



AMERICAN COLLEGE
of NURSE-MIDWIVES

With women, for a lifetime®

**AMERICAN COLLEGE OF NURSE-MIDWIVES
AND AFFILIATE**

Consolidated Financial Statements

For the Years Ended December 31, 2018 and 2017



**and
Report Thereon**



**Reports Required in Accordance with
Uniform Guidance**

For the Year Ended December 31, 2018

AMERICAN COLLEGE OF NURSE-MIDWIVES AND AFFILIATE

TABLE OF CONTENTS
For the Years Ended December 31, 2018 and 2017

	<i>Page</i>
Independent Auditors' Report.....	1-2
Consolidated Financial Statements	
Consolidated Statements of Financial Position	3
Consolidated Statements of Activities	4
Consolidated Statement of Functional Expenses	5
Consolidated Statements of Cash Flows	6
Notes to Consolidated Financial Statements	7-19
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	20-21
Independent Auditors' Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by Uniform Guidance	22-23
Schedule of Expenditures of Federal Awards.....	24
Notes to Schedule of Expenditures of Federal Awards	25
Schedule of Findings and Questioned Costs	26-27

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of the
American College of Nurse-Midwives and Affiliate

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of the American College of Nurse-Midwives and Affiliate (collectively referred to as the Organization), which comprise the consolidated statement of financial position as of December 31, 2018, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Continued

- 1 -

Opinion

In our opinion, the 2018 consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the American College of Nurse-Midwives and Affiliate as of December 31, 2018, 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.

Other Matters

Prior Period Financial Statements

The 2017 consolidated financial statements of the Organization as of and for the year ended December 31, 2017, were audited by Raffa, P.C., whose practice was combined with Marcum LLP as of October 1, 2018, and whose audit report dated October 19, 2018, expressed an unmodified opinion on those statements.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 26, 2019, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

Marcum LLP

Washington, DC
August 1, 2019

AMERICAN COLLEGE OF NURSE-MIDWIVES AND AFFILIATE

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

December 31, 2018 and 2017

	2018	2017
ASSETS		
Cash and cash equivalents	\$ 467,408	\$ 659,797
Grants and contributions receivable, net	493,858	387,008
Accounts receivable, net	23,838	42,208
Prepaid expenses	87,874	96,936
Investments	1,628,538	2,021,583
Inventory	20,372	34,103
Property and equipment, net	201,624	243,490
Intangible assets, net	41,901	38,586
Other assets	19,226	19,226
	\$ 2,984,639	\$ 3,542,937
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable	\$ 420,810	\$ 352,134
Accrued salaries and benefits	112,748	117,441
Deferred membership dues	974,924	1,053,191
Other deferred revenue	91,501	125,493
Deferred rent and lease incentives	268,273	293,628
	1,868,256	1,941,887
Net Assets		
Without donor restrictions	915,527	1,277,663
With donor restrictions	200,856	323,387
	1,116,383	1,601,050
	\$ 2,984,639	\$ 3,542,937

The accompanying notes are an integral part of these consolidated financial statements.

AMERICAN COLLEGE OF NURSE-MIDWIVES AND AFFILIATE

CONSOLIDATED STATEMENTS OF ACTIVITIES
For the Years Ended December 31, 2018 and 2017

	2018			2017		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT						
Membership dues	\$ 1,872,584	\$ -	\$ 1,872,584	\$ 1,860,913	\$ -	\$ 1,860,913
Meetings and exhibits	1,272,065	-	1,272,065	1,154,856	-	1,154,856
Contributions and sponsorships	254,007	-	254,007	319,190	452,232	771,422
Global Outreach grants and contracts	873,033	-	873,033	682,925	-	682,925
Advertising and royalties	428,331	-	428,331	488,367	-	488,367
Accreditation, divisions and committees fees	270,105	-	270,105	168,073	-	168,073
Other	135,312	-	135,312	116,869	-	116,869
Publications and merchandise sales	99,751	-	99,751	102,385	-	102,385
Subscriptions	46,265	-	46,265	47,170	-	47,170
Contributed goods and services	65,010	-	65,010	25,859	-	25,859
Net assets released from restrictions:						
Satisfaction of program restrictions	122,531	(122,531)	-	165,239	(165,239)	-
TOTAL REVENUE AND SUPPORT	5,438,994	(122,531)	5,316,463	5,131,846	286,993	5,418,839
EXPENSES						
Program Services:						
Meetings and exhibits	1,298,052	-	1,298,052	1,291,732	-	1,291,732
Domestic	972,298	-	972,298	793,525	-	793,525
Global Outreach	702,233	-	702,233	693,642	-	693,642
Member services	636,153	-	636,153	706,628	-	706,628
Accreditation	378,615	-	378,615	243,172	-	243,172
Midwifery journal	169,761	-	169,761	163,080	-	163,080
Strategic projects and other programs	-	-	-	138,691	-	138,691
Committees and divisions	29,523	-	29,523	38,761	-	38,761
Total Program Services	4,186,635	-	4,186,635	4,069,231	-	4,069,231
Support Services:						
Management and general	1,527,616	-	1,527,616	1,418,394	-	1,418,394
Development	-	-	-	31,689	-	31,689
Total Support Services	1,527,616	-	1,527,616	1,450,083	-	1,450,083
TOTAL EXPENSES	5,714,251	-	5,714,251	5,519,314	-	5,519,314
Change in net assets from operations	(275,257)	(122,531)	(397,788)	(387,468)	286,993	(100,475)
Investment income (loss), net	(86,879)	-	(86,879)	208,182	-	208,182
CHANGE IN NET ASSETS	(362,136)	(122,531)	(484,667)	(179,286)	286,993	107,707
NET ASSETS, BEGINNING OF YEAR	1,277,663	323,387	1,601,050	1,456,949	36,394	1,493,343
NET ASSETS, END OF YEAR	\$ 915,527	\$ 200,856	\$ 1,116,383	\$ 1,277,663	\$ 323,387	\$ 1,601,050

