

**FINANCIAL STATEMENTS**

**GENERATIONS UNITED**

**FOR THE YEARS ENDED  
DECEMBER 31, 2023 AND 2022**

# GENERATIONS UNITED

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**CPAs & ADVISORS**

## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
Generations United  
Washington, D.C.

### **Opinion**

We have audited the accompanying financial statements of Generations United (the Organization), which comprise the statement of financial position as of December 31, 2023, 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 Organization as of December 31, 2023, 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 Organization 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 Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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MEMBER OF THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS' PRIVATE COMPANIES PRACTICE SECTION

## **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. Misstatements, including omissions, 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 Organization'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 Organization'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.

## **Report on Prior Year Comparative Statements**

The financial statements of the Organization for the year ended December 31, 2022 were audited by other auditors, whose report dated September 29, 2023, expressed an unmodified opinion on those statements.

## **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 4, 2024, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.



June 4, 2024

## GENERATIONS UNITED

STATEMENTS OF FINANCIAL POSITION  
AS OF DECEMBER 31, 2023 AND 2022

## ASSETS

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 610,777	\$ 947,015
Investments	618,615	549,102
Contracts receivable	183,903	228,122
Grants receivable	752,540	806,968
Prepaid expenses	7,470	22,907
Property and equipment, net	14,897	24,232
Right-of-use assets, net	<u>847,606</u>	<u>1,093,005</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 3,035,808</u></b>	<b><u>\$ 3,671,351</u></b>

## LIABILITIES AND NET ASSETS

## LIABILITIES

Accounts payable and accrued liabilities	\$ 339,663	\$ 364,294
Refundable advances	213,383	364,239
Operating lease liabilities	862,797	1,082,348
Financing lease liabilities	18,140	18,911
Note payable	<u>144,278</u>	<u>147,948</u>
Total liabilities	<u>1,578,261</u>	<u>1,977,740</u>

## NET ASSETS

Without donor restrictions	1,159,615	1,062,940
With donor restrictions	<u>297,932</u>	<u>630,671</u>
Total net assets	<u>1,457,547</u>	<u>1,693,611</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 3,035,808</u></b>	<b><u>\$ 3,671,351</u></b>

## GENERATIONS UNITED

STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>SUPPORT AND REVENUE</b>			
Government grants	\$ 2,019,266	\$ -	\$ 2,019,266
Contributions and grants	881,806	380,000	1,261,806
Contract revenue	564,418	-	564,418
Conference and sponsorship	301,925	-	301,925
Membership revenue	71,020	-	71,020
Net investment gain	66,053	-	66,053
Other revenue	13,487	-	13,487
Net assets released from donor restrictions	<u>712,739</u>	<u>(712,739)</u>	<u>-</u>
Total support and revenue	<u>4,630,714</u>	<u>(332,739)</u>	<u>4,297,975</u>
<b>EXPENSES</b>			
Program Services:			
Grandfamilies Projects	3,076,399	-	3,076,399
Special Projects	106,957	-	106,957
Intergenerational Programs	623,450	-	623,450
Public Education	421,783	-	421,783
Membership Services	<u>9,647</u>	<u>-</u>	<u>9,647</u>
Total program services	<u>4,238,236</u>	<u>-</u>	<u>4,238,236</u>
Supporting Services:			
Fundraising	23,375	-	23,375
Management and General	<u>272,428</u>	<u>-</u>	<u>272,428</u>
Total supporting services	<u>295,803</u>	<u>-</u>	<u>295,803</u>
Total expenses	<u>4,534,039</u>	<u>-</u>	<u>4,534,039</u>
Change in net assets	96,675	(332,739)	(236,064)
Net assets at beginning of year	<u>1,062,940</u>	<u>630,671</u>	<u>1,693,611</u>
<b>NET ASSETS AT END OF YEAR</b>	<b><u>\$ 1,159,615</u></b>	<b><u>\$ 297,932</u></b>	<b><u>\$ 1,457,547</u></b>

