

Futures in Education

Financial Statements

August 31, 2022

Independent Auditors' Report

Board of Trustees Futures in Education

Opinion

We have audited the accompanying financial statements of Futures in Education (“Futures”), which comprise the statement of financial position as of August 31, 2022 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 Futures as of August 31, 2022, 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 Auditors’ Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Futures 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 Futures’ ability to continue as a going concern within one year after the date the financial statements are available to be issued.

Auditors' Responsibility 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 auditors' 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 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 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' 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' 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.

Report on Summarized Comparative Information

We have previously audited Futures' August 31, 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated January 11, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended August 31, 2021 is consistent, in all material respects, with the audited financial statements from which it has been derived.

PKF O'Connor Davies, LLP

January 24, 2023

Futures in Education

Statement of Financial Position
August 31, 2022
(with comparative amounts at August 31, 2021)

	<u>2022</u>	<u>2021</u>
ASSETS		
Cash and cash equivalents	\$ 1,471,708	\$ 514,122
Pledges receivable, net	3,332,896	3,370,546
Prepaid expenses	173,482	124,423
Funds held as agency endowments	81,528	102,660
Investments	5,728,710	6,649,948
Interest in net assets of Catholic Foundation for Brooklyn and Queens	<u>725,026</u>	<u>901,798</u>
	<u>\$ 11,513,350</u>	<u>\$ 11,663,497</u>
 LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 42,701	\$ 83,937
Funds held as agency endowments	81,528	102,660
Refundable advances	267,941	148,000
Due to Catholic Foundation for Brooklyn and Queens	<u>2,169,497</u>	<u>1,898,329</u>
Total Liabilities	<u>2,561,667</u>	<u>2,232,926</u>
Net Assets		
Without donor restrictions	444,693	427,659
With donor restrictions	<u>8,506,990</u>	<u>9,002,912</u>
Total Net Assets	<u>8,951,683</u>	<u>9,430,571</u>
	<u>\$ 11,513,350</u>	<u>\$ 11,663,497</u>

See notes to financial statements

Futures in Education

Statement of Activities
Year Ended August 31, 2022
(with summarized totals for the year ended August 31, 2021)

	Without Donor Restriction	With Donor Restriction	2022	2021
SUPPORT AND REVENUE				
Donations and gifts	\$ 4,728,644	\$ 2,200	\$ 4,730,844	\$ 5,439,427
Be an Angel to a Student	-	1,724,905	1,724,905	1,531,621
Fundraising, net of costs with direct benefit to donors of \$472,960 and \$77,477	1,251,449	-	1,251,449	1,244,220
Interest and dividends	51,474	157,008	208,482	148,145
Net unrealized (loss) gain on investments	(451,236)	(794,424)	(1,245,660)	654,326
Net realized gain on investments	79,653	258,864	338,517	367,805
Miscellaneous income	163,806	-	163,806	238,793
Change in valuation	-	-	-	(193,484)
Net assets released from restriction	<u>1,667,703</u>	<u>(1,667,703)</u>	<u>-</u>	<u>-</u>
Total Support and Revenue	<u>7,491,493</u>	<u>(319,150)</u>	<u>7,172,343</u>	<u>9,430,853</u>
EXPENSES				
Scholarship programs	6,414,160	-	6,414,160	6,472,084
Management and general	553,765	-	553,765	500,431
Fundraising	<u>506,534</u>	<u>-</u>	<u>506,534</u>	<u>416,859</u>
Total Expenses	<u>7,474,459</u>	<u>-</u>	<u>7,474,459</u>	<u>7,389,374</u>
Excess (Deficiency) of Support and Revenue over Expenses	17,034	(319,150)	(302,116)	2,041,479
NON-OPERATING ACTIVITY				
Change in interest in net assets of Catholic Foundation of Brooklyn and Queens	<u>-</u>	<u>(176,772)</u>	<u>(176,772)</u>	<u>116,143</u>
Change in Net Assets	17,034	(495,922)	(478,888)	2,157,622
NET ASSETS				
Beginning of year	<u>427,659</u>	<u>9,002,912</u>	<u>9,430,571</u>	<u>7,272,949</u>
End of year	<u>\$ 444,693</u>	<u>\$ 8,506,990</u>	<u>\$ 8,951,683</u>	<u>\$ 9,430,571</u>

