

**FUTURES AND OPTIONS, INC.**

**FINANCIAL STATEMENTS  
AND  
AUDITORS' REPORT**

**JUNE 30, 2023 AND 2022**

# FUTURES AND OPTIONS, INC.

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# Skody Scot & Company, CPAs, P.C.

520 Eighth Avenue, Suite 2200, New York, NY 10018 • (T) 212-967-1100 • (F) 212-967-2002

[www.skodyscot.com](http://www.skodyscot.com)

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## INDEPENDENT AUDITORS' REPORT

To: The Board of Directors of  
Futures and Options, Inc.

### ***Opinion***

We have audited the financial statements of Futures and Options, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2023 and 2022, and the related statements of activities, expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of Futures and Options, Inc. as of June 30, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Futures and Options, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Responsibilities of Management for the Financial Statements***

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 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Futures and Options, Inc.'s ability to continue as a going concern for one year after the date that the financial statements are issued.

## ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they could reasonably be expected to influence the judgment made by a reasonable user based on these financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Futures and Options, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Futures and Options, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

*Skody Scot & Company, CPAs, P.C.*

New York, NY  
January 15, 2024

**FUTURES AND OPTIONS, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2023 AND 2022**

	<b>2023</b>	<b>2022</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 2,055,177	\$ 2,860,586
Cash - restricted for letter of credit	130,800	16,427
Certificates of deposit	1,201,558	-
Program revenue and other receivables	115,740	46,190
Contributions receivable	105,950	264,990
Prepaid expenses	94,820	101,504
Right of use assets - operating leases	1,983,021	36,816
Property, equipment, and intangible asset, net	189,909	10,189
	<b>\$ 5,876,975</b>	<b>\$ 3,336,702</b>

**LIABILITIES AND NET ASSETS**

Liabilities:		
Accounts payable and accrued expenses	\$ 207,874	\$ 86,621
Deferred income	41,914	30,012
Lease liabilities - operating leases	2,086,075	36,816
Total liabilities	2,335,863	153,449
Commitments and contingencies (see notes)		
Net Assets:		
Without donor restrictions	3,118,428	2,638,031
With donor restrictions	422,684	545,222
Total net assets	3,541,112	3,183,253
Total liabilities and net assets	<b>\$ 5,876,975</b>	<b>\$ 3,336,702</b>

**See accompanying notes to the financial statements.**

**FUTURES AND OPTIONS, INC.  
STATEMENTS OF ACTIVITIES  
YEARS ENDED JUNE 30, 2023 AND 2022**

	<b>2023</b>			<b>2022</b>		
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>Support and Revenues:</b>						
Special events:						
Event revenue	\$ 1,462,440	\$ -	\$ 1,462,440	\$ 1,836,346	\$ -	\$ 1,836,346
Less: event expenses	(240,816)	-	(240,816)	(195,238)	-	(195,238)
Net special event income	1,221,624	-	1,221,624	1,641,108	-	1,641,108
Contributions	1,276,243	323,100	1,599,343	709,542	535,222	1,244,764
Contributions in-kind	36,493	-	36,493	133,874	-	133,874
Program service revenue	598,957	-	598,957	739,805	-	739,805
Government grants	186,484	-	186,484	796,977	-	796,977
Interest income	3,262	-	3,262	14,780	-	14,780
Net assets released from restriction:						
Satisfaction of purpose restrictions	428,138	(428,138)	-	338,000	(338,000)	-
Expiration of time restrictions	17,500	(17,500)	-	3,500	(3,500)	-
Total support and revenues	<u>3,768,701</u>	<u>(122,538)</u>	<u>3,646,163</u>	<u>4,377,586</u>	<u>193,722</u>	<u>4,571,308</u>
<b>Expenses:</b>						
Program expenses:						
Career development - intern wages / stipends	548,331	-	548,331	555,174	-	555,174
Career development - other	2,000,636	-	2,000,636	1,775,882	-	1,775,882
Total program expenses	<u>2,548,967</u>	<u>-</u>	<u>2,548,967</u>	<u>2,331,056</u>	<u>-</u>	<u>2,331,056</u>
Management and general	468,637	-	468,637	558,058	-	558,058
Fundraising	270,700	-	270,700	236,067	-	236,067
Total expenses	<u>3,288,304</u>	<u>-</u>	<u>3,288,304</u>	<u>3,125,181</u>	<u>-</u>	<u>3,125,181</u>
Increase/(decrease) in net assets	480,397	(122,538)	357,859	1,252,405	193,722	1,446,127
Net assets, beginning of year	2,638,031	545,222	3,183,253	1,385,626	351,500	1,737,126
Net assets, end of year	<u>\$ 3,118,428</u>	<u>\$ 422,684</u>	<u>\$ 3,541,112</u>	<u>\$ 2,638,031</u>	<u>\$ 545,222</u>	<u>\$ 3,183,253</u>

