

**THE AMERICAN GERIATRICS SOCIETY, INC.**

Audited Financial Statements and Single Audit Report

December 31, 2023

# THE AMERICAN GERIATRICS SOCIETY, INC.

## Audited Financial Statements and Single Audit Report

Year Ended December 31, 2023

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## Independent Auditor's Report

To the Board of Directors of  
The American Geriatrics Society, Inc.

### Opinion

We have audited the financial statements of The American Geriatrics Society, Inc. (the "Society"), which comprise the statements of financial position as of December 31, 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 accompanying financial statements present fairly, in all material respects, the financial position of the Society as of December 31, 2023, and the changes in 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") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States ("*Government Auditing Standards*"). 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 Society, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Society's ability to continue as a going concern within one year after the date that the financial statements are issued or 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 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 and *Government 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 GAAS 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 Society'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 Society's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control-related matters that we identified during the audit.

### **Report on Summarized Comparative Information**

We have previously audited the Society's financial statements for the year ended December 31, 2022, and we expressed an unmodified audit opinion on those audited financial statements in our report dated April 20, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

### **Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The identify accompanying supplementary information such as the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the identify accompanying supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated September 26, 2024, on our consideration of the Society'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 Society'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 Society's internal control over financial reporting and compliance.

  
New York, NY  
September 26, 2024

# The American Geriatrics Society, Inc.

## Statement of Financial Position

At December 31, 2023  
(With comparative totals at December 31, 2022)

	<u>December 31,</u>	
	<u>2023</u>	<u>2022*</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 632,480	\$ 822,291
Investments	9,787,430	8,016,804
Government grants receivable	309,788	182,344
Contributions receivable	22,474	11,337
Other receivables	421,863	377,489
Due from affiliate	10,972	13,362
Prepaid expenses and other assets	313,074	430,909
Property and equipment, net	201,760	277,354
Operating lease right-of-use asset	1,157,467	1,342,469
<b>TOTAL ASSETS</b>	<b><u>\$ 12,857,308</u></b>	<b><u>\$ 11,474,359</u></b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 418,342	\$ 404,605
Deferred membership dues	1,008,201	1,067,336
Deferred revenue	67,710	127,745
Grant advances	1,141,826	1,448,684
Operating lease liability	1,299,238	1,484,154
Total liabilities	<u>3,935,317</u>	<u>4,532,524</u>
<b>NET ASSETS</b>		
Without donor restrictions	<u>8,921,991</u>	<u>6,941,835</u>
Total net assets	<u>8,921,991</u>	<u>6,941,835</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 12,857,308</u></b>	<b><u>\$ 11,474,359</u></b>

\*Reclassified for comparative purposes

*The attached notes and auditor's report are an integral part of these financial statements.*

# The American Geriatrics Society, Inc.

## Statement of Activities

For the Year Ended December 31, 2023  
(With comparative totals for the year ended December 31, 2022)

	<b>Total 12/31/23</b>	<b>Total 12/31/22*</b>
<b>WITHOUT DONOR RESTRICTIONS</b>		
<b>PUBLIC SUPPORT AND REVENUE</b>		
Membership	\$ 1,737,258	\$ 1,655,548
Annual meeting	1,609,847	1,283,683
Geriatric training materials - sales and publications	1,007,976	1,353,487
Program royalty and editorial office stipend	1,686,306	1,274,563
Contributions and grants for special projects	1,106,738	802,093
Government grants	1,249,290	735,531
Other program fees	105,790	63,327
Interest and dividends	236,650	346,401
Administrative fees	18,476	20,866
Other income	10,205	8,873
Total revenues	8,768,536	7,544,372
<b>FUNCTIONAL EXPENSES</b>		
Program services:		
Member services	531,757	575,081
Annual meeting	1,325,176	1,467,645
Geriatric training materials	778,695	778,526
Publications	681,753	657,924
Grants and special projects	2,519,694	1,871,963
Geriatrics co-management (CoCare)	203,892	243,107
Public affairs, outreach and education	833,089	801,676
Total program services	6,874,056	6,395,922
Supporting services:		
General and administration	700,766	654,742
Fundraising	157,233	173,690
Total supporting services	857,999	828,432
Total expenses	7,732,055	7,224,354
<b>Change in net assets from operations</b>	<b>1,036,481</b>	<b>320,018</b>
<b>NON-OPERATING ACTIVITIES</b>		
Investment return	943,675	(1,349,101)
Total non-operating activities	943,675	(1,349,101)
<b>Change in net assets</b>	<b>1,980,156</b>	<b>(1,029,083)</b>
<b>NET ASSETS, beginning of year</b>	6,941,835	7,970,918
<b>NET ASSETS, end of year</b>	<b>\$ 8,921,991</b>	<b>\$ 6,941,835</b>