## GENERATIONS UNITED

STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>SUPPORT AND REVENUE</b>			
Government grants	\$ 1,613,971	\$ -	\$ 1,613,971
Contributions and grants	944,546	896,952	1,841,498
Contract revenue	686,085	-	686,085
Membership revenue	73,300	-	73,300
Net investment loss	(138,360)	-	(138,360)
Other revenue	19,185	-	19,185
Net assets released from donor restrictions	<u>677,440</u>	<u>(677,440)</u>	<u>-</u>
Total support and revenue	<u>3,876,167</u>	<u>219,512</u>	<u>4,095,679</u>
<b>EXPENSES</b>			
Program Services:			
Grandfamilies Projects	2,569,442	-	2,569,442
Special Projects	47,196	-	47,196
Intergenerational Programs	497,430	-	497,430
Public Education	171,965	-	171,965
Membership Services	<u>7,817</u>	<u>-</u>	<u>7,817</u>
Total program services	<u>3,293,850</u>	<u>-</u>	<u>3,293,850</u>
Supporting Services:			
Fundraising	25,516	-	25,516
Management and General	<u>298,999</u>	<u>-</u>	<u>298,999</u>
Total supporting services	<u>324,515</u>	<u>-</u>	<u>324,515</u>
Total expenses	<u>3,618,365</u>	<u>-</u>	<u>3,618,365</u>
Change in net assets	257,802	219,512	477,314
Net assets at beginning of year	<u>805,138</u>	<u>411,159</u>	<u>1,216,297</u>
<b>NET ASSETS AT END OF YEAR</b>	<b><u>\$ 1,062,940</u></b>	<b><u>\$ 630,671</u></b>	<b><u>\$ 1,693,611</u></b>

## GENERATIONS UNITED

STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2023

	Program Services					Supporting Services				Total Expenses
	Grandfamilies Projects	Special Projects	Intergenerational Programs	Public Education	Membership Services	Total Program Services	Fundraising	Management and General	Total Supporting Services	
Salaries and benefits	\$ 1,371,225	\$ 31,912	\$ 362,245	\$ 102,251	\$ 8,105	\$ 1,875,738	\$ 20,045	\$ 132,648	\$ 152,693	\$ 2,028,431
Subgrants and contracts	927,758	1,700	17,000	-	-	946,458	-	-	-	946,458
Professional fees	399,421	47,189	156,346	177,360	-	780,316	-	80,110	80,110	860,426
Lease	147,798	3,617	38,832	11,233	948	202,428	2,316	19,078	21,394	223,822
Meals and meetings	33,521	10,656	3,979	98,690	-	146,846	-	29	29	146,875
Travel	84,767	9,664	21,494	11,218	-	127,143	-	-	-	127,143
Telephone and technology	70,653	1,225	15,852	4,951	286	92,967	584	12,137	12,721	105,688
Office expenses	17,848	698	2,227	5,911	236	26,920	268	3,863	4,131	31,051
Printing and publications	11,635	-	2,289	8,030	-	21,954	-	13	13	21,967
Equipment rental and maintenance	11,773	296	3,186	2,139	72	17,466	162	1,274	1,436	18,902
Insurance	-	-	-	-	-	-	-	9,732	9,732	9,732
Depreciation	-	-	-	-	-	-	-	9,335	9,335	9,335
Interest	-	-	-	-	-	-	-	4,209	4,209	4,209
<b>TOTAL</b>	<b>\$ 3,076,399</b>	<b>\$ 106,957</b>	<b>\$ 623,450</b>	<b>\$ 421,783</b>	<b>\$ 9,647</b>	<b>\$ 4,238,236</b>	<b>\$ 23,375</b>	<b>\$ 272,428</b>	<b>\$ 295,803</b>	<b>\$ 4,534,039</b>

See accompanying notes to financial statements.