See accompanying notes to the financial statements.

**FUTURES AND OPTIONS, INC.  
STATEMENT OF EXPENSES  
YEAR ENDED JUNE 30, 2023**

	<b>Program</b>	<b>Supporting</b>		<b>Total Expenses</b>
	<b>Career Development</b>	<b>Management &amp; General</b>	<b>Fundraising</b>	
Staff salaries	\$ 1,166,704	\$ 180,773	\$ 198,207	\$ 1,545,684
Intern wages	389,687	-	-	389,687
Payroll taxes & benefits	272,478	36,564	39,426	348,468
Stipends	158,644	-	-	158,644
College scholarships	92,000	-	-	92,000
Consultants	132,173	91,574	15,629	239,376
Depreciation and amortization	13,445	2,122	2,264	17,831
Equipment rental	3,217	508	542	4,267
Insurance	-	20,378	-	20,378
Marketing & development	24,431	3,421	3,651	31,503
Office expenses	42,869	11,858	7,209	61,936
Postage	1,969	311	332	2,612
Printing	4,262	673	718	5,653
Professional fees	-	61,768	-	61,768
Program expenses	21,291	-	-	21,291
Recruitment & staff training	18,206	2,230	1,885	22,321
Rent & utilities	202,568	50,642	-	253,210
Repairs & maintenance	-	5,031	-	5,031
Telephone & communications	5,023	784	837	6,644
Total expenses	<u>\$ 2,548,967</u>	<u>\$ 468,637</u>	<u>\$ 270,700</u>	<u>\$ 3,288,304</u>

**See accompanying notes to the financial statements.**

**FUTURES AND OPTIONS, INC.  
STATEMENT OF EXPENSES  
YEAR ENDED JUNE 30, 2022**

	<b>Program</b>	<b>Supporting</b>		<b>Total Expenses</b>
	<b>Career Development</b>	<b>Management &amp; General</b>	<b>Fundraising</b>	
Staff salaries	\$ 1,099,841	\$ 236,827	\$ 189,111	\$ 1,525,779
Intern wages	391,829	-	-	391,829
Payroll taxes & benefits	215,029	37,266	30,125	282,420
Stipends	163,345	-	-	163,345
College scholarships	142,500	-	-	142,500
Consultants	80,379	47,853	8,527	136,759
Depreciation and amortization	5,926	1,299	1,051	8,276
Equipment rental	3,884	852	689	5,425
Insurance	-	11,183	-	11,183
Marketing & development	12,197	2,746	2,164	17,107
Office expenses	6,732	28,577	1,105	36,414
Postage	1,261	277	224	1,762
Printing	7,356	1,613	1,305	10,274
Professional fees	451	139,248	80	139,779
Program expenses	4,569	-	-	4,569
Recruitment & staff training	18,836	1,326	1,203	21,365
Rent & utilities	174,202	43,808	-	218,010
Repairs & maintenance	-	4,587	-	4,587
Telephone & communications	2,719	596	483	3,798
Total expenses	<u>\$ 2,331,056</u>	<u>\$ 558,058</u>	<u>\$ 236,067</u>	<u>\$ 3,125,181</u>

