PHILADELPHIA FUTURES

FINANCIAL STATEMENTS

JUNE 30, 2013
(WITH SUMMARIZED FINANCIAL INFORMATION
FOR JUNE 30, 2012)

MorisonCogen LLP
Certified Public Accountants • Business Consultants

PHILADELPHIA FUTURES

CONTENTS

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Philadelphia Futures
Philadelphia, Pennsylvania

Report on the Financial Statements

We have audited the accompanying financial statements of Philadelphia Futures (a nonprofit organization), which comprise the statement of financial position as of June 30, 2013, and the related statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

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 of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Philadelphia Futures as of June 30, 2013, 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.

To the Board of Directors
Philadelphia Futures
(Continued)

Report on Summarized Comparative Information

We have previously audited Philadelphia Futures' 2012 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 18, 2012. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2012 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Morison Cogen LLP

October 17, 2013

PHILADELPHIA FUTURES
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2013
(WITH FINANCIAL INFORMATION FOR JUNE 30, 2012)

	2013	2012
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 2,229,712	$ 1,974,311
Grants receivable	470,538	172,500
Sponsor-A-Scholar pledges	34,314	35,772
Contributions receivable	46,879	47,802
Contracts receivable	8,033	5,233
Other receivables	8,167	2,158
	2,797,643	2,237,776
NON-CURRENT ASSETS		
Grants receivable, net of current portion	142,000	7,500
Sponsor-A-Scholar Pledges, net of current portion	55,349	52,906
Investments	8,915,727	7,844,300
Property and equipment, net	98,337	88,114
Deposits	5,847	5,847
	9,217,260	7,998,667
TOTAL ASSETS	$ 12,014,903	$ 10,236,443
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	$ 48,794	$ 82,108
Deferred rent payable	4,763	3,483
	53,557	85,591
NON-CURRENT LIABILITIES		
Deferred rent payable, net of current portion	38,103	20,335
TOTAL LIABILITIES	91,660	105,926
NET ASSETS		
UNRESTRICTED	6,508,845	6,214,139
TEMPORARILY RESTRICTED	3,738,845	2,375,949
PERMANENTLY RESTRICTED	1,675,553	1,540,429
TOTAL NET ASSETS	11,923,243	10,130,517
TOTAL LIABILITIES AND NET ASSETS	$ 12,014,903	$ 10,236,443

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

PHILADELPHIA FUTURES
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2013
(WITH SUMMARIZED FINANCIAL INFORMATION
FOR THE YEAR ENDED JUNE 30, 2012)

	2013				
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	2012 Total
SUPPORT AND REVENUE					
Contributions					
Corporate	$ 55,404	$ 484,561	$ -	$ 539,965	$ 675,324
Foundation	53,390	795,568	10,000	858,958	533,847
Individual	353,997	1,354,564	-	1,708,561	622,084
Other	111,039	17,942	-	128,981	133,994
Public contracts	131,766	-	-	131,766	126,759
Special event income (net of expenses of $59,895)	-	95,956	-	95,956	106,190
Ellis Trust administration fee	259,036	-	-	259,036	241,953
Investment return designated for current operations	360,510	-	-	360,510	338,203
	1,325,142	2,748,591	10,000	4,083,733	2,778,354
NET ASSETS RELEASED FROM RESTRICTIONS	1,385,695	(1,385,695)	-	-	-
TOTAL SUPPORT AND REVENUE	2,710,837	1,362,896	10,000	4,083,733	2,778,354
EXPENSES					
Program	2,067,311	-	-	2,067,311	2,103,840
Administrative	208,294	-	-	208,294	205,898
Fundraising	224,792	-	-	224,792	179,586
Ellis Trust	258,104	-	-	258,104	242,885
TOTAL EXPENSES	2,758,501	-	-	2,758,501	2,732,209
CHANGE IN NET ASSETS BEFORE NON-OPERATING ACTIVITIES	(47,664)	1,362,896	10,000	1,325,232	46,145
Investment return not designated for current operations	342,370	-	125,124	467,494	(261,637)
Merger expenses	-	-	-	-	(81,047)
CHANGE IN NET ASSETS	294,706	1,362,896	135,124	1,792,726	(296,539)
NET ASSETS - BEGINNING OF YEAR	6,214,139	2,375,949	1,540,429	10,130,517	10,427,056
NET ASSETS - END OF YEAR	$ 6,508,845	$ 3,738,845	$ 1,675,553	$ 11,923,243	$ 10,130,517

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

PHILADELPHIA FUTURES
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2013
(WITH FINANCIAL INFORMATION
FOR THE YEAR ENDED JUNE 30, 2012)

