

PHILADELPHIA FUTURES
FINANCIAL STATEMENTS
JUNE 30, 2012

PHILADELPHIA FUTURES

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Philadelphia Futures
Philadelphia, Pennsylvania

We have audited the accompanying statement of financial position of Philadelphia Futures as of June 30, 2012, and the related statements of activities, cash flows, and functional expenses for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Philadelphia Futures at June 30, 2012, and the changes in its net assets, cash flows, and functional expenses for the year then ended, in conformity with accounting principles generally accepted in the United States.



October 18, 2012

PHILADELPHIA FUTURES
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2012

ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	\$ 1,974,311
Grants receivable, net	172,500
Sponsor-A-Scholar pledges, net	35,772
Contributions receivable	47,802
Contracts receivable	5,233
Other receivables	2,158
	<u>2,237,776</u>
NON-CURRENT ASSETS	
Grants receivable, net of current portion	7,500
Sponsor-A-Scholar Pledges, net of current portion	52,906
Investments	7,844,300
Property and equipment, net	88,114
Deposits	5,847
	<u>7,998,667</u>
TOTAL ASSETS	<u><u>\$ 10,236,443</u></u>
LIABILITIES AND NET ASSETS	
LIABILITIES	
CURRENT LIABILITIES	
Accounts payable and accrued expenses	\$ 82,108
Deferred rent payable	3,483
	<u>85,591</u>
NON-CURRENT LIABILITIES	
Deferred rent payable, net of current portion	<u>20,335</u>
TOTAL LIABILITIES	<u>105,926</u>
NET ASSETS	
UNRESTRICTED	6,214,139
TEMPORARILY RESTRICTED	2,375,949
PERMANENTLY RESTRICTED	<u>1,540,429</u>
TOTAL NET ASSETS	<u>10,130,517</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 10,236,443</u></u>

The accompanying notes are an integral part of these financial statements.

PHILADELPHIA FUTURES
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2012

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
SUPPORT AND REVENUE				
Contributions				
Corporate	\$ 177,664	\$ 497,660	\$ -	\$ 675,324
Foundation	177,205	354,142	10,000	541,347
Individual	539,724	82,360	-	622,084
Other	69,744	56,750	-	126,494
Public contracts	126,759	-	-	126,759
Special event income (net of expenses of \$54,169)	-	106,190	-	106,190
Ellis Trust administration fee	241,953	-	-	241,953
Investment return designated for current operations	338,203	-	-	338,203
	<u>1,671,252</u>	<u>1,097,102</u>	<u>10,000</u>	<u>2,778,354</u>
NET ASSETS RELEASED FROM RESTRICTIONS	<u>1,702,692</u>	<u>(1,702,692)</u>	<u>-</u>	<u>-</u>
TOTAL SUPPORT AND REVENUE	<u>3,373,944</u>	<u>(605,590)</u>	<u>10,000</u>	<u>2,778,354</u>
EXPENSES				
Program	2,103,840	-	-	2,103,840
Administrative	205,898	-	-	205,898
Fundraising	179,586	-	-	179,586
Ellis Trust	242,885	-	-	242,885
TOTAL EXPENSES	<u>2,732,209</u>	<u>-</u>	<u>-</u>	<u>2,732,209</u>
CHANGE IN NET ASSETS BEFORE NON-OPERATING ACTIVITIES	641,735	(605,590)	10,000	46,145
Investment return not designated for current operations	(264,072)	-	2,435	(261,637)
Merger expenses	(81,047)	-	-	(81,047)
CHANGE IN NET ASSETS	296,616	(605,590)	12,435	(296,539)
NET ASSETS - BEGINNING OF YEAR	<u>5,917,523</u>	<u>2,981,539</u>	<u>1,527,994</u>	<u>10,427,056</u>
NET ASSETS - END OF YEAR	<u>\$ 6,214,139</u>	<u>\$ 2,375,949</u>	<u>\$ 1,540,429</u>	<u>\$ 10,130,517</u>

The accompanying notes are an integral part of these financial statements.

