



Report of Independent Auditors and
Consolidated Financial Statements

Futures Without Violence and Subsidiaries

December 31, 2022

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Report of Independent Auditors

The Board of Directors
Futures Without Violence and Subsidiaries

Report on the Audit of the Financial Statements

Opinion

We have audited the consolidated financial statements of Futures Without Violence and Subsidiaries (collectively, "FUTURES"), which comprise the consolidated statement of financial position as of December 31, 2022, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Futures Without Violence and Subsidiaries as of December 31, 2022, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of FUTURES and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter – Adoption of an Accounting Standard

As discussed in Note 11 to the consolidated financial statements, as of January 1, 2022, FUTURES adopted Financial Accounting Standards Board ("FASB") Accounting Standards Update ("ASU") 2016-02, *Leases (Topic 842)*. The ASU has been applied using a modified-retrospective approach. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about FUTURES' ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit 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 FUTURES' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about FUTURES' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.



San Francisco, California

July 27, 2023

Consolidated Financial Statements

Futures Without Violence and Subsidiaries
Consolidated Statement of Financial Position
December 31, 2022

ASSETS

Cash and cash equivalents	\$ 5,588,542
Contributions receivable	2,922,300
Government contracts receivable	1,445,491
Investments, held at fair value	43,584,497
Investment in closely held company, held at cost	1,358,607
Loans receivable	700,000
Deferred compensation investments	1,357,260
Operating lease right-of-use asset	5,341,816
Property and equipment, net	14,321,233
Prepaid expenses and other assets	<u>316,292</u>
Total assets	<u><u>\$ 76,936,038</u></u>

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts payable	\$ 480,642
Grants payable	1,570,445
Accrued expenses	820,768
Contract liabilities	2,787
Operating lease liability	5,730,820
Deferred compensation liabilities	<u>1,357,260</u>
Total liabilities	<u>9,962,722</u>

NET ASSETS

Without donor restrictions:	
Undesignated	<u>35,648,403</u>
Total without donor restrictions	<u>35,648,403</u>
With donor restrictions:	
Program services	17,769,586
Endowment	<u>13,555,327</u>
Total with donor restrictions	<u>31,324,913</u>
Total net assets	<u>66,973,316</u>
Total liabilities and net assets	<u><u>\$ 76,936,038</u></u>

See accompanying notes.

Futures Without Violence and Subsidiaries
Consolidated Statement of Activities
Year Ended December 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT			
Government grants	\$ 8,711,009	\$ -	\$ 8,711,009
Foundation grants	732,441	3,133,975	3,866,416
Corporate donations	115,293	1,742,358	1,857,651
Individual donations	2,236,146	20,000	2,256,146
Investment loss, net	(2,219,924)	(4,672,914)	(6,892,838)
In-kind contributions	476,392	-	476,392
Other income	699,913	-	699,913
Net assets released from restrictions	2,990,292	(2,990,292)	-
Total revenue and support	<u>13,741,562</u>	<u>(2,766,873)</u>	<u>10,974,689</u>
EXPENSES			
Program services:			
Children/youth/teens	3,062,453	-	3,062,453
Health	3,265,967	-	3,265,967
Workplace & economic justice	1,387,942	-	1,387,942
Policy	856,077	-	856,077
Courage museum	2,594,514	-	2,594,514
Public engagement and corporate relations	76,033	-	76,033
Public education campaigns	1,404,965	-	1,404,965
Learning & Leadership	964,233	-	964,233
Strategic initiatives	1,049,958	-	1,049,958
Total program services	<u>14,662,142</u>	<u>-</u>	<u>14,662,142</u>
Supporting services:			
Management and general	295,994	-	295,994
Fundraising/development	592,485	-	592,485
Total supporting services	<u>888,479</u>	<u>-</u>	<u>888,479</u>
Total expenses	<u>15,550,621</u>	<u>-</u>	<u>15,550,621</u>
CHANGE IN NET ASSETS	(1,809,059)	(2,766,873)	(4,575,932)
NET ASSETS, beginning of year, as restated	<u>37,457,462</u>	<u>34,091,786</u>	<u>71,549,248</u>
NET ASSETS, end of year	<u>\$ 35,648,403</u>	<u>\$ 31,324,913</u>	<u>\$ 66,973,316</u>

See accompanying notes.

Futures Without Violence and Subsidiaries
Consolidated Statement of Functional Expenses
Year Ended December 31, 2022