## GENERATIONS UNITED

STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2022

	Program Services					Supporting Services				Total Expenses
	Grandfamilies Projects	Special Projects	Intergenerational Programs	Public Education	Membership Services	Total Program Services	Fundraising	Management and General	Total Supporting Services	
Salaries and benefits	\$ 1,196,902	\$ 10,128	\$ 288,209	\$ 107,765	\$ 6,707	\$ 1,609,711	\$ 19,383	\$ 120,694	\$ 140,077	\$ 1,749,788
Subgrants and contracts	698,137	4,600	33,500	6,000	-	742,237	-	-	-	742,237
Professional fees	412,182	30,650	123,678	39,289	-	605,799	2,998	143,513	146,511	752,310
Lease	112,277	758	26,013	10,000	609	149,657	2,041	1,217	3,258	152,915
Meals and meetings	26,936	975	857	1,051	-	29,819	-	13	13	29,832
Travel	25,556	(470)	4,238	1,133	-	30,457	-	1,643	1,643	32,100
Telephone and technology	66,031	439	14,046	5,145	315	85,976	863	1,157	2,020	87,996
Office expenses	16,852	65	5,371	1,011	150	23,449	136	3,614	3,750	27,199
Printing and publications	6,644	-	-	-	-	6,644	-	-	-	6,644
Equipment rental and maintenance	7,925	51	1,518	571	36	10,101	95	6,524	6,619	16,720
Insurance	-	-	-	-	-	-	-	8,664	8,664	8,664
Depreciation	-	-	-	-	-	-	-	7,449	7,449	7,449
Interest	-	-	-	-	-	-	-	4,511	4,511	4,511
<b>TOTAL</b>	<b>\$ 2,569,442</b>	<b>\$ 47,196</b>	<b>\$ 497,430</b>	<b>\$ 171,965</b>	<b>\$ 7,817</b>	<b>\$ 3,293,850</b>	<b>\$ 25,516</b>	<b>\$ 298,999</b>	<b>\$ 324,515</b>	<b>\$ 3,618,365</b>

See accompanying notes to financial statements.

**GENERATIONS UNITED**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Changes in net assets	\$ (236,064)	\$ 477,314
Adjustments to reconcile changes in net assets to net cash (used) provided by operating activities:		
Depreciation	9,335	7,449
Net realized and unrealized (gain) loss on investments	(54,050)	143,472
Amortization of right-of-use assets	245,399	100,731
Decrease (increase) in:		
Contracts receivable	44,219	244,957
Grants receivable	54,428	(806,968)
Prepaid expenses	15,437	(10,175)
(Decrease) increase in:		
Accounts payable and accrued liabilities	(24,631)	144,509
Refundable advances	(150,856)	278,867
Operating lease liabilities	(220,322)	(80,781)
Deferred lease liability	<u>-</u>	<u>(28,945)</u>
Net cash (used) provided by operating activities	<u>(317,105)</u>	<u>470,430</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of property and equipment	-	(19,968)
Purchase of investments	(220,104)	(246,786)
Proceeds from sale of investments	<u>204,641</u>	<u>267,074</u>
Net cash (used) provided by investing activities	<u>(15,463)</u>	<u>320</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Principal payments of note payable	(3,670)	(2,052)
Principal payments of finance lease liability	<u>-</u>	<u>(12,298)</u>
Net cash used by financing activities	<u>(3,670)</u>	<u>(14,350)</u>
Net (decrease) increase in cash and cash equivalents	(336,238)	456,400
Cash and cash equivalents at beginning of year	<u>947,015</u>	<u>490,615</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b><u>\$ 610,777</u></b>	<b><u>\$ 947,015</u></b>
<b>SUPPLEMENTAL INFORMATION:</b>		
<b>Right-of-Use Assets</b>	<b><u>\$ -</u></b>	<b><u>\$ 1,147,666</u></b>
<b>Operating Lease Liabilities</b>	<b><u>\$ -</u></b>	<b><u>\$ 1,147,666</u></b>
<b>Asset Acquired Through Finance Lease</b>	<b><u>\$ -</u></b>	<b><u>\$ 14,141</u></b>
<b>Interest Paid</b>	<b><u>\$ 4,022</u></b>	<b><u>\$ 4,111</u></b>

## GENERATIONS UNITED

### NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023 AND 2022

#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION

##### Organization -

Generations United, Inc. (the Organization) is a nonprofit organization focused on promoting intergenerational strategies, programs, and public policies. The Organization is the only national organization advocating for the mutual well-being of children, youth, and older adults. The Organization serves as a resource for educating policymakers and the public about the economic, social, and personal imperatives of intergenerational cooperation. The Organization provides a forum for those working with children, youth, and older adults to explore areas of common ground while celebrating the richness of each generation.

##### Program Services -

The Organization has the following primary program services:

- *Grandfamilies Projects:* The Organization's National Center on Grandfamilies works to promote policies and programs to help grandfamilies address the range of challenges they face including those related to housing, legal, education, health and mental health, family relationships, and financial issues.

