

Fellowship of Associates of Medical Evangelism

FINANCIAL STATEMENTS

Years Ended June 30, 2025 and June 30, 2024

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L. M. HENDERSON & COMPANY LLP
CERTIFIED PUBLIC ACCOUNTANTS / ADVISORS

Fellowship of Associates of Medical Evangelism

Notes to the Financial Statements

June 30, 2025 and June 30, 2024

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Independent Auditor's Report

To the Board of Directors of
Fellowship of Associates of Medical Evangelism
Indianapolis, Indiana

Opinion

We have audited the accompanying financial statements of Fellowship of Associates of Medical Evangelism (an Indiana not-for-profit organization), which comprise the statements of financial position as of June 30, 2025 and June 30, 2024, and the related statements of activities and changes in net assets, 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 Fellowship of Associates of Medical Evangelism as of June 30, 2025 and June 30, 2024, 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 Fellowship of Associates of Medical Evangelism 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 Fellowship of Associates of Medical Evangelism'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 Fellowship of Associates of Medical Evangelism'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 Fellowship of Associates of Medical Evangelism'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.

L. M. Henderson & Company, L.L.P.

Certified Public Accountants
Indianapolis, Indiana

September 18, 2025

Fellowship of Associates of Medical Evangelism

Statements of Financial Position

at June 30, 2025 and June 30, 2024

	June 30, 2025	June 30, 2024
<u>ASSETS</u>		
<u>CURRENT ASSETS:</u>		
Cash and cash equivalents	\$ 1,058,618	\$ 1,002,941
Accounts receivable	10,362	20,431
Medical supplies inventory	574,386	569,591
Other current assets	53,922	20,448
Total current assets	<u>1,697,288</u>	<u>1,613,411</u>
<u>OTHER ASSETS:</u>		
Investments	3,532	3,653
Total other assets	<u>3,532</u>	<u>3,653</u>
<u>PROPERTY AND EQUIPMENT:</u>		
Building	920,531	920,531
Vehicles	19,134	19,134
Furniture and equipment	34,163	34,163
Computer software	30,250	30,250
Computer equipment	7,148	7,148
	<u>1,011,226</u>	<u>1,011,226</u>
Less: Accumulated depreciation	513,993	487,575
	<u>497,233</u>	<u>523,651</u>
Land	23,000	23,000
Total property and equipment	<u>520,233</u>	<u>546,651</u>
Total assets	<u>\$ 2,221,053</u>	<u>\$ 2,163,715</u>

See Notes to Financial Statements.

Fellowship of Associates of Medical Evangelism

Statements of Activities and Changes in Net Assets

Years Ended June 30, 2025 and June 30, 2024

	Year Ended June 30, 2025		Totals for the	Year Ended June 30, 2024		Totals for the
	Without Donor Restrictions	With Donor Restrictions	Year Ended June 30, 2025	Without Donor Restrictions	With Donor Restrictions	Year Ended June 30, 2024
SUPPORT AND REVENUE:						
Contributions	\$ 1,096,943	379,796	\$ 1,476,739	\$ 1,202,698	\$ 477,402	\$ 1,680,100
Gift-in-kind contributions	1,456,075	-	1,456,075	1,659,409	-	1,659,409
Gift-in-kind services	16,398	123,343	139,741	17,982	89,394	107,376
Investment return - net of expenses	-	159	159	-	(2,507)	(2,507)
Investment income	35,898	-	35,898	38,438	-	38,438
Other income	4,113	-	4,113	5,934	-	5,934
Net assets released from restriction by satisfaction of:						
Purpose restrictions	521,897	(521,897)	-	476,440	(476,440)	-
Administrative assessment	1,072	(1,072)	-	13,155	(13,155)	-
Total support and revenue	<u>3,132,396</u>	<u>(19,671)</u>	<u>3,112,725</u>	<u>3,414,056</u>	<u>74,694</u>	<u>3,488,750</u>
EXPENSES:						
Program services:						
Mission projects	2,541,888	-	2,541,888	2,866,007	-	2,866,007
Supporting activities:						
Management and general	269,545	-	269,545	270,696	-	270,696
Fundraising	287,194	-	287,194	257,794	-	257,794
Total expenses	<u>3,098,627</u>	<u>-</u>	<u>3,098,627</u>	<u>3,394,497</u>	<u>-</u>	<u>3,394,497</u>
CHANGES IN NET ASSETS	33,769	(19,671)	14,098	19,559	74,694	94,253
NET ASSETS:						
Net assets, beginning of year	1,993,889	133,164	2,127,053	1,974,330	58,470	2,032,800
Net assets, end of year	<u>\$ 2,027,658</u>	<u>\$ 113,493</u>	<u>\$ 2,141,151</u>	<u>\$ 1,993,889</u>	<u>\$ 133,164</u>	<u>\$ 2,127,053</u>

