



Report of Independent Auditors and
Consolidated Financial Statements

Futures Without Violence and Subsidiaries

December 31, 2024

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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, 2024, 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 consolidated financial position of Futures Without Violence and Subsidiaries as of December 31, 2024, 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.

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's 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's 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's 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.

Moss Adams LLP

Rancho Cordova, California
May 8, 2025

Consolidated Financial Statements

Futures Without Violence and Subsidiaries
Consolidated Statement of Financial Position
December 31, 2024

ASSETS

Cash and cash equivalents	\$ 4,077,589
Contributions receivable	6,732,076
Government contracts receivable	661,391
Investments, held at fair value	60,652,820
Investment in closely held company, held at cost	1,375,008
Deferred compensation investments	1,545,796
Operating lease right-of-use asset	7,050,530
Property and equipment, net	13,492,324
Other receivables	127,604
Prepaid expenses	<u>275,347</u>
Total assets	<u><u>\$ 95,990,485</u></u>

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts payable	\$ 666,497
Accrued expenses	1,011,733
Contract liabilities	52,107
Operating lease liability	7,613,656
Deferred compensation liabilities	<u>1,545,796</u>
Total liabilities	<u>10,889,789</u>

NET ASSETS

Without donor restrictions	
Undesignated	<u>40,120,366</u>
Total without donor restrictions	<u>40,120,366</u>
With donor restrictions	
Program services	31,425,003
Endowment	<u>13,555,327</u>
Total with donor restrictions	<u>44,980,330</u>
Total net assets	<u>85,100,696</u>
Total liabilities and net assets	<u><u>\$ 95,990,485</u></u>

See accompanying notes.

Futures Without Violence and Subsidiaries
Consolidated Statement of Activities
Year Ended December 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT			
Government grants	\$ 9,592,019	\$ -	\$ 9,592,019
Foundation grants	820,642	4,073,000	4,893,642
Corporate donations	68,789	81,652	150,441
Individual donations	416,503	7,754,889	8,171,392
Investment income, net	2,816,994	3,105,461	5,922,455
In-kind contributions	5,591	-	5,591
Other income	3,100,560	-	3,100,560
Net assets released from restrictions	6,703,613	(6,703,613)	-
Total revenue and support	23,524,711	8,311,389	31,836,100
EXPENSES			
Program services			
Children/youth/teens	3,666,626	-	3,666,626
Health	4,288,286	-	4,288,286
Workplace and economic opportunity	1,797,093	-	1,797,093
Policy	997,982	-	997,982
Courage museum	2,521,869	-	2,521,869
Public engagement and corporate relations	115,134	-	115,134
Public education campaigns	1,660,815	-	1,660,815
Learning and leadership	1,864,256	-	1,864,256
Strategic initiatives	1,399,420	-	1,399,420
Total program services	18,311,481	-	18,311,481
Supporting services			
Management and general	507,634	-	507,634
Fundraising/development	1,552,907	-	1,552,907
Total supporting services	2,060,541	-	2,060,541
Total expenses	20,372,022	-	20,372,022
CHANGE IN NET ASSETS	3,152,689	8,311,389	11,464,078
NET ASSETS, beginning of year, as restated	36,967,677	36,668,941	73,636,618
NET ASSETS, end of year	\$ 40,120,366	\$ 44,980,330	\$ 85,100,696

See accompanying notes.

Futures Without Violence and Subsidiaries
Consolidated Statement of Functional Expenses
Year Ended December 31, 2024

