

FINANCIAL STATEMENTS

GENERATIONS UNITED

**FOR THE YEARS ENDED
DECEMBER 31, 2024 AND 2023**

GENERATIONS UNITED

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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 statements of financial position as of December 31, 2024 and 2023, and the related statements of activities and changes in net assets, functional expenses and cash flows for the years 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, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America the standards applicable to financial audits contained in. 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 audits. 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 the standards applicable to financial audits contained in 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 and *Government 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 20, 2025, 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.



May 20, 2025

GENERATIONS UNITED
STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2024 AND 2023

ASSETS

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 884,465	\$ 610,777
Investments	672,637	618,615
Accounts receivable	150,577	183,903
Contributions and grants receivable	532,776	752,540
Prepaid expenses	8,717	7,470
Furniture, net	6,935	14,897
Right-of-use assets, net	<u>661,665</u>	<u>847,606</u>
TOTAL ASSETS	<u>\$ 2,917,772</u>	<u>\$ 3,035,808</u>

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts payable and accrued liabilities	\$ 350,329	\$ 339,663
Deferred revenue	19,895	-
Refundable advances	125,906	213,383
Operating lease liabilities	674,327	862,797
Financing lease liabilities	21,760	18,140
Note payable	<u>140,517</u>	<u>144,278</u>
Total liabilities	<u>1,332,734</u>	<u>1,578,261</u>

NET ASSETS

Without donor restrictions	1,089,672	1,159,615
With donor restrictions	<u>495,366</u>	<u>297,932</u>
Total net assets	<u>1,585,038</u>	<u>1,457,547</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 2,917,772</u>	<u>\$ 3,035,808</u>

GENERATIONS UNITED

STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2024

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
SUPPORT AND REVENUE			
Government grants	\$ 2,382,449	\$ -	\$ 2,382,449
Contributions and grants	543,049	781,623	1,324,672
Contract revenue	520,585	-	520,585
Membership revenue	72,550	-	72,550
Net investment return	61,621	-	61,621
Other revenue	1,447	-	1,447
Net assets released from donor restrictions	<u>584,189</u>	<u>(584,189)</u>	<u>-</u>
Total support and revenue	<u>4,165,890</u>	<u>197,434</u>	<u>4,363,324</u>
EXPENSES			
Program Services:			
Grandfamilies Projects	3,219,865	-	3,219,865
Special Projects	43,741	-	43,741
Intergenerational Programs	420,948	-	420,948
Public Education	156,027	-	156,027
Membership Services	<u>74,068</u>	<u>-</u>	<u>74,068</u>
Total program services	<u>3,914,649</u>	<u>-</u>	<u>3,914,649</u>
Supporting Services:			
Fundraising	20,611	-	20,611
Management and General	<u>300,573</u>	<u>-</u>	<u>300,573</u>
Total supporting services	<u>321,184</u>	<u>-</u>	<u>321,184</u>
Total expenses	<u>4,235,833</u>	<u>-</u>	<u>4,235,833</u>
Change in net assets	(69,943)	197,434	127,491
Net assets at beginning of year	<u>1,159,615</u>	<u>297,932</u>	<u>1,457,547</u>
NET ASSETS AT END OF YEAR	<u>\$ 1,089,672</u>	<u>\$ 495,366</u>	<u>\$ 1,585,038</u>

GENERATIONS UNITED

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

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE			
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 return	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>
EXPENSES			
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>
NET ASSETS AT END OF YEAR	<u>\$ 1,159,615</u>	<u>\$ 297,932</u>	<u>\$ 1,457,547</u>