See Notes to Financial Statements.

Fellowship of Associates of Medical Evangelism

Statements of Cash Flows

For the Years Ended June 30, 2025 and June 30, 2024

	Year Ended	
	June 30, 2025	June 30, 2024
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>		
Changes in net assets	\$ 14,098	\$ 94,253
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	26,418	25,153
Amortization	-	798
Realized (gain) loss on investments	(280)	96
Unrealized loss on investments	121	2,411
Change in medical supplies inventory	(4,795)	(67,056)
(Increase) decrease in certain assets:		
Accounts receivable	10,069	(18,442)
ERTC receivable	-	89,239
Other assets	(33,474)	(3,959)
Increase (decrease) in certain liabilities:		
Accounts payable and other liabilities	43,553	(22,312)
Lease liability (operating)	-	(1,982)
Accrued salaries and payroll tax liabilities	(313)	7,480
Total adjustments	41,299	11,426
Net cash provided by operating activities	55,397	105,679
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>		
Proceeds from the sale of investments	280	607
Net cash provided by investing activities	280	607
<u>NET INCREASE IN CASH AND CASH EQUIVALENTS</u>	55,677	106,286
<u>CASH AND CASH EQUIVALENTS:</u>		
Beginning of year	1,002,941	896,655
End of year	\$ 1,058,618	\$ 1,002,941
<u>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:</u>		
Cash paid during the year for interest	\$ -	\$ 76
Gifts-in-kind received, noncash	1,456,075	1,659,409
Gifts-in-kind disbursed, noncash	1,451,280	1,592,353
Gift-in-kind services, noncash	139,741	107,376

See Notes to Financial Statements.

Fellowship of Associates of Medical Evangelism

Statement of Functional Expenses

Year Ended June 30, 2025

	Program Services	Supporting Activities			Total
	Mission Projects	Management and General	Fundraising	Total Supporting Activities	
Advertising and promotion	\$ -	\$ 200	\$ 56,454	\$ 56,654	\$ 56,654
Depreciation and amortization	16,799	1,911	7,708	9,619	26,418
Fringe benefits	24,708	11,640	8,463	20,103	44,811
Insurance, licenses, and fees	11,243	21,614	2,892	24,506	35,749
Meals	12,095	1,404	-	1,404	13,499
Mission - capital project grants	111,223	-	-	-	111,223
Mission - inventory (cash)	28,831	-	-	-	28,831
Mission - inventory and donated services (GIK)	1,583,327	7,393	-	7,393	1,590,720
Mission - scholarships	18,850	-	-	-	18,850
Occupancy	19,984	7,842	-	7,842	27,826
Office supplies	5,756	3,563	3,572	7,135	12,891
Other expenses	1,517	-	-	-	1,517
Payroll taxes	15,420	7,290	5,327	12,617	28,037
Postage and shipping	29,512	2,111	1,729	3,840	33,352
Professional fees	12,307	37,417	35,220	72,637	84,944
Repairs and maintenance	4,366	1,799	792	2,591	6,957
Salaries	341,525	159,976	115,162	275,138	616,663
Telecommunications	5,756	3,377	2,146	5,523	11,279
Travel	298,669	2,008	47,729	49,737	348,406
Total functional expenses	\$ 2,541,888	\$ 269,545	\$ 287,194	\$ 556,739	\$ 3,098,627

See Notes to Financial Statements.

