

FUTURES AND OPTIONS INC.
FINANCIAL STATEMENTS
AND
AUDITORS' REPORT
JUNE 30, 2024 AND 2023

FUTURES AND OPTIONS INC.

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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, 2024 and 2023, 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, 2024 and 2023, 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 available to be 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.

Skoddy Scot & Company, CPAS, P.C.

New York, NY
November 14, 2024

**FUTURES AND OPTIONS INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2024 AND 2023**

	2024	2023
ASSETS		
Cash and cash equivalents	\$ 3,334,262	\$ 2,055,177
Cash - restricted for letter of credit	130,800	130,800
Certificates of deposit	-	1,201,558
Program service revenue and other receivables	229,530	115,740
Contributions receivable	84,634	105,950
Prepaid expenses	137,018	94,820
Right of use asset - operating lease	1,837,817	1,983,021
Property, equipment, and intangible asset, net	166,827	189,909
Security deposit	1,183	-
Total assets	\$ 5,922,071	\$ 5,876,975
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and accrued expenses	\$ 221,581	\$ 207,874
Deferred income	48,861	41,914
Lease liability - operating lease	1,992,003	2,086,075
Total liabilities	2,262,445	2,335,863
Net Assets:		
Without donor restrictions	2,946,125	3,118,428
With donor restrictions	713,501	422,684
Total net assets	3,659,626	3,541,112
Total liabilities and net assets	\$ 5,922,071	\$ 5,876,975

See accompanying notes to the financial statements.

**FUTURES AND OPTIONS INC.
STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2024 AND 2023**

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenues:						
Special events:						
Event revenue	\$ 1,377,205	\$ -	\$ 1,377,205	\$ 1,462,440	\$ -	\$ 1,462,440
Less: event expenses	(264,749)	-	(264,749)	(240,816)	-	(240,816)
Net special event income	1,112,456	-	1,112,456	1,221,624	-	1,221,624
Contributions	995,327	683,501	1,678,828	1,276,243	323,100	1,599,343
Contributions in-kind	108,683	-	108,683	36,493	-	36,493
Program service revenue	995,727	-	995,727	598,957	-	598,957
Government grant	-	-	-	186,484	-	186,484
Interest income	85,655	-	85,655	3,262	-	3,262
Net assets released from restriction:						
Satisfaction of purpose restrictions	307,184	(307,184)	-	428,138	(428,138)	-
Expiration of time restrictions	85,500	(85,500)	-	17,500	(17,500)	-
Total support and revenues	3,690,532	290,817	3,981,349	3,768,701	(122,538)	3,646,163
Expenses:						
Program expenses:						
Career development - intern wages / stipends	502,428	-	502,428	548,331	-	548,331
Career development - other	2,511,426	-	2,511,426	2,000,636	-	2,000,636
Total program expenses	3,013,854	-	3,013,854	2,548,967	-	2,548,967
Management and general	525,439	-	525,439	468,637	-	468,637
Fundraising	323,542	-	323,542	270,700	-	270,700
Total expenses	3,862,835	-	3,862,835	3,288,304	-	3,288,304
Increase/(decrease) in net assets	(172,303)	290,817	118,514	480,397	(122,538)	357,859
Net assets, beginning of year	3,118,428	422,684	3,541,112	2,638,031	545,222	3,183,253
Net assets, end of year	\$ 2,946,125	\$ 713,501	\$ 3,659,626	\$ 3,118,428	\$ 422,684	\$ 3,541,112

See accompanying notes to the financial statements.

