

**AAPD FOUNDATION**  
**FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2024 AND 2023**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees  
of AAPD Foundation

### **Opinion**

We have audited the accompanying financial statements of AAPD Foundation (a nonprofit organization), which comprise the statements of financial position as of June 30, 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 AAPD Foundation as of June 30, 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 Audit of the Financial Statements section of our report. We are required to be independent of AAPD 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 AAPD 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 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 generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of AAPD 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 AAPD 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.

*Martin & Martin*  
*Certified Public Accountants, Ltd.*

Itasca, Illinois  
November 11, 2024

## AAPD FOUNDATION

## STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2024 AND 2023

<b><u>ASSETS</u></b>	<b><u>2024</u></b>	<b><u>2023</u></b>
Cash and Equivalents	\$ 875,456	\$ 498,463
Unconditional Promises To Give, Less Allowance of \$166,800 in 2024 and 2023	482,615	652,496
Interest & Dividend Receivable	26,267	17,939
Due From Affiliate	502,400	274,501
Prepaid Expenses	17,007	8,309
Investments	<u>17,423,801</u>	<u>16,491,674</u>
<b><u>TOTAL ASSETS</u></b>	<b><u>\$ 19,327,546</u></b>	<b><u>\$ 17,943,382</u></b>
<b><u>LIABILITIES</u></b>		
Accounts Payable	\$ 28,866	\$ 83,166
Due To Affiliate	624,797	446,063
Deferred Revenue	<u>2,289</u>	<u>2,289</u>
<b><u>TOTAL LIABILITIES</u></b>	<b><u>\$ 655,952</u></b>	<b><u>\$ 531,518</u></b>
<b><u>NET ASSETS</u></b>		
Without Donor Restrictions	\$ 17,656,369	\$ 16,300,058
With Donor Restrictions	<u>1,015,225</u>	<u>1,111,806</u>
<b><u>TOTAL NET ASSETS</u></b>	<b><u>\$ 18,671,594</u></b>	<b><u>\$ 17,411,864</u></b>
<b><u>TOTAL LIABILITIES AND NET ASSETS</u></b>	<b><u>\$ 19,327,546</u></b>	<b><u>\$ 17,943,382</u></b>

The accompanying notes are an integral part of these statements.

## AAPD FOUNDATION

## STATEMENTS OF ACTIVITIES

JUNE 30, 2024 AND 2023

<b><u>WITHOUT DONOR RESTRICTIONS NET ASSETS</u></b>	<b><u>2024</u></b>	<b><u>2023</u></b>
Without Donor Restrictions Revenues:		
Contributions	\$ 365,592	\$ 343,279
Major Gifts and Pledges	22,247	14,167
CareQuest Grant	51,700	-
Affiliate Support	70,412	62,664
Net Investment Income	<u>3,164,604</u>	<u>2,289,556</u>
Total Without Donor Restrictions Revenues	\$ 3,674,555	\$ 2,709,666
Net Assets Released from Restrictions	<u>348,034</u>	<u>337,618</u>
Total Without Donor Restrictions Revenues and Releases From Restrictions	<u>\$ 4,022,589</u>	<u>\$ 3,047,284</u>
Expenses:		
Program Services		
Grants and Awards	\$ 1,090,659	\$ 1,200,918
Grant Making Costs	287,919	232,213
Support Services		
Marketing	364,582	731,757
Fundraising - Contributions	508,118	501,258
Management and General	<u>415,000</u>	<u>402,434</u>
Total Expenses	<u>\$ 2,666,278</u>	<u>\$ 3,068,580</u>
Change in Without Donor Restrictions Net Assets	\$ 1,356,311	\$ ( 21,296)
Without Donor Restrictions Net Assets at Beginning of Year	<u>16,300,058</u>	<u>16,321,354</u>
<b><u>TOTAL WITHOUT DONOR RESTRICTIONS NET ASSETS AT END OF YEAR</u></b>	<u>\$ 17,656,369</u>	<u>\$ 16,300,058</u>
<b><u>WITH DONOR RESTRICTIONS NET ASSETS</u></b>		
CareQuest Grant	\$ 73,300	\$ -
Major Gifts and Pledges	178,153	193,333
Net Assets Released from Restrictions	<u>(348,034)</u>	<u>(337,618)</u>
Increase (Decrease) in With Donor Restrictions Net Assets	\$ (96,581)	\$ (144,285)
With Donor Restrictions Net Assets at Beginning of Year	<u>1,111,806</u>	<u>1,256,091</u>
<b><u>TOTAL WITH DONOR RESTRICTIONS NET ASSETS AT END OF YEAR</u></b>	<u>\$ 1,015,225</u>	<u>\$ 1,111,806</u>
<b><u>TOTAL NET ASSETS</u></b>	<u>\$ 18,671,594</u>	<u>\$ 17,411,864</u>

The accompanying notes are an integral part of these statements.