	Program Services										Supporting Services				
	Children/ Youth/ Teens	Health	Workplace & Economic Justice	Policy	Courage Museum	Public Engagement and Corporate Relations	Public Education Campaigns	Learning & Leadership	Strategic Initiatives	Communications	Total Program Services	Management and General	Fundraising/ Development	Total Supporting Services	Total Expenses
Salaries, payroll taxes, and benefits	\$ 1,547,286	\$ 1,441,004	\$ 660,592	\$ 602,217	\$ 422,329	\$ 11,022	\$ 464,488	\$ 597,508	\$ 314,187	\$ 173,689	\$ 6,234,322	\$ 1,244,396	\$ 135,293	\$ 1,379,689	\$ 7,614,011
Consultants and subcontractors	336,447	383,510	212,476	41,339	1,344,569	25,300	487,987	92,360	446,403	163,975	3,534,366	29,477	229,412	258,889	3,793,255
Subawards/grants	270,133	476,250	93,987	-	115,000	-	18,991	34,346	-	-	1,008,707	-	-	-	1,008,707
Conference facilities and fees	4,113	45,882	19,403	271	6,224	1,986	4,444	4,356	15,012	166	101,857	4,820	7,631	12,451	114,308
Occupancy and utilities	295	5,113	-	-	-	-	116	42	-	-	5,566	593,508	290	593,798	599,364
Design/production/printing/reproduction	57,318	60,273	1,723	-	23,262	1,200	69,406	-	650	9,250	223,082	6,501	5,749	12,250	235,332
Website and software	23,958	28,499	14,848	24,794	5,161	3,869	46,506	3,464	3,865	50,881	205,845	9,172	21,157	30,329	236,174
Travel and meetings	6,952	22,081	9,427	145	744	89	28,543	3,986	4,718	-	76,685	338	141	479	77,164
Insurance	-	-	-	-	-	-	1,925	-	-	-	1,925	99,493	-	99,493	101,418
Professional services	121,543	18,627	-	-	78,008	-	37,254	-	18,627	-	274,059	321,384	-	321,384	595,443
Telecommunications	13,725	13,711	7,578	3,155	2,417	61	3,373	5,874	1,551	862	52,307	26,869	757	27,626	79,933
Information technology	36,834	35,360	17,803	12,921	5,505	221	8,629	(1,772)	4,108	4,981	124,590	(55,187)	2,637	(52,550)	72,040
Supplies and postage	8,133	30,310	8,910	409	9,983	14	4,858	4,017	2,622	-	69,256	22,848	1,025	23,873	93,129
Advertising/media/advocacy	125	-	-	-	-	-	1,999	-	22,221	20	24,365	-	-	-	24,365
Repair and maintenance	-	-	-	-	665	13,927	-	-	165	-	14,757	223,356	-	223,356	238,113
Equipment and equipment rentals	87	11	-	-	-	-	-	-	-	71	169	10,125	71	10,196	10,365
Dues and subscriptions	8,603	1,848	432	563	89	292	417	1,485	1,441	1,099	16,269	21,963	1,931	23,894	40,163
Professional development	957	1,196	2,500	-	-	-	-	350	-	420	5,423	2,904	-	2,904	8,327
Depreciation and amortization	-	-	-	-	-	-	-	-	-	-	-	494,306	-	494,306	494,306
Communications	72,637	94,008	38,975	24,178	70,365	2,201	24,737	23,827	24,469	(405,480)	(30,083)	-	30,083	30,083	-
Interest and fees	-	443	-	500	-	-	3,408	-	-	-	4,351	38,527	24,983	63,510	67,861
Miscellaneous	820	2,941	27,373	124	1,050	307	1,986	1,254	5,147	66	41,068	5,662	113	5,775	46,843
Total program services	2,509,966	2,661,067	1,116,027	710,616	2,085,371	60,489	1,209,067	771,097	865,186	-	11,988,886	3,100,462	461,273	3,561,735	15,550,621
Indirect expense allocation:															
Indirect	552,487	604,900	271,915	145,461	509,143	15,544	195,898	193,136	184,772	-	2,673,256	(2,804,468)	131,212	(2,673,256)	-
Total expenses	\$ 3,062,453	\$ 3,265,967	\$ 1,387,942	\$ 856,077	\$ 2,594,514	\$ 76,033	\$ 1,404,965	\$ 964,233	\$ 1,049,958	\$ -	\$ 14,662,142	\$ 295,994	\$ 592,485	\$ 888,479	\$ 15,550,621

See accompanying notes.

Futures Without Violence and Subsidiaries
Consolidated Statement of Cash Flows
Year Ended December 31, 2022

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ (4,575,932)
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Net realized and unrealized loss on investments	(7,290,946)
Depreciation and amortization	494,306
Change in operating assets and liabilities:	
Contributions receivable	(576,935)
Government contracts receivable	(15,655)
Deferred compensation investments	250,212
Investment in subsidiary	-
Prepaid expenses and other assets	275,390
Accounts payable	(616,042)
Grants payable	(1,191,000)
Accrued expenses	73,661
Operating lease liability	(81,405)
Deferred compensation liabilities	<u>(250,212)</u>
Net cash used in operating activities	<u>(13,504,558)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchases of property and equipment	(422,878)
Proceeds from sale of investments	23,427,771
Purchases of investments	<u>(9,741,386)</u>
Net cash provided from investing activities	<u>13,263,507</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(241,051)
CASH AND CASH EQUIVALENTS, beginning of year	<u>5,829,593</u>
CASH AND CASH EQUIVALENTS, end of year	<u><u>\$ 5,588,542</u></u>
SUPPLEMENTAL DISCLOSURE OF NONCASH OPERATING AND FINANCING ACTIVITIES	
Net additions to right-of-use asset	<u>\$ (5,478,032)</u>
Net additions to operating lease liabilities	<u><u>\$ 5,841,334</u></u>

See accompanying notes.

Futures Without Violence and Subsidiaries

Notes to Consolidated Financial Statements

Note 1 – Organization

Futures Without Violence incorporated in California in 1989 as a nonprofit public benefit corporation. Futures Without Violence pioneers new strategies to end violence against women and children in the United States and around the world, because everyone has the right to live free of violence. Futures Without Violence is reaching new audiences, including men and youth, promoting leadership within communities to ensure that violence prevention efforts become self-sustaining, and transforming the way social institutions respond to violence. Futures Without Violence operations include offices in Washington, D.C., Boston, Massachusetts, and its national headquarters in San Francisco, California.

Futures Without Violence formed two entities of which it maintains whole or partial ownership: Presidio Building 100, Inc.; and Presidio MT, LLC (known collectively as the Real Estate Entities). The Real Estate Entities were organized under the laws of the State of California for the purpose of entering into a long-term ground lease for Building 100 at The Presidio in San Francisco, California and qualifying for a historic tax credit in connection with the renovation of Building 100, where Futures Without Violence national headquarters are located.

