

SEAL FUTURE FUND, INC.
FINANCIAL REPORT
DECEMBER 31, 2017

SEAL FUTURE FUND, INC.

TABLE OF CONTENTS

	PAGE
Independent Auditor's Report	1
Statements of Financial Position	2
Statements of Activities	3
Statements of Functional Expenses	4
Statements of Cash Flows	5
Notes to Financial Statements	6-7

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
of Seal Future Fund, Inc.

I have audited the accompanying statement of financial position of Seal Future Fund, Inc. (a nonprofit organization), which comprise the Statements of Financial Position as of December 31, 2017 and 2016, and the related statement of Activities, Cash Flows, and Functional Expenses 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

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 whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain 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 assessment, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement 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 opinion. An audit also includes evaluation the appropriateness of accounting policies used and 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 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 the Seal Future Fund, Inc. as of December 31, 2017 and 2016, and the changes in net assets, cash flows, and functional expenses for the years then ended in accordance with accounting principles generally accepted in the United States of America.



FRED D. STEIN, CPA

November 10, 2018

SEAL FUTURE FUND, INC
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
ASSETS		
Cash and time deposits	\$ 466,247	\$ 158,125
Pledges receivable	49,340	-
Inventory	56,956	-
Prepays	9,880	-
Land, buildings and equipment (Note 2)	<u>4,165</u>	<u>4,690</u>
 Total Assets	 <u>\$ 586,588</u>	 <u>\$ 162,815</u>
 LIABILITIES AND NET ASSETS		
Accounts Payable	\$ 43,280	\$ 35,352
Loan payable	<u>-</u>	<u>1,500</u>
 Total Liabilities	 <u>43,280</u>	 <u>36,852</u>
Net Assets		
Unrestricted	<u>543,308</u>	<u>125,963</u>
 Total Net Assets	 <u>543,308</u>	 <u>125,963</u>
 Total Liabilities and Net Assets	 <u>\$ 586,588</u>	 <u>\$ 162,815</u>

SEAL FUTURE FUND, INC
STATEMENT OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
Revenues:		
Contributions	\$ 175,472	\$ 219,645
Special events, net of expenses of \$218,653 and \$196,255, respectively	724,263	75,785
Interest	63	-
Other	<u>803</u>	<u>652</u>
Total unrestricted revenues	<u>900,601</u>	<u>296,082</u>
Expenses:		
Program expenses	307,507	42,695
Management and general	142,028	146,411
Fund raising	<u>33,721</u>	<u>889</u>
Total Expenses	<u>483,256</u>	<u>189,995</u>
Change in Net Assets	417,345	106,087
Net Assets at Beginning of Year	<u>125,963</u>	<u>19,876</u>
Net Assets at End of Year	<u><u>\$ 543,308</u></u>	<u><u>\$ 125,963</u></u>

SEAL FUTURE FUND, INC
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2017
(With prior year totals for comparative purposes)

	<u>Program Expenses</u>	<u>Management and General</u>	<u>Fund Raising</u>	<u>Total Expenses 2017</u>	<u>Total Expenses 2016</u>
Scholarships	237,000	-	-	237,000	40,000
Special Support	492	-	33,721	34,213	-
Management Services	475	82,000	-	82,475	91,524
Professional Fees	-	14,020	-	14,020	3,800
Office Expense	-	7,334	-	7,334	7,154
Information Technology	-	8,555	-	8,555	10,730
Occupancy	-	2,579	-	2,579	16,000
Travel	-	2,844	-	2,844	1,881
Conferences, Conventions & Meetings	235	19,477	-	19,712	6,454
Charitable Contributions	-	-	-	-	470
Banking & Merchant Fees	-	4,694	-	4,694	5,047
Admissions Test Preparation	19,691	-	-	19,691	2,225
Career Development	15,223	-	-	15,223	-
Coaching	6,100	-	-	6,100	-
Community Development	28,291	-	-	28,291	-
Total Expenses Before Depreciation	\$ 307,507	\$ 141,503	\$ 33,721	\$ 482,731	\$ 185,285
Depreciation	-	525	-	525	4,710
Total Expenses	\$ <u>307,507</u>	\$ <u>142,028</u>	\$ <u>33,721</u>	\$ <u>483,256</u>	\$ <u>189,995</u>

SEAL FUTURE FUND, INC
STATEMENT OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
Cash Flows From Operating Activities		
Increase/(Decrease) in net assets	\$ 417,345	\$ 106,087
Adjustments to reconcile change in net assets to net cash provided(used) by operating activities:		
Depreciation	525	4,710
(Increase)/Decrease in assets:		
Pledges receivable	(49,340)	-
Inventory	(56,956)	-
Prepays	(9,880)	-
Increase/(Decrease) in liabilities:		
Accounts payable and accrued expenses	6,428	31,852
Net cash provided (used) by operating activities	<u>308,122</u>	<u>142,649</u>
Cash Flows from Investing Activities		
Purchase of property equipment	<u>-</u>	<u>(1,089)</u>
Cash Flows from Financing Activities		
Transfers to investments	-	-
Transfers from investments	-	-
Net cash provided (used) by financing activities	<u>-</u>	<u>-</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	308,122	141,560
Cash and Cash Equivalents at Beginning of Year	<u>158,125</u>	<u>16,565</u>
Cash and Cash Equivalents at End of Year	<u>\$ 466,247</u>	<u>\$ 158,125</u>

SEAL FUTURE FUND, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

1. NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Seal Future Fund, Inc. (The Organization) is a not-for-profit organization formed to provide resources to equip active duty and veteran Navy SEALs for success in the civilian world. Revenues are derived principally from public contributions.

Support and Expenses

Contributions received and unconditional promises to give are measured at their fair values and are reported as an increase in net assets. The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets, or if they are designated as support for future periods. 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 activity as net assets released from restrictions. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as unrestricted support

The Organization reports gifts of goods and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Sanctuary reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Expenses are recorded when incurred in accordance with the cash basis of accounting.

Donated Services, Goods, and Facilities.

A substantial number of volunteers have donated time to the Organizations's program services during the year; however, these donated services are not reflected in the financial statements since the services do not require specialized skills. Donated professional services (which include accounting and legal services) are reflected in the statement of activities at their fair value.

Materials and other assets received as donations are recorded and reflected in the accompanying financial statements at their fair values at the date of receipt.

SEAL FUTURE FUND, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash held in checking and money market accounts and certificates of deposit with maturities of less than 90 days. At year end and throughout the year, the Organization's cash balances were deposited in several banks. Management believes the Organization is not exposed to any significant credit risk on cash and cash equivalents.

Property and Depreciation

Property and equipment acquisitions are recorded at cost. Depreciation of buildings and equipment is provided over the estimated useful lives of respective assets on a straight-line basis.

Income Taxes

The Organization is a not-for-profit organization exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

2. LAND, BUILDINGS AND EQUIPMENT

	<u>2017</u>	<u>2016</u>
Land, Buildings and Equipment	\$ 23,002	\$ 23,002
Less accumulated depreciation	18,837	18,312
Net Land, Buildings and Equipment	<u>\$ 4,165</u>	<u>\$ 4,690</u>