



# **AMERICAN ASSOCIATION OF ENDODONTISTS FOUNDATION**

FINANCIAL STATEMENTS

DECEMBER 31, 2024





# AMERICAN ASSOCIATION OF ENDODONTISTS FOUNDATION

## FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2024 AND 2023

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## **INDEPENDENT AUDITOR'S REPORT**

Board of Trustees  
American Association of Endodontists Foundation

### **Opinion**

We have audited the accompanying financial statements of the American Association of Endodontists Foundation (the Foundation), 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 the American Association of Endodontists Foundation 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 Auditor's Responsibilities for the Audits of the Financial Statements section of our report. We are required to be independent of the American Association of Endodontists Foundation 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 the Foundation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.



## Auditor's Responsibilities for the Audits 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 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 Foundation'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 Foundation'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.

*Calibre CPA Group, PLLC*

Chicago, IL  
April 16, 2025



## AMERICAN ASSOCIATION OF ENDODONTISTS FOUNDATION

### STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2024 AND 2023

	2024	2023
<b>Assets</b>		
Cash and cash equivalents	\$ 760,471	\$ 642,225
Pledges receivable, net	1,315,273	1,047,783
Investments	38,019,215	35,003,134
Property and equipment, net	<u>11,185</u>	<u>14,985</u>
Total assets	<u>\$ 40,106,144</u>	<u>\$ 36,708,127</u>
<b>Liabilities</b>		
Accounts payable and accrued expenses	\$ 302,729	\$ 119,847
Due to American Association of Endodontists	66,335	77,383
Grants payable	25,950	77,264
Deferred income	<u>24,000</u>	<u>-</u>
Total liabilities	<u>419,014</u>	<u>274,494</u>
<b>Net assets</b>		
Without donor restrictions	38,371,957	35,385,950
With temporary donor restrictions	<u>1,315,173</u>	<u>1,047,683</u>
Total net assets	<u>39,687,130</u>	<u>36,433,633</u>
Total liabilities and net assets	<u>\$ 40,106,144</u>	<u>\$ 36,708,127</u>

See accompanying notes to financial statements.

# AMERICAN ASSOCIATION OF ENDODONTISTS FOUNDATION

## STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Operating revenue and other support</b>			
Contributions	\$ 306,279	\$ 988,025	\$ 1,294,304
Net investment income budgeted for operations	<u>1,722,000</u>	<u>-</u>	<u>1,722,000</u>
	2,028,279	988,025	3,016,304
Loss on uncollectible pledges	-	(77,935)	(77,935)
Net assets released from restrictions	<u>642,600</u>	<u>(642,600)</u>	<u>-</u>
Total operating revenue and other support	<u>2,670,879</u>	<u>267,490</u>	<u>2,938,369</u>
<b>Expenses</b>			
Administrative reimbursement - American Association of Endodontists	680,023	-	680,023
Annual Session	60,282	-	60,282
Bank fees and credit card charges	14,317	-	14,317
Depreciation	3,800	-	3,800
Grants			
Education	699,391	-	699,391
Research	317,123	-	317,123
Access to Care	28,616	-	28,616
Other	200,000	-	200,000
Insurance	8,930	-	8,930
Meetings	45,673	-	45,673
Miscellaneous	4,861	-	4,861
Printing, postage, and marketing	22,986	-	22,986
Professional fees	131,131	-	131,131
Supplies	897	-	897
Travel	<u>136,327</u>	<u>-</u>	<u>136,327</u>
Total expenses	<u>2,354,357</u>	<u>-</u>	<u>2,354,357</u>
<b>Excess of operating revenue and other support over expenses</b>	316,522	267,490	584,012
<b>Net investment income</b>	4,391,485	-	4,391,485
Less: amount budgeted for operations	<u>(1,722,000)</u>	<u>-</u>	<u>(1,722,000)</u>
<b>Change in net assets</b>	2,986,007	267,490	3,253,497
<b>Net assets</b>			
Beginning of year	<u>35,385,950</u>	<u>1,047,683</u>	<u>36,433,633</u>
End of year	<u>\$ 38,371,957</u>	<u>\$ 1,315,173</u>	<u>\$ 39,687,130</u>

See accompanying notes to financial statements.

