

FUTURE LEADERSHIP FOUNDATION

FINANCIAL STATEMENTS

DECEMBER 31, 2017



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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, 2017 and 2016, 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

April 5, 2018

FUTURE LEADERSHIP FOUNDATION
STATEMENTS OF FINANCIAL POSITION
As of December 31, 2017 and 2016

	2017	2016
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 82,159	\$ 55,962
Investments	2,120	1,857
Total assets	\$ 84,279	\$ 57,819
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts Payable	\$ 138	\$ 2,276
Funds Held for Others	7,290	5,070
Total current liabilities	7,428	7,346
Net Assets		
Unrestricted: Undesignated	10,675	20,105
Unrestricted: Board Designated for Executive Leadership	10,345	8,842
Total unrestricted net assets	21,020	28,947
Temporarily Restricted	48,711	14,669
Permanently Restricted	7,120	6,857
Total net assets	76,851	50,473
Total liabilities and net assets	\$ 84,279	\$ 57,819

See accompanying notes and accountants' compilation report.

FUTURE LEADERSHIP FOUNDATION
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2017
(with summarized totals for the year ended December 31, 2016)

	Unrestricted	Temporarily Restricted	Permanently Restricted	2017 Total	2016 Total
Revenues					
Contributions Income					
General Contributions	\$ 15,032	\$ -	\$ -	\$ 15,032	\$ 21,253
2018 Administrative	-	13,501	-	13,501	-
Trip Participant	-	1,536	-	1,536	-
Ukraine	-	72,061	-	72,061	51,931
Lithuania	-	1,715	-	1,715	2,660
Guatemala	-	180	-	180	-
El Salvador	-	180	-	180	-
Distance Learning	-	1,919	-	1,919	-
FLF Partnership Grants	-	6,346	-	6,346	-
Hatfield Endowment	-	-	-	-	100
iPad Initiative	-	-	-	-	39,848
Global Leadership	-	3,218	-	3,218	2,257
Administrative Fees	170	-	-	170	1,527
Product Sales	-	-	-	-	90
Events and Meetings	-	-	-	-	495
Investment Return (Loss)	2	-	263	265	103
Net Assets Released from Restrictions	66,614	(66,614)	-	-	-
Total Revenues	81,818	34,042	263	116,123	120,264
Expenses					
Program Expenses					
Participant Trip Cost	4,036	-	-	4,036	1,763
Ukraine	53,067	-	-	53,067	51,743
Lithuania	1,715	-	-	1,715	2,660
Guatemala	14	-	-	14	(384)
El Salvador	455	-	-	455	800
Distance Learning	1,100	-	-	1,100	38
Program Development	-	-	-	-	380
Executive Leadership	-	-	-	-	2,000
iPad Initiative	2,927	-	-	2,927	36,921
Global Leadership	3,300	-	-	3,300	194
Total Program Expenses	66,614	-	-	66,614	96,115
Fundraising Expenses					
Advertising	79	-	-	79	-
Constituent Communication	2,944	-	-	2,944	3,450
Total Fundraising Expenses	3,023	-	-	3,023	3,450
Administrative Expenses					
Accounting	1,150	-	-	1,150	1,500
Technology Support and Software	5,227	-	-	5,227	5,404
Business Fees and Permits	677	-	-	677	721
Contract Services	2,806	-	-	2,806	1,607
Field Services Travel	2,409	-	-	2,409	-
Board Expenses	316	-	-	316	3,742
Insurance	467	-	-	467	452
Staff Expenses	36	-	-	36	709
Postage	113	-	-	113	318
Other Expenses	6,411	-	-	6,411	805
Office Expenses	294	-	-	294	257
Telephone Services	202	-	-	202	166
Miscellaneous	-	-	-	-	250
Total Administrative Expenses	20,108	-	-	20,108	15,931
Total Expenses	89,745	-	-	89,745	115,496
Change in Net Assets	(7,927)	34,042	263	26,378	4,768
Net Assets, Beginning of Year	28,947	14,669	6,857	50,473	45,705
Net Assets, End of Year	<u>\$ 21,020</u>	<u>\$ 48,711</u>	<u>\$ 7,120</u>	<u>\$ 76,851</u>	<u>\$ 50,473</u>

See accompanying notes and accountants' compilation report.

