



## Future 5 Mission and Programs

**Mission:**

Future 5 connects motivated, under-resourced students in Stamford to the people and resources they need to achieve their educational, career, and life goals.

Our ultimate goal is to provide our members with access to the people, skills, resources, experiences and information essential to a successful transition to post-secondary education, careers and beyond.

One in five of Connecticut's young people were either disconnected from education or employment, or “at risk” of failing to graduate high school, leaving them unemployable or employed at a wage level “substantially below the wage level needed for economic independence” according to the 2022 published study commissioned by Delta Education. In



## City of Stamford Budget Request

	Approved Budget 2023-24	Year-End 2023-24	Approved Budget 2024-25	YTD 10.31.24 2024-25	Year-End Anticipated 2024-25	Preliminary Budget 2025-26	Notes on the program
Members Served	477	443	490	436	490	515	
<b>REVENUE</b>							
<b>Unrestricted Donations</b>							
Contribution Income (against operating budget)	\$ 1,400,000	\$ 1,484,304	\$ 1,800,000	\$ 187,411	\$ 1,800,000	\$ 1,950,000	More active development committee on Board
City & State Funding					\$ 25,000	\$ 75,000	
GOLF - Revenue	230,000	305,058	250,000	335,732	335,732	350,000	
Pickleball - Revenue		18,874			18,000	25,000	Started Pickleball in May 2024
<b>Total Unrestricted Donations</b>	<b>1,630,000</b>	<b>1,808,236</b>	<b>2,050,000</b>	<b>523,143</b>	<b>2,178,732</b>	<b>\$ 2,400,000</b>	
<b>Restricted Donations</b>							
Restricted Income (College Assistance Funds)	176,500	184,660	203,500	75,533	203,500	190,000	Scholarships that we anticipate for our members Someone has made a donation to support our database, and has introduced someone else to sponsor it.
Restricted Income (Other)	15,000	12,160	10,000	12,400	10,000	10,000	
Capital Campaign			300,000	25,536	250,000	50,000	
<b>Total Restricted Donations</b>	<b>191,500</b>	<b>196,820</b>	<b>513,500</b>	<b>113,469</b>	<b>463,500</b>	<b>250,000</b>	
<b>Total Donations</b>	<b>1,630,000</b>	<b>2,005,056</b>	<b>2,563,500</b>	<b>636,612</b>	<b>2,642,232</b>	<b>\$ 2,650,000</b>	
Interest/Investment Income	24,000	79,347	45,000	26,993	45,000	45,000	
<b>TOTAL REVENUE</b>	<b>\$ 1,654,000</b>	<b>\$ 2,084,403</b>	<b>\$ 2,608,500</b>	<b>\$ 663,605</b>	<b>\$ 2,687,232</b>	<b>\$ 2,695,000</b>	
<b>OPERATING EXPENSES</b>							
<b>Compensation &amp; Taxes</b>							
Payroll Compensation & Bonus	\$ 1,161,031	\$ 1,140,433	\$ 1,403,230	\$ 405,727	\$ 1,403,230	1,606,907	Need to continue to support staff retention
Benefits, Tax Expense & Fees	242,531	207,835	269,297	72,859	269,297	330,900	
Professional Contractor Fees	25,000	37,027	2,000	-	2,000	2,000	
<b>Total Compensation &amp; Taxes</b>	<b>\$ 1,428,562</b>	<b>\$ 1,385,295</b>	<b>\$ 1,674,527</b>	<b>\$ 478,586</b>	<b>\$ 1,674,527</b>	<b>1,939,807</b>	
<b>Other Operating Expenses</b>							
Operating Expenses	\$ 242,450	\$ 227,608	\$ 180,350	\$ 85,291	\$ 180,350	249,300	Increased rent/square footage - free rent ends in September
Fundraising Expenses	90,500	113,169	114,500	78,833	114,500	116,000	Need to raise more to fund more
Programming Expenses	120,000	105,551	131,450	30,844	131,450	147,500	Expanding programs to more students
<b>Total Other Operating Expenses</b>	<b>\$ 452,950</b>	<b>\$ 446,328</b>	<b>\$ 426,300</b>	<b>\$ 194,968</b>	<b>\$ 426,300</b>	<b>512,800</b>	
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 1,881,512</b>	<b>\$ 1,831,623</b>	<b>\$ 2,100,827</b>	<b>\$ 673,554</b>	<b>\$ 2,100,827</b>	<b>2,452,607</b>	
<b>RESTRICTED NON-OPERATING EXPENSES</b>							
Restricted Expenses (Scholarships/College Aid)	\$ 152,000	\$ 202,848	\$ 198,500	\$ 190,180	190,180	190,000	
Restricted Expenses (Other- non-operating budget)	20,000	16,359	0	2,000	2000	10,000	
<b>TOTAL RESTRICTED EXPENSES</b>	<b>\$ 172,000</b>	<b>\$ 219,207</b>	<b>\$ 198,500</b>	<b>\$ 192,180</b>	<b>\$ 192,180</b>	<b>\$ 200,000</b>	
<b>OTHER NON-OPERATING EXPENSES</b>							
Capital Expenses	30,000	1,362	300000	1038	250,000	50000	Will probably end up with a bit more, but it allows us to create a special student-designed space next year.
<b>TOTAL OTHER NON-OPERATING EXPENSES</b>	<b>\$ 30,000</b>	<b>\$ 1,362</b>	<b>\$ 300,000</b>	<b>\$ 1,038</b>	<b>250,000</b>		
<b>NET ORDINARY INCOME</b>	<b>\$ (429,512)</b>	<b>\$ 32,211</b>	<b>\$ 9,173</b>	<b>\$(10,987.00)</b>	<b>\$ 144,225</b>	<b>\$ (7,607)</b>	