The Grandfamilies & Kinship Support Network is a national technical assistance center that helps government agencies and nonprofit organizations in states, tribes, and territories to collaborate and work across jurisdictional and systemic boundaries to improve supports and services for families in which grandparents, other relatives, or close family friends are raising children. Technical assistance is provided through individual, targeted help to government and nonprofit agencies; professional development programming; learning collaboratives; in-depth technical assistance; and through resources, tipsheets, toolkits, and videos which are housed in an expansive resource library on the Network's website. The technical assistance center is funded through a five-year cooperative agreement with the U.S. Department of Health and Human Services' Administration for Community Living (ACL).

- *Special Projects:* The Organization is committed to increasing intergenerational programs and strategies to connect, support, and promote understanding across generations and often does this through special projects.
- *Intergenerational Programs:* The Organization supports the development and expansion of intergenerational programs bringing children, youth, and older adults together, acts as a clearinghouse for information on different types of intergenerational programs, and makes a case for local programs across the country and around the world.
- *Public Education:* The program includes identifying best intergenerational practices, producing reports, speaking and writing, working with the media, and sharing information about grandparents raising grandchildren. In addition, the Organization hosts a biennial conference that features new releases in intergenerational research, policies and practices.
- *Membership Services:* The Organization's members help promote the mission to serve all generations while elevating their visibility as an organization that impacts all ages.

## GENERATIONS UNITED

### NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023 AND 2022

#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (Continued)

##### Basis of presentation -

The accompanying financial statements are presented on the accrual basis of accounting, and in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) related to nonprofit entities. As such, net assets are reported within two net asset classifications: without donor restrictions and with donor restrictions. Descriptions of the two net asset categories are as follows:

- **Net Assets without Donor Restrictions** - Net assets available for use in general operations and not subject to donor restrictions are recorded as "net assets without donor restrictions". Net assets set aside solely through the actions of the Board are referred to as Board Designated and are also reported as net assets without donor restrictions.
- **Net Assets with Donor Restrictions** - Net assets may be subject to donor-imposed stipulations that are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Donor imposed restrictions are released when the 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. Other donor imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue without donor restrictions when the assets are placed in service.

##### New accounting pronouncement adopted -

Accounting Standards Update (ASU) 2016-13, *Financial Instruments – Credit Losses* (Topic 326), replaces the incurred loss impairment methodology in current U.S. GAAP with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. Financial assets held by the Organization that are subject to the guidance in FASB ASC 326 are trade accounts receivable. The Organization implemented the ASU on January 1, 2023, using a modified retrospective approach.

##### Cash and cash equivalents -

The Organization considers all cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents. Bank deposit accounts are insured by the Federal Deposit Insurance Corporation ("FDIC") up to a limit of \$250,000. At times during the year, the Organization maintains cash balances in excess of the FDIC insurance limits. Management believes the risk in these situations to be minimal.

##### Investments -

Investments are recorded at their readily determinable fair value. Interest, dividends, realized and unrealized gains and losses are included in investment gain, which is presented net of investment expenses paid to external investment advisors, in the accompanying Statements of Activities and Change in Net Assets.

## GENERATIONS UNITED

### NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023 AND 2022

#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (Continued)

##### Receivables -

Contracts receivable primarily consists of amounts due within one year related to contract revenue. Contracts receivable are recorded at their net realizable value which approximates fair value. Contracts receivable are presented net of an allowance for credit losses resulting from the inability of customers to make required payments. The allowance for credit losses is based upon historical loss experience in combination with current economic conditions and a forecast of future economic conditions. Any change in the assumptions used in analyzing a specific account receivable might result in an additional allowance for credit losses being recognized in the period in which the change occurs. The Organization did not record an allowance for credit losses as of January 1, 2023 or December 31, 2023.

Grants receivable include unconditional promises to give that are expected to be collected in future years. Grants receivable are recorded at their fair value, which is measured as the present value of the future cash flows. The Organization did not have any long-term grants receivable as of December 31, 2023 or 2022. Accordingly, no discount has been recorded.

##### Property and equipment -

Property and equipment in excess of \$1,000 are capitalized and stated at cost. Property and equipment are depreciated on a straight-line basis over the estimated useful lives of the related assets, generally 3 to 5 years. The cost of maintenance and repairs is recorded as expenses are incurred. Depreciation expense totaled \$9,335 and \$7,449, respectively for the years ended December 31, 2023 and 2022.

