

BONK, CUSHMAN, EAGLE & GARCIA

CERTIFIED PUBLIC ACCOUNTANTS

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AN ACCOUNTANCY CORPORATION

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THE FORESIGHT INSTITUTE AUDITED FINANCIAL STATEMENTS DECEMBER 31, 2024

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
The Foresight Institute

Opinion

We have audited the accompanying financial statements of The Foresight Institute (a nonprofit organization), which comprise the statement of financial position as of December 31, 2024, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Foresight Institute as of December 31, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 The Foresight Institute 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 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about The Foresight Institute's ability to continue as a going concern within one year after the date that the 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 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 generally accepted auditing standards 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.

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Auditor's Responsibilities for the Audit of the Financial Statements, continued

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 financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 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 The Foresight Institute'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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about The Foresight Institute'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.

Bonk, Cushman, Eagle & Garcia

October 23, 2025

THE FORESIGHT INSTITUTE
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2024

ASSETS:

Cash and Cash Equivalents	\$	1,140,300
Accounts Receivable		1,053,449
Prepaid Expenses		<u>68,576</u>
Total Current Assets		<u>2,262,325</u>
Property & Equipment, net		-
Investments		3,617,093
Indefinite-Lived Intangible Assets		<u>3,035,112</u>
Total Other Assets		<u>6,652,205</u>
TOTAL ASSETS	\$	<u><u>8,914,530</u></u>

LIABILITIES:

Accounts Payable	\$	27,261
Retirement Plan Payable		<u>4,688</u>
Total Current Liabilities		<u>31,949</u>
TOTAL LIABILITIES	\$	<u>31,949</u>

NET ASSETS:

Without Donor Restrictions	\$	4,667,715
With Donor Restrictions		<u>4,214,866</u>
TOTAL NET ASSETS		<u>8,882,581</u>
TOTAL LIABILITIES AND NET ASSETS	\$	<u><u>8,914,530</u></u>

The Accompanying Notes are an Integral Part of the Financial Statements

THE FORESIGHT INSTITUTE
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2024

SUPPORT AND REVENUE:	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Contributions	\$ 1,047,752	\$ 2,440,694	\$ 3,488,446
Contributions of Non-Financial Assets	17,183	4,491,357	4,508,540
Event Income	580,641	-	580,641
Other Revenue	12,326	-	12,326
Interest & Dividends	17,880	-	17,880
Unrealized Gain on Investments	75,800	180,350	256,150
Realized Gain on Dispositions	743,801	-	743,801
Restricted Net Asset Activity:			
Satisfaction of Program Restrictions	<u>3,310,257</u>	<u>(3,310,257)</u>	<u>-</u>
TOTAL SUPPORT AND REVENUE	5,805,640	3,802,144	9,607,784
 EXPENSES:			
Program Services	3,109,622	-	3,109,622
Management and General	460,337	-	460,337
Fund-raising	179,559	-	179,559
Total Supporting Services	<u>3,749,518</u>	<u>-</u>	<u>3,749,518</u>
TOTAL EXPENSES	3,749,518	-	3,749,518
 CHANGE IN NET ASSETS	2,056,122	3,802,144	5,858,266
 NET ASSETS, BEGINNING OF YEAR	2,611,593	412,722	3,024,315
 NET ASSETS, END OF YEAR	\$ <u>4,667,715</u>	\$ <u>4,214,866</u>	\$ <u>8,882,581</u>

The Accompanying Notes are an Integral Part of the Financial Statements

THE FORESIGHT INSTITUTE
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2024

