

FIGHT FOR THE FUTURE EDUCATION FUND

STATEMENTS OF FINANCIAL POSITION JUNE 30, 2022 AND 2021

	2022	2021
ASSETS		
CURRENT ASSETS:		
Cash and restricted cash	\$ 363,006	\$ 306,290
Contributions receivable	<u>225,268</u>	<u>145,972</u>
Total current assets	588,274	452,262
INTANGIBLE ASSETS	<u>11,876</u>	<u>10,716</u>
TOTAL ASSETS	<u>\$ 600,150</u>	<u>\$ 462,978</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts payable	\$ 1,329	\$ 3,374
Accrued expenses	18,886	47,854
Deferred revenue	50,000	-
Due to affiliate	<u>55,879</u>	<u>20,961</u>
TOTAL LIABILITIES	<u>126,094</u>	<u>72,189</u>
NET ASSETS:		
Without donor restrictions	169,056	226,687
With donor restrictions	<u>305,000</u>	<u>164,102</u>
Total net assets	<u>474,056</u>	<u>390,789</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 600,150</u>	<u>\$ 462,978</u>

See notes to financial statements.

FIGHT FOR THE FUTURE EDUCATION FUND

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
PUBLIC SUPPORT AND REVENUE:			
Contributions and grants	\$ 192,441	\$ 620,000	\$ 812,441
Net assets released from restrictions	<u>479,102</u>	<u>(479,102)</u>	<u>-</u>
Total public support and revenue	<u>671,543</u>	<u>140,898</u>	<u>812,441</u>
EXPENSES:			
Program services	485,633	-	485,633
Management and general	219,127	-	219,127
Fundraising	<u>24,516</u>	<u>-</u>	<u>24,516</u>
Total expenses	<u>729,276</u>	<u>-</u>	<u>729,276</u>
Changes in net assets from operations	(57,733)	140,898	83,165
NON-OPERATING ACTIVITIES:			
Interest income	<u>102</u>	<u>-</u>	<u>102</u>
CHANGE IN NET ASSETS	(57,631)	140,898	83,267
NET ASSETS - beginning of year	<u>226,687</u>	<u>164,102</u>	<u>390,789</u>
NET ASSETS - end of year	<u>\$ 169,056</u>	<u>\$ 305,000</u>	<u>\$ 474,056</u>

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FIGHT FOR THE FUTURE EDUCATION FUND

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
PUBLIC SUPPORT AND REVENUE:			
Contributions and grants	\$ 402,945	\$ 500,000	\$ 902,945
Net assets released from restrictions	<u>667,981</u>	<u>(667,981)</u>	<u>-</u>
Total public support and revenue	<u>1,070,926</u>	<u>(167,981)</u>	<u>902,945</u>
EXPENSES:			
Program services	737,252	-	737,252
Management and general	138,950	-	138,950
Fundraising	<u>34,242</u>	<u>-</u>	<u>34,242</u>
Total expenses	<u>910,444</u>	<u>-</u>	<u>910,444</u>
Changes in net assets from operations	160,482	(167,981)	(7,499)
NON-OPERATING ACTIVITIES:			
Gain on extinguishment of debt - PPP loan	65,182	-	65,182
Interest income	<u>176</u>	<u>-</u>	<u>176</u>
CHANGE IN NET ASSETS	225,840	(167,981)	57,859
NET ASSETS - beginning of year	<u>847</u>	<u>332,083</u>	<u>332,930</u>
NET ASSETS - end of year	<u>\$ 226,687</u>	<u>\$ 164,102</u>	<u>\$ 390,789</u>

See notes to financial statements.

FIGHT FOR THE FUTURE EDUCATION FUND

STATEMENTS OF FUNCTIONAL EXPENSES FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