##### Income taxes -

The Organization is exempt from Federal income tax under Section 501(a) of the Internal Revenue Code ("IRC"), as an organization described in IRC Section 501(c)(3). Accordingly, no provision for income taxes has been made in the accompanying financial statements. The Organization is not a private foundation.

##### Revenue from contracts with customers -

The Organization's contract revenue is the most significant revenue stream that is treated as exchange transaction revenue following ASC Topic 606. Revenue from contracts with customers is recorded when the performance obligations are met. The Organization has elected to opt out of all disclosures not required for nonpublic entities. Transaction price is based on cost and/or sales price. Amounts received in advance of satisfying performance obligations are recorded as deferred revenue. The Organization's contracts with customers generally have initial terms of one year or less.

Membership dues includes general member benefits that are a series of distinct obligations. Membership dues revenue is recognized ratably over the membership period. There are several benefits received that are individual distinct obligations such as discounted rates to conferences and meetings. However, these benefits are immaterial in comparison to the membership benefits provided and, as a result, they are included with the general member benefits.

Conference and sponsorships are recognized as revenue during the period of time when the related events are held.

## GENERATIONS UNITED

### NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023 AND 2022

#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (Continued)

Support from grants and contributions, including Federal awards -

The Organization receives grants and contributions, including Federal awards from the U.S. Government. Contributions are recognized in the appropriate category of net assets in the period received. The Organization performs an analysis of the individual contribution agreement to determine if the funding stream follows the contribution rules or if it should be recorded as an exchange transaction depending upon whether the transaction is deemed reciprocal or nonreciprocal in accordance with ASC Topic 958.

For grants qualifying under the contribution rules, support is recognized upon notification of the award and satisfaction of all conditions, if applicable. Conditional promises to give are not recognized until the conditions on which they depend are substantially met. Contributions, including grants qualifying as contributions, that are unconditional but have donor restrictions are recognized as "without donor restrictions" only to the extent of actual expenses incurred in compliance with the donor-imposed restrictions and satisfaction of time restrictions. Contributions with donor restrictions either in excess of expenses incurred or with time restrictions are shown as net assets with donor restrictions in the accompanying financial statements. Contributions that are both received and released from restrictions in the same year are classified as without donor restrictions.

Conditional contributions contain a right of return and a measurable barrier. Contributions are recognized when conditions have been satisfied. Most Federal grants are for direct and indirect program costs and are considered to be conditional contributions which are recognized as contributions when the amounts become unconditional. Conditional contributions received in advance of meeting specified conditions established by donors are recorded as refundable advances. The Organization's refundable advances totaled \$213,383 and \$364,239 as of December 31, 2023 and 2022, respectively.

In addition, the Organization has obtained funding source agreements related to conditional contributions, such as Federal awards from the U.S. Government, which will be received in future years. The Organization's unrecognized conditional contributions to be received in future years totaled \$6,840,442 and \$8,158,583 as of December 31, 2023 and 2022, respectively.

Use of estimates -

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Functional allocation of expenses -

The costs of providing the Organization's programs and supporting services have been summarized on a functional basis in the Statements of Activities and Change in Net Assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses directly attributed to a specific functional area are reported as direct expenses within that functional area and expenses that benefited more than one functional area, such as personnel costs, were allocated based on actual time and effort.

## GENERATIONS UNITED

### NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023 AND 2022

#### 2. INVESTMENTS AND FAIR VALUE MEASUREMENTS

In accordance with FASB ASC 820, *Fair Value Measurement*, the Organization has categorized its financial instruments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument. Investments recorded in the Statements of Financial Position are categorized based on the inputs to valuation techniques as follows:

**Level 1.** These are investments where values are based on unadjusted quoted prices for identical assets in an active market the Organization has the ability to access.

**Level 2.** These are investments where values are based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, or model-based valuation techniques that utilize inputs that are observable either directly or indirectly for substantially the full-term of the investments.

**Level 3.** These are investments where inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Following is a description of the valuation methodology used for investments measured at fair value. There have been no changes in the methodologies used and there were no transfers between levels in the fair value hierarchy during the years ended December 31, 2023 and 2022. Transfers between levels are recorded at the end of the reporting period, if applicable.