The accompanying notes are an integral part of these consolidated financial statements.

AMERICAN COLLEGE OF NURSE-MIDWIVES AND AFFILIATE
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2018
(With Summarized Financial Information for the Year Ended December 31, 2017)

	Program Services							Support Services		2018 Total	2017 Total	
	Meetings and Exhibits	Domestic	Global Outreach	Member Services	Accreditation	Midwifery Journal	Committees and Divisions	Total Program Services	Management and General			Total Support Services
Salaries and employee benefits	\$ 197,437	\$ 483,502	\$ 224,666	\$ 359,975	\$ 242,276	\$ -	\$ -	\$ 1,507,856	\$ 673,423	\$ 673,423	\$ 2,181,279	\$ 2,160,508
Consulting and contract services	287,624	244,998	295,691	73,920	45,876	152,722	6,403	1,107,234	394,357	394,357	1,501,591	1,736,241
Meetings	495,688	5,694	629	924	4,821	2,964	19,005	529,725	6,301	6,301	536,026	301,190
Travel	222,566	27,510	124,534	4,941	17,188	11,313	3,606	411,658	22,553	22,553	434,211	304,257
Miscellaneous other expense	27,088	124,545	18,226	56,760	20,112	2,540	498	249,769	171,875	171,875	421,644	299,596
Rent and utilities	23,525	63,236	29,215	46,325	31,690	-	-	193,991	181,380	181,380	375,371	373,918
Bank charges	38,660	12,025	5,235	8,300	5,708	-	-	69,928	42,853	42,853	112,781	110,201
Dues and subscriptions	3,114	10,070	3,753	36,206	10,571	205	-	63,919	26,092	26,092	90,011	132,786
Office supplies	2,350	718	284	48,802	373	17	11	52,555	8,782	8,782	61,337	100,617
TOTAL EXPENSES	\$ 1,298,052	\$ 972,298	\$ 702,233	\$ 636,153	\$ 378,615	\$ 169,761	\$ 29,523	\$ 4,186,635	\$ 1,527,616	\$ 1,527,616	\$ 5,714,251	\$ 5,519,314

The accompanying notes are an integral part of these consolidated financial statements.

AMERICAN COLLEGE OF NURSE-MIDWIVES AND AFFILIATE

CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (484,667)	\$ 107,707
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	71,653	66,469
Change in present value discount for contribution	(6,114)	6,114
Change in allowance for doubtful accounts	(23,038)	-
Net realized and unrealized (gains) losses	126,254	(179,453)
Changes in assets and liabilities:		
Accounts receivable	18,370	274,364
Grants and contributions receivable	(77,698)	(235,196)
Prepaid expenses	9,062	131,499
Inventory	13,731	-
Accounts payable	68,676	175,776
Accrued salaries and benefits	(4,693)	(15,214)
Deferred membership dues	(78,267)	34,192
Other deferred revenue	(33,992)	24,174
Deferred rent and lease incentives	<u>(25,355)</u>	<u>(14,814)</u>
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>(426,078)</u>	<u>375,618</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments	449,055	28,000
Purchases of investments	(182,264)	(46,697)
Purchases of intangible assets	-	(42,610)
Purchases of property and equipment	<u>(33,102)</u>	<u>(22,447)</u>
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	<u>233,689</u>	<u>(83,754)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(192,389)	291,864
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>659,797</u>	<u>367,933</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 467,408</u>	<u>\$ 659,797</u>
SUPPLEMENTAL CASH FLOW INFORMATION		
Taxes paid	<u>\$ 9,600</u>	<u>\$ 1,550</u>

The accompanying notes are an integral part of these consolidated financial statements.

