

CAMPAIGN CONSTITUTION

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2015
TOGETHER WITH ACCOUNTANT'S COMPILATION REPORT

CAMPAIGN CONSTITUTION
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

CONTENTS

| | <u>PAGE</u> |
|----------------------------------|--------------------|
| Accountant's Compilation Report | 1 |
| Financial Statements | |
| Statement of Financial Position | 2 |
| Statement of Activities | 3 |
| Statement of Functional Expenses | 4 |
| Statement of Cash Flows | 5 |
| Notes to Financial Statements | 6 |



ACCOUNTANT'S COMPILATION REPORT

To the Board of Directors of
Campaign Constitution

We have compiled the accompanying statement of financial position of (a nonprofit corporation) as of December 31, 2015, and the related statements of activities, functional expenses, and cash flows for the year then ended. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Our firm is not independent with respect to Campaign Constitution because E. Nelson Fleming, II, CPA, our firm's general partner and this engagement's preparer and reviewer, is the Treasurer of Campaign Constitution.

Fleming & Associates, LLP

July 31, 2016

Campaign Constitution
Statement of Financial Position
 As of December 31, 2015

| | <u>Dec 31,15</u> | <u>Dec 31, 14</u> |
|---------------------------------------|-------------------------|-------------------------|
| ASSETS | | |
| Current Assets | | |
| Checking/Savings | | |
| Colorado East | 2,686.00 | 4,799.54 |
| Total Checking/Savings | <u>2,686.00</u> | <u>4,799.54</u> |
| Other Current Assets | | |
| Book Inventory | 2,183.43 | 4,759.43 |
| Total Other Current Assets | <u>2,183.43</u> | <u>4,759.43</u> |
| Total Current Assets | 4,869.43 | 9,558.97 |
| Fixed Assets | | |
| Website | 14,458.65 | 14,458.65 |
| Total Fixed Assets | <u>14,458.65</u> | <u>14,458.65</u> |
| TOTAL ASSETS | <u><u>19,328.08</u></u> | <u><u>24,017.62</u></u> |
| LIABILITIES & EQUITY | | |
| Liabilities | | |
| Long Term Liabilities | | |
| Advances Owed Cogswell Law | 15,123.36 | 13,545.36 |
| Advances Owed J. Cogswell | 99,945.43 | 42,007.02 |
| Total Long Term Liabilities | <u>115,068.79</u> | <u>55,552.38</u> |
| Total Liabilities | 115,068.79 | 55,552.38 |
| Equity | | |
| Unrestricted Net Assets | -95,740.71 | -31,534.76 |
| Total Equity | <u>-95,740.71</u> | <u>-31,534.76</u> |
| TOTAL LIABILITIES & EQUITY | <u><u>19,328.08</u></u> | <u><u>24,017.62</u></u> |

Campaign Constitution
Statement of Activities
 January through December 2015

| | Jan - Dec 15 | Jan - Dec 14 |
|--|--------------|--------------|
| Unrestricted Net Assets | | |
| Unrestricted Revenues and Gains | | |
| Direct Public Support | | |
| Individ, Business Contributions | 30,935.00 | 2,500.00 |
| Total Direct Public Support | 30,935.00 | 2,500.00 |
| Other Types of Income | | |
| Inventory Sales | 430.00 | 10.43 |
| Total Other Types of Income | 430.00 | 10.43 |
| Total Unrestricted Revenues and Gains | 31,365.00 | 2,510.43 |
| Expense | | |
| Program Services | 55,126.00 | 14,574.27 |
| Supporting Services | | |
| Management and General | 39,688.95 | 6,795.98 |
| Fundraising Fees | 756.00 | 0.00 |
| Total Supporting Services | 40,444.95 | 6,795.98 |
| Total Expense | 95,570.95 | 21,370.25 |
| Increase(Decrease) in Unrestricted Net Assets | -64,205.95 | -18,859.82 |
| Net Assets Beginning of the Year | -31,534.76 | -12,674.94 |
| Net assets at End of Year | -95,740.71 | -31,534.76 |