## AAPD FOUNDATION

## STATEMENTS OF FUNCTIONAL EXPENSES

JUNE 30, 2024 AND 2023

	2024			
	Programs	Administrative	Fund-Raising	Total
<b>FUNCTIONAL EXPENSES:</b>				
Personnel	\$ 252,851	\$ 156,384	\$ 218,788	\$ 628,023
Services	15,872	145,528	459,604	621,004
Grants	1,034,000	-	-	1,034,000
Travel	37,764	80,561	77,294	195,619
Supplies	-	1,541	36,906	38,447
Occupancy	27,371	21,423	29,688	78,482
Other Operating Expenses	10,720	9,563	50,420	70,703
<b>TOTAL EXPENSES</b>	<b>\$ 1,378,578</b>	<b>\$ 415,000</b>	<b>\$ 872,700</b>	<b>\$ 2,666,278</b>
	2023			
	Programs	Administrative	Fund-Raising	Total
<b>FUNCTIONAL EXPENSES:</b>				
Personnel	\$ 170,604	\$ 133,216	\$ 185,041	\$ 488,861
Services	18,210	161,517	818,065	997,792
Grants	1,200,918	-	-	1,200,918
Travel	7,777	70,135	141,862	219,774
Supplies	-	2,330	11,010	13,340
Occupancy	30,291	23,542	32,854	86,687
Other Operating Expenses	5,331	11,693	44,184	61,208
<b>TOTAL EXPENSES</b>	<b>\$ 1,433,131</b>	<b>\$ 402,433</b>	<b>\$ 1,233,016</b>	<b>\$ 3,068,580</b>

The accompanying notes are an integral part of these statements.

## AAPD FOUNDATION

## STATEMENTS OF CASH FLOWS

JUNE 30, 2024 AND 2023

<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>	<b><u>2024</u></b>	<b><u>2023</u></b>
Change in Without Donor Restrictions Net Assets	\$ 1,356,311	\$ ( 21,296)
Change in With Donor Restrictions Net Assets	<u>( 96,581)</u>	<u>( 144,285)</u>
Change in Net Assets	\$ 1,259,730	\$ ( 165,581)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by (Used in) Operating Activities		
Allowance for Bad Debts	-	-
Realized (Gain) Loss on Sale of Investments	( 1,579,468)	256,773
Unrealized (Appreciation) of Investments	( 1,385,935)	( 2,365,404)
(Increase) Decrease		
Unconditional Promises to Give	169,881	26,127
Interest and Dividend Receivable	( 8,328)	( 198)
Prepaid Expenses	( 8,698)	4,505
Due from Affiliate	( 227,899)	83,486
Increase (Decrease)		
Accounts Payable	(54,300)	83,166
Due to Affiliate	<u>178,734</u>	<u>( 435,797)</u>
Net Cash Provided by (Used in) Operating Activities	\$ <u>( 1,656,283)</u>	\$ <u>( 2,512,923)</u>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>		
Proceeds from Sale of Investments	\$ 6,188,921	\$ 3,632,999
Purchase of Investments	<u>( 4,155,645)</u>	<u>( 1,174,629)</u>
Net Cash Provided by (Used in) Investing Activities	\$ <u>2,033,276</u>	\$ <u>2,458,370</u>
<b><u>NET INCREASE (DECREASE) IN CASH AND EQUIVALENTS</u></b>	\$ 376,993	\$ ( 54,553)
Cash and Equivalents at Beginning of Year	<u>498,463</u>	<u>553,016</u>
<b><u>CASH AND EQUIVALENTS AT END OF YEAR</u></b>	\$ <u><u>875,456</u></u>	\$ <u><u>498,463</u></u>

The accompanying notes are an integral part of these statements.