AMERICAN COLLEGE OF NURSE-MIDWIVES AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS For the Years Ended December 31, 2018 and 2017

1. Organization and Summary of Significant Accounting Policies

Organization

The American College of Nurse-Midwives (ACNM) is a nonprofit organization founded in 1955 to support midwives and advance the practice of midwifery. Efforts are focused on education, research and advocacy that promote clinical excellence, expansion of a diverse workforce and equitable legislation, and policies that establish midwifery as the standard of care for women. These activities are funded primarily through grants and contracts, membership dues, and annual meeting registration and sponsorships.

ACNM has created a political action committee called the American College of Nurse-Midwives Midwives-PAC (the PAC).

Principles of Consolidation

The financial statements of ACNM have been consolidated with the financial statements of the PAC, as ACNM maintains both control of and an economic interest in the PAC. All significant intercompany balances and transactions have been eliminated in the consolidation. Except when referred to separately, the consolidated entity is referred to as "the Organization" in the accompanying consolidated financial statements and related notes.

Cash Equivalents

The Organization considers money market funds and all highly liquid investments purchased with maturities of three months or less that are not held in investment accounts to be cash equivalents.

Accounts Receivable

The Organization uses the allowance method to record accounts receivable at their estimated net realizable value. The allowance for doubtful accounts is based on various factors, including management's analysis of the collectibility of the accounts, historical write-off of expenses and current economic conditions. A provision for doubtful accounts is made when collection of the full amount is no longer probable.

Inventory

Inventory consists of publications and promotional items offered for sale. Inventory is recorded at net realizable value.

Investments

Investments are composed of cash and mutual funds, and are recorded in the accompanying consolidated financial statements at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. All investment earnings or losses, including unrealized gains and losses resulting from fluctuations in the fair value of the investments, are recognized in the accompanying consolidated statements of activities.

AMERICAN COLLEGE OF NURSE-MIDWIVES AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS For the Years Ended December 31, 2018 and 2017

1. Organization and Summary of Significant Accounting Policies (continued)

Fair Value Measurement

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 820, *Fair Value Measurement*, defines fair value, establishes a framework for measuring fair value in accordance with accounting principles generally accepted in the United States of America (GAAP), and requires disclosures about fair value measurements for assets and liabilities measured at fair value on a recurring basis. The ASC emphasizes that fair value is a market-based measurement, not an entity-specific measurement, and therefore a fair value measurement should be determined based on the assumptions that market participants would use in pricing the asset or liability. As a basis for considering market participant assumptions in fair value measurement, the ASC established a fair value hierarchy based upon the transparency of the inputs to the valuation of an asset or liability. These inputs may be observable, whereby market participant assumptions are developed based on market data obtained from independent sources, and unobservable, whereby assumptions about market participant assumptions are developed by the reporting entity based on the best information available in the circumstances.

The three levels of the fair value hierarchy are described as follows:

Level 1 – Inputs based on quoted prices (unadjusted) in active markets for identical assets or liabilities accessible at the measurement date.

Level 2 – Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly, such as quoted prices for similar assets or liabilities in active markets.

Level 3 – Unobservable inputs for the asset or liability, including the reporting entity's own assumptions in determining the fair value measurement.

As of December 31, 2018 and 2017, the Organization's investments, as described in Notes 3 and 4 of these consolidated financial statements, were measured at fair value on a recurring basis.

Property and Equipment and Related Depreciation

Property and equipment are stated at cost and are being depreciated using the straight-line method over the estimated lives of the respective assets, which range from three to 10 years. Leasehold improvements are amortized using the straight-line method over the shorter of the useful life of the leasehold improvements or the remaining life of the lease. Expenditures for major repairs and improvements that extend the useful life of an asset are capitalized, whereas expenditures for minor repairs and maintenance costs are expensed when incurred. Costs incurred in the development of software for internal use are expensed during the preliminary and post-implementation operation stages, including data conversion, training and maintenance costs. Costs incurred during the application development stage of software development are capitalized. The cost of furniture and equipment retired or disposed of is removed from the accounts along with the related accumulated depreciation, and any gain or loss is reflected in income or expense in the accompanying consolidated statements of activities.

Continued

AMERICAN COLLEGE OF NURSE-MIDWIVES AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS For the Years Ended December 31, 2018 and 2017

1. Organization and Summary of Significant Accounting Policies (continued)

Capitalized Software Costs

The Organization capitalized certain costs associated with membership database software developed or obtained for internal use in accordance with the provisions of FASB ASC 350-40, *Internal Use Software*. The Organization's policy provides for the capitalization of external direct costs of materials and services. Costs associated with preliminary project activities, data migration, training and maintenance are expensed as incurred. Capitalized costs are amortized over the estimated useful life of five years, on a straight-line basis, and are reflected as intangible assets in the accompanying consolidated statements of financial position.

