

**SEABEE MEMORIAL SCHOLARSHIP
ASSOCIATION, INC.**

FINANCIAL STATEMENTS

DECEMBER 31, 2019



SEABEE MEMORIAL SCHOLARSHIP ASSOCIATION, INC.
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DECEMBER 31, 2019

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ALEXANDER | VAN LOON | SLOAN | LEVENS | FAVRE, PLLC
Certified Public Accountants & Business Consultants

AVL WEALTHCARE, LLC
Wealth Management

INDEPENDENT AUDITORS' REPORT

March 3, 2020

To the Officers and Board of Directors
Seabee Memorial Scholarship Association, Inc.
Springfield, Virginia

We have audited the accompanying financial statements of Seabee Memorial Scholarship Association, Inc. (a nonprofit organization) which comprise the statement of financial position as of December 31, 2019, and the related statements of activities, revenues and other support, functional expenses, and change in net assets, 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the 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.

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To the Officers and Board of Directors
Seabee Memorial Scholarship Association, Inc.
March 3, 2020

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Seabee Memorial Scholarship Association, Inc. as of December 31, 2019, 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.

Disclaimer of Opinion on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The summary of investments on page 16, which is the responsibility of management, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Alexander, Van Loon, Sloan, Levens, & Favre, PLLC

ALEXANDER, VAN LOON, SLOAN, LEVENS & FAVRE, PLLC
Certified Public Accountants
Gulfport, Mississippi

FINANCIAL STATEMENTS

SEABEE MEMORIAL SCHOLARSHIP ASSOCIATION, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2019

ASSETS

CURRENT ASSETS

| | |
|---|------------------|
| Cash and cash equivalents | \$ 212,235 |
| Investments | 7,619,178 |
| Unconditional promises to give, without donor restriction | 126,547 |
| Prepaid expenses | 9,020 |
| Cash value of insurance contract | 39,800 |
| Total current assets | <u>8,006,780</u> |

NON-CURRENT ASSETS

| | |
|---|----------------|
| Long-term unconditional promises to give, without donor restriction | <u>183,411</u> |
| Total non-current assets | <u>183,411</u> |

TOTAL ASSETS

\$ 8,190,191

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

| | |
|------------------|-----------|
| Accounts payable | \$ 10,972 |
|------------------|-----------|

| | |
|--------------------------|---------------|
| TOTAL LIABILITIES | 10,972 |
|--------------------------|---------------|

NET ASSETS

Without donor restrictions:

| | |
|--|---------|
| Board designated, Fallen Seabee Scholarship Fund | 214,999 |
|--|---------|

| | |
|--------------------------------|-----------|
| Board designated, scholarships | 7,874,728 |
|--------------------------------|-----------|

| | |
|--------------|--------|
| Undesignated | 89,492 |
|--------------|--------|

| | |
|----------------------------------|-----------|
| Total without donor restrictions | 8,179,219 |
|----------------------------------|-----------|

| | |
|------------------|-----------|
| Total net assets | 8,179,219 |
|------------------|-----------|

| | |
|---|---------------------|
| TOTAL LIABILITIES AND NET ASSETS | \$ 8,190,191 |
|---|---------------------|

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

**SEABEE MEMORIAL SCHOLARSHIP ASSOCIATION, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019**

**REVENUES AND OTHER SUPPORT
WITHOUT DONOR RESTRICTIONS**

| | |
|--|------------------|
| Contributions | \$ 1,091,215 |
| Other sources | 150 |
| Interest and dividend income | 143,697 |
| Realized gains on investments | 50,703 |
| Unrealized gains on investments | 1,387,505 |
| Surrender value change in insurance contract | (1,349) |
| | <u>2,671,921</u> |
| Total revenues and other support without donor restrictions | <u>2,671,921</u> |

EXPENSES

| | |
|----------------------------|------------------|
| Program services | |
| Scholarships | 317,925 |
| Program services | 278,756 |
| Fundraising | 215,051 |
| General and administrative | 235,952 |
| | <u>1,047,684</u> |
| Total | <u>1,047,684</u> |

