

SCREAMING EAGLE FOUNDATION
FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2016

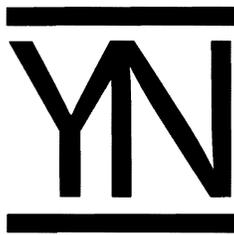
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SCREAMING EAGLE FOUNDATION

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YORK, NEEL & ASSOCIATES, LLP
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Screaming Eagle Foundation
Ft. Campbell, Kentucky

We have audited the accompanying financial statements of the Screaming Eagle Foundation (a nonprofit organization), which comprise the statements of financial position as of September 30, 2016 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 States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit 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 Screaming Eagle Foundation as of September 30, 2016, 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.

York, Neel & Associates, LLP

A handwritten signature in cursive script that reads "York, Neel & Associates LLP".

Certified Public Accountants
Hopkinsville, Kentucky

February 2, 2017

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FINANCIAL STATEMENTS

**SCREAMING EAGLE FOUNDATION
STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2016**

ASSETS

Current assets	
Cash and cash equivalents	\$ 40,425
Total current assets	<u>40,425</u>
Noncurrent assets	
Investments	<u>335,112</u>
Total noncurrent assets	<u>335,112</u>
Total assets	<u><u>\$ 375,537</u></u>

NET ASSETS

Unrestricted	\$ 40,425
Permanently restricted	<u>335,112</u>
Total net assets	<u><u>\$ 375,537</u></u>

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See accompanying notes to financial statements

**SCREAMING EAGLE FOUNDATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

SUPPORT, REVENUES, AND RECLASSIFICATIONS	<u>Unrestricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Direct public support	\$ 7,911	\$ -	\$ 7,911
Scholarship donations	-	100,192	100,192
Support donations	69,808	-	69,808
Investment returns	-	62,979	62,979
Net assets released from restrictions	<u>71,270</u>	<u>(71,270)</u>	<u>-</u>
Total support, revenues and reclassifications	<u>148,989</u>	<u>91,901</u>	<u>240,890</u>
EXPENSES			
Program services			
Awards and grants	66,850	-	66,850
Office expense	3,450	-	3,450
Postage and printing	4,081	-	4,081
Scholarship services	3,036	-	3,036
Support and assistance	13,172	-	13,172
Support donations	50,000	-	50,000
Support services	<u>13,854</u>	<u>-</u>	<u>13,854</u>
Total program services expense	<u>154,443</u>	<u>-</u>	<u>154,443</u>
Supporting services			
Legal and accounting	<u>5,150</u>	<u>-</u>	<u>5,150</u>
Total supporting services expense	<u>5,150</u>	<u>-</u>	<u>5,150</u>
Total expenses	<u>159,593</u>	<u>-</u>	<u>159,593</u>
Change in net assets	(10,604)	91,901	81,297
Net assets, October 1, 2015	<u>51,029</u>	<u>243,211</u>	<u>294,240</u>
Net assets, September 30, 2016	<u>\$ 40,425</u>	<u>\$ 335,112</u>	<u>\$ 375,537</u>

See accompanying notes to financial statements

**SCREAMING EAGLE FOUNDATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$ 81,297
Adjustments to reconcile the change in net assets to net cash provided (used) by operating activities	
Transfer from permanently restricted	71,270
Permanently restricted donations	<u>(100,192)</u>
Net cash provided (used) by operating activities	<u>52,375</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Net realized and unrealized (gains) losses on investments	(45,968)
Interest earned on investments	<u>(17,011)</u>
Net cash provided (used) by investing activities	<u>(62,979)</u>

Net increase (decrease) in cash and cash equivalents (10,604)

Cash and cash equivalents, beginning of year	<u>51,029</u>
Cash and cash equivalents, end of year	<u><u>\$ 40,425</u></u>

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See accompanying notes to financial statements

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NOTES TO FINANCIAL STATEMENTS

**SCREAMING EAGLE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016**

NOTE 1 – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Reporting Entity and Nature of Activities

The Screaming Eagle Foundation (the “Organization”) is a nonprofit organization and was founded in 2012 by the 101st Airborne Division Association for the following purposes:

- a) To provide monetary assistance to the soldiers of the 101st Airborne Division and assigned/attached units and their families and for programs that support soldiers and their families at Fort Campbell, Kentucky.
- b) To provide scholarship awards to family members and to the heirs of the members of the 101st Airborne Division Association.
- c) To support and carry out the philanthropic programs of the 101st Airborne Division Association and to do such other charitable and educational purposes for the welfare of the active duty soldiers and veterans of the 101st Airborne Division and their families.