Classification of Net Assets

The Organization's net assets are reported as follows:

- Net assets without donor restrictions represent the portion of expendable funds that are available for any purpose in performing the primary objectives of the Organization at the discretion of the Organization's management and the Board of Directors (the Board).
- Net assets with donor restrictions represent funds that are specifically restricted by donors for use in various programs and/or for specific periods of time.

Revenue Recognition

The Organization receives contributions, grants and contracts from various entities. These amounts are included in Global Outreach grants and contracts, and contributions and sponsorships, in the accompanying consolidated statements of activities. Contributions and grants are reported as revenue in the year in which payments are received and/or unconditional promises to give are made. All contributions are considered available for unrestricted use unless specifically restricted by the donor. The Organization reports gifts of cash and other assets as having donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a stipulated time restriction ends or purpose of a restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statement of activities as net assets released from restrictions. Unconditional promises to give that are expected to be collected after one year are recorded at their present value using appropriate discount rates, if material. Amortization of the discount is recorded as additional contribution revenue and is used in accordance with donor-imposed restrictions, if any, on the contributions.

The Organization has grants and contracts with organizations in exchange for services. Revenue from cost-reimbursable grants and contracts is recognized as costs are incurred on the basis of direct costs plus allowable indirect costs. Revenue recognized on grants and contracts for which payments have not been received is reflected as grants and contributions receivable in the accompanying consolidated statements of financial position.

AMERICAN COLLEGE OF NURSE-MIDWIVES AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS For the Years Ended December 31, 2018 and 2017

1. Organization and Summary of Significant Accounting Policies (continued)

Revenue Recognition (continued)

Membership dues are recognized as revenue in the membership period to which the dues relate. Accordingly, dues paid by members in advance of the membership period are reported as deferred membership dues in the accompanying consolidated statements of financial position.

Revenue and the related costs of the annual meeting are recognized in the year in which the annual meeting is held.

Publication fees are recorded as revenue when the related publication is shipped.

Contributed goods or services are recognized as contributions at the estimated fair value of the goods or services when the goods or services are received or when an unconditional pledge to contribute the goods or services has been made.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the accompanying statement of functional expenses. Expenses directly attributed to specific functional areas of the Organization are reported as expenses of those functional areas. Salaries are allocated to programs and supporting services based on employees' timesheets. Fringe benefits and shared costs (such as rent, insurance and telephone services) that benefit multiple functional areas have been allocated among the various functional areas based on the actual time and effort expended on those functional areas.

Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Measure of Operations

The Organization considers all investment income to be nonoperating in nature.

New Accounting Pronouncement

On August 18, 2016, FASB issued Accounting Standards Update (ASU) 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return for nonprofit organizations. The Organization has adjusted the presentation of these statements accordingly. The ASU has been applied retrospectively to all periods presented.

AMERICAN COLLEGE OF NURSE-MIDWIVES AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Years Ended December 31, 2018 and 2017

2. Grants and Contributions Receivable

Grants and contributions receivable are recorded after recognizing any necessary allowance for uncollectible contributions and a discount to reflect the net present value based on projected cash flows. Pledges due in more than one year are discounted with a rate that considers market and credit risk. The discount rate used is 1.11%. Grants and contributions receivable were due as follows as of December 31, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Receivable in less than one year	\$ 493,858	\$ 280,228
Receivable in one to five years	<u>-</u>	<u>112,894</u>
Total Grants and Contributions Receivable	493,858	393,122
Less: Discount to Net Present Value	<u>-</u>	<u>(6,114)</u>
Grants and Contributions Receivable, Net	<u>\$ 493,858</u>	<u>\$ 387,008</u>

3. Investments

Investments, at fair value, consisted of the following as of December 31, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Mutual funds:		
Equity:		
U.S.	\$ 538,438	\$ 640,041
International	195,213	265,504
Fixed income	461,457	428,203
Market neutral	71,069	74,661
World allocation	41,772	58,767
Cash	<u>320,589</u>	<u>554,407</u>
Total Investments	<u>\$ 1,628,538</u>	<u>\$ 2,021,583</u>

Continued

AMERICAN COLLEGE OF NURSE-MIDWIVES AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Years Ended December 31, 2018 and 2017

4. Fair Value Measurement

The following table summarizes the Organization's investments measured at fair value on a recurring basis as of December 31, 2018 and 2017, aggregated by the fair value hierarchy level within which those measurements were made:

<u>As of December 31, 2018:</u>	<u>Fair Value</u>	<u>Quoted Prices in Active Markets for Identical Assets/ Liabilities (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Mutual funds:				
Equity:				
U.S.	\$ 538,438	\$ 538,438	\$ -	\$ -
International	195,213	195,213	-	-
Fixed income	461,457	461,457	-	-
Market neutral	71,069	71,069	-	-
World allocation	<u>41,772</u>	<u>41,772</u>	<u>-</u>	<u>-</u>
Total Investments Measured at Fair Value	1,307,949	<u>\$ 1,307,949</u>	<u>\$ -</u>	<u>\$ -</u>
Cash	<u>320,589</u>			
Total Investments	<u>\$ 1,628,538</u>			
 <u>As of December 31, 2017:</u>				
Mutual funds:				
Equity:				
U.S.	\$ 640,041	\$ 640,041	\$ -	\$ -
International	265,504	265,504	-	-
Fixed income	428,203	428,203	-	-
Market neutral	74,661	74,661	-	-
World allocation	<u>58,767</u>	<u>58,767</u>	<u>-</u>	<u>-</u>
Total Investments Measured at Fair Value	1,467,176	<u>\$ 1,467,176</u>	<u>\$ -</u>	<u>\$ -</u>
Cash	<u>554,407</u>			
Total Investments	<u>\$ 2,021,583</u>			

Continued

AMERICAN COLLEGE OF NURSE-MIDWIVES AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Years Ended December 31, 2018 and 2017

4. Fair Value Measurement (continued)

The Organization used the following methods and significant assumption to estimate fair value for assets recorded at fair value:

Mutual funds – Valued based on quoted prices in an active market.

5. Property and Equipment and Related Depreciation and Amortization

Property and equipment consisted of the following as of December 31, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Equipment	\$ 373,867	\$ 373,866
Leasehold improvements	209,198	212,698
Computer hardware and software	63,068	140,757
Furniture	<u>131,506</u>	<u>132,672</u>
Total Property and Equipment	777,639	859,993
Less: Accumulated Depreciation and Amortization	<u>(576,015)</u>	<u>(616,503)</u>
Property and Equipment, Net	<u>\$ 201,624</u>	<u>\$ 243,490</u>

Depreciation and amortization expense was \$71,653 and \$66,469, respectively, for the years ended December 31, 2018 and 2017.

6. Net Assets With Donor Restrictions

As of December 31, 2018, net assets with donor restrictions were restricted for the following purposes:

	<u>2018</u>	<u>2017</u>
Maternity Care Education and Practice Redesign	\$ 176,429	\$ 298,960
Survive and Thrive Global Development Alliance Project	18,857	18,857
Committee for Advancement of Midwifery Practice	<u>5,570</u>	<u>5,570</u>
Total Subject to Specified Purpose	<u>\$ 200,856</u>	<u>\$ 323,387</u>

Continued

AMERICAN COLLEGE OF NURSE-MIDWIVES AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS For the Years Ended December 31, 2018 and 2017

7. Commitments and Risks

Office Lease

The Organization has a noncancelable operating lease for its headquarters' office space in Silver Spring, Maryland, which expires on September 30, 2023. The lease provides for three months of rent abatement, and contains a fixed escalation clause for increases in the annual minimum rent. Additionally, under the terms of the lease, the Organization received an allowance of \$210,453 for building improvements as an incentive to enter into the lease agreement. Under the terms of the lease, the Organization is responsible for its proportionate share of real estate taxes and operating and maintenance costs of the landlord.

Under GAAP, all fixed rent increases, less any rental abatements and all lease incentives, are recognized on a straight-line basis over the term of the lease. The difference between rent paid and rent expensed is reflected as deferred rent and lease incentives in the accompanying consolidated statements of financial position.

Future minimum lease payments required under this operating lease are as follows:

<u>For the Year Ending December 31,</u>	
2019	\$ 364,568
2020	375,467
2021	386,762
2022	398,375
2023	<u>305,447</u>
Total	<u>\$ 1,830,619</u>

Rent expense for this lease totaled \$361,903 and \$340,951, respectively, for the years ended December 31, 2018 and 2017.

Annual Meeting Commitments

The Organization has entered into agreements with several venues to provide conference facilities and room accommodations for its annual meeting through 2022. The agreements contain various clauses whereby the Organization is liable for liquidated damages in the event of cancellation or lower-than-anticipated attendance. The Organization's management does not believe that any losses will be incurred under these contracts.

