

MASSACHUSETTS SOLDIERS LEGACY FUND

FINANCIAL STATEMENTS

DECEMBER 31, 2014

MASSACHUSETTS SOLDIERS LEGACY FUND
FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of
Massachusetts Soldiers Legacy Fund
Boston, Massachusetts

I have audited the accompanying financial statements of Massachusetts Soldiers Legacy Fund (a non-profit organization) (the organization) which comprise the statement of financial position as of December 31, 2014, and the related statements of activities and cash flows for the year 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 State 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

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit 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 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Massachusetts Soldiers Legacy Fund as of December 31, 2014, and the changes in its net assets and its cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Samuel J. Cleary, CPA

July 20, 2015

MASSACHUSETTS SOLDIERS LEGACY FUND
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2014

ASSETS

Cash and cash equivalents	\$ 31,391
Investments, at fair value (Notes 1 and 2)	4,336,211
Prepaid expenses	6,728
Contributions receivable (Note 4)	28,322
Pledge receivable (Note 5)	<u>200,000</u>
 Total assets	 <u><u>\$4,602,652</u></u>

LIABILITIES AND NET ASSETS

Accounts payable	<u>\$ 221</u>
 Net assets	
Unrestricted net assets	1,956,620
Temporarily restricted net assets	<u>2,645,811</u>
Total net assets	<u>4,602,431</u>
 Total liabilities and net assets	 <u><u>\$4,602,652</u></u>

See Accompanying Notes

MASSACHUSETTS SOLDIERS LEGACY FUND
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2014

Unrestricted Net Assets	
Support & Revenue	
Realized capital gains	\$ 104,272
Unrealized capital gains	41,608
Dividend & Interest income	127,175
Total Support and Revenue	<u>273,055</u>
Net assets released from temporary restrictions	<u>221,548</u>
	<u>494,603</u>
Expenses	
Program services	
Education Grants	221,548
Management	4,166
Payroll	72,000
Payroll taxes	5,955
Travel	2,264
Advertising and promotion	1,432
Filing fee	120
Total program services	<u>307,485</u>
Support services	
Management	4,166
Web development	337
Rent	9,515
Professional fees	10,703
Design fees	2,975
Office expense	7,389
Insurance	2,434
Total support services	<u>37,519</u>
Total Expenses	<u>345,004</u>
Increase in unrestricted net assets	<u>149,599</u>
Temporarily Restricted Net Assets	
Contributions	67,387
Net assets released from temporary restrictions	<u>(221,548)</u>
Decrease in temporarily restricted net assets	<u>(154,161)</u>
Total increase (decrease) in net assets	(4,562)
Net assets, beginning of year	<u>4,606,993</u>
Net assets, end of year	<u>\$ 4,602,431</u>

See Accompanying Notes

MASSACHUSETTS SOLDIERS LEGACY FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2014

Operating Activities	
Change in net assets	\$ (4,562)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Unrealized gain on investment securities	(41,608)
Realized gain on investment securities	(104,272)
Increase in prepaid expenses	(60)
Increase in contribution receivable	(28,322)
Decrease in accounts payable	<u>(114)</u>
Net cash provided by operating activities	<u>(178,938)</u>
Investing activity	
Purchase of investment securities	(2,203,961)
Proceeds from redemptions of investments	<u>2,375,902</u>
Net cash provided in investing activities	171,941
Net (decrease) in cash and cash equivalents	(6,997)
Cash and cash equivalents at beginning of year	<u>38,388</u>
Cash and cash equivalents at end of year	<u><u>\$ 31,391</u></u>

Supplemental Cash Flow Information:

Interest paid	<u>\$ -</u>
Taxes paid	<u>\$ -</u>

See Accompanying Notes

MASSACHUSETTS SOLDIERS LEGACY FUND
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014

Note 1 - Summary of Significant Accounting Policies

Nature of Organization

Massachusetts Soldiers Legacy Fund (the Organization) is a non-profit organization established to provide educational assistance grants to the children of service members slain while deployed on operations Enduring and Iraqi Freedom and Massachusetts employees of the CIA. The fund is specifically designed to grant funds for current and future children whose parent's home of record at the Department of Defense was Massachusetts.

Public Support and Revenue

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are reported. All other contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Contributions of donated non-cash assets are recorded at their fair value in the period received. Contributions of donated services that create or enhance non financial assets or that require specialized skills, are provided by individuals possessing those skills and would be typically need to be purchased by the Organization if not provided by the donation, are recorded at their fair value in the period received.

Unrestricted Net Assets

Unrestricted net assets are not subject to donor-imposed stipulations. Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions or law. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulations or law. Expirations of temporary restrictions on net assets, that is, the donor-imposed stipulated purpose having been accomplished and/or the stipulated time period having elapsed, are reported as net assets released from restrictions between the applicable classes of net assets.

MASSACHUSETTS SOLDIERS LEGACY FUND
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014

Note 1 - Summary of Significant Accounting Policies - Continued

Temporarily Restricted Net Assets

Temporarily restricted net assets includes contributions, pledges, income and gains which can be expended for specific purposes but which restrictions have not yet been met. Such restrictions include restrictions where donors have specified the purpose for which the net assets are to be spent, or time limitations imposed by donors or implied by the nature of the contribution or by interpretations of law.

Management Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires that management make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. The actual outcome of the estimates could differ from the estimates made in the preparation of the financial statements.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Contributions Receivable

Unconditional contributions are recognized as contributions receivable at their estimated net present value when pledged. Conditional promises to give are not recognized until the conditions on which they depend are substantially met.

MASSACHUSETTS SOLDIERS LEGACY FUND
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014

Note 1 - Summary of Significant Accounting Policies - Continued

Income Taxes

The Organization operates as a nonprofit and is exempt from Federal income taxes under the provision of Section 501(c)(3) of the Internal Revenue Code, therefore no provision for income taxes has been made in these financial statements.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

Note 2 - Investments

The fair value of the investments totaled \$4,336,211 as of December 31, 2014. The following schedule summarizes investment returns and their classification in the statement of activities for the year ended:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Interest and Dividend income	\$127,175	--	\$127,175
Net realized and unrealized gain	<u>145,880</u>	<u>--</u>	<u>145,880</u>
Total investment returns	<u>\$273,055</u>	<u>--</u>	<u>\$273,055</u>

MASSACHUSETTS SOLDIERS LEGACY FUND
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014

Note 4 – Contributions Receivable

Contributions receivable of \$28,322 at December 31, 2014 are all collected in January 2015.

Note 5 – Pledge Receivable

Pledge receivable consists of the following for the year ended December 31, 2014:

Board Member	<u>\$200,000</u>
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Note 5 – Subsequent Events

Date of Management Evaluation

Management has evaluated subsequent events through July 20, 2015 the date on which the financial statements were available to be issued. Management is not aware of any subsequent events that require recognition or disclosure in the financial statements.