	Program Services											Supporting Services			
	Children/ Youth/ Teens	Health	Workplace and Economic Opportunity	Policy	Courage Museum	Public Engagement	Public Education Campaigns	Learning and Leadership	Strategic Initiatives	Communications	Total Program Services	Management and General	Fundraising/ Development	Total Supporting Services	Total Expenses
Salaries, payroll taxes, and benefits	\$ 1,735,479	\$ 1,699,670	\$ 973,930	\$ 651,010	\$ 438,604	\$ 23,776	\$ 526,602	\$ 756,674	\$ 280,501	\$ 517,189	\$ 7,603,435	\$ 1,889,537	\$ 317,498	\$ 2,207,035	\$ 9,810,470
Consultants	793,106	798,001	159,130	73,714	874,853	-	431,340	43,802	484,127	90,575	3,748,648	28,314	510,692	539,006	4,287,654
Subawards/grants	-	514,840	67,993	-	506,374	-	86,574	672,448	79,996	-	1,928,225	-	-	-	1,928,225
Conference facilities and fees	42,092	92,066	10,994	2,606	79,483	-	5,784	20,295	38,019	1,536	292,875	19,290	137,281	156,571	449,446
Occupancy and utilities	-	-	-	-	-	744	-	-	-	-	744	866,437	-	866,437	867,181
Design/production/printing	53,923	74,666	55,664	415	9,159	902	123,655	2,066	17,075	5,178	342,703	14,664	63,746	78,410	421,113
Website and software	12,708	15,292	47,303	20,221	3,385	1,814	63,804	2,980	106,689	51,427	325,623	52,902	25,693	78,595	404,218
Travel and meetings	100,224	72,467	32,315	14,866	5,772	1,438	53,417	34,253	30,170	13,554	358,476	15,392	3,713	19,105	377,581
Insurance	-	-	-	-	-	-	-	-	-	-	-	113,781	-	113,781	113,781
Professional services	-	-	-	-	-	-	5,591	-	7,350	-	12,941	158,264	-	158,264	171,205
Telecommunications	11,408	7,487	3,321	2,337	1,880	111	2,380	7,289	999	3,015	40,227	44,013	1,327	45,340	85,567
Information technology	40,150	43,435	23,565	14,508	7,661	6,797	12,084	18,492	9,738	12,506	188,936	(35,343)	5,869	(29,474)	159,462
Supplies and postage	24,873	32,175	8,237	3,490	8,967	684	5,016	7,039	5,613	785	96,879	24,403	20,448	44,851	141,730
Advertising/media/advocacy	-	-	-	-	-	-	6,320	-	-	337	6,657	-	-	-	6,657
Repairs and maintenance	-	-	-	-	36,158	29,248	-	-	1,103	-	66,509	210,045	12,613	222,658	289,167
Equipment and equipment rentals	3,969	8,044	7,398	9,960	-	2,203	905	951	2,663	1,395	37,488	10,487	56,331	66,818	104,306
Dues and subscriptions	9,554	2,801	2,191	140	258	890	1,231	1,742	2,032	205	21,044	20,055	3,627	23,682	44,726
Professional development	799	2,350	1,750	-	169	-	400	3,067	-	338	8,873	1,776	169	1,945	10,818
Depreciation and amortization	-	-	-	-	-	18,448	-	-	-	-	18,448	493,962	-	493,962	512,410
Communications	140,997	146,800	69,582	37,672	87,023	3,771	55,352	47,728	51,889	(698,307)	(57,493)	-	57,493	57,493	-
Interest and fees	861	10,572	-	-	-	-	2,255	-	-	-	13,688	22,535	42,142	64,677	78,365
Miscellaneous	4,182	5,190	4,475	1,689	17,756	5,488	1,118	180	41,080	267	81,425	13,060	13,455	26,515	107,940
Total program services	2,974,325	3,525,856	1,467,848	832,628	2,077,502	96,314	1,383,828	1,619,006	1,159,044	-	15,136,351	3,963,574	1,272,097	5,235,671	20,372,022
Indirect expense allocation															
Indirect	692,301	762,430	329,245	165,354	444,367	18,820	276,987	245,250	240,376	-	3,175,130	(3,455,940)	280,810	(3,175,130)	-
Total expenses	\$ 3,666,626	\$ 4,288,286	\$ 1,797,093	\$ 997,982	\$ 2,521,869	\$ 115,134	\$ 1,660,815	\$ 1,864,256	\$ 1,399,420	\$ -	\$ 18,311,481	\$ 507,634	\$ 1,552,907	\$ 2,060,541	\$ 20,372,022

See accompanying notes.

Futures Without Violence and Subsidiaries
Consolidated Statement of Cash Flows
Year Ended December 31, 2024

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ 11,464,078
Adjustments to reconcile change in net assets to net cash provided by operating activities	
Net realized and unrealized gain on investments	(4,225,759)
Depreciation and amortization	512,410
Amortization of operating leases	357,726
Change in operating assets and liabilities	
Contributions receivable	(2,538,898)
Government contracts receivable	834,480
Deferred compensation investments	(79,056)
Other receivables	(20,920)
Prepaid expenses	25,544
Accounts payable	(192,624)
Accrued expenses	76,815
Deferred revenue	(10,099)
Operating lease liability	(225,233)
Deferred compensation liabilities	79,056
Net cash provided by operating activities	<u>6,057,520</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchases of property and equipment	(6,399)
Issuance of loan receivable	150,000
Proceeds from sale of investments	6,562,033
Purchases of investments	<u>(10,207,785)</u>
Net cash used in investing activities	<u>(3,502,151)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	2,555,369
CASH AND CASH EQUIVALENTS, beginning of year	<u>1,522,220</u>
CASH AND CASH EQUIVALENTS, end of year	<u><u>\$ 4,077,589</u></u>
SUPPLEMENTAL DISCLOSURE OF NONCASH OPERATING AND FINANCING ACTIVITIES	
Net additions to operating lease right-of-use asset	\$ (228,592)
Net additions to operating lease liabilities	<u><u>\$ 228,592</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.

