RESOURCE GENERATION, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

LUTZ AND CARR
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Resource Generation, Inc.

Opinion

We have audited the accompanying financial statements of Resource Generation, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2024 and 2023, and the related statements of activities, 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 Resource Generation, Inc. 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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Resource Generation, Inc. 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 Resource Generation, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' 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 Resource Generation, 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 Resource Generation, 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.

Lutz + Carr, LLP

New York, New York
November 5, 2025

RESOURCE GENERATION, INC.

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2024 AND 2023

	2024	2023 (As Restated)
Assets		
Cash and cash equivalents	$1,876,708	$ 1,131,337
Contributions receivable		
Without donor restrictions	18,395	5,000
With donor restrictions	50,000	96,024
Accounts receivable	141,862	57,946
Investments	1,794,811	1,764,899
Prepaid expenses and other assets	60,868	15,556
Operating lease right-of-use asset	36,322	82,617
Total Assets	$3,978,966	$ 3,153,379
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	$ 209,960	$ 171,801
Operating lease liability	37,447	82,992
Total Liabilities	247,407	254,793
Commitment		
Net Assets		
Without donor restrictions	3,581,559	2,602,562
With donor restrictions	150,000	296,024
Total Net Assets	3,731,559	2,898,586
Total Liabilities and Net Assets	$3,978,966	$ 3,153,379

See notes to financial statements.

RESOURCE GENERATION, INC.

STATEMENTS OF ACTIVITIES

YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024	2023 (As Restated)
Changes in Net Assets Without Donor Restrictions		
Revenue and Support		
Contributions	$4,570,007	$ 3,447,078
Conference fees	150,189	186,360
Net investment income	87,586	69,361
Miscellaneous income	12,354	1,397
	4,820,136	3,704,196
Net assets released from restrictions		
Satisfaction of time and program restrictions	146,024	15,000
Total Revenue and Support	4,966,160	3,719,196
Expenses		
Program Services	2,494,527	2,516,982
Supporting Services		
Management and general	1,101,071	1,151,132
Fundraising	391,565	282,339
Total Supporting Services	1,492,636	1,433,471
Total Expenses	3,987,163	3,950,453
Increase (Decrease) in Net Assets Without Donor Restrictions	978,997	(231,257)
Changes in Net Assets With Donor Restrictions		
Contributions	-	296,024
Net assets released from restrictions	(146,024)	(15,000)
Increase (Decrease) in Net Assets With Donor Restrictions	(146,024)	281,024
Increase in net assets	832,973	49,767
Net assets, beginning of year, as previously reported	2,914,805	2,880,647
Prior period adjustments	(16,219)	(31,828)
Net assets, beginning of year, as restated	2,898,586	2,848,819
Net Assets, End of Year	$3,731,559	$ 2,898,586

See notes to financial statements.

RESOURCE GENERATION, INC.

STATEMENTS OF FUNCTIONAL EXPENSES

YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024				2023 (As Restated)			
		Supporting Services				Supporting Services		
	Program Services	Management and General	Fundraising	Total Expenses	Program Services	Management and General	Fundraising	Total Expenses
Salaries	$1,416,954	$ 478,750	$ 224,533	$2,120,237	$1,265,893	$ 626,800	$ 175,563	$2,068,256
Payroll taxes and employee benefits	569,637	192,466	90,266	852,369	469,574	245,931	65,124	780,629
Professional and consulting fees	99,859	207,023	37,435	344,317	216,478	125,718	23,879	366,075
Meetings and travel	242,155	61,313	19,361	322,829	323,263	6,837	137	330,237
Occupancy	45,747	15,456	7,249	68,452	66,990	26,528	6,924	100,442
Insurance	5,627	1,901	892	8,420	3,060	10,227	393	13,680
Staff development	17,010	11,798	-	28,808	36,309	3,689	313	40,311
Advertising	125	20	-	145	-	582	-	582
Bank fees	-	53,929	-	53,929	-	46,634	-	46,634
Computer expense	3,045	46,789	279	50,113	58,870	24,627	6,812	90,309
Postage and printing	1,266	2,131	-	3,397	12,079	194	50	12,323
Office supplies	46,246	5,458	238	51,942	21,497	3,963	196	25,656
Telecommunications	27,212	9,194	4,312	40,718	22,732	10,298	2,948	35,978
Sponsorships	19,504	3,142	7,000	29,646	18,348	1,500	-	19,848
Miscellaneous	140	11,701	-	11,841	1,889	17,604	-	19,493
Total Expenses	$2,494,527	$ 1,101,071	$ 391,565	$3,987,163	$2,516,982	$ 1,151,132	$ 282,339	$3,950,453