FUTURES receives support from private foundations, federal and state governments, corporations, and individual donors allowing for groundbreaking work in the following program areas:

Children, youth, and teens – FUTURES works to promote resiliency for children exposed to violence. FUTURES works at the forefront of policy and research to advance promising practices in health care, education, law enforcement, and social services that help young people heal and thrive. FUTURES believes in starting early and investing in prevention strategies that promote healthy relationships among teens and young adults. Working with violence prevention advocates and educators, FUTURES has worked to break the cycle of violence by developing groundbreaking programs to prevent teen dating violence and promote healthy relationships.

Health – Recognizing the health impacts of domestic and sexual violence, FUTURES works across sectors to advance quality health care for patients everywhere. FUTURES pioneers best practices and policies to address the unique health needs of survivors of violence and to promote prevention. FUTURES provides training and technical assistance to improve health care providers' response to domestic violence and innovative partnerships that make health care more accessible to survivors when they need it most. For nearly 20 years, FUTURES has been the federally designated National Health Resource Center on Domestic Violence. Bridging the gaps between domestic and sexual violence advocates, health care professionals, law enforcement, and social workers, our programs support innovative partnerships that promote a more holistic approach to health care for survivors of violence.

Workplace & economic justice – The National Workplace Resource Center provides guidelines and technical assistance to businesses in preventing violence against women and girls in the workplace. Workers in low-wage industries are especially vulnerable to sexual assault, domestic violence, stalking, and trafficking. FUTURES is pioneering collaborations between anti-violence advocates, worker associations, the criminal justice system, labor and immigration officials, employers, and more to forge dialogue and innovative solutions to create a safer, more equitable, and more productive working environment and community. FUTURES also provides training and technical assistance to organizations seeking to work collaboratively to effectively respond to human trafficking in their communities.

Futures Without Violence and Subsidiaries

Notes to Consolidated Financial Statements

Policy – FUTURES has a voice on all levels of government in the development of public policy. It has provided key leadership on issues of violence against women and children that has resulted in addressing domestic violence in the military, improving options for immigrant women, and increasing funding to services that make the critical difference in the lives of victims. FUTURES believes that ending violence against women is essential to development, health, security, and prosperity in nations and communities around the globe, and therefore continues to play an active role advocating for policy solutions such as the Violence Against Women Act in the U.S. and internationally (VAWA and I-VAWA).

Courage museum – The Courage Museum, an immersive learning experience that will encourage visitors to imagine a world without violence, hate and discrimination, to be located on the Main Post of San Francisco’s historic Presidio National Park. The Museum, an integral public engagement program of FUTURES, will be a bold new platform for learning, inspiration, leadership and action. Through storytelling, scientific insights, and cultural analyses, the museum will engage visitors in the possibility of a world in which violence is not an inevitable part of the human experience. It will be a place where individuals are inspired, challenged and equipped with tools to disrupt long-standing gender and racial inequities by advancing concrete change.

Public engagement and corporate relations – FUTURES develops and implements strategic partnerships that are designed to engage and educate consumers and the general public about positive solutions for violence prevention. Through cause-related, events, promotions, and targeted educational programs FUTURES works with companies, professional sports teams, and membership associations to provide education and opportunities for participation in support of our work to end and prevent domestic violence, sexual assault, and child abuse.

Public education campaigns – FUTURES launched the first-ever national public education campaign on domestic violence – There’s No Excuse for Domestic Violence – in 1994. Now FUTURES is reaching young men and boys through the Coaching Boys into Men and Teach Early Campaigns, encouraging men, caregivers, teachers, and other mentors to communicate to the young men and boys in their lives that violence against women is wrong. Through media and through work with allied organizations, coaches, and others who reach men and boys, FUTURES is delivering the message that men can make a difference.

Learning and Leadership – FUTURES’ National Judicial Education Project helps battered women and their children by educating judges on how their decisions can play a critical role to prevent domestic violence injuries and deaths, increasing their cultural competence, and by assisting municipalities in developing domestic violence courts. Since 1999, FUTURES has trained over 9,000 judges across the U.S. to enhance their understanding of domestic violence, sexual assault, and stalking, and equip them with the tools they need to better support victims of abuse.

Strategic initiatives – FUTURES strives to identify critical social issues that contribute to violence against women and children, and develop groundbreaking programs and campaigns to empower individuals and transform social norms. We believe that new collaborations to share lessons learned and develop comprehensive strategies can prevent and end violence against women and children.

Futures Without Violence and Subsidiaries

Notes to Consolidated Financial Statements

Communications – FUTURES’ communications department is an organizational service center which provides direct services to all programs within FUTURES. The expenses associated with this service center are direct, program related expenses and as such, they are charged directly to each project. These services are provided via online and digital technologies that increase program visibility and disseminate project findings, as well as via the technical assistance that builds social marketing capacity, media outreach and communications. As a service center, FUTURES’ communication department recovers the cost of its operations through charges to its users. The cost of running the service center is charged to programs on a “proportional rate” basis. Rates are generally formulated to recover the costs of operations such as salaries, benefits, materials, supplies, and website management.

Note 2 – Summary of Significant Accounting Policies

Basis of presentation – The consolidated financial statements are prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) applicable to not-for-profit organizations.

Principles of consolidation – The accompanying consolidated financial statements reflect the consolidation of the accounts of Futures Without Violence and the Real Estate Entities (collectively, FUTURES). Material transactions between the entities have been eliminated in the consolidation.

During the year ended December 31, 2022, FUTURES determined the investment Futures Without Violence held in Presidio MT, LLC was not properly eliminated upon consolidation. As a result, FUTURES restated its 2021 consolidated financial statements to properly eliminate the \$1,383,857 investment Futures Without Violence had in Presidio MT, LLC. The restatement resulted in a reduction to the investment in subsidiary and reduction in net assets. There was no impact to the consolidated statement of activities, consolidated statement of cash flows or total change in net assets.

Description of net assets – Net assets are classified based on existence or absence of donor-imposed restrictions as follows:

Without donor restrictions is defined as that portion of net assets that has no use or time restrictions. As of December 31, 2022, there are no board designated net assets.

