

FINANCIAL STATEMENTS

FUTURE FOR KIDS

DECEMBER 31, 2015

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

Board of Directors
Future for Kids
Scottsdale, AZ

I have reviewed the accompanying statement of financial position – cash basis of the Future for Kids (a non-profit corporation) as of December 31, 2015 and the related statements of activities and functional expenses – cash basis for the year then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, I do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the cash basis of accounting; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible 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.

Accountant's Responsibility

My responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require me to perform procedures to obtain limited assurance as a basis for reporting whether I am aware of any material modifications that should be made to the financial statements for them to be in accordance with the cash basis of accounting. I believe that the results of my procedures provide a reasonable basis for my conclusion.

Accountant's Conclusion

Based on my review, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with the cash basis of accounting

Basis of Accounting

I draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with the cash basis of accounting, which is

a basis of accounting other than accounting principles generally accepted in the United States of America. My conclusion is not modified with respect to this matter.

Angela D. Bertram, CPA

Peoria, AZ
May 9, 2016

Future for Kids
Statement of Financial Position - Cash Basis
December 31, 2015

ASSETS

Assets	
Current assets:	
Cash and cash equivalents	\$ 448,924
Furniture and equipment, net	<u>10,821</u>
Total Assets	<u><u>\$ 459,745</u></u>

LIABILITIES AND NET ASSETS

Net Assets	
Unrestricted	409,745
Temporarily restricted	<u>50,000</u>
Total net assets	<u>459,745</u>
Total Liabilities and Net Assets	<u><u>\$ 459,745</u></u>

See accompanying notes and independent accountant's review report.

Future for Kids
Statement of Activities - Cash Basis
For the year ended December 31, 2015

REVENUES	Unrestricted	Temporarily Restricted	Total
Contributed support	\$ 166,064	\$ 127,700	\$ 293,764
Special events	82,176		82,176
Non-monetary (in-kind) contributions	143,671		143,671
Interest income	349		349
Miscellaneous income	-		
Net assets released from restrictions	<u>100,400</u>	<u>(100,400)</u>	<u>-</u>
Total Revenues	<u>492,660</u>	<u>27,300</u>	<u>519,960</u>
EXPENSES			
Program services:			
Discover Your Future	336,783		336,783
Sports and Fitness Camps	7,716		7,716
Summer Program	<u>10,472</u>		<u>10,472</u>
Total program services expenses	354,971	-	354,971
Support services:			
Management and general	56,214		56,214
Fundraising	<u>56,877</u>		<u>56,877</u>
Total support services expenses	<u>113,091</u>	<u>-</u>	<u>113,091</u>
Total Expenses	<u>468,062</u>	<u>-</u>	<u>468,062</u>
CHANGE IN NET ASSETS	24,598	27,300	51,898
NET ASSETS-BEGINNING OF YEAR	<u>385,147</u>	<u>22,700</u>	<u>407,847</u>
NET ASSETS-END OF YEAR	<u>\$ 409,745</u>	<u>\$ 50,000</u>	<u>\$ 459,745</u>

See accompanying notes and independent accountant's review report.

Future for Kids
Statement of Functional Expenses - Cash Basis
For the year ended December 31, 2015

EXPENSES	Program Services			Support Services		Total
	Discover Your Future	Sports & Fitness Camps	Summer Programs	Management and General	Fundraising	
Salaries and wages	\$ 175,715	\$ -	\$ -	\$ 17,149	\$ 12,178	\$ 205,042
Employee benefits and taxes	20,950	-		3,791	-	24,741
Accounting fees				10,465	-	10,465
Auction items					-	-
Awards	970	117		50	99	1,236
Bank charges		37		318	39	394
Books and materials	1,908			32	-	1,940
Coaches and speakers	350	200	1,015		-	1,565
Conferences				688	63	751
Consulting/Evaluation					-	-
Contract labor		(250)	200		-	(50)
Depreciation				3,255	-	3,255
Equipment	410	47	6		-	463
Equipment rental	100			168	-	268
Fees and permits					21,973	21,973
Food, snacks and water	3,662	1,162	256	40	3,455	8,575
Gift items					2,948	2,948
Grants to other organizations				2,225	-	2,225
In-kind donation	100,895	3,734	5,227	8,847	15,368	134,071
Insurance	2,920	600		730	-	4,250
Insurance - non-employee				511	-	511
Legal fees				725	-	725
Marketing	2,760	100	150		-	3,010

See accompanying notes and independent accountant's review report.

Future for Kids
Statement of Functional Expenses - Cash Basis
For the year ended December 31, 2015

EXPENSES	Program Services			Support Services		Total
	Discover Your Future	Sports & Fitness Camps	Summer Programs	Management and General	Fundraising	
Meals and entertainment	119			194	175	488
Meetings	25			289	-	314
Membership dues	178			310	-	488
Miscellaneous	2,500	(1)			-	2,499
Outside computer service	600				-	600
Postage	162			151	-	313
Printing	1,986		597	454	18	3,055
Reference checks	1,272			22	-	1,294
Rent and storage	7,055	123	45	3,004	-	10,227
Staff development	614			527	-	1,141
Supplies	4,834	1,945	2,976	498	533	10,786
Technology				301	-	301
Telephone	2,430			608	-	3,038
Travel	1,198	146		419	-	1,763
Volunteer management	3,170	(244)		443	28	3,397
	<u>\$ 336,783</u>	<u>\$ 7,716</u>	<u>\$ 10,472</u>	<u>\$ 56,214</u>	<u>\$ 56,877</u>	<u>\$ 468,062</u>

See accompanying notes and independent accountant's review report.

