

**CIVIC VENTURES
dba COGENERATE**

FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022



**CIVIC VENTURES
dba COGENERATE**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Civic Ventures dba Cogenerate

Opinion

We have audited the accompanying financial statements of Civic Ventures dba Cogenerate (a nonprofit organization), which comprise the statement of financial position as of December 31, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the 2023 financial statements referred to above present fairly, in all material respects, the financial position of Civic Ventures dba Cogenerate 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 Civic Ventures dba Cogenerate 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.

Prior Period Financial Statements

The financial statements of Civic Ventures dba Cogenerate as of December 31, 2022 were audited by other auditors whose report dated May 9, 2023 expressed an unmodified opinion on those statements.

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 Civic Ventures dba Cogenerate'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 auditors' 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 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 Civic Ventures dba Cogenerate'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 Civic Ventures dba Cogenerate'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.

May 28, 2024

Perotti & Carade

CIVIC VENTURES dba COGENERATE
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2023 AND 2022

	2023	2022
<u>ASSETS</u>		
Current Assets:		
Cash and cash equivalents	\$ 6,455,055	\$ 7,622,109
Grants and contributions receivable, current	711,632	933,150
Other receivables	24,583	17,377
Advances to other organizations	1,386,313	207,746
Prepaid expenses	47,128	30,659
Total current assets	8,624,711	8,811,041
Other Assets:		
Grants and contributions receivable, non-current	150,000	-
Property and equipment, net	17,202	21,443
Operating lease right-of-use asset	89,415	265,173
Deposits	11,298	11,298
Total other assets	267,915	297,914
Total Assets	\$ 8,892,626	\$ 9,108,955
<u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities:		
Accounts payable	\$ 29,806	\$ 40,190
Accrued wages and vacation	190,580	217,521
Grants payable	418,099	242,809
Current portion of operating lease liability	15,581	61,562
Total current liabilities	654,066	562,082
Long-term liabilities: operating lease liability	74,737	212,119
Net Assets:		
Without donor restrictions:		
Undesignated	2,589,369	3,865,096
Board designated operating reserve	2,000,000	2,000,000
Total without donor restrictions	4,589,369	5,865,096
With donor restrictions	3,574,454	2,469,658
Total net assets	8,163,823	8,334,754
Total Liabilities and Net Assets	\$ 8,892,626	\$ 9,108,955

See accompanying notes to financial statements.

CIVIC VENTURES dba COGENERATE

**STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support:						
Corporation grants	\$ 1,000	\$ 4,073,800	\$ 4,074,800	\$ -	\$ 788,475	\$ 788,475
Foundation grants	247,800	796,000	1,043,800	87,800	3,117,969	3,205,769
Individual grants	240,059	-	240,059	59,910	-	59,910
Government grants	-	-	-	-	776,384	776,384
Program service fees	126,750	-	126,750	351,270	-	351,270
Contributed nonfinancial assets	42,815	-	42,815	-	-	-
Membership	5,000	-	5,000	10,000	-	10,000
Investment income	259,699	-	259,699	81,826	-	81,826
Net assets released from restrictions	3,765,004	(3,765,004)	-	4,286,247	(4,286,247)	-
Total Revenue and Support	4,688,127	1,104,796	5,792,923	4,877,053	396,581	5,273,634
Expenses:						
Program services:						
Show the pattern	930,505	-	930,505	2,411,124	-	2,411,124
Grow the pattern	3,296,058	-	3,296,058	1,210,299	-	1,210,299
Accelerate the pattern	653,463	-	653,463	-	-	-
Incentivize co-generational national services	-	-	-	528,814	-	528,814
Total program expenses	4,880,026	-	4,880,026	4,150,237	-	4,150,237
Support services:						
Management and general	621,313	-	621,313	631,087	-	631,087
Fundraising	462,515	-	462,515	362,402	-	362,402
Total support services expenses	1,083,828	-	1,083,828	993,490	-	993,490
Total expenses	5,963,854	-	5,963,854	5,143,727	-	5,143,727
Change in Net Assets	(1,275,727)	1,104,796	(170,931)	(266,674)	396,581	129,907
Net Assets at Beginning of Year	5,865,096	2,469,658	8,334,754	6,131,770	2,073,077	8,204,847
Net Assets at End of Year	\$ 4,589,369	\$ 3,574,454	\$ 8,163,823	\$ 5,865,096	\$ 2,469,658	\$ 8,334,754

See accompanying notes to financial statements.

