

1000 GENERATIONS, INC.
ELKHORN, WISCONSIN

AUDITED FINANCIAL STATEMENTS
AUGUST 31, 2022

1000 GENERATIONS, INC.
ELKHORN, WISCONSIN

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Chamberlain Otte

CERTIFIED PUBLIC ACCOUNTANTS. LLP

Independent Auditor's Report

To Management and Board of Directors
1000 Generations, Inc.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of 1000 Generations, Inc., which comprise the statement of financial position as of August 31, 2022, 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 accompanying financial statements present fairly, in all material respects, the financial position of 1000 Generations, Inc. as of August 31, 2022, 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 (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of 1000 Generations, Inc. 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 1000 Generations, Inc.'s ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 1000 Generations, Inc.'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 1000 Generations, Inc.'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.

Chamberlain | Otte, CPAs, LLP

CHAMBERLAIN | OTTE, CPAs, LLP
Lake Geneva, WI

January 2, 2024

FINANCIAL STATEMENTS

1000 GENERATIONS, INC.
STATEMENT OF FINANCIAL POSITION
August 31, 2022

ASSETS	
Current assets	
Cash and cash equivalents	\$ <u>967,984</u>
TOTAL ASSETS	\$ <u><u>967,984</u></u>
LIABILITIES AND NET ASSETS	
LIABILITIES	
Current liabilities	
Due to affiliates	\$ 47,638
Credit card payable	<u>9,355</u>
TOTAL LIABILITIES	<u>56,993</u>
NET ASSETS	
With donor restrictions	<u>910,991</u>
TOTAL NET ASSETS	<u>910,991</u>
TOTAL LIABILITIES AND NET ASSETS	\$ <u><u>967,984</u></u>

See accompanying notes and independent accountant's audit report.

1000 GENERATIONS, INC.
STATEMENT OF ACTIVITIES
For the Year Ended August 31, 2022

WITH DONOR RESTRICTION

SUPPORT AND REVENUE

Support:

Donations and Grants	\$ 997,489
Fundraising Income	193,232
Other Income	<u>1,256</u>

TOTAL SUPPORT	<u>1,191,977</u>
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EXPENSES

Wages	734,172
Payments to affiliates	74,458
Management fees	62,444
Other employee benefits	52,833
Payroll taxes	51,218
Advertising	37,728
Occupancy	20,639
Staff development and recognition	17,036
Gala expenses	16,514
Background checks	13,487
Computer expenses	11,536
Office supplies	10,115
Travel	8,908
Bank charges	6,225
Printing	4,573
Family expenses	2,668
Telephone	729
Miscellaneous	<u>710</u>

TOTAL EXPENSES	<u>1,125,993</u>
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INCREASE (DECREASE) IN NET ASSETS WITH DONOR RESTRICTION	<u>65,984</u>
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NET ASSETS AT BEGINNING OF YEAR	<u>845,007</u>
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NET ASSETS AT END OF YEAR	<u>\$ 910,991</u>
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See accompanying notes and independent accountant's audit report.

1000 GENERATIONS, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended August 31, 2022

	Program	Mgmt & General	Fundraising	Total
Wages	\$ 716,824	\$ 17,348	\$ -	\$ 734,172
Payments to affiliates	61,523	12,935	-	74,458
Management fees	6,656	55,788	-	62,444
Other employee benefits	49,717	3,116	-	52,833
Payroll taxes	50,241	977	-	51,218
Advertising	35,902	1,826	-	37,728
Occupancy	20,253	386	-	20,639
Staff development and recognition	12,023	5,013	-	17,036
Gala expenses	-	-	16,514	16,514
Background checks	12,975	512	-	13,487
Computer expenses	10,490	1,046	-	11,536
Office supplies	9,414	701	-	10,115
Travel	8,644	264	-	8,908
Bank charges	4,271	1,954	-	6,225
Printing	4,200	373	-	4,573
Family expenses	2,491	177	-	2,668
Telephone	729	-	-	729
Miscellaneous	299	411	-	710
TOTAL EXPENSES	<u>\$ 1,006,652</u>	<u>\$ 102,827</u>	<u>\$ 16,514</u>	<u>\$ 1,125,993</u>

See accompanying notes and independent accountant's audit report.