\*Reclassified for comparative purposes

*The attached notes and auditor's report are an integral part of these financial statements.*

# The American Geriatrics Society, Inc.

## Statement of Functional Expenses

For the Year Ended December 31, 2023  
(With comparative totals for the year ended December 31, 2022)

	Program Services							Supporting Services					Total Expenses 12/31/23	Total Expenses 12/31/22
	Member Services	Annual Meeting	Geriatric Training Materials	Publications	Grants and Special Projects	Geriatrics Co-Management (CoCare)	Public Affairs, Outreach and Administration	Total Program Services	General and Administration	Fundraising	Total Supporting Services			
Salaries	\$ 272,725	\$ 347,088	\$ 211,316	\$ 74,587	\$ 651,469	\$ 121,995	\$ 282,643	\$ 1,961,823	\$ 340,967	\$ 114,128	\$ 455,095	\$ 2,416,918	\$ 2,383,565	
Payroll taxes	24,553	22,692	16,868	5,169	47,659	9,408	19,677	146,026	19,597	6,892	26,489	172,515	167,992	
Employee benefits	48,146	44,497	33,077	10,136	93,453	18,447	38,584	286,340	38,011	13,514	51,525	337,865	318,798	
Insurance	11,973	11,065	8,226	2,521	23,240	4,587	9,595	71,207	9,452	3,361	12,813	84,020	85,157	
Professional fees	2,881	3,428	3,284	3,127	5,592	1,104	3,409	22,825	65,275	808	66,083	88,908	80,865	
Consultants	6,209	160,457	44,324	182,750	42,813	22,920	340,862	800,335	4,790	1,703	6,493	806,828	973,461	
Office and program supplies	5,823	112,111	1,292	122	2,360	222	463	122,393	457	161	618	123,011	87,708	
Telephone	1,533	50,352	1,082	323	2,976	587	1,229	58,082	1,242	431	1,673	59,755	14,977	
Postage	1,691	10,580	713	208	6,342	379	822	20,735	782	278	1,060	21,795	41,089	
Rent	30,132	27,849	20,701	6,344	58,488	11,545	24,148	179,207	23,789	8,459	32,248	211,455	190,860	
Utilities	458	14,319	315	96	889	176	367	16,620	362	129	491	17,111	23,248	
Equipment rental	1,856	1,716	1,275	391	3,603	711	1,488	11,040	1,466	522	1,988	13,028	13,654	
Printing and publications	458	2,287	250,760	157,244	6,816	176	614	418,355	362	127	489	418,844	380,017	
Web development	65,667	9,999	123,321	1,217	84,627	2,215	15,786	302,832	11,358	1,622	12,980	315,812	353,253	
Conferences and meetings	18,535	454,961	18,232	10,176	335,349	1,590	47,805	886,648	59,171	30	59,201	945,849	1,028,723	
Accreditation and other fees	2,528	7,826	13,206	1,532	28,229	1,639	32,093	87,053	1,996	709	2,705	89,758	98,338	
Grants/awards/honoraria	3,800	3,500	19,000	222,350	1,055,480	-	-	1,304,130	-	-	-	1,304,130	679,113	
Promotions/public relations	17,040	55	269	13	28,931	262	48	46,618	47	17	64	46,682	48,465	
Staff recruitment and development	157	145	108	33	504	60	126	1,133	124	43	167	1,300	1,218	
Bank charges	-	-	-	-	-	-	-	-	108,857	-	108,857	108,857	101,720	
Depreciation	10,772	9,956	7,401	2,268	20,909	4,127	8,633	64,066	8,504	3,024	11,528	75,594	74,269	
Miscellaneous	4,820	30,293	3,925	1,146	19,965	1,742	4,697	66,588	4,157	1,275	5,432	72,020	77,864	
<b>Total expenses</b>	<b>\$ 531,757</b>	<b>\$ 1,325,176</b>	<b>\$ 778,695</b>	<b>\$ 681,753</b>	<b>\$ 2,519,694</b>	<b>\$ 203,892</b>	<b>\$ 833,089</b>	<b>\$ 6,874,056</b>	<b>\$ 700,766</b>	<b>\$ 157,233</b>	<b>\$ 857,999</b>	<b>\$ 7,732,055</b>	<b>\$ 7,224,354</b>	

The attached notes and auditor's report are an integral part of these financial statements.

