

FUTURE LEADERSHIP FOUNDATION

FINANCIAL STATEMENTS

DECEMBER 31, 2016



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ACCOUNTANTS' COMPILATION REPORT

To the Board of Directors of
Future Leadership Foundation
Jefferson City, Missouri

Management is responsible for the accompanying financial statements of Future Leadership Foundation (a nonprofit organization), which comprise the statements of financial position as of December 31, 2016 and 2015, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements 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 Committee of the AICPA. We did not audit or review the financial statements, 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, a conclusion, nor provide any form of assurance on these financial statements.

Williams-Keepers LLC
Jefferson City, Missouri

Williams-Keepers LLC

September 26, 2017

FUTURE LEADERSHIP FOUNDATION
STATEMENTS OF FINANCIAL POSITION
As of December 31, 2016 and 2015

	2016	2015
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 55,962	\$ 46,371
Investments	1,857	1,754
Accounts Receivable	-	1,891
	\$ 57,819	\$ 50,016
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts Payable	\$ 2,276	\$ 561
Funds Held for Others	5,070	3,750
	7,346	4,311
Net Assets		
Unrestricted: Undesignated	20,105	18,497
Unrestricted: Board Designated for Executive Leadership	8,842	8,704
	28,947	27,201
Temporarily Restricted	14,669	11,750
Permanently Restricted	6,857	6,754
	50,473	45,705
Total net assets	50,473	45,705
Total liabilities and net assets	\$ 57,819	\$ 50,016

See accompanying notes and accountants' compilation report.

FUTURE LEADERSHIP FOUNDATION
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2016
(with summarized totals for the year ended December 31, 2015)

	Unrestricted	Temporarily Restricted	Permanently Restricted	2016 Total	2015 Total
Revenues					
Contributions Income					
General Contributions	\$ 21,253	\$ -	\$ -	\$ 21,253	\$ 27,633
Trip Participant	-	-	-	-	10,958
Ukraine	-	51,931	-	51,931	36,158
Lithuania	-	2,660	-	2,660	-
Guatemala	-	-	-	-	5,000
Pakistan	-	-	-	-	620
Belarus	-	-	-	-	750
Distance Learning	-	-	-	-	800
Hatfield Endowment	-	-	100	100	-
iPad Initiative	-	39,848	-	39,848	-
Global Leadership	-	2,257	-	2,257	-
Administrative Fees	1,527	-	-	1,527	2,950
Product Sales	90	-	-	90	535
Events and Meetings	495	-	-	495	420
Investment Return (Loss)	100	-	3	103	(63)
Net Assets Released from Restrictions	93,777	(93,777)	-	-	-
Total Revenues	117,242	2,919	103	120,264	85,761
Expenses					
Program Expenses					
Participant Trip Cost	1,763	-	-	1,763	10,989
Ukraine	51,743	-	-	51,743	45,256
Lithuania	2,660	-	-	2,660	-
Guatemala	(384)	-	-	(384)	3,615
Pakistan	-	-	-	-	350
Belarus	-	-	-	-	800
El Salvador	800	-	-	800	-
Distance Learning	38	-	-	38	8,700
Program Development	380	-	-	380	2,053
Executive Leadership	2,000	-	-	2,000	-
iPad Initiative	36,921	-	-	36,921	-
Global Leadership	194	-	-	194	-
Total Program Expenses	96,115	-	-	96,115	71,763
Fundraising Expenses					
Advertising	-	-	-	-	845
Constituent Communication	3,450	-	-	3,450	2,805
Total Fundraising Expenses	3,450	-	-	3,450	3,650
Administrative Expenses					
Accounting	1,500	-	-	1,500	1,500
Technology Support and Software	5,404	-	-	5,404	4,974
Business Fees and Permits	721	-	-	721	769
Contract Services	1,607	-	-	1,607	3,522
Board Expenses	3,742	-	-	3,742	3,184
Insurance	452	-	-	452	452
Staff Expenses	709	-	-	709	2,488
Postage	318	-	-	318	295
Other Expenses	805	-	-	805	1,200
Office Expenses	257	-	-	257	744
Telephone Services	166	-	-	166	309
Miscellaneous	250	-	-	250	-
Total Administrative Expenses	15,931	-	-	15,931	19,437
Total Expenses	115,496	-	-	115,496	94,850
Change in Net Assets	1,746	2,919	103	4,768	(9,089)
Net Assets, Beginning of Year	27,201	11,750	6,754	45,705	54,794
Net Assets, End of Year	<u>\$ 28,947</u>	<u>\$ 14,669</u>	<u>\$ 6,857</u>	<u>\$ 50,473</u>	<u>\$ 45,705</u>