	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 1,792,726	$ (296,539)
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	39,223	23,824
Realized and unrealized (gains) losses on investments	(525,331)	176,961
(Increase) decrease in assets		
Grants receivable	(432,538)	324,785
Sponsor-A-Scholar pledges	(985)	16,852
Contributions receivable	923	(24,446)
Contracts receivable	(2,800)	13,694
Other receivables	(6,009)	7,820
Prepaid expenses	-	15,034
Increase (decrease) in liabilities		
Accounts payable and accrued expenses	(33,314)	(22,178)
Retirement plan payable	-	(9,598)
Deferred rent payable	19,048	10,998
Net cash provided by operating activities	850,943	237,207
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments	21,500	541,494
Purchase of investments	(567,596)	(196,019)
Purchase of furniture and equipment	(49,446)	(46,447)
Net cash provided by (used in) investing activities	(595,542)	299,028
NET INCREASE IN CASH AND CASH EQUIVALENTS	255,401	536,235
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	1,974,311	1,438,076
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 2,229,712	$ 1,974,311

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

PHILADELPHIA FUTURES
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2013
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2012)

	2013										2012
	Program										
	Pre-College Programs	Sponsor-A-Scholar Sponsorships	College Programs	Other Programs	Total Program	Administrative	Fundraising	Subtotal	Ellis Trust	Total	2012 Total
Personnel	$ 638,150	$ -	$ 269,627	$ 68,671	$ 976,448	$ 150,449	$ 132,243	$ 1,259,140	$ 178,050	$ 1,437,190	$ 1,421,973
Program expenses											
Academic programming	99,549	-	8,516	-	108,065	-	-	108,065	-	108,065	117,343
Disbursements to students	58,290	220,333	82,590	14,525	375,738	-	-	375,738	-	375,738	481,001
Program events	37,758	-	29,530	-	67,288	-	-	67,288	-	67,288	58,440
Program support	37,838	-	3,585	-	41,423	-	-	41,423	11,674	53,097	41,245
Step Up to College Guide	-	-	-	82,235	82,235	-	-	82,235	-	82,235	80,472
Student transportation	47,800	-	-	-	47,800	-	-	47,800	-	47,800	47,568
	281,235	220,333	124,221	96,760	722,549	-	-	722,549	11,674	734,223	826,069
Consultants	15,752	-	7,325	1,757	24,834	3,715	44,775	73,324	4,563	77,887	63,177
Depreciation	16,871	-	7,531	1,941	26,343	4,245	3,734	34,322	4,901	39,223	23,824
Rent	107,463	-	47,975	12,371	167,809	27,045	23,788	218,642	30,383	249,025	188,583
Printing and publications	22,011	-	6,523	1,682	30,216	3,383	4,053	37,652	4,539	42,191	32,108
Professional services	14,694	-	6,560	1,692	22,946	5,334	3,253	31,533	6,998	38,531	49,739
Adminstrative overhead	62,356	1,367	25,741	6,702	96,166	14,123	12,946	123,235	16,996	140,231	126,736
TOTAL EXPENSES	$ 1,158,532	$ 221,700	$ 495,503	$ 191,576	$ 2,067,311	$ 208,294	$ 224,792	$ 2,500,397	$ 258,104	$ 2,758,501	$ 2,732,209

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

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 1802 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.

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. 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, 2013, an allowance was not considered necessary.

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.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In-Kind Contributions (Continued)
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 goods during the year ended June 30, 2013.

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.

Prior Period 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 accounting principles generally accepted in the United States. Accordingly, such information should be read in conjunction with the Organization's audited financial statements for the year ended June 30, 2012 from which the summarized information was derived.

Reclassifications
Certain reclassifications have been made to the 2012 financial statements in order to conform to the 2013 financial statement presentation.

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 (ASU) 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 2009 through 2012 remain subject to examination by major tax jurisdictions.

Recently Adopted Accounting Pronouncements
In May 2011, the FASB issued ASU No. 2011-04, *Fair Value Measurement (Topic 820): Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRS*. The amendments change the wording used to describe the requirements in U.S. GAAP for measuring fair value and for disclosing information about the fair value measurements. The amendments include the following:

1. Those that clarify the Board's intent about the application of existing fair value measurement and disclosure requirements.
2. Those that change a particular principle or requirement for measuring fair value or for disclosing information about fair value measurements.
3. Disclosure of quantitative information about the unobservable inputs used in a fair value measurement that is categorized within level 3.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Adopted Accounting Pronouncements (Continued)

The amendments in this Update are to be applied prospectively. For nonpublic entities, the amendments are effective for annual periods beginning after December 15, 2011. The Organization adopted the amendments effective July 1, 2012 and their adoption did not have any impact on the Organization's financial position or results of operations.

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 17, 2013, the date that the financial statements were available to be issued.