Fellowship of Associates of Medical Evangelism

Statement of Functional Expenses

Year Ended June 30, 2024

	Program	Supporting Activities			Total
	Services	Management	Fundraising	Total	
	Mission	and		Supporting	
	Projects	General		Activities	Total
Advertising and promotion	\$ -	\$ -	\$ 58,403	\$ 58,403	\$ 58,403
Depreciation and amortization	16,609	1,817	7,525	9,342	25,951
Fringe benefits	18,951	9,082	7,712	16,794	35,745
Insurance, licenses, and fees	10,093	27,972	-	27,972	38,065
Interest	15	23	38	61	76
Meals	10,615	996	-	996	11,611
Mission - capital project grants	354,854	-	-	-	354,854
Mission - inventory (cash)	22,444	-	-	-	22,444
Mission - inventory and donated services (GIK)	1,681,748	17,682	-	17,682	1,699,430
Mission - scholarships	21,200	-	-	-	21,200
Occupancy	18,698	6,401	-	6,401	25,099
Office supplies	8,740	3,547	-	3,547	12,287
Other expenses	1,832	-	-	-	1,832
Payroll taxes	15,023	6,975	4,829	11,804	26,827
Postage and shipping	50,839	1,395	1,795	3,190	54,029
Professional fees	9,472	36,303	24,986	61,289	70,761
Repairs and maintenance	5,566	2,571	92	2,663	8,229
Salaries	314,303	149,637	101,646	251,283	565,586
Telecommunications	5,515	3,376	2,363	5,739	11,254
Travel	299,490	2,919	48,405	51,324	350,814
Total functional expenses	\$ 2,866,007	\$ 270,696	\$ 257,794	\$ 528,490	\$ 3,394,497

Fellowship of Associates of Medical Evangelism

Notes to the Financial Statements

June 30, 2025 and June 30, 2024

Note 1: NATURE OF CORPORATION

Fellowship of Associates of Medical Evangelism (FAME), an Indiana not-for-profit corporation, is a network of medical professionals, evangelists, missionaries, and other dedicated workers in over 30 countries.

FAME exists to spread the fame of Jesus Christ to all nations through medical evangelism. FAME has a special focus of bringing help and hope to people in underdeveloped nations and providing badly needed assistance to the least-reached and under-served. FAME is making a difference by providing medical facilities, medicines, and medical equipment and by mobilizing medical personnel and evangelistic teams to serve the poorest of the poor around the world.

FAME receives the majority of its support in the form of contributions from individuals, churches, businesses, civic organizations, and foundation grants.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Net assets and revenues and expenses are classified based on the existence or absence of donor-imposed restrictions. The expiration of a donor-imposed restriction on a contribution is recognized in the period in which the restriction expires and at the time the related resources are reclassified to unrestricted net assets. A restriction expires when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Use of 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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Reclassifications

Certain reclassifications have been made to the prior period amounts to conform to the current presentation.

Lease Standard

FAME follows the Financial Accounting Standards Board's (FASB) Accounting Standards Update (ASU) 2016-02, *Leases* (Topic 842) and all subsequent lease related ASUs. This standard modifies the guidance used by lessors and lessees to account for leasing transactions. FAME adopted ASU 2016-02 using the optional transition method, which allows for prospective application of the standard. In addition, FAME elected practical expedients permitted under the transition guidance permitting FAME to not assess historical lease classification, prior conclusions related to indirect costs, and whether any expired or existing contracts are or contain leases. See Notes 14 and 15 for additional information.

