

**FAMILY MEDICINE EDUCATION
CONSORTIUM, INC.**

(A Nonprofit Organization)

FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2024 AND 2023

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BRADY WARE
& SCHOENFELD

INDEPENDENT AUDITORS' REPORT

Board of Trustees
Family Medicine Education Consortium, Inc.
Dayton, Ohio

Opinion

We have audited the accompanying financial statements of **Family Medicine Education Consortium, 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 **Family Medicine Education Consortium, 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 **Family Medicine Education Consortium, 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 these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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 ability of **Family Medicine Education Consortium, Inc.** to continue as a going concern within one year after the date that the financial statements are available to be issued.

3601 Rigby Road • Suite 400 • Dayton, Ohio • 45342-4981
2206 Chester Blvd. • Richmond, Indiana • 47374-1219
3 Easton Oval • Suite 300 • Columbus, Ohio • 43219-6287
11175 Cicero Drive • Suite 300 • Alpharetta, Georgia • 30022-1166

www.bradyware.com

INDEPENDENT AUDITORS' REPORT - CONTINUED

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, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, 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 internal control of **Family Medicine Education Consortium, Inc.** 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 ability of **Family Medicine Education Consortium, Inc.** 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.



Dayton, Ohio
July 11, 2025

FAMILY MEDICINE EDUCATION CONSORTIUM, INC.

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2024

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	\$ 223,151	\$ -	\$ 223,151
Certificates of deposit	95,322	211,838	307,160
Accounts receivable	49,869	-	49,869
Current portion of pledges receivable	-	46,904	46,904
Prepaid expenses	<u>4,414</u>	<u>-</u>	<u>4,414</u>
Total current assets	372,756	258,742	631,498
PLEDGES RECEIVABLE, NET OF CURRENT PORTION	-	848	848
EQUIPMENT, NET	<u>1,411</u>	<u>-</u>	<u>1,411</u>
	<u>\$ 374,167</u>	<u>\$ 259,590</u>	<u>\$ 633,757</u>
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES			
Accounts payable	\$ 4,008	\$ -	\$ 4,008
Accrued expenses	<u>1,606</u>	<u>-</u>	<u>1,606</u>
Total current liabilities	<u>5,614</u>	<u>-</u>	<u>5,614</u>
NET ASSETS			
Undesignated	30,364	-	30,364
Designated by the Board for the Legacy Campaign	338,189	-	338,189
Time restrictions	-	47,752	47,752
Purpose restrictions	<u>-</u>	<u>211,838</u>	<u>211,838</u>
	<u>368,553</u>	<u>259,590</u>	<u>628,143</u>
	<u>\$ 374,167</u>	<u>\$ 259,590</u>	<u>\$ 633,757</u>

FAMILY MEDICINE EDUCATION CONSORTIUM, INC.**STATEMENT OF FINANCIAL POSITION****DECEMBER 31, 2023**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	\$ 405,400	\$ 160,059	\$ 565,459
Accounts receivable	2,720	-	2,720
Current portion of pledges receivable	-	69,840	69,840
Grants receivable	14,200	-	14,200
Prepaid expenses	<u>3,120</u>	<u>-</u>	<u>3,120</u>
Total current assets	425,440	229,899	655,339
PLEDGES RECEIVABLE, NET OF CURRENT PORTION	-	11,154	11,154
EQUIPMENT, NET	<u>2,623</u>	<u>-</u>	<u>2,623</u>
	<u>\$ 428,063</u>	<u>\$ 241,053</u>	<u>\$ 669,116</u>
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES			
Accounts payable	\$ 695	\$ -	\$ 695
Accrued expenses	<u>1,830</u>	<u>-</u>	<u>1,830</u>
Total current liabilities	<u>2,525</u>	<u>-</u>	<u>2,525</u>
NET ASSETS			
Undesignated	116,023	-	116,023
Designated by the Board for the Legacy Campaign	309,515	-	309,515
Time restrictions	-	80,994	80,994
Purpose restrictions	<u>-</u>	<u>160,059</u>	<u>160,059</u>
	<u>425,538</u>	<u>241,053</u>	<u>666,591</u>
	<u>\$ 428,063</u>	<u>\$ 241,053</u>	<u>\$ 669,116</u>

FAMILY MEDICINE EDUCATION CONSORTIUM, INC.

STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2024

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUE AND SUPPORT			
Registrations	\$ 541,215	\$ -	\$ 541,215
Contributions	86,452	-	86,452
Grants	75,839	123,411	199,250
Membership dues	155,990	15,500	171,490
Consulting	415	-	415
Other income	<u>40,618</u>	<u>9,500</u>	<u>50,118</u>
	900,529	148,411	1,048,940
NET ASSETS RELEASED FROM RESTRICTIONS	<u>129,874</u>	<u>(129,874)</u>	<u>-</u>
Total Revenue and Support	<u>1,030,403</u>	<u>18,537</u>	<u>1,048,940</u>
FUNCTIONAL EXPENSES			
Program services	898,293	-	898,293
Management and general	161,331	-	161,331
Fundraising	<u>27,764</u>	<u>-</u>	<u>27,764</u>
Total Functional Expenses	<u>1,087,388</u>	<u>-</u>	<u>1,087,388</u>
CHANGE IN NET ASSETS	(56,985)	18,537	(38,448)
NET ASSETS			
Beginning of year	<u>425,538</u>	<u>241,053</u>	<u>666,591</u>
End of year	<u>\$ 368,553</u>	<u>\$ 259,590</u>	<u>\$ 628,143</u>

FAMILY MEDICINE EDUCATION CONSORTIUM, INC.

STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2023

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUE AND SUPPORT			
Registrations	\$ 500,069	\$ -	\$ 500,069
Contributions	81,534	-	81,534
Grants	114,000	45,000	159,000
Membership dues	158,946	13,697	172,643
Consulting	18,514	-	18,514
Other income	<u>12,832</u>	<u>-</u>	<u>12,832</u>
	885,895	58,697	944,592
NET ASSETS RELEASED FROM RESTRICTIONS	<u>167,837</u>	<u>(167,837)</u>	<u>-</u>
Total Revenue and Support	<u>1,053,732</u>	<u>(109,140)</u>	<u>944,592</u>
FUNCTIONAL EXPENSES			
Program services	768,537	-	768,537
Management and general	177,171	-	177,171
Fundraising	<u>31,549</u>	<u>-</u>	<u>31,549</u>
Total Functional Expenses	<u>977,257</u>	<u>-</u>	<u>977,257</u>
CHANGE IN NET ASSETS	76,475	(109,140)	(32,665)
NET ASSETS			
Beginning of year	<u>349,063</u>	<u>350,193</u>	<u>699,256</u>
End of year	<u>\$ 425,538</u>	<u>\$ 241,053</u>	<u>\$ 666,591</u>

FAMILY MEDICINE EDUCATION CONSORTIUM, INC.**STATEMENT OF FUNCTIONAL EXPENSES****YEAR ENDED DECEMBER 31, 2024**

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Conference facilities	\$ 85,187	\$ -	\$ -	\$ 85,187
Conference meals and entertainment	319,273	-	-	319,273
Conference audio/visual	62,401	-	-	62,401
Personnel expense	212,349	39,815	13,272	265,436
Contract labor	58,947	36,841	9,473	105,261
 Seminar and training	16,942	-	-	16,942
Travel	28,471	5,338	1,779	35,588
Office supplies	-	19,384	-	19,384
Copying, printing, and postage	10,660	2,665	-	13,325
Books, dues, and subscriptions	18,806	3,526	1,175	23,507
 Computers and website	8,226	1,542	514	10,282
Telephone and pagers	-	3,557	-	3,557
Insurance	-	3,534	-	3,534
Honorarium	21,093	-	-	21,093
Professional fees	32,125	39,265	-	71,390
 Bank service fees	16,906	3,170	1,057	21,133
Depreciation	-	1,212	-	1,212
Funding distributed to FACTS	(1,000)	-	-	(1,000)
Miscellaneous	7,907	1,482	494	9,883
	<u>\$ 898,293</u>	<u>\$ 161,331</u>	<u>\$ 27,764</u>	<u>\$ 1,087,388</u>