Campaign Constitution
Statement of Functional Expenses (990)
January through December 2015

| | Program Services | | Management and General | | Fundraising | | TOTAL | |
|--------------------------------------|------------------|------------------|------------------------|-----------------|---------------|--------------|------------------|------------------|
| | Jan - Dec 15 | Jan - Dec 14 | Jan - Dec 15 | Jan - Dec 14 | Jan - Dec 15 | Jan - Dec 14 | Jan - Dec 15 | Jan - Dec 14 |
| Cost of Sales | 2,576.00 | 10.43 | 0.00 | 0.00 | 0.00 | 0.00 | 2,576.00 | 10.43 |
| Bank & Credit Card Fees | 290.00 | 0.00 | 0.00 | 363.30 | 0.00 | 0.00 | 290.00 | 363.30 |
| Contract Services | | | | | | | | |
| Accounting Fees | 0.00 | 0.00 | 0.00 | 700.00 | 0.00 | 0.00 | 0.00 | 700.00 |
| Fundraising Fees | 0.00 | 0.00 | 0.00 | 0.00 | 756.00 | 0.00 | 756.00 | 0.00 |
| Outside Contract Services | 17,040.00 | 0.00 | 39,600.00 | 0.00 | 0.00 | 0.00 | 56,640.00 | 0.00 |
| Secretarial Services | 0.00 | 0.00 | 0.00 | 5,732.68 | 0.00 | 0.00 | 0.00 | 5,732.68 |
| Contract Services - Other | 0.00 | 817.94 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 817.94 |
| Total Contract Services | 17,040.00 | 817.94 | 39,600.00 | 6,432.68 | 756.00 | 0.00 | 57,396.00 | 7,250.62 |
| Operations | | | | | | | | |
| Postage, Mailing Service | 0.00 | 79.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 79.00 |
| Printing and Copying | 1,984.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 1,984.00 | 0.00 |
| Supplies | 1,840.00 | 99.00 | 88.95 | 0.00 | 0.00 | 0.00 | 1,928.95 | 99.00 |
| Website & e-mail Services | 5,570.00 | 4,120.00 | 0.00 | 0.00 | 0.00 | 0.00 | 5,570.00 | 4,120.00 |
| Total Operations | 9,394.00 | 4,298.00 | 88.95 | 0.00 | 0.00 | 0.00 | 9,482.95 | 4,298.00 |
| Other Types of Expenses | | | | | | | | |
| Marketing & Advertising | 0.00 | 7,590.90 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 7,590.90 |
| Total Other Types of Expenses | 0.00 | 7,590.90 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 7,590.90 |
| Travel and Meetings | | | | | | | | |
| Conference, Convention, Meeting | 4,757.00 | 1,857.00 | 0.00 | 0.00 | 0.00 | 0.00 | 4,757.00 | 1,857.00 |
| Travel | 21,069.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 21,069.00 | 0.00 |
| Total Travel and Meetings | 25,826.00 | 1,857.00 | 0.00 | 0.00 | 0.00 | 0.00 | 25,826.00 | 1,857.00 |
| Total Functional Expenses | 55,126.00 | 14,574.27 | 39,688.95 | 6,795.98 | 756.00 | 0.00 | 95,570.95 | 21,370.25 |

-see accountant's compilation report-

Campaign Constitution

Statement of Cash Flows

January through December 2015

| | <u>Jan - Dec 15</u> | <u>Jan - Dec 14</u> |
|--|------------------------|------------------------|
| OPERATING ACTIVITIES | | |
| Net Income | -64,205.95 | -18859.82 |
| Adjustments to reconcile Net Income to net cash provided by operations: | | |
| Book Inventory | <u>2,576.00</u> | <u>10.43</u> |
| Net cash provided by Operating Activities | <u>-61,629.95</u> | <u>-18,849.39</u> |
| | | |
| FINANCING ACTIVITIES | | |
| Advances Owed Cogswell Law | 1,578.00 | 5732.68 |
| Advances Owed J. Cogswell | <u>57,938.41</u> | <u>3768.94</u> |
| Net cash provided by Financing Activities | <u>59,516.41</u> | <u>9,501.62</u> |
| | | |
| Net cash increase for period | -2,113.54 | -9,347.77 |
| | | |
| Cash at beginning of period | <u>4,799.54</u> | <u>14147.31</u> |
| Cash at end of period | <u><u>2,686.00</u></u> | <u><u>4,799.54</u></u> |

CAMPAIGN CONSTITUTION

Notes to December 31, 2015 Financial Statements

1 Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

Campaign Constitution (the Organization), is a non-profit corporation located in Buena Vista, Colorado. The Organization is engaged in the promotion of the common good and general welfare of the people of the United States of America by facilitating amendments to the U.S. Constitution designed to obtain better leaders and enhance the freedom of U.S. citizens. Funds and materials are contributed. All of the operations are conducted within the United States of America. The Organization operates under a fiscal year. Fiscal year 2015 ended on December 31, 2015.

