

**AMERICAN COLLEGE OF  
LIFESTYLE MEDICINE**

**DECEMBER 31, 2022**

# **AMERICAN COLLEGE OF LIFESTYLE MEDICINE**

FINANCIAL STATEMENTS  
with  
INDEPENDENT AUDITORS' REPORT

YEARS ENDED DECEMBER 31, 2022 AND 2021

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## **INDEPENDENT AUDITORS' REPORT**

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Board of Directors  
American College of Lifestyle Medicine  
Chesterfield, Missouri

### **Opinion**

We have audited the accompanying financial statements of American College of Lifestyle Medicine (a nonprofit organization), which comprise the statements of financial position as of December 31, 2022 and 2021, 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 American College of Lifestyle Medicine as of December 31, 2022 and 2021, 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of American College of Lifestyle Medicine 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 these 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 American College of Lifestyle Medicine's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

## **Auditors' Responsibilities for the Audit of 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 American College of Lifestyle Medicine'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 American College of Lifestyle Medicine'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.

*Conner Ash P.C.*

St. Louis, Missouri  
August 14, 2023

# AMERICAN COLLEGE OF LIFESTYLE MEDICINE

## STATEMENTS OF FINANCIAL POSITION

December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>		
Cash and equivalents	<b>\$ 1,856,074</b>	\$ 2,583,729
Investments	<b>2,204,043</b>	2,217,632
Accounts receivable	<b>70,316</b>	84,324
Prepaid expenses	<b>73,776</b>	17,918
Intangible assets	<b>463,721</b>	172,121
	<b><u>\$ 4,667,930</u></b>	<b><u>\$ 5,075,724</u></b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	<b>\$ 530,589</b>	\$ 407,077
Deferred dues membership, CRT, LMRC	<b>999,220</b>	832,762
	<b><u>1,529,809</u></b>	<u>1,239,839</u>
<b>TOTAL LIABILITIES</b>		
<b>NET ASSETS</b>		
Net assets without donor restrictions	<b>2,854,580</b>	3,484,149
Net assets with donor restrictions	<b>283,541</b>	351,736
	<b><u>3,138,121</u></b>	<u>3,835,885</u>
<b>TOTAL NET ASSETS</b>		
	<b><u>\$ 4,667,930</u></b>	<b><u>\$ 5,075,724</u></b>

See accompanying notes.

# AMERICAN COLLEGE OF LIFESTYLE MEDICINE

## STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUE</b>			
Conference and educational events	\$ 2,162,350	\$ -	\$ 2,162,350
Trainee income	1,767	-	1,767
Online medical education income	1,517,683	-	1,517,683
Other curriculum education and certification	690,599	-	690,599
Advocacy and patient education income	368,646	-	368,646
Membership support	2,883	-	2,883
Donations and grant income	719,490	301,581	1,021,071
Membership dues	1,264,597	-	1,264,597
Net investment loss	(35,531)	-	(35,531)
Change in unrealized gain on investments	(58,285)	-	(58,285)
Net assets released from restrictions:			
Satisfaction of donor restrictions	369,776	(369,776)	-
<b>TOTAL REVENUES AND SUPPORT</b>	<b>7,003,975</b>	<b>(68,195)</b>	<b>6,935,780</b>
<b>EXPENSES</b>			
Program services	6,154,369	-	6,154,369
Support services	1,479,175	-	1,479,175
<b>TOTAL EXPENSES</b>	<b>7,633,544</b>	<b>-</b>	<b>7,633,544</b>
<b>CHANGE IN NET ASSETS</b>	<b>(629,569)</b>	<b>(68,195)</b>	<b>(697,764)</b>
<b>NET ASSETS AT BEGINNING OF YEAR</b>	<b>3,484,149</b>	<b>351,736</b>	<b>3,835,885</b>
<b>NET ASSETS AT END OF YEAR</b>	<b>\$ 2,854,580</b>	<b>\$ 283,541</b>	<b>\$ 3,138,121</b>

See accompanying notes.

