

**SW FOUNDATION FOR OSTEOPATHIC
EDUCATION AND RESEARCH
DBA: COALITION FOR OSTEOPATHIC EXCELLENCE**

**FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2025 AND 2024**



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**SW FOUNDATION FOR OSTEOPATHIC EDUCATION AND RESEARCH
DBA: COALITION FOR OSTEOPATHIC EXCELLENCE
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YEARS ENDED JUNE 30, 2025 AND 2024**

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INDEPENDENT AUDITORS' REPORT

Board of Directors
SW Foundation for Osteopathic Education and Research
dba: Coalition for Osteopathic Excellence
Las Cruces, New Mexico

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of SW Foundation for Osteopathic Education and Research dba: Coalition for Osteopathic Excellence (the Organization), which comprise the statements of financial position as of June 30, 2025 and 2024, 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 Organization as of June 30, 2025 and 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 (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization 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 Organization's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, 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 Organization'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 Organization'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.



CliftonLarsonAllen LLP

Las Cruces, New Mexico
October 29, 2025

SW FOUNDATION FOR OSTEOPATHIC EDUCATION AND RESEARCH
DBA: COALITION FOR OSTEOPATHIC EXCELLENCE
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
ASSETS		
Cash	\$ 578,760	\$ 425,361
Investments	1,936,479	1,447,906
Pledges Receivable, Net	1,223,547	1,229,246
Prepaid Expenses	7,266	6,021
Property, Net	<u>2,477,937</u>	<u>2,543,977</u>
Total Assets	<u><u>\$ 6,223,989</u></u>	<u><u>\$ 5,652,511</u></u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable	\$ 3,451	\$ 4,737
Notes Payable	<u>2,224,088</u>	<u>2,359,135</u>
Total Liabilities	<u>2,227,539</u>	<u>2,363,872</u>
NET ASSETS		
Without Donor Restrictions	359,087	204,142
Without Donor Restrictions - Board Designated	130,337	130,337
With Donor Restrictions	<u>3,507,026</u>	<u>2,954,160</u>
Total Net Assets	<u>3,996,450</u>	<u>3,288,639</u>
Total Liabilities and Net Assets	<u><u>\$ 6,223,989</u></u>	<u><u>\$ 5,652,511</u></u>

See accompanying Notes to Financial Statements.

SW FOUNDATION FOR OSTEOPATHIC EDUCATION AND RESEARCH
DBA: COALITION FOR OSTEOPATHIC EXCELLENCE
STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2025 AND 2024

	2025			2024		
	Net Assets without Donor Restrictions	Net Assets with Donor Restrictions	Total	Net Assets without Donor Restrictions	Net Assets with Donor Restrictions	Total
REVENUE AND SUPPORT						
Public Support	\$ 103,826	\$ 1,133,739	\$ 1,237,565	\$ 162,306	\$ 130,626	\$ 292,932
Rental Income	305,000	-	305,000	305,000	-	305,000
Stewardship Fees	68,125	36,125	104,250	47,000	-	47,000
Interest Income	2,469	25,546	28,015	37,452	-	37,452
Gain on Investments	28,250	66,515	94,765	9,627	63,927	73,554
Net Assets Released from Restrictions	709,059	(709,059)	-	1,182,286	(1,182,286)	-
Total Revenue and Support	1,216,729	552,866	1,769,595	1,743,671	(987,733)	755,938
EXPENSES						
Program Expenses	724,261	-	724,261	1,193,831	-	1,193,831
Management and General Expenses	304,089	-	304,089	311,472	-	311,472
Fundraising Expenses	33,434	-	33,434	118,909	-	118,909
Total Expenses	1,061,784	-	1,061,784	1,624,212	-	1,624,212
CHANGE IN NET ASSETS	154,945	552,866	707,811	119,459	(987,733)	(868,274)
Net Assets - Beginning of Year	334,479	2,954,160	3,288,639	215,020	3,941,893	4,156,913
NET ASSETS - END OF YEAR	<u>\$ 489,424</u>	<u>\$ 3,507,026</u>	<u>\$ 3,996,450</u>	<u>\$ 334,479</u>	<u>\$ 2,954,160</u>	<u>\$ 3,288,639</u>

See accompanying Notes to Financial Statements.