GENERATIONS UNITED

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

	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	\$ 1,622,467	\$ -	\$ 255,968	\$ 125,531	\$ 62,390	\$ 2,066,356	\$ 17,901	\$ 115,183	\$ 133,084	\$ 2,199,440
Subgrants and contracts	760,896	-	10,305	-	-	771,201	-	-	-	771,201
Professional fees	453,823	38,175	101,114	10,203	-	603,315	-	142,360	142,360	745,675
Lease	164,843	-	25,973	11,637	6,729	209,182	1,857	11,961	13,818	223,000
Meals and meetings	18,749	4,210	36	48	-	23,043	-	278	278	23,321
Travel	81,756	631	13,773	3,226	1,270	100,656	-	538	538	101,194
Telephone and technology	79,866	-	9,802	4,053	2,526	96,247	630	3,568	4,198	100,445
Office expenses	13,175	725	1,425	504	601	16,430	71	2,815	2,886	19,316
Printing and publications	10,532	-	585	-	-	11,117	-	208	208	11,325
Equipment rental and maintenance	13,758	-	1,967	825	552	17,102	152	887	1,039	18,141
Insurance	-	-	-	-	-	-	-	10,865	10,865	10,865
Depreciation	-	-	-	-	-	-	-	7,962	7,962	7,962
Interest	-	-	-	-	-	-	-	3,948	3,948	3,948
TOTAL	\$ 3,219,865	\$ 43,741	\$ 420,948	\$ 156,027	\$ 74,068	\$ 3,914,649	\$ 20,611	\$ 300,573	\$ 321,184	\$ 4,235,833

See accompanying notes to financial statements.

GENERATIONS UNITED

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

	Program Services						Supporting Services			
	Grandfamilies Projects	Special Projects	Intergenerational Programs	Public Education	Membership Services	Total Program Services	Fundraising	Management and General	Total Supporting Services	Total Expenses
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
TOTAL	\$ 3,076,399	\$ 106,957	\$ 623,450	\$ 421,783	\$ 9,647	\$ 4,238,236	\$ 23,375	\$ 272,428	\$ 295,803	\$ 4,534,039

See accompanying notes to financial statements.

GENERATIONS UNITED
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	\$ 127,491	\$ (236,064)
Adjustments to reconcile changes in net assets to net cash provided (used) by operating activities:		
Depreciation	7,962	9,335
Net realized and unrealized gain on investments	(37,972)	(54,050)
Amortization of right-of-use assets	203,150	245,399
Decrease (increase) in:		
Accounts receivable	33,326	44,219
Contributions and grants receivable	219,764	54,428
Prepaid expenses	(1,247)	15,437
Increase (decrease) in:		
Accounts payable and accrued liabilities	10,666	(24,631)
Deferred revenue	19,895	-
Refundable advances	(87,477)	(150,856)
Operating lease liabilities	<u>(188,470)</u>	<u>(220,322)</u>
Net cash provided (used) by operating activities	<u>307,088</u>	<u>(317,105)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments	(485,909)	(220,104)
Proceeds from sales of investments	<u>469,859</u>	<u>204,641</u>
Net cash used by investing activities	<u>(16,050)</u>	<u>(15,463)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payments of note payable	(3,761)	(3,670)
Principal payments of finance leases	<u>(13,589)</u>	<u>-</u>
Net cash used by financing activities	<u>(17,350)</u>	<u>(3,670)</u>
Net increase (decrease) in cash and cash equivalents	273,688	(336,238)
Cash and cash equivalents at beginning of year	<u>610,777</u>	<u>947,015</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 884,465</u>	<u>\$ 610,777</u>
SUPPLEMENTAL INFORMATION:		
Asset Acquired Through Financing Lease	<u>\$ 17,209</u>	<u>\$ -</u>
Financing Lease Liability	<u>\$ 17,209</u>	<u>\$ -</u>
Interest Paid	<u>\$ 3,931</u>	<u>\$ 4,022</u>

GENERATIONS UNITED

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024 AND 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION

Organization -

Generations United, Inc. (the Organization) is a non-profit 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 non-profit 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 non-profit 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.

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 non-profit entities.

GENERATIONS UNITED

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024 AND 2023

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

Basis of presentation (continued) -

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.

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.

Receivables -

Accounts receivable primarily consists of amounts due within one year related to contract and membership revenue. Accounts receivable are recorded at their net realizable value which approximates fair value. Accounts receivable are evaluated for 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 December 31, 2024 or 2023 as it is immaterial.