# AMERICAN COLLEGE OF LIFESTYLE MEDICINE

## STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUE</b>			
Conference and educational events	\$ 1,257,702	\$ -	\$ 1,257,702
Online medical education income	1,689,424	-	1,689,424
Other curriculum education and certification	801,703	-	801,703
Advocacy and patient education income	245,879	-	245,879
Membership support	8,994	-	8,994
Donations and grant income	1,054,700	443,833	1,498,533
Membership dues	1,105,179	-	1,105,179
Net investment income	52,906	-	52,906
Change in unrealized gain on investments	(23,150)	-	(23,150)
PPP loan forgiveness	138,036	-	138,036
Net assets released from restrictions:			
Satisfaction of donor restrictions	399,311	(399,311)	-
<b>TOTAL REVENUES AND SUPPORT</b>	<b>6,730,684</b>	<b>44,522</b>	<b>6,775,206</b>
<b>EXPENSES</b>			
Program services	4,038,680	-	4,038,680
Support services	921,358	-	921,358
<b>TOTAL EXPENSES</b>	<b>4,960,038</b>	<b>-</b>	<b>4,960,038</b>
<b>CHANGE IN NET ASSETS</b>	<b>1,770,646</b>	<b>44,522</b>	<b>1,815,168</b>
<b>NET ASSETS AT BEGINNING OF YEAR</b>	<b>1,713,503</b>	<b>307,214</b>	<b>2,020,717</b>
<b>NET ASSETS AT END OF YEAR</b>	<b>\$ 3,484,149</b>	<b>\$ 351,736</b>	<b>\$ 3,835,885</b>

See accompanying notes.



# AMERICAN COLLEGE OF LIFESTYLE MEDICINE

## STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2022

	Program					Support			Total	
	Education	Trainee	Advocacy and Research	Membership Support	LM Global Alliance	Subtotal	Management and General	Fundraising		Subtotal
Salaries and contract wages	\$ 863,256	\$ 129,420	\$ 868,459	\$ 424,130	\$ -	\$ 2,285,265	\$ 611,923	\$ 57,800	\$ 669,723	\$ 2,954,988
Payroll taxes	71,843	11,097	64,372	32,125	-	179,437	19,947	4,681	24,628	204,065
Employee benefits	-	-	-	-	-	-	384,649	-	384,649	384,649
<b>Total personnel expense</b>	<b>935,099</b>	<b>140,517</b>	<b>932,831</b>	<b>456,255</b>	<b>-</b>	<b>2,464,702</b>	<b>1,016,519</b>	<b>62,481</b>	<b>1,079,000</b>	<b>3,543,702</b>
Advertising, marketing, and public relations	482,248	-	-	-	-	482,248	-	-	-	482,248
Advocacy and research expenses	-	-	407,661	-	20,010	427,671	-	-	-	427,671
American Journal of Lifestyle Medicine	-	-	-	162,711	-	162,711	-	-	-	162,711
Credit card fees	-	-	-	-	-	-	143,750	-	143,750	143,750
Curriculum development and maintenance	805,720	-	-	-	-	805,720	-	-	-	805,720
Depreciation and amortization	145,423	-	45,109	-	-	190,532	-	-	-	190,532
Event expenses	1,187,226	-	-	-	-	1,187,226	-	-	-	1,187,226
Miscellaneous	10,119	6,374	-	112,089	-	128,582	5,982	-	5,982	134,564
Office expenses	15,226	-	-	1,927	-	17,153	164,829	-	164,829	181,982
Other education expenses	15,330	68	-	-	-	15,398	-	-	-	15,398
Professional fees	38,928	-	-	-	-	38,928	78,121	-	78,121	117,049
Scholarships and grants	-	46,907	-	-	-	46,907	-	-	-	46,907
Travel, meals, and entertainment	95,906	-	12,824	-	-	108,730	7,493	-	7,493	116,223
Website and mobile application	44,303	-	-	33,207	351	77,861	-	-	-	77,861
<b>Total expenses</b>	<b>\$ 3,775,528</b>	<b>\$ 193,866</b>	<b>\$ 1,398,425</b>	<b>\$ 766,189</b>	<b>\$ 20,361</b>	<b>\$ 6,154,369</b>	<b>\$ 1,416,694</b>	<b>\$ 62,481</b>	<b>\$ 1,479,175</b>	<b>\$ 7,633,544</b>

See accompanying notes.