See notes to financial statements.

RESOURCE GENERATION, INC.

STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024	2023 (As Restated)
Cash Flows From Operating Activities		
Increase in net assets	$ 832,973	$ 49,767
Adjustments to reconcile increase in net assets to net cash provided (used) by operating activities:		
Non-cash operating lease expense	46,295	11,220
Realized loss on investments	1,923	638
Unrealized (gain) loss on investments	17,452	(45,374)
(Increase) decrease in:		
Contributions receivable	32,629	(86,024)
Accounts receivable	(83,916)	5,962
Prepaid expenses and other assets	(45,312)	16,187
Increase (decrease) in:		
Accounts payable and accrued expenses	38,159	(2,079)
Operating lease liability	(45,545)	(10,845)
Net Cash Provided (Used) By Operating Activities	794,658	(60,548)
Cash Flows From Investing Activities		
Purchase of investments	(2,476,170)	(3,126,441)
Proceeds from sale of investments	2,426,883	1,408,038
Net Cash Used By Investing Activities	(49,287)	(1,718,403)
Increase (decrease) in cash and cash equivalents	745,371	(1,778,951)
Cash and cash equivalents, beginning of year	1,131,337	2,910,288
Cash and Cash Equivalents, End of Year	$1,876,708	$ 1,131,337

Supplemental disclosure of non-cash investing activities:

	2024	2023
Operating lease right-of-use asset obtained in exchange for lease liability	$ -	$ 93,837

See notes to financial statements.

RESOURCE GENERATION, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

Note 1 - <u>Organization and Summary of Significant Accounting Policies</u>

a - Organization
Resource Generation, Inc. (the "Organization") is a national non-profit organization dedicated to organizing young people with wealth and class privilege to become transformative leaders working towards the equitable distribution of land, wealth, and power. The Organization focuses on developing leaders through story-telling and peer-led learning and action. The Organization supports members to engage in collective action through local chapters, national campaigns, innovative funding models, and in their family's philanthropy. The Organization envisions a world in which all communities are powerful, healthy, and living in alignment with the planet.

b - Cash and Cash Equivalents
For purposes of the statement of cash flows, the Organization considers all highly liquid debt instruments, purchased with a maturity of three months or less, to be cash equivalents, except for cash and short-term investments managed by the Organization's investment managers as part of their long-term investment strategies.

c - Contributions and Contributions Receivable
The Organization recognizes contributions when cash, securities, or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier and right of return, are not recognized until the conditions on which they depend have been met.

Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

The Organization uses the allowance method to determine uncollectible contributions receivable. The allowance is based on prior years' experience and management's analysis of specific promises made.

d - Investments
The Organization reflects investments at fair value in the statement of financial position. Interest, dividends, and gains and losses on investments are reflected in the statement of activities as increases and decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations or by law.

Note 1 - Organization and Summary of Significant Accounting Policies (continued)

d - Investments (continued)
Gains and other investment income that are limited to specific uses by donor-imposed restrictions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions for time and purpose are reclassified to net assets without donor restrictions.

e - Fair Value Measurements
Fair value is defined as the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. Fair value is a market-based measurement, not an entity-based measurement. Generally accepted accounting principles establish a framework for measuring fair value which maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are those the market participants would use in pricing the asset based on market data obtained from sources independent of the Organization. Unobservable inputs reflect the Organization's assumptions about the inputs market participants would use in pricing the asset developed based on the best information available in the circumstances.