CIVIC VENTURES dba COGENERATE

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

	Program Services				Supporting Services		
	Show the pattern- through changing the cultural narrative	Grow the pattern- through catalyzing social innovation	Accelerate the pattern-through building the field	Total program	Management and general	Fundraising	Total
Expenses							
Salaries and wages	\$ 562,669	\$ 718,690	\$ 475,059	\$ 1,756,418	\$ 351,735	\$ 335,588	\$ 2,443,741
Payroll taxes	43,106	59,077	37,336	139,519	30,748	27,008	197,275
Employee benefits	72,492	83,935	56,719	213,146	30,783	46,082	290,011
Pension plan contributions	27,397	33,962	21,491	82,850	16,585	13,593	113,028
Total salaries and related expenses	705,664	895,664	590,605	2,191,933	429,851	422,271	3,044,055
Grants and assistance	-	2,092,915	-	2,092,915	-	-	2,092,915
Professional fees	122,103	221,645	18,887	362,635	88,453	17,608	468,696
Travel	48,677	17,056	22,649	88,382	1,722	6,326	96,430
Conferences and meetings	1,495	1,650	540	3,685	66,104	180	69,969
Printing and publications	28,001	21,394	4,384	53,779	5,428	3,580	62,787
Staff development	6,183	20,708	3,583	30,474	8,034	2,245	40,753
Occupancy	6,718	10,896	6,109	23,723	5,635	4,894	34,252
Telecommunications	3,531	4,290	2,026	9,847	2,207	1,747	13,801
Insurance	1,502	2,436	1,366	5,304	5,074	1,094	11,472
Supplies	2,739	1,932	719	5,390	2,654	457	8,501
Depreciation	1,632	2,647	1,484	5,763	1,368	1,189	8,320
Bank and payroll fees	1,190	1,930	1,082	4,202	999	867	6,068
Other expenses	-	-	-	-	2,641	-	2,641
Postage and delivery	480	895	29	1,404	1,143	57	2,604
Advertising	590	-	-	590	-	-	590
Total expenses before allocation	\$ 930,505	\$ 3,296,058	\$ 653,463	\$ 4,880,026	\$ 621,313	\$ 462,515	\$ 5,963,854

See accompanying notes to financial statements.

CIVIC VENTURES dba COGENERATE
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022

	Program Services				Support Services		
	Catalyze Innovation	Change the Narrative	Incentivize Co- generational National Services	Total program	Management and general	Fundraising	Total
Expenses							
Salaries and wages	\$ 707,774	\$ 766,354	\$ 232,704	\$ 1,706,832	\$ 405,045	\$ 235,824	\$ 2,347,701
Payroll taxes	63,281	59,001	17,911	140,193	37,302	20,077	197,572
Employee benefits	72,768	102,224	14,310	189,302	34,982	15,366	239,650
Pension plan contributions	30,199	37,633	8,155	75,987	18,607	11,872	106,466
Total salaries and related expenses	874,022	965,212	273,080	2,112,314	495,936	283,139	2,891,389
Grants and assistance	1,151,739	-	175,000	1,326,739	-	-	1,326,739
Professional fees	263,575	149,702	63,501	476,778	23,368	62,500	562,646
Travel	23,385	22,200	3,763	49,348	4,577	3,266	57,191
Conferences and meetings	29,267	3,765	358	33,390	72,195	613	106,198
Printing and publications	18,921	27,899	4,613	51,433	3,052	1,401	55,886
Staff development	1,942	1,967	1,173	5,082	3,290	1,116	9,488
Occupancy	25,582	21,635	4,231	51,448	14,449	6,849	72,746
Telecommunications	7,518	7,010	1,402	15,930	4,504	1,473	21,907
Insurance	2,995	2,533	495	6,023	5,088	802	11,913
Supplies	1,800	3,533	588	5,921	1,596	311	7,828
Depreciation	2,290	1,937	379	4,606	1,214	613	6,433
Bank and payroll fees	1,115	943	184	2,242	590	299	3,131
Other expenses	-	-	-	-	475	-	475
Postage and delivery	552	65	48	664	753	20	1,437
Advertising	6,422	1,898	-	8,320	-	-	8,320
Total expenses	\$ 2,411,124	\$ 1,210,299	\$ 528,814	\$ 4,150,237	\$ 631,087	\$ 362,402	\$ 5,143,727

See accompanying notes to financial statements.