PHILADELPHIA FUTURES
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2012

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ (296,539)
Adjustments to reconcile change in net assets to net cash provided by operating activities	
Depreciation	23,824
Realized and unrealized losses on investments	176,961
(Increase) decrease in assets	
Grants receivable	324,785
Sponsor-A-Scholar pledges	16,852
Contracts receivable	13,694
Contributions receivable	(24,446)
Other receivables	7,820
Prepaid expenses	15,034
Increase (decrease) in liabilities	
Accounts payable and accrued expenses	(22,178)
Retirement plan payable	(9,598)
Deferred rent payable	<u>10,998</u>
Net cash provided by operating activities	<u>237,207</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from sale of investments	541,494
Purchase of investments	(196,019)
Purchase of furniture and equipment	<u>(46,447)</u>
Net cash provided by investing activities	<u>299,028</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	536,235
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>1,438,076</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 1,974,311</u></u>

The accompanying notes are an integral part of these financial statements.

PHILADELPHIA FUTURES
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2012

	Program				Total Program	Administrative	Fundraising	Subtotal	Ellis Trust	Total
	Sponsor-A- Scholar Program	Sponsor-A- Scholar Sponsorships	White-Williams Scholars' Programs	Other Programs						
Personnel	\$ 726,391	\$ -	\$ 205,427	\$ 41,344	\$ 973,162	\$ 151,127	\$ 118,891	\$ 1,243,180	\$ 178,793	\$ 1,421,973
Program expenses										
Academic programming	108,821	-	6,309	-	115,130	-	-	115,130	2,213	117,343
Disbursements to students	57,307	219,690	183,884	20,120	481,001	-	-	481,001	-	481,001
Program events	50,990	-	4,829	-	55,819	-	-	55,819	2,621	58,440
Program support	34,249	-	2,633	-	36,882	-	-	36,882	4,363	41,245
Step Up to College Guide	-	-	-	80,472	80,472	-	-	80,472	-	80,472
Student transportation	44,787	-	2,781	-	47,568	-	-	47,568	-	47,568
	<u>296,154</u>	<u>219,690</u>	<u>200,436</u>	<u>100,592</u>	<u>816,872</u>	<u>-</u>	<u>-</u>	<u>816,872</u>	<u>9,197</u>	<u>826,069</u>
Consultants	21,355	-	15,830	1,002	38,187	3,770	17,427	59,384	3,793	63,177
Depreciation	10,872	-	3,922	788	15,582	2,977	2,270	20,829	2,995	23,824
Rent	88,142	-	31,042	6,248	125,432	23,561	17,966	166,959	21,624	188,583
Printing and publications	13,023	-	5,131	962	19,116	3,629	5,010	27,755	4,353	32,108
Professional services	25,882	-	7,590	1,527	34,999	5,761	4,393	45,153	4,586	49,739
Administrative overhead allocation	56,068	541	19,889	3,992	80,490	15,073	13,629	109,192	17,544	126,736
TOTAL EXPENSES	<u>\$ 1,237,887</u>	<u>\$ 220,231</u>	<u>\$ 489,267</u>	<u>\$ 156,455</u>	<u>\$ 2,103,840</u>	<u>\$ 205,898</u>	<u>\$ 179,586</u>	<u>\$ 2,489,324</u>	<u>\$ 242,885</u>	<u>\$ 2,732,209</u>

The accompanying notes are an integral part of these financial statements.

PHILADELPHIA FUTURES
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 1 – ORGANIZATION

Effective July 1, 2011, Philadelphia Futures for Youth, a Pennsylvania non-profit organization founded in 1989 and incorporated as a 501(c)(3) corporation in 1999, merged with White-Williams Foundation (White-Williams), a Pennsylvania non-profit organization founded in 1902 and incorporated as a 501(c)(3) corporation in 1949. Philadelphia Futures for Youth's corporate entity was merged into White-Williams and White-Williams became the surviving corporate entity. All assets, liabilities, and net assets of Philadelphia Futures for Youth were merged into White-Williams. The name of the corporation was changed to Philadelphia Futures.

The mission of the combined organization is to provide low-income, first generation-to-college students with the tools, resources, and opportunities necessary for admission to and success in college.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

Financial statement presentation follows Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958, *Not-for-Profit Entities*. Under FASB ASC 958, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Cash and Cash Equivalents

The Organization considers all money market funds and certificates of deposit with original maturities of three months or less to be cash equivalents.

Investments

The Organization carries investments in marketable securities at fair value. Under FASB ASC 820-10, *Fair Value Measurement*, fair value is defined as the price that the Organization would receive to sell an investment to an independent buyer in the principal market, or in the absence of a principal market, the most advantageous market. FASB ASC 820-10 establishes a three-tier hierarchy based on quoted prices in active markets (Level 1), other observable inputs (Level 2), or unobservable inputs (Level 3).