The accompanying consolidated financial statements reflect the consolidation of the accounts of Futures Without Violence and the Real Estate Entities (collectively, FUTURES).

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 the health and safety of children. FUTURES works at the forefront of policy and research to advance the experiences and conditions that children need at home, in school and in the community to heal from past harms 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, educators, and community leaders, FUTURES has worked to break the cycle of violence by developing groundbreaking programs to prevent child abuse, teen dating violence and promote healthy relationships and strong families.

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 over 25 years, FUTURES has been the federally designated National Health Resource Center on Domestic Violence and for over 5 years we are the federally designated Training center for community health centers on intimate partner violence and exploitation. Bridging the gaps between domestic and sexual violence advocates, survivors, health care professionals, researchers and public health providers, our programs support innovative partnerships that promote a more holistic approach to health care for survivors of violence.

Futures Without Violence and Subsidiaries

Notes to Consolidated Financial Statements

Workplace and economic opportunity – FUTURES aims to support a workforce where women, families, and all people can pursue economic choice, dignified employment, and freedom from violence. FUTURES achieves this by supporting employers, labor organizations, and advocates seeking to respond to and prevent sexual assault, domestic violence, stalking, and trafficking faced by vulnerable workers including those in low-wage industries. The National Workplace Resource Center called Workplaces Respond, supports stakeholders through policy development, and tailored programs and trainings to improve workplaces for all workers. Our Advancing Safety through Employment Rights initiative seeks to raise awareness of state employment laws that provide protections to survivors to help them keep their jobs while they seek safety from a harm-doer. FUTURES' Promoting Employment Opportunities for Survivors of Trafficking (PEOST) initiative aims to increase access to quality educational and employment opportunities for survivors of domestic and sexual violence with an emphasis on the unique needs of survivors of human trafficking. Lastly, FUTURES' Teen Economic Abuse project aims to raise awareness of teen economic abuse and how to support young people who may be experience this form of dating violence that involves the use of financial control to create dependency and block pathways to safety and overall well-being.

Policy – FUTURES works at the state and federal level to advance public policy that prevents violence in families and communities and helps survivors of domestic violence, sexual assault, and violence against children heal. FUTURES believes that ending violence against women and children is essential to sustainable 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 international programs that support child and adult survivors of violence and abuse. FUTURES also helps survivors share their lived experience and expertise to inform policy and serves as an important source of information and evidence-based solutions for policymakers.

Courage museum – The Courage Museum, an immersive learning experience that will encourage visitors to imagine and work towards futures without violence, hate, and discrimination, will 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 self-reflection, the museum will challenge visitors to consider the possibility of a world in which violence is not an inevitable part of the human experience by offering information, tools, and resources to create change. With a focus on youth, the museum will serve as a platform for youth leadership and civic engagement in support of safe, healthy, and supportive homes, schools, and communities.

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.

Futures Without Violence and Subsidiaries

Notes to Consolidated Financial Statements

Public education campaigns – FUTURES launched the first-ever national public education campaign on preventing domestic violence – There's No Excuse for Domestic Violence – over thirty years ago in 1994! Now, FUTURES is reaching new audiences globally with new evidence-based approaches expanding to young men and boys through *Coaching Boys Into Men*, incubating breakthrough solutions that make for safer online and offline spaces with the *LinkUp Lab*, and engaging educators and parents to support youth mental health through *Team: Changing Minds*.

Learning and leadership – FUTURES leads a portfolio of work that focuses on improving access to justice, financial security, and community-based solutions for older adults who are vulnerable to abuse and exploitation. This work has included training thousands of judges on elder abuse and financial exploitation, distributing seed funding for community-based organizations building financial health for older adults, and promoting alternatives to the traditional legal system for older survivors 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.

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. Material transactions between the entities have been eliminated in the consolidation.

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, 2024, there were no board-designated net assets.

Futures Without Violence and Subsidiaries

Notes to Consolidated Financial Statements

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.

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.

Allowance for doubtful accounts – FUTURES provides an allowance for grants 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, 2024 for contributions and government contracts receivables.

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.

Futures Without Violence and Subsidiaries

Notes to Consolidated Financial Statements

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.