CIVIC VENTURES dba COGENERATE

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

	2023	2022
Cash Flows from Operating Activities:		
Change in net assets	\$ (170,931)	\$ 129,907
Adjustments to reconcile changes in net asset to net cash used for operating activities:		
Depreciation and amortization	8,320	6,433
Operating lease expense	34,252	58,732
Changes in operating assets and liabilities:		
Advances to other organizations	(1,178,567)	15,796
Grants and contributions receivable	71,518	(283,885)
Other receivables	(7,206)	623
Prepaid expenses	(16,469)	(9,115)
Accounts payable	(10,384)	(22,090)
Accrued wages and vacation	(26,941)	(8,112)
Refundable advance	-	(476,774)
Grants payable	175,290	164,667
Lease payments	(41,857)	(50,224)
Net cash used for operating activities	(1,162,975)	(474,042)
Cash Flows from Investing Activities:		
Purchase of property and equipment	(4,079)	(21,760)
Net cash used for investing activities	(4,079)	(21,760)
Net change in cash and cash equivalents	(1,167,054)	(495,802)
Cash and cash equivalents - beginning of year	7,622,109	8,117,911
Cash and cash equivalents - end of year	\$ 6,455,055	\$ 7,622,109

See accompanying notes to financial statements.

CIVIC VENTURES dba COGENERATE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

1. ORGANIZATION

Civic Ventures, dba Cogenerate (the “Organization”) is a California nonprofit public benefit corporation incorporated nearly twenty-five years ago with a mission to change cultural expectations for the years beyond 50 and encourage older people to apply their skills to second acts for the greater good. The Organization now focuses on what the vast and growing older population can do in collaboration with younger people to solve today’s most pressing problems. The Organization believes intergenerational collaboration – what the Organization calls “cogeneration” – is an essential and effective strategy to forge bonds across differences, combat polarization and ageism, and bring all generations’ skills and talents to bear on our nation’s most pressing problems. The Organization’s mission today is to bring older and younger people together to solve problems, bridge divides, and co-create the future.

The Organization’s three largest programs (strategic areas):

We work to put the idea of cogeneration on the map, build momentum around it, and change the social norm from generations apart to generations together.

- Show the pattern – through changing the cultural narrative. We work as a thought leader and catalyst to shift the cultural narrative and tell a new story about cogenerational action. We write books and essays, sponsor research, partner with media, speak out, and hold virtual and in-person events. The program was formerly known as change the narrative.
- Grow the pattern – through catalyzing social innovation. We support innovators bringing generations together for mutual benefit and social impact. Programs include our Innovation Fellowships and Cogenerate Challenge on Economic Opportunity. The program was formerly known as catalyze innovation.
- Accelerate the pattern – through building the field. We identify, elevate, diversify and connect leaders of all ages working to bring generations together and advance the strategy of cogeneration.
- Incentivize co-generational national services – The Organization builds a community of leaders, organizations, and funders to scale this work and sustain it. This program was discontinued in 2022.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”). Significant accounting policies are described below to enhance the usefulness of the financial statements to the readers. Certain amounts on the 2022 financial statements have been reclassified to conform with the current year presentation.

CIVIC VENTURES dba COGENERATE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Presentation – The Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions are resources available to support operations and not subject to donor restrictions. The only limits on the use of net assets without donor restrictions are the board limits resulting from the nature of the Organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

Net assets with donor restrictions are resources that are subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, such as those that the donor stipulates that resources be maintained in perpetuity. The Organization does not have any donor-restricted net assets which are required to be maintained in perpetuity.