# The American Geriatrics Society, Inc.

## Statement of Cash Flows

For the Year Ended December 31, 2023  
(With comparative totals for the year ended December 31, 2022)

	December 31,	
	2023	2022*
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 1,980,156	\$ (1,029,083)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	75,594	74,269
Realized and unrealized (gain)/loss on investments	(972,410)	1,321,440
Changes in assets and liabilities:		
Government grants receivable	(127,444)	(122,436)
Contributions receivable	(11,137)	9,526
Other receivables	(44,374)	110,875
Due from affiliate	2,390	(4,137)
Prepaid expenses and other assets	117,835	(24,295)
Operating lease assets and liabilities	86	141,685
Accounts payable and accrued expenses	13,737	(56,078)
Deferred membership dues	(59,135)	17,777
Deferred revenue	(60,035)	(76,309)
Grant advances	(306,858)	339,259
Total adjustments	(1,371,751)	1,731,576
Net cash flows provided by operating activities	608,405	702,493
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of investments	(6,813,216)	(4,340,024)
Proceeds from sale of investments	6,015,000	3,482,540
Purchases of property and equipment	-	(112,225)
Net cash flows used for investing activities	(798,216)	(969,709)
<b>Net decrease in cash and cash equivalents</b>	<b>(189,811)</b>	<b>(267,216)</b>
<b>CASH AND CASH EQUIVALENTS, <i>beginning of year</i></b>	<b>822,291</b>	<b>1,089,507</b>
<b>CASH AND CASH EQUIVALENTS, <i>end of year</i></b>	<b>\$ 632,480</b>	<b>\$ 822,291</b>
<b>SUPPLEMENTAL CASH FLOW INFORMATION</b>		
Cash paid during the year for interest	\$ -	\$ -

# The American Geriatrics Society, Inc.

## Notes to Financial Statements

December 31, 2023

### Note 1 - Summary of Significant Accounting Policies

Founded in 1942, the American Geriatrics Society, Inc. (the "Society") is a nationwide, not-for-profit society of geriatrics healthcare professionals dedicated to improving the health, independence, and quality of life of older people. Our 6,000+ members include geriatricians, geriatrics nurse practitioners, social workers, family practitioners, physician assistants, pharmacists, and internists who are pioneers in advanced-illness care for older individuals, with a focus on championing interprofessional teams, eliciting personal care goals, and treating older people as whole persons. The Society advocates for policies and programs that support the health, independence, and quality of life of all of us as we age.

The following are the major programs of the Society:

- Member Services - AGS memberships provide healthcare professionals with the ability to keep abreast of clinical innovations, new research, and policy initiatives.
- Annual Meeting - Held annually, the AGS Annual Scientific Meeting provides the latest information on geriatric care delivery.
- Geriatrics Training Materials - AGS training materials gives clinicians access to the latest expert-authored information in geriatrics.
- Publications - AGS published journals are a resource to clinicians by providing research about common diseases and disorders of older adults.
- Grants and Special Projects - AGS projects supported by foundation grants, government grants and contracts that support older adults, caregivers, and geriatrics healthcare professionals.
- CoCare - The AGS CoCare portfolio provides institutions with resources to help support the implementation of its evidence-based care delivery models by providing access to AGS resources.
- Public Affairs, Outreach and Education - The AGS works as a leader and with our partners to shape programs and policies that are important to older people, their families, and healthcare professionals.

The Society has undertaken a multi-year initiative with the goal of integration attention to diversity, equity and inclusion ("DEI") across its programs. At the end of 2023, the Society assessed that it was devoting approximately 9.50% of its budget to DEI efforts.

The Society has been notified by the Internal Revenue Service that it is exempt from Federal income tax under Section 501(c)(3) of the U.S. Internal Revenue Code and from state and local taxes under comparable laws. The Society has not been designated as a private foundation.

# The American Geriatrics Society, Inc.

## Notes to Financial Statements

December 31, 2023

### Note 1 - Summary of Significant Accounting Policies - Continued

#### *a. Basis of Accounting*

The financial statements of the Society have been prepared on the accrual basis of accounting, which is the process of recording revenue and expenses when earned or incurred, rather than received or paid.