**AAPD FOUNDATION**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2024 AND 2023**

**NATURE OF ORGANIZATION**

AAPD Foundation (the Foundation) is a not-for-profit charitable corporation organized to advance the oral health of infants and children, through adolescence, including those with special health care needs. To achieve this the Foundation, through a variety of fund raising mechanisms, shall raise and disburse funds to support service, education, research and related initiatives utilizing the expertise of pediatric dentists.

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements are prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables and other liabilities.

The financial statements of the Foundation have been prepared in accordance with U.S. generally accepted accounting principles ("US GAAP"), which require the Foundation to report information regarding its financial position and activities according to the following net asset classifications:

**Net Assets Without Donor Restrictions:** Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Foundation's management and board of directors.

**Net Assets With Donor Restrictions:** Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by the Foundation or the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

Contributions are recognized when the donor makes a promise to give to the Foundation that is, in substance, unconditional. All contributions are considered available for unrestricted use unless specifically restricted by the donor. Contributions that are restricted by the donor are reported as increases in with donor restrictions net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in with donor restrictions net assets. When a restriction expires, with donor restrictions net assets are released to without donor restrictions net assets. Receipts and expenditures relating to the silent auction and continuing education courses are reported in the period the event takes place. Expenses are recorded when incurred.

The Foundation uses the allowance method to account for uncollectible unconditional promises to give. The allowance is based on prior years' experience and management's analysis of specific promises.

The carrying amounts for cash and equivalents in the statement of financial position approximate fair value because of the short maturities of those investments. For purposes of the statement of cash flows, cash equivalents include all temporary investments purchased with a maturity of three months or less.

**AAPD FOUNDATION**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2024 AND 2023**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

The Foundation maintains their cash and equivalents either in a local financial institution or in nationally known mutual fund money market. The balances in the financial institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. The FDIC does not cover the balances in the mutual fund money markets.

The investments of the Foundation are reported at fair value. The fair value of a financial instrument is the amount that would be received to sell that asset (or paid to transfer a liability) in an orderly transaction between market participants at the measurement date (the exit price).

Purchases and sales of the investments are reflected on a trade-date basis.

Dividend income is recorded on the ex-dividend date. Interest income is recorded on an accrual basis.

The Foundation receives corporate sponsorships in which revenue is recognized when earned.

Fee-for-service revenue consists of tuition for the Advanced Leadership Institute deemed to be in exchange for the benefits of the services provided by the Foundation and is recorded as revenue in the period the services are provided. Tuition fees received in advance of the period of services provided are recorded as deferred revenue.

Deferred revenue consists primarily of funds provided from the Academy in advance of services performed related to a grant agreement. The Foundation also receives fees from individuals prior to attendance at Advanced Leadership Institute sessions. Such amounts are recorded as revenues when the related services are performed.

The presentation of financial statements in conformity with generally accepted accounting principles 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

Functional allocation of expenses – The costs of providing programs and other activities have been summarized on a functional basis in the statement of functional expenses. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated and consistently applied include personnel, services, travel, supplies, occupancy and other expenses, which are allocated based on employee hours for specific individuals. The remaining expenses are direct costs of the program and other activities.

The Foundation follows the practice of capitalizing, at cost, all expenditure for property and equipment. Depreciation is computed on a straight-line method over the useful life of the asset. At June 30, 2024, the Foundation has \$52,000 of fully depreciated software.

Certain accounts in the 2023 financial statements have been reclassified for comparative purposes to conform to the presentation in the current year financial statements.

**SUBSEQUENT EVENTS**

Subsequent events were evaluated through November 11, 2024, which is the date the financial statements were available to be issued.

**AAPD FOUNDATION**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2024 AND 2023**

**FEDERAL INCOME TAX**

The Foundation is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and is not a private foundation but is an organization described in Section 509(a)(1) and Section 170(b)(1)(A)(vi). During the years ended June 30, 2024 and 2023, the Foundation did not have any unrelated business income or any uncertain tax positions that are material to the financial statements. The Foundation files Form 990, *Return of Organizations Exempt from Tax*, with the Internal Revenue Service (IRS). The Foundation's returns are subject to examination until the applicable statute of limitations expires.