Fair value measurements are categorized into three levels as follows:

Level 1 Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities that the Organization has the ability to access at the measurement date.

Level 2 Inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly or indirectly, including inputs in markets that are not considered to be active.

Level 3 Inputs that are unobservable.

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

f - Operating Lease Right-of-Use Asset and Operating Lease Liability
For leases with an initial term greater than twelve months, the Organization’s operating lease liability is initially recorded at the present value of the unpaid lease payments. The Organization’s operating lease right-of-use asset is initially recorded at the carrying amount of the lease liability adjusted for initial direct costs, accruals, deferred rent liability and lease incentives, if any. Operating lease cost is recognized on a straight-line basis over the lease term.

Note 1 - Organization and Summary of Significant Accounting Policies (continued)

g - Revenue Recognition

The Organization has a conference fee revenue stream that is accounted for as an exchange transaction. Revenues are recognized when control of the promised goods or services is transferred to customers in an amount that reflects the consideration the Organization expects to be entitled to in exchange for these goods or services. The Organization records deferred revenue in situations when amounts are collected, but the revenue recognition criteria outlined above are not met. Such revenue is recognized when all criteria are subsequently met.

Revenues from conferences are recognized when the conferences take place.

h - Financial Statement Presentation

The financial statements of the Organization have been prepared in accordance with accounting principles generally accepted in the United States of America, which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

Net Assets Without Donor Restrictions

Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization’s management and Board of Directors.

Net Assets With Donor Restrictions

Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

i - Functional Allocation of Expenses

The cost of providing the various program and supporting services has been summarized on a functional basis in the statement of activities. Salaries and benefits are allocated on the basis of the employees’ time and effort and direct expenses are tracked based on the function of the cost. Accordingly, certain costs have been allocated among the program and supporting services benefited.

RESOURCE GENERATION, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

Note 1 - Organization and Summary of Significant Accounting Policies (continued)

j - 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.

k - Tax Status
The Organization is a not-for-profit corporation exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and has been designated as an organization which is not a private foundation.

l - Subsequent Events
The Organization has evaluated subsequent events through November 5, 2025, the date that the financial statements are considered available to be issued.

Note 2 - Information Regarding Liquidity and Availability

The Organization operates with a balanced budget for each fiscal year based on the revenues expected to be available to fund anticipated expenses. A substantial portion of annual revenue is comprised of individual contribution revenue raised during the current year, revenue from earned income, and other sources earned during the year. The Organization considers general expenditures to consist of all expenses related to its ongoing program activities, and the expenses related to general and administrative and fundraising activities undertaken to support those services.

The Organization regularly monitors liquidity to meet its operating needs and other commitments and obligations, while seeking to maximize the investment of its available funds. Management prepares regular cash flow projections to determine liquidity needs and has a policy to maintain liquid financial assets on an ongoing basis sufficient to cover six months of general expenditures. Financial assets in excess of daily cash requirements are invested in certificates of deposit, money market funds, and other short-term investments.

RESOURCE GENERATION, INC.

NOTES TO FINANCIAL STATEMENTS

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Note 2 - Information Regarding Liquidity and Availability

The Organization's financial assets as of December 31, 2024 and 2023 available to meet cash needs for general expenditures within one year are summarized as follows:

	2024	2023
Financial Assets at Year End:		
Cash and cash equivalents	$1,876,708	$1,131,337
Contributions receivable	68,395	101,024
Accounts receivable	141,862	57,946
Investments	1,794,811	1,764,899
Total Financial Assets	3,881,776	3,055,206
Less: Amounts not Available to be Used within One Year		
Net assets with donor restrictions, subject to the passage of time	(150,000)	(296,024)
Plus: Net assets with restrictions to be met in less than one year	150,000	150,000
Financial Assets Available to Meet General Expenditures within One Year	$3,881,776	$2,909,182

Note 3 - Restrictions on Net Assets

Net assets with donor restrictions are restricted for future periods.