**CHANGE IN NET ASSETS
WITHOUT DONOR RESTRICTIONS**

1,624,237

NET ASSETS, BEGINNING OF YEAR

6,554,982

NET ASSETS, END OF YEAR

\$ 8,179,219

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

SEABEE MEMORIAL SCHOLARSHIP ASSOCIATION, INC.
STATEMENT OF REVENUES AND OTHER SUPPORT, FUNCTIONAL EXPENSES,
AND CHANGE IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2019

REVENUES AND OTHER SUPPORT

| | Total |
|--|---------------------|
| Contributions | \$ 1,091,215 |
| Other sources | 150 |
| Interest | 143,697 |
| Realized gain on investments | 50,703 |
| Unrealized losses on investments | 1,387,505 |
| Surrender value change in insurance contract | (1,349) |
| TOTAL REVENUES AND OTHER SUPPORT | \$ 2,671,921 |

FUNCTIONAL EXPENSES

| | Program Services | Fundraising | General and Administrative | Total |
|----------------------------------|---------------------|-------------------|-------------------------------|---------------------|
| Accounting services | \$ 12,625 | \$ - | \$ 12,625 | \$ 25,250 |
| Administrative contract services | 39,542 | - | 9,886 | 49,428 |
| Bad debt | 3,700 | - | - | 3,700 |
| Bank fees | 3,615 | - | 904 | 4,519 |
| Consulting contract services | 126,004 | 44,486 | 155,660 | 326,150 |
| Insurance | 1,672 | - | 1,672 | 3,344 |
| Meetings and meals | 556 | 36,045 | 157 | 36,758 |
| Office supplies | 10,930 | - | 9,306 | 20,236 |
| Payroll and taxes | 25,000 | - | 28,825 | 53,825 |
| Postage | 94 | 56 | 38 | 188 |
| Printing | 6,473 | 2,589 | 3,884 | 12,946 |
| Professional services | 16,503 | 11,654 | 10,081 | 38,238 |
| Registration fees | 12,175 | 23,806 | - | 35,981 |
| Rentals | - | 90,463 | - | 90,463 |
| Scholarships grants | 317,925 | - | - | 317,925 |
| Stationary | 523 | 314 | - | 837 |
| Travel | 19,028 | 5,553 | 2,718 | 27,299 |
| Trophies and plaques | 316 | 85 | 196 | 597 |
| TOTAL EXPENSES | \$ 596,681 | \$ 215,051 | \$ 235,952 | \$ 1,047,684 |

CHANGE IN NET ASSETS

\$ 1,624,237

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

SEABEE MEMORIAL SCHOLARSHIP ASSOCIATION, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2019

CASH FLOWS FROM OPERATING ACTIVITIES

| | |
|--|----------------|
| Cash received from contributions | \$ 1,138,702 |
| Cash paid for program and support services | (1,074,117) |
| Interest and dividends received | <u>143,697</u> |
| Net cash provided by operating activities | <u>208,282</u> |

CASH FLOWS FROM INVESTING ACTIVITIES

| | |
|--|------------------|
| Proceeds from sale of investments | 328,495 |
| Purchase of investments and reinvested dividends | <u>(588,558)</u> |
| Net cash used by investing activities | <u>(260,063)</u> |

| | |
|--|--------------------------|
| Decrease in cash and cash equivalents | (51,781) |
| Cash and cash equivalents, beginning of year | <u>264,016</u> |
| Cash and cash equivalents, end of year | <u><u>\$ 212,235</u></u> |

SEABEE MEMORIAL SCHOLARSHIP ASSOCIATION, INC.
STATEMENT OF CASH FLOWS (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2019

**RECONCILIATION OF CHANGE IN NET ASSETS
TO NET CASH PROVIDED BY OPERATING ACTIVITIES**

| | |
|---|--------------------------|
| Change in net assets | <u>\$ 1,624,237</u> |
| Adjustments reconciling the change in net assets to net cash provided by operating activities: | |
| Unrealized gains on investments | (1,387,505) |
| Bad debt | 3,700 |
| Realized gains on investments | (50,703) |
| (Increase) decrease in assets: | |
| Unconditional promises to give | 47,337 |
| Other current assets | 1,349 |
| Increase in liabilities: | |
| Accounts payable | <u>(30,133)</u> |
| Total adjustments | <u>(1,415,955)</u> |
| Net cash provided by operating activities | <u><u>\$ 208,282</u></u> |

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

NOTES TO FINANCIAL STATEMENTS

SEABEE MEMORIAL SCHOLARSHIP ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The Seabee Memorial Scholarship Association, Inc. (Association), a Washington, D.C. corporation, is a non-profit organization whose purpose is to provide scholarship grants for the college education of deserving dependents of Seabees. The Association accomplishes its mission through the generosity of its supporters, which include all Seabees and friends of the Seabees who contribute funds toward the Association's purpose. These contributors receive newsletters to keep them advised of the Association.