**SW FOUNDATION FOR OSTEOPATHIC EDUCATION AND RESEARCH
DBA: COALITION FOR OSTEOPATHIC EXCELLENCE
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2025**

	Program Services Education and Research Program	Supporting Activities Management and General	Supporting Activities Fundraising	Total Expenses
Bank Charges	\$ -	\$ 1,634	\$ -	\$ 1,634
Contracted Services	44,579	56,632	33,434	134,645
Dues and Subscriptions	-	2,491	-	2,491
Miscellaneous	-	6,837	-	6,837
Scholarships	679,682	-	-	679,682
Supplies	-	256	-	256
Travel	-	5,379	-	5,379
Building	-	54,161	-	54,161
Interest	-	110,659	-	110,659
Depreciation	-	66,040	-	66,040
Total Functional Expenses	<u>\$ 724,261</u>	<u>\$ 304,089</u>	<u>\$ 33,434</u>	<u>\$ 1,061,784</u>

See accompanying Notes to Financial Statements.

SW FOUNDATION FOR OSTEOPATHIC EDUCATION AND RESEARCH
DBA: COALITION FOR OSTEOPATHIC EXCELLENCE
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2024

	Program Services Education and Research Program	Supporting Activities Management and General	Supporting Activities Fundraising	Total Expenses
Bank Charges	\$ -	\$ 549	\$ -	\$ 549
Contracted Services	53,545	65,160	118,909	237,614
Dues and Subscriptions	-	1,642	-	1,642
Miscellaneous	-	6,286	-	6,286
Scholarships	1,140,286	-	-	1,140,286
Supplies	-	302	-	302
Travel	-	-	-	-
Building	-	53,362	-	53,362
Interest	-	117,299	-	117,299
Depreciation	-	66,872	-	66,872
Total Functional Expenses	<u>\$ 1,193,831</u>	<u>\$ 311,472</u>	<u>\$ 118,909</u>	<u>\$ 1,624,212</u>

See accompanying Notes to Financial Statements.

**SW FOUNDATION FOR OSTEOPATHIC EDUCATION AND RESEARCH
DBA: COALITION FOR OSTEOPATHIC EXCELLENCE
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2025 AND 2024**

	<u>2025</u>	<u>2024</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 707,811	\$ (868,274)
Adjustment to Reconcile Change in Net Assets to		
Net Cash Provided (Used) by Operating Activities:		
Depreciation	66,040	66,872
Amortization of Pledge Discount	(10,704)	(13,308)
Gain on Investments	(94,765)	(73,554)
(Increase) Decrease in Current Assets:		
Pledges Receivable	16,403	250,185
Prepaid Expenses	(1,245)	199
Increase in Current Liabilities:		
Accounts Payable	(1,286)	2,245
Net Cash Provided (Used) by Operating Activities	<u>682,254</u>	<u>(635,635)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Investments	(2,472,916)	(2,066,280)
Proceeds from Sales of Investments	<u>2,079,108</u>	<u>2,100,934</u>
Net Cash Provided (Used) by Investing Activities	(393,808)	34,654
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of Notes Payable	<u>(135,047)</u>	<u>(128,406)</u>
Net Cash Used by Financing Activities	(135,047)	(128,406)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	153,399	(729,387)
Cash and Cash Equivalents - Beginning of Year	<u>425,361</u>	<u>1,154,748</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 578,760</u>	<u>\$ 425,361</u>

See accompanying Notes to Financial Statements.

SW FOUNDATION FOR OSTEOPATHIC EDUCATION AND RESEARCH
DBA: COALITION FOR OSTEOPATHIC EXCELLENCE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

SW Foundation for Osteopathic Education and Research dba: Coalition for Osteopathic Excellence (the Organization) is a nonprofit organization incorporated under the laws of the state of New Mexico in 2016. The purpose of the Organization is to financially support osteopathic medical students attending the Burrell College of Osteopathic Medicine (BCOM), as well as the college's ongoing research initiatives. The Organization is exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code.

Basis of Presentation

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 (GAAP).