With donor restrictions is defined as that portion of net assets that consist of a restriction on the specific use or the occurrence of a certain future event. Contributions unconditionally promised, which are scheduled to be received more than one year in the future, are recorded at fair value, classified as with donor restrictions until the funds are received, and are discounted at a rate commensurate with the risks involved. Net assets consisting of the initial fair value of the gifts where the donor has specified that the assets donated are to be retained in an endowment, providing a permanent source of revenue for charitable purposes are classified as with donor restrictions. The accumulation of assets, above historic gift value, in donor restricted endowment funds is classified as with donor restrictions until appropriated for use based on FUTURES’ spending policy. FUTURES’ also receives grants from charitable foundations and local agencies for initiatives and special projects for which purpose restrictions apply. Such grants and contributions are recorded as with donor restrictions until the purpose restrictions are met. When the purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported as net assets released from restrictions.

Futures Without Violence and Subsidiaries

Notes to Consolidated Financial Statements

Cash and cash equivalents – For the purpose of reporting cash flows, FUTURES considers all highly liquid investments with an initial maturity of three months or less when purchased to be cash equivalents. Cash and cash equivalents held in money market funds and invested in an endowment are intended for investment purposes and are classified separately under investments.

Contributions receivable – Contributions receivable consist of collectible unconditional promises to give recognized in the period the contribution is received.

Government contracts receivable – Government contracts receivable are stated at unpaid balances. Government contracts receivable are expected to be collected less than a year.

Investments – Investments are stated at fair value based on quoted market prices and the net unrealized appreciation or depreciation on investments is included in the change in net assets in the accompanying consolidated statement of activities. Interest and dividend income are accrued when earned.

Investment gains and losses are shown net of external and direct internal expenses on investments of endowment and similar funds and are reported as follows:

Increases or decreases in net assets with donor restrictions if the terms of the gift or FUTURES' interpretation of relevant state law requires they be added to the principal of a net asset with donor restrictions.

Increases or decreases in net assets with donor restrictions if the terms of the gift impose restrictions on the use of the income.

Increases or decreases in net assets without donor restrictions in all other cases.

These investment securities are exposed to various risks, such as interest rate, market, and credit risk. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and such changes could materially affect account balances and the amounts reported in the consolidated statement of financial position.

Impairment in investments held at cost – FUTURES evaluates for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. If the estimated future cash flows (undiscounted and without interest charges) from the use of an asset are less than the carrying value, a write-down will be recorded to reduce the related asset to its estimated fair value. As of December 31, 2022, no such write-downs have occurred.

Loans receivable – Loans that FUTURES has the intent and ability to hold for the foreseeable future are stated at the amount of unpaid principal, reduced by an allowance for loan losses. These loans are unsecured. Loans have maturity dates through September 25, 2023. No allowance for loan losses was deemed necessary at December 31, 2022.

Interest accrues on loans receivable daily in accordance with the interest rates applicable to the loans. The average interest rate on loans was 1.75% per annum.

Futures Without Violence and Subsidiaries

Notes to Consolidated Financial Statements

Allowance for doubtful accounts – FUTURES provides an allowance for grants, contracts, loans, and contributions receivable that management believes may not be collected in full. An evaluation of the collectability of the amounts outstanding is conducted based on a combination of factors. When a specific organization is unable to meet its financial obligations (due to, for example, financial difficulties), a specific reserve is recorded. For all other organizations, FUTURES recognizes reserves for bad debts based on historical collection experience. If circumstances change (i.e., higher than expected defaults or an unexpected material adverse change in an organization's ability to meet its financial obligations), FUTURES' estimates of the recoverability of amounts due may change in the near term. No allowance was deemed necessary at December 31, 2022.

Property and equipment – Property and equipment are recorded at cost. Depreciation is computed on a straight-line basis over the estimated useful lives of the assets which range from three to five years. Amortization of leasehold improvements is computed over the life of the related lease which ranges from fifteen to forty years. FUTURES capitalizes property and equipment with cost or donated fair value over \$5,000.

FUTURES regularly evaluates its long-lived assets for indicators of possible impairment. Should an impairment exist, the impairment loss would be measured based on the excess carrying value of the asset's fair value or discounted estimates of future cash flows. FUTURES has not identified any such impairment losses to date.

Leases – In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-02, *Leases (Topic 842)* (ASU 2016-02), replacing the previous leasing standard Accounting Standards Codification (ASC) 840, *Leases* ("ASC 840"), which requires an entity that is a lessee to recognize the assets and liabilities arising from leases with terms longer than twelve months on the statement of financial position. Leases are to be classified as either operating or finance, with classification affect the pattern of expense recognition in the consolidated statement of activities.

FUTURES' adopted this new lease standard on January 1, 2022, using a modified retrospective transition as of the effective date (the "effective date method"). Under the effective date method, financial results reported in periods prior to 2022 are unchanged. FUTURES' elected the package of practical expedients permitted under the transition guidance. In addition, FUTURES made an accounting policy election to keep leases with an initial term of 12 months or less off of the consolidated statement of financial position. FUTURES will continue to recognize those lease payments for short-term leases in the consolidated statement of activities on a straight-line basis over the lease term.

The adoption of the new lease standard resulted in the recognition of operating lease assets and operating lease liabilities of \$5,478,032 and \$5,841,334, respectively, as of January 1, 2022.

Transactions give rise to leases when FUTURES receives substantially all of the economic benefits from and has ability to direct the use of specified property and equipment. FUTURES has lease activity that is classified as operating leases and no activities that is classified as finance leases. Operating leases are included in operating right-of-use assets, and operating lease liabilities in the consolidated statements of financial position. Right-of-use assets represents the right to use an underlying asset for the lease term and lease liabilities represent obligations to make lease payments arising from the lease.

