

Financial Statements

**America's Future Foundation**

*Year ended June 30, 2014*

# America's Future Foundation

Year ended June 30, 2014

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# JANSEN VALK THOMPSON REAHM PC

*Certified Public Accountants and Consultants*

## Report of Independent Auditors

Board of Directors  
America's Future Foundation

### **Report on the Financial Statements**

We have audited the accompanying financial statements of America's Future Foundation, which comprise the statement of financial position as of June 30, 2014, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

### ***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 financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Organization's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of America's Future Foundation as of June 30, 2014, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Report on Summarized Comparative Information**

We have previously audited the Organization's 2013 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 20, 2013. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2013 is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Jansen Valk Thompson & Reahm PC*

December 18, 2014

## America's Future Foundation

### Statement of Financial Position (with comparative totals for 2013)

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	June 30	
	2014	2013
<b>Assets</b>		
Cash	\$ 209,001	\$ 80,481
Prepaid expenses	2,356	751
Equipment, less accumulated depreciation of \$2,072 (2013-\$503)	7,866	560
Total assets	<u>\$ 219,223</u>	<u>\$ 81,792</u>
<b>Liabilities</b>		
Accounts payable	\$ 4,670	\$ 9,688
<b>Unrestricted net assets</b>	<u>214,553</u>	<u>72,104</u>
Total liabilities and unrestricted net assets	<u>\$ 219,223</u>	<u>\$ 81,792</u>

*See accompanying notes to financial statements.*

## America's Future Foundation

### Statement of Activities (with comparative totals for 2013)

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	Year ended June 30	
	2014	2013
<b>Support and revenue:</b>		
Contributions	\$ 457,121	\$ 306,561
Program fees	60,677	17,927
Interest	97	18
Total support and revenue	<u>517,895</u>	<u>324,506</u>
<b>Expenses:</b>		
Program services	234,097	196,796
Management and general	99,659	60,192
Fundraising	41,690	28,936
Total expenses	<u>375,446</u>	<u>285,924</u>
Change in net assets	142,449	38,582
Net assets, beginning of year	72,104	33,522
Net assets, end of year	<u>\$ 214,553</u>	<u>\$ 72,104</u>

*See accompanying notes to financial statements.*

## America's Future Foundation

### Statement of Functional Expenses (with comparative totals for 2013)

	Year Ended June 30					2013	
	2014				Total		Total
	Program Services	Management and General	Fund- Raising	Total			
Salaries	\$ 49,637	\$ 49,638	\$ 24,819	\$ 124,093	\$ 91,267		
Payroll taxes	4,879	4,879	2,439	12,197	8,740		
Chapter expenses	53,806	-	-	53,806	32,394		
Communications	1,210	1,210	605	3,025	5,775		
Contract services	33,629	-	-	33,629	29,575		
Depreciation	-	1,569	-	1,569	265		
Development	-	-	8,728	8,728	3,907		
Double Think	8,964	-	-	8,964	3,961		
Employee benefits	2,062	2,062	1,031	5,155	1,575		
Gala	34,849	-	-	34,849	31,353		
Insurance	-	2,394	-	2,394	1,766		
Mailing	3,227	-	-	3,227	4,776		
Meals and entertainment	2,871	-	-	2,871	1,740		
Office supplies and expenses	1,617	1,617	808	4,042	4,192		
Other programs	16,019	-	-	16,019	26,477		
Professional services	-	29,770	-	29,770	8,101		
Rent	6,520	6,520	3,260	16,300	13,600		
Roundtable	2,373	-	-	2,373	6,943		
Travel	9,698	-	-	9,698	6,900		
Miscellaneous	2,736	-	-	2,736	2,617		
<b>Total</b>	<b>\$ 234,097</b>	<b>\$ 99,659</b>	<b>\$ 41,690</b>	<b>\$ 375,446</b>	<b>\$ 285,924</b>		

