

Futures in Education

Financial Statements

August 31, 2025

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, 2025 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, 2025, 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.

Emphasis of Matter – Restatement of Comparative Information

We draw attention to Note 3 to the financial statements, which describes the restatement of the comparative information for the year ended August 31, 2024 resulting from the correction of a prior-period error. Our opinion is not modified in respect of this matter.

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 that the financial statements are available to be issued.

Auditors' 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 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, 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated January 28, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended August 31, 2024 is consistent, in all material respects, with the audited financial statements from which it has been derived.

PKF O'Connor Davies, LLP

December 3, 2025

Futures in Education

Statement of Financial Position August 31, 2025 (with comparative amounts at August 31, 2024)

	<u>2025</u>	<u>2024</u>
ASSETS		
Cash and cash equivalents	\$ 3,128,481	\$ 2,589,969
Pledges receivable, net	3,729,190	1,810,474
Prepaid expenses and other assets	139,249	91,033
Funds held as agency endowments	15,738	22,805
Investments	7,145,320	6,657,803
Interest in net assets of Catholic Foundation for Brooklyn and Queens	<u>2,170,998</u>	<u>1,920,347</u>
	<u>\$ 16,328,976</u>	<u>\$ 13,092,431</u>
 LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 129,239	\$ 47,241
Funds held as agency endowments	15,738	22,805
Refundable advances	19,750	36,100
Grant payable	15,000	-
Due to Catholic Foundation for Brooklyn and Queens	<u>142,292</u>	<u>226,120</u>
Total Liabilities	<u>322,019</u>	<u>332,266</u>
 Net Assets		
Without donor restrictions	1,609,064	1,230,303
With donor restrictions	<u>14,397,893</u>	<u>11,529,862</u>
Total Net Assets	<u>16,006,957</u>	<u>12,760,165</u>
	<u>\$ 16,328,976</u>	<u>\$ 13,092,431</u>

See notes to financial statements

Futures in Education

Statement of Activities For the Year Ended August 31, 2025 (with summarized totals for the year ended August 31, 2024)

	Without Donor Restrictions	With Donor Restrictions	2025	2024
SUPPORT AND REVENUE				
Donations and gifts	\$ 3,964,155	\$ 3,016,054	\$ 6,980,209	\$ 4,410,488
Be an Angel to a Student	-	1,986,206	1,986,206	1,937,887
Fundraising, net of costs with direct benefit to donors of \$458,178 and \$419,446	1,139,897	-	1,139,897	846,841
Investment income	287,665	484,143	771,808	1,052,979
Miscellaneous income	59,986	-	59,986	102,734
Net assets released from restriction	<u>2,869,023</u>	<u>(2,869,023)</u>	<u>-</u>	<u>-</u>
Total Support and Revenue	<u>8,320,726</u>	<u>2,617,380</u>	<u>10,938,106</u>	<u>8,350,929</u>
EXPENSES				
Scholarship programs	6,721,758	-	6,721,758	6,319,455
Management and general	732,813	-	732,813	797,359
Fundraising	<u>487,394</u>	<u>-</u>	<u>487,394</u>	<u>526,362</u>
Total Expenses	<u>7,941,965</u>	<u>-</u>	<u>7,941,965</u>	<u>7,643,176</u>
Excess of Support and Revenue Over Expenses	378,761	2,617,380	2,996,141	707,753
Change in interest in net assets of Catholic Foundation for Brooklyn and Queens	<u>-</u>	<u>250,651</u>	<u>250,651</u>	<u>193,313</u>
Change in Net Assets	378,761	2,868,031	3,246,792	901,066
NET ASSETS				
Beginning of year, as restated	<u>1,230,303</u>	<u>11,529,862</u>	<u>12,760,165</u>	<u>11,859,099</u>
End of year	<u>\$ 1,609,064</u>	<u>\$ 14,397,893</u>	<u>\$ 16,006,957</u>	<u>\$12,760,165</u>

See notes to financial statements

Futures in Education

Statement of Functional Expenses
For the Year Ended August 31, 2025
(with summarized totals for the year ended August, 2024)