The Association was founded in September 1970 as the Seabee Memorial Association and in 1978 changed its name to Seabee Memorial Scholarship Association, Inc. The Association is governed by a board of up to 30 directors. At December 31, 2019, the board consisted of 21 directors. The Association is managed on a day-to-day basis by its Executive Director. The Association's headquarters are located in Springfield, Virginia.

Basis of Presentation

The financial statements of the Association have been prepared in conformity with accounting principles generally accepted in the United States of America under the accrual basis of accounting. The accrual basis of accounting is the method of accounting under which liabilities and expenses are recorded when incurred, whether or not paid, and income is recorded when earned, whether or not received.

The Association reports information regarding its financial position and activities according to two classes of net assets: with donor restrictions and without donor restrictions. Net assets with donor restrictions are created only by donor-imposed restrictions on their use. All other net assets, including board-designated or appropriated amounts, are reported as part of without donor restrictions. In addition, the Association is required to present a statement of cash flows. As permitted, the Association does not use fund accounting.

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are restricted by the donor for specific purposes are reported as net assets with donor restrictions. When donor restrictions are met, these amounts are reclassified to net assets without donor restrictions. However, if a restriction is fulfilled in the same year in which the contribution is received, the Association reports that support as unrestricted.

Use of Estimates

In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, as well as revenues and expenses during the reporting period. Actual results could differ from those estimates.

SEABEE MEMORIAL SCHOLARSHIP ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

Income Taxes

The Association is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC) and comparable state law, and contributions to the Association are tax deductible within the limitations prescribed by the IRC.

The Association has implemented the accounting requirements associated with uncertainty in income taxes using the provision of Financial Accounting Standards Board (FASB) ASC 740, *Income Taxes*. Using that guidance, tax positions initially need to be recognized in the financial statements when it is more-likely-than-not the positions will be sustained upon examination by the tax authorities. It also provides guidance for derecognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition. As of December 31, 2019, the Association has no uncertain tax positions that qualify for either recognition or disclosure in the financial statements.

Cash and Cash Equivalents

For the purpose of the statement of cash flows, cash and cash equivalents are defined as demand deposits and savings accounts at local banks, cash accumulation accounts at a local brokerage firm, and highly liquid investments with an original maturity of three months or less when purchased.

Investments

The Association records 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 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. The amount reported as investments represents investment in mutual funds marketable securities and bonds using quoted prices for identical assets in active markets (level 1). There were no changes in the valuations techniques during the current year.

Realized gains and losses related to the sale of investments are recognized as income in the period to which they relate.

Unconditional Promises to Give

Capital Campaign

The Association solicits promises to give to be paid over time (up to five years). Contributions are recorded at fair value as revenue at the time the promises to give are made.

SEABEE MEMORIAL SCHOLARSHIP ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Unconditional Promises to Give (Continued)

Management determines the allowance for doubtful accounts based on historical losses and current economic conditions. On a continuing basis, management analyzes delinquent receivables and, once these receivables are determined to be uncollectible, they are written off through a charge against the existing allowance account. It is management's policy to charge off uncollectible promises to give when it is determined that the receivable will not be collected. The allowance for doubtful accounts at year-end represents an estimate based on delinquent promises to give at December 31, 2019.

Conditional Promises to Give

Conditional promises to give are recognized by the Association as revenues when substantially all the conditions have been met.

Functional Allocation of Expenses

The cost of providing the Association's fund raising, program, and support services has been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and support services benefited based on a combination of specific identification and allocation by management.

Liquidity and Availability of Financial Assets

The Association has \$7,997,760 of financial assets available within one year of the statement of financial position date to meet cash needs for general operating expenses, consisting of cash and cash equivalents of \$212,235, investments of \$7,619,178, contributions receivable of \$126,547, and cash value of insurance contract of \$39,800 which support operations without restrictions to use.