Futures Without Violence and Subsidiaries

Notes to Consolidated Financial Statements

Operating lease right-of-use assets and liabilities are recognized at the commencement date based on the present value of lease payments over the lease term. When discount rates implicit in leases cannot be readily determined, FUTURES uses the risk-free rate at lease commencement to perform lease classification tests and to measure lease liabilities and right-of-use assets. Lease expense for operating leases is recognized on a straight-line basis over the lease term.

FUTURES has no agreements with lease and nonlease components such as common area maintenance and has elected to account for the lease and nonlease components as a single component. FUTURES has elected not to recognize right-of-use assets and lease liabilities for leases of terms less than 12 months.

Endowment funds – FUTURES follows the guidance of the ASC 958-205, *Not-for-Profit Entities—Presentation of Financial Statements*. The State of California adopted a version of the Uniform Prudent Management of Institutional Funds Act as its California Prudent Management of Institutional Funds Act (CPMIFA).

Interpretation of relevant law – FUTURES has determined it holds net assets that meet the definition of endowment funds under CPMIFA. As a result of this interpretation, the corpus of funds subject to CPMIFA is classified as with donor restrictions. The corpus represents the fair value of the original gifts as of the gift date, and all subsequent gifts where the donor has indicated the gift be retained in perpetuity. The value of assets in excess of original gifts in donor restricted endowment funds are classified as net assets with donor restrictions until appropriated for expenditure by FUTURES. In accordance with CPMIFA, FUTURES considers the following factors in making a determination as to the appropriation of assets for expenditure: 1) the duration and preservation of the fund, 2) the purposes of the organization and the donor-restricted endowment fund, 3) general economic conditions, 4) the possible effect of inflation and deflation, 5) the expected total return from income and the appreciation of investments, 6) other resources of the organization, and 7) the investment policies of FUTURES.

From time to time, the fair value of the assets associated with individual donor restricted endowment funds may fall below historical gift value. At December 31, 2022, there were no such deficiencies.

Investment and spending policies – The Board of Directors has approved, and FUTURES has adopted, investment policies for its endowment assets that attempt to maintain and improve the earning power of those assets over time to support current and future programs. The Investment Advisory Committee's responsibilities are to oversee and monitor the endowment assets on an ongoing basis through quarterly reviews of the fund activity, annual review of the investment policy, and regular communication with the investment managers.

Endowment assets are invested in a diversified asset mix, including equity and debt securities, intended to preserve capital, and yield moderate income. Over the long term, the goal of this asset mix is to maintain a total return on investment assets equal to the rate of inflation, plus an amount to support programs and operations, and plus an amount to be reinvested to provide for growth of principal. The Investment Advisory Committee has quantified the targeted annual average growth rate as a real return of 4%, after accounting for inflation, taxes, and fees. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to minimize risk.

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The spending policy calculates the amount of money annually distributed from the FUTURES endowed funds. The current spending policy is determined annually and represents a fixed percent of the three-year trailing average of the fair value of the endowment assets. This is consistent with FUTURES' objective of maintaining purchasing power of endowed assets as well as to provide additional real growth through new gifts and investment return. Although payout rates may vary, it is the Investment Advisory Committee's recommendation that a payout rate should not be more than 5%. The spending policy is further limited to 50% of endowment interest and dividends each year.

Revenue recognition – Private and government grant revenues are recognized as net assets without donor restrictions as services are recognized in accordance with ASU 2018-08, *Not-For-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. Contract and government grants are considered to be a conditional contribution and the contribution is met when the services are performed and/or expenses are incurred.

Contributions received as well as collectible unconditional promises to give are recognized in the period the contribution is received. Contributions with donor-imposed restrictions are reported as revenues with donor restrictions. Net assets with donor restrictions are classified to net assets without donor restrictions when the donor restrictions are satisfied. Contributions received with donor-imposed restrictions that are satisfied within the same reporting period are reported as without donor restrictions support in that period. Conditional contributions are recognized when the conditions on which they depend are substantially met.

In-kind contributions are derived from various administrative legal matters not associated with donor restrictions. The contributed services from attorneys were valued at the estimated fair value based on current rates for similar legal services.

Certain sources of revenue are derived from interest and dividends earned on loans, investment securities, and other financial instruments that are not within the scope of ASC Topic 606, *Revenue from Contracts with Customers* (ASC 606).

All of FUTURES revenue from contracts with customers in the scope of ASC 606 is recognized in other income. Sources of revenue from contracts with customers that are in the scope of ASC 606 include the following:

Contract fee revenue – Contract fee revenue in the amount of \$613,533 was included in other income as of December 31, 2022. FUTURES earns contract fee revenue from customers for services rendered as the contract transaction occurs. Contract fee revenue is charged to customers on a monthly or quarterly basis and is recognized as the performance obligation is satisfied or at the end of the service period. The performance obligation is met when services are performed and or when expenses are incurred.

Contract liabilities represents advance payment for services to be provided within the next twelve months, and revenue will be recognized at the time the performance obligation is satisfied. Contract assets and liabilities as of January 1, 2022 were \$1,429,836 and \$2,787, respectively.

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FUTURES has evaluated the nature of its contracts with customers and determined that further disaggregation of revenue from contracts with customers into more granular categories beyond what is presented in the consolidated statement of activities was not necessary. FUTURES generally fully satisfies its performance obligations on its contracts with customers as services are rendered and the transaction prices are typically fixed; charged either on a periodic basis or based on activity. Because performance obligations are satisfied as services are rendered and the transaction prices are fixed, there is limited judgment involved in applying ASC 606 that significantly affects the determination of the amount and timing of revenue from contracts with customers.