FUNCTIONAL EXPENSES	<u>Program Services</u>	<u>Management and General</u>	<u>Fund- raising</u>	<u>Total</u>
Payroll & Related				
Salaries, Wages & Payroll Taxes	\$ 551,762	\$ 106,384	\$ 105,806	\$ 763,952
Employee Benefits	12,989	62,262	-	75,251
Payroll Processing	-	2,208	-	2,208
Total Payroll & Related	<u>564,751</u>	<u>170,854</u>	<u>105,806</u>	<u>841,411</u>
Other Expenses				
AI Safety Program	1,482,306	39,282	-	1,521,588
Awards	32,520	-	-	32,520
Bank & Processing Fees	8,766	59,709	-	68,475
Contract Services	243,420	97,871	52,468	393,759
Event Expenses	610,730	-	-	610,730
Insurance	-	1,334	275	1,609
Legal and Professional Fees	-	41,764	-	41,764
Miscellaneous	-	2,752	6,253	9,005
Postage	-	1,118	-	1,118
Program Expenses	79,347	-	-	79,347
Rent	2,174	-	-	2,174
Travel	-	30,082	4,290	34,372
Website & IT	85,608	15,571	10,467	111,646
Total Other Expenses	<u>2,544,871</u>	<u>289,483</u>	<u>73,753</u>	<u>2,908,107</u>
TOTAL FUNCTIONAL EXPENSES	<u>\$ 3,109,622</u>	<u>\$ 460,337</u>	<u>\$ 179,559</u>	<u>\$ 3,749,518</u>

The Accompanying Notes are an Integral Part of the Financial Statements

THE FORESIGHT INSTITUTE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2024

CASH FLOWS FROM OPERATING ACTIVITIES

Change in Net Assets	\$ 5,858,266
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:	
(Increase) in Market Value of Investments	(256,150)
Contributions of Non-Financial Assets	(4,508,540)
(Increase) Decrease in Operating Assets:	
Accounts Receivable	(1,053,449)
Contributions Receivable	145,557
Prepaid Expenses	(68,576)
Increase (Decrease) in Operating Liabilities:	
Accounts Payable	(12,721)
Accrued Expenses	(4,507)
Retirement Plan Payable	(2,688)
CASH FLOWS PROVIDED BY OPERATING ACTIVITIES	<u>97,192</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Proceeds from Sale of Investments	124,834
Proceeds from Sale of Indefinite-Lived Intangible Assets	618,967
Purchases of Investments and Indefinite-Lived Intangible Assets	(827,886)
CASH FLOWS (USED) BY INVESTING ACTIVITIES	<u>(84,085)</u>

NET INCREASE IN CASH & CASH EQUIVALENTS 13,107

CASH & CASH EQUIVALENTS, DECEMBER 31, 2023 1,127,193

CASH & CASH EQUIVALENTS, DECEMBER 31, 2024 \$ 1,140,300

The Accompanying Notes are an Integral Part of the Financial Statements

THE FORESIGHT INSTITUTE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

Note 1. Nature of Organization

The Foresight Institute (Foresight) is a research organization and non-profit organization that supports the beneficial development of high-impact technologies. Since our founding in 1986 on a vision of guiding powerful technologies, we have continued to evolve into a many-armed organization that focuses on several fields of science and technology that are too ambitious for legacy institutions to support. From molecular nanotechnology, to brain-computer interfaces, space exploration, cryptocommerce, and artificial intelligence, Foresight gathers leading minds to advance research and accelerate progress toward flourishing futures.

Foresight advances technologies of fundamental importance to the long-term future of life and the biosphere, focusing on molecular machine nanotechnology, longevity, and computer science. We reward excellence, restrain recklessness, and create community to promote beneficial uses of these technologies and reduce misuse and accidents potentially associated with them.

Note 2. Summary of Significant Accounting Policies

Basis of Accounting: The financial statements of Foresight have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”), whereby unconditional support is recognized when received, revenue is recognized when earned and expenses are recognized when incurred.

Basis of Presentation: The financial statements have been prepared in conformity with U.S. generally accepted accounting principles (GAAP) and with the provisions of the FASB Accounting Standards Codification (ASC) 958, *Not-for-Profit Entities*. Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net assets without donor restrictions – net assets without donor restrictions are the net assets that are neither invested in perpetuity, nor purpose or time restricted by donor-imposed stipulations.

Net assets with donor restrictions – net assets with donor restrictions are the net assets that are contributions subject to donor-imposed stipulations. Some donor-imposed restrictions are temporary in nature that either expire by the passage of time or can be fulfilled and removed by action of Foresight pursuant to these stipulations. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

THE FORESIGHT INSTITUTE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

Note 2. Summary of Significant Accounting Policies, continued

Contributions and Support: Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and nature of any donor restrictions. Support that is not restricted by the donor is reported as an increase in net assets without donor restrictions. All other donor restricted support is reported as an increase in net assets with donor restrictions. When a restriction expires (that is when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities as net assets released from restrictions. Restricted contributions whose restrictions are met in the same reporting period are recorded as net assets without donor restrictions.

