

FUTURE LEADERSHIP FOUNDATION

FINANCIAL STATEMENTS

DECEMBER 31, 2014



CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

2005 West Broadway, Suite 100, Columbia, MO 65203
OFFICE (573) 442-6171 FAX (573) 777-7800

3220 West Edgewood, Suite E, Jefferson City, MO 65109
OFFICE (573) 635-6196 FAX (573) 644-7240

www.williamskeepers.com

ACCOUNTANTS' COMPILATION REPORT

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

We have compiled the accompanying statement of financial position of Future Leadership Foundation (a nonprofit organization) as of December 31, 2014, and the related statements of activities 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.

Williams - Keepers LLC

March 31, 2015

FUTURE LEADERSHIP FOUNDATION
STATEMENT OF FINANCIAL POSITION
As of December 31, 2014

ASSETS

Current Assets	
Cash and cash equivalents	\$ 59,400
Investments	1,717
Accounts Receivable	811
Prepaid Expenses	<u>47</u>
Total assets	<u><u>\$ 61,975</u></u>

LIABILITIES AND NET ASSETS

Current Liabilities	
Accounts Payable	\$ <u>7,181</u>
Total current liabilities	<u>7,181</u>
Net Assets	
Unrestricted: Undesignated	14,862
Unrestricted: Board Designated for Executive Leadership	<u>5,941</u>
Total unrestricted net assets	20,803
Temporarily Restricted	27,174
Permanently Restricted	<u>6,817</u>
Total net assets	<u>54,794</u>
Total liabilities and net assets	<u><u>\$ 61,975</u></u>

See accompanying notes and accountants' compilation report.

FUTURE LEADERSHIP FOUNDATION
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2014

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenues				
Contributions Income				
General Contributions	\$ 34,631	\$ -	\$ -	\$ 34,631
Trip Participant	-	18,735	-	18,735
Ukraine	-	41,448	-	41,448
Lithuania	-	1,140	-	1,140
Guatemala	-	870	-	870
Belarus	-	3,375	-	3,375
Distance Learning	-	9,500	-	9,500
Grant Acquisition	-	150	-	150
Product Sales	90	-	-	90
Hatfield Endowment	-	-	5,083	5,083
Investment Return	44	-	-	44
Net Assets Released from Restrictions	66,230	(66,230)	-	-
Total Revenues	100,995	8,988	5,083	115,066
Expenses				
Program Expenses				
Participant Trip Cost	18,440	-	-	18,440
Ukraine	37,474	-	-	37,474
Lithuania	1,120	-	-	1,120
Guatemala	6,000	-	-	6,000
Moldova	233	-	-	233
Belarus	4,923	-	-	4,923
Distance Learning	1,500	-	-	1,500
Grant Acquisition	2	-	-	2
Total Program Expenses	69,692	-	-	69,692
Fundraising Expenses				
Advertising	866	-	-	866
Constituent Communication	3,205	-	-	3,205
Total Fundraising Expenses	4,071	-	-	4,071
Administrative Expenses				
Accounting	1,650	-	-	1,650
Technology Support and Software	4,701	-	-	4,701
Business Fees and Permits	610	-	-	610
Contract Services	1,894	-	-	1,894
Board Expenses	2,397	-	-	2,397
Insurance	431	-	-	431
Staff Expenses	1,176	-	-	1,176
Postage	174	-	-	174
Other Expenses	1,645	-	-	1,645
Office Expenses	312	-	-	312
Telephone Services	227	-	-	227
Total Administrative Expenses	15,217	-	-	15,217
Total Expenses	88,980	-	-	88,980
Change in Net Assets	12,015	8,988	5,083	26,086
Net Assets, Beginning of Year, as Restated	8,788	18,186	1,734	28,708
Net Assets, End of Year	\$ 20,803	\$ 27,174	\$ 6,817	\$ 54,794

See accompanying notes and accountants' compilation report.