Expense allocation – The costs of providing programs and supporting services have been summarized on a functional basis in the consolidated statement of activities and consolidated statement of functional expenses. Accordingly, certain costs have been allocated among the various programs and supporting services benefited based upon employee time recorded on functions related to the specific activity, or in the case of shared expenses, using an allocation based on personnel costs, space usage, or other relevant bases.

Fair value measurements – FUTURES carries certain assets and liabilities at fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. FUTURES classifies its financial assets and liabilities according to three levels, and maximizes the use of observable inputs and minimizes the use of unobservable inputs when measuring fair value.

Level 1 – Quoted market prices (unadjusted) in active markets for identical assets or liabilities that the entity has the ability to access at the measurement date.

Level 2 – Observable inputs other than quoted prices included within Level 1 for the asset or liability, either directly or indirectly.

Level 3 – Unobservable inputs for the asset or liability that are not corroborated by market data.

FUTURES reports certain investments that are measured at fair value using the net asset value per share “practical expedient” as determined by investment managers. These investments do not have readily determinable fair values and are investments in companies that prepare their financial statements consistent with the measurement principles of an investment company or have attributes of an investment company.

In certain cases, inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment’s level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement where Level 1 is the highest and Level 3 is the lowest. FUTURES’ assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the investment.

Income taxes – Futures Without Violence is exempt from federal and California income taxes under the provision of Internal Revenue Code (IRC) Section 509(a)(2) as an organization described under IRC Section 501(c)(3) and Section 23701d of the California Revenue and Taxation Code.

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Presidio Building 100, Inc. pays both federal and state income tax on its taxable income. Income taxes are provided for the tax effect of transactions reported in the consolidated financial statements and consist of taxes currently due plus deferred taxes. Deferred taxes are recognized for differences between the basis of assets and liabilities for financial and income tax reporting purposes. Deferred tax assets and liabilities represent future tax return consequences of those differences, which will either be taxable or deductible when the assets and liabilities are recovered or settled. No federal or state income tax liability or deferred tax assets and liabilities have been recognized as of December 31, 2022, as they have been deemed immaterial to the consolidated financial statements when taken as a whole.

The taxable income or loss of Presidio MT, LLC is allocated to members in accordance with their respective percentage ownership. Federal and state income tax statutes require that the income or loss of the corporation be included in the tax returns of the individual members. Each member is individually responsible for reporting income or loss, to the extent required by federal and state income tax laws and regulations, based upon respective share of the company's income and expense as reported for income tax purposes.

Estimates – The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts, assets, and liabilities, and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Recent accounting pronouncements – In September 21, 2020, the FASB issued ASU 2020-07, *Not-for-Profit Entities Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets* ASU 2020-07, which requires a not-for-profit organization to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash or other financial assets. FUTURES adopted ASU 2020-07 as of January 1, 2022. FUTURES recorded in-kind contributions as of December 31, 2022 and they are shown as a separate line item in the consolidated statement of activities. Additional disclosures were also required and included in the noted to the consolidated financial statements.

Subsequent events – Subsequent events are events or transactions that occur after the consolidated statement of financial position, date but before the consolidated financial statements are available to be issued. FUTURES recognizes in the consolidated financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the consolidated statement of financial position, including the estimates inherent in the process of preparing the consolidated financial statements. FUTURES' consolidated financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the consolidated statement of financial position, but arose after the consolidated statement of financial position date and before the consolidated financial statements are available to be issued.

FUTURES has evaluated subsequent events through July 27, 2023, which is the date the consolidated financial statements are available to be issued.

Futures Without Violence and Subsidiaries

Notes to Consolidated Financial Statements

Note 3 – Real Estate Entities

Presidio Building 100, Inc., is a wholly-owned for-profit subsidiary of Futures Without Violence. Presidio Building 100, Inc., in turn, is the Managing Member of Presidio MT, LLC, of which Futures Without Violence, is the Investor Member.

	Building 100, Inc.	Presidio MT, LLC
Futures Without Violence	100.00%	45.00%
Presidio Building 100, Inc.	0.00%	55.00%
Total	100.00%	100.00%

On October 7, 2009, Presidio MT, LLC, entered into a forty-year ground lease with The Presidio Trust for Building 100 and began renovation of the building that was substantially completed in June of 2011. At the completion of construction, Presidio MT, LLC, began subleasing Building 100 to Futures Without Violence. Building 100 is a certified historic structure that is eligible for the historic investment tax credits on qualifying rehabilitation expenditures pursuant to Section 47 of the IRC. Bay Area Historic Fund 2011, LLC, received the historic tax credit and other tax benefits of the renovation until the time they transferred their interest to Futures Without Violence during 2017.

Futures Without Violence has guaranteed certain contractual obligations of its subsidiaries including the continued management and operations of the building.

Note 4 – Contributions Receivable

FUTURES received indications of intentions to give from various donors and board members. The anticipated gifts are conditional upon fulfillment through the donor's estate or when the agreements are executed. The value of the gifts are approximately \$3,257,642, and are not recognized as assets in the consolidated statement of financial position as of December 31, 2022.

Contributions receivable with payment terms in excess of one year are subject to discounting based on an internal discount rate. FUTURES believes the discount associated with such contributions are immaterial to the consolidated financial statements.

Contributions receivable as of December 31, 2022, consists of the following:

Operations	\$ 331,811
Programs	2,590,489
Total contributions receivable	\$ 2,922,300

At December 31, 2022, contributions receivable due in less than one year is \$2,444,158. Contributions receivable due in one to five years is \$478,142, and have not been discounted as the impact would not be significant.