- *Mutual Funds and Exchange Traded Funds (ETFs)* - Valued at the daily closing price as reported by the fund. Mutual funds held by the Organization are open-end mutual funds that are registered with the SEC. These funds are required to publish their daily value and to transact at that price. Mutual funds and ETFs held by the Organization are deemed to be actively traded.
- *Government Bonds* - Fair value is based upon current yields available on comparable securities of issuers with similar ratings, the security's terms and conditions, and interest rate and credit risk.

The table below summarizes investments, which are measured at fair value on a recurring basis, by level within the fair value hierarchy as of December 31, 2023:

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Investments:</b>				
Mutual Funds - Equities	\$ 311,312	\$ -	\$ -	\$ 311,312
Mutual Funds - Fixed Income	301,397	-	-	301,397
Government Bonds	-	5,906	-	5,906
<b>TOTAL INVESTMENTS</b>	<b>\$ 612,709</b>	<b>\$ 5,906</b>	<b>\$ -</b>	<b>\$ 618,615</b>

The table below summarizes investments, which are measured at fair value on a recurring basis, by level within the fair value hierarchy as of December 31, 2022:

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Investments:</b>				
ETFs	<b>\$ 549,102</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 549,102</b>

**GENERATIONS UNITED**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023 AND 2022**

**2. INVESTMENTS AND FAIR VALUE MEASUREMENTS (Continued)**

Net investment gain (loss) consisted of the following for the years ended December 31:

	<b>2023</b>	<b>2022</b>
Interest and dividends	\$ 16,478	\$ 9,711
Net realized and unrealized gain (loss)	54,050	(143,472)
Investment expenses provided by external investment advisors	(4,475)	(4,599)
<b>NET INVESTMENT GAIN (LOSS)</b>	<b>\$ 66,053</b>	<b>\$ (138,360)</b>

**3. CONTRACT ASSETS AND CONTRACT LIABILITIES**

Contract assets consisted of the following revenue streams as of:

	<b>December 31, 2023</b>	<b>December 31, 2022</b>	<b>January 1, 2022</b>
<b>Contract Revenue</b>	<b>\$ 183,903</b>	<b>\$ 228,122</b>	<b>\$ 473,079</b>

The Organization did not have any contract liabilities as of December 31, 2023; December 31, 2022 or January 1, 2022.

**4. PROPERTY AND EQUIPMENT**

Property and Equipment consisted of the following as of December 31:

	<b>2023</b>	<b>2022</b>
Furniture	\$ 69,279	\$ 69,279
Less: Accumulated depreciation	(54,382)	(45,047)
<b>NET PROPERTY AND EQUIPMENT</b>	<b>\$ 14,897</b>	<b>\$ 24,232</b>

**5. NOTE PAYABLE**

On May 21, 2020, the Organization (the "Borrower"), received an economic injury disaster loan (the "Loan") from the Small Business Administration (SBA) in the amount of \$150,000. The loan bears interest at 2.75%, requires monthly principal and interest payments of \$641, and matures on April 21, 2050. The loan is secured by all tangible and intangible personal property of the Organization.

Future maturities of the note payable are as follows as of December 31, 2023:

<u><b>Year Ending December 31,</b></u>	
2024	\$ 3,772
2025	3,877
2026	3,985
2027	4,096
2028	4,200
Thereafter	124,348
<b>TOTAL</b>	<b>\$ 144,278</b>



**GENERATIONS UNITED**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023 AND 2022**

**5. NOTE PAYABLE (Continued)**

Interest expense related to the note payable totaled \$4,209 and \$4,511 for the years ended December 31, 2023 and 2022, respectively.

**6. NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions consist of the following as of December 31, 2023 and 2022:

	<b>2023</b>	<b>2022</b>
Subject to expenditure for specified purpose:		
Grandfamilies Project	\$ 203,236	\$ 475,392
Intergenerational Programs	60,594	85,154
Public Education	34,102	70,125
<b>NET ASSETS WITH DONOR RESTRICTIONS</b>	<b>\$ 297,932</b>	<b>\$ 630,671</b>

The following net assets with donor restrictions were released from donor restrictions either by incurring expenses which satisfied the restricted purposes specified by the donors or through the passage of time during the years ended December 31, 2023 and 2022, respectively.