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Financial Statement Presentation

The Organization reports information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted.

Unrestricted net assets

Unrestricted net assets include unrestricted resources which represent the portion of funds that are available for the operating objectives of the Organization and represent net assets that are not subject to statutory or donor-imposed stipulations. Board-designated net assets represent amounts the Organization has set aside for a specific purpose.

Temporarily restricted net assets

Temporarily restricted net assets Represent net assets subject to statutory or donor-imposed stipulations that will be met either by action of the Organization or the passage of time and consist of donor restricted contributions and grants. Amounts restricted by donors for a specific purpose are deemed to be earned and reported as temporarily restricted revenue when received, and such unexpended amounts are reported as temporarily restricted net assets at year-end. When the donor restriction expires, that is, when a stipulated time 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.” At September 30, 2016, the Organization had no temporarily restricted net assets.

**SCREAMING EAGLE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016**

**NOTE 1 – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES,
continued**

Permanently restricted net assets

Permanently restricted net assets represent net assets subject to donor-imposed stipulations that must be maintained permanently and consist of donor restricted contributions, which are required to be held in perpetuity. Income from the assets held is available for either general operations or specific purposes, in accordance with donor stipulations. At September 30, 2016, the Organization had \$335,112 in permanently restricted net assets. See Note 4.

Contributions

Contributions are recognized as revenues when received or unconditionally pledged. All contributions are available for unrestricted use unless specifically restricted by the donor. Contributions that are restricted by the donor are reported as an increase in unrestricted net assets if the restrictions expire in the reporting period in which the support is recognized. When a donor restriction expires (such as when a stipulated time restriction ends), temporarily restricted net assets are released to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Net assets are released from restrictions when time or use restrictions are satisfied. When the intent of the donor is that the assets are to remain in perpetuity and the Organization does not have the right to invade the original principal, the assets are reported as permanently restricted.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all unrestricted undesignated highly liquid investments not subject to withdrawal penalties to be cash equivalents.

Investments

The Organization follows the Not-For-Profit Entities subtopic of the FASB Accounting Standards Codification with respect to investments. Under this subtopic, 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. Realized and unrealized gains and losses are included in the change in net assets.

Fair Value Measurement

The Organization's financial instruments consist primarily of cash and cash equivalents and investments. The carrying amount of cash and cash equivalents approximate their fair value due to the short-term nature of such instruments.

When property and equipment are retired or otherwise disposed of, the cost and accumulated depreciation are removed from the accounts and any resulting gain or loss is included in the activities for the respective period. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets ranging from 5-29 years.

**SCREAMING EAGLE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016**

**NOTE 1 – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES,
continued**

Long lived assets, such as property and equipment are reviewed on an ongoing basis for impairment based on comparison of carrying value against undiscounted future cash flows. If impairment is identified, the assets' carrying amounts are adjusted to fair value. There were no such adjustments during the year ended September 30, 2016.

Concentration of Credit Risk

Financial instruments which potentially subject the Organization to concentrations of credit risk consist principally of cash and cash equivalents. The Organization places its cash and cash equivalents with high quality financial institutions. At times, cash and cash equivalents balances may exceed federally insured limits. At September 30, 2016, the Organization's balances did not exceed insured amounts.

Endowment Funds

The Organization's endowment funds consist of three individual funds established for a variety of purposes and include permanently restricted and temporarily restricted funds.

The Organization has interpreted the Tennessee Prudent Management of Institutional Funds Act (TPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as permanently restricted net assets (1) the original value of gifts donated to the permanent endowment, (2) the original value of subsequent gifts to the permanent endowment, and (3) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by TPMIFA. In accordance with TPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Organization, and (7) the Organization's investment policies.

The Organization has adopted investment and spending policies for endowment assets that attempt to subject the fund to low investment risk and provide current income. Endowment assets are invested in corporate bonds. The Organization seeks to build endowment assets through additional contributions. The Organization has a policy of appropriating for distribution the endowment fund's investment income that is not permanently restricted. The Organization's objectives are to provide income for its operations and programs, preserve endowment assets without subjecting them to substantial risk, and provide additional real growth through new gifts.

**SCREAMING EAGLE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016**

**NOTE 1 – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES,
continued**

Income Taxes

The Organization is a not-for-profit corporation exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code 1986 (IRC) and as a public charity under Section 170 (b)(1)(A)(vi). As such, the Organization is not taxed on income derived from its exempt functions. The Organization had no significant deferred income tax assets or liabilities as of September 30, 2016.