FUTURE LEADERSHIP FOUNDATION
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2014

CASH FLOW FROM OPERATING ACTIVITIES

Change in net assets	\$ 26,086
Adjustments to reconcile change in net assets to net cash flows provided by operating activities:	
Investment gains	(44)
Adjustments for changes in operating assets and liabilities:	
Accounts Receivable	(811)
Prepaid Expenses	(47)
Accounts Payable	4,418
Net cash provided by operating activities	<u>29,602</u>

CASH FLOW FROM INVESTING ACTIVITIES

Purchase of Investments	<u>(50)</u>
Net cash (used) by investing activities	<u>(50)</u>
Net change in cash and cash equivalents	29,552
Cash and cash equivalents, beginning of period	<u>29,848</u>
Cash and cash equivalents, end of period	<u><u>\$ 59,400</u></u>

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 foundation that facilitates the development of Christian leaders in Eastern Europe and around the world. The Foundation uses teams of short-term volunteers to meet the expressed needs of Eastern European churches. 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, 2014, 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.

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 2011 through 2014. 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, 2014 have been evaluated through March 31, 2015, 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, 2014 was as follows:

Temporarily Restricted Net Assets:

Belarus Church Partnership	\$ 92
Ukraine Leadership Training	8
Ukraine Capital Needs	2,818
Ukraine Macedonia Project	10,556
Moldova	367
Guatemala	870
Lithuania	20
Distance Learning	8,000
Grant Acquisition	148
Trip Participant	4,295
Total	<u>\$ 27,174</u>

Permanently Restricted Net Assets:

Hatfield Endowment Fund	<u>\$ 6,817</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, 2014:

	Cost	Gross Unrealized Gains (Losses)	Fair Value
Mutual Funds	\$ 1,500	\$ 217	\$ 1,717

5. FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. For assets and liabilities required to be reported at fair value, accounting principles prescribes a framework for measuring fair value and financial statement disclosures about fair value measurements. A fair value hierarchy has been established that distinguishes between market participant assumptions based on market data obtained from sources independent of the reporting entity (observable inputs that are classified within Levels 1 and 2 of the hierarchy) and the reporting entity's own assumptions about market participant assumptions (unobservable inputs classified within Level 3 of the hierarchy).

The fair value hierarchy is as follows:

Level 1	Valuation is based upon quoted prices (unadjusted) in active markets for identical assets or liabilities that the Foundation has the ability to access.
Level 2	Valuation is based upon quoted prices for similar assets and liabilities in active markets, as well as inputs that are observable for the asset or liability (other than quoted prices), such as interest rates, foreign exchange rates, and yield curves that are observable at commonly quoted intervals.
Level 3	Valuation is generated from model-based techniques that use at least one significant assumption based on unobservable inputs for the asset or liability, which are typically based on an entity's own assumptions, as there is little, if any, related market activity.

In instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy within which the entire fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety. The Foundation's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the asset or liability.

The Foundation's assets measured at fair value on a recurring basis as of December 31, 2014, aggregated by the level in the fair value hierarchy within which those measurements fall, are as follows:

Description	2014 Total	Level 1	Level 2	Level 3
Investments: mutual funds	\$ 1,717	\$ 1,717	\$ -	\$ -

Level 1 classifications for the Foundation consist of mutual funds based on readily determinable fair values based upon quoted prices in active markets.

See accountants' compilation report.

6. RECLASSIFICATION OF NET ASSETS

During 2014, the Foundation identified a donor fund that had previously been reported as unrestricted net assets that should have been reported as permanently restricted net assets. As a result, the net asset classifications as of December 31, 2013 have been restated as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total Net Assets</u>
Net assets as of December 31, 2013, as originally reported	\$ 10,522	\$ 18,186	\$ -	\$ 28,708
Restatement	(1,734)	-	1,734	-
Net assets as of December 31, 2013, as restated	<u>\$ 8,788</u>	<u>\$ 18,186</u>	<u>\$ 1,734</u>	<u>\$ 28,708</u>

See accountants' compilation report.