**FUTURES AND OPTIONS INC.
STATEMENT OF EXPENSES
YEAR ENDED JUNE 30, 2024**

	<u>Program</u>	<u>Supporting</u>		<u>Total Expenses</u>
	<u>Career Development</u>	<u>Management and General</u>	<u>Fundraising</u>	
Staff salaries	\$ 1,476,444	\$ 209,892	\$ 236,652	\$ 1,922,988
Intern wages	461,154	-	-	461,154
Payroll taxes and benefits	380,833	46,762	54,022	481,617
Stipends	41,274	-	-	41,274
College scholarships	142,500	-	-	142,500
Consultants	147,573	51,149	12,720	211,442
Depreciation and amortization	36,903	5,159	5,970	48,032
Equipment rental	2,861	399	463	3,723
Insurance	-	20,569	-	20,569
Marketing and development	14,519	3,253	5,307	23,079
Office expenses	26,860	8,242	4,280	39,382
Postage	2,083	291	626	3,000
Printing	841	343	924	2,108
Professional fees	-	123,758	-	123,758
Program expenses	41,877	-	-	41,877
Recruitment and staff training	23,872	2,544	1,361	27,777
Rent and utilities	206,572	51,643	-	258,215
Repairs and maintenance	-	384	-	384
Telephone and communications	7,688	1,051	1,217	9,956
Total expenses	<u>\$ 3,013,854</u>	<u>\$ 525,439</u>	<u>\$ 323,542</u>	<u>\$ 3,862,835</u>

See accompanying notes to the financial statements.

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

	Program	Supporting		Total Expenses
	Career Development	Management and General	Fundraising	
Staff salaries	\$ 1,166,704	\$ 180,773	\$ 198,207	\$ 1,545,684
Intern wages	389,687	-	-	389,687
Payroll taxes and 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 and 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 and staff training	18,206	2,230	1,885	22,321
Rent and utilities	202,568	50,642	-	253,210
Repairs and maintenance	-	5,031	-	5,031
Telephone and 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.
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
Cash flows from operating activities:		
Increase/(decrease) in net assets	\$ 118,514	\$ 357,859
Adjustments for non-cash items included in operating activities:		
Accrued interest on certificates of deposit	1,558	(1,558)
Accretion of lease liability	102,128	42,922
Amortization of right of use asset	145,204	60,132
Depreciation and amortization	48,032	17,831
(Increases)/decreases in assets:		
Program service revenue and other receivables	(113,790)	(69,550)
Contributions receivable	21,316	159,040
Prepaid expenses	(42,198)	6,684
Security deposit	(1,183)	-
Increases/(decreases) in liabilities:		
Accounts payable and accrued expenses	13,707	121,253
Deferred income	6,947	11,902
Payment of operating lease liability	(196,200)	-
Net cash provided/(used) by operating activities	<u>104,035</u>	<u>706,515</u>
Cash flows from investing activities:		
Purchase of property, equipment, and intangible asset	(24,950)	(197,551)
Certificates of deposit purchase	-	(1,200,000)
Certificates of deposit redemption	1,200,000	-
Net cash provided/(used) by investing activities	<u>1,175,050</u>	<u>(1,397,551)</u>
Cash flows from financing activities	<u>-</u>	<u>-</u>
Net increase/(decrease) in cash, cash equivalents and restricted cash	1,279,085	(691,036)
Cash, cash equivalents, and restricted cash, beginning of year	<u>2,185,977</u>	<u>2,877,013</u>
Cash, cash equivalents, and restricted cash, end of year	<u>\$ 3,465,062</u>	<u>\$ 2,185,977</u>
Supplemental information:		
Retirement of fully depreciated property and equipment	\$ 50,745	\$ 37,206
Recognition of right of use asset and operating lease liability	-	2,043,153

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 nonprofit 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 in accordance with accounting principles generally accepted in the United States of America (US GAAP) 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 money market funds and certificates of deposit with an original maturity to the Organization at the date of purchase of three months or less, to be cash equivalents.

Certificates of Deposit

The Organization reports investments in certificates of deposit with an original maturity to the Organization at the date of purchase of greater than three months at cost, which approximates fair market value. Investments carried at cost are not required to be classified in one of the levels prescribed by the US GAAP fair value hierarchy. The certificates of deposit balance in the statement of financial position includes accrued interest.

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

Note 1 - Summary of Significant Accounting Policies (Continued)

Receivables

The Organization records receivables from program service revenue and contributions. Program service revenue receivables are reported at their net realizable value. The Organization evaluates the collectability of its program service revenue receivables at least annually using a current expected credit loss (CECL) model. Under this model, an allowance for credit losses is recorded for the expected lifetime losses on the receivables. This evaluation is based on historical loss experience, current economic conditions, and reasonable and supportable forecasts that affect the collectability of the outstanding balances. Receivables deemed uncollectable are written off against the allowance when it is determined that the receivable will not be collected.