Futures Without Violence and Subsidiaries

Notes to Consolidated Financial Statements

Note 5 – Investments and Fair Value Measurements

The following tables present the investments carried at fair value on the accompanying consolidated statement of financial position as of December 31, 2022, by valuation hierarchy:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Net Asset Value</u>
Investments:				
Cash and cash equivalents	\$ 11,514,355	\$ 11,514,355	\$ -	\$ -
Equity securities:				
Domestic equity	8,171,665	8,171,665	-	-
International equity	5,080,037	5,080,037	-	-
Real estate investment trusts	202,142	202,142	-	-
Mutual funds:				
Domestic bond funds	7,093,664	7,093,664	-	-
Domestic equity funds	8,455,734	8,455,734	-	-
International equity funds	954,825	954,825	-	-
Alternative investments:				
Fund of funds	<u>2,112,075</u>	<u>-</u>	<u>-</u>	<u>2,112,075</u>
Total investments	<u>43,584,497</u>	<u>41,472,422</u>	<u>-</u>	<u>2,112,075</u>
Investments held for deferred compensation:				
Investment in variable life insurance	378,514	378,514	-	-
Cash and cash equivalents	10,586	10,586	-	-
Domestic equity	20,963	20,963	-	-
Mutual funds:				
Domestic bond funds	131,562	131,562	-	-
Domestic equity funds	297,991	297,991	-	-
Exchange traded funds	<u>517,644</u>	<u>517,644</u>	<u>-</u>	<u>-</u>
Total investments held for deferred compensation	<u>1,357,260</u>	<u>1,357,260</u>	<u>-</u>	<u>-</u>
Total assets measured at fair value	<u>\$ 44,941,757</u>	<u>\$ 42,829,682</u>	<u>\$ -</u>	<u>\$ 2,112,075</u>

Alternative investments are comprised of investments in fund of funds. Fair value associated with these investments has been based on information provided by the individual fund managers. FUTURES' used the net asset value per share (or its equivalent) to estimate the fair value of these alternative investments.

The following table represents the liquidity and redemption restrictions on the alternative investments above valued using net asset value:

<u>Strategies</u>	<u>Fair Value at December 31, 2022</u>	<u>Unfunded Commitment</u>	<u>Redemption Frequency</u>	<u>Redemption Notice Period</u>
Fund of funds	\$ 2,112,075	\$ -	\$ -	30 days

Fund of funds – FUTURES invests in fund of funds that consist of two diversified multi-asset funds. The primary investments included in these funds are U.S. and non-U.S. equities, fixed income funds, real estate, and privately held investments.

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FUTURES endeavors to ensure that the fair values of the financial instruments reported in the consolidated financial statements are appropriate and determined on a reasonable basis.

While FUTURES believes its valuation methods are appropriate and consistent with those used by other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date. Those estimated values may differ significantly from the values that would have been used had a readily available market for such assets existed, or had such assets been liquidated, and these differences could be material to the consolidated financial statements.

Note 6 – Investment Held at Cost

In 2018, FUTURES' invested in a limited liability partnership (LLP). The total commitment made by FUTURES was \$500,000. In 2020, FUTURES' invested in two additional LLPs with commitments of \$500,000 each. At December 31, 2022, total capital contributions made to the LLPs were \$319,981. FUTURES assessed its rights as a limited partner with these partnerships and concluded that FUTURES does not maintain direct operational control. FUTURES did not consolidate the LLPs into its consolidated financial statements as a result of not maintaining control.

Note 7 – Property and Equipment, Net

Property and equipment, net consist of the following as of December 31, 2022:

Office equipment and computers	\$ 795,618
Office furniture	401,181
Leasehold improvements	<u>18,360,632</u>
	19,557,431
Less: accumulated depreciation and amortization	(7,292,410)
Work in progress - museum	<u>2,056,212</u>
	14,321,233
Total property and equipment, net	<u><u>\$ 14,321,233</u></u>

Depreciation and amortization expense for the year ended December 31, 2022, amounted to \$494,306.

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Notes to Consolidated Financial Statements

Note 8 – Net Assets with Donor Restrictions

Net assets with donor restrictions at December 31, 2022, may be expended for:

Donor restricted endowment	\$ 13,555,327
Program services:	
Endowment - unappropriated earnings	10,186,476
Strategic initiatives	2,291,125
Economic justice	1,420,334
Public education campaigns	1,126,444
Public engagement and corporate relations	936,610
Policy	799,649
Learning & leadership	858,639
Children/youth/young families	141,943
Health	8,032
Fundraising and development	334
	<u>\$ 31,324,913</u>

All net assets with donor restrictions for program services are expected to be released from restriction by December 31, 2026.

Net assets were released from donor restrictions for the following programs by incurring expenses satisfying the restricted purposes during the year ended December 31, 2022, as follows:

Program services:	
Public education campaigns	\$ 1,429,030
Strategic initiatives	998,882
Economic justice	308,785
Policy	100,350
Learning & leadership	117,261
Children/youth/young families	35,984
	<u>\$ 2,990,292</u>

Net assets with donor restrictions of \$13,555,327, are to be held in perpetuity, the income of which is available for general operations as of December 31, 2022.

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Notes to Consolidated Financial Statements

Note 9 – Endowment Disclosures

FUTURES is required to provide information about net assets which are defined as endowment. Classifications include endowment which is restricted in perpetuity by donors (net assets with donor restrictions). The changes in endowment net assets for the year ended December 31, 2022, are as follows:

	With Donor Restrictions
Endowment net assets, beginning of year	\$ 28,414,717
Net loss on investments	(4,672,914)
Endowment net assets, end of year	\$ 23,741,803

Note 10 – Liquidity and Funds Available

The following table reflects FUTURES' financial assets as of December 31, 2022, reduced by amounts not available for general expenditure within one year. Financial assets are considered unavailable when illiquid or not convertible to cash within one year, assets held for others, endowments, and accumulated earnings net of appropriations within one year.