#### *b. Basis of Presentation*

The financial statements are presented in accordance with the provisions of the Financial Accounting Standards Board's ("FASB") Accounting Standards Codification ("ASC") 958 Presentation of Financial Statements of Not-For-Profit Entities. FASB ASC 958 requires the Society to report information regarding its financial position and activities according to the following specific classes of net assets:

- Net Assets Without Donor Restrictions - accounts for activity without donor-imposed restrictions. Contributions with time and/or purpose restrictions that are fully expended in the same period they are received are classified as unrestricted. Under this category, the Society maintains net assets designated by the Board for specific purposes in the amount of \$2,961,990. See Note 14 for details.
- Net Assets With Donor Restrictions - relates to activity based on specific donor restrictions that are expected to be satisfied by the passage of time or performance of activities.

#### *c. Revenue Recognition*

The Society follows the requirements of the FASB ASC 606 for recognizing revenue from contracts with customers. Membership, annual meeting revenue, publications and geriatric training materials revenue, and program royalty and editorial office income all fall under FASB ASC 606. The Society analyzes each source of revenue to determine that it has a contract with the customer that identifies both the performance obligation and the transaction price. Revenue is recognized when the performance obligation is complete.

The Society offers memberships of various categories that typically last for a term of one or two years. Membership dues are recognized as the performance obligation is satisfied, which typically coincides with the term of the membership. Payments are received at the beginning of the beginning of the membership term. Payments related to membership terms that continue into future fiscal years are recognized as deferred membership dues.

For annual meeting revenue, the performance obligation is considered to be met at the date the annual meeting has taken place. Fees not collected at the time of the meeting are reflected as receivables at the amount expected to be collected, and fees collected in advance are recognized as deferred revenue.

Revenue from publications and geriatric training materials are recognized when the sales take place and products are delivered to customers.

# The American Geriatrics Society, Inc.

## Notes to Financial Statements

December 31, 2023

### Note 1 - Summary of Significant Accounting Policies - Continued

#### *c. Revenue Recognition - Continued*

The Society receives royalty income in exchange for a right to access the Society's intellectual property. Royalty income is recognized as the performance obligation is satisfied over the course of the contract. Editorial income is recognized in exchange for the Society's delivery of editorial content on an annual basis. Royalty and editorial income not collected at year end is recognized as other receivables.

The Society follows FASB ASC 958-605 for recording contributions, which are recognized at the time a contribution becomes unconditional in nature. Contributions that do not contain donor restrictions are recorded in the class of net assets without donor restrictions. Contributions that contain donor restrictions are recorded in the class of net assets with donor restrictions. When a restriction expires, that is, when a stipulated time restriction ends, or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions. If donor restricted contributions are satisfied in the same period they were received, they are classified in the class of net assets without donor restrictions.

Contributions may be subject to conditions which are defined as both a barrier to entitlement and a right of return of payments or release from obligations and are recognized as income once the conditions have been substantially met. Payments received in advance of these conditions being met are recorded as grant advances.

The Society's government grants have been evaluated and are considered to be non-reciprocal; therefore, they are also treated as contributions under FASB ASC 958-605. In addition, government grants meet the criteria of being conditional. Revenue from these transactions is recognized when qualifying expenditures are incurred, performance-related outcomes are achieved and other conditions under the agreements are met.

Contributions and government grants receivable that are expected to be received within one year are recorded at net realizable value. Long-term receivables are recorded at fair value using a risk adjusted discounted rate.

All receivables are assessed for collectability. On January 1, 2023, the Society adopted FASB Accounting Standards Update ("ASU") 2016-13, *Financial Instruments - Credit Losses* ("Topic 326"). Financial assets, which potentially subject the Society to credit losses, consist primarily of royalty income and geriatric product sales income receivable, reflected as other receivables on the statement of financial position. Expected losses are recorded to an allowance for credit losses valuation account that is net against the corresponding asset to present the net amount expected to be collected on the financial asset. The credit loss allowance is determined through analysis of the financial assets and assessments of risk that are based on historical trends and evaluation of the impact of current and projected economic conditions. Based on the analysis performed on the open accounts receivable aging and detail analysis of the customers, the Society did not record an allowance for bad debt as of December 31, 2023. The impact of the adoption was not considered material to the financial statements and primarily results in new/enhanced disclosures only.