The Organization presents information regarding its financial position and activities according to three classes of net assets as determined by restrictions imposed by the donor. These are:

Net Assets without Donor Restrictions – Net assets that are not subject to donor-imposed restrictions.

Net Assets without Donor Restrictions – Board Designated – Net assets that are not subject to donor-imposed restrictions. Net assets that are designated for specific purposes by action of the board of directors.

Net Assets with Donor Restrictions – Net assets whose use by the Organization is subject to donor-imposed restrictions that can be fulfilled by actions of the Organization pursuant to those restrictions or that expire by the passage of time. Net assets may be subject to donor-imposed restrictions that they be maintained permanently by the Organization but permit the Organization to use or expend part or all of the income derived from the donated assets for either specified or unspecified purposes.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Net assets with donor restrictions which are met in the current period are reclassified to net assets without donor restrictions and reported as net assets released from restrictions. Expenses are reported as decreases in net assets without donor restrictions.

Use of Estimates

The preparation 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.

SW FOUNDATION FOR OSTEOPATHIC EDUCATION AND RESEARCH
DBA: COALITION FOR OSTEOPATHIC EXCELLENCE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Organization considers all short-term debt securities with original maturities of three months or less to be cash equivalents, as well as amounts deposited in money market funds and checking accounts.

Investments

Investment purchases are recorded at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statements of financial position.

Pledges Receivable

Pledges receivables that are expected to be collected within one year are recorded at net realizable value. Pledges receivables expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in support revenue in the statements of activities. The allowance for uncollectible promises to give based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Promises to give are written off when deemed uncollectible. At June 30, 2025 and 2024, no allowance was deemed necessary.

Property and Equipment

Property and equipment are carried at cost or, if donated, at the estimated market value at the time of donation. Depreciation is computed by using the straight-line basis over the estimated useful lives of the assets. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any gain or loss is recognized as revenue or expense for the period. The cost of maintenance and repairs is charged to expense as incurred; significant renewals and betterments are capitalized. Assets acquired with a value greater than \$5,000 are capitalized and depreciated over their estimated useful lives.

Revenue Recognition

The Organization recognizes contributions when cash, securities or other assets, or an unconditional promise to give 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 the conditions on which they depend have been substantially met. Stewardship fees are recognized when performance obligations related to the gift are met. The Organization recognizes revenue from rental income when the performance obligations are met, which is monthly.

Advertising Expense

Advertising costs are expensed as incurred. Advertising and promotion expense was \$253 and \$-0- for the years ended June 30, 2025 and 2024, respectively.

SW FOUNDATION FOR OSTEOPATHIC EDUCATION AND RESEARCH
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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional Allocation of Expenses

Expenses that can be identified with a specific program or support services are charged directly to that program or support service. Management and general expenses include those costs that are not directly identifiable with any specific program, but which provide for the overall support and direction of the Organization.

Income Taxes

The Organization is exempt from federal and state income taxation under section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income. The Organization is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS.

Subsequent Events

The Organization has evaluated subsequent events through October 29, 2025, the date on which the financial statements were available to be issued; none have been determined to be material.

NOTE 2 PLEDGES RECEIVABLE

Pledges receivables are estimated to be collected as follows at June 30:

	<u>2025</u>	<u>2024</u>
Less than One Year	\$ 361,882	\$ 6,152
In One to Five Years	<u>877,867</u>	<u>1,250,000</u>
Total	1,239,749	1,256,152
Less: Discount at 1.1%	<u>(16,202)</u>	<u>(26,906)</u>
Total Pledges Receivable	<u><u>\$ 1,223,547</u></u>	<u><u>\$ 1,229,246</u></u>

At June 30, 2025, two donors accounted for 97% of total pledges receivable. At June 30, 2024, one donor accounted for 99% of total pledges receivable.

SW FOUNDATION FOR OSTEOPATHIC EDUCATION AND RESEARCH
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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 3 PROPERTY

Property was as follows at June 30:

	2025	2024
Buildings and Improvements	\$ 2,646,576	\$ 2,646,576
Artwork	45,486	45,486
Total	2,692,062	2,692,062
Less: Accumulated Depreciation	(214,125)	(148,085)
Property, Net	<u>\$ 2,477,937</u>	<u>\$ 2,543,977</u>

Depreciation expense for the years ended June 30, 2025 and 2024 was \$66,040 and \$66,873, respectively.