**FUTURE 5, INC.**  
**FINANCIAL STATEMENTS**  
**Year Ended June 30, 2023**

**FUTURE 5, INC.**

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**Year Ended June 30, 2023**

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**WALTER J. McKEEVER & COMPANY, LLC**  
**CERTIFIED PUBLIC ACCOUNTANTS**

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**INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors of  
Future 5, Inc.

**Opinion**

We have audited the accompanying financial statements of Future 5, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30 2023, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Future 5, Inc. as of June 30, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 Future 5, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 Future 5, Inc.'s ability to continue as a going concern within 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 no absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgement 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 Future 5, 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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Future 5, 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.



Walter J. McKeever & Company, LLC  
Greenwich, Connecticut  
February 5, 2024

**FUTURE 5, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**June 30, 2023**

**ASSETS**

Cash and cash equivalents	\$ 1,578,199
Certificates of deposit	438,421
Contributions receivable, net (Note 5)	143,903
Prepaid expenses	16,294
Other assets	14,844
Property and equipment, net of depreciation and amortization (Note 6)	<u>194,633</u>
 Total Assets	 <u><u>\$ 2,386,294</u></u>

**LIABILITIES AND NET ASSETS**

Liabilities	
Accounts payable	\$ 21,436
Accrued expenses	12,978
Deferred revenue	<u>9,105</u>
 Total Liabilities	 <u>43,519</u>
 Net Assets	
Without donor restrictions	
Unrestricted	1,664,418
Board designated (Note 10)	<u>334,565</u>
Total Without donor restrictions	1,998,983
With donor restrictions (Note 9)	<u>343,792</u>
 Total Net Assets	 <u>2,342,775</u>
 Total Liabilities and Net Assets	 <u><u>\$ 2,386,294</u></u>

See accompanying notes to financial statements.

