

FUTURES AND OPTIONS INC.

**FINANCIAL STATEMENTS
AND
AUDITORS' REPORT**

JUNE 30, 2025 AND 2024

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, 2025 and 2024, 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, 2025 and 2024, 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.

Skody Scot & Company, CPAs, P.C.

New York, NY
October 21, 2025

FUTURES AND OPTIONS INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2025 AND 2024

	2025	2024
ASSETS		
Cash and cash equivalents	\$ 3,177,388	\$ 3,334,262
Cash - restricted for letter of credit	130,800	130,800
Program service revenue and other receivables	153,102	229,530
Contributions and grants receivable	11,304	84,634
Prepaid expenses	141,069	137,018
Right of use asset - operating lease	1,685,665	1,837,817
Property, equipment, and intangible assets, net	204,880	166,827
Security deposit	726	1,183
Total assets	\$ 5,504,934	\$ 5,922,071
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and accrued expenses	\$ 229,050	\$ 221,581
Deferred income	67,131	48,861
Lease liability - operating lease	1,847,383	1,992,003
Total liabilities	2,143,564	2,262,445
Net Assets:		
Without donor restrictions	2,958,110	2,946,125
With donor restrictions	403,260	713,501
Total net assets	3,361,370	3,659,626
Total liabilities and net assets	\$ 5,504,934	\$ 5,922,071

See accompanying notes to the financial statements.

FUTURES AND OPTIONS INC.
STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2025 AND 2024

Support and Revenues:

Special events:

Event income
 Less: event expenses
 Net special event income

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Event income	\$ 1,386,361	\$ -	\$ 1,386,361	\$ 1,377,205	\$ -	\$ 1,377,205
Less: event expenses	(247,394)	-	(247,394)	(264,749)	-	(264,749)
Net special event income	1,138,967	-	1,138,967	1,112,456	-	1,112,456
Contributions and grants	705,350	323,260	1,028,610	995,327	683,501	1,678,828
Contributions in-kind	101,553	-	101,553	108,683	-	108,683
Program service revenue	1,031,845	-	1,031,845	995,727	-	995,727
Government grant	330,365	-	330,365	-	-	-
Interest income	106,615	-	106,615	85,655	-	85,655
Net assets released from restriction:						
Satisfaction of purpose restrictions	601,001	(601,001)	-	307,184	(307,184)	-
Expiration of time restrictions	32,500	(32,500)	-	85,500	(85,500)	-
Total support and revenues	4,048,196	(310,241)	3,737,955	3,690,532	290,817	3,981,349

Expenses:

Program Services:

Career development - intern wages / stipends
 Career development - other
 Total program services

Career development - intern wages / stipends	507,642	-	507,642	502,428	-	502,428
Career development - other	2,631,169	-	2,631,169	2,511,426	-	2,511,426
Total program services	3,138,811	-	3,138,811	3,013,854	-	3,013,854
Management and general	529,997	-	529,997	525,439	-	525,439
Fundraising	367,403	-	367,403	323,542	-	323,542
Total expenses	4,036,211	-	4,036,211	3,862,835	-	3,862,835

Increase/(decrease) in net assets

Increase/(decrease) in net assets	11,985	(310,241)	(298,256)	(172,303)	290,817	118,514
Net assets, beginning of year	2,946,125	713,501	3,659,626	3,118,428	422,684	3,541,112
Net assets, end of year	\$ 2,958,110	\$ 403,260	\$ 3,361,370	\$ 2,946,125	\$ 713,501	\$ 3,659,626

See accompanying notes to the financial statements.

FUTURES AND OPTIONS INC.
STATEMENT OF EXPENSES
YEAR ENDED JUNE 30, 2025

	Program Services		Supporting Services		Total Expenses
	Career Development	Management and General	Fundraising		
Staff salaries	\$ 1,526,178	\$ 223,326	\$ 263,404	\$ 2,012,908	
Intern wages	468,983	-	-	468,983	
Payroll taxes and benefits	393,928	50,587	59,553	504,068	
Stipends	38,659	-	-	38,659	
College scholarships	153,500	-	-	153,500	
Consultants	166,534	41,295	22,323	230,152	
Depreciation and amortization	38,411	5,573	6,620	50,604	
Equipment rental	1,603	233	276	2,112	
Insurance	647	24,078	111	24,836	
Marketing and development	11,186	2,509	4,928	18,623	
Office supplies and expenses	24,502	7,099	4,312	35,913	
Postage	1,543	224	266	2,033	
Printing	1,018	148	175	1,341	
Professional fees	-	115,904	-	115,904	
Program expenses - other	29,533	-	-	29,533	
Recruitment and staff training	43,435	2,040	949	46,424	
Rent and utilities	213,123	53,081	-	266,204	
Repairs and maintenance	1,187	297	205	1,689	
Technology and software	17,137	2,486	2,953	22,576	
Telephone and communications	7,704	1,117	1,328	10,149	
Total expenses	\$ 3,138,811	\$ 529,997	\$ 367,403	\$ 4,036,211	

See accompanying notes to the financial statements.