# The American Geriatrics Society, Inc.

## Notes to Financial Statements

December 31, 2023

### Note 1 - Summary of Significant Accounting Policies - Continued

#### *d. Measure of Operations*

The statement of activities reports all changes in net assets, including changes in net assets from operating and non-operating activities. Operating activities consist of those items attributable to the Society's ongoing services, interest and dividends earned on investments and amounts released by the board into operations from the sale of geriatric training materials. Non-operating activities are limited to resources that generate return from investments and gain on sales of geriatric training materials (See Note 11).

#### *e. Cash and Cash Equivalents*

The Society considers all liquid investments with an initial maturity of three months or less to be cash and cash equivalents.

#### *f. Concentration of Credit Risk*

Financial instruments, which potentially subject the Society to a concentration of credit risk, consist of cash, money market accounts and investment securities which have been placed with financial institutions that management deems to be creditworthy. Accounts are insured up to certain levels by the Federal government. At year end and at certain times throughout the year, the Society had material uninsured balances; however, they have not suffered any losses due to the failure of any of these institutions. Investments are subject to fluctuation in market value and principal is not guaranteed. Management believes the allocation of investments presents suitable risk for long-term goals.

#### *g. Investments*

Investments are reflected at fair value, which is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e., the "exit price") in an orderly transaction between market participants at the measurement date. Realized and unrealized gains and losses, net of investment fees, are included in income on the statement of activities.

#### *h. Fixed Assets*

Fixed assets that exceed \$5,000 to which the Society retains title, and which benefit future periods are capitalized at cost, or if donated, at the estimated fair value at the time of donation and are depreciated over the estimated useful life or applicable lease terms using the straight-line method with a one-half year convention.

#### *i. Leases*

The Society determines if an arrangement is or contains a lease at inception. Leases are included in 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 Society 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. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the Society will exercise that option.

# The American Geriatrics Society, Inc.

## Notes to Financial Statements

December 31, 2023

### Note 1 - Summary of Significant Accounting Policies - Continued

#### *j. Functional Allocation of Expenses*

The costs of providing various programs and other activities have been summarized on a functional basis in the financial statements. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

The following expenses were allocated using time and effort as the basis:

- Salaries, payroll taxes and employee benefits
- Insurance
- Office and program supplies
- Telephone
- Postage
- Rent and utilities
- Equipment rental
- Depreciation

All other expenses have been charged directly to the applicable program or supporting services.

#### *k. Management Estimates*

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

#### *l. Summarized Comparative Information*

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Society's financial statements for the year ended December 31, 2022, from which the summarized information was derived.

#### *m. Accounting for Uncertainty of Income Taxes*

The Society does not believe its financial statements include any material, uncertain tax positions. Tax filings for periods ending December 31, 2020 and later are subject to examination by applicable taxing authorities.

# The American Geriatrics Society, Inc.

## Notes to Financial Statements

December 31, 2023

### Note 2 - Investments

Accounting standards have established a fair value hierarchy giving the highest priority to quoted market prices in active markets and the lowest priority to unobservable data.

The fair value hierarchy is categorized into three levels based on the inputs as follows:

Level 1 - Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities that the Society has the ability to access.

Level 2 - Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

Level 3 - Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

Investments can be summarized as follows:

	December 31, 2023		
	Level 1	Level 2	Total
Mutual funds:			
U.S. small cap funds	\$ 668,770	\$ -	\$ 668,770
U.S. mid cap funds	691,134	-	691,134
U.S. growth funds	1,246,838	-	1,246,838
U.S. investor class	1,963,536	-	1,963,536
Government treasury bills	2,442,409	-	2,442,409
Municipal bonds	-	211,190	211,190
Corporate bonds - large cap	-	2,563,553	2,563,553
Total	<u>\$ 7,012,687</u>	<u>\$ 2,774,743</u>	<u>\$ 9,787,430</u>
	December 31, 2022		
	Level 1	Level 2	Total
Certificates of deposit	\$ -	\$ 284,413	\$ 284,413
Mutual funds:			-
U.S. small cap funds	537,373	-	537,373
U.S. mid cap funds	550,350	-	550,350
U.S. growth funds	835,619	-	835,619
U.S. investor class	1,593,626	-	1,593,626
Government treasury bills	1,741,906	-	1,741,906
Municipal bonds	-	151,185	151,185
Corporate bonds - large cap	-	2,322,332	2,322,332
Total	<u>\$ 5,258,874</u>	<u>\$ 2,757,930</u>	<u>\$ 8,016,804</u>

The Society had no level 3 investments at December 31, 2023 or 2022.