Future for Kids
Notes to Financial Statements
December 31, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Future for Kids (the Organization) an Arizona non-profit corporation was organized in 2000 and is dedicated to providing at-risk youth education through mentorship and sports and fitness programs. The Organization's mission involves providing programs and camps that focus on academics, athletics, and ethics. The programs include Discover Your Future, Sports & Fitness Camps and Summer Programs. Discover Your Future is an after-school enrichment program where caring adult volunteer mentors work closely with at-risk youth. The Sports & Fitness Camps are offered throughout the year to at-risk youth in the community. The Summer Program is an all-encompassing week-long event for at-risk youth concentrating on fitness, nutrition and fun! The Organization is supported mainly through contributions, grants and special events. In 2015, approximately 14% of the contributed support came from the Hugh Inman Foundation, 13% of the contributed support came from the DPR Foundation, 10% of the contributed support came from the Hickey Family Foundation.

Basis of Accounting

The financial statements are presented using the cash basis of accounting. Under the cash basis of accounting, revenues are recognized when collected rather than when earned. The related costs and expenses are recognized when paid rather than when the obligation is incurred.

Cash and Cash Equivalents

The Organization considers all short-term investments with an original maturity of three months or less to be cash equivalents.

Property and Equipment

The Organization capitalizes all property and equipment with a cost of \$1,000 if purchased, and a fair value of \$1,000 at date of donation if received by contribution. Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time. Property and equipment are depreciated using the straight-line method with estimated useful lives ranging from 3 to 40 years.

Future for Kids
Notes to Financial Statements
December 31, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Contributions

Contributions received are recorded as unrestricted, temporarily restricted or permanently restricted net assets depending on the existence or nature of any donor restrictions.

Income Taxes

The Organization is exempt from Federal and State income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been made in the financial statements.

The Organization's Forms 990, *Return of Organization Exempt from Income Tax*, for the years ending 2012, 2013, and 2014 are subject to examination by the IRS, generally for three years after they were filed. In 2013, tax year 2011 was audited by the IRS which resulted in no changes.

Display of Net Assets by Class

The accompanying financial statements have been prepared in conformity with the disclosure and display requirements of the FASB Accounting Standards Codification (FASB ASC) as set forth in FASB ASC 958. Accordingly, the net assets of the Organization are reported in each of the following three classes: (a) unrestricted net assets, (b) temporarily restricted net assets and (c) permanently restricted net assets. Currently, the Organization has no permanently restricted net assets.

Net assets of the two restricted classes are created only by donor-imposed restrictions on their use. All other net assets, including board designated or appropriated amounts, are legally unrestricted, and are reported as part of the unrestricted class.

Contributed materials and services

The Organization records various types of in-kind contributions. Contributed services are recognized at fair value if the services received (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributions of tangible assets are recognized at fair value when received. The amounts reflected in the accompanying financial statements as in-kind contributions are offset by like amounts included in expenses or additions to property and equipment.

Future for Kids
Notes to Financial Statements
December 31, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Contributed materials and services - continued

The Organization received contributed professional services during the year ended December 31, 2015, with a fair value on the dates of donation of \$13,100.

In addition, a number of volunteers have donated a significant amount of time towards the Organization's programs. These contributions in-kind are not reflected in the financial statements since these services do not meet the criteria for recognition.

Donated Facilities

The Organization leases office space on a month to month basis from Camelback EP, LLC. The Organization's monthly rent expense is \$766 and the balance of the rent is donated by Camelback EP, LLC. Rent expense for the year ended December 31, 2015 amounted to \$9,859. Contributions and expenses related to the donated office space amounting to \$28,000 have been reflected in the accompanying statement of activities.

On December 17, 2015, the company leased office space on a month to month basis from Prithern, LLC. The Organization's monthly rent expense is \$800 and the balance of the rent is donated by Prithern, LLC.

Use of Estimates

The preparation of financial statements in conformity with the cash basis of accounting requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

NOTE 2 – RESTRICTIONS ON NET ASSETS

Temporarily restricted net assets were contributed throughout the year for mainly the Discover Your Future and Sports & Fitness Camp Programs. The Organization also received funds to be used for management and general costs.

The majority of the funds were released from temporary restriction during the year. The balance in temporarily restricted net assets as of December 31, 2015 is \$50,000 and is for the Discover Your Future Program.

Future for Kids
Notes to Financial Statements
December 31, 2015

NOTE 3 – PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

Furniture and equipment	\$ 16,914
Accumulated depreciation	(6,093)
	<u>\$ 10,821</u>

NOTE 4 – CONCENTRATION OF CREDIT RISK

The Organization maintains cash balances at two financial institutions. The accounts are protected under the Federal Deposit Insurance Corporation (FDIC). FDIC insures deposit accounts up to \$250,000. The balance in the checking account exceeded the insured amounts by \$98,464 as of December 31, 2015.

NOTE 5 – RELATED PARTY TRANSACTIONS

The Organization received contributions from board members or companies that board members are affiliated with that totaled \$74,194 and in-kind contributions that totaled \$10,445 for the year ended December 31, 2015.

NOTE 6 – EVALUATION OF SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through May 9, 2016, the date which the financial statements were available to be issued.

May 9, 2016

Future for Kids
1425 W. Southern Ave., Ste. 10A
Tempe, AZ 85282

Dear Ms. Bistany:

Enclosed are four bound and one unbound financial statements for the Future for Kids as of December 31, 2015.

If you have any questions, please feel free to call me.

Sincerely,

Angela D. Bertram, CPA

Enclosures