Cash and Cash Equivalents: For purposes of the statement of cash flows, Foresight considers business checking accounts with banks to be cash equivalents.

Concentration of Credit and Financial Risks: Foresight maintains cash balances with federally insured institutions. Accounts at insured institutions are insured by the Federal Deposit Insurance Corporation (FDIC insured) up to \$250,000. Foresight has not experienced any losses in such accounts. As of December 31, 2024, the uninsured balance is \$502,101. Foresight believes it is not exposed to any significant credit risk on its cash balances.

Property and Equipment Property and equipment are recorded at cost if purchased or at fair value at the date of donation if donated. Maintenance and repair costs are charged to expense as incurred. Property and equipment are capitalized if the cost of an asset is greater than or equal to \$1,000 and the useful life is greater than one year.

Functional Allocation of Expenses: The costs of providing the various programs and supporting services have been summarized on a functional basis in the statement of functional expenses. Costs that are not directly associated with providing specific services have been allocated based upon the relative time spent by employees of Foresight providing these services.

Donated Materials and Services: Donated materials and services are recognized as contributions if the materials or services (a) create or enhance non-financial assets, or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by Foresight. Volunteers provide services throughout the year that are not recognized as contributions in the financial statements since the recognition criteria were not met.

Contributed Nonfinancial Assets: Contributed nonfinancial assets of cryptocurrencies are valued at fair market value at date of contribution.

Use of Estimates: The preparation of the financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures, and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

THE FORESIGHT INSTITUTE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

Note 2. Summary of Significant Accounting Policies, continued

Investments: Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the statement of activities and changes in net assets. Donated securities are recorded as contributions equal to the fair market value of the securities at the date of gift.

Investment Risks: Investment securities are exposed to various risks, such as interest rate, market, and credit risk. Due to the level of risk associated with investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in the near term could materially affect the amounts reported in the accompanying financial statements.

Fair Value Measurements: In accordance with FASB ASC 820, fair value is defined as the exchange price that would be received for an asset or paid for a liability in the principal or most advantageous market. Foresight applies fair value measurements to assets and liabilities that are required to be recorded at fair value under generally accepted accounting principles.

FASB ASC 820 establishes a three-tier hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs to establish the classification of fair value measurements for disclosure purposes. Inputs refer broadly to the assumptions that market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available. The standard describes three-tier hierarchy of inputs that may be used to measure fair value:

- Level 1 – Inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.
- Level 2 – Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the same term of the financial instrument.
- Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

Due to the short-term nature of cash, accounts payable, accrued expenses and retirement plan payable, fair value approximates carrying value.

THE FORESIGHT INSTITUTE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

Note 3. Income Tax Status

Foresight is a Not-For-Profit corporation exempt from federal and state income taxes under Internal Revenue Code Section 501(c)(3), the District of Columbia Non-Profit Corporation Act and Section 23701(d) of the California Revenue and Taxation code, respectively, whereby only unrelated business income, as defined by Section 509(a)(1) of the Internal Revenue Code is subject to federal income tax. Foresight currently has no unrelated business income. Accordingly, no provision for income taxes has been recorded.

U.S. generally accepted accounting principles require Foresight’s management to evaluate tax positions taken by Foresight and recognize a tax liability if Foresight has taken uncertain tax positions that more-likely-than-not would not be sustained upon examination by applicable taxing authorities. Management has analyzed tax positions taken by Foresight and has concluded that, as of December 31, 2024, there are no uncertain tax positions taken, or expected to be taken, that would require recognition of a liability or that would require disclosure in the financial statements.

Foresight is subject to routine audits by taxing jurisdictions. However, currently no audits for any tax periods are in progress.

