

CAMPAIGN CONSTITUTION

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2013
TOGETHER WITH ACCOUNTANT'S COMPILATION REPORT

CAMPAIGN CONSTITUTION
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

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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, 2013, 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

May 8, 2014

Campaign Constitution
Statement of Financial Position
As of December 31, 2013

	<u>Dec 31, 13</u>	<u>Dec 31, 12</u>
ASSETS		
Current Assets		
Checking/Savings		
Colorado East	14,147.31	19,587.57
Total Checking/Savings	14,147.31	19,587.57
Other Current Assets		
Book Inventory	4,769.86	33,158.90
Total Other Current Assets	4,769.86	33,158.90
Total Current Assets	18,917.17	52,746.47
Fixed Assets		
Website	14,458.65	11,800.40
Total Fixed Assets	14,458.65	11,800.40
TOTAL ASSETS	<u><u>33,375.82</u></u>	<u><u>64,546.87</u></u>
LIABILITIES & NET ASSETS		
Liabilities		
Long Term Liabilities		
Advances Owed Cogswell Law	7,812.68	5,347.51
Advances Owed J. Cogswell	38,238.08	35,866.76
Total Long Term Liabilities	46,050.76	41,214.27
Total Liabilities	46,050.76	41,214.27
NET ASSETS		
Unrestricted Net Assets	-12,674.94	23,332.60
Total Equity	-12,674.94	23,332.60
TOTAL LIABILITIES & NET ASSETS	<u><u>33,375.82</u></u>	<u><u>64,546.87</u></u>

**Campaign Constitution
Statement of Activities
January through December 2013**

	<u>2013</u>	<u>2012</u>
Unrestricted Net Assets		
Unrestricted Revenues and Gains		
Direct Public Support		
Individ, Business Contributions	1,965.00	30,875.00
Total Direct Public Support	<u>1,965.00</u>	<u>30,875.00</u>
Other Types of Income		
Inventory Sales	1,533.65	110.00
Total Other Types of Income	<u>1,533.65</u>	<u>110.00</u>
Total Unrestricted Revenues and Gains	<u>3,498.65</u>	<u>30,985.00</u>
Expense		
Program Services	35,214.44	9,297.32
Supporting Services		
Management and General	4,291.75	5,131.11
Fundraising	0.00	538.50
Total Supporting Services	<u>4,291.75</u>	<u>5,669.61</u>
Total Expense	<u>39,506.19</u>	<u>14,966.93</u>
Increase in Unrestricted Net Assets	<u>-36,007.54</u>	<u>16,018.07</u>
Net Assets Beginning of Year	<u>23,332.60</u>	<u>7,314.53</u>
Net Assets at End of Year	-12,674.94	23,332.60

Campaign Constitution
Statements of Functional Expenses
January through December 2013

	2013			2012				
	Program Services	Management and General	Fundraising	TOTAL	Program Services	Management and General	Fundraising	TOTAL
Cost of Sales	28,389.04	0.00	0.00	28,389.04	0.00	501.68	0.00	501.68
Bank & Credit Card Fees	0.00	457.76	0.00	457.76	0.00	501.68	0.00	501.68
Contract Services								
Accounting Fees	0.00	600.00	0.00	600.00	0.00	0.00	0.00	0.00
Legal Fees	0.00	2,465.17	0.00	2,465.17	0.00	2,579.43	0.00	2,579.43
Secretarial Services	0.00	0.00	0.00	0.00	5,347.51	0.00	0.00	5,347.51
Total Contract Services	0.00	3,065.17	0.00	3,065.17	5,347.51	2,579.43	0.00	7,926.94
Licenses & Fees	0.00	1.00	0.00	1.00	0.00	1,950.00	0.00	1,950.00
Operations								
Postage, Mailing Service	249.40	161.14	0.00	410.54	1,187.02	0.00	0.00	1,187.02
Postage, Mailing Service	0.00	99.00	0.00	99.00	0.00	0.00	0.00	0.00
Website & e-mail Services	6,576.00	0.00	0.00	6,576.00	1,932.50	0.00	0.00	1,932.50
Total Operations	6,825.40	260.14	0.00	7,085.54	3,119.52	0.00	0.00	3,119.52
Other Types of Expenses								
Education & Training	0.00	0.00	0.00	0.00	0.00	100.00	0.00	100.00
Marketing & Advertising	0.00	0.00	0.00	0.00	0.00	0.00	538.50	538.50
Total Other Types of Expenses	0.00	0.00	0.00	0.00	0.00	100.00	538.50	638.50
Travel and Meetings								
Travel	0.00	507.68	0.00	507.68	830.29	0.00	0.00	830.29
Total Travel and Meetings	0.00	507.68	0.00	507.68	830.29	0.00	0.00	830.29
Total Functional Expenses	35,214.44	4,291.75	0.00	39,506.19	9,297.32	5,131.11	538.50	14,966.93

**Campaign Constitution
Statement of Cash Flows
January through December 2013**

	<u>Jan - Dec 13</u>	<u>Jan - Dec 12</u>
OPERATING ACTIVITIES		
Increase in Net Assests	-36,007.54	16,018.07
Adjustments to reconcile Increase in Net Assets to net cash provided by operations:		
Book Inventory	<u>28,389.04</u>	<u>-33,158.90</u>
Net cash provided by Operating Activities	-7,618.50	-17,140.83
 INVESTING ACTIVITIES		
Website Development	<u>-2,658.25</u>	<u>-11,800.40</u>
Net cash provided by Investing Activities	-2,658.25	-11,800.40
 FINANCING ACTIVITIES		
Advances Owed Cogswell Law	2,465.17	5,347.51
Advances Owed J. Cogswell	<u>2,371.32</u>	<u>35,866.76</u>
Net cash provided by Financing Activities	<u>4,836.49</u>	<u>41,214.27</u>
 Net cash increase for period	<u>-5,440.26</u>	<u>12,273.04</u>
 Beginning Cash and Cash Equivalents	<u>19,587.57</u>	<u>7,314.53</u>
 Ending Cash and Cash Equivalents	14,147.31	19,587.57

CAMPAIGN CONSTITUTION

Notes to December 31, 2013 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 2013 ended on December 31, 2013.

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, 2013. 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, 2013 and no employees as of May 8, 2014.

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, 2013.

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, 2013, 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 \$1,533.65 for the fiscal year 2013.

3 Inventory, Books

Inventory is valued at cost. The value at December 31, 201 was \$4,769.86.

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 policy is to capitalize costs of one thousand dollars (\$1,000) or more. The fixed assets at December 31, 2013 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>
<u>Vehicles and trailers</u>	<u>6 years</u>
<u>Office Equipment</u>	<u>7 years</u>

5 Advances Owed to Related Parties

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

The Organization owes Cogswell Law Office \$7,812.68 at December 31, 2013 for disbursements and costs paid to third parties. The Organization owes John M. Cogswell \$38,238.08 at December 31, 2013 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 2013, 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, 2013:

8 Donated Materials

There were no donated materials at fiscal year ended December 31, 2013.

9 Subsequent Events

Subsequent events were evaluated through May 8, 2014. There were no events to disclose.