*See accompanying notes to financial statements.*

## America's Future Foundation

### Statement of Cash Flows (with comparative totals for 2013)

	Year ended June 30	
	2014	2013
<b>Operating activities</b>		
Change in net assets	\$ 142,449	\$ 38,582
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	1,569	265
Donation of equipment	-	(403)
Changes in operating assets and liabilities:		
Prepaid expenses	(1,605)	(556)
Accounts payable	(5,018)	7,556
Payroll taxes payable	-	(2,973)
Total adjustments	(5,054)	3,889
Net cash provided by operating activities	137,395	42,471
<b>Investing activities</b>		
Purchase of equipment	(8,875)	-
Net increase in cash	128,520	42,471
Cash, beginning of year	80,481	38,010
Cash, end of year	\$ 209,001	\$ 80,481

See accompanying notes to financial statements.



# America's Future Foundation

## Notes to Financial Statements

June 30, 2014

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### **Note A—Summary of Accounting Policies**

#### **Organization**

America's Future Foundation (the "Organization") is a not-for-profit corporation incorporated in Washington, D.C. The Organization's mission is to identify and develop young professional leaders for liberty.

#### **Basis of Accounting**

The accompanying financial statements of the Organization have been prepared on the accrual basis of accounting.

#### **Basis of Presentation**

The Organization follows net asset accounting methods whereby revenues are classified for accounting and reporting purposes into one of three net asset classes:

- Unrestricted net assets—Net assets which are not subject to donor-imposed restrictions.
- Temporarily restricted net assets—Net assets subject to donor-imposed restrictions that may or will be met either by actions of the Organization and/or the passage of time. There were no temporarily restricted net assets at June 30, 2014 or 2013.
- Permanently restricted net assets—Net assets subject to donor-imposed restrictions that they be maintained permanently by the Organization. There were no permanently restricted net assets at June 30, 2014 or 2013.

#### **Use of Estimates**

Management uses estimates and assumptions in preparing its financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported support, revenues and expenses. Actual results could differ from those estimates.

# America's Future Foundation

## Notes to Financial Statements (continued)

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### **Note A—Summary of Accounting Policies (continued)**

#### **Equipment and Depreciation**

The Organization capitalizes all expenditures for equipment in excess of \$500. Equipment is stated at cost and includes expenditures which materially extend the useful lives of these assets. Expenditures for normal repairs and maintenance are charged to operations as incurred. Depreciation is computed over the estimated useful lives of the assets by the straight-line method.

Donations of equipment are recorded as support at their estimated fair value on the date of the gift. Such donations are reported as increases in unrestricted net assets unless the donor has restricted the donated asset to a specific purpose or has stipulated how long those donated assets must be maintained. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire furniture and equipment are reported as increases in unrestricted net assets if the restriction expires or an asset is acquired in the reporting period in which the support is recognized.

#### **Revenue Recognition**

Contributions are recognized as revenue when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Donated noncash assets are recorded at their fair values in the period received. Donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received.

# America's Future Foundation

## Notes to Financial Statements (continued)

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### **Note A—Summary of Accounting Policies (continued)**

#### **Functional Allocation of Expenses**

The costs of providing program and support services have reported on a functional basis in the statement of activities. Indirect costs have been allocated between the various programs and support services based on estimates, as determined by management. Although the methods of allocation used are considered reasonable, other methods could be used that would produce different amounts.

#### **Income Tax**

The Organization is exempt from federal income tax under Section 501(a) as an organization described in Section 501(c)(3) of the Internal Revenue Code. In addition, the Organization qualifies as a charitable organization as described in Section 170(b)(1)(A) and has been classified under Section 509(a)(2) as an organization that is not a private foundation.

#### **Reclassifications**

Certain amounts related to the year ended June 30, 2013 have been reclassified to conform with the presentation for the year ended June 30, 2014.

#### **Subsequent Events**

Subsequent events were evaluated through December 18, 2014, which is the date the financial statements were available to be issued.

#### **Note B—Leases**

In September 2012, the Organization entered into a one-year lease for office facilities. The lease was renewed for six-month periods through the year. Rent expense was \$16,300 in 2014 and \$13,600 in 2013.

Subsequent to year end, the Organization renewed the lease through August 31, 2016. The new lease provides for termination by either party with sixty days written notice.