	Program Services	Management and General	Fundraising	Total
For the Year Ended June 30, 2022:				
Salaries and related expenses	\$ 396,507	\$ 182,081	\$ 11,989	\$ 590,577
Program and design services	75,431	6,333	-	81,764
Professional fees	1,170	15,734	12,188	29,092
Office expenses	5,456	2,571	158	8,185
Small equipment	3,505	1,830	91	5,426
Compensation fees	-	4,371	-	4,371
Occupancy	2,517	1,119	76	3,712
Travel	576	2,239	-	2,815
Charitable contributions	-	1,000	-	1,000
Telecommunications	471	218	14	703
Bank charges	-	685	-	685
Licenses, permits, and fees	-	445	-	445
Recruiting	-	431	-	431
Insurance	-	50	-	50
Professional development	-	20	-	20
Total expenses	<u>\$ 485,633</u>	<u>\$ 219,127</u>	<u>\$ 24,516</u>	<u>\$ 729,276</u>
	Program Services	Management and General	Fundraising	Total
For the Year Ended June 30, 2021:				
Salaries and related expenses	\$ 598,304	\$ 114,180	\$ 14,912	\$ 727,396
Program and design services	122,213	121	279	122,613
Professional fees	528	14,246	18,632	33,406
Office expenses	8,696	1,893	220	10,809
Compensation fees	-	5,605	-	5,605
Occupancy	3,988	862	103	4,953
Small equipment	2,557	466	71	3,094
Telecommunications	966	203	25	1,194
Licenses, permits, and fees	-	574	-	574
Bank charges	-	505	-	505
Professional development	-	164	-	164
Recruiting	-	131	-	131
Total expenses	<u>\$ 737,252</u>	<u>\$ 138,950</u>	<u>\$ 34,242</u>	<u>\$ 910,444</u>

See notes to financial statements.

FIGHT FOR THE FUTURE EDUCATION FUND

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 83,267	\$ 57,859
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Gain on extinguishment of debt - PPP loan	-	(65,182)
Donations of intangible assets	(1,160)	(10,716)
Changes in operating assets and liabilities:		
Contributions receivable	(79,296)	61,567
Accounts payable	(2,045)	1,444
Accrued expenses	(28,968)	(9,737)
Deferred revenue	50,000	(100,000)
Net cash provided by (used in) operating activities	<u>21,798</u>	<u>(64,765)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net payments to affiliate	<u>34,918</u>	<u>(2,980)</u>
Net cash provided by (used in) financing activities	<u>34,918</u>	<u>(2,980)</u>
NET INCREASE (DECREASE) IN CASH AND RESTRICTED CASH	56,716	(67,745)
CASH AND RESTRICTED CASH, BEGINNING OF YEAR	<u>306,290</u>	<u>374,035</u>
CASH AND RESTRICTED CASH, END OF YEAR	<u>\$ 363,006</u>	<u>\$ 306,290</u>

See notes to financial statements.

FIGHT FOR THE FUTURE EDUCATION FUND

NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

1. ORGANIZATION

Fight for the Future Education Fund (the Organization) is a not-for-profit organization incorporated in Nevada and operating in Massachusetts. The Organization is a public education organization created to support the principle of public freedom and open exchange on the internet. The Organization creates educational campaigns to further freedom of expression, free speech, privacy, and an open, engaged, competitive, dynamic public space, discourse, economy and culture in our digital age.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation – The financial statements of the Organization have been prepared in accordance with U.S. generally accepted accounting principles (“US GAAP”), which require the Organization to report information regarding its financial position and activities according to the following net 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 the primary objectives of the Organization. These net assets may be used at the discretion of the Organization’s management and the board of directors.

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 the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

Measure of operations – The statement of activities reports all changes in net assets, including changes in net assets from operating and non-operating activities. Operating activities consist of those items attributable to the Organization's ongoing programs. Non-operating activities are limited to investment income and other activities considered to be of a more unusual or nonrecurring nature.

Cash and restricted cash – The Organization maintains its cash in bank deposit accounts, which at times may exceed federally insured limits. The Organization has not experienced, nor does it anticipate, any losses in such accounts. Restricted cash totaled \$79,732 and \$18,120 at June 30, 2022 and 2021, respectively.

Intangible assets – Intangible assets consist primarily of various cryptocurrencies (digital assets) which are accounted for as indefinite-lived intangible assets. Indefinite-lived intangible assets are recorded at cost or the estimated fair value at the date of gift and are tested for impairment annually or when events or circumstances indicate that the carrying value more likely than not exceeds its fair value. The Organization estimates fair value of its cryptocurrency holdings for purpose of impairment testing taking quoted prices from multiple digital currency exchanges with active markets near the measurement date. Impairment in the carrying value of digital assets is recorded as an impairment loss in the accompanying statements of activities. There was no impairment loss recognized on digital assets for the years ended June 30, 2022 and 2021.

Gains and losses realized upon the sale of digital assets are also recorded in the accompanying statements of activities. The majority of digital assets (88.4% and 97.5% at June 30, 2022 and 2021, respectively) are held in one cryptocurrency and are subject to the sales restrictions related to timing and volume.