**FUTURE 5, INC.**  
**STATEMENT OF ACTIVITIES**  
**For the Year Ended June 30, 2023**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b><u>OPERATING ACTIVITIES</u></b>			
<b>REVENUE AND SUPPORT</b>			
Contributions	\$ 1,319,376	\$ 220,050	\$ 1,539,426
In-kind contributions (Note 7)	49,713		49,713
Special event			
Revenue	219,210		219,210
In-kind contributions (Note 7)	23,979		23,979
Less: Cost of direct benefits to donors	(28,160)		(28,160)
Less: Other expenses	(43,923)		(43,923)
Net assets released from restrictions:			
Satisfaction of time or purpose restrictions	314,897	(314,897)	-
Total Revenue and Support	<u>1,855,092</u>	<u>(94,847)</u>	<u>1,760,245</u>
<b>EXPENSES</b>			
Program services	1,530,708		1,530,708
Management and general	101,006		101,006
Development and fundraising	298,016		298,016
Total Expenses	<u>1,929,730</u>	<u>-</u>	<u>1,929,730</u>
Change in Net Assets from Operations	(74,638)	(94,847)	(169,485)
<b><u>NON-OPERATING ACTIVITIES</u></b>			
Investment return (Note 8)	16,377		16,377
Depreciation and amortization	(31,492)		(31,492)
Change in Net Assets from Non-Operating Activities	(15,115)	-	(15,115)
Change in Net Assets	(89,753)	(94,847)	(184,600)
Net Assets, beginning of year	<u>2,088,736</u>	<u>438,639</u>	<u>2,527,375</u>
Net Assets, end of year	<u>\$ 1,998,983</u>	<u>\$ 343,792</u>	<u>\$ 2,342,775</u>

See accompanying notes to financial statements.



**FUTURE 5, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
For the Year Ended June 30, 2023

	Program Services	Management and General	Development and Fundraising	Total
Salaries and related expenses	\$ 873,604	\$ 70,591	\$ 162,233	\$ 1,106,428
Professional fees	1,240	11,913	27,771	40,924
Occupancy	107,855	3,992	8,511	120,358
Student incentives	23,801	78	146	24,025
Coaching expenses	5,702	-	-	5,702
Academic assistance	187,094	-	-	187,094
Enrichment	169,276	-	55,405	224,681
Workshop materials and supplies	26,740	-	-	26,740
Repairs and maintenance	19,723	441	706	20,870
In-kind donated goods and services	41,109	185	1,145	42,439
Office supplies and expenses	10,855	1,754	15,794	28,403
Membership dues and subscriptions	2,912	383	1,978	5,273
Bank fees	-	5,606	26	5,632
Marketing	3,970	255	6,606	10,831
Information technology	34,106	2,433	9,286	45,825
Insurance	11,209	242	614	12,065
Travel	1,477	2	815	2,294
Meetings and conferences	10,035	3,131	6,980	20,146
Total Expenses	\$ 1,530,708	\$ 101,006	\$ 298,016	\$ 1,929,730

See accompanying notes to financial statements.

**FUTURE 5, INC.**  
**STATEMENT OF CASH FLOWS**  
**For the Year Ended June 30, 2023**

Cash flows from operating activities:

Change in net assets	\$ (184,600)
Adjustments to reconcile change in net assets to net cash used by operating activities:	
Depreciation and amortization	31,492
Realized loss on the sale of investments	481
Donated stock	(273,116)
Donated long lived assets - equipment and fixture	(6,325)
Decrease in contributions receivable	97,397
Decrease in prepaid expenses	13
Increase in other assets	(116)
Decrease in accounts payable	(753)
Increase in accrued expenses	387
Increase in deferred revenue	4,105
Total Adjustments	<u>(146,435)</u>
Net cash used by operating activities	<u>(331,035)</u>

Cash flows from investing activities:

Proceeds from the sale of investments	272,635
Leasehold improvements	(6,550)
Purchase of vehicle	(41,475)
Purchases of furniture	(18,472)
Purchases of equipment	(6,297)
Net cash provided by investing activities	<u>199,841</u>

Net decrease in cash and cash equivalents (131,194)

Cash and cash equivalents, beginning of year 2,147,814

Cash and cash equivalents, end of year \$ 2,016,620

Summary of Cash and Cash Equivalents:

Cash and cash equivalents	\$ 1,578,199
Certificates of deposit	438,421
	<u><u>\$ 2,016,620</u></u>

Supplemental Disclosure:

Noncash investing activities	
Donated equipment	\$ 5,150
Donated fixture	1,175
	<u><u>\$ 6,325</u></u>

See accompanying notes to financial statements.