Note 4 - Concentrations

The Organization maintains its cash balances in a financial institution located in New York City. The cash balances, at times, may exceed federally insured limits.

During the year ended December 31, 2024, the Organization received 11% of its contributions from one individual.

RESOURCE GENERATION, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

Note 5 - Contributions Receivable

Contributions receivable are due as follows:

	2024	2023
Due in less than one year	$68,395	$ 55,000
Due in one to three years	-	50,000
	-	105,000
Less: Discount to present value	-	(3,976)
	$68,395	$101,024

Uncollectible contributions receivable are expected to be insignificant. Contributions receivable due after one year are discounted to present value using a discount rate of 4.23%.

Note 6 - Investments

Investments consist of the following at December 31:

	2024		2023	
	Cost	Fair Value	Cost	Fair Value
Cash	$ 4,050	$ 4,050	$ 92,609	$ 92,609
Government securities	1,174,441	1,203,199	1,095,498	1,141,142
Mutual funds	588,398	587,562	475,107	475,097
Equities	-	-	30,555	30,906
Exchange-traded products	-	-	25,756	25,145
	$1,766,889	$1,794,811	$1,719,525	$1,764,899

The following summarizes investments by the Levels within the fair value hierarchy used to measure their respective fair values at December 31:

	2024			
	Total	Level 1	Level 2	Level 3
Cash	$ 4,050	$ 4,050	$ -	$ -
Government securities	1,203,199	-	1,203,199	-
Mutual funds	587,562	587,562	-	-
Total Investments	$1,794,811	$591,612	$1,203,199	$ -

Note 6 - Investments (continued)

	2023			
	Total	**Level 1**	**Level 2**	**Level 3**
Cash	$ 92,609	$ 92,609	$ -	$ -
Government securities	1,141,142	-	1,141,142	-
Mutual funds	475,097	475,097	-	-
Equities	30,906	30,906	-	-
Exchange-traded products	25,145	25,145	-	-
Total Investments	$1,764,899	$623,757	$1,141,142	$ -

Net investment income consists of the following:

	2024	**2023**
Interest and dividends	$113,893	$31,821
Realized loss on sale of investments	(1,923)	(638)
Unrealized gain (loss) on investments	(17,452)	45,374
Investment fees	(6,932)	(7,196)
	$ 87,586	$69,361

Note 7 - Operating Lease Liability

In August 2023, the Organization entered into an operating lease agreement expiring September 2025 for its office space.

Operating lease expense for the years ended December 31, 2024 and 2023 were $50,025 and $80,500 respectively. There were no variable lease costs incurred. As of December 31, 2024, the remaining term of the Organization’s operating lease is nine months, and the discount rate is 5.12%.

Maturities of the Organization’s operating lease liability as of December 31, 2024 are as follows:

Through September 2025	$38,250
Less: Amount attributable to interest	(803)
	$37,447

RESOURCE GENERATION, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

Note 8 - Pension Plan

The Organization established a defined contribution retirement plan under Section 403(b) of the Internal Revenue Code for all eligible employees. The Organization's Board of Directors may elect to make a matching contribution, as well as other discretionary contributions, to the plan. During the years ended 2024 and 2023, the expense under this plan was $89,813 and $99,240 respectively.

Note 9 - Prior Period Adjustments

Net assets without donor restrictions at January 1 were restated to reflect the following:

	2024	2023
To accrue prior year revenue not previously recorded	$ 26,109	$ -
To properly reflect employee benefit payments not recognized previously	(42,328)	(31,828)
	$(16,219)	$(31,828)