

FIGHT FOR THE FUTURE EDUCATION FUND

STATEMENTS OF FINANCIAL POSITION JUNE 30, 2023 AND 2022

	2023	2022
ASSETS		
CURRENT ASSETS:		
Cash and restricted cash	\$ 810,792	\$ 363,006
Grants and accounts receivable	<u>82,140</u>	<u>225,268</u>
Total current assets	892,932	588,274
INTANGIBLE ASSETS	<u>1,376</u>	<u>11,876</u>
TOTAL ASSETS	<u>\$ 894,308</u>	<u>\$ 600,150</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts payable	\$ -	\$ 1,329
Accrued expenses	16,242	18,886
Deferred revenue	-	50,000
Due to affiliate	<u>77,895</u>	<u>55,879</u>
TOTAL LIABILITIES	<u>94,137</u>	<u>126,094</u>
NET ASSETS:		
Without donor restrictions	644,535	169,056
With donor restrictions	<u>155,636</u>	<u>305,000</u>
Total net assets	<u>800,171</u>	<u>474,056</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 894,308</u>	<u>\$ 600,150</u>

See notes to financial statements.

FIGHT FOR THE FUTURE EDUCATION FUND

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2023

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
PUBLIC SUPPORT AND REVENUE:			
Contributions and grants	\$ 717,486	\$ 590,000	\$ 1,307,486
Net assets released from restrictions	<u>739,364</u>	<u>(739,364)</u>	<u>-</u>
Total public support and revenue	<u>1,456,850</u>	<u>(149,364)</u>	<u>1,307,486</u>
EXPENSES:			
Program services	689,978	-	689,978
Management and general	213,176	-	213,176
Fundraising	<u>62,979</u>	<u>-</u>	<u>62,979</u>
Total expenses	<u>966,133</u>	<u>-</u>	<u>966,133</u>
Changes in net assets from operations	490,717	(149,364)	341,353
NON-OPERATING ACTIVITIES:			
Realized loss on sale of intangible assets	(17,977)	-	(17,977)
Interest income	<u>2,739</u>	<u>-</u>	<u>2,739</u>
Total non-operating activities	<u>(15,238)</u>	<u>-</u>	<u>(15,238)</u>
CHANGE IN NET ASSETS	475,479	(149,364)	326,115
NET ASSETS - beginning of year	<u>169,056</u>	<u>305,000</u>	<u>474,056</u>
NET ASSETS - end of year	<u>\$ 644,535</u>	<u>\$ 155,636</u>	<u>\$ 800,171</u>

See notes to financial statements.

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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>671,543</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	(57,733)
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>

See notes to financial statements.

FIGHT FOR THE FUTURE EDUCATION FUND

STATEMENTS OF FUNCTIONAL EXPENSES FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
For the Year Ended June 30, 2023:				
Salaries and related expenses	\$ 454,286	\$ 181,580	\$ 40,295	\$ 676,161
Program and design services	221,620	871	-	222,491
Professional fees	126	19,181	21,645	40,952
Office expenses	6,497	2,408	565	9,470
Occupancy	3,594	1,326	316	5,236
Compensation fees	-	3,151	-	3,151
Small equipment	1,917	481	110	2,508
Travel	1,385	1,050	-	2,435
Telecommunications	553	194	48	795
Licenses, permits, and fees	-	789	-	789
Professional development	-	738	-	738
Bank charges	-	732	-	732
Insurance	-	675	-	675
Total expenses	<u>\$ 689,978</u>	<u>\$ 213,176</u>	<u>\$ 62,979</u>	<u>\$ 966,133</u>
	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
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>

See notes to financial statements.

FIGHT FOR THE FUTURE EDUCATION FUND

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 326,115	\$ 83,267
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Donations of intangible assets	(254,196)	(1,160)
Realized loss on sale of intangible assets	17,977	-
Changes in operating assets and liabilities:		
Grants and accounts receivable	143,128	(79,296)
Accounts payable	(1,329)	(2,045)
Accrued expenses	(2,644)	(28,968)
Deferred revenue	(50,000)	50,000
Due to affiliate	22,016	34,918
Net cash provided by operating activities	<u>201,067</u>	<u>56,716</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of intangible assets	<u>246,719</u>	<u>-</u>
Net cash provided by investing activities	<u>246,719</u>	<u>-</u>
NET INCREASE IN CASH AND RESTRICTED CASH	447,786	56,716
CASH AND RESTRICTED CASH, BEGINNING OF YEAR	<u>363,006</u>	<u>306,290</u>
CASH AND RESTRICTED CASH, END OF YEAR	<u>\$ 810,792</u>	<u>\$ 363,006</u>

See notes to financial statements.

FIGHT FOR THE FUTURE EDUCATION FUND

NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

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

Basis of presentation – The financial statements have been prepared in accordance with U.S. 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 \$113,796 and \$79,732 at June 30, 2023 and 2022, respectively.

Grants and accounts receivable – The receivables represent revenue contracted for the current year that was not received prior to June 30, 2023 and 2022. A provision for doubtful accounts has not been established as management considers all amounts to be collectible.

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, 2023 and 2022. Gains and losses realized upon the sale of digital assets are also recorded in the accompanying statements of activities.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Intangible assets (continued) – In December 2023 the Financial Accounting Standards Board issued Accounting Standards Update (ASU) 2023-08, *Accounting for and Disclosures of Crypto Assets*, which addresses the accounting and disclosure requirements for certain crypto assets. The new guidance requires entities to subsequently measure certain crypto assets at fair value, with changes in fair value recorded in changes in net assets (non-operating for the Organization) in each reporting period. In addition, entities are required to provide additional disclosures about the holdings of certain crypto assets. For all entities, the ASU's amendments are effective for fiscal years beginning after December 15, 2024.

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.

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.

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.

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 February 2, 2024, the date the financial statements were available to be issued.

3. CONCENTRATION OF CREDIT RISK

For the year ended June 30, 2023, 55% of contributions and grants were made by four donors/grantors. For June 30, 2022, 77% of contributions and grants were made by three grantors.

4. 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 year ended June 30, 2022 under this plan.

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 8 below). This plan has an employer match. For the years ended June 30, 2023 and 2022, the employer contributions to the plan were \$13,107 and \$4,599, respectively.

5. 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.

6. NET ASSETS

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

	2023	2022
Program services	\$ 155,636	\$ 46,667
Education	<u>-</u>	<u>258,333</u>
	<u>\$ 155,636</u>	<u>\$ 305,000</u>

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

	2023	2022
Education	\$ 258,333	\$ 355,769
Program services	<u>481,031</u>	<u>123,333</u>
	<u>\$ 739,364</u>	<u>\$ 479,102</u>

Net assets released from restrictions include \$434,364 and \$348,333 of net assets with donor restrictions that were received and released during the years ended June 30, 2023 and 2022, respectively.

7. AVAILABILITY AND LIQUIDITY

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

Financial assets at year end:

Cash and restricted cash	\$ 810,792
Contributions receivable	<u>82,140</u>
Total financial assets	892,932

Less: Net assets with donor restrictions (155,636)

Financial assets available to meet general expenditures
over the next twelve months \$ 737,296

The Organization's goal is generally to maintain financial assets to meet 90 days of operating expenses (approximately \$242,000).

8. 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 complementary 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, 2023 and 2022 the balance due to Fight for the Future, Inc. was \$77,895 and \$55,879, respectively.

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