Publication Contract

On March 23, 2010, the Organization entered into an agreement with Wiley Periodicals, Inc. (Wiley) to provide publishing services. This initial term of this agreement was January 1, 2011, through December 31, 2017. Under the contract, Wiley must pay to the Organization 35% of any profit for each year of the agreement. The agreement sets a guaranteed minimum royalty payment which increases annually by approximately 4%. The Organization has recognized a royalty related to this contract of \$217,378 and \$217,517 for the years ended December

AMERICAN COLLEGE OF NURSE-MIDWIVES AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Years Ended December 31, 2018 and 2017

7. Commitments and Risks (continued)

Publication Contract (continued)

31, 2018 and 2017, respectively, which is included in advertising and royalties in the accompanying consolidated statements of activities. In addition, under the agreement, Wiley must disburse funds to the Organization in January of each year of the agreement to cover editorial office expense. The editorial office expense stipend for the journal increases by 2% annually. In April 2017, Wiley extended its agreement to guarantee a royalty payment equivalent to \$216,000 for 2018 and 2019.

Compliance Audit

The Organization has received federal grants that are subject to review, audit and adjustment by various federal agencies for qualified expenses charged to the grants. Such audits could lead to requests for reimbursement to the federal agencies for any expenditures or claims disallowed under the terms of the agreements. The amount of expenditures which may be disallowed by the federal agencies cannot be determined at this time, although the Organization expects such amounts, if any, to be insignificant.

8. Availability and Liquidity

The Organization regularly monitors liquidity required to meet its annual operating needs and other contractual commitments, while also striving to preserve the principal and return on the investment of its funds. The Organization's financial assets available within one year of the consolidated statement of financial position date for general expenditures at December 31, 2018, were as follows:

Cash and cash equivalents	\$ 467,408
Grants and contributions receivable	493,858
Accounts receivable	23,838
Investments	<u>1,628,538</u>
Total Financial Assets	
Available Within One Year	2,613,642
Less:	
Amounts unavailable for general expenditures within one year due to donor's restriction with purpose restriction	<u>200,856</u>
Financial Assets Available to Meet General Expenditures Within One Year	<u>\$ 2,412,786</u>

The Organization has various sources of liquidity at its disposal, including cash and cash equivalents and investments, which are available for general expenditures, liabilities and other obligations as they come due. Management is focused on sustaining the financial liquidity of the Organization throughout the year. This is done through monitoring and reviewing the Organization's cash flow needs on a weekly basis. As a result, management is aware of the

AMERICAN COLLEGE OF NURSE-MIDWIVES AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Years Ended December 31, 2018 and 2017

8. Availability and Liquidity (continued)

cyclical nature of the Organization's cash flow related to the Organization's various funding sources and is therefore able to ensure that there is cash available to meet current liquidity needs. As part of the Organization's liquidity plan, excess cash is invested in publicly traded investment vehicles, including mutual funds and equity securities, or to support organizational initiatives. The Organization can liquidate its investments anytime, and therefore the investments are available to meet current cash flow needs. To help manage unanticipated liquidity needs, the Organization has a committed line of credit of \$747,000, all of which was unused and available to draw upon as of December 31, 2018.

9. Line of Credit

The Organization has a line of credit that allows the Organization to draw funds based on the value of the long-term investments, which resulted in approximately \$746,512 and \$749,412, respectively, being available for the Organization to borrow as of December 31, 2018 and 2017. The line of credit is secured by the Organization's long-term investments with the bank. Amounts drawn on this line accrue interest at the bank's base lending rate, minus 2.75% per annum, which totaled 4.25% and 2.75% as of December 31, 2018 and 2017, respectively. As of December 31, 2018 and 2017, and throughout the years then ended, the Organization had no outstanding balance on this line of credit.

10. American College of Nurse-Midwives Midwives-PAC

The PAC, which is controlled by ACNM and included in these consolidated financial statements, maintains its funds in segregated accounts, as required by the Internal Revenue Service and the Federal Election Commission. The PAC's assets and liabilities as of December 31, 2018 and 2017, and revenues and expenses for the years then ended are summarized as follows:

	<u>2018</u>	<u>2017</u>
Total assets	\$ 293,343	\$ 282,443
Total liabilities	<u>4,050</u>	<u>10,521</u>
Net Assets	<u>\$ 289,293</u>	<u>\$ 271,922</u>
Total Contribution Revenue	<u>\$ 100,448</u>	<u>\$ 101,634</u>
Total Expenses	<u>\$ 83,077</u>	<u>\$ 47,889</u>

11. Accreditation Commission for Midwifery Education

The Accreditation Commission for Midwifery Education (ACME) serves as an autonomous body within the Organization with respect to the development, review, evaluation and administration of all policies and procedures related to the accreditation of programs and

AMERICAN COLLEGE OF NURSE-MIDWIVES AND AFFILIATE

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Years Ended December 31, 2018 and 2017**