See notes to financial statements

Futures in Education

Statement of Functional Expenses
Year Ended August 31, 2022
(with summarized totals for the year ended August 31, 2021)

	Scholarship Programs	Management and General	Fundraising	2022 Total	2021 Total
Grants and scholarships	\$ 4,397,594	\$ -	\$ -	\$ 4,397,594	\$ 4,594,602
Be an Angel to a Student	1,509,571	-	-	1,509,571	1,258,319
Payroll and related expenses	394,664	191,228	330,552	916,444	768,797
Professional and consulting fees	19,215	76,325	-	95,540	247,143
Advertising and printing	63,755	3,864	99,010	166,629	221,391
Insurance	-	34,186	-	34,186	42,230
Administrative costs	5,745	57,916	573	64,234	55,900
Events and meetings	231	1,159	505,577	506,967	99,561
Investment management fees	-	61,433	-	61,433	56,144
Occupancy	23,355	10,075	19,482	52,912	46,224
Bad debt expense	-	64,291	-	64,291	45,962
Charitable contributions	-	-	24,300	24,300	4,301
Miscellaneous	30	53,288	-	53,318	26,277
Total Expenses	<u>6,414,160</u>	<u>553,765</u>	<u>979,494</u>	<u>7,947,419</u>	<u>7,466,851</u>
Less costs with direct benefit to donors	<u>-</u>	<u>-</u>	<u>(472,960)</u>	<u>(472,960)</u>	<u>(77,477)</u>
Total Expenses Reported by Function on the Statement of Activities	<u>\$ 6,414,160</u>	<u>\$ 553,765</u>	<u>\$ 506,534</u>	<u>\$ 7,474,459</u>	<u>\$ 7,389,374</u>

See notes to financial statements

Futures in Education

Statement of Cash Flows August 31, 2022

(with comparative amounts for the year ended August 31, 2021)

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (478,888)	\$ 2,157,622
Adjustments to reconcile change in net assets to net cash from operating activities		
Bad debt expense	64,291	45,962
Valuation adjustment for uncollectible pledges	-	193,484
Discount on pledges receivable	168,019	39,531
Net realized and unrealized losses (gains) on investments	907,143	(1,022,131)
Change in interest in net assets of Catholic Foundation for Brooklyn and Queens	176,772	(116,143)
Change in operating assets and liabilities		
Pledges receivable	(194,660)	(771,650)
Prepaid expenses	(49,059)	(72,235)
Accounts payable and accrued expenses	(41,236)	(4,795)
Refundable advances	119,941	148,000
Due to Catholic Foundation for Brooklyn and Queens	271,168	(317,641)
Net Cash from Operating Activities	943,491	280,004
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments	(1,177,936)	(1,925,388)
Proceeds from sale of investments	1,192,031	1,981,480
Net Cash from Investing Activity	14,095	56,092
Net Change in Cash and Cash Equivalents	957,586	336,096
CASH AND CASH EQUIVALENTS		
Beginning of year	514,122	178,026
End of period	\$ 1,471,708	\$ 514,122
NON CASH FINANCING ACTIVITY		
Permanently restricted contributions received by Catholic Foundation for Brooklyn and Queens on behalf of Futures in Education	\$ 3,000	\$ 10,000

See notes to financial statements

Futures in Education

Notes to Financial Statements
August 31, 2022

1. Organization

Futures in Education, formerly “The Futures in Education Endowment Fund for Brooklyn and Queens” (“Futures”), was established to support and to assist the Roman Catholic Diocese of Brooklyn in its Catholic educational mission by providing supplemental funding and other assistance for all programs and services, including capital projects, in Catholic elementary and secondary schools or elsewhere in the Roman Catholic Diocese of Brooklyn.

Futures is classified as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code.

2. Summary of Significant Accounting Policies

Basis of Accounting

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”).

Use of Estimates

The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingencies at the date of the financial statements and the reported amounts of revenue and expenses recognized during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents include all highly liquid investments with maturities of three months or less at the time of purchase and consist principally of funds maintained in checking and money market accounts.