**FUTURE 5, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

NOTE 1. ORGANIZATION

Future 5, Inc. ("Organization") is a not-for-profit organization (non-stock corporation in the State of Connecticut) that helps motivated, under-resourced students in Stamford connect to their full potential leading to independence and productive citizenship. Future 5, Inc. strengthens a student's self-esteem through character building workshops, job preparation programs, college and career access and success support and one-on-one coaching. Future 5, Inc. students develop the motivation and a game plan for achievement in school and life.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting reflecting all significant receivables, payables and other liabilities. Revenues are reported as income when earned rather than received and expenses are reported in the period incurred rather than paid.

Basis of Presentation

The accompanying financial statements conform to accounting principles generally accepted in the United States of America ("U.S. GAAP") which require its financial position and activities according to the following asset classifications:

Net assets without donor restrictions – net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing Future 5's primary objective at the discretion of the Organization's management and Board of Directors.

Net assets with donor restrictions – net assets that are subject to restrictions imposed by donors. Some restrictions are temporary in nature which can be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature where the donor has directed that the funds be maintained in perpetuity.

Measure of Operations

The statement of activities reports all changes in net assets from operating and non-operating activities. Operating activities are attributable to the Organization's ongoing activities. Non-operating activities are limited to resources that generate return from investments, depreciation, amortization and other activities considered to be of a more unusual and nonrecurring nature.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The most significant estimate and assumption relates to the functional expense allocation. On an ongoing basis, management evaluates the estimates and assumptions based on new information. Management believes that the estimates and assumptions are reasonable in the circumstances; however, actual results could differ from those estimates.

(Continued)

**FUTURE 5, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**  
**(Continued)**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Cash and Cash Equivalents

For the purpose of the statement of cash flows, the Organization considers all highly liquid investments with a maturity of three months or less, at the time of purchase, to be cash equivalents. Certificates of deposit are also deemed to be cash equivalents even though the maturities exceed three months. At June 30, 2023, the certificates had a rate of 3.25%.

Property and Equipment

Property and equipment are recorded at cost or if received by donation, at estimated fair value at the time such items are received. Depreciation is recorded using the straight-line method over estimated useful lives that range from three to sixteen years. Expenditures that improve or extend the useful lives are capitalized. Routine repairs and maintenance are expensed as incurred. Leasehold improvements are amortized over the lesser of the estimated useful life of the asset or the term of the lease inclusive of expected renewals.

Contributions and Contributions Receivable

Contributions received are recorded as net assets without donor unrestricted or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Contributions receivable are recorded as revenue in the period received at the estimated fair value of the donor's pledge. The estimated fair value of the pledge is its discounted net present value which uses discount factors that approximate the risk and expected timing of future payments. Payments scheduled to be received in more than one year are discounted at a rate of 3.5%. Management will write off a contribution receivable once determined to be uncollectible.

Donated Assets, Materials, Goods, Services and Facilities

All assets, materials, goods, services and facilities that meet the requirements for recognition under U.S. GAAP are recorded as contributions in the accompanying financial statements at their estimated fair market value upon the date of receipt. Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. In addition, many individuals, corporations and organizations underwrite the cost of events, awards and special publicity by making contributions. Volunteers also donate significant amounts of their time to the Organization throughout the year that is not recognized as contributions in the financial statements since the recognition criteria is not met.

(Continued)

FUTURE 5, INC.  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2023  
(Continued)

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Functional Expenses

The costs of providing program and other activities have been summarized on a functional basis in the statement of activities and in detail on the statement of functional expenses. Expenses are charged directly to program services, management and general, and development and fundraising based on specific identification to the extent practicable. Expenses related to more than one function have been allocated based primarily on either time spent by Future 5, Inc.'s employees or square footage, as appropriate. Management and general expenses include those expenses that are not directly identifiable with a specific function but provide for the overall support and direction of the Organization. The expenses that are allocated include salaries and related expenses, professional fees, program activities, occupancy cost and maintenance, office supplies and expenses, telephone, printing and postage insurance and other.