FUTURE LEADERSHIP FOUNDATION
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2016

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenues				
Contributions Income				
General Contributions	\$ 21,253	\$ -	\$ -	\$ 21,253
Ukraine	-	51,931	-	51,931
Lithuania	-	2,660	-	2,660
Hatfield Endowment	-	-	100	100
iPad Initiative	-	39,848	-	39,848
Global Leadership	-	2,257	-	2,257
Administrative Fees	1,527	-	-	1,527
Product Sales	90	-	-	90
Events and Meetings	495	-	-	495
Investment Return (Loss)	100	-	3	103
Net Assets Released from Restrictions	93,777	(93,777)	-	-
Total Revenues	117,242	2,919	103	120,264
Expenses				
Program Expenses				
Participant Trip Cost	1,763	-	-	1,763
Ukraine	51,743	-	-	51,743
Lithuania	2,660	-	-	2,660
Guatemala	(384)	-	-	(384)
El Salvador	800	-	-	800
Distance Learning	38	-	-	38
Program Development	380	-	-	380
Executive Leadership	2,000	-	-	2,000
iPad Initiative	36,921	-	-	36,921
Global Leadership	194	-	-	194
Total Program Expenses	96,115	-	-	96,115
Fundraising Expenses				
Constituent Communication	3,450	-	-	3,450
Total Fundraising Expenses	3,450	-	-	3,450
Administrative Expenses				
Accounting	1,500	-	-	1,500
Technology Support and Software	5,404	-	-	5,404
Business Fees and Permits	721	-	-	721
Contract Services	1,607	-	-	1,607
Board Expenses	3,742	-	-	3,742
Insurance	452	-	-	452
Staff Expenses	709	-	-	709
Postage	318	-	-	318
Other Expenses	805	-	-	805
Office Expenses	257	-	-	257
Telephone Services	166	-	-	166
Miscellaneous	250	-	-	250
Total Administrative Expenses	15,931	-	-	15,931
Total Expenses	115,496	-	-	115,496
Change in Net Assets	1,746	2,919	103	4,768
Net Assets, Beginning of Year	27,201	11,750	6,754	45,705
Net Assets, End of Year	\$ 28,947	\$ 14,669	\$ 6,857	\$ 50,473

See accompanying notes and accountants' compilation report.

FUTURE LEADERSHIP FOUNDATION
STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2017 and 2016

	2017	2016
CASH FLOW FROM OPERATING ACTIVITIES		
Change in net assets	\$ 26,378	\$ 4,768
Adjustments to reconcile change in net assets to net cash flows provided (used) by operating activities:		
Investment (gains) losses	(178)	66
Adjustments for changes in operating assets and liabilities:		
Accounts Receivable	-	1,891
Accounts Payable	(2,138)	1,715
Funds Held for Others	2,220	1,320
Net cash provided (used) by operating activities	26,282	9,760
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Investments	(85)	(169)
Net cash (used) by investing activities	(85)	(169)
Net change in cash and cash equivalents	26,197	9,591
Cash and cash equivalents, beginning of year	55,962	46,371
Cash and cash equivalents, end of year	\$ 82,159	\$ 55,962

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, 2017 and 2016, 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 2017. 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, 2017 have been evaluated through April 5, 2018, 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>2017</u>	<u>2016</u>
Temporarily Restricted Net Assets:		
2018 Administrative Fund	\$ 13,501	\$ -
Ukraine Leadership Training	-	818
Ukraine Macedonia Project	23,467	3,267
Ukraine Seminary	-	388
Moldova	367	367
Pakistan	270	270
Guatemala	1,730	1,564
El Salvador	-	275
Lithuania	20	20
Distance Learning	881	62
Grant Acquisition	148	148
FLF Partnership Grants	6,346	-
Trip Participant	-	2,500
Global Leadership Summit Scholarship	1,981	2,063
iPad Initiative	-	2,927
Total	<u>\$ 48,711</u>	<u>\$ 14,669</u>
Permanently Restricted Net Assets:		
Hatfield Endowment Fund	<u>\$ 7,120</u>	<u>\$ 6,857</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:

	2017		
	Cost	Gross Unrealized Gains (Losses)	Fair Value
Mutual Funds	<u>\$ 1,798</u>	<u>\$ 322</u>	<u>\$ 2,120</u>

	2016		
	Cost	Gross Unrealized Gain (Losses)	Fair Value
Mutual Funds	<u>\$ 1,713</u>	<u>\$ 144</u>	<u>\$ 1,857</u>

See accountants' compilation report.