# The American Geriatrics Society, Inc.

## Notes to Financial Statements

December 31, 2023

### Note 2 - Investments - Continued

Investment return consists of the following:

	December 31,	
	2023	2022
Realized and unrealized gain/(loss) on investments	\$ 972,410	\$ (1,321,440)
Investment fees	(28,735)	(27,661)
Total	<u>\$ 943,675</u>	<u>\$ (1,349,101)</u>

### Note 3 - Related Party Transactions

The Society administers The Health In Aging Foundation (“HIAF”), a not-for-profit organization with common board members. While the Society does not control HIAF, it manages grants for HIAF and charges administrative fees. At December 31, 2023, the Society had outstanding amounts due from HIAF totaling \$10,972. At December 31, 2022, the Society had outstanding amounts due from HIAF totaling \$13,362.

### Note 4 - Property and Equipment

Property and equipment consist of:

	December 31,	
	2023	2022
Leasehold improvements (life of lease)	\$ 91,939	\$ 91,939
Computer software and equipment (5-7 years)	259,684	259,684
	<u>351,623</u>	<u>351,623</u>
Less: accumulated depreciation	(149,863)	(74,269)
Total property and equipment, net	<u>\$ 201,760</u>	<u>\$ 277,354</u>

### Note 5 - Operating Lease Right-of-Use Asset and Operating Lease Liability

The Society evaluated current contracts to determine which met the criteria of a lease. The Society leases office space in New York, NY, under an agreement that began on February 1, 2022 that runs through October 29, 2029, which was determined to be an operating lease. The ROU assets represent the Society’s right to use underlying asset for the lease term, and the lease liabilities represent the Society’s obligation to make lease payments arising from this lease. The ROU assets and lease liabilities were calculated based on the present value of future lease payments over the lease terms. The Society 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 weighted-average discount rate applied to calculate lease liabilities as of December 31, 2023 and 2022 is 1.93%. The weighted average-lease term as of December 31, 2023 and 2022 is 5.83 and 6.83 years, respectively.

The lease term does not include any extension options.

For the years ended December 31, 2023 and 2022, the total operating lease cost was \$212,002 and \$194,335, respectively. There were no short-term lease costs during either year.

Cash paid for operating leases for the years ended December 31, 2023 and 2022 was \$211,916 and \$52,650, respectively. There were no noncash investing and financing transactions related to leasing.

# The American Geriatrics Society, Inc.

## Notes to Financial Statements

December 31, 2023

### Note 5 - Operating Lease Right-of-Use Asset and Operating Lease Liability - Continued

The future payments due under the operating lease as of December 31, 2023 are as follows:

Year ending:		
	December 31, 2024	\$ 217,214
	December 31, 2025	222,645
	December 31, 2026	232,423
	December 31, 2027	250,869
	December 31, 2028	257,141
Thereafter		<u>196,449</u>
Total		1,376,741
Less Present value discount		(77,503)
Total lease liability at December 31, 2023		<u>\$ 1,299,238</u>

### Note 6 - Grant Advances

Grant advances consisted of the following:

	December 31,	
	2023	2022
Section for Enhancing Geriatric Understanding	\$ 466,394	\$ 469,647
Geriatric Emergency Department Collaborative	35,997	49,941
Geriatrics Workforce Enhancement Program	442,130	743,555
NIH Resilience Conference Series	14,978	14,978
EWA	152,327	140,563
Other	30,000	30,000
Total grant advances and deferred revenue	<u>\$ 1,141,826</u>	<u>\$ 1,448,684</u>

### Note 7 - Membership Classes

Society membership dues are as follows:

Physician member	\$ 455
Health care professional	\$ 322
Early career professional	\$ 195
Fellow	\$ 130
Emeritus/retired	\$ 95
Resident	FREE
Student	FREE
Recognized	\$ 234
ADGAP institutional	\$ 460
ADGAP individual	\$ 210

# The American Geriatrics Society, Inc.

## Notes to Financial Statements

December 31, 2023

### Note 8 - Commitments and Contingencies

In the normal course of business, legal actions occur. Based on advice of legal counsel, management does not believe any exposure to legal matters will have a material impact on the financial statements and has not recorded liabilities within the accompanying financial statements.