Functional expense allocation – The costs of providing the various programs and supporting services have been summarized on a functional basis in the statements of activities and functional expenses. Accordingly, certain costs have been allocated among the program services, management and general and fundraising. Such allocations are determined by management on the basis of estimates of time and effort.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Public support and revenue – Contributions, gifts and grants are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. When a restriction expires (that is, when 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 of assets other than cash are recorded at fair value at the date of donation. Contributions with donor-imposed stipulations regarding how long the contributed assets must be used are recorded as net assets with donor restrictions; otherwise, the contributions are recorded as net assets without donor restrictions.

The Organization also has revenue from playbook sharing. This revenue is considered a single performance obligation to transfer promised services.

Income taxes – The Organization is exempt from income tax under IRC section 501(c)(3), though it is subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the Code. The Organization has processes presently in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated income; to determine its filing and tax obligations in jurisdictions for which it has nexus; and to identify and evaluate other matters that may be considered tax positions. The Organization has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements.

The Organization is subject to audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Organization believes it is no longer subject to income tax examinations for years prior to 2018.

Use of estimates – The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Subsequent events – The Organization has evaluated all subsequent events through December 13, 2022, the date the financial statements were available to be issued.

3. LONG-TERM DEBT – PPP LOAN PAYABLE

On April 23, 2020, the Organization entered into a 2-year Paycheck Protection Program (PPP) loan in the amount of \$65,182 with a financial institution. This loan was forgiven on January 5, 2021 and is shown as a gain on extinguishment of debt on the statement of activities for the year ended June 30, 2021.

4. CONCENTRATION OF CREDIT RISK

For the year ended June 30, 2022, 77% of contributions and grants were made by three grantors. For June 30, in 2021, 61% of contributions and grants were made by five grantors.

5. RETIREMENT PLAN

Until February 2022, the Organization had a qualified retirement plan (the Plan) under the terms of Section 401(k) of Internal Revenue Code. The Plan covered all eligible employees and there were no age and service requirements. Participants could elect to contribute a percentage of their compensation not to exceed the maximum allowed under the Internal Revenue Code. Employer contributions to the Plan were at the discretion of and determined by the Board of Directors. There were no employer contributions for the years ended June 30, 2022 and 2021.

Beginning in January 2022, the employees became part of the 401(k) plan run by a related party, Fight For the Future, Inc. (See footnote 9 below). This plan has an employer match. For the year ended June 30, 2022, the employer contributions to the plan were \$4,599.

6. NET ASSETS

Net assets with donor restrictions are as follows at June 30:

	2022	2021
Education	\$ 258,333	\$ 164,102
Program services	<u>46,667</u>	<u>-</u>
	<u>\$ 305,000</u>	<u>\$ 164,102</u>

Net assets released from net assets with donor restrictions are as follows:

	2022	2021
Education	\$ 355,769	\$ 574,231
Program services	<u>123,333</u>	<u>93,750</u>
	<u>\$ 479,102</u>	<u>\$ 667,981</u>

Net assets released from restrictions include \$348,333 and \$335,898 of net assets with donor restrictions that were received and expensed during the years ended June 30, 2022 and 2021, respectively.

7. CONTINGENCIES

The Organization may become involved in litigation or other claims in the ordinary course of business. Management is not aware of any claims that will have a material adverse effect on the financial condition of the Organization.

8. AVAILABILITY AND LIQUIDITY

The following represents the Organization's financial assets at June 30, 2022:

Financial assets at year end:	
Cash - unrestricted	\$ 283,274
Contributions receivable	<u>225,268</u>
Total financial assets	508,542
Less: Net assets with donor restrictions	<u>(305,000)</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 203,542</u>

The Organization's goal is generally to maintain financial assets to meet 90 days of operating expenses (approximately \$182,000).

9. RELATED PARTY

Fight for the Future, Inc. (FFTF) is organized and operated for social welfare purposes under IRC section 501(c)(4). The Organization and FFTF have agreed that it is in their mutual best interest to minimize duplicative expenses and to carry out their complimentary purposes in an economical and efficient manner, including the sharing of services provided by employees and engaging in short-term borrowing and repayments throughout the year. As of June 30, 2022 and 2021 the balance due to Fight for the Future, Inc. was \$55,879 and \$20,961, respectively.

In 2021, contributions included \$200,000 received from Fight for the Future, Inc. to support general operations of the Organization.

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