1000 GENERATIONS, INC.
STATEMENT OF CASH FLOWS
For the Year Ended August 31, 2022

CASH FLOWS FROM OPERATING ACTIVITIES:

Increase (decrease) in net assets	\$ 65,984
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Increase (decrease) in operating liabilities	
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Due to affiliates	40,842
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Credit card payable	<u>9,166</u>
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NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>115,992</u>
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NET INCREASE (DECREASE) BY CASH AND CASH EQUIVALENTS	115,992
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BEGINNING CASH AND CASH EQUIVALENTS	<u>851,992</u>
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ENDING CASH AND CASH EQUIVALENTS	<u><u>\$ 967,984</u></u>
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Cash paid during the year for interest	<u><u>\$ -</u></u>
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See accompanying notes and independent accountant's audit report.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – NATURE OF ORGANIZATION

1000 Generations, Inc. was organized June 24, 2015, as a nonprofit organization in the State of Wisconsin. The Organization provides temporary housing for children at risk.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Public Support and Revenue

Contributions are generally available for unrestricted use in the current year unless specifically restricted by the donor.

Grants and other contributions of cash and other assets are reported as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Income Taxes

The Organization is a non-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Unrelated business income is taxable by both the Federal and State governments. For the current year, the organization did not have any unrelated business taxable income.

Accounting for Uncertainty in Income Taxes

The Organization has adopted *Accounting for Uncertainty in Income Taxes*, ASC 740-10. The Organization's policy is to evaluate, at least annually, the potential for income tax exposure. Any exposure from such positions is recorded based on the largest cost that has a greater than 50% likelihood of being incurred upon ultimate settlement. The adoption of ASC 740-10 did not have a material effect on its financial position, results of operations or cash flows. The Organization is no longer subject to examination by federal income tax authorities for periods before 2020 and state income tax authorities for periods before 2019.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Net Assets

Net assets have been recorded and reported as changes in net assets with and without donor restriction.

Without donor restriction – Unrestricted net assets consist of resources that are available for use in carrying out the mission of the Organization and include those expendable resources that have been designated for special purposes by the Board. During the year it was determined that all funds are for restricted purposes.

With donor restrictions – Net assets with restrictions represent those amounts that are donor restricted with respect to purpose or time. When a donor restriction expires, that is, when a stipulated time restriction ends or the purpose of a restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and report in the statement of activities as net assets released from restrictions.

Contributed Services

A substantial number of unpaid volunteers have made significant contributions of their time in the furtherance of the Organization's activities. Such services do not meet the criteria for recognition as contributions; therefore, their value is not reflected in the accompanying financial statements.

Contributed services are reported as contributions if such services create or enhance non-financial assets or if they would have been purchased if not provided by contribution, require specialized skills, and are provided by individuals possessing such specialized skills. Contributed services are recognized at their estimated fair values at date of receipt with an equal and offsetting amount in unrestricted functional expenses in the statement of activities, resulting in no net impact on the change in net assets during the year. There were no contributed services recognized for the year ended August 31, 2022.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the Statement of Activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Such allocations are determined by management on an estimate of time and effort basis.

NOTE 3 – CASH AND CASH EQUIVALENTS

Custodial credit risk is the risk that in the event of a bank failure, the Organization's deposits may not be returned. Deposits in each bank are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 for the combined amounts of all time, savings accounts (including NOW accounts), and all non-interest-bearing demand deposit accounts.

At year-end, the carrying amount of the Organization's deposits was \$967,984 and the bank balance was \$967,984. Of the bank balance, \$266,428 was covered by federal depository insurance. The remaining \$701,556 was uninsured.

NOTE 4 – NET ASSETS WITH DONOR RESTRICTIONS

Donor restricted net assets released from restrictions in 2021-2022 are as follows:

Jefferson County	\$82,063
Kenosha\Racine Counties	56,813
LaCrosse Area	109,115
Milwaukee County	235,806
Northeastern Wisconsin	103,912
Southeastern Wisconsin	219,791
Statewide	318,493
Total	<u>\$1,125,993</u>

Donor restricted net assets are available for the following purposes for 2021-2022:

Jefferson County	\$107,545
Kenosha\Racine Counties	39,941
LaCrosse Area	86,495
Milwaukee County	261,016
Northeastern Wisconsin	106,338
Southeastern Wisconsin	184,873
Statewide	124,783
Total	<u>\$910,991</u>

Grant monies were received during the year for the express of developing Safe Families organizations in Jefferson County, Racine\Kenosha Counties, Milwaukee County, Southeastern Wisconsin, the LaCrosse Area, and Northeastern Wisconsin. During the year, the Organization reclassified the remaining unrestricted funds as restricted as they were given for the purpose of developing Safe Families organizations throughout Wisconsin.

NOTE 5 – INSURANCE RISK MANAGEMENT

The Organization is exposed to various risks of loss related to torts; theft of damage to and destruction of assets; errors and omissions and natural disasters for which the Organization carries commercial insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

NOTE 6 – DATE OF MANAGEMENT'S REVIEW

In preparing the financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through January 2, 2024, the date that the financial statements were available to be issued.