Fellowship of Associates of Medical Evangelism

Notes to the Financial Statements

June 30, 2025 and June 30, 2024

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and Cash Equivalents and Credit Risk

For purposes of the statements of cash flows, FAME considers cash to be amounts in checking and savings accounts, money market accounts, and cash on hand. FAME has not experienced any losses in such accounts. Financial instruments that potentially subject FAME to credit risk are unsecured deposits with Christian Financial Resource (CFR), a not-for-profit corporation, of approximately \$324,191 and \$384,907 as of June 30, 2025 and June 30, 2024, respectively. FAME believes it is not exposed to any significant credit risk on this bank account.

FAME maintains cash balances with financial institutions which may exceed the Federal Deposit Insurance Corporation limit of \$250,000.

In accordance with FASB Accounting Standards Codification (ASC) 825-10-50-20, credit risk is the possibility that a loss may occur from the failure of another party to perform according to the terms of a contract. Bank deposits are federally insured up to \$250,000 for each account owned at a federally insured bank. The following are deposits in excess of federally insured limits for the years ended June 30, 2025 and June 30, 2024, respectively:

	June 30, 2025	June 30, 2024
Deposits	\$ 500,991	\$ 528,145
Federally insured	<u>500,991</u>	<u>500,926</u>
Deposits in excess of federally insured limits	<u>\$ -</u>	<u>\$ 27,219</u>

Advertising Expenses

Advertising costs are expensed as incurred. Advertising and promotion expense totaled \$28,377 and \$36,726 for the years ended June 30, 2025 and June 30, 2024, respectively.

Medical Supplies Inventory

Medical supplies inventory is composed of donated medicine as well as medical supplies and equipment. All are valued at the fair value of the donated item. Medicine is valued based on internet pricing from sources such as HenrySchein.com and Blessing.org which are deemed reliable. Medicine with overdue expiration dates is not included in inventory. Medical supplies and equipment are valued at 80% of the average cost from three sources including internet, catalogs, and other sources deemed reliable.

Property, Equipment, and Depreciation

Items greater than \$2,500 are capitalized as property and equipment and are reported at cost or, if donated, at fair market value on the date of donation. FAME reports donations of property and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Absent explicit donor stipulations about how long those long-lived assets must be maintained, FAME reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Fellowship of Associates of Medical Evangelism

Notes to the Financial Statements

June 30, 2025 and June 30, 2024

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property and equipment are depreciated using the straight-line method over their estimated useful lives as follows:

Buildings	40 years
Leasehold Improvements	10 years
Furniture	7-10 years
Vehicles	5 years
Office equipment	5 years
Computer equipment	5-10 years
Computer software	5 years

Net Assets

The statements report amounts separately by class of net assets:

Net assets without donor restrictions are currently available for ministry purposes under the direction of the Board and resources invested in property and equipment. Net investment in property and equipment represents the net carrying value of property and equipment, less outstanding debt balances used to finance its acquisition.

Net assets without donor restrictions, Board designated are without external donor restrictions but require Board authorization for use.

Net assets with donor restrictions are stipulated by donors for specific operating purposes or not currently available for use until commitments regarding their use have been fulfilled.

Support, Revenue, and Reclassifications

FAME follows ASU 2014-09, *Revenue from Contracts with Customers* and all subsequent amendments to the ASU (collectively, Topic 606) for recognition of revenue. Topic 606 creates a single framework for recognizing revenue from contracts with customers and grantors that fall within the scope of the standard.

Gifts of cash and other assets are reported as donor restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor 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 and reported in the statements of activities as net assets released from restrictions. Donor restricted contributions released in the same year have been reported as contributions with donor restrictions with a corresponding release to contributions with donor restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law.

Donor restrictions on gifts to acquire long-lived assets are considered met in the period in which the assets are acquired or placed in service. Contributions, including unconditional promises to give, are reported as support in the period received. Conditional promises to give are not reported until the conditions on which they depend are substantially met. Noncash gifts, including gifts-in-kind, are reported at their estimated fair market value on the date of the gift. Noncash gifts-in-kind include inventory and professional services. The donated professional services are from FAME’s auditors and medical professionals who volunteer on mission trips. Revenue is reported when earned.