11. Accreditation Commission for Midwifery Education (continued)

institutions offering midwifery education. Funds resulting from ACME's activities are board-designated for the exclusive use of the division. The Organization provides ACME with unrestricted funds to the extent that operational expenses exceed revenue. ACME's net assets as of December 31, 2018 and 2017, and revenues and expenses for the years then ended were included in the Organization's accompanying consolidated financial statements, are designated for exclusive use of ACME and are summarized as follows:

	<u>2018</u>	<u>2017</u>
Total Net Assets	\$ (343,196)	\$ (176,507)
Total Revenue	\$ 214,861	\$ 176,150
Total Expenses	\$ 381,550	\$ 243,172

12. A.C.N.M. Foundation

On September 10, 2016, the Organization entered into an amended memorandum of understanding (the MOU) with the A.C.N.M. Foundation whereby the Organization provides supporting services to the A.C.N.M. Foundation and, in return, the A.C.N.M. Foundation will act as a fiscal agent to the Organization. Under the MOU, the A.C.N.M. Foundation will collect grants and contributions on behalf of the Organization and the A.C.N.M. Foundation will receive 5% of all grants and contributions collected for the Organization to cover administrative and overhead costs. During the years ended December 31, 2018 and 2017, the A.C.N.M. Foundation collected grants and contributions totaling \$49,526 and \$13,375, respectively, on behalf of the Organization. The Organization also collects contribution from its members on behalf of the A.C.N.M. Foundation. During the year ended December 31, 2018 and 2017, total contributions collected on behalf of the A.C.N.M. Foundation were minimal.

13. Contributed Goods and Services

The Organization receives noncash contributions in the form of donated goods and services, which are reported as contributed goods and services in the accompanying consolidated statements of activities at their estimated fair value, as provided by the donor, at the date of receipt. For the years ended December 31, 2018 and 2017, contributed goods and services are summarized as follows:

	<u>2018</u>	<u>2017</u>
Lodging and merchandise	\$ 16,870	\$ 15,859
Professional services	48,140	10,000
Total Contributed Goods and Services	\$ 65,010	\$ 25,859

AMERICAN COLLEGE OF NURSE-MIDWIVES AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS For the Years Ended December 31, 2018 and 2017

14. Pension Plan

The Organization sponsors a 401(k) profit-sharing plan (the Plan). Participation in the Plan is open to all employees who are at least 18 years of age and have completed their probationary period. Employees are eligible to receive employer contributions after at least one full year of service and after completing 1,000 hours. The Organization is required to make a discretionary contribution to the plan equal to 3% of annual employee compensation. In addition, the Organization matches each employee's contribution up to 50% of the first 6% of employee salary deferrals. For the years ended December 31, 2018 and 2017, the Organization's Board of Directors elected to make contributions in the amount of \$47,953 and \$64,099, respectively.

15. Income Taxes

Under Section 501(c)(6) of the Internal Revenue Code (the IRC), ACNM is exempt from federal income taxes on income other than net unrelated business income. For the years ended December 31, 2018 and 2017, no provision for income taxes was required, as ACNM had no material net unrelated business income.

The PAC is subject to federal income taxes under IRC Section 527 with respect to certain investment income. For the years ended December 31, 2018 and 2017, no provision for federal or state income taxes was made, as there was no significant taxable income.

The Organization follows the authoritative guidance relating to accounting for uncertainty in income taxes included in FASB ASC Topic 740, *Income Taxes*. These provisions provide consistent guidance for the accounting for uncertainty in income taxes recognized in an entity's financial statements and prescribe a threshold of "more likely than not" for recognition and derecognition of tax positions taken or expected to be taken in a tax return. The Organization performed an evaluation of uncertainty in income taxes for the years ended December 31, 2018 and 2017, and determined that there were no matters that would require recognition in the consolidated financial statements or that may have an effect on its tax-exempt status. As of December 31, 2018, the statute of limitations for tax years ended December 31, 2015, through December 31, 2017, remained open with the U.S. federal jurisdiction or the various states and local jurisdictions in which the Organization files tax returns; however, there are currently no audits for any tax periods in progress. It is the Organization's policy to recognize interest and/or penalties related to uncertainty in income taxes, if any, in income tax or interest expense. As of December 31, 2018 and 2017, the Organization had no accruals for interest and/or penalties.

16. Reclassification

Certain 2017 balances were reclassified to conform to the 2018 consolidated financial statement presentation.

AMERICAN COLLEGE OF NURSE-MIDWIVES AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Years Ended December 31, 2018 and 2017

17. Subsequent Events

In preparing these consolidated financial statements, the Organization has evaluated, for potential recognition or disclosure, events and transactions through August 1, 2019, the date the consolidated financial statements were available to be issued. There were no subsequent events that require recognition or disclosure in these consolidated financial statements.