# AMERICAN COLLEGE OF LIFESTYLE MEDICINE

## STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2021

	Program					Support			Total	
	Education	Trainee	Advocacy and Research	Membership Support	LM Global Alliance	Subtotal	Management and General	Fundraising		Subtotal
Salaries and contract wages	\$ 665,351	\$ 103,880	\$ 530,133	\$ 368,903	\$ -	\$ 1,668,267	\$ 288,583	\$ 55,100	\$ 343,683	\$ 2,011,950
Payroll taxes	53,269	6,556	36,491	29,193	-	125,509	17,195	4,471	21,666	147,175
Employee benefits	-	-	-	-	-	-	247,870	-	247,870	247,870
<b>Total personnel expense</b>	<b>718,620</b>	<b>110,436</b>	<b>566,624</b>	<b>398,096</b>	<b>-</b>	<b>1,793,776</b>	<b>553,648</b>	<b>59,571</b>	<b>613,219</b>	<b>2,406,995</b>
Advertising, marketing, and public relations	239,446	-	-	-	-	239,446	-	-	-	239,446
Advocacy and research expenses	-	-	368,585	-	28,060	396,645	-	-	-	396,645
American Journal of Lifestyle Medicine	-	-	-	119,670	-	119,670	-	-	-	119,670
Credit card fees	-	-	-	-	-	-	118,604	-	118,604	118,604
Curriculum development and maintenance	1,004,925	-	-	-	-	1,004,925	-	-	-	1,004,925
Depreciation and amortization	36,554	-	9,475	-	-	46,029	-	-	-	46,029
Event expenses	235,215	-	-	-	-	235,215	-	-	-	235,215
Miscellaneous	1,196	4,530	-	25,053	-	30,779	7,680	-	7,680	38,459
Office expenses	7,542	-	-	6,986	-	14,528	124,878	-	124,878	139,406
Other education expenses	17,286	119	-	-	-	17,405	-	-	-	17,405
Professional fees	32,122	-	-	-	-	32,122	52,192	-	52,192	84,314
Scholarships and grants	-	22,937	-	-	-	22,937	-	-	-	22,937
Travel, meals, and entertainment	872	-	-	-	-	872	4,785	-	4,785	5,657
Website and mobile application	30,052	-	-	53,471	808	84,331	-	-	-	84,331
<b>Total expenses</b>	<b>\$ 2,323,830</b>	<b>\$ 138,022</b>	<b>\$ 944,684</b>	<b>\$ 603,276</b>	<b>\$ 28,868</b>	<b>\$ 4,038,680</b>	<b>\$ 861,787</b>	<b>\$ 59,571</b>	<b>\$ 921,358</b>	<b>\$ 4,960,038</b>

See accompanying notes.

# AMERICAN COLLEGE OF LIFESTYLE MEDICINE

## STATEMENTS OF CASH FLOWS

For the Years Ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
<b>OPERATING ACTIVITIES</b>		
Change in net assets	\$ (697,764)	\$ 1,815,168
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization	190,532	46,029
Donated securities	-	(588,397)
Investment (gain) loss, net	120,656	(12,432)
Effects of changes in:		
Accounts receivable	14,008	(69,324)
Prepaid expenses	(55,858)	(17,918)
Accounts payable and accrued liabilities	123,512	(41,361)
Deferred membership dues	166,458	198,144
<b>Net cash provided (used) by operating activities</b>	<u>(138,456)</u>	<u>1,329,909</u>
<b>INVESTING ACTIVITIES</b>		
Purchase of investments	(1,742,206)	(1,780,140)
Proceeds from sales of investments	1,635,139	268,027
Purchase of intangible assets	(482,132)	(130,750)
<b>Net cash used by investing activities</b>	<u>(589,199)</u>	<u>(1,642,863)</u>
<b>CHANGE IN CASH AND EQUIVALENTS</b>	<u>(727,655)</u>	<u>(312,954)</u>
<b>BEGINNING CASH AND EQUIVALENTS</b>	<u>2,583,729</u>	<u>2,896,683</u>
<b>ENDING CASH AND EQUIVALENTS</b>	<u>\$ 1,856,074</u>	<u>\$ 2,583,729</u>

See accompanying notes.