Note 4. Net Assets with Donor Restrictions

Net assets with donor restrictions at December 31, 2024, comprise the following:

<u>Subject to expenditure for a specified purpose:</u>	
WBE Endowment	\$2,027,648
AI Safety	1,424,369
The Feynman Prizes which recognize recent and brilliant achievements that contribute deeply to the field of Nanotechnology	421,984
Fellowship	<u>340,865</u>
	<u>\$4,214,866</u>

Note 5. Property and Equipment

Property and equipment at December 31, 2024, consists of the following:

Database	\$ 44,831
Equipment	<u>6,653</u>
	51,484
Less: accumulated depreciation	<u>51,484</u>
Property and equipment, net	<u>\$ -</u>

THE FORESIGHT INSTITUTE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

Note 6. Liquidity and Availability of Financial Assets

Foresight’s working capital and cash flows are relatively consistent throughout the year due to year-round grant writing and fundraising. To manage liquidity, Foresight maintains adequate cash balances.

Financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

	<u>12/31/2024</u>
Cash and Cash Equivalents	\$ 1,140,300
Contributions Receivable	1,053,449
Investments	<u>3,617,093</u>
Total Financial assets at year-end	5,810,842
Donor Imposed Restrictions:	
Subject to expenditure for specified purpose	<u>(4,214,866)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,595,976</u>

Note 7. Indefinite-Lived Intangible Assets

In 2022, Foresight adopted the provisions of FASB ASC 350, *Intangibles – Goodwill and Other*. FASB ASC 350 requires organizations to record cryptocurrencies at cost. Cryptocurrencies are not subject to amortization but are tested for impairment annually or more frequently if events or changes in circumstances indicate it is more likely than not that it is impaired.

Foresight has presented cryptocurrencies as intangible assets with an indefinite useful life and at December 31, 2024 consist of the following types of coins at cost:

Bitcoin (Casa)	\$ 1,590,088
Bitcoin (Gemini)	879,132
Ether (Gemini)	476,779
USD Coin (Gemini)	78,843
Other (Gemini)	<u>10,270</u>
Total	<u>\$ 3,035,112</u>

Note 8. Fair Value Measurements

Following is a description of the valuation methodologies used for assets measured at fair value. There were no changes in methodologies used during the year ending December 31, 2024. For the items below, valuation is based on Level 1 inputs within the hierarchy used in measuring fair value.

THE FORESIGHT INSTITUTE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

Note 8. Fair Value Measurements, continued

Mutual Funds, Exchange-Traded Funds (ETFs) & Common Stock: Foresight’s holdings in publicly traded mutual funds, exchange-traded funds, and common stock consist principally of debt and equity securities carried at their aggregate market value that is determined by quoted market prices. Each of these investments can be liquidated daily.

Cash Balances: Funds held in standard bank deposit accounts.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although Foresight believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following presents the balances of assets measured at fair value on a recurring basis as of December 31, 2024:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total Fair Value</u>
ETFs	\$ 2,600,749	-	-	\$ 2,600,749
Common Stock	460,533	-	-	460,533
Mutual Funds	349,898	-	-	349,898
Cash Balances	<u>205,913</u>	<u>-</u>	<u>-</u>	<u>205,913</u>
Total	<u>\$ 3,617,093</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,617,093</u>

Note 9. Contributed Non-Financial Assets

Revenues from contributions of non-financial assets recognized within the statement of activities was \$4,508,540 for the year ended December 31, 2024 and comprise the following:

<u>Non-financial asset:</u> <u>Type & amount</u>	<u>Usage in programs</u> <u>or activities</u>	<u>Donor imposed</u> <u>Restrictions</u>	<u>Fair value</u> <u>techniques and inputs</u>
Cryptocurrencies \$17,183	Programs	None	Fair value at date of donation*
Cryptocurrencies \$4,491,357	Programs	AI Safety & Endowment	Fair value at date of Donation*

**This valuation is calculated as the average price on the three major exchanges at the time of the donation. The three major exchanges are Coinbase, Kraken, and Binance.*

All gifts were recognized in accordance with donor restrictions, where applicable. Foresight’s general rule is to convert the majority of cryptocurrency gifts into US dollars (USD) as soon as reasonably possible to minimize exposure to price volatility. The board must approve any decision to hold a cryptocurrency for a longer period.

THE FORESIGHT INSTITUTE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

Note 10. **Subsequent Events**

The management of Foresight have reviewed the results of operations and evaluated subsequent events for the period of time from its year end December 31, 2024 through October 23, 2025, the date the financial statements were available to be issued, and have determined that no adjustments are necessary to the amounts reported in the accompanying financial statements nor have any subsequent events occurred, the nature of which would require disclosure.