See accompanying notes and accountants' compilation report.

FUTURE LEADERSHIP FOUNDATION
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2015

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenues				
Contributions Income				
General Contributions	\$ 27,633	\$ -	\$ -	\$ 27,633
Trip Participant	-	10,958	-	10,958
Ukraine	-	36,158	-	36,158
Guatemala	-	5,000	-	5,000
Pakistan	-	620	-	620
Belarus	-	750	-	750
Distance Learning	-	800	-	800
Administrative Fees	2,950	-	-	2,950
Product Sales	535	-	-	535
Events and Meetings	420	-	-	420
Investment Return (Loss)	-	-	(63)	(63)
Net Assets Released from Restrictions	69,710	(69,710)	-	-
Total Revenues	101,248	(15,424)	(63)	85,761
Expenses				
Program Expenses				
Participant Trip Cost	10,989	-	-	10,989
Ukraine	45,256	-	-	45,256
Guatemala	3,615	-	-	3,615
Pakistan	350	-	-	350
Belarus	800	-	-	800
Distance Learning	8,700	-	-	8,700
Program Development	2,053	-	-	2,053
Total Program Expenses	71,763	-	-	71,763
Fundraising Expenses				
Advertising	845	-	-	845
Constituent Communication	2,805	-	-	2,805
Total Fundraising Expenses	3,650	-	-	3,650
Administrative Expenses				
Accounting	1,500	-	-	1,500
Technology Support and Software	4,974	-	-	4,974
Business Fees and Permits	769	-	-	769
Contract Services	3,522	-	-	3,522
Board Expenses	3,184	-	-	3,184
Insurance	452	-	-	452
Staff Expenses	2,488	-	-	2,488
Postage	295	-	-	295
Other Expenses	1,200	-	-	1,200
Office Expenses	744	-	-	744
Telephone Services	309	-	-	309
Total Administrative Expenses	19,437	-	-	19,437
Total Expenses	94,850	-	-	94,850
Change in Net Assets	6,398	(15,424)	(63)	(9,089)
Net Assets, Beginning of Year	20,803	27,174	6,817	54,794
Net Assets, End of Year	\$ 27,201	\$ 11,750	\$ 6,754	\$ 45,705

See accompanying notes and accountants' compilation report.

FUTURE LEADERSHIP FOUNDATION
STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2016 and 2015

	2016	2015
CASH FLOW FROM OPERATING ACTIVITIES		
Change in net assets	\$ 4,768	\$ (9,089)
Adjustments to reconcile change in net assets to net cash flows provided (used) by operating activities:		
Investment (gains) losses	66	63
Adjustments for changes in operating assets and liabilities:		
Accounts Receivable	1,891	(1,080)
Prepaid Expenses	-	47
Accounts Payable	1,715	(6,620)
Funds Held for Others	1,320	3,750
Net cash provided (used) by operating activities	9,760	(12,929)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Investments	(169)	(100)
Net cash (used) by investing activities	(169)	(100)
Net change in cash and cash equivalents	9,591	(13,029)
Cash and cash equivalents, beginning of year	46,371	59,400
Cash and cash equivalents, end of year	\$ 55,962	\$ 46,371

See accompanying notes and accountants' compilation report.

