

Family Empowerment Media, Inc.

Financial Statements and
Independent Auditor's Report

December 31, 2023



FAMILY EMPOWERMENT MEDIA, INC.

TABLE OF CONTENTS

	Page
INDEPENDENT AUDITOR'S REPORT	1 - 2
FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to the Financial Statements	7 - 8



Identifying opportunities.
Delivering solutions.

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Family Empowerment Media, Inc.

Opinion

We have audited the accompanying financial statements of Family Empowerment Media, Inc. (the "Organization"), which comprise the statement of financial position as of December 31, 2023, and the related statements of activities, functional expenses, and cash flows for the year 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 December 31, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit 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 the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of 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 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 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.

FGMK, LLC

Bannockburn, Illinois
October 14, 2024

FAMILY EMPOWERMENT MEDIA, INC.

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2023

ASSETS

Cash and cash equivalents	\$ 1,921,568
Grants receivable	262,566
Equipment not yet in service	<u>237,600</u>
	<u>\$ 2,421,734</u>

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts payable	\$ 8,706
Refund liability	<u>200,000</u>
	<u>208,706</u>

NET ASSETS

Without donor restrictions	1,809,038
With donor restrictions	<u>403,990</u>
	<u>2,213,028</u>
	<u>\$ 2,421,734</u>

The accompanying notes are an integral part of this statement.

FAMILY EMPOWERMENT MEDIA, INC.

STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT			
Contributions	\$ 513,292	\$ -	\$ 513,292
Grants	1,689,146	532,566	2,221,712
Interest	3,455	-	3,455
Releases from restriction	128,576	(128,576)	-
	<u>2,334,469</u>	<u>403,990</u>	<u>2,738,459</u>
EXPENSES			
Program services	794,797	-	794,797
Management and general	90,518	-	90,518
	<u>885,315</u>	<u>-</u>	<u>885,315</u>
CHANGE IN NET ASSETS	1,449,154	403,990	1,853,144
NET ASSETS - BEGINNING OF YEAR	<u>359,884</u>	<u>-</u>	<u>359,884</u>
NET ASSETS - END OF YEAR	<u>\$ 1,809,038</u>	<u>\$ 403,990</u>	<u>\$ 2,213,028</u>

The accompanying notes are an integral part of this statement.

FAMILY EMPOWERMENT MEDIA, INC.

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2023

	<u>Program Services</u>	<u>Management and General</u>	<u>Total</u>
Contractors	\$ 193,837	\$ -	\$ 193,837
Professional fees	22,253	-	22,253
Travel and conference	2,356	-	2,356
Grant	576,351	-	576,351
Other	-	90,518	90,518
	<u> </u>	<u> </u>	<u> </u>
Total	<u>\$ 794,797</u>	<u>\$ 90,518</u>	<u>\$ 885,315</u>

The accompanying notes are an integral part of this statement.

FAMILY EMPOWERMENT MEDIA, INC.

STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2023

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ 1,853,144
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Changes in operating assets and liabilities:	
Grants receivable	(262,566)
Accounts payable	<u>6,091</u>
Net Cash Provided By Operating Activities	1,596,669
CASH FLOW FROM INVESTING ACTIVITIES	
Purchases of property and equipment	<u>(237,600)</u>
NET CHANGE IN CASH	1,359,069
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>562,499</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 1,921,568</u></u>

The accompanying notes are an integral part of this statement.

FAMILY EMPOWERMENT MEDIA, INC.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities. Family Empowerment Media, Inc. (the “Organization”) is a not-for-profit organization incorporated in 2021. The Organization’s mission is to enable informed family planning and birth spacing decisions through clear, compelling and accurate radio-based communication to improve maternal and child health outcomes.

Basis of Accounting. The accompanying financial statements have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other assets and liabilities.

Financial Statement Presentation. The Organization is required to report information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions.

Without Donor Restrictions - Amounts that are currently available for use in the Organization’s operations.

With Donor Restrictions - Amounts that are stipulated by donors for specific operating purposes, for use in future periods by the Organization.

Management Estimates and Assumptions. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (“GAAP”) requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates. Future events and their effects cannot be predicted with certainty; accordingly, accounting estimates require the exercise of judgment. Accounting estimates used in the preparation of these financial statements change as new events occur, as more experience is required, as additional information is obtained, and the operating environment changes.

Functional Allocation of Expenses. The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the program and supporting services on the basis of management estimates.

Cash and Cash Equivalents. Cash and cash equivalents consist of assets held in checking and short-term savings accounts and exclude cash held for investment purposes. The Organization maintains cash in bank deposit accounts that, at times, may exceed Federal Deposit Insurance Corporation limits. The Organization has not experienced any losses in such accounts.

Contributions and Grants. Contributions are recognized as support when they are received or upon receipt of a promise to give by the donor and are recorded as unrestricted or restricted support depending on the existence or nature of any time or purpose restrictions imposed by donors on the use of the funds. Contributions received with donor-imposed conditions are not recognized as revenue until donor-imposed conditions have been substantially met.

The Organization reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, 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.

Property and Equipment. Property and equipment are stated at cost, except for donated assets, which are recorded at fair value at the time of receipt. Additions and improvements to existing property and equipment over \$5,000 during the year are capitalized, while general maintenance and repairs are charged to expense. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the related assets. As of December 31, 2023, the entire balance of property and equipment was not yet in service.

(Continued)

FAMILY EMPOWERMENT MEDIA, INC.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Concluded)

Refund Liability. The Organization received a contribution from an unrelated party in 2022 and the entity subsequently declared bankruptcy. The Organization recorded the balance as a refund liability and the balance was returned in full during 2024.

Income Taxes. The Organization is a not-for-profit organization as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes excluding any income not related to its tax-exempt purpose. Accordingly, no provision for income taxes has been recorded in the financial statements.

Liquidity and Availability. The following reflects the Organization's financial assets as of the balance sheet date, reduced by amounts not available for general expenditures because of contractual and donor-imposed restrictions. As of December 31, 2023, the Organization had approximately \$1,720,000 of financial assets available within one year of the balance sheet date to meet cash needs for general expenditures.

	<u>Amount</u>
Total assets at year end	<u>\$ 2,421,734</u>
Less unavailable for general expenditures within one year:	
Non-financial assets	237,600
Refund liability	200,000
Assets with donor limitations	<u>262,566</u>
	<u>700,166</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,721,568</u>

NOTE 2 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes or periods as of December 31, 2023:

	<u>Amount</u>
Subject to the passage of time	\$ 175,000
Subject to specified purpose	141,424
Subject to the passage of time and specified purpose	<u>87,566</u>
	<u>\$ 403,990</u>

NOTE 3 – CONCENTRATION

Two grantors accounted for approximately 67% of grants receivable and 30% of revenue as of and for the year ended December 31, 2023, respectively. The Organization contributed 100% of grants to one grantee for the year ended December 31, 2023.

NOTE 4 – SUBSEQUENT EVENTS

The Organization's management has evaluated all known subsequent events from December 31, 2023 through October 14, 2024, the date the accompanying financial statements were available to be issued, and is not aware of any additional material subsequent events occurring during this period that have not been disclosed in the notes to the financial statements.