# AMERICAN COLLEGE OF LIFESTYLE MEDICINE

## NOTES TO FINANCIAL STATEMENTS

December 31, 2022 and 2021

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### 1. ORGANIZATION

Founded in 2004, the American College of Lifestyle Medicine (“ACLM”) is the medical professional society for physicians and other professionals dedicated to clinical and worksite practice of Lifestyle Medicine as the foundation of a transformed and sustainable health care system. Practice involves the use of evidence-based therapeutic approaches, such as eating a whole food, plant-predominant dietary lifestyle, regular physical activity, restorative sleep, stress management, avoidance of risky substances and positive social connection, to treat, oftentimes reverse, and prevent chronic disease. ACLM educates, equips, empowers, and supports its members as they provide evidence-based Lifestyle Medicine as the first treatment option in clinical practice and worksite settings through live and online CME-accredited events and educational offerings, certification, clinical practice tools, patient education resources, economic research, networking opportunities and advocacy efforts. ACLM plays a key leadership role in the Lifestyle Medicine Global, which it founded, serving to network 20 international Lifestyle Medicine medical professional associations around the world. Lifestyle Medicine is one of the fastest growing career fields of medicine and holds the promise for true health reform, as it strives to identify and eradicate the root-cause of chronic illness.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### **Basis of accounting**

The accompanying financial statements have been prepared on the accrual basis in accordance with generally accepted accounting principles.

#### **Basis of presentation**

The financial statements are prepared in accordance with the American Institute of Certified Public Accountants Audit and Accounting Guide for Not-for-Profit Organizations. ACLM uses the accrual method of accounting for its operations.

ACLM reports its information regarding financial position and activities according to two classes of net assets depending upon the existence or nature of any donor restriction. The following is a description of these classes of net assets:

**Net assets without donor restrictions** - Those resources over which the Board of Directors has discretionary control. Designated amounts represent those revenues that the Board has set aside for a particular purpose.

**Net assets with donor restrictions** - Those resources subject to donor-imposed restrictions that will be satisfied by actions of ACLM or the passage of time, or ACLM will maintain in perpetuity.

# AMERICAN COLLEGE OF LIFESTYLE MEDICINE

## NOTES TO FINANCIAL STATEMENTS

December 31, 2022 and 2021

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

#### **Use of estimates**

Management uses estimates and assumptions in preparing these financial statements in accordance with U.S. generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and reported revenues and expenses. Actual results could vary from the estimates that were used.

#### **Cash and equivalents**

Cash and equivalents include all bank account balances and short-term investments with an original maturity of three months or less. ACLM maintains certain cash and equivalent balances in financial institutions in the metropolitan St. Louis area, which provide Federal Deposit Insurance Corporation (FDIC) coverage on the first \$250,000 at each bank. ACLM also maintains balances in money market funds with financial services providers which provide Securities Investor Protection Corporation (SIPC) coverage on the first \$500,000 at each brokerage firm. At times, such balances may exceed coverage limits. At December 31, 2022, approximately \$1,449,000 was uninsured.

#### **Accounts receivable**

Accounts receivable are reported at the amount management expects to collect on balances outstanding at year-end. Based on management's assessment of collection history, it has concluded that realization losses on balances outstanding at year-end will be immaterial.

#### **Investments**

Investments are reported at fair value based on quoted market prices. Gains or losses on sales of investments are determined on a specific cost identification basis. Unrealized gains and losses are determined based on year-end fair value fluctuations.

#### **Intangible assets**

Intangible assets consist of internally developed curricula and videos with useful lives greater than one year. Intangible assets are recorded at cost and are amortized straight-line over useful lives of 2-4 years. Accumulated amortization as of December 31, 2022 and 2021 was \$250,635 and \$60,103, respectively.

