

Financial Statements
and Supplementary Information

America's Future Foundation

Year ended June 30, 2015

America's Future Foundation

Year ended June 30, 2015

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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, 2015, and the related statements of activities, 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, 2015, 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 Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Jansen Valk Thompson & Reahm PC

America's Future Foundation

Statement of Financial Position

June 30, 2015

Assets

Cash	\$ 274,773
Prepaid expenses	2,274
Equipment, less accumulated depreciation of \$5,164	4,774
Total assets	<u>\$ 281,821</u>

Liabilities

Accounts payable	\$ 24,831
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Net Assets

Unrestricted	211,990
Temporarily restricted for programs	45,000
Total net assets	<u>256,990</u>
Total liabilities and net assets	<u>\$ 281,821</u>

See accompanying notes to financial statements.

America's Future Foundation

Statement of Activities Year Ended June 30, 2015

	Unrestricted	Temporarily Restricted	Total
Support and revenue:			
Contributions	\$ 471,033	\$ 45,000	\$ 516,033
Program fees	92,529	-	92,529
Interest	180	-	180
Total support and revenue	<u>563,742</u>	<u>45,000</u>	<u>608,742</u>
Expenses:			
Program services	428,154	-	428,154
Management and general	19,656	-	19,656
Fund-raising	118,495	-	118,495
Total expenses	<u>566,305</u>	<u>-</u>	<u>566,305</u>
Change in net assets	(2,563)	45,000	42,437
Net assets, beginning of year	214,553	-	214,553
Net assets, end of year	<u>\$ 211,990</u>	<u>\$ 45,000</u>	<u>\$ 256,990</u>

See accompanying notes to financial statements.

America's Future Foundation

Statement of Cash Flows Year Ended June 30, 2015

Operating activities	
Change in net assets	\$ 42,437
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	3,092
Changes in operating assets and liabilities:	
Prepaid expenses	82
Accounts payable	20,161
Total adjustments	<u>23,335</u>
Net cash provided by operating activities	65,772
Cash, beginning of year	209,001
Cash, end of year	<u>\$ 274,773</u>

See accompanying notes to financial statements.

America's Future Foundation

Notes to Financial Statements

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, the passage of time, or both.
- 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, 2015.

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.

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.

America's Future Foundation

Notes to Financial Statements (continued)

Note A—Summary of Accounting Policies (continued)

Equipment and Depreciation (continued)

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.

Functional Allocation of Expenses

The costs of providing program and support services have been 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.

America's Future Foundation

Notes to Financial Statements (continued)

Note A—Summary of Accounting Policies (continued)

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.

Subsequent Events

Subsequent events were evaluated through December 29, 2015, which is the date the financial statements were available to be issued.

Note B—Cash

The Organization maintains cash balances at various financial institutions. The balances at each institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. The Organization's cash balances are at times in excess of the \$250,000 insured limit.

Note C—Leases

In September 2014, the Organization entered into a two-year cancelable lease for office facilities. Rent expense was \$23,100 in 2015. The lease provides for termination by either party with sixty days written notice.

Note D—Retirement Plan

The Organization has a simplified employee pension plan for all employees who have met certain age and service requirements. The Organization contributed 3% of eligible employees' compensation to the plan. Contributions by the Organization totaled \$2,844 for the year ended June 30, 2015.

Supplementary Information

America's Future Foundation

Schedule of Functional Expenses

Year ended June 30, 2015

	Program Services	Management and General	Fund- Raising	Total
Salaries	\$ 101,156	\$ 14,195	\$ 47,107	\$ 162,458
Payroll taxes	8,162	1,192	3,836	13,190
Chapter expenses	74,033	-	-	74,033
Conferences	27,533	104	-	27,637
Consulting	23,541	1,053	40,913	65,507
Contract services	25,019	-	4,086	29,105
Depreciation	2,180	201	711	3,092
Employee benefits	6,371	366	1,292	8,029
Gala	46,751	-	-	46,751
Miscellaneous	932	100	379	1,411
Office operations	12,785	772	4,147	17,704
Postage	15,862	31	2,790	18,683
Printing	44,927	17	7,342	52,286
Rent and utilities	17,427	1,619	5,714	24,760
Travel	21,475	6	178	21,659
Total	<u>\$ 428,154</u>	<u>\$ 19,656</u>	<u>\$ 118,495</u>	<u>\$ 566,305</u>