FAMILY MEDICINE EDUCATION CONSORTIUM, INC.**STATEMENT OF FUNCTIONAL EXPENSES****YEAR ENDED DECEMBER 31, 2023**

	Program Services	Management and General	Fundraising	Total
Conference facilities	\$ 86,527	\$ -	\$ -	\$ 86,527
Conference meals and entertainment	121,157	-	-	121,157
Conference audio/visual	53,045	-	-	53,045
Personnel expense	240,920	45,172	15,057	301,149
Contract labor	73,788	46,118	11,859	131,765
 Seminar and training	10,167	-	-	10,167
Travel	27,293	5,117	1,706	34,116
Office supplies	-	13,008	-	13,008
Copying, printing, and postage	12,654	3,164	-	15,818
Books, dues, and subscriptions	16,916	3,172	1,057	21,145
 Computers and website	4,677	877	292	5,846
Telephone and pagers	-	3,934	-	3,934
Insurance	-	5,765	-	5,765
Honorarium	59,990	-	-	59,990
Professional fees	36,434	44,530	-	80,964
 Bank service fees	16,473	3,089	1,030	20,592
Depreciation	-	1,581	-	1,581
Funding distributed to FACTS	(274)	-	-	(274)
Miscellaneous	8,770	1,644	548	10,962
	<u>\$ 768,537</u>	<u>\$ 177,171</u>	<u>\$ 31,549</u>	<u>\$ 977,257</u>

FAMILY MEDICINE EDUCATION CONSORTIUM, INC.

STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
OPERATING ACTIVITIES		
Change in net assets	\$ (38,448)	\$ (32,665)
Adjustments to reconcile change in net assets to net cash and cash equivalents provided (used) by operating activities:		
Depreciation	1,212	1,581
Change in discount of pledges receivable	<u>(5,794)</u>	<u>2,569</u>
	(43,030)	(28,515)
Changes in operating assets and liabilities:		
Accounts receivable	(47,149)	4,185
Pledges receivable	39,036	84,482
Grants receivable	14,200	(14,200)
Prepaid expenses	(1,294)	1,196
Accounts payable	3,313	(7,195)
Accrued expenses	(224)	(2,234)
Due to FACTS	<u>-</u>	<u>(26,305)</u>
Net Cash and Cash Equivalents Provided (Used) by Operating Activities	(35,148)	11,414
INVESTING ACTIVITIES		
Purchases of certificates of deposit	<u>(307,160)</u>	<u>-</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(342,308)	11,414
CASH AND CASH EQUIVALENTS		
Beginning of year	<u>565,459</u>	<u>554,045</u>
End of year	<u>\$ 223,151</u>	<u>\$ 565,459</u>

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations - Family Medicine Education Consortium, Inc. (the "Consortium") is a not-for-profit corporation, composed of family practice departments and residency programs, and other related organizations that:

- Support programs and services that promote medical student interest in family practice and primary care
- Develop programs and services that promote the leadership skills of current and future leaders in family medicine
- Develop programs and services that stimulate the recruitment and development of family practice faculty
- Develop programs and services that create coalitions and linkages among those who wish to strengthen primary health care services
- Facilitate the development of relationships that will lead to scholarly efforts that address issues of interest to family physicians

The Consortium derives its revenue primarily from public support, annual membership dues, and program registration fees.

Basis of Presentation - Accounting standards require the Consortium to report information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions.

Net Assets Without Donor Restrictions - Net assets available for use in general operations and not subject to donor restrictions.

Net Assets With Donor Restrictions - Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. The Consortium had no net assets that required to be maintained in perpetuity at December 31, 2024 and 2023.

Financial Estimates - The preparation of financial statements, in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents - Interest-bearing deposits and short-term investments with original maturities of three months or less are classified as cash equivalents.

Adoption of New Accounting Standards - In June 2016, the Financial Accounting Standards Board ("FASB") issued guidance (FASB ASC 326) which significantly changed how entities will measure credit losses for most financial assets and certain other instruments that aren't measured at fair value through change in net assets. The most significant change in this standard is a shift from the incurred loss model to the expected loss model. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. Financial assets held by the Consortium that are subject to the guidance in FASB ASC 326 were accounts receivable related to certain program services.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

The Consortium adopted the standard effective January 1, 2023. The impact of the adoption was not considered material to the financial statements and primarily resulted in new/enhanced disclosures only.

Accounts Receivable - The Consortium recognizes an allowance for losses on receivables in an amount equal to the current expected credit losses. The estimation of the allowance is based on an analysis of historical loss experience, current receivables aging, and management's assessment of current conditions and reasonable and supportable expectation of future conditions, as well as an assessment of specific identifiable customer accounts considered at risk or uncollectible.

The Consortium assesses collectability by pooling receivables where similar characteristics exist and evaluates receivables individually when specific balances no longer share those risk characteristics and are considered at risk or uncollectible. The expense associated with the allowance for expected credit losses is recognized in management and general expenses. Management deemed an allowance for expected credit losses to not be material at December 31, 2024 and 2023. There was no credit loss expense with respect to accounts receivable in 2024 and 2023.