# AMERICAN ASSOCIATION OF ENDODONTISTS FOUNDATION

## STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Operating revenue and other support</b>			
Contributions	\$ 231,627	\$ 526,293	\$ 757,920
Net investment income budgeted for operations	<u>1,715,000</u>	<u>-</u>	<u>1,715,000</u>
	1,946,627	526,293	2,472,920
Loss on uncollectible pledges	-	(185,027)	(185,027)
Net assets released from restrictions	<u>704,648</u>	<u>(704,648)</u>	<u>-</u>
Total operating revenue and other support	<u>2,651,275</u>	<u>(363,382)</u>	<u>2,287,893</u>
<b>Expenses</b>			
Administrative reimbursement - American Association of Endodontists	706,173	-	706,173
Annual Session	35,053	-	35,053
Bank fees and credit card charges	14,101	-	14,101
Depreciation	5,484	-	5,484
Grants			
Education	699,616	-	699,616
Research	136,503	-	136,503
Access to Care	67,252	-	67,252
Other	100,000	-	100,000
Insurance	7,024	-	7,024
Meetings	72,414	-	72,414
Miscellaneous	4,670	-	4,670
Printing, postage, and marketing	15,238	-	15,238
Professional fees	109,121	-	109,121
Supplies	225	-	225
Travel	<u>150,053</u>	<u>-</u>	<u>150,053</u>
Total expenses	<u>2,122,927</u>	<u>-</u>	<u>2,122,927</u>
<b>Excess (deficiency) of operating revenue and other support over expenses</b>	528,348	(363,382)	164,966
<b>Net investment income</b>	5,476,783	-	5,476,783
Less: amount budgeted for operations	<u>(1,715,000)</u>	<u>-</u>	<u>(1,715,000)</u>
<b>Change in net assets</b>	4,290,131	(363,382)	3,926,749
<b>Net assets</b>			
Beginning of year	<u>31,095,819</u>	<u>1,411,065</u>	<u>32,506,884</u>
End of year	<u>\$ 35,385,950</u>	<u>\$ 1,047,683</u>	<u>\$ 36,433,633</u>

See accompanying notes to financial statements.



## AMERICAN ASSOCIATION OF ENDODONTISTS FOUNDATION

### STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2024

	<u>Grant Programs</u>	<u>Administration</u>	<u>Fundraising</u>	<u>Total</u>
Annual session	\$ -	\$ 23,342	\$ 36,940	\$ 60,282
Bank fees and credit card charges	-	14,317	-	14,317
Depreciation	-	3,800	-	3,800
Grants	1,227,630	17,500	-	1,245,130
Insurance	-	8,930	-	8,930
Meetings	600	45,037	36	45,673
Miscellaneous	2,232	2,629	-	4,861
Printing, postage, and marketing	1,285	678	21,023	22,986
Professional services	1,009	92,287	37,835	131,131
Supplies	74	823	-	897
Travel	<u>16,973</u>	<u>111,317</u>	<u>8,037</u>	<u>136,327</u>
Total before allocation of administrative reimbursement	1,249,803	320,660	103,871	1,674,334
Allocation of administrative reimbursement				
Management fees	24,116	26,725	30,028	80,869
Pass through costs	<u>178,673</u>	<u>198,008</u>	<u>222,473</u>	<u>599,154</u>
Total expenses	<u>\$ 1,452,592</u>	<u>\$ 545,393</u>	<u>\$ 356,372</u>	<u>\$ 2,354,357</u>

See accompanying notes to financial statements.