NOTE 3 – CONCENTRATION OF CREDIT RISK

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

NOTE 4 – GRANTS RECEIVABLE

Grants receivable amounted to the following at June 30, 2013:

Amounts due	
Less than one year	$ 470,538
One year	142,000
Total	$ 612,538

NOTE 5 – 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, 2013:

Restricted to Sponsor-A-Scholar program	
Less than one year	$ 34,314
One to five years	55,349
Total uncollected pledges at June 30, 2013	$ 89,663

NOTE 6 – FAIR VALUE MEASUREMENTS – INVESTMENTS

The following schedule summarizes investments as of June 30, 2013:

	Cost	Market
Mutual funds	$ 2,333,945	$ 2,567,629
Multi Asset Fund	5,852,500	6,348,098
	$ 8,186,445	$ 8,915,727

The following schedule summarizes the investment return and its classification in the statement of activities for the year ended June 30, 2013:

	Unrestricted	Permanently Restricted	Total
Interest and dividend income	$ 100,922	$ 13,112	$ 114,034
Capital gain distributions	155,529	33,110	188,639
Realized and unrealized gains	446,429	78,902	525,331
Total investment gain	$ 702,880	$ 125,124	$ 828,004

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2 Inputs to the valuation methodology include

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2013.

NOTE 6 – FAIR VALUE MEASUREMENTS – INVESTMENTS (Continued)

Mutual funds: Valued at the daily closing price as reported by the fund. Mutual funds held by the Organization are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value and to transact at that price. The mutual funds held by the Organization are deemed to be actively traded.

Multi Asset Fund: Valued at the net asset value which is calculated as assets of the fund less the fund's liabilities. The share reported by the Organization is proportionate to the Organization's relative capital contribution. Shares are redeemable upon request, subject to an exit fee, and are available the next business day; however, the Multi Asset Fund (MAF) reserves the right to hold payment up to seven days. MAF is open primarily to foundations, endowments, other 501(c)(3) organizations, and certain other non-profit organizations. In most cases, organizations seeking to invest in MAF must be "accredited investors" as defined in Rule 501(a) under the Securities Act of 1933, which generally requires that a non-profit organization have total assets in excess of $5 million. The $5 million need not be invested entirely in MAF. The fund seeks to achieve a total return (price appreciation plus dividends and interest income) that exceeds inflation plus 5% per annum through a globally diversified portfolio.

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value as of June 30, 2013:

	Assets at Fair Value as of June 30, 2013			
	Level 1	Level 2	Level 3	Total
Mutual funds				
Large cap equity funds	$ 539,130	$ -	$ -	$ 539,130
Fixed income funds	2,028,499	-	-	2,028,499
Multi Asset Fund	-	6,348,098	-	6,348,098
Total assets at fair value	$ 2,567,629	$ 6,348,098	$ -	$ 8,915,727

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

NOTE 7 – PROPERTY AND EQUIPMENT

Property and equipment consist of the following at June 30, 2013:

Office furniture and equipment	$ 57,320
Computer equipment	139,214
Leasehold improvements	23,856
	220,390
Less: accumulated depreciation	(122,053)
	$ 98,337

NOTE 8 – LINE OF CREDIT

The Organization has a line of credit with a bank in the amount of $100,000 which expires on November 15, 2013. The interest rate is prime (3.25% at June 30, 2013) minus 1.00% point. There were no outstanding borrowings as of June 30, 2013.

NOTE 9 – 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, 2013 are as follows:

Pre-college programs	$ 1,719,898
College programs	225,999
Sponsor-A-Scholar Program sponsorships	1,778,248
Other programs	14,700
	$ 3,738,845

NOTE 10 – PERMANENTLY RESTRICTED NET ASSETS

Permanently restricted net assets as of June 30, 2013 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 11 – 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, approximately $54,000, all of which is for operations.

NOTE 12 – 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. Organization contributions to the Plan amounted to $18,251 for the year ended June 30, 2013.

NOTE 13 – OPERATING LEASES

As of June 30, 2013, the Organization leased office space under noncancellable lease agreements that expire through March 31, 2017. In addition, the lease agreements require the Organization to pay its proportionate share of real estate taxes and other occupancy expenses.

NOTE 13 – OPERATING LEASES (Continued)

Rent expense, including real estate taxes and other occupancy expenses, for the year ended June 30, 2013 was $249,025. Minimum future rentals under the operating leases as of June 30, 2013 are as follows:

YEARS ENDING JUNE 30,	AMOUNT
2014	$ 236,067
2015	239,833
2016	175,512
2017	116,306
	$ 767,718

NOTE 14 – ELLIS TRUST

The Organization has a contract with the trustee of the Charles E. Ellis Trust to act as agent administrator for the trust. As agent administrator, the Organization is responsible for the administration of the annual distribution of funds to eligible Philadelphia high school girls for tuition and enrichment purposes. The Trust pays the Organization an annual fee for its services.

NOTE 15 – SUBSEQUENT EVENT

The Organization is subletting office space beginning on October 1, 2013. Minimum future rentals to be received on the noncancellable lease as of June 30, 2013 are:

YEARS ENDING JUNE 30,	AMOUNT
2014	$ 48,731
2015	69,615
2016	18,564
	$ 136,910