### Note 9 - Line of Credit

The Society has a revolving line of credit in the amount of \$500,000 with a variable interest rate which at December 31, 2023 was 8.25% and at December 31, 2022 was 7.21%. There was no outstanding balance due at December 31, 2023 and December 31, 2022. The line of credit must be renewed annually and expires on July 22, 2024.

### Note 10 - Employee Benefit Plan

The Society sponsors a tax-deferred annuity plan that is qualified under Section 403(b) of the Internal Revenue Code. The plan covers full-time and qualified part-time employees of the Society. Employees may make contributions to the plan up to the maximum allowed by the Internal Revenue Code. The Society contributes 5% of the employees' salary to the plan upon their completion of one year of employment. Total contributions made by the Society totaled \$114,082 and \$107,927 during 2023 and 2022, respectively.

### Note 11 - Geriatric Training Materials - Gain on Sale

During the year ended December 31, 2020, the Society sold its rights and interests to certain educational materials and intellectual property to a third party for \$608,000. The remaining balance due to the Society was \$304,000 and \$364,800, at December 31, 2023 and 2022, respectively. This is included in other receivables on the statement of financial position. Remaining payments are to be collected as follows:

Year ending:

December 31, 2024	\$	60,800
December 31, 2025		60,800
December 31, 2026		60,800
December 31, 2027		60,800
December 31, 2028		60,800
Total	\$	<u>304,000</u>

### Note 12 - Corporate Support

Included in publications and geriatric training materials sales and publications revenue on the statement of activities during the year ended December 31, 2023 is the following:

Journal of American Geriatrics Society - advertising	\$	18,247
Journal of American Geriatrics Society - reprints		68,644
Journal of American Geriatrics Society - supplements		32,050
Annual meeting exhibits		185,345

# The American Geriatrics Society, Inc.

## Notes to Financial Statements

December 31, 2023

### Note 13 - Liquidity and Availability of Financial Resources

The following reflects the Society's financial assets at December 31, 2023, reduced by amounts that have donor-imposed or board-designated restrictions within one year of the statement of financial position date:

Cash and cash equivalents	\$ 632,480	
Investments	9,787,430	
Grants receivable	309,788	
Other receivables - due within one year	117,863	
Due from affiliate	<u>10,972</u>	
Total financial assets		\$ 10,858,533
Less amounts not available to be used within one year:		
Restricted by board designations		<u>(2,961,990)</u>
Financial assets available to meet cash needs		
for general expenditures within one year		<u>\$ 7,896,543</u>

As part of its liquidity management, the Society operates its programs within a balanced budget and maintains cash on hand to be available for its general expenditures, liabilities, and other obligations for on-going operations. Cash in excess of these requirements consists of investments in certificates of deposit, mutual funds, and corporate bonds. Additionally, the Society maintains a \$500,000 line of credit.

### Note 14 - Net Assets Without Donor Restrictions Board Designated

The Society's Board of Directors has internally designated certain net assets without donor restrictions for the following funds or purposes as follows:

	December 31, 2023			Balance 12/31/23
	Balance 1/1/23	Transfers In	Transfers Out	
Wiley Fund	\$ 1,624,588	\$ 300,000	\$ -	\$ 1,924,588
Operating Reserve	579,252	196,363	(60,800)	714,815
ADGAP	281,526	41,061	-	322,587
Total	<u>\$ 2,485,366</u>	<u>\$ 537,424</u>	<u>\$ (60,800)</u>	<u>\$ 2,961,990</u>

  

	December 31, 2022			Balance 12/31/22
	Balance 1/1/22	Transfers In	Transfers Out	
Wiley Fund	\$ 1,624,588	\$ -	\$ -	\$ 1,624,588
Operating Reserve	640,052	-	(60,800)	579,252
ADGAP	256,694	24,832	-	281,526
Total	<u>\$ 2,521,334</u>	<u>\$ 24,832</u>	<u>\$ (60,800)</u>	<u>\$ 2,485,366</u>

# **The American Geriatrics Society, Inc.**

## **Notes to Financial Statements**

**December 31, 2023**

### **Note 15 - Subsequent Events**

Subsequent events have been evaluated through September 26, 2024, the date the financial statements were available to be issued. Adjustments and disclosures have been made for all subsequent events that have occurred.