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 discount on long-term grants receivable is computed using the risk-adjusted interest rates applicable to the years in which the promises to give were received. Management has determined that a discount on long-term grants receivable is immaterial to the financial statements, and a discount has not been recorded.

GENERATIONS UNITED

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024 AND 2023

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

Furniture -

Property and equipment in excess of \$1,000 are capitalized and stated at cost. Furniture is depreciated on a straight-line basis over the estimated useful lives of the related assets, generally three to five years. The cost of maintenance and repairs is recorded as expenses are incurred. Depreciation expense totaled \$7,962 and \$9,335, respectively, for the years ended December 31, 2024 and 2023.

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, which is when the service is provided and deliverables 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 revenue includes general member benefits that are a series of distinct obligations. Membership 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. The Organization holds an annual conference every other year.

Support from contributions and grants, including Federal awards -

The Organization receives contributions and grants, including Federal awards from the U.S. Government. Contributions and grants are recognized in the appropriate category of net assets in the period received. The Organization performs an analysis of the individual contribution or grant 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.

GENERATIONS UNITED
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

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

Support from contributions and grants, including Federal awards (continued) -

Conditional contributions and grants contain a right of return and a measurable barrier. Contributions and grants 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 and grants received in advance of meeting specified conditions established by donors are recorded as refundable advances. The Organization's refundable advances totaled \$125,906 and \$213,383 as of December 31, 2024 and 2023, 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 \$4,023,365 and \$6,219,314 as of December 31, 2024 and 2023, 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.

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.

GENERATIONS UNITED

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024 AND 2023

2. INVESTMENTS AND FAIR VALUE MEASUREMENTS (Continued)

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, 2024 and 2023. Transfers between levels are recorded at the end of the reporting period, if applicable.

- *Mutual Funds - Equities and Fixed Income* - 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 held by the Organization are deemed to be actively traded.
- *Government and Corporate 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, 2024:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments:				
Mutual Funds - Equities	\$ 223,148	\$ -	\$ -	\$ 223,148
Mutual Funds - Fixed Income	5,029	-	-	5,029
Government Bonds	-	4,996	-	4,996
Corporate Bonds	<u>-</u>	<u>439,464</u>	<u>-</u>	<u>439,464</u>
TOTAL INVESTMENTS	\$ <u>228,177</u>	\$ <u>444,460</u>	\$ <u>-</u>	\$ <u>672,637</u>

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:

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

Net investment return consisted of the following for the years ended December 31:

	<u>2024</u>	<u>2023</u>
Interest and dividends	\$ 28,639	\$ 16,478
Net realized and unrealized gain	37,972	54,050
Investment expenses provided by external investment advisors	<u>(4,990)</u>	<u>(4,475)</u>
NET INVESTMENT GAIN	\$ <u>61,621</u>	\$ <u>66,053</u>

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NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024 AND 2023

3. GRANTS RECEIVABLE

The Organization has received written promises to give from various donors totaling \$532,776 and \$752,540, respectively, as of December 31, 2024 and 2023. Grants receivable are expected to be collected as follows as of December 31:

	<u>2024</u>	<u>2023</u>
Less than one year	\$ 332,776	\$ 752,540
One to five years	<u>200,000</u>	<u>-</u>
GRANTS RECEIVABLE	<u>\$ 532,776</u>	<u>\$ 752,540</u>

4. CONTRACT ASSETS AND CONTRACT LIABILITIES

Accounts receivable consisted of the following revenue streams as of:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>	<u>January 1, 2023</u>
Contract Revenue	\$ 140,577	\$ 183,903	\$ 228,122
Membership Revenue	<u>10,000</u>	<u>-</u>	<u>-</u>
TOTAL ACCOUNTS RECEIVABLE	<u>\$ 150,577</u>	<u>\$ 183,903</u>	<u>\$ 228,122</u>