The Consortium writes off receivables when there is information that indicates the debtor is facing significant financial difficulty and there is no possibility of recovery. If any recoveries are made from any accounts previously written off, they will be offset to credit loss expense in the year of recovery.

Pledges Receivable - Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in one or more years are discounted to present value. Conditional promises to give are recorded only when the conditions on which they depend are substantially met and the promises become unconditional. Pledges to gift money or stock will be recorded on the books of the Consortium upon receipt of a pledge agreement or signed letter of intent which specifies the terms of the pledge. The terms and timing of pledge payments are then recorded as receivables as specified in the signed pledge agreement at fair value as of the pledge date.

Grants Receivable - The Consortium carries its receivables for grants at net realizable value.

Equipment - Equipment is stated at cost, or fair market value if donated to the Consortium, and is depreciated using the straight-line method over the estimated useful life of the asset. The useful lives of the Consortium's equipment are all estimated at five years. Maintenance and repairs are charged to expense at the time expenditures are incurred. Expenditures which significantly extend the lives of assets and major improvements are capitalized.

The Consortium reviews for impairment of long-lived assets in accordance with accounting standards. These standards require companies to determine if changes in circumstances indicate that the carrying amount of its long-lived assets may not be recoverable. If a change in circumstances warrants such an evaluation, undiscounted future cash flows from the use and ultimate disposition of the asset, as well as respective market values, are estimated to determine if an impairment exists. Management believes that there has been no impairment of the carrying value of its long-lived assets at December 31, 2024 and 2023.

Functional Allocation of Expenses - Directly identifiable expenses are charged to programs and supporting services. Certain categories of expenses are attributable to more than one program or supporting function and are allocated on a reasonable basis that is consistently applied. The Consortium charges all expenses directly related to the fulfillment of its mission to program services based on direct identification of the costs for each program. Expenses that are not directly related to a single program or activity but are indispensable to the conduct of its programs or existence are charged to management and general. Expenses relating to activities undertaken to induce contributions are charged to fundraising. Certain administrative costs including salaries and wages, payroll taxes, and employee benefits are allocated on the basis of estimates of personnel time related to each activity.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Contributions - In accordance with accounting standards, contributions received are recorded with donor restrictions or without donor restrictions, depending on the existence or nature of any donor restrictions.

Gifts of cash and other assets are reported as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Contributions received with donor restrictions that are met in the same reporting period are reported as net assets without donor restrictions and increases in net assets without donor restrictions.

The Consortium recognizes the fair value of contributed goods and services received if such goods and services a) create or enhance non-financial assets, or b) require specialized skills that are provided by individuals possessing those skills, and c) would typically need to be purchased if not contributed. The Consortium did not receive any such goods or services during the years 2024 and 2023.

Concentration of Credit Risk - The Consortium's cash and cash equivalents were maintained at a single financial institution and exceeded at times the federal depository insurance limit of \$250,000 for each of the years 2024 and 2023.

Tax-Exempt Status - The Consortium is tax-exempt under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for federal income tax is included in these statements. However, any income from certain activities not directly related to the Consortium's tax-exempt purpose may be subject to taxation as unrelated business income.

Accounting for Uncertainty in Income Taxes - Accounting standards require the evaluation of tax positions taken, or expected to be taken, in the course of preparing the Consortium's tax returns, to determine whether the tax positions are "more-likely-than-not" of being sustained by the applicable tax authority. This statement provides that a tax benefit from an uncertain tax position may be recognized in the financial statements only when it is "more-likely-than-not" the position will be sustained upon examination, including resolution of any related appeals or litigation processes, based upon the technical merits and consideration of all available information. Once the recognition threshold is met, the portion of the tax benefit that is recorded represents the largest amount of tax benefit that is greater than 50 percent likely to be realized upon settlement with a taxing authority. Based on its review, management does not believe the Consortium has taken any material uncertain tax positions, including any position that would place the Consortium's exempt status in jeopardy, as of December 31, 2024 and 2023.

Reclassifications - Certain prior year amounts have been reclassified to conform with current year presentation.

Subsequent Events - In preparing these financial statements, the Consortium has evaluated events and transactions for potential recognition or disclosure through July 11, 2025, the date the financial statements were available to be issued.