The Organization has determined that no allowance for credit losses is necessary as of June 30, 2024 and 2023, based on historical collection rates, creditworthiness of the customers and economic conditions stability.

Contribution receivables are reported at their net realizable value. Contribution receivables expected to be collected in future years are recorded at the present value of estimated future cash flows. Uncollectable pledges are written off in the period in which the pledge is determined uncollectable. As of June 30, 2024 and 2023, all contribution 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 receivables.

Property, Equipment, and Intangible Asset

The Organization capitalizes certain property and equipment with estimated lives of two years or more. Property, equipment and the 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 noncancellable operating lease agreements for office space to obtain right of use (ROU) assets. Each lease liability and ROU asset represent its lease obligations and rights to use the leased asset over the period of the lease and are recognized at the lease commencement date. The lease payments are discounted using a rate determined when the lease is recognized. Since the Organization's leases do not provide an explicit rate, the Organization uses 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 asset may differ from the operating lease liability due to deferred or prepaid lease payments and lease incentives. The ROU assets are amortized over the lease term. 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 staff 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 staff 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 on 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, 2024 and 2023, 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. Fees for the Organization's program service revenue are based on the corresponding standalone prices and payments are either due prior to the start of the contract period or upon completion of the contract obligations. The Organization recognizes program service revenue as follows:

- Program management fees: The revenue is recognized over the program period as the contract obligations are satisfied on the part of the Organization.
- 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. Special events income includes ticket sales, contributions, and sponsorships. Payments for ticket sales are due prior to the event and payments for contributions and sponsorships are made prior to the event, during the event, or after the event. Any event revenue received in advance of the event is recorded as deferred income.

During the year ended June 30, 2023, the Organization was eligible for the Employee Retention Credit (ERTC), which is a refundable credit from the U.S. Department of the Treasury. For the year ended June 30, 2023, the Organization was awarded a total of \$186,484 in ERTC. The amount is reported as a government grant in the statement of activities for the year ended June 30, 2023.

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

Note 2 - Cash, Cash Equivalents, and Restricted Cash

Cash, cash equivalents, and restricted cash consisted of the following at June 30, 2024 and 2023:

	2024	2023
Unrestricted:		
Bank deposits and cash	\$ 774,864	\$ 1,454,398
Certificate of deposit	-	600,779
Money market funds	2,559,398	-
Restricted for letter of credit:		
Bank deposits and cash	130,800	130,800
	\$ 3,465,062	\$ 2,185,977

Note 3 - Lease Liability

In August 2022, the Organization entered into an eleven-year noncancelable operating lease for office space, which commenced in February 2023. The Organization is required to hold a letter of credit for \$130,800 as a security deposit for this lease. The Organization's savings account secures the letter of credit. All of the Organization's previous leases for office space expired during the year ended June 30, 2023. As of June 30, 2024, the minimum aggregate annual lease commitments are as follows:

Year ended June 30, 2025	\$ 239,800
2026	239,800
2027	239,800
2028	239,800
2029	270,320
2030-2034	1,294,920
Total lease payments	2,524,440
Less: imputed interest (5%)	(532,437)
Total operating lease liability	\$ 1,992,003

The components of the Organization's lease expenses for the years ended June 30, 2024 and 2023, are included in the statements of activities and expenses as follows:

	2024	2023
Program	\$ 197,865	\$ 187,576
Management and general	49,466	46,894
	\$ 247,331	\$ 234,470

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

Note 4 - Property, Equipment, and Intangible Asset

Property, equipment, and intangible asset by major class, consisted of the following at June 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Equipment	\$ 60,082	\$ 85,877
Furniture and fixtures	106,203	106,203
Leasehold improvements	23,323	23,323
Website development	<u>62,550</u>	<u>62,550</u>
	252,158	277,953
Less: accumulated depreciation and amortization	<u>(85,331)</u>	<u>(88,044)</u>
	<u>\$ 166,827</u>	<u>\$ 189,909</u>