	Scholarship Programs	Management and General	Fundraising	2025 Total	2024 Total
Grants and scholarships	\$ 4,490,323	\$ -	\$ -	\$ 4,490,323	\$ 4,204,086
Be an Angel to a Student	1,689,970	-	-	1,689,970	1,501,985
Payroll and related expenses	390,859	244,393	318,541	953,793	1,052,444
Professional and consulting fees	3,006	79,373	-	82,379	80,157
Advertising and printing	106,003	3,735	25,408	135,146	187,024
Insurance	-	41,897	-	41,897	43,159
Administrative costs	13,551	66,297	348	80,196	76,377
Events and meetings	4,967	1,747	474,032	480,746	441,993
Occupancy	23,079	13,291	18,404	54,774	53,247
Bad debt expense	-	254,039	-	254,039	320,658
Charitable contributions	-	-	108,839	108,839	57,607
Miscellaneous	-	28,041	-	28,041	43,885
Total Expenses	6,721,758	732,813	945,572	8,400,143	8,062,622
Less costs with direct benefit to donors	-	-	(458,178)	(458,178)	(419,446)
Total Expenses Reported by Function on the Statement of Activities	<u>\$ 6,721,758</u>	<u>\$ 732,813</u>	<u>\$ 487,394</u>	<u>\$ 7,941,965</u>	<u>\$ 7,643,176</u>

See notes to financial statements

Futures in Education

Statement of Cash Flows For the Year Ended August 31, 2025 (with comparative amounts for the year ended August 31, 2024)

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 3,246,792	\$ 901,066
Adjustments to reconcile change in net assets to net cash from operating activities		
Bad debt expense	254,039	320,658
Discount on pledges receivable	29,469	(134,632)
Net realized and unrealized gains on investments	(568,357)	(849,712)
Change in interest in net assets of Catholic Foundation for Brooklyn and Queens	(250,651)	(193,313)
Change in operating assets and liabilities		
Pledges receivable	(2,202,224)	1,056,541
Prepaid expenses and other assets	(48,216)	(12,221)
Accounts payable and accrued expenses	81,994	(17,156)
Grant payable	15,000	-
Refundable advances	(16,350)	33,600
Due to Catholic Foundation for Brooklyn and Queens	(83,829)	74,390
Net Cash from Operating Activities	<u>457,667</u>	<u>1,179,221</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(2,502,615)	(2,338,125)
Proceeds from sales of investments	<u>2,583,460</u>	<u>2,428,734</u>
Net Cash from Investing Activity	<u>80,845</u>	<u>90,609</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Due to Catholic Foundation for Brooklyn and Queens	<u>-</u>	<u>(1,023,332)</u>
Net Change in Cash and Cash Equivalents	538,512	246,498
CASH AND CASH EQUIVALENTS		
Beginning of year	<u>2,589,969</u>	<u>2,343,471</u>
End of period	<u>\$ 3,128,481</u>	<u>\$ 2,589,969</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid during the year for interest	\$ -	\$ 4,163
NONCASH FINANCING ACTIVITIES		
Permanently restricted contributions received by Catholic Foundation for Brooklyn and Queens on behalf of Futures in Futures in Education	\$ 121,280	\$ 31,000

See notes to financial statements

Futures in Education

Notes to Financial Statements
August 31, 2025

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.

Futures in Education

Notes to Financial Statements
August 31, 2025

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

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.

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

Futures in Education

Notes to Financial Statements
August 31, 2025

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

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 2022.

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.

Advertising Costs

Advertising costs are expensed when incurred. Advertising costs amounted to \$36,050 and \$36,424 for the years ended August 31, 2025 and 2024.

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 Futures' financial statements for 2024, from which the summarized information was derived.

Futures in Education

Notes to Financial Statements
August 31, 2025

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

Operating Measure

The statement of activities separately reports changes in net assets from operating and non-operating activities. Operating activities consist principally of revenues and expenses related to ongoing activities. Non-operating activities consist of the changes in interest in net assets of Catholic Foundation for Brooklyn and Queens.

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 December 3, 2025.

3. Prior Period Adjustment

During the year ended August 31, 2025, Futures identified an error in its previously issued financial statements for the year ended August 31, 2024. In July 2025, management discovered that certain donor-restricted endowment funds held by the Catholic Foundation for Brooklyn and Queens ("CFBQ"), in which Futures is the beneficiary, had not been correctly reported to Futures. The omission resulted in Futures' interest in net assets of CFBQ and total net assets being understated as of September 1, 2023.