NOTE 2: CASH AND INVESTMENTS

Cash and Cash Equivalents

The Association's cash and cash equivalents at December 31, 2019 are summarized as follows:

| | |
|---------------------------|-------------------|
| | <u>Amount</u> |
| Navy Federal Credit Union | <u>\$ 212,235</u> |

SEABEE MEMORIAL SCHOLARSHIP ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 2: CASH AND INVESTMENTS (Continued)

Investments

The Association's investments are in mutual funds marketable securities and bond funds and at December 31, 2019 are summarized as follows:

| | Fair Value at 1/1/2019 | Fair Value at 12/31/2019 | Current Year Change |
|--|---------------------------|-----------------------------|------------------------|
| Vanguard Index Fund Admin | \$ 999,590 | \$ 1,446,429 | \$ 446,839 |
| Vanguard Health Care Fund Adm | 100,589 | - | (100,589) |
| Vanguard High-Yield Corp Fund Adm | 318,372 | - | (318,372) |
| Vanguard Inter-term Corp Bnd lx Ad | 319,745 | 779,885 | 460,140 |
| Vanguard International Term Growth Adm | 327,927 | 312,364 | (15,563) |
| Vanguard International Growth Adm | 272,340 | 358,086 | 85,746 |
| Vanguard Primecap Fund Adm | 173,383 | - | (173,383) |
| Vanguard Short-Term Corp Bnd lx Ad | 338,420 | 311,584 | (26,836) |
| Vanguard 500 Index Fund Adm | 2,976,349 | 4,298,419 | 1,322,070 |
| MFS Growth Fund | 46,089 | 62,446 | 16,357 |
| Vanguard Corporate Brokerage | 46,388 | - | (46,388) |
| Vanguard Prime Money Market Fund | 1,715 | 49,965 | 48,250 |
| | <u>\$ 5,920,907</u> | <u>\$ 7,619,178</u> | <u>\$ 1,698,271</u> |

Accounting principles generally accepted in the United States of America establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Association has the ability to access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

All of the Association's mutual funds marketable securities and bond funds have been valued using Level 1 measurements.

SEABEE MEMORIAL SCHOLARSHIP ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 2: CASH AND INVESTMENTS (Continued)

Investments (Continued)

The following summarizes mutual funds investments activity for the year ended December 31, 2019:

| | <u>Amount</u> |
|------------------------------|----------------------------|
| Balance at beginning of year | \$ 5,920,907 |
| Purchases | 350,000 |
| Transfers | 97,972 |
| Dividends, reinvested | 141,653 |
| Sales | (328,495) |
| Fees | (1,067) |
| Realized gains | 50,703 |
| Unrealized losses | <u>1,387,505</u> |
| Balance at end of year | <u><u>\$ 7,619,178</u></u> |

Investment Return

The following summarizes the investment return and its classification in the statement of activities for the year ended December 31, 2019:

| | <u>Amount</u> |
|---|----------------------------|
| Interest and dividend income (including interest earned on interest bearing cash account) | \$ 143,697 |
| Realized gain on investments | 50,703 |
| Unrealized gains on investments | 1,387,505 |
| Surrender value change in insurance contract | <u>(1,349)</u> |
| Total investment gain | <u><u>\$ 1,580,556</u></u> |

The following summarizes cash and cash equivalents, mutual funds investments, and bond funds investments for the year ended December 31, 2019:

| | <u>Balance at Beginning of Year</u> | <u>Balance at End of Year</u> | <u>Change Increase (Decrease)</u> | <u>Percentage Increase (Decrease)</u> |
|---------------------------|---|-----------------------------------|---|---|
| Cash and cash equivalents | \$ 264,016 | \$ 212,235 | \$ (51,781) | -20% |
| Investments | <u>5,920,907</u> | <u>7,619,178</u> | <u>1,698,271</u> | 29% |
| Total | <u><u>\$ 6,184,923</u></u> | <u><u>\$ 7,831,413</u></u> | <u><u>\$ 1,646,490</u></u> | 27% |

The Association's management considers the ending balance of \$7,831,413 to be the Association's corpus at December 31, 2019.