Fellowship of Associates of Medical Evangelism

Notes to the Financial Statements

June 30, 2025 and June 30, 2024

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Expenses, Functional Allocation of Expenses, and Joint Costs

Expenses are reported when incurred.

The costs of providing the various program services and supporting activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs, such as depreciation, interest, and payroll have been allocated among the program services and supporting activities benefited. FAME incurred joint advertising costs of \$28,377 for the year ended June 30, 2025. The entire amount of \$28,377 was allocated to fundraising. FAME incurred advertising costs of \$36,726 for the year ended June 30, 2024. The entire amount of \$36,726 was allocated to fundraising.

Subsequent Events

Management has evaluated subsequent events through September 18, 2025, the date that the financial statements were available to be issued.

Note 3: INVESTMENT INCOME

Investment income is comprised of interest earned on an interest bearing savings account and dividends from securities and totaled approximately \$35,898 and \$38,438 for the years ended June 30, 2025 and June 30, 2024, respectively.

Note 4: INVESTMENTS

FAME’s investments that are with donor restrictions consisted of the following at June 30, 2025 and June 30, 2024:

	<u>June 30, 2025</u>		<u>June 30, 2024</u>	
	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>
Common stocks	\$ <u>3,637</u>	\$ <u>3,532</u>	\$ <u>3,637</u>	\$ <u>3,653</u>
Total investments	\$ <u>3,637</u>	\$ <u>3,532</u>	\$ <u>3,637</u>	\$ <u>3,653</u>

FAME’s investments, (including investments sold and held during the year) appreciated, net of expenses, by \$159 for the year ended June 30, 2025 and depreciated, net of expenses, by \$(2,507) for the year ended June 30, 2024.

Fellowship of Associates of Medical Evangelism

Notes to the Financial Statements

June 30, 2025 and June 30, 2024

Note 5: FAIR VALUE MEASUREMENTS

FASB ASC 820, *Fair Value Measurements*, established a framework for measuring fair value. The framework 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 or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1 Inputs: Unadjusted quoted prices for identical assets or liabilities in active markets that the Corporation has the ability to access;

Level 2 Inputs: Inputs other than quoted prices included in Level 1 that are observable for the assets and liabilities either directly or indirectly; and

Level 3 Inputs: Unobservable inputs based on the Corporation’s own assumptions.

The assets or liabilities 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 used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodology used for assets and liabilities measured at fair value. There have been no changes in the methodology used at June 30, 2025 and June 30, 2024.

Common stocks: Fair market value was determined based on market approach using quoted market values. When quoted market values are not available market value was determined based on the most recent price of the equivalent quoted yield for the investment, or those of comparable maturity, quality, and type.

Fair value recognized on the statement of financial position on a recurring basis at June 30, 2025 was as follows:

<u>Fair value at June 30, 2025:</u>	<u>Fair Value Measurements at Reporting Date Using</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total Fair Value</u>
Common stocks	\$ 3,532	\$ -	\$ -	\$ 3,532
Totals	\$ 3,532	\$ -	\$ -	\$ 3,532

Fellowship of Associates of Medical Evangelism

Notes to the Financial Statements

June 30, 2025 and June 30, 2024

Note 5: FAIR VALUE MEASUREMENTS (continued)

Fair value recognized on the statement of financial position on a recurring basis at June 30, 2024, was as follows:

<u>Fair value at June 30, 2024:</u>	<u>Fair Value Measurements at Reporting Date Using</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total Fair Value</u>
Common stocks	\$ 3,653	\$ -	\$ -	\$ 3,653
Totals	<u>\$ 3,653</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,653</u>

Note 6: NET ASSETS

Net assets consist of:

	<u>June 30, 2025</u>	<u>June 30, 2024</u>
Net assets without donor restrictions:		
Undesignated	\$ 1,507,425	\$ 1,447,238
Net investment in property and equipment	<u>520,233</u>	<u>546,651</u>
Total net assets without restrictions	<u>\$ 2,027,658</u>	<u>\$ 1,993,889</u>
Net assets with donor restrictions:		
Sustainable projects	\$ 6,435	\$ 10,260
Scholarships	25,831	15,917
Shipping	5,223	6,176
CHE Training	11,623	11,623
Emergency fund	550	12,568
Mobilization	<u>63,831</u>	<u>76,620</u>
Total net assets with donor restrictions	<u>\$ 113,493</u>	<u>\$ 133,164</u>

As of June 30, 2025 and June 30, 2024, available liquid assets were sufficient relative to net assets with donor restrictions.

Note 7: EMPLOYEE BENEFIT PLANS

Effective January 1, 2011, FAME established a 403(b) Retirement plan under section 403(b)(9) of the Internal Revenue Code (Code). Employer contributions are 3% of eligible compensation with discretionary matching contributions up to 5%. Contributions were approximately \$44,642 and \$35,121 for the years ended June 30, 2025 and June 30, 2024, respectively.

Fellowship of Associates of Medical Evangelism

Notes to the Financial Statements

June 30, 2025 and June 30, 2024

Note 8: RELATED PARTY TRANSACTIONS

FAME has various transactions which are related because of a common Board of Directors or because individuals within the Corporation have significant influence over how resources are directed.

Year Ended June 30, 2025:

	Contributions <u>Received</u>
East 91 st Street Christian Church	\$ 71,335
Greenwood Christian Church	38,590
The Creek (Indian Creek Christian Church)	32,500
Plainfield Christian Church	20,000
Chapel Rock Christian Church	15,212
Lebanon Christian Church	15,000
Fairhaven Christian Church	14,637
Samaria Christian Church	5,800
Rockville Christian Church	3,300
Fortville Christian Church	1,150

Year Ended June 30, 2024:

	Contributions <u>Received</u>
Greenwood Christian Church	\$ 39,935
Plainfield Christian Church	20,500
Chapel Rock Christian Church	18,902
Samaria Christian Church	15,207
The Creek (Indian Creek Christian Church)	15,000
East 91 st Street Christian Church	13,480
First Christian Church, Johnson Cnty, TN	7,660
Fairhaven Christian Church	6,940
Rockville Christian Church	3,000

Note 9: CONTINGENCIES

FAME is contingently liable for scholarships to individuals serving with established partners. Payment is conditional upon recipients remaining in school, serving with a FAME-approved partner mission, and providing an annual update that confirms satisfactory grades and progress.

<u>Year Ending June 30,</u>	<u>Amounts</u>
2026	\$ 12,300
2027	7,500
2028	4,350
Total	<u>\$ 24,150</u>

Fellowship of Associates of Medical Evangelism

Notes to the Financial Statements

June 30, 2025 and June 30, 2024

Note 10: LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects FAME’s financial assets available as of June 30, 2025 and June 30, 2024, reduced by amounts not available for general use because of donor-imposed restrictions within one year of the year ended:

	June 30, <u>2025</u>	June 30, <u>2024</u>
Financial assets, at year end*	\$ 1,072,512	\$ 1,027,025
Less financial assets unavailable for general expenditures within one year, due to:		
Donor-imposed restrictions:		
Restrictions by donor with purpose restrictions	<u>113,493</u>	<u>133,164</u>
Total	<u>\$ 959,019</u>	<u>\$ 893,861</u>

**Total assets, less nonfinancial assets*

FAME is substantially supported by restricted contributions. Because a donor’s restriction requires resources to be used in a particular manner, FAME must maintain sufficient resources to those responsibilities to its donors. Thus, financial assets may not be available for general expenditures within one year. As part of FAME’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. At June 30, 2025 and June 30, 2024, FAME held \$4,523 and \$4,579, respectively, in an investment account which is available for scholarships if needed.