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

	Program Services		Supporting Services		Total Expenses
	Career Development	Management and General	Fundraising		
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	134,183	44,331	11,484	189,998	
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 supplies and 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 - other	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	
Technology and software	13,390	6,818	1,236	21,444	
Telephone and communications	7,688	1,051	1,217	9,956	
Total expenses	\$ 3,013,854	\$ 525,439	\$ 323,542	\$ 3,862,835	

See accompanying notes to the financial statements.

FUTURES AND OPTIONS INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2025 AND 2024

	2025	2024
Cash flows from operating activities:		
Increase/(decrease) in net assets	\$ (298,256)	\$ 118,514
Adjustments for non-cash items included in operating activities:		
Accrued interest on certificates of deposit	-	1,558
Accretion of lease liability	95,180	102,128
Amortization of right of use asset	152,152	145,204
Depreciation and amortization	50,604	48,032
(Increases)/decreases in assets:		
Program service revenue and other receivables	76,428	(113,790)
Contributions and grants receivable	73,330	21,316
Prepaid expenses	(4,051)	(42,198)
Security deposit	457	(1,183)
Increases/(decreases) in liabilities:		
Accounts payable and accrued expenses	7,469	13,707
Deferred income	18,270	6,947
Payment of operating lease liability	(239,800)	(196,200)
Net cash provided/(used) by operating activities	<u>(68,217)</u>	<u>104,035</u>
Cash flows from investing activities:		
Purchase of property, equipment, and intangible assets	(88,657)	(24,950)
Certificates of deposit redemption	-	1,200,000
Net cash provided/(used) by investing activities	<u>(88,657)</u>	<u>1,175,050</u>
Cash flows from financing activities	-	-
Net increase/(decrease) in cash, cash equivalents and restricted cash	(156,874)	1,279,085
Cash, cash equivalents, and restricted cash, beginning of year	<u>3,465,062</u>	<u>2,185,977</u>
Cash, cash equivalents, and restricted cash, end of year	<u>\$ 3,308,188</u>	<u>\$ 3,465,062</u>
Supplemental information:		
Retirement of fully depreciated property and equipment	\$ -	\$ 50,745

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 15, 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 and grantors in the New York City area, program service revenue, and special events.

The purposes of the Organization's career development programs are to 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 to 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.

Reclassifications

Certain amounts in the fiscal year 2024 financial statements have been reclassified for comparative purposes to conform with the presentation in the fiscal year 2025 financial statements.

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.

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 and grants. Program service revenue receivables are reported at their net realizable value. The Organization evaluates the collectibility 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 collectibility of the outstanding balances. Receivables deemed uncollectible 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, 2025 and 2024, based on historical collection rates, creditworthiness of the customers and economic conditions stability.

Contributions and grants receivable are reported at their net realizable value. Contributions and grants receivable expected to be collected in future years are recorded at the present value of estimated future cash flows. Uncollectible pledges are written off in the period in which the pledge is determined uncollectible. As of June 30, 2025 and 2024, all contributions and grants receivable are expected to be received within one year and as such have been stated at their net realizable value with no allowance for uncollectible receivables.

Property, Equipment, and Intangible Assets

The Organization capitalizes certain property and equipment with estimated lives of two years or more. Property, equipment and the intangible assets are stated at cost, less accumulated depreciation and amortization. Depreciation of equipment is computed by the straight-line method over estimated useful lives of three years. Furniture and fixtures are depreciated by the straight-line method over 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 assets, which consist of website development and software enhancement costs, are 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 a noncancelable operating lease agreement for office space to obtain a right of use (ROU) asset. The 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 lease does 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 asset is 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 of directors 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, insurance, postage, printing, depreciation and amortization, recruitment and staff training, marketing and development, office supplies and expenses, rent and utilities, repairs and maintenance, telephone and communications, and technology and software, are allocated based on usage. The Organization classifies expenses which are not directly related to a specific program or fundraising 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 and grants 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, 2025 and 2024, the Organization did not have any conditional pledges that were not recognized.

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

The Organization receives special events income 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 income received in advance of the event is recorded as deferred income or refundable advances, depending on the type of income received.

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, 2025, the Organization was awarded a total of \$330,365 in ERTC, including interest of \$53,300. The amount is reported as a government grant in the statement of activities for the year ended June 30, 2025.

Interest income is recognized in the period earned.

FUTURES AND OPTIONS INC.
NOTES TO FINANCIAL STATEMENTS

Note 2 - Cash, Cash Equivalents, and Restricted Cash

Cash, cash equivalents, and restricted cash consist of the following at June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Unrestricted:		
Bank deposits and cash	\$ 461,408	\$ 774,864
Money market funds	2,715,980	2,559,398
Restricted for letter of credit:		
Bank deposits and cash	<u>130,800</u>	<u>130,800</u>
	<u><u>\$ 3,308,188</u></u>	<u><u>\$ 3,465,062</u></u>

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. As of June 30, 2025, the minimum aggregate annual lease commitments are as follows:

Year ended June 30, 2026	\$ 239,800
2027	239,800
2028	239,800
2029	270,320
2030	282,528
2031-2034	<u>1,012,392</u>
Total lease payments	2,284,640
Less: imputed interest (5%)	<u>(437,257)</u>
Total operating lease liability	<u><u>\$ 1,847,383</u></u>

The components of the Organization's noncancelable lease expenses for the years ended June 30, 2025 and 2024, are included in the statements of activities and expenses as follows:

	<u>2025</u>	<u>2024</u>
Program	\$ 197,866	\$ 197,866
Management and general	<u>49,466</u>	<u>49,466</u>
	<u><u>\$ 247,332</u></u>	<u><u>\$ 247,332</u></u>

FUTURES AND OPTIONS INC.
NOTES TO FINANCIAL STATEMENTS

Note 4 - Property, Equipment, and Intangible Assets

Property, equipment, and intangible assets by major class, consist of the following at June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Equipment	\$ 73,609	\$ 60,082
Furniture and fixtures	106,203	106,203
Leasehold improvements	23,323	23,323
Website development	62,550	62,550
Software enhancement	<u>75,130</u>	-
	340,815	252,158
Less: accumulated depreciation and amortization	<u>(135,935)</u>	<u>(85,331)</u>
	<u>\$ 204,880</u>	<u>\$ 166,827</u>

Note 5 - Net Assets With Donor Restrictions

As of June 30, 2025 and 2024, net assets with donor restrictions are available as follows:

	<u>2025</u>	<u>2024</u>
Career development and internship programs	\$ 350,260	\$ 571,940
College scholarships	30,000	30,000
Impact and evaluation project	-	44,061
Capacity building	-	35,000
Fiscal year 2025 activities	-	32,500
Fiscal year 2026 activities	<u>23,000</u>	-
	<u>\$ 403,260</u>	<u>\$ 713,501</u>

Note 6 - Contributions In-Kind

The Organization receives contributions in-kind that meet the criteria for being recognized in accordance with US GAAP. For the years ended June 30, 2025 and 2024, amounts recognized in the statements of activities are as follows:

	<u>2025</u>	<u>2024</u>
Legal services – various administrative legal matters	<u>\$ 101,553</u>	<u>\$ 108,683</u>

The contributions in-kind received during the years ended June 30, 2025 and 2024, 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 209 and 127 interns were paid directly by private companies and nonprofit organizations during the years ended June 30, 2025 and 2024, respectively. These directly-placed salaried positions are not included in the financial statements. The total internship activities for the years ended June 30, 2025 and 2024, were as follows:

	<u>2025</u>	<u>2024</u>
Grant/contract-funded, paid by the Organization	\$ 517,523	\$ 507,029
Directly placed, paid by other entities	<u>380,625</u>	<u>245,521</u>
	<u><u>\$ 898,148</u></u>	<u><u>\$ 752,550</u></u>

Note 8 - Revenue from Contracts with Customers

Detail of revenue from contracts with customers during the years ended June 30, 2025 and 2024, is as follows:

	<u>2025</u>	<u>2024</u>
Internship and career development program management fees	\$ 719,558	\$ 731,083
Intern wage and scholarship reimbursements	<u>312,287</u>	<u>264,644</u>
	<u><u>\$ 1,031,845</u></u>	<u><u>\$ 995,727</u></u>
Special event revenue - exchange component	<u><u>\$ 247,394</u></u>	<u><u>\$ 264,749</u></u>

The following table provides information about significant changes in the contract liabilities for the years ended June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Deferred internship and career development program management fees, beginning of year	\$ 48,861	\$ 41,914
Revenue recognized that was included in deferred income at beginning of year	(48,150)	(41,914)
Increases in deferred fees and reimbursements due to cash received during the period	<u>66,420</u>	<u>48,861</u>
Deferred internship and career development program management fees, end of the year	<u><u>\$ 67,131</u></u>	<u><u>\$ 48,861</u></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, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Beginning balance	<u><u>\$ 229,530</u></u>	<u><u>\$ 115,740</u></u>
Ending balance	<u><u>\$ 153,080</u></u>	<u><u>\$ 229,530</u></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, 2025 and 2024.

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 (IRC). 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 IRC limits. In addition, the Organization has discretion to make matching contributions. For the years ended June 30, 2025 and 2024, the Organization made Plan contributions totaling \$36,870 and \$28,177, respectively.

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, 2025 and 2024, reduced by amounts not available for general use within one year because of contractual, donor-imposed, or internal restrictions and designations:

	<u>2025</u>	<u>2024</u>
Financial assets:		
Cash and cash equivalents	\$ 3,308,188	\$ 3,465,062
Receivables	<u>164,406</u>	<u>314,164</u>
Total financial assets	3,472,594	3,779,226
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	<u>\$ 3,341,794</u>	<u>\$ 3,648,426</u>

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NOTES TO FINANCIAL STATEMENTS

Note 12 - Concentrations

The Organization maintains its checking, savings, and money market funds 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 have exceeded the insured limits during the years ended June 30, 2025 and 2024.

Note 13 - Subsequent Events

Subsequent events were evaluated for potential additional disclosures and corrections through October 21, 2025, which is the date the financial statements were available to be issued.