

FUTURE LEADERS IN ACTION, INC.

Financial Statements  
March 31, 2018



**MALESARDI, QUACKENBUSH, SWIFT & COMPANY LLC**

Certified Public Accountants  
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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Board of Directors of

Future Leaders in Action, Inc.

**Report on the Financial Statements**

We have reviewed the accompanying financial statements of Future Leaders in Action, Inc. (a Not-for Profit organization) which are comprised of the statement of financial position as of March 31, 2018, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

**Management's Responsibility for the Financial Statements**

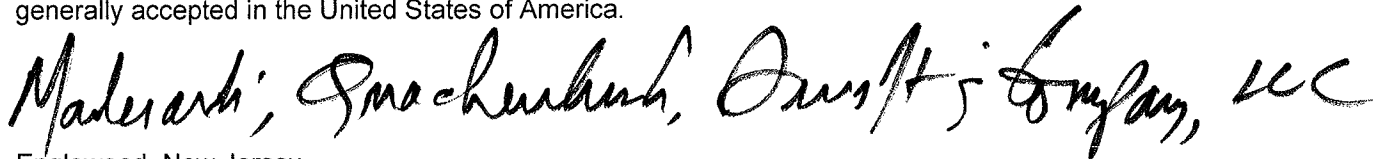
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement whether due to fraud or error.

**Accountants' Responsibility**

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

**Accountants' Conclusion**

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.



Englewood, New Jersey  
August 8, 2018

FUTURE LEADERS IN ACTION, INC.

STATEMENT OF FINANCIAL POSITION

March 31, 2018

(See independent accountants' review report)

ASSETS

ASSETS:

Cash and equivalents	\$ 105,989
Property and equipment, net	<u>813</u>
Total Assets	<u>\$ 106,802</u>

NET ASSETS

NET ASSETS:

Unrestricted	\$ 92,957
Temporarily restricted	<u>13,845</u>
Total Net Assets	<u>\$ 106,802</u>

The accompanying notes are an integral  
part of these financial statements.

FUTURE LEADERS IN ACTION, INC.

STATEMENT OF ACTIVITIES  
For the Year Ended March 31, 2018  
(See independent accountants' review report)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
SUPPORT:			
Contributions	<u>\$ 247,593</u>	<u>\$ 12,291</u>	<u>\$ 259,884</u>
EXPENSES:			
Salaries	162,407	-	162,407
Travel	19,570	-	19,570
Professional fees	16,898	-	16,898
Supplies	15,425	-	15,425
Payroll tax	13,993	-	13,993
Office expense	9,900	-	9,900
Insurance	8,204	-	8,204
Rent	6,185	-	6,185
Depreciation	348	-	348
Total Expenses	<u>252,930</u>	<u>-</u>	<u>252,930</u>
CHANGE IN NET ASSETS FROM OPERATING ACTIVITIES	<u>(5,337)</u>	<u>12,291</u>	<u>6,954</u>
NON-OPERATING ACTIVITIES:			
Net assets released from restrictions	<u>5,920</u>	<u>(5,920)</u>	<u>-</u>
CHANGE IN NET ASSETS	583	6,371	6,954
NET ASSETS, Beginning of Year	<u>92,374</u>	<u>7,474</u>	<u>99,848</u>
NET ASSETS, End of Year	<u>\$ 92,957</u>	<u>\$ 13,845</u>	<u>\$ 106,802</u>

The accompanying notes are an integral  
part of these financial statements.

FUTURE LEADERS IN ACTION, INC.

STATEMENT OF CASH FLOWS  
For the Year Ended March 31, 2018  
(See independent accountants' review report)

CASH FLOWS FROM OPERATING ACTIVITIES:	
Change in net assets	\$ 6,954
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	348
Change in accounts receivable	1,587
Change in prepaid expenses	600
Change in accounts payable	<u>(776)</u>
Net Cash Provided by Operating Activities	<u>8,713</u>
NET CHANGE IN CASH AND EQUIVALENTS	8,713
CASH AND EQUIVALENTS, Beginning of Year	<u>97,276</u>
CASH AND EQUIVALENTS, End of Year	<u><u>\$ 105,989</u></u>

The accompanying notes are an integral  
part of these financial statements.

FUTURE LEADERS IN ACTION, INC.