Cash and Cash Equivalents – Cash and cash equivalents consist of checking and money market accounts maintained at banking institutions.

Contributions – Contributions, including unconditional promises to give, are recognized as revenue in the period the promise is received. Conditional promises to give are not recognized until they become unconditional; that is, those with a measurable performance or other barrier and a right of return or right of release, are not recognized until the barrier has been overcome. Conditional contributions as of December 31, 2023 and 2022 were \$525,000 and \$1,800,000 respectively. Contributions that are considered conditional are reported as increases in net assets without donor restriction, if at the time the barriers are overcome, there are no other restrictions related to the contributions.

Contributions in which the use is limited by the donor are reported as increases in net assets with donor restrictions. When a donor restriction expires, that is, when a stipulated time restriction ends, or purpose restrictions are 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. Contributions of assets other than cash are recorded at their estimated fair value at the date of contribution.

CIVIC VENTURES dba COGENERATE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Program Service Fees – Program service fees consist of consulting contracts carried out on a fee for service basis. The Organization recognizes revenue on such activities as the related performance obligations are completed. Revenue is recognized overtime for cost reimbursement contracts as eligible expenses are incurred, if other conditions of the contract are satisfied. Revenue from agreements that include milestones and milestone payments are recognized over time as milestones are reached.

Grants Receivable Realization – An allowance for doubtful accounts reflects management’s best estimate of probable losses inherent in grants receivable balances. Management primarily determines the allowance based on the aging of grants receivable balances. Grants receivables are generally considered past due once a receivable is older than thirty days. It is the Organization’s policy to not charge interest on its receivables. Receivables are written off once management has determined the ability to collect is not possible. An allowance for uncollectible grants receivable was not deemed necessary as of December 31, 2023 and 2022.

Advances to Other Organizations – Advances to other organizations are comprised of payments that have been made or will be made to Program Operators or Work Hosts for the placement of several fellows throughout 2023 for the Encore Fellowship Network program. These fellows have been funded by either Intel or HP Enterprises and their tenure lasts from six months to a year. The balance of \$1,386,313 and \$207,746 as of December 31, 2023 and 2022, respectively, is amortized monthly as the different fellows complete their assignments in the time stipulated in their agreement. During the years ended December 31, 2023 and 2022, there were 126 and 33 placements made and payments were issued to Program Operators for \$29,200 or to Work Hosts for \$25,000 per placement if placed by Cogenerate.

Property and Equipment – Property which consists of furniture and equipment is recorded at cost at the date of purchase or, if donated, at the fair market value on the date received. Depreciation is computed using the straight-line method of depreciation over the estimated useful lives of the assets, with lives of 3-5 years for furniture and equipment, 6 years for leasehold improvements, and 3 years for website. Purchases of property and equipment over \$5,000 are capitalized.

Contributed Nonfinancial Assets – Contributed nonfinancial assets represent contributed legal services. The Organization recognizes in-kind services received at estimated fair value if such services are measurable, would otherwise be purchased and (a) create or enhance nonfinancial assets or (b) require specialized skills, and are provided by individuals possessing those skills and would typically need to be paid for if not provided by donation.

CIVIC VENTURES dba COGENERATE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases – The Organization determines if an arrangement is or contains a lease at inception. Leases are included in right-of-use (“ROU”) assets and lease liabilities in the statement of financial position. ROU assets and lease liabilities reflect the present value of the future minimum lease payments over the lease term, and ROU assets also include prepaid or accrued rent. Operating lease expense is recognized on a straight-line basis over the lease term. The Organization does not report ROU assets and lease liabilities for its short-term leases (leases with a term of 12 months or less). Instead, the lease payments of those leases are reported as lease expense on a straight-line basis over the lease term.

Leases are evaluated on a regular basis to consider economic and strategic incentives of exercising the renewal options, and how they align with the Organization’s operating strategy.

Therefore, substantially all the renewal option periods are not included within the lease term and the associated payments are not included in the measurement of the right-of-use asset and lease liability as the options to extend are not reasonably certain at lease commencement.