**See accompanying notes to the financial statements.**



**FUTURES AND OPTIONS, INC.  
STATEMENTS OF CASH FLOWS  
YEARS ENDED JUNE 30, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities:		
Increase/(decrease) in net assets	\$ 357,859	\$ 1,446,127
Adjustments for non-cash items included in operating activities:		
Accrued interest on certificates of deposit	(1,558)	-
Accretion of lease liability	42,922	-
Amortization of right of use asset	60,132	36,816
Depreciation and amortization	17,831	8,276
Changes in assets and liabilities:		
Program revenue and other receivables	(69,550)	18,109
Contributions receivable	159,040	(99,578)
Prepaid expenses	6,684	14,145
Accounts payable and accrued expenses	121,253	27,546
Deferred income	11,902	(93,418)
Refundable advance	-	(449,797)
Payment of operating lease liabilities	-	(36,816)
Net cash provided/(used) by operating activities	<u>706,515</u>	<u>871,410</u>
Cash flows from investing activities:		
Purchase of property, equipment, and intangible asset	(197,551)	(6,752)
Certificates of deposit purchase	(1,200,000)	-
Net cash provided/(used) by investing activities	<u>(1,397,551)</u>	<u>(6,752)</u>
Cash flows from financing activities	-	-
Net increase/(decrease) in cash, cash equivalents and restricted cash	(691,036)	864,658
Cash, cash equivalents, and restricted cash, at beginning of year	<u>2,877,013</u>	<u>2,012,355</u>
Cash, cash equivalents, and restricted cash, at end of year	<u>\$ 2,185,977</u>	<u>\$ 2,877,013</u>
Supplemental information:		
Retirement of fully depreciated property and equipment	\$ 37,206	\$ -
Recognition of right of use assets and operating lease liabilities	2,043,153	36,816

**See accompanying notes to the financial statements.**

**FUTURES AND OPTIONS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

Note 1 - Summary of Significant Accounting Policies

The Organization

Futures and Options, Inc. (Organization), a not-for-profit organization, was incorporated in the State of New York on March 16, 1999. The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for federal, state or local income taxes has been recorded. The Organization does not believe its financial statements contain any uncertain tax positions. The Organization primarily receives its support from contributors in the New York City area, program service revenue, and special events.

The Organization's Career Development programs provide New York City teens, primarily high school students, with career-readiness training workshops and paid mentored internships at private and nonprofit businesses and government agencies, and monitor and evaluate the interns' progress.

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.

Use of Estimates

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

Cash Equivalents

For the purposes of the statements of financial position and statements of cash flows, the Organization considers as cash equivalents certificates of deposit with an original maturity at the date of purchase of three months or less.

Receivables

Receivables that are expected to be collected within one year are recorded at their net realizable value. Receivables that are expected to be collected in future years are recorded at the present value of estimated future cash flows. All receivables are expected to be received within one year and as such have been stated at their net realizable value with no allowance for uncollectable contributions.

Property, Equipment, and Intangible Asset

The Organization capitalizes certain property and equipment with estimated lives of three years or more. Property, equipment and intangible asset are stated at cost, less accumulated depreciation and amortization. Depreciation of equipment is computed by the straight-line method over estimated useful lives ranging from three to ten years. Furniture and fixtures are depreciated by the straight-line method over the estimated useful lives of seven years. Leasehold improvements are amortized by the straight-line method over the life of the improvement or the term of the lease, whichever is shorter. The intangible asset, which consists of website development costs, is amortized over a three-year period. Expenditures for repairs and maintenance are charged as an expense, and major renewals and betterments are capitalized.

