



Financial Statements  
With Independent Accountants' Compilation Report

December 31, 2013 and 2012

# LEADING EDGE INTERNATIONAL, LTD.

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## **INDEPENDENT ACCOUNTANTS' COMPILATION REPORT**

Board of Directors  
Leading Edge International, Ltd.  
Noblesville, Indiana

We have compiled the accompanying statements of financial position of Leading Edge International, Ltd., as of December 31, 2013 and 2012, and the related statements of activities and cash flows for the years 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.

*Capin Crouse LLP*

Greenwood, Indiana  
April 30, 2014

# LEADING EDGE INTERNATIONAL, LTD.

## Statements of Financial Position

	December 31,	
	2013	2012
ASSETS:		
Cash and cash equivalents	\$ 26,605	\$ 35,766
Advances	162	128
Prepaid expenses	111	-
Total Assets	<u>\$ 26,878</u>	<u>\$ 35,894</u>
LIABILITIES AND NET ASSETS:		
Liabilities:		
Accounts payable	<u>\$ 25</u>	<u>\$ 320</u>
Net assets:		
Unrestricted and undesignated	<u>1,286</u>	<u>254</u>
Temporarily restricted:		
Staff support	14,537	25,204
Projects	11,030	10,116
	<u>25,567</u>	<u>35,320</u>
Total net assets	<u>26,853</u>	<u>35,574</u>
Total Liabilities and Net Assets	<u>\$ 26,878</u>	<u>\$ 35,894</u>

See independent accountants' compilation report and notes to financial statements

# LEADING EDGE INTERNATIONAL, LTD.

## Statements of Activities

	Year Ended December 31,					
	2013			2012		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
<b>SUPPORT AND REVENUE:</b>						
Contributions	\$ 1,296	\$ 294,167	\$ 295,463	\$ 886	\$ 344,086	\$ 344,972
Revenue	11	-	11	42	-	42
Total support and revenue	1,307	294,167	295,474	928	344,086	345,014
<b>NET ASSETS RELEASED:</b>						
Administrative assessments	14,802	(14,802)	-	18,603	(18,603)	-
Purpose restrictions	289,118	(289,118)	-	302,712	(302,712)	-
	303,920	(303,920)	-	321,315	(321,315)	-
<b>EXPENSES:</b>						
Program services	277,047	-	277,047	302,647	-	302,647
Supporting activities:						
General and administrative	25,520	-	25,520	25,779	-	25,779
Fund-raising	1,628	-	1,628	1,101	-	1,101
	27,148	-	27,148	26,880	-	26,880
Total expenses	304,195	-	304,195	329,527	-	329,527
Change in Net Assets	1,032	(9,753)	(8,721)	(7,284)	22,771	15,487
Net Assets, Beginning of Year	254	35,320	35,574	7,538	12,549	20,087
Net Assets, End of Year	\$ 1,286	\$ 25,567	\$ 26,853	\$ 254	\$ 35,320	\$ 35,574

See independent accountants' compilation report and notes to financial statements

# LEADING EDGE INTERNATIONAL, LTD.

## Statements of Cash Flows

	December 31,	
	<u>2013</u>	<u>2012</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (8,721)	\$ 15,487
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Changes in operating assets and liabilities:		
Advances	(34)	2,893
Prepays	(111)	-
Accounts payable	(295)	(9,787)
Net Cash Provided (Used) by Operating Activities	<u>(9,161)</u>	<u>8,593</u>
Net Change in Cash and Cash Equivalents	(9,161)	8,593
Cash and Cash Equivalents, Beginning of Year	<u>35,766</u>	<u>27,173</u>
Cash and Cash Equivalents, End of Year	<u>\$ 26,605</u>	<u>\$ 35,766</u>

See independent accountants' compilation report and notes to financial statements

# LEADING EDGE INTERNATIONAL, LTD.

## Notes to Financial Statements

December 31, 2013 and 2012

1. NATURE OF ORGANIZATION:

Leading Edge International, Ltd. (LEI) "exists to increase the capacity of Christian leaders to rebuild communities of faith founded on relationships of love and trust." LEI focuses their support "on efforts made by leaders abroad who competently serve those who are spiritually seeking or physically hurting." LEI focuses its efforts on Eurasia and Eastern Europe and currently operates in the following foreign countries: Belarus, Bulgaria, Croatia, Czech Republic, Hungary, Poland, Romania, Russia, Slovak Republic, and Ukraine.