Note 5 - Net Assets With Donor Restrictions

As of June 30, 2024 and 2023, net assets with donor restrictions are available as follows:

	<u>2024</u>	<u>2023</u>
Career development programs	\$ 571,940	\$ 295,467
College scholarships	30,000	41,717
Impact and evaluation project	44,061	-
Capacity building	35,000	-
Fiscal year 2024 activities	-	85,500
Fiscal year 2025 activities	<u>32,500</u>	<u>-</u>
Total net assets with donor restrictions	<u>\$ 713,501</u>	<u>\$ 422,684</u>

Note 6 - Contributions In-Kind

The Organization received contributions in-kind that meet the criteria for being recognized in accordance with US GAAP. For the years ended June 30, 2024 and 2023, amounts recognized in the statements of activities are as follows:

	<u>2024</u>	<u>2023</u>
Legal services – various administrative legal matters	\$ 108,683	\$ 36,493

The contributions in-kind received during the years ended June 30, 2024 and 2023, did not have any donor-imposed restrictions.

The valuation technique used by the Organization for the contributions in-kind received are as follows:

- Legal services - the fair value is estimated using current rates for similar legal 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, 2024 and 2023, respectively. These directly-placed salaried positions are not included in the financial statements. The total internship activities for the years ended June 30, 2024 and 2023, were as follows:

	<u>2024</u>	<u>2023</u>
Grant/contract-funded, paid by the Organization	\$ 507,029	\$ 428,858
Directly placed, paid by other entities	245,521	104,328
Total internship activities	<u>\$ 752,550</u>	<u>\$ 533,186</u>

Note 8 - Revenue from Contracts with Customers

Detail of revenue from contracts with customers during the years ended June 30, 2024 and 2023, is as follows:

	<u>2024</u>	<u>2023</u>
Internship and career development program management fees	\$ 731,083	\$ 232,324
Intern wage and scholarship reimbursements	264,644	366,633
	<u>\$ 995,727</u>	<u>\$ 598,957</u>
Special event revenue - exchange component	<u>\$ 264,749</u>	<u>\$ 240,816</u>

The following table provides information about significant changes in the contract liabilities for the years ended June 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Deferred internship and career development program management fees, beginning of year	\$ 41,914	\$ 30,012
Revenue recognized that was included in deferred income at beginning of year	(41,914)	(30,012)
Increases in deferred fees and reimbursements due to cash received during the period	48,861	41,914
Deferred internship and career development program management fees, end of the year	<u>\$ 48,861</u>	<u>\$ 41,914</u>

The Organization's receivables from contracts with customers consist of amounts due for internship and career development management fees. The beginning and ending balances for program service revenue receivables are as follows for the years ended June 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Beginning balance	\$ 101,776	\$ 46,190
Ending balance	<u>\$ 229,530</u>	<u>\$ 101,776</u>

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

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, 2024 and 2023.

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 \$28,177 and \$24,494, respectively, for the years ended June 30, 2024 and 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, 2024 and 2023, reduced by amounts not available for general use within one year because of contractual, donor-imposed, or internal restrictions and designations:

	2024	2023
Financial assets:		
Cash and cash equivalents	\$ 3,465,062	\$ 2,185,977
Certificates of deposit	-	1,201,558
Receivables	314,164	221,690
Total financial assets	3,779,226	3,609,225
Less those unavailable for general expenditures within one year:		
Cash - restricted for letter of credit	(130,800)	(130,800)
Financial assets available to meet cash needs for general expenditures within one year	\$ 3,648,426	\$ 3,478,425

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

Note 12 - Concentrations

The Organization maintains its checking, savings, money market funds 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. The Securities Investor Protection Corporation (SIPC) insures securities, including money market funds, up to \$500,000 per financial institution. At times, the balances of the accounts have exceeded the insured limits during the years ended June 30, 2024 and 2023.

Note 13 - Subsequent Events

Subsequent events were evaluated for potential additional disclosures and corrections through November 14, 2024, which is the date the financial statements were available to be issued.