Note 11: TAX STATUS

On January 13, 2010, the corporation has been determined by the Internal Revenue Service to be tax exempt under Section 501(c)(3) of the Code. FAME is also classified as a publicly supported corporation, which is not a private corporation under Section 509(a)(2) of the Code. Contributions to FAME are deductible for income tax purposes.

Management evaluates all tax positions taken or expected to be taken on its annual information returns, including the position that the corporation continues to qualify to be treated as a Section 501(c)(3) corporation for both federal and state purposes. For the years ended June 30, 2025 and June 30, 2024, management does not feel it has taken any tax positions that would not be sustained under examination. Therefore, no interest or penalties have been accrued or charged to expense as of June 30, 2025 and June 30, 2024, or the periods then ended. The annual information returns for the corporation are subject to examination by taxing authorities for a period of three years from the date they are filed.

Fellowship of Associates of Medical Evangelism

Notes to the Financial Statements

June 30, 2025 and June 30, 2024

Note 12: GIFT-IN-KIND CONTRIBUTED SERVICES AND GOODS

A number of volunteers have donated significant amounts of their time to the Organization's program services; however, these contributed services are not reflected in the financial statements. The services do not meet the criteria for recognition as contributed services according to FASB ASC 958-605.

Contributed services performed by individuals that are engaged in a business that normally provides that service for a profit is recorded based on the amounts the business normally charges for that service. During the years ended June 30, 2025 and June 30, 2024, FAME received contributed services from certified medical professionals to aid with their mission projects and from certified financial professionals to help with the general management of FAME. These gift-in-kind contributed services are reported as gift-in-kind services revenue and are included as program services and supporting activity expenses on the statements of activities and changes in net assets. Contributed medical services are reported as donor restricted revenue.

Contributed inventory items are reported at fair market value and are recognized as an inventory item when received and as revenue and expenses when used. For the years ended June 30, 2025 and June 30, 2024, the Organization's inventory of gift-in-kind contributions of medicine and medical supplies had a fair value of \$574,386 and \$569,591, respectively, and is reported on the statements of financial position. Inventory items used in mission projects, or where needed, during the fiscal year are reported as gift-in-kind contributions revenue and are included in the program services expense on the statements of activities and changes in net assets.

The following contributed services and goods have been included in the statements of activities as revenue at their fair market value:

	Year Ended	
	June 30, 2025	June 30, 2024
Contributed professional fees:		
Medical services	\$ 132,048	\$ 99,951
Advertising and event promotion services	300	300
Accounting services	<u>7,393</u>	<u>7,125</u>
Total contributed services	<u>139,741</u>	<u>107,376</u>
Contributed mission inventory:		
Medicine	18,299	68,492
Medical supplies	<u>1,437,776</u>	<u>1,590,917</u>
Total contributed goods	<u>1,456,075</u>	<u>1,659,409</u>
Total contributed services and goods	<u>\$ 1,595,816</u>	<u>\$ 1,766,785</u>

Fellowship of Associates of Medical Evangelism

Notes to the Financial Statements

June 30, 2025 and June 30, 2024

Note 13: FUNCTIONAL EXPENSES

FAME operates a mission projects program that is focused on providing medical facilities, medicines, and medical equipment while also mobilizing medical personnel and evangelistic teams to serve the people of underdeveloped nations around the world. Program services expense was \$2,541,888 and \$2,866,007 and support services expense was \$556,739 and \$528,490 for the years ended June 30, 2025 and June 30, 2024, respectively.

The allocation between program services and support services was determined using specific factors. Various expenses were fully allocated to program services because they were for the use of FAME's mission projects. Other expenses were allocated between program and support services using percentages that were derived from the time allocation of the employees of FAME, usage of FAME's equipment, and the square footage of FAME's building.

Note 14: LESSEE COMMITMENT

FAME held an operating lease with a non-related party for office equipment. During 2020, FAME entered into a non-cancelable lease with a non-related party for a copier that expired in June 2024. The lease had no early termination clause. There are no variable lease payments, no residual value guarantees, and no restrictions or covenants imposed by the lease. Lease payments for this operating lease were \$-0- and \$1,982 at June 30, 2025 and June 30, 2024, respectively.