## AMERICAN ASSOCIATION OF ENDODONTISTS FOUNDATION

### STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2023

	<u>Grant Programs</u>	<u>Administration</u>	<u>Fundraising</u>	<u>Total</u>
Annual session	\$ -	\$ 7,134	\$ 27,919	\$ 35,053
Bank fees and credit card charges	-	14,101	-	14,101
Depreciation	-	5,484	-	5,484
Grants	1,003,371	-	-	1,003,371
Insurance	7,024	-	-	7,024
Meetings	5,196	66,501	717	72,414
Miscellaneous	1,081	3,513	76	4,670
Printing, postage, and marketing	1,079	1,233	12,926	15,238
Professional services	817	73,060	35,244	109,121
Supplies	45	180	-	225
Travel	<u>30,898</u>	<u>107,391</u>	<u>11,764</u>	<u>150,053</u>
Total before allocation of administrative reimbursement	1,049,511	278,597	88,646	1,416,754
Allocation of administrative reimbursement				
Management fees	27,276	29,228	40,599	97,103
Pass through costs	<u>171,081</u>	<u>183,327</u>	<u>254,662</u>	<u>609,070</u>
Total expenses	<u>\$ 1,247,868</u>	<u>\$ 491,152</u>	<u>\$ 383,907</u>	<u>\$ 2,122,927</u>

See accompanying notes to financial statements.



## AMERICAN ASSOCIATION OF ENDODONTISTS FOUNDATION

### STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024	2023
<b>Cash flows from operating activities</b>		
Contributions received	\$ 972,879	\$ 931,911
Investment income received	1,771,580	1,053,217
Payments to vendors, suppliers, and grantees	<u>(2,295,035)</u>	<u>(2,014,517)</u>
Net cash provided by (used for) operating activities	<u>449,424</u>	<u>(29,389)</u>
<b>Cash flows from investing activities</b>		
Purchases of investments	(1,681,178)	(978,184)
Proceeds from sales of investments	<u>1,350,000</u>	<u>1,150,000</u>
Net cash provided by (used for) investing activities	<u>(331,178)</u>	<u>171,816</u>
<b>Net change in cash and cash equivalents</b>	118,246	142,427
<b>Cash and cash equivalents</b>		
Beginning of year	<u>642,225</u>	<u>499,798</u>
End of year	<u>\$ 760,471</u>	<u>\$ 642,225</u>

See accompanying notes to financial statements.



## AMERICAN ASSOCIATION OF ENDODONTISTS FOUNDATION

### NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2024 AND 2023

#### NOTE 1. THE ORGANIZATION

The American Association of Endodontists Foundation (the Foundation), located in Chicago, Illinois, seeks to improve oral health by securing contributions, shepherding resources, and sharing grant funds that support research, generate new knowledge, and enhance endodontic education.

#### NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Basis of Accounting and Presentation** - Financial statement presentation follows the recommendations of U.S. generally accepted accounting principles in accordance with Financial Accounting Standards Board Accounting Standards Codification, *Not-for-Profit Entities - Presentation of Financial Statements*. Under those principles, the Foundation is required to report information regarding its financial position and activities according to two classes of net assets - net assets without donor restrictions and net assets with donor restrictions. Accordingly, net assets and changes therein are classified as follows:

**Net Assets with Perpetual Donor Restrictions** - Net assets subject to donor-imposed stipulations that they be maintained permanently by the Foundation. Generally, the donors of these assets permit the Foundation to use all or part of the income earned on related investments for general or specific purposes. The Foundation currently has no net assets with perpetual donor restrictions.

**Net Assets with Temporary Donor Restrictions** - Net assets subject to donor-imposed stipulations that will be met by actions of the Foundation or the passage of time.

**Net Assets without Donor Restrictions** - Net assets not subject to donor-imposed stipulations.

**Cash and Cash Equivalents** - Cash and cash equivalents include amounts held in checking and money market accounts, and short-term, highly-liquid investments that are readily convertible to known amounts of cash, and so near their maturity that the risk of change in value is negligible.

**Investment Valuation and Income Recognition** - Investments consist of amounts held in cash, money market mutual funds, fixed income and equity mutual/exchange-traded funds, and real estate mutual funds, all of which are reported at fair value, generally as



## NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

determined by published market prices. Income earned is derived from interest, dividends and changes in fair value. Unrealized gains (losses) resulting from increases (decreases) in fair value of securities held as well as the net realized gains (losses) arising from sales of securities are included in investment income. Investment income is reported in the statements of activities net of all external and direct internal investment expenses.

