaction has been excluded from purchase of property and equipment and proceeds from capital lease in the statement of cash flows.

Disclosure of Accounting Policy:

The Organization considers all highly liquid investments, except those held for long-term investment, with original maturities of three months or less when purchased, to be cash equivalents.

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

CONCERNS OF POLICE SURVIVORS, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED MARCH 31, 2017 and 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Nature of Activities

Concerns of Police Survivors, Inc. (the “Organization”), is a nonprofit organization incorporated on April 9, 1984, under the laws of the state of Maryland. The Organization is engaged primarily in the development of annual survivors’ seminars for the survivors of slain law enforcement officers as well as emotional support and financial support for education and private counseling to children. Assistance is available to over 48,000 law enforcement survivors and coworkers affected by line-of-duty death. The Organization’s secondary goals are to work with the nation’s law enforcement agencies and all law enforcement officers nationwide to educate them on the emotional support needs of surviving families and the need for agencies to prepare for the tragedy and trauma of line-of-duty death. It is also the Organization’s goal to educate the general public about the problems law enforcement surviving families encounter because of their loss and promote a supportive response for law enforcement from the citizens they contact.

The Organization is a national organization that has Chapters located throughout the United States. The Organization had 53 and 50 Chapters, respectively, for the years ended. The primary sources of revenue of the Organization are contributions, grants, and sponsorships.

Basis of Accounting

The Organization’s books and records are maintained on the accrual basis of accounting whereby revenue is recognized when earned and expenses when incurred. Accordingly, the financial statements reflect all significant receivables, payables, and other assets and liabilities.

Cash and Cash Equivalents

The Organization considers all highly liquid investments, except those held for long-term investment, with original maturities of three months or less when purchased, to be cash equivalents.

Grants and Grants Receivable

Support received from a grant from the federal government and earmarked contributions are recorded as public support in the appropriate fund when the funds are received. Grants receivable represents amounts awarded, but not yet received by the Organization. Deferred Grant Revenue represents amounts received in advance for which allowable grant expenditures have not yet been incurred. Grants and other contributions of cash and other assets are reported as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor 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. Contributions received with donor-imposed restrictions that are met in the same year in which the contributions are received are classified as unrestricted contributions.

CONCERNS OF POLICE SURVIVORS, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED MARCH 31, 2017 and 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Investments

The Organization carries investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values in the statement of financial position. Unrealized gains and losses are included as a part of investment income in the change in net assets in the accompanying statement of activities.

Inventory

Inventory is valued at the lower of cost or market using the first-in, first-out (FIFO) method.

Property and Equipment

Property and equipment are capitalized at cost if purchased or fair market value at the date of contribution if donated and depreciated using the straight-line method over estimated useful lives of 3-15 years for property, equipment, furniture and software, and up to 39 years for buildings. The Organization's policy is to capitalize purchases of \$1,000 or more with an estimated life in excess of one year.

Expenditures for major renewals and betterments that extend the useful lives of the property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred.

Basis of Presentation

The Organization reports information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted. The classification of net assets into these categories is based on the existence or absence of donor-imposed restrictions, which are stipulations on the use of contributed assets. The Organization had only unrestricted and temporarily restricted net assets as of the years ended.

C.O.P.S. Kids funds are temporarily restricted net assets and represent money contributed and collected specifically for the C.O.P.S. Kids programs. Donors restrict the use of these funds to direct expenses of the C.O.P.S. Kids programs which include the Kids Summer Camp, the Outward Bound Adventure, the Young Adults Camp, the Adult Children's Retreat, the C.O.P.S. Kids/Teens seminars and activities during National Police Week, and C.O.P.S. Kids Counseling Payments.

The Capital Building Project funds temporarily restricted net assets represent money contributed and collected specifically to help expand and update the current facility. The Organization also designated certain funds for this project. It is the intent of the Organization to use temporarily restricted funds first, and designated funds after that to meet project expenditures.

CONCERNS OF POLICE SURVIVORS, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED MARCH 31, 2017 and 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Public Support

Contributions received from the public are recognized as public support when received and are reported as current unrestricted funds, unless specifically restricted by the donor.

Sponsorships are recorded as public support within the Organization's current unrestricted funds when due.

Donated Materials and Services

Donated materials and equipment are reflected as contributions in the accompanying statements at their estimated values at the date of receipt. No amounts have been reflected in the statements for donated services because no objective basis is available to measure the value of such services. However, a substantial number of volunteers have donated significant amounts of their time to the Organization's program services and its fundraising campaigns.