Revenue Recognition

The Financial Accounting Standards Board (FASB) issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)* which requires the recognition of revenue when promised goods or services are transferred to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods and services. A contract liability is also required to be recorded when an entity has the right to receive payment in advance of the satisfaction of performance obligations. ASU 2014-09 became effective with the fiscal year beginning July 1, 2020 and financial statements prepared using the generally accepted accounting principles must follow Topic 606 guidelines. Currently the Organization does not have any revenue streams that qualify as exchange transactions.

Recent Accounting Pronouncements Not Yet Effective

In February 2016, FASB issued ASU 2016-02, *Leases (Topic 842)* which supersedes the leasing guidance in ASC 840, *Leases*. Under ASU 2016-02 leases with terms longer than 12 months are required to recognize the rights and obligations of new and existing lease arrangements as assets and liabilities on the statement of financial position. Leases will be classified as either finance or operating, with classification determining the pattern of expense recognition on the statement of activities. Topic 842 was effective with the fiscal year beginning July 1, 2022. Adoption of the standard at this time had no impact on the financial statements due to the immaterial nature of equipment operating leases and the short term nature of operating leases for office space.

NOTE 3. TAX STATUS

Future 5, Inc. is a not-for-profit organization as described in Section 509(a)(1) and 170(b)(1)(A) of the Internal Revenue Code and is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Organization accounts for uncertainty in income tax positions in the financial statements by applying a recognition threshold and measurement attribute for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. Management has analyzed the tax positions taken and

(Continued)

FUTURE 5, INC.  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2023  
(Continued)

NOTE 3. TAX STATUS (Continued)

has concluded that as of June 30, 2023, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. Federal information returns are subject to examination for a period of three years from the filing date of the return; fiscal years ended June 30, 2020 - June 30, 2022 remain open.

NOTE 4. CONCENTRATIONS

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash and cash equivalents and contributions receivable.

The Organization maintains its cash and cash equivalent balances at several institutions. The cash and cash equivalent balances at each institution except two are insured up to \$250,000 by the Federal Deposit Insurance Corporation ("FDIC"). Two institutions are covered by Securities Investors Protection Corporation ("SIPC") up to \$500,000, which includes a limit of \$250,000 for cash. At June 30, 2023, the Organization's cash and cash equivalents exceeded FDIC limits by \$128,684 and cash coverage under the SIPC limit was exceeded by \$576,656. Management believes the Organization is not subject to significant credit risk because of the high quality of the depositories and the product subject to SIPC limits is invested in paper backed by the credit of the United States.

During the year ended June 30, 2023, the Organization received \$253,501 for general operating funds from one donor. Three donors represented 29% of total contributions for the fiscal year. At June 30, 2023, contributions receivable is due from six donors with two donors representing 83% of the balance.

NOTE 5. CONTRIBUTIONS RECEIVABLE

Contributions receivable as of June 30, 2023 are as follows:

Receivables due in less than one year	\$ 126,050
Receivables due in one to four years	<u>18,500</u>
Total Contributions Receivable	144,550
Discount to net present value	<u>( 647)</u>
	<u>\$ 143,903</u>

FUTURE 5, INC.  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2023  
(Continued)

NOTE 6. PROPERTY AND EQUIPMENT

Property and equipment as of June 30, 2023 consisted of the following:

Furniture and fixtures	\$ 66,902
Equipment and software	63,349
Vehicle	41,475
Leasehold improvements	<u>166,150</u>
	337,876
Accumulated depreciation and amortization	<u>( 143,243)</u>
	<u>\$ 194,633</u>

NOTE 7. IN-KIND CONTRIBUTIONS

The fair value of donated materials, goods and services included as public support in the financial statements and the corresponding expenses for the year ending June 30, 2023 are as follows:

Graphic design services	\$ 4,837
Golf event – graphic design services	1,500
Golf event – auction prizes and giveaways	22,479
Retreat	1,199
Equipment and fixture	6,325
Enrichment activities	5,237
Program supplies	<u>32,115</u>
	<u>\$ 73,692</u>

NOTE 8. INVESTMENT RETURN

Components of investment return for the year ended June 30, 2023 are as follows:

Interest income	\$ 7,892
Money market dividends	8,966
Realized loss on sale of investments	<u>( 481)</u>
	<u>\$ 16,377</u>

NOTE 9. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of the following at June 30, 2023:

Contributions restricted for future periods	\$ 146,050
Scholarship fund	75,017
College gap funding	80,000
Specific programming and projects	28,893
Other donor restrictions	<u>13,832</u>
	<u>\$ 343,792</u>

(Continued)

FUTURE 5, INC.  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2023  
(Continued)

NOTE 9. NET ASSETS WITH DONOR RESTRICTIONS (Continued)

Net assets with donor restrictions for time and purpose released from restrictions and disbursed during the year ended June 30, 2023 consisted of the following:

Contributions restricted for future periods	\$ 120,000
Scholarship fund	69,559
College gap funding	80,000
Specific programming and projects	41,418
Other donor restrictions	3,920
	<u>\$ 314,897</u>

NOTE 10. BOARD DESIGNATED NET ASSETS

Effective June 30, 2023, the Board adopted a Discretionary Reserve policy whereby the Board will annually designate specific cash reserves to be restricted from management's operational use. The Board strives to build ample cash reserves to support the Organization during adverse environments. Under specific policy approvals, use of the funds can be authorized for emergency purposes or for any purpose that aligns to the best interests of the Organization's mission. The Board requires that the Discretionary Reserve equal at least 20% of the Organization's total cash and cash equivalent reserves as of June 30<sup>th</sup>. At any time, the Finance Committee may approve that a specific dollar amount be added. Cash equivalents do not include funds received for a designated use/restriction. Board designated net assets for this reserve as of June 30, 2023 is \$334,565.

NOTE 11. OPERATING LEASE COMMITMENTS

The Organization entered into an operating lease in June 2017, amended July 27, 2021, for office space with a term that extends through August 2023. On December 22, 2022, a second amendment to the lease agreement originally negotiated in June 2017 was signed for the purpose of leasing additional space in the same location at \$1,447 per month in accordance with the same terms and conditions as the original lease. A third amendment to the June 2017 lease was signed in October 2023 for the entire space covered in the previous lease amendments for a period of one year September 1, 2023 – August 31, 2024.

Future 5, Inc. entered into a second operating lease in September 2017 for additional office space with a term that extends through August 2023. The lease was not renewed and beginning September 2023, the Organization is leasing this space on a month to month basis.

Minimum lease payments due under all leases are as follows for the years ending June 30:

2024	\$ 84,118
2025	13,117
	<u>\$ 97,235</u>



FUTURE 5, INC.  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2023  
(Continued)

NOTE 12. AVAILABILITY AND LIQUIDITY

The following represents the Organization's financial assets at June 30, 2023 available to meet cash needs for general expenditures within one year.

Cash and cash equivalents	\$ 1,578,199
Certificates of deposit	438,421
Contributions receivable	<u>126,050</u>
Total Financial Assets	<u>2,142,670</u>

Less amounts not available to be used within  
one year:

Board designated net assets	334,565
Restricted by donors with:	
Time restrictions	146,050
Purpose restrictions	<u>197,742</u>
	<u>678,357</u>

Total financial assets available to meet general expenditures over the next twelve months	<u>\$ 1,464,313</u>
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NOTE 13. SUBSEQUENT EVENTS

Subsequent events were evaluated through February 5, 2024, which is the date the financial statements were available for issue.

The Organization entered into a third amendment to a lease agreement originally negotiated in June 2017 and also decided not to renew another lease for space but continue to rent on a month to month basis (see Note 11 for details).