Grants and Assistance – The Organization awards subgrants and pass-through awards to others as part of the Encore Fellowship Network. Grants are expensed after the unconditional promise to give is approved, and the grantee has been notified and has accepted the award. Conditional grants are recognized as grant expense in the period in which the recipient meets the terms of the condition. Grants paid prior to recipients meeting conditions are recognized on the statements of financial position as advances to other organizations. As of December 31, 2023 and 2022, conditional grants payable totaled \$505,167 and \$282,333 respectively. Conditional grants payable are not recorded in the accompanying financial statements until the conditions are met.

Tax-exempt Status – The Organization is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and a similar California statute. In addition, the Organization has been determined by the Internal Revenue Service not to be a private foundation within the meaning of Section 509(a) of the Code. Accordingly, no provision for federal or state income taxes has been recorded. The Organization’s informational returns are subject to examination by the Internal Revenue Service and the California Franchise Tax Board, generally for three and four years, respectively, after they are filed. The Organization has evaluated its current tax positions as of December 31, 2023 and is not aware of any significant uncertain tax positions for which a reserve would be necessary.

Advertising Costs – All advertising costs, which were de minimis, are expensed as incurred.

CIVIC VENTURES dba COGENERATE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Functional Allocation of Expenses – The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification of expenses by function. Accordingly, certain costs, including personnel costs, insurance, depreciation, and occupancy, have been allocated among the programs and supporting services benefited based upon management’s analysis of time and effort spent on the programs and supporting services.

Use of Estimates – Management uses estimates and assumptions in preparing these financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from the estimates that were used.

3. GRANTS AND CONTRIBUTIONS RECEIVABLE

The Organization received a pledge which will be paid over the course of the next four years. Contributions which are payable over a period of more than one year generally require a discount to present value. Management determined the amount of discount that would be required to be recorded as de minimis to the Organization. Payments are expected to be made at \$50,000 per year for the next four years.

4. LIQUIDITY AND AVAILABILITY

The Organization strives to maintain liquid financial assets sufficient to cover 90 days of general expenditures. The following table reflects the Organization’s financial assets as of December 31, 2023 and 2022, that are available to meet general expenditures within one year of the statement of financial position date.

	2023	2022
Cash and cash equivalents	\$ 6,455,055	\$ 7,622,109
Grants receivable and contributions receivable	711,632	933,150
Other receivables	24,583	17,377
Less: board designated operating reserve	(2,000,000)	(2,000,000)
Net financial assets available to meet cash needs for general expenditures within one year	\$ 5,191,270	\$ 6,572,636

CIVIC VENTURES dba COGENERATE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

5. BOARD DESIGNATED OPERATING RESERVE

The Organization has a board designated operating reserve of \$2,000,000 as of December 31, 2023 and 2022. The operating reserve is available to be used for covering approximately six months of normal operating expenses which are estimated at \$325,000 per month.

6. PROPERTY AND EQUIPMENT, NET

Property and equipment consisted of the following as of December 31, 2023 and 2022:

	2023	2022
Website development	104,275	104,275
Computer equipment and software	81,564	77,485
Furniture and equipment	36,901	36,901
	222,740	218,661
Less: accumulated depreciation and amortization	(205,538)	(197,218)
Property and Equipment, net	\$ 17,202	\$ 21,443

Depreciation and amortization expense for the years ended December 31, 2023 and 2022 was \$8,320 and \$6,433, respectively.

7. CONTRIBUTED NONFINANCIAL ASSETS

During the years ended December 31, 2023 and 2022, the Organization recognized \$42,815 and \$0, respectively, of nonfinancial assets within revenue on the statements of activities. Contributed nonfinancial assets did not have donor-imposed restrictions, unless otherwise noted. Contributed nonfinancial assets include the value of the time donated by attorneys for services performed, which is reflected in professional fees on the statement of functional expenses under management and general. Contributed services are valued and are reported at the estimated fair value in the financial statements based on current rates for similar services and supplies.

8. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions were available as follows as of December 31, 2023 and 2022:

CIVIC VENTURES dba COGENERATE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

8. NET ASSETS WITH DONOR RESTRICTIONS (continued)

	2023	2022
Encore fellowship network	\$ 2,136,175	\$ 564,817
Encore's intergenerational funds	1,120,475	1,832,781
Encore physician expansion	117,804	72,060
Time restricted	200,000	-
Total net assets with donor restrictions	\$ 3,574,454	\$ 2,469,658

During the years ended December 31, 2023 and 2022, net assets with donor restrictions were released from donor restrictions by incurring expenses satisfying the purposes specified by donors, as follows:

	2023	2022
Encore fellowship network	\$ 2,377,442	\$ 1,195,994
Encore's intergenerational funds	1,335,305	2,619,479
Encore physician expansion	52,257	-
Government grant	-	470,774
Releases from restrictions	\$ 3,765,004	\$ 4,286,247

9. RETIREMENT PLAN

The Organization provides a defined contribution retirement plan, under Section 403(b) of the Internal Revenue Code to its employees. The Organization is permitted to make an annual contribution. Total contributions by the Organization to the plan for the years ended December 31, 2023 and 2022 were \$113,028 and \$106,466, respectively.

10. OPERATING LEASES

The Organization evaluated current contracts to determine which met the criteria for a lease. The right-of-use (“ROU”) assets represent the Organization’s right to use underlying assets for the lease term, and the lease liabilities represent the Organization’s obligation to make lease payments arising from those leases. The ROU asset and lease liabilities, all of which arise from one operating lease, were calculated based on the present value of future lease payments over the lease terms. The Organization has made an accounting policy election to use a risk-free rate in lieu of its incremental borrowing rate to discount future lease payments. The Organization relinquished the space they previously occupied at no additional cost and leased a new office space from the same lessor in San Francisco commencing May 1, 2023, for a five-year period and expires on April 30, 2028. The discount rate applied to calculate the lease liability as of May 1, 2023, was 3.64%.

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10. OPERATING LEASES (continued)

For the years ended December 31, 2023 and 2022, total operating lease costs were \$34,252 and \$71,853, respectively. As of December 31, 2023, the weighted-average remaining lease term for the Organization’s operating lease was approximately four and one-quarter years.

Cash paid for the operating leases for the year ended December 31, 2023 and 2022, was \$41,857 and \$50,224. There were no noncash investing and financing transactions related to leasing.

Future minimum lease payments under noncancelable operating leases discounted to present value are presented in the following table, for the years ending December 31:

2024	\$	22,314
2025		22,985
2026		23,674
2027		24,382
2028		8,207
		101,562
Less: remaining discount		(11,244)
Lease liability	\$	90,318

11. REFUNDABLE ADVANCE

In March 2021, the Organization obtained a forgivable loan under the U.S. Small Business Administration’s (“SBA”) Paycheck Protection Program (“PPP”). The loan proceeds of \$470,774 were presented as refundable advances on the statement of financial position in accordance with FASB’S Accounting Standards Codification Topic 958-605 Not-For-Profit Entities – Revenue Recognition until conditions were met. The loans were forgivable as long as the borrower used the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, maintained its payroll levels and obtained formal forgiveness from the SBA. Funds not used for allowable expenses were repayable and would have accrued interest at 1% annually. The loan was forgiven and recognized as a government grant in the statements of activities during the year ended December 31, 2022.

12. CONCENTRATIONS, RISKS, AND UNCERTAINTIES

Approximately 66% of the Organization’s total revenue and support is due from one donor and three donors during the years ended December 31, 2023 and 2022, respectively. Approximately 77% and 98% of grants receivable are due from one donor and three donors during the years ended December 31, 2023 and 2022, respectively.

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12. CONCENTRATIONS, RISKS, AND UNCERTAINTIES (continued)

Cash and Cash Equivalents – Financial instruments that potentially subject the Organization to credit risk include cash on deposit with financial institutions that at times is in excess of the \$250,000 insurance limitation of the Federal Deposit Insurance Corporation (“FDIC”).

13. SUBSEQUENT EVENTS

Management of the Organization has evaluated events and transactions subsequent to December 31, 2023, for potential recognition or disclosure in the financial statements. Subsequent events have been evaluated through May 28, 2024, the date the financial statements were available to be issued.