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors of the
American College of Nurse-Midwives and Affiliate

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of the American College of Nurse-Midwives and Affiliate (collectively referred to as the Organization), which comprise the consolidated statement of financial position as of December 31, 2018, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated August 1, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered the Organization's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Washington, DC
August 1, 2019

**INDEPENDENT AUDITORS' REPORT
ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY UNIFORM GUIDANCE**

To the Board of Directors of the
American College of Nurse-Midwives and Affiliate

Report on Compliance for Each Major Federal Program

We have audited the American College of Nurse-Midwives and Affiliate's (collectively referred to as the Organization) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the Organization's major federal program for the year ended December 31, 2018. The Organization's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal program.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for the Organization's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Organization's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the Organization's major federal program. However, our audit does not provide a legal determination of the Organization's compliance.

Continued

Opinion on Each Major Federal Program

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2018.

Report on Internal Control Over Compliance

Management of the Organization is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Organization's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Washington, DC
August 1, 2019

AMERICAN COLLEGE OF NURSE-MIDWIVES AND AFFILIATE

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2018**

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Passed Through to Subrecipients</u>	<u>Total Federal Expenditures</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Birth Defects and Developmental Disabilities – Prevention and Surveillance	93.073	N/A	\$ -	\$ 1,786
<i>Pass-Through Grants:</i>				
The Association of State and Territorial Health Officials (ASTHO) Building Capacity in the Public Health System	93.424	6NU38OT000287-01-01	-	562
American College of Obstetricians and Gynecologists (ACOG) Alliance for Innovation on Maternal Health and Child Health	93.110	UC4MC28042	-	26,675
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			-	29,023
U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT				
<i>Pass-Through Grants:</i>				
Management Sciences for Health Foreign Assistance for Programs Overseas	98.001	72068718CA00003	-	72,459
American Academy of Pediatrics Foreign Assistance for Programs Overseas	98.001	AID-OAA-A-14-00028	-	20,293
Project Concern International Foreign Assistance for Programs Overseas	98.001	AID-OAA-A-14-00049	-	147,238
Abt Associates, Inc. Foreign Assistance for Programs Overseas	98.001	AID-OAA-I-14-00032	-	99,939
Foreign Assistance for Programs Overseas	98.001	AID-OAA-A15-00067	-	379,171
Foreign Assistance for Programs Overseas	98.001	AID-278-A-16-00002	-	33,133
<i>Total CFDA 98.001</i>			-	752,233
TOTAL U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT			-	752,233
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ -	\$ 781,256

See accompanying notes to this schedule.

AMERICAN COLLEGE OF NURSE-MIDWIVES AND AFFILIATE

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2018**

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (SEFA) includes the federal award activity of the Organization under programs of the federal government for the year ended December 31, 2018. The information on the SEFA is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the SEFA presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

2. Basis of Accounting

Expenditures reported on the SEFA are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

3. Indirect Cost Rate

The Organization has elected not to use the 10% de minimis indirect cost rate as allowed under Uniform Guidance.

AMERICAN COLLEGE OF NURSE-MIDWIVES AND AFFILIATE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2018

SECTION I – SUMMARY OF AUDITORS’ RESULTS

Financial Statements

Type of auditors’ report issued on whether the financial statements audited were prepared in accordance with GAAP:

X Unmodified Qualified
 Adverse Disclaimer

Internal control over financial reporting:

- Material weakness(es) identified? Yes X No
- Significant deficiency(ies) identified? Yes X None Reported

Noncompliance material to financial statements noted? Yes X No

Federal Awards

Type of auditors’ report issued on compliance for major programs:

X Unmodified Qualified
 Adverse Disclaimer

Internal control over major programs:

- Material weakness(es) identified? Yes X No
- Significant deficiency(ies) identified? Yes X None Reported

Any audit findings disclosed that are required to be reported in accordance with 2 CFR, 200 516(a)? Yes X No

Identification of Major Program:

<u>CFDA Number</u>	<u>Program Title</u>
98.001	USAID Foreign Assistance for Programs Overseas

Dollar threshold used to distinguish between Type A and Type B programs: \$ 750,000

Auditee qualified as a low-risk auditee? Yes X No

SECTION II – FINDINGS – FINANCIAL STATEMENT AUDIT

None required to be reported.

AMERICAN COLLEGE OF NURSE-MIDWIVES AND AFFILIATE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended December 31, 2018

**SECTION III – FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS
AUDIT**

None required to be reported.

SECTION IV – STATUS OF PRIOR YEAR FINDINGS

Financial Statement Audit Findings

None required to be reported.

Major Federal Award Programs Audit Findings and Questioned Costs

None required to be reported.