Investments held at cost – Equity investments in private companies, which are not traded on stock exchanges and do not have readily determinable fair values, are investments in which a less-than-20-percent ownership interest is held by FUTURES and FUTURES does not exert significant influence over the investee. Equity Investments are accounted for at cost minus impairment, if any, plus or minus changes resulting from observable price changes in orderly transactions for the identical or similar investment of the same issuer, and the value is reflected in investments on the statements of financial position. FUTURES evaluates these investments 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, then a charge would be recorded to reduce the related asset to its estimated net realizable value. As of December 31, 2024, no such impairments have occurred.

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 – 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.

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 statement 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 non-lease components such as common area maintenance and has elected to account for the lease and non-lease 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 Accounting Standards Codification (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, 2024, 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 Accounting Standards Update (ASU) No. 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 \$2,963,198 was included in other income as of December 31, 2024. 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 represent 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 liabilities as of December 31, 2024, were \$52,107.

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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, 2024, 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.

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 received a notice of award termination on April 22, 2025 from the Office of Justice related to the federal grant award number 15POVC-21-GK-00658-NONF - Community Impact: Imagining Multidisciplinary Pathways to Assist, Care and Thrive. The original grant period was from November 1, 2021 through September 30, 2025. Per the termination notice, the Office of Justice Programs "has changed its priorities with respect to discretionary grant funding".

Per notice of the award termination, all unobligated balances remaining are terminated. Thus, this doesn't affect FUTURES' consolidated financial statement as of December 31, 2024. FUTURES has been reimbursed for all outstanding balances as of December 31, 2024. The remaining unused balance of the grant as of date of the notice is \$421,873.81.

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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 \$2,780,980, and are not recognized as assets in the consolidated statement of financial position as of December 31, 2024.

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, 2024, consists of the following:

Operations	\$ 8,704
Programs	<u>6,723,372</u>
Total contributions receivable	<u>\$ 6,732,076</u>

At December 31, 2024, contributions receivable due in less than one year is \$6,014,213. Contributions receivable due in one to five years is \$717,863, and have not been discounted as the impact would not be significant.

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Notes to Consolidated Financial Statements

Note 5 – Investments and Fair Value Measurements

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

	December 31, 2024			Net Asset Value
	Total	Level 1	Level 2	
Investments				
Cash and cash equivalents	\$ 6,765,518	\$ 6,765,518	\$ -	\$ -
Certificates of deposit	10,665,227	-	10,665,227	-
Corporate bonds	685,806	685,806	-	-
Equity securities				-
Domestic equity	10,541,462	10,541,462	-	-
International equity	5,241,714	5,241,714	-	-
Real estate investment trusts	196,131	196,131	-	-
Mutual funds				-
Domestic bond funds	7,789,353	7,789,353	-	-
Domestic equity funds	15,255,205	15,255,205	-	-
International equity funds	767,931	767,931	-	-
Alternative investments				
Fund of funds	2,744,473	-	-	2,744,473
Total investments	60,652,820	47,243,120	10,665,227	2,744,473
Investments held for deferred compensation				
Investment in variable life insurance	391,636	-	391,636	-
Cash and cash equivalents	6,269	6,269	-	-
Domestic equity	159,867	159,867	-	-
Mutual funds:				-
Domestic bond funds	57,698	57,698	-	-
Domestic equity funds	299,202	299,202	-	-
Exchange traded funds	631,124	631,124	-	-
Total investments held for deferred compensation	1,545,796	1,154,160	391,636	-
Total assets measured at fair value	\$ 62,198,616	\$ 48,397,280	\$ 11,056,863	\$ 2,744,473

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.

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Notes to Consolidated Financial Statements

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

Strategies	Fair Value at December 31, 2024	Unfunded Commitment	Redemption Frequency	Redemption Notice Period
Fund of funds	\$ 2,744,473	\$ -	\$ -	30 days

Fund of funds – FUTURES invests in fund of funds that consist of four 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.

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 2020 and 2021, FUTURES invested in two LLPs with commitments of \$500,000 and \$750,000, respectively. At December 31, 2024, total capital contributions made to the LLPs were \$137,536. 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, 2024:

Office equipment and computers	\$ 969,364
Office furniture	401,181
Leasehold improvements	<u>17,662,164</u>
	19,032,709
Less: accumulated depreciation and amortization	(7,597,862)
Work in progress - courage museum	<u>2,057,477</u>
Total property and equipment, net	<u><u>\$ 13,492,324</u></u>

Depreciation and amortization expense for the year ended December 31, 2024, amounted to \$512,410.