LEI is exempt from federal income tax as determined by the Internal Revenue Service under Section 501(c)(3) of the Internal Revenue Code (Code) and is not a private foundation as defined under Section 509(a) of the Code. Contributions to LEI are deductible for income tax purposes.

The primary source of contribution support is from individuals who are supporting missionaries and projects.

2. SIGNIFICANT ACCOUNTING POLICIES:

**BASIS OF ACCOUNTING**

The financial statements of LEI are prepared on the accrual basis of accounting. 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 reported amounts and disclosures. Accordingly, actual results could differ from these estimates. The significant accounting policies that have been adopted by LEI are described below.

**CASH AND CASH EQUIVALENTS AND CREDIT RISK**

Cash and cash equivalents include checking and savings accounts. From time to time, these accounts exceed federally insured limits. However, LEI has not experienced any losses on these accounts and does not believe it is exposed to any significant risk.

**PROPERTY AND EQUIPMENT**

LEI's capitalization policy requires all capital purchases over \$1,000 to be reported at cost or at fair market value on the date of donation if donated. As of December 31, 2013, there have been no purchases of capital equipment over this threshold, and all purchases have been expensed on the statements of activities.

# LEADING EDGE INTERNATIONAL, LTD.

## Notes to Financial Statements

December 31, 2013 and 2012

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

### CLASSES OF NET ASSETS

The financial statements report amounts separately by class of net assets.

*Unrestricted net assets* amounts are currently available at the discretion of the Board for use in LEI's operations.

*Temporarily restricted net assets* are contributed with donor stipulations for specific operating purposes or programs, with time restrictions, or not currently available for use until commitments regarding their use have been fulfilled or lifetime beneficiary interests have ceased.

### SUPPORT, REVENUE, AND RECLASSIFICATIONS

Revenue is recognized when earned and support when contributions are made, which may be when cash is received, unconditional promises are made, or ownership of other assets is transferred to LEI.

LEI reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated amounts. When a stipulated time restriction ends or purpose restriction is satisfied, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions.

Donor commitments, if any, are considered intentions to give. All conditions rest with the donor, who has the unilateral right to modify the commitment. Additionally, they are not measurable as the duration is not indicated. Accordingly, such commitments are not reported in these financial statements.

LEI has established a five percent administrative assessment on project support to offset the cost to administer these activities. The amounts charged as assessments were \$14,802 and \$18,603 for the years ended December 31, 2013 and 2012, respectively, and are reported in the statements of activities as net assets released by administrative assessments.

### ADVERTISING

LEI did not incur any expenses related to advertising costs during the years ended December 31, 2013 and 2012.



# LEADING EDGE INTERNATIONAL, LTD.

## Notes to Financial Statements

December 31, 2013 and 2012

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

**EXPENSES, FUNCTIONAL ALLOCATION OF EXPENSES, AND JOINT COSTS**

The cost of providing LEI's various programs and supporting services have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. LEI incurred no joint costs for the years ended December 31, 2013 and 2012.

**UNCERTAIN TAX POSITIONS**

The financial statement effects of a tax position taken or expected to be taken are recognized in the financial statements when it is more likely than not, based on the technical merits, that the position will be sustained upon examination. Interest and penalties, if any, are included in expenses in the statements of activities. As of December 31, 2013, LEI had no uncertain tax positions that qualify for recognition or disclosure in the financial statements.

3. SUBSEQUENT EVENTS:

Subsequent events have been evaluated through the report date, which represents the date the financial statements were available to be issued. Subsequent events after that date have not been evaluated. There are no reportable events.