NOTES TO FINANCIAL STATEMENTS

NOTE 2 - REVENUE RECOGNITION

The Consortium derives its revenue primarily from public support, annual membership dues, and program registration fees. Revenue subject to ASC Topic 606 includes program registration fees and other income related to the Consortium's annual meeting, as well as for various events hosted by the Consortium throughout the year. Revenue from program registration fees and other income related to the Consortium's events is recognized when the service has been provided to the participant. Incidental items that are immaterial in the context of the contract are recognized as expense. Costs incurred to obtain a contract are expensed as incurred when the amortization period is less than a year. Proceeds related to these revenue streams are recorded as deferred revenue until performance obligations have been satisfied. The Consortium does not have any significant financing components.

The contract balances at December 31, 2024 and 2023 are presented on the statements of financial position. At January 1, 2023, contract balances included accounts receivable of \$6,905.

Performance Obligations

For performance obligations related to program registration fees and other income related to the Consortium's events, control transfers to the customer at a point in time upon completion of the events.

Variable Consideration

The nature of the Consortium's operations gives rise to variable consideration, including discounts and refunds.

Variable consideration is estimated at the most likely amount that is expected to be earned. Estimated amounts are included in the transaction price to the extent it is probable that a significant reversal of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is resolved. Variable consideration is estimated based upon historical experience and known trends.

NOTE 3 - LIQUIDITY AND AVAILABILITY

The Consortium monitors its liquidity so that it is able to meet its operating needs and other contractual commitments. The Consortium has the following financial assets, less those unavailable for general expenditure within one year due to donor-imposed restrictions or internal designations:

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 223,151	\$ 565,459
Certificates of deposit	307,160	-
Accounts receivable	49,869	2,720
Pledges receivable	47,752	80,994
Grants receivable	-	14,200
	<u>627,932</u>	<u>663,373</u>
Total financial assets		
Less those unavailable for general expenditure within one year due to:		
Purpose restrictions	211,838	160,059
Long-term pledges	848	11,154
Designation by the Board for the Legacy Campaign	<u>338,189</u>	<u>309,515</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 77,057</u>	<u>\$ 182,645</u>

FAMILY MEDICINE EDUCATION CONSORTIUM, INC.**NOTES TO FINANCIAL STATEMENTS**

NOTE 3 - LIQUIDITY AND AVAILABILITY - CONTINUED

In addition to financial assets available to meet general expenditure over the year, the Consortium anticipates covering its general expenditures by collecting public support and revenue and by utilizing donor-restricted resources from current gifts.

NOTE 4 - PLEDGES RECEIVABLE

	<u>2024</u>	<u>2023</u>
Receivable in less than one year	\$ 46,904	\$ 69,840
Receivable in one to two years	<u>900</u>	<u>17,000</u>
	47,804	86,840
Less discounts to net present value	<u>(52)</u>	<u>(5,846)</u>
	<u>\$ 47,752</u>	<u>\$ 80,994</u>

At December 31, 2024 and 2023, the present value of pledges receivable have been determined using a discount rate of 3.00%, as approved by the Board of Trustees.

NOTE 5 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions at December 31, 2024 and 2023 were comprised of the following:

	<u>2024</u>	<u>2023</u>
Family Centered Maternity Care Program	\$ 54,198	\$ 96,632
Integrative Health Learning Community	28,729	63,427
Veteran Oral Health	128,911	-
Pledges receivable restricted by time	<u>47,752</u>	<u>80,994</u>
	<u>\$ 259,590</u>	<u>\$ 241,053</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose specified by donors or by the passage of time as follows:

	<u>2024</u>	<u>2023</u>
Family Centered Maternity Care Program	\$ 61,934	\$ 40,476
Integrative Health Learning Community	34,698	40,310
Change in pledges receivable	<u>33,242</u>	<u>87,051</u>
	<u>\$ 129,874</u>	<u>\$ 167,837</u>

NOTE 6 - SEPARATION FROM FACTS

Effective January 1, 2023, the Fertility Appreciation Collaborative to Teach the Science ("FACTS") initiative transitioned out of the Consortium's oversight. The Consortium had overseen FACTS for over a decade and had solicited contributions and held assets on its behalf, in addition to performing certain management and administrative functions.

Pursuant to the separation agreement signed in November 2022, the Consortium agreed to distribute all net assets related to FACTS, less an amount pertaining to certain shared costs, to a newly independent not-for-profit entity in four separate installments. The Consortium made its final settlement payment in accordance with the separation agreement during February 2023, substantially ending its relationship with FACTS.