**FUTURES AND OPTIONS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

Note 1 - Summary of Significant Accounting Policies (Continued)

Lease Liability and Right of Use Asset

The Organization entered into noncancelable operating lease agreements for office space to obtain right of use (ROU) assets. The Organization adopted FASB ASU 2016-02 *Leases* using the modified retrospective approach. The lease liabilities and ROU assets represent its lease obligations and rights to use the leased assets over the period of the leases and are recognized at the lease commencement dates. The lease payments are discounted using a rate determined when each lease is recognized. Since the Organization's leases did not provide a stated rate, the Organization used its incremental borrowing rate based on the information available at the commencement date in determining the present value of lease payments. The related operating lease ROU assets may differ from the operating lease liabilities due to deferred or prepaid lease payments and lease incentives. The Organization has elected to apply the short-term lease exception to all leases with a term of one year or less.

Net Assets

Net assets, revenues, gains and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. This classification includes net assets designated by the board or management for a specified purpose.

Net Assets With Donor Restrictions - Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature (endowment), where the donor stipulates that resources be maintained in perpetuity.

Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities and in the statements of expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The Organization allocates salaries, payroll taxes and benefits, and consultants based on estimated time and effort. Other expenses, such as equipment rental, postage, printing, depreciation and amortization, recruitment and training, marketing and development, office expenses, rent and utilities, and telephone and communications, are allocated based on usage. The Organization classifies expenses which are not directly related to a specific program as Management and General expenses.

**FUTURES AND OPTIONS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

Note 1 - Summary of Significant Accounting Policies (Continued)

Revenue Recognition

The Organization recognizes contributions when cash and other financial assets, nonfinancial assets/services, or unconditional promises to give are received. Nonfinancial assets/services are valued based upon the type of asset/service that is received. Conditional promises to give, which have a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been met. Amounts received prior to meeting these conditions, if any, are reported as refundable advances in the statements of financial position. At June 30, 2023 and 2022, the Organization did not have any conditional pledges that were not recognized.

Contributions are considered available for the Organization's general programs unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted for a purpose by the donor are reported as support with donor restrictions and increases in net assets with donor restrictions. Contributions received with restrictions that are met in the same reporting period are reported as support without donor restrictions and increases in net assets without donor restrictions. When a restriction expires (either a stipulated time period ends or a purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions.

Program service revenue relates to fees received in exchange for program services and consists primarily of internship and career development program management fees and intern wage and scholarship reimbursements. The Organization recognizes program service revenue as follows:

- Program management fees: The revenue is recognized at the end of each program period when all performance obligations have been satisfied.
- Intern wage and scholarship reimbursements: The revenue is recognized as the related reimbursable expenses are incurred.

Any program service revenue received which has not been earned is recorded as deferred income.

The Organization receives special events revenue which contains both an exchange component and a conditional contribution component. Both components are recognized when the event takes place. Any event revenue received in advance of the event is recorded as deferred income.

During the year ended June 30, 2021, the Organization received an additional \$449,797 of Paycheck Protection Program funds from the U.S. Small Business Administration. Management determined that the correct model to follow is the grant model. At June 30, 2021, the amount was recorded as a refundable advance in the statement of financial position since the conditions imposed on the grant were not met. During the year ended June 30, 2022, the grant conditions were met and, therefore, the full amount was recognized as revenue. The amount is included with government grants in the statement of activities for the year ended June 30, 2022.

During the years ended June 30, 2023 and 2022, the Organization was awarded \$186,484 and \$347,180, respectively, of employee retention credits from the U.S. Treasury. The amounts are included with government grants in the statements of activities for each of the respective years.