Joint Cost Activities and Direct Response Fundraising

Direct response fundraising provides information regarding the Organization's purpose and how the public can participate in supporting the surviving families and co-workers of slain officers, by distributing educational materials pertaining thereto, and when appropriate, in seeking emotional and financial support for the Organization. Direct response fundraising is limited to direct mail, which is intended to call to action a pre-qualified individual to take an act in furtherance of the Organization's mission, which may or may not also contain an incidental request for support.

The Organization performs its own direct mail campaign activities in an effort to minimize costs through absorption of additional duties by in-house staff.

The Organization did not incur significant joint costs during the year ended March 31, 2017. Therefore, these costs were not allocated between fundraising, programs, and management and general expense.

During the year ended March 31, 2016, the Organization incurred joint costs of \$24,836 for information, materials and other costs of direct response fundraising activities that include fundraising appeals. Of these costs, \$9,562 was allocated to fundraising expense, \$6,606 was allocated to the Organization's public awareness and survivor support programs, and \$8,668 was allocated to management and general expense. The physical units method based on lineage was used to allocate these joint costs.

CONCERNS OF POLICE SURVIVORS, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED MARCH 31, 2017 and 2016

Functional Expenses

The costs of providing various program and supporting services have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefitted.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Income Tax Status

The Organization is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been reflected in the Organization's financial statements.

Fund Accounting

The accounts of the Organization are maintained in accordance with the principles of fund accounting whereby resources are classified for accounting and reporting purposes into funds established according to their nature and purposes.

The assets, liabilities, and net assets of the Organization are reported in two self-balancing funds as follows:

1. The Operational Fund, which includes unrestricted and restricted resources, represents expendable funds that are available for support of the Organization's operations, either for general or donor specified purposes.
2. The Grant Fund consists of federal grant resources restricted for a specified purpose.

CONCERNS OF POLICE SURVIVORS, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED MARCH 31, 2017 and 2016

NOTE 2 – INVESTMENTS:

Investments are stated at fair value and consisted of the following as of the years ended:

	<u>Cost</u>	<u>Fair Value</u> <u>2017</u>	<u>Unrealized Appreciation (Depreciation)</u>
<u>Investments</u>			
Cash and Cash Equivalents	\$ 60,224	\$ 60,224	\$ -
Equity Securities	645,964	790,619	144,655
Fixed Income	826,986	825,756	(1,230)
Bonds	30,104	30,893	789
Unit Trusts	19,393	18,077	(1,316)
Mutual Funds	1,455,309	1,583,522	128,213
Mutual Funds-Fixed Income	806,023	790,055	(15,968)
Total	<u>\$ 3,844,003</u>	<u>\$ 4,099,146</u>	<u>\$ 255,143</u>

		<u>2016</u>	
<u>Investments</u>			
Cash and Cash Equivalents	\$ 63,863	\$ 63,863	\$ -
Equity Securities	643,819	691,263	47,444
Fixed Income	830,643	843,833	13,190
Bonds	30,110	31,896	1,786
Unit Trusts	19,393	18,786	(607)
Real Estate	9,725	10,020	295
Mutual Funds	1,353,976	1,384,475	30,499
Mutual Funds-Fixed Income	782,083	761,526	(20,557)
Total	<u>\$ 3,733,612</u>	<u>\$ 3,805,662</u>	<u>\$ 72,050</u>

Investment income, including income on securities, cash and cash equivalents, and annuities, as of the years ended, consisted of the following:

	<u>2017</u>	<u>2016</u>
Interest and Dividends	\$ 100,749	\$ 118,566
Realized Gains (Losses)	32,517	(29,408)
Unrealized Gains (Losses)	183,093	(78,737)
Investment Fees and Other	(32,871)	(31,483)
Subtotal Income on Securities	<u>283,488</u>	<u>(21,062)</u>
Interest on Cash and Cash Equivalents	1,194	904
Earnings (Loss) on Annuity	1,188	1,173
Total Investment Income	<u>\$ 285,870</u>	<u>\$ (18,985)</u>

CONCERNS OF POLICE SURVIVORS, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED MARCH 31, 2017 and 2016

NOTE 3 – FAIR VALUE MEASUREMENTS:

Fair values of assets measured on a recurring basis as of the years ended, were as follows:

	<u>Fair Value</u>	Fair Value Measurements At Reporting Date, Using		
		<u>Quoted Prices Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
<u>2017</u>				
<u>OTHER ASSETS</u>				
Investments:				
Cash and Cash Equivalents	\$ 60,224	\$ 60,224	\$ -	\$ -
Equity Securities	790,619	790,619	-	-
Fixed Income	825,756	825,756	-	-
Bonds	30,893	30,893	-	-
Unit Trusts	18,077	18,077	-	-
Mutual Funds	1,583,522	1,583,522	-	-
Mutual Funds - Fixed Income	790,055	790,055	-	-
Subtotal Investments	4,099,146	4,099,146	-	-
Officer's Annuities	80,475	-	-	80,475
Total Other Assets	<u>\$ 4,179,621</u>	<u>\$ 4,099,146</u>	<u>\$ -</u>	<u>\$ 80,475</u>
<u>2016</u>				
<u>OTHER ASSETS</u>				
Investments:				
Cash and Cash Equivalents	\$ 63,863	\$ 63,863	\$ -	\$ -
Equity Securities	691,263	691,263	-	-
Fixed Income	843,833	843,833	-	-
Bonds	31,896	31,896	-	-
Unit Trusts	18,786	18,786	-	-
Real Estate	10,020	10,020	-	-
Mutual Funds	1,384,475	1,384,475	-	-
Mutual Funds - Fixed Income	761,526	761,526	-	-
Subtotal Investments	3,805,662	3,805,662	-	-
Officer's Annuities	79,287	-	-	79,287
Total Other Assets	<u>\$ 3,884,949</u>	<u>\$ 3,805,662</u>	<u>\$ -</u>	<u>\$ 79,287</u>

CONCERNS OF POLICE SURVIVORS, INC.
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEARS ENDED MARCH 31, 2017 and 2016

NOTE 3 – FAIR VALUE MEASUREMENTS: (Continued)

Financial assets valued using level 1 inputs are based on unadjusted quoted market prices within active markets. Financial assets valued using level 2 inputs are based primarily on quoted prices for similar assets in active or inactive markets. There were no significant transfers between level 1 and 2 inputs for the years ended.

Financial assets valued using level 3 inputs are based on original cost adjusted for earnings and other changes in capital accounts as reported on the annuity statements provided by the annuity service companies. Activity in assets measured using significant unobservable inputs (Level 3) was as follows:

	New York Life <u>Annuity</u>
April 1, 2016	\$ 79,287
Annuity Performance	<u>1,188</u>
March 31, 2017	<u>\$ 80,475</u>
April 1, 2015	\$ 78,114
Annuity Performance	<u>1,173</u>
March 31, 2016	<u>\$ 79,287</u>

NOTE 4 – PROPERTY AND EQUIPMENT:

Investment in property and equipment, at cost, consisted of the following:

	<u>2017</u>	<u>2016</u>
Land	\$ 267,689	\$ 350,500
Office Building	450,247	450,247
Office Furniture	7,821	7,821
Office Equipment	159,565	161,000
Software	<u>86,433</u>	<u>86,433</u>
	971,755	1,056,001
Less: Accumulated Depreciation	<u>(336,046)</u>	<u>(299,288)</u>
Net Property and Equipment	<u>\$ 635,709</u>	<u>\$ 756,713</u>

Total depreciation and amortization expense was \$39,453 and \$30,212 for the years ended, respectively.

CONCERNS OF POLICE SURVIVORS, INC.
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEARS ENDED MARCH 31, 2017 and 2016

NOTE 5 – OFFICER ANNUITIES:

The Organization is the primary beneficiary on an individual flexible premium variable annuity contract on the Executive Director-Emeritus. The annuity contract has a face value of \$60,000, and market value of \$80,475 and \$79,287, respectively, as of the years ended. Investment performance was \$1,188 and \$1,173, respectively, for the annuity held by the Organization.

NOTE 6 – COMPENSATED ABSENCES:

Company personnel policies permit employees to earn and accumulate vacation pay that is to be paid to them if they leave before it has been taken. As of the years ended, this balance amounted to \$68,712 and \$62,728, respectively.

NOTE 7 – DISBANDED CHAPTER RESERVE:

The Organization has \$0 in disbanded chapter reserve liability as of March 31, 2017. The Organization had \$2,890 in disbanded chapter reserve liability as of March 31, 2016 as a result of the disbandment of the Central Texas Chapter during fiscal year 2016.