**UNCONDITIONAL PROMISES TO GIVE**

Unconditional promises to give consist of the following:

	<u>2024</u>	<u>2023</u>
Unconditional Promises to Give	\$ 769,220	\$ 908,962
Less: Allowance for Doubtful Accounts	( 166,800)	( 166,800)
Unamortized Discount	<u>( 119,805)</u>	<u>( 89,666)</u>
Total Unconditional Promises to Give	<u>\$ 482,615</u>	<u>\$ 652,496</u>
Amounts due in:		
Less than One Year	316,964	376,046
One to Five Years	450,931	529,066
More than Five Years	<u>1,325</u>	<u>3,850</u>
Total Unconditional Promises to Give	<u>\$ 769,220</u>	<u>\$ 908,962</u>

Discount rates ranged from 3.10 percent to 8.50 percent for 2024 and 2023.

**AAPD FOUNDATION**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2024 AND 2023**

**INVESTMENTS**

Investments are stated at fair value and are comprised of the following:

<u>June 30, 2024</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Cumulative Unrealized Appreciation (Depreciation)</u>
Fixed Income Securities	\$ 3,634,431	\$ 3,596,284	\$ ( 38,147)
Equity Securities	<u>8,111,096</u>	<u>13,827,517</u>	<u>5,716,421</u>
Total	<u>\$ 11,745,527</u>	<u>\$ 17,423,801</u>	<u>\$ 5,678,274</u>
<u>June 30, 2023</u>			
Fixed Income Securities	\$ 2,786,558	\$ 2,664,951	\$ ( 121,607)
Equity Securities	<u>9,412,777</u>	<u>13,826,723</u>	<u>4,413,946</u>
Total	<u>\$ 12,199,335</u>	<u>\$ 16,491,674</u>	<u>\$ 4,292,339</u>

The following schedule summarizes the investment return and its classification in the statement of activities for the years ended June 30, 2024 and 2023, respectively:

	<u>Without Donor Restrictions</u>	
	<u>2024</u>	<u>2023</u>
Investment Income	\$ 275,428	\$ 255,805
Realized Gain (Loss) on Sale of Investments	1,579,468	( 256,773)
Unrealized Gain on Investments	1,385,935	2,365,404
Investment Expenses	<u>( 76,227)</u>	<u>( 74,880)</u>
Net Investment Income	<u>\$ 3,164,604</u>	<u>\$ 2,289,556</u>

**AAPD FOUNDATION**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2024 AND 2023**

**WITH DONOR RESTRICTIONS NET ASSETS**

With donor restrictions net assets at June 30, 2024 and 2023 are as follows:

	<u>2024</u>	<u>2023</u>
Time Restricted	\$ 482,615	\$ 652,496
Purpose Restricted:		
Head Start Program	174,238	174,238
CareQuest Grant	73,300	-
Advanced Leadership	<u>285,072</u>	<u>285,072</u>
Total With Donor Restrictions Net Assets	<u>\$ 1,015,225</u>	<u>\$ 1,111,806</u>

During the year ended June 30, 2024, \$348,034 of with donor restrictions net assets was released from restriction of which \$348,034 was time restricted. During the year ended June 30, 2023, \$337,618 of with donor restrictions net assets was released from restriction of which \$166,840 was time restricted and \$118,158 was purpose restricted.

**RELATED PARTY TRANSACTIONS**

The American Academy of Pediatric Dentistry (the "Academy") and the AAPD Foundation (the "Foundation") is related through common management. The Academy provided in-kind office space and staff to the Foundation for the year ended June 30, 2024 of \$70,412 and \$62,664 in 2023. Employees of the Academy make contributions to the Foundation.

**AVAILABILITY AND LIQUIDITY**

Liquidity expected to be available to meet cash needs for general expenditures within one year, without contractual or donor restrictions consists of the following:

Financial Assets at Year End:	<u>2024</u>	<u>2023</u>
Cash and Equivalents	\$ 875,456	\$ 498,463
Unconditional Promises to Give, Net	482,615	652,496
Interest and Dividends Receivable	26,267	17,939
Investments	<u>17,423,801</u>	<u>16,491,674</u>
Total Financial Assets	18,808,139	17,660,572
Less Amounts Not Available to be Used Within One Year:		
Donor Advised Investments	393,756	331,084
Unconditional Promises Collected Not Within One Year	<u>452,256</u>	<u>532,916</u>
Total Not Available to be Used Within One Year	<u>846,012</u>	<u>864,000</u>
Financial Assets Available to Meet General Expenditures Over the Next Twelve Months	<u>\$ 17,962,127</u>	<u>\$ 16,796,572</u>

**AAPD FOUNDATION**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2024 AND 2023**

**FAIR VALUE MEASUREMENTS**

The *Fair Value Measurements and Disclosures* Topic of the FASB Accounting Standards Codification established 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 or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

**Basis of Fair Value Measurement**

Level 1	Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities
Level 2	Quoted prices in markets that are not considered to be active or financial instruments for which all significant inputs are observable, either directly or indirectly
Level 3	Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable

The methods used to measure fair value may produce an amount that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Foundation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following tables set forth by level within the fair value hierarchy the Foundation's investment assets at fair value as of June 30, 2024 and 2023. As required, assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The Foundation had no investment assets at fair value classified within Level 3 at June 30, 2024 and 2023.