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Notes to Consolidated Financial Statements

Note 8 – Net Assets with Donor Restrictions

Net assets with donor restrictions at December 31, 2024, may be expended for:

Donor restricted endowment	\$ 13,555,327
Program services	
Endowment - unappropriated earnings	17,718,399
Courage museum	9,640,790
Public education campaigns	1,269,086
Strategic initiatives	1,046,725
Workplace and economic opportunity	559,434
Policy	847,701
Learning and leadership	284,577
Children/youth/young families	49,906
Health	8,032
Fundraising and development	353
	<u>\$ 44,980,330</u>

All net assets with donor restrictions for program services are expected to be released from restriction by December 31, 2034.

Net assets were released from donor restrictions for the following programs by incurring expenses satisfying the restricted purposes during the year ended December 31, 2024, as follows:

Program services	
Courage museum	\$ 3,573,671
Public education campaigns	1,280,859
Strategic initiatives	696,750
Workplace and economic opportunity	443,414
Learning and leadership	165,701
Policy	502,366
Children/youth/young families	40,852
	<u>\$ 6,703,613</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, 2024.

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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, 2024, are as follows:

	<u>With Donor Restrictions</u>
Endowment net assets, beginning of year	\$ 28,168,265
Net gain on investments	<u>3,105,461</u>
Endowment net assets, end of year	<u><u>\$ 31,273,726</u></u>

Note 10 – Liquidity and Funds Available

The following table reflects FUTURES' financial assets as of December 31, 2024, 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, 2024, are as follows:

Financial assets	
Cash and cash equivalents	\$ 4,077,589
Contributions receivable	6,732,076
Government contracts receivable	661,391
Investments, held at fair value	60,652,820
Investment in closely held company, held at cost	1,375,008
Deferred compensation investments	<u>1,545,796</u>
Financial assets, December 31, 2024	75,044,680
Less those unavailable for general expenditure within one year, due to	
Investments not convertible to cash within next 12 months	(1,375,008)
Deferred compensation investments	(1,545,796)
Perpetual and term endowments and accumulated earnings subject to appropriation beyond one year	<u>(31,273,726)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u><u>\$ 40,850,150</u></u>

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

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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.

FUTURES entered in multi-tenant lease agreement with CIC Innovation Communities, LLC. in FY24 to rent a building on 50 Milk Street, Boston, associated with the entire 16th floor Joshua Tree Suite office. The lease term is for 2 years with the commencement date on April 1, 2024. This lease is determined to be an operating lease.

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, 2024, lease assets and lease liabilities were as follows:

Assets	Classification	
	Operating lease right-of-use assets	<u>\$ 7,050,530</u>
Liabilities	Classification	
	Operating lease liability	<u>\$ 7,613,656</u>

For the year ended December 31, 2024, total lease costs incurred by lease type and type of payment were as follows:

Operating lease cost	\$ 235,412
Short-term lease cost	<u>250,224</u>
Total cost	<u>\$ 485,636</u>
Sublease income	<u>\$ -</u>

For the year ended December 31, 2024, 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	\$ 439,883
Right-of-use assets obtained in exchange for operating lease liabilities	\$ (228,592)
Weighted average	
Discount rate of operating leases	1.57%
Remaining lease term (years) of operating leases	22.19

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As of December 31, 2024, 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>	
2025	\$ 602,377
2026	512,377
2027	482,377
2028	482,377
2029	482,377
Thereafter	<u>6,750,409</u>
Total lease payments	9,312,294
Less: present value discount	<u>(1,698,638)</u>
Lease liability	<u><u>\$ 7,613,656</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.

FUTURES grant and contract funding is subject to various risks, including changes in government policy and potential executive orders issued by the current federal administration. These recent executive orders may result in modifications, delays, or cancellations of such federal grants and contracts. FUTURES has assessed these risks and believes that any potential impact from such executive orders is uncertain. The ultimate effect on FUTURES financial position and results of operations will depend on future governmental actions and the timing of their implementation. FUTURES will continue to monitor developments related to these executive orders and will take appropriate actions as necessary.

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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 \$522,839, for the year ended December 31, 2024.

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 \$1,154,159 at December 31, 2024, which represents the value of the deferred compensation plan and FUTURES' obligation under Section 457(b).

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.

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.

The recent executive orders may result in modifications, delays, or cancellations of such grant and contract funding that could adversely impact FUTURES ability to fulfill its commitments under existing grants and contracts. FUTURES has assessed these risks and believes that any potential impact from such executive orders is uncertain. FUTURES will continue to monitor developments related to these executive orders and will take appropriate actions as necessary.

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, 2024, four donors accounted for approximately 42% and 33%, respectively, of FUTURES grants and contributions revenue.