In accordance with ASU 2016-01 right-of-use asset and lease liabilities (operating) were recorded for one lease during 2023. The lease had a 5.745% discount rate. As of June 30, 2024 the right-of-use asset for the copier was \$7,980 and the associated right-of-use accumulated amortization was fully amortized. Due to lease completion at June 30, 2024 and FAME's decision to keep the copier, the right-of-use asset total and accumulated amortization are now included in property and equipment on the statements of financial position.

Note 15: LESSOR COMMITMENT

FAME leases office space to various mission-focused organizations, under month-to-month operating leases that can be terminated by either the lessor or lessee with a 30-day written notice, with no option to renew. The accounting policy election under FASB ASC 842-20-50-4 and 50-8 for leases with a term of twelve months or less was elected and those short-term leases were omitted on the balance sheet of FAME. In leasing office spaces, FAME is intentionally partnering with other mission-focused organizations and use of the office spaces at the FAME facility is restricted to mission-related business activities. During the year ended June 30, 2025, only one operating lease was still active, until the lessee terminated the month-to-month lease in March 2025. Total lease income recognized from the operating lease was \$3,200 and \$4,800 at June 30, 2025 and June 30, 2024, respectively. As of June 30, 2025, there are no active office space leases.

Fellowship of Associates of Medical Evangelism

Notes to the Financial Statements

June 30, 2025 and June 30, 2024

Note 16: REVENUE FROM CONTRACTS WITH CUSTOMERS

FAME’s revenue from contracts in the scope of Topic 606 is recognized within revenue on the financial statements. The following table reflects only the categories of income that are within the scope of Topic 606:

	June 30, 2025	June 30, 2024
Contributions	\$ 1,476,739	\$ 1,680,100
Gift-in-kind contributions	1,456,075	1,659,409
Gift-in-kind services	<u>139,741</u>	<u>107,376</u>
Totals	<u>\$ 3,072,555</u>	<u>\$ 3,446,885</u>

The adoption of Topic 606 did not have a material impact on the financial position, activities, net assets, or cash flows. A description of the revenue categories is provided below.

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

Gift-in-kind contributions: FAME receives contributions of medical supplies in conjunction with its mission. In-kind contributions are recognized at the estimated fair value at the time of the gift.

Gift-in-kind services: FAME receives contributions of in-kind medical services from professionals that volunteer for mission trips as well as donated professional services from its auditors. In-kind services are recognized at fair market value at time of service.

Note 17: EMPLOYEE RETENTION TAX CREDIT

Under the provisions of the Coronavirus Aid, Relief, and Economic Security Act (the “CARES Act”) signed into law on March 27, 2020 and the subsequent extension of the CARES act, FAME was eligible for a refundable employee retention tax credit against certain employment taxes of up to \$5,000 per employee for eligible employers. The tax credit is equal to 50% of qualified wages paid to employees during a quarter, capped at \$10,000 of qualified wages per employee through December 31, 2020. Additional relief provisions were passed by the United States government, which extend and slightly expand the qualified wage caps on these credits through September 30, 2021, when the program was discontinued. Based on the additional provisions, the tax credit was equal to 70% of qualified wages paid to employees during a quarter, and the limit on qualified wages per employee was increased to \$10,000 of qualified wages per quarter. FAME qualified for the tax credit under the CARES Act and during the fiscal year ending on June 30, 2023, FAME recorded \$89,239 related to the CARES Employee Retention credit in “Employee retention tax credit” on FAME’s statements of activities and change in net assets. The organization received the tax credit during the fiscal year June 30, 2024. It is also noted that \$5,631 of interest on the CARE Employee Retention credit was received during the fiscal year June 30, 2024, bringing the total amount received related to the CARES Employee Retention credit to \$94,870.