The Organization’s Disbanded Chapter Reserve Policy states that funds are to be held in escrow for up to one year. If the chapter reorganizes within the one-year period, the funds are to be returned to the chapter. The disbanded chapter reserve liability balance of \$2,890 was released evenly to the three remaining active chapters in Texas during 2017, as the chapter did not reorganize within the time allowed.

NOTE 8 – LEASES:

Capital Leases

The Company leases equipment under an arrangement accounted for as a capital lease. The copier lease is for a 60-month period beginning March 8, 2016, to March 8, 2021. The lease requires monthly payments of \$1,225.

Leased property under capital lease as of the years ended includes:

	<u>2017</u>	<u>2016</u>
Equipment	\$ 58,333	\$ 58,333
Less: Accumulated Depreciation	<u>(12,639)</u>	<u>(972)</u>
	<u>\$ 45,694</u>	<u>\$ 57,361</u>

CONCERNS OF POLICE SURVIVORS, INC.
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEARS ENDED MARCH 31, 2017 and 2016

NOTE 8 – LEASES: (Continued)

Capital Leases (Continued)

Future minimum lease payments under capital lease are as follows:

	<u>2017</u>	<u>2016</u>
2017	\$ -	\$ 9,570
2018	10,519	10,519
2019	11,563	11,563
2020	12,710	12,710
2021	13,971	13,971
Total Capital Lease Obligation	<u>\$ 48,763</u>	<u>\$ 58,333</u>

NOTE 9 – RESTRICTED NET ASSETS:

The Organization maintains the following temporarily restricted funds as follows:

Restricted Net Assets

	<u>2017</u>	<u>2016</u>
1) Utah Fund was established to provide scholarships to assist Utah survivors with funding their education.	\$ -	\$ 4,224
2) The "C.O.P.S. Kids" Fund was established to help surviving children receive the benefits available through events such as National Police Week camp, Outward Bound, and counseling.	400,314	450,132
3) AT&T Scholarship donation was established to support scholarships for surviving students of Florida law enforcement officers killed in the line of duty.	-	8,000
4) The "Capital Building Project" was established to help expand and update the current facility.	181,376	-
	<u>\$ 581,690</u>	<u>\$ 462,356</u>

NOTE 10 – RETIREMENT PLAN:

The Organization's retirement plan is a 403(b)(7) Tax Deferred Retirement Plan from Oppenheimer Funds. A participant must be a full time, paid employee for six months before they are eligible for the program. If they participate, the Organization will contribute matching funds up to 2% annually of the employee's salary. Employee contributions are withheld bi-weekly and paid into the account. Employees are 100% vested for all contributions made. The amount of retirement expense was \$10,285 and \$11,121 as of the years ended, respectively.

CONCERNS OF POLICE SURVIVORS, INC.
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEARS ENDED MARCH 31, 2017 and 2016

NOTE 11 – SUPPORT EXPENSE:

Support expenses for the years ended were \$501,182 or 10.7% and \$332,256 or 8.8%, respectively, of total revenue. The ratio is computed using total supporting services expenses as a percentage of total revenues, public support and reclassifications, calculated on an accrual basis for all funds, including temporarily restricted funds.

NOTE 12 – RECONCILIATION OF CUMULATIVE AWARDS RECEIVED:

<u>U.S. Department of Justice</u>	Awarded June 28, 2012	\$2,703,734
	Awarded June 1, 2014	\$3,000,000

Support services to surviving

Families (#2012-PS-DX-0002):

Balance, Beginning 3/31/16	\$	525,838
Increase		-0-
Recognized		(525,838)
Balance, Ending 3/31/17	\$	<u>-0-</u>

<u>U.S. Department of Justice</u>	Awarded October 1, 2016	\$3,500,000
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Support services to surviving

Families (#2016-PS-DX-K002):

Balance, Beginning 3/31/16	\$	-0-
Increase		3,500,000
Recognized		(711,190)
Balance, Ending 3/31/17	\$	<u>2,788,810</u>

These amounts differ from the financial statement amounts due to the timing of expenses charged against them.

NOTE 13 – UNCERTAIN TAX POSITIONS:

The Organization is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and applicable state law. The accounting standard on accounting for uncertainty in income taxes addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under that guidance, the Organization may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities based on the technical merits of the position. Examples of tax positions include the tax-exempt status of the Organization and various positions related to the potential sources of unrelated business taxable income (UBIT). The Organization was not subject to UBIT for the years ended.