# AMERICAN COLLEGE OF LIFESTYLE MEDICINE

## NOTES TO FINANCIAL STATEMENTS

December 31, 2022 and 2021

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

#### Revenue from contracts with customers

##### Revenue recognition

ACLM records revenue based on a five-step model in accordance with FASB ASC Topic 606. For its customer contracts, ACLM identifies the performance obligations, determines the transaction price, allocates the contract transaction price to the performance obligations, and recognizes the revenue when or as control of goods or services is transferred to the customer.

Revenue recognized from contracts with customers was \$6,008,525 and \$5,108,881 in 2022 and 2021, respectively.

##### Disaggregation of revenue

Revenue from performance obligations satisfied at a point in time consist of conference and educational events, trainee income, online medical education income, other curriculum education and certification, advocacy and patient education income, membership support, and global outreach income and amounted to \$4,743,928 and \$4,003,702 for the years ended December 31, 2022 and 2021, respectively. Revenue is recognized on the day of the conference or event or upon transfer of the curriculum education or certification.

Revenue from performance obligations satisfied over time consist of membership dues and amounted to \$1,264,597 and \$1,105,179 for the years ended December 31, 2022 and 2021, respectively. Membership dues provide benefits over a 12-month period. Revenue is recognized evenly over the membership period.

Revenues are generated from organizations and individuals in the medical profession with an interest in supporting and furthering the practice of Lifestyle Medicine. Societal factors affecting views about the effectiveness of this practice could have an impact on future revenue and cash flows for ACLM.

##### Performance obligations and significant judgements

Uncertainty regarding variable consideration is resolved when it is time for the related revenue to be recognized, therefore ACLM has assessed that the estimate of variable consideration is not constrained.

Payments from customers are typically required prior to any transfer of services. ACLM has no obligations for returns, refunds, warranties, or other similar arrangements.

# AMERICAN COLLEGE OF LIFESTYLE MEDICINE

## NOTES TO FINANCIAL STATEMENTS

December 31, 2022 and 2021

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

#### Support with and without donor restrictions

ACLM reports gifts of cash and other assets as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and nature of any donor restrictions. 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 statement of activities as net assets released from restrictions. ACLM records increases in net assets with donor restrictions whose restrictions are met in the same period as increases in net assets without donor restrictions.

#### Allocated expenses

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. These expenses require allocation on a reasonable basis that is consistently applied. Expenses are charged to program services and supporting activities on the basis of periodic time and expense studies and management estimates. Management and general expenses include those that are not directly identifiable with any other specific function but provide for the overall support of ACLM.

### 3. INVESTMENTS AND FAIR VALUE DISCLOSURES

ACLM's investments at December 31, 2022 and 2021 consisted of:

	2022		2021	
	Cost	Fair market value	Cost	Fair market value
Domestic common stock	\$ -	\$ -	\$ 588,397	\$ 586,400
Certificates of deposit	980,000	987,935	-	-
Equity mutual funds	234,600	215,500	263,223	273,167
Fixed income mutual funds	349,971	316,786	341,152	338,758
Alternative investment mutual funds	40,306	27,236	21,817	19,482
U.S. Treasuries	651,294	656,586	999,780	999,825
	<b>\$ 2,256,171</b>	<b>\$ 2,204,043</b>	<b>\$ 2,214,369</b>	<b>\$ 2,217,632</b>

# AMERICAN COLLEGE OF LIFESTYLE MEDICINE

## NOTES TO FINANCIAL STATEMENTS

December 31, 2022 and 2021

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### 3. INVESTMENTS AND FAIR VALUE DISCLOSURES – CONTINUED

ACLM's net investment income (loss) for the years ended December 31, 2022 and 2021 consisted of:

	<u>2022</u>	<u>2021</u>
Dividend and interest income	<b>\$31,440</b>	\$20,091
Realized gain (loss) on sale of investments	<b>(62,373)</b>	35,581
Investment fees	<b>(4,598)</b>	(2,766)
	<hr/>	<hr/>
Net investment income (loss)	<b><u>\$(35,531)</u></b>	<u>\$52,906</u>

FASB Accounting Standards Codification 820-10, Fair Value Measurements, establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, and Level 3 inputs have the lowest priority. ACLM uses appropriate valuation techniques based on the value of the above marketable securities using Level 1 inputs. Level 1 inputs are quoted prices in active markets for the actual asset being valued. An active market has sufficient transaction activity to provide pricing information on an ongoing basis.