Pledges Receivable

Unconditional promises to give are recognized as contribution revenue in the period received. Pledges receivable that are expected to be collected in future years are discounted to their net realizable value using a risk-adjusted discount rate. The discount is amortized and reflected within contribution income in the statement of activities over the period in which the pledge is expected to be collected.

Allowance for Uncollectible Pledges Receivable

An allowance for uncollectible pledges receivable is estimated based on a combination of write-off history, aging analysis and any specific known doubtful accounts.

Funds Held as Agency Endowments

Funds held as agency endowments include contributions given by individuals for other organizations that are held by Futures on behalf of those organizations.

Futures in Education

Notes to Financial Statements
August 31, 2022

2. Summary of Significant Accounting Policies *(continued)*

Net Asset Presentation

The financial statements of Futures report amounts separately by class of net assets based on the presence or absence of donor restrictions within the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and that may be expended for any purpose in performing the primary objectives of Futures. These net assets may be used at the discretion of Futures' management and the Board of Trustees.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of Futures or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated that the funds be maintained in perpetuity.

When a donor 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.

Functional Expense Allocations

The costs of providing the various programs and other activities of Futures have been summarized on a functional basis in the accompanying statements of activities and functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Such allocations are determined by management in accordance with grant provisions and/or other equitable basis.

The expenses that are allocated include the following:

Expense	Method of Allocation
Payroll and related expenses	Time and effort
Advertising and printing	Time and effort
Administrative costs	Time and effort
Events and meetings	Time and effort
Occupancy	Square footage

Income Taxes

Futures recognizes the effect of tax positions only when they are more likely than not to be sustained. Management has determined that Futures had no uncertain tax positions that that would require financial statement recognition or disclosure. Futures is no longer subject to tax examinations for fiscal periods prior to 2019.

Futures in Education

Notes to Financial Statements
August 31, 2022

2. Summary of Significant Accounting Policies *(continued)*

Fair Value of Financial Instruments

Futures follows U.S. GAAP guidance on *Fair Value Measurements*, which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

Investment Valuation

Investments are carried at fair value.

Investment Income Recognition

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis and dividends are recorded on the ex-dividend date. Realized and unrealized gains and losses are included in the determination of change in net assets.

Contributions

All contributions are considered available for any activity of Futures, unless specifically restricted by the donor.

Prior Year Information

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with Future's financial statements for 2021, from which the summarized information was derived.

Futures in Education

Notes to Financial Statements
August 31, 2022

2. Summary of Significant Accounting Policies *(continued)*

Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is January 24, 2023.

3. Concentration of Credit Risk and Other

Financial instruments that potentially subject Futures to concentrations of credit risk consist principally of receivables, which are expected to be collected in the normal course of business, and cash at financial institutions which at times may exceed federally insured limits. Futures has not experienced any losses on its cash deposits.

The investment portfolio is diversified by type of investments and industry concentrations so that no individual investment or groups of investments represent a significant concentration of market risk.

As of and for the years ended August 31, 2022 and 2021, approximately 43% and 30% of support was received from two and four donors, and one donor represented approximately 91% and 90% of total pledges receivable.

4. Pledges Receivable

Futures received unconditional pledges which have been recorded net of a present value discount of 3.5% and 0.4% at August 31, 2022 and 2021 and an allowance for uncollectible pledges as follows at August 31:

	2022	2021
Due in one year or less	\$ 336,838	\$ 182,519
Due in two through three years	<u>5,750,000</u>	<u>5,750,000</u>
	6,086,838	5,932,519
Less discount	(213,744)	(45,725)
Less allowance for uncollectible pledges	<u>(2,540,198)</u>	<u>(2,516,248)</u>
	<u>\$ 3,332,896</u>	<u>\$ 3,370,546</u>

5. Interest in Net Assets of Catholic Foundation for Brooklyn and Queens

The Catholic Foundation for Brooklyn and Queens (“CFBQ”) is a not-for-profit corporation affiliated with the Roman Catholic Diocese of Brooklyn that invests in managed investment portfolios to provide income to support Diocesan programs. CFBQ holds and manages financial assets of Futures without variance power by Futures. CFBQ will hold and invest the assets in perpetuity and periodically award grants to Futures. This interest is carried at fair value (level 3 inputs) based on net asset value per CFBQ. For the years ended August 31, 2022 and 2021, \$3,000 and \$9,500 was donated to CFBQ on behalf of Futures.