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting which is in accordance with Generally Accepted Accounting Principles. Revenues are recognized when earned and expenses are recognized when incurred.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers unrestricted, short-term highly liquid investments to be cash equivalents provided that they are both readily convertible to cash and have an original maturity of three months or less when purchased.

Revenue Recognition

Contributions of funds and materials are recognized as revenue in the period in which they are received. Contributions receivable that are expected to be collected within one year are recorded at net realizable value. Contributions receivable which are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The Organization did not have any contributions receivable as of December 31, 2015. Revenue from contributions of merchandise (books) to be sold is recognized when sold.

Employment

The Organization had no employees during the fiscal year ended December 31, 2015 and no employees as of July 31, 2016.

Contributions

The Organization classifies contributions as unrestricted unless the donor places temporary or permanent restrictions on them. There were no permanently restricted or donor imposed restrictions at December 31, 2015.

Contributions of outside services and materials are recorded at fair market value. Absent authority from the Organization's Advisory Board (which has not yet been established), no contributions or net proceeds from the sale of books shall be paid to John M. Cogswell, President of Campaign Constitution, except to reimburse him for actual costs expended.

Income taxes

The Campaign Constitution, Inc. has received exemption from income taxes under Section 501(c)4 of the U.S. Internal Revenue Code. IRC 650(a) provides that any tax due will be assessed from the date the December 31, 2015, tax return was filed. The Organization is current in its filing requirements with the Internal Revenue Service.

2 Book Sales

The Organization receives proceeds from the sale of books that outline the organization program and suggestions for amending the U.S. Constitution. No net proceeds from the sale of books shall inure to the benefit of any officer or director except the organization may pay for reasonable compensation for services provided by its Treasurer. Book sales were \$430.00 in fiscal year 2015 and \$10.43 for the fiscal year 2014.

3 Inventory, Books

Inventory is valued at cost. The value at December 31, 2015 was \$2,183.43 and \$4,759.43 at December 31, 2014.

4 Fixed Assets and Equipment

Tools, vehicles and equipment are recorded at acquisition cost, including costs necessary to place the asset in service. The Organization's new policy is to capitalize costs of one thousand dollars (\$5,000) or more. The fixed assets at December 31, 2015 consist of costs incurred in the development of the organization's website. The useful life of the website is considered indefinite and no depreciation or amortization is recognized. Depreciation expense on other assets that may be acquired and placed in service in the future will be determined on a straight-line basis over the estimated useful lives of the respective assets, as follows:

| | |
|----------------------------|----------------|
| <u>Tools and equipment</u> | <u>5 years</u> |
|----------------------------|----------------|

4 Fixed Assets and Equipment (continued)

| | |
|-----------------------|---------|
| Vehicles and trailers | 6 years |
| Office Equipment | 7 years |

5 Advances Owed to Related Parties

The Organization's obligations, under advances owed, consist of the following:

The Organization owes Cogswell Law Office \$15,123.36 at December 31, 2015 and \$13,545.36 at December 31, 2014 for disbursements and costs paid to third parties. The Organization owes John M. Cogswell \$99,945.43 at December 31, 2015 and \$42,007.02 at December 31, 2014 for advances provided to the Organization. These sums will be repaid by the Organization when sufficient funds are available without detracting from the Organization's ability to accomplish its purpose. No monies have been paid to John M. Cogswell, President, for legal or other services.

6 Promises to Give

As of the end of fiscal year 2015, there were no short or long-term promises to give.

7 Temporarily Restricted Net Assets

There were no temporarily restricted net assets at the fiscal year ended December 31, 2015:

8 Donated Materials

There were no donated materials at fiscal year ended December 31, 2015.

9 Subsequent Events

Subsequent events were evaluated through July 31, 2016. There were no events to disclose.