### 4. INCOME TAXES

ACLM is exempt from the payment of Federal income taxes on its exempt-purpose activities under provisions of Section 501(c)(3) of the Internal Revenue Code.

ACLM routinely evaluates potential uncertain tax positions and believes they would more likely than not be substantiated upon examination by taxing authorities. ACLM files income tax returns in the U.S. Federal and California jurisdictions. U.S. Federal income tax returns prior to fiscal year 2019 are closed.

### 5. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

As part of ACLM's liquidity management, it has a policy to structure financial assets to be available for general expenditures, liabilities, and other obligations as they become due. ACLM's investment policy allows up to 25% of liquid assets to be invested in non-cash financial assets.



# AMERICAN COLLEGE OF LIFESTYLE MEDICINE

## NOTES TO FINANCIAL STATEMENTS

December 31, 2022 and 2021

### 5. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS – CONTINUED

The following reflects ACLM's financial assets as of December 31, 2022 and 2021, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year.

	<u>2022</u>	<u>2021</u>
Cash and equivalents	<b>\$1,856,074</b>	\$2,583,729
Investments	<b>2,204,043</b>	2,217,632
Financial assets at year-end	<b>4,060,117</b>	4,801,361
Less those unavailable for general expenditure within one year due to contractual or donor-imposed restrictions:		
Subject to appropriate and satisfaction of donor restrictions	<b>(283,541)</b>	(351,736)
Financial assets available to meet cash needs for general expenditures within one year	<b><u>\$3,776,576</u></b>	<u>\$4,449,625</u>

### 6. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions at December 31, 2022 and 2021 consisted of the following:

	<u>2022</u>	<u>2021</u>
Subject to expenditure for specific purpose:		
Academic advancement	\$ -	\$ 25,750
D2L learning management system licenses	<b>53,500</b>	-
AIH publications package	<b>32,357</b>	50,000
Food As Medicine program	<b>56,436</b>	74,497
Full Plate Diet program	-	12,060
HEAL scholarship fund	-	50,034
Lifestyle Empowerment Diabetes Remission ("LEADR")	<b>21,570</b>	-
Pegg award	<b>436</b>	440
Plant based diets literature review and research	<b>2,676</b>	7,251
Provider well-being	<b>1,062</b>	6,344
Residency director scholarships	-	36,708
Sizzle Reel television series production	<b>3,750</b>	3,750
Taste of Lifestyle Medicine ("TOLM") grants	<b>63,799</b>	84,902
UME certification	<b>47,955</b>	-
Total assets with donor restrictions	<b><u>\$ 283,541</u></b>	<u>\$ 351,736</u>

# AMERICAN COLLEGE OF LIFESTYLE MEDICINE

## NOTES TO FINANCIAL STATEMENTS

December 31, 2022 and 2021

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### 7. RETIREMENT PLAN

ACLM maintains a 401(k) plan for all employees working 30 hours a week or more. ACLM will match employee contributions up to 4% of their salaries with a three-year cliff vesting. Matching contributions amounts to \$78,539 and \$61,114 for the years ended December 31, 2022 and 2021, respectively.

### 8. PAYCHECK PROTECTION PROGRAM

In February 2021, ACLM acquired a \$136,937 promissory note from the Small Business Administration as part of the Payroll Protection Program. The promissory note could be forgiven in full if the proceeds from the note are used in accordance with the program. ACLM applied for and received forgiveness, including interest of \$1,099, in December 2021. The forgiveness is recorded as income on the statement of activities in 2021.

### 9. SUBSEQUENT EVENTS

ACLM has evaluated subsequent events through August 14, 2023, the date on which the financial statements were available to be issued.