**Property and Equipment** - Property and equipment consists of computer software and office furniture and is capitalized at cost. Major additions are capitalized while replacements, maintenance and repairs which do not improve or extend the lives of the respective assets are expensed. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets, generally five years for software and equipment, and seven years for furniture.

**Contributions** - Contribution revenue is reported as increases in net assets without donor restrictions, unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Investment earnings, and gains and losses on investments and other assets or liabilities, are reported as increases or decreases in net assets without donor restrictions, unless their use is restricted by explicit donor stipulation or by law. Expiration of net assets with temporary donor restrictions (i.e., the donor-imposed stipulated purpose has been fulfilled, or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

Contributions, including unconditional promises to give, are recognized as revenues in the period the donor makes the promise to the Foundation. When a donor award includes both a barrier and either a right of return of assets to the resource provider or a right of release from obligation by the resource provider, the contribution is considered to be conditional. Amounts received under conditional transfers are reported as a liability (refundable advance) and recognized as contribution revenue only when the conditions are met. Contributions of assets other than cash are reported at their estimated fair value when received.

**Grants** - Grants are recognized when approved by the Board of Trustees and conditions of funding grants have been met.

**Functional Allocation of Expenses** - The costs of providing the various programs and supporting activities of the Foundation have been summarized on a functional basis in the statements of functional expenses. Costs that can be specifically identified with a final cost objective are charged directly to that activity. Other costs are allocated among the program and supporting services benefited based on management's best estimates. The portion of the administrative fee representing salaries and related fringe benefits is allocated based on employee time and effort studies. The portion of the administrative fee representing common costs such as occupancy, depreciation and related infrastructure costs is also allocated based on employee time and effort studies.



## **NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Use of 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 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 or revenues and expenses during the reporting period. Actual results could differ from those estimates.

Certain significant estimates used in the preparation of these financial statements include the fair value of investments, the present value of pledge contributions receivable, and the allowance for doubtful pledge contributions receivable. The ultimate realization of the investments and pledge contributions receivable is based upon future economic factors. It is at least reasonably possible that the reported amounts or related disclosures could significantly change in the near future as new information becomes available.

## **NOTE 3. TAX STATUS**

The Foundation is a not-for-profit entity as described in Section 501(c)(3) of the Internal Revenue Code (IRC), and is exempt from income taxes, except to the extent of any unrelated business income. There was no unrelated business income for the years ended December 31, 2024 and 2023. The Foundation is not a private foundation within the meaning of Section 509(a) of the IRC. The Foundation's tax returns for 2021, 2022, and 2023 are open to examination.

## **NOTE 4. LIQUIDITY AND AVAILABILITY OF FINANCIAL RESOURCES**

As part of the Foundation's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the Foundation's investments are held in a portfolio designed to maximize long-term earnings with acceptable risk to investment principal. The Foundation's Board of Trustees (the Board) has established an investment spending policy to fund operations. The Foundation budgets for an annual maximum appropriation of 5% of the average fair market value of the investment ending balance for a rolling 3-year period. However, in the event of unanticipated liquidity needs, the Foundation's Board could make available all or a portion of total investments.



#### NOTE 4. LIQUIDITY AND AVAILABILITY OF FINANCIAL RESOURCES (CONTINUED)

The following table represents the Foundation's financial assets available to meet cash needs for general expenditures within one year of December 31, 2024 and 2023.