In accordance with ASC 250, Accounting Changes and Error Corrections, Futures has corrected the error by restating the previously reported financial information for the year ended August 31, 2024. The correction results in an increase in Futures' interest in net assets of CFBQ within net assets with donor restrictions for fiscal year 2024.

The effects of the restatement are summarized below:

Description	As Previously Reported	Adjustment	As Restated
Net assets at September 1, 2023	\$ 10,898,709	\$ 960,390	\$ 11,859,099
Interest in net assets of Catholic Foundation for Brooklyn and Queens at August 31, 2024	819,136	1,101,211	1,920,347
Net assets at August 31, 2024	11,658,954	1,101,211	12,760,165
Change in Interest in net assets of Catholic Foundation for Brooklyn and Queens for the year ended August 31, 2024	52,492	140,821	193,313
Change in net assets for the year ended August 31, 2024	760,245	140,821	901,066

Management has reviewed the circumstances that led to the error and has implemented additional reconciliation procedures to ensure that contribution activity is properly recorded in the period in which it is earned.

Futures in Education

Notes to Financial Statements
August 31, 2025

4. 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, 2025 and 2024, approximately 34% and 39% of support was received from two donors, and one donor represented approximately 58% and 69% of total pledges receivable.

5. Pledges Receivable

Futures received unconditional pledges which have been recorded net of a present value discount of 3.6% and 3.8% at August 31, 2025 and 2024 and an allowance for uncollectible pledges as follows at August 31:

	2025	2024
Due in one year or less	\$ 1,754,914	\$ 621,667
Due in two through three years	4,851,667	3,851,668
	6,606,581	4,473,335
Less discount	(126,382)	(96,913)
Less allowance for uncollectible pledges	(2,751,009)	(2,565,948)
	<u>\$ 3,729,190</u>	<u>\$ 1,810,474</u>

6. 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, 2025 and 2024, \$113,280 and \$31,000 was donated to CFBQ on behalf of Futures.

Futures in Education

Notes to Financial Statements August 31, 2025

7. Assets Measured at Fair Value

The following are the classes and major categories of assets at August 31, 2025 and 2024 grouped by the fair value hierarchy for those assets measured at fair value on a recurring basis:

	2025			
	Level 1	Level 2	Level 3	Total
Investments				
Common stocks	\$ 4,168,841	\$ -	\$ -	\$ 4,168,841
Government bonds	-	406,565	-	406,565
Corporate bonds	-	403,407	-	403,407
Municipal bonds	-	179,995	-	179,995
Preferred stocks	-	153,994	-	153,994
Mutual funds	1,707,016	-	-	1,707,016
Money fund	-	8,257	-	8,257
Total Investments				
at Fair Value	5,875,857	1,152,218	-	7,028,075
Cash, at cost	-	-	-	117,245
Total Investments	5,875,857	1,152,218	-	7,145,320
Interest in net assets				
of CFBQ	-	-	2,170,998	2,170,998
Total Assets Measured				
at Fair Value	<u>\$ 5,875,857</u>	<u>\$ 1,152,218</u>	<u>\$ 2,170,998</u>	<u>\$ 9,316,318</u>
	2024			
	Level 1	Level 2	Level 3	Total
Investments				
Common stocks	\$ 3,884,508	\$ -	\$ -	\$ 3,884,508
Government bonds	-	378,238	-	378,238
Corporate bonds	-	356,332	-	356,332
Municipal bonds	-	182,779	-	182,779
Preferred stocks	-	464,351	-	464,351
Mutual funds	1,258,421	-	-	1,258,421
Money fund	-	5,361	-	5,361
Total Investments				
at Fair Value	5,142,929	1,387,061	-	6,529,990
Cash, at cost	-	-	-	127,813
Total Investments	5,142,929	1,387,061	-	6,657,803
Interest in net assets				
of CFBQ	-	-	1,920,347	1,920,347
Total Assets Measured				
at Fair Value	<u>\$ 5,142,929</u>	<u>\$ 1,387,061</u>	<u>\$ 1,920,347</u>	<u>\$ 8,578,150</u>

There were no transfers between levels for the years ended August 31, 2025 and 2024.