	<b>2023</b>	<b>2022</b>
Purpose restrictions accomplished:		
Grandfamilies Projects	\$ 397,155	\$ 276,776
Public Education	136,024	54,570
Intergenerational Programs	99,560	342,163
Special Projects	80,000	3,931
<b>NET ASSETS RELEASED FROM DONOR RESTRICTIONS</b>	<b>\$ 712,739</b>	<b>\$ 677,440</b>

**7. LIQUIDITY AND AVAILABILITY**

The Organization has a policy to structure its financial assets to be available and liquid as its obligations become due. Financial assets available for use for general expenditures within one year of the Statement of Financial Position date comprise the following as of December 31, 2023 and 2022:

	<b>2023</b>	<b>2022</b>
Cash and cash equivalents	\$ 610,777	\$ 947,015
Investments	618,615	549,102
Contracts receivable	183,903	228,122
Grants receivable	752,540	806,968
Less: Donor restricted funds	(297,932)	(630,671)
<b>FINANCIAL ASSETS AVAILABLE TO MEET CASH NEEDS FOR GENERAL EXPENDITURES WITHIN ONE YEAR</b>	<b>\$ 1,867,903</b>	<b>\$ 1,900,536</b>

**GENERATIONS UNITED**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023 AND 2022**

**8. LEASE COMMITMENTS**

The Organization follows FASB ASC 842 for leases. The Organization has elected the practical expedient that allows lessees to choose to not separate lease and non-lease components by class of underlying asset and is applying this expedient to all relevant asset classes. The Organization has also elected to use a risk-free rate as the lease discount rate for all leases as allowed under FASB ASC 842.

**Operating Leases:**

The Organization has an operating lease for office space in Washington, D.C. that expires in January 2028. The office lease includes an escalation of base rentals which is being amortized on a basis to achieve straight-line rent expense over the life of the lease. The risk-free rate used as the lease discount rate is 4.325%.

For the year ended December 31, 2023, total lease cost was \$225,523 and total cash paid was \$198,086 for the operating lease. For the year ended December 31, 2022, total lease cost was \$104,594 and total cash paid was \$97,007 for the operating lease.

**Financing Leases:**

The Organization has six financing lease agreements for computers and one finance lease agreement for a copier. The obligations are payable through 2026.

For the year ended December 31, 2023, total amortization on the right-of-use assets was \$14,960 and total interest expense was \$250 for all financing leases. For the year ended December 31, 2022 total amortization on the right-of-use assets was \$12,670 and total interest expense was \$556 for all financing leases. As of December 31, 2023, the weighted-average remaining lease term and rate for financing leases is 1.95 years and 0.45%, respectively.

The following is a schedule of the future minimum lease payments due under the operating and financing leases, net of imputed interest:

<u>Year Ending December 31,</u>	<u>Operating Leases</u>	<u>Financing Leases</u>
2024	\$ 221,709	\$ 10,426
2025	227,723	5,329
2026	233,903	2,410
2027	240,253	-
2028	<u>20,314</u>	<u>-</u>
Sub-total	943,902	18,165
Less: Imputed interest	<u>(81,105)</u>	<u>(25)</u>
<b>TOTAL</b>	<b><u>\$ 862,797</u></b>	<b><u>\$ 18,140</u></b>

**9. RETIREMENT PLAN**

The Organization maintains a defined contribution retirement plan covering substantially all employees. Under this plan the Organization matches employee contributions up to seven percent of the annual compensation for each participating employee after one year of employment. Total pension expense incurred for the years ended December 31, 2023 and 2022 was \$75,394 and \$60,864, respectively and is included in salaries and benefits on the accompanying Statements of Functional Expenses.

## GENERATIONS UNITED

### NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023 AND 2022

#### 10. CONTINGENCY

The Organization receives grants from the Department of Health & Human Services. Such grants are subject to audit under the provisions of *Title 2 U.S. Code of Federal Regulations (CFR) Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). The ultimate determination of amounts received under the Federal awards is based upon the allowance of costs reported to and accepted by the United States Government as a result of the audits. Until such audits have been accepted by the United States Government, there exists a contingency to refund any amount received in excess of allowable costs. Management is of the opinion that no material liability will result from such audits. Audits in accordance with the applicable provisions of Subpart F of the Uniform Guidance have been completed for all required fiscal years through 2023.

#### 11. SUBSEQUENT EVENTS

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through June 4, 2024, the date the financial statements were issued.