	2024	2023
Total assets at end of year	\$ 40,106,144	\$ 36,708,127
Less: nonfinancial assets		
Net property and equipment	<u>(11,185)</u>	<u>(14,985)</u>
Total financial assets at end of year	40,094,959	36,693,142
Less: amounts unavailable for current general expenditures		
Investments, net of amount approved for expenditure	(36,309,215)	(33,276,134)
Net contributions receivable due in more than one year	<u>(1,080,971)</u>	<u>916,836</u>
Total financial assets available for general expenditures within one year	<u>\$ 2,704,773</u>	<u>\$ 4,333,844</u>

#### NOTE 5. INVESTMENTS

The carrying value of investments consist of the following at December 31, 2024 and 2023:

	2024	2023
Cash and money market mutual funds	\$ 1,561,347	\$ 1,546,243
Other mutual funds		
Fixed income	8,596,296	8,390,365
Equity - domestic	19,349,775	16,841,280
Equity - international	6,826,383	6,618,885
Real estate	<u>1,685,414</u>	<u>1,606,361</u>
	<u>\$ 38,019,215</u>	<u>\$ 35,003,134</u>

Net investment income consisted of the following for the years ended December 31, 2024 and 2023:

	2024	2023
Interest, dividends, and capital gain distributions	\$ 1,771,580	\$ 1,053,217
Realized gain (loss) on investments sold	150,884	(98,607)
Unrealized gain on investments held	2,534,019	4,581,672
Investment fees	<u>(64,998)</u>	<u>(59,499)</u>
	<u>\$ 4,391,485</u>	<u>\$ 5,476,783</u>



## NOTE 6. FAIR VALUE MEASUREMENTS

Accounting standards provide the framework for measuring fair value which provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets (Level 1) and the lowest priority to unobservable inputs (Level 3).

The three levels of the fair value hierarchy are described as follows:

**Level 1** - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Foundation has the ability to access.

**Level 2** - Inputs to the valuation methodology include the following:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability; and
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

**Level 3** - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Investments measured at fair value as of December 31, 2024 are summarized in the following table by the type of inputs applicable to the fair value measurements:

	2024			
	Total Fair Value	Quoted Market Prices (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Money market mutual funds	\$ 1,561,347	\$ 1,561,347	\$ -	\$ -
Fixed income mutual funds	8,596,296	8,596,296	-	-
Equity mutual funds - domestic	19,349,775	19,349,775	-	-
Equity mutual funds - international	6,826,383	6,826,383	-	-
Real estate mutual funds	1,685,414	1,685,414	-	-
	<u>\$ 38,019,215</u>	<u>\$ 38,019,215</u>	<u>\$ -</u>	<u>\$ -</u>



## NOTE 6. FAIR VALUE MEASUREMENTS (CONTINUED)

Investments measured at fair value as of December 31, 2023 are summarized in the following table by the type of inputs applicable to the fair value measurements:

	2023			
	Total Fair Value	Quoted Market Prices (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Money market mutual funds	\$ 1,546,243	\$ 1,546,243	\$ -	\$ -
Fixed income mutual funds	8,390,365	8,390,365	-	-
Equity mutual funds - domestic	16,841,280	16,841,280	-	-
Equity mutual funds - international	6,618,885	6,618,885	-	-
Real estate mutual funds	1,606,361	1,606,361	-	-
	<u>\$ 35,003,134</u>	<u>\$ 35,003,134</u>	<u>\$ -</u>	<u>\$ -</u>

## NOTE 7. PROPERTY AND EQUIPMENT

Property and equipment consists of the following at December 31, 2024 and 2023:

	2024	2023
Computer software	\$ 52,239	\$ 52,239
Furniture and equipment	<u>23,950</u>	<u>23,950</u>
	76,189	76,189
Less: accumulated depreciation	<u>(65,004)</u>	<u>(61,204)</u>
	<u>\$ 11,185</u>	<u>\$ 14,985</u>

## NOTE 8. PLEDGES RECEIVABLE

Pledges receivable are generally due within five years. Upon receipt of the pledge from the donor, the pledge is recorded at fair value, which is the portion of the face amount expected to be received at the inception of the pledge less a discount for the net present value of expected future cash flows. Discount rates are generally based on comparable five-year U.S. Treasury market rates and ranged 3.50% - 4.56% for 2024 and 3.54% - 4.77% for 2023. An allowance has also been established for the carrying value of pledges when collection is uncertain. Management evaluates the collectability of pledges receivable based on the age of the pledge and the donor's payment history.