Futures in Education

Notes to Financial Statements
August 31, 2025

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

Investment income for the years ended August 31, 2025 and August 31, 2024 consists of the following:

	2025	2024
Realized gains	\$ 426,024	\$ 148,586
Unrealized gains	142,334	701,126
Interest and dividends	273,056	265,314
Direct investment fees	(69,606)	(62,047)
Total Investment Income	<u>\$ 771,808</u>	<u>\$ 1,052,979</u>

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 years ended August 31:

Balance, August 31, 2023	\$ 1,727,034
Realized and unrealized gains	269,026
Contributions	31,000
Purchases, issuances and (settlements), net	(106,713)
Balance, August 31, 2024	1,920,347
Realized and unrealized gains	228,917
Contributions	121,280
Purchases, issuances and (settlements), net	(99,546)
Balance, August 31, 2025	<u>\$ 2,170,998</u>

8. Net Assets with Donor Restrictions

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

	2025	2024
<i>Temporary in Nature</i>		
Accumulated endowment earnings for Educational Purposes	\$ 2,062,542	\$ 1,757,452
Interest in Net Assets of CFBQ	543,736	406,364
Scholarship and Tuition Assistance	4,607,516	2,607,515
Be an Angel to a Student	2,310,276	2,014,041
Total Temporary in Nature	9,524,070	6,785,372
<i>Perpetual in Nature</i>		
Educational Purposes	4,873,823	4,744,490
Total Net Assets with Donor Restrictions	<u>\$ 14,397,893</u>	<u>\$ 11,529,862</u>

Futures in Education

Notes to Financial Statements
August 31, 2025

8. Net Assets with Donor Restrictions *(continued)*

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

	2025	2024
Corpus of endowment fund held as investments	\$ 3,246,561	\$ 3,230,507
Corpus of interest in net assets of CFBQ	<u>1,627,262</u>	<u>1,513,983</u>
	<u><u>\$ 4,873,823</u></u>	<u><u>\$ 4,744,490</u></u>

9. Net Assets Released from Donor Restrictions

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

	2025	2024
Educational Purposes	\$ 179,053	\$ 173,109
Time Restrictions	1,000,000	-
Be an Angel to a Student	<u>1,689,970</u>	<u>1,501,985</u>
	<u><u>\$ 2,869,023</u></u>	<u><u>\$ 1,675,094</u></u>

10. 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:

	2025	2024
Financial Assets at Year End		
Cash and cash equivalents	\$ 3,128,481	\$ 2,589,969
Pledges receivable, net	3,729,190	1,810,474
Investments	7,145,320	6,657,803
Interest in net assets of Catholic Foundation for Brooklyn and Queens	<u>2,170,998</u>	<u>1,920,347</u>
Total Financial Assets at Year End	16,173,989	12,978,593
Less Amounts not Available to be Used Within One Year		
Net Assets with Donor Restrictions	<u>(14,397,893)</u>	<u>(11,529,862)</u>
Financial Assets Available to Meet General Expenditures Over the Next Twelve Months	<u><u>\$ 1,776,096</u></u>	<u><u>\$ 1,448,731</u></u>

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, 2025

11. Endowment Fund

The following is a reconciliation of the investment activity of the donor-restricted endowment fund for the years ended August 31, 2025 and 2024:

	With Donor Restrictions		
	Accumulated Earnings	Corpus	Total
Balance, August 31, 2023	\$ 1,234,759	\$ 3,230,507	\$ 4,465,266
Investment return	695,802	-	695,802
Spend rate appropriation	(173,109)	-	(173,109)
Balance, August 31, 2024	1,757,452	3,230,507	4,987,959
Investment return	484,143	-	484,143
Contributions	-	16,054	16,054
Spend rate appropriation	(179,053)	-	(179,053)
Balance, August 31, 2025	<u>\$ 2,062,542</u>	<u>\$ 3,246,561</u>	<u>\$ 5,309,103</u>

Endowment assets are held as investments at August 31, 2025 and 2024.

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.

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Notes to Financial Statements
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11. 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.

12. 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, 2025 and 2024, charges incurred by CFBQ on behalf of Futures totaled \$1,232,887 and \$1,331,576. The amounts due to CFBQ at August 31, 2025 and 2024 total \$142,292 and \$226,120. On May 18, 2022, Futures entered into a promissory note agreement with CFBQ, which described payment terms for \$1,898,329 of the balance outstanding at August 31, 2021 which was set to mature on August 31, 2029, with interest computed at 1% per annum. During fiscal 2024, Futures paid off the promissory note in full.

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