Futures in Education

Notes to Financial Statements August 31, 2022

6. Assets Measured at Fair Value

The following are the classes and major categories of assets at August 31, 2022 and 2021 grouped by the fair value hierarchy for those assets measured at fair value on a recurring basis:

	2022			Total
	Level 1	Level 2	Level 3	
Investments				
Common stocks	\$ 2,716,382	\$ -	\$ -	\$ 2,716,382
Mutual funds	2,689,380	-	-	2,689,380
Money fund	-	166,254	-	166,254
	<u>5,405,762</u>	<u>166,254</u>	<u>-</u>	<u>5,572,016</u>
Cash, at cost	-	-	-	156,694
Total Investments	5,405,762	166,254	-	5,728,710
Interest in the net assets of CFBQ	-	-	725,026	725,026
Total Assets Measured at Fair Value	<u>\$ 5,405,762</u>	<u>\$ 166,254</u>	<u>\$ 725,026</u>	<u>\$ 6,453,736</u>
	2021			Total
	Level 1	Level 2	Level 3	
Investments				
Common stocks	\$ 3,987,150	\$ -	\$ -	\$ 3,987,150
Mutual funds	2,233,123	-	-	2,233,123
Money fund	-	182,164	-	182,164
Total Investments	<u>6,220,273</u>	<u>182,164</u>	<u>-</u>	<u>6,402,437</u>
Cash, at cost	-	-	-	247,511
Total Investments	6,220,273	182,164	-	6,649,948
Interest in the net assets of CFBQ	-	-	901,798	901,798
Total Assets Measured at Fair Value	<u>\$ 6,220,273</u>	<u>\$ 182,164</u>	<u>\$ 901,798</u>	<u>\$ 7,551,746</u>

There were no transfers between levels for the years ended August 31, 2022 and 2021.

Futures in Education

Notes to Financial Statements
August 31, 2022

6. Assets Measured at Fair Value *(continued)*

The following is a reconciliation of the beginning and ending balance for the interest in the net assets of CFBQ, which is measured at fair value using significant unobservable inputs (Level 3) for the year ended August 31:

Balance, August 31, 2020		\$ 785,655
Realized and unrealized gains		177,160
Contributions		9,500
Purchases, issuances and (settlements), net		<u>(70,517)</u>
Balance, August 31, 2021		901,798
Realized and unrealized losses		(136,963)
Contributions		3,000
Purchases, issuances and (settlements), net		<u>(42,809)</u>
Balance, August 31, 2022		<u><u>\$ 725,026</u></u>

7. Net Assets with Donor Restrictions

Net assets with donor restrictions are for the following purposes at August 31:

	2022	2021
<i>Temporary in Nature</i>		
Accumulated endowment earnings for		
Educational Purposes	\$ 1,175,685	\$ 1,892,141
Scholarship and Tuition Assistance	2,588,448	2,586,250
Be an Angel Student	<u>948,598</u>	<u>733,262</u>
Total Temporary in Nature	4,712,731	5,211,653
<i>Perpetual in Nature</i>		
Educational Purposes	<u>3,794,259</u>	<u>3,791,259</u>
Total Net Assets with Donor Restrictions	<u><u>\$ 8,506,990</u></u>	<u><u>\$ 9,002,912</u></u>

Net assets – perpetual in nature restricted for Educational Purposes consist of the following at August 31:

	2022	2021
Corpus of endowment fund held as investments	\$ 3,230,507	\$ 3,230,507
Corpus of interest in net assets of CFBQ	<u>563,752</u>	<u>560,752</u>
	<u><u>\$ 3,794,259</u></u>	<u><u>\$ 3,791,259</u></u>

Futures in Education

Notes to Financial Statements
August 31, 2022

8. Net Assets Released from Donor Restrictions

Net assets were released from donor restrictions for the following purposes for the years ended August 31:

	2022	2021
Scholarship and Tuition Assistance	\$ -	\$ 371,120
Educational Purposes	158,132	145,970
Be an Angel to a Student	1,509,571	1,258,319
Technology	-	47,929
School-Business Partnerships	-	44,999
	\$ 1,667,703	\$ 1,868,337

9. Liquidity and Availability

The following represents Futures' available financial assets reduced by amounts not available for general use within one year. Total financial assets available to meet cash needs for general expenditures within one year are as follows at August 31:

	2022	2021
Financial Assets at Year End		
Cash and cash equivalents	\$ 1,471,708	\$ 514,122
Investments	5,728,710	6,649,948
Pledges receivable, net	3,332,896	3,370,546
Interest in net assets of Catholic Foundation for Brooklyn and Queens	725,026	901,798
Total Financial Assets at Year End	11,258,340	11,436,414
Less Amounts not Available to be Used Within One Year		
Net assets with donor restrictions	8,506,990	9,002,912
Financial Assets Available to Meet General Expenditures Over the Next Twelve Months	\$ 2,751,350	\$ 2,433,502

Futures' goal is to maintain financial assets to meet one year of operating expenses. As part of its liquidity management, Futures has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due.

Futures in Education

Notes to Financial Statements
August 31, 2022

10. Endowment Fund

The following is a reconciliation of the investment activity for the years ended August 31, 2022 and 2021 of the donor-restricted endowment fund:

	With Donor Restrictions		
	Accumulated Earnings	Corpus	Total
Balance, August 31, 2020	\$ 1,440,883	\$ 3,230,507	\$ 4,671,390
Investment return	597,228	-	597,228
Spend rate appropriation	(145,970)	-	(145,970)
Balance, August 31, 2021	1,892,141	3,230,507	5,122,648
Investment return	(558,324)	-	(558,324)
Spend rate appropriation	(158,132)	-	(158,132)
Balance, August 31, 2022	<u>\$ 1,175,685</u>	<u>\$ 3,230,507</u>	<u>\$ 4,406,192</u>

Endowment assets are held as investments at August 31, 2022 and 2021.

Interpretation of Law

Futures has interpreted the New York Prudent Management of Institutional Funds Act (NYPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary and except in those cases where the law allows appropriation for spending of the original gift amounts. As a result of this interpretation, Futures classifies as net assets with donor restrictions that are held as endowment (a) the original value of gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment, and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor restricted endowment fund that is not retained in perpetuity is subject to appropriation for expenditure by Futures in a manner consistent with the standard of prudence prescribed by NYPMIFA.

Return Objective and Risk Parameters

Futures maintains donor-restricted funds whose purpose is to provide long term support for its charitable purpose. Futures' investment policy calls for the endowment assets to be invested in accordance with sound investment practices that emphasize long-term investment fundamentals. The primary emphasis is to accumulate wealth over time, rather than current income.

Futures in Education

Notes to Financial Statements
August 31, 2022

10. Endowment Fund *(continued)*

Spend Rate Policy

The spending formula for each fund is as follows: distributions of up to 5% of the average 20-quarter valuation of the endowment's net investment assets less fees and expenses. Spending should come from unallocated cash, then from securities in order of liquidity, upon recommendation of the investment manager.

11. Transactions with Catholic Foundation for Brooklyn and Queens

Futures reimburses CFBQ for payroll costs and other charges incurred throughout the year on behalf of Futures. For the years ended August 31, 2022 and 2021, total charges incurred by CFBQ on behalf of Futures totaled \$1,452,095 and \$1,285,241. The amounts due to CFBQ at August 31, 2022 and 2021 total \$2,169,497 and \$1,898,329. On May 18, 2022, Futures entered into a promissory note agreement with CFBQ, which described payment terms for the \$1,898,329 balance outstanding at August 31, 2021. The entire balance of \$1,898,329 is repayable through August 31, 2029 with interest computed at 1% per annum. The future minimum payments on the promissory note are as follows for the years ending August 31:

	<u>Principal</u>	<u>Interest</u>
2023	\$ -	\$ 18,983
2024	-	18,983
2025	379,666	17,243
2026	379,666	13,446
2027	379,666	9,650
Thereafter	<u>759,331</u>	<u>7,910</u>
	<u>\$ 1,898,329</u>	<u>\$ 86,215</u>

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