**AAPD FOUNDATION**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2024 AND 2023**

	<u>Fair Value Measurements at 6/30/24 Using</u>			
	<u>Total</u>	<u>Quoted Prices In Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Mutual Funds				
Equity Funds	\$ 3,214,804	\$ 3,214,804	\$ -	\$ -
Exchange Traded Funds	653,833	653,833	-	-
Fixed Income	<u>2,890,618</u>	<u>2,890,618</u>	-	-
Total Mutual Funds	6,759,255	6,759,255	-	-
Common Stock	9,617,323	9,617,323	-	-
Real Estate Investment Trust	341,554	341,554	-	-
U.S. Government Obligation	185,057	185,057	-	-
Corporate Fixed Income	<u>520,612</u>	<u>-</u>	<u>520,612</u>	<u>-</u>
Total	<u>\$ 17,423,801</u>	<u>\$ 16,903,189</u>	<u>\$ 520,612</u>	<u>\$ -</u>

	<u>Fair Value Measurements at 6/30/23 Using</u>			
	<u>Total</u>	<u>Quoted Prices In Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Mutual Funds				
Equity Funds	\$ 3,222,393	\$ 3,222,393	\$ -	\$ -
Exchange Traded Funds	679,461	679,461	-	-
Fixed Income	<u>1,749,664</u>	<u>1,749,664</u>	-	-
Total Mutual Funds	5,651,518	5,651,518	-	-
Common Stock	9,617,926	9,617,926	-	-
Real Estate Investment Trust	306,944	306,944	-	-
U.S. Government Obligation	473,803	473,803	-	-
Corporate Fixed Income	<u>441,483</u>	<u>-</u>	<u>441,483</u>	<u>-</u>
Total	<u>\$ 16,491,674</u>	<u>\$ 16,050,191</u>	<u>\$ 441,483</u>	<u>\$ -</u>

**AAPD FOUNDATION**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2024 AND 2023**

**FAIR VALUE MEASUREMENTS (CONTINUED)**

**Level 1 Measurements**

Common stock and most U.S. Government obligations are traded in active markets on national and international securities exchanges and are valued at closing prices on the last business day of each period presented.

The fair value of the mutual funds is determined by reference to the funds' underlying assets, which are principally marketable equity and fixed income securities. Shares held in mutual funds are traded on national securities exchanges and are valued at the net asset value as of the last business day of each year.

**Level 2 Measurements**

Corporate fixed income securities are generally valued by benchmarking model-derived prices to quoted market prices and trade data for identical or comparable securities. To the extent that quoted prices are not available, fair value is determined based on a valuation model that includes inputs such as interest rate yield curves and credit spreads. Securities traded in markets that are not considered active are valued based on quoted market prices, broker or dealer quotations, or alternative pricing sources with reasonable levels of price transparency. Securities that trade infrequently and therefore have little or no price transparency are valued using the investment manager's best estimates.

The fair value of the Organization's investments in corporate fixed income bonds was \$520,612 and \$441,483 at June 30, 2024 and 2023, respectively. For the years ended June 30, 2024 and 2023, these bonds had a weighted-average coupon rate of 2.925% and 3.072% and weighted-average maturity of 4.50 and 3.89 years, respectively.

**COMMITMENTS**

The Foundation has entered into contracts for services and accommodations for future seminars. These contracts may include penalty clauses which would require the payment of certain amounts if events were to be canceled or guarantees for room blocks are not fulfilled.

The Foundation enters into agreements with organizations to help children receive the proper dental care they need. These agreements are conditional on completion of future events and requirements, and represents future disbursements. The Foundation is committed to the following disbursements provided future conditions are met:

Year ending June 30,	
2025	\$ 805,000
2026	600,000
2027	<u>60,000</u>
Total	<u>\$ 1,465,000</u>