**FUTURES AND OPTIONS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**Note 2 - Cash, Cash Equivalents, and Restricted Cash Balances**

Cash, cash equivalents, and restricted cash consisted of the following at June 30, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Unrestricted:		
Bank deposits and cash	\$ 1,454,398	\$ 2,860,586
Certificate of deposit	600,779	-
Restricted for letter of credit:		
Bank deposits and cash	<u>130,800</u>	<u>16,427</u>
	<u>\$ 2,185,977</u>	<u>\$ 2,877,013</u>

**Note 3 - Property, Equipment, and Intangible Asset**

Property, equipment, and intangible asset by major class, consisted of the following at June 30, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Equipment	\$ 85,877	\$ 90,221
Furniture and fixtures	106,203	13,422
Leasehold improvements	23,323	13,965
Website development	<u>62,550</u>	<u>-</u>
	277,953	117,608
Less: Accumulated depreciation and amortization	<u>( 88,044)</u>	<u>( 107,419)</u>
	<u>\$ 189,909</u>	<u>\$ 10,189</u>

**Note 4 - Lease Liability**

In August 2022, the Organization entered into a ten-year noncancelable operating lease for office space. The Organization is required to hold a letter of credit for \$130,800 as a security deposit for this lease. The letter of credit is secured by the Organization's savings account. All of the Organization's previous leases for office space expired during the year ended June 30, 2023. As of June 30, 2023, the minimum aggregate annual lease commitments are as follows:

Year ended June 30, 2024	\$ 196,200
2025	239,800
2026	239,800
2027	239,800
2028	239,800
2029-2034	<u>1,565,240</u>
Total lease payments	2,720,640
Less: imputed interest (5%)	<u>( 634,565)</u>
Total operating lease liability	<u>\$ 2,086,075</u>

**FUTURES AND OPTIONS, INC.  
NOTES TO FINANCIAL STATEMENTS**

Note 4 - Lease Liability (Continued)

The components of the Organization's lease expenses for the years ended June 30, 2023 and 2022, are included in the statements of activities and expenses as follows:

	<u>2023</u>	<u>2022</u>
Program	\$ 187,576	\$ 163,314
Management and general	46,894	40,829
	<u>\$ 234,470</u>	<u>\$ 204,143</u>

Note 5 - Net Assets With Donor Restrictions

As of June 30, 2023 and 2022, net assets with donor restrictions are available as follows:

	<u>2023</u>	<u>2022</u>
Career development programs	\$ 295,467	\$ 332,445
College scholarships	41,717	41,717
Data and evaluation project	-	153,560
Fiscal year 2023 activities	-	17,500
Fiscal year 2024 activities	85,500	-
Total net assets with donor restrictions	<u>\$ 422,684</u>	<u>\$ 545,222</u>

Note 6 - Contributions In-Kind

The Organization received contributions in-kind that meet the criteria for being recognized in accordance with GAAP. For the years ended June 30, 2023 and 2022, amounts recognized in the statements of activities are as follows:

	<u>2023</u>	<u>2022</u>
Legal services – various administrative legal matters	\$ 36,493	\$ 133,474
Accounting services – administrative matters	-	400
Total contributions in-kind	<u>\$ 36,493</u>	<u>\$ 133,874</u>

The contributions in-kind received during the years ended June 30, 2023 and 2022, did not have any donor-imposed restrictions. A portion of the donated legal services from fiscal year 2022 were provided by an entity which has representation on the Organization's board of directors.

The valuation techniques used by the Organization for each contribution in-kind received are as follows:

- Legal services - the fair value is estimated using current rates for similar legal services.
- Accounting services - the fair value is estimated using current rates for similar accounting services.

