

FINANCIAL STATEMENTS

FUTURE FOR KIDS

DECEMBER 31, 2017

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Knowledge & Commitment on Your Side

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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, 2017 and the related statements of activities and functional expenses – cash basis for the year then ended, and the related notes to the financial statements. 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
March 14, 2018

Future for Kids
Statement of Financial Position - Cash Basis
December 31, 2017

ASSETS

Assets	
Current assets:	
Cash and cash equivalents	\$ 524,355
Fixed assets, net	<u>13,789</u>
Total Assets	<u><u>\$ 538,144</u></u>

LIABILITIES AND NET ASSETS

Net Assets	
Unrestricted	519,644
Temporarily restricted	<u>18,500</u>
Total net assets	<u>538,144</u>
Total Liabilities and Net Assets	<u><u>\$ 538,144</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, 2017

REVENUES	Unrestricted	Temporarily Restricted	Total
Contributed support	\$ 132,536	\$ 142,668	\$ 275,204
Special events	129,297		129,297
Non-monetary (in-kind) contributions	197,558		197,558
Interest income	747		747
Miscellaneous income	-		-
Net assets released from restrictions	<u>174,168</u>	<u>(174,168)</u>	<u>-</u>
Total Revenues	<u>634,306</u>	<u>(31,500)</u>	<u>602,806</u>
EXPENSES			
Program services:			
Discover Your Future	318,259		318,259
Sports and Fitness Camps	97,974		97,974
Summer Program	<u>39,314</u>		<u>39,314</u>
Total program services expenses	455,547	-	455,547
Support services:			
Management and general	50,805		50,805
Fundraising	<u>57,746</u>		<u>57,746</u>
Total support services expenses	<u>108,551</u>	<u>-</u>	<u>108,551</u>
Total Expenses	<u>564,098</u>	<u>-</u>	<u>564,098</u>
CHANGE IN NET ASSETS	70,208	(31,500)	38,708
NET ASSETS-BEGINNING OF YEAR	<u>449,436</u>	<u>50,000</u>	<u>499,436</u>
NET ASSETS-END OF YEAR	<u>\$ 519,644</u>	<u>\$ 18,500</u>	<u>\$ 538,144</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, 2017

	Program Services			Support Services		Total
	Discover Your Future	Sports & Fitness Camps	Summer Programs	Management and General	Fundraising	
EXPENSES						
Salaries and wages	\$ 100,288	\$ 68,019	\$ 33,077	\$ 18,227	\$ 8,250	\$ 227,861
Benefits and taxes	8,830	5,633	2,739	3,724		20,926
Accounting fees				9,014		9,014
Auction items					50	50
Awards	1,122	402		127		1,651
Background checks	1,300					1,300
Bank charges				123	1,851	1,974
Conferences	50			112		162
Contract labor		84				84
Depreciation				3,192		3,192
Equipment rental				368	220	588
Fees and permits				10	15,755	15,765
Food, snacks and water	3,134	435	109		5,106	8,784
Gift items					1,843	1,843
Grants to other organizations				2,971		2,971
In-kind donation	157,744	17,800	1,650	1,590	23,384	202,168
Insurance	3,247			812		4,059
Insurance - non-employee				196		196
Marketing	2,784			490		3,274
Meals and entertainment				269		269
Meetings	169		61	311		541

See accompanying notes and independent accountant's review report.

Future for Kids
Statement of Functional Expenses - Cash Basis
For the year ended December 31, 2017

	Program Services			Support Services		Total
	Discover Your Future	Sports & Fitness Camps	Summer Programs	Management and General	Fundraising	
Membership dues	300			1,130		1,430
Mileage	2,818					2,818
Miscellaneous						-
Postage	98			94		192
Printing	1,889			241		2,130
Rent and storage	9,931			3,060		12,991
Staff development	807			1,941		2,748
Stipends	1,225	200	1,450			2,875
Supplies	10,603	5,228	169	1,097	1,127	18,224
Technology	3,857			99		3,956
Telephone	1,789			463		2,252
Travel		23				23
Volunteer management	6,274	150	59	1,144	160	7,787
	<u>\$ 318,259</u>	<u>\$ 97,974</u>	<u>\$ 39,314</u>	<u>\$ 50,805</u>	<u>\$ 57,746</u>	<u>\$ 564,098</u>

See accompanying notes and independent accountant's review report.

Future for Kids
Notes to Financial Statements
December 31, 2017

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 August 2017, the Organization voted to change its fiscal year to July through June 30th.

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, 2017

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 2014, 2015, and 2016 are subject to examination by the IRS, generally for three years after they were filed.

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, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Contributed materials and services - continued

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 Pritherm, LLC. The Organization's monthly rent expense is \$820 and the balance of the rent is donated by Pritherm, LLC. Rent expense for the year ended December 31, 2017 amounted to \$9,840. Contributions and expenses related to the donated office space amounting to \$14,400 have been reflected in the accompanying statement of activities.

The Organization has facilities donated for their programs. The amount is included in the in-kind donations.

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 balance in temporarily restricted net assets as of December 31, 2017 is \$18,500.

Future for Kids
Notes to Financial Statements
December 31, 2017

NOTE 3 – PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

Furniture and equipment	\$ 19,614
Leasehold improvements	7,922
Accumulated depreciation	<u>(13,746)</u>
	<u><u>\$ 13,789</u></u>

NOTE 4 – CONCENTRATION OF CREDIT RISK

The Organization maintains cash balances at three financial institutions. The accounts are protected under the Federal Deposit Insurance Corporation (FDIC). FDIC insures deposit accounts up to \$250,000. There is no credit risk as of December 31, 2017.

NOTE 5 – RELATED PARTY TRANSACTIONS

The Organization received contributions from board members or companies that board members are affiliated with that totaled \$95,261 and in-kind contributions that totaled \$5,000 for the year ended December 31, 2017.

NOTE 6 – EVALUATION OF SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through March 14, 2018, the date which the financial statements were available to be issued.