Realized and unrealized gains and losses on investments (determined based on original cost) and investment income are included in the statement of activities.

Investments are exposed to various risks, such as interest rate, credit, and overall market volatility risk. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of the investments will occur in the near term and that such changes could materially affect the amounts reported in the statement of financial position.

Spending Rate

The Board of Directors of the Organization has the opportunity in each fiscal year to elect to include in its unrestricted operating funds between 2% and 7% of the fair market value of certain endowment type investments (based on a three-year average).

Property and Equipment

The Organization capitalizes those expenditures in excess of \$1,000. Purchased furniture and equipment are stated at cost while donated furniture is capitalized at its fair market value at the date of the gift. Depreciation is provided on the straight-line basis over estimated useful lives.

Leasehold improvements are carried at cost. Amortization is provided over the lease term on a straight-line basis.

PHILADELPHIA FUTURES
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment (Continued)

Maintenance and repairs are charged to expense as incurred; major renewals and betterments are capitalized. When items of property and equipment are sold or retired, the related cost and accumulated depreciation are removed from the accounts and any gain or loss is included in revenue.

Restricted and Unrestricted Support

The Organization follows FASB ASC 958 in recording contributions received. Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence or nature of any donor restrictions. Contributions are recorded when pledged and may include multi-year grants.

Unrestricted net assets are net assets not subject to donor-imposed stipulations. Unrestricted net assets may be designated for specific purposes by action of the Board of Directors.

Temporarily restricted net assets are those which have been limited by donors to a specific time period or purpose.

Permanently restricted net assets have been restricted by donors to be held in perpetuity.

Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor-stipulation or by law. Expirations of temporary restrictions on net assets (i.e., the donor stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restrictions.

Contributions and Promises to Give

Contributions are recognized when the donor makes an unconditional promise to give to the Organization. Donor restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires temporarily restricted net assets are reclassified to unrestricted net assets. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using a risk free interest rate of 1.5%. Amortization of the discounts is included in revenue, as applicable.

The Organization uses the allowance method to determine receivable balances. The allowance is based on the prior year's experience and management's analysis of specific promises made. When all collection efforts have been exhausted, the accounts are written off against the related allowance. At June 30, 2012, an allowance was not considered necessary.

PHILADELPHIA FUTURES
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In-Kind Contributions

The Organization recognizes contributed services that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. No amounts have been reflected in the statements for contributed services.

Many individuals volunteer their time and perform a variety of tasks that assist the Organization with mentoring and tutoring high school students in the Sponsor-A-Scholar program. The Organization receives more than 8,000 volunteer hours per year.

The Organization records the value of contributed goods when there is an objective basis available to measure their value and that value is reflected as revenue in the accompanying statements at its estimated value at the date of receipt. There were no contributed services or goods during the year ended June 30, 2012.

Functional Expenses

Certain costs of providing programs and activities of the Organization have been allocated among program, administrative, and fundraising expenses.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires the use of estimates based on management's knowledge and experience. Accordingly, actual results could differ from those estimates.

Income Tax Status

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, if the Organization had income from certain activities not directly related to the Organization's tax-exempt purpose it would be subject to taxation as unrelated business income. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2).

The Organization follows FASB Accounting Standards Update No. 2009-06, *Income Taxes (Topic 740): Implementation Guidance on Accounting for Uncertainty in Income Taxes and Disclosure Amendments for Nonpublic Entities Taxes*. FASB ASC 740 prescribes guidance for the financial statement recognition, measurement and disclosure of uncertain tax positions. Tax positions must meet a more-likely-than-not recognition threshold. There were no tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will significantly increase or decrease within the next year. Tax years from 2008 through 2011 remain subject to examination by major tax jurisdictions.

Subsequent Events

FASB ASC 855-10 establishes general standards of accounting and disclosure of events that occur after the statement of financial position date but before the date the financial statements are available to be issued. Subsequent events have been evaluated through October 18, 2012, the date that the financial statements were available to be issued.