The Organization has evaluated its tax positions for all open tax years. Currently, the tax years open and subject to examination by the Internal Revenue Service are the 2012, 2013, and 2014 tax years. However, the Organization is not currently under audit nor has the Organization been contacted by any jurisdiction. Based on the evaluation of the Organization's tax positions, management believes all tax positions taken would be upheld under an examination. Therefore, no provision for the effects of uncertain tax positions have been recorded for the fiscal year ended September 30, 2016.

Use of Estimates

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

Subsequent Events

Subsequent events have been evaluated through February 2, 2017, which is the date the financial statements were available to be issued.

NOTE 2 – SHORT-TERM INVESTMENTS

Short-term investments, at fair market value as of September 30, 2016, are composed of the following:

	Cost	Fair Value
Money market funds	\$ 4,693	\$ 4,693
Certificate of deposit	32,068	32,068
Stocks	298,351	298,351
	\$ 335,112	\$ 335,112

Investment income for the year ended September 30, 2016 was comprised of interest and dividend income.

**SCREAMING EAGLE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016**

NOTE 3 – FAIR VALUE MEASUREMENTS

The Fair Value Measurements and Disclosures topic of the FASB Accounting Standards Codification establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority. Level 2 inputs consist of observable inputs other than quoted prices for identical assets, and level 3 inputs have the lowest priority. The Organization uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Organization measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs would be used only when Level 1 or Level 2 inputs were not available.

The estimated fair value amounts have been determined based on the Organization's assessment of available market information and appropriate valuation methodologies.

The Organization's investments are carried at the fair value of the financial instruments. The fair value of these instruments is based upon quoted prices in active financial markets (Level 1 input). The fair values of investments at September 30, 2016 totaled \$335,112.

	Fair Value	Quoted Market Prices (Level 1)
Short-term investments		
Money market funds	\$ 4,693	\$ 4,693
Certificate of deposit	32,068	32,068
Stocks	298,351	298,351
	\$ 335,112	\$ 335,112

The Organization recognizes transfers of assets into and out of levels as of the date an event or change in circumstances causes the transfer. There were no transfers between levels in the year ended September 30, 2016.

Short-term investments are reported at fair value on a recurring basis determined by reference to quoted market prices.

**SCREAMING EAGLE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016**

NOTE 4 – INVESTMENTS

Investment returns and their classification in the statement of activities for the year ended September 30, 2016 are as follows:

Permanently Restricted	Cash and cash equivalents	Bond and bond funds	Totals
Viste Scholarship	\$ 52	\$ 30,624	\$ 30,676
Scholarship Trust	3,979	267,727	271,706
Support Fund	32,730	-	32,730
Total	<u>\$ 36,761</u>	<u>\$ 298,351</u>	<u>\$ 335,112</u>

Permanently Restricted	Interest income	Net realized and unrealized gains(losses)	Total investment return
Viste Scholarship	\$ 1,620	\$ 5,004	\$ 6,624
Scholarship Trust	15,229	40,896	56,125
Support Fund	162	68	230
Total returns	<u>\$ 17,011</u>	<u>\$ 45,968</u>	<u>\$ 62,979</u>

NOTE 5 – ENDOWMENTS

The changes in endowment net assets for the year ended September 30, 2015 are as follows:

	Permanently Restricted
Endowment net assets, October 1, 2015	\$ 243,211
Contributions	66,689
Investment income	17,011
Expenditures	(33,736)
Reclassifications	(4,031)
Net realized/unrealized gains(losses)	45,968
Endowment net assets, September 30, 2016	<u>\$ 335,112</u>

**SCREAMING EAGLE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016**

NOTE 6 – RELATED PARTY TRANSACTIONS

During the year ended September 30, 2015, the Organization made payments totaling \$13,854 to the 101st Airborne Division Association (the “Association”) for reimbursement of payroll expense of the Association employees for performing activities for the Organization. The Organization was created by the Association, and the Trustees of the Organization are elected from nominations by the Association. The Organization has no employees but utilizes the Association for labor. The Association is then reimbursed for payroll expense by the Organization.

NOTE 7 – TRANSFERS

The following transfer was made during the year:

<u>From</u>	<u>To</u>	<u>Purpose</u>	<u>Amount</u>
101st Airborne Division Association	Screaming Eagle Foundation	Scholarship Donation	<u>\$ 5,000</u>

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