Financial assets available to meet cash needs for general expenditures within one year as of December 31, 2022, are as follows:

Financial assets:	
Cash and cash equivalents	\$ 5,588,542
Contributions receivable	2,922,300
Government contracts receivable	1,445,491
Investments, held at fair value	43,584,497
Investment in closely held company, held at cost	1,358,607
Loans receivable	700,000
Deferred compensation investments	1,357,260
Financial assets, at December 31, 2022	56,956,697
Less those unavailable for general expenditure within one year, due to:	
Investments not convertible to cash within next 12 months	(1,358,607)
Deferred compensation investments	(1,357,260)
Perpetual and term endowments and accumulated earnings subject to appropriation beyond one year	(23,741,803)
Financial assets available to meet cash needs for general expenditures within one year	\$ 30,499,027

FUTURES has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

Futures Without Violence and Subsidiaries

Notes to Consolidated Financial Statements

Note 11 – Commitments and Contingencies

Leases agreements – FUTURES conducts its operations from San Francisco, California; Boston, Massachusetts; and Washington, D.C., offices under noncancelable operating leases, which expire at various dates through June 2051.

The leases generally contain renewal options for periods ranging from one to five years and require FUTURES to pay all executory costs (property taxes, maintenance, and insurance). FUTURES has taken the reasonable certainty of exercising the renewal options into consideration, and if applicable, has recognized the renewal options as part of the right-of-use assets and lease liabilities.

As of December 31, 2022, lease assets and lease liabilities were as follows:

Assets:	Classification	
	Operating lease right-of-use assets	<u>\$ 5,341,816</u>
Liabilities:	Classification	
	Operating lease liabilities	<u>\$ 5,730,820</u>

For the year ended December 31, 2022 total lease costs incurred by lease type and type of payment were as follows:

Operating lease cost	\$ 252,613
Short-term lease cost	116,976
Variable lease cost	<u>-</u>
Total cost	<u>\$ 369,589</u>
Sublease income	<u>\$ -</u>

For the year ended December 31, 2022, other supplemental quantitative disclosures were as follows:

Cash paid for amounts included in the measurement of lease liabilities:	
Operating cash flows used for operating leases	\$ 226,911
Right-of-use assets obtained in exchange for operating lease liabilities	\$ 5,478,032
Weighted average:	
Discount rate of operating leases	2.01%
Remaining lease term (years) of operating leases	28.42

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As of December 31, 2022, the undiscounted future lease payments over the lease term for operating leases, along with a reconciliation of the undiscounted cash flows to operating lease liabilities, were as follows:

<u>Years Ending December 31,</u>	
2023	\$ 252,613
2024	252,613
2025	252,613
2026	252,613
2027	252,613
Thereafter	<u>5,915,346</u>
Total lease payments	7,178,411
Less: present value discount	<u>(1,447,591)</u>
Lease liability	<u><u>\$ 5,730,820</u></u>

Contracts and grants – Contract and grant agreements require the fulfillment of certain conditions as set forth in the grant instruments. Failure to fulfill the conditions of the grant agreements could result in return of the funds to the grantors. FUTURES deems this contingency remote. FUTURES also receives a portion of its public support under various government contracts, whereby government agencies contribute based on reimbursable costs as defined under each contract. Reimbursable costs under these contracts are subject to audit by the government agencies. Management believes that no material adjustments will result from subsequent audits of the reimbursable costs reflected in the consolidated financial statements.

Note 12 – Employee Benefit Plans

401(k) plan – FUTURES sponsors a defined contribution retirement plan qualified under the safe-harbor provision rules of Section 401(k) of the IRC. Under the 401(k) plan, employees become eligible for participation upon their date of hire. Eligible employees may participate in the discretionary employer contributions once the employee has completed one year of service. FUTURES contributions to the plan amounted to \$417,970, for the year ended December 31, 2022.

457(b) plan – FUTURES sponsors a supplemental deferred compensation plan under Section 457(b) of the IRC. The plan permits a selected group of management or highly compensated employees to defer portions of their compensation. Participants are immediately vested in their deferral contributions plus actual earnings thereon. FUTURES has included in deferred compensation investments and deferred compensation liabilities \$1,357,260, at December 31, 2022, which represents the value of the deferred compensation plan and FUTURES' obligation under Section 457(b).

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Notes to Consolidated Financial Statements

Note 13 – Concentrations of Credit Risk

Cash and investments – FUTURES has defined its financial instruments which are potentially subject to credit risk. The financial instruments consist principally of cash and cash equivalents, money market funds, equity securities, fund of funds, corporate bonds, and government bonds with high credit quality financial institutions. These instruments are subject to other market conditions such as interest risk, equity market risks, and their implied volatilities.

Periodically, throughout the year, FUTURES has maintained balances in various operating and money market accounts in excess of Federal Deposit Insurance Company (“FDIC”) insurance thresholds, cash held in money market accounts in excess of the amounts insured by the U.S. Treasury insurance for money market funds, and various debt and equity instruments in excess of Securities Investor Protection Corporation (“SIPC”) insurance limits. FUTURES has not experienced any losses in such accounts in the past.

On March 10, 2023, Silicon Valley Bank was closed by the California Department of Financial Protection and Innovation, which appointed the FDIC as receiver. If any of the financial institutions with whom we do business were to be placed into receivership, we may be unable to access to the cash we have on deposit with such institutions. If we are unable to access our cash and cash equivalents as needed, our financial position and ability to operate our business could be adversely affected. To minimize such disruption and risk, FUTURES maintains its cash and cash equivalents in multiple institutions.

Receivables – Receivables consist of unsecured amounts due from individuals, corporations, foundations, and government agencies. The credit risk associated with receivables is substantially mitigated by the large number of entities comprising the receivable balance, and 38% of the receivables are due from government agencies.

Grants and contributions revenue – FUTURES has a concentration of credit risk with respect to volume of business transacted with certain donors and grantees. For the year ended December 31, 2022, four donors accounted for approximately 91% of FUTURES grants and contributions revenue.