FUTURE LEADERSHIP FOUNDATION

NOTES TO FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES

Nature of activities: The Future Leadership Foundation (the Foundation) is a mission-based, nonprofit organization that facilitates the development of Christian leaders around the world. The Foundation uses short-term volunteers to meet the expressed needs of Christian ministries, such as churches, seminaries, and national leadership councils. The donated time from such volunteers does not meet the criteria for financial statement recognition.

Basis of Accounting: The financial statements of the Foundation have been prepared on the accrual basis of accounting; therefore, revenues are recognized when earned and expenses are recognized when incurred.

Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Financial statement presentation: The Foundation reports information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted and permanently restricted, based upon the existence or absence of donor stipulations on contributions received. All contributions received, unless restricted by the donor, are considered to be unrestricted, including contributions stipulated for use consistent with the basic purpose of the Foundation. Contributions with more specific donor stipulations are reported as restricted. When a 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 statements of revenues and expenses as net assets released from restrictions. Contributions with permanent donor restrictions typically require that the corpus of the contribution be invested with earnings either unrestricted or temporarily restricted.

Cash and Cash Equivalents: The Foundation considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Concentration of Credit Risk: Financial instruments that potentially subject the Foundation to concentrations of credit risk consist principally of cash. The Foundation places its cash with credit worthy high-quality financial institutions. At December 31, 2016 and 2015, the Foundation had no balances in excess of FDIC Insurance. The Foundation has not sustained any losses due to exposure noted above.

Program and Supporting Services: The following program and supporting services are included in the accompanying statement of activities:

Program Services: Includes direct expenses to achieve Foundation and program goals.

Fundraising: Includes expenses generated from events to raise income for the Foundation.

Administrative: Includes direct expenses necessary to coordinate and administer program services and to manage the financial responsibilities of the Foundation.

See accountants' compilation report.

Tax Status: The Foundation is exempt from federal and state income taxes under Internal Revenue Code Section 501(c)(3) and similar provisions of the State Code. The Form 990 and taxable status of the Foundation are subject to examination by the Internal Revenue Service for open tax years, which as of the date of this report are the years 2013 through 2016. Interest and penalties incurred, if any, related to annual Form 990 filings are reported as other administrative expenses in the accompanying statement of activities.

Subsequent events: Events that have occurred subsequent to December 31, 2016 have been evaluated through September 26, 2017, which represents the date the Foundation's financial statements were available to be issued.

2. RESTRICTIONS ON NET ASSETS

The nature of donor stipulations on temporarily restricted and permanently restricted net assets as of December 31 was as follows:

	<u>2016</u>	<u>2015</u>
Temporarily Restricted Net Assets:		
Belarus Church Partnership	\$ -	\$ 42
Ukraine Leadership Training	818	118
Ukraine Macedonia Project	3,267	4,167
Ukraine Seminary	388	-
Moldova	367	367
Pakistan	270	270
Guatemala	1,564	1,180
El Salvador	275	1,075
Lithuania	20	20
Distance Learning	62	100
Grant Acquisition	148	148
Trip Participant	2,500	4,263
Global Leadership Summit Scholarship	2,063	-
iPad Initiative	2,927	-
Total	<u>\$ 14,669</u>	<u>\$ 11,750</u>
Permanently Restricted Net Assets:		
Hatfield Endowment Fund	<u>\$ 6,857</u>	<u>\$ 6,754</u>

3. FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

4. INVESTMENTS

Investments are carried at fair value and are summarized below at December 31:

	2016		
	Cost	Gross Unrealized Gains (Losses)	Fair Value
Mutual Funds	<u>\$ 1,769</u>	<u>\$ 88</u>	<u>\$ 1,857</u>

	2015		
	Cost	Gross Unrealized Gain (Losses)	Fair Value
Mutual Funds	<u>\$ 1,600</u>	<u>\$ 154</u>	<u>\$ 1,754</u>

See accountants' compilation report.