## NOTE 8. PLEDGES RECEIVABLE (CONTINUED)

The net balance of pledges receivable at December 31, 2024 is summarized as follows:

	Individual	Corporate	Total
Unconditional promise to give	\$ 532,159	\$ 1,288,638	\$ 1,820,797
Less: discount to present value	(45,604)	(51,816)	(97,420)
Less: allowance for uncollectible pledges	<u>(408,104)</u>	<u>-</u>	<u>(408,104)</u>
	<u>\$ 78,451</u>	<u>\$ 1,236,822</u>	<u>\$ 1,315,273</u>

The net balance of pledges receivable at December 31, 2023 is summarized as follows:

	Individual	Corporate	Total
Unconditional promise to give	\$ 1,060,363	\$ 873,288	\$ 1,933,651
Less: discount to present value	(48,185)	(16,643)	(64,828)
Less: allowance for uncollectible pledges	<u>(821,040)</u>	<u>-</u>	<u>(821,040)</u>
	<u>\$ 191,138</u>	<u>\$ 856,645</u>	<u>\$ 1,047,783</u>

The gross amounts of pledges receivable as of December 31, 2024 are due to be received as follows:

	Individual	Corporate	Total
Less than one year	\$ 110,091	\$ 208,638	\$ 318,729
Two to five years	<u>422,067</u>	<u>1,080,001</u>	<u>1,502,068</u>
	<u>\$ 532,158</u>	<u>\$ 1,288,639</u>	<u>\$ 1,820,797</u>

## NOTE 9. GRANTS PAYABLE

The liability to third parties for unconditional promises to give for the Foundation's fellowship program and research grants was \$25,950 at December 31, 2024 and \$77,264 at December 31, 2023. All amounts are due within one year. In the event a beneficiary of a grant does not fulfill grant requirements after the grant has been funded, the grant proceeds are to be returned to the Foundation with penalties and interest. There were no such returned funds in 2024 or 2023.

The Foundation has also awarded multi-year fellowship grants to individuals that are conditioned on the individuals maintaining their academic positions and which give the Foundation a right of release from obligation. The amount of conditional fellowship grants promised in future periods totals \$750,000 as of December 31, 2024.



## NOTE 10. NET ASSETS WITH TEMPORARY DONOR RESTRICTIONS

Nets assets with temporary donor restrictions consist of pledges receivable subject only to time restrictions, and the unexpended portion of a grant award that is restricted for the purpose of medical outreach to Jamaica. Amounts restricted as of year-end as well as net assets released from restrictions during the year are as follows.

	2024	2023
Net assets subject to temporary donor restrictions		
Time-restricted only	\$ 696,564	\$ 1,029,074
For use in scholarships	600,000	-
For use in Jamaica outreach	<u>18,609</u>	<u>18,609</u>
	<u>\$ 1,315,173</u>	<u>\$ 1,047,683</u>
Net assets released from restrictions		
Time-restricted only	\$ 492,600	\$ 704,648
For use in scholarships	<u>150,000</u>	<u>-</u>
	<u>\$ 642,600</u>	<u>\$ 704,648</u>

## NOTE 11. RELATED PARTY TRANSACTIONS

The Foundation is affiliated with the American Association of Endodontists (AAE). Certain administrative expenses such as salaries, fringe benefits, occupancy, and other general expenses incurred by the Foundation are paid by AAE. The Foundation fully reimburses AAE for these costs. AAE also collects contributions and pays certain other expenses on behalf of the Foundation. The Foundation reimbursed AAE \$680,023 and \$706,173 for administrative costs, salaries and fringe benefit costs of AAE employees providing services to the Foundation in the years ended December 31, 2024 and 2023, respectively.

## NOTE 12. CONCENTRATION OF CREDIT RISK

Cash and cash equivalents invested in money market accounts held by the Foundation are subject to the risk that funds may not be fully insured by the brokerage firm. Management believes this credit risk to be minimal at this time.

## NOTE 13. SUBSEQUENT EVENTS

Subsequent events have been evaluated through April 16, 2025, which is the date the financial statements were available to be issued. This review and evaluation revealed no material event or transaction which would require an adjustment to or disclosure in the accompanying financial statements.