**FUTURES AND OPTIONS, INC.  
NOTES TO FINANCIAL STATEMENTS**

**Note 7 - Internship Activities**

The Organization provides high school students with internships (paid as wages) which are funded by philanthropic, corporate, and government grants and contracts. The grant and contract-funded internship salaries and related expenses are reflected in the statements of expenses. In addition, approximately 30 and 25 interns were paid directly by private companies and nonprofit organizations during the years ended June 30, 2023 and 2022, respectively. These directly-placed salaried positions are not included in the financial statements. The total internship activities for the years ended June 30, 2023 and 2022, were as follows:

	<u>2023</u>	<u>2022</u>
Grant/contract-funded, paid by the Organization	\$ 428,858	\$ 432,086
Directly placed, paid by other entities	<u>104,328</u>	<u>81,648</u>
Total internship activities	<u>\$ 533,186</u>	<u>\$ 513,734</u>

**Note 8 - Revenue from Contracts with Customers**

Detail of revenue from contracts with customers during the years ended June 30, 2023 and 2022, is as follows:

	<u>2023</u>	<u>2022</u>
Internship and career development program management fees	\$ 232,324	\$ 265,938
Intern wage and scholarship reimbursements	366,633	473,867
Special event revenue - exchange component	240,816	195,238

The following table provides information about significant changes in the contract liabilities for the years ended June 30, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Deferred management fees and intern wage reimbursements, beginning of year	\$ 30,012	\$ 123,430
Revenue recognized that was included in deferred income at beginning of year	( 30,012)	( 101,020)
Increases in deferred fees and reimbursements due to cash received during the period	<u>41,914</u>	<u>7,602</u>
Deferred management fees and intern wage reimbursements, end of the year	<u>\$ 41,914</u>	<u>\$ 30,012</u>

**Note 9 - Line of Credit**

In August 2019, the Organization opened a \$250,000 revolving line of credit secured by all assets of the Organization. Interest is charged at an annual rate of 1.35% above the bank's prime rate. The line of credit was not used during the years ended June 30, 2023 and 2022.

**FUTURES AND OPTIONS, INC.  
NOTES TO FINANCIAL STATEMENTS**

Note 10 - Retirement Plan

In August 2022, the Organization adopted a qualified cash or deferred compensation plan (Plan) under section 403(b) of the Internal Revenue Code. Under the Plan, all employees who have completed 12 consecutive months of employment in which they worked at least 83 hours each month with the Organization are eligible to participate in the Plan. Participants of the Plan may elect to defer a portion of their salary, subject to Internal Revenue Code limits. In addition, the Organization has discretion to make matching contributions based on a specified percentage. Organization contributions to the plan amounted to \$24,494 for the year ended June 30, 2023.

Note 11 - Liquidity and Availability of Financial Assets

The Organization regularly monitors liquidity required to meet its operating needs and other obligations as they come due. In the event of an unanticipated liquidity need, the Organization could draw upon \$250,000 of an available line of credit (as further discussed in Note 9).

For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its ongoing activities to be general expenditures. Amounts available for general expenditures over a 12-month period include donor-restricted amounts that are available for ongoing programmatic and support expenditures.

The following reflects the Organization's financial assets, as of June 30, 2023 and 2022, reduced by amounts not available for general use within one year because of contractual, donor-imposed, or internal restrictions and designations:

	<u>2023</u>	<u>2022</u>
Financial assets:		
Cash and cash equivalents	\$ 2,185,977	\$ 2,877,013
Certificates of deposit	1,201,558	-
Receivables	<u>221,690</u>	<u>311,180</u>
Total financial assets	3,609,225	3,188,193
Less those unavailable for general expenditures within one year:		
Cash - restricted for letter of credit	( <u>130,800</u> )	( <u>16,427</u> )
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 3,478,425</u>	<u>\$ 3,171,766</u>



**FUTURES AND OPTIONS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

Note 12 - Concentrations

The Organization maintains its checking, savings, and certificate of deposit accounts with major financial institutions. The Federal Deposit Insurance Corporation (FDIC) insures bank deposits up to \$250,000 per financial institution. At times, the balances of the accounts exceeded the insured limits during the years ended June 30, 2023 and 2022.

Note 13 - Subsequent Events

Subsequent events were evaluated for potential additional disclosures and corrections through January 15, 2024, which is the date the financial statements were available to be issued.