CONCERNS OF POLICE SURVIVORS, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED MARCH 31, 2017 and 2016

NOTE 13 – UNCERTAIN TAX POSITIONS: (Continued)

The Organization files forms 990 in the U.S. federal jurisdiction. The Organization is generally no longer subject to examination by the Internal Revenue Service three years after the forms were filed.

NOTE 14 – CONCENTRATION OF CREDIT RISK:

The Organization maintains cash, money market accounts, and certificates of deposits at several financial institutions. Accounts at each institution are secured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. As of the years ended, the amounts in excess of the FDIC limit totaled \$998,125 and \$315,451, respectively.

Balances in the Investaccount are not insured or guaranteed by FDIC or any other government agency. However, the balance does represent an investment in a pool of government-backed securities. The Organization's Investaccount balances as of the years ended were \$800,000 and \$800,000, respectively. The Investaccount is an overnight sweep account that allows the Organization to receive interest on their checking accounts. The Organization did not have any pledged collateral for the balance in the Investaccount.

NOTE 15 – COMMITMENTS/CONTINGENCIES:

Contracts for Services:

The Organization contracts with consultants and employees as a routine part of their operations. One particular employee contract is a five-year contract running through November, 2019.

Virginia Land and Retreat Facility:

It was determined during fiscal year 2012 that it was not feasible to build a retreat facility on the Virginia Land, as requested by the donor. Contributions totaling \$70,292 had been received that were restricted for this facility project. The monetary contributions were offered for return to the donors. A total of \$21,000 was returned to donors and the remaining \$49,292 was transferred to other Organization programs during 2012, per donor requests.

The donated land remains the property of the Organization. During the year ended March 31, 2014, the donor requested that the Organization examine the possibility of returning the land. After review by legal and tax counsel, the donor has concluded during the year ended March 31, 2015, they do not want the land returned to them. The Organization continues to explore potential use and/or disposition options.

CONCERNS OF POLICE SURVIVORS, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED MARCH 31, 2017 and 2016

NOTE 15 – COMMITMENTS/CONTINGENCIES: (Continued)

Virginia Land and Retreat Facility:

This land was sold on April 21, 2017, for a net sales price of \$212,689. The land is included in property and equipment and was originally valued at \$295,000. Based on the sale of the land subsequent to year end, the overall carrying value of the property was reduced as of March 31, 2017, by \$82,811 to the sales price subsequently realized. This adjustment is reported as Unrealized Loss in Property and Equipment for the year ended March 31, 2017.

Conference and Meeting Commitments:

The Organization holds various conferences and meetings for its members. Contracts for the facilities used for these events are signed years in advance in order to secure the dates of the events. Clauses in the contracts allow for damages to be paid by the Organization if an event is cancelled. These damages are on a sliding scale based on the amount of notice provided. As of the years ended, the Organization had entered into contracts through 2018.

NOTE 16 – BUILDING LOAN:

The Organization entered into a \$1,408,184 construction loan dated February 6, 2017, to mature February 6, 2018. This loan, bearing interest at a variable rate of 3.75% as of the year ended, is collateralized by a Construction Deed of Trust executed on February 6, 2017, including the property located in Camden County. The loan requires monthly interest payments, with the final outstanding principal and interest balance due at maturity. The balance outstanding on the loan totaled \$75,302 as of March 31, 2017.

NOTE 17 – EVALUATION OF SUBSEQUENT EVENTS:

The Organization has evaluated subsequent events through June 23, 2017, the date which the financial statements were available to be issued, as follows:

The Organization sold its Virginia Land on April 21, 2017 for a sales price, net of closing costs, of \$212,689.

FEDERAL AWARDS

CONCERNS OF POLICE SURVIVORS, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended March 31, 2017

Federal Grantor Pass-Through Grantor Program Title	Federal CFDA Number	Award Number	Disbursements
<u>U.S. Department of Justice</u>			
Public Safety Officers' Benefits Program	16.571	2012-PS-DX-0002	427,978
Public Safety Officers' Benefits Program	16.571	2016-PS-DX-K002	711,190
TOTAL EXPENDITURES OF FEDERAL AWARDS.....			<u>\$ 1,139,168</u>

The accompanying notes are an integral part of this schedule.

Notes to the Schedule of Expenditures of Federal Awards

Basis of Presentation:

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the Organization under programs of the federal government for the year ended. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Organization.