PHILADELPHIA FUTURES
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 3 – MERGER

On July 1, 2011, White-Williams Foundation and Philadelphia Futures for Youth, both Pennsylvania nonprofit corporations with similar missions, merged to form a stronger, more resourceful organization that harnesses their combined potential to reach and impact underserved students in Philadelphia. White-Williams Foundation was the surviving corporate entity and Philadelphia Futures for Youth's corporate entity was merged into White-Williams Foundation. The name of the corporation was changed to Philadelphia Futures. The major classes of assets, liabilities, and net assets of each organization as of July 1, 2011 were:

	White-Williams Foundation	Philadelphia Futures for Youth	Total
Assets			
Cash and cash equivalents	\$ 524,433	\$ 913,643	\$ 1,438,076
Unconditional promises to give and receivables	152,285	510,291	662,576
Prepaid expenses	12,484	8,397	20,881
Investments	5,896,048	2,470,688	8,366,736
Property and equipment	<u>30,705</u>	<u>34,786</u>	<u>65,491</u>
Total assets	<u><u>\$ 6,615,955</u></u>	<u><u>\$ 3,937,805</u></u>	<u><u>\$ 10,553,760</u></u>
Liabilities			
Accounts payable and accrued expenses	<u>\$ 18,288</u>	<u>\$ 108,416</u>	<u>\$ 126,704</u>
Net assets			
Unrestricted	5,170,401	747,122	5,917,523
Temporarily restricted	49,272	2,932,267	2,981,539
Permanently restricted	<u>1,377,994</u>	<u>150,000</u>	<u>1,527,994</u>
	<u>6,597,667</u>	<u>3,829,389</u>	<u>10,427,056</u>
Total liabilities and net assets	<u><u>\$ 6,615,955</u></u>	<u><u>\$ 3,937,805</u></u>	<u><u>\$ 10,553,760</u></u>

The major classes of revenue and expenses for the year ended June 30, 2011 were:

	White-Williams Foundation	Philadelphia Futures for Youth	Total
Support and revenue	<u>\$ 1,232,722</u>	<u>\$ 1,909,519</u>	<u>\$ 3,142,241</u>
Expenses			
Program	866,119	1,552,515	2,418,634
Administrative	102,577	149,702	252,279
Fundraising	195,502	183,431	378,933
Ellis Trust	<u>219,826</u>	<u>-</u>	<u>219,826</u>
Total expenses	<u>1,384,024</u>	<u>1,885,648</u>	<u>3,269,672</u>
Non-operating activities	<u>628,846</u>	<u>35,548</u>	<u>664,394</u>
Change in net assets	<u><u>\$ 477,544</u></u>	<u><u>\$ 59,419</u></u>	<u><u>\$ 536,963</u></u>

PHILADELPHIA FUTURES
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 4 – CONCENTRATION OF CREDIT RISK

During the year the Organization may have deposits which exceed Federal Depository Insurance Corporation limits.

NOTE 5 – GRANTS RECEIVABLE

Grants receivable amounted to the following at June 30, 2012:

Amounts due	
Less than one year	\$ 172,500
One year	<u>7,500</u>
Total	<u><u>\$ 180,000</u></u>

NOTE 6 – SPONSOR-A-SCHOLAR PLEDGES

Pledges to contribute for college related expenses for students enrolled in the Sponsor-A-Scholar program are recorded as unconditional promises to give. Sponsor-A-Scholar pledges amounted to the following at June 30, 2012:

Restricted to Sponsor-A-Scholar program	
Less than one year	\$ 35,772
One to five years	<u>52,906</u>
Total uncollected pledges at June 30, 2012	<u><u>\$ 88,678</u></u>

NOTE 7 – INVESTMENTS

The following schedule summarizes investments as of June 30, 2012:

	<u>Cost</u>	<u>Market</u>
Mutual funds	\$ 2,028,387	\$ 2,199,462
Multi asset fund	<u>5,598,768</u>	<u>5,644,838</u>
	<u><u>\$ 7,627,155</u></u>	<u><u>\$ 7,844,300</u></u>

PHILADELPHIA FUTURES
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 7 – INVESTMENTS (Continued)

The following schedule summarizes the investment return and its classification in the statement of activities for the year ended June 30, 2012:

	<u>Unrestricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Interest and dividend income	\$ 57,062	\$ 4,249	\$ 61,311
Capital gain distributions	158,478	33,738	192,216
Realized gains and decline in unrealized gains	<u>(141,409)</u>	<u>(35,552)</u>	<u>(176,961)</u>
Total investment gain	<u>\$ 74,131</u>	<u>\$ 2,435</u>	<u>\$ 76,566</u>

As described in Note 1, the Organization follows FASB ASC 820-10. FASB ASC 820-10, among other things, defines fair value, establishes a consistent framework for measuring fair value and expands disclosure for each major asset and liability category measured at fair value on either a recurring or nonrecurring basis. FASB ASC 820-10 clarifies that fair value is an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. As such, fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or liability. As a basis for considering such assumptions, FASB ASC 820-10 establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value as follows:

- Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Organization has the ability to access;
- Level 2 Inputs other than quoted prices included in Level 1 that are either directly or indirectly observable, such as quoted prices in active markets for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data by correlation or by other means;
- Level 3 Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

	<u>Fair Value June 30, 2012</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Other Unobservable Inputs (Level 3)</u>
Mutual funds				
Large cap equity funds	\$ 428,042	\$ 428,042	\$ -	\$ -
Fixed income funds	1,771,420	1,771,420	-	-
Multi asset fund	<u>5,644,838</u>	<u>-</u>	<u>5,644,838</u>	<u>-</u>
	<u>\$ 7,844,300</u>	<u>\$ 2,199,462</u>	<u>\$ 5,644,838</u>	<u>\$ -</u>

The Organization embraces an asset allocation target approach in order to preserve capital and to avoid market timing decisions.

PHILADELPHIA FUTURES
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 8 – PROPERTY AND EQUIPMENT

Property and equipment consist of the following at June 30, 2012:

Office furniture and equipment	\$	48,665
Computer equipment		98,422
Leasehold improvements		23,856
		170,943
Less: accumulated depreciation		(82,829)
		\$ 88,114

NOTE 9 – LINE OF CREDIT

The Organization has a line of credit with a bank in the amount of \$100,000 which expires on November 15, 2012. The interest rate is prime (3.25% at June 30, 2012) minus 1.00% point. There were no outstanding borrowings as of June 30, 2012.

NOTE 10 – TEMPORARILY RESTRICTED NET ASSETS

Restrictions on temporarily restricted net assets subject to donor-imposed stipulations may be met by actions of the Organization and/or passage of time. Temporarily restricted net assets as of June 30, 2012 are as follows:

Sponsor-A-Scholar Program	\$	414,506
Other programs		120,074
Sponsor-A-Scholar Program sponsorships		1,841,369
		\$ 2,375,949

NOTE 11 – PERMANENTLY RESTRICTED NET ASSETS

Permanently restricted net assets as of June 30, 2012 are restricted to investment in perpetuity. Permanently restricted net assets include the Amanda James endowment, the John Clark endowment, the Donna and John Boscia Endowed Sponsorship Fund, and miscellaneous permanently restricted gifts and are included in investments in the statement of financial position.

NOTE 12 – SPONSOR-A-SCHOLAR FUND

In addition to the financial activity presented herein, the Organization had raised and deposited into a Donor Advised Fund maintained at a foundation, contributions that are reserved for college-related expenses of students enrolled in the Sponsor-A-Scholar Program and Sponsor-A-Scholar Program expenses. On June 30, 2012, the balance of the Fund was approximately \$54,000, all of which is for operations.

PHILADELPHIA FUTURES
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 13 – RETIREMENT PLAN

The Organization has a tax-deferred retirement plan (the Plan) under Section 401(k) of the Internal Revenue Code. Employee contributions to the Plan are made through payroll deductions. The Organization contributed 3% of an employee's eligible compensation. Employer contributions to the Plan amounted to \$13,926 for the year ended June 30, 2012.

NOTE 14 – MERGER EXPENSES

For the year ended June 30, 2012, merger expenses included legal and consulting expenses related to the merger of White-Williams Foundation and Philadelphia Futures for Youth.

NOTE 15 – OPERATING LEASES

As of June 30, 2012, the Organization leased office space under noncancellable lease agreements that expire through March 31, 2017. In addition, the lease agreement requires the Organization to pay its proportionate share of real estate taxes and other occupancy expenses.

Rent expense, including real estate taxes and other occupancy expenses, for the year ended June 30, 2012 was \$188,583. Minimum future rentals under the operating lease as of June 30, 2012 are as follows:

<u>YEARS ENDING</u> <u>JUNE 30,</u>	<u>AMOUNT</u>
2013	\$ 212,589
2014	236,067
2015	239,833
2016	175,512
2017	<u>116,306</u>
	<u>\$ 980,307</u>

NOTE 16 – ELLIS TRUST

The Organization has a contract with Charles E. Ellis Trust (the Trust) to act as agent administrator for the Trust. As agent administrator, the Organization is responsible for the administration of the annual distribution of approximately \$1.3 million to eligible Philadelphia high school girls for tuition and enrichment purposes. The Trust pays the Organization an annual fee for those services.