Deferred revenue consisted of the following revenue streams as of:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>	<u>January 1, 2023</u>
Contract Revenue	\$ 7,500	\$ -	\$ -
Conference and Sponsorship	<u>12,395</u>	<u>-</u>	<u>-</u>
TOTAL DEFERRED REVENUE	<u>\$ 19,895</u>	<u>\$ -</u>	<u>\$ -</u>

5. NOTE PAYABLE

On May 21, 2020, the Organization, 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, 2024:

<u>Year Ending December 31,</u>	
2025	\$ 3,877
2026	3,985
2027	4,096
2028	4,200
2029	4,327
Thereafter	<u>120,032</u>
TOTAL	<u>\$ 140,517</u>

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NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024 AND 2023

5. NOTE PAYABLE (Continued)

Interest expense related to the note payable totaled \$3,931 and \$4,022 for the years ended December 31, 2024 and 2023, respectively. Interest expense on the note payable is included in Interest expense on the accompanying Statements of Functional Expense.

6. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of the following as of December 31:

	<u>2024</u>	<u>2023</u>
Subject to expenditure for specified purpose:		
Grandfamilies Project	\$ 76,243	\$ 203,236
Membership Services	16,123	-
Intergenerational Programs	3,000	60,594
Public Education	-	34,102
Subject to passage of time	<u>400,000</u>	<u>-</u>
NET ASSETS WITH DONOR RESTRICTIONS	<u>\$ 495,366</u>	<u>\$ 297,932</u>

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:

	<u>2024</u>	<u>2023</u>
Purpose restrictions accomplished:		
Grandfamilies Projects	\$ 174,493	\$ 397,155
Public Education	134,102	136,024
Intergenerational Programs	75,594	99,560
Special Projects	-	80,000
Expiration of time restrictions	<u>200,000</u>	<u>-</u>
NET ASSETS RELEASED FROM DONOR RESTRICTIONS	<u>\$ 584,189</u>	<u>\$ 712,739</u>

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 Statements of Financial Position date comprise the following as of December 31:

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 884,465	\$ 610,777
Investments	672,637	618,615
Accounts receivable	150,577	183,903
Contributions and grants receivable	532,776	752,540
Less: Donor restricted funds	<u>(295,366)</u>	<u>(297,932)</u>
FINANCIAL ASSETS AVAILABLE TO MEET CASH NEEDS FOR GENERAL EXPENDITURES WITHIN ONE YEAR	<u>\$ 1,945,089</u>	<u>\$ 1,867,903</u>

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NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024 AND 2023

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, 2024, total lease cost was \$225,041 and total cash paid was \$221,709 for the operating lease. For the year ended December 31, 2023, total lease cost was \$225,523 and total cash paid was \$198,086 for the operating lease.

Financing Leases:

The Organization has seven financing lease agreements for computers and one finance lease agreement for a copier. The obligations are payable through 2027.

For the year ended December 31, 2024, total amortization on the right-of-use assets was \$13,783 and total interest expense was \$381 for all financing leases. 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. As of December 31, 2024, the weighted-average remaining lease term and rate for financing leases is 1.97 years and 2.22%, 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>
2025	\$ 227,723	\$ 11,373
2026	233,903	8,454
2027	240,253	2,108
2028	<u>20,314</u>	<u>-</u>
Sub-total	722,193	21,935
Less: Imputed interest	<u>(47,866)</u>	<u>(175)</u>
TOTAL	<u>\$ 674,327</u>	<u>\$ 21,760</u>

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, 2024 and 2023 was \$88,669 and \$75,394, respectively, and is included in Salaries and benefits on the accompanying Statements of Functional Expenses.

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NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024 AND 2023

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 2024.

11. SUBSEQUENT EVENTS

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through May 20, 2025, the date the financial statements were issued.

After year-end, a series of Presidential Executive Orders affected numerous Federal assistance awards. While management is continuously evaluating for any impacts on its programs or funding sources, the long-term implications of these orders remain uncertain. These financial statements do not include any adjustments related to this subsequent event.