

FIGHT FOR THE FUTURE EDUCATION FUND

STATEMENTS OF FINANCIAL POSITION JUNE 30, 2024 AND 2023

	2024	2023
ASSETS		
CURRENT ASSETS:		
Cash and restricted cash	\$ 1,290,966	\$ 810,792
Contributions and grants receivable	359,819	82,140
Prepaid expenses	<u>3,467</u>	<u>-</u>
Total current assets	1,654,252	892,932
INTANGIBLE ASSETS	<u>1,376</u>	<u>1,376</u>
TOTAL ASSETS	<u>\$ 1,655,628</u>	<u>\$ 894,308</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accrued expenses	\$ 15,690	\$ 16,242
Due to affiliate	<u>148,677</u>	<u>77,895</u>
TOTAL LIABILITIES	<u>164,367</u>	<u>94,137</u>
NET ASSETS:		
Without donor restrictions	1,424,161	644,535
With donor restrictions	<u>67,100</u>	<u>155,636</u>
Total net assets	<u>1,491,261</u>	<u>800,171</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,655,628</u>	<u>\$ 894,308</u>

See notes to financial statements.

FIGHT FOR THE FUTURE EDUCATION FUND

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2024

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
PUBLIC SUPPORT AND REVENUE:			
Contributions and grants	\$ 1,786,929	\$ 124,200	\$ 1,911,129
Net assets released from restrictions	<u>212,736</u>	<u>(212,736)</u>	<u>-</u>
Total public support and revenue	<u>1,999,665</u>	<u>(88,536)</u>	<u>1,911,129</u>
EXPENSES:			
Program services	910,431	-	910,431
Management and general	241,045	-	241,045
Fundraising	<u>84,334</u>	<u>-</u>	<u>84,334</u>
Total expenses	<u>1,235,810</u>	<u>-</u>	<u>1,235,810</u>
Changes in net assets from operations	763,855	(88,536)	675,319
NON-OPERATING ACTIVITIES:			
Interest income	<u>15,771</u>	<u>-</u>	<u>15,771</u>
CHANGE IN NET ASSETS	779,626	(88,536)	691,090
NET ASSETS - beginning of year	<u>644,535</u>	<u>155,636</u>	<u>800,171</u>
NET ASSETS - end of year	<u>\$ 1,424,161</u>	<u>\$ 67,100</u>	<u>\$ 1,491,261</u>

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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	212,469	-	212,469
Fundraising	<u>63,686</u>	<u>-</u>	<u>63,686</u>
Total expenses	<u>966,133</u>	<u>-</u>	<u>966,133</u>
Changes in net assets from operations	<u>490,717</u>	<u>(149,364)</u>	<u>341,353</u>
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.

FIGHT FOR THE FUTURE EDUCATION FUND

STATEMENTS OF FUNCTIONAL EXPENSES FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
For the Year Ended June 30, 2024:				
Salaries and related expenses	\$ 726,695	\$ 204,552	\$ 47,127	\$ 978,374
Program and design services	161,263	1,564	-	162,827
Professional fees	550	17,040	30,348	47,938
Travel	8,838	5,646	-	14,484
Office expenses	8,718	2,318	550	11,586
Bank charges	-	23	6,052	6,075
Compensation fees	-	4,182	-	4,182
Insurance	-	3,984	-	3,984
Occupancy	2,876	762	180	3,818
Telecommunications	772	171	49	992
Small equipment	719	143	28	890
Licenses, permits, and fees	-	660	-	660
Total expenses	<u>\$ 910,431</u>	<u>\$ 241,045</u>	<u>\$ 84,334</u>	<u>\$ 1,235,810</u>

	<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	-	25	707	732
Insurance	-	675	-	675
Total expenses	<u>\$ 689,978</u>	<u>\$ 212,469</u>	<u>\$ 63,686</u>	<u>\$ 966,133</u>

See notes to financial statements.