NOTE 4 FAIR VALUE MEASUREMENTS

Certain assets are reported at fair value in the financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Organization can access at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.

Level 3 – Unobservable inputs for the asset or liability. In these situations, we develop inputs using the best information available in the circumstances.

In some cases, the inputs used to measure the fair value of an asset or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgment, taking into account factors specific to the asset or liability.

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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 4 FAIR VALUE MEASUREMENTS (CONTINUED)

The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to our assessment of the quality, risk, or liquidity profile of the asset or liability.

The following tables present assets measured at fair value on a recurring basis, at June 30:

2025				
	Level 1	Level 2	Level 3	Total
Investments:				
Common Stock	\$ 514,628	\$ -	\$ -	\$ 514,628
Fixed Income and Municipal Bonds	-	604,880	-	604,880
U.S. Treasuries	673,881	-	-	673,881
Total	<u>\$ 1,188,509</u>	<u>\$ 604,880</u>	<u>\$ -</u>	1,793,389
Cash and Cash Equivalents				143,090
Total Investments				<u>\$ 1,936,479</u>

2024				
	Level 1		Level 3	Total
Investments:				
Common Stock	\$ 325,027	\$ -	\$ -	\$ 325,027
Real Estate	20,216	-	-	20,216
Fixed Income and Municipal Bonds	-	381,330	-	381,330
U.S. Treasuries	646,546	-	-	646,546
Total	<u>\$ 991,789</u>	<u>\$ 381,330</u>	<u>\$ -</u>	1,373,119
Cash and Cash Equivalents				74,787
Total Investments				<u>\$ 1,447,906</u>

NOTE 5 NET ASSETS WITH DONOR RESTRICTIONS

Total net assets with donor restrictions are as follows at June 30:

	2025	2024
Subject to Expenditure for Specified Purpose or Time:		
Scholarships	\$ 1,400,083	\$ 907,800
Endowment Earnings	151,943	81,360
Total Purpose and Time Restrictions	1,552,026	989,160
Endowment Fund to be Maintained in Perpetuity	1,955,000	1,965,000
Total Net Assets with Donor Restrictions	<u>\$ 3,507,026</u>	<u>\$ 2,954,160</u>

SW FOUNDATION FOR OSTEOPATHIC EDUCATION AND RESEARCH
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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 5 NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)

Net assets were released from donor restrictions as expenses were incurred satisfying the restricted purposes or by the passage of time or the occurrence of other events specified by donors as follows for the years ended June 30, 2025 and 2024:

	2025	2024
Scholarships	\$ 677,581	\$ 1,167,286
Stewardship and Admin Fees	31,478	15,000
Total Net Assets Released from Donor Restrictions	<u>\$ 709,059</u>	<u>\$ 1,182,286</u>

NOTE 6 NET ASSETS WITHOUT DONOR RESTRICTIONS – BOARD DESIGNATED

Board designated net assets are made up of a quasi-endowment that is board designated for scholarships. For the years ended June 30, 2025 and 2024, the balance has remained consistent at \$130,337.

NOTE 7 ENDOWMENT

The endowment was established by a donor to provide annual funding for scholarships.

The board of directors has interpreted the New Mexico Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the date of the donor-restricted endowment funds, unless there are explicit donor stipulations to the contrary. At June 30, 2025, there were no such donor stipulations. As a result of this interpretation, the Foundation retains in perpetuity (a) the original value of initial and subsequent gift amounts (including promises to give net of discount and allowance for doubtful accounts including promises to give at fair value) donated to the endowment and (b) any accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA. The Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the organization and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the organization
- The investment policies of the organization

SW FOUNDATION FOR OSTEOPATHIC EDUCATION AND RESEARCH
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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 7 ENDOWMENT (CONTINUED)

Endowment net asset composition by type was as follows for the years ended June 30, 2025 and 2024:

June 30, 2025	Without Donor Restrictions	With Donor Restrictions		Total
		Time or Purpose	Perpetual	
Donor-Restricted Endowment Funds	\$ -	\$ 151,943	\$ 1,955,000	\$ 2,106,943
Board-Designated Endowment Funds	130,337			130,337
Total Endowment Net Assets	<u>\$ 130,337</u>	<u>\$ 151,943</u>	<u>\$ 1,955,000</u>	<u>\$ 2,237,280</u>

June 30, 2024	Without Donor Restrictions	With Donor Restrictions		Total
		Time or Purpose	Perpetual	
Donor-Restricted Endowment Funds	\$ -	\$ 81,360	\$ 1,965,000	\$ 2,046,360
Board-Designated Endowment Funds	130,337		-	130,337
Total Endowment Net Assets	<u>\$ 130,337</u>	<u>\$ 81,360</u>	<u>\$ 1,965,000</u>	<u>\$ 2,176,697</u>

Endowment related activities were as follows for the years ended June 30, 2025 and 2024:

June 30, 2025	Without Donor Restrictions	With Donor Restrictions		Total
		Time or Purpose	Perpetual	
Endowment Net Assets - Beginning of Year	\$ 130,337	\$ 81,360	\$ 1,965,000	\$ 2,176,697
Contributions	-	-	-	-
Investment Income	-	92,061	-	92,061
Release of Stewardship Fee	-	(21,478)	(10,000)	(31,478)
Endowment Net Assets - End of Year	<u>\$ 130,337</u>	<u>\$ 151,943</u>	<u>\$ 1,955,000</u>	<u>\$ 2,237,280</u>

June 30, 2024	Without Donor Restrictions	With Donor Restrictions		Total
		Time or Purpose	Perpetual	
Endowment Net Assets - Beginning of Year	\$ 135,337	\$ 17,433	\$ 1,980,000	\$ 2,132,770
Contributions	-	-	-	-
Investment Income	-	63,927	-	63,927
Release of Stewardship Fee	(5,000)	-	(15,000)	(20,000)
Endowment Net Assets - End of Year	<u>\$ 130,337</u>	<u>\$ 81,360</u>	<u>\$ 1,965,000</u>	<u>\$ 2,176,697</u>

Investment and Spending Policies

The Organization's investment policy for the endowment attempts to provide a predictable stream of funding for operations while seeking to maintain the purchasing power of the endowment assets. Over time, long-term rates of return should be equal to an amount sufficient to maintain the purchasing power of the endowment assets, to provide the necessary capital to fund the spending policy, and to cover the costs of managing the endowment investments.

As of June 30, 2025, the only spend out of the endowment is related to the administrative fee. As of June 30, 2024, there has been no spend out of the endowment.

From time to time, the fair value of endowment funds associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Organization to retain as a fund of perpetual duration, which are known as underwater endowments. As of June 30, 2025 and 2024, there were no funds with deficiencies.

SW FOUNDATION FOR OSTEOPATHIC EDUCATION AND RESEARCH
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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 8 NOTES PAYABLE

The Organization entered into a loan agreement on May 5, 2022, with First American Bank for a note payable of \$2,620,000. The loan was made to purchase a building during 2022. The loan matures on May 5, 2037, and has an interest rate of 4.75%. Below are the future minimum payments:

<u>Year Ending June 30,</u>	<u>Amount</u>
2026	\$ 141,682
2027	148,479
2028	153,837
2029	148,613
2030	155,923
Thereafter	1,475,554
Total	<u>\$ 2,224,088</u>

NOTE 9 RELATED PARTY

For the year ended June 30, 2025, the Organization paid \$983,826 to BCOM and received \$420,549 from BCOM as it relates to various activities and scholarship expense. For the year ended June 30, 2024, the Organization paid \$1,064,285 to BCOM and received \$519,853 from BCOM as it relates to various activities and scholarship expense.

NOTE 10 LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

	<u>2025</u>	<u>2024</u>
Cash and Cash Equivalents	\$ 578,760	\$ 425,361
Pledges Receivable Due Within One Year	361,882	6,152
Short-Term Investments	<u>673,881</u>	<u>646,546</u>
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	<u>\$ 1,614,523</u>	<u>\$ 1,078,059</u>



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