# The American Geriatrics Society, Inc.

## Schedule of Expenditures of Federal Awards

December 31, 2023

<u>Federal Grantor/ Pass-Through Grantor/ Program Title</u>	<u>Federal AL#</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u> **
<b><u>U.S. Department of Health and Human Services:</u></b>			
<u>Direct Programs:</u>			
Aging Research	93.866	Direct	\$ 322,352
Aging Research	93.866	Direct	20,108
Total Aging Research Direct Programs			<u>342,460</u>
<u>Passed through The American Federation for Aging Research:</u>			
Aging Research	93.866	3U24AG065204-01S1	<u>31,906</u>
Total U.S. Department of Health and Human Services/Aging Research			<u><b>374,366</b></u>
<b><u>Center for Disease Control and Prevention:</u></b>			
<u>Passed through the Council of Medical Specialty Societies:</u>			
Prevention of Disease, Disability, and Death through Immunization and Control of Respiratory and Related Diseases	93.083	NH23IP922656	<u>874,925</u> *
Total Center for Disease Control and Prevention			<u><b>874,925</b></u>
<b>Total Federal Expenditures</b>			<u><b>\$ 1,249,291</b></u>

\*Indicates a major program.

\*\*No programs used subrecipients

# The American Geriatrics Society, Inc.

## Notes to Schedule of Expenditures of Federal Awards

December 31, 2023

### **Note 1 - Basis of Presentation**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Society under programs of the federal government for the year ended December 31, 2023. The information in this schedule is presented in accordance with the requirements 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"). Because the schedule presents only a selected portion of the operations of the Society, it is not intended to and does not present the financial position, changes in net assets or cash flows of the Society.

### **Note 2 - Summary of Significant Accounting Policies**

Expenditures reported on the schedule of expenditures of federal awards are presented on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB's *Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Under federal cost principles, certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

### **Note 3 - Sub-Recipients**

There were no amounts provided to subrecipients from federal awards received during the year ended December 31, 2023.

### **Note 4 - Indirect Cost Rate**

The Society has elected not to use the 10-percent de minimus indirect cost rate allowed under the Uniform Guidance.



**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN  
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

**Independent Auditor's Report**

To the Board of Directors of  
The American Geriatrics Society, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States ("*Government Auditing Standards*"), the financial statements of the American Geriatrics Society, Inc. (the "Society") 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, and have issued our report thereon dated September 26, 2024.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Society's internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Society's internal control. Accordingly, we do not express an opinion on the effectiveness of the Society's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Society's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Sax CPAs LLP*

New York, NY  
September 26, 2024



## REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

### Independent Auditor's Report

To the Board of Directors of  
The American Geriatrics Society, Inc.

#### Report on Compliance for Each Major Federal Program

##### Opinion on Each Major Federal Program

We have audited the American Geriatrics Society, Inc. (the "Society") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Society's major federal programs for the year ended December 31, 2023. The Society's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Society complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2023.

##### Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America ("GAAS"); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Society and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Society's compliance with the compliance requirements referred to above.

##### Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Society's federal programs.

### **Auditor's Responsibilities for the Audit of Compliance**

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Society's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Society's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Society's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Society's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness the Society's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control over Compliance**

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



New York, NY  
September 26, 2024

# The American Geriatrics Society, Inc.

## Schedule of Findings and Questioned Costs

December 31, 2023

### **Section I - Summary of Auditor's Results**

#### **Financial Statements**

Type of auditor's report issued: UNMODIFIED

Internal control over financial reporting:

Material weakness(es) identified?  Yes  No

Significant deficiency(ies) identified  
Not considered to be material weaknesses?  Yes  No

Noncompliance material to financial statements noted?  Yes  No

#### **Federal Awards**

Internal control over major programs:

Material weakness(es) identified?  Yes  No

Significant deficiency(ies) identified  
Not considered to be material weaknesses?  Yes  No

Type of auditor's report issued on compliance  
for major programs: UNMODIFIED

Any audit findings disclosed that are required  
to be reported in accordance with  
Uniform Guidance, Section 516(a)?  Yes  No

Identification of major programs:

<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
93.083	Prevention of Disease, Disability, and Death through Immunization and Control of Respiratory and Related Diseases

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Dollar threshold used to distinguish  
between Type A and Type B programs: \$ 750,000

Auditee qualified as low-risk auditee?  Yes  No

# **The American Geriatrics Society, Inc.**

## Schedule of Findings and Questioned Costs

December 31, 2023

### **Section II - Financial Statement Findings**

None

### **Section III - Federal Award Findings and Questioned Costs**

None