FIGHT FOR THE FUTURE EDUCATION FUND

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 691,090	\$ 326,115
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Donations of intangible assets	-	(254,196)
Realized loss on sale of intangible assets	-	17,977
Changes in operating assets and liabilities:		
Contributions and grants receivable	(277,679)	143,128
Prepaid expense	(3,467)	-
Accounts payable	-	(1,329)
Accrued expenses	(552)	(2,644)
Deferred revenue	-	(50,000)
Due to affiliate	70,782	22,016
	<u>480,174</u>	<u>201,067</u>
Net cash provided by operating activities	<u>480,174</u>	<u>201,067</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of intangible assets	<u>-</u>	<u>246,719</u>
Net cash provided by investing activities	<u>-</u>	<u>246,719</u>
NET INCREASE IN CASH AND RESTRICTED CASH	480,174	447,786
CASH AND RESTRICTED CASH - beginning of year	<u>810,792</u>	<u>363,006</u>
CASH AND RESTRICTED CASH - end of year	<u>\$ 1,290,966</u>	<u>\$ 810,792</u>
RECONCILIATION OF CASH AND RESTRICTED CASH:		
The following table provides a reconciliation of cash and restricted cash within the statement of cash flows that sum to the total of the same such amounts shown in the statement of financial position.		
Cash	\$ 1,233,466	\$ 696,996
Restricted cash - donor restrictions	<u>57,500</u>	<u>113,796</u>
	<u>\$ 1,290,966</u>	<u>\$ 810,792</u>

See notes to financial statements.

FIGHT FOR THE FUTURE EDUCATION FUND

NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

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.

Adoption of new accounting standard – The Organization changed its method of accounting for credit losses on financial instruments as of July 1, 2023 due to the adoption of Accounting Standards Update (ASU) 2016-03 which amended ASC Topic 326, *Financial Instruments – Credit Losses*. ASU 2016-03 establishes a new forward looking “expected loss model” that requires the Organization to estimate current expected credit losses on contributions and grants receivable and other financial instruments by using all practical and relevant information. The adoption of the new standard did not have a material impact on the financial statements.

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 \$57,500 and \$113,796 at June 30, 2024 and 2023, respectively.

Contributions and grants receivable – The receivables represent revenue recognized for the current year that was not received prior to June 30, 2024 and 2023. A provision for credit losses has not been established as management considers all amounts to be collectible.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, 2024 and 2023. Gains and losses realized upon the sale of digital assets are also recorded in the accompanying statements of activities.

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 based on 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 cash is received, or acknowledgement of intent is received.

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 U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Reclassifications – Certain amounts in the prior year's financial statements were reclassified to conform to the current year's presentation. These reclassifications had no impact on the change in net assets as previously reported.

Subsequent events – The Organization has evaluated all subsequent events through October 28, 2024, the date the financial statements were available to be issued.

3. INTANGIBLE ASSETS

Intangible assets consisted of the following at June 30:

	2024		2023	
	<u>Units</u>	<u>Reported Value</u>	<u>Units</u>	<u>Reported Value</u>
Dogecoin (DOGE)	1,131.900	\$ 310	1,131.900	\$ 310
Ethereum (ETH)	0.475	306	0.475	306
Litecoin (LTC)	2.020	534	2.020	534
Zcash (ZEC)	1.329	220	1.329	220
Bitcoin (BTC)	<u>-</u>	<u>6</u>	<u>-</u>	<u>6</u>
Total intangible assets	<u>1,135.724</u>	<u>\$ 1,376</u>	<u>1,135.724</u>	<u>\$ 1,376</u>

4. NET ASSETS

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

	2024	2023
Program services	\$ 29,600	\$ 155,636
Education	<u>37,500</u>	<u>-</u>
	<u>\$ 67,100</u>	<u>\$ 155,636</u>

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

	2024	2023
Program services	\$ 155,636	\$ 481,031
Education	<u>57,100</u>	<u>258,333</u>
	<u>\$ 212,736</u>	<u>\$ 739,364</u>

Net assets released from restrictions include \$57,100 and \$434,364 of net assets with donor restrictions that were received and released during the years ended June 30, 2024 and 2023, respectively.

5. CONCENTRATION OF CREDIT RISK

For the year ended June 30, 2024, approximately 63% of contributions and grants were made by three donors/grantors. For the year ended June 30, 2023, approximately 55% of contributions and grants were made by four donors/grantors.

6. RETIREMENT 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 note 9 below). This plan has an employer match. For the years ended June 30, 2024 and 2023, the employer contributions to the plan were \$18,029 and \$13,107, 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, 2024:

Financial assets at year end:	
Cash and restricted cash	\$ 1,290,966
Contributions receivable	<u>359,819</u>
Total financial assets	1,650,785
Less: Net assets with donor restrictions	<u>(67,100)</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 1,583,685</u>

The Organization’s goal is generally to maintain financial assets to meet 90 days of operating expenses (approximately \$309,000).

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 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, 2024 and 2023 the balance due to Fight for the Future, Inc. was \$148,677 and \$77,895, respectively.

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