SEABEE MEMORIAL SCHOLARSHIP ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 3: UNCONDITIONAL PROMISES TO GIVE

In accordance with FASB ASC 958-605, Unconditional promises to give, not expected to be collected within one year, are discounted. Unconditional promises to give as of December 31, 2019 consist of the following:

| | | |
|--|----|-----------|
| Capital Campaign pledges | \$ | 347,013 |
| Less: discount on pledges | | (18,162) |
| Less: allowance for uncollectible promises to give | | (18,893) |
| | | 309,958 |
| Net unconditional promises to give | | 309,958 |
| Less: current portion | | (126,547) |
| | | 183,411 |
| Long-term unconditional promises to give | \$ | 183,411 |

The unpaid portion of the unconditional promises to give is expected to be collected as follows:

| | | |
|------------------|----|---------|
| One year or less | \$ | 126,547 |
| 2020-2024 | | 170,466 |
| 2025-2029 | | 50,000 |
| | | 347,013 |
| | \$ | 347,013 |

Pledges receivable with due dates extending beyond one year are discounted using U. S. Treasury bill rates for similar term investments. The applicable rates at December 31, 2019 range from 1.17% to 1.95%.

At December 31, 2019, there were bad debt expense write offs of \$3,700 included in program services expenses in the statement of activities.

NOTE 4: RELATED PARTY TRANSACTIONS

Included in unconditional promises to give as of December 31, 2019 is \$8,330 in promises to give made by Officers and Board Members of the Association.

For the year ended December 31, 2019, the Association paid and recognized \$29,166 in expenses for administrative services provided by the CEC/Seabee Historical Foundation, Inc., a related party, that is included in program services and general and administrative expenses in the statement of activities.

NOTE 5: INTENTIONS TO GIVE

The Association has received indications of gifts in the form of bequests which are revocable during the donors' lifetime. Due to the uncertain nature of these intentions, the Association has not recognized an asset or contribution revenue for these gifts. The estimated total intentions to give approximated \$1,085,000 at December 31, 2019. The intentions to give consist of \$10,000 to be paid to the Association as a beneficiary of a life insurance policy and \$1,075,000 to be paid to the Association as gifts in five estate plans.

SEABEE MEMORIAL SCHOLARSHIP ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 6: INSURANCE CONTRACTS

The Association is the owner and beneficiary of \$100,000 universal life insurance policy on the life of a former Seabee. At December 31, 2019, the gross death benefit of the remaining policy is \$119,814. The policy's cash surrender values at year end is \$39,800, which consist of a decrease of \$1,349 in cash surrender value for the year ended December 31, 2019.

NOTE 7: JOINT COSTS

The Association's joint costs include activities such as general fundraising appeals, preparing and mailing newsletters and calendars, and coordinating special fundraising events. As of December 31, 2019, joint costs of \$296,907 were incurred. Of these costs, \$59,504, \$131,764 and \$105,639 were allocated to fundraising, program services, and general and administrative, respectively, in the statement of activities.

NOTE 8: CONCENTRATIONS

Credit Risk

The Association maintains its cash balances in a financial institution located in Merrifield, Virginia. The balances at these financial institutions are insured by the National Credit Union Administration (NCUA). At various times there may be balances in the banks that exceed the NCUA limits. However, at December 31, 2019, the Association had no uninsured cash balances.

Donors

Nine donors accounted for approximately 64% of total 2019 contribution revenue. Of the nine donors, 18% of the contributions were in the form of unconditional promises to give and 10% are included in unconditional promises to give at December 31, 2019.

NOTE 9: COMMITMENT AND CONTINGENCIES

Scholarship Grants and Commitments

The scholarship committee, appointed by the Association's Board of Directors, screens applicants for eligibility and awards grants based on scholastic performance and financial need. Annual renewal of the scholarship grants is subject to the recipients maintaining required academic standings. The Association has committed to provide these scholarships as follows:

| <u>Year</u> | <u>Total Amount</u> |
|-------------|---------------------|
| 2020 | \$ 74,500 |
| 2021 | 81,000 |
| 2022 | 77,000 |
| 2023 | 90,500 |
| | <u>\$ 323,000</u> |

SEABEE MEMORIAL SCHOLARSHIP ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 10 – SUBSEQUENT EVENTS

The Association has evaluated subsequent events through March 3, 2020, the date which the financial statements were issued. No such events have been identified by the Association for this time period that are required to be recognized or disclosed.