NOTES TO FINANCIAL STATEMENTS

March 31, 2018

(See independent accountants' review report)

NOTE 1 - NATURE OF ACTIVITIES:

Future Leaders in Action, Inc. (the "Organization") is a Not-for-Profit corporation whose focus is to cultivate leaders, strengthen nonprofits, and support youth. Their mission is to place fellows in youth-orientated nonprofit organizations to implement enrichment programs which cultivate their leadership skills. The Organization's support comes from donor contributions.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Basis of Presentation

All financial transactions have been recorded and reported as unrestricted, temporarily restricted, or permanently restricted net assets:

Unrestricted net assets consist of unrestricted amounts that are available for use in carrying out the objectives of the Organization and include those expendable resources which have been designated for special use by the Organization or the Board of Directors.

Temporarily restricted net assets represent those amounts which are donor restricted for specific purposes. When a donor restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported on the statement of activities as net assets released from restrictions.

Permanently restricted net assets result from contributions from donors who place restrictions on the use of the funds which mandate that the original principal be invested in perpetuity. This original principal is reported as a permanently restricted net asset, the income from which may be either temporarily restricted or unrestricted, depending on the donor's specifications.

In the absence of donor restriction, contributions and bequests are considered to be available for unrestricted use. All income is recognized in the period when the contribution, pledge, or unconditional promise to give is received.

The Organization records donor restricted contributions whose restrictions are met in the same reporting period as unrestricted support.

Cash and Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

FUTURE LEADERS IN ACTION, INC.

NOTES TO FINANCIAL STATEMENTS

March 31, 2018

(See independent accountants' review report)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Property and Equipment

Property and equipment are stated at cost or fair value at the date of donation. Depreciation is provided using straight-line method over the estimated useful lives of the respective assets. Major additions and improvements are capitalized, and routine expenditures for repairs and maintenance are charged to expense as incurred.

Advertising

The Organization expenses advertising costs as they are incurred.

Estimates

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

Income Taxes

The Organization is a Not-for-Profit organization under Section 501(c)(3) of the Internal Revenue Code and is exempt from income tax. The Organization is further classified as a private operating foundation under Internal Revenue Code Section 4942(j)(3).

The Organization is subject to federal excise tax imposed on private foundations at either 2%, or at 1% if certain conditions are met. The excise tax is imposed on net investment income, as defined by federal regulations.

Open Tax Years

The Organization's Form 990-PF, *Return of Private Foundation*, for the years ending March 31, 2016, 2017, and 2018 are subject to examination by the Internal Revenue Service, generally for three years after they were filed.

NOTE 3 - PROPERTY AND EQUIPMENT:

Property and equipment consisted of the following:

Equipment	\$ 1,741
Less: accumulated depreciation	<u>928</u>
Net Property and Equipment	<u>\$ 813</u>

Depreciation expense for the year ended March 31, 2018 was \$348.



FUTURE LEADERS IN ACTION, INC.

NOTES TO FINANCIAL STATEMENTS

March 31, 2018

(See independent accountants' review report)

NOTE 4 - TEMPORARILY RESTRICTED NET ASSETS:

Temporarily restricted net assets consisted of the following:

Boys and Girls Clubs of Central Iowa Program	<u>\$ 13,845</u>
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NOTE 5 - NET ASSETS RELEASED FROM RESTRICTIONS:

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes as specified by the donor. The assets released are as follows:

Fellowship Program - General	<u>\$ 5,920</u>
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NOTE 6 - CONCENTRATION OF CREDIT RISK:

The Entity maintains its cash balances in financial institutions insured by the Federal Deposit Insurance Corporation up to \$250,000. The balances, at times, may exceed federally insured limits.

NOTE 7 - CONCENTRATION OF SUPPORT:

For the year ended March 31, 2018, support from one major contributor accounted for approximately 80% of the Organization's total support.

NOTE 8 - FUNCTIONAL EXPENSES:

Directly identifiable expenses are charged to programs, management and general or fundraising depending on the reason the expenses were incurred. Management and general expenses include those expenses that are not directly identifiable with any other specific function but to provide for the overall support of the Organization's mission.

For the year ended March 31, 2018, the functional expense allocations are as follows:

Program services	\$ 162,543
Management and general	76,723
Fundraising	<u>13,664</u>
Total	<u>\$ 252,930</u>

NOTE 9 - SUBSEQUENT EVENTS:

Subsequent events have been evaluated through August 8, 2018, the date the financial statements were available to be issued. No events have occurred subsequent to the balance sheet date and through the date the financial statements were available to be issued that would require adjustment to the accompanying financial statements.