

*White, Withers, Masincup, & Cannaday, PC*  
*Certified Public Accountants*  
*1616 North Coalter Street*  
*Staunton, VA 24401*

ACCOUNTANT'S COMPILATION REPORT

To the Board of Directors  
S.M.A. Foundaton, Inc  
PO Box 958  
Staunton, VA 24402

Management is responsible for the accompanying financial statements of S.M.A. Foundation, Inc( a nonprofit organization) which comprise the statement of financial position of as of February 28, 2017, and the related statements of activities for the 6 Months ended February 28, 2017 . in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Commitee of the AICPA. We did not audit or review the financial statments nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, conclusion, nor provide any form of assurance on these financial statements.

Managment has elected to omit substantially all of the disclosures and the statement of cash flows ordinarily required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Organization's financial postion and changes in activities. Accordingly, these financial statements are not designed for those who are not informed about such matters.

We are not independent with respect to S.M.A. Foundation, Inc.

*White, Withers, Masincup & Cannaday, PC*

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March 6, 2017  
Compilation Completion Date

**SMA FOUNDATION, INC**  
**Statements of Financial Position**  
**As of February 28, 2017**

**General and Operating Funds:**

**Assets**

**Current Assets**

First Bank - Checking	\$ 7,336.36
First Bank - Lifetime	36,026.11
A/R - MBC	267.56
Museum Inventory	<u>2,219.00</u>

**Total Current Assets** 45,849.03

**Property and Equipment**

Office Furniture - Museum	7,906.86
Accum. Depr. - Office Furn.	(7,906.86)
Museum Property	177,586.95
Accum. Depr. - Museum	(131,853.82)
Museum Displays	63,021.91
Acc Depr Museum Displays	(62,991.79)
Equipment	20,939.23
Accum Depr Equipment	(20,939.20)
Software	1,833.00
Accum Amort - Software	(1,833.00)

**Net Property and Equipment** 45,763.28

**Legacy Funds:**

**SMA Heritage Funds**

First Bank-Heritage Fund	15,300.38
First Bank - SMA Scholarship	2,945.53
Morgan Stanley Shiarella SMA Scholarship	52,285.01
Morgan Stanley Heritage Account	<u>227,571.14</u>

**Total Heritage Funds** 298,102.06

**Truth, Duty and Honor Funds**

First Bank - Scholarships	7,669.07
First Bank - Program Support	337.17
Morgan Stanley Truth, Duty Honor Account - Scholarships	<u>143,847.33</u>

**Total Truth, Duty and Honor Funds** 151,853.57

**Total Assets** \$ 541,567.94

**SMA FOUNDATION, INC**  
**Statements of Financial Position**  
**As of February 28, 2017**

**Liabilities and Net Assets**

**Current Liabilities**

Federal Taxes W/H Payable	\$	165.00
State Taxes W/H Payable		154.00
FICA Payable		484.62
State Unemployment Payable		2.11
FUTA payable		<u>8.39</u>

**Total Current Liabilities** 814.12

**Long-Term Liabilities**

**Total Long-Term Liabilities** 0.00

**Total Liabilities** 814.12

**Net Assets**

Unrestricted Fund Balance	100,234.10
Temp Restricted-VWIL Fund	(3,062.65)
Temp Restr-Scholarship Fund	145,250.90
Temp restr-Legacy Fd	213,222.72
Net Income or (Loss)	<u>85,108.75</u>

**Total Net Assets** 540,753.82

**Total Liabilities and Net Assets** \$ 541,567.94

**SMA FOUNDATION, INC**  
**Statement of Activities**  
**For the 1 Month and 6 Months Ended February 28, 2017**

	1 Month Ended February 28, 2017	6 Months Ended February 28, 2017
<b>General and Operating Receipts:</b>		
Unrestricted Contributions	\$ 0.00	\$ 197.00
Museum Contributions	0.00	1,500.00
Sales-Reunion Raffle	500.00	2,700.00
Revenue - Other	0.00	93.52
Store	89.00	801.50
Memberships	300.00	8,360.00
Lifetime Memberships	1,800.00	15,300.00
Interest Lifetime	0.00	26.11
Interest - Unrestricted Checking	0.40	2.98
Reunion income	4,760.00	6,580.00
Dividends-P&G	0.00	6.70
Cadet Sponsor	600.00	700.00
Kablegram	60.00	180.00
<b>Total Operating Support &amp; Receipts</b>	<u>8,109.40</u>	<u>36,447.81</u>
<b>Legacy Funds Receipts:</b>		
<b>SMA Heritage Fund Receipts:</b>		
Legacy Fund Contributions	200.00	24,730.00
Band - Reunion	100.00	100.00
Interest-Legacy Fund	2.95	30.34
SMA Scholarship	0.00	50,880.00
Interest-SMA Scholarship	0.00	1.57
<b>Total Heritage Fund Receipts</b>	<u>302.95</u>	<u>75,741.91</u>
<b>Truth, Duty and Honor Funds:</b>		
Scholarships Contributions	1,000.00	4,195.00
VWIL Program Support	0.00	125.00
Interest-Scholarship	0.00	5.40
Interest-SMA/VWIL initiative	0.00	0.70
<b>Total Truth, Duty and Honor Fund Receipts</b>	<u>1,000.00</u>	<u>4,326.10</u>
<b>Cost of Goods Sold</b>		
C/S-Cadet Store	0.00	172.88
<b>Total Cost of Goods Sold</b>	<u>0.00</u>	<u>172.88</u>
<b>Gross Profit</b>	<u>9,412.35</u>	<u>116,342.94</u>
<b>General and Operating Expenditures:</b>		
Accounting & Legal	0.00	650.00
Bank Charges	21.85	283.59
Computer Expense	21.95	534.72

**SMA FOUNDATION, INC**  
**Statement of Activities**  
**For the 1 Month and 6 Months Ended February 28, 2017**

	<b>1 Month Ended February 28, 2017</b>	<b>6 Months Ended February 28, 2017</b>
SMA/VWIL Museum Expense	0.00	7,303.72
Office Supplies	0.00	470.24
Taxes and Licenses	0.00	25.00
Telephone	17.41	928.12
Postage and Freight	286.47	370.13
Miscellaneous	0.00	531.69
Printing	0.00	178.70
Printing - Newsletter	694.19	2,286.80
Reunion - Facility expense	0.00	1,000.00
<b>Total General and Operating Expenses</b>	<b>1,041.87</b>	<b>14,562.71</b>
<b>Legacy Funds Expenditures:</b>		
<b>Heritage Fund Expenditures:</b>		
Website-SMA Scholarship	0.00	4,586.04
<b>Total Heritage Fund Expenditures</b>	<b>0.00</b>	<b>4,586.04</b>
<b>Truth, Duty and Honor Fund Expenditures:</b>		
<b>Personnel Expenses:</b>		
Staff wages	3,406.50	21,302.75
Payroll Taxes	0.00	1,133.80
Outside Services	0.00	2,325.00
<b>Total Personnel Expenses</b>	<b>3,406.50</b>	<b>24,761.55</b>
<b>Newsletter Expenses:</b>		
<b>Total Expenditures</b>	<b>4,448.37</b>	<b>43,910.30</b>
<b>Other Income (Expenses)</b>		
Net Unrealized Gain (Loss)	7,345.92	12,676.11
<b>Total Other Income (Expenses)</b>	<b>7,345.92</b>	<b>12,676.11</b>
<b>Net Receipts (Loss)</b>	<b>12,309.90</b>	<b>85,108.75</b>