Summary of Significant Accounting Policies:

Expenditures reported on the Schedule are reported on the basis of accounting generally accepted in the United States of America (U.S. GAAP). Such expenditures are recognized following the costs principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The Organization has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.



INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT
AUDITING STANDARDS*

To the Board of Directors of
Concerns of Police Survivors, Inc.
Camdenton, Missouri:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Concerns of Police Survivors, Inc. (the “Organization”), a nonprofit organization, which comprise the statement of financial position as of March 31, 2017, and the related statements of activities, functional expenses (operational and grant funds), and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 23, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization’s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization’s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings that we consider to be significant deficiencies. They are identified as items 2017-1 and 2017-2.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The Organization's Response to Findings

The Organization's responses to the findings identified in our audit are described in the accompanying schedule of findings. The Organization's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Graves and Associates,
CPAs, LLC

GRAVES AND ASSOCIATES, CPAs, LLC
Jefferson City, Missouri

June 23, 2017



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY
THE UNIFORM GUIDANCE

To the Board of Directors of
Concerns of Police Survivors, Inc.
Camdenton, Missouri:

Report on Compliance for Each Major Federal Program

We have audited the Concerns of Police Survivors, Inc.'s (the "Organization's") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended March 31, 2017. The Organization's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Organization's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Organization's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Organization's compliance.

Opinion on Each Major Federal Program

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended March 31, 2017.

Report on Internal Control over Compliance

Management of the Organization is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Organization's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Graves and Associates,
CPAs, LLC

GRAVES AND ASSOCIATES, CPAs, LLC
Jefferson City, Missouri

June 23, 2017

CONCERNS OF POLICE SURVIVORS, INC.
 SCHEDULE OF FINDINGS 2 CFR SECTION 200.515
 FOR THE YEAR ENDED MARCH 31, 2017

Section I - Summary of Auditor's Results

Financial Statements

Type of Financial Statement Opinion: Unmodified

Internal Control Over Financial Reporting (GAGAS):

- Material weakness(es) reported? No
- Significant deficiency(ies) reported? Yes
- Noncompliance material to financial statements noted (GAGAS)? No

Federal Awards:

Internal Control Over Major Programs:

- Material weakness(es) reported? No
- Significant deficiency(ies) reported? No

Type of Opinion On Compliance for Major Programs: Unmodified

Are there any reportable findings under 2 CFR Section 200.516(a)? No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
16.571	Public Safety Officers' Benefits Program

CONCERNS OF POLICE SURVIVORS, INC.
SCHEDULE OF FINDINGS 2 CFR SECTION 200.515
FOR THE YEAR ENDED MARCH 31, 2017

Section II - Financial Statement Findings (Continued)

SIGNIFICANT DEFICIENCIES (Continued)

2017-2: Oversight of the Financial Reporting Process (Resubmitted)

Condition: The Organization's management is responsible for establishing and maintaining internal control over financial reporting and for the fair presentation of the financial statements, related note disclosures, and the schedule of expenditures of federal awards in conformity with *Government Accounting Standards*.

Criteria: The Organization has staff in place to carry out internal accounting and reporting. However, the Organization does not have accounting professionals with the knowledge, experience, and training to prepare the financial statements, related note disclosures, and the schedule of expenditures of federal awards in accordance with *Government Accounting Standards*.

Effect: The Organization relies on the external auditors to prepare the financial statements and related note disclosures in accordance with *Government Accounting Standards*, in addition to the performance of the annual audit.

Recommendation: We recognize that the Organization may not have the resources to have an accounting professional on staff with the knowledge, experience, and training to prepare governmental financial statements in conformity with *Government Accounting Standards*. However, we recommend that management continue to increase their knowledge of financial reporting.

Response: The Organization does not have the resources to hire additional accounting personnel with the knowledge, experience, and training to prepare the financial statements and related note disclosures in accordance with *Government Accounting Standards*. The Organization does, however, have staff with sufficient knowledge to understand and take responsibility for these items.

Current Status: The Organization has implemented controls during the current year whereby they can provide oversight of the financial reporting process and will review and approve the financial statements and related note disclosures. However, management has requested us to draft the financial statements and related note disclosures from the trial balance for the current year.

SECTION III - FEDERAL AWARD FINDINGS

No matters were reported.

CONCERNS OF POLICE SURVIVORS, INC.
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS 2 CFR SECTION 200.515
FOR THE YEAR ENDED MARCH 31, 2017

No matters were reported.